ANNUAL REPORT 2024

PIONEER LIFE INC

Pioneer House Makati
108 Paseo De Roxas, Legaspi Village, Makati City
https://pioneerlife.com.ph
www.pioneer.com.ph

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's life operations were established in 1964, and its evolution has included a fruitful five-year joint venture with Allianz AG of Germany in the form of Pioneer Allianz. Following the joint venture in 2003, an agreement was reached to move forward as a 100 percent Filipino-owned company.

Today, Pioneer Life Inc. is a significant player in the industry, and it continues to grow with a record number of Million Dollar Round Table qualifiers.

Board of Directors

Mr. David C. Coyukiat, Chairman

Mr. Ernesto O. Chan, Treasurer

Mr. Lorenzo O. Chan, Jr., President/CEO

Ms. Sally C. Ong Pac, Member

Ms. Molly C. Uyecio, Member

Atty. Ma. Bertola D. Medialdea, Member

Ms. Caridad Chua Unsu, Member

Ms. Emily A. Abrera, Independent Director

Mr. Vitaliano N. Nanagas II, Independent Director

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

- **Individual Life Insurance & Investment**
- **Accident & Health Insurance**
- **OFW Insurance**
- **Insurance for Groups or Employees**
- **Travel Insurance**

FINANCIAL STATEMENTS

PIONEER LIFE INC.
(A Wholly-Owned Subsidiary of Pioneer Life Holdings, Inc.)

STATEMENT OF FINANCIAL POSITION
December 31, 2024
(With Comparative Figures as of December 31, 2023)

	December 31	
	2024	2023
ASSETS		
Cash and cash equivalents (Note 4)	**₱2,181,871,356**	₱2,068,501,205
Insurance receivables (Note 5)	**2,704,875,197**	1,522,345,363
Financial assets (Note 6)		
Financial assets at fair value through profit or loss	**2,879,266,444**	3,002,337,822
Financial assets at fair value though other comprehensive income (FVOCI)	**5,476,852,628**	4,907,940,878
Financial assets at amortized cost	**1,776,322,570**	1,757,809,600
Accrued income (Note 8)	**100,938,282**	94,517,425
Reinsurance assets (Notes 13 and 14)	**34,888,243**	28,666,153
Pension asset - net (Note 24)	**–**	10,623,011
Investment properties (Note 9)	**18,060,000**	16,891,600
Property and equipment - net (Note 10)	**37,362,540**	31,085,468
Software costs - net (Note 11)	**22,637,562**	19,863,827
Right-of-use assets (Note 27)	**15,532,054**	25,882,353
Investments in associates (Note 12)	**1,961,581,180**	2,012,426,776
Other assets	**207,195,722**	164,586,675
TOTAL ASSETS	**₱17,417,383,778**	₱15,663,478,156
LIABILITIES AND EQUITY		
Liabilities		
Insurance contract liabilities (Notes 13 and 14)		
Legal policy reserves	**₱8,062,576,490**	₱8,046,539,485
Policy and contract claims	**1,415,245,993**	1,631,012,467
Policyholders' dividends	**470,937,613**	468,662,426
Policyholders' deposits	**451,248,804**	435,172,589
Insurance payables (Note 15)	**3,007,410,628**	1,423,002,727
Accounts payable and accrued expenses (Notes 7 and 16)	**154,259,259**	142,924,334
Lease liabilities (Note 27)	**15,801,334**	26,362,392
Pension liability – net (Note 24)	**43,379,473**	–
Deferred tax liabilities - net (Note 25)	**321,252,106**	345,903,356
Total Liabilities	**13,942,111,700**	12,519,579,776
Equity		
Capital stock (Note 17)	**260,000,000**	260,000,000
Additional paid-in capital	**261,297,581**	261,297,581
Contributed surplus	**430,000,000**	430,000,000
Contingency surplus	**111,000,000**	111,000,000
Reserve for fluctuation in value of financial assets at FVOCI (Note 6)	**(62,364,046)**	(84,603,007)
Remeasurement gains on legal policy reserves (Notes 13 and 14)	**1,039,326,732**	1,069,130,408
Remeasurement gains (losses) on retirement benefit plan (Note 24)	**(31,479,846)**	1,291,483
Retained earnings	**1,467,491,657**	1,095,781,915
Total Equity	**3,475,272,078**	3,143,898,380
TOTAL LIABILITIES AND EQUITY	**₱17,417,383,778**	₱15,663,478,156

See accompanying Notes to Financial Statements.

PIONEER LIFE INC.
(A Wholly-Owned Subsidiary of Pioneer Life Holdings, Inc.)

STATEMENT OF INCOME

For the Year Ended December 31, 2024
(With Comparative Figures for the Year Ended December 31, 2023)

	Years Ended December 31	
	2024	2023
REVENUES		
Gross earned premiums on insurance contracts	**₱6,788,471,656**	₱6,246,657,570
Reinsurers' share of gross earned premiums on insurance contracts	**(2,319,994,404)**	(1,844,958,808)
Net earned premiums (Note 18)	**4,468,477,252**	4,401,698,762
Investment income - net (Note 19)	**646,944,315**	613,001,202
Foreign currency exchange gain – net	**33,675,285**	1,051,256
Other income	**2,673,083**	1,840,718
Other revenues	**683,292,683**	615,893,176
	5,151,769,935	5,017,591,938
BENEFITS, CLAIMS, EXPENSES AND LOSSES		
Gross change in legal policy reserves	**(76,434,100)**	50,512,778
Reinsurers' share of gross change in legal policy reserves	**52,732,871**	(24,394,891)
Gross benefits and claims incurred on insurance contracts	**4,861,866,151**	4,619,299,185
Reinsurers' share of gross benefits and claims incurred on insurance contracts	**(1,927,517,859)**	(1,516,893,470)
Net insurance benefits and claims (Notes 13 and 20)	**2,910,647,063**	3,128,523,602
General and administrative expenses (Note 21)	**940,768,724**	876,926,674
Commissions and other direct expenses (Note 22)	**832,396,608**	624,876,261
Interest expense	**24,509,079**	17,254,733
Expenses and losses	**1,797,674,411**	1,519,057,668
	4,708,321,474	4,647,581,270
INCOME BEFORE INCOME TAX	**443,448,461**	370,010,668
PROVISION FOR INCOME TAX (Note 25)	**71,738,719**	62,686,442
NET INCOME	**₱371,709,742**	₱307,324,226

See accompanying Notes to Financial Statements.

PIONEER LIFE INC.
(A Wholly-Owned Subsidiary of Pioneer Life Holdings, Inc.)

STATEMENT OF COMPREHENSIVE INCOME

For the Year Ended December 31, 2024
(With Comparative Figures for the Year Ended December 31, 2023)

	Years Ended December 31	
	2024	2023
NET INCOME	**₱371,709,742**	₱307,324,226
OTHER COMPREHENSIVE INCOME (LOSS)		
Items to be recycled to profit or loss in subsequent periods:		
Fair value gain on debt securities at FVOCI (Note 6)	**22,689,498**	360,547,356
Items not to be recycled to profit or loss in subsequent periods:		
Fair value gain (loss) on equity securities designated at FVOCI (Note 6)	**(530,044)**	20,643,795
Income tax effect (Note 25)	**79,507**	(3,096,569)
	(450,537)	17,547,226
Remeasurement loss on legal policy reserves (Note 13)	**(39,738,234)**	(95,050,592)
Income tax effect (Note 25)	**9,934,558**	23,762,649
	(29,803,676)	(71,287,943)
Remeasurement loss on retirement benefit plan (Note 24)	**(43,695,106)**	(34,904,737)
Income tax effect (Note 25)	**10,923,777**	8,726,185
	(32,771,329)	(26,178,552)
	(40,336,044)	280,628,087
TOTAL COMPREHENSIVE INCOME	**₱331,373,698**	₱587,952,313

See accompanying Notes to Financial Statements.

PIONEER LIFE INC.
(A Wholly-Owned Subsidiary of Pioneer Life Holdings, Inc.)

STATEMENT OF CHANGES IN EQUITY
For the Year Ended December 31, 2024
(With Comparative Figures for the Year Ended December 31, 2023)

	Capital Stock (Note 17)	Additional Paid-in Capital	Contributed Surplus	Contingency Surplus	Reserve for fluctuation in value of Financial Assets at FVOCI (Note 6)	Remeasurement Gains (Losses) on Legal Policy Reserves (Note 13 and 25)	Remeasurement Gains (Losses) on Retirement Benefit Plan (Note 24)	Retained Earnings	Total
At January 1, 2024	**₱260,000,000**	**₱261,297,581**	**₱430,000,000**	**₱111,000,000**	**(₱84,603,007)**	**₱1,069,130,408**	**₱1,291,483**	**₱1,095,781,915**	**₱3,143,898,380**
Net income	–	–	–	–	–	–	–	**371,709,742**	**371,709,742**
Other comprehensive income (loss)	–	–	–	–	**22,238,961**	**(29,803,676)**	**(32,771,329)**	–	**(40,336,044)**
Total comprehensive income (loss)	–	–	–	–	**22,238,961**	**(29,803,676)**	**(32,771,329)**	**371,709,742**	**331,373,698**
At December 31, 2024	**₱260,000,000**	**₱261,297,581**	**₱430,000,000**	**₱111,000,000**	**(₱62,364,046)**	**₱1,039,326,732**	**(₱31,479,846)**	**₱1,467,491,657**	**₱3,475,272,078**
At January 1, 2023	₱260,000,000	₱261,297,581	₱430,000,000	₱111,000,000	(₱462,697,589)	₱1,140,418,351	₱27,470,035	₱788,457,689	₱2,555,946,067
Net income	–	–	–	–	–	–	–	307,324,226	307,324,226
Other comprehensive income (loss)	–	–	–	–	378,094,582	(71,287,943)	(26,178,552)	–	280,628,087
Total comprehensive income (loss)	–	–	–	–	378,094,582	(71,287,943)	(26,178,552)	307,324,226	587,952,313
At December 31, 2023	₱260,000,000	₱261,297,581	₱430,000,000	₱111,000,000	(₱84,603,007)	₱1,069,130,408	₱1,291,483	₱1,095,781,915	₱3,143,898,380

See accompanying Notes to Financial Statements.

PIONEER LIFE INC.
(A Wholly-Owned Subsidiary of Pioneer Life Holdings, Inc.)

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2024
(With Comparative Figures for the Year Ended December 31, 2023)

	Years Ended December 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱443,448,461**	₱370,010,668
Adjustments for:		
Interest income (Note 19)	**(554,659,082)**	(527,042,555)
Dividend income (Notes 6 and 19)	**(76,422,573)**	(93,208,240)
Fair value loss (gain) on financial assets at FVTPL (Notes 6 and 19)	**(63,991,998)**	10,681,936
Impairment of investment in associate (Notes 12 and 19)	**50,845,596**	–
Depreciation and amortization (Note 21)	**34,218,503**	35,092,421
Net change in legal policy reserves (Notes 13 and 20)	**(23,701,229)**	26,117,887
Retirement expense (Note 24)	**12,859,688**	8,215,536
Interest expense on lease liabilities (Note 27)	**1,360,647**	1,138,724
Unrealized foreign currency exchange loss – net	**1,286,047**	8,734,146
Fair value gain on investment properties (Notes 9 and 19)	**(1,168,400)**	(520,920)
Reversal of provision for ECL (Notes 5, 6, and 21)	**–**	(17,799,796)
Loss on lease termination (Note 27)	**–**	301,715
Operating loss before changes in working capital	**(175,924,340)**	(178,278,478)
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Insurance receivables	**(1,182,529,834)**	150,505,822
Loans and receivables	**(19,646,191)**	(638,630,467)
Reinsurance asset	**(6,222,090)**	(27,666,153)
Other assets	**(42,609,047)**	(36,610,353)
Increase (decrease) in:		
Policy and contract claims	**(215,766,474)**	132,114,980
Accounts payable and accrued expenses	**12,130,430**	(21,515,806)
Insurance payables	**1,584,407,901**	18,357,341
Policyholders' deposits	**14,620,827**	71,453,985
Policyholders' dividends	**2,134,232**	(8,887,247)
Net cash used in operations	**(29,404,586)**	(539,156,376)
Contributions to the retirement fund (Note 24)	**(3,347,816)**	(29,722,088)
Income tax paid	**(75,452,126)**	(72,916,811)
Net cash used in operating activities	**(108,204,528)**	(641,795,275)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial assets at FVTPL (Note 6)	**(2,382,621,515)**	(1,463,899,949)
Financial assets at FVOCI (Note 6)	**(548,531,731)**	(664,312,442)
Property and equipment (Note 10)	**(19,183,680)**	(13,495,638)
Software (Note 11)	**(10,286,701)**	(10,420,440)

(Forward)

	Years Ended December 31	
	2024	2023
Proceeds from sale/maturities of financial assets at FVTPL (Note 6)	**₱2,558,200,230**	₱1,573,399,817
Interest received	**560,097,640**	579,552,525
Dividends received	**76,858,831**	92,732,094
Net cash provided by investing activities	**234,533,074**	93,555,967
CASH FLOWS FROM FINANCING ACTIVITY		
Payments of lease liabilities (Note 27)	**(15,370,335)**	(20,441,961)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**2,411,940**	(8,839,690)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**113,370,151**	(577,520,959)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**2,068,501,205**	2,646,022,164
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱2,181,871,356**	₱2,068,501,205

See accompanying Notes to Financial Statements.

INDEPENDENT AUDITOR'S REPORT

https://pioneer.com.ph/sites/default/files/2024_FS_PLI.pd