

2023 ANNUAL REPORT

RAFI



RAMON ABOITIZ
FOUNDATION INC



Igniting Hope,
Inspiring Change

ABOUT THE COVER

The cover of the 2023 Annual Report shows the timeless symbolism of sunrise and daylight—a beacon of hope, as darkness yields to light. Set against this backdrop is a silhouette of a family, the basic unit of a community, gazing toward a brighter tomorrow. The image allows us to reflect on the significance of our collective work in community development, as impact-makers and stewards of hope and change.

This scene illustrates the optimism found in new and better beginnings and alludes to the organization's direction moving forward. With the conclusion of its five-year strategic plan, RAFI gears up for a new dawn and era, guided by a new strategy, to expand its work in elevating lives and shaping the future.



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MESSAGES FROM OUR LEADERS

2023 closed out the implementation of RAFI's five-year strategic plan, and, thus, opens the opportunity to include best practices and lessons learned as we plan for the next chapter of the organization. The years 2019-2023 also saw a great shift in the landscape of Cebu and in social development, given that these were the years of the pandemic and coming out of it.

We shifted our focus from responding to urgent needs brought by the pandemic and Super Typhoon Odette, and while considering internal and external changes, we were able to narrow down programs and initiatives that we believe have impact and relevance to both RAFI and the communities we serve. It's been a year of streamlining, prototyping, program development and team synergy to allow us to transition towards the new transformative programs for the communities.



Changes of composition at the Board level also took place. On behalf of the Board of Trustees, I would like to take this opportunity to thank our esteemed outgoing members of the Board, Dominica "Domi" Chua and Sofia A. Herrera, for their service and for helping RAFI achieve significant progress.

For almost five decades, Domi has helped steer RAFI forward and has been instrumental in shaping the organization into what it is today. Sofia, on the other hand, continued her father Jon Ramon's legacy by serving as a member of the Board and demonstrating her dedication to RAFI's mission. She will continue to serve the organization as Program Champion for Culture & Heritage.

I would also like to welcome Eduardo Alfred Aboitiz to the Board and look forward to his contributions and fresh perspectives for the organization.

2023 was indeed a year of recalibrating and finding better ways to expand our services, while also continuing our work of empowering communities. I am grateful to our internal and external stakeholders who continue to be part of this journey with us as we chart our course forward.

In moving forward, changes are inevitable, but they must be hopeful too. As we look back in the past year, in many ways it was about igniting hope and inspiring change. May the steps taken in 2023 bring us closer towards our vision of "Touching People, Shaping the Future".

Mikel Alberto Aboitiz
Chairman of the Board of Trustees

WHEN we ignite hope, we can inspire change. Hope is the desire or vision for a better state or way, and it is also grounded in the belief that we have in us the capacity to move ourselves towards that better place. Hope is not a wish-- it is an action towards positive change.

The end of our five-year strategic period, 2023 was a year for a re-evaluation of our programs vis-a-vis the environment we work in. We took stock of the challenges our communities face and conceptualized ways to address them at a systems level through what we call our "Big Stories". We established new strategic partnerships that will be needed to implement these stories and began work on some.

The Dolores Aboitiz Children's Fund boosted its initiatives on children's nutrition and education. It also took steps towards a dream of capacitating Early Childhood Care and Development workers with the completion of Duwa Academy in Argao and Bantayan. The Eduardo J. Aboitiz Cancer Center continued to support cancer patients and their families while also focusing on rural health units and local healthcare. Our Humanitarian Disaster Preparedness and Response team, on the other hand, harnessed the power of Puroks in boosting disaster preparedness while RAFI One to Tree expanded our number of trees planted, continued to support our partner farmers and reached out to more tree-growing partners.

Through RAFI Center for Leaders, the organization reached more youth leaders across Cebu, the Visayas and even nationwide. The Education Development Unit capacitated teachers with a focus on strategies to improve numeracy and literacy. While the Culture and Heritage team brought Cebuano culture and heritage to more places and spaces this year and empowered more artists and cultural workers. It also celebrated Casa Gorordo Museum's 40th anniversary and officially opened The Kabilin Center next door.

RAFI Microfinance Inc. (MFI) marked a big milestone with the celebration of its 25th anniversary, highlighting the significant impact it has had on its

clients and communities. It also continued to expand its reach and open more branches nationwide. In 2023, we took steps to build the organization's leadership, by appointing leaders fully dedicated to the organization. This will strengthen the organization and allow for its continuous growth and transformation to further benefit clients. RAFI MFI will continue to contribute to the overall RAFI vision, particularly in promoting the economic well-being of communities we serve.

All these would not be possible without the "heartwork" our teams put together and the support of our partners and communities. I thank all our internal and external stakeholders for their continuous support and dedication to the mission.

May the stories in this Annual Report inspire you to join us as we paddle forward and continue, with hopeful hearts, to bring about positive change in the areas where we work.

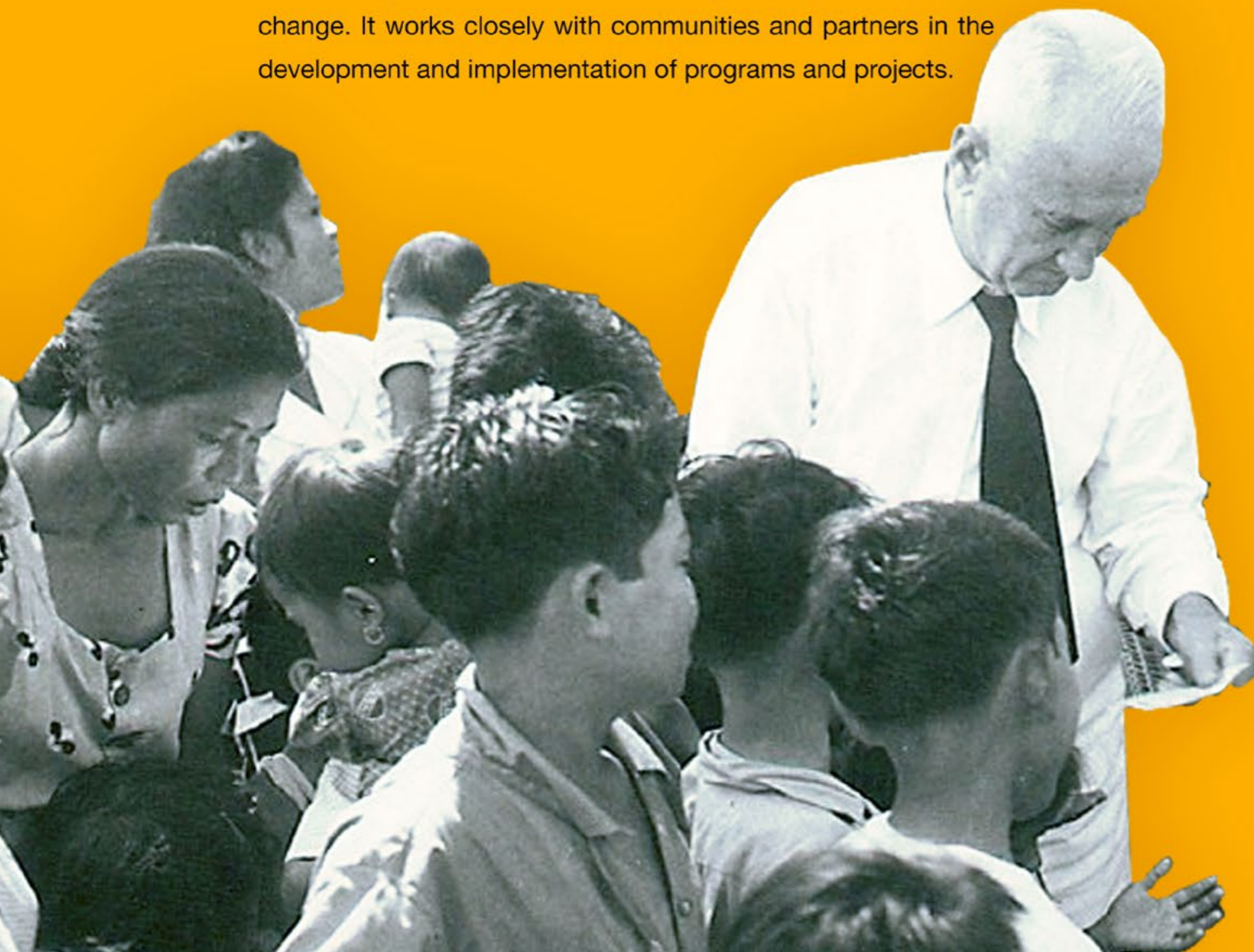
Amaya Cristina Aboitiz - Fansler
President & CEO



ARCHITECTS OF CHANGE

ABOUT RAFI

The Ramon Aboitiz Foundation, Inc. (RAFI) is a Cebu-based non-stock, non-profit organization established in 1966. 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.



VISION Touching People, Shaping the Future
Enabling Resilient, Prosperous and Vibrant Communities

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

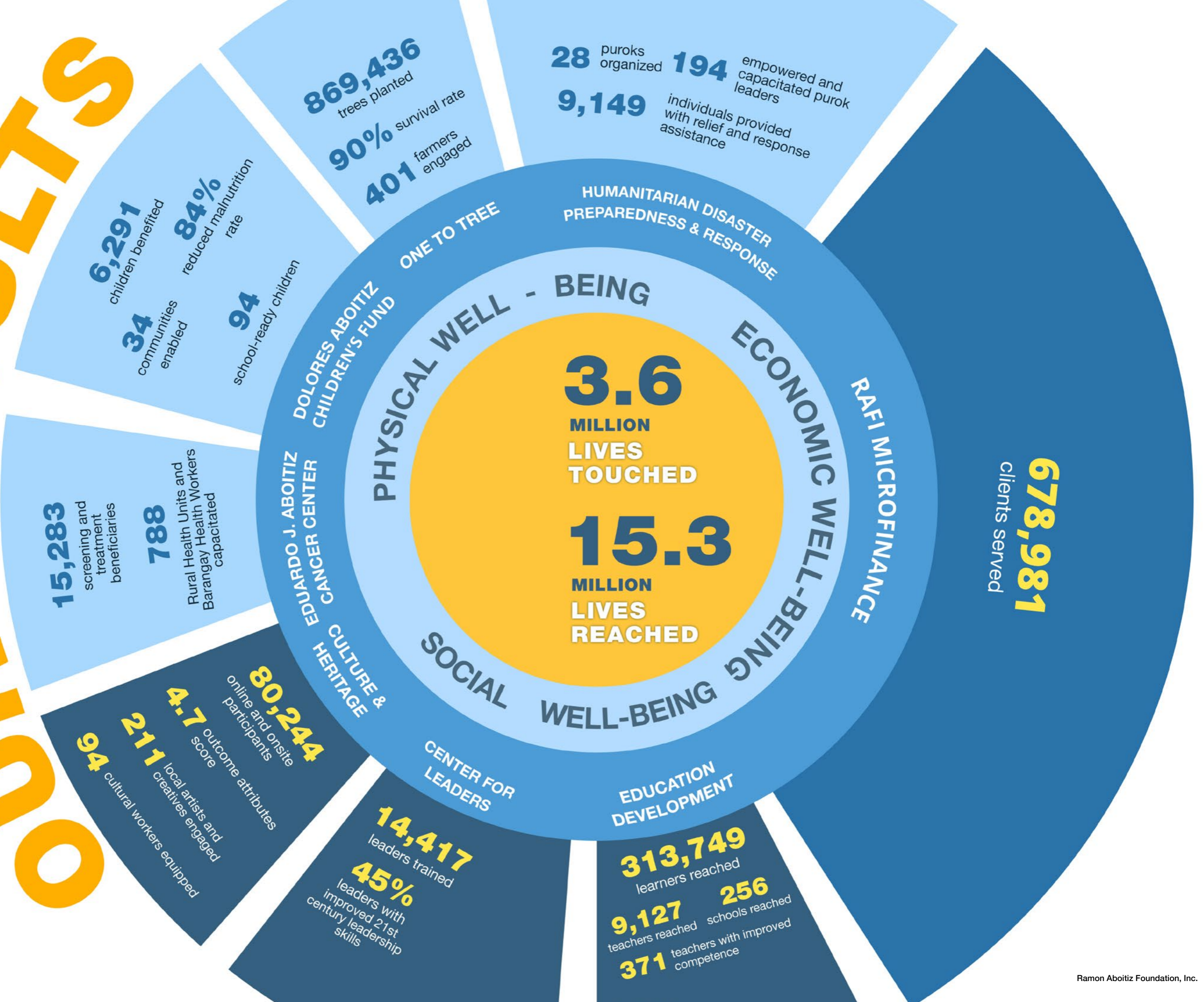
CORE VALUES The core values define who we are as a foundation and allows us to achieve and deliver our Vision and Mission. These are culled out from the Aboitiz family values.

- God-Centeredness**
- Integrity**
- Respect**
- Service**



2023
AT A
GLANCE

OUR RESULTS



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.

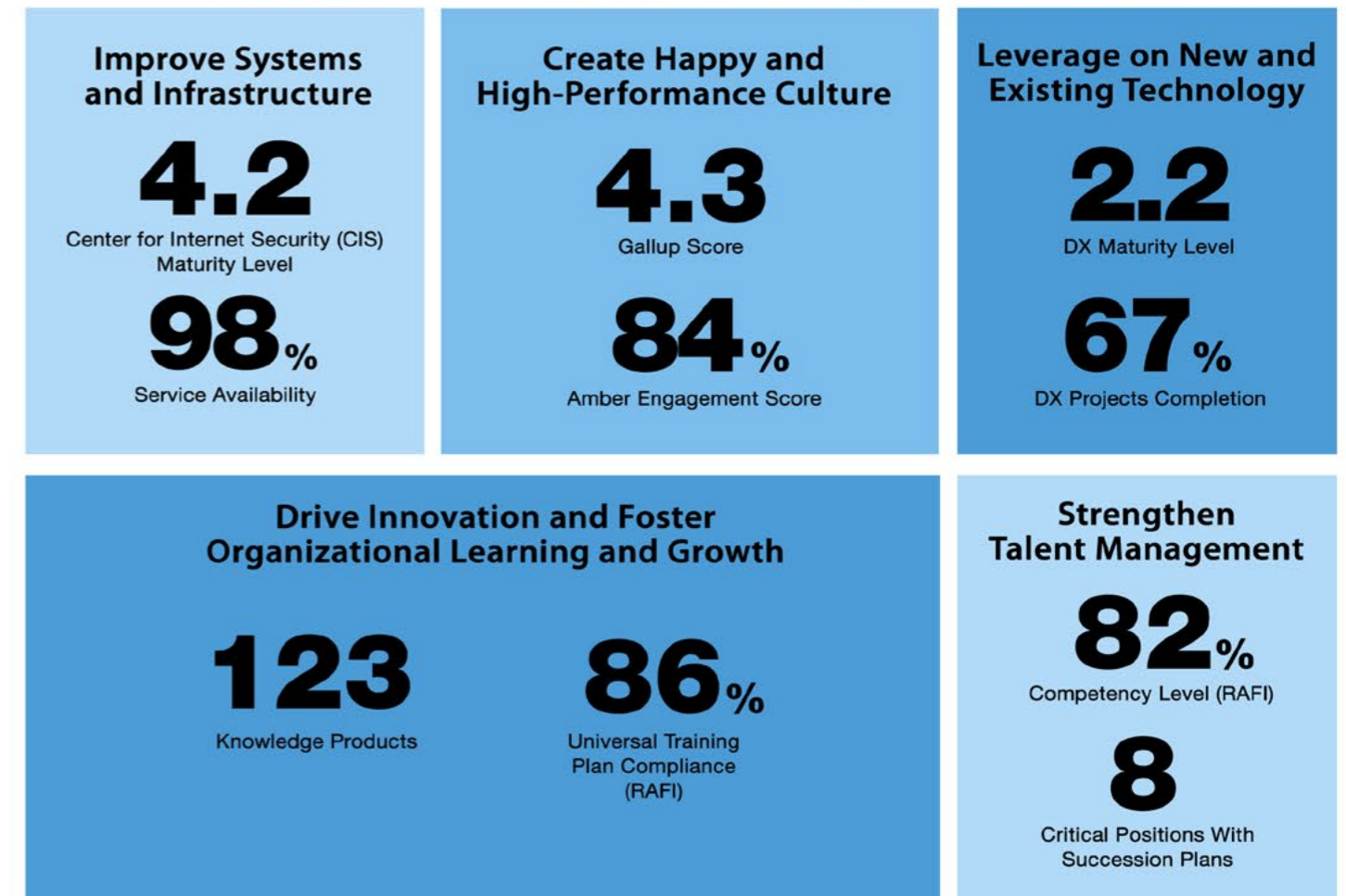
STEWARDSHIP AND SUSTAINABILITY



INTERNAL PROCESSES



ORGANIZATIONAL CAPACITY





IMPACT MAKERS

PHYSICAL WELL-BEING

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 growing native and fruit-bearing trees and providing supplemental livelihood for farmers.

VISION

Healthy and resilient communities living in harmony with nature





EARLY CHILDHOOD CARE AND DEVELOPMENT

Championing Children Through Play and Nutrition

The first five years are the most critical years of a child’s development, laying the foundations for their lifelong health, capabilities, and success. Investing in positive experiences grounded on providing the highest quality of care is vital for a child’s wellbeing.

2023 was a monumental year for the Dolores Aboitiz Children’s Fund (DACF) as it launched its pilot programs on early childhood education and nutrition. It forged strategic partnerships with the municipalities of Bantayan and Argao to achieve its goals and established champions for children in the towns.

Nourishing tomorrow

The country’s stunting rate remains at critical levels. In Central Visayas, over 72,000 children under the age of five suffer from long-term malnutrition, and 17,884 children are acutely malnourished, reports the National Nutrition Council. One of the major driving factors contributing to the

malnourishment of children is the limited access to diverse and healthy food.

To strategically improve nutrition systems in communities, DACF in partnership with the Zuellig Family Foundation piloted the Early Childhood Nutrition (ECN) Project in the Municipality of Bantayan with community leaders. The project yielded results by capacitating the leaders in the First 1,000 Days System and developing a comprehensive local municipal nutrition action plan. The municipality is set to implement their action plans in 2024 and hopes to achieve improved nutrition outcomes for the Bantayanong puya or children in Bantayan.

Enhancing skills with Duwa Academy

Everyday experiences also play a crucial role in a child’s development. The quality care, stimulation and interaction children receive help shape their wellbeing and skills for the future. With child development workers (CDWs) playing an essential role in

the development of children, DACF launched the Duwa Academy to provide CDWs with the essential skills, knowledge, and attitudes to be effective early childhood care and development (ECCD) service providers.

“Duwa Academy has had a big impact on me, to improve myself as a daycare worker. Through Duwa, children learn, and it makes it much easier for us to teach the child. Children get to use their imagination, fine motor, gross motor, and the seven developmental domains, and it has become easier for us to observe their progress,” shared Lady Mhel Albutra, a CDW from the Municipality of Argao.

Duwa Academy was implemented in Argao and Bantayan from 2022 to 2023 with 102 graduates completing the program’s 10 courses. The project was in partnership with the Department of Social Welfare and Development Region VII, Children’s Paradise Montessori School, and KidsLife Foundation Inc.

“Duwa Academy is very helpful for us child development workers, especially for those of us involved in program implementation. Both the children and the workers find it very easy to handle sessions, as the play-based approach minimizes stress for the kids. It serves as motivation for them to come to the center daily,” said Juliemar Alolor, ECCD Program Director of the Municipality of Bantayan.

Partnerships in child development

As DACF worked on rolling out its new Early Childhood Care and Development Programs, it also provided avenues for ECCD practitioners to connect and collaborate. It partnered with the Asia-Pacific Regional Network for Early Childhood and the Early Childhood Care and Development Council to host a learning visit for 70 ECCD practitioners from 17 countries featuring its local Early Learning partners. It also hosted Panagtapok: Convergence of Champions for Children, a one-day learning exchange between partners to present their best practices and achievements in early childhood care and development.

Together with its partners from the Cebu City Nutrition Network and Cebu City Nutrition Council, the program also completed the “A Chance to Grow” Project, a supplementary feeding program for malnourished children in Sapangdaku, Lahug, Carreta, Inayawan, and Sawang Calero, Cebu City.

While the challenges in ECCD systems in communities remain massive, DACF proved that through strategic partnerships and systems approach, more children in Cebu will be happy, healthy, and future-ready.

HEALTH

Strengthening Local Health Services

Access to timely diagnostics can often be difficult in rural areas that are far from the comprehensive healthcare services in the metropolitan area. This can put people at risk of late diagnosis and treatment, leading to more severe health complications and financial difficulties down the line.

The Eduardo J. Aboitiz Cancer Center (EJACC) set out to change this.

In 2023, EJACC provided cancer screening services, treatment, and support to 15,283 individuals and organized various psychosocial activities for beneficiaries including art workshops, baking and yoga classes.

At the same time, it expanded its cancer program services by launching Project Dasig, designed to capacitate rural health units to perform cancer screenings regularly and spearhead cancer awareness campaigns within their community.

The project, which trained 788 healthcare workers, also advocated for eight local government units to pass local ordinances that ensured cancer care programs are included in their local investment plans. In

doing so, the program aims to bring access to cancer care closer to communities who need it most.

Priority on localized healthcare

EJACC's thrust to have cancer care services institutionalized in rural health units has also laid the groundwork for the establishment of a more comprehensive program for primary health. In 2023, RAFI piloted RAFI C.A.R.E.S. (Cebuano Communities with Access to Responsive and Equitable Primary Healthcare Services) in partnership with the Municipality of Alcantara.

RAFI C.A.R.E.S seeks to improve access to primary health care services within rural health units while strengthening health governance through the Local Health Board. It will allow the locality to prioritize health-related concerns and empower them to take action in addressing them while integrating RAFI's health-related programs like Project Dasig and Apil Ko, a new program in partnership with The Church of Jesus Christ of Latter-day Saints and Vicente Sotto Memorial Medical Center (VSMMC) to provide wheelchairs to individuals in need.

The approach of RAFI in Alcantara is really aligned with the approach of the Department of Health (DOH). In fact, they base their approach to the municipal health leadership and governance... My work as a DOH representative becomes a lot easier because of RAFI... They also want to reach the municipality's goal," said Grace Petalcorin, a Development Management Officer of the Department of Health Central Visayas.

In any community, health is more than a personal concern; it's a vital asset that benefits everyone. As RAFI pivots towards a more comprehensive approach to physical well-being, good health is set to become the foundation upon which resilient, prosperous, and vibrant communities will be built.

Through RAFI C.A.R.E.S., eight local government units were capacitated and certified to be assessors for providing standard wheelchairs. The same government units can also offer screening diagnostics such as pap smears, thyroid

hormones, and prostate screening.

"Nakatabang gyod ning libreng pap smear kay para ma-monitor nako akong ovary ug para makahibao sad ko nga okay ra. Kay simbako if pasagdan lang, mahimong ning cancer. Mas mapanatag ko kung makahibao nakos resulta (The free pap smear was very helpful so I can monitor my ovaries and also know that everything is okay. Because if left unattended, it might develop into cancer. I feel more at ease knowing the results)," shared Marina Tano from Sogod, Cebu.

Alcantaranons have much to look forward to as EJACC continues to work with the municipality. The program co-designed a health action plan to address the gaps in health services and the community's needs. The partnership and project rollout of RAFI C.A.R.E.S. set the pace for the consolidation of all existing health-related interventions and the creation of an expanded local health board, strengthening responsive health governance in the municipality.





DISASTER RESPONSE

Purok and People:

Strengthening Disaster Resilience Among Cebuanos

With the Philippines ranked as the country most vulnerable to natural disasters according to the World Risk Report 2023, the RAFI Humanitarian Disaster Preparedness and Response (HDPR) program set out to strengthen the disaster resilience of communities by working closely with a key partner—the community members themselves.

In 2023, HDPR launched its community-based disaster resilience program, HDPRok! which was piloted in Boljoon, Cebu. Through this whole-of-community approach, the program collaborated with 194 community leaders across the municipality, igniting and strengthening disaster resilience among communities.

HDPRok! rolled out information, education, and communication activities in 11 barangays and conducted five leadership sessions and seven capacity building activities. Taking ownership and leadership of their communities and vulnerabilities, the puroks now possess improved skills and knowledge of their needs, risks, and opportunities.

“For me, the partnership is super excellent. If not for RAFI, we would not be able to organize the purok system - purok purok lang. Through the projects collaborated with the LGU, the purok spirit is revived. The mindset of the people has been slowly changed as they now understand what the purok essence really is,” shared Vhi Dizon, a Purok Organizing Team Member of Boljoon Disaster Risk Reduction.

The program also continued to provide much-needed emergency assistance and response to Cebuanos. In partnership with the Radio Emergency Assistance Volunteer Organization, HDPR launched the Emergency Operations Center. The center offers a 24/7 monitoring and emergency reporting hotline; in 2023, it assisted 363 calls and cases.

The program also helped more than 9,000 beneficiaries affected by disasters through its relief response and recovery assistance, bringing hope to those who most needed it during challenging times.

HDPR also sparked hope in the form of light—by delivering much-needed power and light to students from the island community of Carnaza, Daanbantayan,

Cebu. Partnering with One Million Lights Philippines and GivePower, the program installed microgrid panels in Pantao Elementary School to improve the facility’s quality of education and boost disaster preparedness.

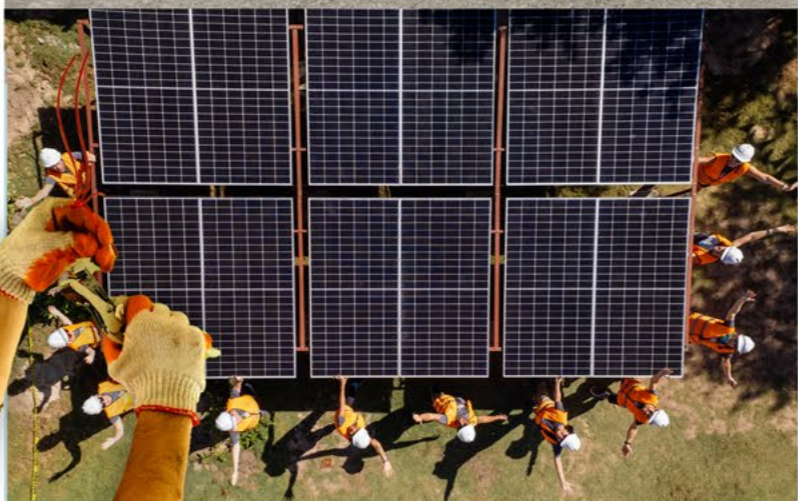
Through its Balik Bugsay initiative, fisherfolks from Cordova, Cebu were able to pursue their livelihood again. In partnership with BPI Foundation and University of Southern Philippines Foundation, it delivered 10 new pump boats, repaired 26 damaged boats, and provided fishing tools to families whose livelihood was affected by Typhoon Odette. In addition, HDPR teamed up with BPI Foundation to organize a financial literacy program for fisherfolk from Alcantara, Cebu, and secured a grant for

capacity building activities and the expansion of fish pens.

It also set up a water refilling station in Alegria, Cebu, and rainwater catchment facilities for different schools in the Municipalities of Bantayan and Pilar, through its Water, Sanitation and Hygiene (WASH) program. These facilities help address water-related challenges by providing access to safe and affordable drinking water, especially during summer or if an El Niño occurs.

The program's dedication to supporting communities towards disaster resiliency was recognized by the Regional Disaster Risk Reduction and Management Council Region 7 for the 23rd Gawad Kalasag Seal, acknowledging RAFI with the Gawad Kalasag Special Award for the Best Civil Society Organization in the region.

While impacts of climate change may make communities more vulnerable to disaster, the program will continue to strengthen their preparedness through Project BRAVE (Building Resilience and Adaptation in Vulnerable Ecosystems). When communities understand the importance of preparedness, they build the foundation of their own resiliency.



ENVIRONMENT

Planting Hope: Nurturing a Greener Cebu

Cebu continues to face a huge environmental challenge of depleting forest cover. As it grows economically at a rapid pace, its forests remain threatened, putting habitats and vital ecosystems that support communities at risk.

RAFI One to Tree (OTT) is committed to changing that future through its native and fruit-bearing tree-growing program, providing hope for a greener, more sustainable future.

In 2023, the program was hard at work, collaborating with partners to grow and nurture native and fruit-bearing trees in Cebu, Davao, and Batangas. The team planted 869,436 trees, covering 705 hectares of tree cover with a 90% survival rate.

At the heart of the program are its 401 partner farmers, who continue to care for the farms and nurture seedlings into trees. OTT provided extensive support to its partner farmers, which included training and economic support. The program also capacitated five people's organizations to ensure their successful tree growing implementation.

OTT honored its partner farmers by hosting its first Ka-Treebu Assembly, a massive gathering of their partner farmers from Cebu, Davao, and Batangas. The event



was a perfect avenue for all farmers to network, collaborate, and reaffirm their commitment to a greener future.

"I am happy that RAFI came as a partner to the association. They helped us a lot, I am also thankful to GCash who (through the tree growing project) supported our livelihood. Our members can provide for their family's daily needs. They can now buy the things they need to support their livelihood, like fishing, and they can buy the food their family needs," shared Renante Sumotia, President of the Nagkahiusang Managat sa Tambongon, a people's organization from San Remigio, Cebu.



2023 also saw the return of Run2Plant in a virtual setting, which engaged 1,021 runners for the planting and growing of native and fruit-bearing trees. The virtual run allowed runners to contribute to the tree growing activities in Borbon, Cebu.

Partnerships for the Environment

OTT would only be able to implement its programs across the country through the support from private and public organizations. It engaged with 17 corporate clients, which helped fund and support the different tree growing programs.

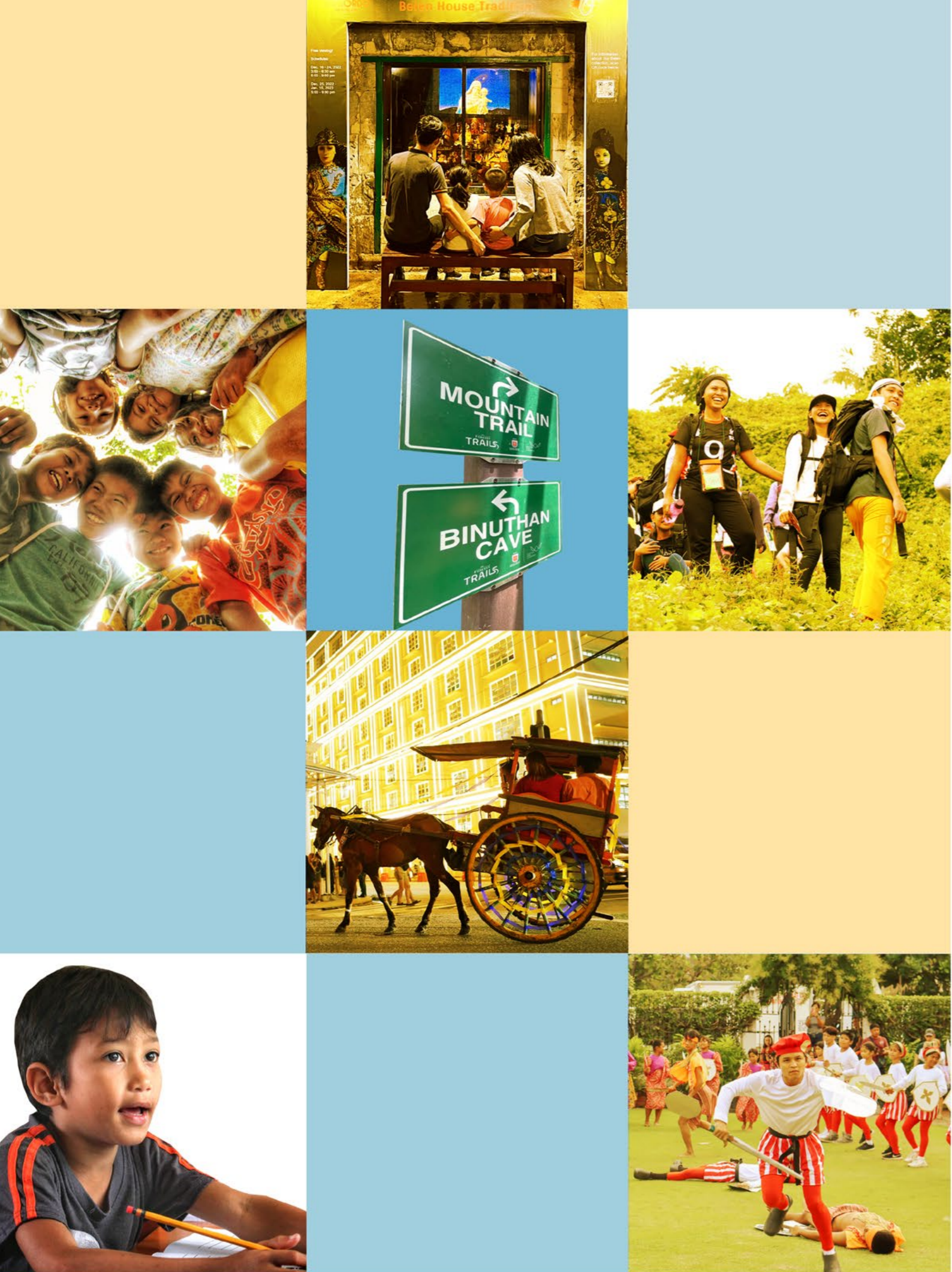
The program's corporate partnerships include a collaboration with Cebu Pacific to enhance a mangrove plantation in Barangay Tapon, Dumanjug, Cebu. This joint effort aims to plant 10,000 mangrove seedlings across an estimated 10 hectares of mangrove area.

"We believe that nature-based solutions such as this mangrove plantation project have a critical role to play in removing carbon from the atmosphere. This initiative allows us to achieve three objectives – mitigating the impacts of carbon emissions to the environment, improving disaster resilience of coastal communities, and providing livelihood support to the Dumanjug community," said Alex Reyes, Cebu Pacific's Chief Sustainability Officer.

OTT also partnered with the Provincial Government of Batangas, which provides the program with the necessary support in its expansion activities.

The year also planted the seeds for greater plans for One To Tree as it launched its Greener Cebu program. To prepare for the program's roll out, it teamed up with the Department of Environment and Natural Resources VII and the Cebu Technological University to develop a Theory of Change model for the program, allowing it to set roots and grow in the following years.





IMPACT MAKERS

SOCIAL WELL-BEING

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.

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





LEADERSHIP AND CIVIC ENGAGEMENT

Reaching New Heights: Inspiring Young Leaders Beyond Cebu

The Center for Leaders (CFL) soared to greater heights in 2023 by expanding its programs across the country and reaching young leaders in Cebu and the Visayas region.

In 2023, CFL became a nesting ground for leaders and inspired hope among thousands, training 14,417 individuals through its training courses and programs. Of those trained, 2,101 disadvantaged young leaders accessed CFL's training programs. It took young leaders from across the country under its wing, offering a nurturing space, and the support for them to take flight.

A home for young leaders

CFL provided safe spaces for conversations and civic engagement for the youth. It hosted four AYCEstorya: Conversations for Change sessions with young leaders in Cebu, offering a platform to discuss and address social issues. It

also supported the Arangkada Youth Leaders' Summit, hosting its first Cebuano Youth Conversation with over 500 participants across the province.

"RAFI Center for Leaders paved the way for me to uphold servant leadership as a youth leader and community advocate. I will forever cherish the unforgettable moments and learnings I've gained from this empowering and uplifting community," shared Roman Garces Cisneros Jr. from the Dalaguete Advocates for Adolescent Health and Community.

Guided by its three major learning components – character, competence, and citizenship, CFL nurtured communities of young leaders and inspired them to take action and lead change. It hosted the Youth in Action: Fostering Communities bootcamp, a 4-day course that gathered 75 Cebuano young leaders and generated 15 change projects to address community issues. It also saw its first batch of

experiential learning facilitators graduate from its Project ExL (Experiential Learning) course, a 3-month career advancement program. Graduates of the program will help CFL equip more young leaders in the communities.

Taking flight, beyond Cebu

Committed to nurturing inspirational leaders able to influence others towards a worthy goal, CFL took their flight to greater heights and worked with young leaders outside of Cebu. In partnership with The Asia Foundation, United States Agency for International Development, and Youth Leadership for Democracy (YouthLed), CFL facilitated three Local Youth Assemblies in Central and Eastern Visayas, igniting change among community youth leaders in the regions. It also launched its first online course, Thriving Youth Developing Healthy Habits for Wellbeing, on UDEMY, providing access to its development courses to a wider audience.

The Center for Leaders expanded its reach and reinforced its connection with the

public by launching its new website and hosting three brand launches with government, education and media partners. The program also rolled out its first PRC-accredited course with Continuing Professional Development units, the UPYA for school heads course. In addition, it hosted two Basic Facilitation Courses, providing a space for professionals to learn how to effectively lead inclusive workshops and discussions.

The year was a springboard for CFL to take flight and soar high, serving more young leaders across the region. It will gain even higher ground in the years to come, as it joins RAFI on its journey towards its 2030 vision. CFL is set to roll out its latest program, Bayanihan Actions for Impact with the goal of having a youth leader in every barangay, school, and parish in Cebu, equipped and enabled to contribute to nation-building.

A Year of Adventure

In 2023, the RAFI Center for Leaders (CFL) provided leadership training to individuals across diverse sectors, including students from youth-serving organizations, and public and private schools, corporate professionals, government officials, and civil society leaders.

Leaders Trained
14,417
 2,383 Professionals
 9,189 Youth

Sessions **163**

Course Effectiveness
97.5%

Change Projects Completed
25

Change Projects Beneficiaries
4,789

Net Promoter Score
92

Outcome Attribute Score
 (Character, Competence, Citizenship)
4.7

Civic Engagements Implemented
4

Qualitative Evidence of Civic Engagement
60%

Top 5 Courses & Sessions



Developing Resilience in Youth
2,638 Participants
25 Sessions



Anti-Bullying Talk
2,024 Participants
1 Session



AYCEstorya: Conversations for Change
1,167 Participants
4 Sessions



Kaibigan Reboot
1,026 Participants
37 Sessions



Arangkada Youth Leaders' Summit
949 Participants
1 Session

See Annex A for the complete list of courses and sessions.

CULTURE AND HERITAGE

Celebrating Cebuano Culture Beyond Museums

Over the last 40 years, the Casa Gorordo Museum has told centuries-old stories within its hallowed halls.

It was a landmark year for the museum as it celebrated four decades of sharing the best of Cebuano culture. Recognized as Cebu's first public museum, the Casa Gorordo Museum connected the Cebuano community and visitors to Cebu's rich cultural heritage and intricately told the story of Cebuano families over time.

In 2023, the Culture and Heritage program also celebrated the Cebuano cultural identity outside its museum walls and brought immersive cultural experiences closer to the people. It celebrated experiences with audiences in Cebu and across the Philippines, telling the stories of the Cebuano and putting local artists on a pedestal.

Through its Mobile Sinug, the program brought the Sinug dance ritual to the airport and malls of Cebu, allowing more people to experience the sacred dance. Traditionally hosted at the Casa Gorordo Museum, the prayer dance offered to the Holy Child Señor Sto. Niño captivated the hearts and minds of tourists and Cebuanos across Cebu.

As part of its anniversary celebration, the

Casa Gorordo Museum also mounted an exhibit entitled *Open Secret: Glimpses of Folklore in Revolution and Resistance*, which made its debut during *Gabii sa Kabilin* then in a more public exhibit at SM City Cebu and travelled to Kawit, Cavite and San Juan City through a partnership with the National Historical Commission of the Philippines. The museum placed the spotlight on young Cebuano artists and worked with students from the University of the Philippines Cebu and Cebu Institute of Technology - University.

Throughout the year, the program provided a nurturing environment for young Cebuano creatives and emergent cultural workers to grow. Its support mechanisms provided grants and workshops to Cebuano artists and cultural workers.

"This collaboration has brought me into different ideas, opportunities, and challenges, which have helped me find my purpose in the arts. I was more capable of making art with willingness and goal. It brightened my creativity with a vision to also uplift young artists in the local art community," shared Ceona Gonzales, one of the artists supported and engaged by the Culture and Heritage program.

The program celebrated Cebuano artistry by working with local artists and inspiring



audiences nationwide. It engaged young artists in various events and activities, including *Living Sculptures: 14 Stations of the Cross*, a devotional rite and performance staged at the Cebu Metropolitan Cathedral during Holy Week, as well as exhibitions and displays at the Mactan Cebu International Airport and the Tubô Art Fair.

Meanwhile, the Culture and Heritage program celebrated another major milestone by formally opening The Kabilin Center, a changemaker in Cebu's culture scene and a hub for Cebuano artists. The Center also launched *Duyan ang Kadagatan (Cradled by the Sea): Cebuano Culture and Heritage of the Sea*, an exhibit showcasing the vital role of the waters enveloping the island of Cebu and marking itself as a hub for Cebuano culture.

A year would only be complete with Cebu's highly anticipated cultural event, *Gabii sa*

Kabilin, welcoming more than 7,760 participants and engaging 22 participating museums and heritage sites in the cities of Cebu, Talisay, and Lapu-Lapu. The event provided an immersive cultural experience for guests, allowing museums and local government units to tell their stories and history.

The program also ensured that stories would stay alive and be passed on through generations by publishing books and stories on tangible and intangible cultural heritage.

With RAFI's 2030 vision on the horizon, the Culture and Heritage program planted the seeds to cultivate cultural communities across Cebu and the Philippines. With more cultural sites operated by the museum, the program seamlessly weaves the stories of Cebu's rich tapestry. It continues to be a guide to the world that shapes Cebuano's cultural identity.



BASIC EDUCATION

Empowering Communities for Learning Through Reading, Resilience and Recovery

The learning crisis posed a considerable challenge for school communities, learners, and their families.

COVID-related school closures affected students' learning and development across the country, deepening the learning poverty among young Filipino learners. The State of Global Learning Poverty: 2022 Update reported that 9 out of 10 Filipino children aged ten cannot understand simple text.

The RAFI Education Development Unit (EDU) embarked on a challenging journey of navigating through these challenging times and working with strategic partners to inspire change among learning communities. Its 2023 strategy focused on the 3Rs—Reading, Resiliency, and Recovery.



Reading is the foundation of all learning and opens the doors to all knowledge. The program prioritized supporting literacy needs in Tabogon, Cebu and launched BASA-thon, an intensive reading remediation program for struggling readers in grades 3 and 6. Engaging 34 pre-service reading teachers, it benefited 420 learners across five schools. Within four months, intensive reading coaching improved literacy skills, self-esteem, and behavior.

"Dako ni nga opportunity nga gihatag sa among mga anak, dili lang sa pagbasa kung dili improvement pud nga dili na sila mauwaw (This is a great opportunity for our children, not just in reading but also for self-improvement so they won't feel shy anymore)," shared Analyn Monterola, one of the parents of the participating learners.

As the program nurtured learners, it also set out to provide safe learning environments for students. After launching the Vacc to School Advocacy Campaign in 2022, it hosted the Vacc to School Awards in 2023 and recognized top-performing schools and districts for their outstanding vaccination campaign efforts.



As education recovery efforts require intricate plans and collaborative action, EDU launched a series of recovery programs in partnership with the education department and non-profit organizations.

It launched the Kita ang Pagbag-o Teacher Fellowship Program, a holistic learning recovery program for partner public schools in Cebu. It also kicked off EmpowerED Cebu to 50 schools across the Cebu City Division and the Cebu Province, supporting nearly 2,000 educators in their Learning Action Cell (LAC) sessions.

"We're grateful to have been selected for this program, as it presents a valuable opportunity for our school's advancement, particularly for our teachers. Initially, there was some apprehension, but as we delved

into the program's objectives and participated in the modules, the learning sessions evolved into opportunities to reflect on our practices and share insights on enhancing our approach in various situations. Embracing the program fostered a collaborative environment among us teachers, enabling us to support and uplift one another in our journey towards improvement," said Janice G. Alejado, a LAC Supervisor.

While the road to learning recovery may be long, RAFI EDU continues to find transformative ways to support both learners and educators in Cebu. Its latest program, Transformative Actions for Literacy and Numeracy Outcomes, is set to improve the numeracy and literacy of learners in targeted communities in Cebu.



IMPACT MAKERS

ECONOMIC WELL-BEING

RAFI Microfinance, 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.

VISION

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





MICROFINANCE AND ENTREPRENEURSHIP

Steadfast at 25: Elevating the Lives of Microentrepreneurs

2023 was a big year for RAFI Microfinance (RAFI MFI) as it celebrated 25 years of elevating the lives of microentrepreneurs across the Philippines.

Its silver anniversary celebration and the Mauswagon Entrepreneur Awards & Entrepreneur Summit both honored outstanding microentrepreneurs together with past leaders, reflecting on a quarter-century of service and impact to its clients and communities.

Empowering Microentrepreneurs through Collaboration and Partnerships

In 2023, RAFI MFI empowered more than 678,000 clients, providing them with the tools to introduce, support, and grow their entrepreneurial pursuits. It also supported clients through trade fairs, B2B partnerships and information campaigns.

It educated more than 85,000 clients on

Entrepreneurial, Financial, and Digital (EFD) Literacy concepts. This included hands-on training in food processing, general merchandise and agriculture, along with robust product marketing and linkages to ensure the sustainability of their businesses.

Expanding its services to cover the holistic well-being of its clients and their families, it also provided free medical consultations and cancer screenings, college scholarships, job opportunities, clean water facilities, and informational activities on sanitation practices and the importance of access to clean water.

Operational Sustainability

Throughout the year, RAFI Microfinance continued to expand its operations, closing the year strongly with 308 branches across the country, impacting the lives of up to 3.39 million individuals.

Virgilia Bonghanoy, a Mauswagon

Entrepreneur Award winner, started with small business capital through RAFI MFI. Now, she operates two general merchandise stores, a bakery, and an agrivet shop, serving as an inspiration and beacon of hope for the community by creating employment opportunities.

"Back when I started with RAFI Microfinance in 2007, it was a significant help because they provided me with the capital. I began with PHP 5,000, then progressed to PHP 50,000, and eventually reached PHP 300,000... I sincerely hope that RAFI Microfinance will continue to support individuals like me who had no business capital when I started," she said.

Digitalization and rebranding for the future

RAFI Microfinance also persisted in its rebranding and digital transformation journey to align with changing times and ensure that its brand continues to serve as



a standard of trust and empowerment as 'Kaagapay'.

Strengthening organizational processes

RAFI Microfinance began undergoing organizational refinement by strengthening internal core capabilities and improving its processes, aiming to further enhance its economic impact on communities in the years ahead.

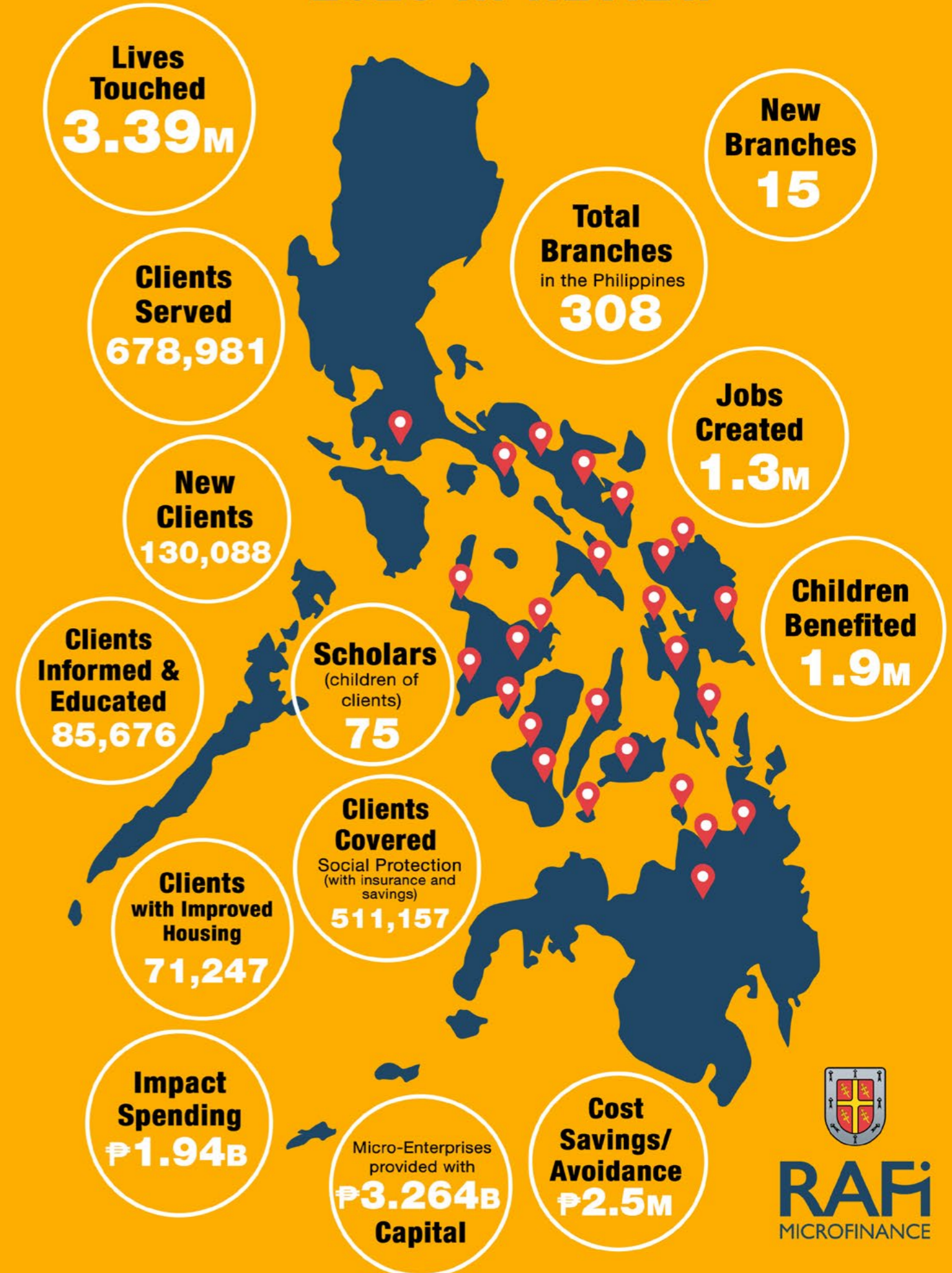
In 2024, RAFI MFI will also undergo notable organizational shifts with Carlos Ramon Aboitiz stepping in as the new Chair of its Board of Trustees and Ana

Maria A. Delgado as Vice Chair of the Board. Mikel Alberto Aboitiz, the outgoing Board Chair who steered RAFI MFI for four years, including the period of recovery and growth after the pandemic, will continue offering guidance and leadership as a member of the Board of Trustees.

Having celebrated its 25th year and upon reflecting on its journey and progress in 2023, RAFI MFI forges ahead to the hopeful phase of 'Pag-Usbong' or growth, as it continues to contribute to the economic progress of microentrepreneurs and ensure a vibrant and prosperous future for communities.



2023 IN REVIEW



INTERNAL SYNERGIES

Architects of Change: Collaborating to Ignite Hope, Inspire Change

The Ramon Aboitiz Foundation Inc. (RAFI) is deeply committed to enabling resilient, prosperous, and vibrant communities. As RAFI continues to provide hope to the least, last, and lost in society, its work is massive—requiring cross-collaboration with governments, private sector, and other civil society organizations.

As Architects of Change, one of the many things the foundation does best is provide a platform of participation and synergy. While it works with many external partners, RAFI achieved many meaningful outcomes through internal collaboration between program and support teams.

Collaboration for Healthy Communities

When The Kabilin Center launched its Duyan ang Kadagatan (Cradled by the Sea) exhibit, the Eduardo J. Aboitiz Cancer Center (EJACC) knew it was a great

opportunity to provide a meaningful psychosocial activity to cancer patients and survivors.

EJACC collaborated with The Kabilin Center and the Dolores Aboitiz Children's Fund (DACF) to host A Dose of Vitamin Sea and welcomed 50 cancer patients, survivors, and their families to the exhibit. Beneficiaries from DACF's partner organization, Kythe Foundation, also joined the activities. The program provided the perfect environment to celebrate life and boost the well-being of cancer patients by promoting inner calmness, self-awareness, and emotional expression.

Honoring cancer patients' challenging journey, EJACC also partnered with the Culture and Heritage Unit for the Blooms of Hope mural at the Mactan Cebu International Airport. Painted by young Cebuano artists, the artwork celebrates

the resilience of individuals battling breast cancer and the relentless pursuit of a cure, early detection, education, and support.

Aside from providing well-being support to patients of its partner organization, DACF was on a mission to promote early childhood nutrition to a wider audience. It worked with RAFI Microfinance, Inc. (RAFI MFI) for the Tigum Panglawas booklet, a compilation of affordable, nutritious meals and meal planning strategies to promote healthy eating for children of all ages. The book will be distributed among RAFI MFI Nanays.

Connecting communities to water and learning

Without access to clean and potable water, communities face health risks, including infectious diseases and malnutrition in children. Recognizing the need for an accessible water supply in Alegria, Cebu, the Humanitarian Disaster Preparedness and Response (HDPR) team collaborated with RAFI MFI to provide a WASH (Water, Sanitation, and Hygiene) facility to the LEHUK Association. Through this initiative over 300 association members now have easier access to clean water.

RAFI MFI and HDPR teams also conducted comprehensive WASH

information, education, and communication campaigns on water sanitation to empower community members and improve their quality of life.

Meanwhile, a more sustainable source of power and internet found its way to one of the northernmost islands in Cebu. After helping provide solar microgrid panels to power Pantao Elementary School in Carnaza, Daanbantayan, Cebu, the HDPR team collaborated with RAFI's Information Technology (IT) team to install a Starlink modem in the school, connecting learners and teachers to online learning resources.

Nurturing young digital entrepreneurs

When RAFI received a grant from the United States Agency for International Development Opportunity 2.0 program, it saw the perfect opening to provide entrepreneurship opportunities to young people. The Center for Leaders and RAFI MFI developed the Digi-Kabataan para sa Kabuhayan, a 6-month bootcamp for select out-of-school youth of Barangay Ermita, Cebu City.

The program was designed to develop their entrepreneurial skills and positively contribute to communities by honing their digital entrepreneurship know-how and working with RAFI MFI micro-



entrepreneurs. Graduates later learned to apply their skills in developing their micro-business to earn a living.

“I’ve learned how to balance my business and finances. I’m really business-minded, and the program helped me learn how to start a business and the importance of bringing the right people into the business,” shared Ma. Theresa Reyes, who runs a piso-wifi business (hotspot wifi vending machine) in Bantayan Island.

Support teams' collaboration

Support teams also found opportunities for collaboration and synergy. Leveraging on the expertise of the Office of Measurement, Analysis and Knowledge Management (MAK), the Communications, Advocacy and Partnerships (CAP) team partnered with MAK in the development and implementation of DevTalks 2023.

DevTalks served as an avenue to discuss critical realities on various social development focus areas. It presented important research and data managed by MAK and offered a space for conversations and stakeholder collaboration.

As 2023 also marked an end to RAFI's 2019-2023 strategic plans, the Human Capital team partnered with the Office of Strategy Management to develop the Bugsay Impact Award. The award recognizes cross-functional projects or projects worked on together in an integrated manner, collaborating with program units, strategic internal partners, and external partners and networks.

Steering towards its 2030 vision, the foundation emphasizes that collaboration and synergy drive transformative change. In the tapestry of community-building, RAFI weaves a narrative of impactful change, showcasing that true transformation is born from the collaboration of diverse entities working towards a common purpose.



CATALYSTS OF CHANGE

RAFI Receives 2023 Galing Pook Citizenship Award



The Ramon Aboitiz Foundation Inc. (RAFI) values collaboration with communities to empower and capacitate them as active participants in their own growth and development.

As a testament to its efforts in community engagement, RAFI won the 2023 Galing Pook Citizenship Award on October 27, 2023, bannering its programs on biodiversity conservation (RAFI One to Tree) and the preservation of culture and heritage (Gabii sa Kabilin).

The Galing Pook Citizenship Award is given by the Galing Pook Foundation to civil society organizations, non-government organizations (NGOs), social enterprises, and private entities dedicated to shaping safe, sustainable, and smart (3S) communities.

RAFI was awarded alongside four other organizations operating in various parts of the country: Espoir School of Life; Health Futures Foundation, Inc.; Lamac Multi-Purpose Cooperative; and Negrense Volunteers for Change (NVC) Foundation.

“RAFI is honored to be awarded together with these outstanding organizations who are also working to improve the well-being of

individuals and communities in our country. We thank Galing Pook for highlighting the role that NGOs play in finding innovative solutions to the problems we face and for providing the platform for us to learn from one another.

We are grateful to our different partners who have worked with us to co-create and co-implement programs – it is through these collaborations that RAFI is able to make meaningful and sustainable progress towards our vision of resilient, prosperous, and vibrant communities,” said Amaya A. Fansler, RAFI President and CEO.

The award highlights RAFI's dedication to promoting sustainable development and empowering communities, primarily in Cebu. The foundation works closely with communities and partners in the creation and implementation of programs and projects that address various societal issues.

RAFI's close partnership with local communities is among the key factors that push its work of elevating lives. By capacitating and empowering communities, it gives people hope, helps them build and thrive in a dynamic and resilient environment, and allows them to take charge of their own future.



BEHIND THE SCENES PEOPLE & ORGANIZATION

A Great Place to Work

At the heart of the organization are its people.

In 2023, the Human Capital (HC) team continued to foster a safe and equitable workplace. On its journey towards diversity and inclusion, the team ensured that every RAFInian felt seen, represented, and heard.

Its people-centered approach proved fruitful as RAFI was officially certified as a Great Place to Work® in July. With its people-first strategies in place, the foundation achieved its goals of becoming an employer of choice, where every RAFInian thrives and grows into impact makers for the communities.

Employee-centered approach

HC boosted its #1HappyRAFI experience and connected with employees through employee engagement and organizational

readiness initiatives. It strengthened its connections with employees through Amber, an AI-powered conversational employee engagement platform. Amber gathered employee feedback, providing HC with the necessary insights to deliver holistic employee services to staff. RAFI achieved an Amber engagement score of 84%, and HC continues to improve the platform to ensure safe and responsive connections with employees.

HC also set on a mission to facilitate the growth and development of every RAFInian. It developed strategies to boost competency levels by reviewing and modifying the organization's Universal Training Plan. The team set its focus on designing and rolling out training courses for both RAFI's leadership team and program officers to prepare employees for the organization's 2030 strategic plans.

Building productive ecosystems for employees

Meanwhile, the Infrastructure Development, Facilities, and Assets (IDFA) team ensured that workspaces were not just physical spaces, but also productive ecosystems where comfort, safety, and efficiency converged. IDFA implemented sustainability measures that monitored and mitigated the foundation's environmental impact.

It adopted renewable energy strategies by expanding RAFI's solar power system at the main office and replacing all parking and streetlights with solar-powered lights at The Kabilin Center, Kool Adventure Camp, and the Main Office. The team also implemented water conservation initiatives by reusing wastewater and condensates from air conditioning units for landscape irrigation, grounds cleaning, and washing of vehicles.

With a focus on RAFI's impact on the environment, IDFA rolled out a Carbon Footprint Measurement tool to capture baseline data on the foundation's facilities

operations. This data would allow the foundation to make more informed decisions around operations and climate-sensitive initiatives.

The team also rolled out its Geo-Mapping tool for all RAFI infrastructure projects, including child development centers and school rehabilitation projects. The map captures comprehensive information on the conditions of each facility.

It also supported the renovation project of Vicente Sotto Memorial Medical Center's a Regional Rehabilitation Center, overseeing the facility's expansion and ensuring the project's timely completion.

IDFA's year-long impact extended beyond monitoring construction completion and functioning facilities. The team ensured that RAFInians and its beneficiaries encountered exceptional experiences in all facilities under their care. It focused on providing an enhanced working experience for all through sustainable and efficient ways, supporting every employee's productivity and well-being.

BEHIND THE SCENES SYSTEMS & PROCESSES

Clarifying Strategy and Strengthening Focus Towards 2030

In 2023, RAFI embarked on a journey of innovation and reflection, laying the foundations for what would later become its 2030 vision. It realigned its focus and set its transformation work for future outcomes based on data and community needs where it could make meaningful contributions—and most importantly, ignite hope and inspire change.

The Office of Strategy Management (OSM) launched Project SUGOD (Strategy, Unite, Grow, Operationalize, and Develop), a massive initiative focused on strategy design and delivery. The project helped develop the foundation's new direction and set RAFI's long-term goals and 2030 vision. OSM worked diligently with the program teams and the Executive Office to develop the foundation's seven big stories—the new transformative programs—that will help address complex, systemic issues in the communities.

As RAFI prepares to roll out its new strategy, the OSM also implemented initiatives to support program teams and senior leadership with the efficient implementation of the new direction.

Meanwhile, to ensure that the foundation remains responsive to its current and

future strategic directions, the Office of Measurement, Analysis and Knowledge Management (MAK) team focused on streamlining the process of delivering the proper knowledge to the right people at the right time. The team revisited its Knowledge Management policy and relaunched the #1HappyPortal and Knowledge Central platforms, delivering a one-stop knowledge source.

The Center for Research played a critical role in developing and designing RAFI's 2030 vision and new direction. It conducted comprehensive research and developed detailed problem tree analyses for each of RAFI's sector of focus, identifying challenges and entry opportunities.

By implementing the Monitoring, Evaluation, Accountability, and Learning (MEAL) Operationalization project, RAFI also strengthened its MEAL processes. This paved the way for more streamlined operations of the MEAL team. It also rolled out its MEAL Impact Stories, which provided detailed accounts of RAFI's interventions in the communities served.

Informed decision-making and data play a vital role in the foundation. The RAFI



Dataversity Project provided the platform for efficiently delivering data analytics concepts to employees and enhanced their reporting, while dashboarding initiatives streamlined and automated the creation of reports used by departments and program units to manage their performance.

Building Stronger Digital Services

Meanwhile, as new directions were set, the Information Technology (IT) team realigned its IT strategic measures to foster resilient digital ecosystems. It integrated agile practices for enhanced productivity and implemented stronger cybersecurity measures to safeguard RAFI's critical digital assets.

The team shifted towards a more people-oriented approach, improving user

experience among RAFInians. It rolled out DataOnSight, which assisted MEAL officers in extracting data from handwritten forms from beneficiaries—this significantly reduced processing time for MEAL officers. It also implemented the Zscaler Digital Experience, which increased productivity among employees and allowed the IT team to resolve technological issues before they arose.

The team also expanded its people-centered approach outside of the foundation. It implemented its first Techvocacy caravan and exposed other non-profits and higher learning institutions to digital transformation innovations and how these can increase their impact.

BEHIND THE SCENES



COMMUNICATIONS, ADVOCACY & PARTNERSHIPS

Strengthening Advocacies Through Meaningful Partnerships

The RAFI Brand Development Group started the year with a refreshed and more strategic focus, heavily leveraging its strengths as a group. The group rebranded to the Communications, Advocacy and Partnerships (CAP) team, with the goal of making every RAFInian true to brand and purpose, attracting more believers and creating advocates, and forging meaningful partnerships.

With a new name came a new charter, which provided a blueprint for clarity of purpose and mission. On its maiden voyage, CAP marked a clearly defined path towards advocacy building, optimized its communication and branding strategies, and strengthened its partnership approaches. This strategic and mindful approach yielded meaningful results for RAFI.

One of the key ingredients in the success of the foundation's many programs is the strategic and sustainable partnerships established and nurtured. CAP developed

a partnership model, forging meaningful collaboration with organizations that would support RAFI's 2030 vision and advocacy work.

Focusing on value maximization to achieve collaborative action, it forged partnerships with 34 stakeholders, 52% of which were local government units, 21% representing national government agencies, 18% private partners, and 9% from the academe. Its new partnership strategy set groundwork to support systemic transformation and impactful program outcomes. Committed to providing excellent customer service to its stakeholders and partners, the team also developed the RAFI Enterprise Customer Experience system.

CAP's new approach deepened relationships with partners and strengthened internal synergy among teams through Project RAFIzen that empowered RAFI partners to fortify their connections with the foundation and refine collaborative strategies with communities and other stakeholders.

In October, it hosted a Partners' Night, gathering 263 partners, and honoring their pivotal role in advancing resilient, prosperous, and vibrant communities. In conjunction with Partners' Night, it hosted the DevTalks and engaged partners around development issues by presenting relevant research and consulting opportunities of synergy.

"Thank you so much RAFI for providing a space where NGOs and LGUs can come together, dialogue, get to know one another, and [together] look at the problems of the community and how to

address them in a systematic approach," expressed a participant.

Through its Advocacy pillar, CAP also provided extensive support to program teams to inspire action at the community level. It worked closely with community representatives to develop communication plans that would promote acceptance and ownership of upcoming pilot projects.

To amplify RAFI's external messaging and communications, the team launched its Project Thought Leadership and aired two TV segments on early childhood education and disaster resilience through environmental projects on CNN Business Matters. It also continued to tell stories of change by launching season 2 of its Heart to Heart podcast.

CAP also developed comprehensive grant and award bids for the foundation, including Gawad Kalasag (Winner, Best Local Civil Society Organization - Regional Level, 23rd Gawad KALASAG Seal - Special Awards 2023) and 2023 Galing Pook Citizenship Award (1 of 5 winners).

As RAFI embarks on its strategic 2030 vision, CAP has meticulously crafted robust communication, advocacy, and partnership strategies. These deliberate approaches are poised to amplify the foundation's impact in the years ahead, resonating across communities and driving positive change.





BEHIND THE SCENES GROWTH & SUSTAINABILITY

Systems and Processes for Efficient Fund Management

The Finance, Procurement and General Accounting Group (FPG) ensured the timely implementation of the foundation's programs and initiatives by efficiently managing funds, providing extensive procurement support, ensuring adherence to accounting practices, and rolling out new systems and policies to support RAFI's operations.

The team rolled out the Vendor Payment Inquiry System, which streamlined the process for communicating and coordinating with vendors. The system reduced the number of working hours dedicated for payment communication and improved the lead time of vendor/requestor submission of official receipt from over 30 days to 7 days.

The group strengthened its communications and policies rollout strategies with programs to improve internal processes and ensure efficient treasury operations. It also worked closely with employees to cascade treasury advisories and policies. Because of this streamlined communication approach, FPG completed its monthly book closing

and year-end accruals on time and achieved stronger operational effectiveness.

As growth remains on the horizon for the foundation, the team identified sustainable fund management strategies to grow and diversify the foundation's income sources.

As program teams implement their projects, the FPG team continues to serve as a strategic internal partner, providing financial, logistical and accounting support on a daily basis. One of the most significant undertakings of the group was supporting the Arangkada Youth Leaders' Summit, ensuring that the event's needs were met promptly. The team managed the flights and accommodations of over 500 participants and ensured their safe arrival.

As the foundation's operations grew over the year, the operations of the FPG team also grew. The team faced massive procurement, payable, disbursement, and collection functions, and effectively managed the foundation's growth by optimizing its systems and processes.





BEHIND THE SCENES GOVERNANCE, RISK AND COMPLIANCE

Strengthening Governance, Risk, Compliance, and Audit Practices

In 2023, RAFI set its long-term goals and drew the plans that would achieve meaningful impact among the communities the foundation serves. The Governance, Risk, and Compliance (GRC) team served as a compass and guided the foundation's planned growth through informed decision-making, regulatory compliance, comprehensive audit practices, and risk management.

The team played a critical role in ensuring that the foundation continued to operate seamlessly by complying with all regulatory and reportorial requirements of the different national and local government agencies. Part of the team's work was ensuring RAFI's Department of Social Welfare and Development accreditation was sustained and upholding the foundation's License to Operate.

Supporting organizational growth through risk management

As RAFI's operations grew, managing associated risks became a vital part of its

strategy. The GRC team enabled the program and support teams to manage their respective risks, empowering them to reduce, transfer, avoid, and accept their risks effectively.

The team implemented peer audits to assess risk management, data privacy and information security practices and measure risk maturity levels among teams. Audited teams achieved an overall score of 70%. It plans to enhance succeeding peer audits by increasing the number of responders and expanding the coverage to include all of the Risk team's focus areas including enterprise risk management, data privacy, physical security, and incident reporting.

The GRC team rolled out a Business Continuity Maturity assessment to determine how well embedded its business continuity management (BCM) systems are in the foundation. The review scored 3.7 out of 5.0 and helped the team identify new steps to enhance its BCM systems to support the foundation's growth and journey toward its 2030 vision.

The team also implemented stronger incident management systems to improve preparedness in the event of a security breach and crisis. It conducted a Rapid Active Shooter Simulation Exercise in Kool Adventure Camp, which simulated a physical security breach and activated RAFI's Incident Management and Crisis Communication teams to measure the teams' incident management maturity. The exercise, which scored 7 out of 10, identified gaps and strengthened the teams' capacity to respond to similar events in the future.

Stronger audit practices to support organizational growth

In 2023, RAFI's overall tax and regulatory compliance rating was 100%, and the overall internal audit Average Service Satisfaction rating was 92%, above the target of 85%.

In response to RAFI's growth, the Internal Audit Group (IAG) updated its audit methodology in accordance with the existing audit framework and standards aligned with the current operational landscape of the foundation.

Its updated procedures included the MFI Branch Audits, adapting a Comprehensive

Branch Audit. The team also performed Branch Spot Audits and reviewed significant transactions such as cash management, loan processing and management controls. The IAG updated MFI Corporate Support Services' audit procedures, incorporating validation of the integrated management action plans. The team also updated the RAFI Audit of Program services by incorporating the management action plans validation into their review processes.

IAG took a more collaborative approach in performing audits of the program and support teams. They rolled out strategies that provided cross-functional support among their staff to ensure continued operations with limited disruptions. Their audit results among teams provided comprehensive actionable insights that benefited teams and their operations. The team also strengthened the skills of its auditors by participating in internal and external training initiatives.

As RAFI charts its course toward its 2030 vision, the GRC and IAG teams have established the foundations for strong corporate governance and seamless business continuity, setting the stage for organizational success and empowering employees and teams for what lies ahead.

IGNITING HOPE

INSPIRING

CHANGE





Igniting Hope, Inspiring Change

In providing service and creating lasting, meaningful impact to the communities, our greatest strength is unity.

In its 57 years of operation, the Ramon Aboitiz Foundation Inc. (RAFI) has put collaboration with like-minded partners and stakeholders at the center of its programs.

From RAFI's early years assisting feeding initiatives and providing scholarships and grants, partnerships and collaboration have played an important part in fulfilling its mission and eventually, in expanding its work. In fact, many of its early partners have become longtime collaborators, standing by its side through periods of growth and changing times.

RAFI's programs and initiatives over the decades would not have taken off without the support of its partners, acting as its wings and allowing it to soar. Similarly, the foundation also provides assistance in the form of grants, capacity building, and other means of support to boost its partners' reach and advocacy efforts.

Support from partners has taken on various forms— whether it was in helping the organization expand its reach, boost expertise, or craft innovative and sustainable solutions. Every effort has helped propel the foundation towards its goal of empowering and elevating the lives of those in need, amid an ever-changing world.

Through strategic partnerships over the years, the foundation has built schools, responded to major disasters, empowered microentrepreneurs, grew millions of native and fruit-bearing trees, enabled Cebuano artists, and many more.

“Each time we are able to touch the lives of the most vulnerable – we create light – a spark of hope amidst a world of uncertainty. When each of us shines our light, we make brighter the path towards a future that is better, more inclusive, and one that we create together. When we ignite hope, we can inspire change,” said Amaya A. Fansler, RAFI President and CEO, in an address to partners.

Partnerships for a Better Tomorrow

Inspiring change in 2023 and beyond

In 2023, internal and external partnerships and collaboration were key in pushing the foundation's programs and advocacies forward, without which it would not be able to implement its projects and touch more than 3 million lives.

“To combat social challenges, we work with systems and strengthen collaboration and engagement of multi-sectoral stakeholders - from the private and public sectors - government to families and individuals - to participate in creating and implementing transformative programs to improve outcomes,” said Riella Guiguio, RAFI's Chief Operating Officer.

Throughout the year, RAFI garnered recognition and awards such as the Gawad Kalasag Special Award for the Best Civil Society Organization (Regional Level), Cebu Heritage Award, and the Galing Pook Citizenship Award for various programs and initiatives — all of which would not have been possible without partners who offered their support, resources, and

expertise, helping boost its advocacies.

With the foundation's 2019-2023 strategic period coming to a close, it will now shift its focus to its new strategic plan and 2030 impact projects, centered on inspiring action, enabling communities, taking action, and creating impact. In this new era, amidst these transformative efforts, the foundation will continue to forge new partnerships, nurture existing collaborations, and leverage the power of sustainable, strategic partnerships to fulfill its long-term goals.

“In the journey forward, we believe that partnerships with organizations and people who share the same mission will amplify our advocacies and expand our reach to touch more lives,” Fansler said.

In creating meaningful societal impact, we are stronger together. As RAFI focuses on its 2030 vision, it acknowledges the key role that partnerships play in advancing its work of combating social challenges and enabling resilient, prosperous and vibrant communities.

CATALYSTS OF CHANGE TESTIMONIALS



Partnering with RAFI for Duwa Academy has made a big difference for KidsLIFE. Initially, we were passionate about providing play-based education to underprivileged children, but our efforts were limited due to financial constraints. By teaming up with RAFI, we've been able to expand our reach and impact significantly. What started with serving 50 children before Balay Amuma, has now grown into reaching potentially hundreds more children across Cebu province through Duwa Academy. This partnership has exceeded our expectations, allowing us to fulfill our mission on a scale we never imagined possible.

Maria Gracia Ferreros
President and Founder
KidsLife Foundation Inc.

By strategically partnering with institutions and key players whose mission aligns with CHU's, we were able to exceed our sustainability target for 2023. Through these partnerships, it was easier for us to reach out to more beneficiaries. The various activities initiated by the unit led to a continuous increase in awareness and appreciation of Cebuano culture. All these achievements would not have been possible without the impactful contributions of our partners.

Michael Sta. Maria
Partnership & Portfolio Officer
RAFI Culture & Heritage Unit



Dako gyong kalipay namo nga mga parents [kay] maglisod bya mi og [tudlo] sa among mga anak kay siyempre dili raba mi maestra. Dako ni nga opportunity nga gihatag sa among mga anak, dili lang sa pagbasa kung dili improvement pud nga dili na sila mauwaw. Ang sa BASA-thon man gud, dili lang siya sa pagbasa, package na siya, naa na tanan, maong dili sila laayon, kay [ipaagi ang pagkat-on sa] pagduwa duwa, ug naay gipanghatag [nga gamitonon sa mga bata].

(We, parents are very happy because we struggle to teach our children since we are not teachers. This is a great opportunity given to our children, not just for reading but also for their improvement so they won't feel shy. BASA-thon is not just about reading, it's a package, everything is included. They won't feel bored because learning is done through play, and materials are provided for the children to use.)

Analyn Monterola
Parent of BASA-thon learners

BASA-thon was made possible through the partnership of RAFI Education Development Unit, READucate, and the Department of Education – Cebu Province Division



Disaster response and mitigation need everyone's participation. Through collaboration and partnerships, groups can complement each other's capabilities, allowing more efficient use of resources and a holistic approach to disaster response and mitigation... Through our partnership with RAFI, we have achieved results that are beyond our reach as a volunteer group and for that we are very grateful. While each of [us has] had [our] own share of achievements, working together allowed us to pool our resources and provide a wider scope of assistance to both the REAVO and RAFI beneficiaries. This collaboration also opens more possibilities and opportunities to come up with projects that will create a greater impact to the community.

Jed Justin Narvios
President
Radio Emergency Assistance Volunteer Organization
(REAVO) Cebu Chapter



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CARLOS RAMON
ABOITIZ
Member



EDUARDO ALFRED
ABOITIZ*
Member



FR. ERNESTO
JAVIER S.J.
Member



TERRY ALAN
FARRIS
Member



SOFIA ISABEL
ABOITIZ-HERRERA**
Member



DOMINICA
CHUA**
Member

*Served from July 1, 2023
**Served until June 30, 2023

OUR LEADERS

BOARD COMMITTEES



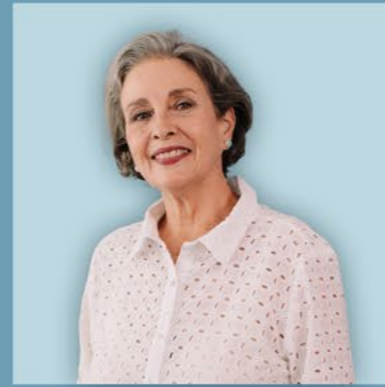
**MIKEL ALBERTO
ABOITIZ**

Chair, Investment Committee
Chair, Succession Committee
Member, Executive Committee



**CARLOS RAMON
ABOITIZ**

Chair, Audit Committee
Chair, Risk Committee
Member, Executive Committee
Member, Investment Committee
Member, Succession Committee



**MA. CRISTINA
ABOITIZ**

Member, Executive Committee
Member, Succession Committee



**AMAYA CRISTINA
ABOITIZ-FANSLER**

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



**ANA MARIA
ABOITIZ-DELGADO**

Member, Investment Committee



**TRISTAN ROBERTO
ABOITIZ**

Member, Audit Committee
Member, Risk Committee



**EDUARDO ALFRED
ABOITIZ***

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



**DAVID MIKEL
ABOITIZ**

Member, Audit 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



**SOFIA ISABEL
ABOITIZ-HERRERA****

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



**DOMINICA
CHUA****

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

*Served from July 1, 2023

**Served until June 30, 2023

OUR LEADERS

MANAGEMENT COMMITTEE

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 Micro Finance Inc.



MIRAFIOR ENECIO

Executive Director Physical Well-being Cluster



MARIE SOL GONZALVO

Executive Director Social Well-being Cluster



PET JOHN ROM

Program Head Humanitarian Disaster Preparedness and Response



DR. GISELLE MARIE GAVIOLA

Program Director Health



ANTHONY DIGNADICE

Program Director One to Tree



JENNY LEA MENCHAVEZ

Program Head Dolores Aboitiz Children's Fund



DAPHNE DIA

Officer-in-Charge Center for Leaders



BONIFER NACORDA

Officer-in-Charge RAFI Development Academy



FLORENCIO MOREÑO II

Program Director Culture & Heritage



SHEERENE ABREA

Program Director Education Development

OUR LEADERS

MANAGEMENT COMMITTEE

Corporate Shared Services



ATTY. MA. CRISTINA GABUTINA

Chief Governance,
Risk and Compliance Officer



JUANITO CUBOS

Chief Audit Executive



ENGR. ROWIN TORIBIO

Infrastructure Development,
Facilities and Assets Head



CARLOS KAHN

Chief Financial Officer



MICHAEL GODINEZ

Chief People Officer



ESTEE MARIE PLUNKET

Chief Communications,
Advocacy and Partnerships Officer



JADE RYAN GADIANE

Information Technology Director



CHRISTIAN ANUTA

Measurement Analysis and
Knowledge Management Director



EMMANUEL ENOPIA

Strategy, Portfolio and
Performance Director

PROGRAM CHAMPIONS



AMAYA CRISTINA ABOITIZ-FANSLER

Dolores Aboitiz Children's Fund
Center for Leaders
Education Development



DAVID MIKEL ABOITIZ

One to Tree



SOFIA ISABEL ABOITIZ-HERRERA

Culture & Heritage

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, 2023 and 2022, 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 material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2023 and 2022, 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.

3F Ofana Building, Jasmin Corner Don Mariano Cui Streets, Cebu City, Philippines
Telephone (6332) 255 2491 (6332) 255 3428 Fax (6332) 254 3591
Email lucanete@lccpas.com.ph lucanete@plutdsl.net

Independent member
 Morison Global

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 26 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:



LUIS A. CAÑETE

Partner

CPA Certificate No. 6507

SEC Accreditation No. 6507-SEC (Group A) (Until February 15, 2026)

BIR AN 13-380712-003-2021 (Until August 4, 2024)

TIN 114-622-040, PTR No. 2505064 – January 3, 2024, Cebu City

Cebu City

April 3, 2024

RAMON ABOITIZ FOUNDATION, INC.

(A Non-Stock, Non-Profit Organization)

BALANCE SHEETS

December 31, 2023 and 2022

(Amounts Expressed in Whole Philippine Pesos)

| | Note | 2023 | 2022 |
|---|------|------------------------|------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 5 | P1,202,418,043 | P1,717,360,114 |
| Accounts receivable | 6 | 51,645,206 | 29,174,479 |
| Prepaid expenses and other current assets | | 697,311 | 857,341 |
| Total Current Assets | | 1,254,760,560 | 1,747,391,934 |
| NON-CURRENT ASSETS | | | |
| Financial assets at FVTPL | 7 | 1,424,051,998 | 1,341,500,553 |
| Financial assets at FVOCI | 8 | 19,659,940,464 | 25,494,250,477 |
| Debt investments at amortized cost | 9 | 849,720,817 | 30,402,093 |
| Property and equipment - net | 10 | 471,065,581 | 452,317,981 |
| Trust funds | 11 | 33,381,242 | 31,792,725 |
| Other non-current assets | 12 | 11,159,696 | 10,036,165 |
| Total Non-Current Assets | | 22,449,319,798 | 27,360,299,994 |
| TOTAL ASSETS | | P23,704,080,358 | P29,107,691,928 |
| LIABILITIES AND FUND BALANCE | | | |
| CURRENT LIABILITIES | | | |
| Accounts payable and accrued expenses | 13 | P77,255,444 | P52,056,783 |
| Deferred credits | 11 | 33,381,242 | 31,792,725 |
| Total Current Liabilities | | 110,636,686 | 83,849,508 |
| NON-CURRENT LIABILITIES | | | |
| Accrued retirement payable | 21 | 26,281,100 | 3,267,200 |
| TOTAL LIABILITIES | | 136,917,786 | 87,116,708 |
| FUND BALANCE (Exhibit "D") | | 23,567,162,572 | 29,020,575,220 |
| TOTAL LIABILITIES AND FUND BALANCE | | P23,704,080,358 | P29,107,691,928 |

(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, 2023 and 2022
(Amounts Expressed in Whole Philippine Pesos)

| | Note | 2023 | 2022 |
|---|------|---------------------|---------------------|
| SUPPORTS AND OTHER GAINS | | | |
| Dividend income | 16 | P675,479,667 | P719,354,050 |
| Interest income | 16 | 98,110,686 | 41,236,171 |
| Donations and contributions | 14 | 69,138,383 | 72,252,450 |
| Counterpart contributions | 15 | 738,827 | 28,840,667 |
| Other income (losses) | 16 | 41,903,731 | (24,139,254) |
| | | 885,371,294 | 837,544,084 |
| EXPENSES | | | |
| Project utilization | 17 | 395,837,096 | 392,432,906 |
| General and administrative | 18 | 41,208,877 | 41,132,783 |
| | | 437,045,973 | 433,565,689 |
| EXCESS OF SUPPORTS AND OTHER GAINS OVER EXPENSES | | P448,325,321 | P403,978,395 |

(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, 2023 and 2022
(Amounts Expressed in Whole Philippine Pesos)

| | Note | 2023 | 2022 |
|---|-------------|-------------------------|-----------------------|
| EXCESS OF SUPPORTS AND OTHER GAINS OVER EXPENSES | | | |
| | Exhibit "B" | P448,325,321 | P403,978,395 |
| OTHER COMPREHENSIVE INCOME (LOSS) | | | |
| Items not subsequently reclassified to profit or loss | | | |
| Unrealized gain (loss) on fair value changes of financial assets at FVOCI | 8 | (5,877,891,799) | 1,490,528,829 |
| Actuarial gain (loss) on retirement benefits | 21 | (23,846,170) | 7,706,184 |
| TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR | | (P5,453,412,648) | P1,902,213,408 |

(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, 2023 and 2022

(Amounts Expressed in Whole Philippine Pesos)

| | Revaluation reserve on fair value changes of financial assets at FVOCI (Note 8) | Cumulative actuarial loss on retirement benefits (Note 21) | Cumulative excess of supports and other gains over expenses | Total fund balance |
|--|--|--|---|-----------------------|
| Balance at December 31, 2021 | P22,749,555,361 | (P17,163,713) | P4,385,970,164 | P27,118,361,812 |
| 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 | 24,240,084,190 | (9,457,529) | 4,789,948,559 | 29,020,575,220 |
| Excess of supports and other gains over expenses | - | - | 448,325,321 | 448,325,321 |
| Changes in fair value of financial assets at FVOCI | (5,877,891,799) | - | - | (5,877,891,799) |
| Actuarial loss on retirement benefits | - | (23,846,170) | - | (23,846,170) |
| Balance at December 31, 2023 | P18,362,192,391 | (P33,303,699) | P5,238,273,880 | P23,567,162,572 |

(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, 2023 and 2022

(Amounts Expressed in Whole Philippine Pesos)

| | Note | 2023 | 2022 |
|---|------|----------------|----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash receipts from donors and counterparts | | P74,546,503 | P101,777,734 |
| Cash paid for projects, and to suppliers and employees | | (374,917,023) | (408,357,824) |
| Cash used for operations | | (300,370,520) | (306,580,090) |
| Contribution to retirement fund | 21 | (8,900,000) | (6,823,927) |
| Income tax paid | | (47,290) | (2,387) |
| Net cash used in operating activities | | (309,317,810) | (313,406,404) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Capital expenditures | 10 | (67,390,273) | (54,691,758) |
| Proceeds from disposal of property and equipment | 10 | 3,568,539 | 1,035,386 |
| Dividends received | | 675,479,667 | 713,441,127 |
| Interest received | | 95,848,704 | 31,527,491 |
| Net additions to financial assets at FVTPL | | (50,215,631) | (750,735,862) |
| Net additions to financial assets at FVOCI | | (43,581,786) | (166,318,510) |
| Net disposal (additions) of debt investments at amortized cost | | (819,318,724) | 747,896,242 |
| Net cash provided by (used in) investing activities | | (205,609,504) | 522,154,116 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| | | - | - |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | | (514,927,314) | 208,747,712 |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | 5 | (14,757) | 1,616,257 |
| CASH AND CASH EQUIVALENTS BALANCE AT BEGINNING OF YEAR | 5 | 1,717,360,114 | 1,506,996,145 |
| CASH AND CASH EQUIVALENTS BALANCE AT END OF YEAR | 5 | P1,202,418,043 | P1,717,360,114 |

(See accompanying notes to financial statements)

RAMON ABOITIZ FOUNDATION, INC.
(A Non-Stock, Non-Profit Organization)
NOTES TO FINANCIAL STATEMENTS
December 31, 2023
(Amounts Expressed in Whole Philippine Pesos)

1. BACKGROUND

The Ramon Aboitiz Foundation, Inc. (the Foundation) is a non-stock, non-profit foundation registered with the Philippine Securities and Exchange Commission on December 14, 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 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 engaged in projects and programs relating to social well – being and physical well being (Note 17).

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

2. BASIS OF PREPARATION

Financial Reporting Framework

The financial statements have been prepared in accordance with the Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial and Sustainability Reporting Council and interpretations issued by the Philippine Interpretation Committee.

Basis of Measurement and Presentation Currency

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 whole Philippine peso, which is the Foundation's presentation and functional currency.

Accounting Changes

Adoption of new and revised standards

The Foundation has applied the amendment to PAS 1 which is effective beginning on or after January 1, 2023. It has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The standard relevant to the Foundation and its impact on the financial statements is as follows:

Amendments to PAS 1 and IFRS Practice Statement 2 - Disclosure of Accounting Policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them.

In some circumstances standardized accounting policy information maybe needed for users to understand the other material information in the financial statements. In those situations, standardized accounting policy information is material and should be disclosed.

The amendments have an impact on the Foundation's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the financial statements.

Amendments, New Standards and Interpretations Issued But Not Yet Effective for the Year Ended December 31, 2023

The following new or amended standards have been issued which are not yet effective for the year ended December 31, 2023 and which have not been adopted in the financial statements. The Foundation is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far management has concluded that the adoption of these amendments, which might be relevant to the Foundation, is unlikely to have a significant impact on the financial statements

Effective January 1, 2024

Amendments to PAS 1 – Classification of liabilities as current or non current

3. MATERIAL ACCOUNTING POLICIES

a. Fair value measurement

The Foundation measures financial assets such as debt instruments and equity instruments at fair value at each reporting date.

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.

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.

Fair value related disclosures for financial assets are disclosed in Notes 7 and 8.

b. Financial assets and financial liabilities.

Initial recognition and measurement

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.

Financial instruments are recognized initially at fair value net of transaction costs that are directly attributable to the acquisition or issue of the financial asset other than those at fair value through profit or loss. Transaction costs directly attributable to the acquisition or issue of financial assets at fair value through profit or loss are recognized immediately in profit or loss.

Classification of financial assets

Financial assets are subsequently measured in their entirety at either amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) based on an entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Foundation has classified its financial assets in the following measurement categories:

| Measurement category | Criteria | Financial assets |
|---|---|---|
| Financial assets at amortized cost | Financial assets that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) | Cash and cash equivalents Accounts receivable Trust funds |
| Debt instruments at FVOCI | Debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI | Corporate bonds |
| Equity instruments designated as at FVOCI | On initial recognition of certain equity instruments that are not held for trading, the Foundation has made an irrevocable election (on an instrument-by-instrument basis) to present subsequent changes in the instruments' fair value in other comprehensive income | Listed and unlisted shares of stock |
| Financial assets at FVTPL | Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL | All other financial assets |

Financial assets at amortized cost.

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.

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.

Financial assets 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.

Classification of financial liabilities.

Financial liabilities are classified at fair value through profit or loss or at amortized cost. All of the Foundation's financial liabilities are measured at cost or amortized cost.

Financial liabilities at cost or amortized cost are measured 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 profit or loss.

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 liabilities.

Impairment of financial assets at amortized cost.

The Foundation recognizes expected credit losses (ECL) for the debt instruments at amortized cost and FVOCI. No ECL is recognized on equity investments.

For debt instruments, the loss allowances is recognized based on 12-month ECL that are assessed to have low credit risk at the reporting date.

The Foundation considers a debt instrument 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.

Derecognition of financial assets and liabilities.

Financial assets.

A financial asset is derecognized where the rights to receive cash flows from the asset

have expired.

Financial liabilities.

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

Details of the Foundation's financial assets and liabilities and financial risk management are disclosed in Note 24.

c. 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.

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.

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

Details of property and equipment are disclosed in Note 10.

d. Trust funds and deferred credits.

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

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

Details of trust funds and deferred credits are disclosed in Note 11.

e. Revenue recognition.

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

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

Interest is recognized as income using the effective interest method.

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

Other supports and gains are recognized when earned.

Supports and other gains are disclosed in Notes 14, 15 and 16.

f. Costs and expenses recognition.

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

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

Details of costs and expenses are disclosed in Notes 17 and 18.

g. 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.

Transactions relating to retirement benefits are disclosed in Note 21.

4. 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, 2023 and 2022, carrying value of accounts receivable amounted to P51,645,206 and P29,174,479, respectively. (Note 6)

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 P338,112,677 and P319,365,077 as of December 31, 2023 and 2022, respectively (Note 10).

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 2023 | December 31 2022 |
|---|---------------------|---------------------|
| Prepaid expenses and other current assets | P697,311 | P857,341 |
| Property and equipment – net (Note 10) | 471,065,581 | 452,317,981 |
| Other non-current assets (Note 12) | 11,159,696 | 10,036,165 |

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 P8,067,730 and P8,609,762 in 2023 and 2022, respectively. Accrued retirement payable amounted to P26,281,100 and P3,267,200 as of December 31, 2023 and 2022, respectively (Note 21).

5. CASH AND CASH EQUIVALENTS

This account consists of:

| | 2023 | 2022 |
|------------------|-----------------------|-----------------------|
| Cash on hand | P42,000 | P42,000 |
| Cash in banks | 156,119,126 | 209,227,427 |
| Cash equivalents | 1,046,256,917 | 1,508,090,687 |
| | <u>P1,202,418,043</u> | <u>P1,717,360,114</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 61 days. Cash equivalents earn annual interest ranging from 5.50% to 7.13% in 2023 and 4.20% to 6.00% in 2022.

Interest income earned on cash and cash equivalents amounted to P57,496,773 and P27,009,549 in 2023 and 2022, respectively. (see Note 16)

6. ACCOUNTS RECEIVABLE

This account consists of:

| | 2023 | 2022 |
|---------------------------------------|--------------------|--------------------|
| Advances to contractors and suppliers | P3,398,157 | P393,129 |
| Other receivables | 48,247,049 | 28,781,350 |
| | <u>P51,645,206</u> | <u>P29,174,479</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.

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

These are investments in trust funds as follows:

| | 2023 | 2022 |
|---|----------------|----------------|
| Cost | | |
| Beginning | P1,326,070,714 | P567,019,483 |
| Additions | 189,425,637 | 759,051,231 |
| Withdrawal | (138,810,000) | — |
| | 1,376,686,345 | P1,326,070,714 |
| Cumulative changes in fair value: | | |
| Balance, January 1 | P15,429,839 | P34,656,161 |
| Gains (losses) realized by fund manager | (5,463,706) | 7,458,803 |
| Fair value change during the year (Note 16) | 37,399,520 | (26,685,125) |
| | 47,365,653 | 15,429,839 |
| | P1,424,051,998 | P1,341,500,553 |

Income earned (losses incurred) from financial assets at FVTPL were as follows (Note 16):

| | 2023 | 2022 |
|--------------------|-------------|---------------|
| Interest income | P27,574,205 | P9,861,248 |
| Dividend income | 22,763,450 | 5,912,923 |
| Fair value changes | 37,799,520 | (26,685,125) |
| | P88,137,175 | (P10,910,954) |

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

This represents investments in equity instruments as follows:

| | 2023 | 2022 |
|--|-----------------|-----------------|
| Cost | | |
| Beginning | P1,254,166,287 | P1,087,847,777 |
| Additions | 45,951,304 | 166,318,510 |
| Withdrawal | (2,369,518) | — |
| | P1,297,748,073 | P1,254,166,287 |
| Cumulative changes in fair value: | | |
| Balance, January 1 | P24,240,084,190 | P22,749,555,361 |
| Fair value change during the year included in other comprehensive income | (5,877,891,799) | 1,490,528,829 |
| | P18,362,192,391 | P24,240,084,190 |
| | P19,659,940,464 | P25,494,250,477 |

Income earned from financial assets at FVOCI is as follows:

| | 2023 | 2022 |
|---------------------------|--------------|--------------|
| Dividend income (Note 16) | P652,716,217 | P713,441,127 |

9. DEBT INVESTMENTS AT AMORTIZED COST

This account consists of:

| | 2023 | 2022 |
|--------------------------------------|--------------|-------------|
| Corporate bonds | P600,000,000 | — |
| Time deposits | 249,720,817 | — |
| Trust investments in corporate bonds | — | P30,402,093 |
| | P849,720,817 | P30,402,093 |

Debt investments at amortized cost have annual interest rates which ranged from 6.48% to 6.68% in 2023 and 3.50% to 4.03% in 2022.

Interest income earned on debt investments at amortized cost amounted to P13,039,708 and P4,365,374 in 2023 and 2022, respectively. (see Note 16)

10. PROPERTY AND EQUIPMENT

As of December 31, 2023

| | Land | Buildings | Building improvements | Transportation equipment | Office equipment, furniture and fixtures | Tools and equipment | Total |
|---------------------------------|---------------------|---------------------|-----------------------|--------------------------|--|---------------------|----------------------|
| Cost | | | | | | | |
| Balance, beginning | P132,952,904 | P459,774,464 | P212,407,646 | P22,378,101 | P202,301,001 | P8,919,775 | P1,038,733,891 |
| Additions | — | — | 37,075,114 | 4,060,145 | 24,913,130 | 1,341,884 | 67,390,273 |
| Amortization | — | — | — | — | (527,347) | — | (527,347) |
| Derecognition | — | (21,600) | (3,345,446) | (4,386,846) | (6,713,572) | (431,428) | (14,898,892) |
| Balance, end | 132,952,904 | 459,752,864 | 246,137,314 | 22,051,400 | 219,973,212 | 9,830,232 | 1,090,697,925 |
| Accumulated depreciation | | | | | | | |
| Balance, beginning | — | 343,728,250 | 88,078,731 | 19,549,262 | 126,436,013 | 8,623,654 | 586,415,910 |
| Depreciation | — | 7,736,879 | 9,119,653 | 1,520,611 | 25,429,071 | 190,249 | 43,996,462 |
| Derecognition | — | (21,600) | (119,613) | (3,750,846) | (6,456,542) | (431,427) | (10,780,028) |
| Balance, end | — | 351,443,529 | 97,078,771 | 17,319,027 | 145,408,542 | 8,382,477 | 619,632,345 |
| Net book value | P132,952,904 | P108,309,335 | P149,058,543 | P4,732,373 | P74,564,670 | P1,447,755 | P471,065,581 |

As of December 31, 2022

| | Land | Buildings | Building improvements | Transportation equipment | Office equipment, furniture and fixtures | Tools and equipment | Total |
|---------------------------------|---------------------|---------------------|-----------------------|--------------------------|--|---------------------|----------------------|
| Cost | | | | | | | |
| 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) |
| Balance, end | 132,952,904 | 459,774,464 | 212,407,646 | 22,378,101 | 202,301,001 | 8,919,775 | 1,038,733,891 |
| Accumulated depreciation | | | | | | | |
| 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) |
| Balance, end | — | 343,728,250 | 88,078,731 | 19,549,262 | 126,436,013 | 8,623,654 | 586,415,910 |
| Net book value | P132,952,904 | P116,046,214 | P124,328,915 | P2,828,839 | P75,864,988 | P296,121 | P452,317,981 |

Depreciation expense amounted to P43,996,462 and P49,789,199 in 2023 and 2022, respectively.

Amortization expense amounted to P527,347 and P526,110 in 2023 and 2022, respectively.

Certain items of equipment were disposed during the year. Proceeds from disposal amounted to P3,568,538 and P1,035,386 in 2023 and 2022, respectively. Gain on disposal included in general and administrative expense amounted to P85,077 and loss on disposal included in general and administrative expense amounted to P19,584 in 2023 and 2022, respectively (Note 18).

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



11. TRUST FUNDS AND DEFERRED CREDITS

Trust funds are donations received that are restricted by the donors for specific purposes. Upon occurrence of the events specified by the donors, disbursements from the trust fund are recognized in project utilization and the related deferred credits recognized in grants and sub grants. Trust funds are placed in time deposits and are withdrawn as needed.

Movements of the trust funds and related deferred credits are as follows.

| | 2023 | 2022 |
|--|--------------------|--------------------|
| Balance beginning | P31,792,725 | P31,595,734 |
| Interest earned credited to deferred credits | 1,588,517 | 196,991 |
| Balance end | P33,381,242 | P31,792,725 |
| Deferred credits | | |
| | 2023 | 2022 |
| Balance beginning | P31,792,725 | P31,595,734 |
| Interest earned by the trust funds | 1,588,517 | 196,991 |
| Balance end | P33,381,242 | P31,792,725 |

12. OTHER NON-CURRENT ASSETS

This account consists of:

| | December 31 2023 | December 31 2022 |
|--|---------------------|---------------------|
| Museum shop inventory and other supplies | P6,784,760 | P7,044,602 |
| Deferred charges – MCIT (Note 20) | 47,627 | 35,245 |
| Income tax refundable | 2,050 | — |
| Other assets | 4,325,259 | 2,956,318 |
| Total | P11,159,696 | P10,036,165 |

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

13. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

This account consists of:

| | 2023 | 2022 |
|------------------------------|--------------------|--------------------|
| Trade payables | P65,047,282 | P48,497,138 |
| Income tax payable (Note 20) | — | 9,111 |
| Other payables | 12,208,162 | 3,550,534 |
| Total | P77,255,444 | P52,056,783 |

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

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

14. DONATIONS AND CONTRIBUTIONS

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 7, 2023, 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 December 7, 2026 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.

Donations and charitable contributions amounted to P69,138,383 and P72,252,450 in 2023 and 2022, respectively.

15. COUNTERPART CONTRIBUTIONS

This amount represents contribution of goods and services, valued in monetary terms including 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 17)

16. OTHER SUPPORTS AND GAINS

Sources of dividend income are as follows:

| | 2023 | 2022 |
|------------------------------------|---------------------|---------------------|
| Financial asset at FVOCI (Note 8) | P652,716,217 | P713,441,127 |
| Financial assets at FVTPL (Note 7) | 22,763,450 | 5,912,923 |
| Total | P675,479,667 | P719,354,050 |

Sources of interest income as follows:

| | 2023 | 2022 |
|---|--------------------|--------------------|
| Cash and cash equivalents (Note 5) | P57,496,773 | P27,009,549 |
| Financial assets at FVTPL (Note 7) | 27,574,205 | 9,861,248 |
| Debt investments at amortized cost (Note 9) | 13,039,708 | 4,365,374 |
| Total | P98,110,686 | P41,236,171 |

Other income (losses) consists of:

| | 2023 | 2022 |
|--|-------------|---------------|
| Foreign exchange gain | (P14,757) | P1,616,257 |
| Museum shop sales | 4,118,968 | 929,614 |
| Fair value changes of financial assets at FVTPL (Note 7) | 37,799,520 | (26,685,125) |
| | P41,903,731 | (P24,139,254) |

17. PROJECT UTILIZATION EXPENSES

This account consist of the implementation costs of the projects and programs of the Foundation categorized as follows:

Social well-being.

This cluster which aims to enable a community of leaders with a strong sense of identity, purpose and a passion for service: Included in this cluster are the following:

- Center for Leaders (CFL) – the Foundation’s CFL equips youth leaders through powerful learning experiences to make a difference in their community
- Education Development Unit (EDU)- the EDU aligns itself with SDG 4- promoting inclusive and equitable quality education and promote lifelong learning opportunities. Its seeks to serve the learners on margin and focuses on addressing learning crisis attributed to poor teacher competence, poor school performance and poor well being of learners. This was launched in 2012.
- Culture and Heritage Unit(CHU) – CHU awakes Cebuanos’ interest in the past to improve levels of awareness and strengthen their sense of pride as Cebuanos.

Physical well-being.

This cluster aims to build healthy and resilient communities, living in harmony with nature. Included in this cluster are the following:

- One to Tree – OTT partners with communities for reforestration and biodiversity conservation.
- Dolores Aboitiz Children’s Fund (DACF) – DACF helps create communities to champion children’s early education, nutrition and jhealth. It improves the well being of disadvantaged children to prepare them to be contributing members to the community.
- Eduardo J. Aboitiz Cancer Center (EJACC) – EJACC helps form alliances for cancer care and improves access to primary health services.
- Humanitarian Disaster Preparedness and Response (HDPR) – HDPR fosters community building for disaster preparedness and provides humanitarian response during emergencies.

In the implementation of its projects and expenses, the Foundation incurs costs and expenses 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.

Costs and expenses incurred during the year for each project/program are as follows:

| | Project Utilization – 2023 | | |
|--|----------------------------|----------|--------------|
| | RAFI | Partners | Total |
| Center for Leaders | P73,826,307 | — | P73,826,307 |
| Education Development Unit | 71,301,946 | P42,750 | 71,344,696 |
| Cultural Heritage Program | 72,636,789 | — | 72,636,789 |
| One to Tree | 93,945,538 | — | 93,945,538 |
| Dolores Aboitiz Children’s Fund | 27,836,034 | 696,077 | 28,532,111 |
| Eduardo J. Aboitiz Cancer Center | 30,392,637 | — | 30,392,637 |
| Human Disaster Preparedness and Response | 25,159,018 | — | 25,159,018 |
| | P395,098,269 | P738,827 | P395,837,096 |

| | Project Utilization – 2022 | | |
|--|----------------------------|-------------|--------------|
| | RAFI | Partners | Total |
| Center for Leaders | P56,613,770 | P15,416 | P56,629,186 |
| Education Development Unit | 42,931,525 | 10,000,391 | 52,931,916 |
| Cultural Heritage Program | 46,959,810 | 39,396 | 46,999,206 |
| One to Tree | 65,398,889 | 39,396 | 65,438,285 |
| Dolores Aboitiz Children’s Fund | 42,485,208 | 39,396 | 42,524,604 |
| Eduardo J. Aboitiz Cancer Center | 17,861,842 | 39,396 | 17,901,238 |
| Human Disaster Preparedness and Response | 91,331,195 | 18,677,276 | 110,008,471 |
| | P363,582,239 | P28,850,667 | P392,432,906 |

18. GENERAL AND ADMINISTRATIVE EXPENSES

This account consists of:

| | 2023 | 2022 |
|--|-------------|-------------|
| Communications, Advocacy, Partnerships | P18,798,077 | P7,460,549 |
| Information technology | 5,608,900 | 17,402,226 |
| Finance and administrative division | 4,801,515 | 4,479,882 |
| Audit and management costs | 3,818,478 | 3,112,202 |
| Compliance | 3,403,839 | 2,221,541 |
| Human resource department | 3,017,063 | 3,305,026 |
| Risk management unit | 1,761,005 | 3,151,357 |
| | P41,208,877 | P41,132,783 |

19. PERSONNEL COSTS

This consists of:

| | 2023 | 2022 |
|---------------------------------------|---------------------|---------------------|
| Salaries and wages | P114,330,577 | P79,055,312 |
| Retirement benefits expense (Note 21) | 8,067,730 | 8,609,762 |
| Other employee benefits | 35,654,331 | 24,175,256 |
| | <u>P158,052,638</u> | <u>P111,840,330</u> |

Charged to:

| | 2023 | 2022 |
|-------------------------------------|---------------------|---------------------|
| Project utilization | P92,340,162 | P64,782,263 |
| General and administrative expenses | 65,712,476 | 47,058,067 |
| | <u>P158,052,638</u> | <u>P111,840,330</u> |

20. 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 7, 2023, 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 is subject to regular corporate income tax or minimum corporate income tax, whichever is higher, on its museum shop sales.

Net operating loss carryover (NOLCO) and minimum corporate income tax (MCIT) related to this taxable activity are as follows.

NOLCO available for tax reporting is as follows:

| Year sustained | Balance 12.31.2022 | Additions in 2023 | Expired in 2023 | Balance 12.31.2023 | Valid until |
|----------------|--------------------|-------------------|-----------------|--------------------|-------------|
| 2020 | P4,382,580 | — | — | P4,382,580 | 2025 |
| 2021 | 4,773,178 | — | — | 4,773,178 | 2026 |
| 2022 | 2,777,255 | — | — | 2,777,255 | 2025 |
| 2023 | — | P6,366,978 | — | 6,366,978 | 2026 |
| | <u>P11,933,013</u> | <u>P6,366,978</u> | <u>—</u> | <u>P18,299,991</u> | |

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

MCIT included in other non-current assets (Note 12), 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 |
|--------------|-------------------|----------------|------------------------------------|---------------------------------------|--------------------------------|-------------------------------|--|
| 2020 | — | P23,747 | P23,747 | — | P23,747 | — | — |
| 2021 | — | 2,202 | 2,202 | — | — | — | P2,202 |
| 2022 | — | 9,296 | 9,296 | — | — | — | 9,296 |
| 2023 | — | 36,129 | 36,129 | — | — | — | 36,129 |
| | <u>—</u> | <u>P71,374</u> | <u>P71,374</u> | <u>—</u> | <u>P23,747</u> | <u>—</u> | <u>P47,627</u> |

Income tax refundable included in other non current assets amounting to P2,050 as of December 31, 2023, represents the excess of current income tax due over tax credits. (see Note 12)

Income tax payable, included in accounts payable and accrued expenses, amounting to P9,111 as of December 31, 2022, represents the excess of current income tax due over tax credits. (see Note 13)

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 Foundation 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.

21. 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 balance sheet and retirement cost recognized in the statement of operations, and actuarial gain (loss) recognized in other comprehensive income (OCI) are as follows:

| | 2023 | 2022 |
|--|--------------------|-------------------|
| Changes in present value of defined benefit obligation | | |
| Balance, January 1 | P42,149,204 | P47,227,364 |
| Current service cost | 7,815,829 | 8,131,090 |
| Interest cost | 3,249,704 | 2,460,546 |
| Actuarial loss | 20,847,903 | (9,219,294) |
| Benefits paid | — | (6,450,502) |
| Net acquired obligation due to employee transfers | 4,077,338 | — |
| Balance, December 31 | P78,139,978 | 42,149,204 |
| (Forward) | | |
| Changes in fair value of plan assets | | |
| Balance, January 1 | 38,882,004 | 38,039,815 |
| Interest income | 2,997,803 | 1,981,874 |
| Contribution to retirement fund | 8,900,000 | 6,823,927 |
| Remeasurement of plan assets | (2,998,267) | (1,513,110) |
| Benefits paid | — | (6,450,502) |
| Net acquired assets due to employee transfers | 4,077,338 | — |
| Balance, December 31 | 51,858,878 | 38,882,004 |
| Liability recognized in the balance sheet | P26,281,100 | P3,267,200 |
| | 2023 | 2022 |
| Retirement cost recognized in profit or loss | | |
| Current service cost | P7,815,829 | P8,131,090 |
| Net interest cost | 251,901 | 478,672 |
| Retirement benefits expense (Note 19) | P8,067,730 | P8,609,762 |

| | 2023 | 2022 |
|--|----------------------|---------------------|
| Cumulative actuarial loss | | |
| Balance, beginning | (P9,457,529) | (P17,163,713) |
| Remeasurements for the year: | | |
| Actuarial gain on defined benefit obligation | (20,847,903) | 9,219,294 |
| Remeasurement of plan assets | (2,998,267) | (1,513,110) |
| Actuarial gain in other comprehensive income | (23,846,170) | 7,706,184 |
| Balance, end | (P33,303,699) | (P9,457,529) |

| | 2023 | 2022 |
|---|-------|-------|
| Assumptions used to determine retirement benefits | | |
| Discount rate | 6.53% | 7.71% |
| Rate of salary increase | 7.00% | 7.00% |

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, 2023, assuming all other assumptions were held constant:

| | Effect on 2023 defined benefit obligation |
|--------------------------------|---|
| Change in discount rates | |
| 1% increase | (P70,456,557) |
| 1% decrease | 87,030,036 |
| Change in salary rate increase | |
| 1% increase | 87,261,501 |
| 1% decrease | (70,128,027) |

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

| | December 31 2023 | December 31 2022 |
|------------------------------------|------------------|------------------|
| Financial assets at amortized cost | 100% | 100% |

22. RELATED PARTY DISCLOSURES

Kool Adventure Camp, Inc. (KAC)

The Foundation organized KAC to implement its programs to develop youth and adults to become responsible leaders and citizens.

Transactions of the Foundation with KAC includes the following:

1. The Foundation allows the free use of the land and premises where the adventure camp of KAC is situated.
2. The Foundation also pays for the maintenance of the camp. Donations made to KAC for project costs and other operating expenses amounted to P24,871,576 and P35,908,534 in 2023 and 2022, respectively.
3. The Foundation also extends grants to KAC to fund KAC's capital expenditures. Grants during the year amounted to P93,100 and P1,555,317 in 2023 and 2022, respectively.

23. 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 2023 and 2022.

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) at reporting date is as follows:

| | 2023 | 2022 |
|-----------------------------|-----------------|-----------------|
| Net debt | | |
| Total qualified liabilities | P110,636,686 | P83,849,508 |
| Cash and cash equivalents | (1,202,418,043) | (1,717,360,114) |
| Net debt (a) | (1,091,781,357) | (1,633,510,606) |
| Equity | 23,567,162,572 | 29,020,575,220 |
| Equity and net debt (b) | P22,475,381,215 | P27,387,064,614 |
| Gearing ratio (a/b) | — | — |

24. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT AND OBJECTIVES

The Foundations financial assets consists of:

| | 2023 | 2022 |
|---|-----------------|-----------------|
| Financial assets at amortized cost | | |
| Cash and cash equivalents | P1,202,418,043 | P1,717,360,114 |
| Accounts receivable | 51,645,206 | 29,174,479 |
| Trust funds | 33,381,242 | 31,792,725 |
| | 1,287,444,491 | 1,778,327,318 |
| Financial assets at FVOCI | 19,659,940,464 | 25,494,250,477 |
| Financial assets at FVPL | 1,424,051,998 | 1,341,500,553 |
| | P22,371,436,953 | P28,614,078,348 |
| Financial liabilities at amortized cost | | |
| Accounts payable and accrued expenses | P77,255,444 | P52,056,783 |
| Deferred credits | 33,381,242 | 31,792,725 |
| | P110,636,686 | P83,849,508 |

Fair value of financial assets and financial liabilities

As of December 31, 2023 and 2022, 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 P1,424,051,998 and P1,341,500,553 as of December 31, 2023 and 2022, respectively, are measured using Level 1 valuation technique.

The Foundation's financial assets at FVOCI amounting to P19,659,940,464 and P25,494,250,477 as of December 31, 2023 and 2022, respectively, are measured using Level 1 valuation technique.

During the reporting year ended December 31, 2023 and 2022, 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.

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 | | | | |
| 2023 | 10% | 5% | P1,965,994,046 | (P982,997,023) |
| 2022 | 10% | 5% | 2,549,425,048 | (1,274,712,524) |

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 P51,645,206 and P29,174,479 as of December 31, 2023 and 2022, 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 P2,085,520,102 and P1,779,554,932 as of December 31, 2023 and 2022, 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, 2023

| Financial assets | Contractual undiscounted collections | | | Total | Total carrying value |
|-----------------------------------|--------------------------------------|--------------|-----------|-----------------|----------------------|
| | Less than 1 year | 1 to 5 years | > 5 years | | |
| Cash and cash equivalents | P1,202,418,043 | — | — | P1,202,418,043 | P1,202,418,043 |
| Accounts receivable | 51,645,206 | — | — | 51,645,206 | 51,645,206 |
| Financial assets at FVTPL | 1,424,051,998 | — | — | 1,424,051,998 | 1,424,051,998 |
| Financial assets at FVOCI | 19,659,940,464 | — | — | 19,659,940,464 | 19,659,940,464 |
| Debt investment at amortized cost | 849,720,817 | — | — | 849,720,817 | 849,720,817 |
| Trust funds | 33,381,242 | — | — | 33,381,242 | 33,381,242 |
| | P23,221,157,770 | — | — | P23,221,157,770 | P23,221,157,770 |

| Financial liabilities | Contractual undiscounted payments | | | Total | Total carrying value |
|---------------------------------------|-----------------------------------|--------------|-----------|--------------|----------------------|
| | Less than 1 year | 1 to 5 years | > 5 years | | |
| Accounts payable and accrued expenses | P77,255,444 | — | — | P77,255,444 | P77,255,444 |
| Deferred credits | 33,381,242 | — | — | 33,381,242 | 33,381,242 |
| | P110,636,686 | — | — | P110,636,686 | P110,636,686 |

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 |
| | <u>P28,644,480,441</u> | <u>—</u> | <u>—</u> | <u>P28,644,480,441</u> | <u>P28,644,480,441</u> |

| 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 |
| | <u>P83,849,508</u> | <u>—</u> | <u>—</u> | <u>P83,849,508</u> | <u>P83,849,508</u> |

25. APPROVAL OF FINANCIAL STATEMENTS

The financial statements of the Foundation as of and for the year ended December 31, 2023 (including the comparatives as of and for the year ended December 31, 2022) were authorized for issue by the Board of Trustees on April 3, 2024.

26. 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 | P4,118,968 | P494,276 |

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 | | P831,183 |
| Input tax on current transactions: | | |
| Domestic purchase of goods | P816,227 | 97,947 |
| Importation of goods other than capital goods | — | — |
| Domestic purchase of services | 1,970,902 | 236,508 |
| Purchase not qualified for input | 25,609,622 | — |
| Total allowable input tax | | 1,165,638 |
| Input tax applied against output tax | | (494,276) |
| Balance of input tax carried over to next year | | <u>P671,362</u> |
| <u>Withholding taxes.</u> | | |
| | | Amount |
| Compensation | | P14,465,908 |
| Expanded | | 3,576,439 |
| | | <u>P18,042,347</u> |

Other taxes and licenses.

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

| | Amount |
|--------------------------------|-------------------|
| Fringe benefit tax | P1,506,215 |
| Business permit and other fees | 215,581 |
| Real property tax | 97,141 |
| BIR annual registration fee | 500 |
| | <u>P1,819,437</u> |

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2023 COURSES AND SESSIONS

ANNEX A



Center for Leaders is a program of the Ramon Aboitiz Foundation Inc. (RAFI) offering leadership trainings and capacity building through world-class, safe and powerful learning experiences. It is guided by its three major learning components or 3C's—Character, Competence and Citizenship. It offers a variety of customizable courses and sessions that can be conducted at the Camp, online, or in venues such as classrooms and conferences. Courses are led by a team of highly trained facilitators who ensure safe and engaging experiences for all participants.

| COURSE OR SESSION | NUMBER OF SESSIONS | NUMBER OF PARTICIPANTS |
|---|--------------------|------------------------|
| Anti-Bullying Talk | 1 | 2,024 |
| Arangkada Project Citizen and Exhibit | 8 | 204 |
| Arangkada Youth Leaders' Summit | 1 | 949 |
| Argao Youth Land Expedition | 1 | 61 |
| Ayala Young Leaders Congress | 1 | 84 |
| AYCEstorya: Conversations for Change | 4 | 1,167 |
| Basic Facilitation | 2 | 92 |
| BEACON Land Expedition | 1 | 40 |
| Boljoon Next Leaders Matter | 1 | 118 |
| Bugsay Leadership | 1 | 18 |
| Brigada Eskwela Half-day Interactive Session - TCNHS | 1 | 252 |
| Building Wellbeing Habits for Youth | 6 | 446 |
| Cebu SAFARI Camp | 1 | 30 |
| CPMS Lower Elementary | 1 | 33 |
| Developing Resilience in Youth | 25 | 2,638 |
| Dipolog Youth Summit | 1 | 190 |
| Duwa Academy Coaching and Mentoring | 1 | 25 |
| Empowering Youth Engagement | 1 | 342 |
| Project ExL Implementation: Venture Leadership | 1 | 150 |
| Foressa Trails Trek – RAFI Employee Appreciation | 1 | 21 |
| General Assembly | 1 | 68 |
| Greener Cebu | 1 | 32 |
| Gabii sa Kabilin Heritage Hunt | 1 | 30 |
| RAFI Internal Audit Group Team Synergy | 1 | 41 |
| iChoose Course | 2 | 46 |
| iQuest Course | 5 | 337 |
| iRipple | 7 | 440 |
| JPMAP Summit 2023 | 1 | 484 |
| Kaibigan Reboot | 37 | 1,026 |
| One to Tree Ka-Treebu Assembly Debriefing Facilitation | 1 | 116 |
| Leaders' Meeting - Kaibigan Reboot | 8 | 189 |
| Local Youth Assembly | 3 | 164 |
| Media Camp | 1 | 11 |
| Partners Camp | 1 | 21 |
| Project Dasig Synergy and Strategic Planning | 1 | 27 |
| RAFI Cebu Local Youth Delegates for Arangkada Youth Leaders' Summit | 1 | 477 |
| Recharging Teams | 5 | 248 |
| Reconnecting Teams | 1 | 31 |
| Reconnecting Teams with Career Development & Employee Retention Workshop | 1 | 10 |
| Servant Leadership | 1 | 186 |
| SNP KK Assembly 2023 | 1 | 47 |
| Stories from the Couch to the Boardroom: A Traverse Across Psychological Career Paths | 1 | 158 |
| Strategic Planning | 2 | 48 |
| Stress Management Seminar with Tourist Drivers and Tourism Frontliners | 1 | 42 |
| Talisay Brigada Event | 1 | 252 |
| Talk for Bureau of Learners Support Services | 1 | 144 |
| RAFI TDI Start with Talents, End with Strengths | 1 | 20 |
| Team Development + SWOT | 1 | 18 |
| Upya Project for School Heads | 4 | 200 |
| USAID Digikabataan | 4 | 59 |
| Virtual Talk | 1 | 53 |
| Youth in Action Bootcamp | 1 | 50 |
| Youth Leading in Uncertain Times | 3 | 400 |
| YouthLed Eastern & Central Visayas | 1 | 58 |
| TOTAL | 163 | 14,417 |

ABOUT THE THEME

In 2023, the Ramon Aboitiz Foundation, Inc. (RAFI) remained committed to enabling resilient, prosperous and vibrant communities through its variety of programs and initiatives that foster the holistic well-being of communities. With the collaboration of like-minded partners, RAFI supported, empowered and mobilized communities while also laying the groundwork for a new chapter.

One small action can change an individual's life and create a ripple effect that empowers others to become beacons of hope. **Igniting Hope, Inspiring Change** emphasizes optimism for a better tomorrow and the power of collaboration to make a difference in society. It emphasizes the organization's role as Architects of Change— illuminating a path towards a brighter future and inspiring others to join the journey towards progress and social transformation.

Touching People, Shaping the Future

RAFI is a non-stock, non-profit organization (SEC Registration 31083) founded in 1966 with a mission to uphold 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 2023 Annual Report is available at www.rafi.org.ph.



RAFI



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