ZERO ONE

Income Insurance

Singapore's Leading General Insurer, Composite Franchise Reaching Half the Country

SINGAPORE · INSURANCE

RESEARCH TEAM

Vincent Fernando, CFA
Executive Director
vincent@01.co

https://01.co

LEADING	**1.86m**	**AA-/Stable**	**S$45bn**
SINGAPORE MOTOR INSURANCE, 25% MARKET SHARE	CUSTOMERS, 1 IN 2 SINGAPOREANS	S&P CREDIT RATING, SACP UPGRADED TO 'A+'	INVESTMENT AUM, 54% FIXED INCOME ASSETS, OF WHICH >95% ARE GOVERNMENT AND INVESTMENT GRADE

KEY TAKEAWAYS

1. **Income Insurance holds a leading position in Singapore's motor insurance market.** Income Insurance's products reach one in every two Singaporeans across life, health, group, and general insurance lines. Founded in 1970 as a cooperative under the country's labor movement and corporatized in 2022, the company is today majority-owned by NTUC Enterprise and serves 1.86 million customers from a four-product-family franchise.

2. **The franchise sits on two pillars:** 1) dominance in general insurance, and 2) top-tier composite distribution. Distribution spans roughly 900 in-house financial advisers, 220 owned agency agents, four business centres, seven retail counters inside FairPrice supermarkets, plus bancassurance and IFA partner channels.

3. **Singapore's life insurance industry wrote a record S$6.53bn in new business premiums in 2025, up 11% YoY.** Key drivers include an aging-population and wealth-product demand. Income Insurance's own life and health new business embedded value (NBEV) grew from S$45m in 2020 to S$99m in 2025 at a 20% CAGR, lifting NBEV margin from 32% in 2023 to 39% in 2025 on a product-mix shift toward investment-linked plans.

4. **We value Income Insurance at S$27-31 per share, with a base case of S$29.** Our base case applies a 35% discount to peer-median PBV of 1.37x against Income Insurance's reported book value of S$32.66 per share. Milliman's December 2025 actuarial benchmark of S$44.54 per share is the actuarial ceiling, and S&P's December 2025 affirmation of AA-/Stable, with the stand-alone profile upgraded from 'a' to 'a+', provides independent confirmation of balance-sheet strength.

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Valuation sensitivity (S$ per share)

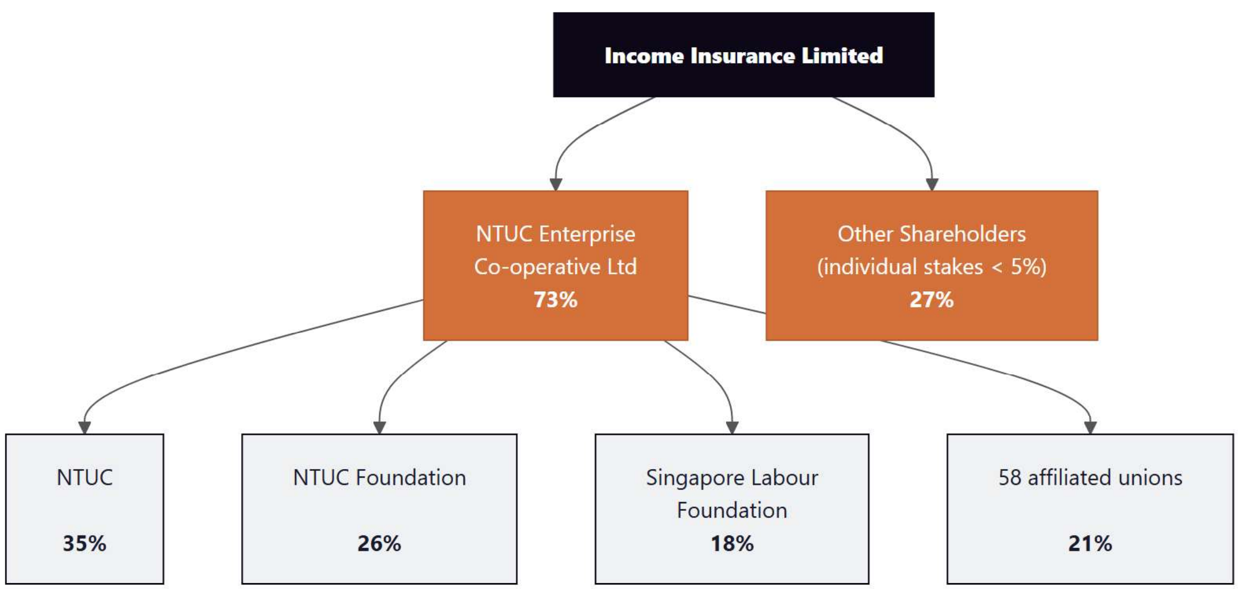
	0.75X (−45%)	0.82X (−40%)	0.89X (−35%) CENTRAL	0.96X (−30%)	1.03X (−25%)
BV +10%	S$27	S$30	S$32	S$34	S$37
BV FLAT	S$25	S$27	**S$29**	S$31	S$34
BV −10%	S$22	S$24	S$26	S$28	S$30

Company Introduction

Income Insurance is Singapore's deeply-entrenched composite insurer, serving 1.86 million customers across life, health, group, and general insurance lines. That customer base is the equivalent of roughly one in every two Singaporeans. The company is one of the largest players in Singapore by gross written premium in life insurance and holds a leading position in general insurance, with approximately 25% share in the motor insurance segment, making it one of the most broadly-reaching insurance franchises in the country.

Income Insurance was founded in 1970 as a cooperative under Singapore's labor movement, originally operating as NTUC Income Insurance Co-operative Ltd to provide affordable insurance to working-class Singaporeans. The company corporatized on 1 September 2022, distributing shares in specie to the previous cooperative shareholders. It now operates as the public non-listed company Income Insurance Limited, with NTUC Enterprise Co-operative as its majority shareholder.

NTUC Enterprise owns 73% of Income Insurance. Within NTUC Enterprise, ownership is held by four labor-linked entities: NTUC (35%), NTUC Foundation (26%), 58 affiliated unions (21%), and the Singapore Labour Foundation (18%). The remaining 27% of Income Insurance sits with Other Shareholders, none holding more than 5% individually. This ownership structure anchors Income Insurance's social mission, which S&P Global Ratings cites as the basis for one-notch government-support uplift in the company's credit rating.



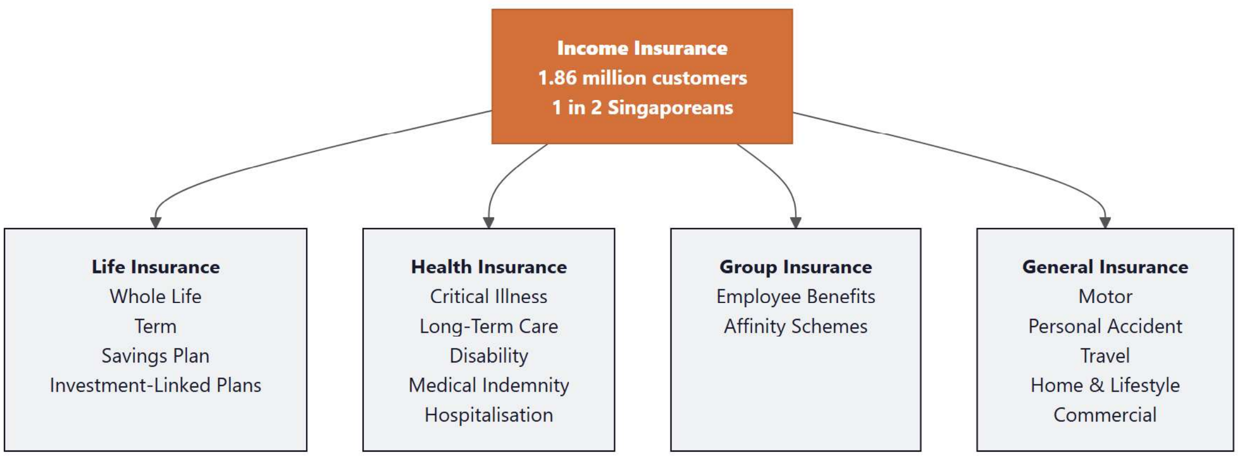
A composite insurance franchise across four product families

Income Insurance operates as a true composite insurer with four distinct product families. The breadth of the franchise lets the company diversify across very different risk pools, from long-tail life insurance liabilities to short-tail motor and travel claims.

The four families are:

- **Life Insurance**, including whole-life, term, savings plans, and investment-linked plans (ILPs).
- **Health Insurance**, including critical illness, long-term care, disability, medical indemnity, and hospitalization plans.
- **Group Insurance**, covering employee benefits and affinity schemes.
- **General Insurance**, including motor, personal accident, travel, home and lifestyle, and commercial lines.

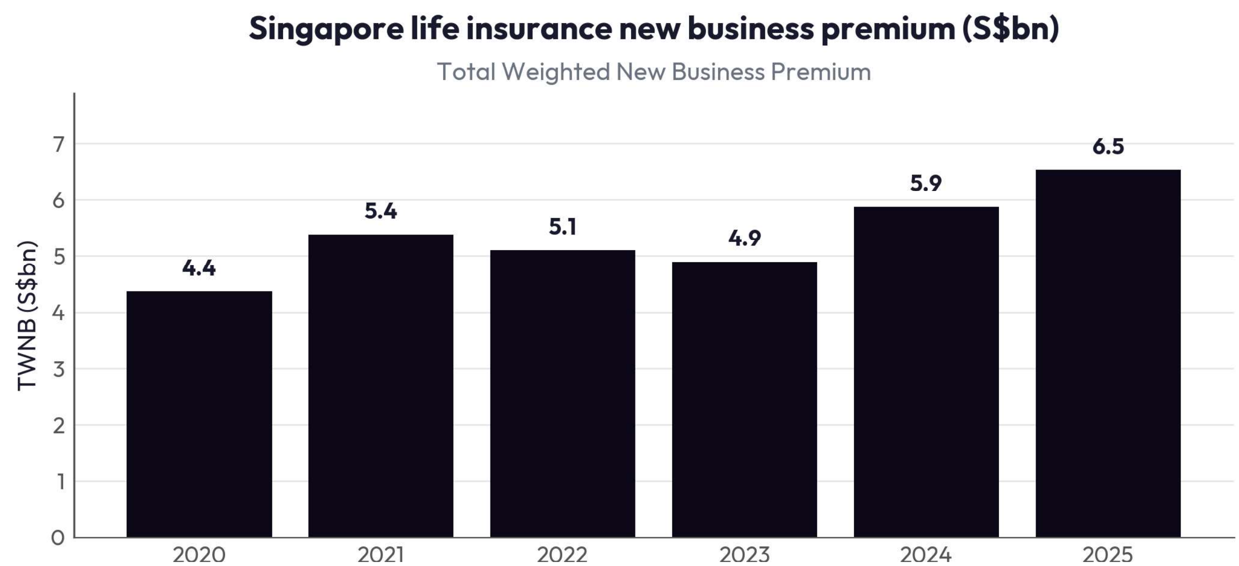
Across the four families, the customer base reached 1.86 million in 2025, up from 1.7 million when Zero One Investment Research last published in-depth coverage in December 2023.



This 2026 deep-dive refreshes our December 2023 initiation with the company's first full-year IFRS 17 results for 2024 and 2025, Milliman Private Limited's updated actuarial valuation as at 31 December 2025, and S&P Global Ratings' December 2025 rating affirmation. The framing is unchanged: a defensive, conservatively-managed insurance franchise embedded in Singapore's social fabric, with structural demand drivers underpinning long-term growth.

Singapore Insurance Market

Singapore's life insurance industry wrote a record S$6.53bn in total weighted new business premium in 2025, up 11% YoY and recovering strongly from a soft 2022-2023 cycle. The 2024 print of S$5.87bn was up 19.7% YoY, the strongest growth rate since 2021. The rebound reflects renewed customer demand for wealth and retirement products, which Singapore residents increasingly view as alternatives to deposits.



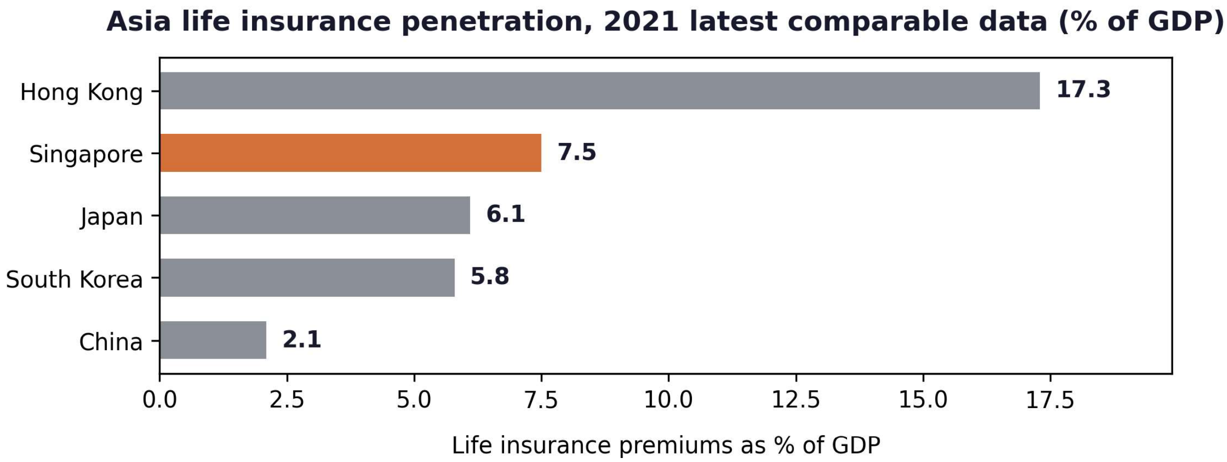
Source: LIA Singapore industry statistics, Zero One Investment Research

Two demand drivers anchor long-term growth

Singapore's life insurance market growth rests on two structural pillars that should deliver growth over the long-term through market cycles:

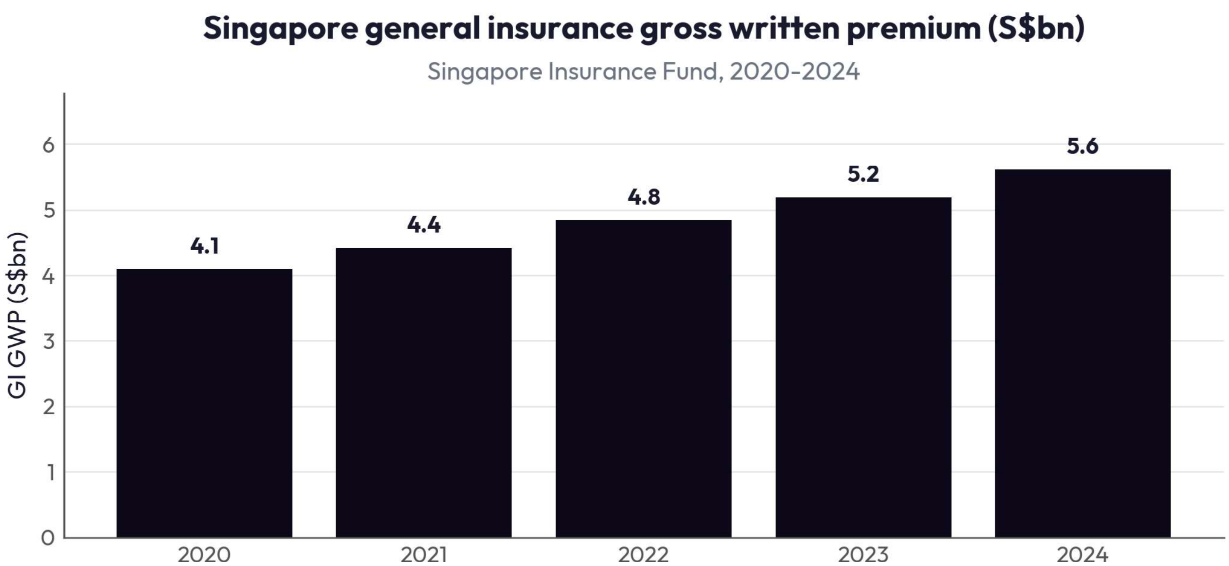
- **An aging population drives sustained demand for life, health, and long-term-care insurance.** Singapore's median age has risen materially over the past decade and is projected to continue climbing through the 2030s per Department of Statistics demographic projections. Older policyholders increase claims activity in health and long-term care, while younger working-age customers buy more life and savings products to fund retirement. Both ends of the age curve are good for premium growth.
- **Insurance penetration in Singapore continues to expand from already-high levels.** Singapore's life insurance market sits in the upper tier of Asian markets by penetration, behind only Hong Kong among major regional markets and ahead of Japan, Korea, and China. The country's continued GDP growth combined with rising consumer awareness, digital distribution, and product innovation in the integrated shield plan and investment-

linked-plan categories support further expansion. The 2024-2025 rebound in industry total weighted new business premium reflects this underlying demand.



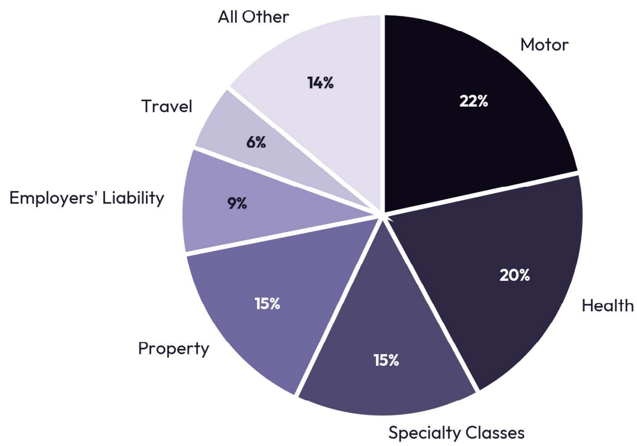
Source: Atlas Magazine, GlobalData, Zero One Investment Research

Singapore's general insurance market grew to S$5.62bn in 2024, up 8.3% YoY per the General Insurance Association. Motor and health remain the two largest classes, jointly accounting for 42% of the industry's S$5.6bn Singapore Insurance Fund. The general-insurance segment grew at a steady high-single-digit pace across 2020 through 2024, reflecting both economic growth and rising claims awareness across households and businesses.



Source: GIA Annual Report 2024, Zero One Investment Research

Singapore general insurance by class, 2024



Source: GIA Annual Report 2024, Zero One Investment Research

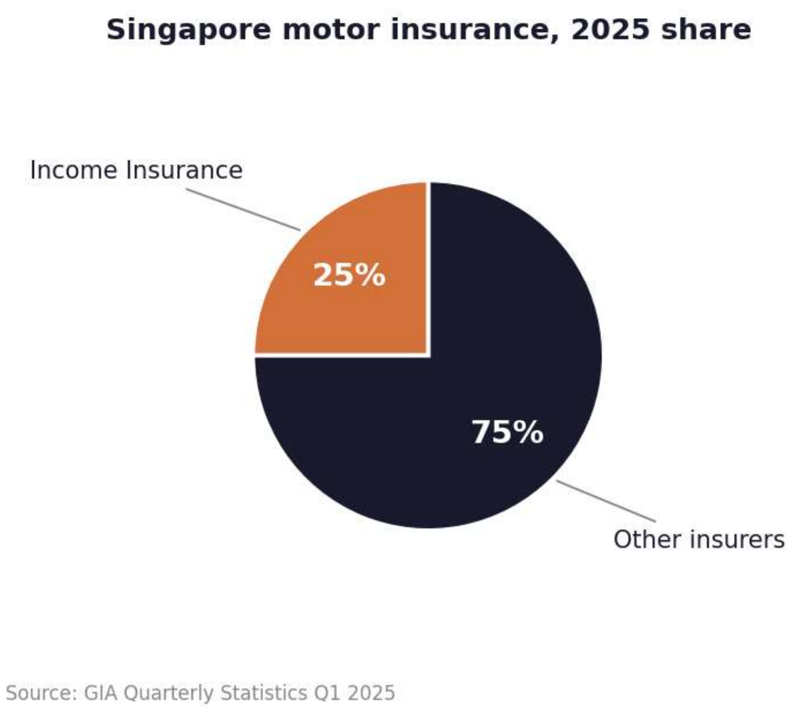
The composite of these drivers gives Singapore's insurance industry one of the most predictable long-term growth profiles in Asian financial services. Demand growth is set against a regulated, stable competitive structure with the Monetary Authority of Singapore overseeing a relatively concentrated set of insurers, of which Income Insurance is one of the top players in both life and general insurance.

Entrenched Market Position

Income Insurance holds the leading position in Singapore's motor insurance market with approximately 25% market share, while in life insurance it sits in the industry's top tier alongside Great Eastern, Prudential, AIA, Manulife, and Singlife. This bifurcated competitive position is the defining feature of Income Insurance's franchise. The general-insurance dominance is a leading-share business; the life-insurance position is a top-tier-of-five position rather than a leadership position.

General insurance: Income Insurance is the market leader

In Singapore's S$5.6bn general insurance industry, Income Insurance retained the leading motor insurance position with approximately 25% market share through Q1 2025 per General Insurance Association statistics. That share is roughly double the next-largest competitor's position. Income Insurance's general insurance franchise covers motor, personal accident, travel, home and lifestyle, and commercial lines, and is the largest single contributor to the firm's reported gross written premium.



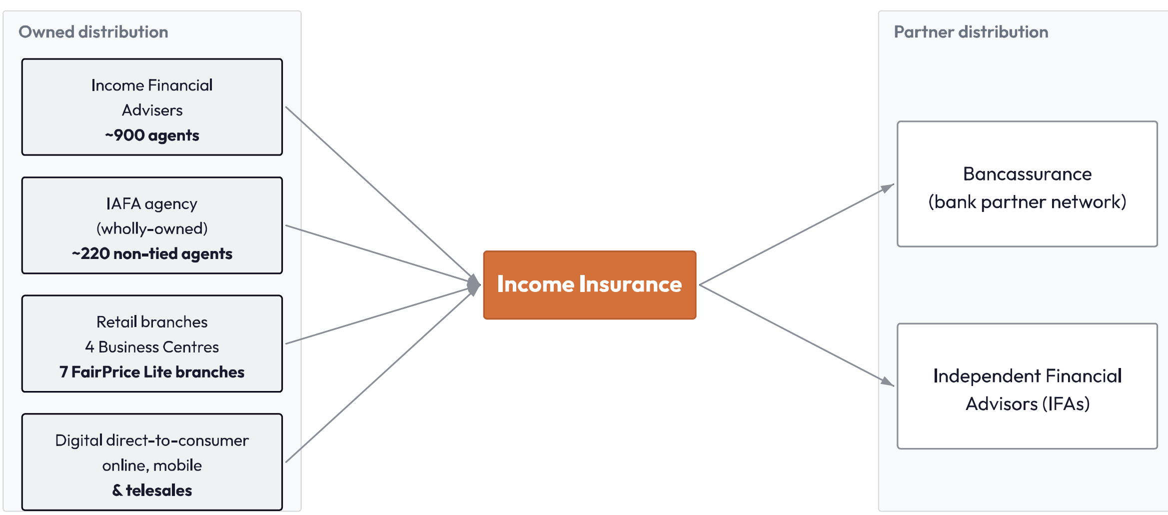
Life insurance: top tier but smaller than the majors

In life insurance, the picture differs. Income Insurance is a top-tier player per Mordor Intelligence's 2025 industry classification, which places it alongside AIA, Great Eastern, Prudential, and Manulife as the country's leading life insurance carriers, though it is a smaller player than the majors by gross written premium.

The asymmetry between Income Insurance's general-insurance leadership and its smaller life-insurance share is the natural outcome of the company's cooperative heritage. Income Insurance built its franchise initially around accessible motor and personal-protection products for working-class Singaporeans, then expanded into life over decades. That history left Income Insurance with deeper general-insurance roots than its life-led competitors, and is the reason general insurance carries the larger share of Income Insurance's reported gross written premium relative to peers.

Distribution moat: six channels, four of them owned

Income Insurance reaches its customer base through six distinct distribution channels, four of them fully owned and two through partners. The owned channels combine the in-house Income Financial Advisers force (around 900 agents), the wholly-owned IAFA agency arm (around 220 non-tied agents), and a retail-physical footprint of four business centres plus seven Income Insurance Lite branches embedded inside FairPrice supermarkets. The partner channels are bancassurance and independent financial advisors.



This breadth gives Income Insurance access to multiple customer-acquisition routes simultaneously. The owned distribution provides margin, control, and customer ownership; the partner distribution provides scale and segments the in-house force cannot economically reach. Income Insurance was ranked most trusted insurer in Singapore according to a Nielsen IQ Brand Health Tracker survey, a position the company attributes to the cooperative-heritage social-mission framing that distinguishes it from foreign-listed-parent competitors.

Moat depth: switching costs, claims reputation, scale economics, and the composite license

Beyond the distribution footprint, Income Insurance's competitive moat rests on reinforcing mechanisms that together explain why the franchise has held its market position despite competition from larger foreign-parented insurers:

- **Switching costs in life insurance are structurally high.** Life and health policies pay annually for decades, and switching providers mid-stream typically means forfeiting accumulated reversionary bonuses on participating policies, restarting underwriting on a new health snapshot (which can disqualify policyholders whose health has changed since original issuance), and paying surrender charges in the early policy years. Income Insurance's in-force life book, which the company manages within the S$35bn Life Participating Fund, generates a captive renewal-premium economics that competitors cannot easily attack. New competition mostly attacks the new-business flow, not the in-force pool.
- **Brand-trust pricing power compounds across product cycles.** Income Insurance ranks highly as one of Singapore's most trusted insurers according to data from Nielsen IQ. In a product category where customers cannot fully evaluate claims-paying ability until they file a claim, brand trust translates directly to pricing power. Income Insurance does not need to discount aggressively to acquire policies, allowing the company to preserve margin discipline that competitors with weaker brand positions must concede on price.
- **Claims-handling reputation is the operational complement to the brand.** Customer reviews of insurer claims-handling performance vary widely across Singapore's insurer set. Income Insurance's claims-paying reputation, built over 55 years of operations across motor, health, life, and general lines, drives renewal rates and word-of-mouth referral, both of which are economically meaningful at scale. Insurers with weaker claims reputations have to spend more on customer acquisition to replace lapsed policyholders, eroding the unit economics.
- **Scale economics in IT, actuarial, and claims processing favor large in-country incumbents.** Income Insurance's investments in core operating systems, in-house actuarial capability, and claims-processing infrastructure are largely fixed-cost. Spread across 1.86 million customers, the per-policy operating cost is materially lower than for smaller competitors trying to enter the market. Income Insurance runs its own Embedded Value models in Prophet, with Milliman reviewing rather than producing them, a structural sign of in-house actuarial depth that is rare for a non-listed Asian insurer.

- **The composite insurance license itself is a regulatory moat.** Singapore's Monetary Authority licenses insurers separately for life, general, and health business. Running a composite franchise requires three separate operating licenses plus the integration capability to share customer data, distribution, and capital across all three. New entrants typically start with one license and one product line; Income Insurance's composite breadth was built over five decades and is structurally hard to replicate. The composite breadth is also what enables the cross-product distribution Income Insurance runs through its in-house adviser force.

- **The NTUC ecosystem provides a structural customer-affinity channel.** Income Insurance's cooperative heritage and continuing affiliation with NTUC and its 58 member unions give the company access to Singapore's working population.

Composite Insurance Economics

Income Insurance generates three primary economic streams from the composite insurance franchise:

- **Premium income** — the topline collected from policyholders across all product lines.
- **Investment income** — the return earned on assets held against future policyholder obligations (the float).
- **Underwriting margin** — the difference between premiums collected and claims plus expenses incurred, reflecting disciplined risk selection.

For a composite insurer like Income Insurance, the four product families generate these three streams in different proportions:

Product Family	Liability Tail	Float Size	Dominant Economic Stream
Life Insurance	Long	Large	Investment income
Health Insurance	Long	Large	Investment income
Group Insurance	Medium	Moderate	Premium income + underwriting margin
General Insurance	Short	Smaller	Underwriting margin

2025 results: profit after tax rose 164% to S$119m

Income Insurance reported 2025 IFRS 17 profit after tax of S$119m, up from S$45m in 2024, a 164% YoY increase driven by improved life-and-health underwriting and stronger investment returns. The table below shows a breakdown of income statement items that drove the growth.

S$M	2024	2025	YOY
Life & Health Insurance Service Results	14	59	+321%
General Insurance + Group Business ISR	66	25	−62%
Insurance Service Results	**80**	**84**	+5%
Net Investment & Financial Results	84	165	+96%
Other Income / (Expenses)	(130)	(118)	improved
Profit Before Tax	**34**	**132**	+288%

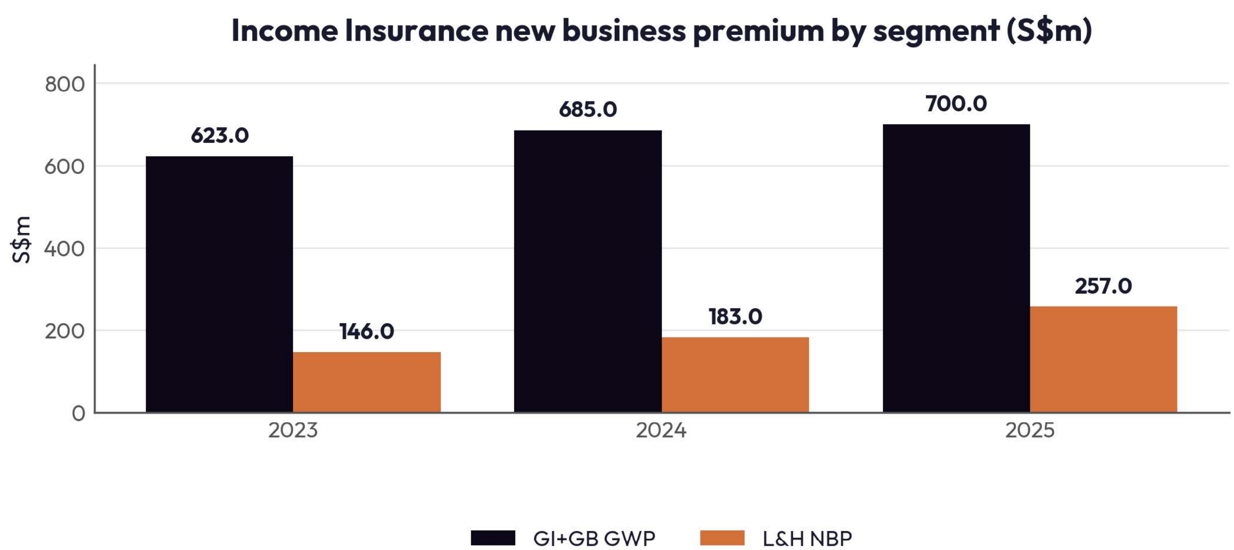
S$M	2024	2025	YOY
Taxation	11	(13)	n/m
Profit After Tax	**45**	**119**	**+164%**
Shareholder Equity	3,427	3,545	+3%
Shareholder Equity per Share (S$)	31.97	32.66	+2%
Comprehensive S/H Equity[3]	3,749	4,027	+7%
Comprehensive S/H Equity[3] per Share (S$)	**34.98**	**37.57**	+7%

Source: Income Insurance equity analyst pack, April 2026, Zero One Investment Research. Comprehensive shareholder equity includes net contractual service margin (CSM) under IFRS 17 and differs from the reported shareholders' equity per share (S$32.66 at end-2025) used as the valuation anchor on page 19.

Life and Health Insurance Service Results jumped from S$14m to S$59m as the investment-linked-product (ILP) franchise scaled. General Insurance and Group Business ISR fell from S$66m to S$25m on adverse claims experience, which we discuss further below. Net Investment and Financial Results nearly doubled from S$84m to S$165m, reflecting favorable market conditions across Income Insurance's S$45bn investment book.

New business momentum: life and health growing 32% CAGR

Income Insurance's new business premium has grown across both major segments, with Life and Health expanding at a 32% CAGR over 2023-2025 versus General Insurance and Group Business at 6%. The chart below shows the segmentation.



Source: Income Insurance equity analyst pack April 2026, Zero One Investment Research

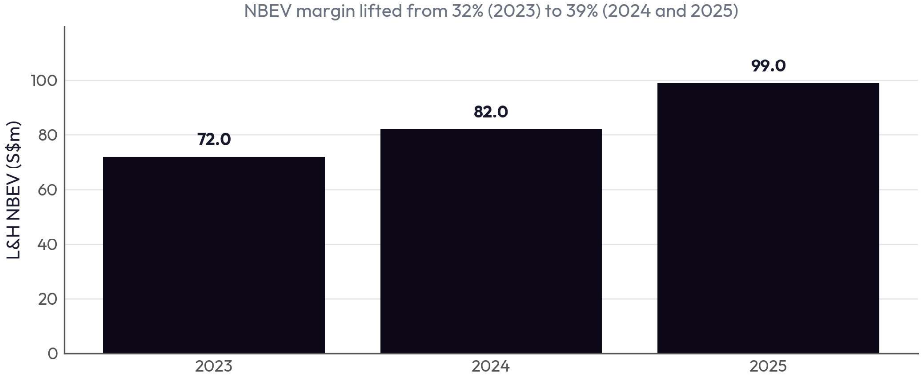
The 32% L&H CAGR is the headline number. Life and Health new business premium grew from S$146m in 2023 to S$257m in 2025, reflecting the product-mix shift toward investment-linked plans and longer-tenure endowment products that the company prioritized under its five-year strategic plan launched in 2020. General Insurance and Group Business grew at a steadier 6% CAGR from S$623m to S$700m, in line with industry growth and broadly reflecting market-share maintenance rather than share gains.

New business value: NBEV margin lifted from 32% to 39%

Life and Health new business embedded value reached S$99m in 2025, with NBEV margin expanding from 32% in 2023 to 39% in 2024 and 2025. New business embedded value, or NBEV, is the present value of future profits the insurer expects to earn from policies sold in a given year, net of the cost of capital. NBEV margin is NBEV divided by new business premium and tells investors how profitable each dollar of new premium is.

L&H new business embedded value (S$m)

NBEV margin lifted from 32% (2023) to 39% (2024 and 2025)

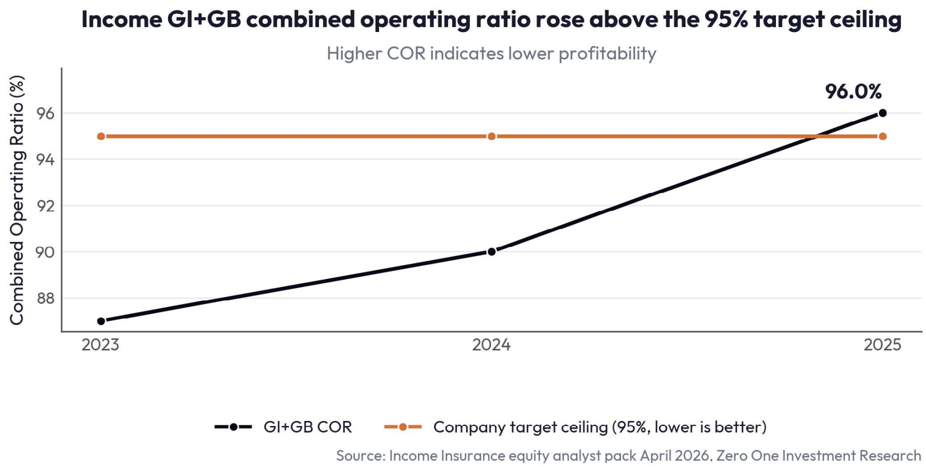


Source: Income Insurance equity analyst pack April 2026, Zero One Investment Research

The seven-percentage-point lift in NBEV margin from 2023 to 2024 reflects a deliberate product-mix shift toward investment-linked plans, which carry higher upfront economic profitability than traditional participating plans. The maintained 39% level into 2025 suggests the shift has stabilized as the new product economics. NBEV increased from S$45m in 2020 to S$99m in 2025, a credible execution record across the past five years.

General insurance margin: a cyclical claims headwind in 2025

Income Insurance's General Insurance and Group Business combined operating ratio increased from 87% in 2023 to 96% in 2025, currently sitting above the company's 2028 target of below 95%. Combined operating ratio, or COR, measures the sum of claims, commissions, and expenses as a share of net earned premium. A COR below 100% means the underwriting business is profitable before investment income; above 100% means it is loss-making on a pure underwriting basis.



The 9-percentage-point COR deterioration over 2023-2025 reflects two factors: adverse claims experience across motor and health classes, and a competitive pricing landscape that limited premium increases. We view both as short-term cyclical rather than reflecting any deterioration in the underlying franchise, since Income Insurance's leading general-insurance market position remains intact and the broader Singapore general-insurance industry has shown similar margin pressure. That said, the 2025 gap vs. past levels is wide and will require either claims relief or competitive pricing normalization to close.

Five-year execution record: delivered ahead of schedule

In 2020, Income Insurance laid out a five-year strategic plan (covering 2020 through 2025) that targeted growth across three financial axes: new business premium, new business embedded value, and insurance operating results. The execution against the plan provides a useful read on the company's operating consistency:

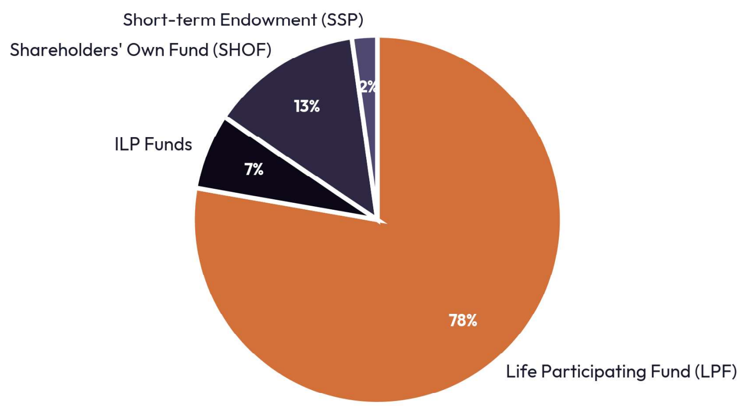
- New business premium grew 1.8x at a 10% CAGR over 2020-2025, ending the period at S$957m across all segments.
- Life and Health new business embedded value grew from S$45m in 2020 to S$99m in 2025 at a 20% CAGR.
- Insurance Operating Results grew 2.2x at a 14% CAGR, driven by ILP-pivot and improved general insurance profitability over the period.
- 2025 IFRS 17 profit after tax of S$119m exceeded the company's stated 2028 target of above S$110m, three years ahead of schedule.

The early target attainment is an indicator of the management team's execution capability over the past five years. For investors new to the name, it is one of several reasons to view Income Insurance as a robust, tried-and-tested operating franchise.

Conservative Balance Sheet

Income Insurance manages a S$45bn investment book at December 2025, with about 54% of investments in fixed-income assets and over 95% of the fixed-income portfolio held in Singapore government, statutory board, or investment-grade-rated bonds. The portfolio is structured to back long-tail policyholder liabilities with predictable, low-risk income streams, while a smaller portion is allocated to growth assets to support shareholder return.

Income Insurance investment AUM mix, Dec 2025 (S$45bn total)



Source: Income Insurance equity analyst pack April 2026, Zero One Investment Research

Four investment funds, three of them policyholder-backing

The S$45bn AUM splits across four funds reflecting different ownership and risk-bearing characteristics:

The Life Participating Fund (LPF) is S$35bn, or 78% of total AUM. This is the largest fund and backs the participating life insurance policies, where policyholders share in investment returns through bonus declarations. LPF assets carry a longer duration of 9.8 years and a modest negative duration gap of 3.3 years against liabilities. The average credit rating across LPF fixed income is BBB+, with 47% of fixed income in Singapore government or statutory board bonds.

The Shareholders' Own Fund (SHOF) is S$6bn, or 13% of AUM. SHOF backs the company's equity capital and is the fund that drives shareholder returns most directly. The average credit rating is BBB, the asset duration is shorter at 3.0 years, and the S&P liquidity ratio is favorable at 3.4 times.

The remaining S$4bn splits between Investment-Linked Plan Funds (S$3bn, 7%), which carry policyholder market risk pass-through, and Short-term Endowment / SSP Funds (S$1bn, 2%), which back short-duration savings products.

Capital adequacy buffer above the regulatory threshold

S&P Global Ratings noted in its December 2025 review that Income Insurance maintains its capital adequacy ratio above the 99.8% confidence level, with the rating agency expecting that buffer to be sustained over the next two years. The 99.8% confidence-level framing is the rating agency's standard for "very strong" capital adequacy. Following Income Insurance's adoption of IFRS 17 on 1 January 2024, the rating agency now incorporates the contractual service margin (CSM) and risk adjustment in its capital adequacy assessment, which jointly amounted to S$498m after-tax at year-end 2024, or 14.5% of shareholder equity.

The investment book's conservatism is the financial complement to the franchise's distribution moat. Income Insurance earns its money through premium collection, but it preserves its money through prudent asset-liability management, government and investment-grade bond exposure, and a deliberate avoidance of high-risk asset concentration that could destabilize the policyholder fund. This is the operating posture S&P credits in its rating, and is the reason Income Insurance carries a stand-alone credit profile that was upgraded to 'a+' from 'a' in December 2025.

Independent S&P confirmation: AA-/Stable credit rating

S&P Global Ratings affirmed Income Insurance at AA-/Stable on 3 December 2025, with the stand-alone credit profile upgraded one notch from 'a' to 'a+'. The final AA- rating incorporates a one-notch uplift from the underlying SACP, reflecting S&P's view that Income Insurance would receive extraordinary government support if needed, through NTUC Enterprise as the majority shareholder.

COMPONENT	FROM	TO
Business Risk Profile	Very Strong	Very Strong
Competitive Position	Very Strong	Very Strong
IICRA (Industry Risk)	Low Risk	Low Risk
Financial Risk Profile	**Satisfactory**	**Strong**
Capital and Earnings	**Satisfactory**	**Strong**
Risk Exposure	Moderately low	Moderately low
Comparable Rating Analysis modifier	0	0
Anchor (Stand-Alone Credit Profile)	**a**	**a+**
Government Support	**2**	**1**

COMPONENT	FROM	TO
Final Rating / Outlook	**AA-/Stable**	**AA-/Stable**

Source: S&P Global Ratings Research Update, 3 December 2025, Zero One Investment Research.

The two component upgrades (Financial Risk Profile and Capital and Earnings) reflect S&P's improved visibility into Income Insurance's balance sheet under IFRS 17 plus what the rating agency describes as moderated market risk charges from clearer asset-quality disclosure. The Stable outlook reflects S&P's view that Income Insurance will maintain its "very strong link" to the Singapore government through NTUC Enterprise over the next two years.

Valuation

We value Income Insurance at S$27-31 per share with a central case of S$29. Our methodology incorporates a peer-comparable price-to-book multiple, discounted for Income Insurance's unlisted-share status, and applied to the company's most recently reported book value per share. We use reported shareholders' equity as the valuation base, rather than the higher comprehensive figure that includes the IFRS 17 contractual service margin, because peer group PBV multiples are available on a reported shareholders' equity basis, preserving like-for-like comparability.

Peer set and median multiple

We screened a nine-company peer set of Asian insurance comparables, weighted toward composite and life insurance franchises with operational similarities to Income Insurance.

TICKER	NAME	PBV	P/E	ROE %	YIELD %
GE SP	Great Eastern Holdings	1.42	12.4	12.7	3.5
1299 HK	AIA Group	2.68	18.6	14.9	2.2
PRU LN	Prudential PLC	1.92	9.8	21.2	1.8
2628 HK	China Life Insurance	1.22	5.0	25.6	3.3
2318 HK	Ping An Insurance	0.95	7.1	13.6	5.0
8766 JP	Tokio Marine Holdings	2.71	13.7	20.6	2.8
000810 KS	Samsung Fire & Marine	0.92	11.6	9.7	3.5
8750 JP	Dai-ichi Life Holdings	1.37	13.5	11.3	4.5
ALLZ MK	Allianz Malaysia	0.68	5.9	11.9	1.6
Peer median		**1.37x**	11.6	13.6	3.3

Source: Bloomberg data (May 2026), Zero One Investment Research.

The peer-median price-to-book of 1.37x has been broadly stable versus the 1.30x median we used in our past December 2023 Income Insurance report. Within the range, Asia-headquartered composite insurers like Great Eastern, AIA, and Tokio Marine trade at 1.4-2.7x, while value-tilted regional peers like China Life, Ping An, and Allianz Malaysia trade at 0.7-1.2x.

Discount rationale: unlisted shares, scale, and conservative anchoring

We apply a 30-40% discount to peer-median PBV with our central case at 35%. The discount reflects three factors. First, Income Insurance's shares are unlisted, which limits secondary-market liquidity and typically warrants a meaningful illiquidity discount to listed comparables. Our December 2023 initiation report applied a 40% discount to the then-prevailing 1.30x peer median; the 35% central-case discount today recognises a marginal improvement in Income Insurance's investability profile while preserving the bulk of the conservatism.

Second, Income Insurance's reported 2025 ROE of approximately 3.4% sits below the peer floor of 9.7%, reflecting the IFRS 17 transition year and the heavier weight of investment-product reserves in the comprehensive equity base. Third, Income Insurance is smaller in raw scale than several of the regional peers, particularly AIA, Prudential, Ping An, and China Life. What partly offsets these factors is the recent S&P upgrade of the stand-alone credit profile to 'a+' and the delivered 2020-2025 plan, which the modest narrowing of the discount versus December 2023 captures.

Per-share valuation walkthrough

The table below traces the central-case calculation from Income Insurance's reported book value to the S$29 per-share valuation, in the same format we used in our December 2023 initiation:

INCOME INSURANCE PER SHARE VALUATION	VALUE
End-2025 reported shareholders' equity (S$m)	3,545
Peer median PBV multiple	1.37x
Discount to peer median	−35.0%
Effective PBV used in valuation	0.89x
Income Insurance BV per share (S$)	32.66
Implied equity valuation (S$m)	3,158
Valuation per share (S$)	**29.08**

Source: Income Insurance equity analyst pack April 2026, Milliman ACR YE2025, Bloomberg data (May 2026), Zero One Investment Research.

Per-share valuation grid

Applied to Income Insurance's reported shareholders' equity per share of S$32.66 at year-end 2025:

DISCOUNT TO PEER MEDIAN	EFFECTIVE PBV	PER SHARE AT BV S$32.66
−25%	1.03x	S$33.56
−30%	0.96x	S$31.32
−35% (central case)	**0.89x**	**S$29.08**
−40%	0.82x	S$26.85
−45%	0.75x	S$24.60

Source: Zero One Investment Research

The S$27-31 range corresponds to a 30-40% discount band against reported book value. The central case of S$29 implies an effective PBV of 0.89 times, broadly in line with how illiquid Asian insurance peers like China Life and Ping An trade in the listed market.

Reference: comprehensive book value including Net CSM

Under IFRS 17, Income Insurance's comprehensive shareholder equity, which includes the Net Contractual Service Margin representing the unearned future profit on in-force life insurance contracts, was S$37.57 per share at year-end 2025. Applying the same 35% central-case discount to the 1.37x peer median against comprehensive book gives a per-share valuation of S$33.46, or approximately 15% higher than our book-value central case. We anchor our central case on reported book value to maintain PBV comparability with our peer group valuations.

Milliman EV crosscheck: actuarial benchmark of S$44.54 per share

Milliman Private Limited's December 2025 actuarial consultant report values Income Insurance's embedded value at S$4,774m as at 31 December 2025, which equates to approximately S$44.54 per share at the confirmed 107,191,745 shares outstanding. The Milliman EV comprises an adjusted net worth of S$3,329m and a value of in-force business after cost of capital of S$1,445m, calculated at a risk discount rate of 6.5%.

The S$44.54 actuarial benchmark sits well above our valuation range. This is consistent with how listed insurance peers typically trade relative to their published embedded values, which can carry discounts of 20-50% in the market. Our central case of S$29 represents 65% of the Milliman EV per share of S$44.54, an embedded-value discount of approximately 35% that sits within the typical listed-insurer range. The convergence of the PBV-derived valuation range with the Milliman EV anchor as a ceiling gives us reasonable confidence in the framework.

Valuation sensitivity matrix

For convenience, the sensitivity matrix shown on the front page is reproduced below:

Valuation sensitivity (S$ per share)

Effective PBV multiple (after discount to peer median 1.37x) × reported book value of S$32.66 per share. Central case highlighted.

	0.75X (−45%)	0.82X (−40%)	0.89X (−35%) CENTRAL	0.96X (−30%)	1.03X (−25%)
BV +10%	S$27	S$30	S$32	S$34	S$37
BV FLAT	S$25	S$27	S$29	S$31	S$34
BV −10%	S$22	S$24	S$26	S$28	S$30

Management Team

Income Insurance's executive committee is led by Andrew Yeo (Chief Executive Officer) and is composed of senior executives across business, financial, and operational functions. The company's management team includes:

NAME	ROLE
Andrew Yeo	Chief Executive Officer
Michael Fang	Chief Financial Officer
David Chua	Chief Investment Officer
Lau Sok Hoon	Chief Actuary
Mark Shi	Chief Risk Officer
Chen Boon Khing	Chief Technology Officer

Source: Company disclosures

The Board of Directors is chaired by Joy Tan, with directors including Sim Hwee Hoon, Neo Chin, Vincent Lien, Robert Charles, Mak Keat Meng, Chen Peng, Richard Koh, Craig Ellis, and Chew Sutat.[†]

[†] Board composition as of April 2026; changes were announced at the AGM held on 25 May 2026.

Key Risks

- **Singapore concentration: the entire franchise sits in one country.** Every customer Income Insurance underwrites lives in Singapore. All premium income, distribution capacity, and claims exposure is denominated in one economy. Singapore's AAA sovereign rating and stable regulatory regime make this concentration low-risk in the base case, but it is concentration nonetheless. A prolonged Singapore macro downturn, an unexpected MAS regulatory change, or a demographic-aging surprise would flow through every Income Insurance business line at the same time without any geographic offset. The S&P rating captures this exposure through the IICRA (Insurance Industry and Country Risk Assessment) component, which the rating agency maintains at "Low Risk" reflecting Singapore's stable insurance-market dynamics.
- **One notch of the AA- rating depends on government-support uplift.** S&P's AA- rating is one notch above Income Insurance's stand-alone credit profile of 'a+', reflecting the rating agency's expectation of extraordinary support from the Singapore government if needed, through NTUC Enterprise as majority shareholder. The rationale leans on the social mission, the cooperative-heritage ownership structure, and what S&P explicitly cited as the government's Q4 2024 "exceptional intervention to a proposed shareholding transaction" as evidence of commitment. If the government's perceived willingness or ability to support Income Insurance weakens, whether through ownership-structure change, mission drift, or sustained policy shift, the rating could move down a notch to A+. The uplift is not a contractual guarantee and is reassessed at each rating cycle.
- **General insurance combined operating ratio is above target with no inflection visible.** GI+GB combined operating ratio rose from 87% in 2023 to 96% in 2025, above the company's 2028 target of below 95% and with no clear inflection point in the trajectory. Management has attributed the deterioration to adverse claims experience across motor and health classes and to a competitive pricing landscape that limited premium increases. Both factors are cyclical in nature, but cycles can persist for multiple years before they turn. If GI claims pressure does not normalize over the next 12 to 18 months, COR could deteriorate further, dragging the GI+GB Insurance Service Results contribution below the 2025 level of S$25m and creating downside pressure on group profit after tax. General insurance is the most cycle-exposed part of the Income Insurance franchise.
- **Interest-rate sensitivity is structural given the Life Participating Fund duration profile.** The Life Participating Fund holds S$35bn in assets with an asset duration of 9.8 years and a negative duration gap of 3.3 years against liabilities. A sustained rise in long-end

Singapore government bond yields would deliver mark-to-market losses on the LPF fixed-income book that flow through other comprehensive income and shareholder equity, even where the assets are intended to be held to maturity. A sustained fall in long-end yields would compress investment income against bonus declarations on participating policies, pressuring participating-policy profitability over the medium term. Either direction creates pressure: the negative duration gap means LPF cannot fully immunize itself against rate moves of either sign.

- **Healthcare claims inflation continues to outpace Integrated Shield Plan premium increases.** Singapore's Integrated Shield Plan market has seen rising claims frequency and severity over the past five years, driven by medical inflation and broader hospital utilisation. Income Insurance participates through its IncomeShield product line. Management's 2028 strategic thrust set explicitly flagged "reverse decline in health" as a priority, indicating the health-insurance line has not been performing to internal expectations. If claims inflation continues to outpace premium repricing, the health contribution to L&H Insurance Service Results could compress. The 2025 L&H ISR strength was driven primarily by the investment-linked-product line; the health line did not contribute the same momentum.
- **Adviser-channel distribution faces secular pressure from digital and regulatory shifts.** Income Insurance's distribution moat rests in part on the in-house Income Financial Advisers force of roughly 900 agents and the IAFA wholly-owned agency arm of around 220 non-tied agents. Adviser-channel insurance distribution faces secular pressure from three directions: digital direct-to-consumer alternatives (Singlife, FWD, online-first incumbents), MAS-driven regulatory caps on adviser commissions, and adviser-economics compression as recruitment costs rise. If these pressures accelerate, the cost-to-acquire-customer profile of Income Insurance's owned distribution could deteriorate relative to partner channels, eroding one of the franchise's competitive advantages over the medium term. Income Insurance's bancassurance and digital partnerships partially offset this risk, but the in-house adviser force is the largest single distribution asset.

Sustainability

Environmental commitments

Income Insurance has pledged to achieve net-zero carbon by 2050. The company has set 2030 interim targets across three categories: financed emissions aligned with net-zero in public assets and real estate; operational Scope 1 and 2 emissions reduced by 42%; and insurance underwriting emissions (insurance-attributable emissions in motor) reduced by 30%. Other environmental initiatives include the annual Income Insurance Eco Run advocating for zero-waste and sustainable lifestyles, and the Eco Dabao food-container returnable scheme partnering with WWF in Singapore's central business district.

Social and community impact

Income Insurance pledged S$100m to community causes through OrangeAid, the company's charitable arm. A S$10m Income Insurance OrangeAid Caregiver Support Accelerator Grant supports family caregivers in Singapore. The Income Insurance Cares product family extends insurance coverage to vulnerable and underserved segments unmet by traditional insurance, including special-care needs and customers in extenuating circumstances. The "55 Acts of Good" community initiative marked Income Insurance's 55th anniversary in 2025 through staff volunteerism and customer-led good-deed campaigns.

Governance and risk integration

The Board includes a dedicated Sustainability Committee with oversight responsibility for ESG topics and material priorities. Climate-related risks are integrated into Income Insurance's enterprise risk management framework, with scenario planning and stress testing performed across regulatory and corporate channels. Responsible-business practices are codified in the company's Code of Business Conduct, Whistle-Blowing Policy, Fraud Management Policy, and Grievance Procedures.

Conclusions

- **Income Insurance is Singapore's leading general insurer and a top-tier life insurance franchise**, serving 1.86 million customers across four product families with a S$45 billion conservatively-managed investment book and an S&P AA-/Stable rating that was upgraded at the stand-alone level from 'a' to 'a+' in December 2025.
- **The company delivered its 2020-2025 strategic plan three years ahead of schedule.** 2025 IFRS-17 profit after tax of S$119 million has already exceeded the company's stated 2028 target, life and health new business embedded value tripled at a 20% CAGR over the five-year period, and the general insurance segment holds its leading market position at 25% share.
- **Our valuation range is S$27-31 per share with a central case of S$29.** The central case applies a 35% discount to the peer-median PBV multiple of 1.37x against reported book value of S$32.66 per share, equivalent to approximately 65% of Milliman's December 2025 actuarial embedded value of S$44.54 per share. The discount reflects unlisted-share illiquidity, smaller scale relative to regional peers, and the IFRS-17 transition year's compressed ROE, partly offset by the delivered execution record and the S&P upgrade.

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