

ANNUAL REPORT 2025

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

Mr. Ricky C. Go, Member

Mr. Jeremy D. Coyukiat, Member

Ms. Jolene C. Uyecio, Member

Ms. Sabrina Katelin Y. Chan, Member

Ms. Caridad Chua Unsu, Member

Atty. Ma. Bertola D. Medialdea, 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

- **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.)
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

| | December 31 | |
|---|------------------------|------------------------|
| | 2025 | 2024 |
| ASSETS | | |
| Cash and cash equivalents (Note 4) | P1,506,713,800 | P2,151,871,356 |
| Insurance receivables (Note 5) | 2,646,832,891 | 2,704,875,197 |
| Financial assets (Note 6) | | |
| Financial assets at fair value through profit or loss (FVTPL) | 2,455,644,253 | 2,879,266,444 |
| Financial assets at fair value through other comprehensive income (FVOCI) | 5,847,972,012 | 5,476,852,618 |
| Financial assets at amortized cost | 1,663,461,550 | 1,776,322,570 |
| Accrued income (Note 8) | 99,548,929 | 100,938,282 |
| Reinsurance assets (Notes 13 and 14) | 76,789,872 | 34,886,243 |
| Pension asset - net (Note 24) | 9,891,280 | - |
| Investment properties (Note 9) | 19,228,000 | 18,060,000 |
| Property and equipment - net (Note 10) | 29,154,675 | 37,362,540 |
| Software costs - net (Note 11) | 24,381,315 | 22,637,562 |
| Right-of-use assets (Note 27) | 8,125,453 | 15,332,034 |
| Investments in associates (Note 12) | 1,961,581,180 | 1,961,581,180 |
| Other assets | 267,130,836 | 207,195,722 |
| TOTAL ASSETS | P16,616,456,026 | P17,417,383,778 |
| LIABILITIES AND EQUITY | | |
| Liabilities | | |
| Insurance contract liabilities (Notes 13 and 14) | | |
| Legal policy reserves | P7,732,973,379 | P8,062,576,490 |
| Policy and contract claims | 1,086,502,936 | 1,415,245,093 |
| Policyholders' dividends | 470,768,112 | 470,937,613 |
| Policyholders' deposits | 374,297,347 | 451,248,804 |
| Insurance payables (Note 15) | 2,283,673,686 | 3,007,410,618 |
| Accounts payable and accrued expenses (Notes 7 and 16) | 159,220,475 | 154,259,259 |
| Lease liabilities (Note 27) | 8,593,062 | 15,801,334 |
| Pension liability - net (Note 24) | - | 43,379,473 |
| Deferred tax liabilities - net (Note 25) | 348,268,941 | 321,252,106 |
| Total Liabilities | 12,464,297,837 | 13,942,111,700 |
| 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) | (4,717,400) | (62,364,046) |
| Remeasurement gain: on legal policy reserves (Notes 13 and 14) | 1,092,023,815 | 1,039,326,732 |
| Remeasurement losses: on retirement benefit plan (Note 24) | (384,865) | (31,479,846) |
| Retained earnings | 2,002,938,758 | 1,467,491,617 |
| Total Equity | 4,152,158,189 | 3,475,272,078 |
| TOTAL LIABILITIES AND EQUITY | P16,616,456,026 | P17,417,383,778 |

See accompanying Notes to Financial Statements.

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

STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

| | Years Ended December 31 | |
|--|-------------------------|----------------------|
| | 2025 | 2024 |
| REVENUES | | |
| Gross earned premiums on insurance contracts | P6,889,182,327 | P6,788,471,656 |
| Reinsurers' share of gross earned premiums on insurance contracts | (2,739,821,500) | (2,319,994,404) |
| Net earned premiums (Note 18) | 4,149,360,827 | 4,468,477,252 |
| Investment income - net (Note 19) | 489,861,168 | 646,944,315 |
| Foreign currency exchange gain - net | 14,361,849 | 33,675,285 |
| Other income | 20,273,794 | 2,673,083 |
| Other revenues | 524,496,811 | 683,292,683 |
| | 4,673,857,638 | 5,151,769,935 |
| BENEFITS, CLAIMS, EXPENSES AND LOSSES | | |
| Gross change in legal policy reserves | (214,948,362) | (76,434,100) |
| Reinsurers' share of gross change in legal policy reserves | (44,391,973) | 52,732,871 |
| Gross benefits and claims incurred on insurance contracts | 4,999,948,397 | 4,861,866,151 |
| Reinsurers' share of gross benefits and claims incurred on insurance contracts | (2,361,313,006) | (1,927,517,859) |
| Net insurance benefits and claims (Notes 13 and 20) | 2,379,295,056 | 2,910,647,063 |
| General and administrative expenses (Note 21) | 980,152,188 | 940,768,724 |
| Commissions and other direct expenses (Note 22) | 690,138,938 | 832,396,608 |
| Interest expense | 20,891,530 | 24,509,079 |
| Expenses and losses | 1,691,182,656 | 1,797,674,411 |
| | 4,070,477,712 | 4,708,321,474 |
| INCOME BEFORE INCOME TAX | 603,379,926 | 443,448,461 |
| PROVISION FOR INCOME TAX (Note 25) | 67,932,825 | 71,738,719 |
| NET INCOME | P535,447,101 | P371,709,742 |

See accompanying Notes to Financial Statements.

PIONEER LIFE INC.
(A Wholly-Owned Subsidiary of Pioneer Life Holdings, Inc.)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

| | Years Ended December 31 | |
|---|-------------------------|---------------------|
| | 2025 | 2024 |
| NET INCOME | ₱535,447,101 | ₱371,709,742 |
| OTHER COMPREHENSIVE INCOME (LOSS) | | |
| <i>Items to be recycled to profit or loss in subsequent periods:</i> | | |
| Fair value gain on debt securities at FVOCI (Note 6) | 18,976,791 | 22,689,498 |
| <i>Items not to be recycled to profit or loss in subsequent periods:</i> | | |
| Fair value gain (loss) on equity securities designated at FVOCI (Note 6) | 45,493,947 | (530,044) |
| Income tax effect (Note 25) | (6,524,092) | 79,507 |
| | 38,669,855 | (450,537) |
| Remeasurement gain (loss) on legal policy reserves (Note 13) | 70,262,776 | (39,738,234) |
| Income tax effect (Note 25) | (17,565,693) | 9,934,558 |
| | 52,697,083 | (29,803,676) |
| Remeasurement gain (loss) on retirement benefit plan (Note 24) | 41,460,375 | (43,695,106) |
| Income tax effect (Note 25) | (10,365,094) | 10,923,777 |
| | 31,095,281 | (32,771,329) |
| | 141,439,010 | (40,336,044) |
| TOTAL COMPREHENSIVE INCOME | ₱676,886,111 | ₱331,373,698 |

See accompanying Notes to Financial Statements.

PIONEER LIFE INC.
(A Wholly-Owned Subsidiary of Pioneer Life Holdings, Inc.)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

| | Capital Stock (Item 17) | Additional Paid-in Capital | Contributed Surplus | Contingency Surplus | Reserve for Distribution in Lieu of Dividend Assets of PVOI (Item 5) | Reinsurance Gain (Loss) in Lieu of Policy Reserve (Items 12 and 21) | Reinsurance Gain (Loss) in Refunded Health Plan (Item 24) | Retained Earnings | Total |
|-----------------------------------|----------------------------|-------------------------------|------------------------|------------------------|--|---|---|----------------------|-----------------|
| At January 1, 2023 | \$50,000,000 | \$20,327,581 | \$40,000,000 | \$11,000,000 | \$82,266,040 | \$1,029,226,712 | (\$1,479,040) | \$1,497,401,467 | \$1,675,771,679 |
| Net income | - | - | - | - | - | - | - | 526,247,381 | 526,247,381 |
| Other comprehensive income | - | - | - | - | \$7,446,648 | 41,897,982 | 31,095,281 | - | 140,439,911 |
| Total comprehensive income | - | - | - | - | \$7,446,648 | 41,897,982 | 31,095,281 | 526,247,381 | 674,683,111 |
| At December 31, 2023 | \$50,000,000 | \$20,327,581 | \$40,000,000 | \$11,000,000 | \$89,712,688 | \$1,071,124,694 | \$284,940 | \$1,993,648,798 | \$1,742,398,189 |
| At January 1, 2024 | \$50,000,000 | \$20,327,581 | \$40,000,000 | \$11,000,000 | \$89,712,688 | \$1,069,220,220 | \$1,221,481 | \$1,985,511,811 | \$1,742,398,189 |
| Net income | - | - | - | - | - | - | - | 273,700,742 | 273,700,742 |
| Other comprehensive income (loss) | - | - | - | - | 22,221,985 | (29,883,476) | (11,771,226) | - | (19,432,617) |
| Total comprehensive income (loss) | - | - | - | - | 22,221,985 | (29,883,476) | (11,771,226) | 273,700,742 | 234,296,809 |
| At December 31, 2024 | \$50,000,000 | \$20,327,581 | \$40,000,000 | \$11,000,000 | \$89,266,040 | \$1,039,336,744 | (\$1,479,040) | \$1,497,401,467 | \$1,675,771,679 |

See accompanying Notes to Financial Statements.

PIONEER LIFE INC.
(A Wholly-Owned Subsidiary of Pioneer Life Holdings, Inc.)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

| | Years Ended December 31 | |
|---|-------------------------|-----------------|
| | 2025 | 2024 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Income before income tax | P605,379,926 | P443,448,461 |
| Adjustments for: | | |
| Interest income (Note 19) | (530,150,978) | (554,679,082) |
| Net change in legal policy reserves (Notes 13 and 20) | (259,340,335) | (23,701,229) |
| Fair value loss (gain) on financial assets at FVTPL (Notes 6 and 19) | 128,166,449 | (63,991,998) |
| Dividend income (Notes 6 and 19) | (84,814,591) | (76,422,573) |
| Depreciation and amortization (Note 21) | 33,367,312 | 34,218,503 |
| Provision for expected credit losses (Notes 5, 6, and 21) | 30,333,774 | - |
| Retirement expense (Note 24) | 16,684,678 | 12,859,688 |
| Unrealized foreign currency exchange loss (gain) - net | (5,076,395) | 1,286,047 |
| Fair value gain on investment properties (Notes 9 and 19) | (1,168,000) | (1,168,400) |
| Interest expense on lease liabilities (Note 27) | 991,293 | 1,360,647 |
| Impairment of investment in associate (Notes 12 and 19) | - | 50,845,596 |
| Operating loss before changes in working capital | (67,626,867) | (175,924,340) |
| Changes in operating assets and liabilities: | | |
| Decrease (increase) in: | | |
| Insurance receivables | 47,788,998 | (1,182,529,834) |
| Loans and receivables | 92,885,684 | (19,646,191) |
| Reinsurance asset | (41,901,629) | (6,222,090) |
| Other assets | (75,362,511) | (42,809,047) |
| Increase (decrease) in: | | |
| Policy and contract claims | (328,743,058) | (215,766,474) |
| Accounts payable and accrued expenses | 4,749,869 | 12,130,439 |
| Insurance payables | (725,737,042) | 1,584,407,901 |
| Policyholders' deposits | (77,143,582) | 34,620,827 |
| Policyholders' dividends | (213,543) | 2,134,232 |
| Net cash used in operations | (1,167,303,481) | (29,404,586) |
| Contributions to the retirement fund (Note 24) | (28,283,709) | (3,347,816) |
| Income tax paid | (62,243,672) | (75,452,126) |
| Net cash used in operating activities | (1,257,830,862) | (108,204,528) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Acquisitions of: | | |
| Financial assets at FVTPL (Note 6) | (2,294,997,993) | (2,382,621,515) |
| Financial assets at FVOCI (Note 6) | (889,251,858) | (548,531,731) |
| Software (Note 11) | (11,269,499) | (10,286,701) |
| Property and equipment (Note 10) | (5,288,234) | (19,183,680) |
| (Balances carried forward) | (3,200,777,544) | (2,960,623,627) |

-3-

| | Years Ended December 31 | |
|---|--------------------------|--------------------------|
| | 2025 | 2024 |
| <i>(Balances brought forward)</i> | ₱ (3,200,777,544) | ₱ (2,960,623,627) |
| Proceeds from sale/institutions of financial assets at FVTPL (Note 6) | 2,592,010,509 | 2,558,200,230 |
| Proceeds from sale/institutions of financial assets at FVOCI (Note 6) | 584,407,827 | - |
| Interest received | 538,674,643 | 560,097,640 |
| Dividends received | 85,570,572 | 76,818,831 |
| Proceeds from sale of property and equipment (Note 10) | 1,025,746 | - |
| Net cash provided by investing activities | 600,911,753 | 234,533,074 |
| CASH FLOWS FROM A FINANCING ACTIVITY | | |
| Payments of lease liabilities (Note 27) | (12,194,217) | (15,370,335) |
| EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | (6,051,440) | 2,411,940 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (675,157,556) | 113,370,151 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 2,181,871,356 | 2,068,501,205 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4) | ₱1,506,713,800 | ₱2,181,871,356 |

Supplemental Information on Non-cash Investing and Financing Activities –

In 2025 and 2024, the Company recognized right-of-use asset and lease liabilities amounting to P4.0 million and P9.4 million, respectively, which is presented in the statement of financial position (see Note 27).

See accompanying Notes to Financial Statements.

INDEPENDENT AUDITOR'S REPORT



Funogboyan & Aracillo
20th Floor, Tower 1
The Enterprise Center
5785 Ayala Avenue
1200 Makati City
Philippines
T +63 2 8958 2266

Report of Independent Auditors

The Board of Directors and Stockholders
Pioneer Life Inc.
(A Wholly Owned Subsidiary of Pioneer Life Holdings, Inc.)
Pioneer House, 108 Paseo de Roxas
Legaspi Village, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pioneer Life Inc. (the Company), which comprise the statements of financial position as at December 31, 2025 and 2024, and the statements of income, statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including 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 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 the financial statements of public interest entities, together with the ethical requirements that are relevant to our audits 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.

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 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 an 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 in the 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.
- 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.



- 3 -

- 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 Other Legal and Regulatory Requirements

Our audits was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2025 required by the Bureau of Internal Revenue as disclosed in Note 31 to the financial statements is presented for purposes of additional analysis and is not required part of the basic financial statements prepared in accordance with PFRS Accounting Standards. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: **Jerod M. Sanchez**
Partner

CPA Reg. No. 0121830
TIN 907-967-174
PTR No. 13770774, January 6, 2026, Makas City
SEC Group A Accreditation
Partner - No. 121830-SEC (until financial period 2030)
Firm - No. 0002 (until financial period 2030)
BIR AN 08-002551-041-2025 (until November 11, 2026)
BOA/PRO Cert. of Reg. No. 0002P-013 (until August 12, 2027)

April 10, 2026