



Q1

INTERIM REPORT

January-March 2024
8th of May 2024



MANDATUM

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MANDATUM PLC: INTERIM REPORT 1 JAN – 31 MAR 2024

Client assets under management continued steady growth

January–March 2024 in brief

- Profit before taxes increased by 47% to EUR 46.9 million (1–3/2023: 32.0). The growth was mainly due to the net finance result, but the fee result also increased from the comparison period.
- Fee result increased by 9% to EUR 15.2 million (14.0).
- Net flow decreased to EUR 246 million (291).
- Client assets under management increased by 5% from year-end and 16% from last year and amounted to EUR 12.5 billion.
- Net finance result increased to EUR 29.9 million (13.4).
- Result related to risk policies was EUR 2.2 million (2.9).
- Solvency II ratio adjusted for dividend accrual was 216.5% (31 Dec 2023: 221.4%).

Key figures

EUR million	1–3/2024	1–3/2023	Change, %	10–12/2023	Change, %	1–12/2023
Profit before taxes for the period	46.9	32.0	47%	46.3	1%	210.4
Fee result	15.2	14.0	9%	13.4	13%	52.6
Net finance result	29.9	13.4	123%	24.9	20%	148.6
Result related to risk policies	2.2	2.9	-24%	8.0	-72%	17.9
Other income	-0.5	1.7		0.0		-8.7
Earnings per share, EUR	0.08	0.05	60%	0.06	33%	0.32
Equity per share, EUR	3.26	3.06	7%	3.19	2%	3.19
Price/earnings ratio (P/E ratio)	13.7					12.7
Net flow	246	291	-16%	210	17%	754
Return on equity-%	9.3%	5.8%		9.8%		9.8%
Cost/income ratio related to client AuM, % ¹	65%	66%		66%		66%
EUR million	31.3.2024	31.3.2023	Change, %	31.12.2023	Change, %	
Client AuM	12,504	10,776	16%	11,892	5%	
Solvency ratio adjusted for dividend accrual, %	216.5%	279.5%	-63%	221.4%	-5%	

1) Moving average 12 months.



Outlook 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.

Financial targets

Target		1–3/2024 (10–12/2023)
GROUP-LEVEL TARGET		
Dividend	Mandatum aims to distribute cumulative dividends of EUR 500 million during 2024–2026	The proposed dividend to be paid in spring 2024 is EUR 165.6 million
Solvency	Over the medium term, Mandatum aims for a solvency ratio between 170% and 200%	216.5% adjusted for dividend accrual (221.4%)
BUSINESS AREA SPECIFIC TARGETS		
Business related to the management of client assets:		
Annual net flow	In the medium term, Mandatum aims for a net flow of 5% of client AuM ¹	Mandatum's net flow between 31 Dec 2023 and 31 Mar 2024 amounted to EUR 245.5 million, 8.3% ² of client AuM.
Fee margin ³	Mandatum aims for development of fee margins based on disciplined pricing	Mandatum's fee margin for the first quarter of 2024 was 1.2 (1.2)%.
Cost/income ratio (%) ³	Mandatum aims to improve the cost/income ratio of managing client AuM.	Mandatum's cost/income ratio related to client AuM in Q1 2024 was 65 (66)%.
With-profit business		
Insurance contract liability development	Mandatum aims for with-profit portfolio run-off with active portfolio management actions	The with-profit insurance contract liability as at 31 Mar 2024 decreased EUR 77 million to EUR 2,350 million (2,427).

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

2) Annualised.

3) Moving average 12 months.



CEO's review

The year 2024 began according to our expectations for Mandatum. The fee result, key for our growth strategy, increased by 9 per cent from the comparison period, indicating good performance in our capital-light business areas, especially in Institutional & Wealth management. Client assets under management increased by 16 per cent to EUR 12.5 billion from the previous year and net flow for the quarter was EUR 246 million, giving us a good start to the new year.



Mandatum's profit before taxes increased to EUR 46.9 million. The growth was especially due to the net finance result, which increased to EUR 29.9 million. Return on investments in the with-profit portfolio was 0.9 per cent in the first quarter, with the moderate increase in interest rates pushing down the return on the fixed-income assets, which is the largest asset class in the portfolio. On the other hand, the interest cost of insurance contract liabilities was low due to the increase in the discount rate, being approximately EUR 6 million. We also succeeded in organic capital generation during the quarter. The company's solvency ratio on 31 March 2024 remained at the same level as in the beginning of the year, 216.5 per cent adjusted for dividend accrual, giving an accurate picture of Mandatum's solid solvency position.

Net flow in the Institutional & Wealth management business area was strong in all client segments

The net flow in the Institutional & Wealth management business area was strong in all client segments during the quarter. Much of the incoming money still came to fixed-income products, such as the Nordic High Yield Fund, which mainly invests in Nordic higher-risk bonds. The LSEG Lipper Fund Awards 2024 recognised the fund as the best in Europe in the Bond Europe High Yield category over three-year and five-year review periods, an achievement we can be very proud of. Net flows to alternative investment products and allocation mandates also increased. Mandatum's strong investment expertise stems from a long tradition of investment activities and a strong track record in returns, especially in the fixed-income and credit markets and in alternative investment products.

Mandatum committed to the UN Principles for Sustainable Insurance

I am proud and happy that our efforts to manage our company culture with exceptionally good employee understanding earned the well-recognised Signi Future Workplaces Certification again for the third time in a row. The certification is based on a survey that measures how factors deemed meaningful by employees are fulfilled in the workplace. Our flourishing corporate culture is the factor that leads to not only an excellent employee experience, but also a high level of customer satisfaction, thus creating the foundation for successful business. Mandatum's employee satisfaction has remained at a high level for over a decade and investing in an excellent employee experience is one of our strategic goals.

We committed to the UN Principles for Sustainable Insurance in the turn of the year. Mandatum's Sustainable Insurance Policy, based on those principles, was published on our webpage in April 2024. The principles provide an international framework for the insurance industry, including themes of environmental responsibility, social responsibility, and good governance. As a large Finnish life insurer, Mandatum also has an important societal role, and commitment to the UN Principles for Sustainable Insurance was a natural next step in the development of our sustainability work.



The start of the year has been strong in the investment markets. The growth of the global stock market has continued from last year, with good returns from high-yield corporate loans and senior loans, to name a few. The general economic outlook, driven by the United States, remains confident, and expectations for the future are generally positive despite the difficult situation in global politics.

Thus, it seems that the operating environment will continue to be favourable for Mandatum. Central banks are expected to start lowering their key interest rates during the current year, but the development of long-term interest rates is more important for the shorter-term results development of the company. As a company, Mandatum is highly resilient on several metrics, and we are in a solid position to continue the implementation of our growth strategy going forward.

Petri Niemisvirta

Chief Executive Officer



Market environment

As in the previous year, the investment markets had a strong start in 2024. The growth in the stock market that began in October has continued, and global stocks have yielded monetary returns of slightly more than 11 per cent in the first quarter. Japanese and European stocks have performed the best, while Nasdaq Helsinki has lagged clearly behind like last year. Technology companies are not as dominant as last year, and returns have been more consistent between sectors and themes in early 2024.

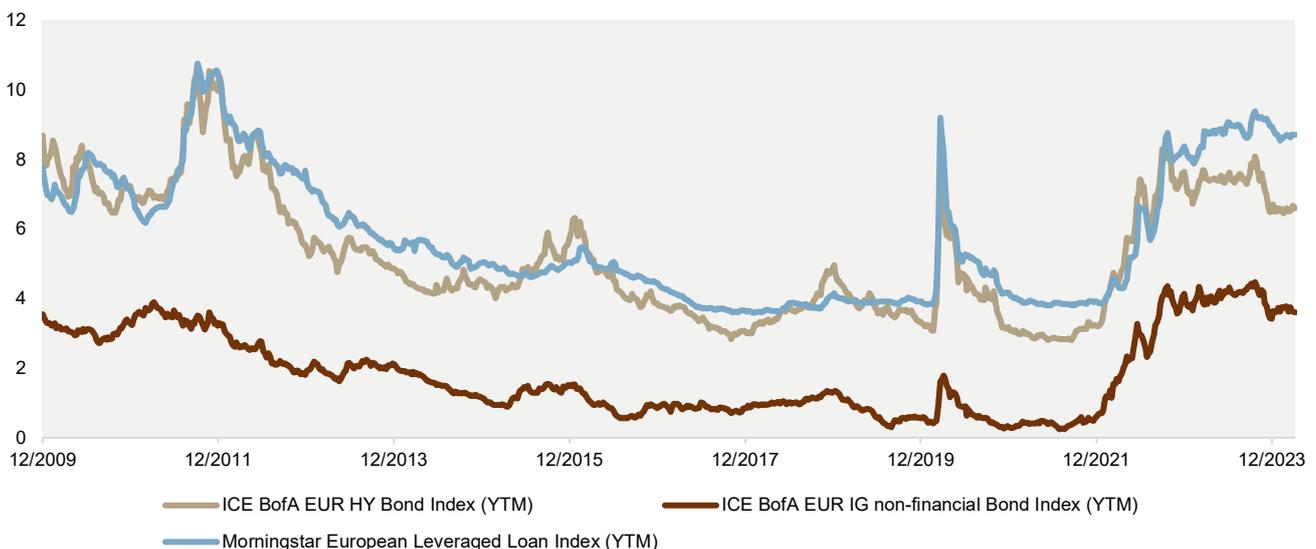
Following the gradual upturn in investment rates in the first quarter, the start of the year has not been as good for fixed-income investments as the previous year. However, the yields of high yield corporate loans and European senior loans have remained strong as credit risk premiums have decreased. Correspondingly, the yields of government bonds have remained modest.

Last year’s declining trend in inflation has stopped in early 2024, and especially in the United States, the slowing of inflation towards the Federal Reserve’s target level of two per cent appears uncertain. Strong economic growth and rising commodity prices will keep putting pressure on prices. The markets have thus been forced to adjust their rather optimistic expectations of future interest rate reductions. While nearly seven interest rate cuts were expected from the Federal Reserve in 2024 at best, the expectation is now down to two cuts. In Europe, the economic outlook and inflation prospects continue to speak for the easing of monetary policy. The European Central Bank has hinted that it will lower its key interest rates in June.

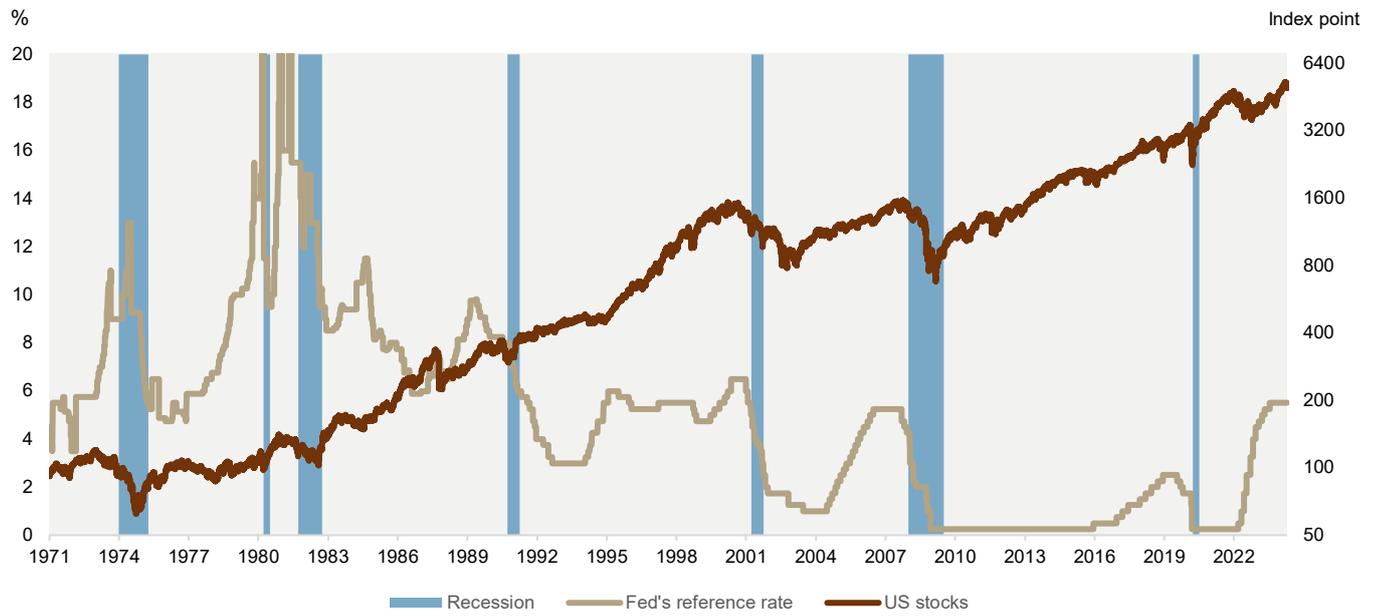
The global economic outlook remains strong, driven by the US. Growth expectations in the US were more modest at the start of 2024 than last year, but the economy seems to have delivered another positive surprise in the first quarter. The growth has been driven by consumers and the service industries, but a glimmer of hope has now appeared in the industrial outlook as well. This pick-up would also be reflected on Europe, where growth relies more heavily on industry.

After a strong start of the year, the markets’ expectations for the future are quite positive. Instead of a soft decline, talk has turned to a scenario of almost no slow-down in growth as inflation falls towards target levels. However, the higher-than-expected inflation rates seen in the past few weeks cast some shadows over the otherwise bright outlook. The impact of protracted high interest rates on economic growth will still need to be considered going forward.

Yield level of European Senior bonds, HY bonds and IG bonds (%)



The Federal Reserve (Fed) rate and stock development



Source: Bloomberg



Result for January–March 2024

Mandatum Group's profit before taxes for January–March 2024 was EUR 46.9 million (32.0). The net finance result increased to EUR 29.9 million (13.4) from the previous year.

The fee result of the first quarter increased by 9 per cent and was EUR 15.2 million (14.0). The fee result of the comparison period was increased by the recovery of the loss component of EUR 1.2 million – otherwise the fee result would have increased by 18%. The increase in fee result was mainly a result of the increase in client assets: The client assets under management increased by 16 per cent from last year and 5 per cent from year-end and amounted to EUR 12.5 billion, driven by a net flow of EUR 245.5 million (291.0) and a positive return on investments. The most significant part of the increase in client assets under management came from the Institutional and Wealth management business area, where all client segments contributed to the growth. The fee margin on client assets remained at 1.2% level. The moving average 12 months (1 Apr 2023–31 Mar 2024) cost/income ratio at 65 (66)% improved slightly compared to the corresponding period last year (1 Jan–31 Dec 2023).

The net finance result of the with-profit business increased to EUR 30.8 (12.3) million. The investment return on the original with-profit portfolio was 0.9 (1.8)%, and the investment return on the segregated portfolio was 0.8 (1.3)%. The increased discount rate decreased the finance costs on insurance contract liabilities, which totalled EUR 6.4 (57.9) million. During the comparison period, the decreased discount rate increased the finance cost. The other investment return of the Mandatum Group amounted to EUR -0.9 (1.1) million. Including the Group's other investment returns, the Group's net finance result was EUR 29.9 (13.4) million.

The result related to risk policies was EUR 2.2 (2.9) million for the quarter.

Other result was EUR -0.5 (1.7) million in the first quarter. This item includes e.g. insurance service result of with-profit segment, Mandatum plc's expenses, interest expenses of Group loans and result related to other services than insurance and asset management services.

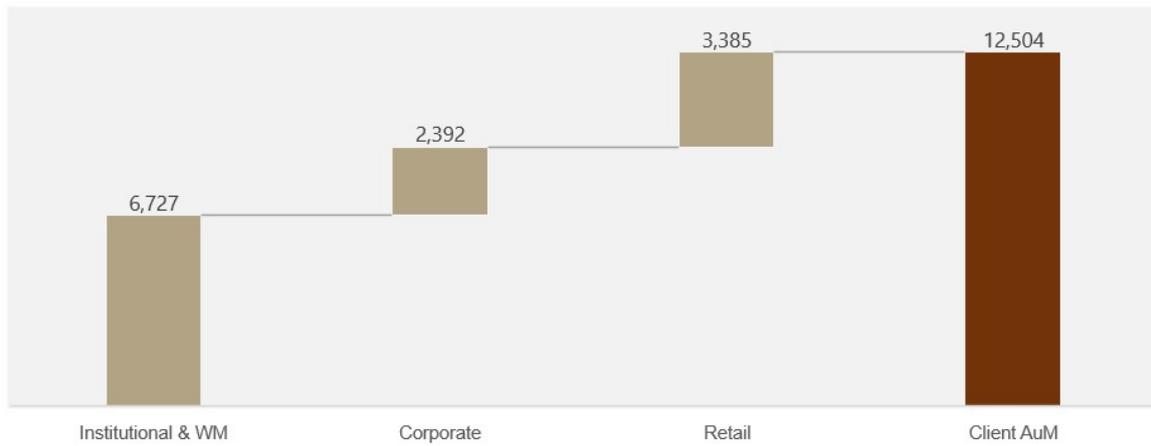
The solvency ratio adjusted for dividend accrual was 216.5% at the end of March. The own funds were increased especially by a good net finance result. However, comparable solvency ratio decreased slightly due to the increase in solvency capital requirement. This increase is in practice explained by the increase of symmetrical adjustment factor applied while calculating equity SCR.

1 Jan–31 Mar 2024

EUR million	1–3/2024	1–3/2023	Change	10–12/2023	Change	1–12/2023
Fee result	15.2	14.0	1.2	13.4	1.8	52.6
Insurance service result	7.2	7.8	-0.6	8.7	-1.5	31.3
Fee result from investment and asset management services	8.0	6.2	1.8	4.7	3.3	21.3
Net finance result	29.9	13.4	16.5	24.9	5.0	148.6
Investment return	36.3	71.3	-35.0	169.4	-133.0	317.8
Unwinding and discounting of liabilities	-6.4	-57.9	51.4	-144.5	138.0	-169.1
Result related to risk policies	2.2	2.9	-0.7	8.0	-5.7	17.9
CSM and RA release	2.6	3.7	-1.1	7.6	-5.0	26.1
Other insurance service result	-0.4	-0.8	0.4	0.4	-0.8	-8.2
Other result	-0.5	1.7	-2.1	0.0	-0.4	-8.7
Profit before taxes for the period	46.9	32.0	14.9	46.3	0.6	210.4



Mandatum client assets under management 31 Mar 2024 (EUR million)



Development of client assets managed by Mandatum after 31 Dec 2023 (EUR million)



Business areas

Result by business area

1 Jan–31 Mar 2024

EUR million	Institutional	Corporate	Retail	With-profit	Eliminations and items not allocated to the segments	Group
Fee result	4.9	5.3	5.0	0.0	0.0	15.2
Insurance service result	0.0	4.8	2.4	0.0	0.0	7.2
Other result from investments and asset management services	4.9	0.5	2.6	0.0	0.0	8.0
Net finance result	0.0	0.0	0.0	30.8	-0.9	29.9
Investment return				37.2	-0.9	36.3
Unwinding and discounting of liabilities				-6.4		-6.4
Result related to risk policies	0.0	0.7	1.5	0.0	0.0	2.2
CSM and RA release	0.0	1.4	1.2	0.0	0.0	2.6
Other insurance service result	0.0	-0.6	0.3	0.0	0.0	-0.4
Other result	0.2	-1.8	0.2	5.8	-5.0	-0.5
Profit before taxes for the period	5.1	4.3	6.7	36.6	-5.9	46.9

1 Jan–31 Mar 2023

EUR million	Institutional	Corporate	Retail	With-profit	Eliminations and items not allocated to the segments	Group
Fee result	5.4	4.0	4.7	0.0	0.0	14.0
Insurance service result	0.0	3.7	4.1	0.0	0.0	7.8
Other result from investments and asset management services	5.4	0.3	0.5	0.0	0.0	6.2
Net finance result	0.0	0.0	0.0	12.3	1.1	13.4
Investment return				70.2	1.1	71.3
Unwinding and discounting of liabilities				-57.9		-57.9
Result related to risk policies	0.0	2.6	0.3	0.0	0.0	2.9
CSM and RA release	0.0	3.1	0.6	0.0	0.0	3.7
Other insurance service result	0.0	-0.5	-0.3	0.0	0.0	-0.8
Other result	1.4	-1.3	2.0	3.6	-4.0	1.7
Profit before taxes for the period	6.7	5.3	6.9	15.9	-2.9	32.0



Institutional & Wealth management

Mandatum provides comprehensive wealth and asset management services to its clients, which include Finnish and Nordic institutional investors, corporations, and high net worth private individuals.

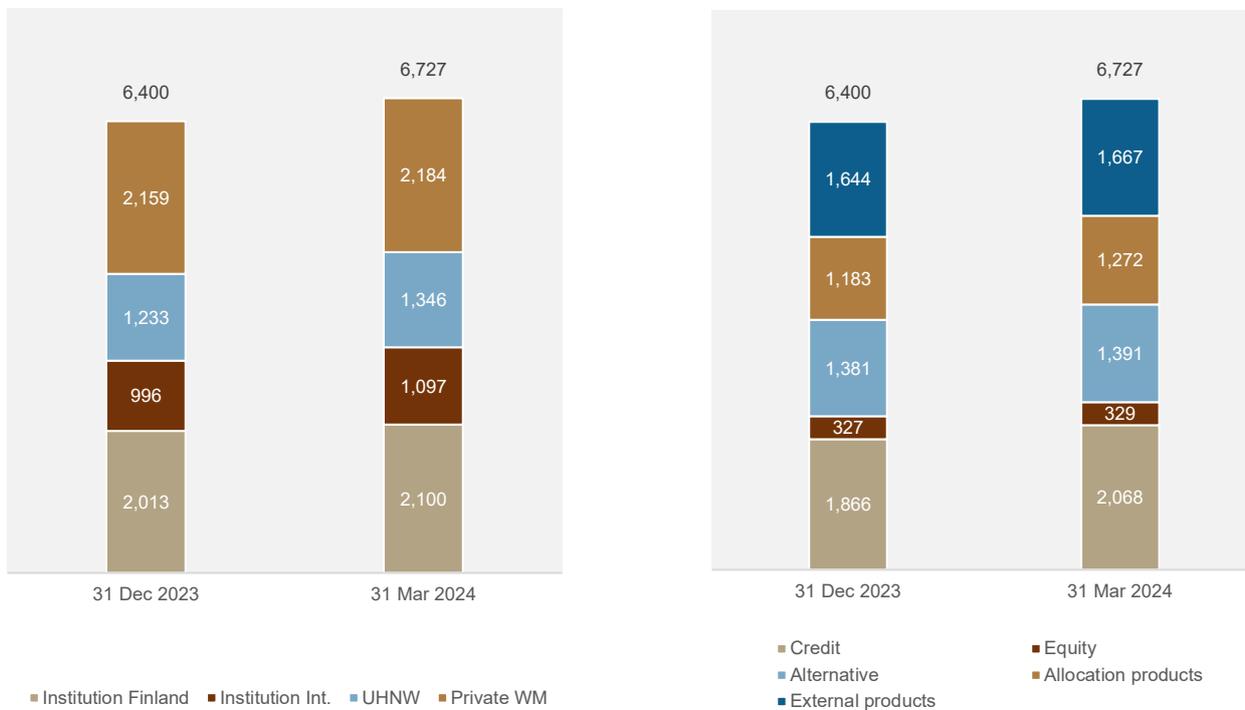
- Client assets under management as of 31 March 2024 amounted to EUR 6.7 billion – an increase of 5% for the quarter and 20% from the previous year.
- Net flow during the first quarter amounted to EUR 211.7 (1–3/2023: 265.0) million.
- All client segments (international, institutional, and private wealth management) contributed to the growth in net flow. Subscriptions were particularly strong in fixed income products.
- Net flow increased also in alternative investments and allocation mandates.
- Mandatum's Nordic High Yield fund was recognised by the LSEG Lipper Fund Awards 2024 as the best European high-risk bond investment fund over a three-year and five-year review period.

RESULT OF THE INSTITUTIONAL AND WEALTH MANAGEMENT BUSINESS AREA

The net result for Q1 in the Institutional and Wealth management business area was EUR 5.1 million (6.7), and the fee result was EUR 4.9 million (5.4). Net flow was EUR 211.7 million for Q1 (265.0). The business area's assets under management increased by EUR 0.3 billion to EUR 6.7 billion (6.4) during the quarter.

Result							
EUR million	1–3/2024	1–3/2023	Change	10–12/2023	Change	1–12/2023	
Fee result	4.9	5.4	-0.5	4.5	0.4	19.7	
Insurance service result	0.0	0.0	0.0	0.0	0.0	0.0	
Fee result from investment and asset management services	4.9	5.4	-0.5	4.5	0.4	19.7	
Net finance result	0.0	0.0	0.0	0.0	0.0	0.0	
Investment return			0.0	0.0	0.0		
Unwinding and discounting of liabilities			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	0.2	1.4	-1.2	-0.4	0.6	-0.4	
Profit before taxes for the period	5.1	6.7	-1.7	4.0	1.0	19.4	

Client assets under management for Institutional and Wealth management clients by client segment and product as at 31 Mar 2024 (EUR million)



Corporate clients

Mandatum serves corporate clients in two main segments: large and medium-sized clients and entrepreneur-driven clients. For small businesses and entrepreneurs, Mandatum primarily offers preparing and prospering services, while for large and medium-sized companies the focus is on incentive schemes and compensation, including personal and pension insurance and personnel funds.

- Client assets under management as of 31 March 2024 amounted to EUR 2.4 billion during the quarter – an increase of 5% for the quarter and 14% from the previous year.
- Net flow amounted to EUR 31.8 (37.5) million.
- Cross-selling between corporate and institutional remained strong.
- Premiums written related to risk policies were at the level of the previous year and amounted to EUR 15.9 (16.4) million.

RESULT OF THE CORPORATE CLIENTS BUSINESS AREA

Profit before taxes for the corporate client business area was EUR 4.3 million for Q1 (5.3). The result related to risk policies decreased to EUR 0.7 million from EUR 2.6 million in the previous year.

The net flow for the first quarter was EUR 31.8 million (37.5), which together with positive market changes increased client AuM from EUR 2.3 billion to EUR 2.4 billion during the quarter.

Result						
EUR million	1–3/2024	1–3/2023	Change	10–12/2023	Change	1–12/2023
Fee result	5.3	4.0	1.4	4.9	0.5	14.7
Insurance service result	4.8	3.7	1.1	3.7	1.1	15.2
Fee result from investment and asset management services	0.5	0.3	0.2	1.1	-0.6	-0.5
Net finance result	0.0	0.0	0.0	0.0	0.0	0.0
Investment return			0.0	0.0	0.0	
Unwinding and discounting of liabilities			0.0	0.0	0.0	
Result related to risk policies	0.7	2.6	-1.9	5.5	-4.8	8.1
CSM and RA release	1.4	3.1	-1.8	5.5	-4.2	15.7
Other insurance service result	-0.6	-0.5	-0.2	0.0	-0.6	-7.5
Other result	-1.8	-1.3	-0.4	-0.3	-1.5	-5.0
Profit before taxes for the period	4.3	5.3	-1.0	10.1	-5.8	17.8

Retail clients

Mandatum offers investment solutions and personal insurance to retail clients. Danske Bank is the main distribution channel for solutions for retail clients. The services are also available directly through Mandatum's own sales force and digital channels. Mandatum also has selected partnerships with organisations, for example.

- Client assets under management as of 31 Mar 2024 amounted to EUR 3.4 billion – an increase of 5% for the quarter and 11% from the previous year.
- Investment sales picked up substantially from the previous year, and net flow developed favourably: net flow during the first quarter was EUR 2.0 million (Q1/2023: -11.6).
- Loan insurance sales continued robustly despite the weak trend in the housing loan market.
- Customer satisfaction was at a record high level, NPS 70.3 (n=2,083).
- Revenue from the Mandatum Trader online trading service continued to grow.

RESULT OF THE RETAIL CLIENTS BUSINESS AREA

Profit before taxes for the retail client business area for Q1 was EUR 6.7 million (6.9).

Net flow for the first quarter was EUR 2.0 million (-11.6). Client AuM increased from EUR 3.2 billion to EUR 3.4 billion during the quarter, supported by the net flow and positive market changes.

Result						
EUR million	1–3/2024	1–3/2023	Change	10–12/2023	Change	1–12/2023
Fee result	5.0	4.7	0.4	4.1	0.9	18.2
Insurance service result	2.4	4.1	-1.7	5.0	-2.6	16.1
Fee result from investment and asset management services	2.6	0.5	2.1	-0.9	3.5	2.0
Net finance result	0.0	0.0	0.0	0.0	0.0	0.0
Investment return			0.0	0.0	0.0	
Unwinding and discounting of liabilities			0.0	0.0	0.0	
Result related to risk policies	1.5	0.3	1.2	2.4	-0.9	9.8
CSM and RA release	1.2	0.6	0.7	2.0	-0.8	10.5
Other insurance service result	0.3	-0.3	0.6	0.4	-0.1	-0.7
Other result	0.2	2.0	-1.8	-0.7	0.9	-2.7
Profit before taxes for the period	6.7	6.9	-0.2	5.9	0.9	25.3

With-profit business

The with-profit business area includes the management of the with-profit insurance portfolio and management of assets covering the with-profit liabilities and assets covering Mandatum Life's shareholders' equity. The target for investments is to generate returns above the insurance contract liabilities requirements at moderate risk, while at the same time a decreasing insurance portfolio releases capital.

- No material changes in asset allocation.
- The investment return (0.9%) clearly exceeded the corresponding finance expense on insurance contract liabilities.
- The with-profit insurance portfolio decreased in line with expectations.

RESULT OF THE WITH-PROFIT BUSINESS AREA

The business area's profit before taxes was EUR 36.6 million for Q1 (15.9). The assets covering the original insurance contract liabilities and equity as at the end of March amounted to EUR 3.3 billion (3.3 as of December 2023), with a return of 0.9% (1.8). The assets covering the segregated insurance portfolio amounted to EUR 0.7 billion (0.7), with a return of 0.8% (2.1). The increase in the discount rate on the insurance contract liabilities decreased the corresponding finance expense on insurance contract liabilities for Q1. The investment return clearly exceeded the finance expense on insurance contract liabilities. The pre-tax net finance result was EUR 30.8 million for Q1 (12.3). The 'other result' for the business area includes the insurance service result for the with-profit business, which was increased by lower-than-expected claims.

No material changes were made in asset allocation during January-March. For the original portfolio, the weight of listed shares decreased from 8.5% to 7.4%. When it comes to fixed income assets, share of investment grade credit rated assets increased slightly. Money market share increased from 9.2% to 12.3%. The mark-to-market yield on the fixed income investments on the original balance sheet was 5.3% as at the end of March (5.7).

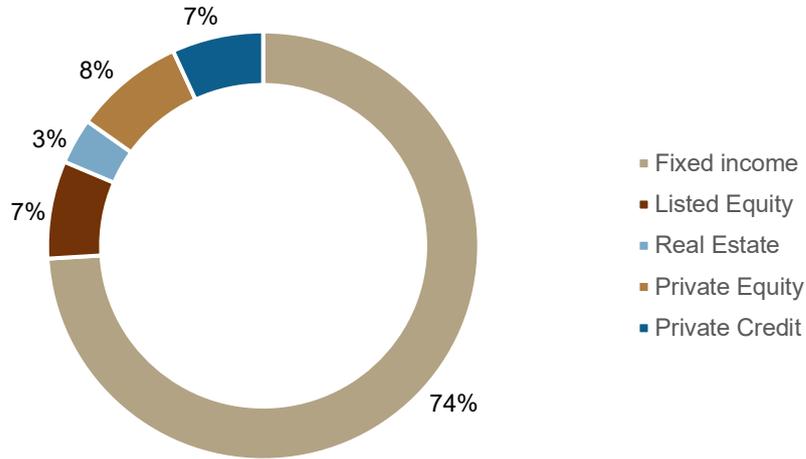
The amount of insurance contract liabilities in the accounting and the related change are influenced by the prevailing interest rate level as at the measurement date, leading to fluctuations in the amount of the insurance contract liability. On the original balance sheet, insurance contract liabilities amounted to EUR 1,728 million (1,794) and EUR 621 million (632) for the segregated portfolio. As the change in market interest rates causes fluctuations in the insurance contract liabilities under IFRS accounting, the development of the actual insurance portfolio is also followed up through the development of the insurance savings. In addition to premiums and claims, insurance savings are increased by the annual payment of guaranteed interest and client bonuses. The insurance savings on the original portfolio decreased in line with the expectations by EUR 42.1 million to EUR 1,784,8 million during January-March. The insurance portfolios with high guaranteed interest of 3.5% and 4.5% decreased by EUR 34.3 million, to EUR 1,412.2 million.

Result							
EUR million	1–3/2024	1–3/2023	Change	10–12/2023	Change	1–12/2023	
Fee result	0.0	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	0.0
Other result from investments and asset management services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net finance result	30.8	12.3	18.4	19.1	11.7	137.8	
Investment return	37.2	70.2	-33.0	163.6	-126.3	307.0	
Unwinding and discounting of liabilities	-6.4	-57.9	51.4	-144.5	138.0	-169.1	
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	5.8	3.6	2.2	11.2	-5.3	21.9	
Profit before taxes for the period	36.6	15.9	20.7	30.2	6.4	159.7	

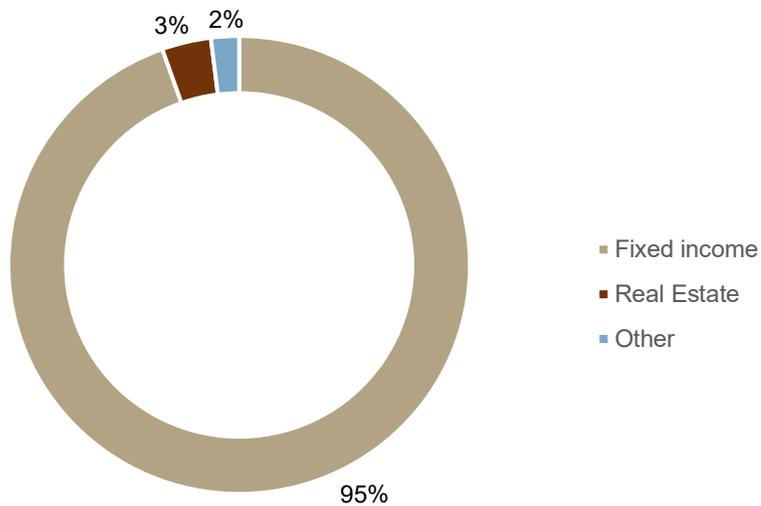


The investment assets related to Mandatum’s life insurance operations are diversified both geographically and across asset classes in order to increase returns and reduce risks. The asset allocation of Mandatum’s life insurance-related investments for the original portfolio and the segregated portfolio as at 31 March 2024 is shown in the graphs below.

Allocation of assets covering the original portfolio and Mandatum’s own funds between asset types as at 31 Mar 2024, EUR 3,266 million



Allocation of investment assets of the segregated portfolio between asset types as at 31 Mar 2024, EUR 679 million



Solvency

Group solvency

The Mandatum Group's Solvency II solvency ratio adjusted for dividend accrual was 216.5% as at 31 Mar 2024, when dividend accrual is based on year 2023's 0,33€/share dividend. The regulatory solvency ratio was 220.6% as at 31 Mar 2024 (221.4% as at 31 Dec 2023). Despite of slight decrease of solvency ratio, Mandatum Group's actual risk tolerance has improved considering the procyclical elements of Solvency II framework i.e., increase of symmetrical adjustment applied while calculating equity SCR. The target level of the Mandatum Group solvency ratio is 170–200%.

Mandatum Group's solvency as at 31 Mar 2024, 31 Mar 2023 and 31 Dec 2023 adjusted for dividend accrual

EUR million	31 Mar 2024	31 Mar 2023	31 Dec 2023
Own funds, adjusted for dividend accrual	2,158	2,461	2,140
Solvency capital requirement	997	880	966
Solvency ratio	216.5%	279.5%	221.4%

As at the end of March 2024, the Group's own funds totalled to EUR 2,200 million and after adjusting for dividend accrual EUR 2,158 million. During the period under review, own funds increased by a total of EUR 60 million. This can be mainly explained by a good net finance result and technicalities related to group solvency rules since the profit of MAM investment firm group can be added to group solvency once it is audited. The solvency capital requirement increased during the period under review from EUR 966 million as at the beginning of the year to EUR 997 million as at the end of March 2024. This increase is due to the increase in the symmetrical adjustment factor used in the calculation of equity risk. Since the end of 2023, Mandatum Group has acknowledged Saxo Bank A/S in full in its solvency capital requirement. The company's solvency position remains strong, and due to its strong solvency Mandatum is ready to operate in an uncertain market environment.

Financial leverage position

The Mandatum Group's leverage ratio is calculated by dividing the Group's financial debt by the sum of IFRS equity, contractual service margin less deferred taxes and financial debt. The impact of derivatives is not considered in financial debt when calculating financial leverage. During the reporting period there occurred no significant changes in financial leverage position and Mandatum Group's financial leverage was 14.6% as at 31 Mar 2024. The table below, 'Mandatum Group financial leverage as at 31 Mar 2024' describes the composition of the financial leverage in more detail.

Mandatum Group financial leverage as at 31 Mar 2024 and 31 Dec 2023

EUR million	31 Mar 2024	31 Dec 2023
Financial debt	350.8	351.1
Shareholder equity	1,636.8	1,599.0
CSM+RA, net of tax	418.4	408.0
Financial leverage	14.6%	14.9%

The purchase of the shares in Saxo Bank A/S agreed upon in connection with the partial demerger and the related financing arrangement will increase financial leverage. The amount of the loan to be taken out due to the aforementioned transaction will be specified in detail when the transaction is closed.

Key events

On 15 February 2024, Mandatum announced that Altor Fund Manager and its funds' direct or indirect holding of the shares and votes in Mandatum plc directly or through financial instruments has exceeded the threshold of 15% and that Solidium Oy's and its funds' direct or indirect holding of the shares and votes in Mandatum plc has decreased below the threshold of 5%. The newest information concerning Mandatum's largest shareholders can be found on the company's website:

<https://www.mandatum.fi/en/group/investors/shareholders/>.

Laura Halmela (LL.M) was appointed Mandatum plc's Vice President, legal affairs, effective 1 March 2024. She previously served as Head of the Business and Investment Legal team at Mandatum. Mandatum's previous Vice President, legal affairs, Timo Vuokila, was appointed the new Managing Director of Kaleva Mutual Insurance Company, effective 1 May 2024.

On 7 March 2024, Mandatum announced that Mandatum Asset Management and Richard Gröttheim had agreed on cooperation where Gröttheim is an adviser to MAM. The aim of the cooperation is to support Mandatum's growth in Sweden and Denmark. Previously, Gröttheim worked as the CEO of AP7, one of Sweden's largest pension funds, for more than a decade. He has also worked as Head of Monetary and Foreign Exchange Policy department of Sweden's central bank and as Chief Economist and Partner at the Swedish Aragon Securities. Gröttheim started in the role of an advisor to MAM in March 2024.

In March 2024, the Mandatum Nordic High Yield Total Return Fund, which invests in high-yield corporate bonds, was awarded both 'Best Fund over 3 years' and 'Best Fund over 5 years' in the Bond Europe High Yield category in the LSEG Lipper Fund Awards 2024. The Lipper Awards are an annual celebration of funds that have excelled in delivering consistently strong risk-adjusted performance relative to their peers.

On 1 February 2024, Mandatum announced that it had again earned the Future Workplaces Certification based on Siqni's employee survey. The certification is granted to companies where corporate cultures are led with an exceptionally high level of employee insight. Mandatum was one of ten organisations in Finland with over 500 employees that earned the certification this year.

Other information

Ratings

S&P Global Ratings affirmed on 21 March 2024 Mandatum Life Insurance Company Limited's (Mandatum Life) long-term credit rating at A. The outlook remains stable, and S&P expects Mandatum to retain its strong position in the Finnish life insurance sector over the next two years. S&P has also published Mandatum plc's first credit rating. Mandatum plc's credit rating is at BBB+ with a stable outlook.

Shares and shareholders

The number of Mandatum plc shares as of 31 March 2024 was 501,796,752. The number of registered shareholders was 223,395. Out of these, the percentage of nominee registered shareholders and foreign owners was approximately 45%. As at the end of March there were no unregistered shares.

The market capitalisation of Mandatum plc as at the end of the last transaction date in the first quarter was appr. EUR 2.1 billion. The closing price of the MANTA share was EUR 4.14. The share traded at a high of EUR 4.14 and a low of EUR 3.84 during the first quarter.

Dividend proposal

The Board of Directors of Mandatum proposed on 31 February 2024 to the Annual General Meeting that a dividend of EUR 0.33 per share to be distributed for the financial year 2023. The dividend is proposed to be paid to shareholders who are registered in the shareholders' register of Mandatum plc maintained by Euroclear Finland Ltd as of 17 May 2024, the record date for the payment of the dividend. The Board of Directors proposes 24 May 2024 as the dividend payment date. The dividend proposal in full can be found the company webpage.

Remuneration / Incentive schemes

A total of EUR 1.6 million, including social costs, was paid as short-term incentives in January-March 2024 in Mandatum Group. Long-term incentives were not paid during that period.

The Board of Directors of Mandatum plc decided on 19.3.2024 to establish a performance- and share-based long-term incentive scheme (Performance Share Plan) for the Group Management Team (including the Group CEO) and selected key employees. The purpose of the long-term incentive scheme is to align the objectives of the shareholders and key employees in order to increase the company's shareholder value in the long term, to commit the key employees to implementing the company's strategy and to reward excellent performance.

The performance period of the first plan launched under the Performance Share Plan structure covers the financial years 2024–2026. In addition, the Board of Directors of Mandatum plc decided on the establishment of a transition phase share-based incentive plan. Its purpose is to incentivise and commit the target group of the plan during the transition phase between Sampo plc's long-term incentive plan 2020 and Mandatum's first own share-based incentive plan. The performance period of the transition phase plan covers the financial years 2024–2025. The target group for the performance period 2024–2025 consists of approximately 25 persons and that of the performance period 2024–2026 approximately 46 persons.

The payment of the reward based on the plans is conditional on the achievement of the performance targets set by the Board of Directors for the respective plan. The performance measures based on which the planned potential share rewards will be paid are the absolute total shareholder return of the company's share ("Absolute TSR"), a profitability related measure (performance of Mandatum's capital-light business) and a selected sustainability target. If all performance targets set for the performance period 2024–2025 are achieved in full, the aggregate maximum number of shares to be paid based on this respective plan is 1,363,000 Mandatum plc shares (referring to a gross amount of rewards from which the applicable payroll tax is withheld before



share delivery). Correspondingly, the aggregate maximum number of shares to be paid based on the performance period 2024–2026 is 1,724,000 Mandatum plc shares (referring to a gross amount of rewards).

In addition, the Board of Directors decided on 19.3.2024 to establish a Restricted Share Plan structure. It is intended to be used as a complementary share-based incentive and commitment program in specific situations, such as in case of new recruitments. The first plan within the Restricted Share Plan structure covers the financial years 2024–2026. The aggregate maximum number of shares to be paid based on the first plan of the Restricted Share Plan structure is 172,400 Mandatum plc shares (referring to a gross amount of rewards, from which the applicable payroll tax is withheld before share delivery).

The value of the rewards to be paid under the plans described above is limited by a pay cap linked to share price development. The launch of a long-term Performance Share Plan and Restricted Share Plan has been announced in a separate stock exchange release on 19.3.2024.

The company has published the Remuneration Report for Governing Bodies, which presents the remuneration paid and earned by the members of the Board of Directors and the Group CEO and the implementation of the Remuneration Policy for Governing Bodies for the first financial period from 1 October to 31 December 2023 of the company. In addition, the Remuneration Committee of Mandatum plc has prepared a proposal of the Remuneration Policy for Governing Bodies that defines how the remuneration of the Group CEO and the members of the Board of Directors is arranged. The Remuneration Report and Remuneration Policy for Governing Bodies is presented to the Annual General Meeting on 15.5.2024 and are available on the website at: <https://www.mandatum.fi/en/group/governance/remuneration/>.

Personnel

In January-March 2024, Mandatum Group had 664 (650) employees (FTE) on average. As of 31 March 2024, Mandatum Group had 698 (678) employees, of whom 23 were employed by Mandatum plc, 538 by the Mandatum Life Group and 137 by the Mandatum Asset Management Group. Of these employees, 691 worked in Finland, 3 in Sweden and 4 in Luxembourg. The gender distribution was 47% women and 53% men. The average age of personnel was 42 years.

Events after the end of the reporting period

Mandatum announced on 7 May 2024 that it has received the necessary regulatory approvals to purchase Sampo's holdings in Saxo Bank A/S. Mandatum plc and Sampo plc agreed in connection with the partial demerger that Mandatum will purchase Sampo's shares in Saxo Bank A/S. These shares represent 19.83 percent of all Saxo Bank's shares. The transaction was conditional on customary consents and regulatory approvals for the transaction. The transaction is expected to be completed by 15 May 2024.

Matti Ahokas, M.Sc. (Econ), started as Mandatum Group's Chief Financial Officer as of 1 May 2024. The Group's former CFO Jukka Kurki took up the position of CEO of Mandatum Life Insurance Company Limited, as Petri Niemisvirta was earlier appointed Mandatum Group's CEO.

Mandatum Holding Ltd merged into Mandatum plc on 30 April 2024. The background to the merger was Mandatum's separation from Sampo plc in a partial demerger and its purpose is to simplify Mandatum's Group structure. The merger has no impact on Mandatum Group's business operations.

On 4 April 2024, Mandatum announced that Mandatum Life Insurance Company Limited (Mandatum Life) has committed to the UN Principles for Sustainable Insurance (PSI) and published a Sustainable Insurance Policy. The PSI offers a global framework in which environmental, social and governance issues are embedded in the activities of insurance companies.

Major risks and uncertainties for the Group in the short term

In its business, Mandatum Group is exposed to various risks and uncertainties primarily through its key business areas. Mandatum's profitability and its fluctuations are affected by market, insurance, expense and operational risks. In the short term,



Mandatum Group's key risks are market risks since, for example, underwriting risks are typically realised only in the long term (cf. longevity risk).

Market risks are mainly caused by unfavourable changes in equity investments, fixed income investments and insurance contract liabilities, and in the case of the latter two, specifically by their combined effect. The business area where all these risks most significantly occur is the with-profit business. Other business areas are also exposed to market risks because their income is highly dependent of the amount of assets under management. Mandatum is also exposed to the influence of market risk for direct equity and fixed income investments, and the risks are emphasised by the concentration of investments in a few large investments. Changes in the investment markets mentioned above may reduce the amount of client assets under management and weaken the result of investment and financing operations. A decrease in interest rates increases with-profit insurance contract liabilities and thus weakens the result of investment and financing operations.

Identifying uncertainties is easier than estimating the probabilities, timing, and extent of the potential economic impacts of uncertainties. Unpredictable significant events may have an immediate impact on Mandatum's profitability, especially when related to macroeconomic and financial market developments. In this case, Mandatum's market risks may materialise through and unfavourable valuation of investment assets or 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.

The increased tension in the Middle East and continuation of the war in Ukraine mean that geopolitical risks remain a significant threat for economic activities, and the impacts of the war in Ukraine and the crisis in the Middle East on Mandatum are mainly related to their effects on the capital markets and macroeconomics. There are no significant direct investments in Russia, Ukraine or in the Middle East on Mandatum's balance sheet. Given that there are no significant direct risk exposures, Mandatum's most significant risk arising from the war in Ukraine or the crisis in the Middle East is related to the aforementioned secondary impacts on the financial markets and the macroeconomy. In addition, rapidly evolving hybrid threats create new challenges for governments and businesses.

Development of inflation, in particular uncertainties related to its future direction, continue to cause uncertainty to central banks' monetary policy, especially in expectations of the timing of interest rate cuts. This could lead to both a significant slowdown in economic growth and difficulties in coping with debt for companies, households, and governments. The above-mentioned geopolitical risks and their possible realisation may have material impact on the future development of inflation and interest rates.

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

Regarding digitalisation and cyber threats, the Digital Operational Resilience Act (DORA), which came into force at the beginning of 2023, requires financial firms to be more comprehensively prepared for various disruptions than before, and firms have until the end of 2024 to adapt their operations to comply. Mandatum is well on schedule with its own operations in terms of the required adjustments. Mandatum is also affected by risks related to the climate and its expected changes, but the company does not expect climate-related issues to have a direct material impact on the company. Climate issues may, however, indirectly affect the company's operations through its investment portfolio.

Currently the aforementioned matters bring significant uncertainty to the development of the economy and the financial markets. There are several generally identified macroeconomic and political factors as well as other sources of uncertainty which can have a negative impact on the financial sector in many ways.



Calculation formulas for 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.

Solvency ratio	$\frac{\text{Own funds}}{\text{Solvency capital requirement}}$
Leverage ratio	Calculated by dividing the group's financial liabilities by the sum of IFRS equity, the CSM less deferred tax liabilities and financial liabilities. Financial liabilities exclude the effect of derivatives when calculating the leverage ratio.
Return on equity, %	$\frac{\text{Profit for the period attributable to shareholders}}{\text{Equity (average of values on 1 Jan and 31 Dec)}} \times 100$
Earnings per share, EUR	$\frac{\text{Profit for the period attributable to shareholders}}{\text{Adjusted average number of shares}}$
Equity per share, EUR	$\frac{\text{Equity attributable to shareholders}}{\text{Adjusted average number of shares}}$
Dividend per share, %	$\frac{\text{Dividend for the accounting period}}{\text{Adjusted number of shares at balance sheet date}} \times 100$
Dividend per earnings, %	$\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$
Effective dividend yield, %	$\frac{\text{Dividend per share}}{\text{Adjusted closing share price at balance sheet date}} \times 100$
Price/earnings ratio (P/E ratio)	$\frac{\text{Adjusted last transaction price of the share at the end of the financial year}}{\text{Earnings per share}}$

Calculation formulas for alternative 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 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.

Calculation formulas for other alternative performance measures

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 May 2024 at 1.00 p.m. (EET, 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://mandatum.videosync.fi/2024-q1-results/register>

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

Matti Ahokas, CFO, matti.ahokas@mandatum.fi, +358 40 575 9178

Lotta Borgström, VP, Investor Relations, lotta.borgstrom@mandatum.fi, +358 500 221 027

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

Mandatum plc will publish its Half-year Financial Report on 13 Aug 2024 and Q3 Interim Report on 12 Nov 2024.

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www.mandatum.fi



Tables

Group quarterly result

Group	1-3/2024	10-12/2023	7-9/2023	4-6/2023	1-3/2023
EUR million					
Insurance revenue	85.0	83.0	84.6	81.0	89.5
Insurance service expenses	-71.0	-85.5	-67.9	-70.2	-75.4
Reinsurance result	-0.9	-0.3	0.4	-0.6	-0.8
Insurance service result	13.1	-2.9	17.2	10.2	13.3
Net investment result	415.0	618.4	40.0	333.3	287.8
Net finance income or expenses from insurance contracts	-159.4	-279.7	63.1	-81.8	-142.8
Net result from investment contracts	-223.1	-287.5	-34.4	-212.1	-126.1
Net financial result	32.5	51.3	68.7	39.4	18.9
Other income	9.0	10.6	8.3	8.1	7.0
Other expenses	-5.5	-9.9	-6.4	-6.1	-3.7
Finance expenses	-1.7	-1.9	-3.2	-3.3	-3.2
Share of associates' profit or loss	-0.4	-0.8	-0.6	-0.1	-0.2
Profit for the reporting period before taxes	46.9	46.3	83.9	48.2	32.0
Income taxes	-9.1	-17.1	-15.8	-8.7	-8.4
Net profit for the reporting period	37.7	29.2	68.2	39.5	23.6
Profit attributable to					
Owners of the parent	37.8	29.2	68.2	39.6	23.7
Non-controlling interests	-0.1	0.0	-0.1	-0.1	-0.1

Statement of profit or loss and other comprehensive income

EUR million	Note	1–3/2024	1-3/2023
Insurance revenue		85.0	89.5
Insurance service expenses		-71.0	-75.4
Reinsurance result		-0.9	-0.8
Insurance service result	1	13.1	13.3
Net investment result	3	415.0	287.8
Net finance income or expenses from insurance contracts	2	-159.4	-142.8
Net finance income or expenses and operating expenses from investment contracts		-223.1	-126.1
Net financial result		32.5	18.9
Other income		9.0	7.0
Other expenses		-5.5	-3.7
Finance expenses		-1.7	-3.2
Share of associates' profit or loss		-0.4	-0.2
Profit for the reporting period before taxes		46.9	32.0
Income taxes		-9.1	-8.4
Net profit for the reporting period		37.7	23.6
Profit attributable to			
Owners of the parent		37.8	23.7
Non-controlling interests		-0.1	-0.1
Basic EPS		0.08	0.05



Consolidated balance sheet

EUR million	Note	3/2024	12/2023
Assets			
Property, plant and equipment		26.7	27.4
Investment property		130.9	125.7
Goodwill and intangible assets		54.0	54.1
Investments in associates		1.2	1.4
Financial assets	4	3,414.5	3,592.4
Financial assets related to unit-linked contracts	4	12,254.3	11,636.1
Insurance contract assets	5	9.5	15.1
Other assets		189.3	152.0
Cash and cash equivalents		840.8	738.4
Total assets		16,921.2	16,342.6
Liabilities			
Insurance contract liabilities	5	5,606.5	5,518.3
Investment contract liabilities	4,6	8,967.3	8,529.3
Reinsurance contract liabilities ¹		1.2	1.2
Subordinated debts	4	249.9	249.8
Other financial liabilities	4	111.5	103.6
Deferred tax liabilities		141.8	140.8
Other liabilities		206.1	200.5
Total liabilities		15,284.4	14,743.6
Equity			
Share capital		0.1	0.1
Reserves		436.7	436.7
Retained earnings		1,200.5	1,162.6
Equity attributable to owners of the parent		1,637.2	1,599.3
Non-controlling interests		-0.4	-0.3
Total equity		1,636.8	1,599.0
Total equity and liabilities		16,921.2	16,342.6

1) Includes reinsurance share of insurance contract assets at EUR 1.5 million (1.5), and estimated items of reinsurance fees at EUR 7.2 million (5.8) and reinsurance premiums at EUR -9.9 million (-8.4).

Consolidated statement of changes in equity

EUR million	Share capital	Reserve for Investment in non-restricted equity	Retained earnings	Available-for-sale financial assets	Non-controlling interests	Total
Equity at 31 December 2022 (IFRS 17)	5.0	533.5	973.5	179.6	-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	533.5	1,153.1	0.0	-0.1	1,691.5
Profit			23.7		-0.1	23.5
Transfers between categories			-0.8			-0.8
Dividends			-150.0			-150.0
Equity at 31 March 2023	5.0	533.5	1,025.9	0.0	-0.2	1,564.2
Equity at 1 January 2024	0.1	436.7	1,162.6	0.0	-0.3	1,599.0
Profit			37.8		-0.1	37.7
Management incentive plan			0.0			0.0
Transfers between categories			0.1			0.1
Equity at 31 March 2024	0.1	436.7	1,200.5	0.0	-0.4	1,636.8

Share capital and Reserve for Investment in non-restricted equity have changed during fiscal year 2023 as result of demerger.

Consolidated statement of cash flows

EUR million	1–3/2024	1–3/2023
Operating activities		
Profit before taxes	46.9	32.0
Adjustments		
Depreciation and amortisation	1.1	2.0
Unrealised gains and losses arising from valuation	-318.9	-127.2
Realised gains and losses on investments	-9.5	-67.7
Change in liabilities for insurance and investment contracts	531.8	448.0
Other adjustments	19.0	41.0
Adjustments total	223.5	296.2
Change (+/-) in assets of operating activities		
Investments ¹	-134.0	-40.8
Other assets	2.2	-5.6
Total	-131.8	-46.4
Change (+/-) in liabilities of operating activities		
Financial liabilities	7.8	3.8
Other liabilities	-11.2	-29.2
Paid interest	-20.6	-12.6
Paid income tax	-11.5	-3.5
Total	-35.5	-41.6
Net cash used in operating activities	103.0	240.2
Investing activities		
Investments and divestments in subsidiary shares	0.0	0.0
Net investment in equipment and intangible assets	-0.3	-0.2
Net cash from investing activities	-0.3	-0.2
Financing activities		
Payment of lease liabilities	-0.3	-0.4
Subordinated loan	0.0	0.0
Group contribution	0.0	-29.0
Dividends paid	0.0	-150.0
Net cash used in financing activities	-0.3	-179.4
Total cash flows	102.4	60.7
Cash and cash equivalents at the beginning of reporting period	738.4	724.6
Cash and cash equivalents at the end of reporting period	840.8	785.3
Net change in cash and cash equivalents	102.4	60.7

1) Investments include investment property, financial assets and investments related to unit-linked insurance contracts.

Accounting policies for interim financial statements

Mandatum plc (the Company) is a public limited liability company listed on Helsinki Nasdaq and domiciled in Finland (business ID 3355142-3). The Company's registered office is at Bulevardi 56, 00120 Helsinki, Finland. The Group provides asset management and wealth management services, remuneration services and personal insurance services to retail and corporate clients.

Mandatum's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The accounting policies in this interim report were not prepared in accordance with IAS 34 Interim Financial Reporting. The information included in this interim report is unaudited.

The accounting policies and methods applied in this interim report are the same that were applied in the Mandatum consolidated financial statements for 2023.

The financial statements for 2023 are available on the Mandatum website: [Mandatum Group Annual Report 2023](#).

Accounting policies requiring management judgement and key sources of estimation uncertainties

In preparing consolidated financial statements, management made judgements in applying accounting policies and estimates affecting the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Judgements made by management in the application of accounting policies that affect the amounts recognised in the consolidated financial statements include:

- classification of financial assets (business model assessment)
- classification of insurance and investment contracts that have the legal form of insurance or reinsurance contracts
- level of aggregation of insurance contracts (the formation of groups of insurance contracts when allocating contracts to groups according to the original issue date and expected profitability and measurement of insurance contracts: determining the techniques for estimating risk adjustments for non-financial risk and determination of the insurance coverage units by group of insurance contracts)
- consolidation (control of the funds managed by Mandatum)

Mandatum Group's key assumptions concerning the future and the key uncertainties related to the estimates at the balance sheet date include:

- assumptions made in the measurement of actuarial calculations (assumptions about future cash flows related to mortality, morbidity, policyholder behaviour, the default interest rate and discretionary benefits, assumptions about discount rates)
- measurement of the fair value of financial instruments and investment properties with unobservable inputs
- impairment of cash-generating units (CGU) containing goodwill (key assumptions underlying recoverable amounts)

New accounting policies applied from 1 Jan 2024

Mandatum Group has not adopted new accounting policies for the interim report period. Amendments to IFRS standards which have been effective from 1 January 2024 have had no material impact on Mandatum Group.

Notes

SEGMENT REPORTING

Mandatum Group's segment reporting is based on how Mandatum's management assesses the performance of the business areas. The reported segments are the same as the Group's business areas or operating segments. The business areas are institutional and wealth management clients; corporate clients; retail clients; and with-profit business. Segment reporting is based on Mandatum Group reporting prepared in accordance with the IFRS accounting policies. Identifiable revenues and expenses, whether directly attributable or allocable on a reasonable basis, are allocated to business areas. In the consolidated financial statements, Mandatum plc and Mandatum Holding Ltd investment income and loan expenses are not allocated to business areas. Each business area has its own manager responsible for the performance of the business area and reporting directly to the CEO of the Mandatum Group, the Group's chief operating decision maker. The identification of the chief operating decision maker is based on the CEO's responsibility for assessing the performance of the business areas and allocating resources to the business areas. The disclosures presented in Mandatum's segment reporting are based on the Group's internal reporting to the chief operating decision maker. The tables below break down Mandatum's operating profit by business area.

Result by segment

1 Jan – 31 Mar 2024

EUR million	Institutional	Corporate	Retail	With-profit	Other & Elimination	Group
Fee result	4.9	5.3	5.0	0.0	0.0	15.2
Insurance service result	0.0	4.8	2.4	0.0	0.0	7.2
Fee result from investment and asset management services	4.9	0.5	2.6	0.0	0.0	8.0
Net finance result	0.0	0.0	0.0	30.8	-0.9	29.9
Investment return				37.2	-0.9	36.3
Unwinding and discounting of liabilities				-6.4		-6.4
Result related to risk policies	0.0	0.7	1.5	0.0	0.0	2.2
CSM and RA release	0.0	1.4	1.2	0.0	0.0	2.6
Other insurance service result	0.0	-0.6	0.3	0.0	0.0	-0.4
Other result	0.2	-1.8	0.2	5.8	-5.0	-0.5
Profit for the reporting period before taxes	5.1	4.3	6.7	36.6	-5.9	46.9
Client AuM as at 31 Mar 2024	6,726.9	2,391.9	3,385.0			12,503.8

1 Jan – 31 Mar 2023

EUR million	Institutional	Corporate	Retail	With profit	Other & Elimination	Group
Fee result	5.4	4.0	4.7	0.0	0.0	14.0
Insurance service result	0.0	3.7	4.1	0.0	0.0	7.8
Fee result from investment and asset management services	5.4	0.3	0.5	0.0	0.0	6.2
Net finance result	0.0	0.0	0.0	12.3	1.1	13.4
Investment return				70.2	1.1	71.3
Unwinding and discounting of liabilities				-57.9		-57.9
Result related to risk policies	0.0	2.6	0.3	0.0	0.0	2.9
CSM and RA release	0.0	3.1	0.6	0.0	0.0	3.7
Other insurance service result	0.0	-0.5	-0.3	0.0	0.0	-0.8
Other result	1.4	-1.3	2.0	3.6	-4.0	1.7
Profit for the reporting period before taxes	6.7	5.3	6.9	15.9	-2.9	32.0
Client AuM as at 31 Mar 2023	5,608.9	2,108.3	3,058.8			10,776.0



Reconciliation between statement of profit and loss and other comprehensive income and result by segments

Statement of P&L and OCI	1 Jan – 31 Mar 2024	1 Jan – 31 Mar 2023	1 Jan – 31 Mar 2024	1 Jan – 31 Mar 2023	Result by segment
Insurance revenue	85.0	89.5	13.1	13.0	Fee result Insurance service result
			20.3	20.4	Result related to risk policies
			51.6	56.1	Other result
Insurance service expenses	-71.0	-75.4	-5.9	-5.2	Fee result Insurance service result
			-17.2	-16.7	Result related to risk policies
			-46.4	-53.5	Other result
			-1.5		Net finance result
Reinsurance result	-0.9	-0.8	-0.9	-0.8	Result related to risk policies
Insurance service result	13.0	13.3	13.0	13.3	
Net investment result	415.0	287.8	0.4	0.5	Fee result from investment and asset management services
			36.3	71.3	Net finance result
			378.2	216.0	Other result
Net finance income or expense from insurance contracts	-159.4	-142.8	-4.9	-57.9	Net finance result
			-154.5	-84.9	Other result
Net finance income or expenses and operating expenses from investment contracts	-223.1	-126.1	-0.1	0.6	Fee result from investment and asset management services
			-223.0	-126.8	Other result
Net financial result	32.5	18.9	32.5	18.9	
Other income	9.0	7.0	6.4	4.3	Fee result from investment and asset management services
			2.6	2.7	Other result
Other expenses	-5.5	-3.7	1.3	0.7	Fee result from investment and asset management services
			-6.8	-4.5	Other result
Finance expenses	-1.7	-3.2	-1.7	-3.2	Other result
Share of associates' profit or loss	-0.4	-0.2	-0.4	-0.2	Other result
Profit for the reporting period before taxes	46.9	32.0	46.9	32.0	

1 Insurance service result

EUR million	3/2024	3/2023
Insurance revenue	85.0	89.5
CSM release	8.9	10.2
RA release	1.3	1.5
Expected claims and expenses	66.9	71.7
Other revenue ¹	7.9	6.1
Insurance service expenses	-71.0	-75.4
Incurred claims and expenses	-73.0	-75.3
Change in LIC and loss component	2.0	-0.1
Reinsurance result	-0.9	-0.8
Insurance service result	13.1	13.3

¹ Other revenue includes an experience adjustment related to premium income on short-term risk policies, which no longer affects services provided in the future.

2 Finance expenses from insurance contracts

EUR million	3/2024	3/2023
Changes in fair value of underlying assets of contracts measured under the VFA	-154.4	-84.9
Interest accreted	-19.4	-17.2
Effect of changes in interest rates and other financial assumptions	13.0	-41.0
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	1.5	0.3
Total finance income or expenses from insurance contracts	-159.4	-142.8

3 Net investment result

EUR million	3/2024	3/2023
Financial assets		
Derivative financial instruments		
Gains/losses	-11.5	9.3
Investments related to unit-linked contracts		
Debt securities		
Interest income	20.6	12.5
Gains/losses	3.8	15.6
Equity securities		
Gains/losses	343.3	129.9
Dividend income	31.6	49.8
Cash and receivables		
Interest income	3.6	2.2
Other assets		
Gains/losses	-24.8	6.5
Total	378.1	216.6
Financial asset at amortised cost		
Interest income	7.6	5.4
Gains/losses	-4.9	-9.9
Total	2.6	-4.5
Financial assets measured at fair value through profit or loss		
Debt securities		
Interest income	28.3	22.8
Gains/losses	3.5	23.3
Equity securities		
Gains/losses	-0.1	20.0
Dividend income	8.5	13.1
Total	40.3	79.2
Total financial assets	409.5	300.5
Other assets		
Investment properties		
Gains/losses	0.0	-0.8
Valuation changes ¹	5.1	-11.8
Other	1.0	0.9
Total other assets	6.1	-11.8
Net fee income and expenses		
Asset management	-0.8	-0.8
Fee income	0.2	0.4
Premiums from unit-linked contracts	-0.1	-0.6
Total	-0.7	-1.0
Net income from investments	415.0	287.8

1) Gains on investment properties include a reversal of group level historical fair value adjustments for EUR 5,1 million.

4 Financial assets and liabilities

EUR million	3/2024	12/2023
Financial assets		
Derivative financial instruments	18.4	27.4
Financial assets at fair value through profit or loss		
Equity securities	275.2	300.0
Debt securities	2,346.5	2,452.4
Funds	736.9	770.6
Total financial assets at fair value through profit or loss	3,358.6	3,523.0
Financial assets related to unit-linked insurance		
Equity securities	657.0	634.4
Debt securities	1,129.4	996.2
Funds	10,083.9	9,510.1
Derivative financial instruments	8.2	14.6
Other assets	375.8	484.5
Total Financial assets related to unit-linked insurance	12,254.3	11,640.0
Financial assets measured at amortised cost		
Loans	37.6	41.9
Total financial assets	15,668.8	15,232.3
Financial liabilities		
Subordinated debt liabilities		
Subordinated loans	249.9	249.8
Other financial liabilities		
Derivative financial instruments	1.5	2.3
Financial liabilities related to unit-linked insurance		
Derivative financial instruments related to unit-linked insurance	9.0	3.8
Investment contract liabilities	8,967.3	8,529.3
Financial liabilities measured at amortised cost		
Other institutional loans	100.9	101.3
Total financial liabilities	9,328.7	8,886.6

5 Analyses of changes in insurance contract liabilities

Analysis of change by type of insurance contract liability

EUR million	1 Jan - 31 Mar 2024			
	Liabilities for remaining coverage			Total
	Net liabilities (or assets) excluding loss component	Loss component	Liabilities for incurred claims	
Opening balance - liabilities relating to insurance contracts	5,480.6	16.5	21.2	5,518.3
Opening balance - assets relating to insurance contracts	-20.3	0.5	4.7	-15.1
Net opening balances	5,460.3	17.0	25.9	5,503.2
Insurance revenue	-85.0			-85.0
Insurance service expenses				
Incurred claims and other insurance service expenses		-0.5	65.7	65.3
Adjustments to liabilities for incurred claims			0.8	0.8
Losses and reversals of losses on onerous contracts		-2.3		-2.3
Amortisation of insurance acquisition cash flows	7.3			7.3
Insurance service result	-77.7	-2.7	66.5	-13.9
Finance income or expenses from insurance contracts	159.4	0		159.4



Changes in the statement of profit or loss	81.7	-2.7	66.5	145.5
Investment component	-52.9		52.9	0
Cash flows during the period				
Premiums received	70.0			70.0
Claims and other insurance service expenses paid			-120.3	-120.3
Insurance acquisition cash flows	-1.3			-1.3
Total cash flows during the period	68.7		-120.3	-51.7
Net closing balance	5,557.8	14.3	24.9	5,597.0
Closing balance - liabilities relating to insurance contracts	5,568.6	14.2	23.7	5,606.5
Closing balance - assets relating to insurance contracts	-10.8	0	1.2	-9.5
Net closing balance	5,557.8	14.3	24.9	5,597.0

EUR million

1 Jan - 31 Mar 2023

	Liabilities for remaining coverage			Total
	Net liabilities (or assets) excluding loss component	Loss component	Liabilities for incurred claims	
Opening balance - liabilities relating to insurance contracts	5,295.2	3.6	21.6	5,320.3
Opening balance - assets relating to insurance contracts	-10.4	0.5	3.6	-6.2
Net opening balances	5,284.8	4.1	25.2	5,314.1
Insurance revenue	-89.5			-89.5
Insurance service expenses				
Incurring claims and other insurance service expenses		-0.2	68.4	68.2
Adjustments to liabilities for incurred claims			1.6	1.6
Losses and reversals of losses on onerous contracts		-1.3		-1.3
Amortisation of insurance acquisition cash flows	6.9			6.9
Insurance service result	-82.7	-1.4	70.0	-14.1
Finance income or expenses from insurance contracts	142.8	0		142.8
Changes in the statement of profit or loss	60.1	-1.4	70.0	128.7
Investment component	-50.5		50.5	0
Cash flows during the period				
Premiums received	78.3			78.3
Claims and other insurance service expenses paid			-121.0	-121.0
Insurance acquisition cash flows	-1.5			-1.5
Total cash flows during the period	76.8	0	-121.0	-44.1
Net closing balance	5,371.3	2.7	24.7	5,398.7
Closing balance - liabilities relating to insurance contracts	5,377.6	2.2	21.5	5,401.3
Closing balance - assets relating to insurance contracts	-6.3	0.5	3.3	-2.6
Net closing balance	5,371.3	2.7	24.7	5,398.7



Analysis of change by component of insurance contract liability

EUR million	1 Jan - 31 Mar 2024			
	Estimation of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening balance - liabilities relating to insurance contracts	5,098.3	43.5	376.4	5,518.3
Opening balance - assets relating to insurance contracts	-105.1	5.8	84.2	-15.1
Net opening balances	4,993.2	49.4	460.6	5,503.2
Changes that relate to current services				
CSM recognised in profit or loss			-8.9	-8.9
Change in risk adjustment for non-financial risk for risk expired		-1.2		-1.2
Experience adjustments	-2.3			-2.3
Changes that relate to future services				
Changes in estimates that adjust the CSM	114.0	0.5	-114.5	0
Changes in estimates that result in losses and reversal of losses on onerous contracts	-2.2	-0.1		-2.3
Contracts initially recognised in the period	-4.3	0.3	4.1	0
Experience adjustment arising from premiums received in the period relating to future services	-1.0		1.0	0
Changes that relate to past services				
Adjustments to liabilities for incurred claims	0.8			0.8
Insurance service result	104.9	-0.6	-118.3	-13.9
Finance income or expenses from insurance contracts	27.5	0.1	131.9	159.4
Changes in the statement of profit or loss	132.4	-0.5	13.5	145.5
Total cash flows	-51.7			-51.7
Net closing balance	5,074.0	48.9	474.1	5,597.0
Closing balance - liabilities relating to insurance contracts	5,092.1	48.7	465.8	5,606.5
Closing balance - assets relating to insurance contracts	-18.1	0.2	8.4	-9.5
Net closing balance	5,074.0	48.9	474.1	5,597.0

EUR million	1 Jan - 31 Mar 2023			
	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 balances	4,792.9	53.2	468.1	5,314.1
Changes that relate to current services				
CSM recognised in profit or loss			-10.2	-10.2
Change in risk adjustment for non-financial risk for risk expired		-1.3		-1.3
Experience adjustments	-2.9			-2.9
Changes that relate to future services				
Changes in estimates that adjust the CSM	53.7	1.9	-55.7	0
Changes in estimates that result in losses and reversal of losses on onerous contracts	-1.1	-0.2		-1.3
Contracts initially recognised in the period	-6.9	0.7	6.3	0
Experience adjustment arising from premiums received in the period relating to future services	-6.5		6.5	0
Changes that relate to past services				
Adjustments to liabilities for incurred claims	1.6			1.6
Insurance service result	37.9	1.0	-53.1	-14.1
Finance income or expenses from insurance contracts	75.3	1.8	65.6	142.8
Changes in the statement of profit or loss	113.3	2.8	12.6	128.7
Total cash flows	-44.1			-44.1
Net closing balance	4,862.0	56.0	480.7	5,398.7
Closing balance - liabilities relating to insurance contracts	4,943.3	50.1	407.9	5,401.3
Closing balance - assets relating to insurance contracts	-81.3	5.9	72.8	-2.6
Net closing balance	4,862.0	56.0	480.7	5,398.7

6 Investment contract liabilities

EUR million	Investment contract liabilities	
	1-3/2024	1-3/2023
Opening balance - investment contract liabilities	8,529.3	7,107.0
Amounts recognised in profit or loss		
Investment return on underlying items	223.0	126.86
Fees deducted	-14.8	-13.5
Total cash flows		
Contribution received *	398.0	409.3
Benefits paid	-168.1	-159.1
Closing balance - investment contract liabilities	8,967.3	7,470.43

*) Includes transfers from WIP.





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