MANDATUM

Mandatum Group

Result presentation FY 2023

13 February 2024

October-December 2023

- Solid PBT EUR 46.3 million despite the decreased discount rate
- Strong net flow EUR 209.9 million
- Stable fee result EUR 13.4 million in line with the previous quarters
- Sales activity at a very good level, supported by the strong product offering in this market environment
- Mandatum was ranked second best institutional asset manager in Finland in Scandinavian Financial Research’s (SFR) customer study
- Net promoter score (NPS) 76.8, the customer satisfaction indicator in all customer encounters, was at a very good level

January-December 2023

- A strong year 2023: PBT increased significantly to EUR 210.4 million. All result components contributed to the growth
- Client AuM up 15% y-o-y to EUR 11.9 billion due to EUR 754 million net flow and positive market movements. Both AuM and net flow at a record level
- Fee result EUR 52.6 million
- Net finance result increased significantly to EUR 148.6 million
- Continued strong Solvency II ratio 221.4% decreased 15 pp q-o-q due to accrued dividend and symmetrical adjustment
- Dividend proposal EUR 0.33 per share, in line with the financial targets

Mandatum's financial targets

	Target	1–12/2023
Focus on strong and profitable growth of capital-light offering[1]	Annual net flows[2] (medium-term) **5% of AuM**	Netflow EUR 753.8 million, 7.3% of Client AuM
	Disciplined Pricing and fee margin	Fee margin 1.2 (1.2) %
	Improving Cost / income ratio[3]	Cost/income ratio 66 (67) %
Managing with-profit portfolio for capital release	**Run-off with active portfolio management actions** Liability development	With-profit liabilities at 31 Dec 2023: EUR 2,427 million (2,487)
Prudent balance sheet management enabling strong shareholder returns	**EUR 500 million** Cumulative ordinary dividend (next 3 years)	The proposal for the dividend to be paid in spring 2024 is EUR 165.6 million
	170-200% Solvency II ratio (medium-term)	31 Dec 2023: 221.4 (265.5) %

Note: (1) Based on Client AuM (EUR 11.2 billion), i.e. excluding AuM from With-profit (EUR 4.3 billion) and Large Mandates (EUR 4.6 billion). (2) Based on beginning of period AuM. (3) Related to investment & asset management fee income and expenses.

Financial performance

Overview of the 10-12/2023 results

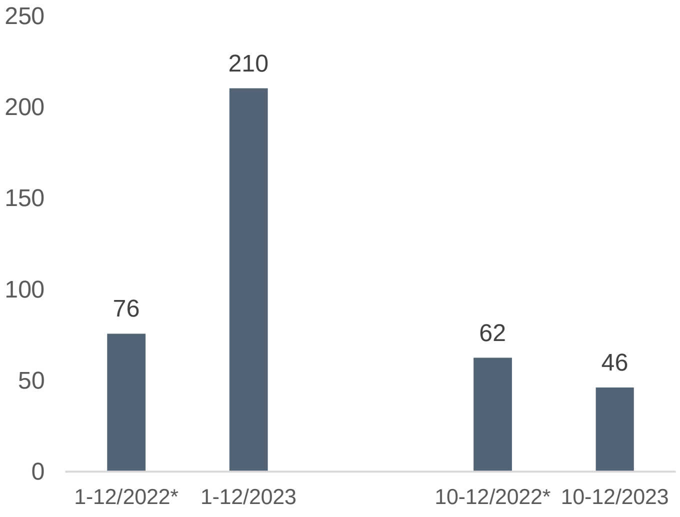
RESULTS

€m	10-12 / 2023	10-12 / 2022	Change	1-12 / 2023	1-12 / 2022	Change
Fee result	**13**	**6**	**7**	**53**	**43**	**9**
Insurance service result	9	4	4	31	10	21
Fee result from from investment and asset management services	5	2	3	21	33	-12
Net finance result[1]	**25**	**78**	**-53**	**149**	**50**	**98**
Investment return	169	81	88	318	-433	751
Unwinding and discounting of liabilities	-144	-3	-142	-169	484	-653
Result related to risk policies	**8**	**5**	**3**	**18**	**9**	**9**
CSM and RA release	8	4	4	26	14	12
Other insurance service result	0	1	-1	-8	-5	-3
Other result	**0**	**2**	**-2**	**-9**	**2**	**-11**
Group contribution	**0**	**-29**	**29**	**0**	**-29**	**29**
Total PBT[1]	**46**	**63**	**-16**	**210**	**76**	**135**

Note (1): Year 2022 net finance result also with fair values i.e. is comparable with year 2023 result.

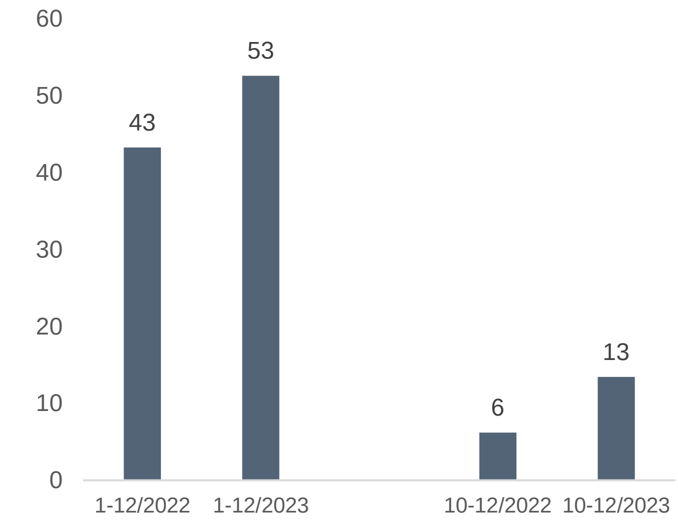
Solid €46m result despite of material discount rate movement

PROFIT BEFORE TAXES



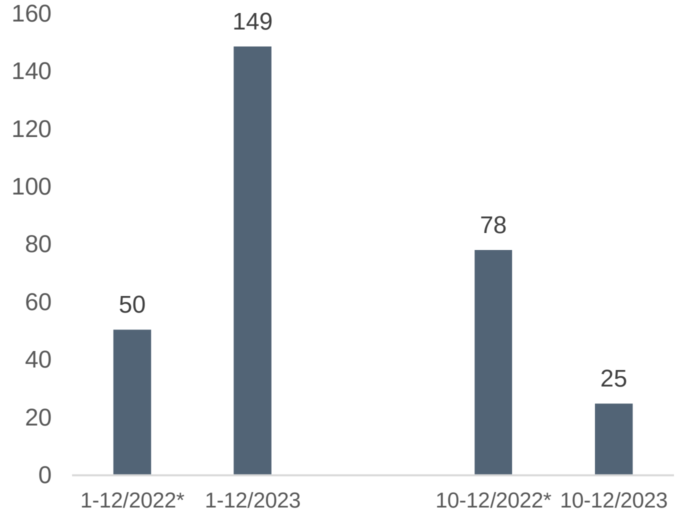
- Q4 PBT lower than year 2022 Q4 due to lower net finance result
- Full year PBT increased by €134m due to higher net finance result

FEE RESULT



- Stable Q4 fee result compared to full year 2023
- In addition to fee result growth, CSM related to unit linked pension policies have increased from €254m to €314m during year 2023

NET FINANCE RESULT

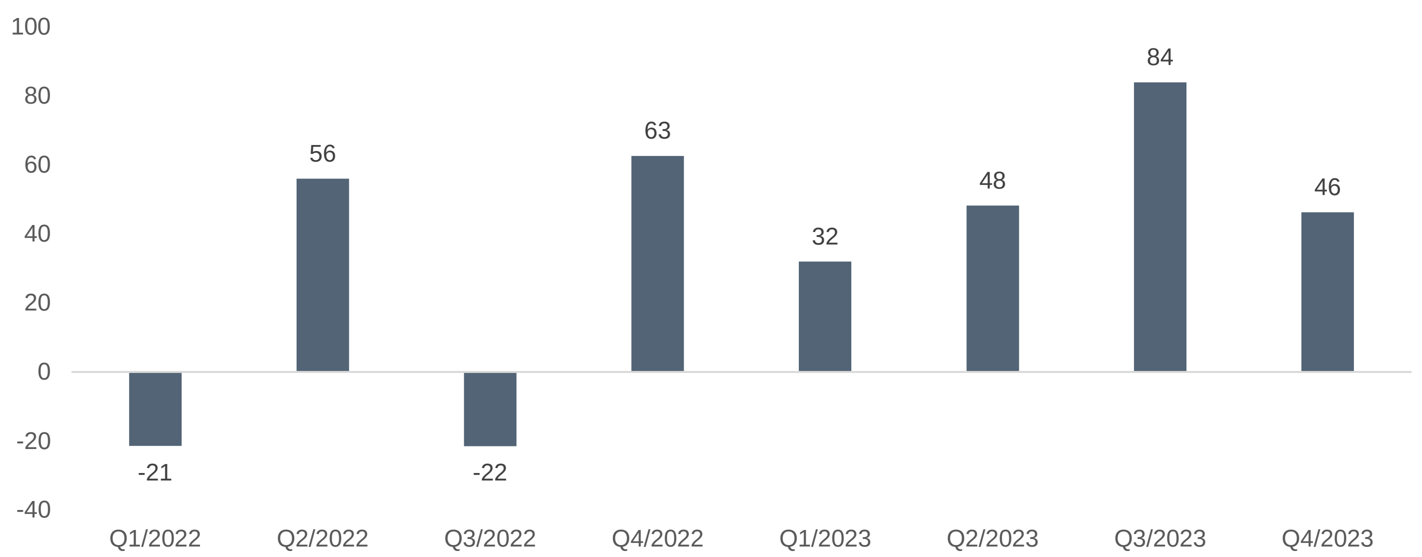


- Good Q4 asset return 4.1% (original portfolio) but relatively high cost of liabilities due to decreased discount rate
- Comparable Q4 2022 result was excellent but year 2023 full year result clearly above year 2022

Note: (1) Year 2022 adjusted for IFRS 9

Result by quarters since 2022

PBT BY QUARTERS



€m	1-3/22	4-6/22	7-9/22	10-12/22	1-3/23	4-6/23	7-9/23	10-12/23
Fee result	10	8	19[1]	6	14	12	13	13
Net finance result	-24	47	-51	78	13	43	67	25

Q4 COMMENTS

- Q4 lower than Q3 and Q4/2022 due to lower net finance result
  - Q3 was supported by material increase in discount rate and positive investment return
  - Good investment return and slightly increased discount rates where behind excellent Q4/2022
- Year 2023 less volatile due to de-risking and less volatile market
- Q4 fee result stable compared to 1-9/2023 and high growth in unit linked CSM supporting fee result expectations

Note (1): Includes one off item €8.5m

Result by segments

RESULTS 1-12/2023

€m	Institutional	Corporate	Retail	With Profit	Other	Total	1-12/2022
Fee result	**20**	**15**	**18**	**0**	**0**	**53**	**43**
Insurance service result	0	15	16	0	0	31	10
Fee result from investment and asset management services	20	0	2	0	0	21	33
Net finance result[1]	**0**	**0**	**0**	**138**	**11**	**149**	**50**
Investment return				307	11	318	-433
Unwinding and discounting of liabilities				-169		-169	484
Result related to risk policies	**0**	**8**	**10**	**0**	**0**	**18**	**9**
CSM and RA release	0	16	10	0	0	26	14
Other insurance service result	0	-8	-1	0	0	-8	-5
Other result	**0**	**-5**	**-3**	**22**[2]	**-23**	**-9**	**-27**
Total PBT	**19**	**18**	**25**	**160**	**-12**	**210**	**76**

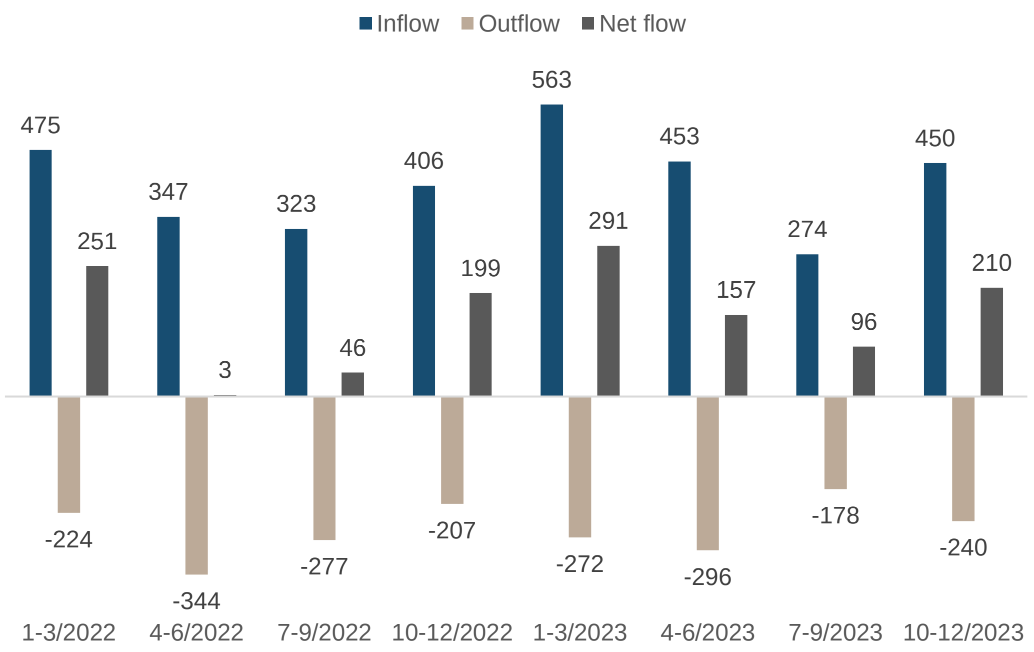
Note: (1) Year 2022 net finance result with fair values i.e. is comparable with year 2023 result. (2) Includes exceptional CSM release which is not expected to continue as remaining CSM is EUR 8.8 million.

Capital-light segments

Full year net flow €754m (7.3 %) exceeding clearly 5 % target

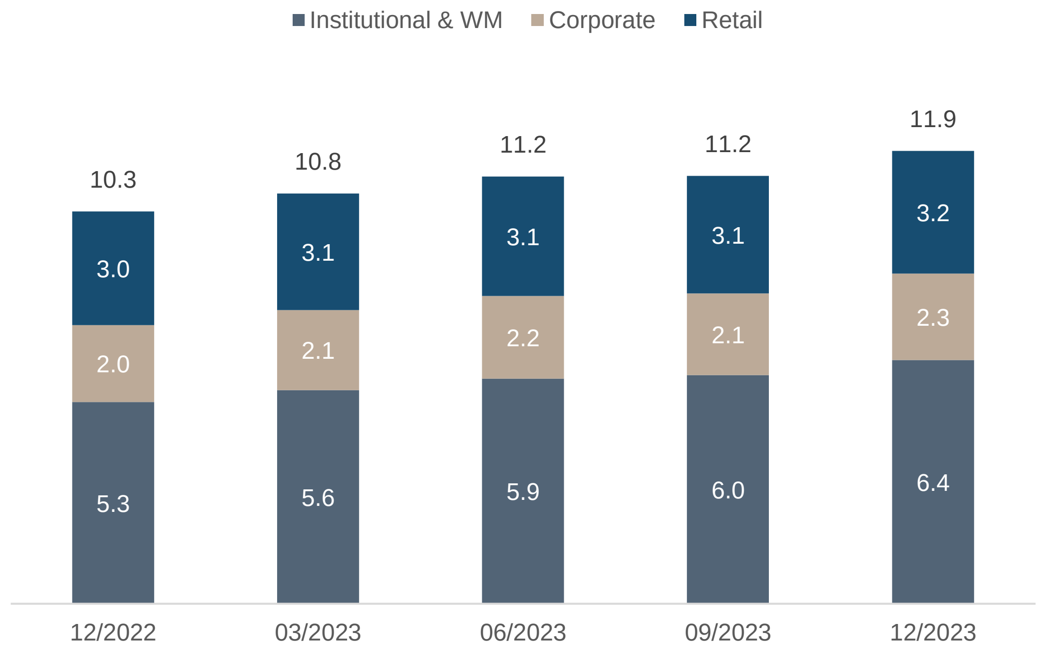
Client AuM up to €11.9Bn

NET FLOW (€M)



- YTD net flow €754m (€499). 2/3 coming from UHNWI and Private WM clients
- Majority of Q4 and full year net flows into credit products

CLIENT ASSETS UNDER MANAGEMENT (€BN)

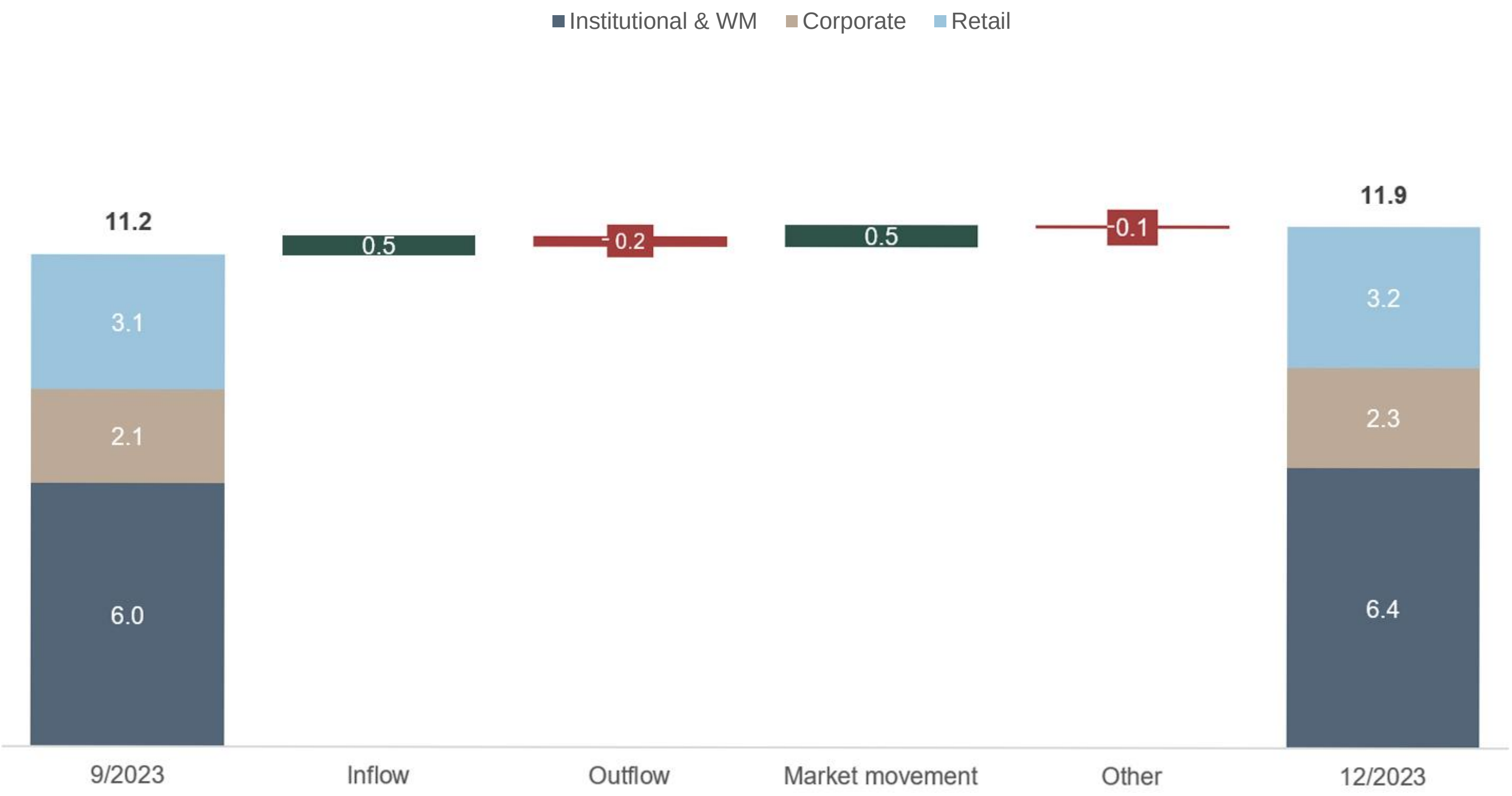


- Q4 AuM growth €654m (5.8 %) and YTD €1,590m (11.8 %)
- All segments AuM increased since 2022 and September 2023

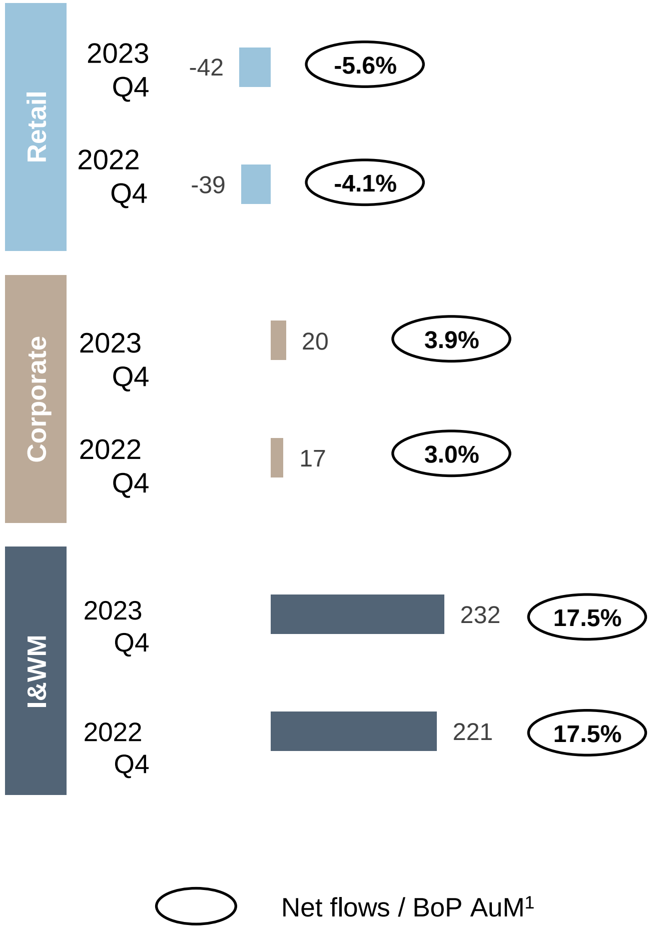
Q4 development of total client assets under management

I&WM segment and credit products dominated the net flows

Q4 DEVELOPMENT OF CLIENT ASSETS UNDER MANAGEMENT (€BN)



NET FLOW DEVELOPMENT (€M)

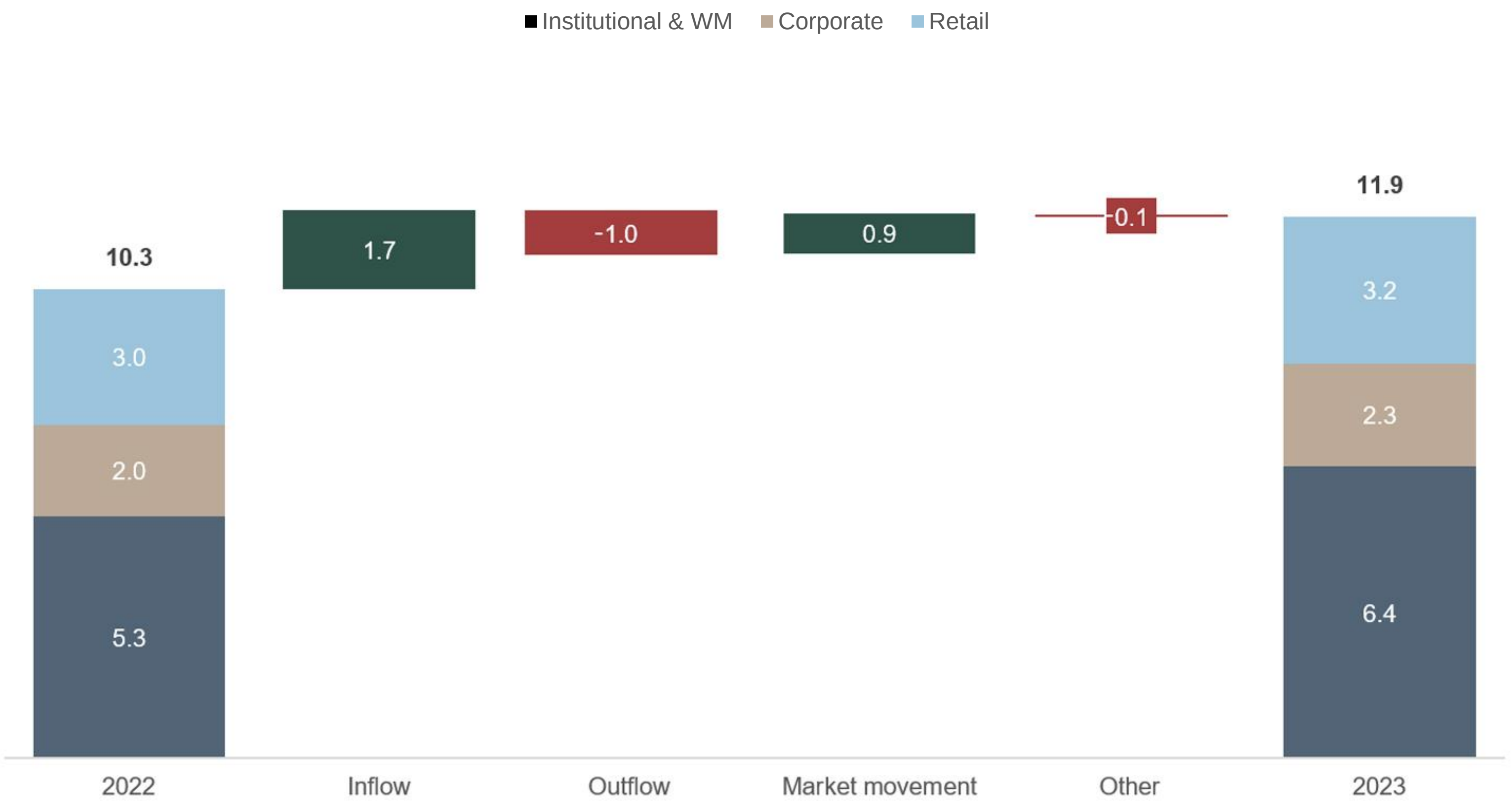


Note: (1) Based on annualized 10-12/2023 and 10-12/2022 net flows

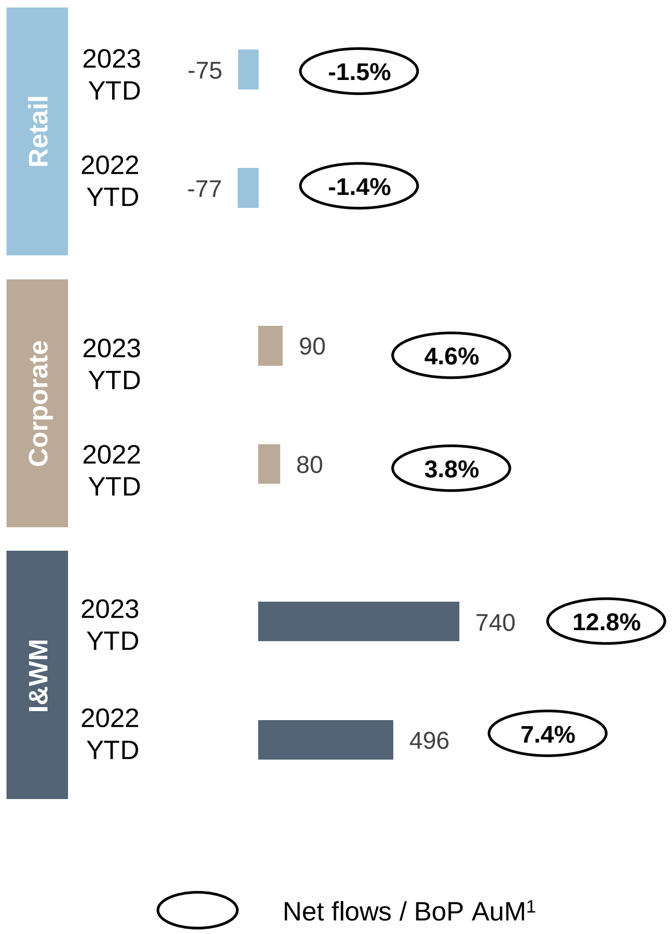
FY2023 development of total client assets under management

75% of wealth management new sales originated from the corporate cooperation

FY2023 DEVELOPMENT OF CLIENT ASSETS UNDER MANAGEMENT (€BN)



NET FLOW DEVELOPMENT (€M)

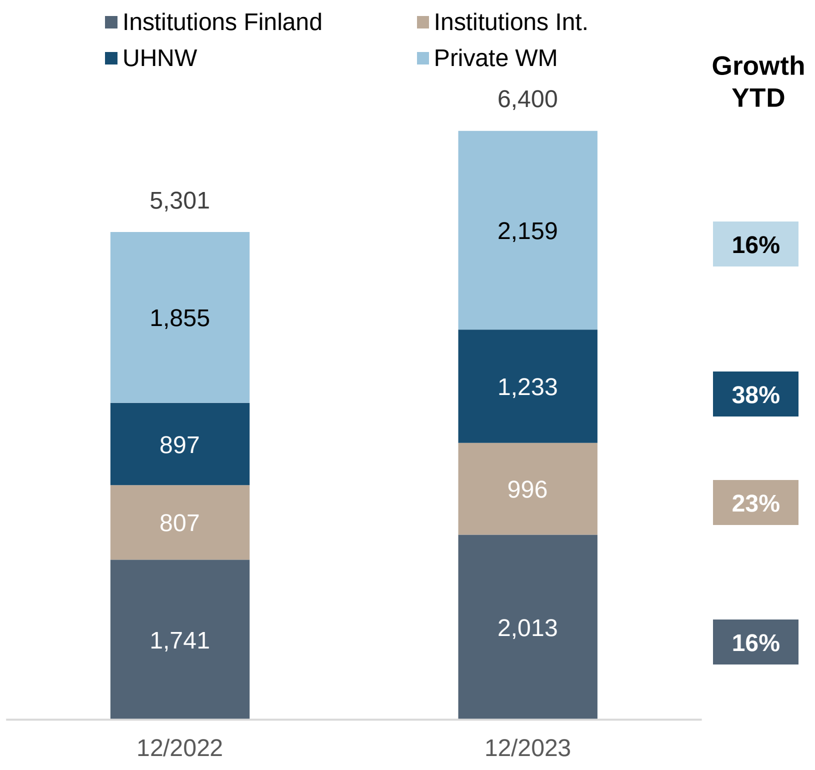


Note: (1) Based on 1-12/2023 and 1-12/2022 net flows

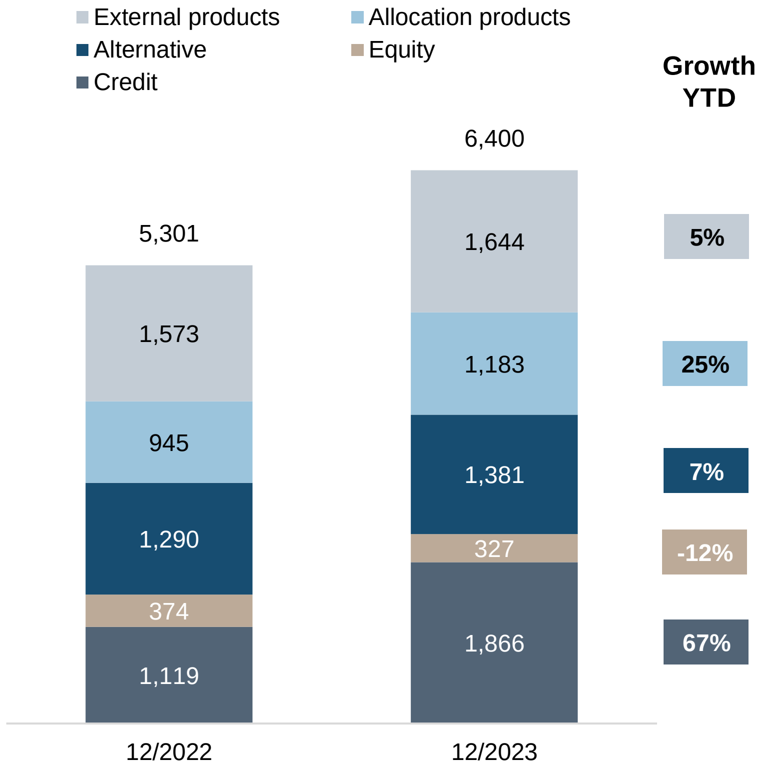
Institutional & wealth management as a growth driver

Material AuM growth in all customer segments

AUM BY CUSTOMER SEGMENT (€M)



AUM BY PRODUCT (€M)

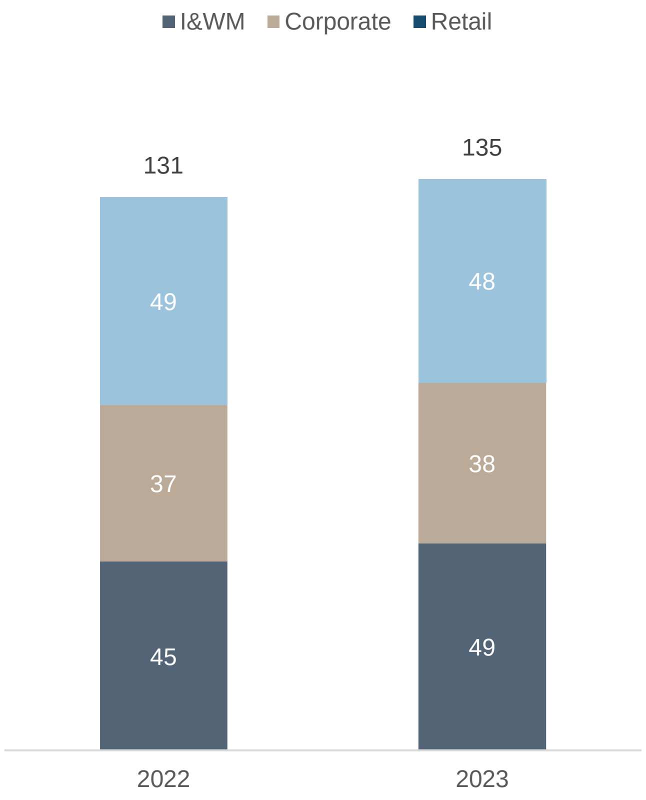


COMMENTS

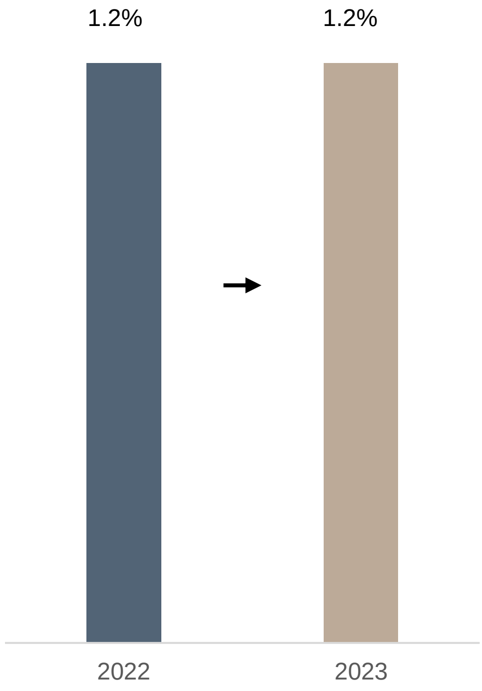
- Strong net flows and high AuM growth in all customer segments
- UHWI and Private WM customers delivered close to 60% of total €1,089m AuM growth
- Substantial growth in fixed income AuM due to high net flows and good asset return
- Allocation products had positive net flows in every quarter during year 2023 as proof of Mandatum's strong market positioning and product mix

Fee income and fee margin development

FEE INCOME DEVELOPMENT (€M)[1]



STABLE FEE INCOME MARGIN (%)[2]



COMMENTS

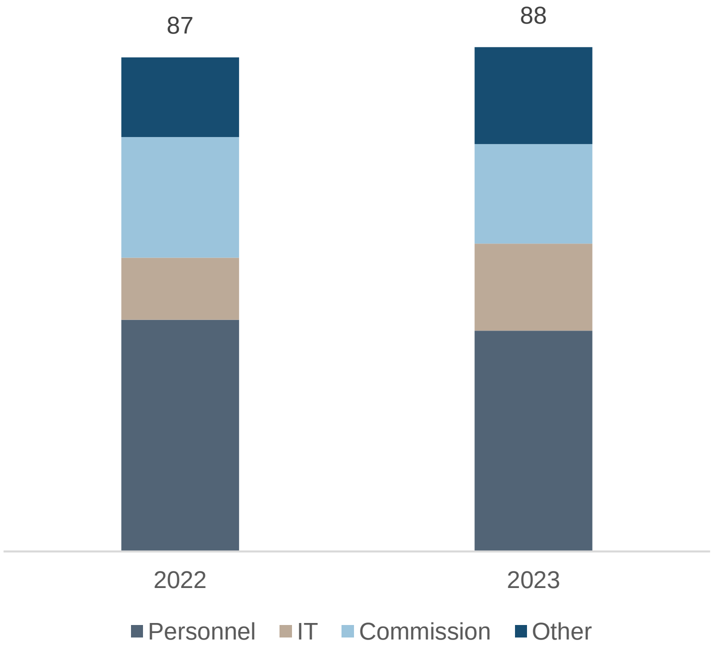
- AuM growth originated mainly from credit products → decreased the fee margin by 3 bps
- Despite a slight decrease, the total fee margin remained stable at 1.2%
- Fee income growth came from Institutional & Wealth Management segment
- FY2023 avg. AuM appr. €600m higher compared to FY2022, resulting in fee income growth

Note: (1) Related to Client AuM, i.e. excluding AuM from With-profit and Large Mandates. Excluding one-off items and intra-group eliminations. (2) Based on average AuM and annualized fee income.

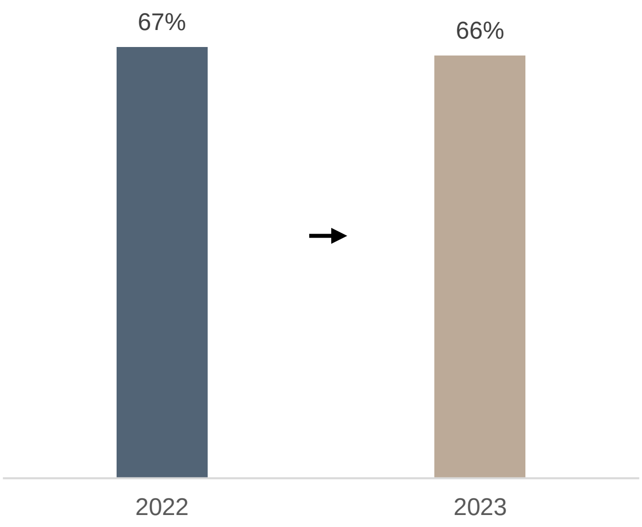
Cost development and structure

Stable cost development but growth on fixed costs

COST DEVELOPMENT (€M)



STABLE OVERALL C/I RATIO (%) [1]



COMMENTS

- Total costs were fairly stable but fixed costs increased, which was offset by lower variable costs
- IT expenses +€4.4m driven by inflation and development costs
- Commissions down by €3.7m mainly due to lower FY2023 avg. AuM related to Danske portfolio
- An increase of €2.9m in personnel expenses due to FTE growth

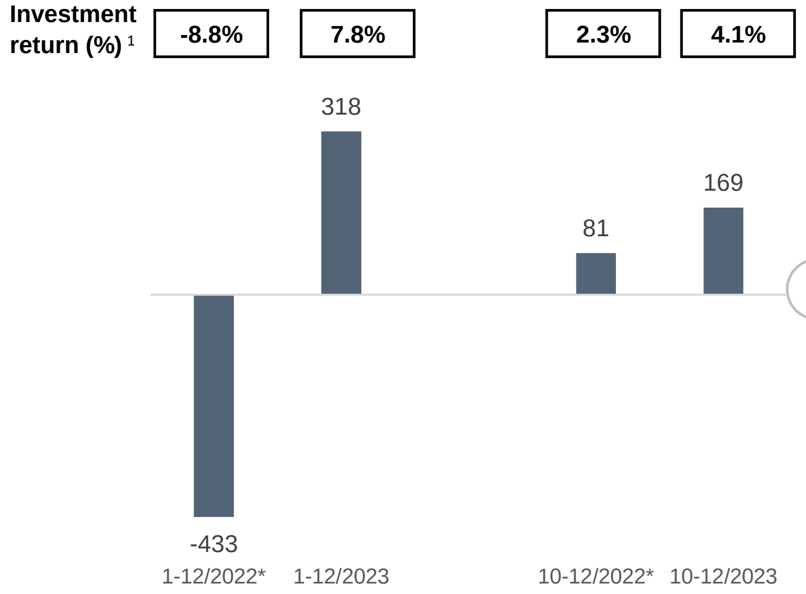
Note: (1) C/I ratio in investment and asset mgmt. services 75%

With-profit segment

Assets and liabilities

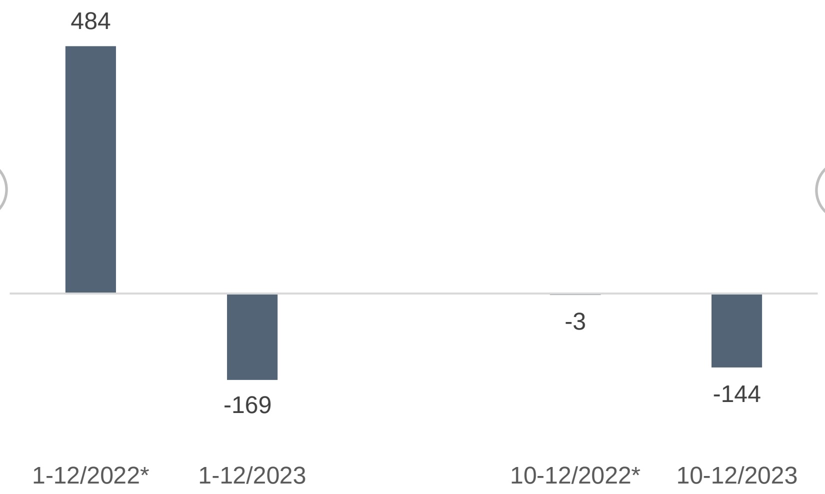
Net finance result

INVESTMENT RETURNS (€M)



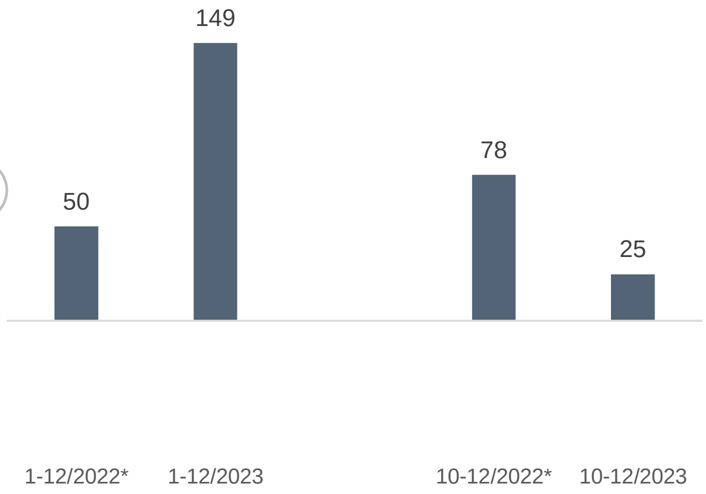
- Q4 4.1% return mainly from fixed income assets (3.5%), listed equities (5.4%) and private equities (7.6%)
- FY2023 fixed income asset return 8.5% and total asset return 7.8 %

COST OF LIABILITIES I.E. UNWINDING & DISCOUNT (€M)



- Decreased discount rate increased liabilities by €116m in Q4
- Unwinding cost €16m in Q4

NET FINANCE RESULT (€M)



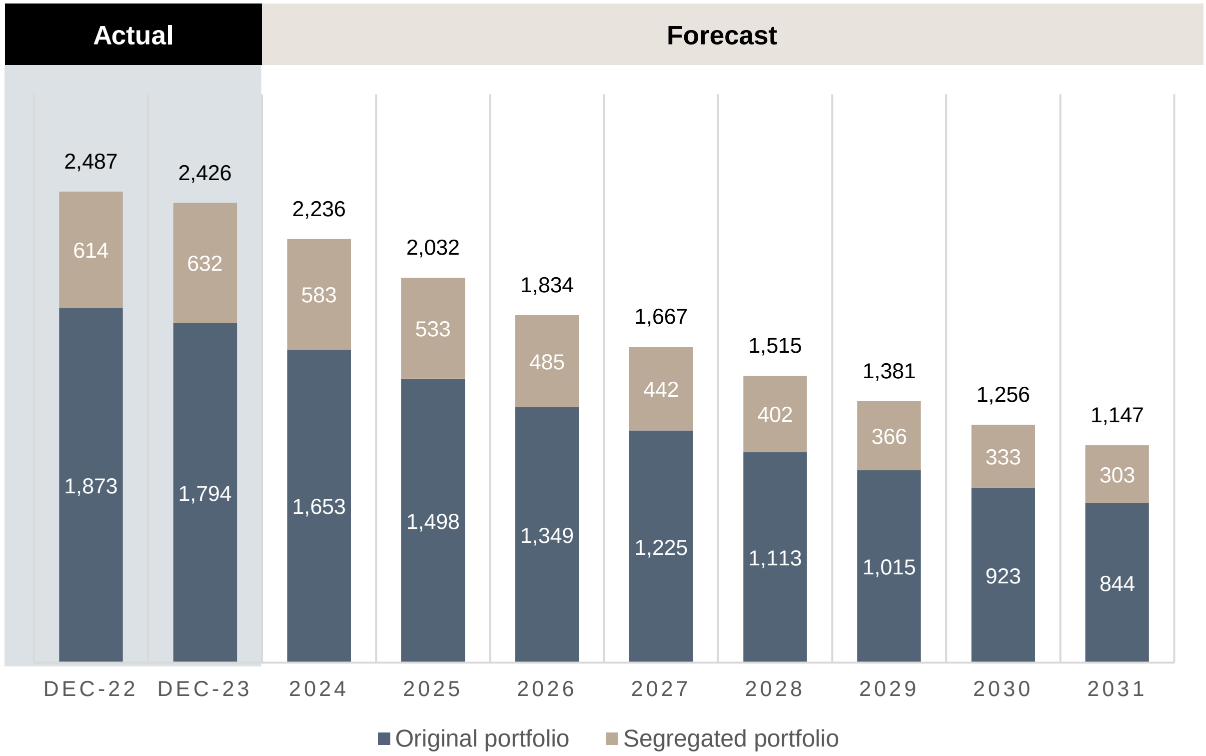
- Q4 net finance result positive despite the significant movement in discount rates
- FY2023 fixed income and swaps return covered cost of liabilities

Note: (1) YTD return % related to the original portfolio and comments also related to original portfolio

With-profit IFRS liability run-off profile

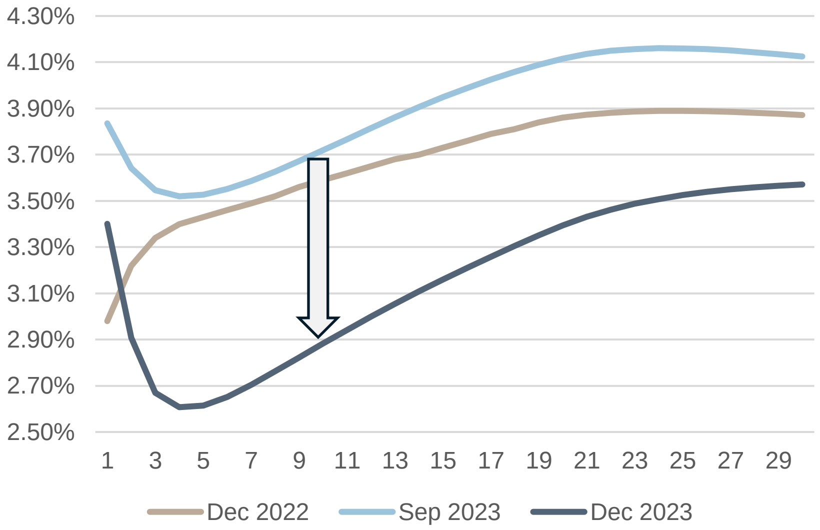
Portfolio decreasing as expected, but lower discount rate hides the trend in IFRS liabilities

DEVELOPMENT IN WITH-PROFIT IFRS LIABILITES (€M)



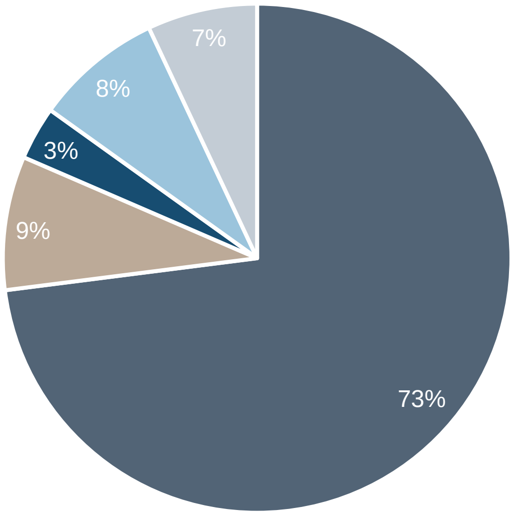
IFRS 17 DISCOUNT CURVE

- The discount curve decreased materially in Q4 which increased with-profit liabilities by €116m since September
- Unwinding rate 3.4% for year 2024 and expected unwinding cost €56m related to original portfolio and €21m related to segregated portfolio

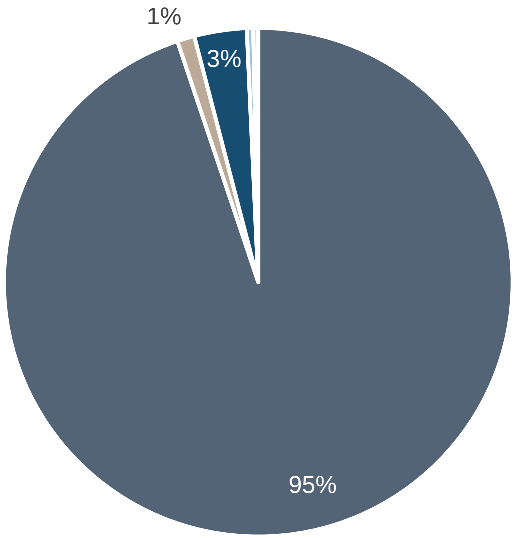


With-profit investment portfolio by asset class

ORIGINAL PORTFOLIO €3,340M



SEGREGATED PORTFOLIO, €701M



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

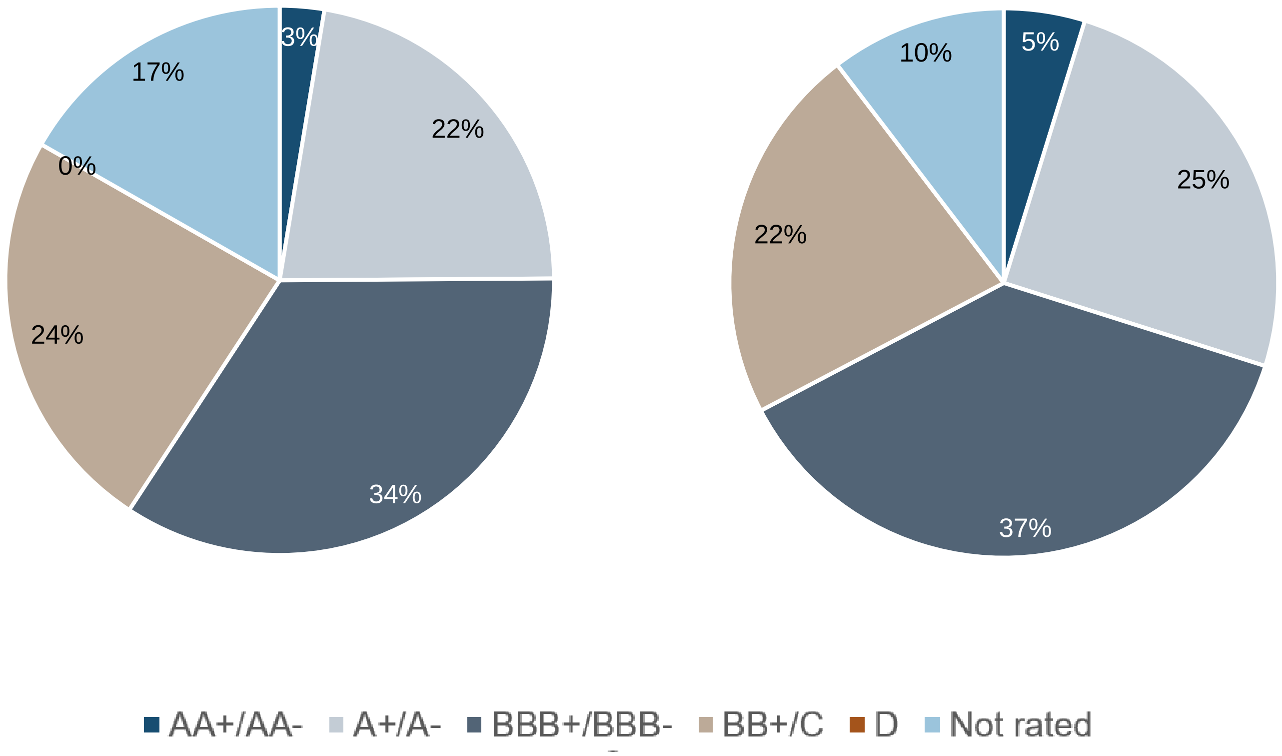
Q4 COMMENTS

- **Original Portfolio**
  - No material changes in asset allocation.
  - Movement from high yield to investment grade continued within the fixed income assets
  - Listed and private equity weight increased slightly due to good asset return
  - Fixed income asset mark-to-market yield 5.7% (September 2023 6.2%)

- **Segregated Portfolio**
  - No material changes in asset allocation in Q4
  - Mark-to-market Yield 4.8% (September 2023 5.7%)

Fixed income assets by credit rating

ORIGINAL PORTFOLIO | **SEGREGATED PORTFOLIO**



COMMENTS

- New investments mainly made in investment grade bonds
- Original Portfolio
  - Investment grade asset allocation 59% (55% in September)
  - High yield assets 24% (22%)
  - Non-rated assets 17% (19%)
  - Mark-to-market yield 5.7%
- Segregated Portfolio
  - 67% invested in IG bonds (65% in September)
  - Mark-to-market yield 4.8%

IFRS Liability and asset sensitivity (original portfolio)

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

SENSITIVITY BY MATURITY BUCKETS, RATES DOWN 100BPS

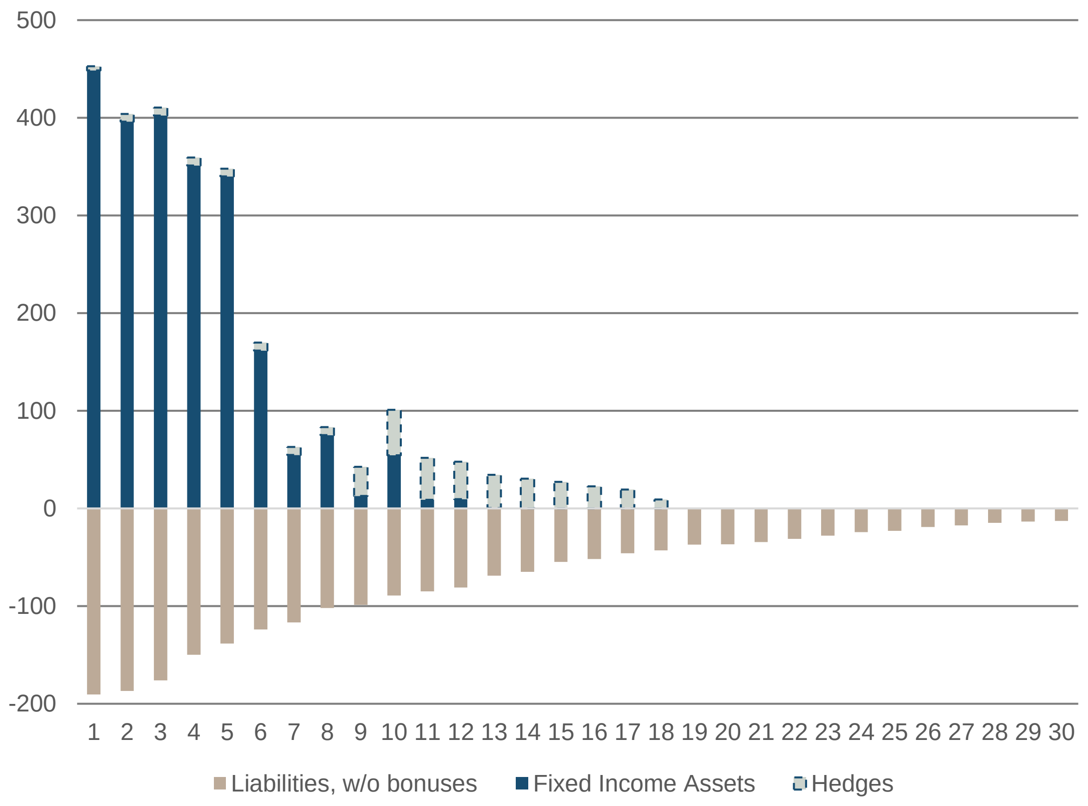
	0-5yr	5-10yr	10-15yr	15-20yr	20yr+	Total
Hedging ratio	135%	72%	68%	75%	0%	**71%**

COMMENTS

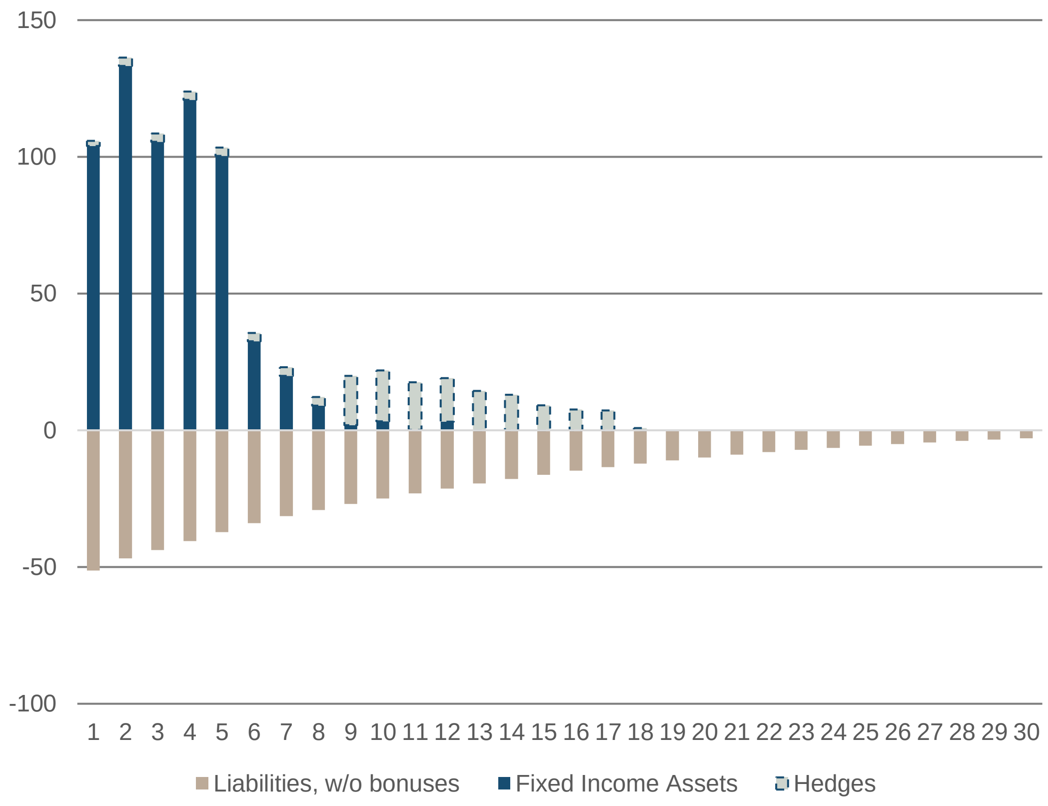
- Interest rate risk related to first eight years liability cash flows covered by fixed income assets
- 8-20 years liability cash flows covered partially with swaps and fixed income assets
- Liability interest rate risk open for cash flows after 20 years but active liability side management actions in place to mitigate risk
- Total hedging ratio 71% when buffering element of client bonuses is also taken into account

Fixed income assets and liability cash flow profile adjusted with swaps

ORIGINAL PORTFOLIO (€M)

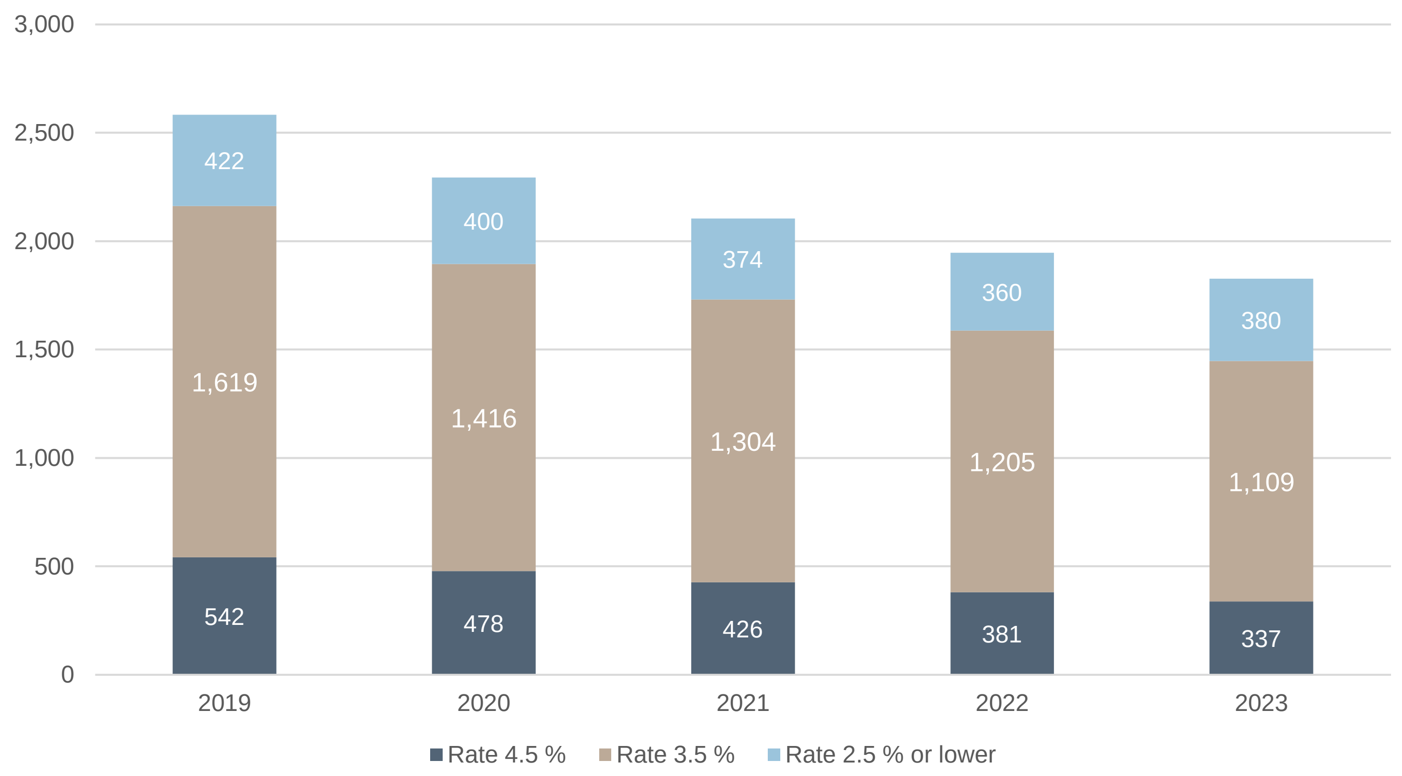


SEGREGATED PORTFOLIO (€M)



Development of policy savings[1] (Original portfolio)

WITH PROFIT POLICY SAVINGS 2019-2023, €M



COMMENTS

- With-profit portfolios decreased in line with expectations
- Policy savings with highest (3.5% and 4.5%) guarantees down by €140m
- Original portfolio
  - Asset return €260m (7.8%) including return related to own funds
  - Fixed income asset mark-to-marked yield 5.7%
  - Avg. guaranteed rate 3.2%, i.e. €60m for year 2023
  - Year 2023 bonuses €3m

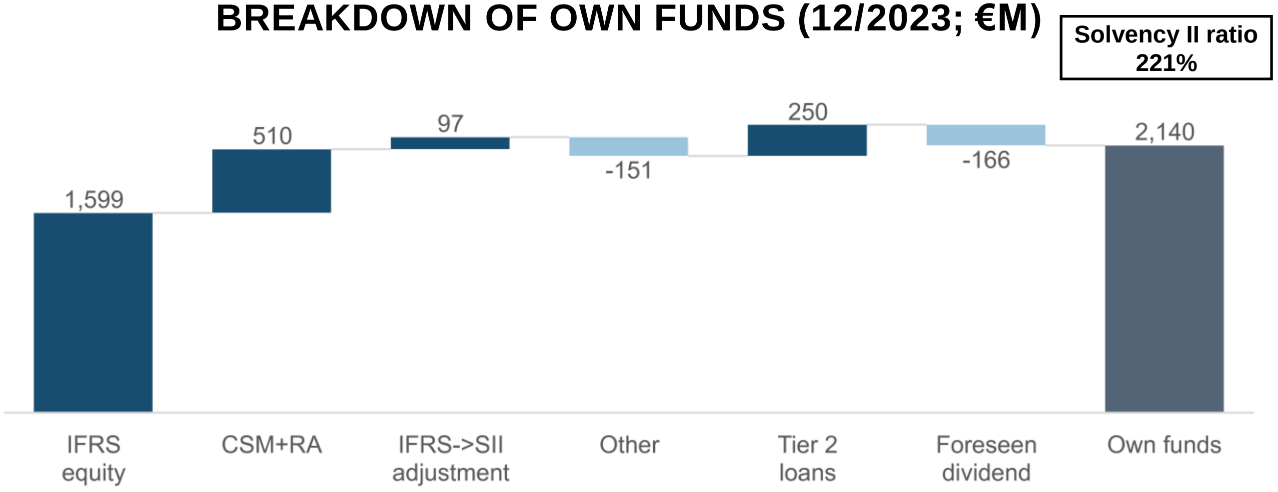
1) Policy savings consist of historical premiums and claims paid and accrued guaranteed interest and client bonuses i.e. differs from IFRS liability due to e.g. discounting

Solvency and capital generation

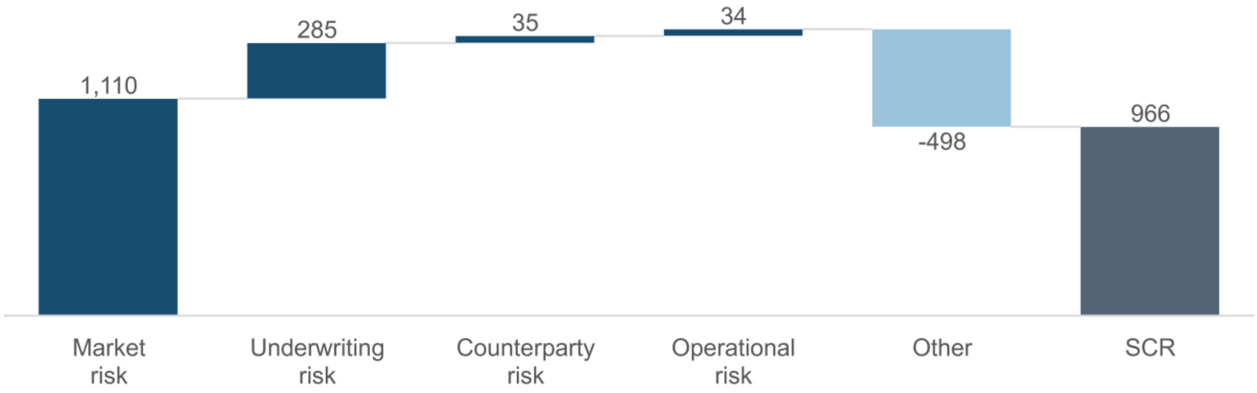
Solvency II position

High-quality capital position with resilient Solvency II ratio across market shock scenarios

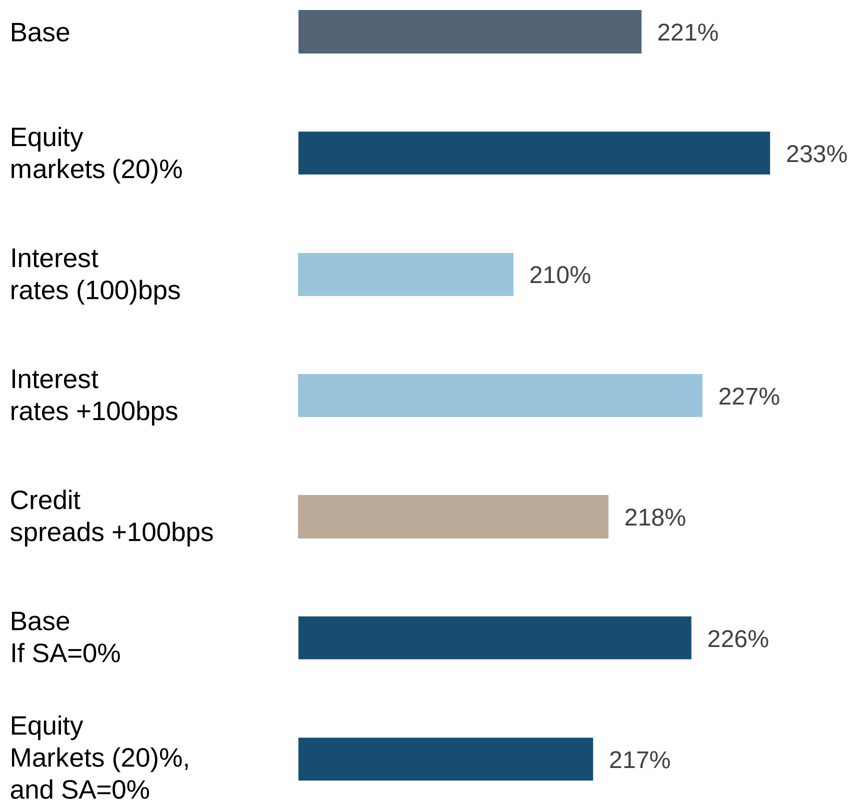
BREAKDOWN OF OWN FUNDS (12/2023; €M)



BREAKDOWN OF SCR (12/2023; €M)



SOLVENCY II RATIO SENSITIVITY (12/2023)



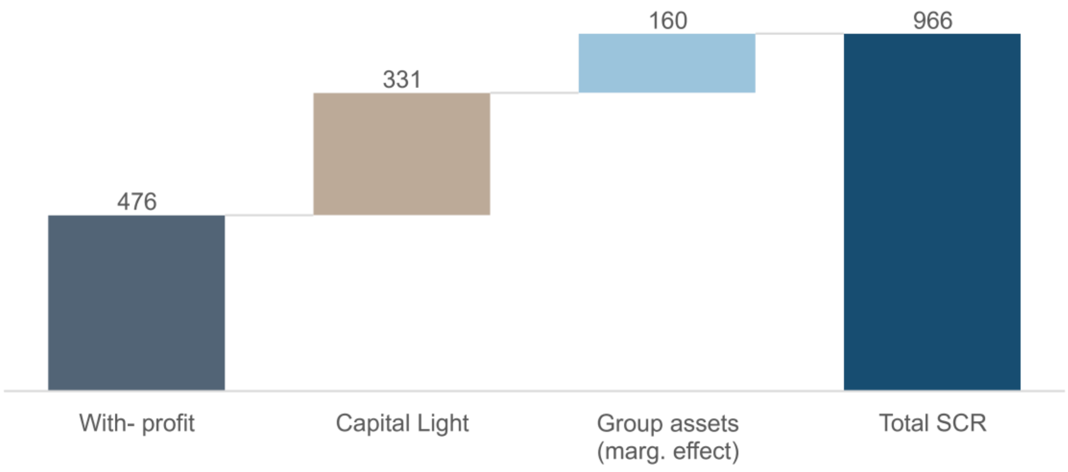
Item ”Other’ in ‘Breakdown of SCR’ graph mainly explained by diversification benefits and loss absorption effect of deferred taxes and technical provisions

Solvency capital requirement decomposition (12/2023;€m)

B/S transactions impacted to the Q4 SCR development and now fully acknowledged

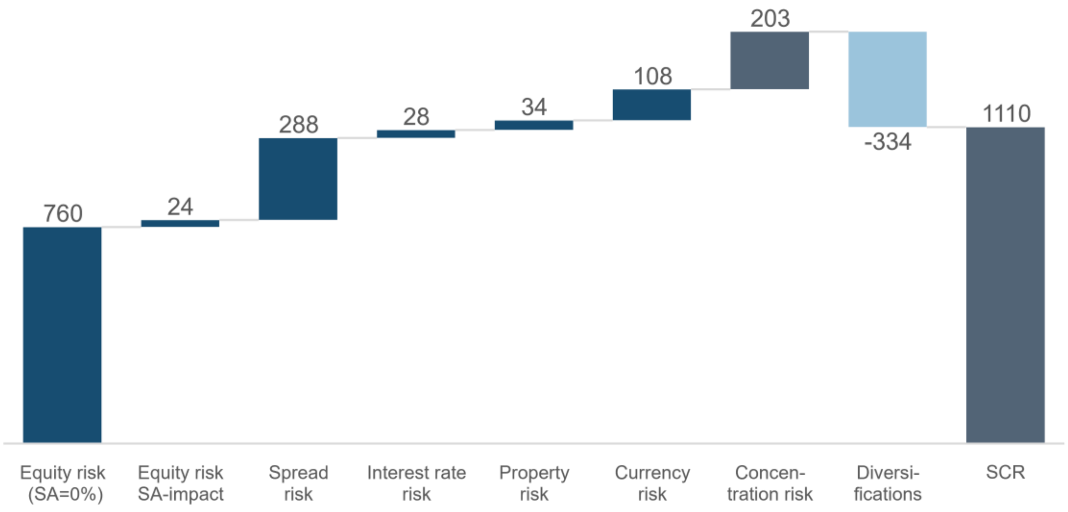
SCR BY BUSINESS AREAS

- Despite significant de-risking activities during the financial year, with-profit still the most significant SCR contributor (€612m → €476m)
- Capital-light SCR corresponded to 2.8% of underlying AuM. Notice that capital light business also creates own funds which exceed SCR
- B/S transactions are now fully acknowledged and have significant impact on the Group's SCR



BREAKDOWN OF MARKET RISK

- Equity risk is the most significant market risk SCR element, and movement of symmetrical adjustment plays a significant role
- After diversification benefits and other mitigating effects, market risk is around 75 per cent of total SCR
- Concentration risk SCR is related to Saxo Bank A/S, though risk diluted by diversification benefits. Currency risk is mainly accrued from unit linked business (capital-light)

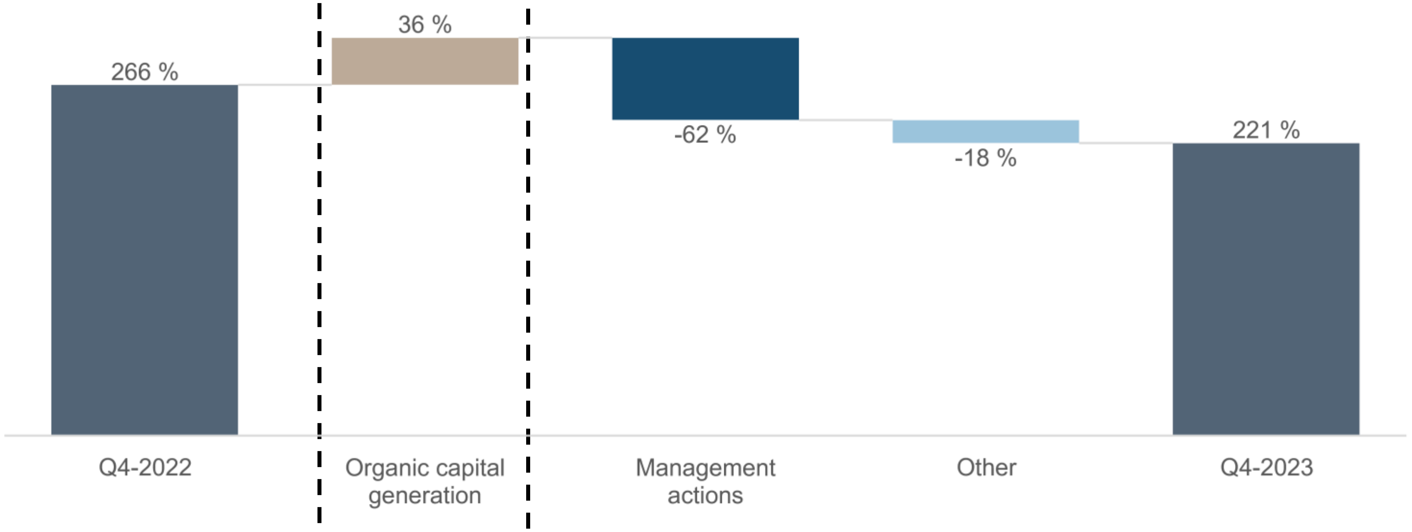


SCR of Group assets is presented on marginal effect basis i.e. how much those increase SCR in total.

Key drivers of capital generation (1-12/2023)

Solid organic capital generation but Sampo separation and B/S transaction dominating the total capital generation

Solvency II ratio



	Q4-2022	Organic capital generation	Management actions	Other	Q4-2023
Own funds (€m)	2,532	129	(387)	(134)	2,140
SCR (€m)	954	(70)	68	(15)	966

KEY DRIVERS

Organic capital generation

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

Management actions

- Own funds: Foreseen dividend of €166m (0.33 EUR/share), demerger loans of €102m, repayment of €100m restricted tier 1 instrument and effect of agreed If-portfolio transfer
- SCR: Significant de-risking of with-profit investment portfolio offset by B/S transactions

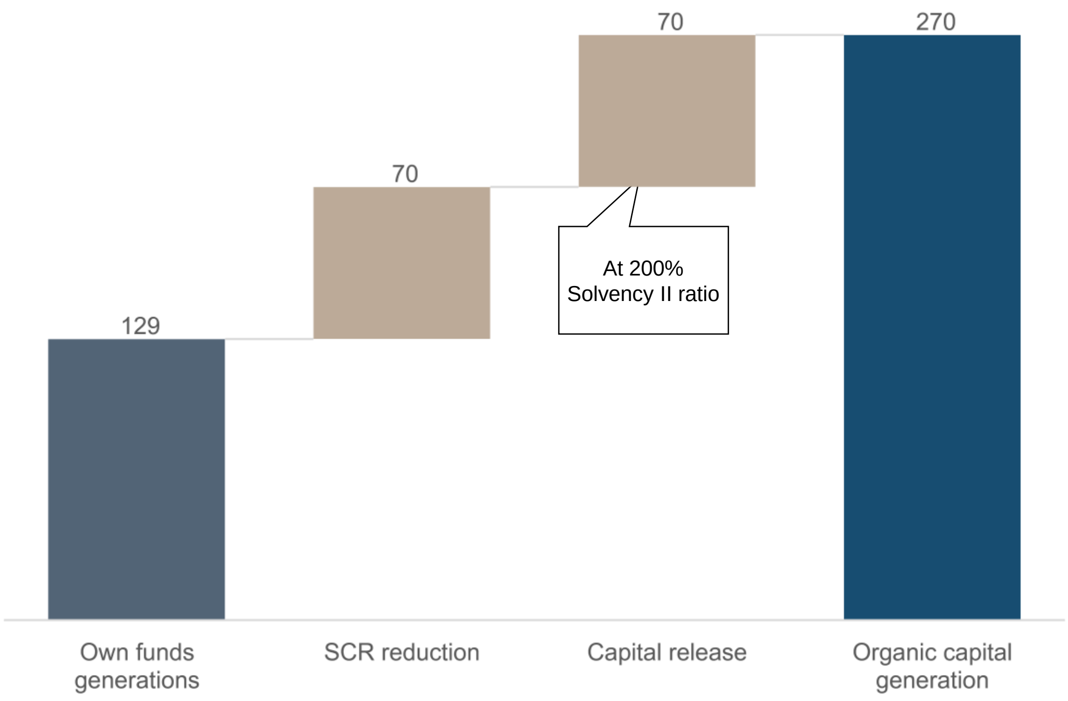
Other

- Changes in contract boundaries and recalculation of transitional measure

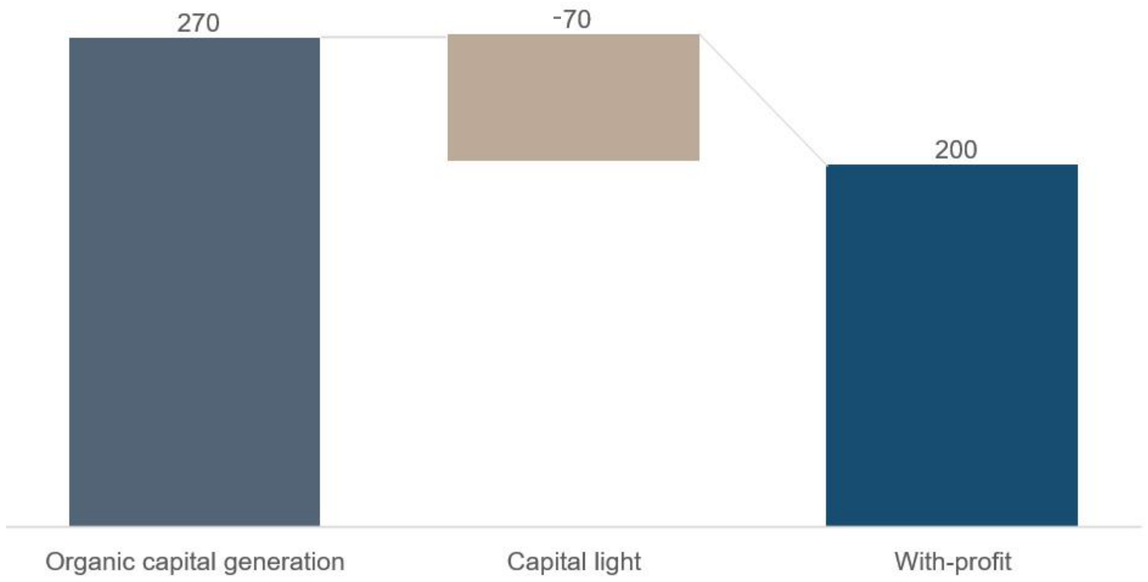
Overview of organic capital generation

Positive organic capital flows from several different sources

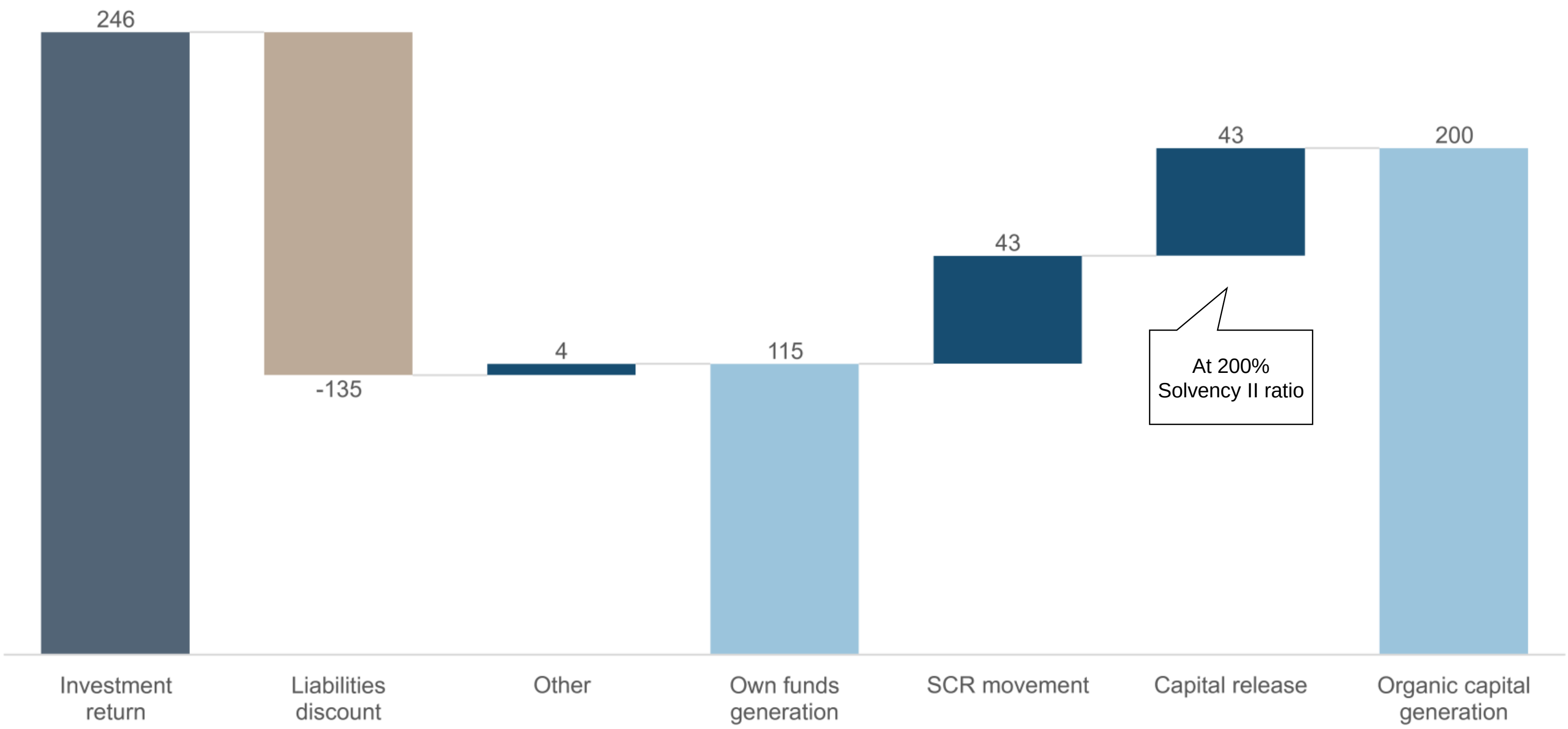
COMPONENTS (1-12/2023; €M)



SEGMENTAL CONTRIBUTION (1-12/2023; €M)

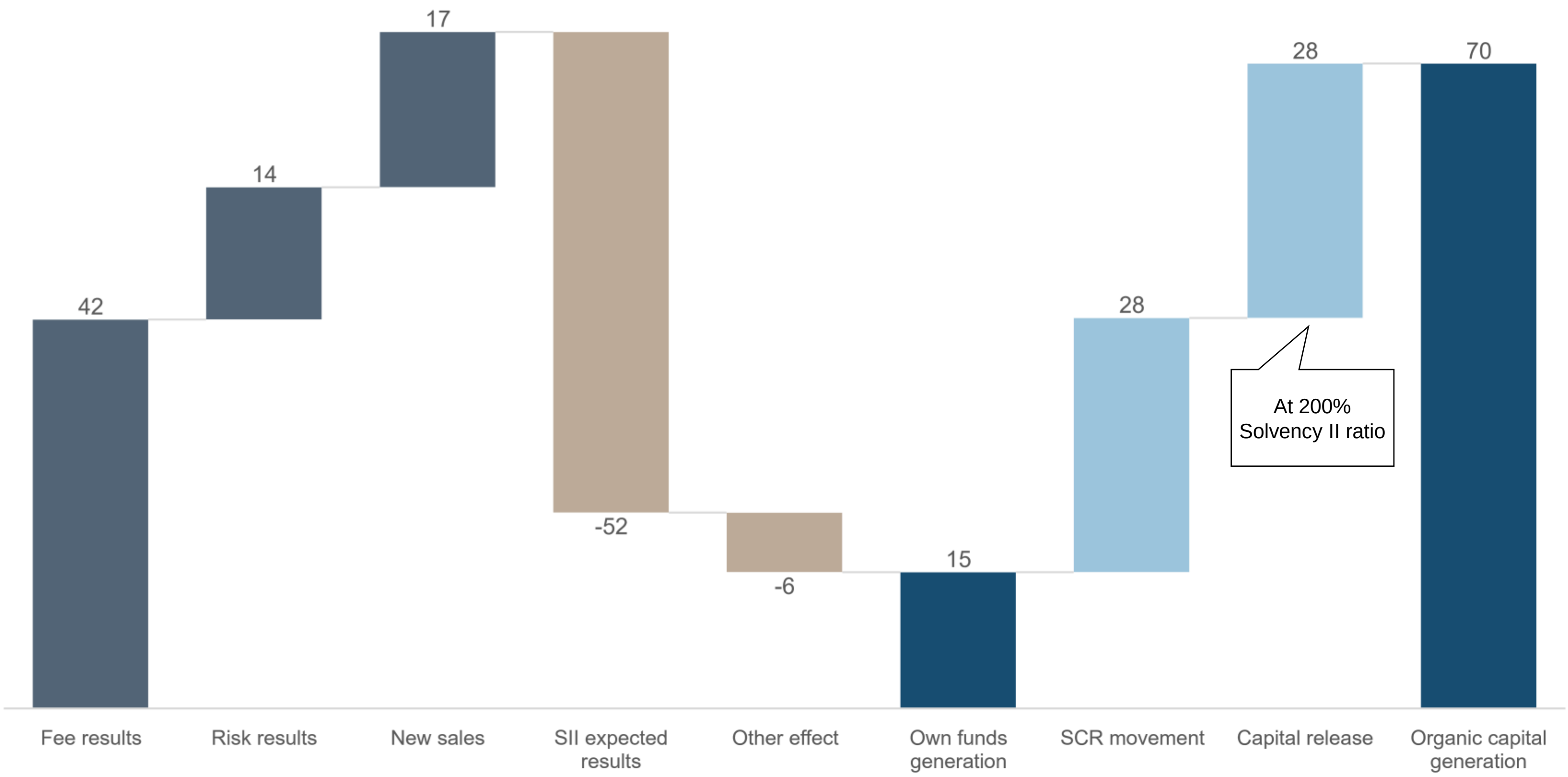


Capital generation of with-profit (1-12/2023, €m)



- Total organic capital generation from with-profit business €200m (1-9/2023;€183m)
- Own funds generation of €115m driven by positive net finance result arising from asset return exceeding cost of liabilities and from an increased discount rate
- During Q4 decrease of interest rates impacted heavily on cost of liabilities discount but higher asset return offset the effect
- SCR movement €43m lower than in September due to premiums into portfolios with lowest rates

Capital generation of capital-light business (1-12/2023, €m)



- Total organic capital generation from capital-light business €70m (1-9/2023;€50m)
- Own funds generation of €15m driven mainly by new sales
- SCR reduction of €28m as new sales requires less capital than is released from existing portfolio. Capital generation of €55m by applying target solvency ratio of 200%.

Outlook

Outlook for year 2024

- The fee result is expected to increase from year 2023 provided that the market environment remains stable. While Mandatum has been able to maintain disciplined pricing and stable fee margins within capital-light customer segments during years 2022 and 2023, the fee result for year 2024 is dependent on several factors, such as client behaviour and client asset allocation, competition and capital market conditions.
- The with-profit portfolio is expected to decrease further. Value changes of the investments in the with-profit portfolio can create relatively high volatility in the net finance result due to changes in the market environment.
- In addition, and as typical for the industry, the overall results of Mandatum will be impacted by actuarial assumptions that are updated from time to time.
- The strong solvency gives the company a sound basis to operate in different market conditions.

Appendix

Supporting materials

Sustainability highlights 2023

Mandatum updated its **sustainability strategy**, which emphasizes the three key themes of Mandatum's sustainability: responsible investment, promotion of financial security and a good working life, and sustainability in the company's own operations.

Mandatum **became participant of the UN Global Compact** as an independent company, and thus committed to incorporating Global Compact's ten principles into our operations. Mandatum also committed to the **UN Principles for Sustainable Insurance** (PSI) and compiled Mandatum's Sustainable Insurance Policy based on the principles.

In 2023, Mandatum earned the **Future Workplaces certificate** for the second time in a row as proof of management with an exceptionally high level of employee insight. The certificate is based on the Siqni employee understanding survey, which examines the implementation of the things most relevant to employees at the workplace.

According to the latest **UN assessment of responsible investment (UN PRI)**, Mandatum was particularly successful in integrating a responsibility perspective into the investment processes of direct corporate loans and fund-type real estate investments.

In 2023, Mandatum participated in the **Global Real Estate Sustainability Benchmark (GRESB)** sustainability evaluation for the fourth time, where the ranking of Mandatum's direct real estate investments as well as the special common fund Mandatum AM Finland Properties II was four out of five stars. Both also received the Green Star designation for their sustainability work again this year.

Sustainability in figures

NPS **76.8**

Customer satisfaction in customer encounters on a scale of -100–100 in 2023. *(2022: 78.0)*

Binary gender distribution of Mandatum plc Board members

33.3% / 66.6%

Women/men. Target: Each gender represented by at least 33.3% of the members.

4/5 stars in **GRESB assessment***

Siqni index

84

Employee satisfaction on a scale of 1–100. *(2022: 83)*

eNPS

58

Employee Net Promoter Score in 2023 on a scale of -100–100. *(2022: 56)*

Flame Index

81

Realisation of the most important aspects for employees in daily work in 2023 on a scale of 1–100. *(2022: 80)*

Mandatum's GHG emissions

1,180.7 tCO_2e

Including Scopes 1, 2 & 3 in 2023. *(2022: 848.6* tCO_2e*)***

GHG emissions per employee

1.29 tCO_2e

Including Scopes 1, 2 & 3 in 2023. *(2022: 1.42* tCO_2e*)***

Carbon footprint of investments

274.8 tCO_2e/MEUR invested***

Including Scopes 1, 2 & 3 in 2022.

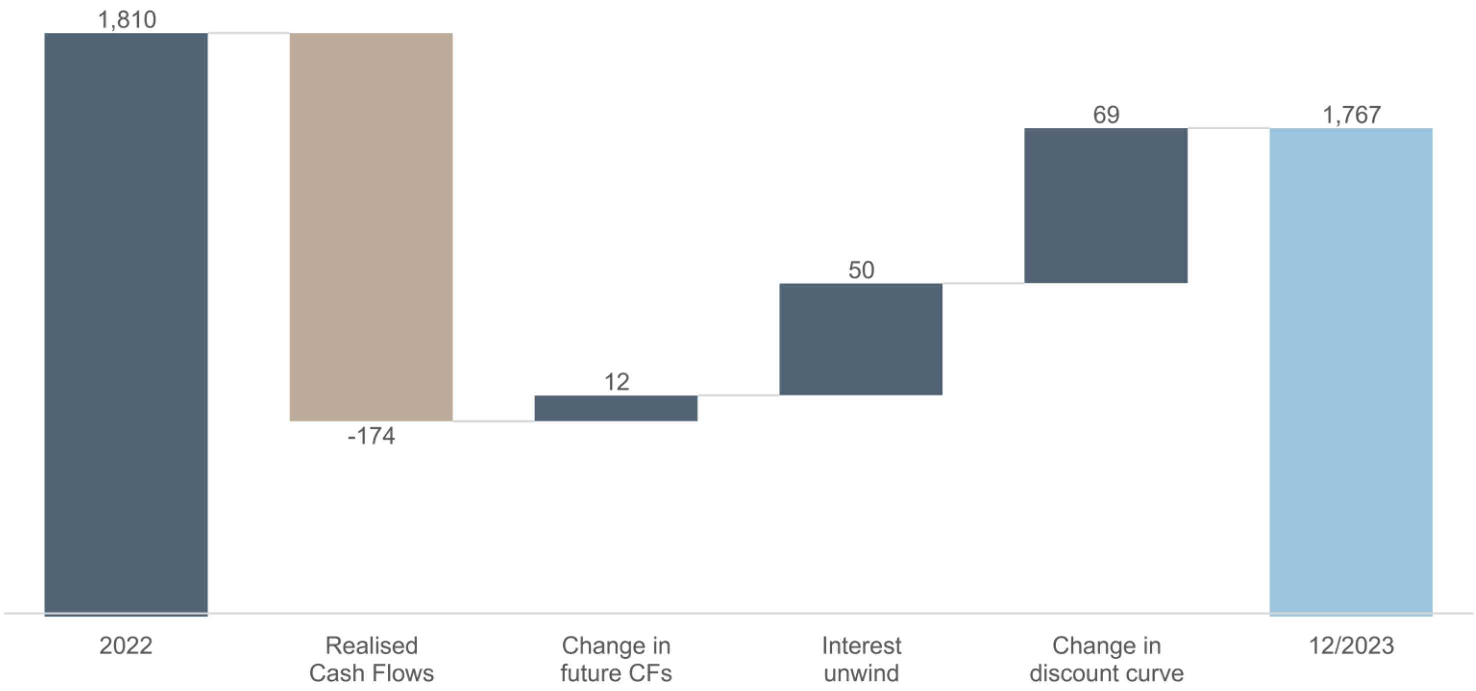
*The Global Real Estate Sustainability Benchmark (GRESB) assessment measures the sustainability of real estate funds globally at the level of the entire real estate portfolio. Mandatum's direct real estate investments and the special common fund Mandatum AM Finland Properties II earned 4/5 stars in 2023.

**The figures for 2023 and 2022 are not comparable, as the emissions of 2023 were increased by the expansion of the calculation to cover all Mandatum locations. In addition, emissions from waste were added as part of the calculation.

***The calculation is from Mandatum Life's PAI Statement and takes into account Mandatum Life's assets. Most of Mandatum's investment assets are covered though Mandatum Life's reporting.

With-profit liabilities 1-12/2023 – Original portfolio

DEVELOPMENT OF PRESENT VALUE OF FUTURE CASH FLOWS



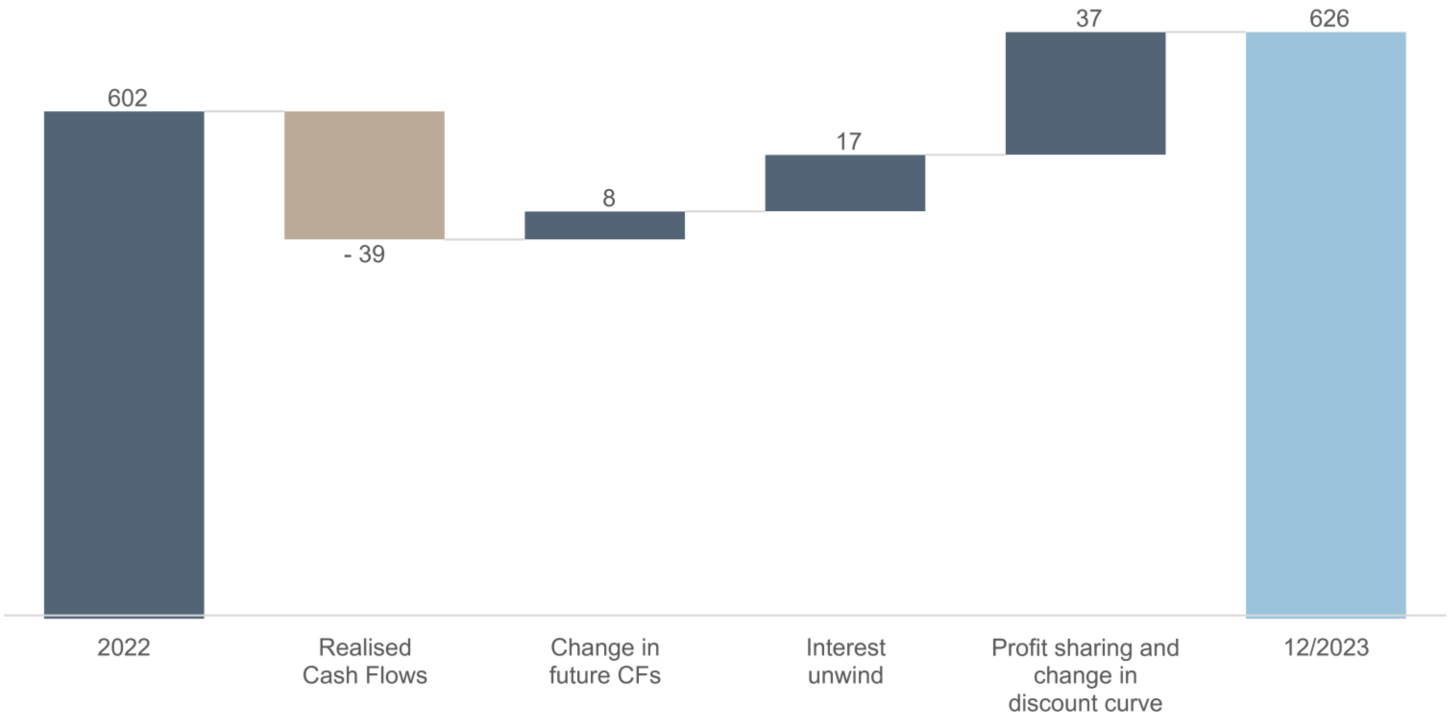
LIABILITY CHANGE

- Portfolio decreasing according to expectations but decreased discount rate during Q4 and full year blurs the trend.
- Liabilities decreased by 2.4% in 2023. During the Q4 liabilities increased by 6.1% mainly due to significant downward movement in discount rate.
- During the Q4 long-term assumptions related to mortality and operating expenses were updated and these increased original portfolio’s liabilities by €27m (1.5 % of liabilities). Due to these assumption changes the Original portfolio’s CSM was reduced to €9m (46).

Present value of future cash flows i.e. graph above is without Risk adjustment (€18m) and Contractual service margin (€9m).

With-profit liabilities 1-12/2023 – Segregated portfolio

DEVELOPMENT OF PRESENT VALUE OF FUTURE CASH FLOWS



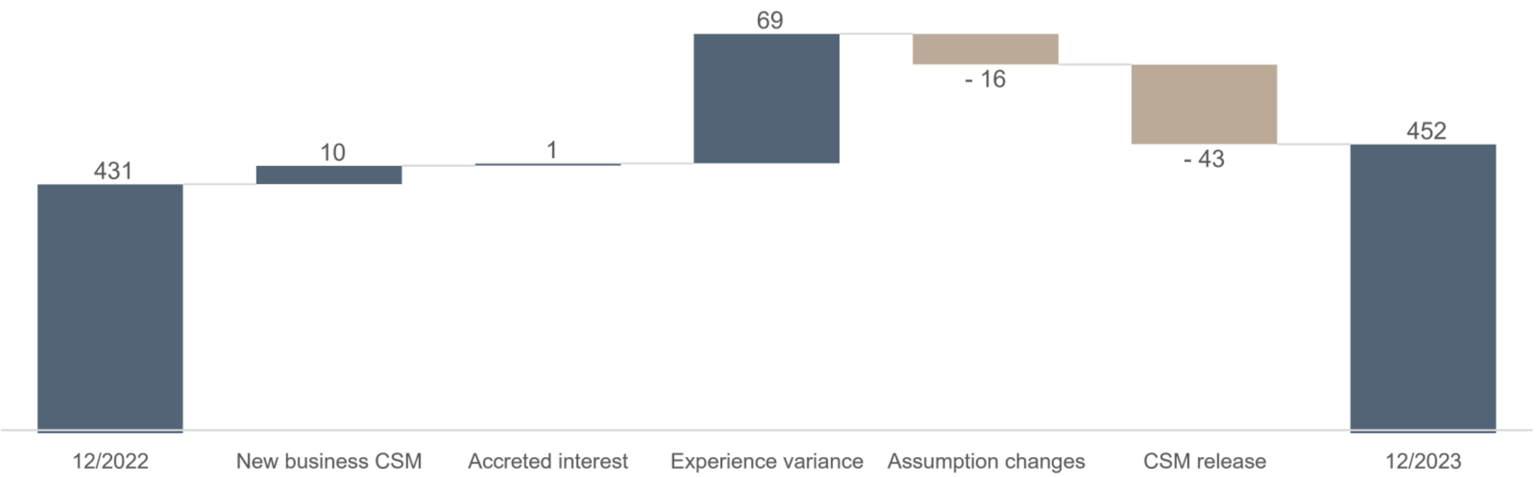
LIABILITY CHANGE

- Liabilities increased by 4.0% in 2023. During the Q4 liabilities increased by 5.5% per cent mainly due to good investment return and significant downward movement in discount rate.
- Segregated portfolio's liabilities increased by €24m due to the profit sharing arising from a positive investment return.
- During Q4, the long-term assumptions related to mortality and operating expenses were updated , which increased Segregated portfolio's liabilities by €10m (1.6% of liabilities). Due to these assumption changes the Segregated portfolio's CSM was reduced to zero (6).

Present value of future cash flows i.e. graph above is without Risk adjustment (€6m) and Contractual service margin (€0m).

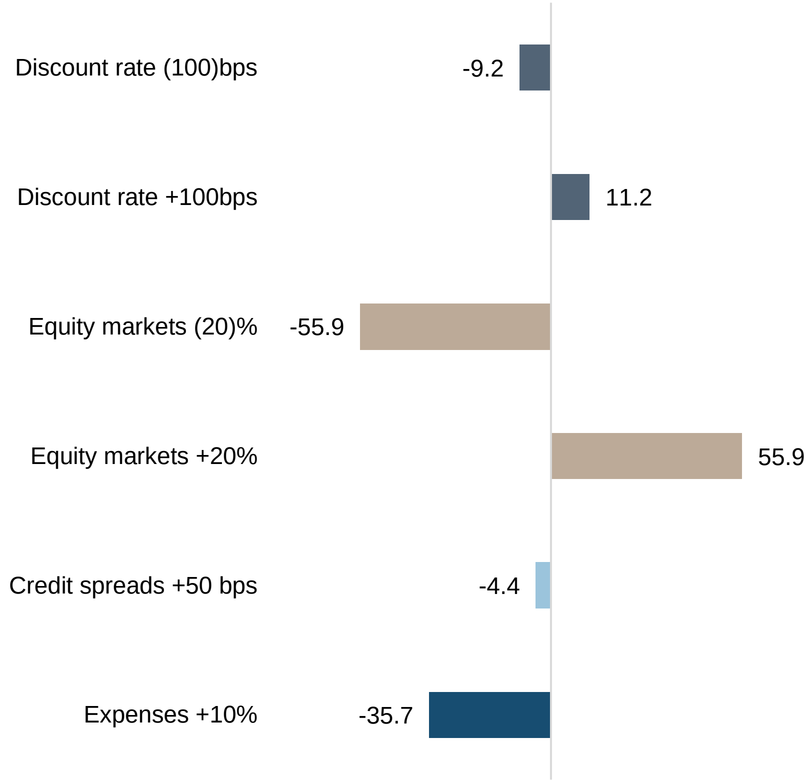
CSM development – 1-12/2023

CSM DEVELOPMENT (1-12/2023; €M)



- **Positive CSM development due to higher than expected AUM growth and positive impact from revision of assumptions related to Unit-linked policies. Same time off-setting negative impact from revision of assumptions related to with-profit and risk policies.**
- **Figures without individual risk policies sold by If; related CSM €8m.**
- **New business CSM related entirely to risk policies**
    - New unit-linked business after 01 January 2023 recognized as IFRS 9 contracts.

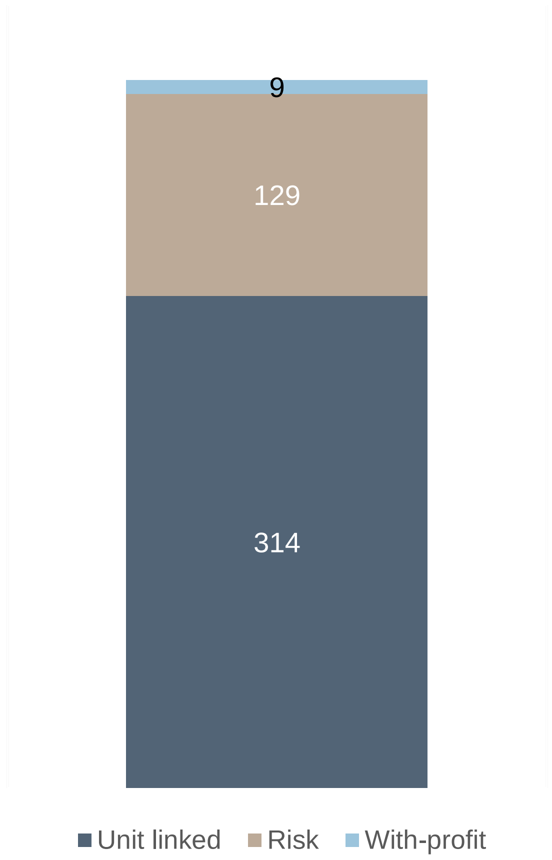
CSM SENSITIVITY (12/2023; €M)



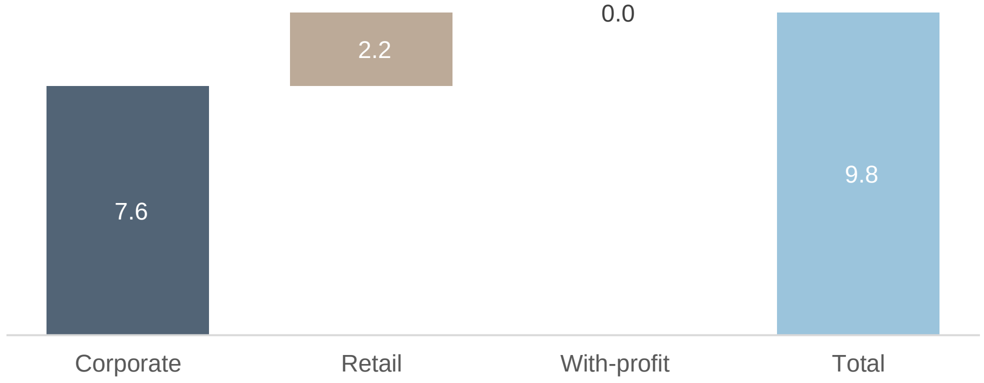
CSM breakdown

IFRS 17 CSM by product type, and new business CSM by segment. If-portfolio excluded.

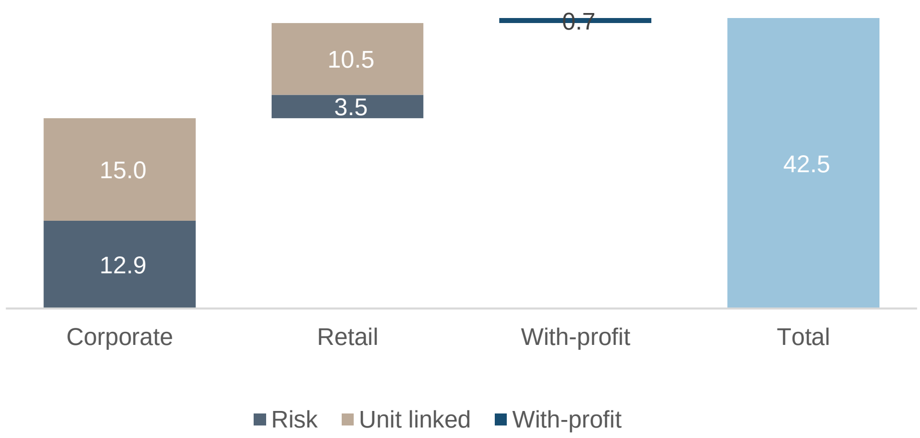
CSM BY PRODUCT TYPE (12/2023; €M)



NEW BUSINESS CSM (1-12/2023; €M)



CSM RELEASE (1-12/2023; €M)



Figures without If-portfolio.

MANDATUM

Mandatum
Bulevardi 56, 00120 Helsinki
www.mandatum.fi