

Valuation Report: Income Insurance Limited

9 July 2026

- We value the company using a combination of Price-to-NBEV ratio, Price-to-Book ratio and Price-to-EV ratio. The equity valuation range is S\$1,385mn to S\$3,956mn. Applying an equal weightage of the three valuation methods, the valuation for the equity is S\$2,672mn and a per share value of S\$24.92 (based on the 107mn total number of shares outstanding as disclosed by Income as at the time of writing). We have not applied a discount for the shares' illiquidity.
- All historical and forecast financials are from the company.
- Some of the merits of the company include new business premiums to surpass S\$1bn by 2028, new business embedded value to grow by >30% to more than S\$110mn, and profit after tax to maintain above S\$110mn.

Company Background

Formerly known as NTUC Income Insurance Co-operative Limited ("NTUC Income"), the company now operates as Income Insurance Limited ("Income Insurance"), a public, non-listed company limited by shares, following the successful transfer of its insurance business on 1 September 2022. Income Insurance Limited serves ~1.86mn Singaporeans and is one of the leading composite insurers in Singapore, offering life, health and general insurance. Income Insurance has 2 business centres and 9 lite branches across Singapore, as well as commercial partnerships in Thailand and Vietnam.

Life Insurance: Income Insurance offers a range of options, including 3 whole life and 14 term insurance plans. The flagship whole life policy is known as Income Star Secure Pro, and its term life equivalent is Income Star Term Protect. Additionally, the company offers specialised life insurance policies tailored to various needs, including plans for seniors, women, maternity coverage, and families.

Health Insurance: The company has 11 health insurance plans, including group insurance, with the most pertinent one being the Medisave-eligible Enhanced IncomeShield. It is an Integrated Shield Plan (IP) designed to provide protection against significant hospitalisation expenses.

General Insurance: Income Insurance also offers a range of general insurance, including personal accident insurance, savings and investment plans, car or motorcycle insurance, travel insurance, home insurance, and maid insurance.

Investment Highlights

- Income 2028 ambition.** Income Insurance intends to grow its business in terms of both volume and value. New business premiums have grown at a CAGR of 12% from S\$769mn in FY23 to S\$957mn in FY25. The company expects new business premiums to surpass S\$1bn in FY28. New Business Embedded Value (NBEV) has grown at a CAGR of 17% from S\$72mn in FY23 to S\$99mn in FY25, with the expectation to exceed S\$110mn in FY28. Lastly, Profit after Tax has risen steadily from S\$26mn in FY23 to S\$119mn in FY25.
- Digital Initiatives.** Income Insurance is a leading digital insurer in Singapore and the region, with its flagship SNACK by Income product as its leading financial lifestyle app. SNACK is engaging with the digitally adept younger generation from a very early age, primarily through their investment offering, which is highly appealing. They are

Financials

Income Statement

Y/E Dec, SGD mn	FY23*	FY24	FY25
Insurance service result	163	74	81
Investment return	1,439	2,079	3,103
Net finance income/(expense)	-1,376	-1,992	-2,930
Total operating income	226	162	253
Operating expenses	-143	-127	-114
Profit before tax	72	34	132
Tax credit/(expense)	(57)	11	(13)
Profit after tax	15	45	119
Non-controlling interest	0	0	0
PATMI	15	45	119

Balance Sheet

Y/E Dec, SGD mn	FY23*	FY24	FY25
Investment properties	1,186	1,072	1,078
Other financial assets	37,163	39,013	40,817
Cash	1,916	1,551	930
Total Assets	42,367	43,415	44,681
Ins. contract prov.	37,036	37,715	39,078
Total liabilities	38,912	39,980	41,171
Shareholder's equity	3,447	3,427	3,501
Total Equity	3,455	3,435	3,510

Source: Income Insurance

*For financial period from 1 Jul 2022 to 31 Dec 2023

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continuously evolving and partnering with over 150 collaborators to create a comprehensive financial lifestyle app. This app provides customers with access to a wide range of products, including micro-insurance, conventional general insurance, and various insurance and investment benefits offered by their partners. The company's other prominent digital initiative is EKKO, an omnichannel online-to-offline (O2O) solution that enables agents to sell more efficiently and effectively. It leverages on digital partnerships, such as Trust Bank, Grab, CapitaStar and Fairprice Group, to provide a complete omni-channel experience for customers to engage with Income Insurance via the various touchpoints available to them.

3. **Regional insurance presence.** HIVE by Income is an Insurance-as-a-Service platform created by Income Insurance to penetrate into the region. It enables any insurer and digital platform owner across the region to launch, localise, and scale innovative embedded insurance propositions. Their pre-built InsurTech integrations enhance their partners' speed to market and their ability to capture new customer segments and increase engagement with minimal additional cost, providing a data-driven competitive advantage. The company currently has a presence in Thailand, with Dhipaya Insurance, launched TIPSNACK, a lifestyle embedded, subscription-based micro-insurance designed to offer flexible, bite-sized accident protection directly through everyday digital ecosystems, and in Vietnam, with JupViec Care, a pay-as-you-earn stackable personal accident product for on-demand helpers, and QRPay, a digibanca partnership with TPBank.

Valuation

Price-to-NBEV valuation

We use Great Eastern Holdings Ltd (G07 SGX) as a comparable to Income Insurance, both of which are major players in the insurance industry in the same region, for a guide on how an insurance provider would trade.

New Business Embedded Value (NBEV) represents the present value of future profits from new business premiums. We will use the Price-to-NBEV ratio, calculated as the share price divided by NBEV per share. GE traded at a 10-year average P/NBEV of 17.7x. The four-year average is 14.0x. The current P/NBEV is 19.6x.

As such, we peg our valuation of Income Insurance at 14x P/NBEV, its average P/NBEV from 2022 to 2025. We believe that a P/NBEV of 14x is appropriate as Income Insurance's current growth trajectory and plans are more in line with GE's from 2020 onwards. On this basis, our valuation implies an equity value of S\$1,385mn (14x P/NBEV).

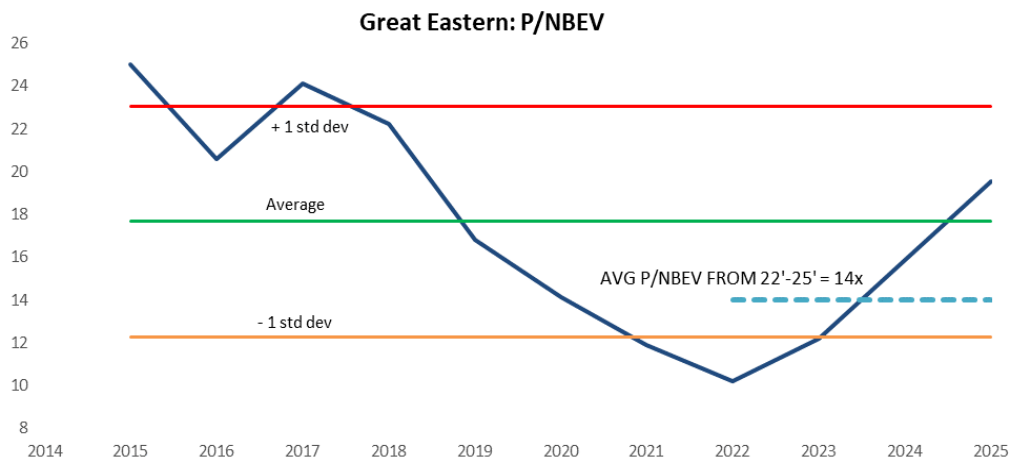
To determine the range of valuations, we applied 5% and 10% discounts and premiums to both the NBEV and P/NBEV metrics (Figure 1). At the bottom end of our valuation range, 10% lower projected FY25 NBEV and 10% lower P/NBEV of 12.6x, the equity value is S\$1,122mn (Figure 1). At the top end of our valuation range, we use a 10% higher projection of FY25 NBEV and a P/NBEV of 15.4x; the equity value is S\$1,676mn.

Figure 1: Sensitivity analysis for Price-to-NBEV valuation of Income Insurance

NBEV FY25	P/NBEV (x)			
		12.6	14.0	15.4
	10.0%	1,372	1,524	1,676
	5.0%	1,309	1,455	1,600
	0.0%	1,247	1,385	1,524
	-5.0%	1,185	1,316	1,448
	-10.0%	1,122	1,247	1,372

Source: PSR, Income Insurance

Figure 2: GE's P/NBEV range from FY22-FY25 is a more appropriate comparison



Source: PSR, Bloomberg

Price-to-Book valuation

Similarly, we use Great Eastern Holdings Ltd (G07 SGX) as a comparable to Income Insurance, both of which have similar balance sheets, for a guide on how an insurance provider would trade.

We will use the Price-to-Book ratio, calculated as share price divided by book value per share, where book value is net assets (total assets – total liabilities). GE traded at a 10-year average P/B of 1.28x. The four-year average is 1.13x. The current P/B is 1.39x.

Figure 3: Sensitivity analysis for Price-to-Book valuation of Income Insurance

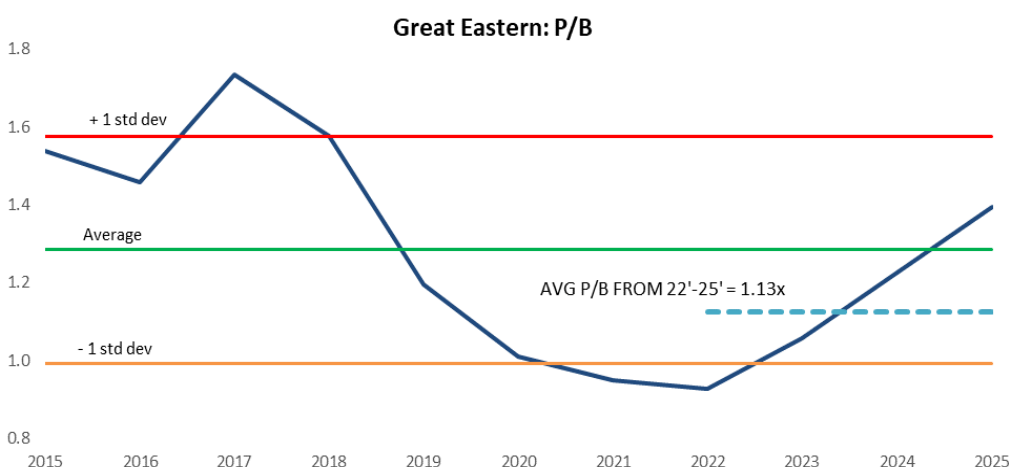
		P/B (x)		
		1.02	1.13	1.24
Book Value FY25	10.0%	3,916	4,352	4,787
	5.0%	3,738	4,154	4,569
	0.0%	3,560	3,956	4,352
	-5.0%	3,382	3,758	4,134
	-10.0%	3,204	3,560	3,916

Source: PSR, Income Insurance

As such, we peg our valuation of Income Insurance at 1.13x P/B, its average P/B from 2022 to 2025. We believe that a P/B of 1.13x is appropriate as Income Insurance's current balance sheet and book will be more reflective of GE's from 2020 onwards. On this basis, our valuation implies an equity value of S\$3,956mn (1.13x P/B).

To determine the range of valuations, we applied 5% and 10% discounts and premiums to both the Book Value and P/B metrics (Figure 3). At the bottom end of our valuation range, 10% lower projected FY25 Book Value and 10% lower P/B of 1.02x, the equity value is S\$3,204mn (Figure 3). At the top end of our valuation range, we use a 10% higher projection of FY25 Book Value and a P/NBEV of 1.24x; the equity value is S\$4,787mn.

Figure 4: GE's P/B range from FY22-FY25 is a more appropriate comparison



Source: PSR, Bloomberg

Price-to-EV valuation

Similarly, we use Great Eastern Holdings Ltd (G07 SGX) as a comparable to Income Insurance, both of which have similar balance sheets, for a guide on how an insurance provider would trade. Embedded Value was based on an independent valuation conducted by Milliman Private Limited on Income Insurance Limited.

We will use the Price-to-Embedded Value (EV) ratio, calculated as the share price divided by the embedded value per share. GE traded at a 10-year average P/EV of 0.70x. The four-year average is 0.56x. The current P/EV is 0.72x.

As such, we peg our valuation of Income Insurance at 0.56x P/B, its average P/EV from 2022 to 2025. We believe that a P/EV of 0.56x is appropriate as Income Insurance's current balance sheet and book value will be more reflective of GE's from 2020 onwards. On this basis, our valuation implies an equity value of S\$2,673mn (0.56x P/EV) based on the FY25 embedded value of Income.

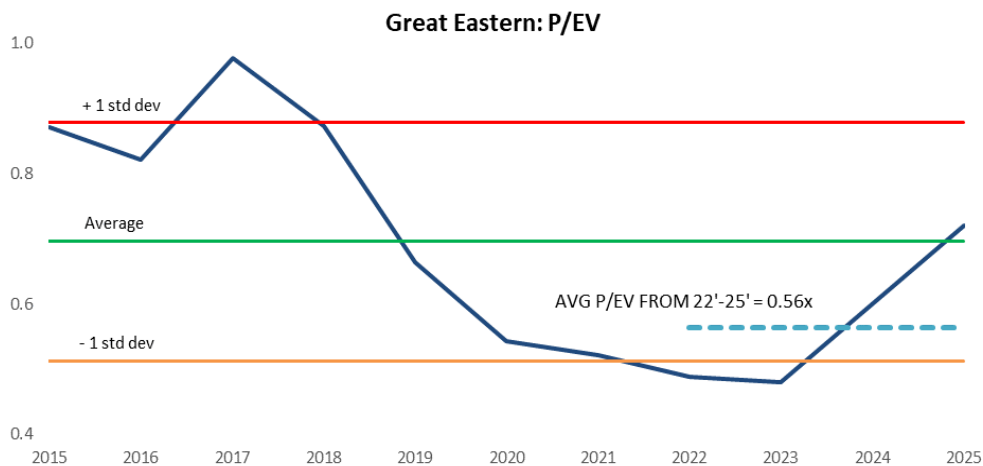
To determine the range of valuations, we applied 5% and 10% discounts and premiums to both EV and P/EV metrics (Figure 5). At the bottom end of our valuation range, 10% lower projected FY25 EV and 10% lower P/EV of 0.50x, the equity value is S\$2,165mn (Figure 5). At the top end of our valuation range, we use a 10% higher projection of FY25 EV and a P/EV of 0.62x; the equity value is S\$3,235mn.

Figure 5: Sensitivity analysis for Price-to-EV valuation of Income Insurance

		P/EV (x)		
		0.50	0.56	0.62
Embedded Value FY25	10.0%	2,647	2,941	3,235
	5.0%	2,526	2,807	3,088
	0.0%	2,406	2,673	2,941
	-5.0%	2,286	2,540	2,794
	-10.0%	2,165	2,406	2,647

Source: PSR, Income Insurance

Figure 6: GE's P/EV range from FY22-FY25 is a more appropriate comparison



Source: PSR, Bloomberg

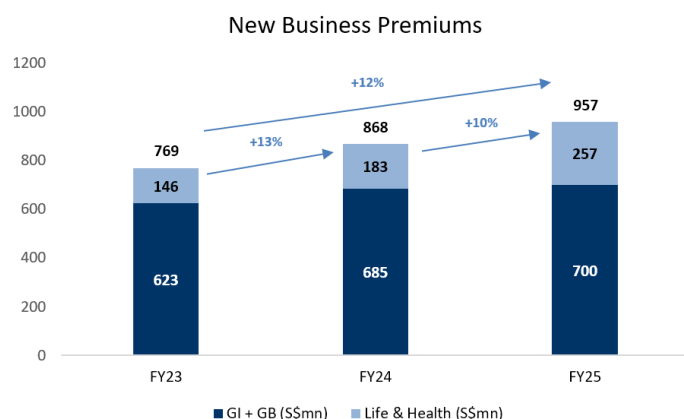
New Business Premiums and New Business Embedded Value

New Business Premiums (NBP) volumes grew 10% YoY, from S\$868mn in FY24 to S\$957mn in FY25. The growth was mainly contributed by strong growth in Life & Health (+40% YoY from FY24 to FY25), while General Insurance (GI) and Group Business (GB) grew at a more moderate pace (+2% YoY from FY24 to FY25). New business premiums grew in target lines, with the mix shifting toward higher-margin business even as the overall growth trajectory softened.

General Insurance and Group Business made up 73% of FY25 total NBP, while Life & Health accounted for the remaining 27%. The business mix has continued to move towards Life & Health, which rose to 27% of the total in FY25 from 19% in FY23, while General Insurance and Group Business eased from 81% to 73% over the same period. This steady rebalancing is consistent with the pivot towards higher-margin business.

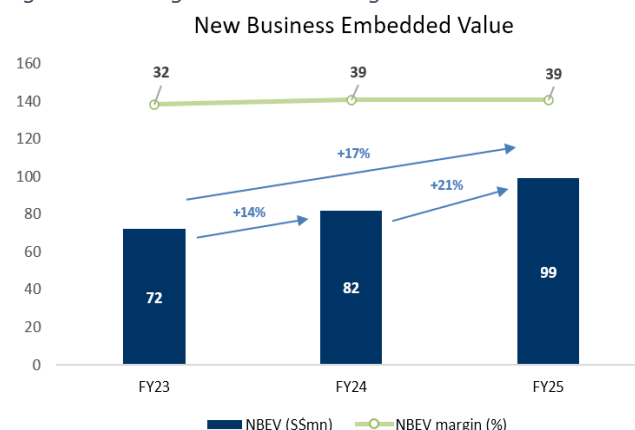
New Business Embedded Value (NBEV) grew faster than NBP volumes, up 21% YoY, from S\$82mn in FY24 to S\$99mn in FY25. The growth came from a pivot towards ILP and longer-tenure endowment products, which carry higher margins, against a softer growth backdrop.

Figure 7: NBP rose 12% from FY23 to FY25



Source: PSR, Company

Figure 8: NBEV grew YoY and margin stable in FY25

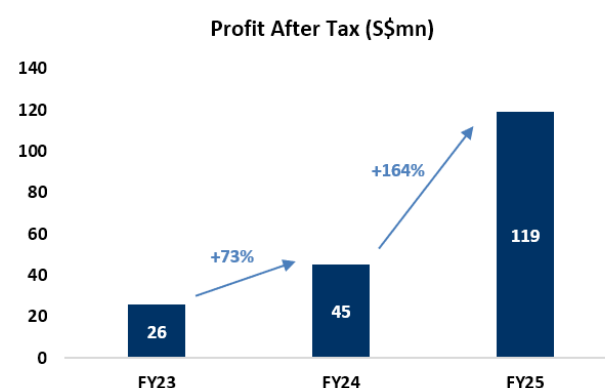


Source: PSR, Company

Profit after Tax

Profit after Tax grew surged 164% YoY, from S\$45mn in FY24 to S\$119mn in FY25, supported by the strategic pivot towards ILP, which carries a more favourable margin profile, alongside improved profitability in Consumer General Insurance. The combination of an improving mix and stronger general insurance underwriting suggests the earnings improvement is more structural than cyclical.

Figure 9: PAT surged in FY25



Source: PSR, Company

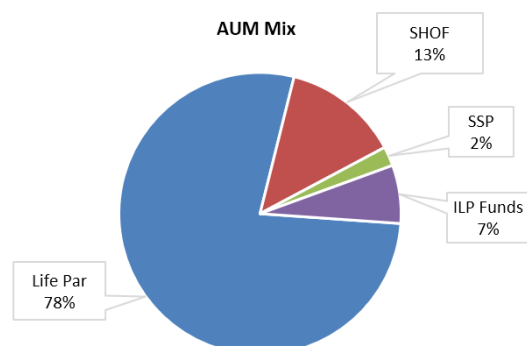
Shareholders' Equity and AUM Mix

Shareholder equity rose 3% YoY from S\$3.43bn in FY24 to S\$3.55bn in FY25, and shareholder equity per share rose 2% YoY from S\$31.97 in FY24 to S\$32.66 in FY25, mainly driven by growth in earnings.

Total assets under management (AUM) stood at S\$45bn in FY25, with the largest constituents from life participating fund (LPF) at S\$35bn and shareholders' own fund (SHOF) at S\$6bn, respectively, followed by short-term endowment (SSP) at S\$1 bn and ILP Funds S\$3bn.

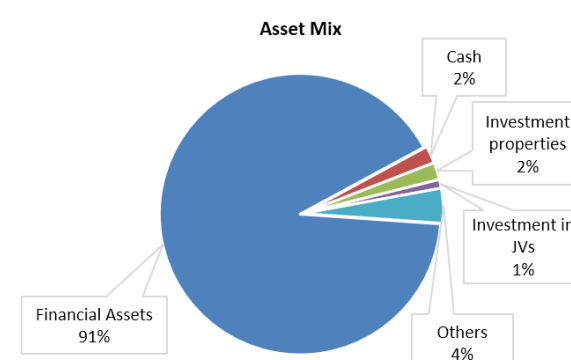
Overall, the FY25 asset mix remains stable, with the predominant focus on financial assets (91%), the remainder in cash (2%), investment properties (2%), investment in JVs (1%), and others (4%).

Figure 10: AUM mix mainly in LPF



Source: PSR, Company

Figure 11: Asset mix predominately in financial assets



Source: PSR, Company

Financials

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Insurance service result	163	74	81
Investment return	1,439	2,079	3,103
Net finance income/(expense)	-1,376	-1,992	-2,930
Total operating income	226	162	253
Other income	20	17	21
Operating expenses	-143	-127	-114
Interest expenses	-34	-27	-27
Associates & JVs	2	9	-1
Profit before tax	72	34	132
Tax credit/(expense)	-57	11	-13
Profit after tax	15	45	119
Non-controlling interest	0	0	0
PATMI	15	45	119

Balance Sheet

Y/E Dec, SGD mn	FY23*	FY24	FY25
Investment properties	1,186	1,072	1,078
Investment in joint ventures	637	637	622
Other financial assets	37,163	39,013	40,817
Loans	84	84	84
Other receivables	342	474	535
Cash and cash equivalents	1,916	1,551	930
Others	1,039	584	614
Total Assets	42,367	43,415	44,681
Insurance contract liabilities	37,036	37,715	39,078
Borrowings	826	841	841
Other payables	822	841	1,110
Others	228	584	142
Total liabilities	38,912	39,980	41,171
Shareholder's equity	3,447	3,427	3,501
Non-controlling interest	8	8	9
Total Equity	3,455	3,435	3,510

Per share data (SGD)

Y/E Dec	FY23*	FY24	FY25
EPS	0.14	0.42	1.11
DPS	0.65	0.42	1.06
NAVPS	32.16	31.97	32.66
Dividend payout ratio	468%	100%	96%

Supplementary items

Y/E Dec	FY23*	FY24	FY25
CAR	199%	231%	**

Margins and Ratios

Y/E Dec	FY23*	FY24	FY25
Growth			
Insurance service result	-	-55%	9%
Investment return	-	44.5%	49.2%
Total operating income	-	-28.6%	56.8%
Profit after tax	-	193.5%	165.3%
PATMI	-	201.4%	166.2%
Key Ratios			
ROE	0.4%	1.3%	3.4%
ROA	0.0%	0.1%	0.3%

Source: Company

*For financial period from 1 Jul 2022 to 31 Dec 2023

**FY25 CAR not published by MAS at time of writing

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