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MEDIA RELEASE

NTUC ENTERPRISE WILL CONSIDER ALL STRATEGIC OPTIONS TO FURTHER STRENGTHEN INCOME INSURANCE'S FINANCIAL RESILIENCE

16 DECEMBER 2024 – NTUC Enterprise Co-operative Ltd (“NTUC Enterprise”) refers to the announcement from Allianz Europe B.V. (“Allianz”) on 16 December 2024 regarding the withdrawal of the Pre-Conditional Voluntary Cash General Offer (the “Offer”) announced on 17 July 2024 to acquire at least 51 percent of the Shares in Income Insurance Limited (“Income Insurance”).

NTUC Enterprise acknowledges Allianz’s decision to withdraw its Offer, in view of the legislative changes that impacted the Offer.

The search for a strategic partner for Income Insurance was conducted to bolster its financial resilience, especially in times of crisis. That means that Income Insurance first needs to be competitive and earn its risk-adjusted cost of capital and secondly, needs to meet regulatory capital adequacy requirements, especially during unforeseen shocks and crises. This is critical in order to protect the interests of Income Insurance’s policyholders over the longer term and is also in line with Income Insurance’s purpose.

While Income Insurance’s capital adequacy ratio is currently at a healthy level, NTUC Enterprise recognises the need to be prepared for a more turbulent and volatile world given the possibility of future economic crises and pandemics.

During the COVID-19 pandemic in 2020, NTUC Enterprise had to inject S\$100 million and have another S\$300 million on standby to safeguard the solvency of Income Insurance. In addition, Income Insurance had to issue S\$800 million in subordinated bonds. If the COVID-19 pandemic had been prolonged, and more capital had been needed, NTUC Enterprise alone may not have been able to meet Income Insurance’s further financial needs. That was the key reason for considering an additional strategic partner for Income Insurance.

NTUC Enterprise will take time to study how to address the Government’s concerns, and more importantly, to consider all strategic options that can further strengthen Income Insurance’s financial resilience on a sustained basis, and enable it to ride through any future crises.

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