

2022

ANNUAL REPORT

RAFI



RAMON ABOITIZ  
FOUNDATION INC

# CORE

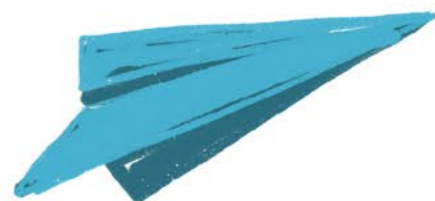
CENTERED ON THE RAFI EXPERIENCE

# ABOUT THE COVER



Super Typhoon Odette brought immense damage and difficulties to many people in Cebu and the Visayas—areas where RAFI mainly operates. Despite also being affected by the typhoon, we continued our work by bringing immediate relief to communities and adjusting our programs and services to the situation and need of the time. The typhoon may have affected us in many different ways, but it did not crush our determination to serve with resilience and a positive outlook.

The cover of the 2022 Annual Report shows the **Joyful Strength** exemplified by our people and our beneficiaries. The pure delight on the child's face while flying paper airplanes during a post-Odette psychosocial session is a reminder that joy and strength can be found in the smallest moments, even during difficult times. It also shows the RAFI experience of bringing hope and happiness to our beneficiaries through the work that we do, driven by the core values that we live out day-to-day.



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# OUR VISION AND MISSION

Touching people, shaping the future

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

## CORE VALUES

The core values define who we are as a foundation and allow us to achieve and deliver our Mission and Vision. These are culled out from the Aboitiz family values.

### GOD-CENTEREDNESS

We believe we are part of a greater whole. We respect the dignity of the human being and promote the greater good in all that we do.

### INTEGRITY

We work with honest intentions and honor our commitments. We are fair, we use data and follow best practices.

### RESPECT

We treat all people and our environment with respect and kindness. We set aside prejudice when relating with one another. We provide a safe space where people can openly communicate - exchange ideas, hopes and dreams, and creatively innovate.

### SERVICE

We are driven to serve those who need us the most. We continuously improve systems & processes and innovate for the benefit of our stakeholders. We journey with the communities we serve.



# MESSAGES FROM OUR LEADERS



**G**od-centeredness, integrity, respect and service—these four RAFI core values have been embedded in the organization’s work and identity over its 56 years of existence. These core values, which are rooted in our founder’s life and principles, have shaped RAFI as an organization and have guided us through challenges and changes over time.

At the end of 2021, we experienced Super Typhoon Odette with unexpected intensity, and it defined the start of our year. While ensuring the safety of employees, teams were also deployed to typhoon-hit areas throughout the Visayas to assess the needs of communities. Our teams then got to work - procuring, packing and delivering emergency relief packs, water, generators, and shelter kits to affected areas. We also provided psychosocial support to our employees, typhoon victims, and first responders.

After our Odette relief response, we refocused our efforts for recovery through our programs, responding to the needs of individuals and communities in areas such as health, culture, environment, and education. Our programs adjusted plans to address challenges and continue helping communities move forward after the typhoon. The past year was tough and unexpected, but we were still able to continue delivering high quality services.

Behind the scenes, our support teams continued to boost our advocacy to reach more people while also taking care of the wellbeing of our employees. They ensured the continuation of the organization’s day-to-day

operations after Odette and scaled up sustainability efforts. Our teams also found ways to improve systems and processes to make work easier, safer and more efficient for our employees, partners and stakeholders.

All our work this year would not be possible without our employees, the driving force behind the foundation’s work and key to our success and impact. They made use of their God-given gifts and talents to serve. Even when they themselves faced difficulties, they never failed to show up and create positive change.

On behalf of the Board of Trustees, I would like to thank the RAFinians who work day-by-day bringing our programs and services to communities near and far. Your hard work and dedication continue to inspire us. I would also like to thank our partners and stakeholders for their continued trust and support in the foundation. Our accomplishments would not have been possible without everyone’s hard work and determination to make a difference and help elevate lives.

Guided by our core values, we will continue to expand and bring our programs to more people as we fulfill our vision of Touching People, Shaping the Future. Padayon sa pagbugsay!

**Mikel Alberto Aboitiz**  
*Chairman of the Board of Trustees*

**B**y the end of 2021 it seemed that the worst of the pandemic was over and we were looking forward to the new year with hope and optimism. A few weeks before Christmas, however, Typhoon Odette passed through and devastated many parts of the Visayas and northern Mindanao. Many of our partners and the communities we work with, who were already in a vulnerable position because of the pandemic, faced more losses and greater challenges. Our staff were affected as well.

During this difficult time, we found strength in our core values. Anchored on the same values that have carried us through challenges in the past- God-centeredness, Integrity, Respect, and most of all, Service, we found strength to pick up our bugsays and respond.

From Day 0 our team prepared for our response operation. Despite being personally affected, members of the team joined RAFI’s relief operations, which started the morning after Odette hit and continued over the next 2 months amid limited power and connectivity. When the worst was over, we settled back into our day-to-day operations and continued with our program initiatives. This report shares the work of our programs and the results of our collective effort to elevate the physical, social and economic wellbeing of communities.

In 2022, the Culture and Heritage Unit served 189,707 online and onsite visitors and enabled 137 local artists through various engagements. The Center for Leaders trained 4,652 leaders and implemented more than 100 learning sessions. To prepare for school reopening, the

Education Development Unit turned over 58 classrooms, reaching 10,507 learners.

The Dolores Aboitiz Children’s Fund continued to provide early childhood education services which benefited 2,582 children, while their health and nutrition campaigns resulted in 282 children with improved nutritional status. The Humanitarian Disaster Preparedness and Response led the organization’s relief operations after Typhoon Odette and responded to disasters in other regions such as earthquakes in Luzon and flooding in Zamboanga.

The Eduardo J. Aboitiz Cancer Center screened and treated more than 16,000 individuals for cancer. One To Tree, on the other hand, launched their first Luzon-based project in Batangas and was able to plant and maintain 2.5 million trees with a 93% survival rate. The program engaged more than 400 farmers to help maintain the trees- work that also allowed them to augment their income. Finally, RAFI Microfinance was able to empower 637,853 clients across the country with 293 branches in 26 provinces. All in all, we were able to touch the lives of more than 3 million people in Cebu and other areas where our programs are present.

All this was possible because of the team’s commitment to living our core values and their commitment to our mission. I thank them for their selflessness, passion and dedication. We would also like to acknowledge and thank our private and government partners and stakeholders who supported our projects throughout the year. We could not have done our work without them.

As we approach RAFI’s 57th year, we continue our work of touching people, shaping the future guided by our core values and the heart to serve. We still have much to accomplish, and I look forward to continuing our work with you to deliver long-term impact to the communities we serve.

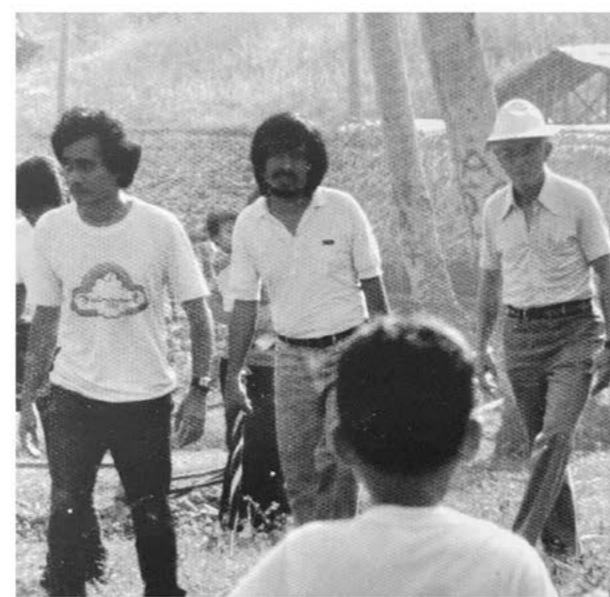
**Amaya Cristina Aboitiz - Fansler**  
*President & CEO*

# ARCHITECTS OF CHANGE ABOUT RAFI



The Ramon Aboitiz Foundation, Inc. (RAFI) is a Cebu-based non-stock, non-profit organization established in 1966. Don Ramon Aboitiz, who led Aboitiz and Co., started the "Thursday Giveaways" where he donated basic goods to communities in need. After a lifetime of philanthropic work, he endowed much of his personal assets to establish RAFI and fund its operations to continue and expand his charitable initiatives. The establishment of the foundation was built on Don Ramon's principle that the "family business could not be pursued apart from an active involvement in the communities in which it operated."

During its early years, RAFI's program focus was on vocational education. It extended assistance to schools, feeding programs, institutions like Boys' Town, and community welfare centers like Asilo de la Milagrosa. In 1976, under the guidance of Don Ramon's son Eduardo Aboitiz,



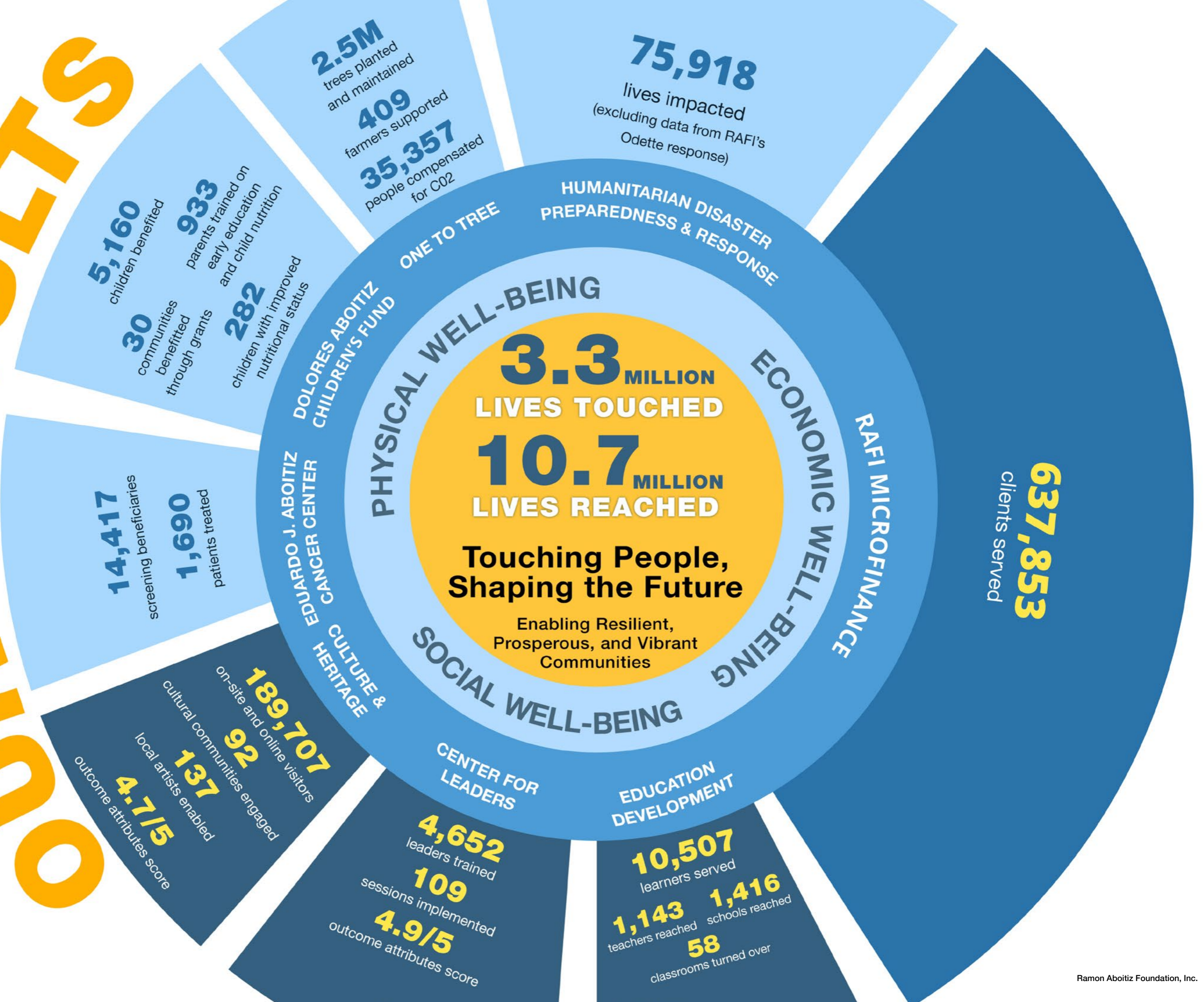
the foundation moved to its own office on Juan Luna Street and transitioned from being a simple philanthropic organization to a full-grown, multi-faceted development institution.

As it marks its 56th year, RAFI sees its role as a social development organization in providing the architecture of participation - setting the stage for partnerships, coalitions, and project management by working with local government

and civic society to bring about positive change. It works closely with communities and partners in the development and implementation of programs and projects.

With its mission of "upholding the dignity of man by working with communities to elevate their well-being," RAFI's main program domains focus on improving the Economic, Social, and Physical well-being of communities.

# OUR RESULTS



# THE YEAR IN NUMBERS OUR RESULTS

RAFI seeks to continually maintain a high standard of organizational excellence and is committed to providing high quality services to individuals and communities.



## STEWARDSHIP & SUSTAINABILITY

<p><b>Strengthen Stakeholder Trust</b></p> <p><b>92.2</b> Net Promoter Score</p>	<p><b>Build and Strengthen Partnerships</b></p> <p><b>34</b> Partners</p> <p><b>Php 16.5M</b> Impact Value of Partnerships</p>	<p><b>Achieve Sustainability of the Organization</b></p> <p><b>31%</b> Cost Recovery</p>
<p><b>Accelerate Growth</b></p> <p><b>Php 183M</b> Program Inflows</p> <p><b>792</b> Geographical Reach</p>	<p><b>Maintain Effective Fund Management</b></p> <p><b>17.4%</b> Return on Equity (RAFI Microfinance)</p> <p><b>3%</b> Investment Yield</p>	<p><b>Improve Cost Effectiveness</b></p> <p><b>84%</b> RAFI Program Expense Ratio</p> <p><b>42%</b> RAFI Microfinance Admin Efficacy Ratio</p>

## INTERNAL PROCESSES

<p><b>Strengthen Risk Management, Compliance, and Assurance</b></p> <p><b>82%</b> Audit Rating    <b>100%</b> Compliance Rating    <b>4.1</b> Risk Culture Score</p>		
<p><b>Improve Product Offerings and Service Delivery</b></p> <p><b>27</b> New Products and Services Developed</p>	<p><b>99%</b> Service Level Agreement Compliance</p>	<p><b>Enhance Business Intelligence</b></p> <p>Level <b>2</b> Data and Analytics Maturity</p>

## ORGANIZATIONAL CAPACITY

<p><b>Improve Systems and Infrastructure</b></p> <p><b>4.2</b> CIS 20 Score    <b>99%</b> Service Availability</p>	<p><b>Create a Happy and High Performance Culture</b></p> <p><b>4.3</b> Gallup Score    <b>4.0</b> Staff Advocacy Score</p>	
<p><b>Leverage on New and Existing Technology</b></p> <p><b>67%</b> DX Projects Completion</p>	<p><b>Drive Innovation and Foster Organizational Learning and Growth</b></p> <p><b>25</b> Knowledge Products Published and Shared    <b>84.9%</b> Universal Training Plan Compliance</p>	<p><b>Strengthen Talent Management</b></p> <p><b>92.1%</b> Competency Profiling</p>





# EMPOWERING COMMUNITIES

# ECONOMIC WELL-BEING



## Vision

Empowered entrepreneurs achieving sustainability and growth with dignity for their families and community

RAFI Micro Finance, Inc. remains to be the flagship program of the Economic Well-Being domain, providing capital to microentrepreneurs to bridge the gap of unmet family needs and low quality of life caused by high poverty and unemployment rates.

## MICROFINANCE

# ASSISTANCE, ADVANCEMENT AND ADAPTABILITY



At no other time in the history of the Philippines was economic recovery and resilience more imperative than as the pandemic continued to rage and the effects of Typhoon Odette and Agaton were painfully felt in the Visayas in 2022.

During this period, RAFI Microfinance, Inc. (MFI) powered through challenges by keeping the core strong. RAFI MFI helped the smallest entrepreneurs, and their family members rise from the rubble, extending more financial assistance, continuing livelihood training courses, facilitating product development and market entry, granting scholarships to deserving clients, creating digital client mobile application, and reinventing the brand. Assist, advance and adapt were RAFI MFI's rallying cries.

Acknowledging the economic impact to the clients brought about by Typhoons Odette and Agaton, RAFI Microfinance readily came to the aid of the clients by providing not just modest relief packs but most importantly with a lightweight and low-interest disaster response

that allowed the clients to have immediate assistance for house restoration and business rehabilitation. In the process, RAFI MFI was able to bridge 23,303 borrowers with a total of P43 million loans released.

RAFI MFI was all-hands on deck for the processing of the calamity insurance claims where more than 113,000 clients availed through insurance partners Phillnsure and CocoGen amounting to P340 million. The organization also made sure that 10,307 clients with technical concerns about their insurance claims were assisted through the FUNDS for L.I.F.E. for a total of P19.3 million.

Over and above the financial solutions fostered by RAFI MFI, a good deal of client engagement and development services were also substantially armored. The modular Client Capacity-Building Course graduated 2,788 individuals while the Learning Hub sustained 2,400 active members and 24,000 engaged clients. Scholar si Nanay, piloted in Cebu North,

graduated 9 out of 10 mothers, while the RAFI MFI Bugsay Scholarship qualified 55 new beneficiaries.

Twenty branches implemented the Sustainable Livelihood Training Program (SLTP) graduating a total of 284 clients and facilitating the founding of 21 new micro-enterprises. 20 local government-based clusters, including the newly established clusters of Pinamungajan and Dumanjug in Cebu, were also capacitated under the program.

*"Malaki ang pasasalamat ko sa RAFI Microfinance kasama ang CTU na nagsagawa ng Livelihood Training on Food Processing. Tinuruan kami kung paano gumawa ng siomai, tocino at skinless longganisa. Madami akong natutunan na maari naming i-apply sa aming negosyo (I am very grateful for RAFI Microfinance and CTU that organized the Livelihood Training on Food Processing. They taught us how to make siomai, tocino and skinless longganisa. I learned a lot that I can apply in our business),"* said Mary Joy Sobrio, a SLTP participant from the Inabanga Branch.

Livelihood kits which started up various businesses, coupled with RAFI MFI's technical assistance and partnerships, also helped cluster-beneficiaries introduce their commodities into the market. Marketing opportunities included the One Branch, One Product initiative of the Municipalities of Sogod and Dumanjug.

Apart from the advancement of new businesses and assisting micro-entrepreneurs to conquer the traditional markets, RAFI MFI achieved robust growth for the existing Tindahan ni Nanay Program with 295 resellers generating over P4 million in sales in 2022.

Aware of the difficulty recovering from serious economic setbacks, RAFI MFI facilitated focus



**“** I am very grateful for RAFI Microfinance and CTU that organized the Livelihood Training on Food Processing. I learned a lot that I can apply in our business. **”**

**MARY JOY SOBRIO**  
SLTP Participant



group discussions and key informant interviews through the Client Kamustahan Session Program (CKSP) in 96 branches. The program helped 1,681 clients navigate the complexities of their respective situations to come back stronger and more resolute.

The health and wellness of clients and their families were also given priority. RAFI MFI synergized with the RAFI Eduardo J. Aboitiz Cancer Center to organize the Barangay Panglawas caravan, which provides Barangay Health Workers (BHW) with an overview and introduction of RAFI's health services. More than 15,000 clients were also reached by its hygiene promotion and education campaigns.

During the course of the year, RAFI MFI advanced its reach by opening 15 new branches in Luzon and the Visayas, bringing the total number of RAFI MFI branches to 293. Thus, services, dispensed by almost 2,900 personnel, are now available in 26 provinces in the country. Through this network, P8.5 billion of micro-enterprise capital was delivered to clients that had numbered 637,853 by year-end.

Recognizing the organization's priority to serve clients better and help them become successful in their businesses, RAFI MFI started a digital transformation and adaptability journey along with the launching of the KaagAPPay mobile application on December 10, 2022, to mark its 24th anniversary. This project aspires to enhance customer experience, grow revenue, and improve operational efficiency while cognizant of data privacy and security.

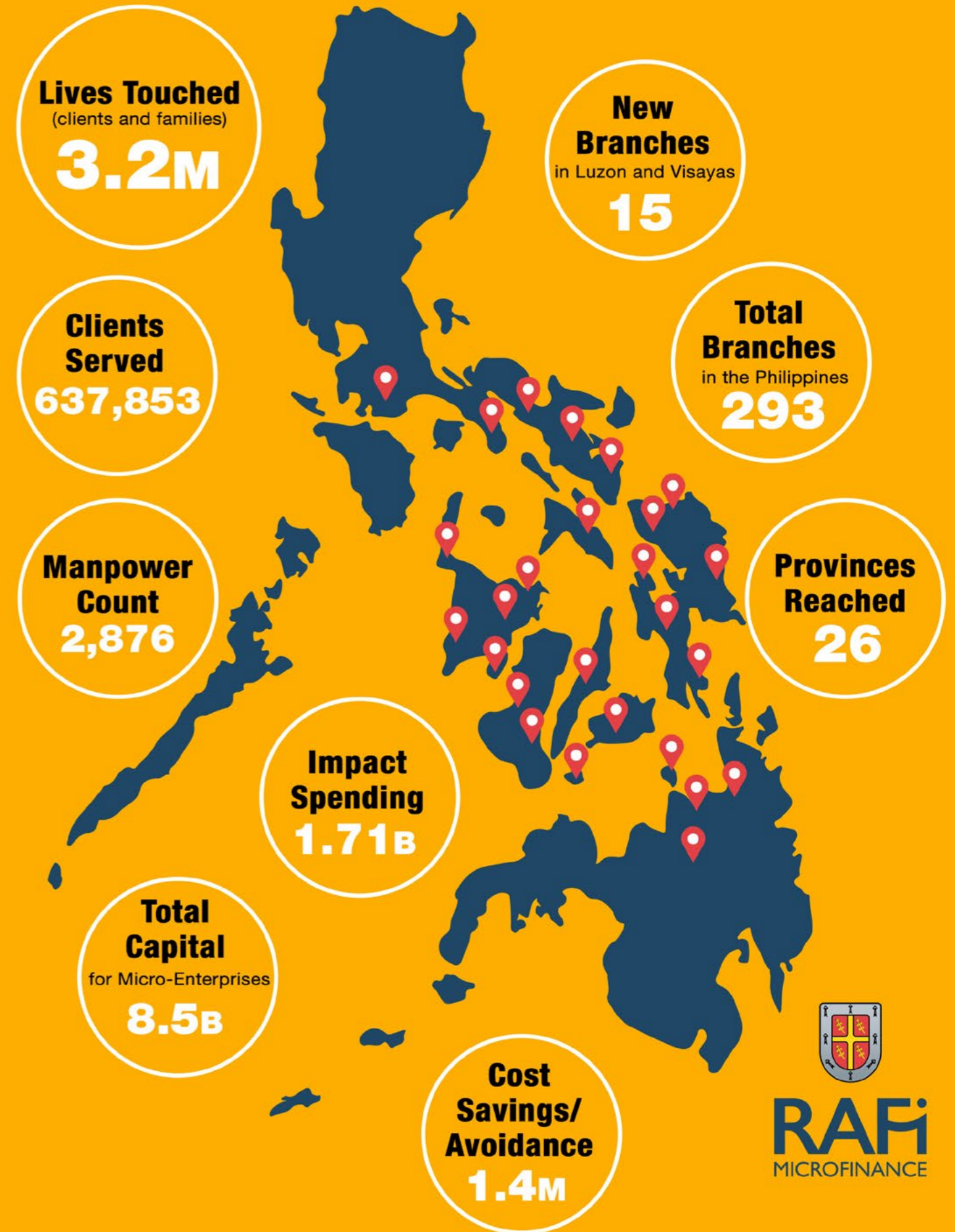
In the wake of disaster recovery and digital transformation endeavors year-round, RAFI MFI embarked on a rebranding journey to build brand visibility and value. Refreshing the brand made it more relatable to the stakeholders both internally and externally. The Brand Development Group listened to the voice of the community --conducted research, interviews, and focus group discussions, heeded the guidance of leaders and consulted the people on the ground and came up with the essence of the RAFI MFI brand together with a new tagline, "Our Dream, Your Hope Fulfilled." This new direction was beautifully rendered by RAFI MFI's Chief Operating Officer, Jonar B. Dorado during his brand reveal speech:

"The first line speaks of our dream- hangarin or tinguha - as a foundation to fulfill our clients' life goals and our passion about our mission to uplift and improve their lives by offering them financial, entrepreneurial and social assistance to aid in their microentrepreneurship endeavors.

The second line - 'Your Hope Fulfilled' or 'Hatid Sayo'y Pag-asa or Paglaom' - expresses how our products and services go beyond anything that we can touch or see. It is more than the loans, the insurance, the savings. It is the hope for a better and dignified life for our nanays & tatays. As I always say - we are not a lending institution. We are a social enterprise," Dorado said.

"Let us deliver on this promise of becoming our clients' kaagapay- of helping them fulfill their hopes and aspirations, for themselves, their families, and their communities. Whatever your role may be - a trust staff, a branch manager, an area head, a district head, a main office staff, a team leader - remember this - you are the brand," he added.

## MICROFINANCE



**RAFi**  
MICROFINANCE

EMPOWERING COMMUNITIES

# SOCIAL WELL-BEING

## Vision

A community of leaders with a strong sense of identity, purpose, and passion for service

The programs under the Social Well-Being domain seek to create opportunities for growth and build a sense of identity and purpose for individuals, organizations, and communities. Center for Leaders hones and equips leaders and role models through powerful learning experiences. The Culture and Heritage program, through Casa Gorordo Museum and The Kabilin Center, pushes for increased awareness, understanding and appreciation of cultural heritage especially among the youth. Through its Education Development program, RAFI forms effective learning environments by providing high-quality, cost-effective school infrastructure and capacitates school communities for the continuous improvement of learning outcomes.



## CULTURE AND HERITAGE

# RE-ENERGIZED AND RESILIENT: BRINGING BACK IMMERSIVE LIVE CULTURAL EXPERIENCES



The culture and heritage scene was revived as domestic and international visitors returned with the tourism sector reboot of 2022. The re-emergence, coupled with the continuation of online activities, validated a service delivery model for the Culture and Heritage Unit (CHU) that reached more audiences and facilitated awareness, understanding, appreciation and committed action for cultural heritage.

After assisting the foundation's Odette relief operations at the beginning of the year, the CHU team immediately welcomed guests back for onsite and online cultural experiences after relief activities wound down.

Four keystone events were mounted in 2022: the enhancement and repainting of Casa Gorordo Museum and its re-opening, the return of the in-person Gabii sa Kabilin after a two-year hiatus, the soft opening of The Kabilin Center, and the launch of Casa Gorordo Museum's 40th anniversary celebration.

The highly anticipated return of the face-to-face Gabii sa Kabilin in October 2022 was hugely successful with more than 9,500 participants moving through 20 participating museums and heritage sites in the cities of Cebu, Mandaue and Talisay.

The event, according to CHU Officer-in-Charge Florencio Moreño II, was "beyond what we expected." It served as the soft launch of The Kabilin Center, the newest cultural hub operated by RAFI, and the debut of a freshly made over Casa Gorordo Museum. Both cultural establishments incorporated COVID-19 exhibits into their special exhibitions during the heritage night.

Aside from introducing a fresh and more immersive tour of Casa Gorordo Museum, the team also activated the house museum's cherished house traditions including the observance of Pista ni San Juan and Belen display. Meanwhile, The Kabilin Center launched their first few cultural experiences including the Treasures of Devotion online exhibit and the Palistohay Quiz Bowl on Cebuano Culture and Heritage participated in by 50 schools. More than 190,000 visitors took part in the program's onsite and online cultural activities in 2022.

Engagements with local creatives, artists, cultural workers, and communities picked up speed as did engagements with young people. 146 local creatives were engaged with 79 artistic productions produced. 92 cultural communities were also involved in various programs and activities and a combined total of 38 cultural workers completed heritage conservation workshops.

“ Somehow we were able to find the motivation to weather shifts brought by the pandemic and the super typhoon because we did not let go of our calling to serve. ”

**FLORENCIO MOREÑO II**  
CHU Officer-in-Charge

The Culture and Heritage Unit ended the year strong as it kicked off Casa Gorordo Museum's 40th anniversary celebration which will include various events and activities throughout 2023.

The CHU hurdled many challenges as one of the first teams to go back to full face-to-face operations amid the pandemic. Team members Centered on the RAFI Experience by revisiting and relying on established processes and systems, and forging towards the goal of creating a vibrant community secure in its purpose and cultural identity.

“Somehow we were able to find the motivation to weather shifts brought by the pandemic and the super typhoon because we did not let go of our calling to serve,” said Moreño. “We believed that there was something or someone bigger than the challenges pushing us to give ourselves to the RAFI mission.”



# CENTER FOR LEADERS

## TAKING FLIGHT AND BRINGING OUT LEADERSHIP IN EVERYONE



The COVID-19 pandemic and Super Typhoon Odette of 2021 presented the Center for Leaders (CFL) the opportunity to reinforce its wings and take flight, with a distinct visual identity, well-defined brand voice and more responsive programs. CFL made a difference with young people, families, professionals, individuals from a wide range of persuasions.

Sporting a fresh brand, mostly new staff and after reopening its headquarters, the Kool Adventure Camp in Balamban, Cebu, which took a fierce beating from Odette, CFL took off upon the resumption of face-to-face engagements towards the end of 2022. Programs had been redesigned so that sessions could be facilitated at the camp and beyond - in classrooms, conferences, offices and other facilities where leaders were eagerly waiting to be formed.

The youth development program iRipple made its return while another program, Musta na YOUth, migrated from being conducted online in 2021 into physical venues in 2022. The two programs graduated a total of 599 young leaders, including officers of the Supreme Student Governments of national high schools in Argao, Dalaguete, Badian and Moalboal.

Musta na YOUth empowers participants with the intellectual and practical disposition needed to navigate personal and community challenges. The project management course embedded in iRipple provides the fundamentals for collective responsibility, accountability and teamwork.

Jonjie Jumamil, member of the Supreme Student Government of Dalaguete National High School, sums up his takeaways from the iRipple experience: "I learned that members play different roles in a team, that such roles or parts are useful to achieve our goal, and that we should optimize them to succeed."

CFL also linked up with AboitizLand, Inc. for a program supporting environmental conservation and enhancing local livelihoods at the latter's Foressa Mountain Town. The partnership kicked off with a weekend event in May where the Foressa Trails Program, designed to enhance family and team dynamics, nature appreciation, and ecological stewardship awareness, made its pilot run.

The Center's brand launch distinguished its character as a force for good, and the camp, its primary facility. The rebranding initiative further clarified CFL's mission, a deep commitment to service in spite of adversity, to shaping citizens who would grow into the same passion towards the attainment of loftier goals.



### A Year of Adventure

In 2022, the RAFI Center for Leaders (CFL) trained 4,652 leaders through its Professional Development and Youth Development Programs, conducted online and face-to-face. It engaged clients from key sectors including corporate professionals, government officials, non-government organizations and civil society leaders. It has also trained student leaders from both public and private schools, youth-serving organizations and CFL alumni.

Leaders Trained

**4,652**

2,271 Professionals

2,381 Youth

Sessions **109**

Course Effectiveness / CSAT

**97%**

Change Projects Completed

**21**

Change Projects Beneficiaries

**549**

Net Promoter Score

**92**

Outcome Attribute Score (Character, Competence, Citizenship)

**4.9**

Community Initiatives Implemented

**8**



<b>COURSE/TRAINING</b>	<b>NUMBER OF SESSIONS CONDUCTED</b>	<b>NUMBER OF LEARNERS</b>
iRipple Courses	4	230
Bugsay Leadership	8	178
Building Well-being Habits in the Youth	2	71
Developing Resilience in Youth	2	103
Digital Citizenship & Literacy	1	29
Gallup Strengths Discovery	5	265
iChoose	3	53
iQuest Intensive	1	49
LEAD Summit	1	173
Musta na YOUth	5	369
Musta na YOUth Level Up	11	367
Conferences	2	405
Pagpukaw	1	84
Powerful Conversation	2	18
Recharging Teams	8	248
Reconnecting Teams	5	153
Resilient Educators	2	99
Resilient Teams	2	45
SMS Grade-12 Bridging Program	4	384
Townhalls	4	220
RAFI/MFI Engagements	9	135
Strategic Planning Services	3	42
UPYA	7	233
Youth Serving Org Courses	11	549
Private School Courses	2	58
Private Industries Courses	2	45
Vicente Medical Center Course (Service)	2	47



“ Transitioning back to face-to-face engagement and bringing the powerful learning experience to our partners / clients was very significant for Center for Leaders. [We] reviewed and updated our safety protocols for us to continue to provide safe experience to our participants. ”

**DAPHNE DIA**  
CFL Officer-in-Charge

## EDUCATION DEVELOPMENT

# LEARNING RECOVERY AND RESILIENCY



The RAFI Education Development Unit (EDU) made a significant impact on beneficiaries in 2022, banner Learning Recovery and Resiliency in its work. The program touched the lives of over 10,000 learners, more than a thousand schools, and almost as many teachers with over P40 million in resources poured into strategic action and activities this year.

RAFI EDU drew on the foundation's core values – God-centeredness, integrity, respect and service – to extend appropriate assistance as schools returned to in-person instruction after two years of online meetings or, as in the case of learners without internet access, self-paced instruction using subject modules, punctuated by the massive destruction brought by Typhoon Odette.

Shereene Abrea, who heads the Unit says the transition and the calamity presented formidable challenges for the team. Thoughtful consideration of the conditions faced by partners and stakeholders paved the way for the conduct of initiatives which would facilitate both the

re-opening of schools to their learners and the resumption of programs temporarily discontinued due to the pandemic.

Among these initiatives was Vacc to School, an advocacy campaign to help increase COVID-19 vaccination among students in different schools under the Department of Education Cebu Province Division, that served 49,472 learners.

On the other hand, the UPYA School Renewal Program trained school administrators and teachers in effective strategies for safe school re-opening and other learning management technologies. Upya is a Kiswahili term meaning “renewal”. The program, consisting of three modules, was adapted for local assimilation by RAFI EDU and the RAFI Center for Leaders from a similarly named project of Global School Leaders. Education leaders and teachers from schools in the south districts of Cebu City graduated from the program organized in June.

As re-opening was steadily progressing, the

infrastructure needed to support the transition was also moving forward. Under EDU's School Rebuild Program, eight new three-storey school buildings with six classrooms each were delivered to various schools during this period. Another five school buildings, damaged by the typhoon, were rehabilitated.

The School Rebuild Program, which has constructed or fixed more than 2,000 classrooms since 2004, is an “answered prayer” for many. New or refurbished classrooms help facilitate more efficient learning and raise the morale of young learners, shares Juvelyn Cabatana, Grade 5 teacher of Dapdap Elementary School in San Remigio.

Collaboration, particularly at the policy level, being key in ensuring the evolution of a more responsive education system, RAFI EDU and its partners reviewed the Seal of Excellence in Education Development (SEED) Program to make it more relevant in the post-pandemic setting. SEED awards monetary grants to outstanding government-run elementary and secondary institutions qualified using an evidence-based scorecard. Encouraging best practices in education development, grants may be applied to activities which will help solve needs and problems identified in the SEED assessment.

RAFI EDU also hosted some 200 representatives from the DepEd national and regional offices, international and local industry leaders and other partners in the 2nd Leadership and Education Action for Development (LEAD) Summit. The conference was designed around conversations to activate the participant-collective into a collaborative community that will help address gaps in the current education situation.



“ We're very happy when we heard RAFI will give this (school building), because one of our major problems here in our school is lack of classrooms. ”

**JUVELYN CABATANA**  
Grade 5 Teacher  
Dapdap Elementary School





## EMPOWERING COMMUNITIES

# PHYSICAL WELL-BEING

### Vision

Healthy and resilient communities living in harmony with nature



RAFI aims to build healthy, resilient, and livable communities through the programs in its Physical Well-Being domain. The Humanitarian Disaster Preparedness and Response program provides disaster preparedness and response activities to build resilient communities. The Dolores Aboitiz Children's Fund addresses the needs of early education and nutrition for children. The Eduardo J. Aboitiz Cancer Center provides screening, treatment, and aftercare support for cancer patients. The One to Tree program focuses on biodiversity conservation and livelihood for farmers.

# HUMANITARIAN DISASTER PREPAREDNESS AND RESPONSE

## A CALL TO SERVICE: POWERING DISASTER RELIEF AND RECOVERY EFFORTS



RAFI - Humanitarian Disaster Preparedness and Response (HDPR) proved its mettle in 2022, clocking a 100% disaster response rate. Together with partners and volunteers, RAFI-HDPR tread into difficult terrain sending relief and comfort to victims of various typhoons that hit the country, including Typhoon Odette and Typhoon Paeng. Outside of disaster response, information, education and communication activities continued, allowing increased appreciation of the value of disaster preparedness and resilience. The program also turned over three chlorinators, giving beneficiaries access to safe potable water.

It was a quick and carefully measured start of 2022. Together with most of the foundation's

other units, HDPR was in the midst of a massive relief effort in response to Typhoon Odette. Sustained by a strong sense of service, all of RAFI's staff and volunteers rallied around the countless tasks, despite some of them being themselves victims of the storm.

The day after the typhoon struck, December 17, 2021, RAFI-HDPR mobilized teams for emergency relief operations, bringing three-day supplies each of basic necessities for severely affected families. In the days following the typhoon, RAFI-HDPR conducted rapid assessments and organized Bangon Visayas, a three-phase roadmap to recovery. The RAFI Emergency Operations Center coordinated with national and local government agencies and

private partners to bring help to devastated areas in Cebu, Bohol, Negros Oriental and Occidental and Southern Leyte.

The impact of the aid extended by HDPR did not go unnoticed. Venice Allosada Ramos of Buntol, Malabuyoc, Cebu, who received a relief pack for her family said, "*Pasalamat jud mi sa RAFI nga naay bugas, naay tubig-- kumpleto... Pasalamat gyud mi'g dako nga naabot intawn mo diri's amoa. Gitugyanan pud ko sa Ginoo nga tabangan ni diring Malabuyoc... Mao nang dako gyud mi'g pasalamat.*" (We're very thankful to RAFI because there's rice, there's water—it's complete. Thank you very much for coming to our area. The Lord answered our prayers to help Malabuyoc. That is why we are very grateful.)

The same spirit of gratitude pervaded as motorized fiberglass fishing boats were turned over to their new owners in December. The Balik Bugsay Project, in partnership with the BPI Foundation handed the boats over to 41 Odette-affected fishermen in Barili, Pinamungajan, Sibonga and Alcantara, Cebu qualified by their respective fisherfolks' associations, restoring not only livelihood, but dignity as well.

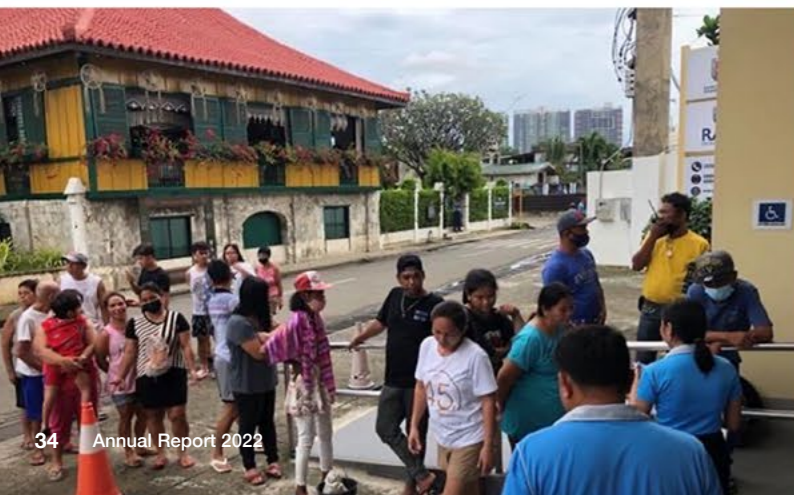
As the relief effort wended down in February 2022, total assistance extended to Odette-affected communities stood at P110 million, P40 million of which came from partners' donations. It touched over a million lives at various levels. It helped feed many, guaranteed supply of clean drinking water and facilitated the repair of 5,000 homes.

In October, when Typhoon Paeng unleashed its strength, the program brought help to communities in the Provinces of Aklan and Capiz, as well as Maguindanao and Zamboanga City. The relief effort, which was coordinated with JCI Aklan, Yellow Boat of Hope and MFPI Highbound Mountaineering Club, Inc., extended assistance to 14,000 individuals.

Pet John Rom, RAFI-HDPR Program Head says the many disaster missions were not without their share of challenges. "There were times when it became quite overwhelming, but the team was always able to do some workarounds. It is providential that we have very committed team members and that we have a system that functions very efficiently. RAFI-HDPR will definitely continue to be there, lending helping hands, helping disaster victims to get back up," he declares.

“ RAFI-HDPR will definitely continue to be there, lending helping hands, helping disaster victims to get back up. ”

**PET JOHN ROM**  
HDPR Program Head



## DOLORES ABOITIZ CHILDREN'S FUND

# A CHANCE TO GROW AND LEARN: ADDRESSING THE NEEDS OF CHILDREN IN THE GRASSROOTS



The Dolores Aboitiz Children's Fund (DACF) had its work cut out for it in 2022. As was universally experienced, COVID-19 interrupted the delivery of early childhood education and nutrition programs. Typhoon Odette further exacerbated the conditions, destroying many daycare and early childhood facilities in Cebu City and Province.

As soon as Cebu re-opened, DACF was raring to go, picking up where it left off in closing gaps in early childhood health, nutrition, and education, in big ways, despite challenges. Jenny Lea Menchavez, DACF Program Head says team members focused on shared goals, among them the launching of Duwa Academy, a capacity building program for child development teachers, raising funds for the supplemental feeding initiatives, repair of child development centers, and distribution of wheelchairs.

"Everyone was willing to lend their talents and offer strength even in the most difficult situations. The team made sure to honor RAFI's

commitment to its beneficiaries and stakeholders, overcoming our own anxieties with a strong sense of service and integrity," she adds. Duwa (Play) Academy was hugely successful, debuting in Argao and Bantayan Island, where the course is called Hampang Academy, a reference to the local name for play. DACF brought the Academy to the grassroots with the help of partner-institutions such as Children's Paradise Montessori School and Kidslife Foundation Inc.

Duwa Academy capacitated 101 Child Development Teachers (CDT's), including personnel of the local government units. More than knowledge and skills, the program advocated for play-based approaches in child education and steered trainees to the concept of increased community involvement following the 3C's framework – character, competence and citizenship.

*"Damo gayud ang nabuhat sa RAFI dinhi sa Bantayan hilabi na sa pagpalambo ug*

*pagpalig-on sa amon nga ECCD program aduna sila'y kalig-on ug pagsalig sa kaugalingon nga kaya nilang buhaton ang pagmatuto sa atong mga kapuyahan, aron sila maandam na sa pagsulod ngadto sa DepEd,"* Juliemar Alolor, Early Childhood Care and Development (ECCD) Director of the Municipality of Bantayan states. (RAFI has done so much in helping us improve on ECCD program delivery. This (course) is a big boost in strengthening character and increasing the confidence of our CDT's as they prepare children to enter the formal school system.)

Aside from providing youngsters with better chances on the education front, DACF gave the malnourished A Chance to Grow, raising a million pesos through public donations for the supplemental feeding program of the City of Cebu through a partnership with the Cebu City Nutrition Network. The amount covers the cost of 120 days' worth of hot meals each for 200 children aged 1 to 5.

To close its circle of assistance, DACF extended financial resources for the repair of the child development centers ravaged by Odette – in Barangays Catang in Argao, Toyocon in Aloguinsan and Palanas and Malalay in Ronda.

Throughout the year, DACF received massive support from private sector partners like Vriendschapsband Haarlemmermeer-Cebu that helped renovate four Child Development Centers destroyed by Typhoon Odette. Other partners such as Del Monte Foundation, Inc., Dexcom Philippines Inc., and JPMorgan Chase & Co. provided donations to boost DACF's programs on Early Childhood Nutrition. Donations from individual donors also enabled DACF and its partners to provide better services for disadvantaged children.



“The team made sure to honor RAFI's commitment to its beneficiaries and stakeholders, overcoming our own anxieties with a strong sense of service and integrity.”

**JENNY LEA MENCHAVEZ**  
DACF Program Head

**EDUARDO J. ABOITIZ  
CANCER CENTER**

**BRINGING CANCER  
SCREENING AND  
SUPPORT CLOSER  
TO THE  
COMMUNITIES**



Cancer is one of the leading causes of death in the Philippines, taking an average of four lives every hour. High prevalence and mortality are attributed to low rates of routine cancer screening. The pandemic has also greatly affected cancer detection and treatment as lockdowns and restrictions left patients with limited access to health care services.

RAFI Eduardo J. Aboitiz Cancer Center (EJACC) has provided cancer screening, treatment and support to individuals and communities in need since 1988. As the first non-government cancer institution in the Southern Philippines, it established programs and services to help eradicate the stigma surrounding the disease and promote wellness through advocacy and education, early screening and detection and treatment support.

Working closely with government and non-governmental organizations, private partners, and individuals, EJACC carved significant inroads in the fight against the dreaded disease in 2022.

Twelve local government units were given technical guidance in the formulation and passage of Local Cancer Control Ordinances aligned with the intent of the National Integrated Cancer Control Act of 2019. The Ordinance provides a framework for local governments to implement cancer awareness and healthy lifestyle campaigns, promote early diagnosis and treatment, install treatment facilities and monitor patients through a registry system.

The 12 local governments assisted have completed the drafts of their Local Cancer Control Ordinances, and seven have started actively implementing their respective measures. "The local cancer ordinance provides a permanent framework that guides the LGUs in the creation of their own cancer unit wherein they are empowered to create programs that will improve their knowledge on cancer and its prevention in the language that they understand," said Dr. Giselle Gaviola, RAFI's Program Director for Health. "With this, LGUs can access resources for timely screening and treatment through our partners, and they can

monitor and understand where best to assist their own cancer patients," she added.

Grassroots promotion of cancer awareness and the necessity of early screening, detection and treatment was also given significant attention, particularly through Barangayang Panglawas. The health caravan provides barangay health workers with information materials and engages them in discussions, increasing the competence for screening and early detection. It also opens access to EJACC's programs and services.

The caravan was brought to Camotes, Badian and Barili. In Camotes, an orientation for health workers was conducted in partnership with the Philippine Society of Medical Oncology. In Camotes and Badian, 194 women availed of free pap smear tests organized by EJACC in partnership with the Integrated Midwives of Cebu, Inc. Free breast cancer screening and pap smears were also performed in Barili.

"The Barangayan Panglawas was a good strategic campaign wherein the community healthcare workers got the chance to learn about RAFI and its programs, at the same time improve their knowledge on cancer, its prevention and timely screening," said Gaviola. "It spikes their interest in taking good care of their health and cascading what they have learned to their community. It's also an opportunity for them to have the pap smear and clinical breast exam (screening for cervical and breast cancer)," she added.



“ The local cancer ordinance provides a permanent framework that guides the LGUs in the creation of their own cancer unit. ”

**DR. GISELLE GAVIOLA**  
RAFI Program Director  
for Health



**ONE TO TREE**

**BUILDING A  
GREENER PHILIPPINES  
ONE TREE AT A TIME**



Extreme weather events, occurring with increased frequency in recent history, are proving the need for environmental rehabilitation. Urban flooding that accompanies moderate rains and Typhoon Odette's destructive force highlight the need to replace lost tree cover and mitigate the effects of climate change.

Aware of the urgency of this mandate, RAFI - One To Tree (OTT) wasted no time in pursuing its goals in 2022, despite Typhoon Odette, the pandemic and other challenges. The RAFInian values of God-centeredness, integrity, respect, and service helped strengthen the team's resolve to increase the program's partnerships, a major keystone of success.

Together with its partners, OTT planted a total of 1.26 million seedlings of native trees and mangroves, exceeding its annual target by 114%. An impressive 93% survival rate was also recorded for the 1.3 million trees being maintained. The seedlings planted can potentially offset the carbon emissions of 35,300 individuals.

Increased support from corporate clients was achieved through dedicated service. 16 corporate partners together with nine individual giving channels were maintained while new partnerships with similarly motivated organizations, among them, the Insular Foundation, Inc. and International Container Terminal Services, Inc. (ICTSI) Foundation, Inc. were inked.

The partnership agreement with Insular Foundation, Inc. ensured the planting of 10,000 seedlings in Catmon, Cebu over a 32-month period. The RAFI OTT-ICTSI collaboration earmarked 45,000 native trees for planting in the Municipalities of Tuy and Balayan, in Batangas province, marking OTT's expansion into the Luzon area.

The program also forged solid partnerships with farmers associations and people's organizations. 35 people's organizations were capacitated, and 409 farmers were supported. The community groups establish and maintain tree nurseries and nurture seedlings to maturity with farmers deriving various benefits from them.

"I am happy that the guyabano trees we planted in 2018 have grown. We use the leaves as a remedy for constipation. But I look forward to the time when they will bear fruits, which we can sell in the market, a possible source of income for us," says Cecile Abataya from the Gunting Farmers Association in Barili, Cebu.

More tree nurseries and plantations are expected, as OTT engages with more organizations and communities even beyond Cebu and with strategic partnerships with the Department of Environment and Natural Resources - Region 7 (DENR-7) and web-based personal cash management giant, GCash. The agreement with DENR-7 will increase the number of potential planting areas and allow OTT to engage more communities in reforestation.

GCash has also activated its GForest feature to support OTT's seedling production, planting, maintenance and monitoring of mangroves in northern Cebu along the Tañon Strait Protected Seascape. It has committed to planting 550,000 various mangrove species through the project where GCash customers are collecting energy points to add to the mangrove planting effort.

OTT will continue to pursue partnerships and engagements to contribute significantly to climate change mitigation, inspired by its accomplishments in 2022 and putting it on track to achieving its strategic goal of planting five million trees by 2023.

Executive Director Anthony Dignadice says, "It is very evident that there is much forest cover loss not just in Cebu but in the entire country. It is a challenge that weighs heavily upon us. However, we look forward to reaching, perhaps even exceeding, our goals of growing more native trees knowing very well the urgency to help restore our biodiversity."

“ We look forward to reaching, perhaps even exceeding, our goals of growing more native trees knowing very well the urgency to help restore our biodiversity. ”

**ANTHONY DIGNADICE**  
OTT Executive Director

# IN FOCUS

## RESILIENCE AND FORTITUDE AMIDST ADVERSITY

### Rising Above Odette

The turn of a new year is always a time for joy and celebration, but on January 1, 2022, Cebu was noticeably silent with the absence of fireworks and revelry. The quiet city was recovering from the effects of Super Typhoon Odette (international name: Rai) that hit on December 16 and left a trail of destruction—downed power and telecommunication lines, damaged households, food and water shortages among others.

In downtown Cebu, however, RAFI - The Kabilin Center was busy with the repacking of relief goods and the dispatch of trucks carrying food and supplies to areas severely hit by the typhoon.

Through the years, RAFI has always responded to disasters from Typhoon Sendong in 2011 to Super Typhoon Yolanda in 2013, but never has a typhoon with such strength hit so close to home in recent years.





On December 17, 2021, hours after Typhoon Odette made landfall in Cebu, RAFI activated its emergency relief operations to provide support to affected communities, particularly in the provinces of Cebu, Bohol, Southern Leyte, Negros Oriental, and Negros Occidental, with the help of private and government partners.

Despite being affected by the typhoon themselves, RAFInians readily supported the foundation's relief efforts. Hundreds of employees and volunteers trooped to the center daily to help in the recovery efforts including individuals conducting initial assessment, ensuring the proper distribution of emergency relief packs, and providing psychosocial support to victims.

Joey Bautista, Stakeholder Engagement Officer of One To Tree, was among the RAFInians who actively participated in the foundation's relief operations. Although he was in General Santos when the typhoon hit, he immediately volunteered in the repacking of goods and rapid assessment when he returned to Cebu in early January.

*"Pag-abot jud nako, I asked how I can help... This is my one way of helping others through RAFI and an opportunity for us as employees to help. We're given the power to serve," he said. "Bisan unsa pa na, calamity or not, service is very essential for us. Isa na sa mga values nga dapat naa nato as RAFInians."*

For three weeks, he travelled to various typhoon-hit areas in Cebu including the island of Olango to interview local government officials and members of the community to determine their pressing needs. While teams were assessing damage, other teams were deployed to send immediate relief like food and water.

*"Grabe kaayo ang bagyo kay among balay daghan ug guba. Pasalamat nalang sad mi kay naa'y mga hinabang mi nga nadawat. (The strong typhoon totally damaged our house. We're just thankful that we have received help during this crisis)," said Jennifer Laroga of Looc, Mandaue, a beneficiary of RAFI's typhoon relief packs.*



Despite also being affected by the typhoon, the foundation remained true to its core values and continued to deliver services to communities while also taking care of the wellbeing of its people working behind the scenes.



Providing relief assistance, however, was no walk in the park. Teams had to operate despite power outages and connectivity issues. Those assessing damage and delivering relief goods had to face logistical challenges with damaged infrastructure and blocked roads. Keeping emotions in check was also a difficulty for those on the ground.

Despite hurdles, the teams worked around the situation they were faced with and found innovative ways to deliver services to those in need. Through their experiences, they returned home with newfound hope and motivation to be of service to others.

“There will always be challenges *nga atoang ma-experience* and we need to be hopeful. We need to persevere, (and believe) that this too shall pass.” Joey said.

**Well-being of employees also a priority**

Aside from providing aid to victims across the Visayas, RAFI also looked within and supported employees from the provision of relief packs and loans to rehabilitate homes to psychosocial support.

“Providing psychosocial support can help employees manage their emotions and reduce the risk of developing long-term mental health problems. True to the mandate that in RAFI, People always comes first,” said Michael Godinez, RAFI’s Chief People Officer.

Despite also being affected by the typhoon, the foundation started the year fulfilling its work to provide aid to disaster-stricken communities. It remained true to its core values and continued to deliver services to communities while also taking care of the wellbeing of its people working behind the scenes.

Typhoon Odette came unexpectedly and changed many plans for the year, but it also tested and strengthened the organization’s capabilities to respond to disasters of such intensity. It also showed that through stormy skies and wreckage, RAFI continues to paddle forward to reach communities in need.

# BANGON VISAYAS

## RAFI’S RESPONSE TO SUPER TYPHOON ODETTE

<p><b>Immediate relief to</b> <b>210,386</b> <b>Families</b></p> <p>through relief packs, water, shelter kits, and psychosocial support</p>	<p>RAFI’s Phase 1 humanitarian assistance</p> <p><b>Impacted</b> <b>1,056,148</b> <b>Individuals</b></p>
<p><b>155,795</b> <b>Relief Packs</b></p> <p>to Odette-affected families</p>	<p><b>541,810</b> <b>liters of drinking water</b></p> <p>to families in Cebu Province, Mandaue City, Lapu-Lapu City and Leyte</p>
<p><b>36</b> <b>Generator Sets</b></p> <p>to water refilling stations, local government units, and irrigation associations</p>	<p><b>5,000</b> <b>Shelter Kits</b></p> <p>to families in Cebu Province, Bohol, Leyte, and Negros</p>
<p><b>Psychosocial Support to</b> <b>4,218</b> <b>Individuals</b></p> <p>including children and first responders</p>	<p><b>RAFI raised</b> <b>PHP 40,409,785</b></p> <p>from</p> <p><b>1,138</b> <b>Individuals</b></p> <p>and</p> <p><b>60</b> <b>Corporate Donors</b></p>
<p><b>1,775</b> <b>Volunteers</b></p> <p>assisted the foundation’s relief efforts</p>	



# IT'S ALL ABOUT THE HEARTWORK

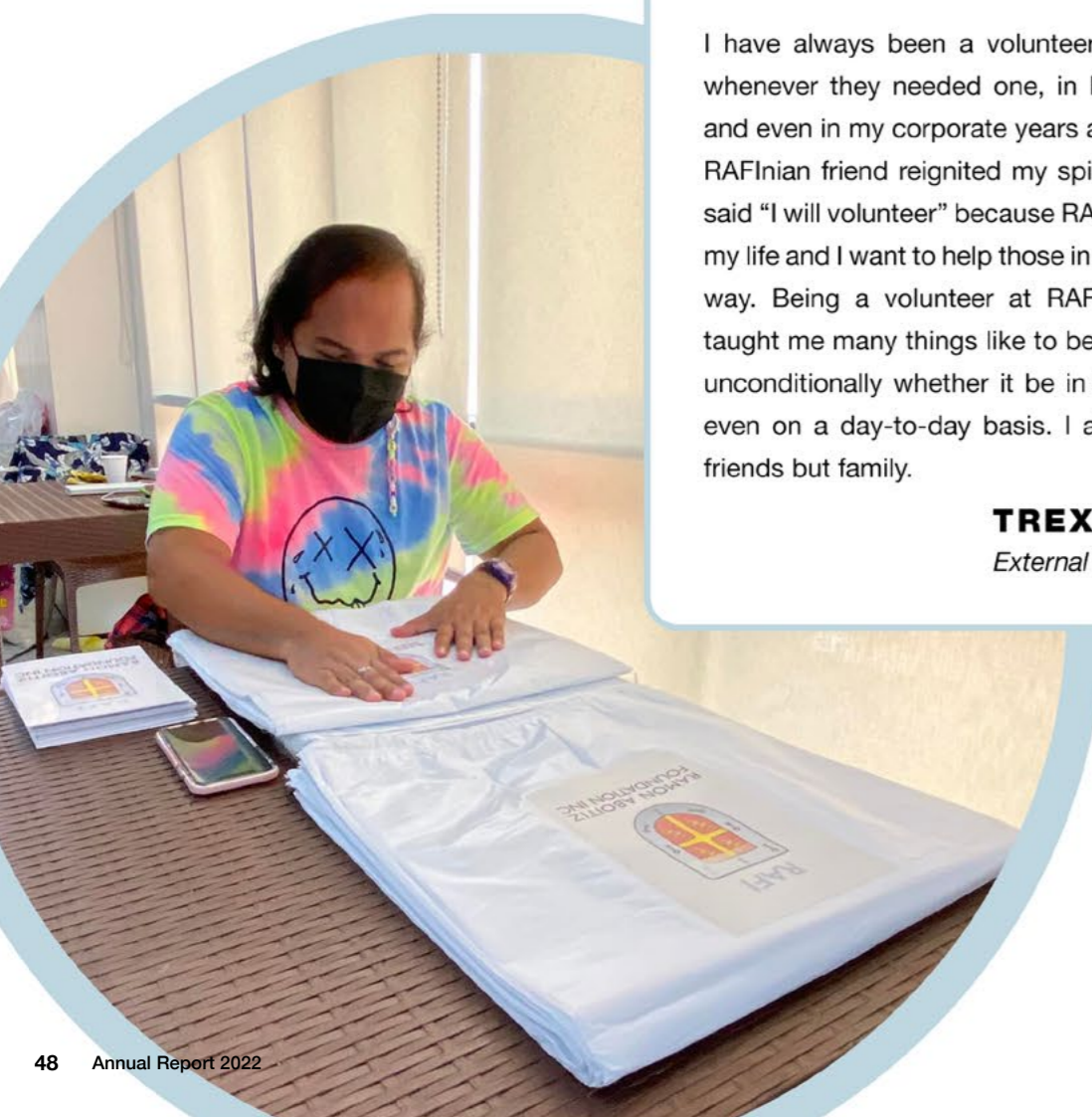
## TESTIMONIALS FROM RAFI'S TYPHOON ODETTE RELIEF OPERATIONS



*Pagkahuman sa Odette, nagkalisod gyud ang mga tao, maka-hilak gyud ka magtan-aw. Ang akong nakat-onan pag-relief operation kay bahala na nga wala ka sa imong pamilya, basta nakatabang ka sa mga tao. Malipayon gyud ko nga nakatabang ko sa uban.*

*(After Odette, people really had a hard time, seeing [people suffering] will really make you tear up. I learned from RAFI's relief operation that it doesn't matter if you are not with your family, as long as you are helping people. I am really happy that I was able to help others.)*

**ALVIN UMPAD**  
*Company Driver*



I have always been a volunteer--- in our barangay whenever they needed one, in high school, college and even in my corporate years as HR. A post from a RAFInian friend reignited my spirit of volunteerism. I said "I will volunteer" because RAFI has been a part of my life and I want to help those in need in my own little way. Being a volunteer at RAFI's relief operations taught me many things like to be selfless and to help unconditionally whether it be in times of disaster or even on a day-to-day basis. I also gained not only friends but family.

**TREXIE SALDAGA**  
*External Volunteer*

The Odette Relief Operation validated how RAFI upholds its promise of elevating the lives and wellbeing of the community by taking care of its employees first. After the onslaught, the foundation immediately provided us calamity assistance which was of great help to me and my family. RAFI really took care of my family's needs while I was away during operations.

Being part of the team since Day 0 made me recall specific pre-pandemic training. It helped me remain calm, taught me to be more empathetic and understanding, and prepared me to anticipate future scenarios. It was a lot of skills applied together. What motivated me was the people I trained with. Unknown to them, my determination to step up to a role packed with uncertainties was because of them. Because I saw them stepping up, and they shared that journey with me.

**DIOVANIE OBINETA**

*Internal Volunteer, Relief Distribution in Alegria, Alcoy, Balamban, and Oslob and Facilitator, Istorya ni Odette (Psychosocial Intervention)*



# IT'S ALL ABOUT THE HEARTWORK

## TESTIMONIALS FROM RAFI'S TYPHOON ODETTE RELIEF OPERATIONS



In my nine years in RAFI, I had been blessed to be part of the team that responded to five major disasters that hit the Visayas in the last few years.

In each of those disasters and in every community I'd been to, these I have always witnessed to be true—compassion is the currency to survival, and community is the best resource for recovery.

Always, it takes a village!

### **RIZZA LABAO**

*Bohol Sub-EOC Deputy Head and Shelter Cluster Coordinator*

Being with the community was an avenue for me to listen to inspiring stories of resiliency and practice the holistic approach of RAFI's relief operations – going beyond the distribution of relief packs and shelter kits by giving equal importance to the mental wellbeing of the survivors through psychosocial support.

This experience gave me a wider and first-hand experience of how our core value of “Service” was delivered to the community and how RAFI's initiatives are making an impact to individual lives. Having this experience and being in the Human Resource, we are able to better identify the needed support and competencies of our Program Officers and create relevant initiatives to equip our employees.

### **GILAMIE ANGCAY**

*Facilitator, Istorya ni Odette (Psychosocial Intervention)*

*Pasalamat jud mi sa RAFI nga naay bugas, naay tubig-- kumpleto... Pasalamat gyud mi'g dako nga naabot intawn mo diri's amoa. Gitugyanan pud ko sa Ginoo nga tabangan ni diring Malabuyoc. Pag-ingon lagi nga naa'y RAFI, bahalag wa'y pamahaw, basta kay nilugsong gyud mi kay naa'y taga RAFI, kay naa'y tabang.*

(We're very thankful to RAFI because there's rice, there's water—it's complete. Thank you very much for coming to our area. The Lord answered our prayers to help Malabuyoc. When we heard that RAFI is here, even without breakfast, we immediately came down. People from RAFI are here, help has arrived.)

### **VENICE ALLOSADA RAMOS**

*Relief beneficiary from Malabuyoc, Cebu*



## BEHIND THE SCENES

# PEOPLE & ORGANIZATION: HAPPY AND PRODUCTIVE WORKFORCE

As the foundation provides services to thousands of partners and beneficiaries across the country, the Human Capital (HC) team continued to make sure that RAFInians are happy, competent, and engaged. They also made sure all RAFInians understood and embraced Diversity, Equity and Inclusion in the workplace.

This year, HC continued to focus their efforts on Employee Wellbeing and Wellness, while also boosting employees' connection to the purpose of the organization, career advancement and productivity.

In the wake of Typhoon Odette, the HC team immediately accounted, monitored and responded to the health and wellbeing needs of all employees and their families. It also mobilized employees during the foundation's emergency relief operations.

The team facilitated the provision of calamity assistance which included a cash advance mechanism, calamity loan, charging stations, relief goods, water, and psychosocial support to help each employee recover from the typhoon's devastating effects.

"Disasters can cause significant emotional distress and trauma, such as anxiety, depression, and post-traumatic stress disorder (PTSD)," said Michael Godinez, Chief People Officer.



"Providing psychosocial support can help employees manage their emotions and reduce the risk of developing long-term mental health problems. True to the mandate that in RAFI, People always comes first," he added.

In 2022, HC also re-launched the #IAmRAFI program which exposed employees to the RAFI's various programs to help bring them closer to the foundation's mission and purpose. The initiative brings employees to other RAFI programs so they can experience working with other teams and learn more about the projects being implemented.

To support RAFInians' welfare, the teams reviewed the foundation's salary structure, realigned and leveled positions, and established the job evaluation process. In addition, it completed the identification and profiling of key

positions to create a succession management plan and ensure business continuity.

The team also explored the possibility of a Results-Oriented Work Environment (ROWE) which will focus on employee productivity and support remote work arrangements. The "Monday My Day" program aims to support the employees' focus on self-development and to spend more time within their teams for better collaboration. As shown in latest Gallup Survey, RAFInians are happy, safe and engaged.

### Creating collaborative and productive workspaces

On the other hand, the Infrastructure Development, Facilities and Assets team (IDFA) worked to ensure the foundation has quality, safe and well-maintained equipment and facilities that will help boost operations and employee productivity.

At the start of the year, it oversaw the repairs of Casa Gorordo Museum and The Kabilin Center which sustained minor damages during the onslaught of Typhoon Odette. It also repaired and renovated facilities at the Kool Adventure Camp before it reopened to the public.

The fully operational solar panels on the Main Building saved electricity costs by 14.30%. The foundation's audio-visual equipment were upgraded and meeting rooms, parking slots and recreational spaces were added.

The IDFA team also oversaw the post-Odette infrastructure rehabilitation of RAFI's program partners. It repaired five schools in Cebu Province through the Education Development Unit's School Rebuild Program. It also renovated the building of the Missionaries of the Poor with the help of Dolores Aboitiz Children's Fund.



## BEHIND THE SCENES

# STREAMLINING SYSTEMS & PROCESSES



In recent years, digital tools and programs have become more and more important in RAFI's operations. Most, if not all, of the foundation's business processes have been relying on technology to improve workflow and output.

In 2022, despite having to adjust to new roles and changes in internal structure, the Information Technology (IT) team explored different ways to strengthen their team and realign their purpose with the foundation's direction.

The IT team found ways to address RAFI's needs and improve digital processes, making it faster, easier and more secure for employees to work and operate anywhere with their laptop or mobile devices.

Their initiatives included the launch of the Contact Center or Cloud Phone System which makes it easier for employees to stay connected wherever they may be through a consolidated communication platform in the Microsoft Teams application.

The IT team also completed the RAFI's Cloud Transformation, migrating all of the foundation's IT infrastructure and operations to cloud-based services and software applications. This move saves costs on physical servers and software and strengthens data security.

To increase employees' awareness on cybersecurity and protect the foundation's data from cyberattacks, the IT team launched their Cyber Security Program which included an enhanced phishing campaign.

"The team's objective for that year was to strengthen support for the organization's strategic direction by providing the essential technological resources for its operations and to continuously improve by anticipating technological changes," said IT Director Jade Gadiane.

### Improved business processes

Continuing to drive business excellence and quality performance throughout the foundation, the Program Excellence (PEX) team developed strategies and enhanced processes to help boost organizational results and increase work efficiency.

This year, the team focused their efforts on improving RAFI's project development process. This included the development of program portfolios, frameworks, and processes to help the foundation better identify the problems of communities and then address their needs. It also enhanced the foundation's portfolio management system to effectively manage and track the progress and performance of each program.

To improve employee performance and results, the team developed the Future Strategic Leaders program to prepare individuals for leadership positions in the future and improve their knowledge and skills. On the other hand, the Achieving Performance Excellence (APEX) recognition program was developed to motivate employees to continue performing at high levels and strive for excellence.

In addition, the team completed the first phase of the Monitoring, Evaluation, Accountability and Learning (MEAL) institutionalization project, which included the development of an operational framework to guide employees. The framework helps the PEX team in conducting monthly monitoring and reviews to measure the performance of each team and program. To help protect the foundation's data assets, the PEX team developed the Data Posture Analysis which will help assess current data management practices and identify areas of improvement.

## BEHIND THE SCENES

# BRAND & PARTNERSHIPS: STRENGTHENED COMMUNICATIONS AND NEW RELATIONS

In 2022, the Brand Development Group (BDG) boosted its communications and partnerships strategy to bring RAFI's message and programs to more people.

At the start of the year, the team was part of the RAFI's Emergency Operations Center, providing consistent communication regarding the foundation's post-Odette relief operations. It also helped mobilize donation campaigns and secure partnerships for relief and recovery efforts.

It also launched the Stories of Hope and the Heart-to-Heart podcast, both of which talk about the RAFI's partners and beneficiaries and highlight the foundation's social impact. BDG also helped in the brand development and the launch of The Kabilin Center, and the rebranding of Center for Leaders, Casa Gorordo Museum and RAFI Microfinance.

The team facilitated capacity building initiatives for local government units. It also assisted various programs in their events and advocacy campaigns including the A Chance to Grow campaign of the Dolores Aboitiz Children's Fund and Barangayang Panglawas by the Physical Wellbeing cluster.

For partnerships, BDG initiated the signing of separate Memorandum of Agreements between RAFI and the Philippine Coast Guard Region 7, as well as the Philippine Society of Medical Oncologists. The agreement will help provide volunteers for the foundation's various projects and initiatives.

The team also developed grant proposals for partners such as the BPI Foundation for the Balik Bugsay Project, USAID Opportunity 2.0 for the DigiKabataan Para sa Kabuhayan Project, JP Morgan and Dexcom for A Chance to Grow Campaign, the Aboitiz-Moraza Family Council for the VSMMC Regional Rehabilitation Center project, and Huawei for MatePad donations.





# BANGON VISAYAS

## BEHIND THE SCENES

# GROWTH & SUSTAINABILITY: EFFECTIVE FUND MANAGEMENT



The Finance and Procurement Group (FPG) was able to navigate the global and domestic economy that were reopening from the pandemic—these were characterized by robust consumer spending, normalization of business operations, along with challenges such as inflation and supply disruptions.

FPG was instrumental in RAFI's relief operations after Typhoon Odette, making sure that the foundation could immediately provide the urgent needs of communities. The team took charge of budgeting and disbursing funds, procuring relief goods and shelter kits, handling its logistics, and overseeing the monetary and in-kind donations that the foundation received to aid in the relief efforts.

Beyond the relief operations, FPG implemented a cost-effective fund management strategy which included diversifying the sources of funds, optimizing income yield, and minimizing excess fund levels. The strategy proved to be very helpful, resulting in a 3% yield on investments.

The team also found ways to continuously improve and streamline their processes in terms of service delivery. This helped programs save on costs and efficiently provide FPG's needs and vice versa.

Towards the end of the year, the team organized the first Partner's Appreciation Night to strengthen relationships with partners, showcase accomplishments, and gather ideas for future collaborations. The event welcomed 57 newly accredited vendors and a total of 34.8M active credit line.

## BEHIND THE SCENES

# GOVERNANCE: ENSURING ORGANIZATIONAL SAFETY AND COMPLIANCE TO STANDARDS AND PROTOCOLS



While RAFI's programs continued to deliver services to communities in need, the newly reorganized Governance, Risk and Compliance (GRC) team made sure that the foundation's conduct of business adhered to government standards and protocols.

In 2022, the Internal Audit Group (IAG) oversaw internal assessments of program units, branch operations and internal support departments to highlight areas of improvement. Despite encountering challenges such as team reorganization and pausing audit engagements in the first quarter to make way for Typhoon Odette relief operations, IAG was able to rise above by making use of the team's passion and skillset to continue and improve its work.

Immediately after the typhoon, the team helped in the repacking of relief goods and processing of Micro-Insurance Claims for affected clients of RAFI Microfinance. Once the foundation completed its relief operations, IAG resumed its audit assessments and engagements covering strategic and operational risks, processes, key functions, and operational systems of the foundation. The team also reassessed RAFI's audit methodology and conducted necessary changes to enhance audit engagement.

Meanwhile, RAFI's Risk team focused their efforts in enhancing the foundation's capabilities in business continuity management and exploring ways to reduce risks of data breaches and other cyberattacks.

To ensure that knowledge on risk related topics is cascaded and up to date within all levels of RAFI and cover potential factors which may pose a threat to operations, the Risk team launched

earning courses for Risk Champions. The risk educational resources will help better cascade risk management policies and practices throughout the foundation, especially with the inclusion of Risk Management areas in employees' Universal Competencies and performance appraisal.

The Risk team boosted efforts in protecting the foundation and its people by creating a new Physical Security Manual and Financial Risk Manual. It also conducted a Cyber Risk Impact Quantification Study to determine potential exposures and losses that may be incurred from cyber-attacks and data breaches. The study will help determine the next courses of action in order to protect the organization from the impacts of threats to its networks, programs, and data in the cyber space.

The Compliance team, on the other hand, kept all licenses, permits and accreditations 100% compliant with the requirements of the relevant regulatory agencies to which the foundation is subject by law, and which are essential in upholding our reputation and for the foundation's continuous operations.

The Compliance Team also supported all other teams in their compliance, contractual, and notarization requirements, extending legal advice when necessary. It also ensured that reportorial requirements of the foundation were timely made with the relevant regulatory bodies including the Securities and Exchange Commission, Bureau of Internal Revenue and the Department of Social Welfare and Development.



# OUR TEAM LEADS

# BOARD OF TRUSTEES



**MIKEL ALBERTO  
ABOITIZ**  
Chairman



**AMAYA CRISTINA  
ABOITIZ-FANSLER**  
President



**SOFIA ISABEL  
ABOITIZ-HERRERA**  
Member



**DOMINICA  
CHUA**  
Member



**CARLOS RAMON  
ABOITIZ**  
Member



**MA. CRISTINA  
ABOITIZ**  
Member



**FR. ERNESTO  
JAVIER S.J.**  
Member



**TERRY ALAN  
FARRIS**  
Member

# OUR TEAM LEADS

## BOARD COMMITTEES



**MIKEL ALBERTO ABOITIZ**

Executive Committee  
Chairman, Investment Committee  
Chairman, Succession Committee



**CARLOS RAMON ABOITIZ**

Executive Committee  
Member, Investment Committee  
Chairman, Audit Committee  
Chairman, Risk Committee



**MA. CRISTINA ABOITIZ**

Executive Committee  
Member, Succession Committee



**TRISTAN ROBERTO ABOITIZ**

Member, Audit Committee  
Member, Risk Committee



**DOMINICA CHUA**

Executive Committee  
Member, Audit Committee  
Member, Succession Committee  
Member, Risk Committee



**DAVID MIKEL ABOITIZ**

Member, Audit Committee



**AMAYA CRISTINA ABOITIZ-FANSLER**

Executive Committee  
Member (ex-officio), Investment Committee  
Member, Audit Committee  
Member, Succession Committee  
Member, Risk Committee



**SOFIA ISABEL ABOITIZ-HERRERA**

Executive Committee



**ANA MARIA ABOITIZ-DELGADO**

Member, Investment Committee



**RIELLA MAE CHRISTA GUIOGUO**

Member (ex-officio), Investment Committee  
Member (ex-officio), Risk Committee



**JONAR DORADO**

Member (ex-officio), Risk Committee



**CARLOS KAHN**

Member (ex-officio), Investment Committee  
Member (ex-officio), Risk Committee



**TERRY ALAN FARRIS**

Member, Investment Committee

# OUR TEAM LEADS

# MANAGEMENT TEAM

## RAFI PROGRAMS



**AMAYA CRISTINA  
ABOITIZ-FANSLER**  
President and Chief Executive Officer



**RIELLA MAE CHRISTA  
GUIOGUO**  
Chief Operating Officer  
RAFI



**JONAR  
DORADO**  
Chief Operating Officer  
RAFI Microfinance Inc.



**SHEERENE  
ABREA**  
Officer-in-Charge  
Education Development



**ANTHONY  
DIGNADICE**  
Program Director  
One to Tree



**JENNY LEA  
MENCHAVEZ**  
Program Head  
Dolores Aboitiz Children's Fund



**MARIE SOL  
GONZALVO**  
Executive Director  
Social Wellbeing Cluster



**DAPHNE  
DIA**  
Officer-in-Charge  
Center for Leaders



**FLORENCIO  
MOREÑO II**  
Officer-in-Charge  
Culture and Heritage



**DR. GISELLE MARIE  
GAVIOLA**  
Program Director  
for Health



**PET JOHN  
ROM**  
Program Head  
Humanitarian Disaster Preparedness and Response

# OUR TEAM LEADS MANAGEMENT TEAM

## CORPORATE SHARED SERVICES



**CARLOS  
KAHN**  
Chief Financial Officer



**MICHAEL  
GODINEZ**  
Chief People Officer



**JUANITO  
CUBOS**  
Chief Audit Officer



**JADE RYAN  
GADIANE**  
Director, Information Technology



**ESTEE MARIE  
PLUNKET**  
Chief Brand Officer



**MIRAFLOR  
ENECIO**  
Chief Program Excellence Officer



**ATTY. MA. CRISTINA  
GABUTINA**  
Chief Governance, Risk and Compliance Officer

# OUR TEAM LEADS PROGRAM CHAMPIONS



**AMAYA CRISTINA  
ABOITIZ-FANSLER**

Dolores Aboitiz Children's Fund  
Education Development  
Center for Leaders



**DAVID MIKEL  
ABOITIZ**

RAFI One to Tree



**SOFIA ISABEL  
ABOITIZ-HERRERA**

Culture and Heritage



**MA. CRISTINA  
ABOITIZ**

Dolores Aboitiz Children's Fund



# AUDITED FINANCIAL STATEMENTS

Certified Public Accountants



## INDEPENDENT AUDITOR'S REPORT

The Members and the Board of Trustees  
RAMON ABOITIZ FOUNDATION, INC.  
(A Non-Stock, Non-Profit Organization)  
35 Eduardo Aboitiz St., Brgy. Tinago  
Cebu City, Philippines

### Opinion

We have audited the accompanying financial statements of RAMON ABOITIZ FOUNDATION, INC. (the Foundation), which comprise the balance sheets as at December 31, 2022 and 2021, and the statements of operations, statements of comprehensive income, statements of changes in fund balance and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2022 and 2021, and of its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

### Basis for Opinion

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

### 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 PFRSs, 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.

### Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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.
- 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 auditor's 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 auditor's 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 Tax Information**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary tax information in Note 27 to the 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 information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**LUIS CAÑETE & COMPANY**  
 BOA/PRC Reg. No. 0127 (Until January 15, 2025)  
 SEC Accreditation No. 0127-SEC (Group A) (Until October 25, 2027)  
 BIR AN 13-390712-003-2021 (Until August 4, 2024)

For the Firm:

  
**ANDREW JOHN S. CAÑETE**  
 Partner  
 CPA Certificate No. 114711  
 SEC Accreditation No. 114711-SEC (Group A) (Until February 20, 2024)  
 BIR AN 13-125110-003-2022 (Until December 7, 2025)  
 TIN 240-785-319, PTR No. 4732312 – January 3, 2023, Cebu City

Cebu City  
 March 31, 2023

**RAMON ABOITIZ FOUNDATION, INC.**  
 (A Non-Stock, Non-Profit Organization)  
**BALANCE SHEETS**  
 December 31, 2022 and 2021  
 (Amounts Expressed in Whole Philippine Pesos)

	Note	2022	2021
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	P1,717,360,114	P1,506,996,145
Accounts receivable	4	29,174,479	32,167,426
Prepaid expenses and other current assets		857,341	656,053
<b>Total Current Assets</b>		<b>1,747,391,934</b>	<b>1,539,819,624</b>
<b>NON-CURRENT ASSETS</b>			
Financial assets at FVTPL	5	1,341,500,553	601,675,644
Financial assets at FVOCI	6	25,494,250,477	23,837,403,138
Debt investments at amortized cost	7	30,402,093	778,298,335
Property and equipment - net	8	452,317,981	448,731,921
Trust funds	9	31,792,725	31,595,737
Other non-current assets	10	10,036,165	10,104,134
<b>Total Non-Current Assets</b>		<b>27,360,299,994</b>	<b>25,707,808,909</b>
<b>TOTAL ASSETS</b>		<b>P29,107,691,928</b>	<b>P27,247,628,533</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable and accrued expenses	11	P52,056,783	P88,483,435
Deferred credits	12	31,792,725	31,595,737
<b>Total Current Liabilities</b>		<b>83,849,508</b>	<b>120,079,172</b>
<b>NON-CURRENT LIABILITIES</b>			
Accrued retirement payable	20	3,267,200	9,187,549
<b>TOTAL LIABILITIES</b>		<b>87,116,708</b>	<b>129,266,721</b>
<b>FUND BALANCE (Exhibit "D")</b>		<b>29,020,575,220</b>	<b>27,118,361,812</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<b>P29,107,691,928</b>	<b>P27,247,628,533</b>

(See accompanying notes to financial statements)

EXHIBIT "B"

**RAMON ABOITIZ FOUNDATION, INC.**

(A Non-Stock, Non-Profit Organization)

STATEMENTS OF OPERATIONS

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed in Whole Philippine Pesos)

	Note	2022	2021
<b>SUPPORTS AND OTHER GAINS</b>			
Dividend income	15	P719,354,050	P413,790,412
Interest income	15	41,236,171	39,563,617
Donations and contributions	13	72,252,450	41,267,611
Counterpart contributions	14	28,840,667	29,157,378
Other losses	15	(24,139,254)	(174,985)
		837,544,084	523,604,033
<b>EXPENSES</b>			
Project utilization	16	392,432,906	444,071,633
General and administrative	17	41,132,783	71,405,992
		433,565,689	515,477,625
<b>EXCESS OF SUPPORTS AND OTHER GAINS OVER EXPENSES</b>		<b>P403,978,395</b>	<b>P8,126,408</b>

*(See accompanying notes to financial statements)*

EXHIBIT "C"

**RAMON ABOITIZ FOUNDATION, INC.**

(A Non-Stock, Non-Profit Organization)

STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2022 and 2021

(Amounts Expressed in Whole Philippine Pesos)

	Note	2022	2021
<b>EXCESS OF SUPPORTS AND OTHER GAINS OVER EXPENSES</b>			
	Exhibit "B"	P403,978,395	P8,126,408
<b>OTHER COMPREHENSIVE INCOME</b>			
Items not subsequently reclassified to profit or loss			
Unrealized gain on fair value changes of financial assets at FVOCI	6	1,490,528,829	3,215,882,878
Actuarial gain on retirement benefits	20	7,706,184	10,378,709
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>P1,902,213,408</b>	<b>P3,234,387,995</b>

*(See accompanying notes to financial statements)*



## EXHIBIT "D"

**RAMON ABOITIZ FOUNDATION, INC.**  
(A Non-Stock, Non-Profit Organization)  
**STATEMENTS OF CHANGES IN FUND BALANCE**  
For the Years Ended December 31, 2022 and 2021  
(Amounts Expressed in Whole Philippine Pesos)

	Revaluation reserve on fair value changes of financial assets at FVOCI (Note 6)	Cumulative actuarial loss on retirement benefits (Note 20)	Cumulative excess of supports and other gains over expenses	Total fund balance
Balance at December 31, 2020	P19,533,672,483	(P27,542,422)	P4,377,843,756	P23,883,973,817
Excess of supports and other gains over expenses	-	-	8,126,408	8,126,408
Changes in fair value of financial assets at FVOCI	3,215,882,878	-	-	3,215,882,878
Actuarial gain on retirement benefits	-	10,378,709	-	10,378,709
Balance at December 31, 2021	22,749,555,361	(17,163,713)	4,385,970,164	27,118,361,812
Excess of supports and other gains over expenses	-	-	403,978,395	403,978,395
Changes in fair value of financial assets at FVOCI	1,490,528,829	-	-	1,490,528,829
Actuarial gain on retirement benefits	-	7,706,184	-	7,706,184
Balance at December 31, 2022	P24,240,084,190	(P9,457,529)	P4,789,948,559	P29,020,575,220

(See accompanying notes to financial statements)

## EXHIBIT "E"

**RAMON ABOITIZ FOUNDATION, INC.**  
(A Non-Stock, Non-Profit Organization)  
**STATEMENTS OF CASH FLOWS**  
For the Years Ended December 31, 2022 and 2021  
(Amounts Expressed in Whole Philippine Pesos)

	Note	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from donors and counterparts		P101,777,734	P70,656,516
Cash paid for projects, and to suppliers and employees		(408,357,824)	(410,462,217)
Cash used for operations		(306,580,090)	(339,805,701)
Contribution to retirement fund	20	(6,823,927)	(5,819,283)
Income tax paid		(2,387)	(13,312)
Net cash used in operating activities		(313,406,404)	(345,638,296)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditures	8	(54,691,758)	(30,850,456)
Proceeds from sale of property and equipment		1,035,386	36,459
Dividends received		713,441,127	413,790,412
Interest received		31,527,491	38,828,330
Net additions to financial assets at FVTPL		(750,735,862)	(8,623,764)
Net additions to financial assets at FVOCI		(166,318,510)	-
Net disposal of debt investments at amortized cost		747,896,242	19,812,946
Net cash provided by investing activities		522,154,116	432,993,927
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
		-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		208,747,712	87,355,631
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	15	1,616,257	69,343
CASH AND CASH EQUIVALENTS BALANCE AT BEGINNING OF YEAR	3	1,506,996,145	1,419,571,171
CASH AND CASH EQUIVALENTS BALANCE AT END OF YEAR	3	P1,717,360,114	P1,506,996,145

(See accompanying notes to financial statements)

**RAMON ABOITIZ FOUNDATION, INC.**  
(A Non-Stock, Non-Profit Organization)  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022  
(Amounts Expressed in Whole Philippine Pesos)

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1. BACKGROUND

The Ramon Aboitiz Foundation, Inc., the “Foundation” is a non-stock, non-profit foundation registered with the Securities and Exchange Commission under Philippine laws on November 16, 1966. Its principal office is located at 35 Eduardo Aboitiz St., Brgy. Tinago, Cebu City, Philippines.

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 is a donee institution in accordance with revenue laws, rules and regulations. On July 17, 2017, the Articles of Incorporation of the Foundation was amended to include the following:

- To research, discover and preserve socio-historical and cultural information, artifacts and related socio-anthropological activities identifiable with the Filipino people. (As amended on March 7, 1983). Related to this purpose the Foundation operates and manages museum and its auxiliary services and activities, such as but limited to: temporary exhibits, galleries, souvenir shop and café serving locally inspired dishes, as a showcase of the Cebuano heritage at the turn of the 19<sup>th</sup> century; (As amended on June 6, 2015 and further amended on July 17, 2017);
- The principal office of the corporation is located at 35 Eduardo Aboitiz St., Brgy. Tinago, Cebu City, Philippines. The corporation may also have offices at such other places as the Board of Trustees may from time to time designate or the purpose of the corporation may require (As amended on June 6, 2015 and further amended on July 17, 2017).

The Foundation 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.

The Foundation is currently engage in projects and programs relating to integrated development, education, leadership and citizenship, and culture and heritage. (see Note 16)

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2. BASIS OF PREPARATION, STATEMENT OF COMPLIANCE, AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation.

The financial statements of the Foundation have been prepared under historical cost basis except for financial asset at FVTPL and financial assets at FVOCI which are measured at fair

value. The financial statements are presented in Philippine peso, which is the Foundation’s presentation and functional currency.

Statement of Compliance.

The financial statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRSs).

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the new and revised standards and Philippine Interpretations which were applied starting January 1, 2022. The Foundation has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

These new and revised standards and interpretations did not have any significant impact on the Foundation’s financial statements:

- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Property, Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs 2018-2020 Cycle*
  - Amendments to PFRS 1, *First-time Adoption of PFRS* – Subsidiary as a first-time adopter
  - Amendments to PFRS 9, *Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities*
  - PAS 41, *Agriculture – Taxation in fair value measurements*

Pronouncements issued but not yet effective are listed below. The Foundation intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the financial statements.

*Effective beginning on or after January 1, 2023*

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 1: *Classification of Liabilities as Current or Non-current*

*Deferred effectivity*

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- Deferral of Philippines Interpretation Committee (PIC) Q&A No. 2018-12 on PFRS 15, *Revenue from Contracts with Customers*, for Real Estate Companies

## Summary of Significant Accounting Policies and Disclosures

### a. Fair value measurement

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 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 to 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 non-financial 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 another market participant that would use the asset in its highest and best use.

The Foundation uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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 (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Foundation determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Foundation has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

### b. Cash and cash equivalents.

Cash includes cash on hand and in banks. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and that are subject to an insignificant risk of change in value.

### c. Financial assets and financial liabilities.

#### Initial recognition.

The Foundation recognizes a financial asset or a financial liability in the balance sheet when the Foundation becomes a party to the contractual provisions of the instrument.

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Foundation commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Financial assets and financial liabilities are recognized initially at cost which is the fair value at inception. Transaction costs, if any, are included in the initial measurement of all financial assets and liabilities, except for financial instruments measured at fair value through profit or loss (FVTPL).

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Foundation recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the statement of income unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Foundation determines the appropriate method of recognizing the 'Day 1' difference amount.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented at gross amounts in the balance sheet.

#### Contractual cash flows assessment.

For each financial asset, the Foundation assesses the contractual terms to identify whether the instrument is consistent with the concept of Solely Payments of Principal and Interest (SPPI).

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Foundation applies judgment and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

#### Evaluation of business model in managing financial instruments.

The Foundation determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Foundation's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed; and
- The expected frequency, value and timing of sales are also important aspects of the Foundation's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Foundation's original expectations, the Foundation does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

#### Categories of Financial Assets and Financial Liabilities.

Financial assets and financial liabilities are further classified into the following categories: financial asset or financial liability at amortized cost, financial assets at fair value through other comprehensive income (FVOCI), fair value through profit or loss (FVTPL), and other financial liabilities. The Foundation determines the classification at initial recognition and re-evaluates this designation at every reporting date, where appropriate.

##### *Financial assets at amortized cost.*

Financial assets at amortized cost are quoted or unquoted non-derivative financial assets that have contractual terms that are consistent with the concept of SPPI and which fit the business model of held-to-collect.

After initial measurement, these financial assets are carried at amortized cost less allowance for expected credit losses and impairment. Amortized cost is determined using the effective interest method, taking into account any discount or premium on

acquisition and the fees that are an integral part of the effective interest rate. Gains and losses are recognized in the statement of income when the financial assets at amortized cost are derecognized or impaired, as well as through the amortization process. Financial assets at amortized cost are included in current assets if maturity is within twelve months from the reporting date. Otherwise, they are classified as non-current assets.

Amortization is determined using the effective interest rate method.

Included in this category is the Foundation's cash and cash equivalents, accounts receivable, debt investments at amortized cost, and trust funds.

##### *Financial assets at FVOCI.*

Financial assets at FVOCI includes quoted non-derivative financial assets that have contractual terms that are consistent with the concept of SPPI but do not fit the business model of held-to-collect. These are recorded in the balance sheet at fair value. Interest income is recognized in profit or loss and fair value changes are recognized in other comprehensive income. Upon disposal, fair value changes are recycled to profit or loss.

Financial assets at FVOCI also includes equity instruments not held for trading and which the Foundation opted not to designate as financial assets at FVTPL. These are recorded in the balance sheet at fair value. Dividend income is recognized in profit or loss and fair value changes are recognized in other comprehensive income. Upon disposal, there is no recycling of fair value changes.

As of December 31, 2022 and 2021, the Foundation's financial assets at FVOCI amounted to P25,494,250,477 and P23,837,403,138, respectively.

##### *Financial asset or financial liability at FVTPL.*

Financial assets at FVTPL are all financial assets whose contractual terms are not consistent with the concept of SPPI, with the exception of equity instruments not held for trading which the Foundation opts to designate as financial assets at FVOCI without recycling. Financial liabilities at FVTPL are liabilities acquired for the purpose of selling and repurchasing in the near term or are those designated by the Foundation as such.

Financial assets and liabilities at FVTPL are recorded in the balance sheet at fair value. Subsequent changes in fair value are recognized in profit or loss. Interest earned or incurred is recorded as interest income or expense, respectively, while dividend income is recorded as other income when the right to receive payment has been established.

As of December 31, 2022 and 2021, the Foundation's financial assets at FVTPL amounted to P1,341,500,553 and P601,675,644, respectively.

##### *Other financial liabilities.*

Financial liabilities not designated as FVTPL are measured at cost or amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate. The amortization is included in interest expense in the statement of comprehensive income.

Included in this category is the Foundation's accounts payable and accrued expenses and deferred credits.

#### Reclassifications of Financial Instruments.

The Foundation reclassifies its financial assets when, and only when, there is a change in the business model for managing the financial assets. Reclassifications shall be applied prospectively by the Foundation and any previously recognized gains, losses or interest shall not be restated.

The Foundation does not reclassify its financial assets when:

- A financial asset that was previously a designated and effective hedging instrument in a cash flow hedge or net investment hedge no longer qualifies as such;
- A financial asset becomes a designated and effective hedging instrument in a cash flow hedge or net investment hedge; and,
- There is a change in measurement on credit exposures measured at fair value through profit or loss.

The Foundation does not reclassify its financial liabilities.

#### Impairment of financial assets at amortized cost.

The Foundation recognizes expected credit losses (ECL) for the following financial assets that are not measured at FVTPL:

- Debt instruments that are measured at amortized cost and FVOCI;
- Loan commitments; and,
- Financial guarantee contracts

No ECL is recognized on equity investments.

ECLs are measured in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and,
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

- Stage 1: 12-month ECL. For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the

reporting date are recognized.

- Stage 2: Lifetime ECL - not credit-impaired. For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.
- Stage 3: Lifetime ECL - credit-impaired. Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

Loss allowances are recognized based on 12-month ECL for debt investment securities that are assessed to have low credit risk at the reporting date. A financial asset is considered to have low credit risk if:

- the financial instrument has a low risk of default;
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; or,
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Foundation considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade', or when the exposure is less than 30 days past due.

*Determination of the Stage for Impairment.* At each reporting date, the Foundation assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Foundation considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed significant increase in credit risk since origination, then the loss allowance measurement reverts from lifetime ECL to 12-month ECL.

#### Derecognition of Financial Assets and Liabilities.

##### *Financial assets.*

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;

- the Foundation retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a ‘pass-through’ arrangement; or
- the Foundation has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Foundation has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Foundation’s continuing involvement in the asset.

*Financial liabilities.*

A financial liability is derecognized when the obligation specified in the contract is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different term, or the terms of an existing liability are substantially modified, such change or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

d. Prepaid expenses.

Prepaid expenses are carried at the amounts paid and are amortized as they are used in operations or as they expire with the passage of time.

e. Property and equipment.

Property and equipment are initially recognized at cost and are subsequently stated at cost net of accumulated depreciation, if applicable, and accumulated impairment losses, if any. Cost of property and equipment comprises its net purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Subsequent expenditures related to property and equipment for maintenance or repairs are expensed. Improvements are capitalized and depreciated over expected useful life.

Depreciation is computed on 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%

The useful lives of the assets and depreciation method used are reviewed periodically for any significant change in utility of the assets and in the expected pattern of economic

benefits to ensure that current and future depreciation charges are adjusted accordingly.

Gain or loss on disposal or retirement of property and equipment are generally reflected in profit or loss.

At each reporting date, property and equipment are assessed for any indication of impairment in value based on internal and external sources. If any indication exists, recoverable amount of the asset is estimated and an impairment loss is recognized in profit and loss.

f. Computer software.

Costs incurred in the development of computer software are capitalized. Software development costs are amortized using the straight-line method over a period of three (3) years.

The carrying value of computer development costs is reviewed for impairment annually when the asset is not yet in use, and otherwise when events or changes in circumstances indicate that carrying value may not be recoverable.

g. Deferred credits.

Funds received that are restricted by the donors for specific purposes are recognized as deferred credits upon receipt. These are deemed donated and reported as revenue only upon the occurrence of the events specified by donors.

h. Fund balance.

Cumulative excess of supports and other gains over expenses includes the current and prior period results reported in the statements of operations.

i. Revenue and expense 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 and sub-grants are recognized as revenue over periods to match them with the related costs which they are intended to compensate. Grants related to depreciable assets are recognized as revenue over the periods and in proportion in which depreciation on those assets is charged.

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 revenues are recognized when earned.

Expenses are recognized when incurred.

j. Foreign currency transactions.

Foreign currency transactions are recorded in Philippine peso at exchange rate on transaction date. Foreign currency assets and liabilities are restated to Philippine pesos at closing rates. Foreign exchange differentials are generally reflected in profit or loss.

k. Retirement benefits.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

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

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to statement of income in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Foundation, nor can they be paid directly to the Foundation. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

l. Related party transactions and relationship.

Related party relationships exist when one party has the ability to control, directly or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/ or among entities which are under common control with the reporting enterprises, or between and/ or among the reporting enterprises and its key management personnel, directors or its stockholders. Transactions between related parties are accounted for based on negotiated prices and terms.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

m. Provisions.

Provisions are recognized when the Foundation has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statements of operations.

n. Contingencies.

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

o. Events after reporting date.

Post year end events that provided additional information about the Foundation's position at reporting date (adjusting events) are reflected in the financial statements. Post year end events that are not adjusting events are disclosed when material.

Significant Accounting Judgments, Estimates and Assumptions.

Judgments.

In the process of applying the accounting policies of the Foundation, management has made following judgments and estimates which have the most significant effect on the amounts recognized in the financial statements:

Provisions and contingencies.

The Foundation applies judgment on when to recognize provisions or contingent liabilities. Provisions are recognized when the Foundation has a present obligation (legal or constructive) as a result of a past event, it is possible 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.

### Estimates and Assumptions.

#### *Allowance for expected credit losses.*

ECLs are derived from unbiased and probability-weighted estimates of expected loss, and are measured as follows:

- *Financial assets that are not credit-impaired at the reporting date:* as the present value of all cash shortfalls over the expected life of the financial asset discounted by the effective interest rate. The cash shortfall is the difference between the cash flows due to the Foundation 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 discounted by the effective interest rate.
- *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.
- *Financial guarantee contracts:* as the expected payments to reimburse the holder less any amounts that the Foundation expects to recover.

The Foundation leverages existing risk management indicators (e.g. internal credit risk classification and restructuring triggers), credit risk rating changes and reasonable and supportable information which allows the Foundation to identify whether the credit risk of financial assets has significantly increased.

As of December 31, 2022 and 2021, carrying value of accounts receivable amounted to P29,174,479 and P32,167,426, respectively.

#### *Useful lives of property and equipment.*

The Foundation estimates the useful lives of depreciable 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 annually and are updated if expectations differ from previous estimates due to physical wear and tear and technical or commercial obsolescence. It is probable that the results of future operations could be materially affected by changes in the estimates due to changes in aforementioned factors. Reduction in estimated useful lives of depreciable assets would increase depreciation expense and decrease non-current assets.

Carrying value of depreciable assets amounted to P319,365,077 and P315,779,017 as of December 31, 2022 and 2021, respectively.

#### *Impairment of non-financial assets.*

The Foundation assesses the impairment of non-financial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The impairment review requires an estimation of the present value of the expected future cash flows from continued use of the assets and selection of an appropriate discount rate that can materially affect the financial statements.

Carrying value of non-financial assets as follows:

	December 31 2022	December 31 2021
Prepaid expenses and other current assets	P857,341	P656,053
Property and equipment – net	452,317,981	448,731,921
Other non-current assets	10,036,165	10,104,134

#### *Retirement benefits.*

The determination of the obligation and cost of retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, expected return on plan assets and salary increase rates. Actual results that differ from the assumptions are accumulated and amortized over future periods and therefore generally affect the recognized expense and recorded obligation in such future periods.

While the Foundation believes that the assumptions are reasonable and appropriate, significant changes between actual experiences and assumptions may materially affect the cost of retirement benefits and related obligation. Retirement benefits expense amounted to P8,609,762 and P9,567,487 in 2022 and 2021, respectively. Accrued retirement payable amounted to P3,267,200 and P9,187,549 as of December 31, 2022 and 2021, respectively.

#### *Fair values of financial assets and liabilities.*

PFRSs requires that certain financial assets and liabilities be carried at fair value, which requires the use of accounting judgment and estimates. While significant components of fair value measurement are determined using verifiable objective evidence (e.g. foreign exchange rates, interest rates, volatility rates), the timing and amount of changes in fair value would differ with the valuation methodology used. Any change in the fair value of these financial assets and liabilities would directly affect net profit or loss and equity. Fair value of financial assets and liabilities amounted to P28,644,480,441 and P83,849,508, respectively, as of December 31, 2022 and P26,788,136,425 and P120,079,172, respectively, as of December 31, 2021.

### 3. CASH AND CASH EQUIVALENTS

This account consists of:

	December 31 2022	December 31 2021
Cash on hand	P42,000	P42,000
Cash in bank	209,227,427	91,096,373
Cash equivalents	1,508,090,687	1,415,857,772
	<u>P1,717,360,114</u>	<u>P1,506,996,145</u>

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

Cash in banks earn interest at current bank rates.

Cash equivalents are short-term money market placements with terms ranging from 30 to 33 days. Cash equivalents earn annual interest ranging from 4.20% to 6.00% in 2022 and 0.50%



to 1.25% in 2021.

Interest income earned on cash and cash equivalents amounted to P27,009,549 and P7,722,068 in 2022 and 2021, respectively. (see Note 15)

#### 4. ACCOUNTS RECEIVABLE

This account consists of:

	December 31 2022	December 31 2021
Advances to contractors and suppliers	P393,129	P86,413
Other receivables	28,781,350	32,081,013
	<u>P29,174,479</u>	<u>P32,167,426</u>

Advances to contractors and suppliers are down payment applicable against billings for job done or deliveries.

Other receivables consist of receivables from project proponents for project monitoring expenses paid by the Foundation in their behalf and advances to officers and employees for operating purposes and personal advances subject to liquidation and payroll deductions.

#### 5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

These are investments in trust funds as follows:

	December 31 2022	December 31 2021
Cost	P1,326,070,714	P567,019,483
Cumulative changes in fair value	15,429,839	34,656,161
	<u>P1,341,500,553</u>	<u>P601,675,644</u>

Cumulative changes in fair value of financial assets at FVTPL are as follows:

	2022	2021
Balance, January 1	P34,656,161	P40,279,650
Losses (gains) realized by fund manager	7,458,803	(5,159,008)
Fair value change during the year	(26,685,125)	(464,481)
	<u>P15,429,839</u>	<u>P34,656,161</u>

Income earned (losses incurred) from financial assets at FVTPL (Note 15) were as follows:

	2022	2021
Interest income	P9,861,248	P2,353,704
Dividend income	5,912,923	5,718,038
Fair value changes	(26,685,125)	(464,481)
	<u>(P10,910,954)</u>	<u>P7,607,261</u>

#### 6. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI)

This represents investments in equity instruments as follows:

	December 31 2022	December 31 2021
Cost	P1,254,166,287	P1,087,847,777
Cumulative changes in fair value	24,240,084,190	22,749,555,361
	<u>P25,494,250,477</u>	<u>P23,837,403,138</u>

Cumulative changes in fair value of financial assets at FVOCI included in fund balance are as follows:

	2022	2021
Balance, January 1	P22,749,555,361	P19,533,672,483
Fair value change during the year included in other comprehensive income	1,490,528,829	3,215,882,878
	<u>P24,240,084,190</u>	<u>P22,749,555,361</u>

Income earned from financial assets at FVOCI (Note 15) were as follows:

	2022	2021
Dividend income	P713,441,127	P408,072,374
Interest income	—	739,076
	<u>P713,441,127</u>	<u>P408,811,450</u>

## 7. DEBT INVESTMENTS AT AMORTIZED COST

This account consists of:

	December 31 2022	December 31 2021
Trust investments in corporate bonds	P30,402,093	P30,187,055
Long-term deposits	—	748,111,280
	<u>P30,402,093</u>	<u>P778,298,335</u>

Debt investments at amortized cost have annual interest rates which ranged from 3.50% to 4.03% in 2022 and 0.50% to 4.50% in 2021.

Interest income earned on debt investments at amortized cost amounted to P4,365,374 and P28,748,769 in 2022 and 2021, respectively. (see Note 15)

## 8. PROPERTY AND EQUIPMENT

As of December 31, 2022

	Land	Buildings	Building improvements	Transportation equipment	Office equipment, furniture and fixtures	Tools and equipment	Total
<b>Cost</b>							
Balance, beginning	P132,952,904	P459,823,571	P189,886,614	P21,530,238	P183,059,589	P8,864,890	P996,117,806
Additions	—	—	22,521,032	976,868	30,946,044	247,814	54,691,758
Amortization	—	—	—	—	(526,110)	—	(526,110)
Derecognition	—	(49,107)	—	(129,005)	(11,178,522)	(192,929)	(11,549,563)
<b>Balance, end</b>	<u>132,952,904</u>	<u>459,774,464</u>	<u>212,407,646</u>	<u>22,378,101</u>	<u>202,301,001</u>	<u>8,919,775</u>	<u>1,038,733,891</u>
<b>Accumulated depreciation</b>							
Balance, beginning	—	335,702,378	78,037,567	16,677,078	108,206,467	8,762,395	547,385,885
Depreciation	—	8,025,872	10,041,164	3,001,189	28,666,786	54,188	49,789,199
Derecognition	—	—	—	(129,005)	(10,437,240)	(192,929)	(10,759,174)
<b>Balance, end</b>	<u>—</u>	<u>343,728,250</u>	<u>88,078,731</u>	<u>19,549,262</u>	<u>126,436,013</u>	<u>8,623,654</u>	<u>586,415,910</u>
<b>Net book value</b>	<u>P132,952,904</u>	<u>P116,046,214</u>	<u>P124,328,915</u>	<u>P2,828,839</u>	<u>P75,864,988</u>	<u>P296,121</u>	<u>P452,317,981</u>

As of December 31, 2021

	Land	Buildings	Building improvements	Transportation equipment	Office equipment, furniture and fixtures	Tools and equipment	Total
<b>Cost</b>							
Balance, beginning	P132,952,904	P453,753,741	P181,577,145	P21,244,033	P168,521,504	P9,164,051	P967,213,378
Additions	—	6,069,830	8,309,469	350,900	16,120,257	—	30,850,456
Amortization	—	—	—	—	(415,398)	—	(415,398)
Derecognition	—	—	—	(64,695)	(1,166,774)	(299,161)	(1,530,630)
<b>Balance, end</b>	<b>132,952,904</b>	<b>459,823,571</b>	<b>189,886,614</b>	<b>21,530,238</b>	<b>183,059,589</b>	<b>8,864,890</b>	<b>996,117,806</b>
<b>Accumulated depreciation</b>							
Balance, beginning	—	327,934,396	65,606,240	15,546,429	79,650,366	8,955,443	497,692,874
Depreciation	—	7,767,982	12,431,327	1,195,344	29,675,042	106,113	51,175,808
Derecognition	—	—	—	(64,695)	(1,118,941)	(299,161)	(1,482,797)
<b>Balance, end</b>	<b>—</b>	<b>335,702,378</b>	<b>78,037,567</b>	<b>16,677,078</b>	<b>108,206,467</b>	<b>8,762,395</b>	<b>547,385,885</b>
<b>Net book value</b>	<b>P132,952,904</b>	<b>P124,121,193</b>	<b>P111,849,047</b>	<b>P4,853,160</b>	<b>P74,853,122</b>	<b>P102,495</b>	<b>P448,731,921</b>

Depreciation expense included in project utilization expenses amounted to P49,789,199 and P51,175,808 in 2022 and 2021, respectively.

Amortization expense included in project utilization expenses amounted to P526,110 and P415,398 in 2022 and 2021, respectively.

The Foundation has no idle property and equipment as of reporting date.

## 9. TRUST FUNDS

These are funds entrusted/conditionally donated to the Foundation to insure continuous support to certain charitable programs of the Foundation. In accordance with the terms and conditions of the trust funds, the funds are disbursed only for the intended purpose for which each trust fund was created.

Trust fund principal are credited to deferred credits upon receipt and are recognized as revenue by the Foundation upon occurrence of a specified event. (see Note 12)

## 10. OTHER NON-CURRENT ASSETS

This account consists of:

	December 31 2022	December 31 2021
Museum shop inventory and other supplies	P7,044,602	P5,537,029
Deferred charges – MCIT (Note 19)	35,245	77,896
Other assets	2,956,318	4,489,209
	<b>P10,036,165</b>	<b>P10,104,134</b>

Other assets consists mainly of premiums advanced to an insurance company and deposits.

## 11. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account consists of:

	December 31 2022	December 31 2021
Trade payables	P48,497,138	P84,203,077
Income tax payable (Note 19)	9,111	2,202
Other payables	3,550,534	4,278,156
	<b>P52,056,783</b>	<b>P88,483,435</b>

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

Other payables are payables to certain entities for expenditures of the Foundation that were paid by the entities in behalf of the Foundation.

## 12. DEFERRED CREDITS

Deferred credits consist of:

	December 31 2022	December 31 2021
Trust fund principals (Note 9)	P31,792,725	P31,595,737

### 13. DONATIONS AND CONTRIBUTIONS

Donations and charitable contributions amounted to P72,252,450 and P41,267,611 in 2022 and 2021, respectively.

The Foundation is duly accredited by the Philippine Council for NGO Certification (PCNC) as a donee institution. The accreditation is valid until October 27, 2026.

On December 10, 2021, the Bureau of Internal Revenue issued a certificate of registration to the Foundation as a donee institution in accordance with the provisions of Revenue Regulation No. 13-98 and donations received shall entitle the donors to full or limited deduction pursuant to Section 34(H)(1) or (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 July 15, 2024 unless sooner revoked by this Office for violation of any provisions of Revenue Regulations No. 13-98, or upon withdrawal of the certificate of Accreditation by the PCNC.

### 14. COUNTERPART CONTRIBUTIONS

This amount represents contribution of goods and services, valued in monetary terms other than cash grants and donations, by the Foundation's partners in the different projects and programs of the Foundation as their share in the implementation cost. (see Note 16)

### 15. OTHER SUPPORTS AND GAINS

Sources of dividend income are as follows:

	2022	2021
Financial asset at FVOCI (Note 6)	P713,441,127	P408,072,374
Financial assets at FVTPL (Note 5)	5,912,923	5,718,038
	<u>P719,354,050</u>	<u>P413,790,412</u>

Sources of interest income as follows:

	2022	2021
Cash and cash equivalents (Note 3)	P27,009,549	P7,722,068
Financial assets at FVTPL (Note 5)	9,861,248	2,353,704
Debt investments at amortized cost (Note 7)	4,365,374	28,748,769
Financial asset at FVOCI (Note 6)	—	739,076
	<u>P41,236,171</u>	<u>P39,563,617</u>

Other income (losses) consists of:

	2022	2021
Foreign exchange gain	P1,616,257	P69,343
Museum shop sales	929,614	220,153
Fair value changes of financial assets at FVTPL (Note 5)	(26,685,125)	(464,481)
	<u>(P24,139,254)</u>	<u>(P174,985)</u>

### 16. PROJECT UTILIZATION EXPENSES

This account consists of the costs of the Foundation's programs primarily addressing societal problems and concerns, which are in consonance with the plans and framework of the government. Project costs constitute costs in organizing, training and capability building, provision of basic services, environmental conservation, cultural preservation and restoration, human resource development and leadership development formation for the youth. These programs are managed and implemented by the Foundation using strategies and approaches unique to the organization.

	Project Utilization – 2022		
	RAFI	Partners	Total
<i>Integrated development (health, environment and community development)</i>			
Eduardo J. Aboitiz Cancer Center	P17,861,842	P39,396	P17,901,238
One to Tree	65,398,889	39,396	65,438,285
	<u>83,260,731</u>	<u>78,792</u>	<u>83,339,523</u>
<i>Education</i>			
Education Development Unit	42,931,525	10,000,391	52,931,916
Dolores Aboitiz Children's Fund	42,485,208	39,396	42,524,604
	<u>85,416,733</u>	<u>10,039,787</u>	<u>95,456,520</u>
<i>Leadership and citizenship (youth development and governance)</i>			
Center for Leaders	56,613,770	15,416	56,629,186
<i>Culture and heritage</i>			
Cultural Heritage Program	46,959,810	39,396	46,999,206
<i>HDPR</i>			
Human Disaster Preparedness and Response	91,331,195	18,677,276	110,008,471
	<u>P363,582,239</u>	<u>P28,850,667</u>	<u>P392,432,906</u>

	Project Utilization – 2021		
	RAFI	Partners	Total
<i>Integrated development (health, environment and community development)</i>			
Eduardo J. Aboitiz Cancer Center	P11,864,970	—	P11,864,970
One to Tree	44,448,764	—	44,448,764
	56,313,734	—	56,313,734
<i>Education</i>			
Education Development Unit	181,598,997	P6,960,483	188,559,480
Dolores Aboitiz Children's Fund	21,977,479	—	21,977,479
	203,576,476	6,960,483	210,536,959
<i>Leadership and citizenship (youth development and governance)</i>			
Center for Leaders	53,893,189	—	53,893,189
<i>Culture and heritage</i>			
Cultural Heritage Program	40,591,482	—	40,591,482
<i>HDPR</i>			
Human Disaster Preparedness and Response	60,539,374	22,196,895	82,736,269
	P414,914,255	P29,157,378	P444,071,633

#### *Eduardo J. Aboitiz Cancer Center*

The Eduardo J. Aboitiz Cancer Center fosters wellness through its programs in cancer advocacy and education, screening and early detection, and treatment assistance. Key programs includes; Cervical and breast cancer screening trainings for rural health units, Mass cervical and breast cancer screening, Cancer treatment patient assistance, and Establishment of cancer patient support groups.

#### *One-to-Tree*

The RAFI One to Tree offers community-based and environmentally appropriate tree growing services. OTT aims to achieve a healthier and sustainable environment.

#### *Education Development Unit*

The Education Development Unit of the Ramon Aboitiz Foundation, Inc. aims to improve the wellbeing of learners on the margins to prepare them for a changing world through enabling communities of learning by leveraging resources to bridge education gaps. Key programs includes; School Rebuild Program and Seal of Excellence in Education Development.

#### *Dolores Aboitiz Children's Fund*

The Dolores Aboitiz Children's Fund addresses the well-being gaps of young children, including health and nutrition, psycho-social care, and education. RAFI DACF enables organizations and communities to foster the well-being of young children through grants (resources and tools) and infrastructure. Key programs includes; Grants of Early Education (construction of high-quality daycare centers and playgrounds), grants for organizations for

children (grants focused on education, psycho-social care, and health and nutrition), and Advocacy, focused on research and development.

#### *Center for Leaders*

The RAFI Center for Leaders (CFL) is your partner in providing learning and development programs that equip organizations and individuals with the character, competence, and citizenship to be leaders of change through powerful learning experiences. Key programs includes; Youth Development Programs and Professional Development Programs.

#### *Cultural Heritage Program*

The RAFI Culture & Heritage advocates for the preservation and promotion of Cebuano culture and heritage. The program unit aims to awaken the Cebuano's interest for the past, educate about Cebu history, improve levels of awareness, and strengthen everyone's sense of pride as a Cebuano. Key programs includes; Casa Gorordo Museum, The Kabilin Center, and Gabii sa Kabilin.

#### *Human Disaster Preparedness and Response*

The Humanitarian Disaster Preparedness and Response program provides disaster response activities affecting communities primarily in Cebu and the rest of the country. The response approach involves relief operations, rehabilitation efforts, training for partner local government units and funding partner organizations. RAFI utilizes different types of facilities and equipment during its relief operations. These include communication equipment, a command center, packaging area, storage area, vehicles for assessment and monitoring. Key programs includes; Preparedness, Prevention and Mitigation, Response, Rehabilitation and Recovery.

## 17. GENERAL AND ADMINISTRATIVE EXPENSES

This account consists of:

	2022	2021
Information technology	P17,402,226	P7,554,046
Brand development	7,460,549	16,889,334
Finance and administrative division	4,479,882	11,461,642
Human resource department	3,305,026	8,631,993
Risk management unit	3,151,357	3,503,759
Audit and management costs	3,112,202	4,162,173
Compliance	2,221,541	5,713,333
Corporate solutions	—	13,489,712
	P41,132,783	P71,405,992

## 18. PERSONNEL COSTS

This consists of:

	2022	2021
Salaries and wages	P79,055,312	P60,289,390
Retirement benefits expense (Note 20)	8,609,762	9,567,487
Other employee benefits	24,175,256	23,878,973
	<b>P111,840,330</b>	<b>P93,735,850</b>

## 19. INCOME TAX

The Foundation is a non-stock, non-profit 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 the Tax Reform Act of 1997 (R.A. 8424). 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 16, 2020, the Bureau of Internal revenue (BIR) issued a tax exemption certificate to the Foundation valid for three (3) years from the date of issuance.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4 of Bayanihan 2 which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.

The Foundation has accumulated net operating loss carryover (NOLCO) available for tax reporting as follows:

Year sustained	Balance 12.31.2021	Additions in 2022	Expired in 2022	Balance 12.31.2022	Valid until
2019	P6,452,854	—	P6,452,854	—	2022
2020	4,382,580	—	—	P4,382,580	2025
2021	4,773,178	—	—	4,773,178	2026
2022	—	P2,777,255	—	2,777,255	2025
	<b>P15,608,612</b>	<b>P2,777,255</b>	<b>P6,452,854</b>	<b>P11,933,013</b>	

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

On March 26, 2021, President Rodrigo R. Duterte signed into law Republic Act No. 11534, Corporate Recovery and Tax Incentives for Enterprises Act (CREATE). The provisions of the law that are relevant to the Company are as follows:

- Reduction of the corporate income tax (CIT) from 30% to 20% for domestic corporations with total assets not exceeding P100 million, excluding land, and total net taxable income of not more than P5 million and to 25% for all other domestic

and resident foreign corporations starting July 1, 2020 and to 25% for non-resident foreign corporations starting January 1, 2021.

- Lower the minimum corporate income tax (MCIT) from 2% to 1% effective July 1, 2020 until June 30, 2023.

Minimum corporate tax, included in other non-current assets (Note 10), is creditable against normal income tax within the three immediately succeeding taxable years as follows:

Taxable year	Normal income tax	MCIT	Excess MCIT over normal income tax	Excess MCIT applied in previous years	Expired portion of excess MCIT	Excess MCIT applied currently	Balance of MCIT allowable as tax credit for succeeding years
2019	—	P51,947	P51,947	—	P51,947	—	—
2020	—	23,747	23,747	—	—	—	P23,747
2021	—	2,202	2,202	—	—	—	2,202
2022	—	9,296	9,296	—	—	—	9,296
	<b>—</b>	<b>P87,192</b>	<b>P87,192</b>	<b>—</b>	<b>P51,947</b>	<b>—</b>	<b>P35,245</b>

Income tax payable, included in accounts payable and accrued expenses, amounting to P9,111 and P2,202 as of December 31, 2022 and 2021, respectively, represents the excess of current income tax due over tax credits. (see Note 11)

## 20. RETIREMENT BENEFITS

The Foundation has a non-contributory benefit plan providing for retirement, death and disability benefits to permanent and regular employees. 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% final monthly salary for every year of service rendered starting January 1, 2006. The plan is totally funded by the Foundation.

Components of accrued retirement obligation recognized in the statement of financial position and retirement cost recognized in the statement of operations, and actuarial gain (loss) recognized in other comprehensive income (OCI) are as follows:

	2022	2021
Changes in present value of defined benefit obligation		
Balance, January 1	P47,227,364	P47,567,968
Current service cost	8,131,090	8,949,001
Interest cost	2,460,546	1,859,908
Actuarial loss	(9,219,294)	(11,149,513)
Benefits paid	(6,450,502)	—
Balance, December 31	<b>42,149,204</b>	<b>47,227,364</b>
(Forward)		

Changes in fair value of plan assets		
Balance, January 1	38,039,815	31,749,914
Interest income	1,981,874	1,241,422
Contribution to retirement fund	6,823,927	5,819,283
Remeasurement of plan assets	(1,513,110)	(770,804)
Benefits paid	(6,450,502)	—
<b>Balance, December 31</b>	<b>38,882,004</b>	<b>38,039,815</b>
<b>Liability recognized in the balance sheet</b>		
	2022	2021
Retirement cost recognized in profit or loss		
Current service cost	P8,131,090	P8,949,001
Net interest cost	478,672	618,486
<b>Retirement benefits expense (Note 18)</b>	<b>P8,609,762</b>	<b>P9,567,487</b>
	2022	2021
Cumulative actuarial loss		
Balance, beginning	(P17,163,713)	(P27,542,422)
Remeasurements for the year:		
Actuarial gain on defined benefit obligation	9,219,294	11,149,513
Remeasurement of plan assets	(1,513,110)	(770,804)
Actuarial gain in other comprehensive income	7,706,184	10,378,709
<b>Balance, end</b>	<b>(P9,457,529)</b>	<b>(P17,163,713)</b>
	2022	2021

Assumptions used to determine retirement benefits		
Discount rate	7.71%	5.21%
Rate of salary increase	7.00%	6.00%

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of December 31, 2022, assuming all other assumptions were held constant:

	Effect on 2022 defined benefit obligation
Change in discount rates	
1% increase	(P38,051,874)
1% decrease	46,890,924
Change in salary rate increase	
1% increase	47,070,152
1% decrease	(37,835,536)

Major categories of plan assets as a percentage of the fair value of the total plan assets are as follows:

	December 31 2022	December 31 2021
Financial assets at amortized cost	100%	100%

## 21. RELATED PARTY DISCLOSURES

The Foundation organized Kool Adventure Camp, Inc. (KAC) to implement its programs to develop youth and adults to become responsible leaders and citizens.

The Foundation allows the free use of the land and premises where the center of KAC is situated. The Foundation also pays for the maintenance of the center.

Donations made to KAC for project costs and other operating expenses amounted to P35,908,534 and P27,113,275 in 2022 and 2021, respectively.

Grants extended to KAC for capital expenditures amounted to P1,555,317 and P5,376,687 in 2022 and 2021, respectively.

The aggregate compensation and benefits paid during the year to key management personnel are as follows:

	2022	2021
Short-term employee benefits	P15,509,577	P11,416,033
Post-employment benefits	1,937,405	1,994,848
<b>Total</b>	<b>P17,446,982</b>	<b>P13,410,881</b>
<b>As a percentage of total personnel cost</b>	<b>15.60%</b>	<b>14.31%</b>

## 22. 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 2022 and 2021.

The Foundation manages capital using the gearing ratio. It is the Foundation's policy to keep the gearing ratio at 30% or less. Gearing ratio is net debt divided by equity plus net debt. The Foundation determines net debt as the total liabilities less cash and cash equivalents. Equity comprises the total fund balance.

The Foundation's gearing ratio (net debt divided by equity plus net debt) were as follows:

	December 31 2022	December 31 2021
Net debt		
Total qualified liabilities	P83,849,508	P120,079,172
Cash and cash equivalents	(1,717,360,114)	(1,506,996,145)
Net debt (a)	(1,633,510,606)	(1,386,916,973)
Equity	29,020,575,220	27,118,361,812
Equity and net debt (b)	P27,387,064,614	P25,731,444,839
Gearing ratio (a/b)	—	—

### 23. FINANCIAL INSTRUMENTS

The Foundation's principal financial instruments comprise of cash and cash equivalents, accounts receivable, financial assets at FVTPL, financial assets at FVOCI, debt investments at amortized cost, trust funds, accounts payable and accrued expenses, and deferred credits.

As of December 31, 2022 and 2021, 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 is as follows:

*Cash and cash equivalents, accounts receivable, trust funds, accounts payable and accrued expenses, and deferred credits.*

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 debt investments 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 P1,341,500,553 and P601,675,644 as of December 31, 2022 and 2021, respectively, are measured using Level 1 valuation technique.

The Foundation's financial assets at FVOCI amounting to P25,494,250,477 and P23,837,403,138 as of December 31, 2022 and 2021, respectively, are measured using Level 1 valuation technique.

During the reporting year ended December 31, 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

### 24. 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				
2022	10%	5%	P2,549,425,048	(P1,274,712,524)
2021	10%	5%	2,383,740,314	(1,191,870,157)

*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.

Receivables of the Foundation that are neither past due nor impaired and are of standard credit quality amounted to P29,174,479 and P32,167,426 as of December 31, 2022 and 2021, respectively.

Credit risk from other financial assets, which comprise mainly of cash and cash equivalents, long term investments and trust funds, is mitigated by maintaining depository accounts and cash investments with financial institutions of high credit rating. Cash and cash equivalents, debt investment at amortized cost, and trust funds amounted to P1,779,554,932 and P2,316,890,217 as of December 31, 2022 and 2021, 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 of December 31, 2022

Financial assets	Contractual undiscounted collections			Total	Total carrying value
	Less than 1 year	1 to 5 years	> 5 years		
Cash and cash equivalents	P1,717,360,114	—	—	P1,717,360,114	P1,717,360,114
Accounts receivable	29,174,479	—	—	29,174,479	29,174,479
Financial assets at FVTPL	1,341,500,553	—	—	1,341,500,553	1,341,500,553
Financial assets at FVOCI	25,494,250,477	—	—	25,494,250,477	25,494,250,477
Debt investment at amortized cost	30,402,093	—	—	30,402,093	30,402,093
Trust funds	31,792,725	—	—	31,792,725	31,792,725
	P28,644,480,441	—	—	P28,644,480,441	P28,644,480,441

Financial liabilities	Contractual undiscounted payments			Total	Total carrying value
	Less than 1 year	1 to 5 years	> 5 years		
Accounts payable and accrued expenses	P52,056,783	—	—	P52,056,783	P52,056,783
Deferred credits	31,792,725	—	—	31,792,725	31,792,725
	P83,849,508	—	—	P83,849,508	P83,849,508

As of December 31, 2021

Financial assets	Contractual undiscounted collections			Total	Total carrying value
	Less than 1 year	1 to 5 years	> 5 years		
Cash and cash equivalents	P1,506,996,145	—	—	P1,506,996,145	P1,506,996,145
Accounts receivable	32,167,426	—	—	32,167,426	32,167,426
Financial assets at FVTPL	601,675,644	—	—	601,675,644	601,675,644
Financial assets at FVOCI	23,837,403,138	—	—	23,837,403,138	23,837,403,138
Debt investment at amortized cost	778,298,335	—	—	778,298,335	778,298,335
Trust funds	31,595,737	—	—	31,595,737	31,595,737
	P26,788,136,425	—	—	P26,788,136,425	P26,788,136,425

Financial liabilities	Contractual undiscounted payments			Total	Total carrying value
	Less than 1 year	1 to 5 years	> 5 years		
Accounts payable and accrued expenses	P88,483,435	—	—	P88,483,435	P88,483,435
Deferred credits	31,595,737	—	—	31,595,737	31,595,737
	P120,079,172	—	—	P120,079,172	P120,079,172

25. IMPACT OF COVID-19 PANDEMIC AND TYPHOON ODETTE ON THE FINANCIAL STATEMENTS

The latest crises demonstrated how fragile our world is. When COVID-19 took hold in 2020, its spread and impact resulted to a global crisis of unprecedented reach and proportion. In December 2021, the situation was worsened when super typhoon Odette swept through 11 of the country's 17 regions and left a swathe of destruction.

The most pressing problems that were pre-existing challenges before these crises had worsened significantly and their impact to the poor and vulnerable communities has become even more worrisome.

We've learned that these problems are all deeply connected. Armed with a firm resolve, the leadership team of RAFI has expanded the Foundation's strategy and approaches to use its current resources and strengths in helping address the worsened situation and problems in the communities and be even more relevant, efficient, and effective.

The RAFI Impact: 2022 Strategy served as our compass and set the course for RAFI's efforts to respond and help the communities move forward.

26. APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Foundation as of and for the year ended December 31, 2022 (including the comparatives as of and for the year ended December 31, 2021) were authorized for issue by the Board of Trustees on March 31, 2023.

27. SUPPLEMENTARY TAX INFORMATION

Revenue Regulation No. 15-2010.

The Foundation reported the following tax types:

Value added tax (VAT).

*Output VAT.*

The Foundation reported the following receipts for VAT at rate of 12%:

	Net receipts	Output tax
Museum shop sales	P929,614	P111,554

*Input VAT.*

The amount of input tax claimed for the year is broken down as follows:

	Tax base	Input tax
Balance of input tax carried over from previous year		P629,942
Input tax on current transactions:		
Domestic purchase of goods	P856,049	102,726
Importation of goods other than capital goods	106,071	12,729
Domestic purchase of services	1,644,503	197,340
Purchase not qualified for input	12,202,066	—
Total allowable input tax		942,737
Input tax applied against output tax		(111,554)
Balance of input tax carried over to next year		P831,183

Withholding taxes.

	Amount
Compensation	P10,224,247
Expanded	3,999,131
	P14,223,378

Other taxes and licenses.

Payments of other taxes and licenses included in project utilization expenses are as follows:

	Amount
Fringe benefit tax	P1,021,003
Business permit and other fees	88,938
Real property tax	64,086
PCNC annual registration fee	10,000
BIR annual registration fee	500
	P1,184,527

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# ABOUT THE THEME

## CENTERED ON THE RAFI EXPERIENCE

From its humble beginnings of supporting vocational education and personal philanthropy of its founder Ramon Aboitiz, RAFI has evolved into a social development organization anchored on its core values espoused by Don Ramon: God-centeredness, integrity, respect and service. These, we see at the core of every RAFInian as we work with the communities we serve.

Guided by our core values, RAFI has continued to provide exemplary services to communities across the country in 2022 despite challenges such as the impact of Super Typhoon Odette and amidst Covid-19 recovery, with the world slowly opening after lockdowns.

We continue our work of creating caring communities through love and respect for the dignity of man. We honor our commitments and show up despite adversity to achieve our goals, while also fostering a safe, inclusive and collaborative workplace for our people who make our programs and initiatives possible. At the heart of our work lies our unwavering commitment to provide assistance in various areas and elevate the wellbeing of communities.

RAFI



RAMON ABOITIZ  
FOUNDATION INC

## Touching People, Shaping the Future

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RAFI is a non-stock, non-profit organization (SEC Registration 31083) founded in 1966 whose mission is to upholding the dignity of man by working with communities to elevate their well-being. It is accredited by the Philippine Council for NGO Certification (PCNC no. 20211027114) and a member of the Association of Foundations.

The digital copy of RAFI's 2022 Annual Report is available at [www.rafi.org.ph](http://www.rafi.org.ph).

