



Mandatum Group

Result presentation Q2 2024

13 August 2024

April–June 2024

- Profit before tax increased to EUR 75.8 million. All result areas contributed to the growth
- Fee result up by 18% to EUR 14.7 million
- Client AuM increased by 16% to EUR 13.0 billion due to continued positive net flow and positive asset returns
- Net flow EUR 232 million corresponding to 8% of assets under management (AuM) annualised
- Organic capital generation at EUR 58 million
- Solvency II ratio adjusted for dividend accrual up to 224% (216% in Q1 24)

Mandatum's financial targets

	TARGET	4–6/2024 (1–3/2024)
Focus on strong and profitable growth of capital-light offering ¹	Annual net flows ² (medium-term) 5% of AuM	Net flow EUR 232 million, 8% of Client AuM (annualised)
	Disciplined Pricing and fee margin	Fee margin 1.2 (1.2)%
	Improving Cost/income ratio ³	Cost/income ratio 64 (65)%
Managing with-profit portfolio for capital release	Run-off with active portfolio management actions Liability development	With-profit liabilities at 30 Jun 2024: EUR 2,268 million (2,350)
Prudent balance sheet management enabling strong shareholder returns	EUR 500 million Cumulative ordinary dividend (2024-2026)	Dividend paid in spring 2024 EUR 166 million
	170–200% Solvency II ratio (medium-term)	224 (216)% adjusted for dividend accrual

Note: (1) Based on Client AuM, excluding AuM from With-profit and Large Mandates. (2) Based on beginning of period AuM. (3) Related to client AuM fee income and expenses (TTM).

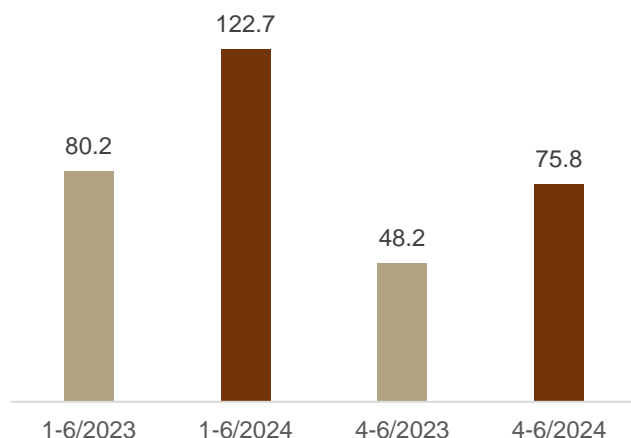
Financial performance

Overview of the 4–6/2024 results

EURm	RESULTS						
	4–6/2024	4–6/2023	Change %	1–6/2024	1–6/2023	Change %	1–12/2023
Fee result	14.7	12.4	18%	29.9	26.4	13%	52.6
Net finance result	55.1	43.1	28%	85.0	56.6	50%	148.6
Result related to risk policies	11.9	-0.3	n.m.	14.1	2.6	n.m.	17.9
Other result	-5.9	-7.0	17%	-6.3	-5.4	-18%	-8.7
Total PBT	75.8	48.2	57%	122.7	80.2	53%	210.4
Earnings per share EUR	0.12	0.08	46%	0.19	0.13	51%	0.32
Organic capital generation per share EUR	0.12	n.a.	n.a.	0.24	n.a.	n.a.	0.54
Return on equity-% (annualised)	14.6%	10.0%	5 p.p	12.2%	7.7%	5 p.p.	9.8%
C/I-ratio (moving average 12 months)	64%	65%	-1% p.p.	64%	71%	-7 p.p.	66%
Client AuM	12,965	11,223	16%	12,965	11,223	16%	11,892

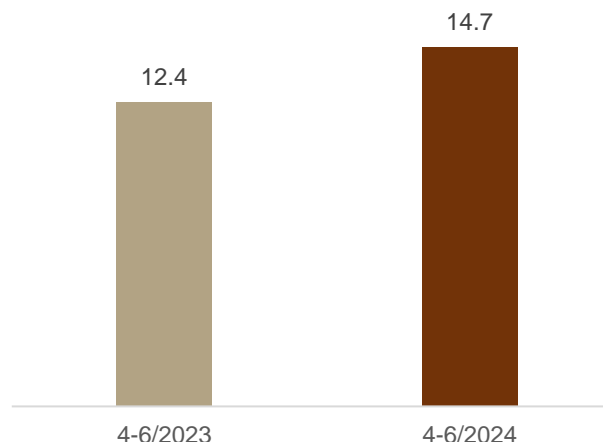
Profit increase driven by a higher net finance and fee result

PROFIT BEFORE TAXES (EURm)



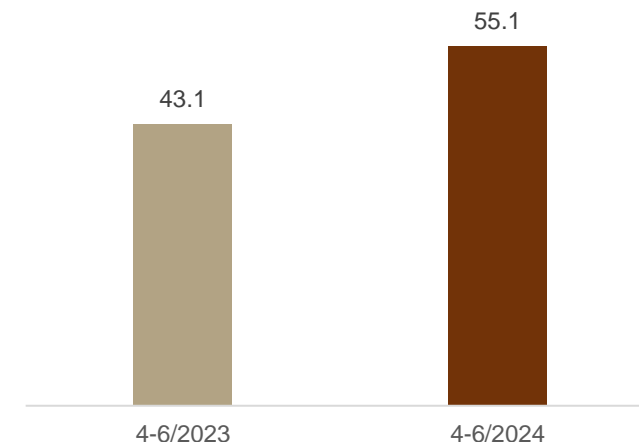
- PBT up 57% to EUR 76 million
- Fee result up in line with plan
- Result related to risk policies impacted by a EUR 5m one-off item related to portfolio transfer to If P&C

FEE RESULT (EURm)



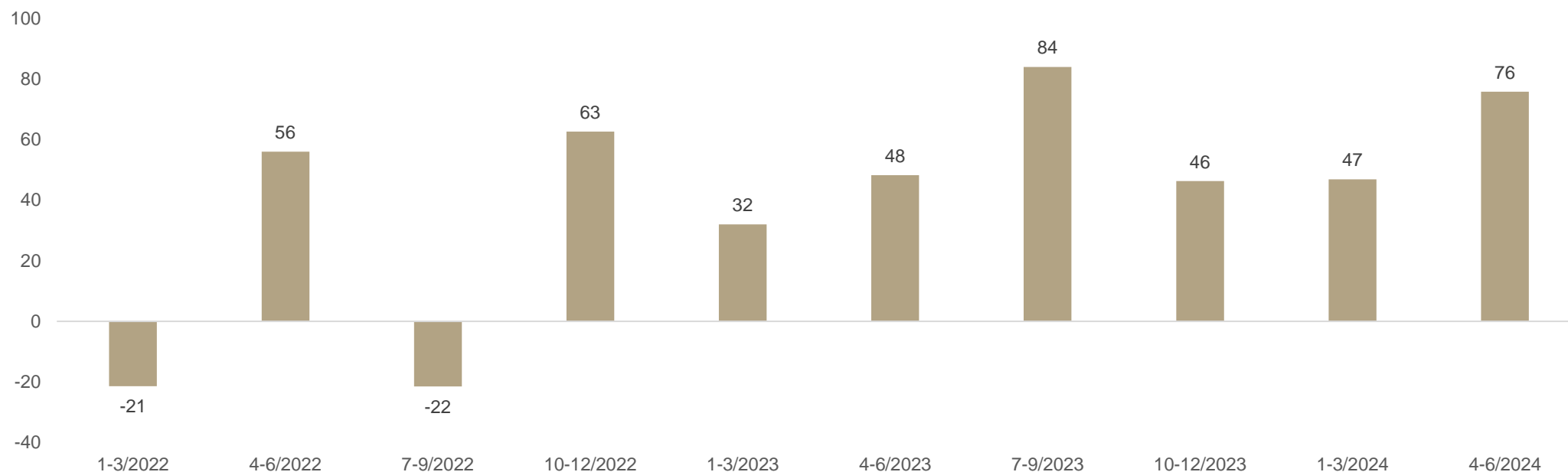
- Fee result up 18% supported by 16% growth in AuM and a stable fee-margin
 - EUR 1.8 million unit-linked fees in the quarter booked only in the balance sheet (CSM) and released in future quarters
- Underlying fee growth 26% adjusting for the loss component recovery of EUR 0.8 million in Q2 23

NET FINANCE RESULT (EURm)



- Investment return 0.7%
- Cost of liabilities down due to an increased discount rate
- EUR 12 million gain in holding investments due to dividend from Saxo Bank

Quarterly results since Q1/22

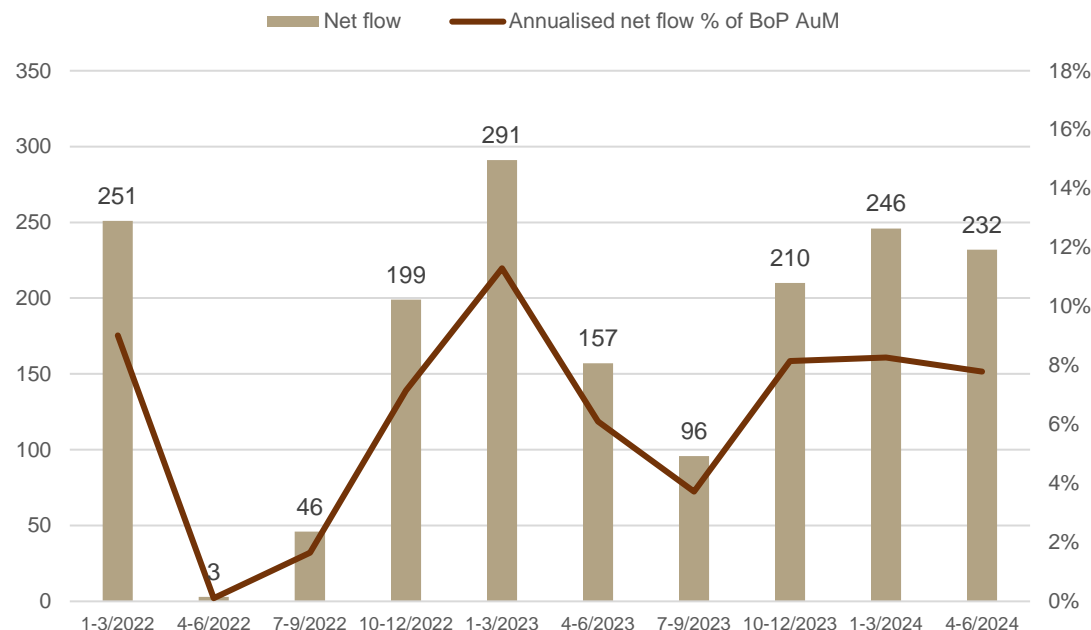


EURm	1–3/22	4–6/22	7–9/22	10–12/22	1–3/23	4–6/23	7–9/23	10–12/23	1–3/24	4–6/24
Fee result	10	8	19	6	14	12	13	13	15	15
Net finance result	-24	47	-51	78	13	43	67	25	30	55

Capital-light segments

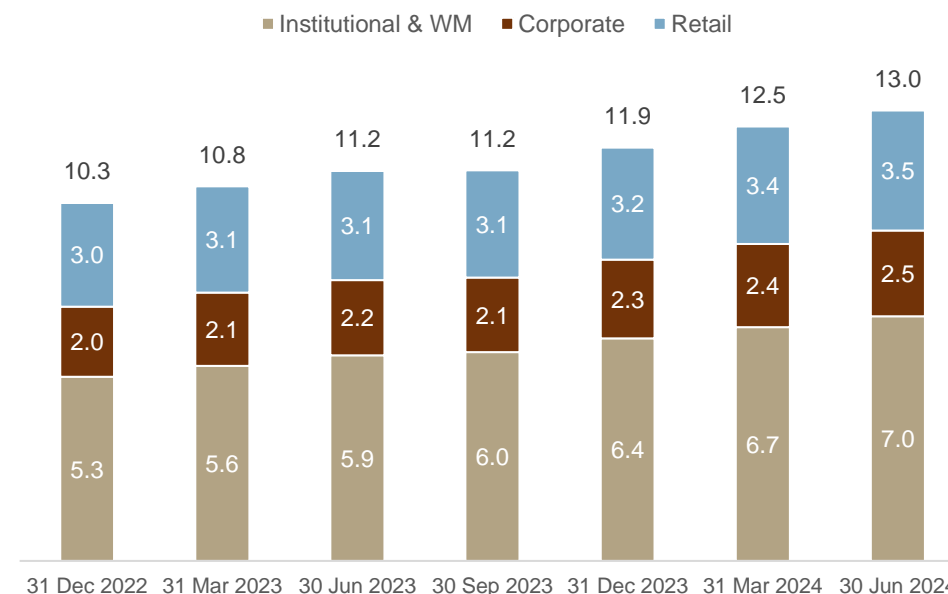
Q2 net flow 8%* exceeding the 5% target

NET FLOW (EURm)



- YTD net flow EUR 478 million
- 81% of Q2 net flow from the institutional and wealth management segment
- Majority of Q2 net flows into credit and allocation products

CLIENT ASSETS UNDER MANAGEMENT (EURbn)

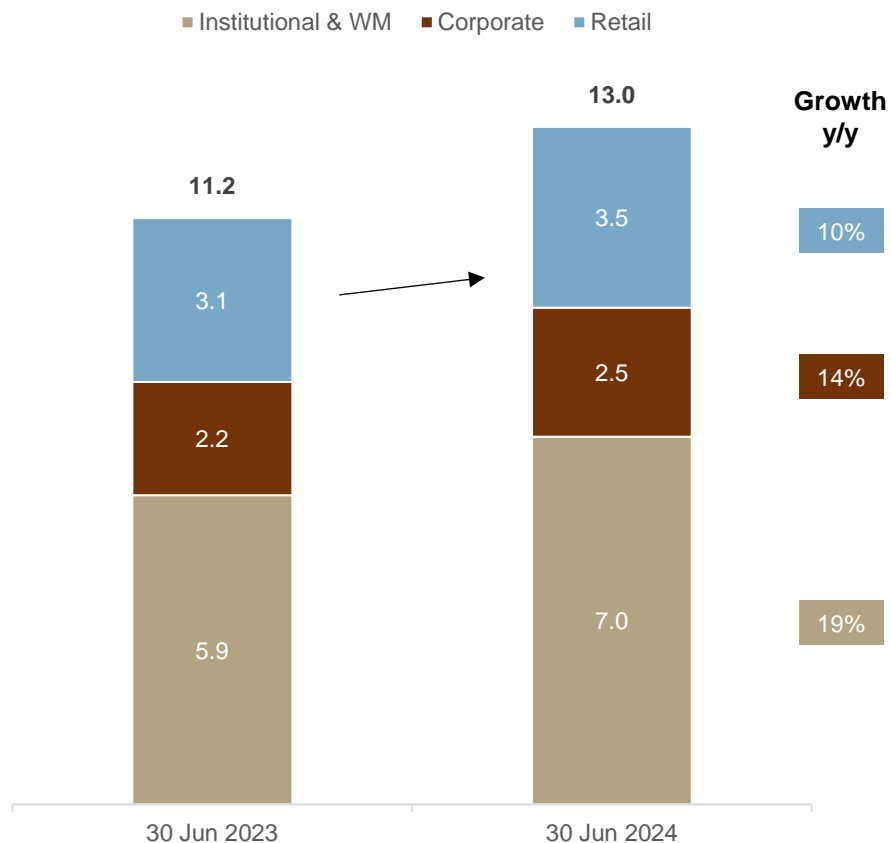


- Q2 AuM growth EUR 461 million (3.7% q/q)
- Growth driven by positive net flow and positive market returns

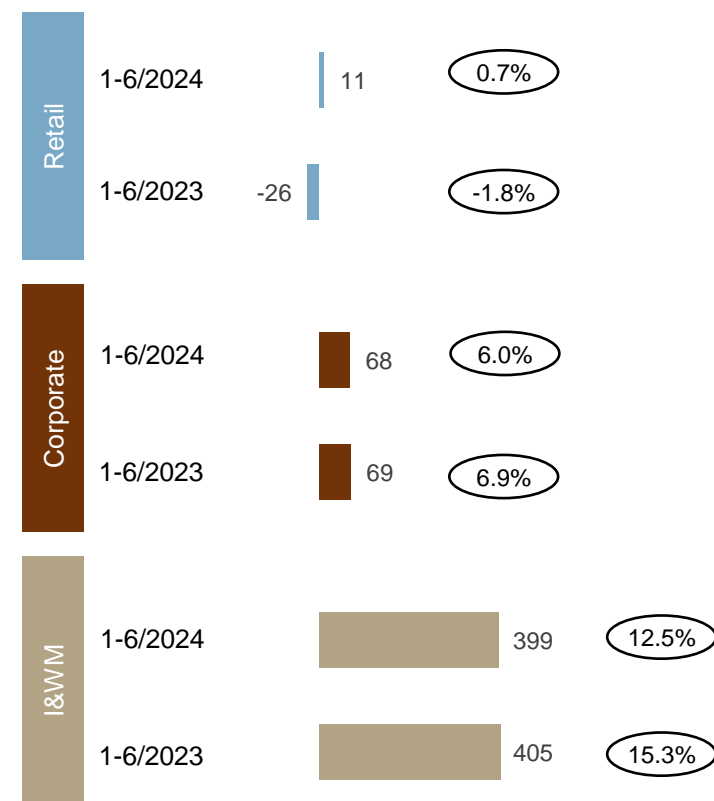
*Based on annualised net flow % as of 31 Dec 2023 AuM.

Client AuM up 16% y/y and net flow positive in all segments

CLIENT ASSETS UNDER MANAGEMENT (EURbn)



NET FLOW DEVELOPMENT (EURm)

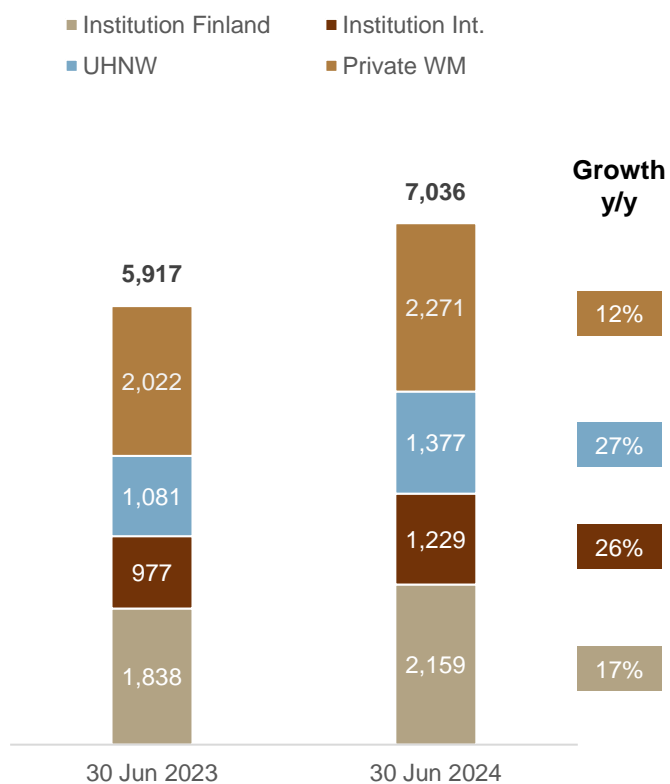


○ Net flows¹/BoP AuM

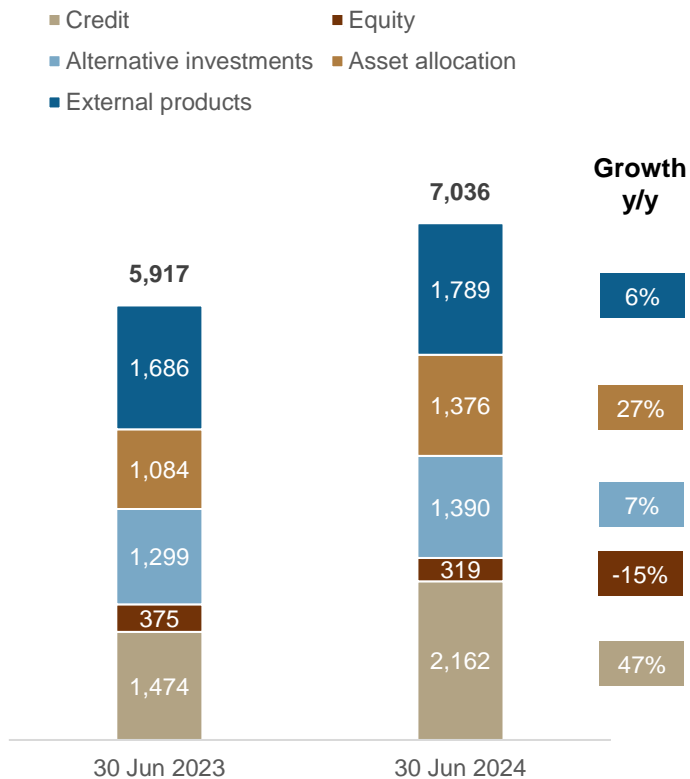
Note: (1) Based on annualised 1-6/2024 and 1-6/2023 net flows.

Institutional & Wealth management as a growth driver

AUM BY CUSTOMER SEGMENT (EURm)



AUM BY PRODUCT (EURm)



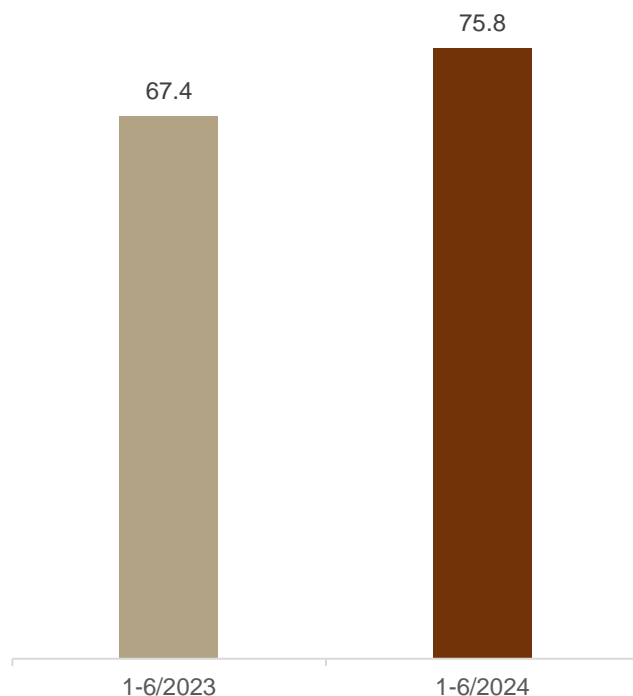
COMMENTS

- Positive net flows and good AuM growth in all customer segments
- UHNW and international institutional AuM showing the fastest growth
- Majority of net flow to credit and loan products

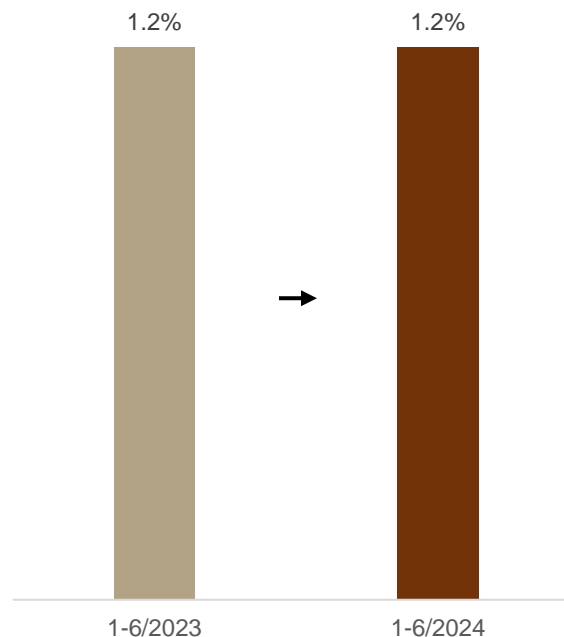
Note: Private WM and UHNW segments affected by intra-group portfolio transfers in Q1 2024 so AuM not comparable for these segments.

Fee income up - fee margin unchanged

FEE INCOME (EURm)¹



FEE INCOME MARGIN (%)²



COMMENTS

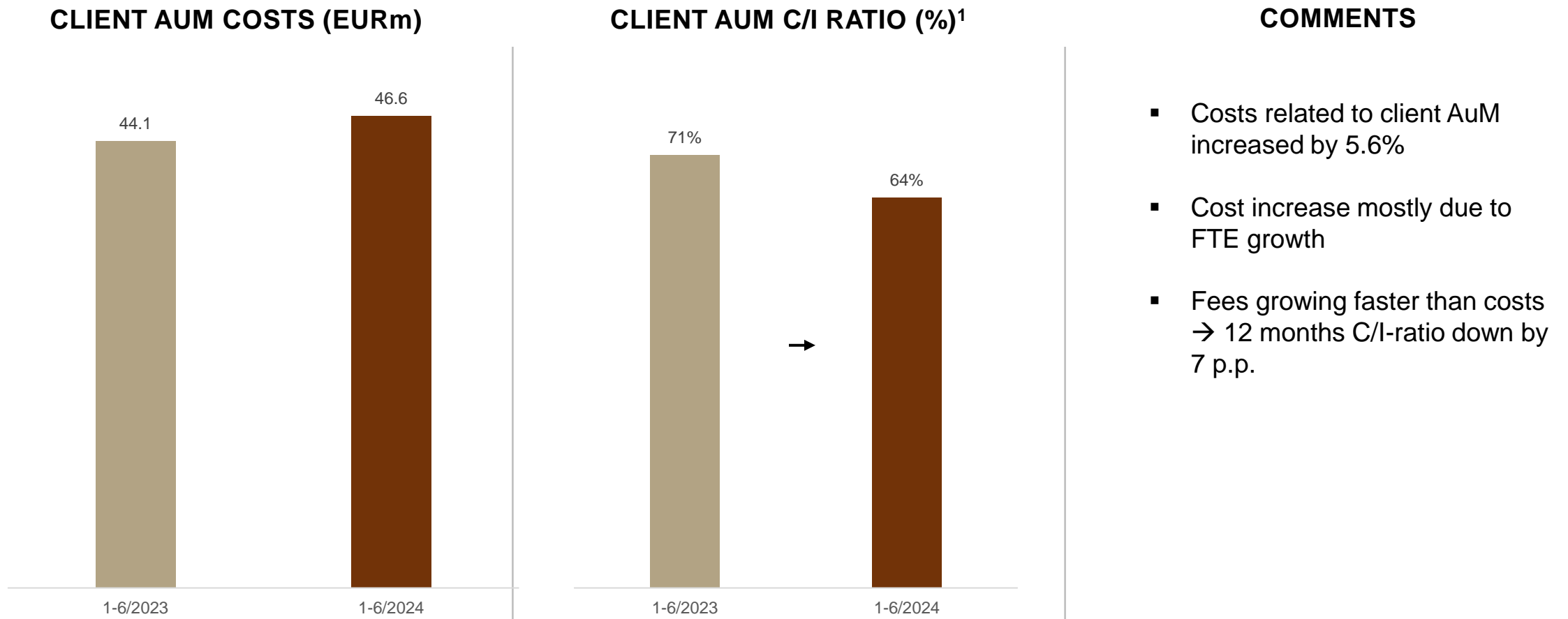
- Fee income increased by 12.4% due to EUR 1.4 billion higher average AuM
- Net flow and AuM growth mainly from credit and asset allocation products
- Fee margin unchanged at 1.2%

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) Moving average 12 months. Fee income margin based on average AuM and annualised fee income.

Decreasing cost-income ratio

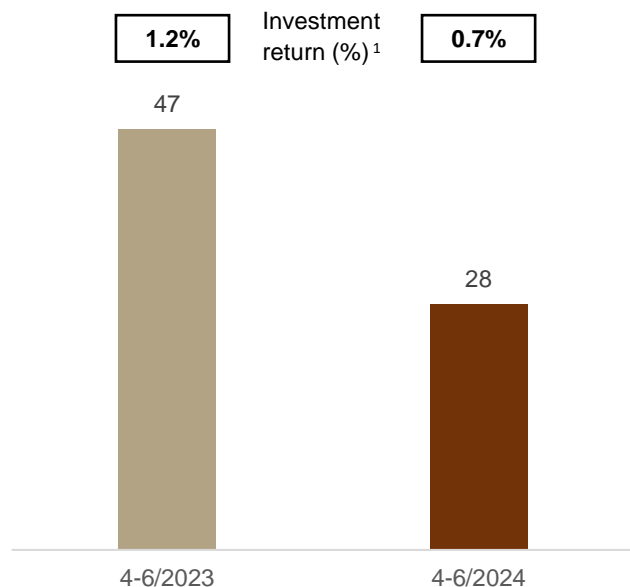


Note: (1) Moving average 12 months C/I ratio related to investment and asset management services 73%.

With-profit segment

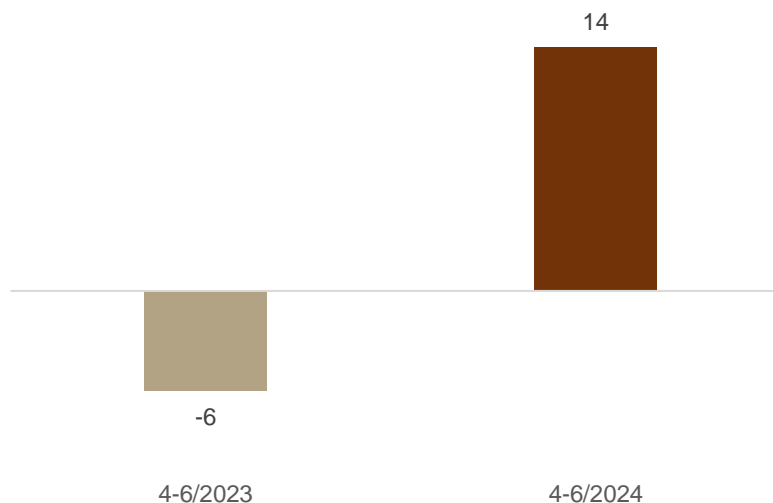
With-profit segment: Net finance result

INVESTMENT RETURNS (EURm)



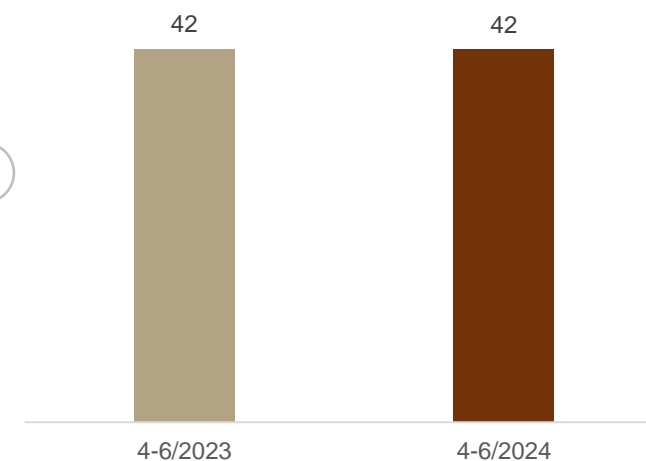
- Investment return 0.7% (1.2%)
 - Fixed income assets 0.9%
 - Listed equities -1.3%
 - Private equity 2.3%

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



- Increased discount rate had an EUR 33 million positive P&L impact decreasing the cost of liabilities
- Unwinding cost EUR 19 million

NET FINANCE RESULT (EURm)



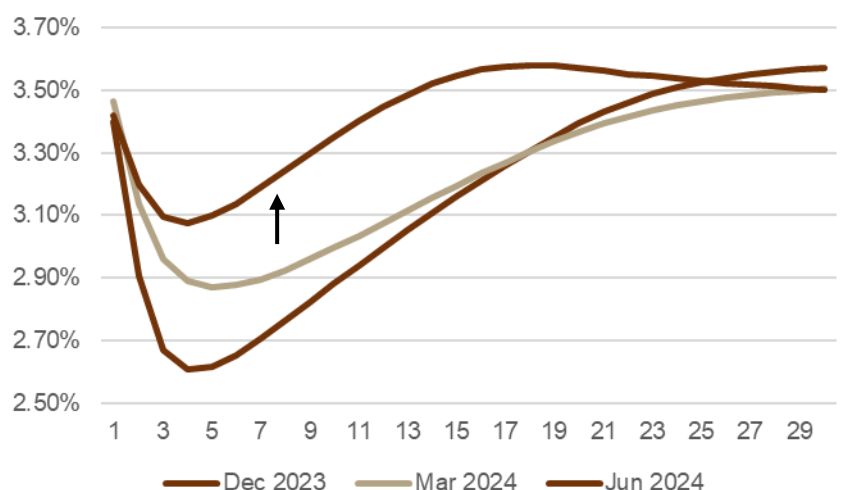
- Stable result despite of different investment return and cost of liabilities.

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

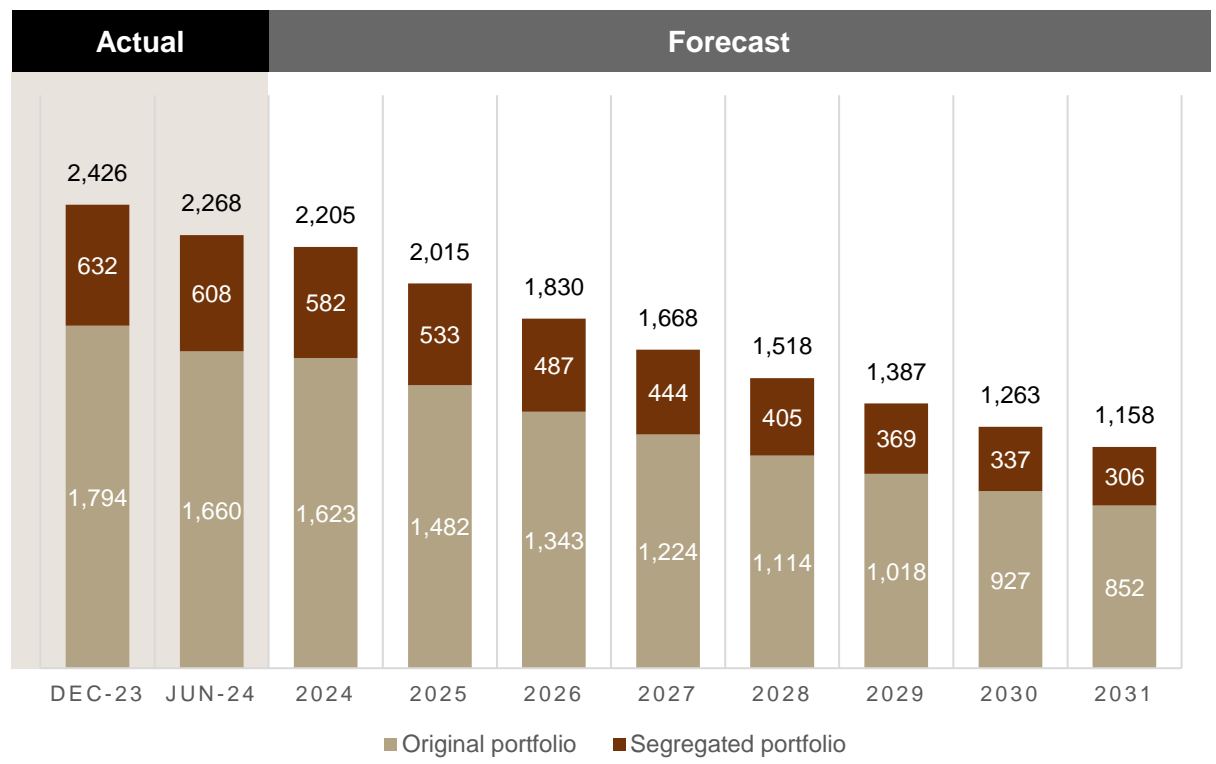
Higher discount rate for with-profit IFRS liabilities

IFRS 17 DISCOUNT CURVE

- The discount curve increased in H1 which decreased with-profit liabilities by EUR 41 million and EUR 28m in Q2
- Unwinding rate 3.4% for year 2024 and expected full-year unwinding cost EUR 55 million in the original portfolio and EUR 21 million in the segregated portfolio

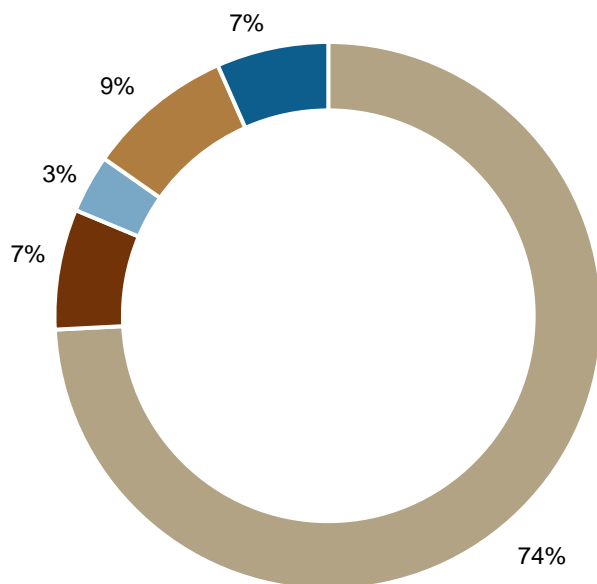


WITH-PROFIT IFRS LIABILITES (EURm)



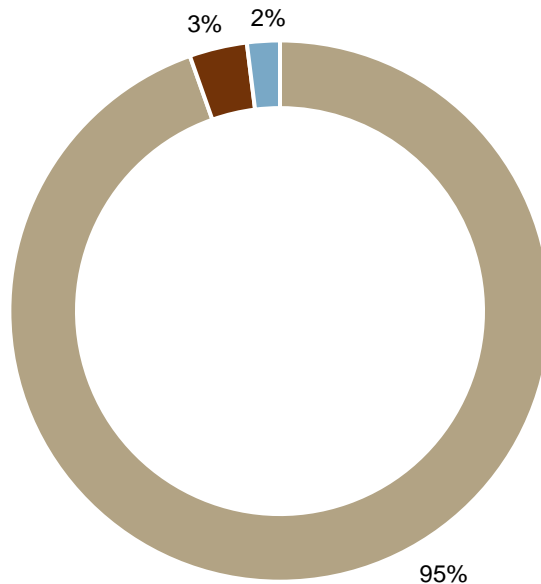
With-profit investment portfolio by asset class

ORIGINAL PORTFOLIO, EUR 3,236 m



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

SEGREGATED PORTFOLIO, EUR 674 m



■ Fixed income ■ Real Estate ■ Other

Original Portfolio

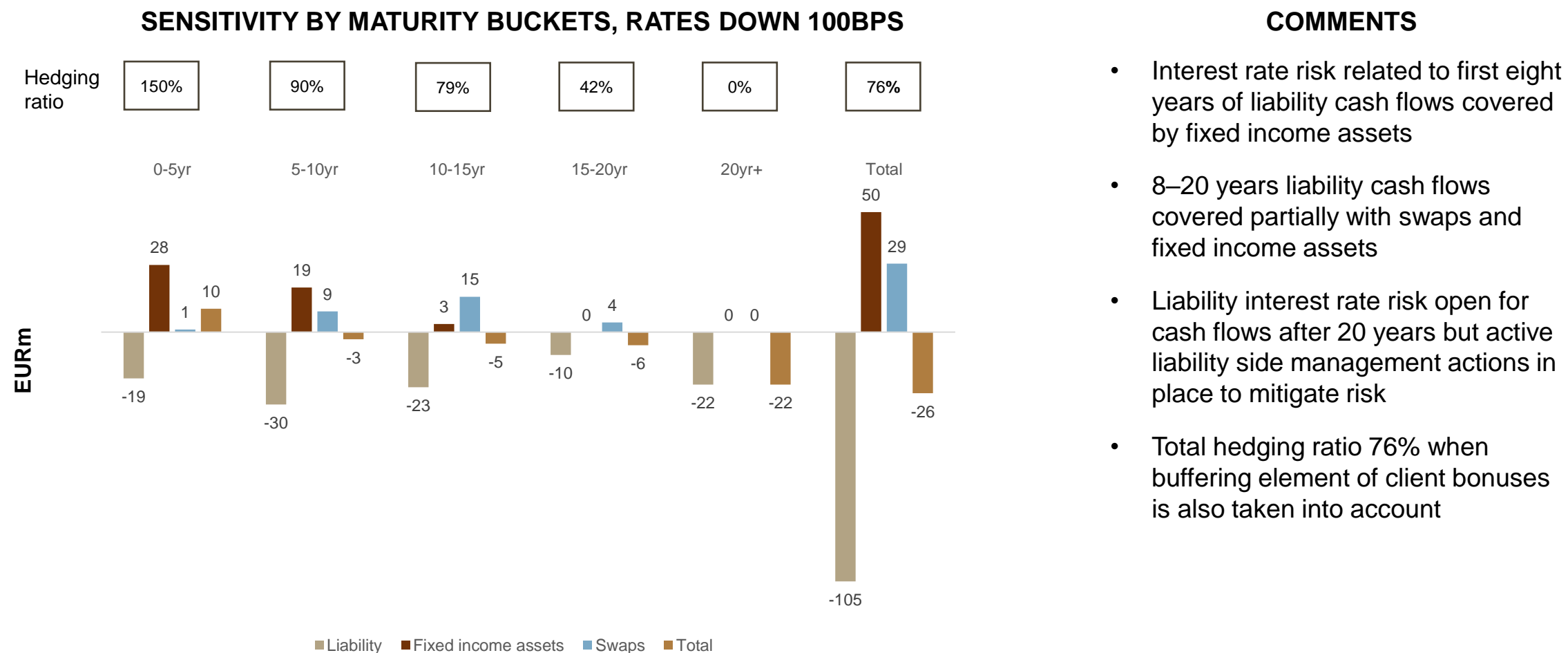
- No major changes in asset allocation – fixed income weight 74% of the portfolio
- Money market weight increased representing 23.2% share of fixed income assets (16.6% in Q1)
- Fixed income asset mark-to-market yield unchanged at 5.3% (5.3% in Q1)

Segregated Portfolio

- No major changes in asset allocation – fixed income weight 95% of the portfolio
- Mark-to-market Yield unchanged at 4.8% (4.8% in Q1)

IFRS Liability and asset sensitivity (original portfolio)

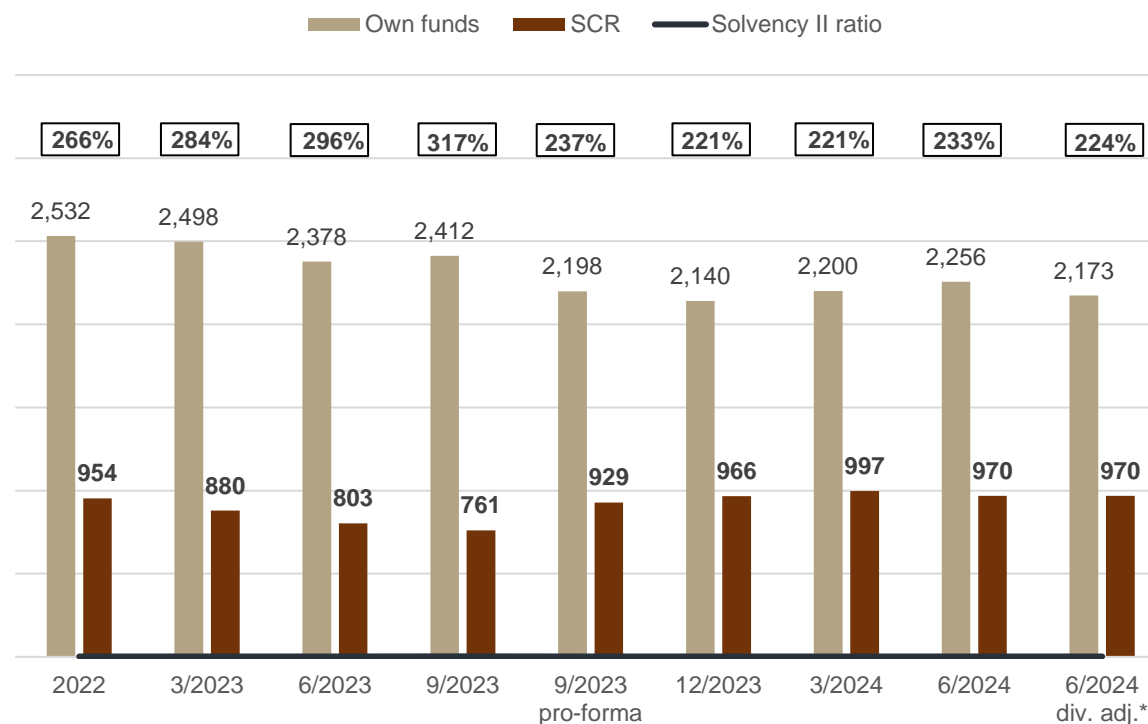
Assets and liabilities are managed by alignment of assets and active management actions



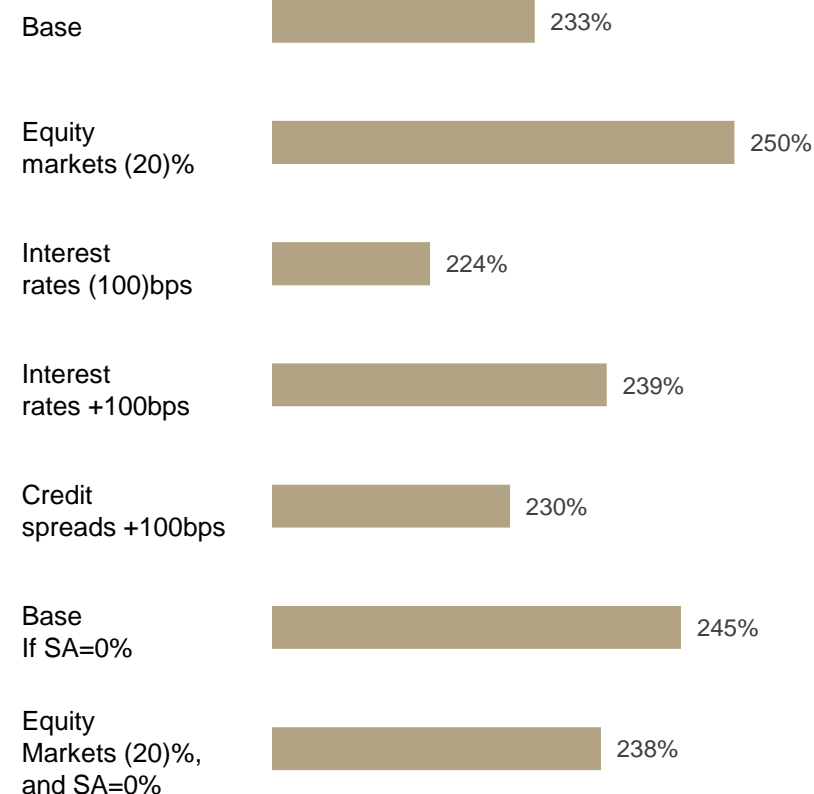
Solvency and capital generation

Underlying Solvency II ratio improved during quarter

QUARTERLY SOLVENCY POSITION (EURm)

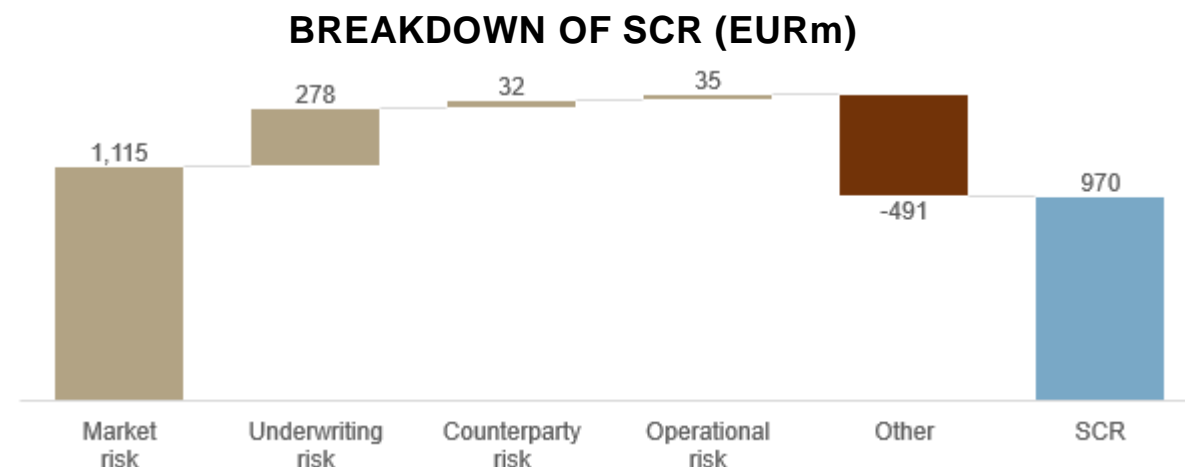
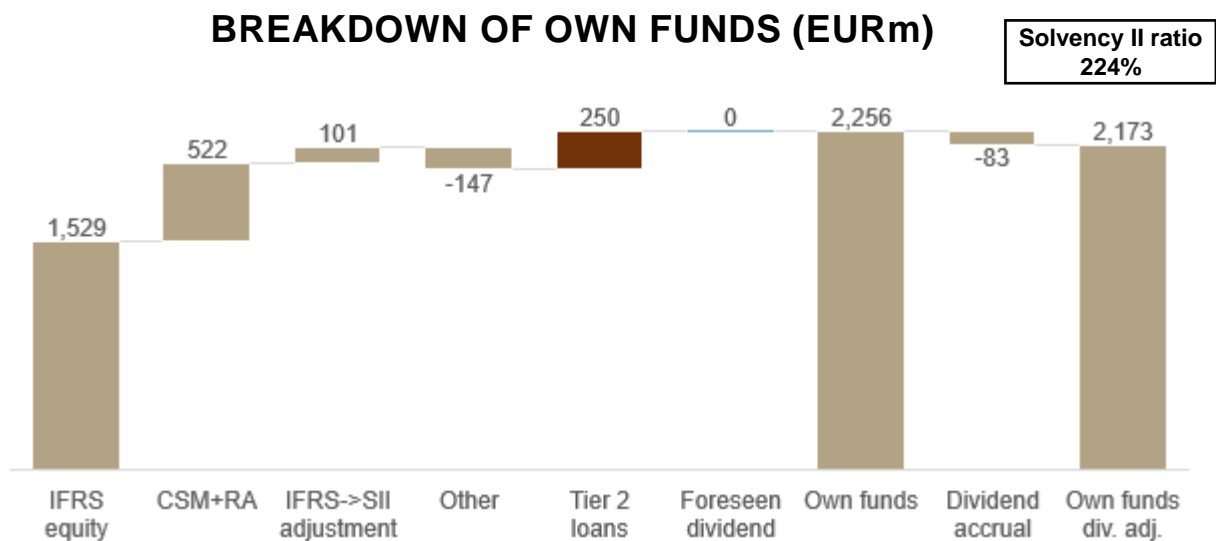


SOLVENCY II RATIO SENSITIVITY



*6/2024 div. adj. = solvency ratio adjusted for dividend accrual for year 2024. Applied dividend assumption corresponds to year's 2023 dividend of 0,33€/share.

Own funds increased q/q exceeding dividend accrual



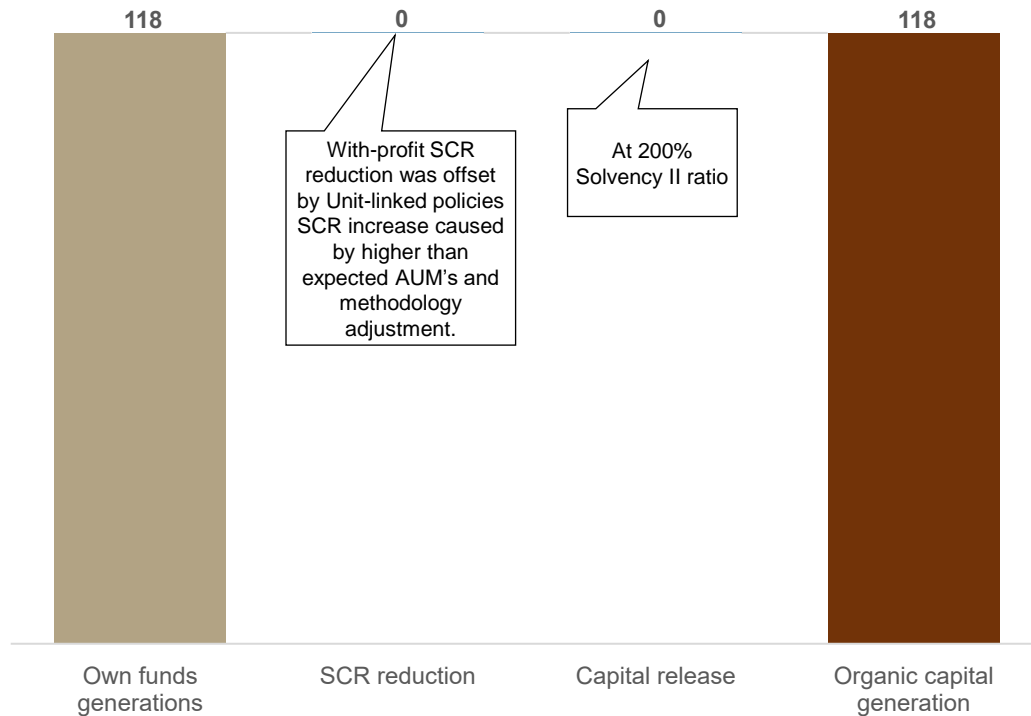
COMMENTS

- Own funds increased by EUR 56 million during Q2, exceeding dividend accrual based on FY2023 dividend level
- Market risk, and especially equity risk is the most significant risk SCR element, and movement of symmetrical adjustment plays a significant role
- Decrease of SCR explained mainly by decrease of the symmetrical adjustment
- With-profit continues to be the most significant SCR contributor, EUR 452 million as end of Q2
- Capital-light SCR corresponded to 2.7% of underlying AuM. Notice that capital light business also creates own funds which exceed SCR
- Group's non-strategic assets have a significant effect on the SCR, EUR 165 million as end of Q2

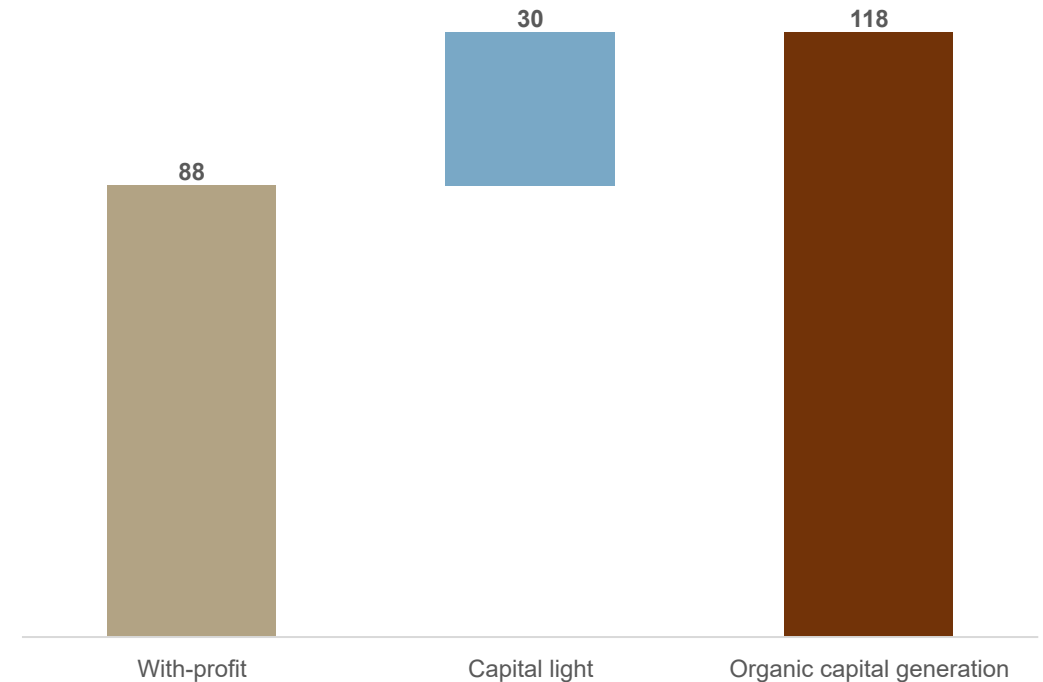
Item "Other" in 'Breakdown of SCR' graph mainly explained by diversification benefits and loss absorption effect of deferred taxes and technical provisions.

Organic capital generation exceeding net profit growth

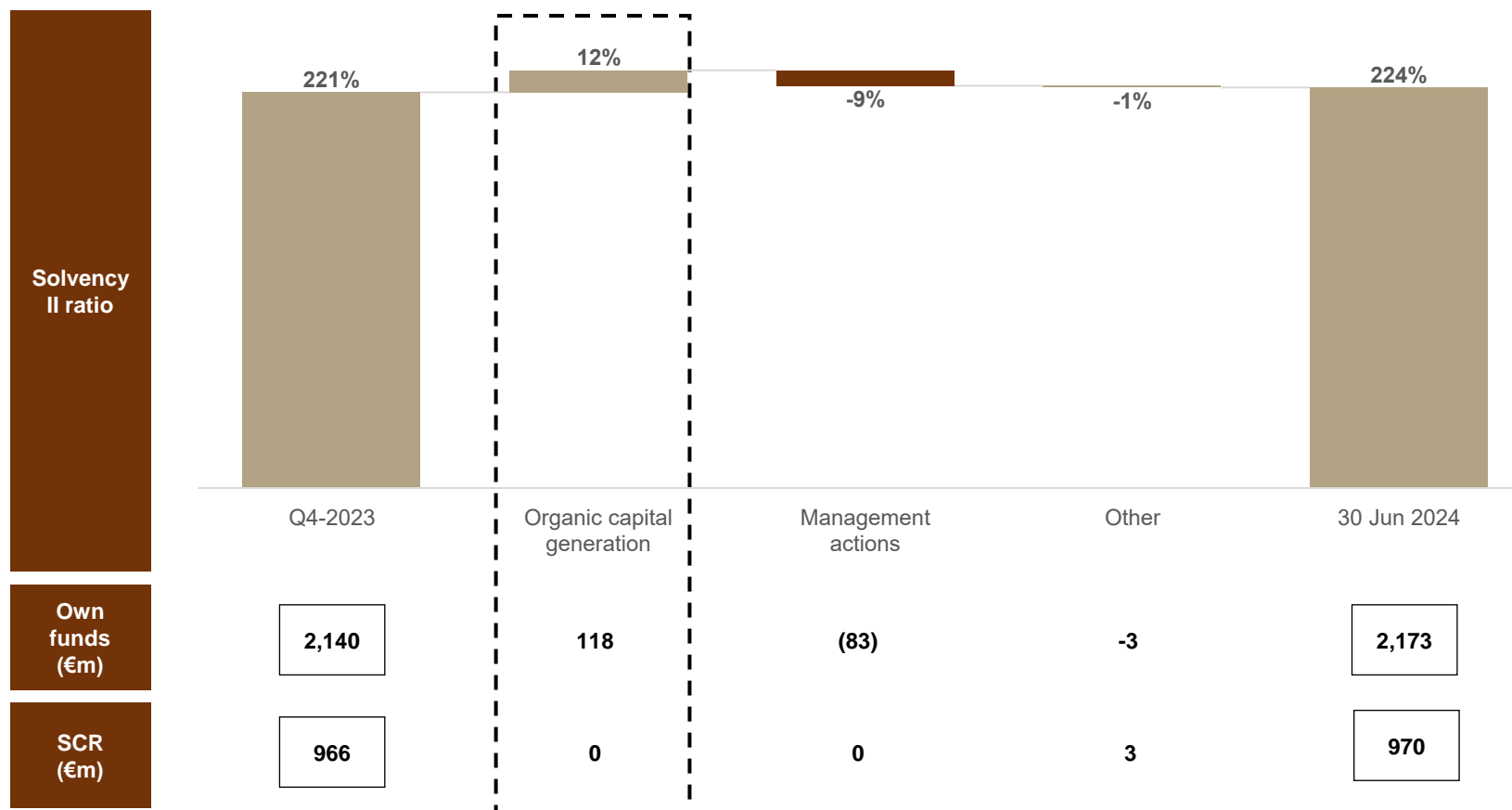
COMPONENTS OF ORGANIC CAPITAL GENERATION,
H1 24 (EURm)



SEGMENTAL CONTRIBUTION, H1 24 (EURm)



Key drivers of capital generation (1–6/2024)



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. However, this was offset by increase of capital-light business due to increased AuM

Management actions

- Own funds: Dividend accrual deducted based on Y2023 dividend
- SCR: No actions included during H1

Other

- Unwinding of the transitional measure, change of the SA among other things

Outlook

Outlook for year 2024 (unchanged)

- 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

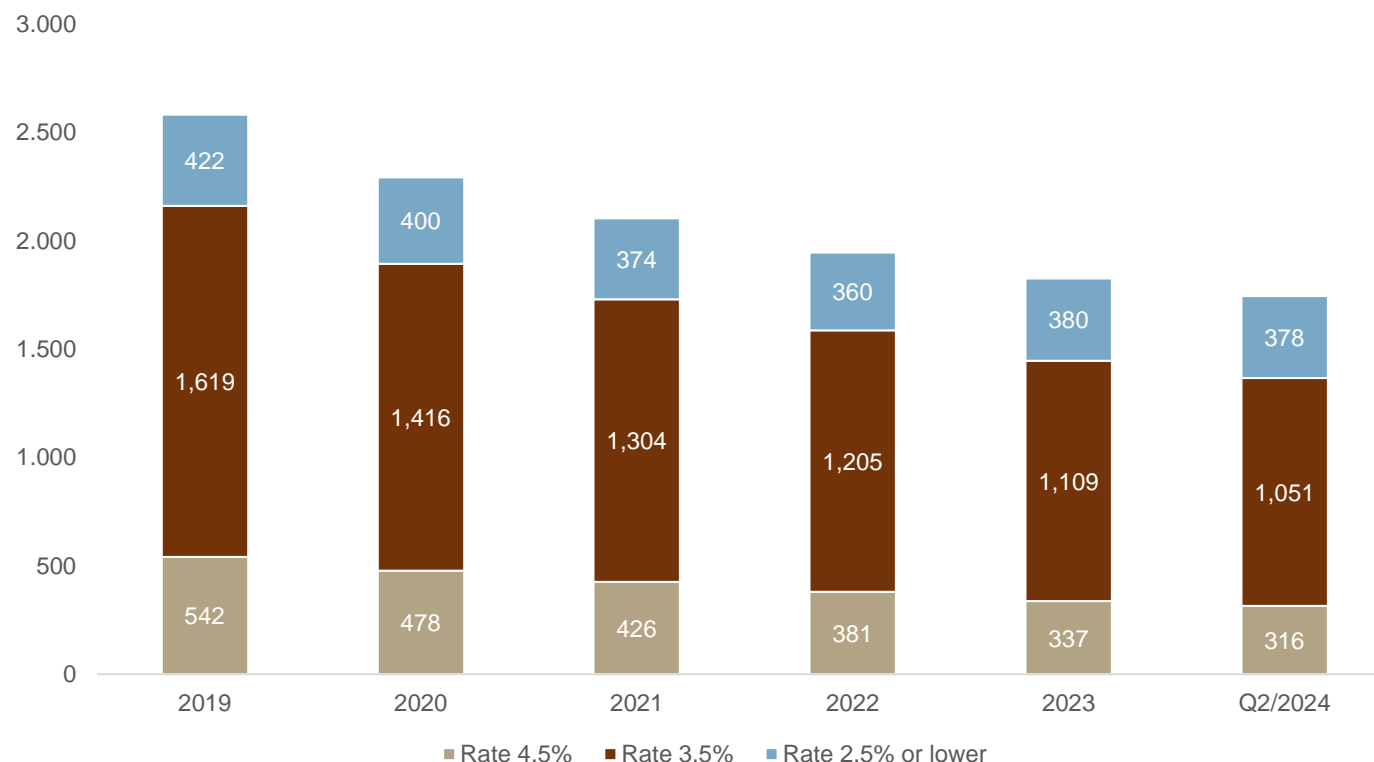
Supporting materials

Result by segments

RESULTS 1–6/2024						
EURm	Institutional	Corporate	Retail	With Profit	Other	Total
						1–6/2023
Fee result	12	10	8	0	0	30
Insurance service result	0	10	5	0	0	15
Fee result from investment and asset management services	12	1	3	0	0	15
Net finance result	0	0	0	72	13	85
Investment return				65	13	78
Unwinding and discounting of liabilities				8		8
Result related to risk policies	0	7	7	0	0	14
CSM and RA release	0	6	7	0	0	13
Other insurance service result	0	1	0	0	0	1
Other result	0	-4	0	10	-14	-6
Total PBT	12	14	16	82	-1	123

Development of policy savings¹ (original portfolio)

WITH-PROFIT POLICY SAVINGS 2019–Q2/2024 (EURm)



COMMENTS

- With-profit portfolios decreased in line with expectations
- Policy savings with highest (3.5% and 4.5%) guarantees down YTD by EUR 79 million and EUR 44 million in Q2
- Average guaranteed rate 3.21%

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.

Sustainability at Mandatum

Q2 SUSTAINABILITY HIGHLIGHTS

- ✓ Mandatum joined the international **Net Zero Asset Managers (NZAM)** initiative and committed to support the goal of net-zero greenhouse gas emissions from its investments by 2050 or sooner.

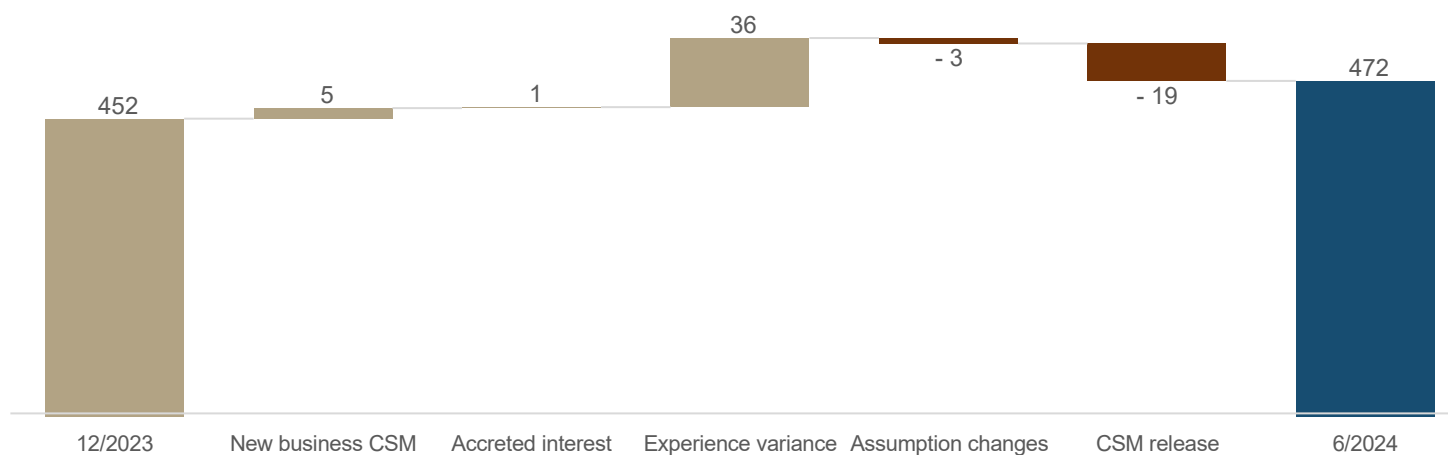


- ✓ Mandatum Group's **Responsible Investment Review** and **Responsible Real Estate Investment Review** were published.

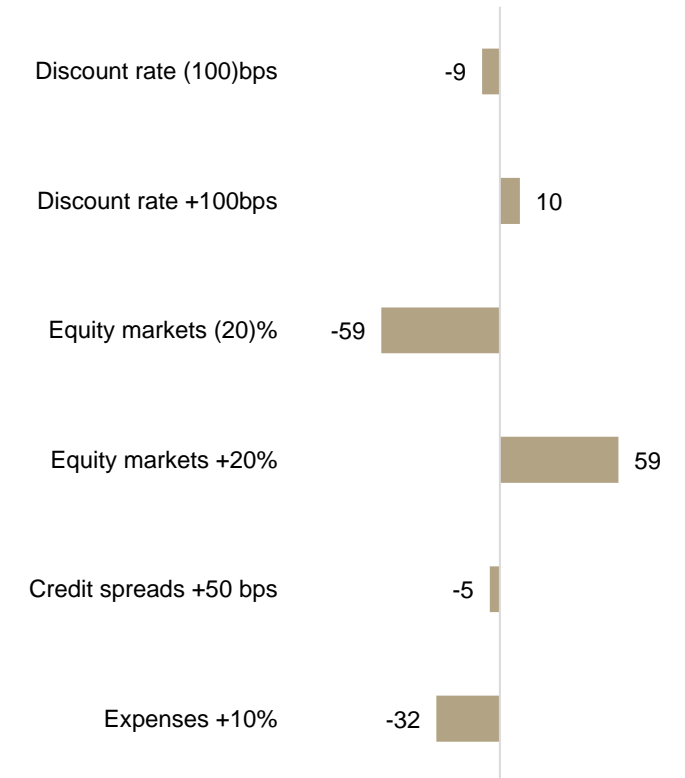


CSM development – 1–6/2024

CSM DEVELOPMENT (1-6/2024; EURm)



CSM SENSITIVITY (6/2024; EURm)



- **Positive CSM development due to higher than expected AuM growth in Unit-linked policies.**
- **Figures without individual risk policies sold by If; related CSM EUR 3 million.**
- **New business CSM related entirely to risk policies.**
- **CSM from unit-linked pension policies EUR 335 million, risk policies EUR 128 million and with-profit policies EUR 8 million.**



Investor contacts:

Lotta Borgström

Vice President, Investor Relations

Tel. +358 50 022 1027

lotta.borgstrom@mandatum.fi

Mandatum

Bulevardi 56, 00120 Helsinki

www.mandatum.fi