

## **PRESS RELEASE**

# **Allianz withdraws Pre-Conditional Voluntary Cash General Offer for Shares in Income Insurance**

**16 DECEMBER 2024** – The board of directors (“Board”) of Income Insurance Limited (“Income Insurance”) refers to:

- (i) the pre-conditional voluntary cash general offer announcement (the “Pre-Conditional Offer Announcement”) made by J.P. Morgan Securities Asia Private Limited for and on behalf of Allianz Europe B.V. (“Allianz”) on 17 July 2024; and
- (ii) the announcement by Income Insurance dated 17 July 2024.

On 16 December 2024, Allianz announced that it has withdrawn the Offer (as defined in the Pre-Conditional Offer Announcement). As stated in Allianz’s announcement, this is in light of the Singapore Government’s announcement on 14 October 2024 expressing its views on why the transaction should not proceed on its present terms and the subsequent changes to the Insurance Act 1966.

Income Insurance would also like to provide the following additional information.

### **The proposed transaction was in good faith**

Income Insurance has consistently acted in good faith to safeguard the interests of its stakeholders, including policyholders and shareholders. The proposed transaction by Allianz to acquire at least 51% of the shares in Income Insurance would have further enhanced Income Insurance’s financial resilience, as the backing of two institutional shareholders would enable Income Insurance to call on additional capital support in the future in the event of any future financial crises.

### **Material information relating to the Offer would have been disclosed publicly if the Offer was formally launched**

Allianz’s submission of its preliminary business plan to the Monetary Authority of Singapore (containing information relating to the proposed capital reduction) was part of the required process for Allianz to obtain regulatory approvals, which was the pre-condition of the Offer. The preliminary business plan was not subject to approval from the current Board of Income Insurance.

If the Offer was formally launched, based on the process stipulated under the Singapore Code on Takeovers and Mergers, all shareholders would have been informed about the details of the Offer, including the possibility of a proposed capital reduction, via the composite document. The composite document would have been made public on Income Insurance’s website.

### **Income Insurance remains steadfastly committed to its purpose**

Income Insurance has always been committed to offering inclusive and affordable products to support the more vulnerable segments of society.

However, as the needs of society change, the role that Income Insurance plays in society has to also evolve in tandem. While having a social mission is inherent to an insurer's core business through the pooling of community risks, over time, the Singapore insurance market has grown significantly, with more than 40 direct insurers today offering a wide range of retail insurance products. No single insurer dominates in terms of providing the most affordable or innovative insurance products. In this increasingly competitive industry, Income Insurance needs to strive for sustained growth to fulfil its mission of supporting the vulnerable segments of society.

Nevertheless, Income Insurance acknowledges the Ministry of Culture, Community & Youth's ("MCCY") concerns around the use of the accumulated surplus in fulfilling its social mission and will work with MCCY to address the relevant concerns to facilitate any future transaction.

### **Income Insurance will continue to explore liquidity options for shareholders**

There has been a growing demand for a share liquidity option from minority shareholders, which has intensified since Income Insurance's corporatisation in 2022. The proposed transaction with Allianz would have provided shareholders with the opportunity to fully realise their investment in their shares.

Understandably, minority shareholders may be disappointed that the Offer has been withdrawn. Income Insurance will consider exploring other liquidity options for shareholders to unlock the value of their shares. Shareholders can continue to buy and sell their shares on a willing-buyer and willing-seller basis.

### **It remains business as usual with no impact on policyholders**

Income Insurance will also continue to honour all existing policies. Income Insurance values the continued trust that its policyholders and stakeholders have in the company and remains committed to upholding its purpose of empowering the financial well-being of all Singaporeans.

**[END]**

### **ISSUED ON BEHALF OF THE BOARD OF INCOME INSURANCE**

The directors of Income Insurance (including those who may have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed herein are fair and accurate and that no material facts have been omitted from this announcement, the omission of which would make any statement in this announcement misleading, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from Allianz, the sole responsibility of the directors of Income Insurance has been to ensure, through reasonable enquiries, that such information has been accurately extracted from such sources or, as the case may be, accurately reflected or reproduced herein. The directors of Income Insurance do not accept any responsibility for any information relating to Allianz or any opinion expressed by Allianz.