

Mandatum Life – An Expert in Money and Life

Mandatum Life is a well-respected manager of customer wealth and provider of cover against health and life risks in Finland and the Baltic countries. The Mandatum Life Group offers its customers comprehensive services in preparing and prospering, including tailored unit-linked investments and the related wealth management, personal risk insurance, pension and reward solutions for companies and the related consultation services.

The focal point of Mandatum Life's new sales business is unit-linked insurance, such as capital redemption contracts, group pension insurance, personnel funds and risk insurance covering personal risks. For these, Mandatum Life has its own sales channels in Finland: sales groups specialized in corporate sales, wealth managers and investment managers focused on wealth management, and Customer Service that focuses on additional services offered to existing clientele. In addition to these sales channels, Mandatum Life and Danske Bank have had a distribution agreement in effect since 2007. In the same year, it was also agreed that Mandatum Life

would have the right to sell the insurance portfolio to Danske Bank. In October 2016, Mandatum Life announced that it would exercise that right, as a result of which the insurance portfolio acquired through Danske Bank will transfer to Danske Bank or to a party designated by it most likely at the end of 2018.

The Mandatum Life Group began offering its own wealth management services related to insurance and capital redemption contracts in 2008. Mandatum Life makes its own investment expertise available to its customers. This approach is called co-investing strategy which means that Mandatum Life invests in objects that are aligned with the company's and its partners' successful investment operations. Co-investing is available to institutional investors, wealth management customers and other customers in unit-linked services, for example pension insurance. Through digital services, an increasing number of Mandatum Life's private customers and company personnel can make use of the services.

Insurance for Corporate Customers and Entrepreneurs a Strong Strategic Focal Area

Mandatum Life's goal is to strengthen its position as Finland's largest life and supplementary pension insurer in the corporate customer segment. The company estimates that the need for Finns to secure their income during retirement will increase further following the pension reform that entered into force at the start of 2017. The reform aims at extending careers. In Mandatum Life's view, motivated employees are a key to extending careers. Investing in personnel has a major impact on the length of work careers, motivation and on companies' earnings power. Mandatum

Life offers companies a broad range of services related to personnel rewards and incentives.

Corporate clients are at the heart of Mandatum Life's customer strategy. The employees insured through the companies and covered by the reward and incentive models create an excellent target group for Mandatum Life's services targeted at private customers, such as savings and insurance against life and health risks.

Management of the With Profit Insurance Portfolio

In terms of the existing with-profit insurance portfolio, the company's strategy is to maintain a sufficiently strong solvency position, which makes it possible to seek a higher long-term investment return than that offered by low-risk fixed income instruments. The goal will be to actively accelerate the downward trend of the with profit portfolio. The transitional provisions of the Solvency II framework, together with the downward trend of this insurance portfolio, will enable the company to carry out effective capital

management in future.

Mandatum Life's result consists of three components: investment result, risk result and expense result. In the expense and risk results, Mandatum Life seeks growth through both higher operational efficiency and volume growth. The company's financial target is to achieve a return on equity (RoE) of at least 17.5 per cent.