ANNUAL REPORT 2024

PIONEER INTERCONTINENTAL INSURANCE CORP

Pioneer House Makati
108 Paseo De Roxas, Legaspi Village, Makati City

https://pioneerintercon.com.ph
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PIONEER
YOUR INSURANCE

PIONEER GROUP

Established in 1954, the Pioneer Group has consistently charted insurance milestones for over half a century through its main arms of life and non-life insurance.

Pioneer Group has an extensive network of 23 branch offices and shared offices throughout the country. With an office in Hong Kong, it remains as the only active Philippine non-life company writing business in China's Special Administrative Region.

Pioneer has been named by Euromoney Annual Insurance Survey as the best Insurance Company in the Philippines for two consecutive years beginning 2009. In 2010, it was likewise recognized as the Best Insurer in Asia. In 2012, Pioneer was recognized by the Insurance Commission for its significant contributions to the field of microinsurance.

Comprising the Pioneer Group are: Pioneer Insurance & Surety Corporation, Pioneer Life Inc, Pioneer Intercontinental Insurance Corporation, CARD Pioneer Microinsurance Inc, M Pioneer Insurance Inc., and Pioneer Hollard Inc.

CORPORATE PROFILE

Pioneer Intercontinental Insurance Corporation was established in 1966. It focuses on specialized non-traditional insurance packages.

Board of Directors

Mr. Ernesto O. Chan, Chairman
Atty. Ma. Bertola D. Medialdea, Member
Mr. Lorenzo O. Chan, Jr., Member
Mr. Jason Lorenz Y. Chan, Member
Ms. Lianne Janine L. Coyukiat, Member
Ms. Molly C. Uyecio, Member

OUR CORE VALUES

Integrity

We know who we are and take pride in our mission. We live out our values. We strongly believe in this dual standard: **To be strict with others but strictest with one's self, especially when no one is looking.**

Excellence

We go above and beyond mere compliance. We believe in doing the right things the right way. **We continuously better our best**. We believe that mediocrity is a form of dishonesty; it is not being true to who we are.

Malasakit

Tunay ang pagpapahalaga natin sa ating gawain, tungkulin, at layunin. Kaya't itinuturing nating itong parang atin at ipinapanalo ang pagbangon at pag-unlad.

We genuinely value our work and duty. That's why we take ownership of it and work hand-in-hand in championing the progress of all stakeholders.

WHAT WE OFFER

Business One

Home Insurance

Golf Buddy

FINANCIAL STATEMENTS

PIONEER INTERCONTINENTAL INSURANCE CORPORATION
(A Subsidiary of Pioneer Insurance & Surety Corporation)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2024
(With Comparative Figures for 2023)

	Note	2024	2023
ASSETS			
Cash and cash equivalents	4	**₱472,852,400**	₱382,558,409
Short-term investments	4	**28,989,120**	–
Insurance receivables	5	**462,030,418**	349,083,842
Financial assets:	6		
Financial assets at fair value through profit or loss (FVPL)		**587,950**	7,667,914
Financial assets at fair value through other comprehensive income (FVOCI)		**459,414,935**	377,040,259
Investments in debt securities at amortized cost		**620,064,153**	669,714,001
Loans and receivables		**10,860,884**	8,259,638
Investment in an associate	7	**613,705,550**	629,715,260
Reinsurance assets	9	**454,011,739**	307,821,266
Deferred acquisition costs	8	**27,425,098**	24,451,993
Net retirement asset	20	**14,245,093**	17,005,564
Right-of-use (ROU) assets	22	**125,306**	341,634
Other assets	10	**17,733,244**	14,125,390
		₱3,182,045,890	₱2,787,785,170

	Note	2024	2023
LIABILITIES AND EQUITY			
Liabilities			
Insurance contract liabilities	11	**₱869,841,477**	₱742,115,811
Insurance payables	12	**375,006,434**	331,207,866
Accounts payable and accrued expenses	13	**40,319,347**	34,003,705
Commissions payable	8	**79,206,835**	63,346,180
Income tax payable		**16,756,257**	4,196,018
Deferred reinsurance commissions	8	**35,349,355**	26,143,107
Lease liabilities	22	**135,551**	345,094
Net deferred tax liabilities	21	**54,739,350**	41,124,285
Total Liabilities		**₱1,471,354,606**	₱1,242,482,066

(Forward)

	Note	2024	2023
Equity			
Capital stock		**₱250,000,000**	₱250,000,000
Contributed surplus		350,000,000	350,000,000
Retained earnings	15	**729,245,065**	631,163,458
Other components of equity:			
Cumulative gain on fair value changes on financial assets at FVOCI	6	**381,338,964**	311,320,489
Cumulative remeasurement gain on net retirement asset	20	**107,255**	2,819,157
Total Equity		**1,710,691,284**	1,545,303,104
		₱3,182,045,890	₱2,787,785,170

See accompanying Notes to the Financial Statements.

PIONEER INTERCONTINENTAL INSURANCE CORPORATION

(A Subsidiary of Pioneer Insurance & Surety Corporation)

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2024

(With Comparative Figures for 2023)

	Note	2024	2023
REVENUE			
Gross premiums earned on insurance contracts	16	₱505,397,170	₱471,321,154
Reinsurers' share of gross premiums earned on insurance contracts	16	(329,060,472)	(292,167,853)
Net insurance premiums earned		176,336,698	179,153,301
Investment income	19	66,885,780	52,566,432
Commission income	8	81,129,074	74,898,266
Other underwriting income		2,617,503	144,202
		326,969,055	306,762,201
BENEFITS, CLAIMS AND EXPENSES			
Net insurance benefits and claims	17	41,765,811	83,457,088
Commission expense	8	79,774,201	78,476,940
General and administrative expenses	18	38,178,321	15,703,059
Interest expense	12	7,191,651	3,966,525
Foreign exchange loss		3,506	887,586
Other underwriting expenses		25,281,140	33,208,673
		192,194,630	215,699,871
INCOME BEFORE INCOME TAX		134,774,425	91,062,330
INCOME TAX EXPENSE	21		
Current		21,360,113	10,008,320
Final		13,169,874	10,125,773
Deferred		2,162,831	613,852
		36,692,818	20,747,945
NET INCOME		98,081,607	70,314,385
OTHER COMPREHENSIVE INCOME			
Not to be reclassified to profit or loss:			
Unrealized gain on fair value changes of financial assets at FVOCI (net of tax effect of ₱12.4 million in 2024 and ₱7.6 million in 2023)	6	70,018,475	42,848,831
Remeasurement loss on net retirement asset (net of tax effect of ₱0.9 million in 2024 and ₱0.4 million in 2023)	20	(2,711,902)	(1,080,852)
		67,306,573	41,767,979
TOTAL COMPREHENSIVE INCOME		₱165,388,180	₱112,082,364

See accompanying Notes to Financial Statements.

PIONEER INTECONTINENTAL INSURANCE CORPORATION
(A Subsidiary of Pioneer Insurance & Surety Corporation)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2024
(With Comparative Figures for 2023)

	Note	2024	2023
CAPITAL STOCK - ₱100 par value			
Authorized, issued and outstanding - 2,500,000 shares		**₱250,000,000**	₱250,000,000
CONTRIBUTED SURPLUS			
Balance at beginning of year		**350,000,000**	300,000,000
Capital infusion	15	–	50,000,000
Balance at end of year		**350,000,000**	350,000,000
RETAINED EARNINGS	15		
Balance at beginning of year		**631,163,458**	560,849,073
Net income		**98,081,607**	70,314,385
Balance at end of year		**729,245,065**	631,163,458
OTHER COMPONENTS OF EQUITY			
Cumulative gain on fair value changes on financial assets at FVOCI	6		
Balance at beginning of year		**311,320,489**	268,471,658
Unrealized gain on fair value changes, net of tax		**70,018,475**	42,848,831
Balance at end of year		**381,338,964**	311,320,489
Cumulative remeasurement gain on net retirement asset	20		
Balance at beginning of year		**2,819,157**	3,900,009
Remeasurement loss on net retirement asset, net of tax		**(2,711,902)**	(1,080,852)
Balance at end of year		**107,255**	2,819,157
		381,446,219	314,139,646
TOTAL EQUITY		**₱1,710,691,284**	₱1,545,303,104

See accompanying Notes to Financial Statements.

PIONEER INTERCONTINENTAL INSURANCE CORPORATION
(A Subsidiary of Pioneer Insurance & Surety Corporation)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024
(With Comparative Figures for 2023)

	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		₱134,774,425	₱91,062,330
Adjustments for:			
Interest income	19	(64,832,498)	(49,527,849)
Provision for impairment losses on investment in an associate	7	16,009,710	–
Interest expense	12, 22	7,191,651	3,966,525
Dividend income	19	(1,553,773)	(2,284,268)
Retirement income	20	(596,522)	(961,662)
Depreciation of ROU assets	22	216,328	215,909
Unrealized gain on fair value changes on financial assets at FVPL	19	(499,509)	(754,315)
Operating income before changes in working capital		90,709,812	41,716,670
Increase in:			
Insurance receivables		(112,946,576)	(99,477,024)
Loans and receivables		(204,810)	(1,039,923)
Reinsurance assets		(146,190,473)	(11,744,073)
Deferred acquisition costs		(2,973,105)	(1,821,995)
Other assets		(3,607,854)	(4,727,462)
Increase (decrease) in:			
Insurance contract liabilities		127,725,666	10,986,264
Insurance payables		43,798,568	105,513,887
Deferred reinsurance commissions		9,206,248	7,278,677
Accounts payable and accrued expenses		6,056,766	(3,936,917)
Commissions payable		15,860,655	14,217,408
Net cash generated from operations		27,434,897	56,965,512
Income tax paid		(21,969,748)	(10,125,773)
Net cash provided by operating activities		5,465,149	46,839,739
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposals of:	6		
Investments in debt securities at amortized cost		66,000,000	2,000,000
Financial assets at FVPL		7,579,473	16,077,945
Acquisitions of:			
Short-term investments		(28,989,120)	–
Investments in debt securities at amortized cost	6	(20,000,000)	(313,960,000)
Financial assets at FVPL	6	–	(7,386,770)
Interest received		66,085,910	52,917,873
Interest paid		(7,171,317)	(3,966,525)
Dividends received		1,553,773	2,284,268
Net cash provided by (used in) investing activities		85,058,719	(252,033,209)

(Forward)

	Note	2024	2023
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liabilities	22	(₱229,877)	(₱225,186)
Infusion from Parent Company	15	–	50,000,000
Net cash provided by (used in) financing activities		**(229,877)**	49,774,814
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**90,293,991**	(155,418,656)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**382,558,409**	537,977,065
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	**₱472,852,400**	₱382,558,409

See accompanying Notes to Financial Statements.

INDEPENDENT AUDITOR'S REPORT

https://pioneer.com.ph/sites/default/files/2024_FS_PIIC.pdf