



# Mandatum Analyst Day 2025

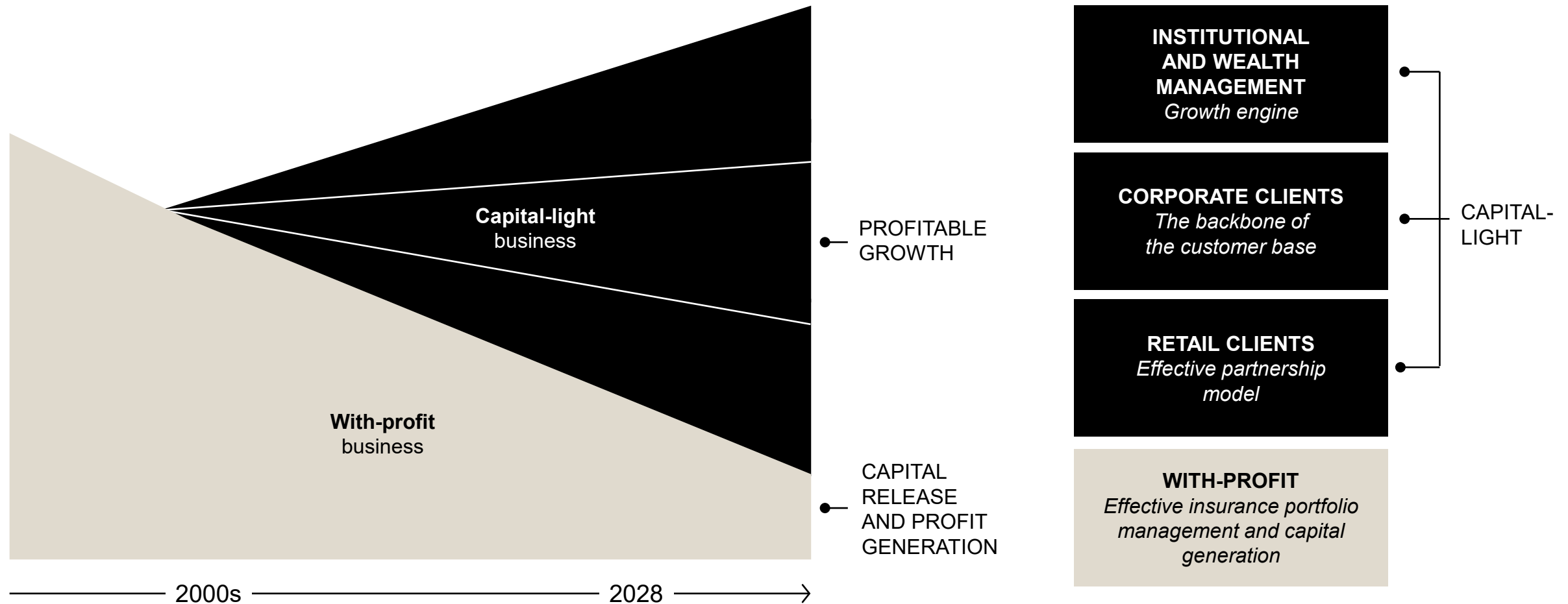
Helsinki, 19 August 2025



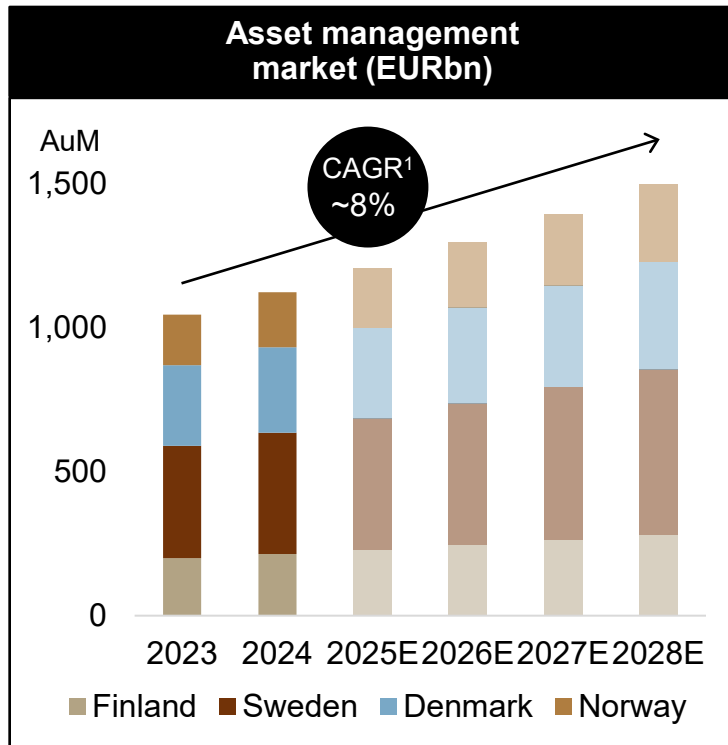
# Strategy and Q2 2025 business performance

Petri Niemisvirta, CEO

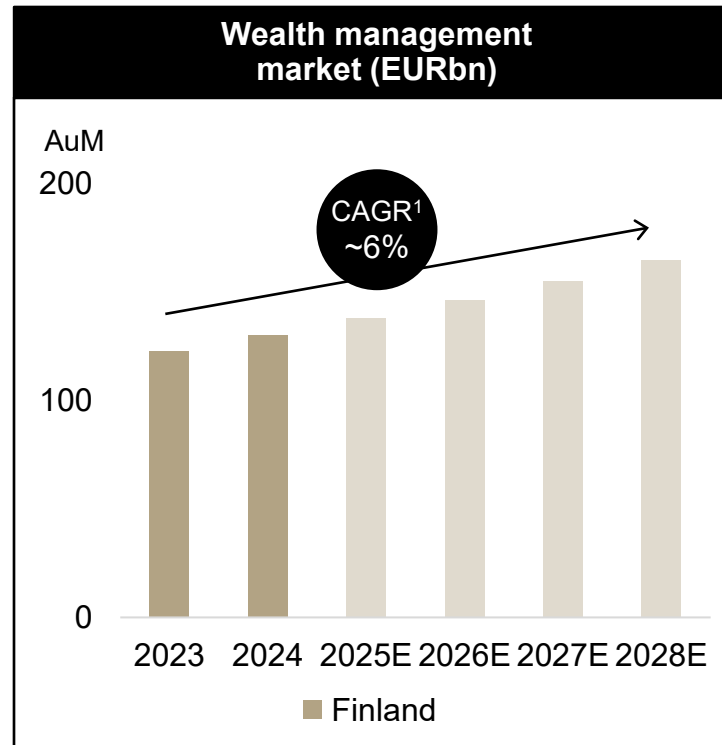
# Transformation towards capital-light business



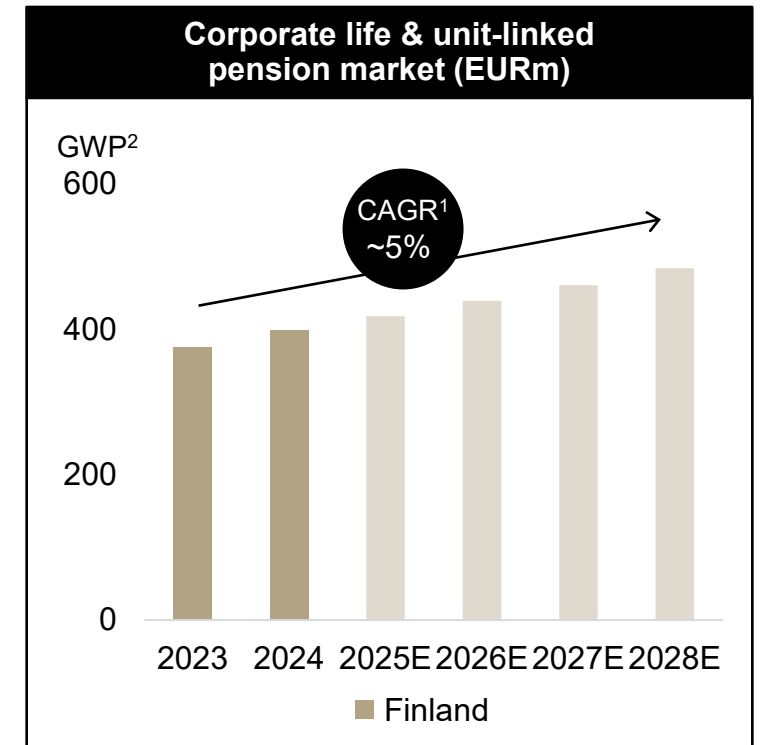
# Target markets growing



- Growth of the Nordic economies



- Creation of new wealth, especially through corporates
- Growth in the number of wealthy individuals

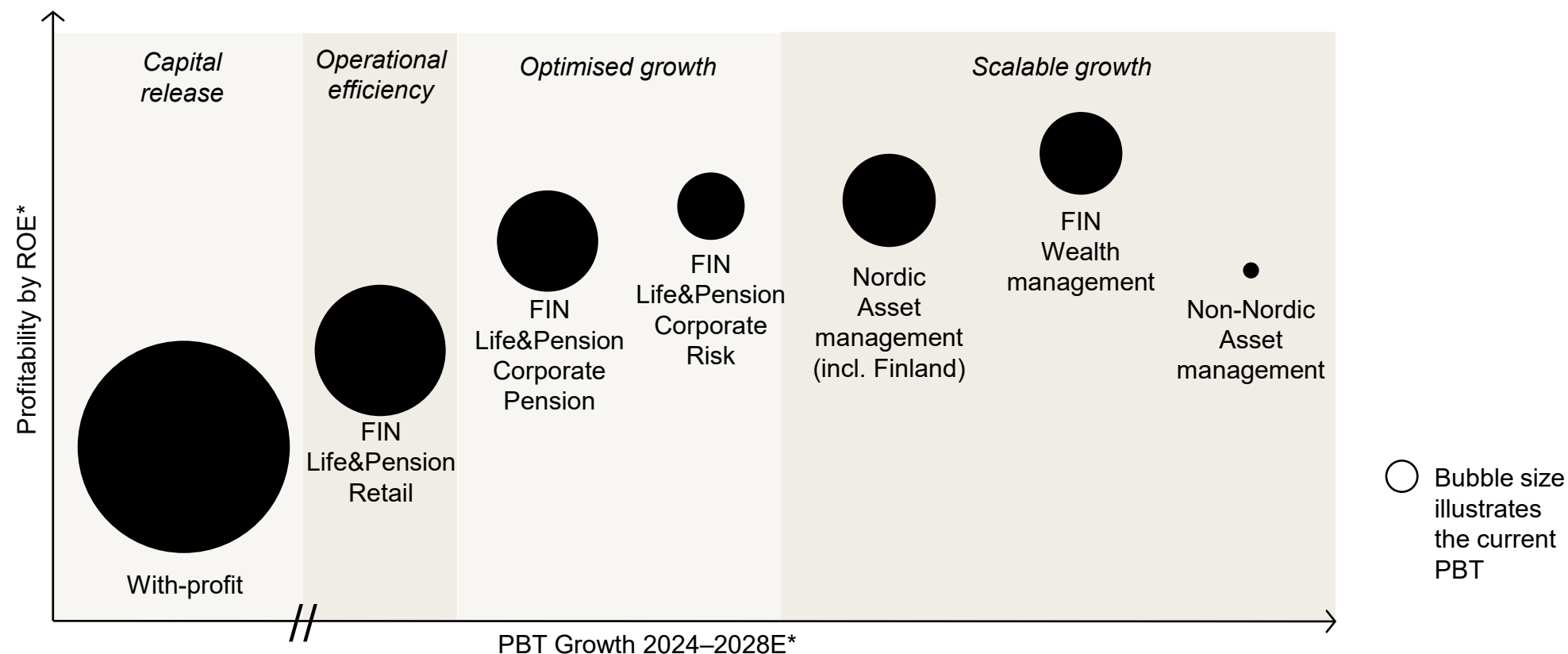


- Weakening of pension and social security
- Corporate sector's role in economic security of employees

(1) Based on third-party market study and company estimates. (2) GWP = gross written premium.

# Growth opportunities across all capital-light business areas

Profit before taxes growth and profitability ambition towards 2028



\* Illustrative



## Vision

THE FASTEST GROWING NORDIC ASSET AND WEALTH MANAGER  
WITH OPTIMISED GROWTH IN FINNISH LIFE AND PENSION

### Strategic priorities 2025–2028

EXPAND  
THE NORDIC  
FOOTHOLD IN ASSET  
MANAGEMENT

ACCELERATE  
THE GROWTH OF  
FINNISH WEALTH  
MANAGEMENT

LEVERAGE  
THE LEADING  
CORPORATE MARKET  
POSITION

FOCUS ON  
OPERATIONAL  
EFFICIENCY

### Financial targets 2025–2028

RETURN ON EQUITY  
ABOVE 20%

CAPITAL-LIGHT PROFIT  
BEFORE TAXES GROWTH (CAGR)  
ABOVE 10%

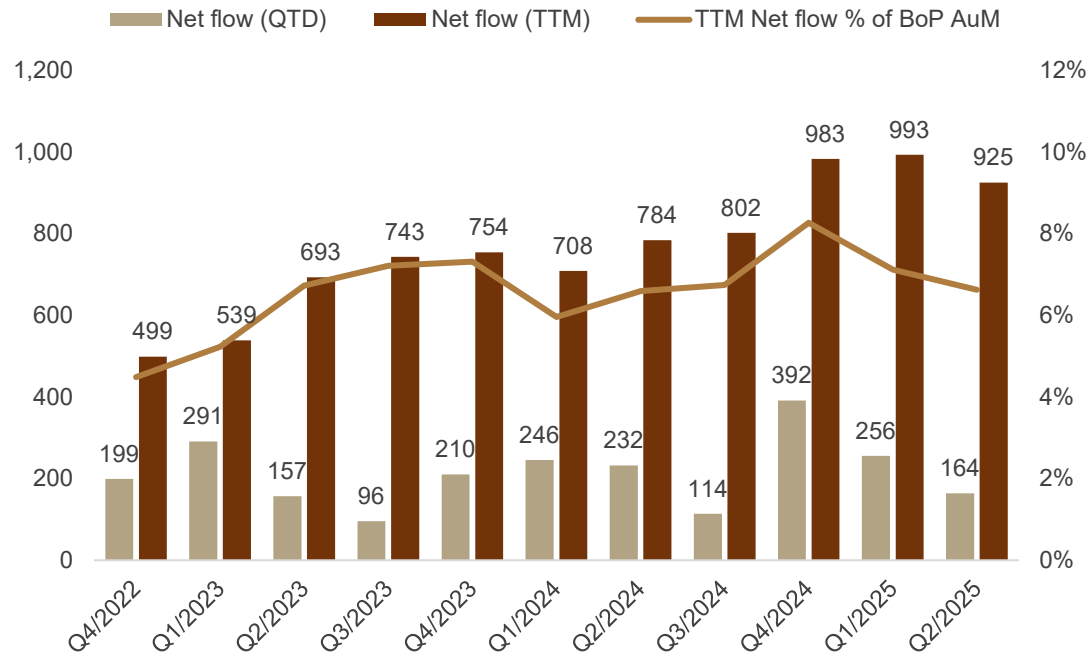
SOLVENCY MARGIN<sup>1</sup> 160–180%  
WITH CUMULATIVE SHAREHOLDER  
PAYOUTS EXCEEDING EUR 1 BN

(1) Without the transitional measure.

# Q2 2025 business performance

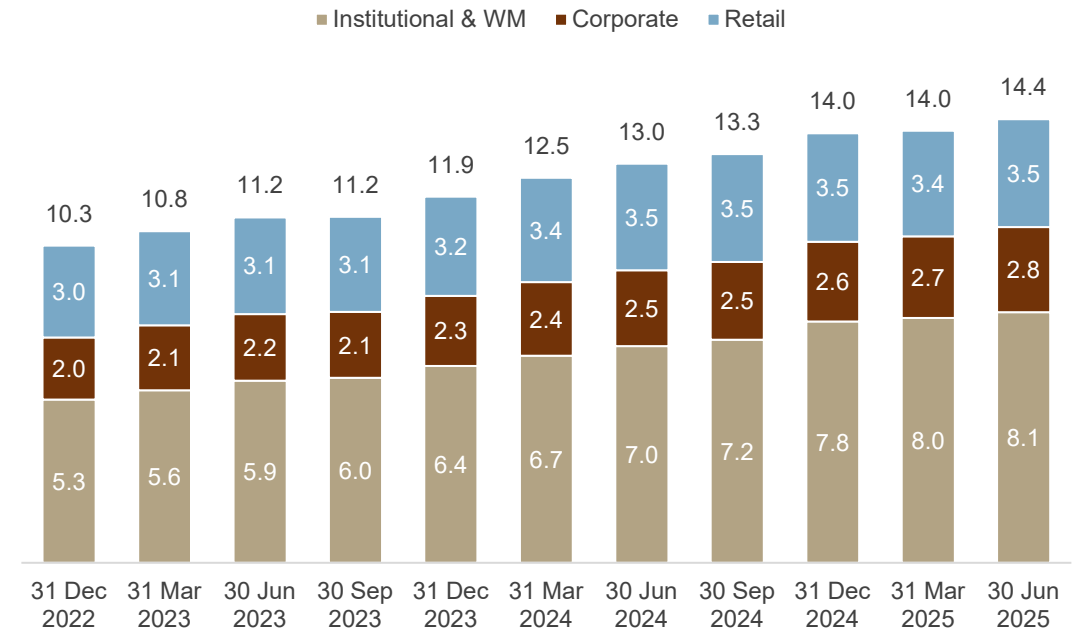
# Continued growth in client assets under management

## NET FLOW (EURm)



- Q2 net flow EUR 164 (232) million i.e. 4.7%<sup>1</sup> of BoP AuM

## CLIENT ASSETS UNDER MANAGEMENT (EURbn)



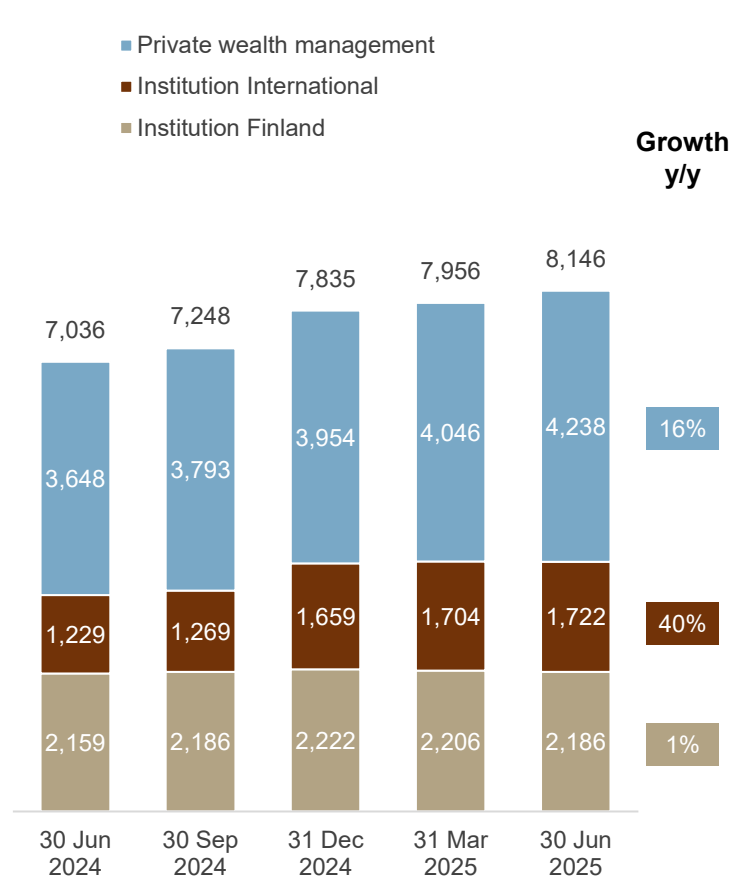
- Q2 AuM growth EUR 378 million (2.7% q/q), negatively impacted by weaker US dollar
- Growth driven by positive net flow of EUR 164 million and positive market return of EUR 214 million

(1) Based on annualised 4-6/2025 net flows.

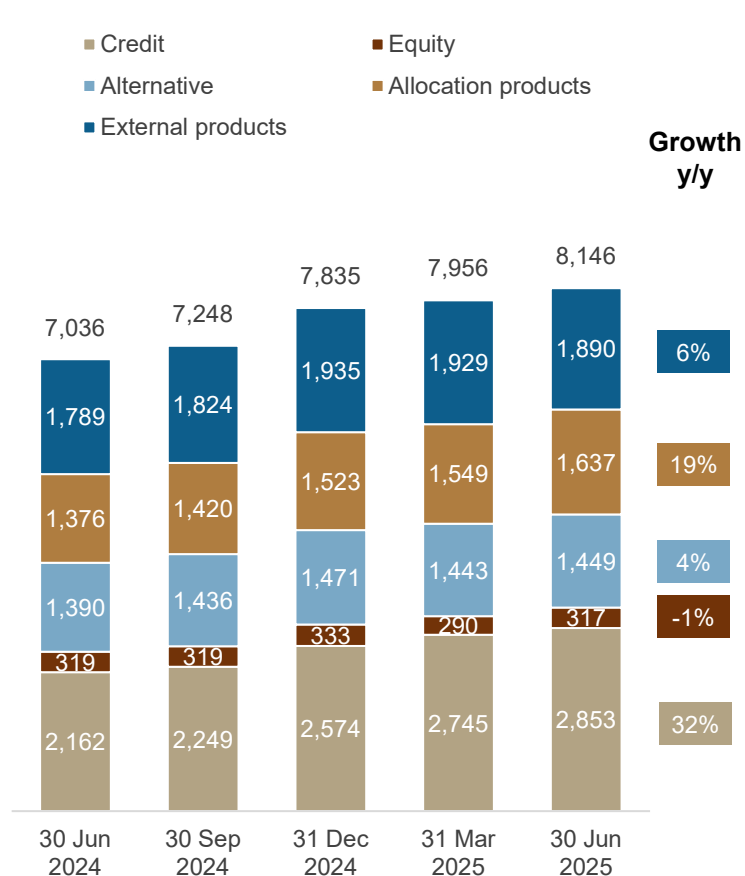


# Continued growth in Institutional and wealth management

## AUM BY CLIENT SEGMENT (EURm)



## AUM BY PRODUCT (EURm)



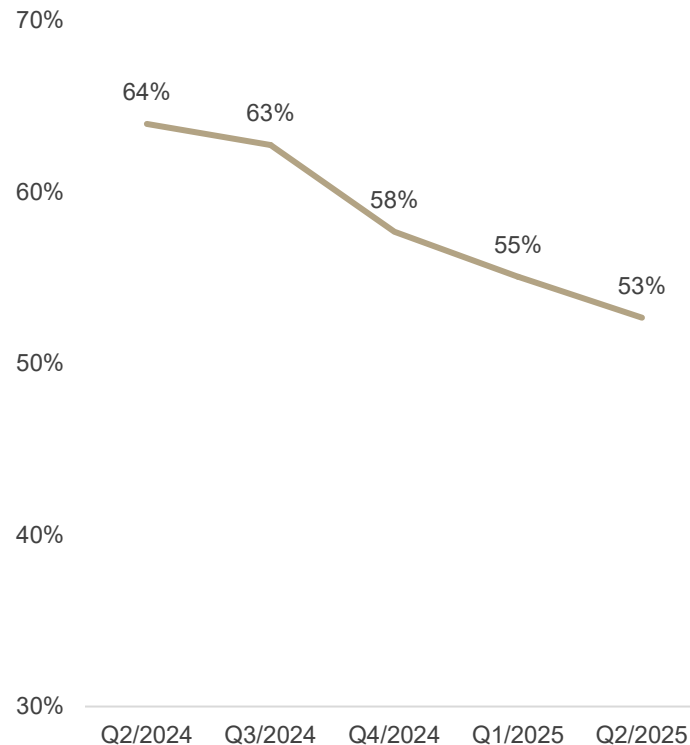
## COMMENTS

- 16% AuM growth y/y in the I&WM business area due to positive net flow and favourable market returns
- 16% y/y growth in private wealth management
- International institutional assets increased by 40% y/y driven by Sweden
- Majority of net flow to credit products and allocation products

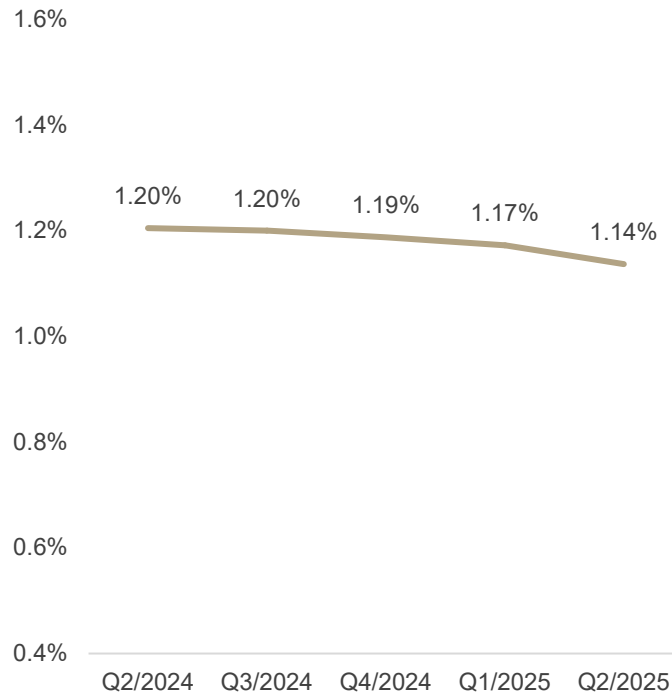
Note: Private WM and Ultra-high-net-worth (UHNW) segments affected by intra-group portfolio transfers in Q1 2024 so AuM not comparable for these segments.

# Cost/income ratio down by 11 p.p.

**CLIENT AUM C/I RATIO (%)<sup>1</sup>**



**FEE MARGIN (%)<sup>1</sup>**



**COST/INCOME RATIO**

- Improved operational leverage  
→ 12 months C/I-ratio down by 11 p.p.

**FEE MARGIN**

- Fee margin down to 1.14% due to mix effects - strong growth in lower margin international institutional client business and personnel funds
- Standalone product margins largely unchanged

(1) Trailing twelve-months.

# Several business highlights in Q2 2025

## Institutional and wealth management

- The international asset management business continued to perform well, with new client accounts established, among others, in France and Norway.
- New sales office is established in Luxembourg to support growth in Continental Europe in particular.
- Mandatum launched a new fund, Mandatum European High Yield Total Return Fund, which primarily invests in European high yield bonds.
- Mandatum Asset Management's Growth Equity II fund made two new investments: in a Finnish golf equipment manufacturer Takomo and in a Nordic data consulting company Epical.

## Corporate

- Steady growth of unit-linked pensions continued.
- Demand for personnel funds and remuneration consulting continued on a good level.
- Demand for risk products remained good.

## Retail

- Good cooperation with Danske bank continued: loan insurance sales and the average coverage amount of granted loan insurance increased
- Mandatum and Pohjantähti signed a collaboration agreement.



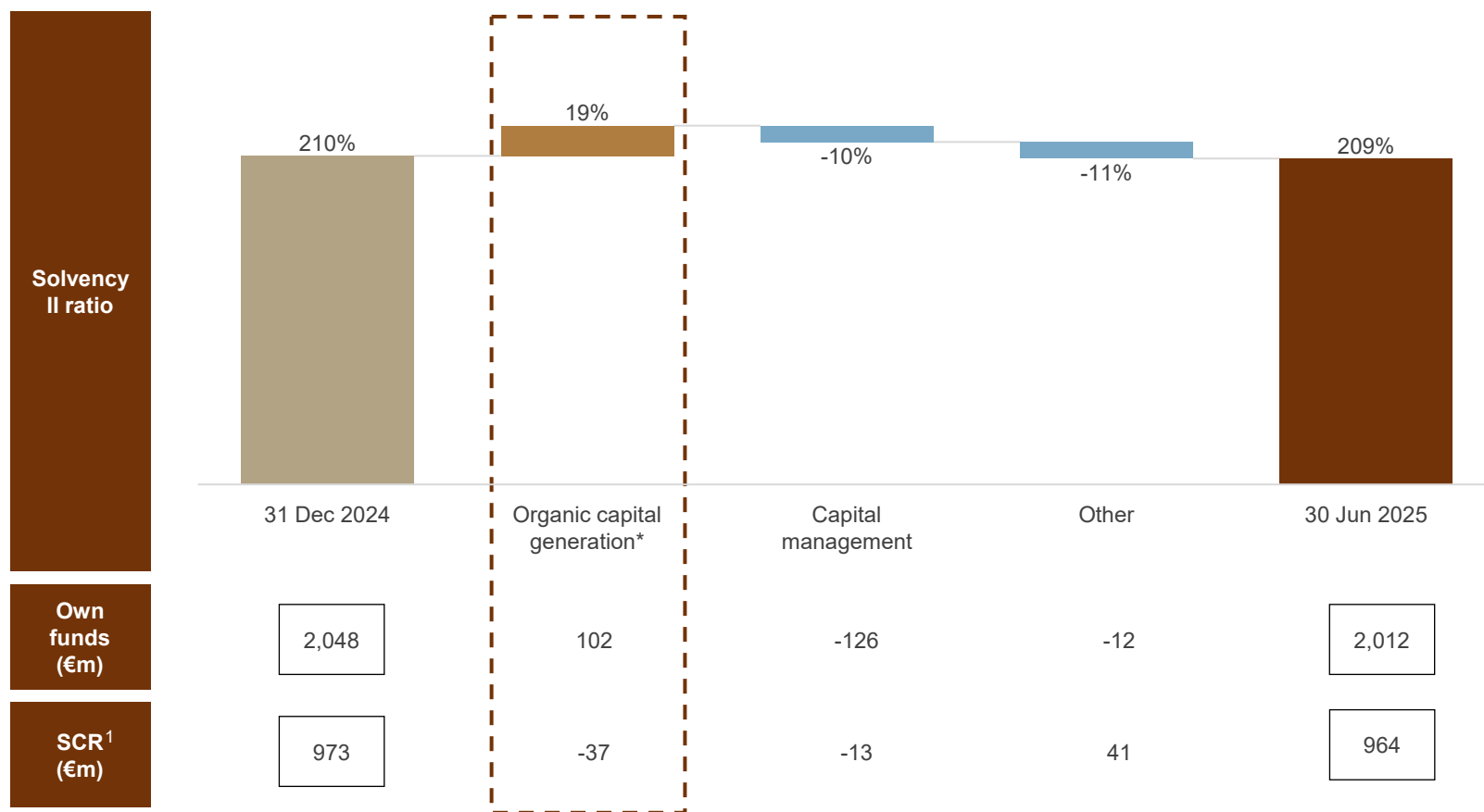
# Update on financials

Matti Ahokas, CFO

# Overview of the 4–6/2025 results

EURm	RESULTS						
	4–6/2025	4–6/2024	Change, %	1–6/2025	1–6/2024	Change, %	1–12/2024
Fee result	18.5	14.7	26%	37.3	29.9	25%	66.6
Net finance result	21.6	55.1	-61%	73.4	85.0	-14%	135.6
Result related to risk policies	2.0	11.9	-83%	4.3	14.1	-69%	25.4
Other result	-8.0	-5.9	-36%	-18.9	-6.3	n.m.	-24.7
Total profit before taxes	34.2	75.8	-55%	96.1	122.7	-22%	202.9
Capital-light profit before taxes	20.6	25.4	-19%	40.6	41.5	-2%	87.8
Earnings per share, EUR	0.06	0.12	-51%	0.16	0.19	-18%	0.33
Organic capital generation per share, EUR	0.17	0.10	73%	0.34	0.24	44%	0.44
Return on equity-% (annualised)	7.6%	14.6%	-7.0 p.p.	10.7%	12.2%	-1.6 p.p.	10.3%
C/I-ratio (trailing 12 months), %	-	-	-	53%	63%	-10 p.p.	58%
				30 Jun 2025	30 Jun 2024	Change, %	31 Dec 2024
Client assets under management (AuM)				14,413	12,965	11%	13,957

# Key drivers of capital generation (1–6/2025)



## KEY DRIVERS

### Organic capital generation

- Own funds: Stable growth of fee result and solid net finance result on SII basis
- SCR: Predictable, continuous run-off of with-profit liabilities

### Capital management

- Own funds: Dividend accrual of EUR 0.50 per share assumed corresponding to set target and assuming even annual dividend distributions
- SCR: Sale on Enento Group plc's shares taken into account

### Other

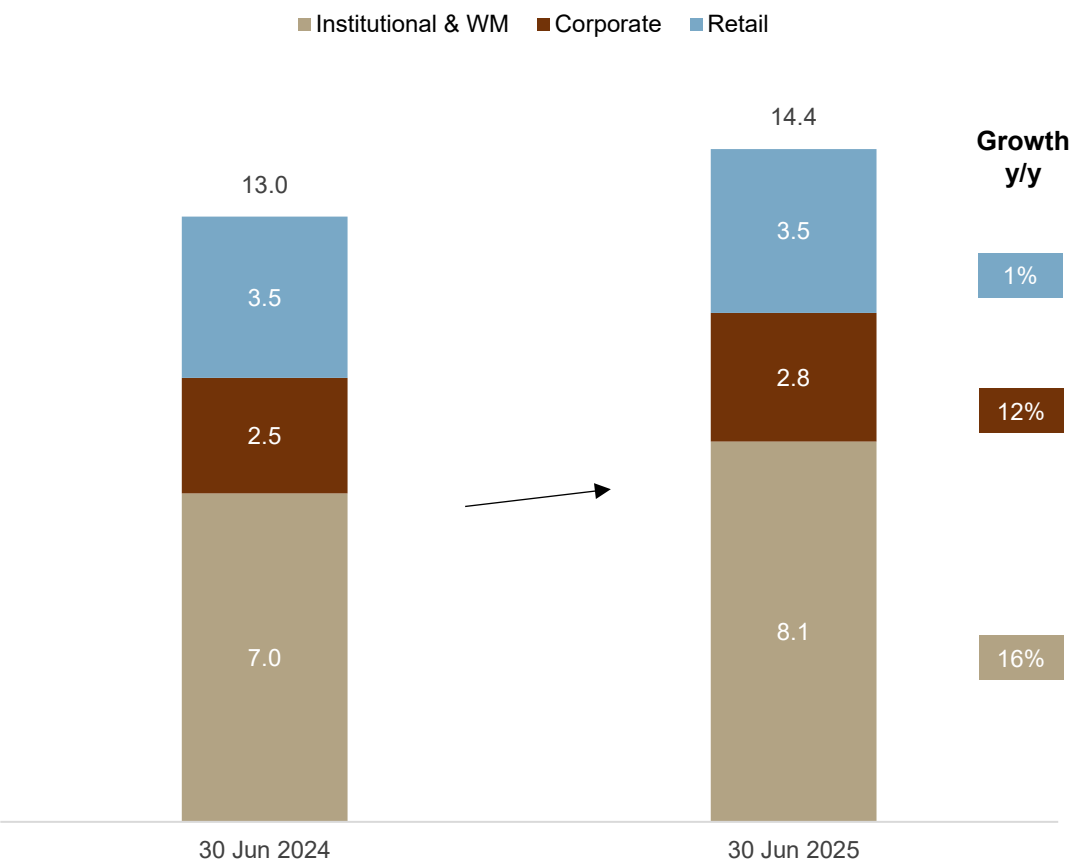
- Mainly unwinding of the transitional measure, P/L of "Other segment" and change of the SA

\*Item "Organic capital generation" does not include capital release part, i.e. target solvency ratio release in excess of 100% level. (1) SCR = solvency capital requirement.

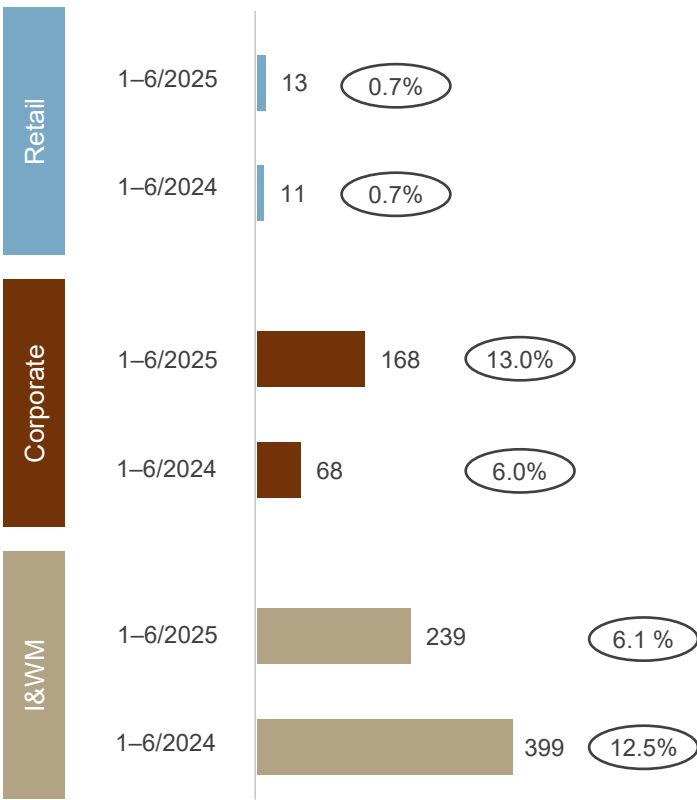


# Client AuM up 11% y/y, net flow reached EUR 164 million

CLIENT ASSETS UNDER MANAGEMENT (EURbn)



NET FLOW (EURm)

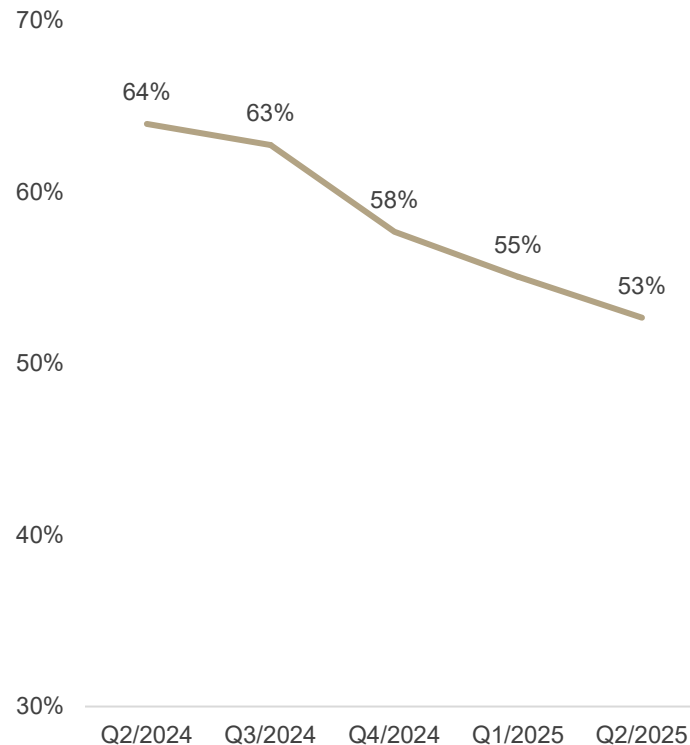


Net flows¹/ AuM on 31 Dec 2024 (EUR 14.0 bn)

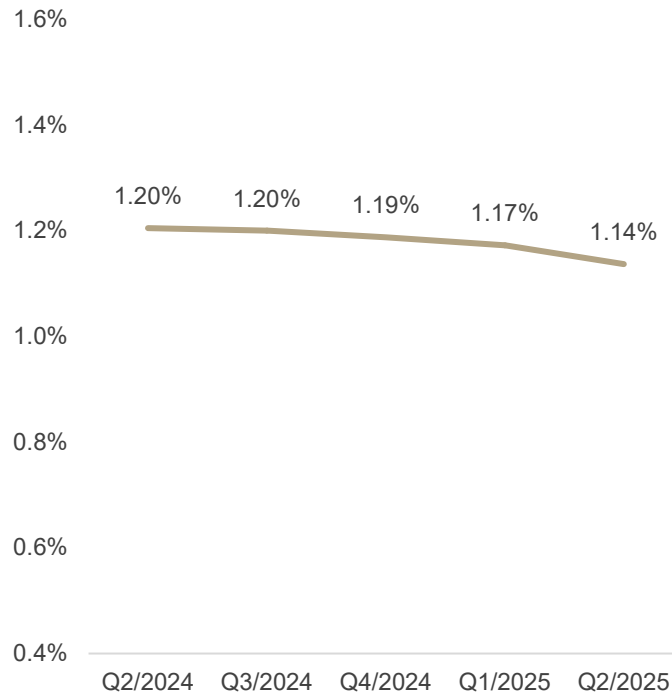
Note: (1) Based on annualised 1-6/2025 and 1-6/2024 net flows.

# Cost/income ratio down by 11 p.p.

**CLIENT AUM C/I RATIO (%)<sup>1</sup>**



**FEE MARGIN (%)<sup>1</sup>**



**FEE MARGIN**

- Fee margin down to 1.14% due to mix effects - strong growth in lower margin international institutional client business and personnel funds
- Standalone product margins largely unchanged

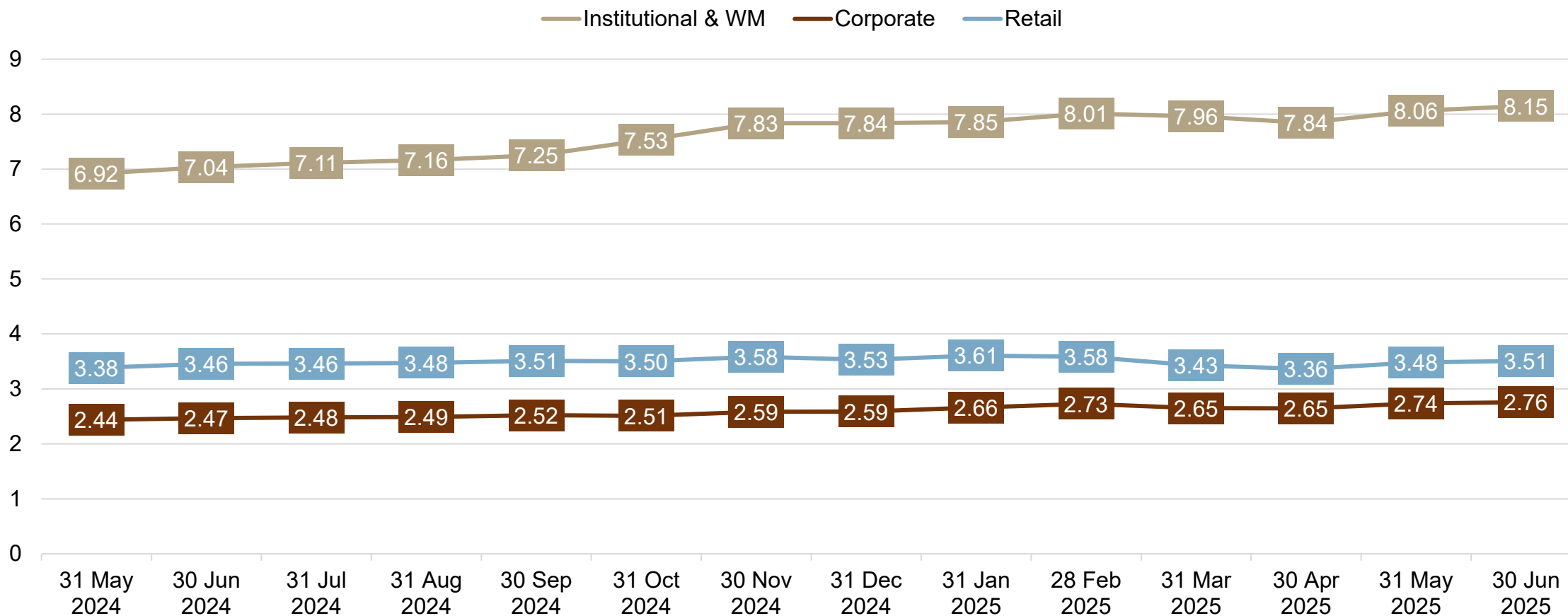
**COST/INCOME RATIO**

- Improved operational leverage → 12 months C/I-ratio down by 11 p.p.

Note: (1) Trailing twelve-months.

# AuM - U/L and 3rd party

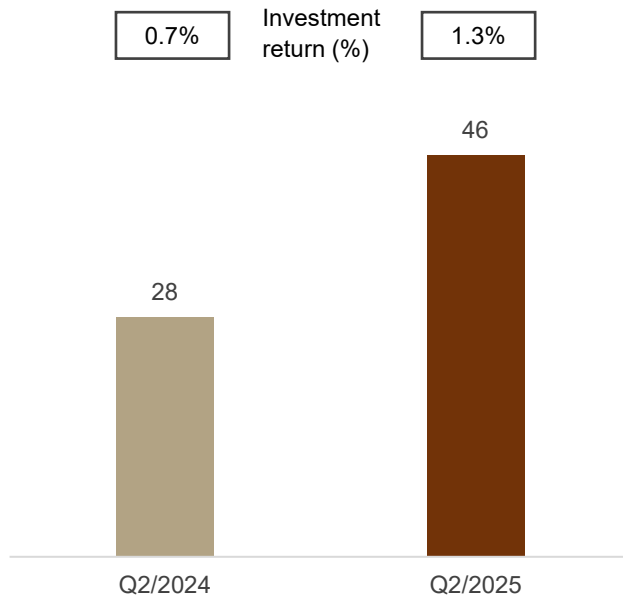
EoP (EURbn)





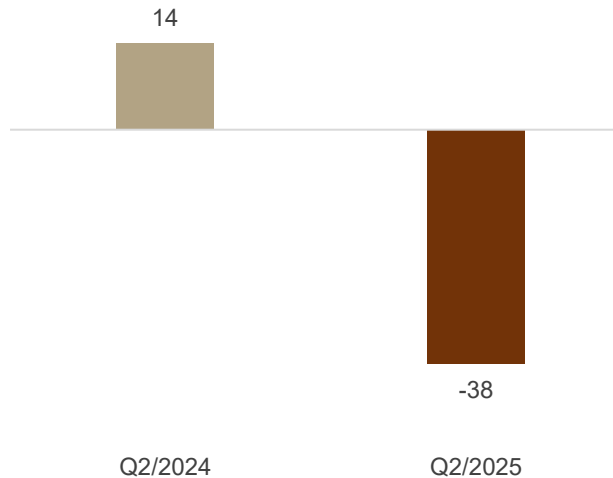
# With-profit net finance result negatively impacted by lower long rates

## INVESTMENT RETURN (EURm)<sup>1</sup>



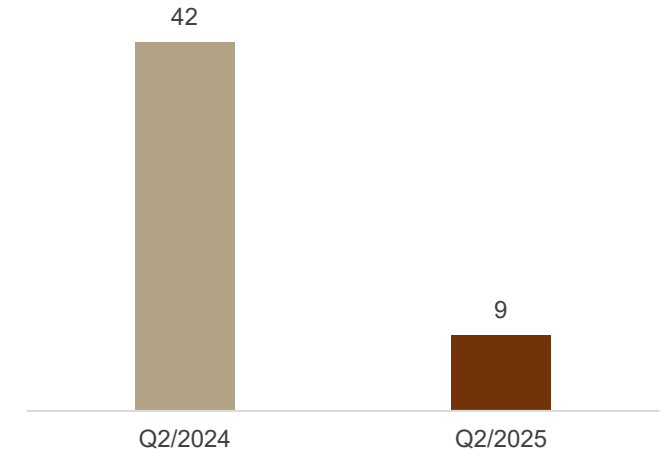
- Quarterly investment return +1.3%
  - Fixed income assets +1.6% (+1.7% incl. liability hedging)
  - Listed equities +1.1%
  - Private equity -0.6%
  - Private credit +2.5%
  - Real estate -1.9%

## COST OF LIABILITIES I.E. UNWINDING & DISCOUNT (EURm)



- Decreased discount rate had a EUR 25 (+33) million negative P&L impact in the quarter
- Unwinding cost EUR 12 (19) million

## WITH-PROFIT NET FINANCE RESULT (EURm)



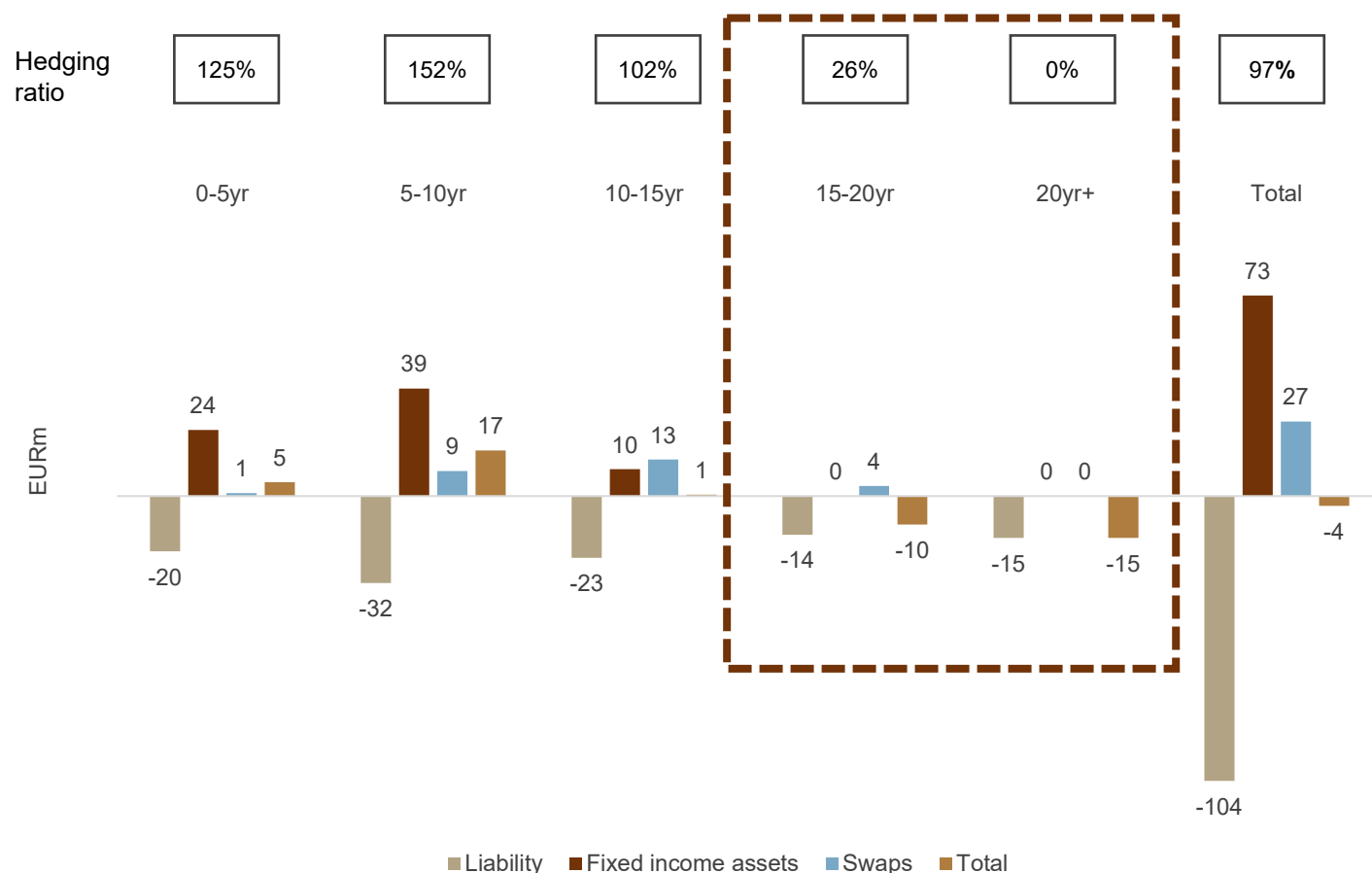
- Net finance result EUR 33 million down from Q2/2024 mostly due to higher cost of liabilities
- EUR -4 (5) million impact from private equity and real estate assets

Note: (1) Return % related to the original portfolio and comments also related to original portfolio.

# IFRS Liability and asset sensitivity (original portfolio)

Assets and liabilities are managed by alignment of assets and active management actions

## SENSITIVITY BY MATURITY BUCKETS, RATES DOWN 100BPS

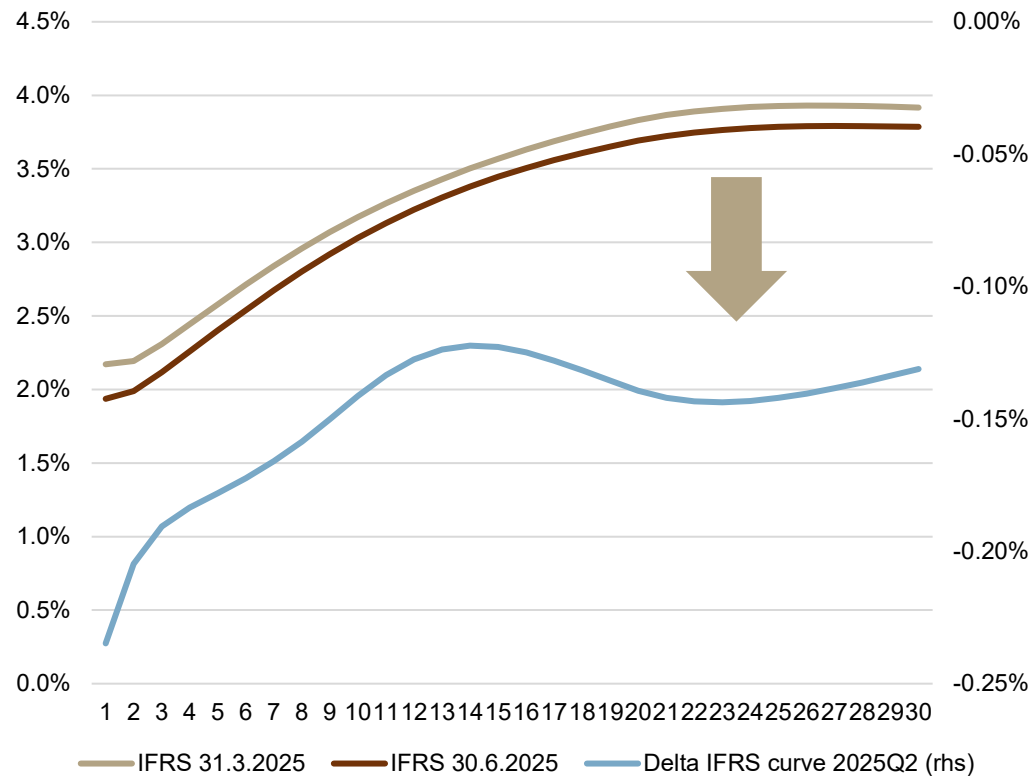


## COMMENTS

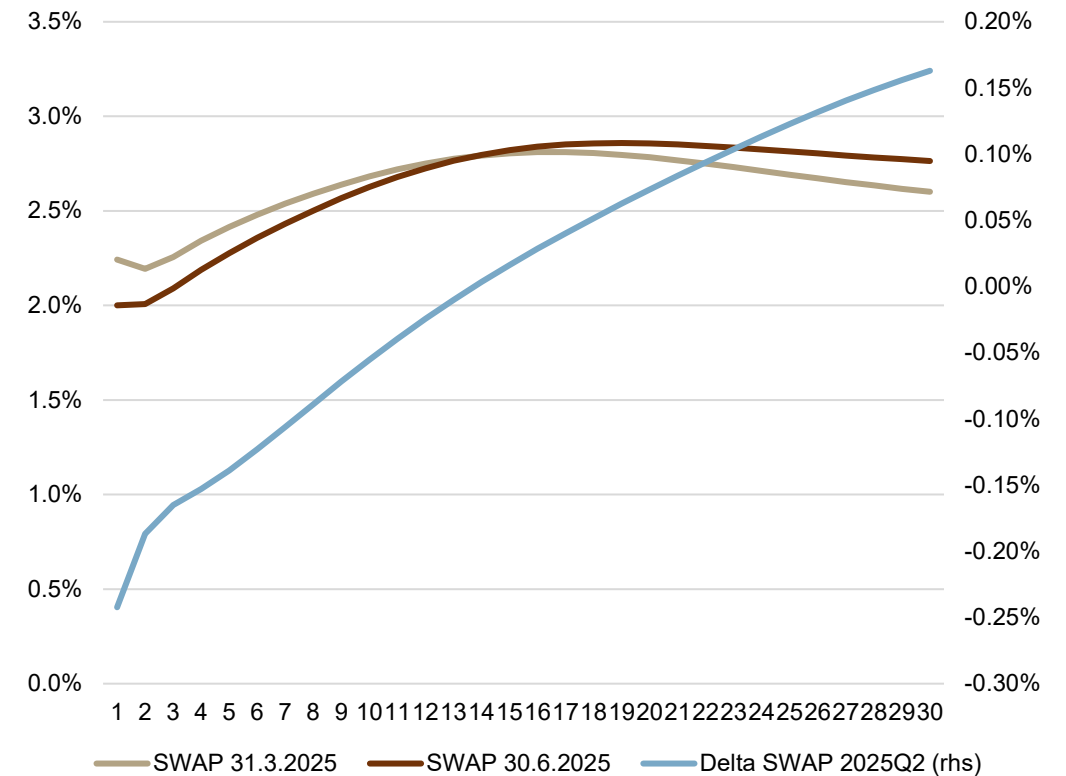
- Interest rate risk related to first eight years of liability cash flows covered by fixed income assets
- 8–20 years liability cash flows covered partially with swaps and fixed income assets
- Liability interest rate risk open for cash flows after 20 years but active liability side management actions in place to mitigate risk
- Total average hedging ratio 97 (88)%. Increase in hedging ratio mainly due to the higher fixed income weight in 5–15-year instruments

# IFRS discount rate vs. swap rates Q2 2025

## IFRS Q2 2025

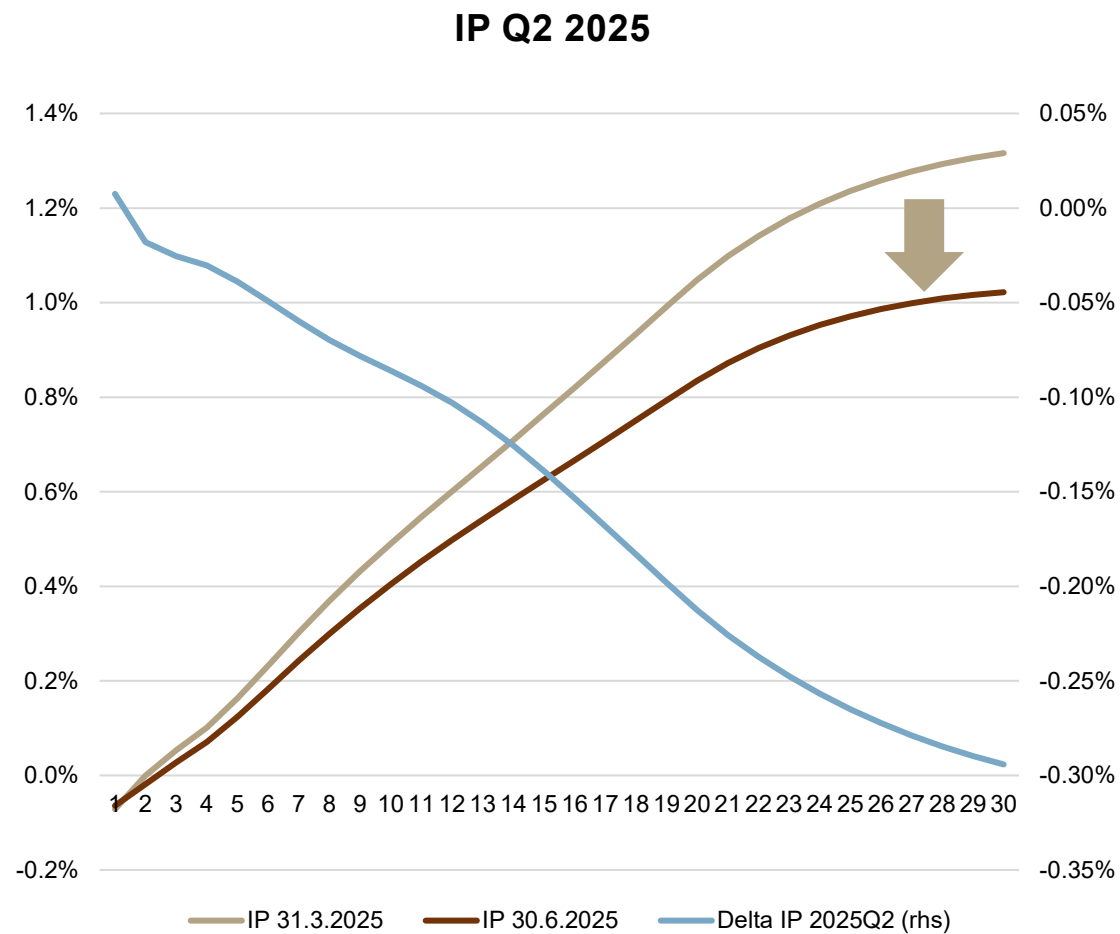


## SWAP Q2 2025



Discount rates for liabilities moving differently compared to asset swap rates during Q2

# IFRS Illiquidity premium Q2 2025







# Personal risk insurance products at Mandatum

Janne Sorainen, Chief Actuary

# Content of this presentation

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- Introduction
- Risk insurance market
- Mandatum personal risk insurance offering
- Earning logic
- IFRS 17 accounting of personal risk insurance products
  - New business CSM
  - Result related to risk policies

# Introduction to the result related to risk policies, i.e., personal risk insurance products' result

RESULTS							
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Other result	-8.0	-5.9	-36%	-18.9	-6.3	n.m.	-24.7
Total profit before taxes	34.2	75.8	-55%	96.1	122.7	-22%	202.9

## Background

- **Result related to risk policies** is reported quarterly and is part of the capital-light profit before taxes.
    - It is relative volatility on a quarterly level due to the nature of the personal risk insurance business.
  - The comparability between the years 2025 and 2024 is affected by the result related to the insurance portfolio transferred to If in 2024.
    - The result from If portfolio's risk products was EUR 6.4 million in Q2 2024 and EUR 7.4 million in H1 2024.
- The following slides describe details related to the personal risk insurances, such as the risk insurance market, product characteristics and dynamics of the IFRS 17 P&L.

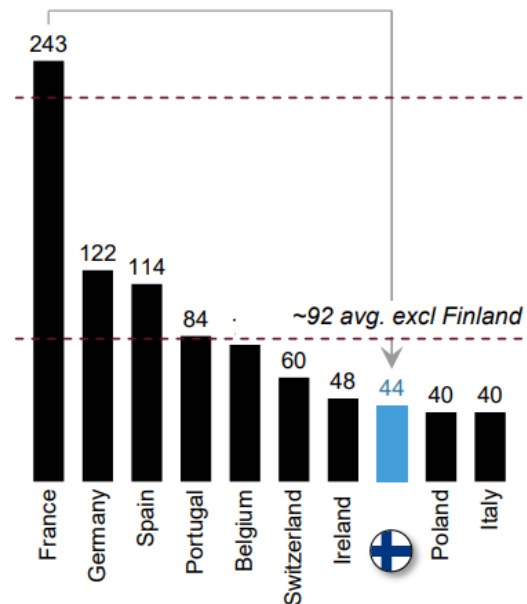


# Risk insurance market: Increasing need for personal risk insurances in Finland

## Finland underinsured compared to other European countries

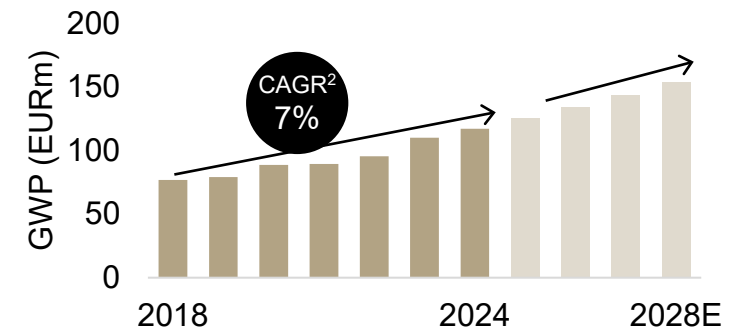
Finland with 44 EUR "risk density"<sup>1</sup> vs other EU<sup>2</sup> avg.

Risk insurance density<sup>1</sup>, EUR 2023



- **92% of the individuals do not have term life insurance\***
  - The average cover around EUR 73,000 for those having term life insurance.
- **Protection offered by the public sector is not fully trusted\*\***
  - Confidence in the adequacy of statutory social security has declined compared to previous studies.
  - 73% of respondents believe that in the future, citizens will increasingly have to cover the cost of services themselves, for example through private insurance or by preparing for them in other ways.

## Finnish corporate risk insurance market growing – Mandatum drives sales-led market expansion



## Mandatum is a major player in risk insurance market

### Corporate risk insurance

Own distribution  
>25% market share

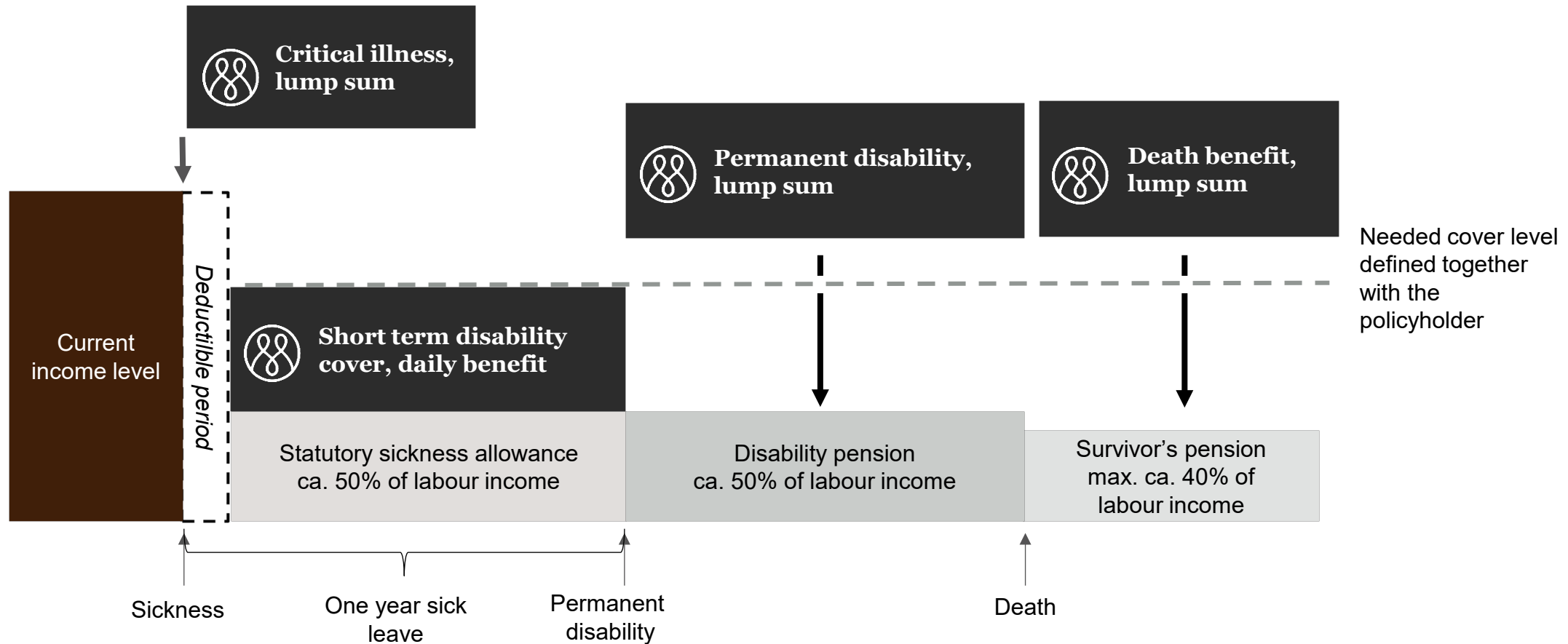
### Retail risk insurance

Strong distribution channels (Danske & Pohjantähti)

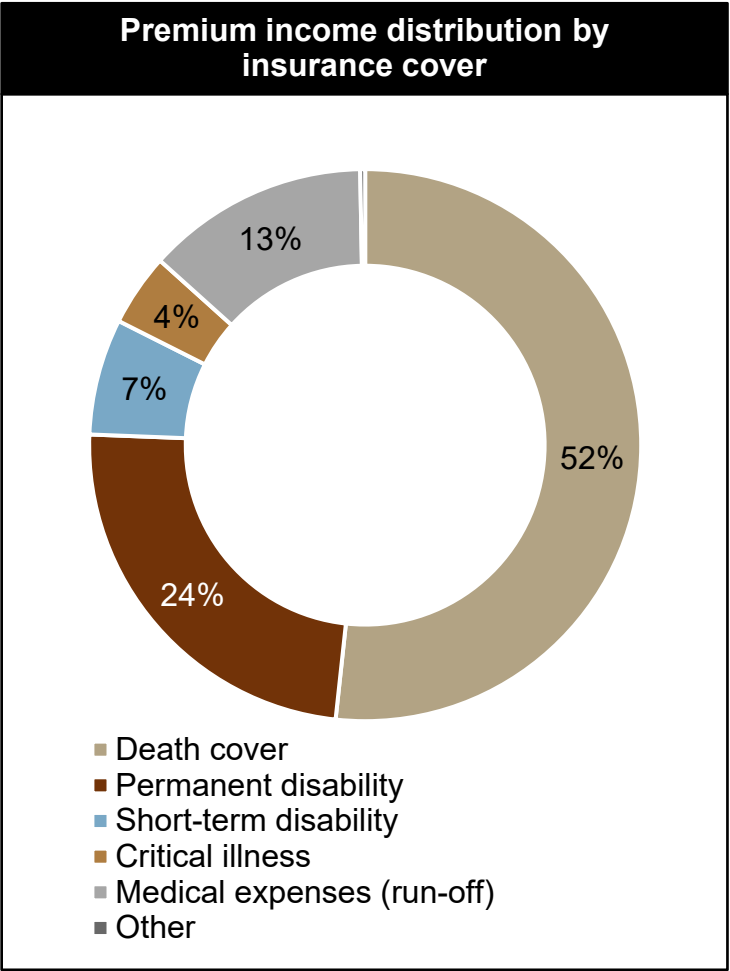
1) Risk density means insurance premiums per capita.. (2) Finance Finland. \*) ETLA, The Life Insurance Gap in Finland, 2022, \*\*) FA, Vakuutustutkimus, 2022



# A wide range of products for all life and health risk events



# Mandatum's personal risk insurance offering



## RISK INSURANCE COVER OFFERING

Death cover	Permanent disability cover
Benefits from the lowering mortality trend	Customer selection emphasised
Highly profitable	Highly profitable

Short-term disability cover	Critical illness cover
Customer selection emphasised	Limited risk due to 80% quota share reinsurance
Profitable	Profitable

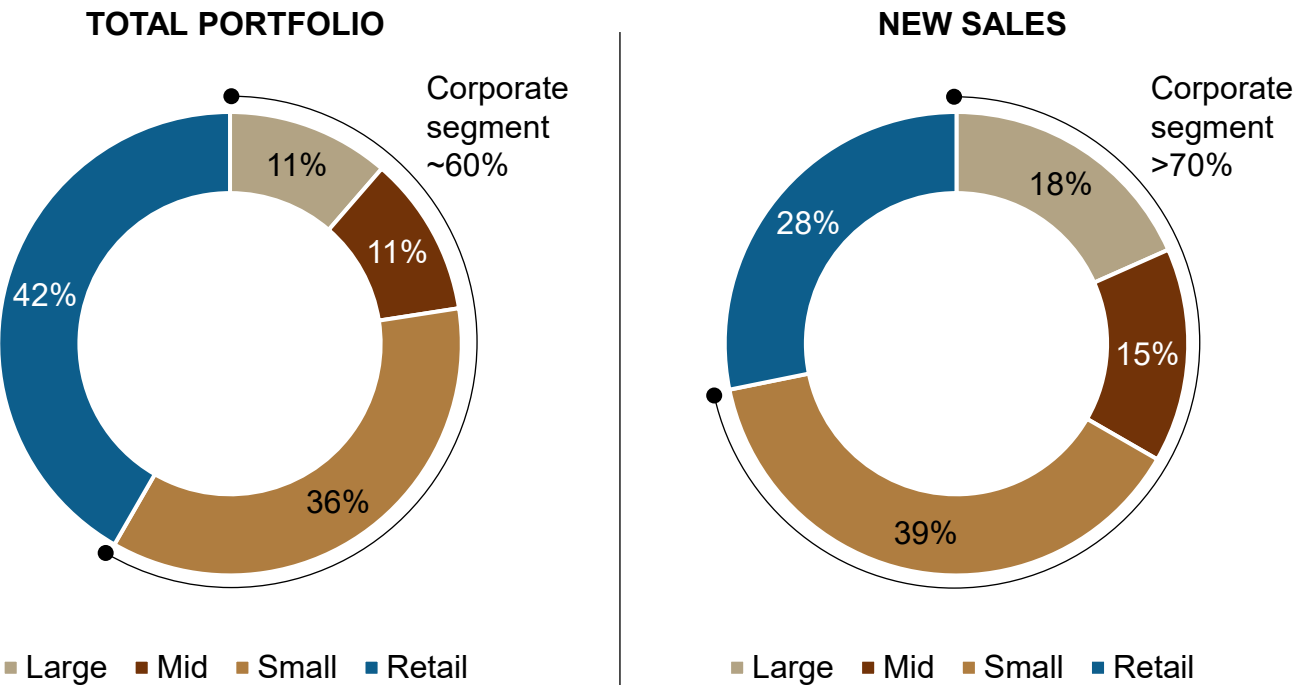
Medical expenses cover
In run-off since 2020 Claims ratio over 100%

# Mandatum provides personal risk insurance covers to corporates, entrepreneurs and individuals

## CLIENT SEGMENTS

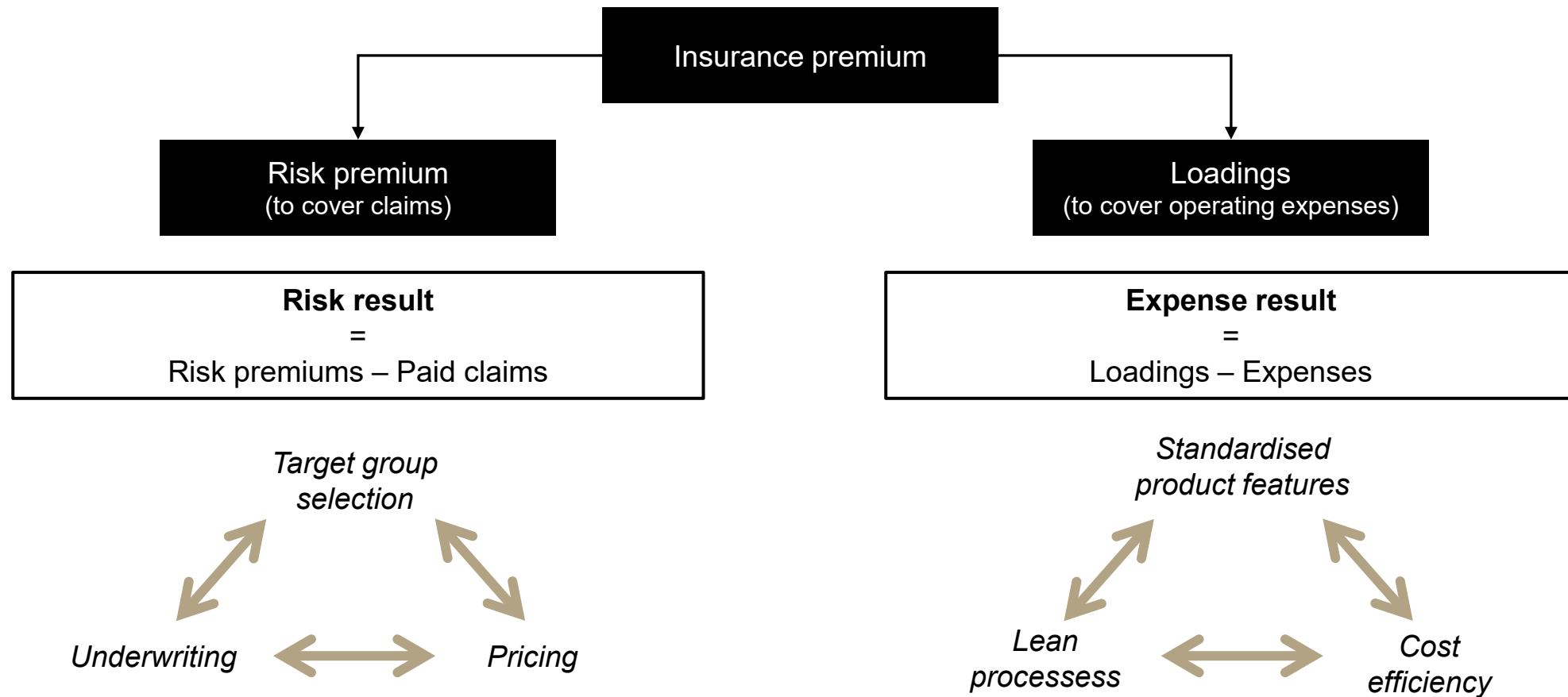
Large corporates			
Own distribution	Global players Brokers	Tighter margins	
Mid & small corporates			
Own distribution	Mostly local players and local brokers	Higher margins	
Retail clients			
Danske Bank and Pohjantähti Mutual Insurance Company	Local players	Sales mostly together with P&C or mortgage offering	Higer margins

## Risk insurance premium income distribution between client segments



# Earning logic – on a conceptual level profitability is determined as follows...

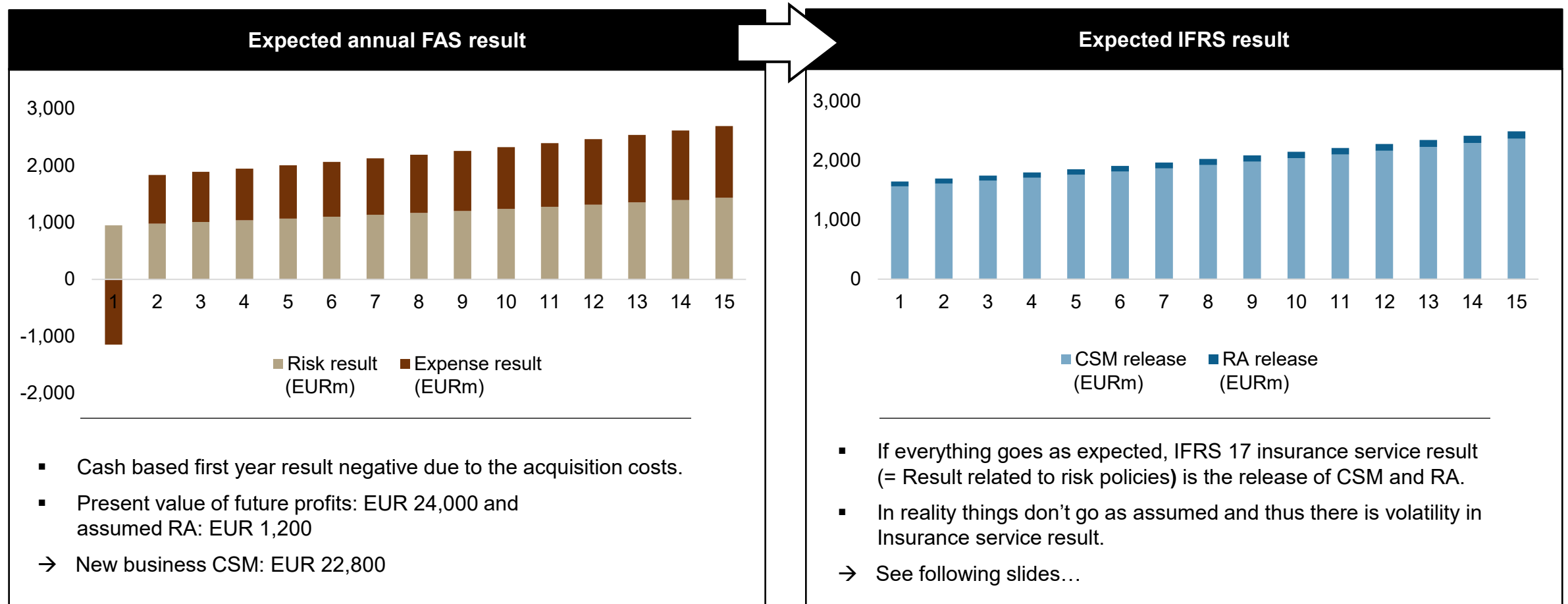
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# From earning logic to IFRS 17 accounting

Expected cash flows of new risk policy and how it translates to IFRS 17 – **illustrative example**



Note: RA = Risk Adjustment, CSM = Contractual Service Margin. \*) Insurance service result = Result related to risk policies in segment result

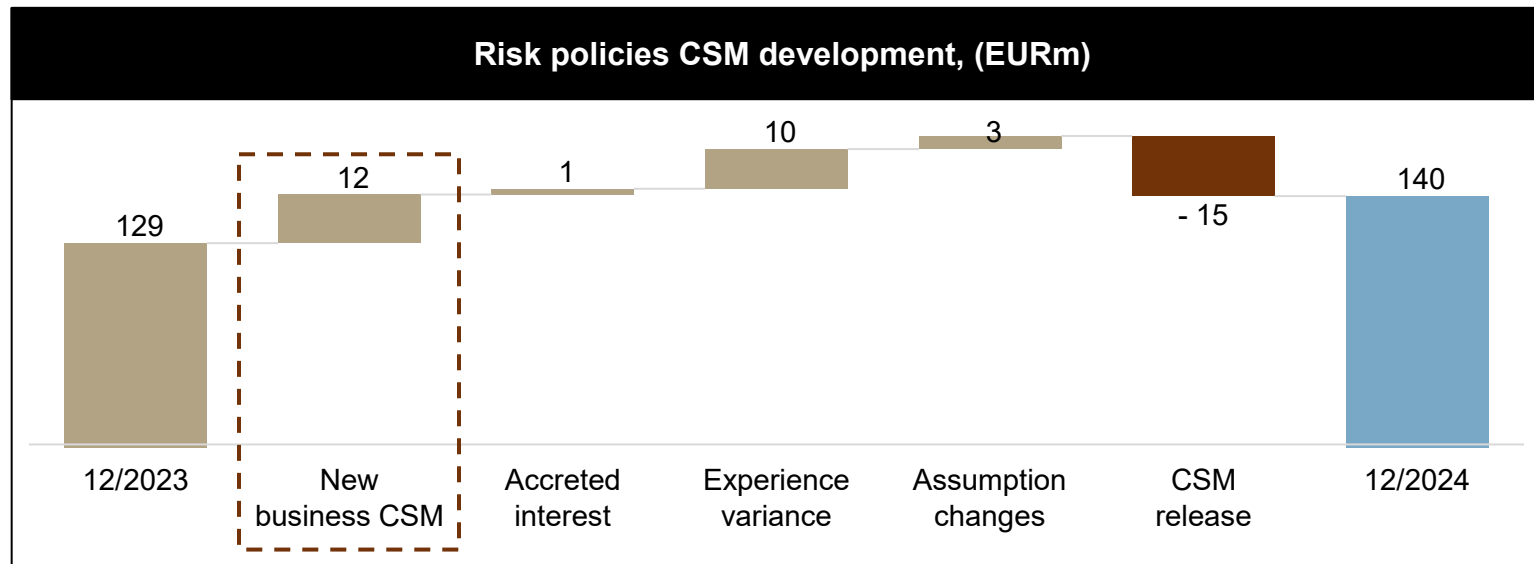
# IFRS 17 accounting of personal risk insurances – Result related to risk policies

Expected Result related to risk policies is roughly the expected release of CSM and RA deducted by reinsurance and pooling settlements.

**In practice**, the result related to risk policies (Insurance service result) is as follows:

	=	CSM and RA release	+/-	Experience variance	+/-	Other	+/-	Reinsurance impact on result
<b>Result related to risk policies</b>  <b>(Insurance service result)</b>		<ul style="list-style-type: none"> <li>Expected to be around 9-10% per year of the CSM and RA</li> <li>Coverage units define the speed of the release (based on paid and expected claims)</li> </ul> <p>→ Volatility in claims creates volatility in coverage units and in CSM+RA release.</p>		<ul style="list-style-type: none"> <li>Experience variance is the difference between expected and actual cash flows (claims and operating expenses)</li> </ul> <p>→ Naturally volatile in shorter time periods.</p>		<ul style="list-style-type: none"> <li>Actuarial changes in IBNR liabilities and impact of cash flows that are outside of contract boundaries etc.</li> </ul>		<ul style="list-style-type: none"> <li>This contains reinsurance contracts and pooling arrangements impact on result</li> <li>Cash flow items in IFRS 17 P&amp;L are calculated as a gross from reinsurance and pooling. Because of this, impact of reinsurance and pooling is considered separately in this item.</li> </ul>

# IFRS 17 accounting of personal risk insurances – reporting



- Comments**
- CSM arising from the new sales of risk policies is reported quarterly in the Investor Presentation where the development of the total CSM is shown.
  - Result related to risk policies is split in two parts
    - CSM + RA release
    - Sum of other insurance service result components.

**P/L**

**RESULTS 1–6/2025**

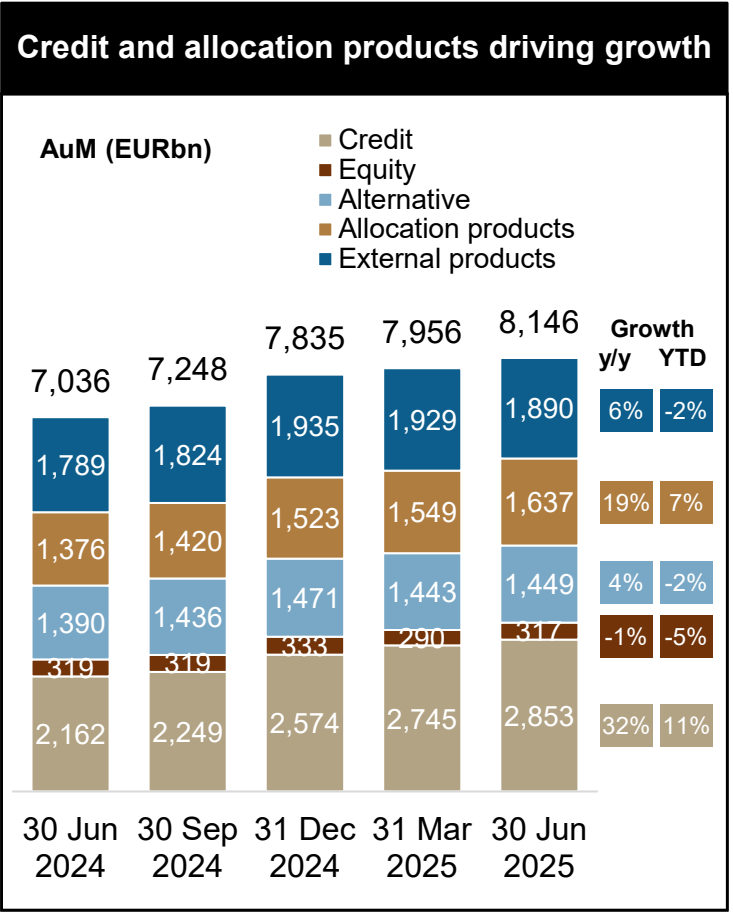
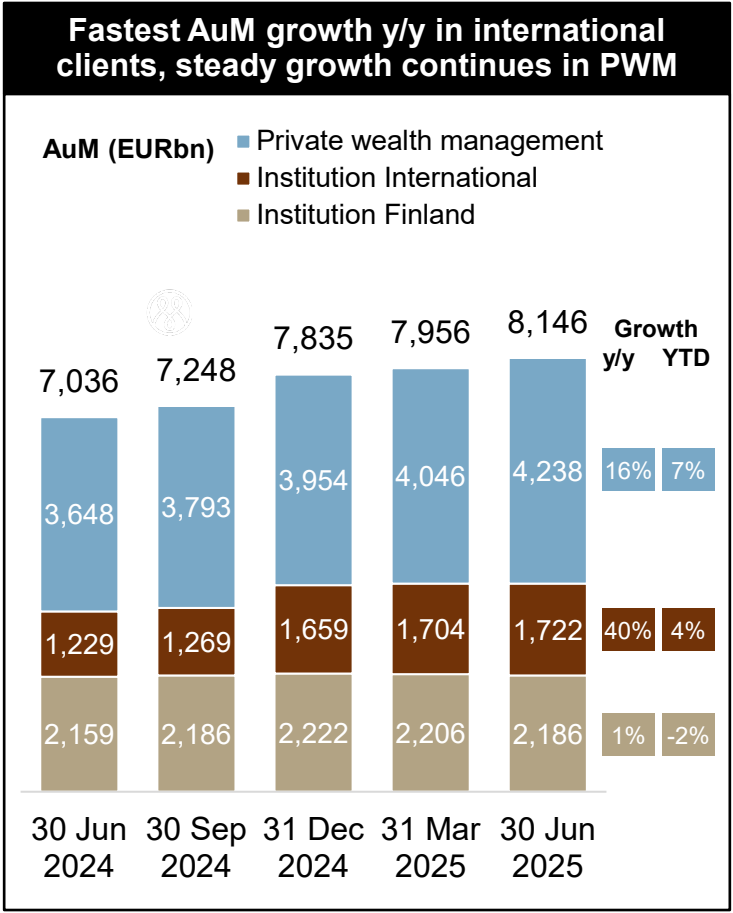
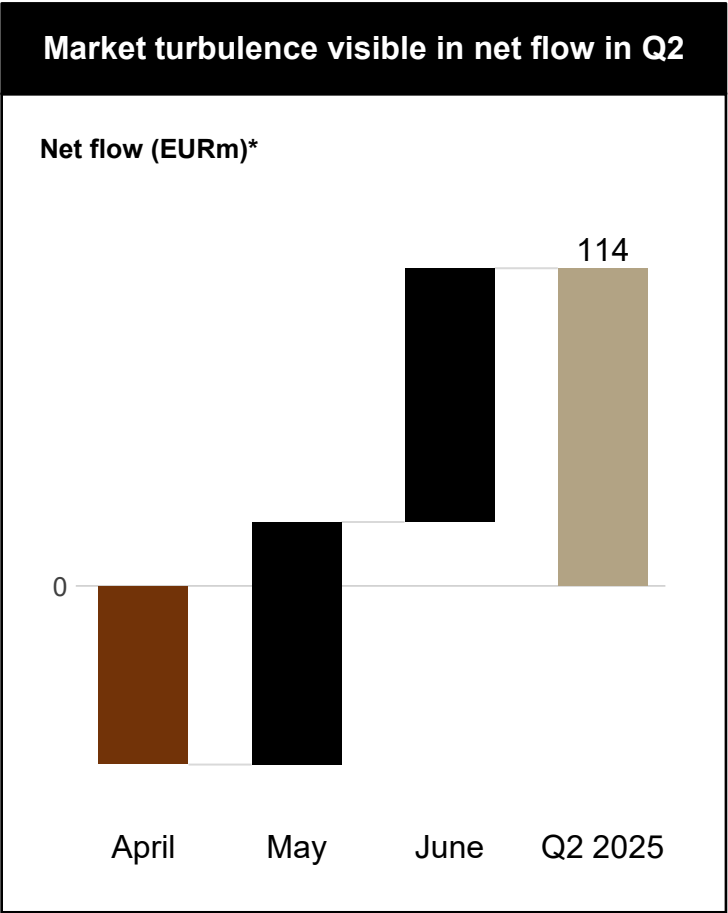
EURm	I&WM <sup>3</sup>	Corporate	Retail	Capital-light	With-profit	Other	Total	Capital-light 1–6/2024	Total 1–6/2024
<b>Result related to risk policies</b>	-	1.9	2.5	4.3	-	-	4.3	14.1	14.1
CSM <sup>1</sup> and RA <sup>2</sup> release	-	3.6	1.6	5.2	-	-	5.2	13.1	13.1
Other insurance service result	-	-1.8	0.9	-0.9	-	-	-0.9	1.0	1.0

# International growth of the asset management business

Janne Sarvikivi, Head of Institutional & wealth management segment



# Performance in Q2/H1 – difficult April, strong recovery in May-June



\* Illustrative

# Example: Mandatum Credit Strategies

Mandatum credit strategies YTD 2025 performance and European credit market aggregates

Mandatum Credit Strategies									
<u>YTD 7/2025</u>	Fixed Income Total Return	Nordic High Yield	European High Yield	Senior Loan Strategy *	UI-MAM Senior Secured Loan Fund	Opportunistic Loan Strategy *	European Leveraged Loan Index	European High Yield Bond Index	European Investment Grade Index
Gross return (before fees and expenses)	+3.3%	+5.1%	+1.7% (launched 5/2025)	+4.2%	+4.1%	+6.1%	ELLI +2.9% CS UBS +2.9%	+4.0%	+2.1%
	+6.2% (2024)	+9.2% (2024)	na.	+9.0% (2024)	+8.9% (2024)	+11.0% (2024)	+8.9% (2024) +8.6% (2024)	+8.6% (2024)	+4.3% (2024)
Market value of investments (weighted avg.)	99.3	99.0	97.3	98.6	99.0	94.5	97.8	na.	na.
Yield-to- maturity (YTM incl. cash, post hedging)	3.9%	6.1%	7.8%	7.0%** (7.1% with forward curve)	6.8%** (6.9% with forward curve)	10.8% (10.9% with forward curve)	6.3%	5.4%	3.1%
Duration	4.0	2.0	1.8	0.6	0.6	0.8	0.3	3.4	5.0
Coupon	3.8%	5.7%	5.9%	6.9%	6.8%	8.6%	na.	na.	na.
AUM (post net subscriptions)	€1.54bn	€894m	Seed capital	€689m	€674m	€162m	na.	na.	na.

Source: Bloomberg, Mandatum Asset Management, ICE BofA, Pitchbook Data Inc.. Data as of 31 July 2025. Notes: \*) These strategies are offered to clients through unit-linked insurances issued by Mandatum Life Insurance Company Ltd. \*\*) Yield-to-Maturity in euros for MAM credit strategies including cash buffer and based on average target cash buffer of c 3-5%. In brackets for floating rate loan strategies, we have added an indicative estimate of the yield-to-maturity taking into account base rate forward curve (Bloomberg), also including cash buffer and post hedging. Disclaimer: Past performance does not predict future returns. All products presented in this performance comparison are MAM's credit strategies that invest in loans/bonds. The investment object of the credit products may vary or be more restricted (e.g. Nordic fixed income investments) or the investment strategy can focus on different types of fixed income products with different risk profiles. Comparison between credit products is for illustrative purposes only and a comprehensive comparison requires a prudent review of all the characteristics of the products, which, in addition to the comparison of returns, consider other characteristics of each product (found in the official documentation). The credit products are not managed in reference to a benchmark and comparison to indices for illustration purposes only.



# Example: Broad expertise across different credit segments

Mandatum credit platform	Investment grade credit	High yield bonds	Leveraged loans	Opportunistic credit	Private debt
<b>CLIENT OFFERING</b> YTM <sup>1</sup> (7/2025) AUM (7/2025) Liquidity Structure	<b>MONEY ABS</b> 2.4% EUR 477m Daily Investment basket <sup>4</sup>	<b>NORDIC HY FUND</b> 6.1% EUR 894m Daily UCITS fund	<b>SENIOR LOAN STRATEGY</b> 7.0% EUR 689m Monthly/quarterly <sup>2</sup> Investment basket <sup>4</sup>	<b>OPPORTUNISTIC LOAN STRATEGY</b> 10.8% EUR 162m Closed-end Investment basket <sup>4</sup>	<b>PRIVATE DEBT PROGRAM</b> - EUR 1.5bn <sup>3</sup> Closed-end Investment basket <sup>4</sup>
	<b>FIXED INCOME TOTAL RETURN</b> 3.9% EUR 1.54bn Daily Invest. Basket <sup>4</sup> / UCITS fund	<b>EUROPEAN HY FUND</b> 7.8% Seed & early bird capital Daily UCITS fund	<b>SENIOR SECURED LOAN FUND</b> 6.8% EUR 674m Monthly/monthly <sup>2</sup> Lux RAIF		

The information contained herein presents Mandatum's investment knowledge and expertise and it should not be deemed as marketing of any of the investment products mentioned. All investments include risks and should be carefully considered before any investment decision. (1) YTM post FX hedging costs; note: some yield values may have been calculated differently from other yield values in the presentation to better reflect market conditions; (2) Subscriptions/redemptions; 1-month notice period for redemptions; (3) Incl. commitments; (4) Products offered to clients as investment baskets through Mandatum Life Insurance Company's ("Mandatum Life") unit-linked insurances. Mandatum Life owns the investment baskets and issues unit-linked insurances. MAM acts as an asset manager & insurance agent for its sister company Mandatum Life.

## Strategic Priorities 2025–2028

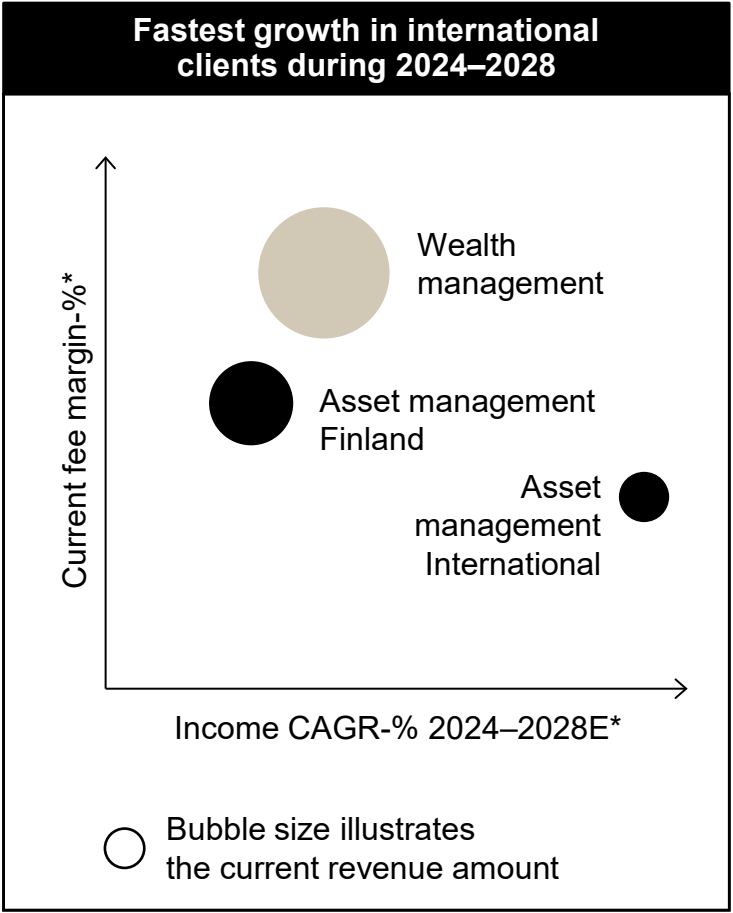
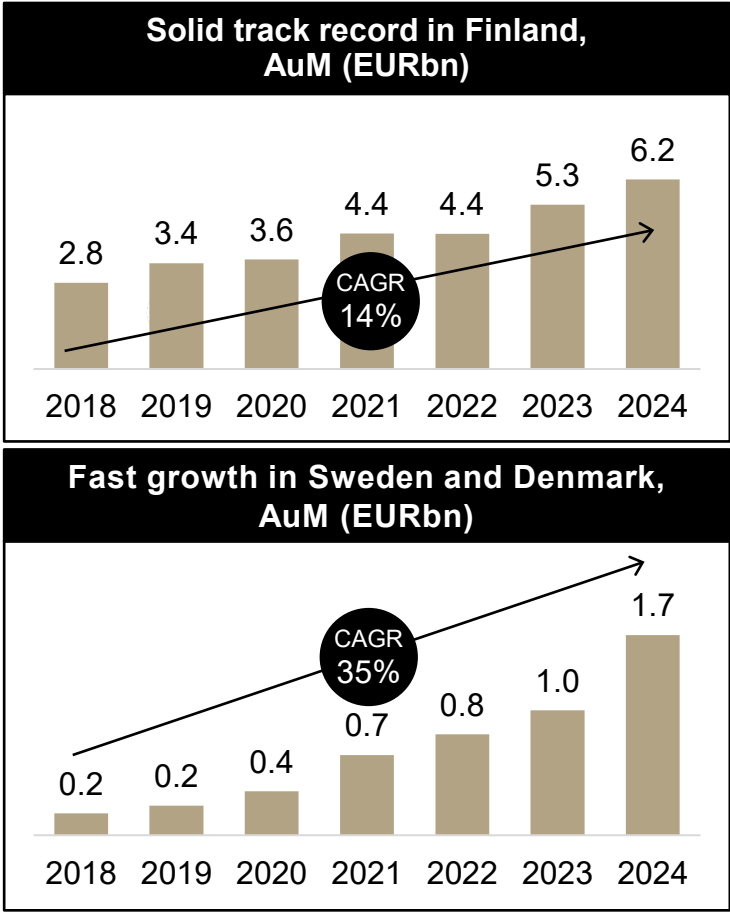
ACCELERATE  
INTERNATIONAL  
GROWTH IN ASSET  
MANAGEMENT

ENHANCE  
THE PRODUCT OFFERING  
TO SUPPORT GROWTH

DOUBLE  
THE MARKET SHARE  
IN PRIVATE WEALTH  
MANAGEMENT

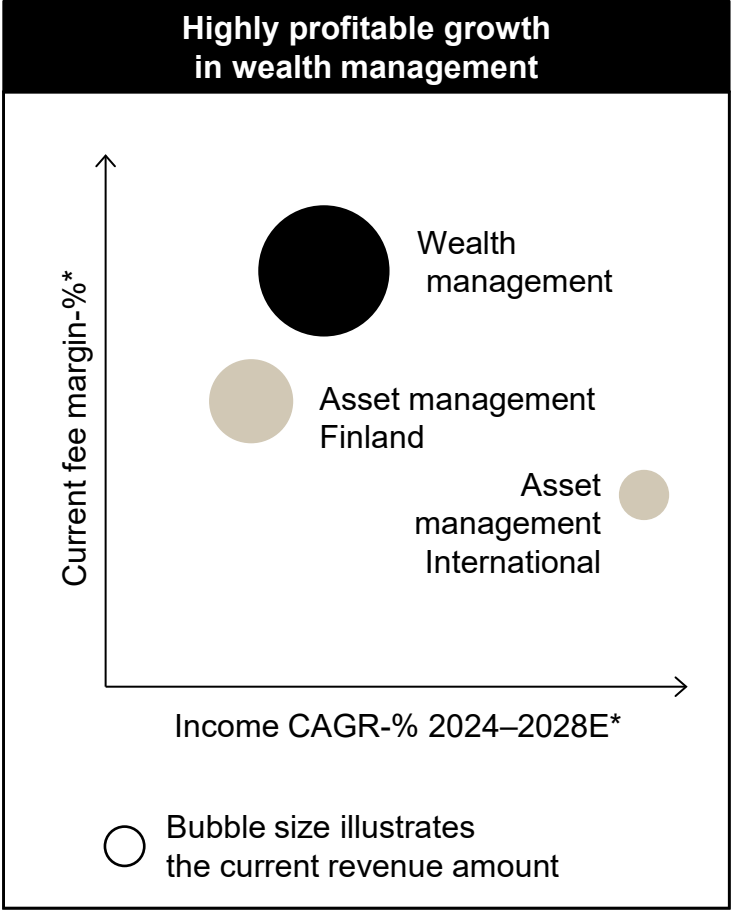
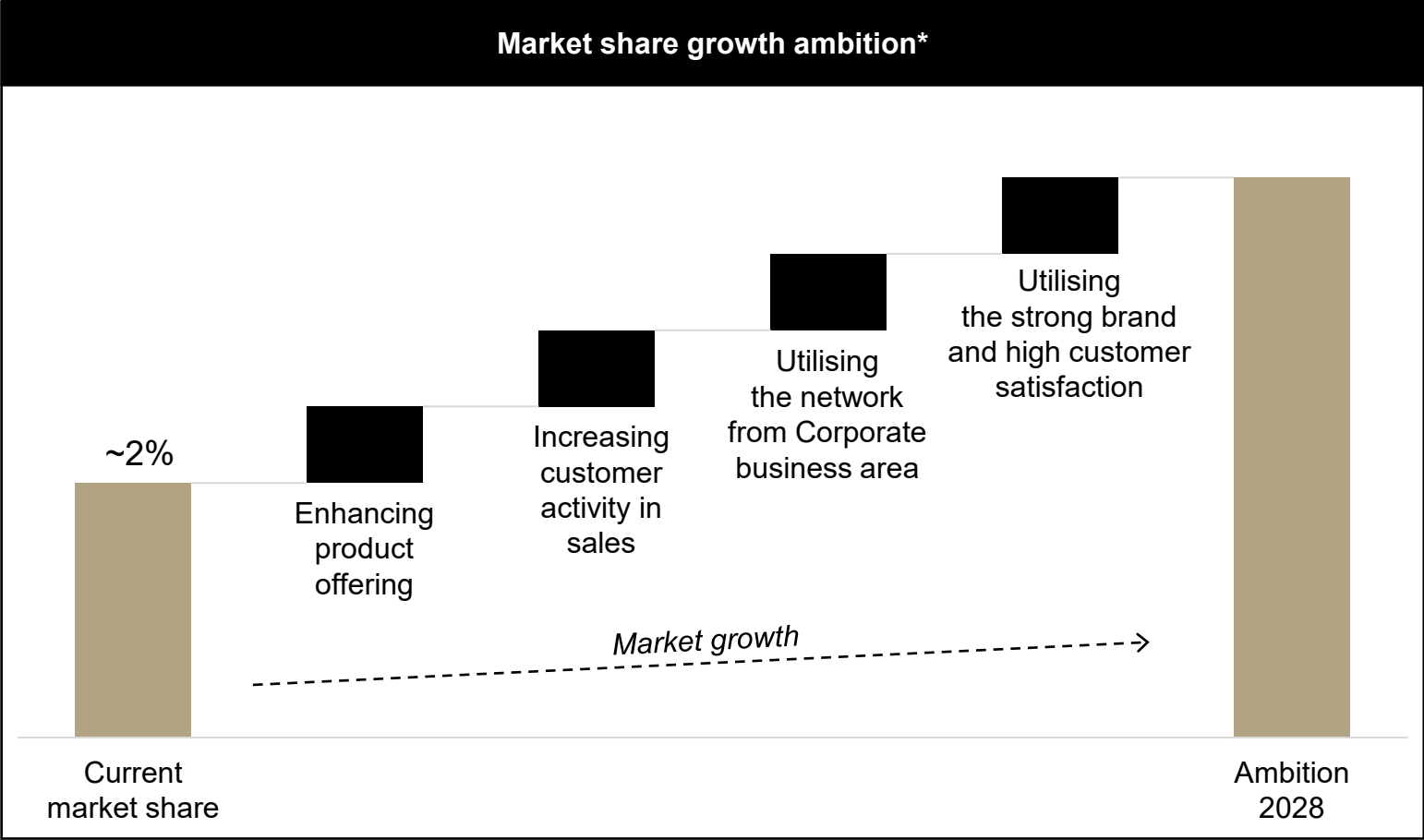


# Accelerate international growth in asset management



\* Illustrative

# Double the market share in private wealth management



\* Illustrative

# Progress on key growth initiatives

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## International growth

- New clients, for example, from Norway and France
- Establishment of Luxembourg sales office ongoing
- New Continental European sales team recruitment ongoing
- Organisational changes to free up senior support capacity for international expansion
- Discussions ongoing with international placement agents

## Private wealth management growth

- Recruitment of new sales personnel ongoing

## Enhancing the product offering

- Development of new products ongoing



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