

Mandatum Life – an Expert in Money and Life

Mandatum Life is the leading provider of cover against life and health risks, and a well-respected manager of customer wealth in Finland and the Baltics. Mandatum Life offers its customers a comprehensive range of services that includes tailored unit-linked insurance and wealth management, personal risk insurance for private customers, pension and reward services for companies and the related consultation services.

The focal point of Mandatum Life's new business is unit-linked savings products, group pension insurance and risk insurance covering personal risks. For these, Mandatum Life has three sales channels in Finland: sales groups specialised in corporate sales, wealth managers focused on high-net-worth individuals and Danske Bank's distribution network. The fourth sales channel is customer services, which is responsible especially for the additional services offered to existing clientele.

Mandatum Life began offering its own wealth management services in 2008. Wealth management is primarily focused on high-net-worth individuals; however, the comprehensive range of investment

baskets managed by the wealth management service is available to a broad spectrum of private customers through unit-linked pension insurance. Institutions constitute a key section of wealth management's customers. Mandatum Life established fund business especially to cater to the needs of institutional customers.

The parent company for the Mandatum Life Group is Mandatum Life Insurance Company Limited, the subsidiaries of which are, following the change in corporate structure in 2014, Mandatum Life Services Ltd., Mandatum Life Investment Services Ltd., Mandatum Life Fund Management S.A. as well as Innova Services Ltd. and Mandatum Life Insurance Baltic SE that continue their operations as before. As part of the change in corporate structure, Mandatum Life expanded its wealth management services.

Mandatum Life serves its private customers mainly through Danske Bank's distribution channel. Co-operation with Danske Bank has continued to be successful for several years.

Strong Focus on Insuring Companies and Entrepreneurs

Mandatum Life's goal is to maintain its position as Finland's largest life insurer in the corporate customer segment. Mandatum Life estimates that there is still a growing need for Finns to secure their income during retirement and to prepare for health and life risks. The company believes that voluntary corporate pension schemes will play an increasingly important role in complementing statutory earnings-related pensions. Also services intended for companies' personnel, such as personnel funds, are a key component of the service Mandatum Life provides companies with.

Mandatum Life ceased to actively sell contracts with a guaranteed interest rate more than ten years ago. Behind this decision was a declining interest rate level and uncertainty in the capital requirements resulting from long-term guaranteed interest rates. After the final form of the Solvency II framework was established, the uncertainty surrounding capital

requirements has receded. This provides the company, in the future, with the opportunity to assess also the granting of guaranteed interest rate contracts if the contract terms and conditions enable returns that are sufficient in relation to the capital requirements for both the shareholders and the policyholders.

The group pension insurance portfolio transferred from Suomi Mutual at the end of 2014 serves to strengthen Mandatum Life's standing as a life insurance provider for companies. Suomi-Mutual group pension insurance portfolio comprises approximately 2,300 insurance policies and 34,000 insured. In terms of the existing high guaranteed interest rate insurance portfolio, the strategy remains unchanged and the focus is on boosting its declining trend. The transition rules of the Solvency II framework, together with the declining trend of this insurance portfolio, will enable the company to carry

out efficient capital management in the future.

Mandatum Life's result consists of three components: the investment result, risk result and expense result.

Mandatum Life's strategy in investment activities is to maintain adequate solvency in relation to market risks in the balance sheet, which makes it possible to strive

for a long-term return that is higher than the return requirement on with-profit technical provisions. In the expense and risk result, Mandatum Life seeks growth through both higher operational efficiency and volume growth. The company's financial target is to produce an RoE of at least 17.5 per cent.