



# THE TREASURER'S REPORT

Good afternoon to my fellow Board of Trustees, our beloved members, and of course to our PESLAI Officers and staff. It is again my honor to present the concise comparative Financial Statement of PNB Employees Savings & Loans Association Inc for the years 2022 and 2023. The past year has been marked by steady growth in our assets, demonstrating our commitment to financial stability and prudent management. Below is a comprehensive analysis of our financial performance.

May I direct your attention to the screen for the presentation, please.

## ASSETS

ACCOUNTS	2024	2023	AMOUNT, Increase/(Decrease)	Percentage
<b>ASSETS</b>				
Deposits in Banks	₱ 70,598,414.06	₱ 67,216,134.96	3,382,279.10	5.03%
Loans and Discounts - Consumption Loans	383,321,056.58	373,477,075.80	9,843,980.78	2.64%
Accounts Receivable - Loans	7,191,267.06	5,600,294.08	1,590,972.98	28.41%
Past Due Loans and Discounts	1,712,431.76	2,600,387.65	(887,955.89)	-34.15%
Less: Allowance for Probable Loss				
Less: Allowance for Probable Losses - L & D	(171,243.18)	(507,539.87)	336,296.69	-66.26%
Allowance for General Loan Loss	(3,833,210.57)	(3,734,770.76)	(98,439.81)	2.64%
Allowance for Probable Losses - A/R-Loan	(4,454,475.11)	(4,229,763.26)	(224,711.85)	0.00%
Loans and Discounts, Net	383,765,826.54	373,205,683.64	10,560,142.90	2.83%
Other Investment-UITF	2,235,126.90	2,235,126.90	0.00	0.00%
Less: Allowance for Probable Losses	0.00	0.00	0.00	0.00%
Right of Use Asset	4,193,939.29	5,696,661.29	(1,502,722.00)	-26.38%
Less: Accumulated Depreciation - ROU	(4,193,939.29)	(3,705,966.12)	(487,973.17)	13.17%
Furniture, Fixtures & Equipment	2,653,488.88	3,101,154.88	(447,666.00)	-14.44%
Less: Accumulated Depreciation	(2,248,581.63)	(2,773,714.40)	525,132.77	-18.93%
Other Assets	800,889.51	839,889.51	(39,000.00)	-4.64%
<b>TOTAL ASSETS</b>	<b>₱ 457,805,164.26</b>	<b>₱ 445,814,970.66</b>	<b>11,990,193.60</b>	<b>2.69%</b>

As of December 31, 2024, PESLAI's **total assets** increased to **₱457.81 million**, reflecting **₱11.99 million** or **2.69% growth** from **₱445.81 million** in 2023. The primary drivers of this growth are as follows:

1. **Deposits in Banks** – Our bank deposits rose by **₱3.38 million (5.03%)**, from **₱67.22 million** in 2023 to **₱70.60 million** in 2024. This increase is attributed to prudent liquidity management and an increase in member contributions and retained earnings.
2. **Loans and Discounts - Consumption Loans** – The most significant contributor to asset growth is the increase in loans extended to members. Loans and discounts grew by **₱9.84 million (2.64%)**, from **₱373.48 million** in 2023 to

**₱383.32 million** in 2024. This reflects a growing demand for credit among members and our continued commitment to supporting their financial needs.

3. **Accounts Receivable - Loans** – Increased by **₱1.59 million (28.41%)**, indicating a higher volume of receivables from loan transactions. Main contributors are recently separated employees whose loan payments are pending due to the ongoing processing of their separation benefits by PNB's Human Resource Department.
4. **Past Due Loans and Discounts** – Encouragingly, our past due loans declined by **₱887,955.89 (34.15%)**, from **₱2.60 million** in 2023 to **₱1.71 million** in 2024. This reflects improved credit risk management and stricter collection policies.
5. **Allowance for Probable Losses** – The **allowance for probable losses on loans and discounts** decreased by **₱336,296.69**, showing reduced risk exposure. However, **general loan loss provisions** slightly increased by **₱98,439.81**, indicating continued prudence in maintaining adequate reserves.
6. **Net Loans and Discounts** – After accounting for allowances, net loans and discounts rose by **₱10.56 million (2.83%)**, reinforcing our role in financing our members' needs while managing risks effectively.

## LIABILITIES AND CAPITAL ACCOUNTS

ACCOUNTS	2024	2023	AMOUNT, Increase/(Decrease)	Percentage
<b>LIABILITIES</b>				
Deposit Liabilities - Time Certificates of Deposits	₱ 19,955,000.00	₱ 19,100,000.00	855,000.00	4.48%
Unearned Service Charges/Fees	6,608,951.16	6,051,668.30	557,282.86	9.21%
Other Liabilities	16,770,198.04	16,303,225.39	466,972.65	2.86%
<b>TOTAL LIABILITIES</b>	<b>₱ 43,334,149.20</b>	<b>₱ 41,454,893.69</b>	<b>1,879,255.51</b>	<b>4.53%</b>

1. **Total Liabilities** increased by **₱1.88 million (4.53%)**, reaching **₱43.33 million** in 2024 from **₱41.45 million** in 2023. This increase was primarily driven by:
  - A rise in **Time Certificates of Deposits** by **₱855,000.00 (4.48%)**.
  - An increase in **Unearned Service Charges/Fees** by **₱557,282.86 (9.21%)**.
  - **Accounts Payable** rose significantly by **₱2.89 million (42.51%)**, reflecting capital contributions of separated employees awaiting clearance from the Human Resource Department.
  - **Credit Insurance Payable** grew by **₱602,770.92 (16.57%)**.
  - **Lease Liability** was fully settled, reducing by **₱1.99 million**.

ACCOUNTS	2024	2023	AMOUNT, Increase/(Decrease)	Percentage
<b>CAPITAL</b>				
Capital Contributions	₱ 334,643,213.07	₱ 325,150,483.84	9,492,729.23	2.92%
Surplus (Free)	37,329,501.48	41,482,155.67	(4,152,654.19)	-10.01%
Unrealized Gains/Losses	234,798.22	234,798.22	0.00	0.00%
Reserve for Office Premises	25,946,489.81	21,690,195.87	4,256,293.94	19.62%
Reserve for Contingencies	5,000,000.00	5,000,000.00	0.00	0.00%
Surplus Reserves	11,317,012.48	10,802,443.37	514,569.11	4.76%
Undivided Profits	0.00	0.00	0.00	0.00%
<b>TOTAL CAPITAL</b>	<b>₱ 414,471,015.06</b>	<b>₱ 404,360,076.97</b>	<b>10,110,938.09</b>	<b>2.50%</b>
<b>TOTAL LIABILITIES &amp; CAPITAL</b>	<b>₱ 457,805,164.26</b>	<b>₱ 445,814,970.66</b>	<b>11,990,193.60</b>	<b>2.69%</b>

2. **Total Capital** increased by **₱10.11 million (2.50%)**, from **₱404.36 million** in 2023 to **₱414.47 million** in 2024. This was driven by:

- **Capital Contributions** rising by **₱9.49 million (2.92%)**, demonstrating strong member support.
- **Reserve for Office Premises** increasing by **₱4.26 million (19.63%)**, ensuring adequate funding for future infrastructure.
- **Surplus (Free)** declined by **₱4.15 million (10.01%)**, reflecting distributions to members and investments in operations.

## CURRENT OPERATING PERFORMANCE

ACCOUNTS	2024	2023	AMOUNT, Increase/(Decrease)	Percentage
<b>A. CURRENT OPERATING INCOME</b>				
Interest Income				
Interest/Discounts Earned - L & D Consumption Loan	₱ 47,877,844.22	₱ 46,158,641.58	1,719,202.64	3.72%
Interest - Deposits with Bank	243,047.60	273,970.47	(30,922.87)	-11.29%
Realized Gain On Investment	0.00	0.00	0.00	0.00%
Service Charges/Fees	6,014,044.24	5,955,476.78	58,567.46	0.98%
Miscellaneous Income	46,600.00	35,700.00	10,900.00	30.53%
<b>TOTAL CURRENT OPERATING INCOME</b>	<b>₱ 54,181,536.06</b>	<b>₱ 52,423,788.83</b>	<b>1,757,747.23</b>	<b>3.35%</b>

## INCOME

1. **Total Current Operating Income** increased by **₱1.76 million (3.35%)**, from **₱52.42 million** in 2023 to **₱54.18 million** in 2024. This was mainly driven by:

- **Interest Income on Loans and Discounts** growing by **₱1.72 million (3.72%)**, reflecting strong loan demand.
- **Service Charges/Fees** increasing slightly by **₱58,567.46 (0.98%)**.
- **Miscellaneous Income** rising by **₱10,900.00 (30.56%)**, due to higher non-loan-related revenue.

ACCOUNTS	2024	2023	AMOUNT, Increase/(Decrease)	Percentage
<b>B. CURRENT OPERATING EXPENSES</b>				
Interest on Deposits				
Interest on Time Certificates of Deposits	₱ 778,572.24	₱ 123,695.27	654,876.97	529.43%
Interest Expense	46,915.45	52,254.37	(5,338.92)	-10.22%
Compensation/Fringe Benefits	7,568,009.28	6,443,429.43	1,124,579.85	17.45%
Management and Other Professional Fees	628,285.46	482,628.47	145,656.99	30.18%
Fines, Penalties and Other Charges	0.00	0.00	0.00	0.00%
Insurance	0.00	1,273.15	(1,273.15)	-100.00%
Depreciation - Furniture, Fixtures and Equipment	371,253.23	431,863.91	(60,610.68)	-14.03%
Depreciation Expense - ROU	1,990,695.14	1,912,458.24	78,236.90	4.09%
Provision for Probable Losses - A/R-Loans	57,344.93	1,912,995.35	(1,855,650.42)	-97.00%
Provision for Probable Losses - Past Due	0.00	507,539.87	(507,539.87)	-100.00%
Other Provisions	866,439.81	890,844.51	(24,404.70)	-2.74%
Other Expenses	3,155,301.76	3,349,194.29	(193,892.53)	-5.79%
<b>TOTAL CURRENT OPERATING EXPENSES</b>	<b>₱ 15,462,817.30</b>	<b>₱ 16,108,176.86</b>	<b>(645,359.56)</b>	<b>-4.01%</b>
<b>NET INCOME</b>	<b>₱ 38,718,718.76</b>	<b>₱ 36,315,611.97</b>	<b>2,403,106.79</b>	<b>6.62%</b>

## EXPENSES

2. **Total Current Operating Expenses** decreased by **₱645,359.56 (4.01%)**, from **₱16.11 million** in 2023 to **₱15.46 million** in 2024. Notable changes include:
- **Interest on Deposits** increased by **₱654,876.97 (529.43%)**, reflecting higher interest rates on time deposits.
  - **Compensation and Fringe Benefits** rose by **₱1.12 million (17.45%)**, supporting competitive salaries and benefits.
  - **Provision for Probable Losses on Loans** decreased by **₱1.86 million (97.00%)**, due to improved loan performance.
  - **Depreciation and Other Expenses** were well-managed, with minor fluctuations.

## NET INCOME

3. Net Income for 2024 reached **₱38.72 million**, an increase of **₱2.40 million (6.62%)** from **₱36.32 million** in 2023. This improvement highlights the Association's strong financial performance, driven by prudent financial management, strategic lending, and cost efficiencies. In comparison, the net income growth from 2022 to 2023 was a modest **₱598,613.62 (1.68%)**, demonstrating a significant improvement in 2024.

## SUMMARY

In summary, PESLAI demonstrated a **solid financial position** in 2024. Our **loan portfolio expansion, improved collections, and prudent asset management** contributed to the overall increase in total assets. The reduction in past-due loans highlights our strengthened credit risk strategies, ensuring continued financial health.

As we move forward into 2025, PESLAI remains committed to enhancing our financial services, maintaining robust risk management, and delivering sustainable value to our members. Thank you for your continued trust and confidence in our Association.

That will be the end of my presentation for the financials, thank you and have a pleasant day ahead. I am turning you over to Chairman Rico.

MELISSA M. PONCE  
PESLAI Board of Trustee, Treasurer  
And Compliance Officer