

ANNUAL REPORT 2025

PIONEER INTERCONTINENTAL INSURANCE CORP

Pioneer House Makati
108 Paseo De Roxas, Legaspi Village, Makati City
<https://pioneerintercon.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 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)

STATEMENTS OF FINANCIAL POSITION

	Note	December 31	
		2025	2024
ASSETS			
Cash and cash equivalents	4	#351,432,387	#472,852,400
Short-term investments	4	-	28,989,120
Insurance receivables	5	576,024,441	462,030,418
Investments in debt securities at amortized cost	6	816,059,242	620,064,153
Financial assets at fair value through other comprehensive income (FVOCI)	6	539,864,660	459,414,935
Financial assets at fair value through profit or loss (FVPL)	6	61,650	587,950
Other receivables	5	48,355,642	10,860,884
Investment in an associate	7	613,705,550	613,705,550
Reinsurance assets	9	638,855,896	454,011,739
Deferred acquisition costs	8	\$2,469,345	27,425,098
Net retirement asset	20	14,689,445	14,245,093
Right-of-use (ROU) assets	22	-	125,306
Other assets	10	14,266,507	17,733,244
		#3,645,784,765	P3,182,045,890
LIABILITIES AND EQUITY			
Liabilities			
Insurance contract liabilities	11	#995,360,565	#869,841,477
Insurance payables	12	486,705,830	375,006,434
Commissions payable	8	89,982,594	79,206,835
Deferred reinsurance commissions	8	41,738,697	35,349,355
Accounts payable and accrued expenses	13	28,152,522	40,319,347
Income tax payable		22,661,546	16,756,257
Lease liabilities	22	-	135,551
Net deferred tax liabilities	21	69,059,479	54,739,350
Total Liabilities		#1,728,661,233	#1,471,354,606

(Forward)

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	Note	December 31	
		2025	2024
Equity			
Capital stock		₱250,000,000	₱250,000,000
Contributed surplus	15	350,000,000	350,000,000
Retained earnings	15	867,221,799	729,245,065
Other components of equity:			
Cumulative unrealized gain on fair value changes on financial assets at FVOCI	6	449,721,229	381,338,964
Cumulative remeasurement gain on net retirement asset	20	180,504	107,255
Total Equity		1,917,123,532	1,710,691,284
		₱3,645,784,765	₱3,182,045,890

See accompanying Notes to Financial Statements.

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

STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years Ended December 31	
		2025	2024
REVENUE			
Gross premiums earned on insurance contracts	16	₱578,849,280	₱505,397,170
Reinsurers' share of gross premiums earned on insurance contracts	16	(392,692,775)	(329,060,472)
Net insurance premiums earned		186,156,505	176,336,698
Commission income	8	96,939,473	81,129,074
Investment income	19	68,960,507	66,885,780
Foreign exchange gain (loss)		163,133	(3,506)
Other underwriting income		3,556,483	2,617,503
		355,776,101	326,965,549
BENEFITS, CLAIMS AND EXPENSES			
Net insurance benefits and claims	17	29,657,080	41,765,811
Commission expense	8	89,126,500	79,774,201
General and administrative expenses	18	27,334,582	38,178,321
Interest expense	12	7,920,358	7,191,851
Other underwriting expenses		20,310,205	25,281,140
		174,338,725	192,191,124
INCOME BEFORE INCOME TAX		181,437,376	134,774,425
INCOME TAX EXPENSE			
Current	21	27,843,906	21,360,113
Final		11,388,483	13,169,874
Deferred		2,228,253	2,162,831
		41,460,642	36,692,818
NET INCOME		139,976,734	98,081,607
OTHER COMPREHENSIVE INCOME			
<i>Not to be reclassified to profit or loss:</i>			
Unrealized gain on fair value changes of financial assets at FVOCI (net of tax effect of ₱12.1 million in 2025 and ₱12.4 million in 2024)	6	68,382,265	70,018,475
Remeasurement gain (loss) on net retirement asset (net of tax effect of ₱24,416 in 2025 and ₱0.9 million in 2024)	20	73,249	(2,711,902)
		68,455,514	67,306,573
TOTAL COMPREHENSIVE INCOME		₱206,432,248	₱165,388,180

See accompanying Notes to Financial Statements.

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

STATEMENTS OF CHANGES IN EQUITY

	Note	Years Ended December 31	
		2025	2024
CAPITAL STOCK - ₱100 par value			
Authorized, issued and outstanding - 2,500,000 shares		₱250,000,000	₱250,000,000
CONTRIBUTED SURPLUS	15	350,000,000	350,000,000
RETAINED EARNINGS			
Balance at beginning of year	15	729,245,065	631,163,458
Net income		137,976,734	98,081,607
Balance at end of year		867,221,799	729,245,065
OTHER COMPONENTS OF EQUITY			
Cumulative unrealized gain on fair value changes on financial assets at FVOCI			
	6		
Balance at beginning of year		381,338,964	311,320,489
Unrealized gain on fair value changes, net of tax		68,382,265	70,018,475
Balance at end of year		449,721,229	381,338,964
Cumulative remeasurement gain on net retirement asset			
	20		
Balance at beginning of year		107,255	2,819,157
Remeasurement gain (loss) on net retirement asset, net of tax		73,249	(2,711,902)
Balance at end of year		180,504	107,255
TOTAL EQUITY		₱1,917,123,532	₱1,710,691,284

See accompanying Notes to Financial Statements.

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

STATEMENTS OF CASH FLOWS

	Note	Years Ended December 31	
		2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		\$181,437,376	\$134,774,425
Adjustments for:			
Interest income	19	(67,931,542)	(64,832,498)
Interest expense	12, 22	7,910,358	7,191,651
Dividend income	19	(1,156,895)	(1,553,773)
Retirement income	20	(346,687)	(396,522)
Depreciation of ROU assets	22	125,306	216,328
Unrealized loss on fair value changes on financial assets at FVPL	19	122,300	67,600
Loss [gain] on disposal of financial assets at FVPL	19	5,038	(367,109)
Provision for impairment losses on investment in an associate	7	-	16,009,710
Operating income before changes in working capital		120,165,848	90,709,812
Decrease (increase) in:			
Insurance receivables		(113,994,023)	(112,946,576)
Other receivables		(32,410,355)	(104,810)
Deferred acquisition costs		(5,044,247)	(2,973,105)
Reinsurance assets		(166,861,157)	(146,190,473)
Other assets		3,466,737	(3,607,854)
Increase (decrease) in:			
Insurance contract liabilities		125,519,088	127,725,666
Insurance payables		111,699,396	43,798,568
Deferred reinsurance commissions		6,389,342	9,206,248
Accounts payable and accrued expenses		(17,164,825)	6,054,764
Commissions payable		10,775,759	15,660,655
Net cash generated from operations		24,556,563	17,434,897
Income tax paid		(35,327,100)	(21,969,748)
Interest paid		(7,907,983)	(7,171,317)
Net cash used in operating activities		(18,678,522)	(1,706,168)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposals/maturities of:			
Short-term investments		28,989,120	-
Financial assets at FVPL	6	198,970	7,579,473
Investments in debt securities at amortized cost	6	-	64,000,000
Additions to:			
Investments in debt securities at amortized cost	6	(200,000,000)	(20,000,000)
Short-term investments		-	(28,989,120)
Interest received		66,851,850	68,085,900
Dividends received		1,156,895	1,553,773
Net cash provided by (used in) investing activities		(102,603,565)	92,230,036

(Forward)

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	Note	Years Ended December 31	
		2025	2024
CASH FLOWS FROM A FINANCING ACTIVITY			
Payment of lease liabilities	22	(P137,926)	(P229,877)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(121,420,013)	90,293,991
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		472,852,400	382,558,409
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	P351,432,387	P472,852,400

See accompanying Notes to Financial Statements.

INDEPENDENT AUDITOR'S REPORT



2024 PFRS Accounting Policy (PFRS)
 Audit of 2024 and 2023 under PFRS
 2024 Accounting Policy (PFRS) Group A
 Issue August 19, 2024
 Issued by Financial Terms 2024 to 2025

2024 Audit Policy
 Issued by Board
 Issue Date 10/10/2024
 Issue Date 10/10/2024
 Issue Date 10/10/2024
 Issue Date 10/10/2024

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
 Pioneer Intercontinental Insurance Corporation
 Pioneer House
 108 Paseo De Roxas
 Legaspi Village, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Pioneer Intercontinental Insurance Corporation (the Company) a subsidiary of Pioneer Insurance Surety Corporation (PISC or the Parent Company), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with the Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to the audit of the financial statements of public interest entities in the Philippines. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of a Matter Paragraph

Without qualifying our opinion, we draw attention to matters discussed in Note 1 to the financial statements. On December 27, 2024, the Company's Board of Directors, approved the merger of the Company and PISC, with PISC as the surviving entity. As a result of the merger, the operations and business of the Company will continue under PISC. The Articles of Merger is pending approval by the Securities and Exchange Commission.

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 the PFRS Accounting Standards, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or 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 PSA, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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FROM PRINCIPLES WITH US WE STRIVE

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- 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company 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.

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and licenses in Note 27 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 the management of Pioneer Intercontinental Insurance Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements and in our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

REYES TACANDONG & Co.

Pamela Ann P. Escudero
PAMELA ANN P. ESCUDERO

Partner

CPA Certificate No. 128829

Tax Identification No. 716-321-918-000

BCA Accreditation No. 4782/P-013, Valid until June 6, 2026

IC Accreditation No. IC-EA-2025-0050-6

Issued January 23, 2026

Valid for Financial Periods 2025 to 2027

SEC Accreditation No. 128829-SEC Group A

Issued March 23, 2021

Valid for Financial Periods 2020 to 2025

BR Accreditation No. DB-005144-013-2025

Valid until October 30, 2028

PTB No. 10764016

Issued January 2, 2026, Makati City

April 10, 2026

Makati City, Metro Manila