

Mandatum Life – an Expert in Money and Life

Mandatum Life is the leading provider of cover against health and life risks, and a well-respected manager of customer wealth in Finland and the Baltic countries. Mandatum Life offers its customers comprehensive services that include tailored unit-linked investments and wealth management, personal risk insurance for private customers, pension and reward services for companies and the related consultation services. The parent company of the Mandatum Life Group is Mandatum Life Insurance Company Limited, the subsidiaries of which are Mandatum Life Services Ltd., Mandatum Life Investment Services Ltd., Mandatum Life Fund Management S.A., Innova Services Ltd. and Mandatum Life Insurance SE Baltic.

The focal point of Mandatum Life's new sales business is unit-linked insurance, capital redemption contracts and group pension insurance and risk insurance covering personal risks. For these, Mandatum Life has three of its own sales channels in Finland: sales groups specialized in corporate sales, wealth 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, it is estimated that the insurance portfolio acquired through Danske Bank will transfer to Danske Bank at the end of 2017.

Mandatum Life began offering its own wealth management services related to insurance and capital redemption contracts in 2008. These services are primarily focused on high-net-worth individuals, but the comprehensive range of investment baskets and funds is also available to a broad spectrum of private, corporate and institutional customers.

Insurance for Corporate Customers and Entrepreneurs a Strong Strategic Focal Area

Mandatum Life's goal is to maintain 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 with the pension reform that entered into force at the start of 2017. The reform aims at extending careers, which has an impact on employers: they must maintain their employees' work capacity, competence and enthusiasm for even longer. Companies can complement the statutory pension cover of their employees through group pension insurance. By

planning the retirement of personnel in time, companies can make sure that their employees retire at a time that is right for both them and their employer.

In Mandatum Life's view, investing in personnel has a major impact on the company's earnings power. Mandatum Life offers its corporate customers expert services and solutions for rewarding their entire personnel. For example, personnel funds are a key component of the services Mandatum Life provides companies.

Management of the With-Profit Insurance Portfolio

In terms of the existing insurance portfolio with guarantees, 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. The company also seeks growth in the area of new with profit contracts, provided that this takes place on favourable terms, taking into account profitability, risk management and Solvency II, and brings added value

to both customers and the company.

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 produce a Return on Equity of at least 17.5 per cent.