

A modern interior scene featuring a staircase with a dark metal handrail and a glass balustrade. A warm, glowing lamp with a ribbed shade is visible on the right. The background shows a window with a view of a city skyline.

Q3

INTERIM REPORT

January-September 2023
8th of November 2023



MANDATUM

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MANDATUM GROUP'S RESULT FOR JANUARY–SEPTEMBER 2023

- The Group's profit before taxes for the period increased to EUR 164.1 million (13.1¹). Growth was particularly seen in the net finance result, which was driven not only by a good investment return but also by a strong increase in the discount rate for insurance contract liabilities in the third quarter.
- The Group's fee result was EUR 39.2 million (37.1).
- Net flow for the period amounted to EUR 543.9 million (300.0) indicating an increase of 81 per cent compared to the prior year. During the same period, client assets under management increased by EUR 935.0 million to EUR 11.2 billion (10.3).
- The Group's Solvency II ratio amounted to 316.9 per cent (265.5; 31 December 2022). The strong result and the increase in the discount rate for with-profit technical provisions increased Mandatum's own funds and reducing investment risk lowered solvency requirements. The pro forma solvency ratio with dividend accrual was 236.6 per cent. (224.5% at the end of June).

KEY FIGURES

EUR million	1–9/2023	1–9/2022	Change	7–9/2023	7–9/2022	Change
Profit before taxes for the period ¹	164.1	13.1	151.0	83.9	-21.2	105.1
Fee result	39.2	37.1	2.1	12.7	18.7	-5.9
Net finance result	123.7	-27.6	151.44	67.2	-50.5	117.7
Result related to risk policies	9.9	3.9	6.0	7.4	-0.1	7.5
Other income	-8.7	-0.1	-8.6	-3.3	10.9	-14.2
Earnings per share € (Pro forma) ²	0.26	0.02	0.24	0.14	0.0	0.1
Equity per share € (Pro forma) ²	3.33	3.25	0.11			
Net flow	543.9	300.0	244.0	96.0	46.0	50.0
Return on equity ³ , %	10.4	0.9	9.5			

EUR million	1–9/2023	1–12/2022	Change
Client AuM	11,237.0	10,302.0	935.0
Solvency ratio, %	316.9	265.5	51.4
Cost/income ratio related to client AuM	65.0	67.0	-2.0

1) For the comparative period, comprehensive income items taken into account.

2) The number of shares used in the calculation of pro forma key figures corresponds to the number of shares after the partial demerger of Sampo Group on 2 October 2023: 501,796,752.

3) Annualized.

MANDATUM GROUP FINANCIAL TARGETS

Target		1–9/2023
GROUP-LEVEL TARGET		
Dividend	Mandatum aims to distribute cumulative dividends of EUR 500 million during 2024–2026.	-
Solvency ratio	Over the medium term, Mandatum is targeting a solvency ratio between 170 and 200%.	316.9% and pro forma 236.6% ² when taking into account dividend accrual
BUSINESS AREA SPECIFIC TARGETS		
Business related to the management of client assets		
Annual net flow	In the medium term, Mandatum targets net flow of 5 per cent of client AuM. ¹	Mandatum's net flows between 31 December 2022 and 30 September 2023 amounted to EUR 543.9 million, which was 5.3% of client AuM and 7.0% annualized.
Fee margin	Mandatum targets a stable fee margin	Mandatum's fee margin on 30 September 2023 was 1.2%.
Cost/income ratio (%)	Mandatum targets improving the cost/income ratio of managing client AuM.	Mandatum's cost/income ratio related to client AuM on 30 September 2023 was 65%. The cost/income ratio related to management of client AuM on 31 December 2022 was 67%.
With-profit business		
Insurance contract liability development	Mandatum is targeting the with-profit portfolio run-off with active portfolio management actions.	The with-profit insurance contract liability on 30 September 2023 was EUR 2,313 million, which is EUR 174 million lower than on 31 December 22 (EUR 2,487 million).

1) Based on client AuM at the beginning of the period.

2) The pro forma figure takes into account the effect of the partial demerger of Sampo plc on Mandatum Group's own funds and the effect of balance sheet rearrangements in accordance with the demerger plan to the extent that the transactions in question had not yet been completed by the end of the reporting period (Saxo Bank A/S, Enento Group plc and Kaleva Mutual Insurance Company's guarantee share). The dividend accrual is based on the time-weighted total amount of dividends paid for 2022 (EUR 150 million).

CEO'S COMMENT

The significant rise in interest rates has been one of the biggest changes in our operating environment over the past year. Central banks fighting against inflation have raised their key interest rates from negative or zero to 4–5 per cent, depending on the economic area. Gradually, inflation is easing from double-digit levels driven by raw materials, but core inflation is decreasing at a significantly slower pace. This keeps central banks' monetary policy tightening further. Economic growth, especially in the United States, has still surprised with its strength, but the growth prospects in Europe are deteriorating. In the Nordic countries, the real economic effects of rising interest rates have begun to manifest the most rapidly so far.



Mandatum's particular strengths lie in fixed income and loan investments, for which the market conditions are highly favourable. Mandatum has benefited from the high level of interest rates, especially in the form of better returns on fixed income investments and lower insurance contract liabilities. On the other hand, within the real estate market, the transaction activity has decelerated, and the present interest rate level does not favor a swift improvement in the situation. Despite the challenging operating environment, capital markets always offer opportunities for us and our investor clients, and of the main asset classes, opportunities are currently particularly available in the bond market.

Solvency at a record high

During July–September, Mandatum managed to sustain its positive growth trend in net flows and to maintain an active client interface despite the challenging operating environment. Net flows from the beginning of the year increased to EUR 544 million (300), which, together with the positive yield development on client assets, increased the total amount of client assets under management by EUR 935 million. Together these factors further increased the company's fee result.

Compared to the corresponding period last year profit before taxes for January–September increased significantly and was EUR 164 million (13). In particular, the result of investment activities increased, partly as a result of the rise in interest rates in July–September. The company's solvency position continued to strengthen and was at an all-time high level at the end of September.

Business areas

Institutional and wealth management clients

The third quarter of the wealth management business was strong in terms of both sales activity and yield development of products. By the end of September, the business area's net flows were at a higher level than in any previous full fiscal year. Mandatum's assets under management for loan investment products exceeded the EUR 1 billion mark at the end of September. Yield development of our core products was mainly good. This was positively reflected in both client assets and the business area's profits.

Corporate clients

The success of our corporate client business is strongly linked to the success of our client companies. The economic challenges have not yet significantly impacted the operations of our

clients, and as a result, the business area has continued a steady development path. Finnish companies are still competing for capable personnel, making solutions for employee engagement and compensation crucial in our corporate clients' strategies.

Retail clients

On September 15, Mandatum and Danske Bank announced that they will continue their long-term cooperation for the next five-year period, until the end of 2028. The new contract period provides an opportunity to further develop cooperation and solutions offered to the bank's clients.

Excellent starting point for the new

At the turn of September and October, the largest project of the past year, Mandatum's listing on Nasdaq Helsinki, was completed. The project was carried out on a tight schedule in accordance with the decisions of Sampo's Board of Directors. At the same time, the company's administrative structure was reformed to meet the requirements set for listed companies. As expected, trading activity was high as soon as trading began. Throughout the initial week, more than 160 million Mandatum shares were traded, which is nearly a third of the company's total shares. A huge thank you to Mandatum employees, valued shareholders, and all other contributors who facilitated Mandatum's seamless transition into a public listed company.

I believe that our way of operating, skilled personnel and strong client satisfaction will support our efforts in achieving our goals in a changing operating environment.

Petri Niemisvirta

Chief Executive Officer

FINANCIAL HIGHLIGHTS IN JANUARY– SEPTEMBER 2023

Mandatum Group's profit before taxes for the reporting period increased by EUR 151.0 million to EUR 164.1 million (13.1). All the company's key profit components, including the net finance result, increased compared to the comparative period.

In January–September, Mandatum's fee result increased by 5.4 per cent compared to the comparative year and amounted to EUR 39.2 million (37.1). The average client assets during the reporting period were approximately 3 per cent higher than the client assets in the comparative period. The fee result for the comparative period includes EUR 8.5 million in non-recurring performance-related fees. On the other hand, the result for the comparative period was negatively impacted by a EUR 3.3 million increase in the loss component, with EUR 1.5 million subsequently recovered through profit or loss during the reporting period. During the reporting period, client AuM increased by EUR 935 million. Client AuM increased due to both net flows of EUR 544 million and a positive market return on client assets. The fee margin of 1.2 per cent and the cost/income ratio of 65 per cent related to client assets under management remained at the same level as the comparative period.

During the period from January to September, institutional and wealth management segments played a pivotal role in driving substantial growth in client assets under management. Notably, the most rapid expansion was observed within the categories of foreign institutional clients and ultra-high-net-worth clients. The growth in the wealth management segment was supported by strong collaboration between corporate sales and wealth management. AuM growth was strongest in fixed income products. In the context of retail clients, we announced, as of 15 September 2023, the extension of Mandatum's partnership with Danske Bank for an additional five-year term. This new agreement lays a strong foundation for the ongoing development of our collaborative efforts.

The net finance result related to with-profit business increased to EUR 118.7 million (-27.6). The investment return was 3.6 per cent (-10.5) and for segregated investment assets, it was 4.6 percent (-7.8). In addition to the good investment return, the increase in the discount rate for insurance contract liabilities supported the net finance result, increasing the net finance result particularly in the third quarter. Mandatum Group's other interest income was EUR 5.0 million, raising the Group's net finance result to EUR 123.7 million.

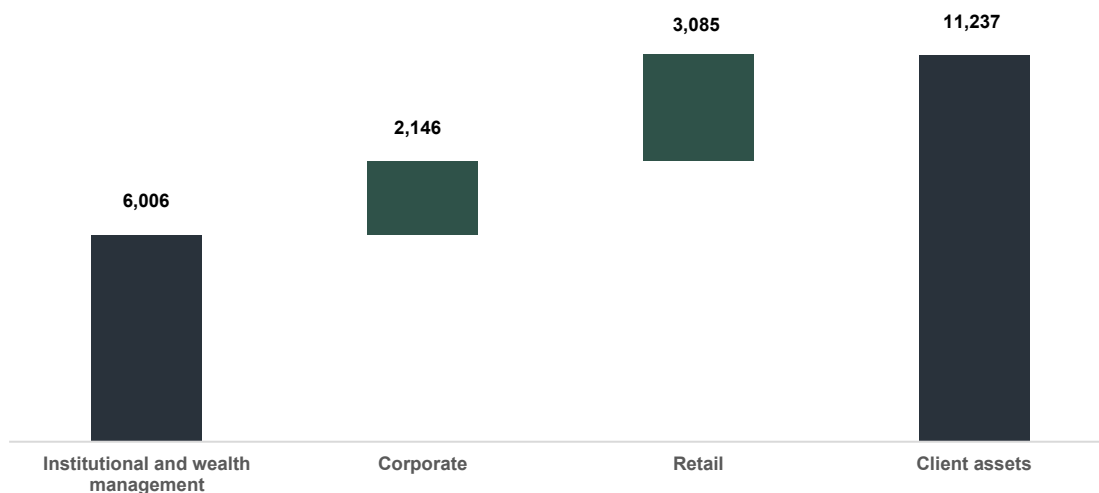
The company significantly reduced its investment risk during the first half of the year. The most notable change is the reduction in the original portfolio's equity allocation from 19.9 percent to 8.3 percent. This change in risk level lowered the company's capital requirements by 135 million euros during the first three quarters of the year, which is equivalent to 14 percent of the year-end capital requirements.

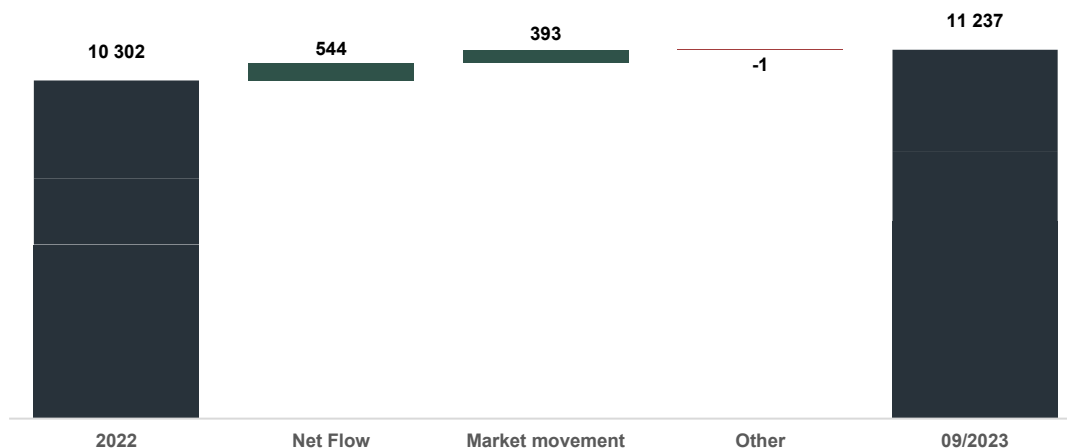
The result for risk life insurance was EUR 9.9 million (3.9). In September, Mandatum announced the termination of distribution cooperation with If P&C Insurance Plc (If) and the transfer of the portfolio of risk insurance contracts sold and managed by If. The portfolio transfer is expected to be completed by autumn 2024. The purchase price is EUR 17.5 million, of which approximately EUR 8 million increased the result for the first nine months, of which EUR 3 million affects the result of risk life insurance and approximately EUR 5 million affects the net finance result. The remaining contractual service margin for this portfolio is approximately EUR 10 million, which is

expected to be realised in the company's result between the end of September and the date of the portfolio transfer.

The key event during the period was Sampo's decision on the partial demerger and listing of Mandatum on 2 October. In connection with the partial demerger, the parties agreed on the transfer of Sampo's Saxo and Enento investments and some other smaller investments to Mandatum Holding. Sampo's ownership of Saxo Bank A/S is 19,43 per cent and of Enento plc is 12,15 per cent. The sales contract for the Saxo transaction was signed in September and the transaction is expected to be completed in the first half of 2024. The transaction is subject to regulatory approval. Sale of Enento plc shares is expected to be completed during November 2023.

MANDATUM'S CLIENT ASSETS UNDER MANAGEMENT, 30 SEPTEMBER 2023 (EUR MILLION)



**DEVELOPMENT OF CLIENT ASSETS MANAGED BY MANDATUM AFTER 31 DECEMBER 2021
(EUR MILLION)**


Mandatum's solvency ratio was 316.9 per cent on 30 September 2023, corresponding to an increase of 51.4 percentage points compared to the situation on 31 December 2022, when Mandatum's solvency ratio was 265.5 per cent. During the period, the development of Mandatum's own funds was fairly stable: the net finance result was good, and the rise in interest rates reduced technical provisions in accordance with solvency calculations, which contributed to the increase in Mandatum's own funds. The solvency capital requirement decreased during the period mainly due to a decrease in listed equity allocation covering the with-profit insurance portfolio. The decreased interest rate risk also reduced the solvency capital requirement. Considering the pro forma solvency ratio together with the time-weighted dividend accrual on 30 September 2023 was approximately 236.6 per cent. The difference from the official solvency ratio is due to the restructuring of Mandatum's balance sheet in connection with the partial demerger of Sampo, which is described in more detail under "Group solvency".

THIRD QUARTER 2023 IN BRIEF

Mandatum Group's profit before taxes for the third quarter was EUR 83.9 million. The comprehensive income for the comparative period was EUR 21.2 million negative. The most significant reason for the strong improvement in the result was the net finance result, which was EUR 67.2 million, while the comparable result for the comparative period was EUR 50.5 million negative. The investment return on the original portfolio assets was 0.5 per cent in the third quarter, and in addition to that, the increase in the discount rate of insurance contract liabilities improved the net finance result. For the comparative period, the return on investment assets was -2.3 per cent, which was only partially offset by the increase in the discount rate during the quarter.

The fee result for the third quarter was EUR 12.7 million (18.7). The fee result for the comparative period includes non-recurring fee income of EUR 8.5 million. Net flows for the quarter were EUR 95.9 million, which represents an increase of EUR 49.9 million from the comparative period (46.0).

The result related to risk policies for the third quarter was EUR 7.4 (-0.1) million. The growth was driven by the release of the contractual service margin (CSM) and risk adjustment (RA), and the result was EUR 6.2 million higher for the quarter compared to the comparative period. The share of the growth attributable to the portfolio transfer agreement signed with If was approximately EUR 3 million.

The solvency position developed favourably due to the good result for the quarter and higher interest rates. The pro forma solvency ratio, including dividend accrual, increased from 225 per cent at the end of June to 237 per cent.

Between 1 July and 30 September 2023

EUR million	Institutional	Corporate	Retail	With-profit	Eliminations and items not allocated to the segments	Group
Fee result	5.3	2.7	4.7	0.0	0.0	12.7
Insurance service result	0.0	4.2	3.0	0.0	0.0	7.2
Fee result from investment and asset management services	5.3	-1.5	1.7	0.0	0.0	5.5
Net finance result	0.0	0.0	0.0	64.7	2.5	67.2
Investment return	0.0	0.0	0.0	25.8	2.5	28.3
Unwinding and discounting of liabilities	0.0	0.0	0.0	38.9	0.0	38.9
Result related to risk policies	0.0	1.5	5.8	0.0	0.0	7.4
CSM and RA release	0.0	3.8	5.9	0.0	0.0	9.7
Other insurance service result	0.0	-2.3	-0.1	0.0	0.0	-2.4
Other result	-0.2	-1.3	-1.0	3.8	-4.6	-3.3
Profit before taxes for the period	5.1	3.0	9.5	68.5	-2.1	83.9

Between 1 July and 30 September 2022

EUR million	Institutional	Corporate	Retail	With-profit	Eliminations and items not allocated to the segments	Group
Fee result	11.8	3.5	3.4	0.0	0.0	18.7
Insurance service result	0.0	1.4	0.6	0.0	0.0	2.0
Fee result from investment and asset management services	11.8	2.1	2.8	0.0	0.0	16.7
Net finance result	0.0	0.0	0.0	-50.5	0.0	-50.5
Investment return ¹	0.0	0.0	0.0	-128.9	0.0	-128.9
Unwinding and discounting of liabilities	0.0	0.0	0.0	78.3	0.0	78.3
Result related to risk policies	0.0	-0.6	0.4	0.0	0.0	-0.1
CSM and RA release	0.0	2.6	1.2	0.0	0.0	3.9
Other insurance service result	0.0	-3.2	-0.8	0.0	0.0	-4.0
Other result	1.6	-0.1	3.5	8.3	-2.4	10.9
Profit before taxes for the period¹	13.3	2.8	7.3	-42.2	-2.4	-21.2

¹ For the comparative period, items in comprehensive income are included.

OUTLOOK

Outlook for 2023

Mandatum Group's capital-light client business related to client assets under management is expected to achieve net flows in 2023 that are 5 per cent of client assets under management. The market situation and client behaviour affect annual net flows. Although Mandatum has been able to maintain disciplined pricing and a stable fee margin in its client asset management business during the third quarter, the fee result for 2023 is also dependent on capital market development.

In its with-profit business, Mandatum is confident in the long-term reduction of the with-profit portfolio, although there may be annual fluctuations in the development of the portfolio.

The financial outcomes of the investment and financial operations are subject to fluctuations in the capital markets, notwithstanding the substantial reduction in market risk within the with profit portfolio. Furthermore, in line with industry standards, Mandatum's overall performance is impacted by adjustments to actuarial assumptions, which are periodically revised.

The major risks and uncertainties for the Group in the near term

In its daily business, Mandatum Group is exposed to various risks and uncertainties primarily through its key business areas. Mandatum Group's profitability and its fluctuations are affected by market, insurance, expense, and operational risks. For Mandatum Group, the key risks in the near term are unexpected changes in the investment market and a decrease in interest rates. Unexpected changes in the investment markets may reduce the amount of client assets under management and weaken the result of investment and financing operations. A decrease in interest rates increases the with-profit insurance contract liabilities and thus weakens the result of investment and financing operations.

Unpredictable, significant events may have an immediate impact on Mandatum Group's profitability. Identifying uncertainties is easier than estimating the probabilities, timing, and extent of potential economic impacts of uncertainties. Macroeconomic and financial market developments affect Mandatum Group mainly through investment assets and insurance contract liabilities. Over time, possible unfavourable macroeconomic impacts may also be reflected in Mandatum's operative business. For example, a decline in economic growth may have a negative impact on the development of client assets.

Restraining inflation may force central banks to continue raising interest rates and keep interest rates high for longer than expected. This could lead to both a significant slowdown in economic growth and difficulties in coping with debt for companies, households, and governments. In addition, restructuring Europe's energy supply will take time and create the risk of an energy crisis. The war in Ukraine also remains a significant economic risk, as does the tense situation in the Middle East. These factors currently create significant uncertainty for the development of the economic and capital markets. Simultaneously, rapidly evolving hybrid threats create new

challenges for governments and businesses. There are also several commonly recognised macro-economic and political factors, as well as other sources of uncertainty, which may negatively affect the financial sector in many respects.

Mandatum's balance sheet does not include significant direct investments in Russia or Ukraine. Considering the low level of direct risk positions, the greatest risk to Mandatum arising from the war in Ukraine is related to the secondary impacts on the capital markets and macroeconomics described above.

Other sources of uncertainty include unpredictable structural changes in the operating environment as well as already identified trends affecting the operating environment and potential events with major impacts. These external factors may also have an impact on Mandatum Group's business operations in the long term. Examples of identified trends include demographic changes, sustainability themes, and technological developments in areas such as artificial intelligence and digitalisation, including cybersecurity-related threats.

BUSINESS AREAS

RESULTS BY BUSINESS AREA

Between 1 January and 30 September 2023						
EUR million	Institutional	Corporate	Retail	With-profit	Eliminations and items not allocated to the segments	Group
Fee result	15.3	9.8	14.1	0.0	0.0	39.2
Insurance service result	0.0	11.5	11.1	0.0	0.0	22.6
Other result from investments and asset management services	15.3	-1.6	2.9	0.0	0.0	16.6
Net finance result	0.0	0.0	0.0	118.7	5.0	123.7
Investment return				143.4	5.0	148.4
Unwinding and discounting of liabilities				-24.7		-24.7
Result related to risk policies	0.0	2.6	7.4	0.0	0.0	9.9
CSM and RA release	0.0	10.1	8.5	0.0	0.0	18.6
Other insurance service result	0.0	-7.5	-1.1	0.0	0.0	-8.6
Other result	0.1	-4.7	-2.0	10.7	-12.7	-8.7
Profit before taxes for the period	15.3	7.7	19.4	129.4	-7.7	164.1

(Figures prepared in accordance with IFRS 17 have been retrospectively adjusted.)

Between 1 January and 30 September 2022						
EUR million	Institutions	Corporate	Retail	With-profit	Eliminations and items not allocated to the segments	Group
Fee result	21.7	7.6	7.8	0.0	0.0	37.1
Insurance service result	0.0	3.7	2.3	0.0	0.0	5.9
Other result from investments and asset management services	21.7	3.9	5.5	0.0	0.0	31.2
Net finance result	0.0	0.0	0.0	-27.6	0.0	-27.6
Investment return				-514.1	0.0	-514.1
Unwinding and discounting of liabilities				486.5		486.5
Result related to risk policies	0.0	2.1	1.8	0.0	0.0	3.9
CSM and RA release	0.0	7.4	2.9	0.0	0.0	10.3
Other insurance service result	0.0	-5.3	-1.1	0.0	0.0	-6.4
Other result	2.1	-1.9	2.8	7.6	-10.7	-0.1
Profit before taxes for the period¹	23.8	7.8	12.4	-20.0	-10.7	13.1

¹ For the comparative period, items in comprehensive income are noted.

Institutional and wealth management clients

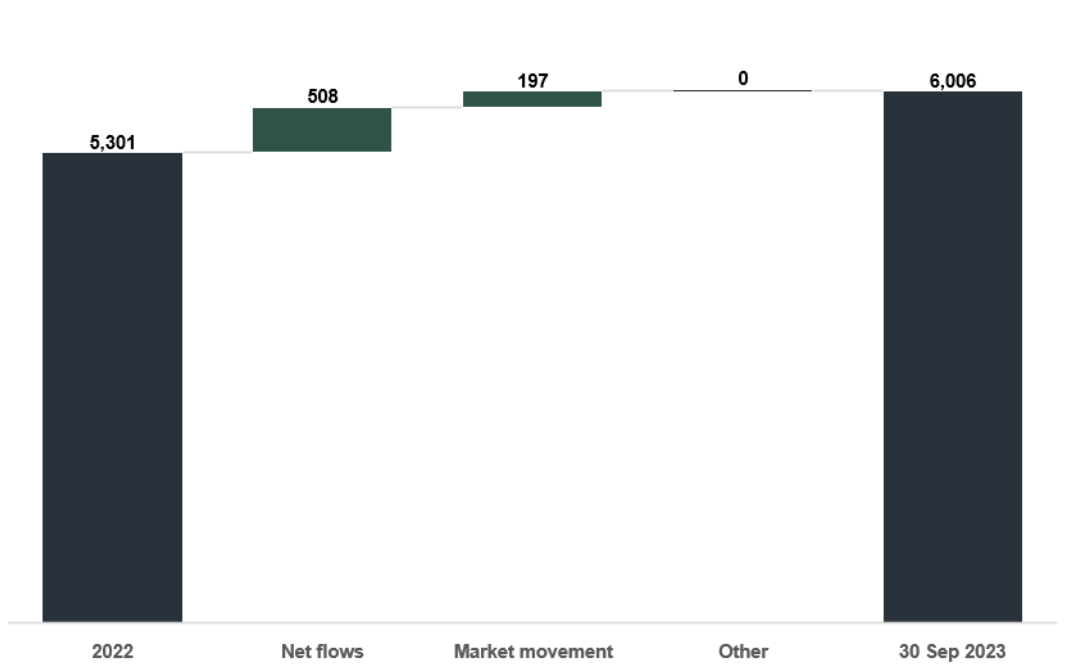
Mandatum's institutional and wealth management clients include Finnish and Nordic institutional clients and Finnish high net worth private individuals. For these clients, Mandatum provides asset and wealth management services separately and in connection with insurance policies. In wealth management, clients are offered investment solutions primarily through insurance contract.

Business area's financial result for the period

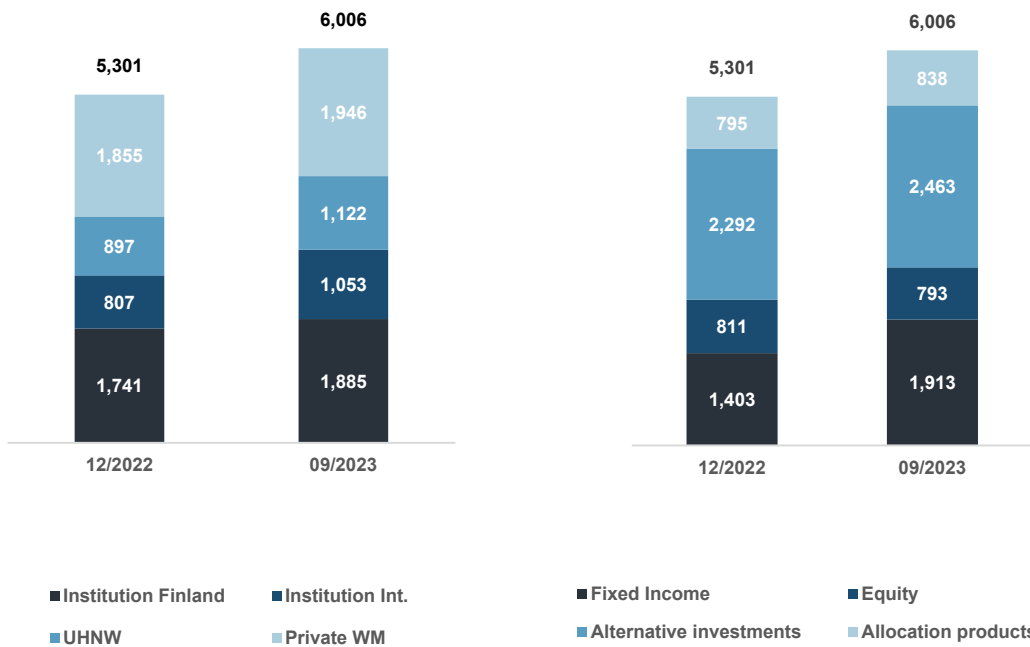
The comprehensive profit before taxes for the Institutions and wealth management business area for the financial period January–September 2023 was EUR 15.3 million (23.8). The fee result in the comparative period includes a non-recurring profit-sharing bonus of EUR 8.5 million. During the period, net flows amounted to EUR 508.1 million, which increased assets under management by 9.6% compared to the end of the year.

Result						
EUR million	1–9/2023	1–9/2022	Change	7–9/2023	7–9/2022	Change
Fee result	15.3	21.7	-6.4	5.3	11.8	-6.5
Insurance service result	0.0	0.0	0.0	0.0	0.0	0.0
Other result from investments and asset management services	15.3	21.7	-6.4	5.3	11.8	-6.5
Net finance result	0.0	0.0	0.0	0.0	0.0	0.0
Investment return			0.0	0.0	0.0	0.0
Unwinding and discounting of liabilities			0.0	0.0	0.0	0.0
Result related to risk policies	0.0	0.0	0.0	0.0	0.0	0.0
CSM and RA release	0.0	0.0	0.0	0.0	0.0	0.0
Other insurance service result	0.0	0.0	0.0	0.0	0.0	0.0
Other result	0.1	2.1	-2.1	-0.2	1.6	-1.8
Profit before taxes for the period	15.3	23.8	-8.5	5.1	13.3	-8.2

DEVELOPMENT OF CLIENT ASSETS UNDER MANAGEMENT BETWEEN 31 DECEMBER 2022 AND 30 SEPTEMBER 2023 (EUR MILLION)



CLIENT ASSETS UNDER MANAGEMENT BY CLIENT SEGMENT AND PRODUCT AS AT 30 SEPTEMBER 2023 (EUR MILLION)



Corporate clients

Mandatum's corporate clients include large, medium-sized, and small corporations, as well as entrepreneurs.

Mandatum offers its corporate clients individual and group pension insurance that supplements the pension coverage of their employees, including supplementary pensions for entrepreneurs and key employees. In addition, Mandatum offers its corporate clients (and entrepreneurs) risk insurance to protect their employees during their working and leisure time.

Mandatum provides remuneration services with a broad range of reward solutions and advice. These include, among other things, overall planning of compensation and rewards, remuneration benchmarking and comparisons, long and short-term incentive solutions, and board compensation. The key product in remuneration services is personnel funds, in which Mandatum provides turnkey solutions from advising on and founding the fund to administration and asset management.

Business area's financial result for the period

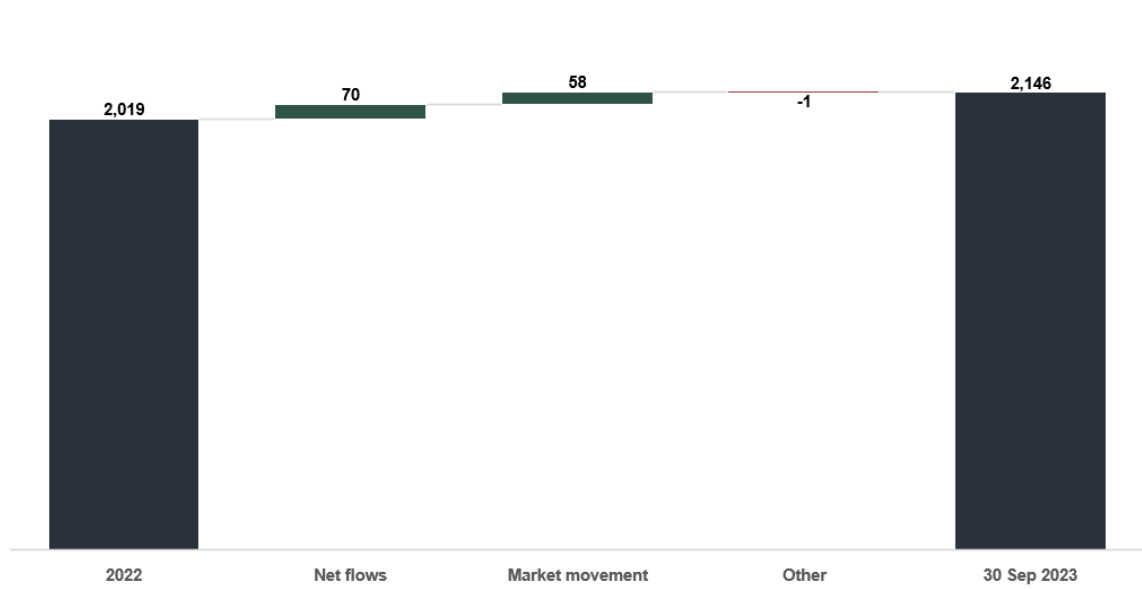
The reported profit before taxes for the business area for corporate clients was EUR 7.7 million (7.8) for January–September 2023.

The fee result in the business area for corporate clients for the nine-month period ending 30 September 2023 was EUR 9.8 million (7.6), and the result related to risk policies was EUR 2.6 million (2.1). The increase in the fee result is primarily attributed to growth in the insurance service result in the unit-linked portfolio. The loss component decreased the fee result for the comparative year by EUR 1.0 million and correspondingly, the change in the loss component increased the result for the reporting period by EUR 1.0 million.

During the period, net flows amounted to EUR 69.6 million, which increased assets under management by 3% compared to the end of the year. Correspondingly, market changes also increased assets under management by EUR 58.2 million, raising them to EUR 2,145.6 million.

Result						
EUR million	1–9/2023	1–9/2022	Change	7–9/2023	7–9/2022	Change
Fee result	9.8	7.6	2.2	2.7	3.5	-0.7
Insurance service result	11.5	3.7	7.8	4.2	1.4	2.9
Other result from investments and asset management services	-1.6	3.9	-5.6	-1.5	2.1	-3.6
Net finance result	0.0	0.0	0.0	0.0	0.0	0.0
Investment return			0.0	0.0	0.0	0.0
Unwinding and discounting of liabilities			0.0	0.0	0.0	0.0
Result related to risk policies	2.6	2.1	0.5	1.5	-0.6	2.1
CSM and RA release	10.1	7.4	2.7	3.8	2.6	1.2
Other insurance service result	-7.5	-5.3	-2.2	-2.3	-3.2	0.9
Other result	-4.7	-1.9	-2.8	-1.3	-0.1	-1.2
Profit before taxes for the period	7.7	7.8	-0.1	3.0	2.8	0.2

FLOW OF CLIENT ASSETS UNDER MANAGEMENT BETWEEN 31 DECEMBER 2022 AND 30 SEPTEMBER 2023 (EUR MILLION)



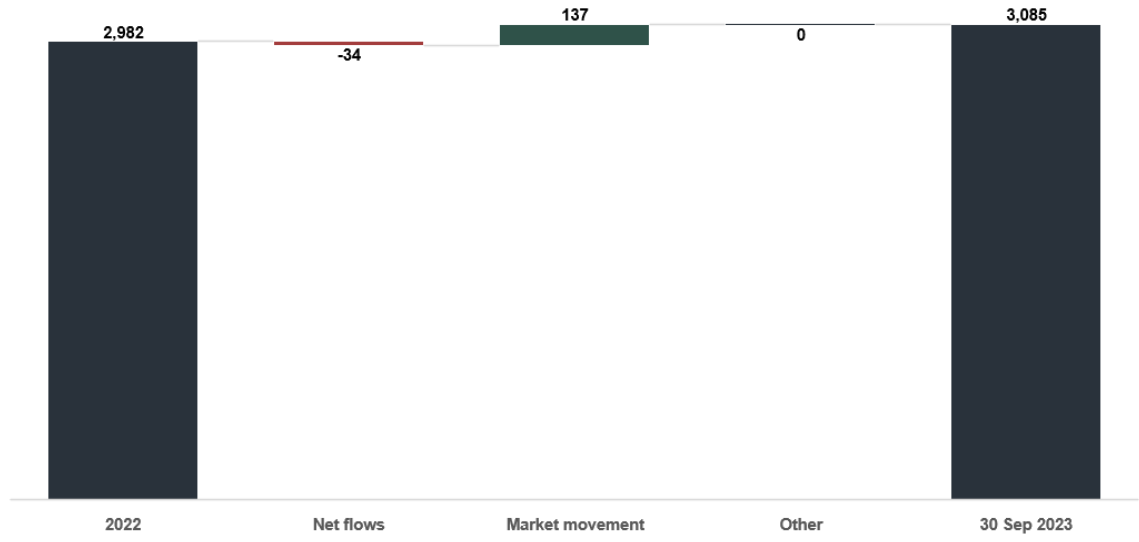
Retail clients

Mandatum has approximately 330,000 retail clients. Mandatum's insurance policies targeted at retail clients are primarily distributed via partnerships with Danske Bank and If, as well as via direct tele and digital sales. Mandatum offers retail clients individual personal risk insurance, covering death, disability, and serious illness. In Danske Bank's distribution, risk insurance sales take place in the form of loan protection insurance offered in connection with mortgage loans. Mandatum also offers unit-linked savings and investment insurance to retail clients including insurance policies distributed by Danske Bank. In addition, Mandatum offers retail clients digital asset management and investment solutions, including Saxo Bank's online trading platform.

Business area's financial result for the period

The reported profit before taxes for the business area was EUR 19.4 million (12.4) for January–September 2023. The fee result in the business area for retail clients in the nine-month period ending 30 September 2023 was EUR 14.1 million (EUR 7.8 million), and the profit related to risk life policies was EUR 7.4 million (EUR 1.8 million). The increase in the fee result is primarily attributed to growth in the insurance service result in the unit-linked portfolio. The increase in insurance services is due, among other things, to a EUR 2.3 million negative impact of the loss component in the comparative period and, correspondingly, a EUR 1.5 million positive impact of the change in the loss component in 2023. The result related to risk life policies was improved by EUR 3 million as a single item due to the agreed portfolio transfer to If.

Result						
EUR million	1–9/2023	1–9/2022	Change	7–9/2023	7–9/2022	Change
Fee result	14.1	7.8	6.3	4.7	3.4	1.2
Insurance service result	11.1	2.3	8.9	3.0	0.6	2.3
Other result from investments and asset management services	2.9	5.5	-2.6	1.7	2.8	-1.1
Net finance result	0.0	0.0	0.0	0.0	0.0	0.0
Investment return			0.0	0.0	0.0	0.0
Unwinding and discounting of liabilities			0.0	0.0	0.0	0.0
Result related to risk policies	7.4	1.8	5.5	5.8	0.4	5.4
CSM and RA release	8.5	2.9	5.6	5.9	1.2	4.7
Other insurance service result	-1.1	-1.1	0.0	-0.1	-0.8	0.7
Other result	-2.0	2.8	-4.9	-1.0	3.5	-4.5
Profit before taxes for the period	19.4	12.4	7.0	9.5	7.3	2.2

DEVELOPMENT OF CLIENT ASSETS UNDER MANAGEMENT BETWEEN 31 DECEMBER 2022 AND SEPTEMBER 2023 (EUR MILLION)

With-profit business

The with-profit business area covers Mandatum Life's with-profit insurance portfolio as well as the management of assets covering with profit liabilities and shareholder equity. Mandatum Life's with-profit insurance portfolio has mainly been in a run-off state since the early 2000s. Insurance contract liability has significantly decreased over the past 10 years, and this is expected to continue in the future. The company is also aiming to expedite the reduction of the portfolio through active measures. The net finance result of the with-profit balance sheet is a crucial part of Mandatum's profit generation, and the market risks associated with the balance sheet are the most significant factor in the Group's capital requirements. A key objective in this business area is to meet the requirements imposed by insurance contract liability while generating a sufficient return on the capital allocated to the business operations, with an investment risk in line with the company's risk appetite. Additionally, the aim is to ensure that the company achieves its solvency targets.

Insurance contract liability and assets consist of two separate components: the original insurance contract liability and the assets covering them, and a segregated group pension portfolio. These portfolios include, among other things, different profit sharing rules and investment policy. As a result, these portfolios are monitored separately.

Business area's financial result for the period

The profit for the business area for January–September was EUR 129.4 million (-20.0). The amount of assets covering the original insurance contract liability and equity was EUR 3.4 billion with a return of 3.6 per cent (-10.5), and the amount of assets covering the segregated insurance portfolio was EUR 0.7 billion with a return of 4.6 per cent (-7.8). The amount of investment income on assets covering the original portfolio was EUR 119.6 million, and the corresponding interest expense on insurance contract liability was EUR 7 million. For the segregated portfolio, investment income was EUR 23.8 million, and the interest expense on insurance contract liability, including policyholder's share of investment return, amounted to EUR 18 million. Increase in the discount rate from year-end level decreased the interest expense. The weak net finance result in the comparative period was largely offset by significantly rising interest rates and their impact on reducing insurance contract liability.

During the year, the company has significantly reduced the investment risk associated with both the original and the segregated portfolio. For the original portfolio, the allocation of listed shares has decreased from 19.9 per cent at year-end to 8.3 per cent. New fixed-income investments have been primarily made in assets with an investment-grade credit rating, resulting in their share of fixed income investments in the original balance sheet increasing from 47.1 per cent to 55.3 per cent. In addition, the interest rate derivatives implemented during the first half of the year have significantly reduced the interest rate risk on the balance sheet. Fixed income investments in the original balance sheet, together with interest rate derivatives, cover approximately 64 per cent of the change in insurance contract liability resulting from changes in the level of the yield curve. The mark-to-market yield on fixed income investments in the original portfolio was 6.2 per cent at the end of September, increasing by 0.3 percentage points from the level at the end of June.

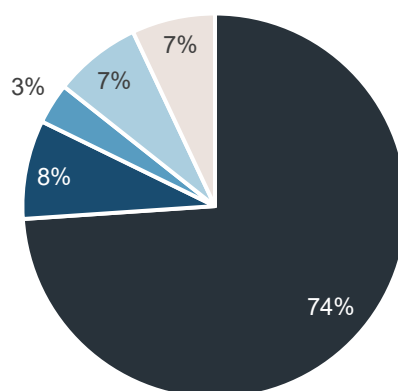
The insurance portfolio decreased as expected. The amount of insurance contract liability and the change to that are influenced by the prevailing interest rate level at the evaluation date, leading to fluctuations in the amount of insurance contract liability. During the period, the insurance contract liability of the original portfolio was EUR 1,707 million (1,873) and the insurance contract liability of

the segregated portfolio was EUR 606 million (614). The insurance service margin included in the insurance contract liability amounted to EUR 33 million (16) for the original portfolio and EUR 8 million (12) for the segregated portfolio. Similarly, the risk adjustment for the original portfolio was EUR 17 million (16), and for the segregated portfolio, it was EUR 6 million (5).

Result						
EUR million	1–9/2023	1–9/2022	Change	7–9/2023	7–9/2022	Change
Fee result	0.0	0.0	0.0	0.0	0.0	0.0
Insurance service result	0.0	0.0	0.0	0.0	0.0	0.0
Other result from investments and asset management services	0.0	0.0	0.0	0.0	0.0	0.0
Net finance result	118.7	-27.6	146.4	64.7	-50.5	115.3
Investment return	143.4	-514.1	675.5	25.8	-128.9	154.7
Unwinding and discounting of liabilities	-24.7	486.5	-511.1	38.9	78.3	-39.4
Result related to risk policies	0.0	0.0	0.0	0.0	0.0	0.0
CSM and RA release	0.0	0.0	0.0	0.0	0.0	0.0
Other insurance service result	0.0	0.0	0.0	0.0	0.0	0.0
Other result	10.7	7.6	3.1	3.8	8.3	-4.5
Profit before taxes for the period	129.4	-20.0	149.4	68.5	-42.2	110.8

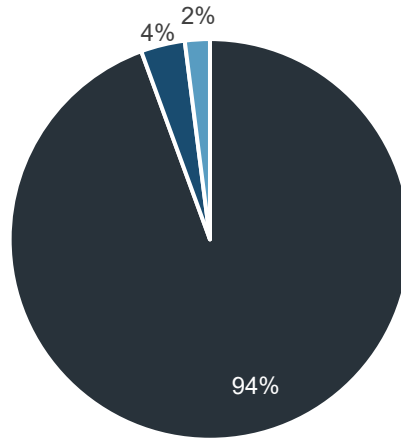
The investment assets related to Mandatum's life insurance operations is diversified both geographically and across different asset classes in order to increase returns and reduce risks. The asset allocation of Mandatum's life insurance-related investments for the original portfolio and the segregated portfolio on 30 June 2023 is presented in the graphs below.

ALLOCATION OF ASSETS COVERING THE ORIGINAL PORTFOLIO AND MANDATUM'S OWN FUNDS BETWEEN ASSET TYPES AS AT 30 SEPTEMBER 2023, EUR 3,467 MILLION



■ Fixed income ■ Listed Equity ■ Real Estate ■ Private Equity ■ Private Credit

ALLOCATION OF INVESTMENT ASSETS OF THE SEGREGATED PORTFOLIO BETWEEN ASSET TYPES AS AT 30 SEPTEMBER 2023, EUR 680 MILLION



■ Fixed income ■ Real Estate ■ Other

OTHER EVENTS

Group solvency

Mandatum Group's Solvency II ratio on 30 September 2023 was 316.9 per cent. There has been an increase of 51.4 percentage points compared to the situation on 31 December 2022 when Mandatum's solvency ratio was 265.5 per cent. The pro forma solvency ratio after the demerger, together with the time-weighted dividend yield, was estimated to be 236.6 per cent as of 30 September 2023. The pro forma solvency ratio includes the effect of the balance sheet restructuring carried out in connection with the partial demerger of Sampo plc, although some of the transactions associated with the arrangement were already completed in September. The partial demerger itself and the consequent consideration of the financial debt transferring from Sampo to Mandatum (total amount of EUR 101.8 million of transferred financial debt) as well as Sampo plc's shares in Saxo Bank A/S and Enento Group plc and Kaleva Mutual Insurance Company's guarantee capital shares have not yet been implemented. These outstanding transactions will increase Mandatum Group's solvency capital requirement and Mandatum's share of Sampo's financial debt will reduce Mandatum's own funds by EUR 101.8 million. The dividend accrual is based on the dividend paid for 2022, which totalled EUR 150 million. The target level for Mandatum Group's solvency ratio is 170–200 per cent.

The increase in the solvency ratio from 265.5 per cent at the year-end to 316.9 per cent for the reposting period is due to the reduction of the solvency capital requirement to EUR 761 million (954). The solvency capital requirement decreased mainly due to the strongly reduced listed equity allocation weight of the with-profit business area, which was approximately 9 per cent (20) at the end of September. In addition, the solvency capital requirement was decreased by the company's interest rate hedges, which mitigated the interest rate risk on the balance sheet, and the allocation of new fixed-income investments mainly to assets with a high credit rating. At the end of September 2023, Mandatum's own funds amounted to EUR 2,412 million (2,532). The decrease in Mandatum's own funds was primarily due to the subsidiary Mandatum Life repaying a EUR 100 million subordinated loan, as well as the recalculation of the transitional provisions for technical provisions and the new contract boundary interpretation applied in the calculation of Solvency II technical provisions. Due to its strong solvency capital requirement, Mandatum is prepared to operate even in an uncertain market environment.

Financial leverage position

Mandatum Group's leverage ratio is calculated by dividing the Group's financial debt by the sum of IFRS equity, insurance service margin reduced by deferred tax, and financial debts. Mandatum Group's leverage ratio on 30 September 2023 was 12.0 per cent. During the period, Mandatum Group's financial debts decreased as the subsidiary Mandatum Life repaid Sampo Group's internal subordinated loan of EUR 100 million.

The partial demerger of Sampo plc and the associated restructured balance sheet will have a significant impact on the leverage ratio by increasing it. Considering all planned and pending transactions (purchases of Saxo Bank A/S, Enento Group plc, and guarantee shares of Kaleva, and loan arrangements related to their financing and the share of financial debt transferred from Sampo plc to Mandatum plc in a partial demerger), the pro forma leverage ratio as of 30 September 2023 was estimated to be approximately 25.1 per cent. The graphs below show a more detailed composition of the leverage ratio.

Mandatum Group's indebtedness as at 30 September 2023

EUR million	30 September 2023	Pro forma
Financial debt	282.1	658.9
Shareholder equity	1,671.6	1,569.9
CSM+RA, net of tax	398.0	398.0
Debt ratio	12.0%	25.1%

Ratings

Mandatum Life Insurance Company Limited's issuer credit rating according to Standard & Poor's credit rating, according to the situation as of 30 September 2023, is A, and the view is stable.

Shares and shareholders

Mandatum Group was separated from Sampo Group through a partial demerger, and Mandatum plc was listed on the Nasdaq Helsinki on 2 October 2023. More information about the listing can be found in the section "Events after the end of the reporting period".

Dividend distribution and return of capital

On 15 March, 2023, Mandatum Holding Ltd paid a dividend of EUR 150 million to Sampo plc from its 2022 result.

The possible dividend for the year 2023 will be decided by the Annual General Meeting of Mandatum in 2024. For the period of January to September 2023, no additional dividend to capital return has been paid.

Effects of external factors

The effects on Mandatum of the war in Ukraine and the crisis in the Middle East are mainly related to their effects on the capital markets and macro-economics. Macro-economic risks relate to, among other things, the geopolitical situation and general uncertainty about the macro-economic prospects. The business is also affected by inflationary pressures and tighter monetary policy, which has led to a significant rise in market interest rates and a fall in the equity market. Tighter monetary policy and higher inflation are contributing to slowing global economic growth.

The risks arising from the geopolitical situation must be considered in the market. The market risk faced by the company is also affected by the development of capital market volatility and general uncertainty.

It is challenging to assess the timing, probabilities, and economic scope of the effects of uncertainties. Uncertainty in the investment markets affects not only Mandatum's net finance result but also client assets under management and, consequently, fee income.

Structural changes in the operating environment that we have not been able to be prepared for also cause uncertainty. Identified risk factors include threats related to information and cybersecurity.

Market risks are mainly due to equity investments, the total interest rate risk between fixed income investments and with-profit insurance contract liability, and fluctuations in the credit risk margins of fixed income investments. The most significant area of business that generates all these risks is

with-profit business. Other business areas are also exposed to market risks, as their returns are strongly dependent on the amount of assets under management. Mandatum plc is also vulnerable to market risks in terms of direct equity and fixed income investments, and its risks are enhanced by the concentration of investments in a few individual large investments.

Mandatum strives to ensure that the licensed subsidiaries of the group have sufficient buffers against the capital requirements set by the authorities in order to maintain operational capabilities in the midst of economic uncertainty. Market risks are managed based on the expected cash flows of insurance contract liability, interest rates, and active risk management, and the prevailing solvency position.

Remuneration / Incentive schemes

In January–September 2023, Mandatum Group paid a total of EUR 8.9 million in short-term incentives, including social security costs. During the same period, long-term incentives amounting to EUR 3.6 million were paid. Mandatum Group's key personnel and CEO participate in Sampo Group's long-term incentive scheme 2020. The full-time Chair of Mandatum plc Board also participates in the long-term incentive scheme for Sampo Group's key employees, in which the full-time Chair was invited to participate in 2020 while a member of the Sampo Group Executive Committee. Sampo plc will pay the costs of the long-term incentive scheme for the full-time Chair.

The incentive scheme was launched in August 2020, and its terms and conditions were updated in September 2023 due to the partial demerger of Sampo plc on October 1, 2023, and the listing of Mandatum plc on the Nasdaq Helsinki. The terms and conditions of the long-term incentive scheme are available at: <https://www.mandatum.fi/en/group/governance/remuneration/long-term-incentive-schemes/>.

Composition of the Board of Directors

The number of board members of Mandatum Holding Ltd on 30 September 2023 was three, and its composition was as follows:

- Patrick Lapveteläinen, Chair of the Board
- Jukka Ruuska, board member
- Kimmo Laaksonen, board member

Jukka Ruuska and Kimmo Laaksonen were elected as board members at Mandatum Holding Ltd's Extraordinary General Meeting on 4 September, 2023. Sampo Group employees Anne Teitto and Ricard Wennerklint, who previously served as members of the board, announced on the date of the Extraordinary General Meeting that they would resign as members of the company's board due to the partial demerger of Sampo plc.

The number of board members of the company Mandatum plc, established in the partial demerger of Sampo plc on 1 October 2023, is six, and the composition is as follows:

- Patrick Lapveteläinen, President
- Jannica Fagerholm, Vice President
- Johanna Lamminen, member of the Board of Directors
- Kimmo Laaksonen, member of the Board of Directors

- Markus Aho, member of the Board of Directors
- Jukka Ruuska, member of the Board of Directors

Mandatum plc's Board of Directors was elected at the Annual General Meeting of Sampo plc held on 17 May, 2023, which decided on the partial demerger.

Changes in Management

Matti Ahokas, M.Sc. (Econ.), has been appointed as Mandatum plc's new CFO. He will take up his position during H1/2024. The current CFO, Jukka Kurki, has been appointed as CEO of Mandatum Life Insurance Company Limited after Petri Niemisvirta took over as CEO of Mandatum Plc. Jukka Kurki will also continue as CFO of Mandatum until Matti Ahokas starts in his position.

Personnel

In January–September 2023, Mandatum Group employed an average of 683 (663) people. Mandatum Group had 688 employees (687) as of 30 September 2023.

Events after the end of the reporting period

Mandatum Group was formed through a partial demerger from Sampo Group on 1 October 2023. Trading in Mandatum Plc's shares commenced on 2 October 2023 on the main list of the Nasdaq OMX Helsinki. All shares in the company have equal dividend and voting rights. The number of company shares is 501,796,752. The share capital of Mandatum plc is EUR 80,000.

On 13 October 2023, Mandatum announced that Altor Fund Manager AB and its funds' direct or indirect holding of the shares and votes in Mandatum plc has exceeded the threshold of 5%. The latest information on Mandatum's major shareholders can be found on the company's website: <https://www.mandatum.fi/en/group/investors/shareholders/>.

Calculation formulas for alternative performance measures

Performance measures regulated by the IFRS or other legislation are not regarded as APMs. All APMs are disclosed with comparison numbers and are consistently used over the years, unless otherwise noted..

Return on equity, %	$\frac{\text{Profit for the year after taxes attributable to the shareholders}}{\text{Total equity attributable to the owners of the company year}} \times 100\%$
Earnings per share EUR	$\frac{\text{Total comprehensive income attributable to owners of the company}}{\text{Adjusted number of shares at reporting date}}$
Equity per share EUR	$\frac{\text{Equity attributable to equity holders}}{\text{Adjusted number of shares at reporting date}}$

Calculation formulas for other performance measures

Fee result	Insurance service result for unit-linked insurance contracts + fee income from investment contracts + other income for the management of client assets – expenses from investment contracts – other expenses for the management of client assets
Net finance result excluding unit-linked related result	Net investment income from investments covering with-profit insurance portfolio and risk policies and Mandatum's equity + unwinding of the discounting effect of with-profit and risk policies insurance contract liability and change in with-profit and risk policies insurance contract liability caused by changes in discount rates
Result related to risk policies	Insurance service result related to risk insurance policies
Other result	Other than the fee result, the net finance result excluding the unit-linked related result, and the result related to risk policies. This includes the insurance service result from with profit portfolios, interest expenses on subordinated and other loans, and the result from other services.
Net flow	Net flow consists of client AuM inflow, client AuM outflow and transfers between with-profit and unit-linked sections.
Client assets	Assets related to unit-linked policies and other client assets under management
Cost/income – ratio related to client AuM	$\frac{\text{Expenses related to management of client assets}}{\text{Income related to the management of client assets}}$

Mandatum plc

Board of Directors

Conference call

A conference call in English for analysts and investors is scheduled for 8 November 2023, at 4:00 PM (Finnish time). You can register for the conference call using the link provided below. The phone numbers for the conference call and the associated code will be provided upon registration.

Registration for the event: <https://palvelu.flik.fi/teleconference/?id=10011941>.

The conference call can be followed live on the internet at www.mandatum.fi/en/result. A recording of the call will be made available for later access at the same web address.

Additional information

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The supplementary presentation material for investors accompanying Mandatum's interim report is available at www.mandatum.fi/en/result.

Mandatum will release its financial statement for the year 2023 on 13 February 2024.

Distribution:

Nasdaq Helsinki

The principal media

Financial Supervisory Authority

www.mandatum.fi

TABLES

GROUP QUARTERLY RESULT

EUR million	Group				
	7–9/2023	4–6/2023	1–3/2023	10–12/2022 ¹	7–9/2022 ¹
Insurance revenue	84.6	81.0	89.5	83.3	78.4
Insurance service expenses	-67.9	-70.2	-75.4	-62.4	-69.6
Reinsurance result	0.4	-0.6	-0.8	-0.2	-0.1
Insurance service result	17.2	10.2	13.3	20.7	8.7
Net investment result	40.0	333.3	287.8	74.9	-63.2
Net finance income or expenses from insurance contracts	63.1	-81.8	-142.8	-31.4	127.4
Net result from investment contracts	-34.4	-212.1	-126.1	-26.8	79.2
Net financial result	68.7	39.4	18.9	16.7	143.4
Other income	8.3	8.1	7.0	8.8	7.8
Other expenses	-6.4	-6.1	-3.7	-36.0	1.0
Finance expenses	-3.2	-3.3	-3.2	-2.3	-2.4
Share of associates' profit or loss	-0.6	-0.1	-0.2	0.0	0.0
Profit for the reporting period before taxes	83.9	48.2	32.0	7.9	158.6
Income taxes	-15.8	-8.7	-8.4	-5.0	-31.5
Profit from continuing operations	68.2	39.5	23.6	3.0	127.1
Net profit for the reporting period	68.2	39.5	23.6	3.0	127.1
Other comprehensive income for the reporting period					
Items reclassifiable to profit or loss					
Available-for-sale financial assets	0.0	0.0	0.0	43.8	-144.1
Total items reclassifiable to profit or loss, net of tax	0.0	0.0	0.0	43.8	-144.1
Other comprehensive income from the continuing operations, net of tax	0.0	0.0	0.0	43.8	-144.1
Total comprehensive income for the reporting period	68.2	39.5	23.6	46.8	-17.0
Profit attributable to					
Owners of the parent	68.2	39.6	23.7	3.0	127.1
Non-controlling interests	-0.1	-0.1	-0.1	0.0	0.0
Total comprehensive income attributable to					
Owners of the parent	68.2	39.6	23.7	46.8	-17.0
Non-controlling interests	-0.1	-0.1	-0.1	0.0	0.0

¹ Figures have been restated for IFRS 17 and IAS 40

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

EUR million	Note	1–9/2023	1–9/2022	2022
Insurance revenue		255.2	244.6	327.9
Insurance service expenses		-213.5	-229.7	-292.0
Insurance revenue		-1.0	-1.7	-2.0
Insurance service result	1	40.7	13.2	33.9
Net investment result	3	661.1	-905.0	-830.1
Net finance income or expenses from insurance contracts	2	-161.4	951.6	920.2
Net finance income or expenses and operating expenses from investment contracts		-372.6	604.9	578.1
Net financial result		127.0	651.5	668.2
Other income		23.4	71.2	80.0
Other expenses		-16.3	-55.2	-91.2
Finance expenses		-9.7	-7.3	-9.6
Share of associates' profit or loss		-1.0	0.1	0.1
Profit for the reporting period before taxes		164.1	673.4	681.4
Income taxes		-32.8	-134.0	-138.9
Profit from continuing operations		131.3	539.5	542.5
Discontinued operations, net of tax		0.0	0.0	0.0
Net profit for the reporting period		131.3	539.5	542.5
Other comprehensive income for the reporting period				
Items reclassifiable to profit or loss				
Available-for-sale financial assets		0.0	-528.3	-485.5
Total items reclassifiable to profit or loss, net of tax		0.0	-528.3	-485.5
Other comprehensive income from the continuing operations, net of tax		0.0	-528.3	-484.5
Total comprehensive income for the reporting period		131.3	11.2	58.0
Profit attributable to				
Owners of the parent		131.5	539.6	542.6
Non-controlling interests		-0.2	-0.1	-0.2
Total comprehensive income attributable to				
Owners of the parent		131.5	11.3	58.1
Non-controlling interests		-0.2	-0.1	-0.2
EPS		0.26	0.02	

CONSOLIDATED BALANCE SHEET

EUR million	Note	9/2023	12/2022
Assets			
Property, plant and equipment		24.1	25.6
Investment property		132.0	165.5
Intangible assets		54.3	55.1
Investments in associates		2.8	4.3
Financial assets	4	3,555.0	3,776.0
Financial assets related to unit-linked contracts		10,981.2	9,934.3
Insurance contract assets		9.0	6.2
Reinsurance contract assets		1.5	1.5
Other assets		188.1	162.0
Cash and cash equivalents		636.6	724.6
Total assets		15,584.7	14,855.2
Liabilities			
Insurance contract liabilities	5	5,290.2	5,320.6
Investment contract liabilities	6	7,974.2	7,107.0
Subordinated debts	4	249.8	349.6
Other financial liabilities	4	21.9	2.6
Deferred tax liabilities		133.0	160.3
Other liabilities		244.0	223.6
Total liabilities		13,913.1	13,163.7
Equity			
Share capital		5.0	5.0
Reserves		533.5	533.5
Retained earnings		1,133.4	973.5
Other components of equity		0.0	179.6
Equity attributable to owners of the parent		1,672.0	1,691.6
Non-controlling interests		-0.3	-0.1
Total equity		1,671.6	1,691.5
Total equity and liabilities		15,584.7	14,855.2

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR million	Share capital	Share premium account	Legal reserve	Reserve for investment in non-restricted equity	Retained earnings	Available-for-sale financial assets	Available-for-sale financial assets IFRS 4.30	Non-controlling interests	Total
Equity at 31 December 2021 (IFRS 4)	5.0	0.0	0.0	533.5	558.9	664.1	-23.4	0.0	1,738.1
IFRS 17 transition impact at 1 January 2022					-14.3		23.4		9.1
Impact of the introduction of the IAS 40 fair value model					37.2				37.2
Equity at 1 January 2022 (IFRS 17)	5.0	0.0	0.0	533.5	581.8	664.1	0.0	0.0	1,784.4
Profit					539.6			-0.1	-539.5
Other comprehensive income items						-528.3			-528.3
Transactions with shareholders					-1.0				-1.0
Dividends					-150.0				-150.0

Equity at 31 March 2022	5.0	0.0	0.0	533.5	970.4	135.8	0.0	-0.1	1,644.6
Equity at 31 December 2022 (IFRS 17)	5.0	0.0	0.0	533.5	973.5	179.6	0.0	-0.1	1,691.5
IFRS 9 transition impact at 1 January 2023					179.6	-179.6			0.0
Equity at 1 January 2023	5.0	0.0	0.0	533.5	1,153.1	0.0	0.0	-0.1	1,691.5
Profit					131.5			-0.2	131.3
Transactions with shareholders					-1.2				-1.2
Dividends					-150.0				-150.0
Equity at 31 March 2023	5.0	0.0	0.0	533.5	1,133.4	0.0	0.0	-0.3	1,671.6

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR million	1–9/2023	1–9/2022
Operating activities		
Profit before taxes	164.1	673.4 ¹
Adjustments		
Depreciation and amortisation	3.6	6.1
Unrealised gains and losses arising from valuation	-270.9	1,064.4
Realised gains and losses on investments	-117.6	94.3
Change in liabilities for insurance and investment contracts	834.0	-1,523.3
Other adjustments	83.7	43.4
Adjustments total	532.8	-315.1
Change (+/-) in assets of operating activities		
Investments ²	-403.4	-407.4
Other assets	-54.1	178.6
Total	-457.5	-228.8
Change (+/-) in liabilities of operating activities		
Financial liabilities	19.3	-3.7
Other liabilities	-23.1	-204.0
Paid interest	-52.4	-22.1
Paid income taxes	-10.6	-28.9
Total	-66.8	-258.6
Net cash used in operating activities	172.6	-129.1
Investing activities		
Investments in subsidiary shares	19.7	-6.2
Net investment in equipment and intangible assets	0.0	-1.4
Net cash from investing activities	19.7	-7.6
Financing activities		
IFRS 16 lease liabilities	-1.2	-1.2
Subordinated loan	-100.0	0.0
Group contribution	-29.0	-15.0

Dividends paid	-150.0	-150.0
Net cash used in financing activities	-280.2	-166.2
Total cash flows	-87.9	-302.8
Cash and cash equivalents at the beginning of reporting period	724.6	918.1
Cash and cash equivalents at the end of reporting period	636.6	615.3
Net change in cash and cash equivalents	-87.9	-302.8

- 1) Profit before tax has been adjusted by eliminating the profit before tax of the discontinued operations in the Baltics.
- 2) Investments include investment property, financial assets and investments related to unit-linked contracts.

ACCOUNTING POLICIES FOR INTERIM FINANCIAL STATEMENTS

Mandatum Group's consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union. This interim report has not been presented in accordance with the IAS 34 standard. The information included in the interim financial statements is unaudited.

The same accounting policies and methods of computation are applied in this interim report as were applied in Mandatum's consolidated financial statements for 2022, with the exception of changes resulting from the adoption of IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments. In addition, Mandatum has measured investment properties using the fair value model from 1 January 2023. The fair value model in IFRS 40 has been adopted retrospectively and figures for the comparative period have been restated accordingly.

The new accounting policies are presented below, in the section New accounting policies applied from 1 January 2023.

The financial statements for 2022 are available on Mandatum's website: [Mandatum Group's Annual Report 2022](#)

Accounting policies requiring management judgement and key sources of estimation uncertainties

Preparation of the interim report in accordance with the IFRS requires management estimates and assumptions that affect the revenue, expenses, assets, liabilities and contingent liabilities presented in the financial statements. Judgement is also needed in the application of accounting policies. The estimates made are based on the best information available at the balance sheet date. The assessment is based on historical experiences and most probable assumptions concerning the future at the balance sheet date. The actual outcome may deviate from results based on estimates and assumptions. Any changes in the estimates will be recognised in the financial year during which the estimate is reviewed and in all subsequent periods.

Mandatum Group's main assumptions concerning the future and the key uncertainties related to balance sheet estimates are related, for example, to assumptions used in actuarial calculations, the determination of fair values of non-quoted financial assets and liabilities and investment property, and the determination of the impairment of financial assets and intangible assets. Accounting policies concerning these areas require the most significant use of estimates and assumptions.

New accounting policies applied from 1 January 2023

Mandatum Group adopted the fair value model in IAS 40 Investment Property for the valuation of investment property from 1 January 2023. The change in accounting policy was implemented retrospectively and the comparative figures for 2022 and the opening balance sheet on 1 January 2022 were restated in accordance with the new accounting policy. A voluntary change in accounting policies is permitted in the IAS 8 standard only if the change provides reliable and more relevant information about the impact of transactions, other events, or circumstances on the entity's financial position, financial performance and cash flows. In accordance with the new

accounting policy investment property is initially measured at cost, including transaction costs. Subsequently, investment property is measured at fair value and any changes in fair value are recognised in profit or loss in the period in which they arise. The impact of the adoption of the fair value model in the IAS 40 standard on 1 January 2022 was EUR 37.2 million, which was recognised in equity. The impact on the financial year 2022 result was EUR 2.1 million.

IFRS standards adopted on 1 January 2023

Mandatum Group has applied IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments from 1 January 2023.

Mandatum Group has prepared its financial information for the nine months ended 30 September 2023 in accordance with IFRS 17 and IFRS 9, and Mandatum Group has restated its financial information for the nine months ending 30 September 2022 in accordance with IFRS 17. The IFRS 17 and IFRS 9 figures are unaudited figures. For the comparative period Q3/2022 figures have been restated in accordance with IFRS 17, and for IFRS 9, comparative Q3/2022 figures have not been restated.

The most significant accounting policies related to the application of IFRS 17 and IFRS 9 standards have been included in the interim financial statements. Mandatum Group discloses broader accounting policies as part of its consolidated financial statements for the financial year 2023.

IFRS 17 Insurance Contracts (effective for annual periods beginning on 1 January 2023 or after)

The IASB published the IFRS 17 Insurance Contracts on 18 May 2017. IFRS 17 and the June 2020 amendments were adopted by the European Union on 19 November 2021. In addition, an optional exemption from applying the annual cohort requirement for certain types of groups of contracts was adopted. Mandatum is not applying the exemption. Mandatum is applying IFRS 17 for the first time from 1 January 2023, and comparative information for the year 2022 will be restated.

IFRS 17 replaces IFRS 4 Insurance Contracts and establishes principles for the recognition, measurement, presentation, and disclosures of insurance contracts. IFRS 17 is applied to insurance contracts and reinsurance contracts as well as to certain investment contracts with discretionary participation features. The objective of the standard is to provide relevant information for the users of financial statements that faithfully represents the insurance contracts, and to harmonise the measurement and presentation of insurance contract liabilities.

Key accounting policies

Scope

Insurance contracts may contain one or more components that would be within the scope of different accounting standards and accounted for separately if they were distinct. Mandatum Group evaluates the insurance contracts in order to identify components. For example, an insurance contract may include an investment component or a component for services other than insurance contract services (or both).

Mandatum has identified capital redemption policies and unit-linked policies with distinct investment components with insignificant insurance risk for which IFRS 17 is not applied. These policies are measured in accordance with IFRS 9.

Level of aggregation

Under IFRS 17, insurance contracts are aggregated into portfolios of insurance contracts. A portfolio comprises contracts subject to similar risks and managed together. Portfolios are divided into annual cohorts consisting of, contracts that are not issued more than one year apart.

Mandatum Group separates risk policies, with-profit policies and unit-linked policies into different portfolios.

At the transition and at initial recognition, Mandatum has identified only contracts which are expected to be non-onerous and have no significant possibility of becoming onerous subsequently. The number of policies that subsequently have an created loss component is immaterial.

Contract boundary

The initial measurement of group of insurance contracts includes all the future cash flows arising within the contract boundary. In determining which cash flows fall within the contract boundary, substantive rights and obligations arising from the terms of the contract, as well as from applicable laws and regulations, are considered.

The contract boundaries depend on the contractual characteristics and are generally longer term.

Measurement

IFRS 17 introduces a general measurement model (GMM) applicable to all insurance contracts, to measure insurance contract liabilities and a variable fee approach (VFA) applicable to direct participating insurance contracts. Under both insurance models, contracts are measured based on future cash flows, adjusted to reflect the time value of money, including a risk adjustment and a contractual service margin (CSM). CSM represents the expected unearned profit Mandatum recognises as it provides insurance contract services in the future. Mandatum Group applies GMM to with-profit policies and risk policies, and VFA is applied to unit-linked insurance contracts measured under IFRS 17.

An amount of the CSM release for a group of insurance contracts is recognised in P/L in each period to reflect the services provided under the group of insurance contracts in that period. The amount is determined by identifying coverage units in the group. The number of coverage units in a group is the quantity of coverage provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided under the contract and their expected duration.

The measurement of insurance contract liabilities consists of liability for remaining coverage (LRC), and liability for incurred claims (LIC), including both reported but not settled claims, as well as incurred but not reported claims.

Insurance acquisition cash flows arise from underwriting a group of insurance contracts and are taken into account when estimating the fulfilment cash flows. Insurance acquisition cash flows are determined at inception of the group of insurance contracts, and they are considered directly attributable to a portfolio and are allocated to insurance contracts. Where actual and expected acquisition cash flows are not equal at the end of the reporting period, an experience variance is recognised in the income statement.

When certain eligibility criteria are met, insurers may apply a simplified approach, i.e. the premium allocation approach (PAA), for the measurement of insurance contracts. PAA is eligible for insurance contracts with a coverage period of one year or less. This approach is also available for contracts in which the PAA would not materially differ from the results of the GMM. Mandatum applies the PAA model to reinsurance contracts held.

Discounting

The transition to IFRS 17 broadens the discounting of insurance contracts liabilities. In all applied measurement models, discounting adjusts the expected cash flows to reflect the time value of money.

Mandatum Group has determined the discount rates based on a top-down approach in which a theoretical reference portfolio of assets is used to define the applicable discount curve. For insurance contracts without a direct participation feature, a so called locked-in rate is applied, meaning a discount rate applied in the accretion of CSM determined at initial recognition.

The same discount rate curve is applied to all portfolios, and it takes into account an illiquidity premium. Based on the liquidity characteristics of the insurance contracts, the chosen theoretical reference portfolio for deriving an illiquidity-containing discount curve consists of euro-denominated BBB-rated fixed coupon corporate bonds. Extrapolation is produced based on assumptions on ultimate risk-free forward rates, consistent with the EIOPA curve.

The unwinding of interest rates, the effect of changes in interest rates, and other financial assumptions are presented as insurance finance income or expenses in profit or loss. Mandatum Group has elected not to apply the OCI option allowed under IFRS 17.

Risk adjustment

IFRS 17 introduces an explicit risk adjustment (RA) included in the measurement of insurance contract liabilities. The RA reflects the cost of uncertainty associated with the amount and timing of cash flows arising from non-financial risk and the degree of risk aversion. RA is determined separately for all portfolios. RA is calculated by applying a confidence level approach, and the confidence level applied in calculating the risk adjustment is 85 per cent. The following risks are considered in risk adjustment: mortality, longevity, disability (including permanent disability), lapse, and expense risk. Mandatum Group has measured risk adjustment as a part of LRC. Based on the short period of settlement of the incurred damages Mandatum Group does not define explicit risk adjustment as a part of LIC.

General measurement model (GMM)

On initial recognition, Mandatum Group measures a group of insurance contracts at the total of the fulfilment cash flows (FCF), comprising estimates of future cash flows, discounting and risk adjustment for non-financial risk. The contractual service margin is added to cash flows arising from fulling the contract.

Estimates of future cash flows are based on cash flow projections and are estimated until the maturity of the contract. Only risk policies with no death benefit or permanent disability cover are short-term (one year insurance term) contracts. Cash flows are estimated for every reporting period, and assumptions are updated yearly or more often, if needed. The locked-in rate is applied for the accretion of CSM.

At the subsequent reporting periods, the amount of insurance contract liabilities is the sum of the liability for LRC, consisting of the present value of future cash flows for services that will be provided during future periods, RA, the remaining CSM at that date, and LIC.

Variable fee approach (VFA)

The variable fee approach represents a modification of the GMM. In subsequent measurement periods, instead of using the locked-in rate, CSM is adjusted to reflect the variable nature of the fees, representing the amount of the entity's share of the fair value of the underlying items.

Impacts of IFRS 17 on Mandatum

In the IFRS 17 opening balance, insurance contract liabilities amounted to EUR 6,528 million. The introduction of discounting with market rates and new IFRS 17 components, RA and the CSM increased the amount of insurance contract liabilities. At the transition, the CSM amounted to EUR 433 million.

The investment contract liability increased to EUR 6,550 million due to the reclassification of unit-linked contracts as contracts within the scope of IAS 39. A significant part life insurance contract liability (unit-linked contracts) is within the scope of IFRS 9, as these contracts do not include significant insurance risk or discretionary bonuses. For contracts within the scope of IFRS 9, expected profits are not presented as a CSM. Therefore, the remaining CSM balance is expected to decrease over time as Mandatum Group's with-profit business runs off and most of the new business is recognised in IFRS 9.

Mandatum Group's balance sheet according to IFRS 17 as of 31 December 2022 was EUR 14,855.2 million. Compared to the balance sheet of EUR 14,833.3 million in accordance with IFRS 4, the IFRS 17 balance sheet thus increased by EUR 21.9 million. Total equity in accordance with IFRS 17 was EUR 1,691.5 million. Compared to the equity of EUR 1,318.5 million in accordance with IFRS 4, the increase in equity was EUR 373.0 million.

IFRS 9 Financial Instruments

The IFRS 9 Financial Instruments standard supersedes IAS 39 Financial Instruments: Recognition and Measurement. The new standard changes the classification and measurement of financial assets and includes a new impairment model based on expected credit losses.

Mandatum Group has applied the temporary exemption for the adoption of IFRS 9 Financial Instruments, and it implements IFRS 9 at the same time as IFRS 17 Insurance Contracts, which is on 1 January 2023. The comparative figures from 2022 have not been restated in accordance with IFRS 9.

Key accounting policies

Financial assets – classification

Under IFRS 9, financial assets are classified as being subsequently measured either at amortised cost, at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVTPL). The previous IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables cease to exist under IFRS 9. Under IFRS 9, the majority of Mandatum Group's financial assets are classified at fair value through profit or loss. In the transition to IFRS 9 Mandatum Group has classified only a limited amount of financial assets measured at amortised cost, and no financial assets are classified as FVOCI.

The classification of financial assets into these new measurement categories is based on Mandatum Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets (solely payments of principal and interest criteria, SPPI). SPPI criteria are met when the financial instrument's contractual cash flows are solely payments of

principal and interest on the principal amount outstanding. Principal refers to the fair value of a financial asset at initial recognition. Interest includes compensation for the time value of money, the credit risk associated with the amount of principal outstanding at any given time and other risks and charges associated with basic lending, as well as a profit margin.

A financial asset is measured at amortised cost only if the objective of the business model is to hold a financial asset in order to collect contractual cash flows, and the contractual cash flows of the financial asset meet the SPPI criteria. Interest revenue is calculated using the effective interest rate method. Under IFRS 9, financial assets subsequently measured at amortised cost are subject to loss allowance and expected credit losses (ECL).

Financial assets – impairment

IFRS 9 introduces a forward-looking ECL model, which replaces the model applied under IAS 39 based on incurred losses. The ECL model is applied to financial assets measured at amortised cost, contract assets in accordance with IFRS 15 Revenue from contracts with customer, loan commitments and financial guarantee contracts for which the impairment requirements apply. Impairment requirements do not apply to equity instruments or other financial instruments measured at FVTPL.

Expected credit losses reflect current conditions forecasts of future economic conditions, and past events, meaning historical loss experience.

Financial liabilities

The transition to IFRS 9 has not changed the measurement of financial liabilities. Mandatum measures derivative financial liabilities at fair value through profit or loss. Financial liabilities, including subordinated debt securities, debt securities in issues, and other financial liabilities, are subsequently measured at amortised cost using the effective interest rate method.

As described above, a significant part of unit-linked insurance contract liabilities is within the scope of IFRS 9. Mandatum is recognising these investment contract liabilities at fair value through profit or loss. The fair value is based on the financial assets underlying these policies and recognised at FVTPL.

Classification and measurement under IFRS 9

The table presents the most significant changes in classification and measurement for financial assets and liabilities. The implementation of IFRS 9 does not have a material impact on the measurement of Mandatum's balance sheet, as the main part of financial assets are reported at fair value under IAS 39 in the balance sheet, which is also the measurement principle under IFRS 9. Therefore, the new classification requirements do not have a material impact on the total equity.

As financial assets classified as available for sale under IAS 39 are measured at fair value through profit or loss under IFRS 9, the equity reserve related to available-for-sale financial assets is transferred to retained earnings.

Classification in accordance with IAS 39	Classification in accordance with IFRS 9	Carrying amount 31 Dec 2022	Transition	Carrying amount 1 Jan 2023
		EUR million		EUR million
Derivatives	Derivatives	41.0	-	41.0
Financial assets designated at fair value through income statement	Financial assets at fair value through profit and loss	9,916.3	-	9,916.3
Available-for-sale financial assets	Financial assets at fair value through profit and loss	3,667.7	-	3,667.7
Loans and other receivables	Financial assets at amortised cost	85.2	-	85.2
Financial assets at fair value through profit and loss	Financial assets at fair value through profit and loss	13,710.3	-	13,710.3

There were no changes in the measurement of financial liabilities at the transition to IFRS 9. However, investment contract liabilities (EUR 7,974.2 million on 30 September 2023) are measured in accordance with IFRS 9, which was previously measured in accordance with IFRS 4.

Expected credit losses

For Mandatum, expected credit losses are calculated on financial assets classified at amortised cost. At the date of transition, 1 January 2023 the financial assets measured at amortised cost amounted to EUR 85 million. For Mandatum Group financial assets classified at amortised cost consist mainly of bilateral loans. Expected credit losses on loan commitments, short-term deposits, and bank accounts are considered immaterial.

Related parties

Mandatum's related parties include its subsidiaries and associates. In addition, related parties include key management personnel, their immediate family members, and entities controlled by them. Mandatum's key management personnel are the members of the Board of Directors, the CEO, and the members of the Group Management Team.

The Group has in place internal guidelines and processes for the approval of related party transactions. Related party transactions are carried out in the ordinary course of business and on normal commercial terms.

As part of the partial demerger of Sampo plc between Sampo Group and Mandatum, transactions were carried out as a continuation of the arrangement whereby Sampo and Mandatum's investment activities were merged into Mandatum Group in 2021. After the implementation of the partial demerger, Sampo Group will not be one of Mandatum's related parties.

NOTES

The tables below present the breakdown of Mandatum's operating profit between the business areas.

RESULT BY SEGMENTS

1 Jan–30 Sep 2023						
EUR million	Institutional	Corporate	Retail	With Profit	Eliminations and items not allocated to the segments ¹	Group
Fee result	15.3	9.8	14.1	0.0	0.0	39.2
Insurance service result	0.0	11.5	11.1	0.0	0.0	22.6
Fee result from investment and asset management services	15.3	-1.6	2.9	0.0	0.0	16.6
Net finance result	0.0	0.0	0.0	118.7	5.0	123.7
Investment return	0.0	0.0	0.0	143.4	5.0	148.4
Unwinding and discounting of liabilities	0.0	0.0	0.0	-24.7	0.0	-24.7
Result related to risk policies	0.0	2.6	7.4	0.0	0.0	9.9
CSM and RA release	0.0	10.1	8.5	0.0	0.0	18.6
Other insurance service result	0.0	-7.5	-1.1	0.0	0.0	-8.6
Other result	0.1	-4.7	-2.0	10.7	-12.7	-8.7
Profit for the reporting period before taxes	15.3	7.7	19.4	129.4	-7.7	164.1
Client AuM 30 Sep 2023	6,006.2	2,145.6	3,085.2			11,237.0

1) Unallocated items include Mandatum Holding's investment income and loan expenses not allocated to segments

RESULT BY SEGMENTS

(Figures prepared in accordance with IFRS 17, retrospectively restated)

1 Jan–30 Sep 2022						
EUR million	Institutional	Corporate	Retail	With Profit	Eliminations and items not allocated to the segments ¹	Group
Fee result	21.7	7.6	7.8	0.0	0.0	37.1
Insurance service result	0.0	3.7	2.3	0.0	0.0	5.9
Fee result from investment and asset management services	21.7	3.9	5.5	0.0	0.0	31.2
Net finance result²	0.0	0.0	0.0	-27.6	0.0	-27.6
Investment return	0.0	0.0	0.0	-514.1	0.0	-514.1
Unwinding and discounting of liabilities	0.0	0.0	0.0	486.5	0.0	486.5
Result related to risk policies	0.0	2.1	1.8	0.0	0.0	3.9
CSM and RA release	0.0	7.4	2.9	0.0	0.0	10.3
Other insurance service result	0.0	-5.3	-1.1	0.0	0.0	-6.4
Other result	2.1	-1.9	2.8	7.6	-10.7	-0.1
Profit for the reporting period before taxes²	23.8	7.8	12.4	-20.0	-10.7	13.1
Client AuM 30 Sep 2022	5,300.8	2,019.1	2,982.1			10,302.0

1) Unallocated items include Mandatum Holding's investment income and loan expenses not allocated to segments

2) For the comparative period, comprehensive income items taken into account.

RECONCILIATION BETWEEN STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME AND RESULT BY SEGMENTS

	1—9/2022	Insurance revenue	Insurance service expenses	Reinsurance result	Net investment result	Net finance income or expense from insurance contracts	Net finance income or expenses and operating expenses from investment contracts	Other income	Other expenses	Finance expenses	Share of associates profit or loss
Insurance revenue	244.6	-244.6									
Insurance service expenses	-229.7		229.7								
Reinsurance result	-1.7			1.7							
Insurance service result	13.2										
Net investment result	-905.0				905.0						
Net finance income or expense from insurance contracts	951.6					-951.6					
Net finance income or expenses and operating expenses from investment contracts	604.9						-604.9				
Net financial result	651.5										
Other income	71.2							-71.2			
Other expenses	-55.2								55.2		

Finance expenses	-7.3		7.3
Share of associates profit or loss	0.1		-0,1
Profit for the reporting period before taxes	673.4		
Other comprehensive income for the reporting period			
Items reclassifiable to profit or loss			
Available-for-sale financial assets	-528.3		
Total items reclassifiable to profit or loss, net of tax	-528.3	528.3	
Other comprehensive income from the continuing operations, net of tax	-528.3		
Total comprehensive income for the reporting period	11.2		

1 INSURANCE SERVICE RESULT

EUR million	1–9/2023	1–9/2022	2022
Insurance revenue	255.2	244.6	327.9
CSM release	35.5	23.9	34.9
RA release	6.8	2.3	6.5
Expected claims and expenses	198.8	202.9	267.1
Other revenue	14.2	15.6	19.4
Insurance service expenses	-213.5	-229.7	-292.0
Incurred claims and expenses	-212.8	-223.2	-291.0
Change in LIC and loss component	-0.6	-6.5	-1.0
Reinsurance result	-1.0	-1.7	-2.0
Insurance service result	40.7	13.2	33.9

2 FINANCE EXPENSES FROM INSURANCE CONTRACTS

EUR million	1–9/2023	1–9/2022	2022
Unwinding	-50.5	-0.8	6.7
Change in discount rates	-110.9	952.4	913.5
Finance expenses from insurance contracts	-161.4	951.6	920.2

3 NET INCOME FROM INVESTMENTS

EUR million	1–9/2023	1–9/2022	2022
Financial assets			
<i>Derivative financial instruments</i>			
Gains/losses	-19.0	-26.5	-11.5
<i>Investments related to unit-linked contracts</i>			
Debt securities			
Interest income	44.7	26.1	35.9
Gains/losses	35.1	-79.6	-74.4
Equity securities			
Gains/losses	345.3	-1,095.1	-1,119.2
Dividend income	100.4	136.4	172.0
Loans and receivables			
Interest income	8.7	-0.8	0.4
Other financial assets			
Gains/losses	0.0	0.0	0.0
Other assets			
Gains/losses	-20.1	-34.5	-13.7
Total	514.1	-1,047.4	-998.9
<i>Loans and receivables</i>			
Interest income	21.5	1.9	5.1
Gains/losses	-7.1	0.9	-0.4
Total	14.4	2.8	4.7
<i>Financial assets measured at fair value through profit or loss</i>			
Debt securities			
Interest income	77.4		
Gains/losses	44.1		
Impairment losses	0.0		
Equity securities			
Gains/losses	9.9		
Impairment losses	0.0		
Dividend income	35.7		
Total	167.2	0.0	0.0
<i>Financial assets available for sale</i>			
Debt securities			
Interest income		53.5	74.8
Gains/losses		0.1	-4.3
Impairment losses		0.0	0.0
Equity securities			
Gains/losses		77.3	77.4
Impairment losses		-11.7	-24.1
Dividend income		49.1	58.7
Total	0.0	168.3	182.5
Total financial assets	676.7	-902.8	-823.1

Other assets			
<i>Investment properties</i>			
Gains/losses	-20.0	1.4	-3.2
Impairment losses	2.3	1.7	1.4
Other	7.3	2.7	3.6
Total other assets	-10.3	5.7	1.8
Net fee income			
Asset management	-2.3	-3.3	-4.3
Fee income	-0.2	1.0	1.6
Premiums from unit-linked contracts	-2.7	-5.6	-6.1
Total	-5.3	-8.0	-8.7
Net income from investments total	661.1	-905.0	-830.1

4 FINANCIAL ASSETS AND LIABILITIES

Financial assets at 30 September	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value					
Derivative financial instruments					
Interest rate swaps	0.0		0.0		0.0
Foreign exchange derivatives	0.7		0.7		0.7
Total derivative financial instruments	0.7		0.7		0.7
Assets at fair value through p/l					
Equity securities	226.8	185.2		41.6	226.8
Debt securities	2,499.1	1,864.2	610.9	24.0	2,499.1
Funds	762.8	102.5	71.8	588.6	762.8
Total assets at fair value through p/l	3,488.7	2,151.9	682.6	654.2	3,488.7
Financial assets related to unit-linked insurance					
Equity securities	601.2	548.5	2.1	50.7	601.2
Debt securities	1,011.6	100.4	881.2	30.0	1,011.6
Funds	8,989.3	5,542.0	859.7	2,587.6	8,989.3
Derivative financial instruments	2.3		2.3		2.3
Other assets	388.5		388.5		388.5
Total financial assets related to unit-linked insurance	10,993.0	6,190.9	2,133.8	2,668.3	10,993.0
Total financial assets measured at fair value	14,482.4	8,342.8	2,817.1	3,322.5	14,482.4
Financial assets at amortised cost					
Loans and receivables	65.6			65.7	65.7
Financial assets, total	14,548.0	8,342.8	2,817.1	3,388.1	14,548.0
Financial liabilities at 30 September					
Financial liabilities at fair value					
Derivative financial instruments					
Interest rate swaps	13.7		13.7		13.7
Foreign exchange derivatives	8.2		8.2		8.2
Total derivative financial instruments	21.9		21.9		21.9
Derivative financial instruments related to unit-linked insurance					
	11.8		11.8		11.8
Total financial liabilities related to unit-linked insurance	11.8		11.8		11.8
Total financial liabilities at fair value	33.7		33.7		33.7
Financial liabilities measured at amortised cost					
Subordinated debt securities					
Subordinated loans	249.8	234.7			234.7

Financial liabilities measured at amortised cost total	249.8	234.7		234.7
Group financial liabilities, total	283.5	234.7	33.7	268.4

Financial assets at 31 December	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value					
Derivative financial instruments					
Interest rate swaps	0.0		0.0		0.0
Foreign exchange derivatives	23.1		23.1		23.1
Total derivative financial instruments	23.1		23.1		23.1
Financial assets related to unit-linked insurance					
Equity securities	680.5	647.0	2.1	31.3	680.5
Debt securities	941.3	89.8	757.2	94.3	941.3
Funds	7,882.6	4,879.8	675.8	2,327.0	7,882.6
Derivative financial instruments	20.4		20.4		20.4
Other assets	411.9		411.9		411.9
Total financial assets related to unit-linked insurance	9,936.7	5,616.6	1,867.3	2,452.7	9,936.7
Financial assets available for sale					
Equity securities	433.2	416.8		16.4	433.2
Debt securities	2,214.6	1,570.2	631.0	13.4	2,214.6
Other assets	1,019.9	358.6	67.6	593.6	1,019.9
Total Financial assets available-for-sale	3,667.7	2,345.6	698.6	623.4	3,667.7
Total financial assets measured at fair value	13 627.4	7,962.3	2,589.0	3,076.1	13,627.4
Financial assets at amortised cost					
Loans and receivables	85.2			85.3	85.3
Group financial assets, total	13,712.6	7,962.3	2,589.0	3,161.4	13,712.7

Financial liabilities at 31 December

Financial liabilities at fair value

Derivative financial instruments

Interest rate swaps	2.2		2.2		2.2
Foreign exchange derivatives	0.4		0.4		0.4
Total derivative financial instruments	2.6		2.6		2.6

Derivative financial instruments related to unit-linked insurance

	2.4		2.4		2.4
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Total financial liabilities related to unit-linked insurance	2.4		2.4		2.4
Total financial liabilities at fair value	5.0		5.0		5.0
Financial liabilities measured at amortised cost					
Subordinated debt securities					
Subordinated loans	349.6	230.1	0.0	100.0	330.1
Financial liabilities measured at amortised cost total	349.6	230.1	0.0	100.0	330.1
Group financial liabilities, total	354.6	230.1	5.0	100.0	335.1

Financial instruments measured at fair value and their main valuation models

Item	Valuation model	Significant unobservable input data	Ratio of unobservable input data to fair value
Equity investment	An additional return model, in which the value consists of the capital invested plus the present value of the expected additional returns	Expected future additional revenues	The fair value will increase (decrease) if the expected additional income increases (decreases), or if the discount rate is lower (higher)
Private equity investments	The valuation of the underlying investments is conducted by the fund manager, who has all the relevant information required for the valuation process.	The value of the investments and the amount of debt. The valuation of the investments may be carried out by the fund using different models (e.g. purchase price, publicly traded peers, yield multiplier basis, or cash flow valuation).	n/a
Alternative funds	The value is determined by the fund and implementation is mainly the responsibility of the fund manager.	Valuation is based on, for example, cash flow valuation.	n/a
Interest rate derivatives	The valuation of interest rate derivatives is mainly based on a discounted cash flow valuation model.	Estimates of future variable interest rates are based on quoted derivative prices and futures' prices. Future cash flows are discounted using an interest rate curve based on market interest rates, which corresponds to the interest rate used by market participants for similar derivative products.	n/a
FX derivatives	The valuation of FX derivatives is mainly based on a valuation model based on discounting of cash flows and FX rates.	Valuation is based on an appropriate FX rate and an interest rate curve based on market interest rates.	n/a

5 ANALYSES OF CHANGES IN INSURANCE CONTRACT LIABILITIES

30 Sep 2023				
EUR million	Liabilities for remaining coverage Net liabilities (or assets) excluding loss component	Loss component	Liabilities for incurred claims	Total
Opening balance - liabilities relating to insurance contracts	5,295.2	3.6	23.5	5,322.3
Opening balance - assets relating to insurance contracts	-10.4	0.5	1.7	-8.2
Net opening balances	5,284.8	4.1	25.2	5,314.1
Insurance revenue	-255.2			-255.2
Insurance service expenses				
Incurres claims and other insurance service expenses	0.0	-0.5	197.8	197.3
Adjustments to liabilities for incurred claims			2.5	2.5
Losses and reversals of losses on onerous contracts		-1.3		-1.3
Amortisation of insurance acquisition cash flows	15.0			15.0
Insurance service result	-240.1	-1.8	200.3	-41.7
Finance income or expenses from insurance contracts	161.4			161.4
Changes in the statement of profit or loss	-78.7	-1.8	200.3	119.8
Investment component	-152.8		152.8	0.0
Cash flows during the period				
Premiums received	203.4			203.4
Claims and other insurance service expenses paid			-352.6	-352.6
Insurance acquisition cash flows	-3.5			-3.5
Total cash flows during the period	199.9		-352.6	-152.7
Net closing balance	5,253.1	2.3	25.7	5,281.1
Closing balance - liabilities relating to insurance contracts	5,264.2	2.0	24.0	5,290.2
Closing balance - assets relating to insurance contracts	-11.0	0.2	1.7	-9.0
Net closing balance	5,253.1	2.3	25.7	5,281.1

30 Dec 2022
(Figures prepared in accordance with IFRS 17, retrospectively restated)

EUR million	Liabilities for remaining coverage	Loss component	Liabilities for incurred claims	Total
	Net liabilities (or assets) excluding loss component			
Opening balance - liabilities relating to insurance contracts	6,550.4	0.0	22.2	6,572.6
Opening balance - assets relating to insurance contracts	-50.5	0.0	6.4	-44.1
Net opening balances	6,499.9	0.0	28.6	6,528.5
Insurance revenue	-327.9	0.0	0.0	-327.9
Insurance service expenses				
Incurred claims and other insurance service expenses	0.0	-0.6	268.5	267.9
Adjustments to liabilities for incurred claims	0.0	0.0	-3.1	-3.1
Losses and reversals of losses on onerous contracts	0.0	4.7	0.0	4.7
Amortisation of insurance acquisition cash flows	22.5	0.0	0.0	22.5
Insurance service result	-305.4	4.1	265.4	-35.9
Finance income or expenses from insurance contracts	-920.2	0.0	0.0	-920.2
Changes in the statement of profit or loss	-1,225.6	4.1	265.4	-956.1
Investment component	-225.1	0.0	225.1	0.0
Cash flows during the period				
Premiums received	243.5	0.0	0.0	243.5
Claims and other insurance service expenses paid	0.0	0.0	-493.9	-493.9
Insurance acquisition cash flows	-7.8	0.0	0.0	-7.8
Total cash flows during the period	235.6	0.0	-493.9	-258.3
Net closing balance	5,284.8	4.1	25.2	5,314.1
Closing balance - liabilities relating to insurance contracts	5,295.2	3.6	21.6	5,320.3
Closing balance - assets relating to insurance contracts	-10.4	0.5	3.6	-6.2
Net closing balance	5,284.8	4.1	25.2	5,314.1

30 Sep 2023

EUR million	Estimation of present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
Opening balance - liabilities relating to insurance contracts	4,873.6	47.5	399.2	5,320.3
Opening balance - assets relating to insurance contracts	-80.8	5.6	68.9	-6.2
Net opening balance	4,792.9	53.2	468.1	5,314.1
Changes that relate to current services				
CSM recognized in profit or loss	0.0	0.0	-35.5	-35.5
Change in risk adjustment for non-financial risk for risk expired	0.0	-6.2	0.0	-6.2
Experience adjustments	-1.2	0.0	0.0	-1.2
Changes that relate to future services				
Changes in estimates that adjust the CSM	150.8	-4.4	-146.4	0.0
Changes in estimates that result in losses and reversal of losses on onerous contracts	-0.7	-0.6	0.0	-1.3
Contracts initially recognised in the period	-16.0	2.0	14.0	0.0
Experience adjustment arising from premiums received in the period relating to future service	-67.4	0.0	67.4	0.0
Changes that relate to past services				
Adjustments to liabilities for incurred claims	2.5	0.0	0.0	2.5
Insurance service result	67.9	-9.1	-100.5	-41.7
Finance income or expenses from insurance contracts	75.6	1.2	84.7	161.4
Changes in the statement of profit or loss	143.5	-7.9	-15.9	119.8
Total cash flows	-152.7	0.0	0.0	-152.7
Net closing balance	4,783.7	45.2	452.2	5,281.1
Closing balance - liabilities relating to insurance contracts	4,802.9	44.9	442.3	5,290.2
Closing balance assets relating to insurance contracts	-19.3	0.3	9.9	-9.0
Net closing balance	4,783.7	45.2	452.2	5,281.1

31 Dec 2022

(Figures prepared in accordance with IFRS 17, retrospectively restated)

EUR million	Estimation of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening balance - liabilities relating to insurance contracts	6,211.4	52.0	306.3	6,569.7
Opening balance - assets relating to insurance contracts	-188.7	20.5	127.1	-41.2
Net opening balance	6,022.7	72.4	433.3	6,528.5
Changes that relate to current services				
CSM recognised in profit or loss	0.0	0.0	-34.9	-34.9
Change in risk adjustment for non-financial risk for risk expired	0.0	-6.4	0.0	-6.4
Experience adjustments	3.8	0.0	0.0	3.8
Changes that relate to future services				
Changes in estimates that adjust the CSM	-419.5	4.7	414.8	0.0
Changes in estimates that result in losses and reversal of losses on onerous contracts	4.8	-0.1	0.0	4.7
Contracts initially recognised in the period	-25.1	3.4	21.7	0.0
Experience adjustment arising from premiums received in the period relating to future services	-47.8	0.0	47.8	0.0
Changes that relate to past services				
Adjustments to liabilities for incurred claims	-3.1	0.0	0.0	-3.1
Insurance service result	-486.9	1.6	449.5	-35.9
Finance income or expenses from insurance contracts	-484.6	-20.8	-414.7	-920.2
Changes in the statement of profit or loss	-971.5	-19.3	34.7	-956.1
Total cash flows	-258.3	0.0	0.0	-258.3
Net closing balance	4,792.9	53.2	468.1	5,314.1
Closing balance - liabilities relating to insurance contracts	4,873.6	47.5	399.2	5,320.3
Closing balance assets relating to insurance contracts	-80.8	5.6	68.9	-6.2
Net closing balance	4,792.9	53.2	468.1	5,314.1

6 ANALYSIS OF CHANGES IN INVESTMENT CONTRACT LIABILITIES

EUR million	Investment contract liability	
	30 Sep 2023	31 Dec 2022
Opening balance - investment contract liabilities	7,107.0	7,250.1
Amounts recognised in profit or loss		
Investment return on underlying items	374.2	-569.5
Fees deducted	-40.4	-60.0
Total cash flows		
Contribution received *	997.0	1,149.6
Benefits paid	-463.5	-663.2
Closing balance – investment contract liabilities	7,974.2	7,107.0
* also includes transfers from WIP		





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