

A strong year 2024:  
Mandatum's assets under  
management rose to EUR 14 billion,  
record-high net flow close to  
EUR 1 billion

Q4 2024

Investor presentation

# October–December 2024

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- Fee result up by 39% y/y to EUR 18.6 million
  - Client AuM increased by 5% q/q to EUR 14.0 billion due to continued positive net flow and positive asset returns. The most significant part of the increase came from I&WM, all client segments contributed to the growth
  - Net flow EUR 392 million, up by 86% y/y
- Net finance result down by 5% y/y to EUR 23.7 million
  - Quarterly investment return 0.3%<sup>1</sup> impacted by weaker financial market returns
- Result related to risk policies down to EUR 2.2 million
- Profit before tax EUR 35.1 million – down by 24% y/y due to EUR 6 million negative result impact after updated long-term actuarial assumptions
- EPS at EUR 0.07 and organic capital generation (OCG) per share at EUR 0.10

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(1) Original portfolio

# January–December 2024

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- Fee result up by 27% y/y to EUR 67 million
  - Client AuM increased by 17% y/y to EUR 14.0 billion
  - Net flow EUR 983 million, up by 30% y/y, 8% of client AuM
  - Improved cost-efficiency
- Net finance result down by 9% y/y to EUR 136 million
  - YTD investment return 4.3%<sup>1</sup>
  - Spread between fixed income assets MtoM-yield and unwinding rate remain at 2.3 p.p.
- Profit before tax EUR 203 million – down by 4% y/y.
- EPS at EUR 0.33 and organic capital generation (OCG) per share at EUR 0.44
- Solvency II ratio 210% (31 Dec 2023: 221%)
  - +24 p.p. YTD from own funds generation
- Dividend proposal EUR 0.33 + extra dividend EUR 0.33 totals EUR 0.66 per share

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(1) Original portfolio

# Mandatum's financial targets

	TARGET	1–12/2024 (1–12/2023)
Focus on strong and profitable growth of capital-light offering <sup>1</sup>	Annual net flows (medium-term) <b>5% of AuM<sup>2</sup></b>	Net flow EUR 983 (754) million, 8 (7)% of Client AuM
	<b>Disciplined</b> Pricing and fee margin	Fee margin 1.2 (1.2)% <sup>3</sup>
	<b>Improving</b> Cost/income ratio	Cost/income ratio 58 (66)% <sup>3</sup>
Managing with-profit portfolio for capital release	<b>Run-off with active portfolio management actions</b> Liability development	With-profit liabilities EUR 2,256 (2,427) million
Prudent balance sheet management enabling strong shareholder returns	<b>EUR 500 million</b> Cumulative ordinary dividend (2024-2026)	Dividend paid in May 2024 EUR 166 million, the proposal for the dividend to be paid in spring 2025 is EUR 332 million
	<b>170–200%</b> Solvency II ratio (medium-term)	31 Dec 2024: 210 (221)%

Note: (1) Based on Client AuM, excluding AuM from With-profit and Large Mandates. (2) Based on annualised net flow and beginning of period AuM. (3) Trailing twelve months.





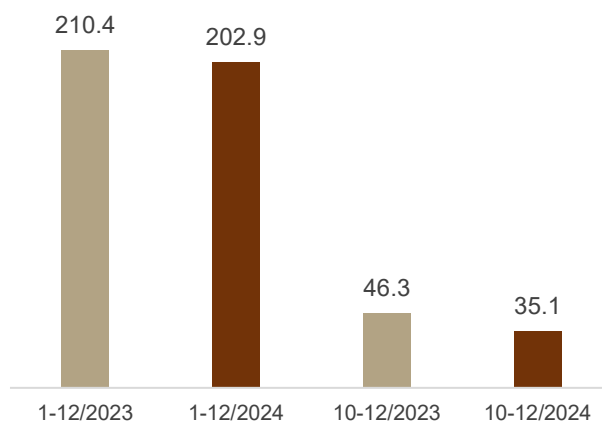
# Financial performance

# Overview of the 10–12/2024 results

<b>RESULTS</b>						
<b>EURm</b>	<b>10–12/2024</b>	<b>10–12/2023</b>	<b>Change, %</b>	<b>1–12/2024</b>	<b>1–12/2023</b>	<b>Change, %</b>
Fee result	18.6	13.4	39%	66.6	52.6	27%
Net finance result	23.7	24.9	-5%	135.6	148.6	-9%
Result related to risk policies	2.2	8.0	-73%	25.4	17.9	42%
Other result	-9.4	0.0	n.m.	-24.7	-8.7	n.m.
Total profit before taxes	35.1	46.3	-24%	202.9	210.4	-4%
Earnings per share, EUR	0.07	0.06	12%	0.33	0.32	3%
Organic capital generation per share, EUR	0.10	n.a.	n.a.	0.44	0.54	-18%
Return on equity-% (annualised)	8.3%	7.1%	1.2 p.p.	10.3%	9.8%	0.5 p.p.
C/I-ratio (trailing 12 months), %	-	-	-	58%	66%	-8 p.p.
				<b>31 Dec 2024</b>	<b>31 Dec 2023</b>	<b>Change, %</b>
Client assets under management (AuM)	-	-	-	13,957	11,892	17%

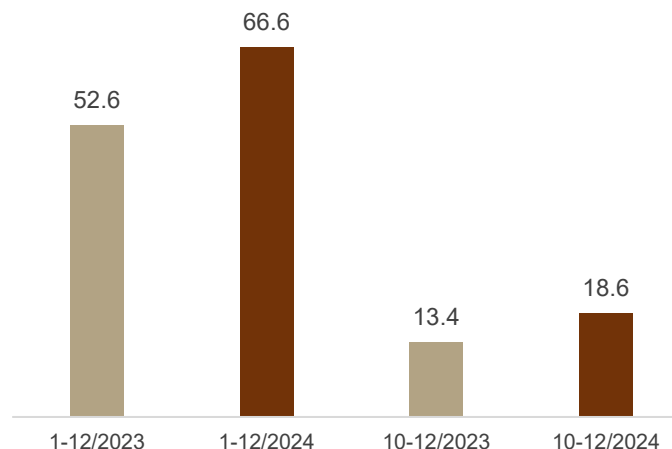
# Strong growth in fee result, lower investment return

## PROFIT BEFORE TAXES (EURm)



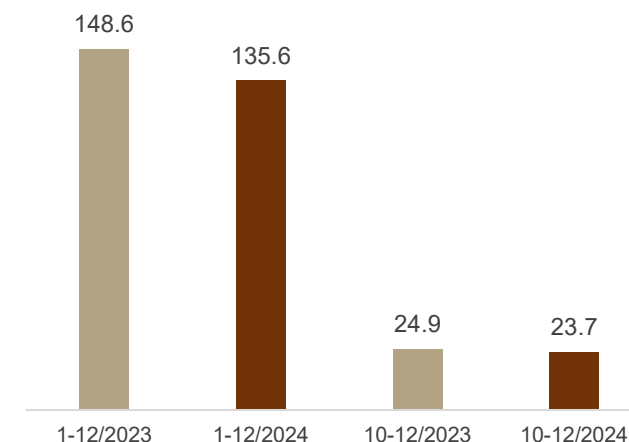
- Q4 PBT down 24% to EUR 35.1 million due to actuarial assumption changes and higher financing costs
- FY fee result up 27% and result related to risk policies up 42%, PBT down due to net finance result and other result

## FEE RESULT (EURm)



- Q4 fee result up 39% to EUR 18.6 million driven by improved operational leverage and 17% AuM growth
  - EUR -1.1m impact on insurance service result from new long-term actuarial assumptions
- FY fee result from investment and asset management services up 71% y/y

## NET FINANCE RESULT (EURm)



- Q4 investment return on original portfolio below normal at 0.3% (4.1%)
  - EUR -6m revaluation of real estate assets
- EUR 16m dividend from Saxo Bank and EUR -5m value change in Enento in Q4
- Q4 discount rate change offsets unwinding cost in finance costs

# Result by segments

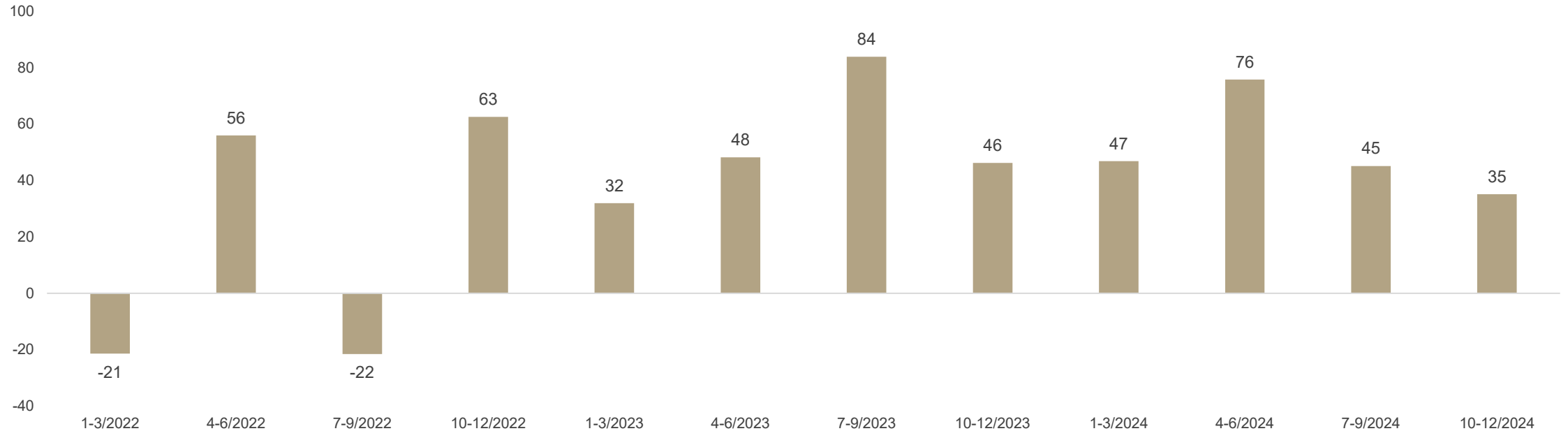
## RESULTS 10–12/2024

EURm	Institutional	Corporate	Retail	With-profit	Other	Total	10–12/2023
<b>Fee result</b>	<b>8.4</b>	<b>6.2</b>	<b>4.1</b>	-	-	<b>18.6</b>	<b>13.4</b>
Insurance service result	-	4.6	2.5	-	-	7.1	8.7
Fee result from investment and asset management services	8.4	1.5	1.6	-	-	11.5	4.7
<b>Net finance result</b>	-	-	-	<b>10.5</b>	<b>13.2</b>	<b>23.7</b>	<b>24.9</b>
Investment return	-	-	-	13.2	13.2	26.5	169.4
Unwinding and discounting of liabilities	-	-	-	-2.8	-	-2.8	-144.5
<b>Result related to risk policies</b>	-	<b>2.0</b>	<b>0.2</b>	-	-	<b>2.2</b>	<b>8.0</b>
CSM <sup>1</sup> and RA <sup>2</sup> release	-	1.2	0.9	-	-	2.1	7.6
Other insurance service result	-	0.8	-0.7	-	-	0.1	0.4
<b>Other result</b>	<b>0.2</b>	<b>0.2</b>	<b>-0.2</b>	<b>2.7</b>	<b>-12.3</b>	<b>-9.4</b>	<b>0.0</b>
<b>Total profit before taxes</b>	<b>8.6</b>	<b>8.3</b>	<b>4.1</b>	<b>13.2</b>	<b>0.9</b>	<b>35.1</b>	<b>46.3</b>

Note: (1) CSM = contractual service margin. (2) RA = risk adjustment.



# Quarterly results since Q1/22



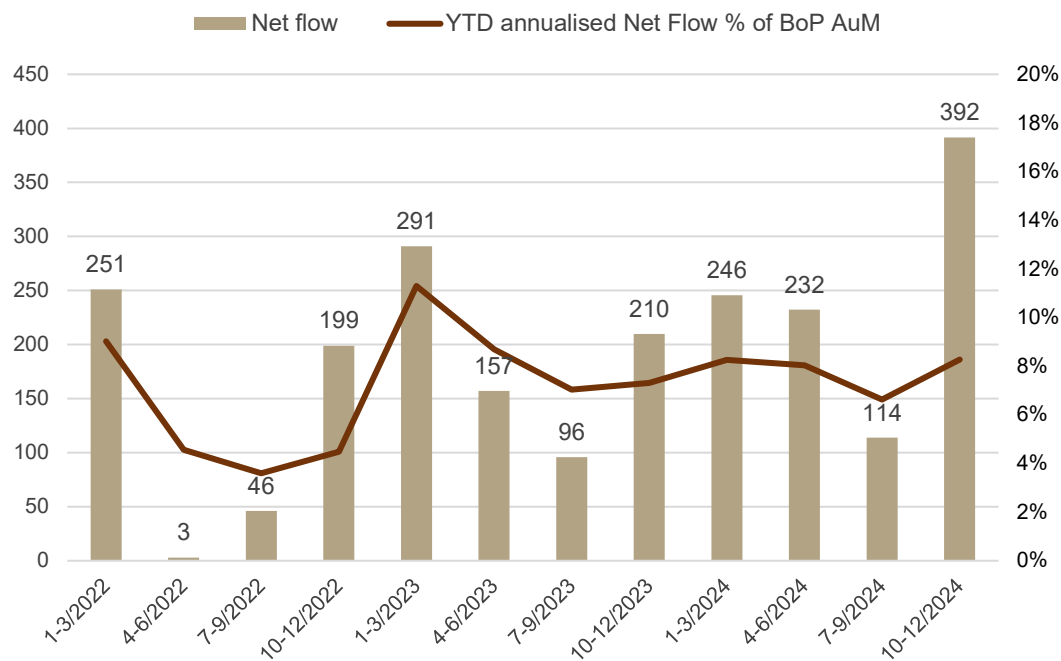
EURm	1-3/22	4-6/22	7-9/22	10-12/22	1-3/23	4-6/23	7-9/23	10-12/23	1-3/24	4-6/24	7-9/24	10-12/24
Fee result	10	8	19	6	14	12	13	13	15	15	18	19
Net finance result	-24	47	-51	78	13	43	67	25	30	55	27	24



# Capital-light segments

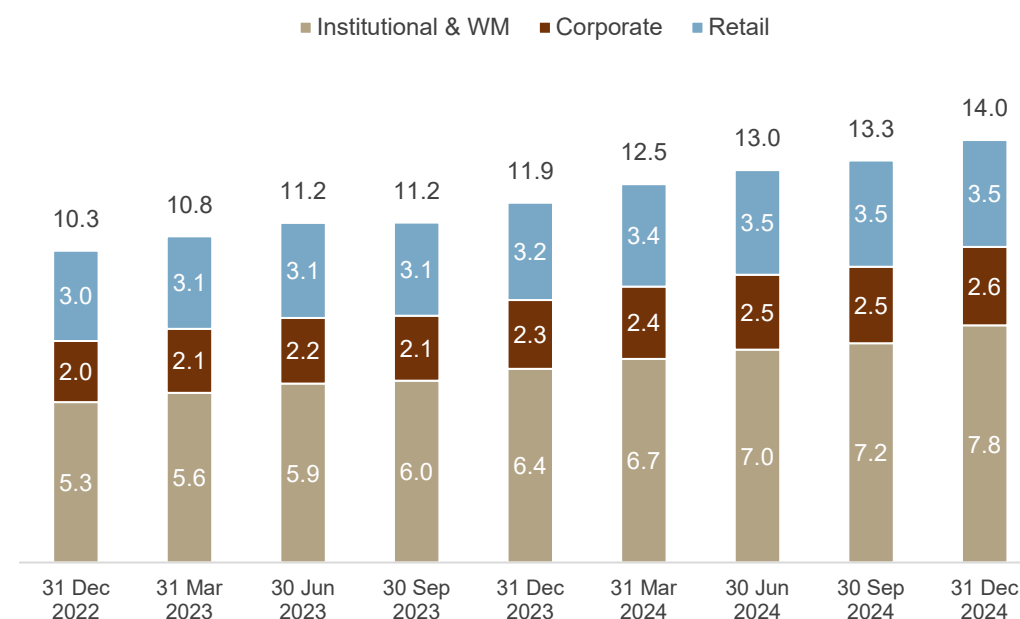
# Q4 net flow EUR 392m, up 86% y/y

## NET FLOW (EURm)



- Major part of Q4 net flow from the Institutional and wealth management segment
- FY net flow EUR 983 (754) million i.e. 8.3% of AuM

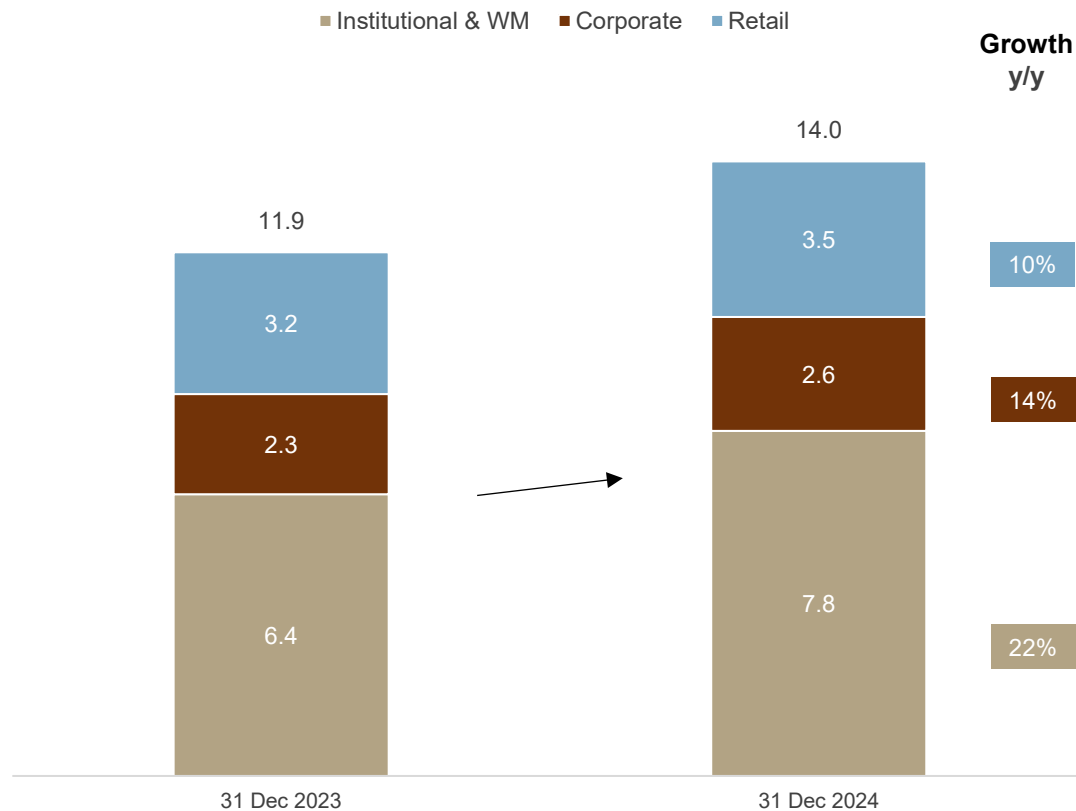
## CLIENT ASSETS UNDER MANAGEMENT (EURbn)



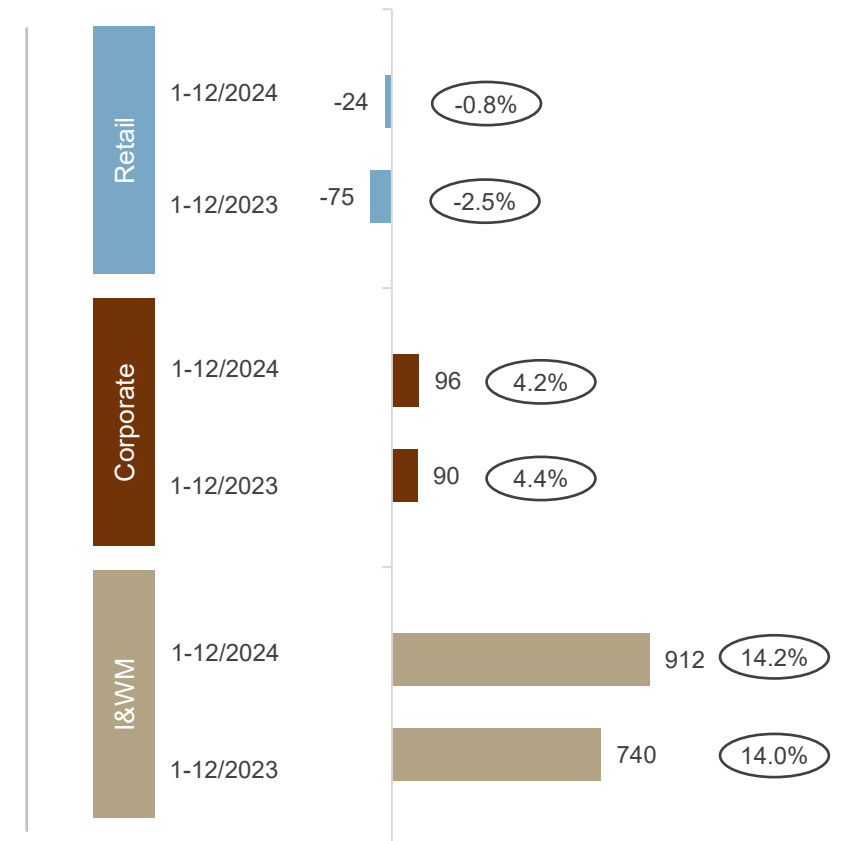
- Q4 AuM growth EUR 675 million (5.1% q/q)
- Growth driven by positive net flow and positive market returns

# Client AuM up 17% y/y, net flow reached nearly EUR 1 bn

## CLIENT ASSETS UNDER MANAGEMENT (EURbn)



## NET FLOW DEVELOPMENT (EURm)

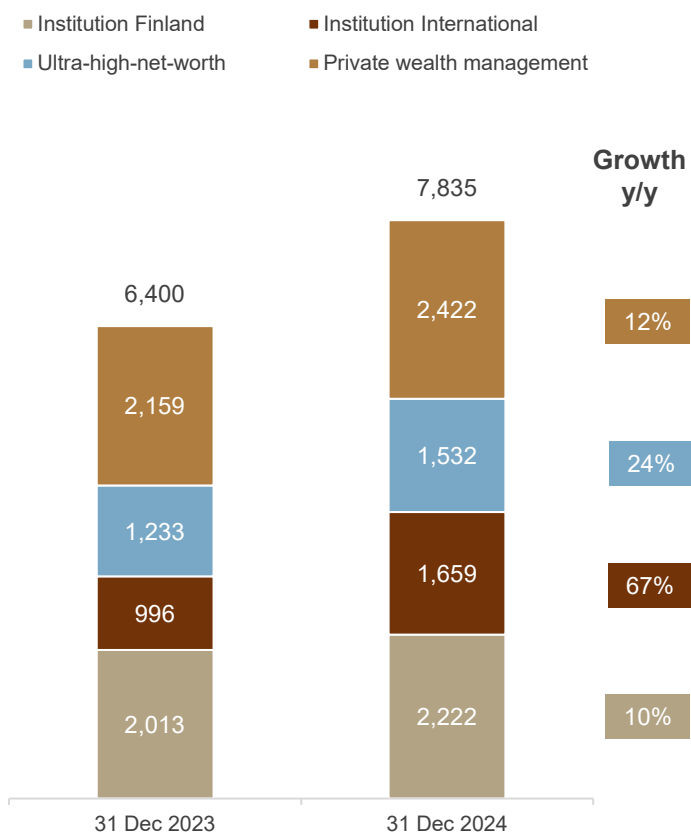


○ Net flows<sup>1/</sup> / AuM on 31 Dec 2023 (EUR 11.9 bn)

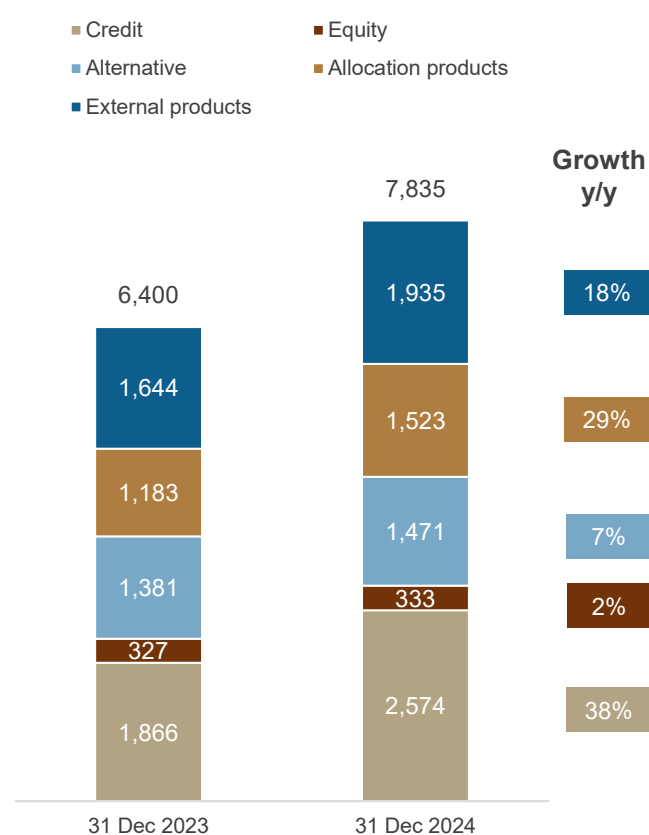
Note: (1) Based on 1-12/2024 and 1-12/2023 net flows.

# Steady growth in Institutional and wealth management continued

## AUM BY CLIENT SEGMENT (EURm)



## AUM BY PRODUCT (EURm)



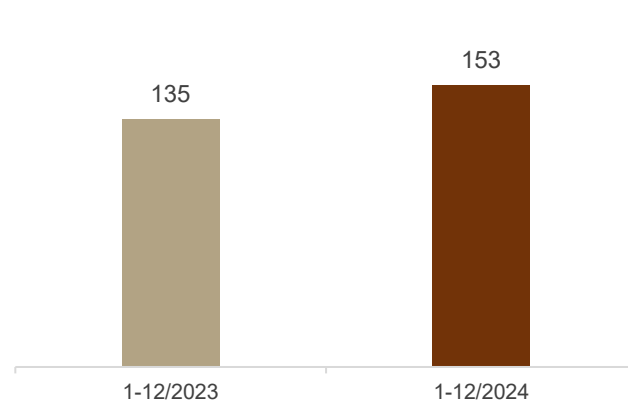
## COMMENTS

- 22% AuM growth y/y in the I&WM business area due to positive net flow and favourable market returns
- All client segments contributed to the growth
- International institutional assets increased by 67% driven by Sweden and Denmark
- Strong growth also in the UNHWI client segment (+24%)
- Majority of net flow to credit products and allocation products and mandates

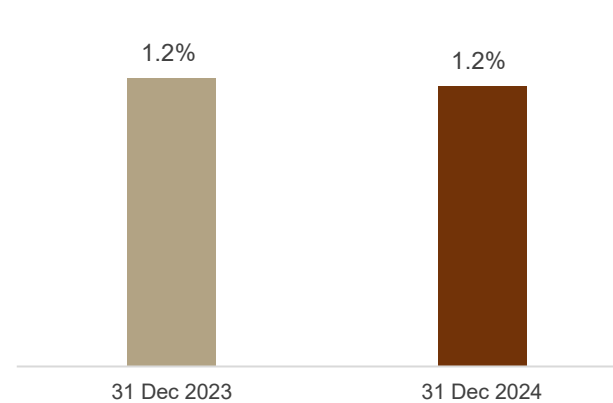
Note: Private WM and Ultra-high-net-worth (UHNW) segments affected by intra-group portfolio transfers in Q1 2024 so AuM not comparable for these segments.

# Fee income up 14% y/y – Cost/income ratio down

### FEE INCOME (EURm)<sup>1</sup>



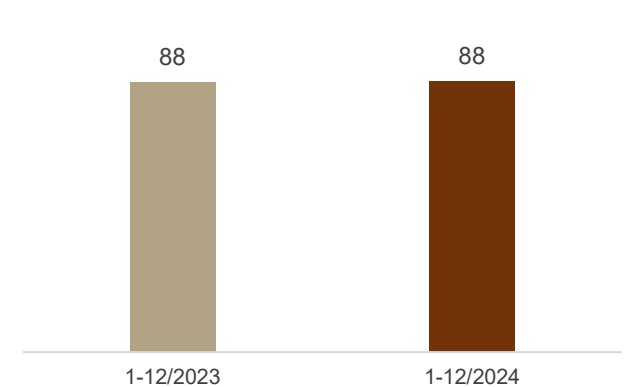
### FEE INCOME MARGIN (%)<sup>2</sup>



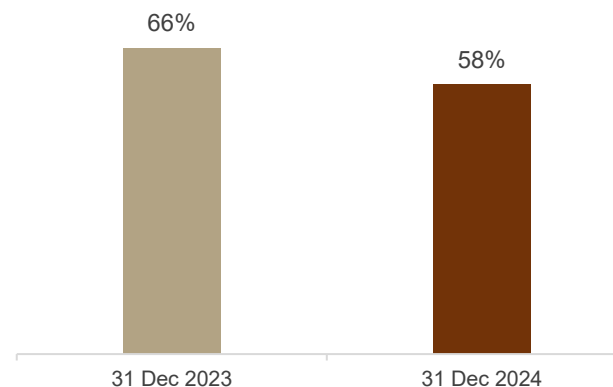
### FEE MARGIN UNCHANGED

- Fee income increased by 14% due to EUR 1.9 billion higher average AuM
- FY fee margin unchanged at 1.2%

### CLIENT AUM COSTS (EURm)



### CLIENT AUM C/I RATIO (%)<sup>2</sup>



### DECREASING COST/INCOME RATIO

- Costs related to client AuM remained stable
- Improved operational leverage → 12 months C/I-ratio down by 8 p.p.

Note: (1) Based on FAS. Related to Client AuM, i.e., excluding AuM from With-profit & Large Mandates, as well as one-off items and intra-group eliminations. (2) Trailing twelve-months.

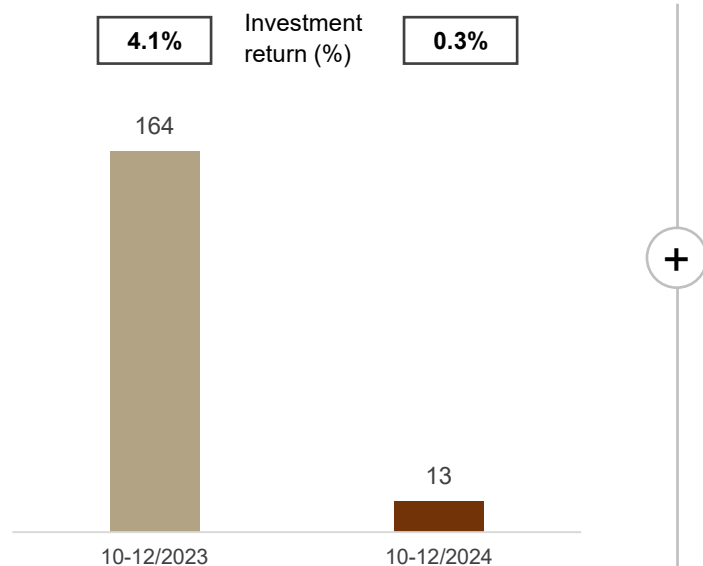




With-profit segment

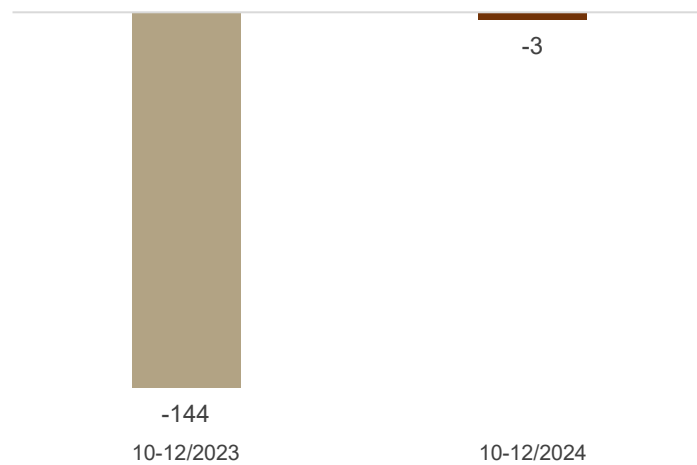
# With-profit segment: Net finance result

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



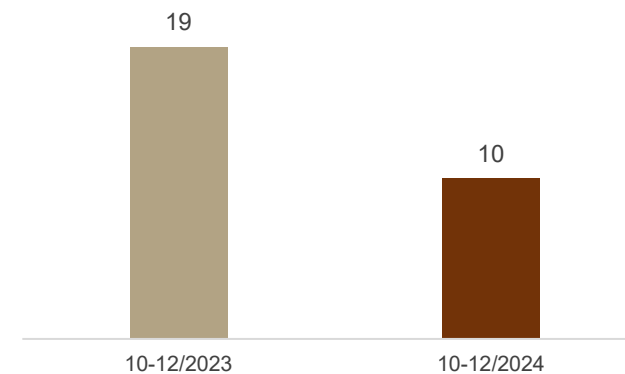
- Quarterly investment return +0.3% (+4.1%)
  - Fixed income assets +1.0%
  - Listed equities -5.2%
  - Private equity -0.4%
  - Private credit +1.3%
  - Real estate -4.6%

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



- Change in discount rate had a EUR 15 million positive P&L impact on the cost of liabilities in the quarter
- Unwinding cost EUR 18 million

## NET FINANCE RESULT (EURm)

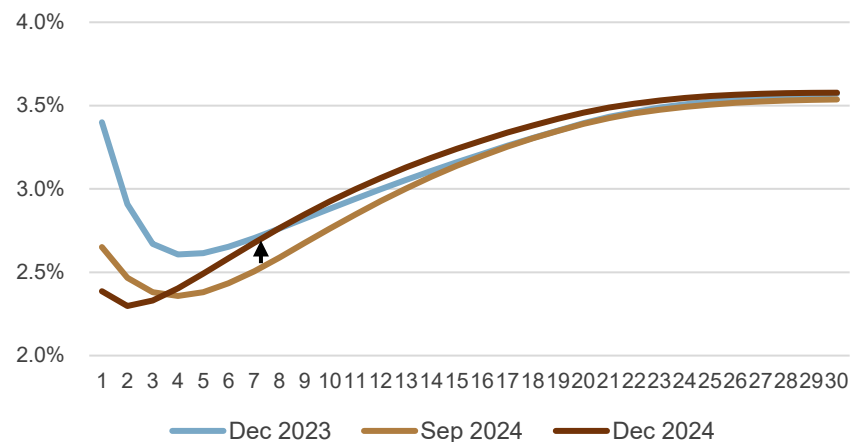


Note: (1) Return % related to the original portfolio and comments also related to original portfolio.

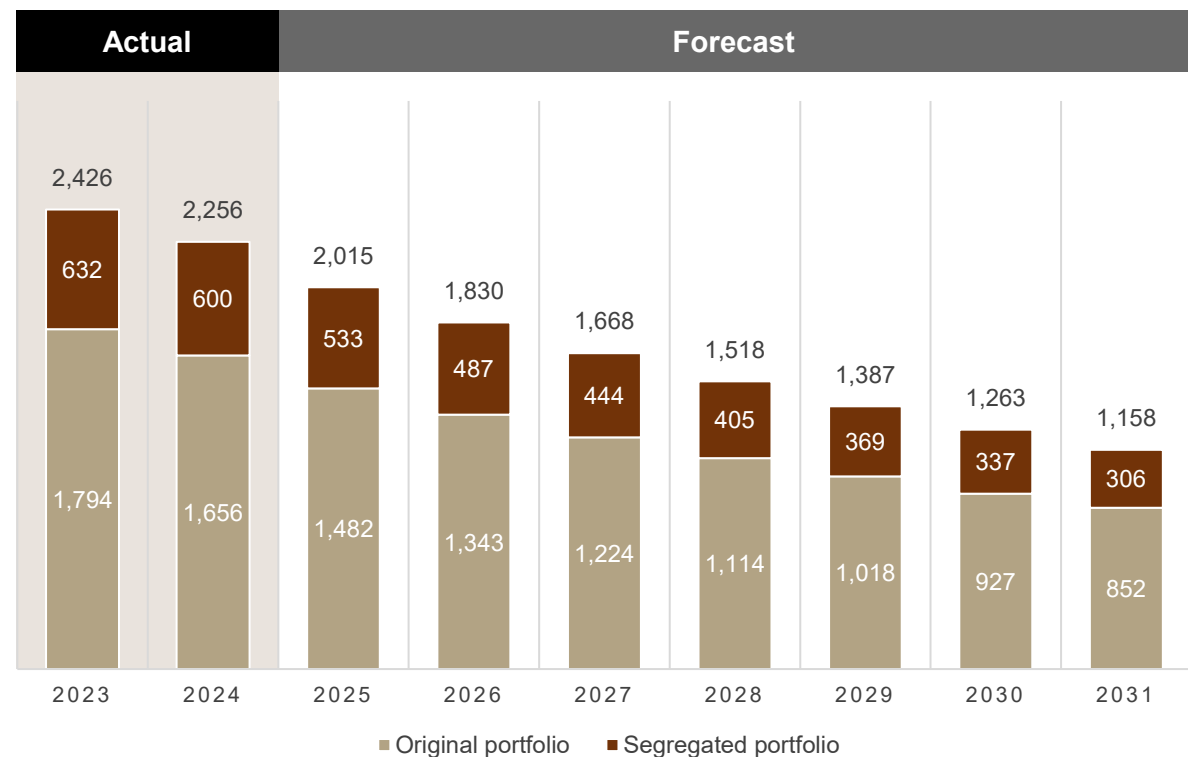
# Lower discount rate for with-profit IFRS liabilities

## IFRS 17 DISCOUNT CURVE

- The movement in discount curve increased with-profit liabilities by EUR 1 million in 1–12/2024 and decreased with-profit liabilities by EUR 15 million in 10–12/2024
- Unwinding rate 2.4% for year 2025 and full-year unwinding cost EUR 37 million in the original portfolio and EUR 14 million in the segregated portfolio

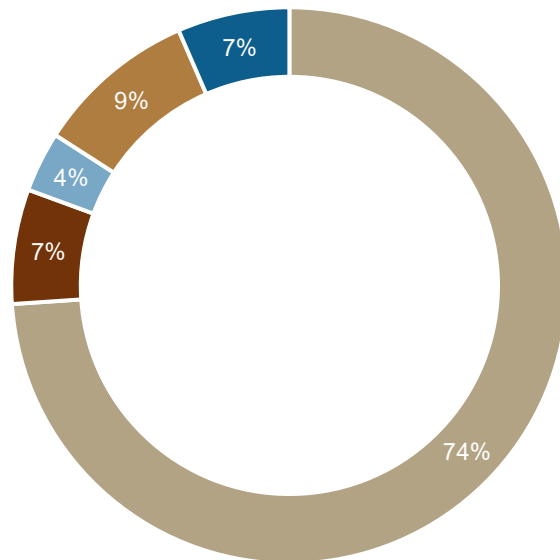


## WITH-PROFIT IFRS LIABILITES (EURm)



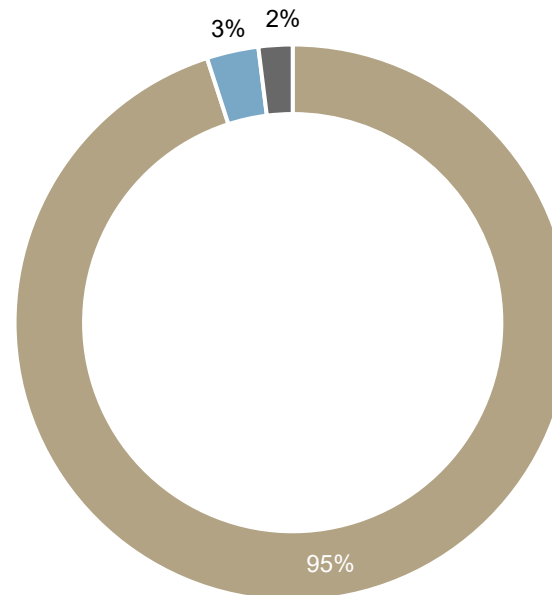
# With-profit investment portfolio by asset class

**ORIGINAL PORTFOLIO,  
EUR 3,001 million**



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

**SEGREGATED PORTFOLIO,  
EUR 674 million**



■ Fixed income ■ Real Estate ■ Other

## Original Portfolio

- Fixed income and money market weight decreased due to EUR 250 million cash due to repayment of old Tier 2 loan
- Underlying asset allocation largely unchanged
- Fixed income asset mark-to-market yield 4.7% (5.1% in Q3)

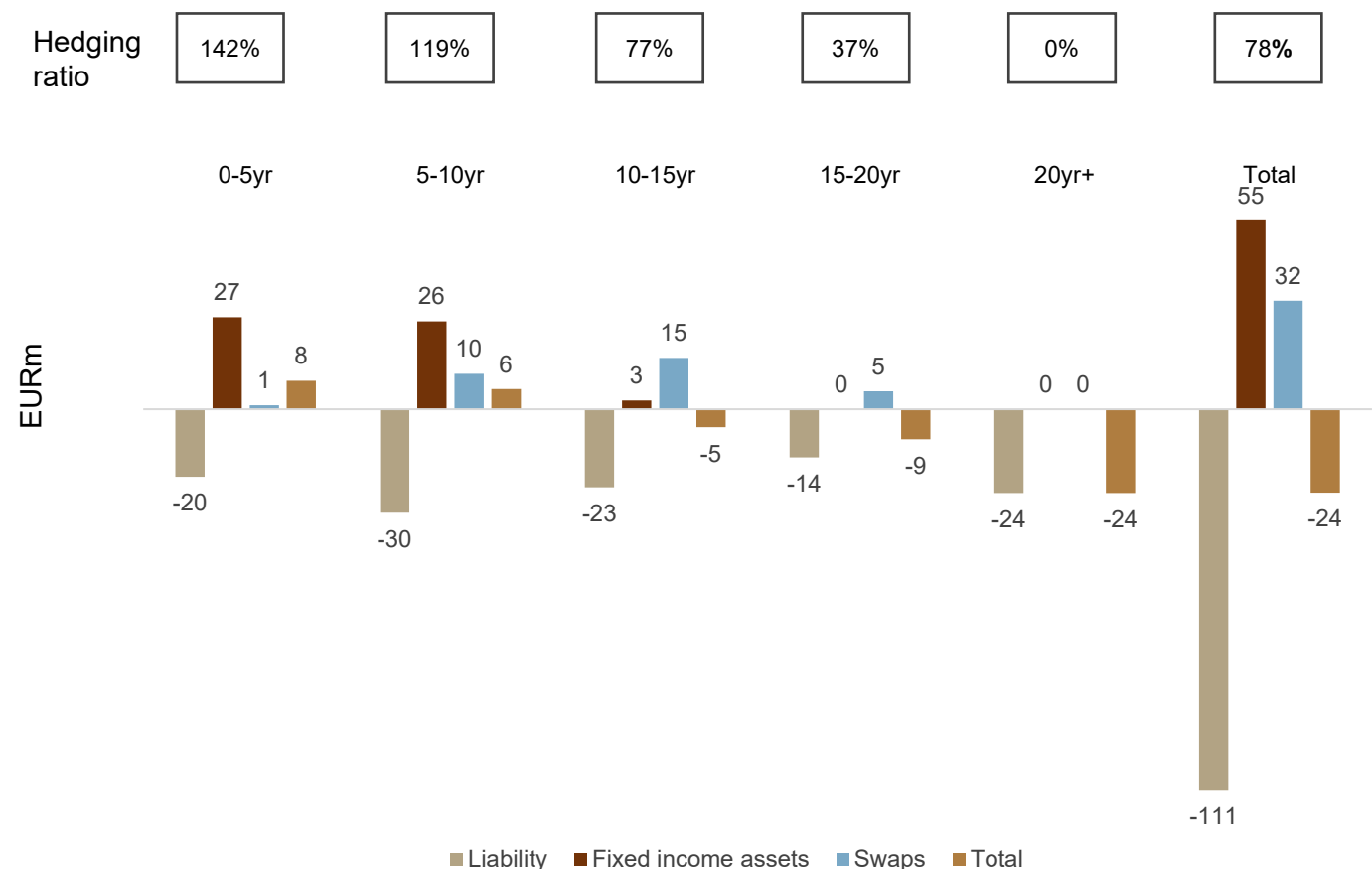
## Segregated Portfolio

- No major changes in asset allocation – fixed income weight 95% of the portfolio
- Mark-to-market yield 4.0% (4.1% in Q3)

# IFRS Liability and asset sensitivity (original portfolio)

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

## SENSITIVITY BY MATURITY BUCKETS, RATES DOWN 100BPS



## COMMENTS

- Interest rate risk related to first eight years of liability cash flows covered by fixed income assets
- 8–20 years liability cash flows covered partially with swaps and fixed income assets
- Liability interest rate risk open for cash flows after 20 years but active liability side management actions in place to mitigate risk
- Total hedging ratio 78% when buffering element of client bonuses is also taken into account

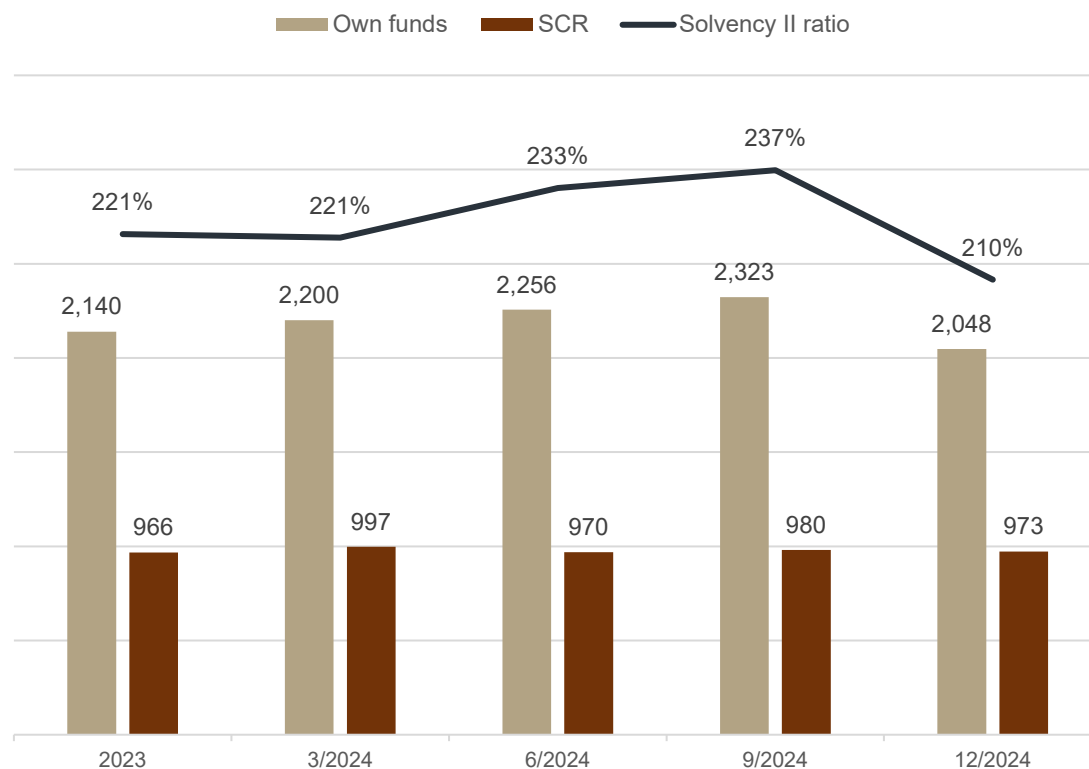


# Solvency and capital generation

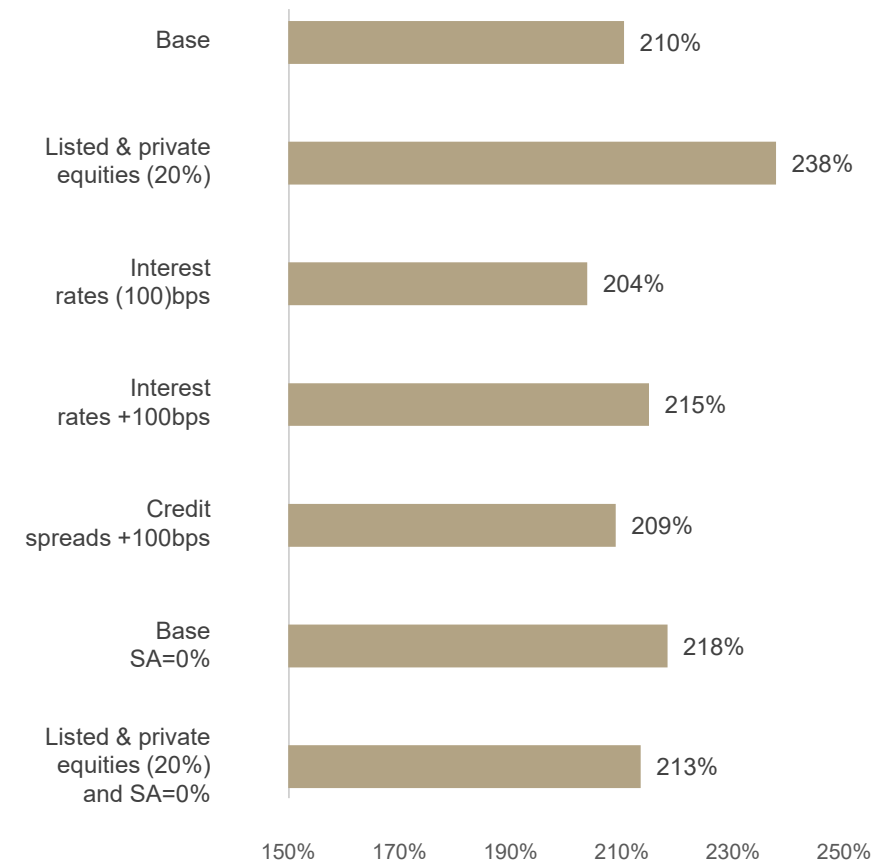


# Strong Solvency II ratio supports the dividend proposal

**QUARTERLY SOLVENCY POSITION (EURm)<sup>1</sup>**



**SOLVENCY II RATIO SENSITIVITY**

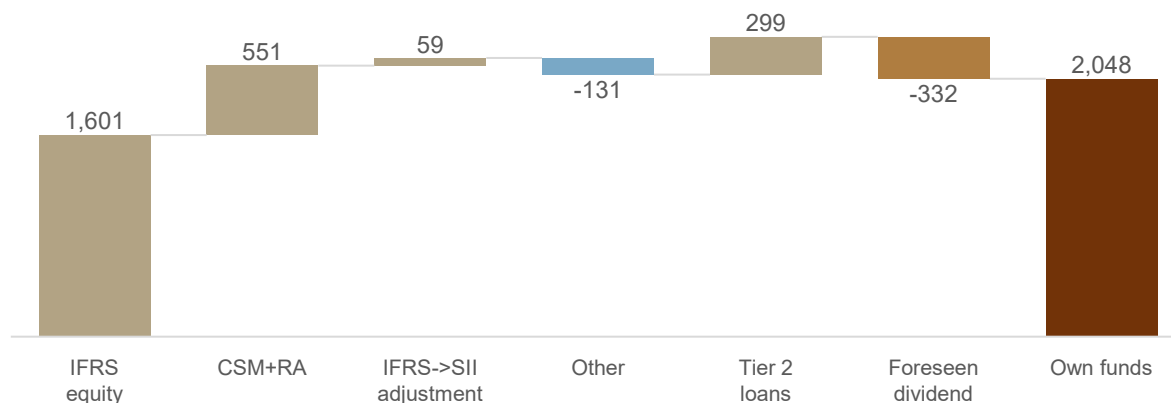


Note: (1) Quarterly figures do not include dividend accrual, except for year-end figures. Year end 2024 figures includes 0.66€/share dividend proposal

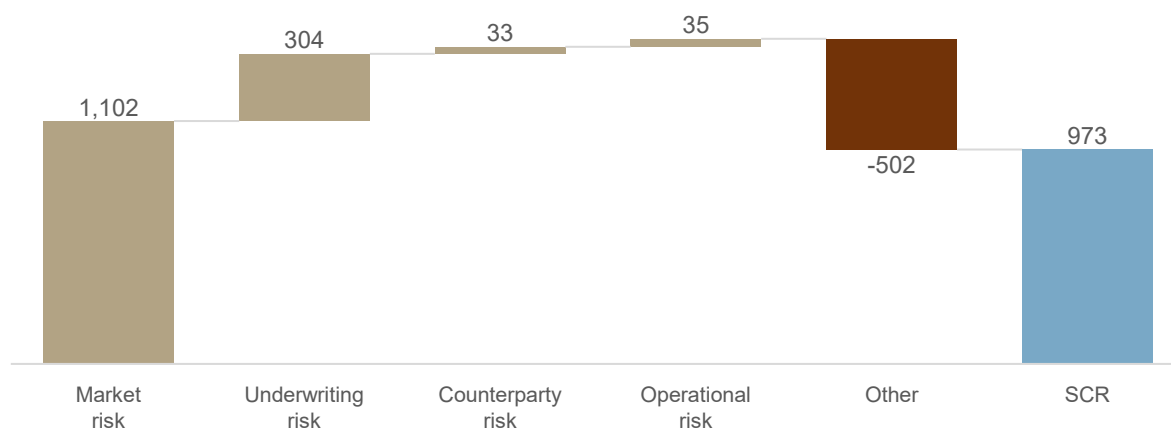
# Stable development on Solvency Capital Requirement continued

## BREAKDOWN OF OWN FUNDS (EURm)

Solvency II ratio  
210%



## BREAKDOWN OF SCR<sup>1</sup> (EURm)



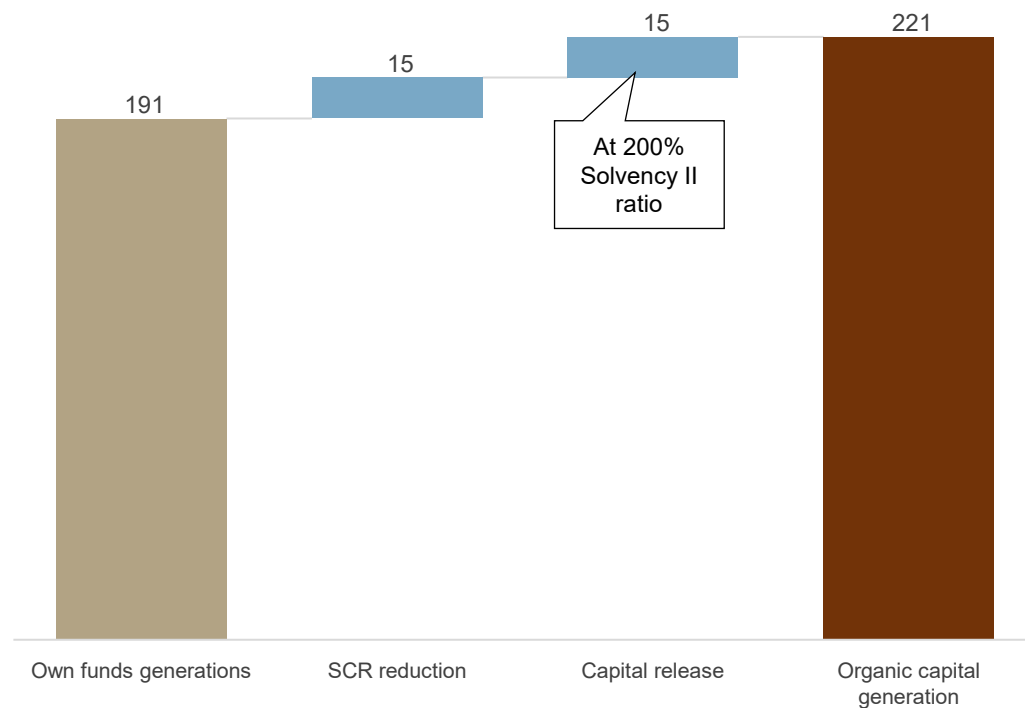
## COMMENTS

- Own funds increased by EUR 57 million during Q4, prior proposed dividend distribution
- Market risk, and especially equity risk are the most significant SCR elements, and movement of symmetrical adjustment plays a significant role
- Counterparty default risk SCR decreased due to the Tier 2 loan that was called back on 4 Oct 2024
- With-profit continues still to be the most significant SCR contributor, EUR 428 million at the end of Q4, though the contribution of Capital-light is getting as significant as With-profit due to growth of the business
- Capital-light SCR corresponded to 2.8% 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 161 million at the end of Q4

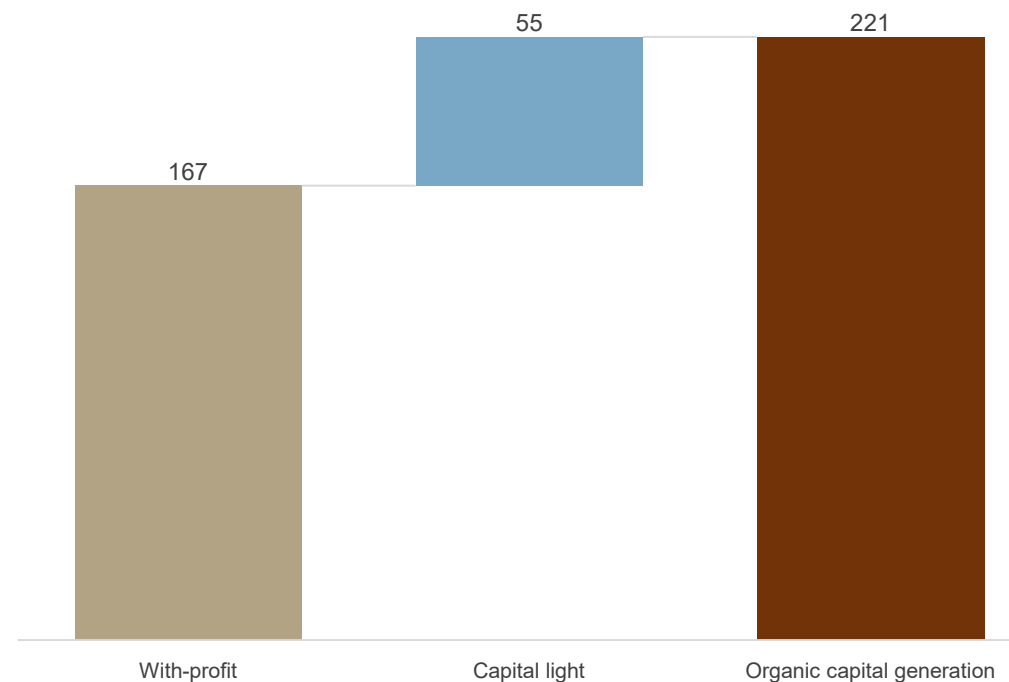
Note: Item "Other" in 'Breakdown of SCR' graph mainly explained by diversification benefits and loss absorption effect of deferred taxes and technical provisions. (1) SCR = solvency capital requirement.

# Organic capital generation exceeding net profit

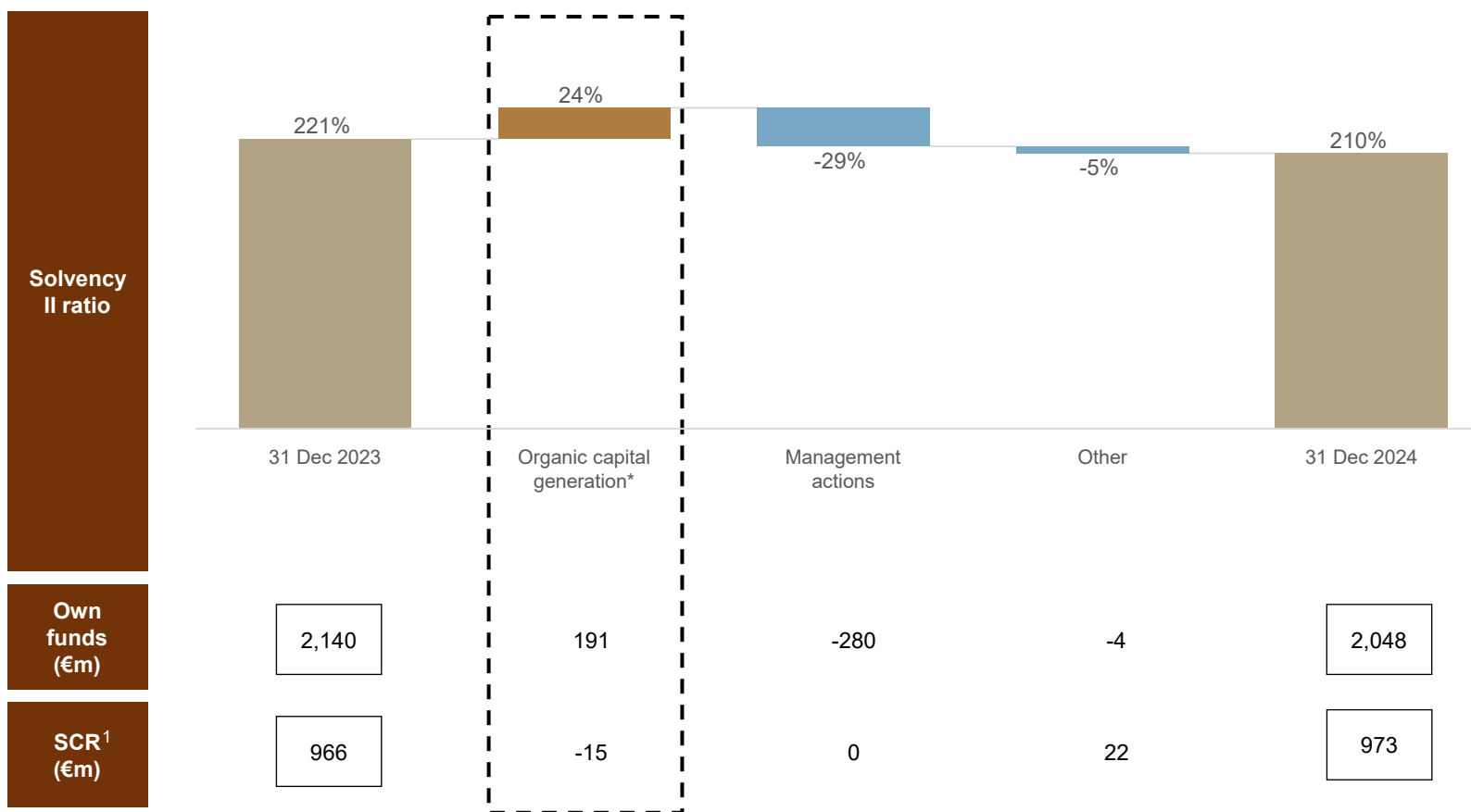
**COMPONENTS OF ORGANIC CAPITAL GENERATION,  
1–12/2024 (EURm)**



**SEGMENTAL CONTRIBUTION,  
1–12/2024 (EURm)**



# Key drivers of capital generation (1-12/2024)



## 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 is partly offset by increase of capital-light business due to increased AuM

### Management actions

- Own funds: Proposed dividend taken fully into account. Tier 2 replacement had positive impact as well as personnel offering.
- SCR: No actions included during year

### Other

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

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



# Outlook

## Outlook for year 2025

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- The fee result is expected to increase from year 2024 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, 2023 and 2024, the fee result for year 2025 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 and insurance contract liabilities 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.





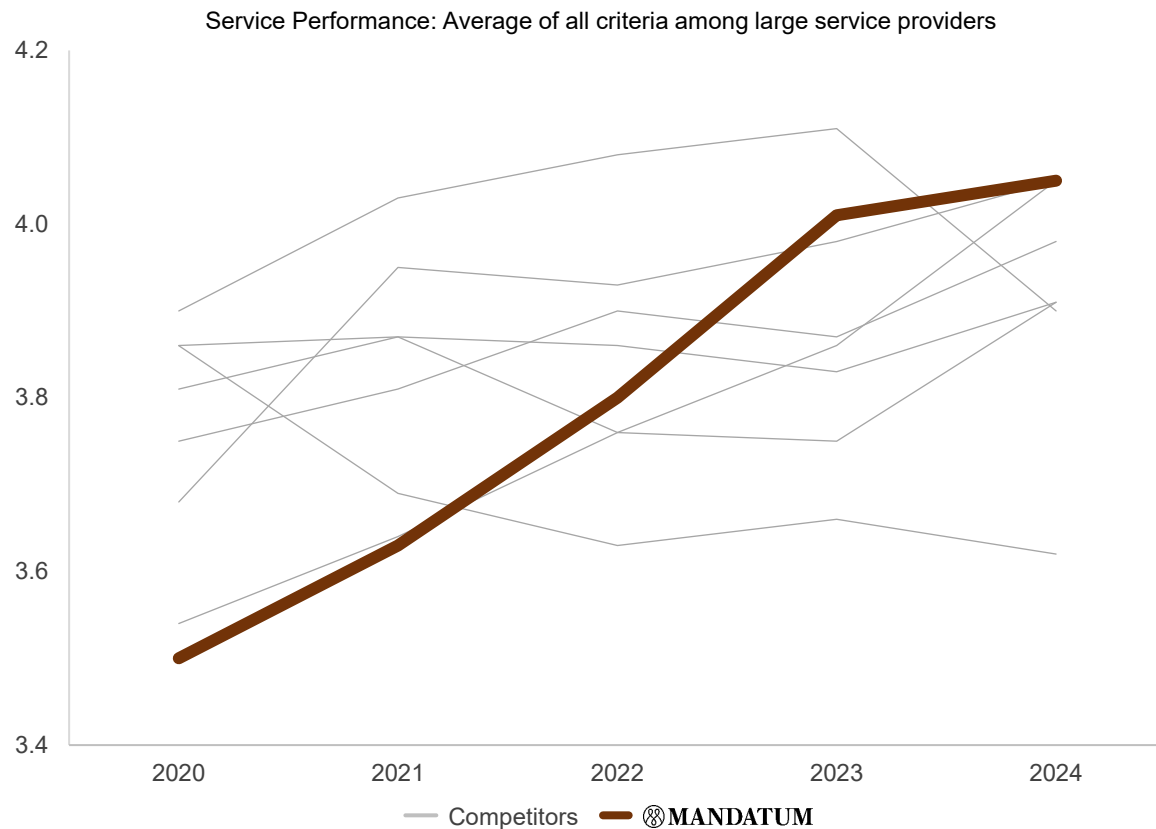
# Appendix

Supporting materials

# Top ranked asset and wealth manager with strong investment expertise and proven track record

Mandatum has sticky and satisfied customer base benefitting from own direct distribution network

## MANDATUM RANKED THE TOP INSTITUTIONAL ASSET MANAGER IN FINLAND\*



## NET PROMOTER SCORE

83.2

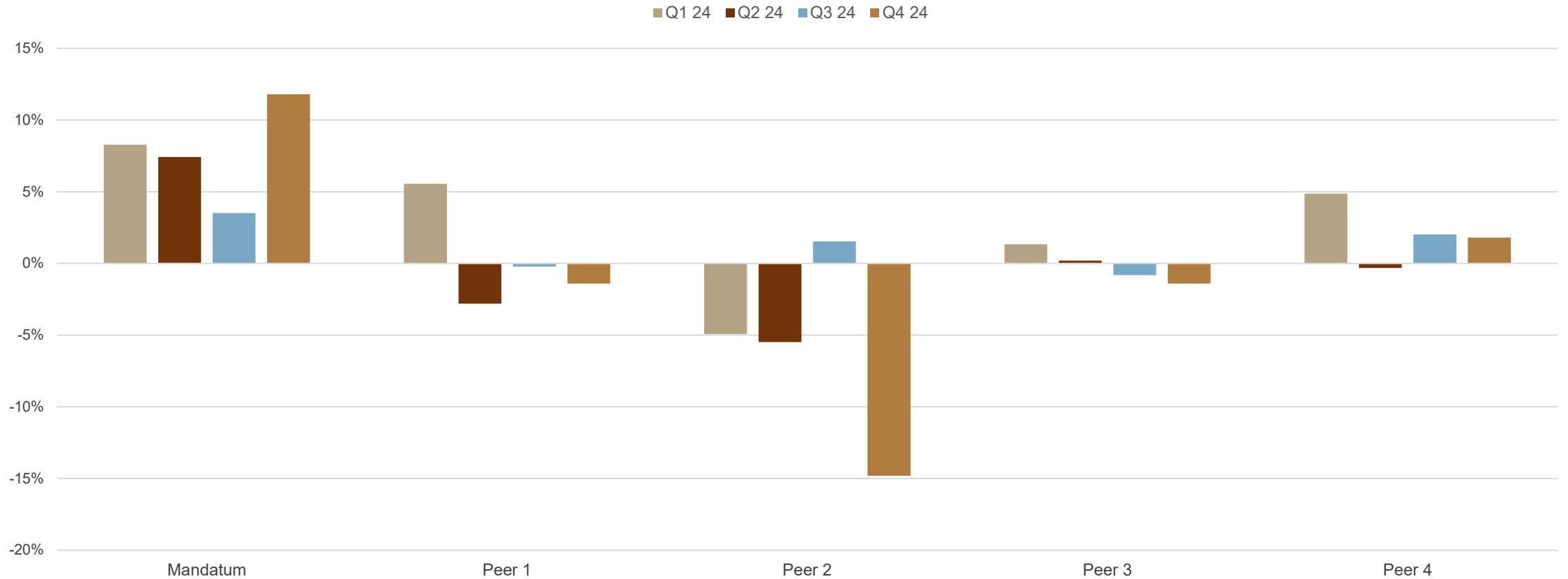
Excellent customer satisfaction in private wealth management (2024)

76.4

Excellent customer satisfaction in all customer segments (2024)







\*SFR Research 2024

# Annualised quarterly net flow vs. Peers (% of AuM<sup>1</sup>)



Source: company info. (1) Based on quarterly AuM.

# Market leading ESG-ratings

ESG rater	Mandatum's ESG rating
	 <p>MSCI ESG RATINGS</p> <p>CCC B BB BBB A <b>AA</b> AAA</p>
	 <p>13.6 Low Risk</p> <p>Negligible Low Medium High Severe</p> <p>0-10 10-20 20-30 30-40 40+</p>
	 <p>Corporate ESG Performance</p> <p>RATED BY ISS ESG</p> <p>Prime</p> <p>Rating C+</p>

MSCI Disclaimer statement available at [www.mandatum.fi/en/group/investors/quarterly-reporting-and-presentations/latest-updates-for-investors/](http://www.mandatum.fi/en/group/investors/quarterly-reporting-and-presentations/latest-updates-for-investors/)

# Result by segments

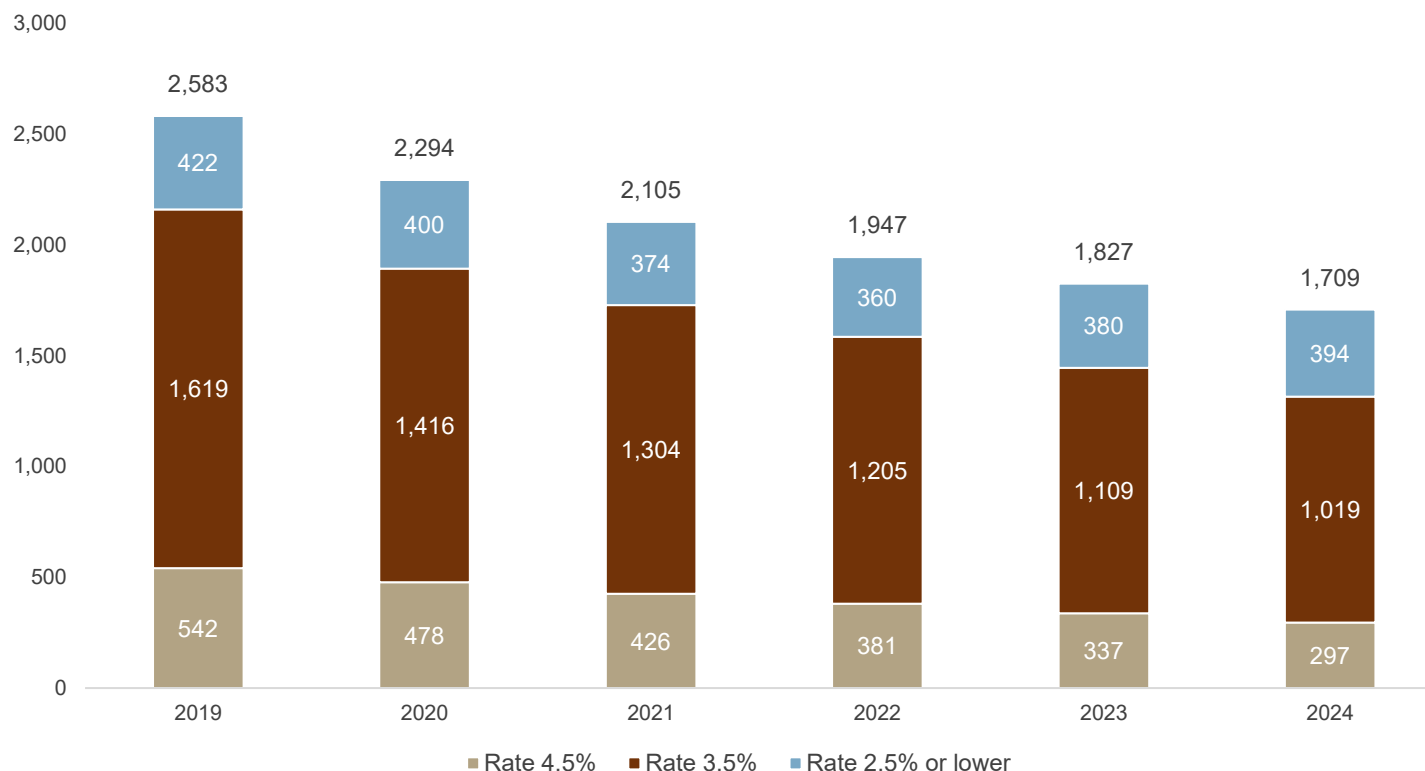
## RESULTS 1–12/2024

EURm	Institutional	Corporate	Retail	With-profit	Other	Total	1–12/2023
<b>Fee result</b>	<b>26.3</b>	<b>22.7</b>	<b>17.7</b>	<b>-</b>	<b>-</b>	<b>66.6</b>	<b>52.6</b>
Insurance service result	-	19.9	10.2	-	-	30.1	31.3
Fee result from investment and asset management services	26.3	2.8	7.4	-	-	36.5	21.3
<b>Net finance result</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.4</b>	<b>35.2</b>	<b>135.6</b>	<b>148.6</b>
Investment return	-	-	-	176.3	35.2	211.5	317.8
Unwinding and discounting of liabilities	-	-	-	-75.9	-	-75.9	-169.1
<b>Result related to risk policies</b>	<b>-</b>	<b>13.2</b>	<b>12.2</b>	<b>-</b>	<b>-</b>	<b>25.4</b>	<b>17.9</b>
CSM <sup>1</sup> and RA <sup>2</sup> release	-	13.2	12.7	-	-	25.9	26.1
Other insurance service result	-	0.0	-0.5	-	-	-0.5	-8.2
<b>Other result</b>	<b>0.4</b>	<b>-4.9</b>	<b>0.2</b>	<b>15.9</b>	<b>-36.4</b>	<b>-24.7</b>	<b>-8.7</b>
<b>Total profit before taxes</b>	<b>26.7</b>	<b>31.0</b>	<b>30.1</b>	<b>116.3</b>	<b>-1.2</b>	<b>202.9</b>	<b>210.4</b>

Note: (1) CSM = contractual service margin. (2) RA = risk adjustment.

# Development of policy savings<sup>1</sup> (original portfolio)

**WITH-PROFIT POLICY SAVINGS, 2019–2024 (EURm)**



## COMMENTS

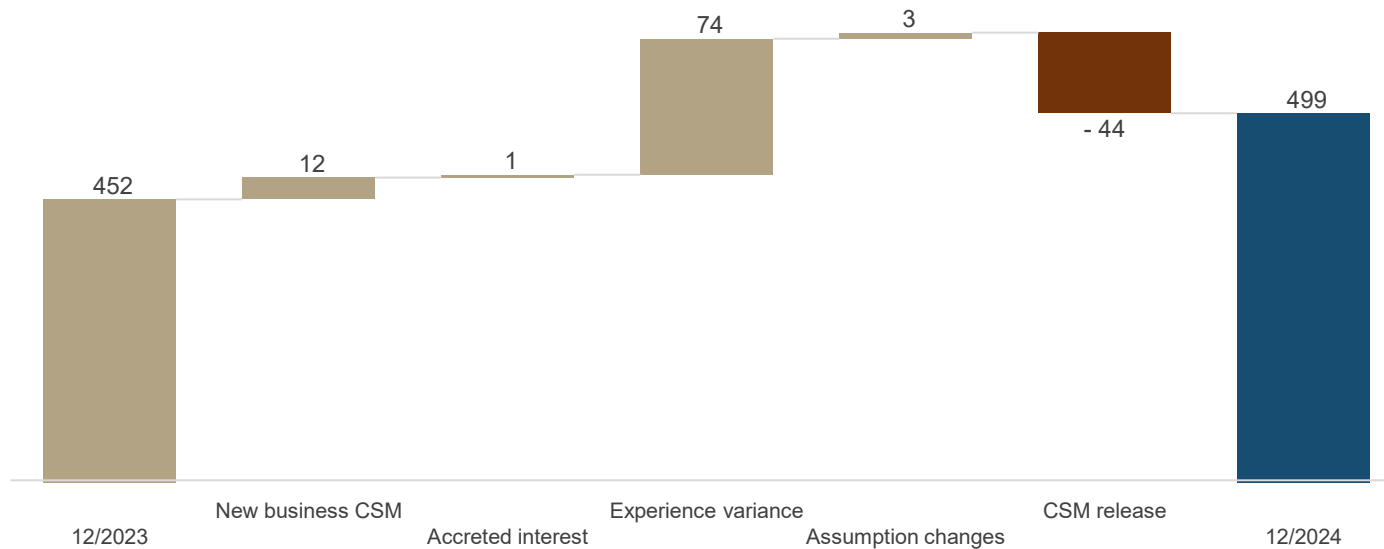
- With-profit portfolios decreased in line with expectations
- Policy savings with highest (3.5% and 4.5%) guarantees down YTD by EUR -131 million and EUR -16 million in Q4
- Average policyholder guaranteed rate 3.18%

Note: (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.

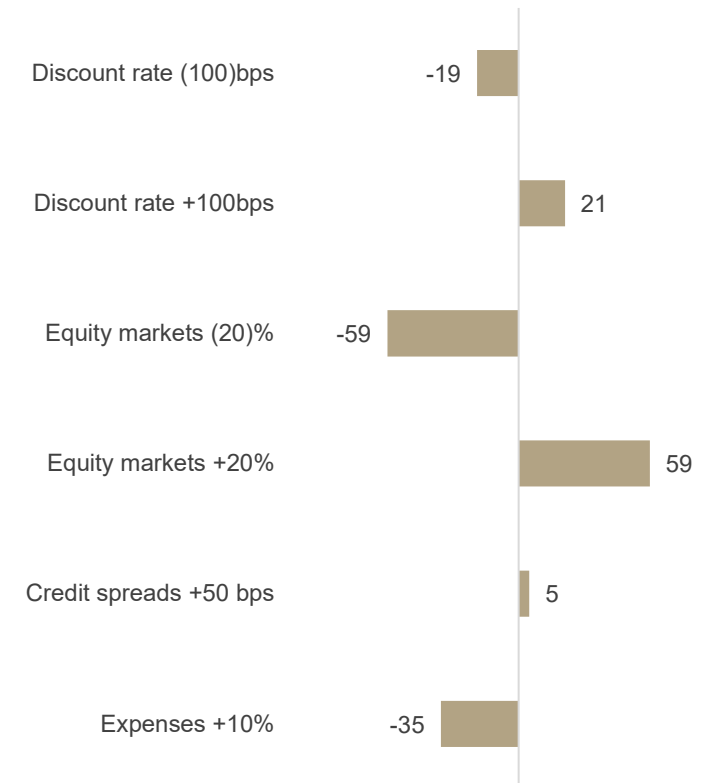


# CSM development – 1–12/2024

**CSM<sup>1</sup> DEVELOPMENT, 1–12/2024 (EURm)**



**CSM<sup>1</sup> SENSITIVITY, 12/2024 (EURm)**



- Positive CSM development mostly due to the higher than expected AuM growth in Unit-linked policies.
- Figures without individual risk policies sold by If.
- New business CSM related entirely to risk policies.
- CSM from unit-linked pension policies EUR 339 million, risk policies EUR 140 million and with-profit policies EUR 19 million.

Note: (1) CSM = contractual service margin.

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