

# ANNUAL REPORT 2022

## CARD PIONEER MICROINSURANCE INC

Pioneer House Makati  
108 Paseo De Roxas, Makati City  
[www.pioneer.com.ph](http://www.pioneer.com.ph)



# CORPORATE PROFILE

In 2013, Pioneer Group joined hands with CARD Mutually Reinforcing Institutions (CARD MRI) to establish the country's first microinsurance company specifically created to address the calamity, agriculture and income loss insurance needs of the marginalized market.

On September 10, 2013, the Securities and Exchange Commission approved the amendment of its Pioneer Asia Insurance Corporation's name to CARD Pioneer Microinsurance Inc.

Since its establishment, CPMI has been at the forefront of offering need-based, affordable and relevant microinsurance products to help underserved Filipinos recover from life's unexpected challenges through a range of products offering coverages such as burial, personal accident, protection from fire, typhoon and earthquake.

## **Board of Directors**

Ms. Jocelyn Dequito, Chairperson

Mr. Lorenzo O. Chan, Jr., Member

Mr. Vener S. Abellara, Member

Mr. Aristopher Punzalan, Member

Atty. Maria Olivia C. Valera, Member

Atty. Jomer H. Aquino, Independent Director

Mr. Vitaliano N. Nanagas II, Independent Director

# OUR CORE VALUES

## Humanity

We are in the business of helping people secure their lives and what matters most to them. We provide services that enable our stakeholders to prepare for and face some of life's most challenging moments. We do so with warmth, compassion, and a sincere concern for the quality of life of every stakeholder.

## Excellence

We value excellence that goes beyond mere compliance. We believe in doing the right things the right way. Because we care about what is important to our stakeholders and caring is part of who we are, we will go out of our way to provide superior products and services that communicate our concern and desire to delight them.

## Integrity

We recognize that each employee of Pioneer defines our organization by the way he/she carries him/herself. Integrity is all about knowing who we are and taking pride in what we stand for. It is about how we turn values into actions, how our actions reflect who we are, and how we see ourselves through the things we do. We strongly believe in this dual standard: to be strict with others but strictest with one's self, especially when no one is looking.

We believe that mediocrity is a form of dishonesty; it is not being true to who we are.

# OUR PRODUCTS





*Dakila*

**Medi+ash**  
Dengue Insurance

**Medi+ash**  
Leptospirosis Insurance

***“Our goal is to provide an insurance product that is easily accessible and affordable to those who need it most.”***

# FINANCIAL STATEMENTS

## CARD PIONEER MICROINSURANCE INC. STATEMENTS OF FINANCIAL POSITION

	December 31	
	2022	2021
<b>ASSETS</b>		
Cash and cash equivalents (Notes 4 and 26)	<b>₱690,710,410</b>	₱1,328,395,023
Insurance receivables - net (Notes 5 and 26)	<b>72,092,530</b>	52,045,469
Financial assets (Notes 6 and 26)		
Financial assets at fair value through profit or loss (FVTPL)	<b>56,945,720</b>	40,027,986
Investment securities at amortized cost	<b>2,117,514,897</b>	1,074,994,835
Interest receivable (Notes 7 and 26)	<b>21,243,542</b>	15,251,931
Deferred acquisition costs (Note 8)	<b>22,308,539</b>	18,209,435
Reinsurance assets (Notes 9, 13 and 26)	<b>97,666,972</b>	69,173,935
Investment property - net (Note 10)	<b>10</b>	10
Property and equipment - net (Note 11)	<b>731,096</b>	2,394,602
Deferred tax assets - net (Note 22)	<b>7,465,768</b>	6,009,753
Net pension asset (Note 15)	<b>8,050,607</b>	3,378,728
Right-of-use assets (Note 24)	<b>3,969,767</b>	688,864
Other assets (Note 12)	<b>16,766,973</b>	78,019,081
<b>TOTAL ASSETS</b>	<b>₱3,115,466,831</b>	₱2,688,589,652
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities</b>		
Insurance contract liabilities (Notes 13 and 26)	<b>₱592,437,008</b>	₱471,331,543
Insurance payables (Notes 14 and 26)	<b>40,657,550</b>	56,316,467
Accounts payable and accrued expenses (Notes 16 and 26)	<b>167,806,510</b>	113,526,348
Deferred reinsurance commissions (Note 8)	<b>5,904</b>	176,175
Income tax payable	<b>51,251,225</b>	21,871,790
Lease liabilities (Note 24)	<b>4,154,012</b>	742,797
<b>Total Liabilities</b>	<b>856,312,209</b>	663,965,120
<b>Equity</b>		
Capital stock (Notes 17 and 25)	<b>625,000,000</b>	625,000,000
Contributed surplus	<b>89,019,631</b>	89,019,631
Retained earnings	<b>1,543,450,399</b>	1,309,736,399
Net remeasurement gain on defined benefit obligation (Note 15)	<b>1,684,592</b>	868,502
<b>Total Equity</b>	<b>2,259,154,622</b>	2,024,624,532
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>₱3,115,466,831</b>	₱2,688,589,652

See accompanying Notes to Financial Statements.



**CARD PIONEER MICROINSURANCE INC.**  
**STATEMENTS OF INCOME**

	<b>Years Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>REVENUES</b>		
Gross earned premiums on insurance contracts (Note 18)	<b>₱1,026,477,066</b>	<b>₱802,902,957</b>
Reinsurers' share of gross earned premiums on insurance contracts (Note 18)	<b>(77,747,010)</b>	<b>(133,819,197)</b>
Net earned premiums	<b>948,730,056</b>	<b>669,083,760</b>
Investment income - net (Note 19)	<b>83,431,687</b>	<b>58,161,934</b>
Commission income (Note 8)	<b>268,665</b>	<b>7,838,305</b>
Foreign currency exchange gains - net	<b>23,687,227</b>	<b>15,189,971</b>
Total Revenues	<b>1,056,117,635</b>	<b>750,273,970</b>
<b>BENEFITS, CLAIMS AND EXPENSES</b>		
Gross insurance contract benefits and claims paid (Notes 13 and 20)	<b>325,878,629</b>	<b>238,135,964</b>
Reinsurers' share of gross insurance contract benefits and claims paid (Notes 13 and 20)	<b>(50,680,275)</b>	<b>(71,171,711)</b>
Gross change in insurance contract liabilities (Notes 13 and 20)	<b>41,020,916</b>	<b>(52,805,185)</b>
Reinsurers' share of gross change in insurance contract liabilities (Notes 13 and 20)	<b>(35,726,463)</b>	<b>50,525,007</b>
Net insurance benefits and claims (Notes 13 and 20)	<b>280,492,807</b>	<b>164,684,075</b>
General expenses (Note 21)	<b>300,852,532</b>	<b>207,889,247</b>
Commission expense (Note 8)	<b>56,476,123</b>	<b>48,842,124</b>
Total Benefits Claims and Expenses	<b>637,821,462</b>	<b>421,415,446</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>418,296,173</b>	<b>328,858,524</b>
<b>PROVISION FOR INCOME TAX (Note 22)</b>	<b>105,977,528</b>	<b>76,087,290</b>
<b>NET INCOME</b>	<b>₱312,318,645</b>	<b>₱252,771,234</b>

*See accompanying Notes to Financial Statements.*



**CARD PIONEER MICROINSURANCE INC.**  
**STATEMENTS OF COMPREHENSIVE INCOME**

	<b>Years Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>NET INCOME</b>	<b>₱312,318,645</b>	<b>₱252,771,234</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>		
<i>Items that will not be recycled to profit or loss</i>		
Remeasurement gain on defined benefit obligation (Note 15)	<b>1,088,120</b>	<b>1,283,470</b>
Income tax effect (Note 22)	<b>(272,030)</b>	<b>(320,868)</b>
	<b>816,090</b>	<b>962,602</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱313,134,735</b>	<b>₱253,733,836</b>

*See accompanying Notes to Financial Statements.*





**CARD PIONEER MICROINSURANCE INC.**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

	Capital Stock (Notes 17 and 25)	Contributed Surplus (Notes 25)	Net Remeasurement Gain (Loss) on Defined Benefit Obligation (Note 15)	Retained Earnings	Total
<b>As at January 1, 2022</b>	<b>P625,000,000</b>	<b>P89,019,631</b>	<b>P868,502</b>	<b>P1,309,736,399</b>	<b>P2,024,624,532</b>
Net income	—	—	—	312,318,645	312,318,645
Other comprehensive income	—	—	816,090	—	816,090
Cash dividends	—	—	—	(78,604,645)	(78,604,645)
Total comprehensive income	—	—	816,090	233,714,000	234,530,090
<b>As at December 31, 2022</b>	<b>P625,000,000</b>	<b>P89,019,631</b>	<b>P1,684,592</b>	<b>P1,543,450,399</b>	<b>P2,259,154,622</b>
<b>As at January 1, 2021</b>	<b>P500,000,000</b>	<b>P89,019,631</b>	<b>(P94,100)</b>	<b>P1,181,965,165</b>	<b>P1,770,890,694</b>
Net income	—	—	—	252,771,234	252,771,234
Other comprehensive income	—	—	962,602	—	962,604
Stock dividends	125,000,000	—	—	(125,000,000)	—
Total comprehensive income	125,000,000	—	962,602	127,771,234	253,733,838
<b>As at December 31, 2021</b>	<b>P625,000,000</b>	<b>P89,019,631</b>	<b>P868,502</b>	<b>P1,309,736,399</b>	<b>P2,024,624,532</b>

*See accompanying Notes to Financial Statements.*



**CARD PIONEER MICROINSURANCE INC.**  
**STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	<b>P418,296,173</b>	<b>P328,858,524</b>
Adjustments for:		
Interest income (Note 19)	<b>(87,968,953)</b>	<b>(59,281,997)</b>
Unrealized foreign exchange gain	<b>(23,687,227)</b>	<b>(15,189,971)</b>
Depreciation and amortization (Notes 11, 21 and 24)	<b>2,956,083</b>	<b>3,353,223</b>
Retirement benefit expense (Note 15)	<b>426,241</b>	<b>1,723,048</b>
Contributions to the pension fund (Note 15)	<b>(4,010,000)</b>	<b>(4,000,000)</b>
Fair value loss on financial assets through FVTPL (Note 19)	<b>3,074,280</b>	<b>1,112,129</b>
Loss from maturities of financial assets through FVTPL (Note 19)	<b>1,462,986</b>	<b>—</b>
Actuarial gain on service award liability	<b>(119,484)</b>	<b>(57,385)</b>
Interest expense on lease liability (Note 24)	<b>97,594</b>	<b>38,906</b>
Miscellaneous expense (Note 19)	<b>—</b>	<b>7,934</b>
Operating income before changes in working capital	<b>310,527,693</b>	<b>256,564,411</b>
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Insurance receivables	<b>(20,047,061)</b>	<b>81,446,017</b>
Deferred acquisition costs	<b>(4,099,104)</b>	<b>(2,835,872)</b>
Reinsurance assets	<b>(28,493,037)</b>	<b>82,021,357</b>
Other assets	<b>61,653,973</b>	<b>(57,008,586)</b>
Increase (decrease) in:		
Insurance contract liabilities	<b>121,105,466</b>	<b>62,197,717</b>
Insurance payables	<b>(15,658,917)</b>	<b>(22,170,927)</b>
Accounts payable and accrued expenses	<b>53,997,780</b>	<b>(67,912,956)</b>
Deferred reinsurance commissions	<b>(170,271)</b>	<b>(4,811,225)</b>
Net cash generated from operations	<b>478,816,522</b>	<b>327,489,936</b>
Income tax paid	<b>(78,326,138)</b>	<b>(77,296,093)</b>
Net cash provided by operating activities	<b>400,490,384</b>	<b>250,193,843</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	<b>91,094,250</b>	<b>69,611,837</b>
Acquisitions of:		
Investment securities at amortized cost (Note 6)	<b>(1,113,936,971)</b>	<b>(69,438,761)</b>
Financial assets through FVTPL (Note 6)	<b>(60,000,000)</b>	<b>—</b>
Property and equipment (Note 11)	<b>(184,648)</b>	<b>(649,769)</b>
Proceeds from maturities of:		
Investment securities at amortized cost (Note 6)	<b>62,300,000</b>	<b>18,000,000</b>
Financial assets through FVTPL (Note 6)	<b>38,545,000</b>	<b>—</b>
Net cash generated from (used in) investing activities	<b>(982,182,369)</b>	<b>17,523,307</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments of:		
Cash dividends	<b>(78,604,645)</b>	<b>—</b>
Principal portion of lease liabilities	<b>(977,616)</b>	<b>(391,817)</b>
Interest expense on lease liabilities (Note 24)	<b>(97,594)</b>	<b>(38,906)</b>
Cash used in financing activities	<b>(79,679,855)</b>	<b>(430,723)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH</b>	<b>23,687,227</b>	<b>15,189,971</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(637,684,613)</b>	<b>282,476,398</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>1,328,395,023</b>	<b>1,045,918,625</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)</b>	<b>P690,710,410</b>	<b>P1,328,395,023</b>

*See accompanying Notes to Financial Statements.*



# INDEPENDENT AUDITOR'S REPORT

[https://pioneer.com.ph/sites/default/files/2022\\_FS\\_CPMI.pdf](https://pioneer.com.ph/sites/default/files/2022_FS_CPMI.pdf)