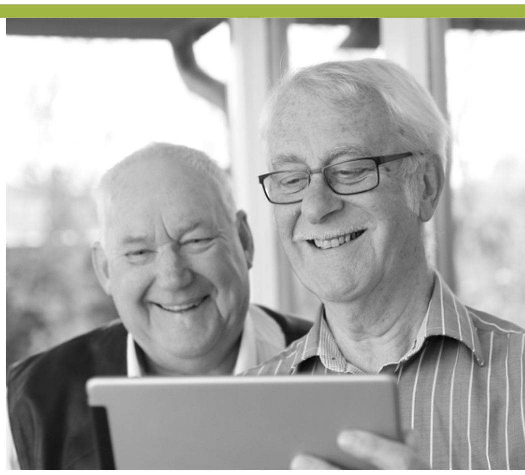
The ATP Group
Annual Report 2015





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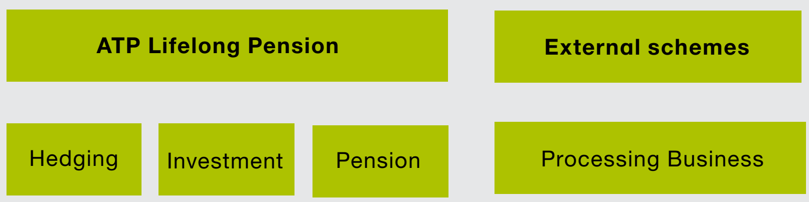
ATP's structure

ATP's activities are organised in pension, investment and hedging activities, which manage ATP Lifelong Pension, and Processing Business, which handles the management of other schemes on behalf of the social partners, the Danish government and municipalities.



Highlights

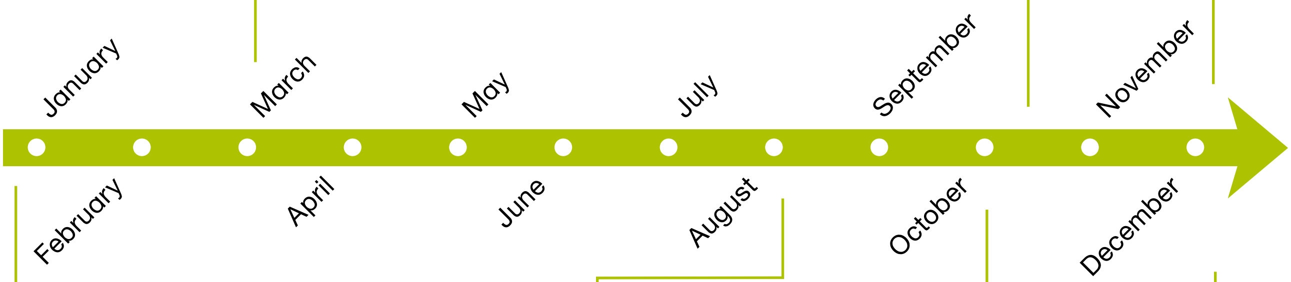
DKK 8.5bn	**DKK 101bn**	**DKK 705bn**
profit for the year before bonus	free reserves (bonus potential)	ATP member assets
17.2 per cent	**5.2 per cent**	**9.0 per cent**
return on investment	total value creation for members	average annual return for the past 20 years 'N1'
DKK 23,900	**974,700**	**4,970,800**
full ATP Pension for a 65-year-old pensioner	pensioners	members

2015 in review

In 2015, the Pension Day concept, developed by ATP, became a joint initiative for the entire Danish pension industry. The purpose is to engage Danes in their own pension.

On 1 March 2015, UDK – Public Benefits Administration achieved its target of delivering efficiency improvements of 33 per cent, equivalent to cost savings of close to DKK 300m.

For the third consecutive year, ATP increased the pension benefits for its current almost one million pensioners.



The adjusted ATP product was implemented on 1 January. The objective is to preserve the long-term purchasing power of the benefits, while taking the lower liquidity in parts of the financial markets into account.

In October, the Danish government proposed that ATP be assigned responsibility for the future operation of the Danish National Board of Industrial Injuries and a number of Danish Public Administration tasks.

The strategy to seek out stable, direct investments continued. As a result, in August 2015, ATP invested in a new shopping centre in Bremen.

Towards the end of 2015, several years of work with ATP's investment portfolio culminated into a new, optimised approach to managing and assessing investment risks in ATP.

High investment returns, even lower administration expenses and higher ATP Pensions made 2015 a good year for ATP.

Carsten Stendevad, ATP CEO

2015 was a good year for ATP. We achieved an investment return of 17.2 per cent and cut our administration expenses by 7 per cent to DKK 57 per member. The Supervisory Board decided to increase benefit payments for the current 974,700 pensioners for the third year running, and the ATP Pension paid out is now 4.5 per cent higher than three years ago.

The global markets have been challenged ever since the financial crisis. The European bond markets, where ATP has traditionally been a large investor, have seen historically low interest rates and dried up market liquidity. In other asset classes, such as equities, credits, properties and infrastructure, lenient interest rate policies, rather than the economic fundamentals, had a strong impact on the pricing.

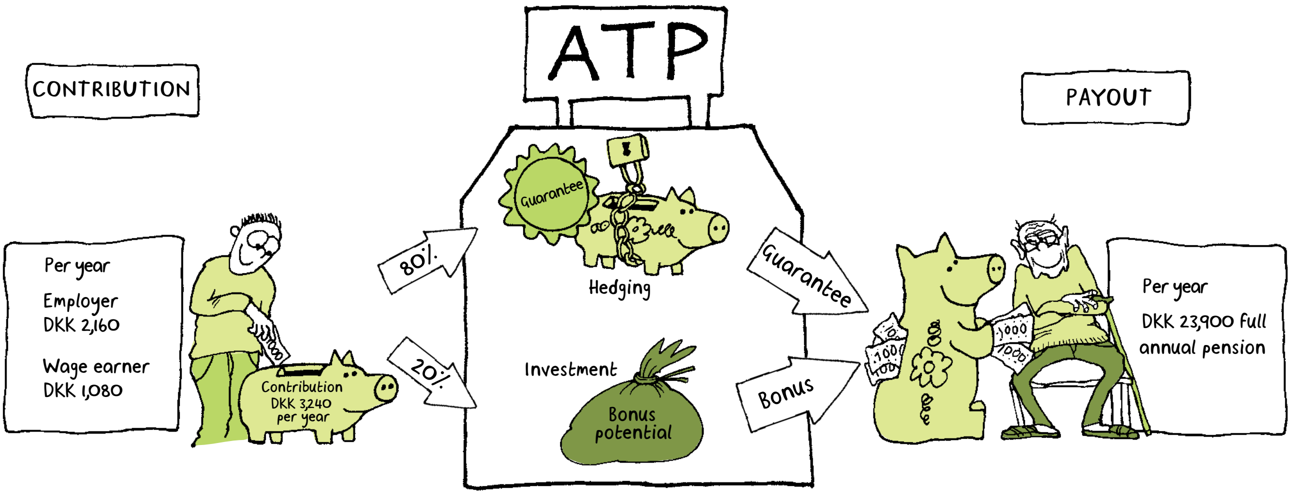
These conditions pose a challenge for a large pension provider and investor such as ATP, and we have therefore worked hard to adapt to the new circumstances. We further developed ATP's hedging strategy in 2013, and we adjusted the ATP Pension product in respect of future payments in 2014. Over the past couple of years, we have also performed a thorough review of all our investment processes and we have redesigned our approach to portfolio construction. Thanks to all these changes, we have increased our investment flexibility and reduced our interest rate exposure, and ATP is now in a strong position to continue to secure good, stable pensions.

2015 was also a good year for ATP's Processing Business, which manages schemes for the Danish government, municipalities and Labour market partners. The expansion of UDK – Public Benefits Administration progressed satisfactorily, and the target of providing 33 per cent savings over a two-year period was achieved. As far as other administration tasks are concerned, we also met our target of delivering competitive operations.

At ATP, we are highly aware of the responsibility associated with the management of almost five million danish ATP Pensions and with case handling and the payment of approx. DKK 200bn for statutory services and labour market schemes. Every day, we strive for high performance – high returns, efficient administration and positive customer experience – and we are pleased to announce that we also succeeded in this in 2015.

Carsten Stendevad
Chief Executive Officer

ATP's business model at a glance



HOW ATP LIFELONG PENSION WORKS

Contributions

This year, ATP received member contributions totalling DKK 9.1bn. An average of DKK 3,240 was paid to ATP on behalf of wage earners. Two thirds of this amount are paid by the employer.

At ATP

The largest portion of the contributions – 80 per cent – is guaranteed and hedged to ensure that ATP is always able to deliver on the pension promises issued to members. The average return promised to members over time, across age groups, is 3.8 per cent.

The remainder – 20 per cent – is included in the bonus potential and invested broadly in equities, real estate etc. The objective of the investment portfolio is to generate a return that is sufficient to raise the guaranteed pensions and thus preserve the long-term purchasing power of the benefits. This year's return in the investment portfolio equated to 17.2 per cent of the bonus potential.

Payouts

When the wage earner starts receiving state-funded old-age pension, ATP Lifelong Pension is also disbursed. This year, payouts to pensioners totalled DKK 14.6bn. The payouts comprise the originally guaranteed pensions and any bonus allowances. The full annual ATP pension for a 65-year-old member who has contributed to ATP throughout his or her working life is DKK 23,900.

ATP'S PERFORMANCE

Contributions and payouts, returns and hedging determine the results generated by ATP. This year, ATP generated a profit of DKK 8.5bn less expenses and tax. The profit after bonus allowances is DKK 5.5bn, which increases the bonus potential. When the bonus potential is sufficiently high, the guaranteed pensions may be increased further. In 2015, ATP increased pensions by DKK 3.0bn, equivalent to an increase of 1.5 per cent for current pensioners.

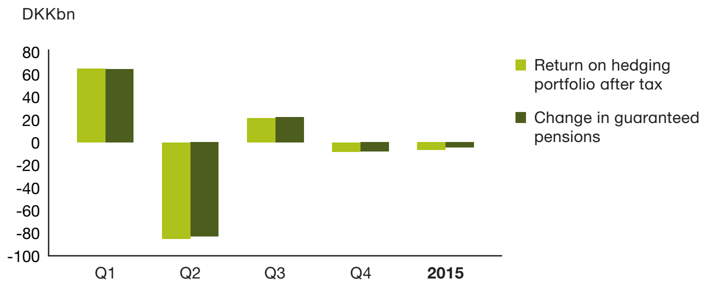
Five-year summary for the ATP Group

DKKm	2015	2014	2013	2012	2011
Investment					
Investment return	16,548	6,097	15,121	12,558	16,795
Investment activity expenses	(837)	(720)	(668)	(598)	(527)
Tax on pension savings returns and income tax	(2,259)	(579)	(2,249)	(1,752)	(2,185)
Other items	0	0	(13)	(132)	(17)
Investment activity results	**13,452**	**4,798**	**12,191**	**10,076**	**14,066**
Hedging					
Change in guaranteed benefits due to discount rate and maturity reduction	4,498	(112,743)	42,012	(37,018)	(103,203)
Return in hedging portfolio etc.	(7,992)	132,221	(49,975)	45,417	107,889
Tax on pension savings returns	1,223	(20,230)	7,646	(6,949)	(16,183)
Hedging activity results	**(2,271)**	**(752)**	**(317)**	**1,450**	**(11,497)**
Investment and hedging activity results	**11,181**	**4,046**	**11,874**	**11,526**	**2,569**
Pension					
Contributions	9,055	9,049	11,587	8,554	8,602
Pension benefits	(14,566)	(13,661)	(12,741)	(11,903)	(11,080)
Change in guaranteed benefits due to contributions and payments	6,694	6,061	3,665	2,809	4,479
Administration expenses, ATP Pension	(283)	(300)	(310)	(351)	(336)
Other items	149	(8)	10	6	22
Results before life expectancy update	**1,049**	**1,141**	**2,211**	**(885)**	**1,687**
Life expectancy update	(3,723)	96	(2,465)	(557)	(248)
Pension activity results	**(2,674)**	**1,237**	**(254)**	**(1,442)**	**1,439**
Business processing results					
Business processing income, external parties	1,251	1,450	1,531	793	634
Business processing expenses, external parties	(1,229)	(1,426)	(1,508)	(780)	(637)
Income tax	(1)	8	(3)	(3)	(2)
Business processing results	**21**	**32**	**20**	**10**	**(5)**
Results before bonus	**8,528**	**5,315**	**11,640**	**10,094**	**4,003**
Bonus addition for the year	(3,017)	(2,772)	(2,472)	-	-
Net results for the year	**5,511**	**2,543**	**9,168**	**10,094**	**4,003**
Guaranteed pensions	603,857	608,309	498,951	539,691	504,925
Bonus potential	101,242	95,831	93,344	84,154	74,133
Net assets	**705,099**	**704,140**	**592,295**	**623,845**	**579,058**

Key expense figures					
Administration expenses, DKK per member	57	62	65	68	68
Investment activity expenses, DKK per member	276	264	250	247	261
Bonus rate	**16.8**	**15.8**	**18.7**	**15.6**	**14.7**
Return ratios					
Return on investment relative to bonus potential (before expenses and tax), per cent	17.2	6.5	18.0	16.8	23.9
Return on investment relative to bonus potential (after expenses and tax), per cent	13.9	5.1	14.5	13.6	20.1
Value creation ratios for members, per cent					
Value creation from guaranteed pension	3.8	3.9	3.9	4.0	4.0
Value creation from bonus potential	10.9	3.6	14.2	14.2	3.7
Total value creation	**5.2**	**3.8**	**5.9**	**5.8**	**4.0**

Management's review

Large quarterly changes in guaranteed pensions due to interest rate fluctuations



"ATP's guarantees are well protected against interest rate fluctuations.

HIGHLIGHTS OF THE YEAR

The ATP Group recorded a profit of DKK 8.5bn in 2015 before allocation of bonus to pensioners.

The bonus potential was sufficient to increase pensions for all current pensioners by 1.5 per cent at the beginning of 2016. Pensions have thus been raised by 4.5 per cent over the past three years. After allocation of bonus, the profit was DKK 5.5bn.

ATP's free reserves – its bonus potential – increased to DKK 101bn, and total assets now stand at DKK 705bn.

INVESTMENT AND HEDGING

ATP's overall objective is to provide the best possible pensions in the form of a lifelong guarantee which is to enable ATP, along with the state-funded old-age pension system, to provide the basic pension coverage for the Danish population.

ATP has two value creation sources at its disposal: a hedging portfolio and an investment portfolio.

The objective of hedging is to safeguard the guaranteed return and ensure ATP's ability, at all times, to deliver on the guarantees issued. Hedging is planned to ensure that the market value of the hedging portfolio fluctuates in line with the guaranteed pensions when interest rates change.
The objective of the investment portfolio is to generate a return that is sufficient to raise the guaranteed pensions and thus preserve the long-term purchasing power of the benefits as best as possible.

Total investment and hedging activity results were a profit of DKK 11.2bn.

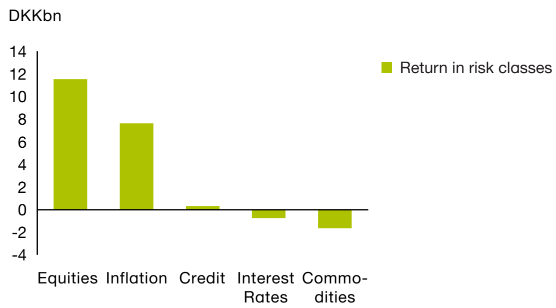
The Supervisory Board has two principal objectives to ensure the desired long-tern value creation. ATP must at all times be able to provide a return and deliver on the guarantees issued. Based on an ambition to preserve the purchasing power of pensions as best as possible, the Supervisory Board has also set a performance target for investment and hedging activities after tax and expenses. The performance target after tax and expenses has been set at 7 per cent of the free reserves, bonus potential at the beginning of the year, equivalent to DKK 6.7bn in 2015. With a bonus rate of 16.8 per cent and the profit of DKK 11.2bn generated by investment and hedging activities, both objectives were more than met, which is considered satisfactory.

Due to the interest rate fluctuations throughout 2015, the value of the guaranteed pensions fluctuated considerably and varied by more than DKK 100bn over the course of the year. The value at the end of the year ended up at the same level as at the beginning of the year. The hedging portfolio is designed to protect pensions against such fluctuations, and the hedging strategy was thus also successful in 2015. The overall hedging activity results were a negative DKK 2.3bn,

17.2 per cent

return on investment before tax and expenses relative to the bonus potential

Investment return broken down by risk type



or less than half a per cent of the guaranteed pensions of DKK 603,9bn, which is considered satisfactory.

The bonus potential is managed as part of the investment portfolio. The investment activity results were DKK 13.5bn. Before expenses and tax, the return totalled DKK 16.5bn, equivalent to a return of 17.2 per cent on the bonus potential. The results were primarily driven by good returns on Equity and Inflation risk classes of DKK 11.4bn and DKK 7.5bn, respectively. Danish equities, in particular, contributed significantly with a return of 48.1 per cent. The largest detractors from returns were commodities investments, due primarily to falling oil prices. As ATP's investments are hedged against currency fluctuations in Danish kroner and euros, the significant global currency fluctuations in 2015 had no appreciable impact on the return."

Adjustment of ATP's investment risk approach

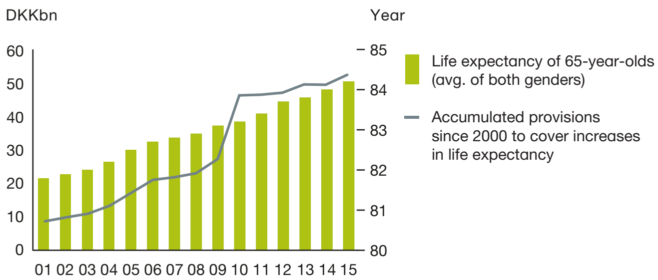
Since the financial crisis, the markets in which ATP operates have been challenged. The traditionally less volatile European bond markets, where ATP has placed investments, have seen historically low interest rates and limited market liquidity. These changes are challenging for a large pension provider and investor such as ATP, and dedicated work has therefore gone into adapting the business to these new circumstances and thus future-proofing ATP members' pensions.

ATP's hedging strategy was further developed in 2013, and the ATP Pension product was adjusted in respect of future payments in 2014. Over the past couple of years, ATP have also performed a thorough review of all investment processes and ATP have redesigned the approach to portfolio construction. Going forward, investment processes and risk management focus on exposure to four risk factors: interest rate risk factor, equity risk factor, inflation risk factor and other risk factors. This risk factor approach offers a number of advantages in that it strengthens the understanding of the underlying risks. All these changes result in increased investment flexibility and reduced interest rate exposure, putting ATP in a strong position to continue to secure good, stable pensions. For further information, please refer to the article 'New portfolio construction' at www.atp.dk.

VALUE CREATION

In 2015, the overall value creation for ATP's members was 5.2 per cent, reflecting the value creation from guarantees and ATP's profit during the year. Value creation from the guarantees promised to ATP's members was 3.8 per cent. The value creation from ATP's bonus potential, which will enable an increase in pensions in the long term, was 10.9 per cent. This ratio was driven primarily by the investment return, but the ratio was affected also by matters relating to hedging and pension.

Additional provisions due to increases in life expectancy



"Since 2000, ATP has made total provisions of DKK 53bn to cover increases in life expectancy.

PENSION

At the end of 2015, 974,700 pensioners were receiving ATP Pension, and benefit payments totalled DKK 14.6bn. For 50 per cent of Denmark's old-age pensioners, ATP is their only pension income besides the state-funded old-age pension. The full annual ATP Pension for 65-year-old pensioners who have contributed to ATP throughout their working lives was DKK 23,900 in 2015, equivalent to 33 per cent of the basic amount of the state-funded old-age pension.

ATP's members attain guaranteed lifelong pension rights by contributing to the scheme. There is a clear link between the contributions and the pension rights accrued by the individual. Contribution payments for the year amounted to DKK 9.1bn.

Pension activity results before life expectancy update etc. were a profit of DKK 1.0bn.

This year's life expectancy update resulted in an increase in guaranteed pensions of DKK 3.7bn, equivalent to 0.6 per cent of the guaranteed pensions. The additional provision is due to the observed increase in Danish life expectancy over the past year being higher than expected. An increase in life expectancy of 2.5 months for women and 3 months for men has been observed for ATP's members in 2015. After the life expectancy update, pension activities recorded a loss of DKK 2.7bn.

Allocation of bonus

Under ATP's bonus policy, it is possible to increase pensions for all current pensioners if reserves exceed 10 per cent of the value of guaranteed benefits. For the third consecutive year, the ATP Supervisory Board decided to increase benefit payments for the current 974,700 pensioners by 1.5 per cent per year, effective from 1 January 2016. This increase has a profit impact of DKK 3.0bn. After allocation of bonus, the bonus rate is 16.8 per cent.

Low expenses for the benefit of members

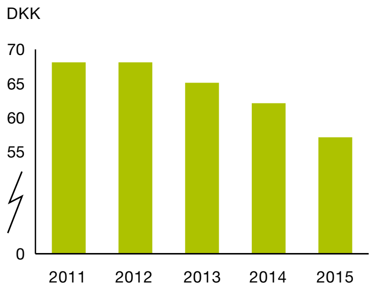
Low expenses provide a significant contribution to higher pensions.

Administration expenses

ATP focuses on minimising administration expenses. In 2015, administration expenses for ATP Pension were DKK 283m – equivalent to DKK 57 per member. The expenses were reduced by DKK 5 per member relative to the year before, and equivalent to a reduction of 7 per cent. The administration expenses have been reduced by 16 per cent over the past three years. This is partly due to the fact that ATP reaps the benefits of well-functioning and increasingly affordable IT support and partly due to a high degree of digitisation with resulting efficiency improvements.

The latest international comparison of expenses in the pensions area (CEM Benchmarking) shows that ATP Pension's

Administration expenses per member in a historical perspective



"ATP has reduced its administration expenses by 16 per cent over the past three years.

administration expenses are one tenth of the average for global peer statutory pension funds. The group of comparable peers comprises pension funds with approximately the same size as ATP. This group includes 12 pension funds from Scandinavia, the Netherlands, Canada and the USA.

Investment expenses
ATP also focuses on keeping investment expenses low, while at the same time having its eye on capturing the return potential available from one extra DKK of cost. Expectations of generally lower future returns on the financial markets have resulted in an increased focus on expenses at ATP, both internally and externally. A strategic desire to increase adaptability in the investment portfolio underpins the argument for moving the management services closer to ATP.

ATP's overall direct and indirect investment expenses amounted to DKK 1.4bn, equivalent to 0.19 per cent of the average assets managed by ATP in 2015, or DKK 276 per member.

Total investment expenses increased by 6 per cent relative to 2014. Part of this increase is attributable to increased trading activity in relation to liquid investment strategies, new mandates and increased market values. In 2015, focus was also on illiquid investments with a higher degree of direct control than in the past, and these investments have increased in volume. This investment approach has resulted in better management options in relation to the individual investment and the investment risks, but also offers improved management in relation to expenses, and the expenses are more clearly reflected in ATP.

ATP's performance target is based on the return after expenses as, apart from the return, the scope of the total expenses plays the most important role, and it is less important whether an expense is visible in ATP's accounts or has been deducted from the investment return.

A recent international comparison of expenses in the investment area (CEM Benchmarking) shows that ATP's total investment expenses are among the very lowest compared with its peers in the global pension community, and 14 per cent lower than the average. The group of comparable global peers comprises pension funds with approximately the same asset size as ATP. This group includes 18 pension funds from Sweden, the Netherlands, the UK, Asia, Canada and the USA.

BUSINESS PROCESSING, EXTERNAL PARTIES

In addition to the administration of ATP Pension, the ATP Group performs business processing tasks on behalf of the social partners, the Danish government and local authorities. These tasks, which are performed as part of ATP's Processing Business, are assigned to ATP on a cost-recovery basis – i.e. without profit to ATP and without any risk of expense. Operating expenses are managed based on ambitious objectives of ensuring efficient and competitive operations. Digitisation and automation once again ensured low operating expenses in 2015.

ATP's Processing Business incurred expenses of DKK 1.2bn.

UDK – Public Benefits Administration achieved its target
In 2012 and 2013, UDK – Public Benefits Administration assumed responsibility for the administration of a number of welfare benefits, including the state-funded old-age pension. UDK – Public Benefits Administration was tasked with delivering efficiency improvements of 33 per cent, equivalent to annual cost savings of close to DKK 300m. On 1 March 2015, this target was achieved on time.

New benefit disbursement services were assigned to UDK – Public Benefits Administration on 1 May 2015 in the form of international health insurance services, funeral benefits, benefits under the Danish flexi-job scheme (benefits paid for less demanding, publicly supported jobs), survivor lump-sum benefits and partial pensions. The potential expense reduction is expected to be 45 per cent after nine months of operations. On 1 May 2015, UDK – Public Benefits Administration also launched a new joint data unit to ensure a better basis for and binding cooperation on the control of municipal social benefits.

Government outsources tasks to ATP
At the end of Q3, the Danish government proposed that ATP be assigned responsibility for the future operation of the Danish National Board of Industrial Injuries and a number of tasks in the Danish Public Administration. This requires a legislative amendment, which is expected to be adopted in the course of 2016.

RISKS

ATP is committed to identifying and managing the most significant risks relating to ATP Pension and the Group's other activities.

ATP disburses a monthly lifelong pension to its members. Accordingly, increasing life expectancy is the greatest pension risk facing ATP. ATP relies on a custom life expectancy model, based on comparable data from 18 OECD countries, for managing the longevity risk. In addition to factoring in already observed increases in life expectancy, the model allows for expected future increases.

Investment risks are primarily market risks assumed by ATP in relation to investment and hedging activities. The market risks assumed by ATP are closely aligned with its investment strategy, consisting of four main components: Hedging of the interest rate risk of pension liabilities, appropriate risk levels, risk diversification and hedging arrangements to protect against sharp drops in value.

ATP is not covered by the Solvency II Directive, but has chosen to follow the rules of the Directive anyway in all key areas, adapted to ATP's business model. ATP applies an internal model to calculate reserve requirements, and this model is used in the overall risk management.

RESPONSIBILITY

ATP practises business-driven responsibility in investment decisions to achieve the optimum risk-adjusted return for the benefit of members. This is reflected in the Supervisory Board's Policies of Social Responsibility in Investments and Corporate Governance.

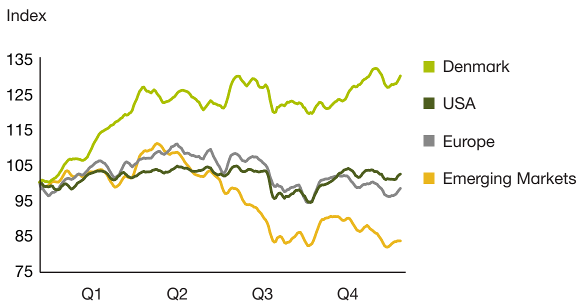
ATP supports the UN-backed Principles for Responsible Investment (PRI), which, in terms of procedure, underpin ATP's work on business-driven responsibility in investment.

ATP is a signatory of the United Nations Global Compact. As a signatory, ATP prepares an annual responsibility report, available under Further Information at www.atp.dk.

CORPORATE GOVERNANCE

ATP's corporate governance framework is laid down in the Danish ATP Act (*ATP-loven*). For further information on ATP's corporate governance, including ATP's compliance with the Recommendations on Corporate Governance, its Pay Policy

Equity price developments in 2015



Note: Calculated as a five-day rolling average

"ATP has a long-term absolute performance target.

and its Policy on Diversity, see page 113-118 of the annual report and further information at www.atp.dk.

The Supervisory Board is grateful to Supervisory Board members Jørn Neergaard Larsen, Harald Børsting, Martin Damm og Finn R. Larsen, who resigned from ATP's Supervisory Board in 2015 after having been board members for nineteen years, eight years, three years and one year, respectively.

OUTLOOK FOR 2016

ATP's investment strategy is to ensure that ATP obtains a fair share of the continued gains in the financial markets, while, at all times, being able to meet the guarantees issued to members.

Based on an ambition to preserve the purchasing power of pensions as best as possible, the Supervisory Board has also set a performance target for investment and hedging activities after tax and expenses. The performance target after tax and expenses has been set at 7 per cent of the free reserves, bonus potential at the beginning of the year, equivalent to a performance target of 7.1bn in 2016. This is an absolute return objective which is to be achieved in the long term, but which is not necessarily achieved each year. The objective is based on the principles underlying the target of safeguarding members' interests, preserving the purchasing power of pensions and providing an ambitious target. The objective has also been designed to be realistic given the size of the bonus potential and the risk budget, as well as the long-term risk-adjusted return expectations.

Jørgen Søndergaard
Chairman of the
Supervisory Board

Carsten Stendevad
Chief Executive Officer

Hedging

> Due to the interest rate fluctuations throughout 2015, the value of the guaranteed pensions have been both DKK 30bn lower and DKK 70bn higher than the value at the beginning of the year. ATP's hedging portfolio is designed to protect pensions against such fluctuations, and, once again, the hedging strategy was successful in 2015.

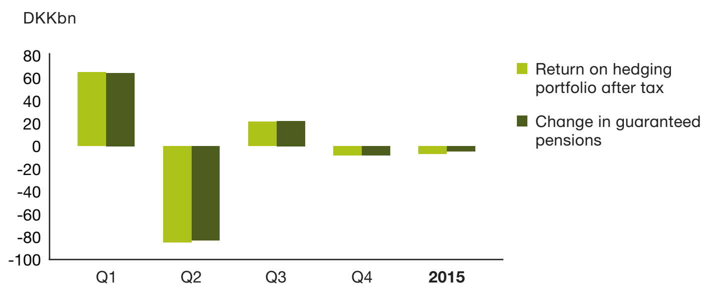
Strong protection against interest rate fluctuations

The hedging of the interest rate risk of pension liabilities once again proved its strength in a year of interest rate fluctuations

ATP's hedging activity results

DKKbn	**2015**	**2014**
Change in guaranteed pensions due to change in the discount rate	12.2	(102.3)
Change in guaranteed pensions due to maturity reduction	(7.7)	(10.4)
Change in guaranteed pensions	**4.5**	**(112.7)**
Return on hedging portfolio	(8.0)	132.2
Tax on pension savings returns	1.2	(20.2)
Return on hedging portfolio after tax	**(6.8)**	**112.0**
Hedging activity results	**(2.3)**	**(0.8)**

Large quarterly changes in guaranteed pensions due to interest rate fluctuations



ATP Pension is a guarantee-based product, where the guarantee represents considerable value to members, as it holds a promise of a lifelong return on the contributions made. For further information, please refer to the article 'Value creation in ATP'.

To safeguard guarantees, ATP has organised its hedging activities to ensure that changes in interest rates do not affect ATP's ability to deliver on its guarantees. As illustrated by the chart above, the interest rate fluctuations in 2015 caused the value of the guaranteed pensions to fluctuate considerably over the year. After being both DKK 30bn lower and DKK 70bn higher than the value at the beginning of the year, the guaranteed pensions ended the year roughly where they started. ATP's hedging portfolio is designed to protect pensions against such fluctuations, and, once again, the hedging strategy was successful in 2015.

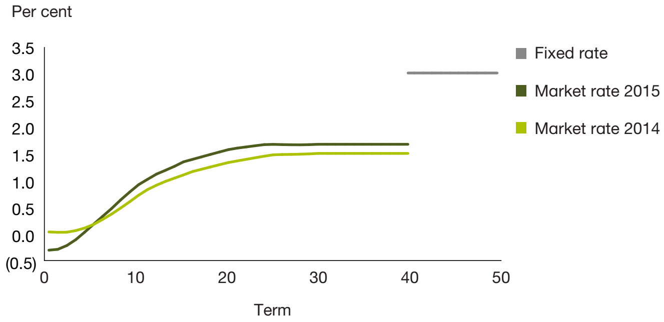
ATP's yield curve for valuation of pension liabilities

ATP's yield curve for valuation of pension liabilities comprises a market-based segment and a fixed-rate segment. A characteristic of the market-based segment is that it is hedgeable. The fixed-rate segment for valuation of liabilities 40 years or more into the future reflects a conservative projection of the long-term return. Guarantees between 0 and 30 years are measured on the basis of a market yield curve consisting of yields on Danish and German government bonds and interest rate swaps denominated in Danish kroner and euros. For the valuation of guarantees between 30 and 40 years, the 30-year market rate is used, while the interest rate beyond 40 years has been fixed at 3 per cent.

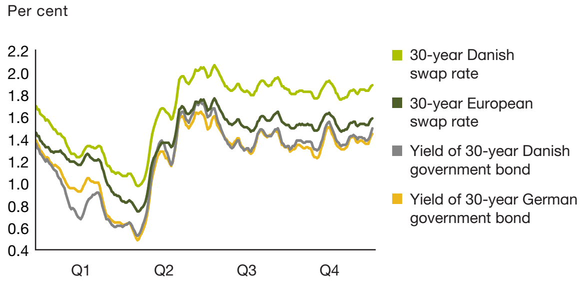
The value of guaranteed pensions fluctuates in line with the market rate. When interest rates decline, the value of the guaranteed pensions up to 40 years goes up. Without hedging, an increase in the guarantees leads to a corresponding decrease in the bonus potential (and vice versa when interest rates increase). Thus, hedging ensures that ATP's bonus potential remains intact regardless of changes in interest rates. Since liabilities more than 40 years into the future are discounted by a fixed rate rather than a market rate, they do not contribute to ATP's interest rate sensitivity.

At year-end 2015, the value of the guaranteed pension liabilities was DKK 603.9bn, determined by using ATP's yield curve, and the bonus potential was DKK 101.2bn. Had ATP used the Danish FSA's general yield curve for the valuation of pension liabilities of insurance companies and industry-wide pension funds, the pension liabilities would have amounted to DKK 550.0bn at year-end 2015, and the bonus potential would have been DKK 53.9bn higher.

ATP yield curve at year-end



Yield developments in 2015



Note: Calculated as a five-day rolling average

ATP's hedging portfolio

The hedging portfolio consists of bonds and interest rate swaps to hedge the interest rate risk on guarantees up to 40 years and a fixed return of 3 per cent on the value of guarantees beyond 40 years.

The fixed return of 3 per cent on guarantees beyond 40 years is transferred from the investment portfolio, which has assets to offset this effect. This applies, for instance, to real estate investments leased under very long leases with a direct return exceeding 3 per cent. If the return on these assets is higher than 3 per cent, the bonus potential is increased through investment activity results, and if the return is lower than 3 per cent, the bonus potential is reduced.

Funds not tied up in the hedging portfolio as a result of the use of financial instruments are available for investment in the investment portfolio within a pre-defined risk budget. A market rate is paid to hedging activities on the funds used by the investment portfolio.

Hedging activity results

Hedging activity results were negative by DKK 2.3bn.

The guaranteed pensions reflect the value of ATP's lifelong pension commitments to members. In 2015, the value of the guaranteed pensions decreased by a total of DKK 4.5bn. The value of the guaranteed pensions declined by DKK 12.2bn as a result of the interest rate rise in 2015 and increased by DKK 7.7bn due to the fact that the pensions guaranteed to members at the beginning of the year are one year closer to payout.

Similarly, the market return of the hedging portfolio was a negative return of DKK 8.0bn. As a result of the negative return, tax on pension savings returns amounted to an income of DKK 1.2bn, and the hedging portfolio thus produced a negative return after tax of DKK 6.8bn.

The negative hedging activity results in 2015 were due primarily to the break in the yield curve around the 40-year mark, as the market rate was significantly below 3 per cent throughout the year.

Yield curve for valuation of pension liabilities and actual hedging at year-end 2015

	Yield curve per cent	Hedging per cent
• Interest rate swaps denominated in Danish kroner	15	16
• Interest rate swaps denominated in euros	35	34
• Danish government bonds	25	25
• German government bonds	25	25

The curve is extrapolated after the 30-year mark and has been fixed at 3 per cent after the 40-year mark.

The break in the yield curve at 40 years means that hedging activities will incur a loss or gain from the valuation of liabilities which change during the year from a rate of interest of 3 per cent to a market rate, depending on whether the market rate is higher or lower than 3 per cent. In 2015, the market-based segment of the yield curve was significantly below 3 per cent. As a result, hedging activities incurred a loss of DKK 3.1bn in 2015, but thanks to efficient execution and active portfolio management, among other factors, this loss was reduced to DKK 2.3bn, equivalent to less than half a per cent of the guaranteed benefits of more than DKK 600bn.

Investment

> The investment return before expenses and tax was DKK 16.5bn, equivalent to a return of 17.2 per cent on the bonus potential. Danish equities contributed significantly, achieving a return of 48.1 per cent.

The Euro Tunnel

Positive returns driven by Equities and Inflation

DKK 16.5bn return in the ATP Group's investment portfolio is driven especially by Equities and Inflation

Investment activity results

DKKm	ATP	Group
Investment return	15,812	16,548
Expenses	(254)	(837)
Tax on pension savings returns	(2,211)	(2,259)
Investment activity results	**13,347**	**13,452**

Note 1: The difference between ATP's and the Group's investment return is attributable to the treatment of expenses in subsidiaries. In ATP, the investment return is calculated after payment of the subsidiaries' expenses, while this is not the case for the Group.

In 2015, the ATP Group's investment activity results after expenses and tax totalled DKK 13.5bn. The results are carried to ATP's reserves – the bonus potential, which is the basis for ATP taking on investment risk.

The ATP Group's investment portfolio

In 2015, the investment portfolio generated a return of DKK 16.5bn before expenses and tax, equivalent to 17.2 per cent of the bonus potential.

Throughout the year, ATP pursued a patient and flexible investment strategy in view of the large interest rate fluctuations during the year and the general uncertainty in the financial markets where Q3 was characterised by a large negative return in most international equity and credit markets.

In a well-diversified portfolio with a high degree of risk diversification, some investment types will outperform while others will underperform. In 2015, three out of five risk classes posted positive returns. The top performer was Equities, generating a return of DKK 11.4bn. The positive return was achieved broadly across this risk class, but was driven, in particular, by listed Danish equities. Inflation and Credit also made positive contributions of DKK 7.5bn and DKK 0.2bn, respectively, while Commodities and Interest Rates detracted DKK 1.5bn and 0.6bn from the return, respectively.

The objective of the investment portfolio is to generate a return that is sufficient to raise the guaranteed pensions and thus preserve the long-term purchasing power of the benefits as best as possible. To maintain a robust investment portfolio with a stable return and the greatest possible independence from cyclical variations, investment decisions are managed through a strategy of risk diversification.

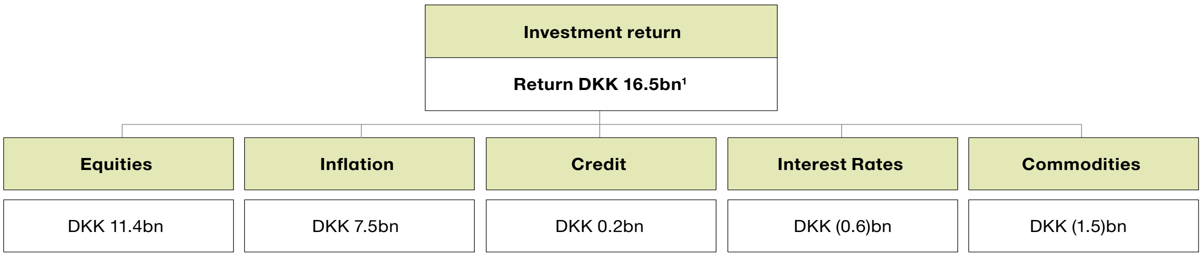
The investment portfolio is invested in five risk classes with very different risk profiles:

- Equities – focus on corporate earnings
- Inflation – focus on general price developments
- Credit – focus on the ability of issuers to repay debt
- Interest Rates – focus on interest rate-sensitive issuances
- Commodities – focus on commodity prices.

Moreover, the focus is on investing in the most expedient and cost-effective manner.

A particular aspect of ATP's investment strategy is that risk, and not capital, is allocated to the risk classes. The share of the overall risk allocated to a particular risk class – such as Equities – may differ considerably from that risk class's share of the total assets in DKK. This is because the different

Return in the investment portfolio



[1] Note: The sum of the return for the five risk classes is DKK 17.0bn, deviating from the total investment return of DKK 16.5bn. The difference mainly comprises interest payments between investment activities and hedging activities, differences in the treatment of transaction costs and subsidiary costs.

types of assets do not entail the same risk. For example, investing DKK 1 in listed equities carries more risk than investing DKK 1 in one-year government bonds.

A year of high volatility in the financial markets

2015 was a year of substantial uncertainty in the financial markets and slow growth and low inflation in a number of countries. The US seems to have recovered from the crisis, while Europe is still struggling with slow growth and relatively high unemployment rates. During the year, the European economies were also plagued by the Greek sovereign debt crisis. Emerging markets had a difficult year. Several of these markets are stuck in economic recession, caused to some extent by the decline in commodity prices. In 2015, the Chinese equity market also took a plunge, triggering fears of a 'hard landing' in the Chinese economy after years of high growth rates.

In early 2015, in a bid to kick-start the European economy, the European Central Bank (ECB) announced an expanded asset purchase programme in response to persistently low inflation and slow growth in Europe. The US Federal Reserve, for its part, raised interest rates for the first time in nine years in December.
Risky assets delivered mixed performance in 2015, caused by the underlying nervousness of the financial markets and signs of an economic slowdown in China.

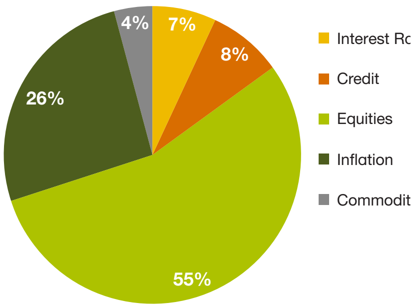
Bond markets

The European Central Bank's asset purchase programme and the Greek sovereign debt crisis were among the issues topping the agenda in 2015 and causing large fluctuations in interest rates. The asset purchase programme put a downward pressure on European interest rates in the early months of the year. This was followed by a substantial reversal of European interest rates, and they ended the year slightly higher than they started. US interest rates also ended the year higher.

Equity markets

The Danish equity market, in particular, but also the European equity market, was on a positive streak in H1, while gains in the US equity market were modest. In August, a dive in the Chinese equity market sent most international equity markets into a tailspin. Over the year as a whole, the Danish benchmark equity index gained about 30 per cent, while the US and European benchmark equity indices remained largely unchanged. Emerging equity markets lost more than 15 per cent.

Average risk allocation for the investment portfolio in 2015



The risk in each risk class is calculated daily based on 10,000 market scenarios as the average loss in the one per cent worst cases. Such loss is thus a relatively rare occurrence. The risk allocation represents the average allocation of risk among the five risk classes during the year in per cent.

Real estate markets

Despite slow economic growth, European real estate markets were beginning to recover in 2015, which was reflected in substantial investment appetite from institutional investors. US real estate markets also continued to see strong investment appetite and considerable liquidity, which led to higher real estate prices. Institutional-quality properties were in high demand in the Danish real estate market in 2015.

Commodity markets

International commodity prices, not least the prices of oil and gold, plunged in 2015. Following a slight increase in H1, oil prices tumbled in H2, ending the year at a 10-year low.

Currency markets

In the currency markets, the euro depreciated by more than 10 per cent against the US dollar in 2015, reflecting weaker economic growth in Europe than in the US.
ATP generally hedges all investments in Danish kroner or euros.

Risk allocation of the investment portfolio in 2015

ATP's Supervisory Board has issued a guideline for the long-term allocation of investment risks between the five risk classes.
In 2015, like in 2014, ATP had a lower risk in Interest Rates than the Supervisory Board's long-term guideline, while the risk in Equities significantly exceeded the long-term guideline. This was advantageous in light of the large gains in private equity and Danish equities.

The relatively low risk in Interest Rates should be seen in the context of the highly accommodative monetary policy stance maintained by the central banks, which, again in 2015, kept yields on safe-haven government bonds pinned at very low levels. This means that both the current return and potential capital gains from bond investments are highly limited, and it is uncertain whether safe-haven government bonds, especially European government bonds, can contribute to efficient diversification of risk. Consequently, ATP has not retained its long-term strategic portfolio of nominal bonds in Interest Rates.

The relatively high risk in Equities could be maintained without significantly increasing the risk of high losses because, in overall terms, ATP's investment risk was low compared to the possible risk exposure defined by the Supervisory Board.

Equities

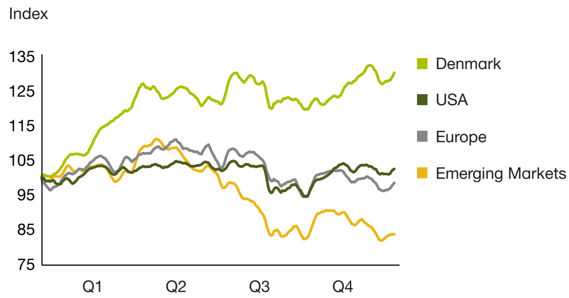
All three equity portfolios contributed positively to the return

Investment portfolio return on Equities

	Return	Portfolio, year-end[1]	
	2015	**2015**	**2014**
Asset type	**DKKm**	**DKKbn**	**DKKbn**
Listed Danish equities	7,486.1	21.6	17.5
Listed international equities	272.3	18.0	8.0
Private equity	3,646.6	34.9	32.1
Total	**11,405.0**	**74.4**	**57.5**

[1] Reflects the portfolio in terms of exposure.

Equity price developments in 2015



Note: Calculated as a five-day rolling average

Equities generated a return of DKK 11.4bn, with all three equity portfolios contributing positively to the return. The primary explanation for the large positive return is that the overall Equity portfolio was invested mainly in the Danish equity market, which surged and outperformed the large global equity markets in 2015. Another explanation is that only a relatively small portion of the portfolio was invested in less well-performing equity markets. Finally, the portfolio of listed Danish equities significantly outperformed the Danish equity market.

Listed Danish equities generated a return of DKK 7.5bn. This is highly satisfactory and equivalent to a return of 48.1 per cent. The return was achieved broadly across the portfolio, but was driven, in particular, by holdings in Genmab A/S and Vestas A/S.

The portfolio of listed international equities, consisting primarily of US, European and Japanese equities, contributed a return of DKK 0.3bn.

The portfolio of private equity consists of ATP Private Equity Partners, investing in international private equity funds, and direct equity investments in, for instance, FIH and DONG, and venture investments such as NOW:Pensions. The overall portfolio of private equity generated a return of DKK 3.6bn. The return in ATP Private Equity Partners accounted for DKK 2.6bn, which was achieved broadly across most of the portfolio due to positive developments in the underlying portfolio companies' earnings and debt repayment.

Inflation

Investments in infrastructure, real estate and hedging strategies were the main positive contributors to performance

Investment portfolio return on Inflation

	Return	Portfolio, year-end[1]	
	2015	2015	2014
Asset type	**DKKm**	**DKKbn**	**DKKbn**
Real estate	2,798.0	34.6	31.3
Infrastructure etc.	2,683.2	14.6	13.8
Index-linked bonds	1.2	0.7	1.1
Other inflation exposure	(295.0)	5.5	8.7
Hedging strategies	2,294.4	39.4	45.3
Total	**7,481.8**	**94.8**	**100.2**

[1] Reflects the portfolio in terms of exposure.

Inflation, consisting of a wide range of different asset types, posted a total return of DKK 7.5bn.

Real estate investments generated a return of DKK 2.8bn. These investments are made, in part, through direct ownership of properties and, in part, indirectly through investments in unlisted real estate funds and joint ventures. Direct as well as indirect investments are made both in Denmark and abroad.

The return of direct real estate investments was DKK 1.6bn, with value adjustments accounting for DKK 0.5bn, while the return of indirect real estate investments was DKK 1.2bn, with value adjustments accounting for DKK 0.8bn. The return for the year was characterised by rising real estate prices, especially in the USA, but also in Europe, and by growing demand for investment properties in Denmark.

In 2015, new real estate investments totalling DKK 1.7bn were made, including a direct investment in a German shopping centre. Moreover, investment commitments totalling DKK 1.2bn were made, including commitments to invest in two London-based hotels. At year-end 2015, the value of the portfolio of directly owned properties was DKK 22.9bn, while the value of the portfolio of indirect real estate investments amounted to DKK 11.6bn.

The portfolio of infrastructure investments etc., which includes forestry investments in North America and Australia as well as investments in alternative energy sources, generated a return of DKK 2.7bn. The return was achieved broadly across the portfolio.

Expected inflation development in 2015

Note: Expected inflation is calculated as the difference between the yield on a nominal government bond and the real yield on an inflation-indexed government bond, both with a term to maturity of about 10 years.

The five largest real estate investments, year-end 2015

Address	Type	Market value year-end 2015 DKKm
North Galaxy, Brussels, Belgium	Offices	3,737
Nesa Allé 1, Gentofte, Denmark	Offices	2,139
Strandgade 3, Copenhagen K, Denmark	Offices	1,738
Waterfront, Bremen, Germany	Shopping centre	1,670
Aalborg Storcenter, Aalborg, Denmark	Shopping centre	1,121

Other inflation exposure resulted in a negative return of DKK 0.3bn. The portfolio consists of inflation swaps, as well as an externally managed portfolio invested in a large number of different assets. The portfolio of inflation swaps and the externally managed portfolio both made small negative contributions.

A sudden spike in inflation, diluting the purchasing power of pensions, constitutes a significant risk for ATP's pensioners. To address this risk, ATP has been buying long-term hedges against rising inflation since 2009. The hedging strategies consist of swaptions to hedge against rising inflation on a relatively simple and effective basis.

The value of these hedges increases when inflation rises and declines when inflation falls. In 2015, these hedging strategies produced a return of DKK 2.3bn. The positive return was driven, in part, by long-dated European swap rates, which ended the year higher than they started, and, in part, by the increasing volatility of long-dated European bonds during the year. ATP's hedging against rising inflation is a long-term strategy, with some of the hedges running for up to 20 years.

Swaptions

When entering into swaption agreements, ATP pays a fixed premium. At the same time, ATP's counterparty undertakes to pay the difference between an agreed 30-year nominal interest rate and the actual nominal interest rate, if this difference is to ATP's advantage. Over the life of the swaption, ATP cannot lose more than the premium paid – regardless of interest rate developments.

Credit

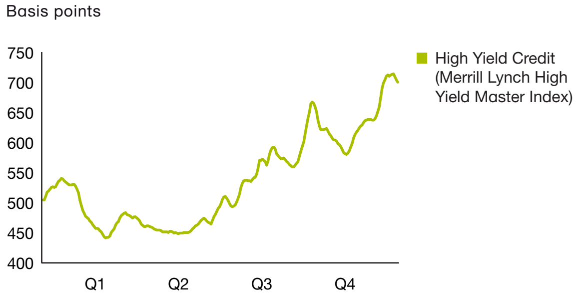
Loans to credit institutions and funds contributed positively to returns

Investment portfolio return on Credit

	Return	Portfolio, year-end[1]	
	2015	2015	2014
Asset type	**DKKm**	**DKKbn**	**DKKbn**
High-yield bonds etc.	(687.1)	16.4	12.5
Loans	885.8	12.7	10.5
Total	**198.7**	**29.1**	**23.0**

[1] Reflects the portfolio in terms of exposure.

Development in credit spreads in 2015



Note: Calculated as a five-day rolling average

Credit, consisting of high-yield bonds etc. and loans to credit institutions and funds, produced a return of DKK 0.2bn.

High-yield bonds etc., consisting primarily of bonds issued by companies with low credit ratings or by emerging markets, generated a negative return of DKK 0.7bn. The negative return is attributable primarily to a widening of credit spreads, see the chart above. Credit spreads are the difference between the yields on bonds with the same maturities, but of different credit qualities. The credit spread is the payment for the credit risk associated with the bond – the wider the spread, the greater the risk of issuer default perceived by the market. The widening of credit spreads for high-yield bonds in the course of 2015 led to declines in the price of this type of bond, reflected in negative returns.

Loans to credit institutions and funds that invest, among other things, in bank loans, real estate-related loans and corporate loans, produced a positive return of DKK 0.9bn, derived primarily from current interest income on corporate loans. Most of ATP's investment in Nets is included in the portfolio of loans.

Interest Rates

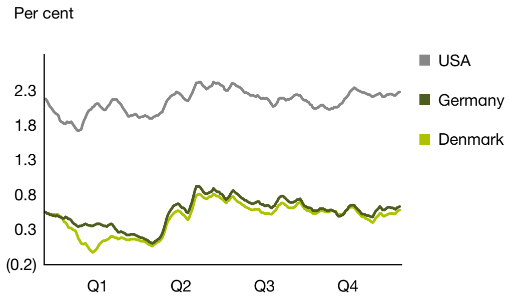
Negative return of DKK 0.6bn

Investment portfolio return on Interest Rates

	Return	Portfolio, year-end[1]	
	2015	2015	2014
Asset type	**DKKm**	**DKKbn**	**DKKbn**
Global and Danish bonds	(583.9)	52.0	3.9

[1] The Interest Rates portfolio expressed in terms of risk converted to a portfolio of 10-year German government bonds. For more information, see the breakdown on page 112.

Yield development for 10-year government bonds in 2015



Note: Calculated as a five-day rolling average

Interest rates, consisting of global bonds and Danish mortgage bonds, produced a negative return of DKK 0.6bn.

The portfolio of global bonds, consisting primarily of US government bonds with a term to maturity of approx. 10 years, yielded a return of DKK 0.1bn. The portfolio of Danish mortgage bonds produced a negative return of DKK 0.7bn, driven by the widening of credit spreads between Danish mortgage bonds and European bonds and hedging of the interest rate risk of the portfolio of Danish mortgage bonds.

Commodities

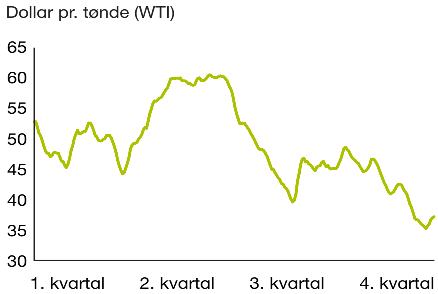
Commodities produced a negative return of DKK 1.5bn

Investment portfolio return on Commodities

	Return	Portfolio, year-end[1]	
	2015	2015	2014
Asset type	**DKKm**	**DKKbn**	**DKKbn**
Commodity-related financial contracts	(1,528.1)	4.4	4.4

[1] Reflects the portfolio in terms of exposure.

Oil price developments in 2015



Note: Beregnet som 5 dages glidende gennemsnit

Commodities, consisting of commodity-related financial contracts, recorded a negative return of DKK 1.5bn, reflecting mainly the plunge in oil prices in H2.

ATP reduced its exposure to oil price risks by just under 60 per cent at the beginning of H2, before the plunge in oil prices. Moreover, the overall portfolio risk was reduced during the year through increased diversification: parts of the oil investments were converted to other commodities such as industrial metals (aluminium, copper, zinc and nickel) and gold.

ATP has commodity exposure in its portfolio due to the portfolio qualities of this risk class, for instance as part of risk diversification in relation to inflation and geopolitical instability. Commodity prices plunged despite significant geopolitical instability.

New portfolio construction

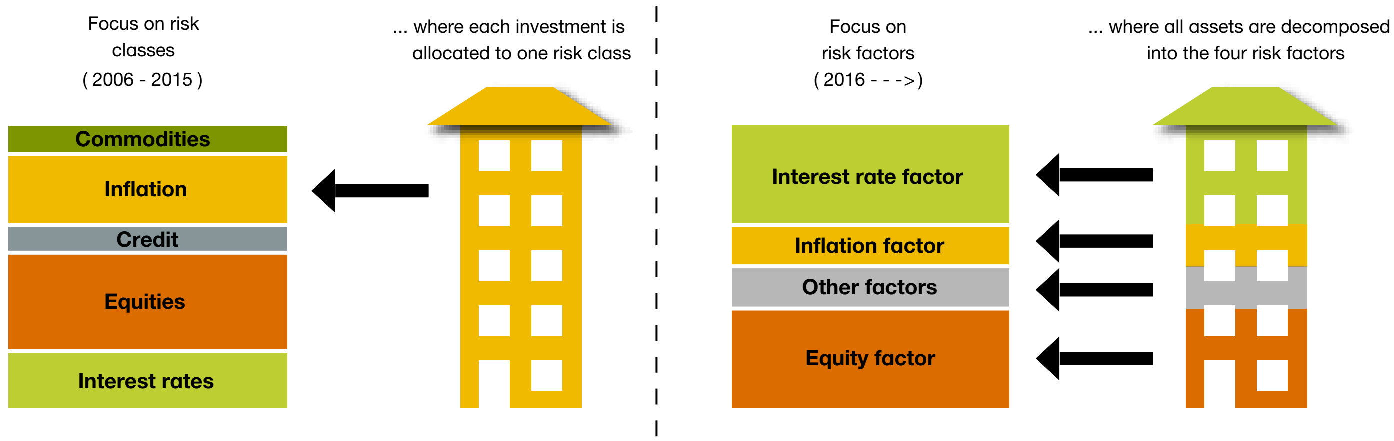
> ATP's new investment portfolio approach focuses on the underlying risks of an investment rather than its asset class. This approach has a number of advantages.

Waterfront, Bremen

New portfolio construction

Portfolio construction overhauled to strengthen ATP's investments and risk management

From allocation of investments in risk classes to structuring investments around risk factors



Over the past decade, ATP's investment strategy has been based on risk allocation where the focus is on the risk associated with a given investment rather than on the amount invested. The advantage of focusing on risk rather than on the amount invested is that risk diversification and risk management are improved. The risk of investing an identical amount in two different assets may be completely different. For example, investing DKK 100 in equities is typically more risky than investing DKK 100 in government bonds.

At the moment, the financial markets are characterised by historically low interest rates, decreasing market liquidity and recurring spikes of volatility. This means that investors must be prepared for lower returns and less predictable covariation between different types of investment in the future. To address these challenges, in 2015 ATP completed a major overhaul of its portfolio construction to strengthen its investments and risk management. The aim was to gain a better understanding of the underlying investment risks which in turn strengthens the ability to maximize the risk-adjusted returns. In this context, alternative investments such as private equity, infrastructure etc. represent a particular challenge as the risk profile of such investments is less transparent than that of more traditional investments such as bonds and listed equities.

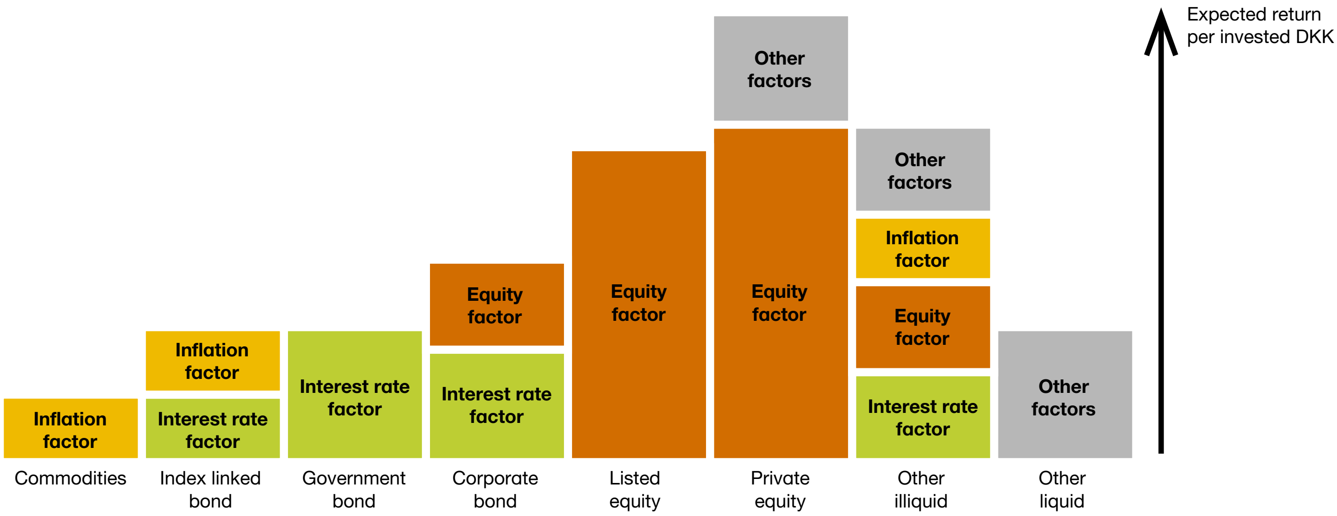
ATP's new approach still focuses on asset risk, but changes the way risk is measured. Rather than allocating each investment into one of five risk classes, ATP will now decompose each investment into four risk factors.

The risk factors of an investment can be compared with the nutrients contained in food. All foods contain various combinations of basic building blocks – proteins, carbohydrates, fat and so on. A balanced intake of nutrients can be achieved through the appropriate composition of one's diet. Similarly, an investment consists of a number of basic building blocks – risk factors – which can be combined in various ways to achieve a portfolio with an appropriate level of risk diversification[1]. Therefore, ATP's new investment strategy focuses on the underlying risks of an investment rather than its asset class. For example, a real estate investment would previously have been classified as belonging to the inflation risk class, while, in future, it will be seen as being exposed to four risk factors. This approach has a number of advantages.

Firstly, the focus on risk factors strengthens the ability to manage risk. Particularly for alternative investments, this approach strengthens the understanding of the underlying

[1] The above description is inspired by Andrew Ang: Asset Management: A Systematic Approach to Factor Investing

Illustrative breakdown of assets into risk factors



risks. Through an under standing of the underlying risk factors, ATP will be able to better assess the actual risk and diversification contributed by each investment.

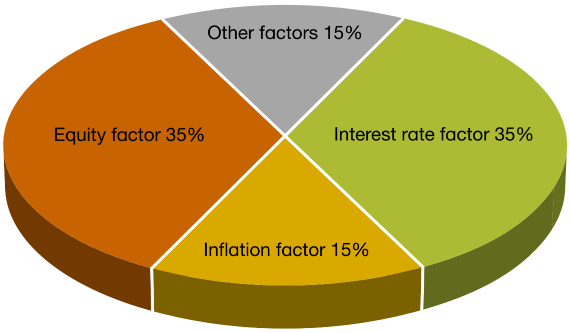
Secondly, risk factors provide a better basis for making informed investment decisions. The factor investing approach increases investment flexibility by allowing analysis and comparison of investments without reference to asset type. The expected return on an investment can be determined based on a comparison with the return on other investments with the same underlying risks. This is also relevant for alternative investments where the required returns on investments in, say, complex infrastructure investments are not easily quantifiable.

Allocation of investment to four risk factors

The new strategy is the result of an extensive process to identify the most appropriate risk factors. The four risk factors are: 'Equity factor', 'Interest rate factor, 'Inflation factor' and 'Other factors'. 'Other factors' include two risk categories, i.e. risks from alternative liquid factors (also known as alternative risk premiums) and risks from alternative illiquid investments. Alternative liquid factors include a group of well-documented investment strategies seeking to create value through exposure to specific segments in liquid markets, e.g. equities with low market value relative to book value. Alternative illiquid investments comprise less traditional investments which are typically not traded in established markets, for example investments in private equity funds, real estate, infrastructure, forestry and certain types of credit.

Under the new investment strategy, the risk associated with each investment is determined on the basis of the four risk factors, depending on the types of risks to which the investment is exposed. Real estate is an example of an investment that is exposed to all four risk factors. Future rental income from rental properties is typically fully or partially inflation-adjusted. Therefore, the risk calculation includes both an interest rate element (interest rate sensitivity of future rental income) and an inflation risk element (inflation risk of future rental income). To this should be added the risk associated with cyclical factors, making re-letting difficult. This risk is closely connected with the equity factor. Finally, real estate is relatively illiquid, and the risk of loss if illiquidity makes real estate particularly difficult to sell is classified as 'other factors'.

New long-term guideline for risk allocation in the investment portfolio



This real estate example illustrates how the underlying investment risks are embedded in the new investment strategy using the four risk factors.

The factor investing approach places considerable demands on risk management systems etc. Thus, a key element in the process has been the adjustment of ATP's risk modelling and return reporting to the factor investing principles.

New long-term guideline for the investment portfolio
In connection with the transition to the new investment strategy, the Supervisory Board also reassessed the long-term composition of ATP's portfolio.

The basic elements of a broadly diversified investment portfolio are equities and interest-bearing instruments such as bonds. This is due, not least, to the fact that, between them, these two factors contribute to risk diversification because equity and bond prices typically move in opposite directions in a number of economic scenarios. Thus, the two risk factors 'Equity factor' and 'Interest rate factor' are the primary constituents of the long-term guideline. The 'Inflation factor' is to provide some measure of protection against inflation, which is usually accompanied by low or negative returns on equities and interest-bearing instruments.

Finally, exposure to other types of risks may improve the risk-adjusted returns. This is the rationale for including 'Other factors', which include both liquid and illiquid elements. Alternative liquid factors are used to isolate niche risks in liquid financial markets, producing a high risk-adjusted return. The purpose of alternative illiquid factor is, among other things, to isolate the compensation which must be achieved in return for tying up capital in investments for longer periods of time.

Against this backdrop, the ATP Supervisory Board has adopted a new long-term guideline for ATP's investments with 35 per cent of the risk allocated to the 'Equity factor', 35 per cent to the 'Interest rate factor', 15 per cent to the 'Inflation factor' and 15 per cent to 'Other factors'. This guideline should be seen as a long-term 'anchor' for risk allocation. Thus, the actual portfolio allocation may deviate from the guideline at any one time due to market conditions. The guideline is not a benchmark for ATP's investments. Instead, the return is assessed against the Supervisory Board's long-term absolute return objective.

Expenses

> ATP aims to keep both investment and administration expenses low, while at the same time capturing any return which may be generated through an increase in expenses.

Eastlink, Australia

Low expenses

ATP's low expenses translate into higher pension payouts for members

ATP expenses

	2015			2014		
	DKKm	per cent[1]	Per member DKK	DKKm	per cent[1]	Per member DKK
Administration expenses	283	0.04	57	300	0.05	62
Direct and indirect Investment expenses[4]	1,363	0.19[2, 3]	276	1,284	0.18[2, 3]	264

[1] Expenses have been calculated relative to average assets (guaranteed benefits plus bonus potential).
[2] Expense ratio excluding commitments. Including commitments, the ratio is 0.18 per cent.
[3] In addition, performance fees of just under DKK 1.3bn were incurred.
[4] This ratio has been calculated exclusive of administration expenses to NOW:Pensions as these expenses do not relate to ATP's asset management.

Expense levels have a significant impact on future pension payouts. With a long savings period, small differences in expenses can make significant differences in pension payouts. Therefore, ATP aims to keep both investment and administration expenses low, while at the same time capturing any return potential which may be generated through an increase in expenses.

Administration expenses

ATP focuses on minimising administration expenses. In 2015, ATP's administration expenses were DKK 283m, equivalent to DKK 57 per member. The administration expenses were reduced by DKK 5 per member relative to 2014, equivalent to a reduction of 7 per cent. The total reduction over the past three years is 16 per cent.

ATP has always been focused on keeping expenses low. Given that ATP is a mandatory scheme with a simple product and a large number of members, it has been possible to achieve various economies of scale. Administration expenses primarily comprise payroll and employee-related expenses and IT expenses.

Despite the increasing number of members and pensioners, ATP has managed to reduce administration expenses over the past three years, primarily because ATP is benefitting from effective and increasingly cost-efficient IT support as well as a high degree of digitisation. Much of the business processing work has been automated, and IT support has provided efficiency gains. In recent years, in particular, another focus has been on digitising significant parts of communications with members.

CEM Benchmarking

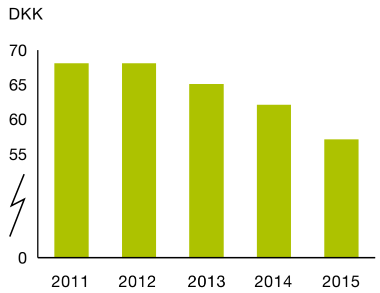
The latest international benchmarking of expenses in the pensions area (CEM Benchmarking) shows that ATP Pension's administration expenses are one tenth of the average for global peer statutory pension funds. The group of peers comprises pension funds of approximately the same size as ATP and includes 12 pension funds from Scandinavia, the Netherlands, Canada and the USA.

Investment expenses

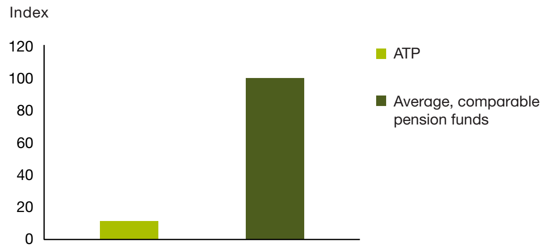
ATP focuses on ensuring that investments are made in the most expedient and cost-effective manner. In order to incorporate general expectations of lower future returns in the financial markets, ATP has increased its cost focus on both internal and external expenses. For instance, it is regularly assessed whether a potential return should be achieved by purchasing the assets in question, through entering into financial contracts or through the use of external managers. A strategic desire to increase the adaptability of the investment portfolio has strengthened the argument for moving the management services closer to ATP, resulting in more visible direct investment expenses.

ATP's performance target is based on the return after expenses as, apart from the return, total expenses play the

Administration expenses per member in a historical perspective



Administration expenses



Note: CEM Benchmarking

most important role in achieving the performance target, and it is less important whether an expense is directly visible in ATP or has been deducted from the investment return. Ultimately, expenses will always have a bearing on results.

Total direct and indirect investment expenses

In 2015, ATP's direct and indirect investment expenses totalled DKK 1,363m, equivalent to 0.19 per cent of the average assets managed by ATP, or DKK 276 per member. Total investment expenses increased by 6 per cent relative to 2014.

Part of this increase is attributable to increased trading activity based on liquid investment strategies, new mandates and increased market values. In 2015, focus was also on illiquid investments with a higher degree of direct control than in the past, and these investments have increased in volume. This investment approach has resulted in the improved management of individual investments and the investment risks, as well as improved cost control.

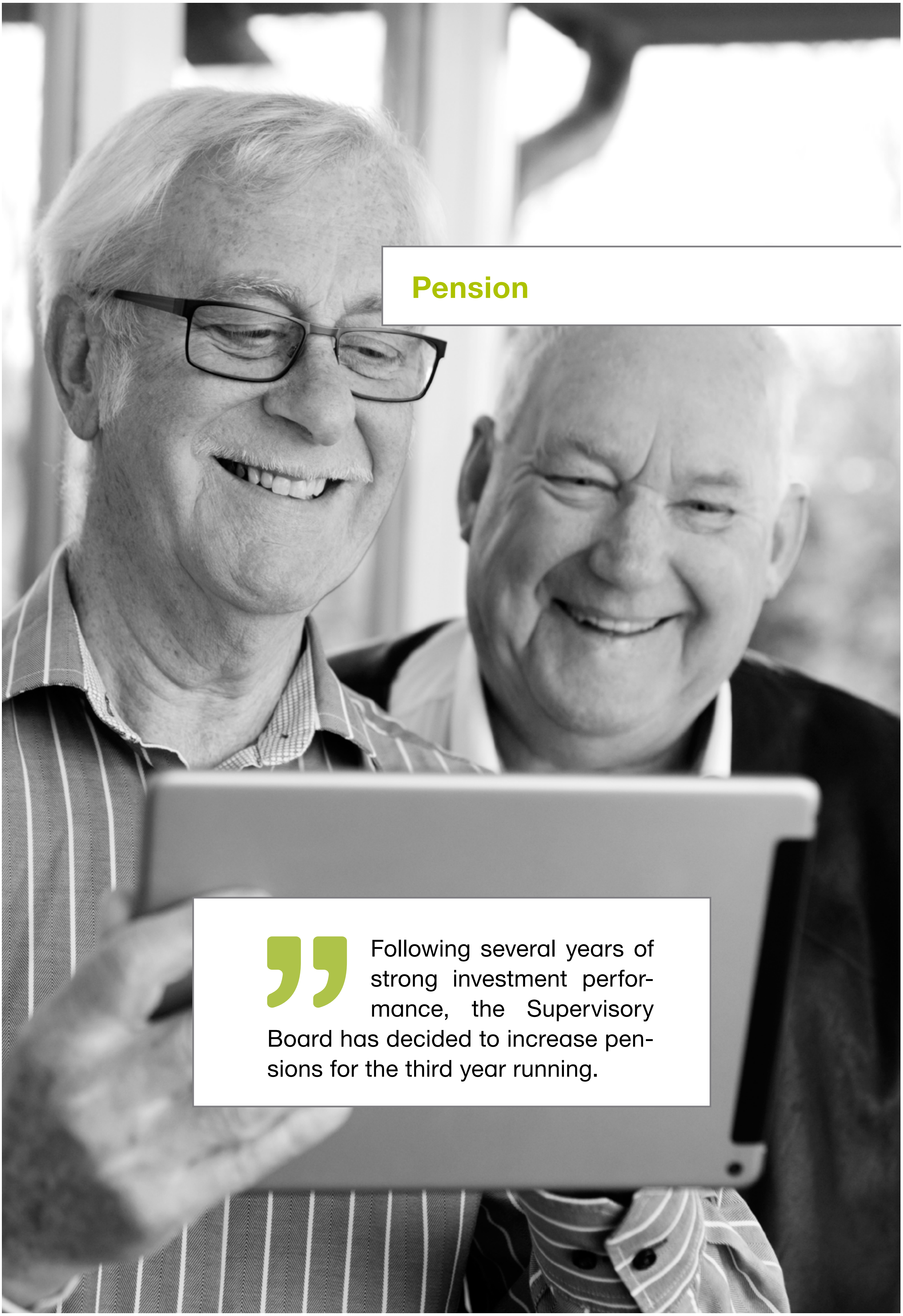
The increase in investment expenses is expected to generate an additional return. This can be illustrated by a real estate investment made in 2015: ATP acquired a shopping centre for DKK 1.6bn, with purchasing expenses totalling DKK 25m.By comparison, the expenses associated with making a similar investment in government bonds would be only around DKK 0.2m. However, the expected additional return on the investment in the shopping centre relative to the investment return of a government bond is around DKK 60m annually, and while some of the additional return must compensate for illiquidity and additional risk, an additional annual return is still expected.

Investment constructions affect the transparency of investment expenses in ATP's annual report

Had the purchase of the shopping centre been made as a different construction, e.g. through the underlying fund to a fund investing in real estate, the purchasing costs would not be directly visible in ATP's annual report; instead, these costs would be deducted from the investment return. Whatever the construction, and regardless of whether the expenses are directly visible in the annual report, expenses are always embedded in the return after expenses. This is why ATP's investment strategy is based on the risk-adjusted return after expenses.

CEM Benchmarking

A recent international comparison of expenses in the investment area (CEM Benchmarking) shows that ATP's total investment expenses are among the very lowest compared with its peers in the global pension community, and 14 per cent lower than the average. The group of global peers comprises pension funds with approximately the same asset size as ATP and includes 18 pension funds from Sweden, the Netherlands, the UK, Asia, Canada and the USA.



Pension

> Following several years of strong investment performance, the Supervisory Board has decided to increase pensions for the third year running.

Pension activity results

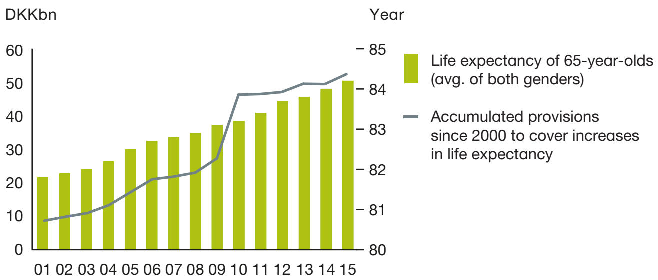
Additional provisions for increased life expectancy following large increase in Danish life expectancy

Pension activity results

DKKm	2015	2014
Contributions	**9,055**	**9,049**
Pension benefits	**(14,566)**	**(13,661)**
Change in guaranteed benefits due to ATP contributions and pension benefits etc.	**6,694**	**6,061**
Expenses	(283)	(300)
Other items[1]	149	(8)
Results before change in life expectancy	**1,049**	**1,141**
Change in guaranteed benefits due to change in life expectancy	(3,723)	96
Pension activity results	**(2,674)**	**1,237**

[1] Other items relate primarily to the transfer of funds to ATP from the remaining non-disbursable deposits under the special pension savings scheme (SP). The period of limitation for disbursements under the SP scheme, discontinued in 2010, expired in 2015.

Additional provisions due to increases in life expectancy



Pensions & Investments recorded a loss of DKK 2.7bn.

ATP performed the annual update of its life expectancy model in connection with the preparation of the interim report for H1. The update added an additional DKK 3.7bn to provisions.

ATP's life expectancy model is based on Danish and international life expectancy data. The international life expectancy data are comparable data from 18 OECD countries. The life expectancy data are updated annually.

Seen separately, the latest international life expectancy data did not result in any notable additional provisions in 2015. Thus, the additional life expectancy provisions were due mainly to the increase in Danish life expectancy, which was greater than expected. For women, life expectancy increased by just under 2.5 months, while the increase for men was 3 months.

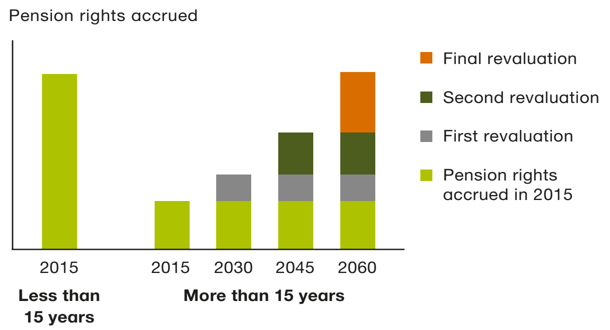
Since 2000, ATP has made total provisions of DKK 53bn to cover increases in life expectancy. As a result of these provisions, ATP's bonus potential has been reduced accordingly.

Historically, average life expectancy in Denmark has increased significantly – and it is set to continue increasing. When more people live to reach retirement age, and the life expectancy after retirement increases, the price of pension goes up. Funds need to last longer and be divided among more pensioners. Due to increased life expectancies, the cost of providing a nominal pension of DKK 100 per year from age 65 is currently 24 per cent higher than in 1970. By 2050, the cost is expected to have increased by 12 per cent relative to the current cost.

ATP's pension product

Lifelong pension guarantees

Illustration of the accrual of pension rights



The guaranteed ATP pension is paid from the state retirement age and for the rest of the member's life. How much guaranteed pension each member receives for his or her contributions depends on the member's age, the future return on contributions and the member's life expectancy.

Prior to 1 January 2015, the guaranteed return on ATP contributions was fixed at the time of making the contributions to apply for the rest of the member's life.

From 1 January 2015, ATP calculates the guaranteed pension from new contributions differently depending on whether the member in question is more or less than 15 years from retirement.

For members with 15 years or less to go before they reach retirement age, the full future lifelong return is still included in the guaranteed pension.

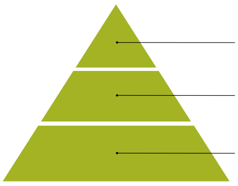
For members who are more than 15 years from retirement, only the next 15 years' return is included in the guaranteed pension. Subsequently, their guaranteed pension will be revalued every 15 years.

For example, the guaranteed pension from a 20-year-old member's contributions will be raised several times before retirement age. At the time of the contribution payment, ATP guarantees a return, based on the market rate, and the resulting lifelong pension for the next 15 years. At the end of the 15-year period, when the member has turned 35, ATP fixes a guaranteed return for the next 15 years and the resulting increase in the guaranteed lifelong pension. This process continues until the member is less than 15 years from retiring, at which time a final guaranteed return and the resulting increase in pension are fixed – this time for the rest of the member's life. The same procedure applies to the member's contributions for all subsequent years until he or she has less than 15 years to retirement.

Predictable pension – for life

Pensioners' payouts to be increased

Pension pyramid



The pension pyramid

Total number of members	4,970,800
Number of members above pensionable age	1,111,700
- of whom receiving a current pension	974,700
- of whom paying contributions in 2015	100,500
Number of members below pensionable age	3,859,100
- of whom paying contributions in 2015	3,047,400

ATP was established and set up by statute in 1964 as a supplement to the state-funded old-age pension, and today, it is an integral part of the basic Danish pension coverage.

ATP helps to provide basic financial security for virtually all Danish pensioners. With this, ATP contributes to ensuring a high minimum pension in Denmark and is also a part of the foundation upon which other pensions rest.

With close to 5 million members, ATP is Denmark's biggest supplementary pension scheme.

At the end of 2015, nine out of ten old-age pensioners – 974,700 persons – were receiving lifelong pension from ATP, and for 50 per cent of Danish old-age pensioners, the ATP pension is their only source of supplementary pension income besides the state-funded old-age pension.

91 per cent of the Danish population aged 25-60 years paid ATP contributions in 2015, thereby accruing ATP pension rights. ATP is a mandatory scheme for all wage earners and the vast majority of recipients of transfer income.

A few groups – including the self-employed, recipients of early retirement pension and recipients of benefits under the Danish flexi-job scheme (benefits paid for less demanding, publicly supported jobs) – are not automatically members of ATP, but can opt to pay voluntary contributions. In 2015, 50,900 people paid voluntary ATP contributions. Recipients of early retirement pension were the largest group.

As the ATP scheme has reached a mature stage, payouts from ATP have in recent years exceeded contributions. ATP will only be fully mature when all pensioners have been able to pay contributions to the scheme during their entire working lives. The maturing process will continue over the coming decades, and the gap between contributions and payouts will gradually widen.

DKK 13.6bn paid out in current pension benefits

Out of total payouts in 2015 of DKK 14.6bn, DKK 13.6bn went to current pensions and the rest to lump-sum payouts.

In 2015, the full annual payout for a 65-year-old pensioner was DKK 23,900, equivalent to 33 per cent of the basic state pension. This amount was paid to members who had paid full ATP contributions from the age of 18 until retirement.

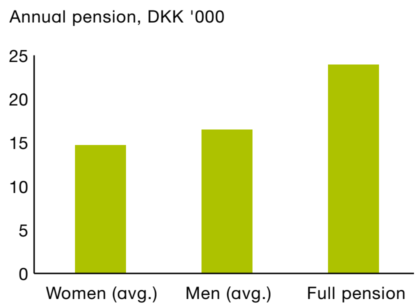
The amount of the pension paid out depends on the individual pensioners' contributions to ATP during their working lives, and their individual contributions are independent of income, but vary according to employment rates.

There is a fairly significant variance in the benefits paid out to members. ATP was set up in 1964, and at that time many of those who are now pensioners in the older age brackets

Pension payouts in 2015

	Number	DKKm
Current old-age pensions	1,007,100	13,601
- personal pensions	1,001,300	13,582
- spouse pensions	5,800	19
Lump-sum benefits	26,000	965
- personal pensions	3,800	86
- spouse/common-law partner benefits	18,500	724
- child benefits	2,600	130
- estate benefits	1,100	25

Average annual ATP Lifelong Pension for 65-year-olds



had already been working for several years. Thus, younger pensioners generally receive more than older pensioners because they have contributed to ATP for a longer period of their working lives. On average, men receive more than women because their employment rate is usually higher.

In 2015, the ATP pension averaged DKK 14,600 annually. For pensioners who retired at 65 in 2015, the annual payout from ATP Lifelong Pension averaged DKK 15,600.

Survivor benefits

If a member dies before retirement age, his or her spouse or common-law partner and children under the age of 21 will generally receive lump-sum survivor benefits of DKK 50,000.

In 2015, 18,500 spouses and common-law partners and 2,600 children under 21 received a lump sum from ATP. This number has stayed fairly constant for a number of years. Between them, spouses and common-law partners received DKK 724m, while children received DKK 130m. In 2015, the survivor benefit contribution amounted to DKK 62 per member.

Members who also pay SUPP - Supplementary Labour Market Pension Scheme for Disability Pensioners - contributions have supplementary coverage on death, which will be paid to their estate.

ATP contributions

ATP's just over 3.1 million members paid a total of DKK 9.1bn in ATP contributions in 2015, thus accruing lifelong pension rights. 22 per cent of the contributions were paid by recipients of transfer income. The ATP contribution is a fixed amount set by the social partners. It is adjusted as and when agreed by the social partners. In 2015, the standard ATP contribution was DKK 3,240 per year.

On 1 January 2016, the annual ATP contribution was increased from DKK 3,240 to DKK 3,408. While the adjustment of the contribution rate has little effect on ATP pensions in the short term, continuous adjustment is essential for pensions in the long term. In a mature pension scheme such as ATP, failure to adjust contributions will translate into a reduction in the purchasing power of future pensioners.

A number of public sector collective agreements have provided for particularly low ATP contributions. In 2008, a process was launched to ensure that public sector employees will eventually receive the same ATP Lifelong Pension as employees in the private labour market. This process, which is due to conclude in 2018, means that the affected groups will switch to a higher contribution rate at the beginning of 2016.

ATP contributions in 2015

	DKKm
Total contributions	9,055
Of which in respect of:	
- people in employment	7,087
- recipients of unemployment, sickness or maternity/paternity benefits	1,016
- recipients of disability pension	533
- recipients of early retirement pension	102
- recipients of other transfer income	318
Number of contributing employers	155,800

Bonus

At ATP, bonus represents an increase in ATP members' pension beyond that provided by guaranteed savings.

Under ATP's bonus policy, it is possible to increase pensions for all members if reserves exceed 20 per cent of the value of guaranteed benefits – the pensions promised to members. If the reserves exceed 10 per cent, pensions may be increased for all current pensioners.[1].

ATP's bonus policy is indicative. Decisions on whether to increase pensions are made by the ATP Supervisory Board for one year at a time.

At the end of Q3 2015, ATP's reserves amounted to 16.4 per cent, which means that no general bonus will be paid in 2016. The Supervisory Board has decided to increase pension payouts to current pensioners by 1.5 per cent as at 1 January 2016.

Seen separately, the cost of this increase is DKK 224m for 2016, or a total increase of the value of the guaranteed benefits of DKK 3.0bn.

[1] Current pensioners means all members above the state retirement age.

Pension scheme for disability pensioners

Four out of ten disability pensioners pay voluntary SUPP contributions

SUPP members at year-end 2015

Total number of members	121,100
Members below the retirement age for the state-funded old-age pension	95,500
Members over the retirement age for the state-funded old-age pension	25,600
New SUPP members in 2015	2,900

Pension payouts and contributions in 2015

Payouts	**number**	**DKKm**
Current pensions	25,500	47
Lump-sum benefits	30	1
Survivor benefits	1,100	25
Contributions		
Members below state retirement age paying contributions in 2015	97,400	
SUPP contributions after social security contributions		557

SUPP is a voluntary scheme, giving disability pensioners an attractive opportunity to save for lifelong pension. For every disability pensioner contributing DKK 165 per month to SUPP in 2015, the Danish government topped up this amount by a further DKK 330. The Danish government thus contributes twice the amount of the disability pensioner.

More than 4 out of 10 disability pensioners pay SUPP contributions.

Since 2013, SUPP has been part of ATP. SUPP contributions are managed together with ATP contributions. SUPP members accrue current guaranteed lifelong pension in the same way as ATP members. SUPP members also contribute to the bonus potential in the same manner and are included in ATP's bonus policy.

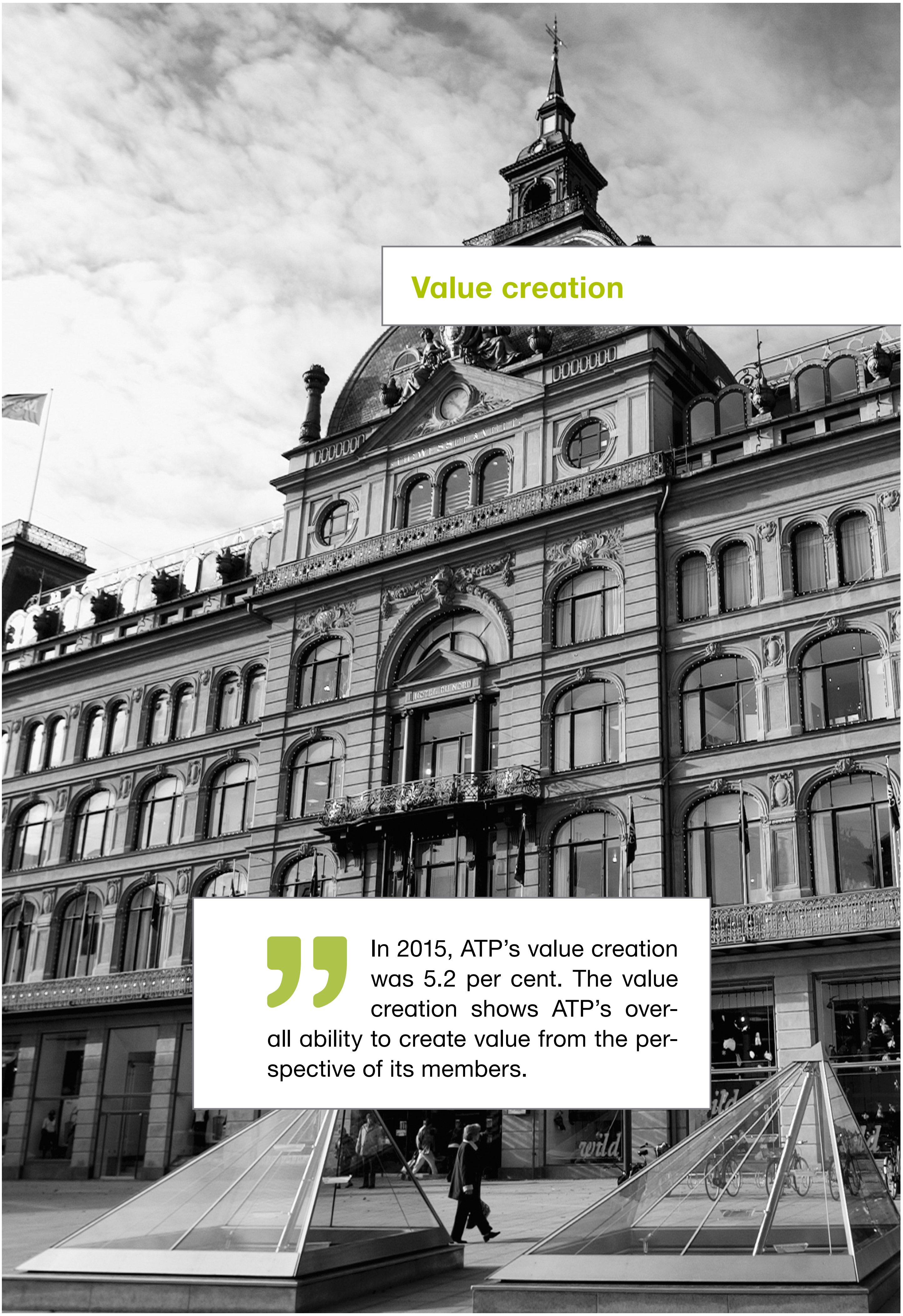
Pension payouts and contributions

In 2015, total payouts for current old-age pensions amounted to DKK 47m. In 2015, the average annual lifelong pension to SUPP members was DKK 2,000. For SUPP members retiring at age 65 in 2015, the average annual lifelong pension was DKK 2,200. Lump-sum payments totalled DKK 1m.

If a SUPP member dies before retirement age, the estate will receive an amount equivalent to 50 per cent of the contributions paid and the added return. This amount will be gradually scaled down after retirement age. In 2015, DKK 25m was disbursed from SUPP on the death of SUPP members – an average amount of DKK 23,200 per deceased person. Survivor benefit payments amount to 10 per cent of contributions on average.

In 2015, the full annual SUPP contribution was DKK 5,940, and SUPP members paid total contributions of DKK 557m. The SUPP contribution is adjusted annually by the rate adjustment percentage, thus amounting to DKK 6,024 in 2016 .

Value creation



In 2015, ATP's value creation was 5.2 per cent. The value creation shows ATP's overall ability to create value from the perspective of its members.

Magasin, Copenhagen

Value creation in ATP

Value creation from guarantees and bonus potential after tax

Valuecreation, per cent	2015	2014	2013	2012	2011
Value creation from the guarantees	3.8	3.9	3.9	4.0	4.0
Value creation from the bonus potential	10.9	3.6	14.2	14.2	3.7
Total value creation	5.2	3.8	5.9	5.8	4.0

The financial statements show the value creation in ATP from the perspective of the company. However, it may be difficult to understand the value creation from the perspective of the members by looking at the financial statements.

The financial statements reflect the annual results of ATP's business and describe how the profit for the year is transferred to the bonus potential. Hedging of the guarantees is also described in the financial statements, but the return implied by the guarantees is not directly accounted for[1]. The return is a crucial part of the value creation from the perspective of the individual member.

In order to improve the description of ATP's overall value creation, ATP has been calculating a further three ratios since 2013. These three ratios give a more complete picture of ATP's value creation from its members' point of view than the Danish FSA's ratios ('N1'), especially in relation to guarantees.

The three ATP ratios

ATP's guaranteed pension product is a promise of certain lifelong benefits – an income stream. Quite literally, the pension is made up of the sum of the promises acquired year by year during a wage earner's working life.

The contributions to ATP are divided in two. The members' pension accounts for 80 per cent, while the remaining 20 per cent is transferred to the bonus potential – ATP's unallocated reserves. This means that the total value creation for ATP's members comes from both sources – the guarantees and the bonus potential.

[1] The return on the guarantees for the year is expressed by the item 'Change in guaranteed benefits due to maturity reduction'.

Value creation from the guarantees illustrates the average return on the promises ATP has issued to members over time – across age groups. This ratio is calculated based on historical contributions and the associated guarantees. In 2015, the value creation from the guarantees was 3.8 per cent after tax and all expenses. In the period from 2011 to 2015, the average value creation was approx. 4 per cent. This figure has been stable in recent years, although with a slightly decreasing trend, reflecting the decline in interest rates. In a declining interest rate environment, this ratio will fall as new guarantees are more expensive to make. Conversely, in a rising interest rate environment, the ratio will increase, as ATP will be able to issue new guarantees based on higher interest rates.

Value creation from the bonus potential illustrates the return on the bonus potential. In 2015, this value creation was 10.9 per cent. Value creation was positive throughout the period from 2011 to 2015. This ratio is driven primarily by the investment return, but in 2015 the ratio was affected also by matters relating to hedging and pension.

Total value creation shows ATP's overall ability to create value. This ratio is the weighted average of the two ratios above. For 2015, the overall value creation was 5.2 per cent, and it was positive throughout the five-year period.

For more information about the definition of ATP's value creation ratios, see 'Further Information' at www.atp.dk.

Risk

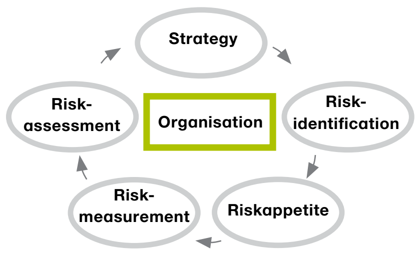
ATP disburses a monthly lifelong pension to its members. Accordingly, increasing life expectancy is the greatest pension risk facing ATP. In addition to factoring in already observed increases in life expectancy, allowance is made also for expected future increases.

Axel Towers, Copenhagen

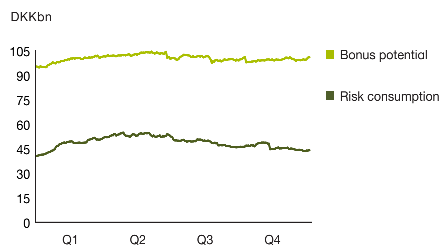
Risk and risk management

Risk management on difficult markets

Overall risk management process



Risk consumption



OVERALL RISK MANAGEMENT

ATP is committed to identifying and managing the most significant risks relating to ATP Pension and the Group's other activities.

Responsibility for including the most significant risks and weighing the various risks in relation to each other rests with the ATP Supervisory Board. The Supervisory Board attaches particular importance to ensuring that ATP's financial flexibility remains intact – even in very difficult situations.

At the heart of ATP's risk management process is its assessment of risk, see the chart above.

ATP's overall risks

ATP determines its risk consumption, i.e. ATP's quantitative target for total risk, on a daily basis. Risk consumption is determined using ATP's internal model, which is based on the European Solvency II regulation, and amounts to ATP's individual solvency requirement. At year-end, the risk consumption amounted to DKK 44.3bn. ATP reports the risk consumption to the Danish Financial Supervisory Authority.

As long as the bonus potential exceeds the risk consumption, ATP is able to cover its risks. At year-end, ATP's bonus potential (free reserves) amounted to DKK 101.2bn, or more than twice the risk consumption.

To ensure that the bonus potential always exceeds the risk consumption by a certain margin, the ATP Supervisory Board has set a risk budget, i.e. an upper limit for the risk consumption.

HOW ATP MANAGES ITS MOST SIGNIFICANT RISKS

Longevity risks

ATP disburses a monthly lifelong pension to its members. Accordingly, increasing life expectancy is the greatest pension risk facing ATP. ATP relies on a custom life expectancy model for managing the longevity risk. In addition to factoring in already observed increases in life expectancy, the model allows for expected future increases.

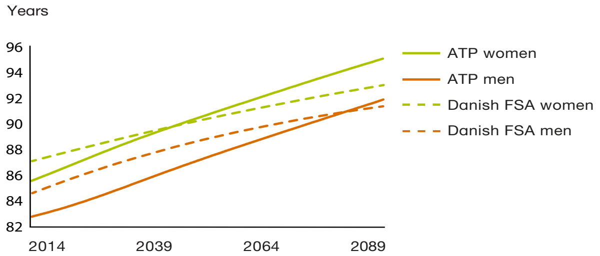
Other Danish pension companies must use a life expectancy model developed by the Danish FSA. The Danish FSA's model is based on data from a number of Danish life insurance companies and industry-wide pension funds with a total membership of 2.4 million. ATP's model is based partly on information about its close to 5 million members, partly on information about approx. 500 million inhabitants in 18 OECD countries. The Danish Financial Supervisory Authority's population consists of people who are all covered by insurance. As ATP's population also includes people who are not covered by insurance, the two populations are not directly comparable.

If ATP had used the Danish FSA's life expectancy model, the value of ATP's liabilities, the guaranteed benefits, would have been DKK 600.6bn at year-end. With ATP's life expectancy model, the guaranteed benefits total DKK 603.9bn.

Investment risks

Investment risks are primarily market risks assumed by ATP in relation to investment and hedging activities. The market risks assumed by ATP are closely aligned with the investment strategy, consisting of four main components:

Expected future increases in life expectancy



Note: Projected life expectancy (65-year-olds) in ATP's life expectancy model and the Danish FSA's benchmark. ATP's population and the Danish FSA's population are not directly comparable.

Hedging of the interest rate risk of pension liabilities

ATP has significant interest rate risk when it comes to the value of its pension liabilities and seeks to hedge this risk through its hedging portfolio. Members can therefore be confident that ATP will be able to pay their pensions – regardless of interest rate changes over the coming years.

Appropriate risk level

The overall investment risk is continuously adjusted to ATP's actual capital in order to protect ATP's bonus potential – and thus ATP's financial flexibility.

Risk diversification

The assets of ATP's investment portfolio are invested in five risk classes with very different risk profiles. The diversification of market risk reduces ATP's overall exposure to events in individual markets.

Use of hedging strategies

Risk diversification in itself is not always sufficient. To protect its reserves and pensions against negative returns or sudden spikes in inflation, ATP uses various hedging instruments in some periods.

Counterparty risk

The use of financial instruments, especially for hedging, represents a separate risk to ATP. Changes in the value of these instruments will generate a liability or a receivable between ATP and its counterparties. Consequently, ATP may suffer a loss if a counterparty defaults. In order to reduce counterparty risk, both ATP and its counterparties require that an agreement be concluded on collateral for mutual receivables.

Liquidity management

ATP's liquidity management ensures that ATP will, at all times, be able to meet any requirement for the provision of liquidity or pledging of collateral. This applies both in the short term (five banking days) and in the longer term (one year).

Currency risks

ATP's investments are hedged almost exclusively against currency fluctuations in Danish kroner and euros. At year-end 2015, the exposure to Danish kroner and euros was 100.1 per cent.

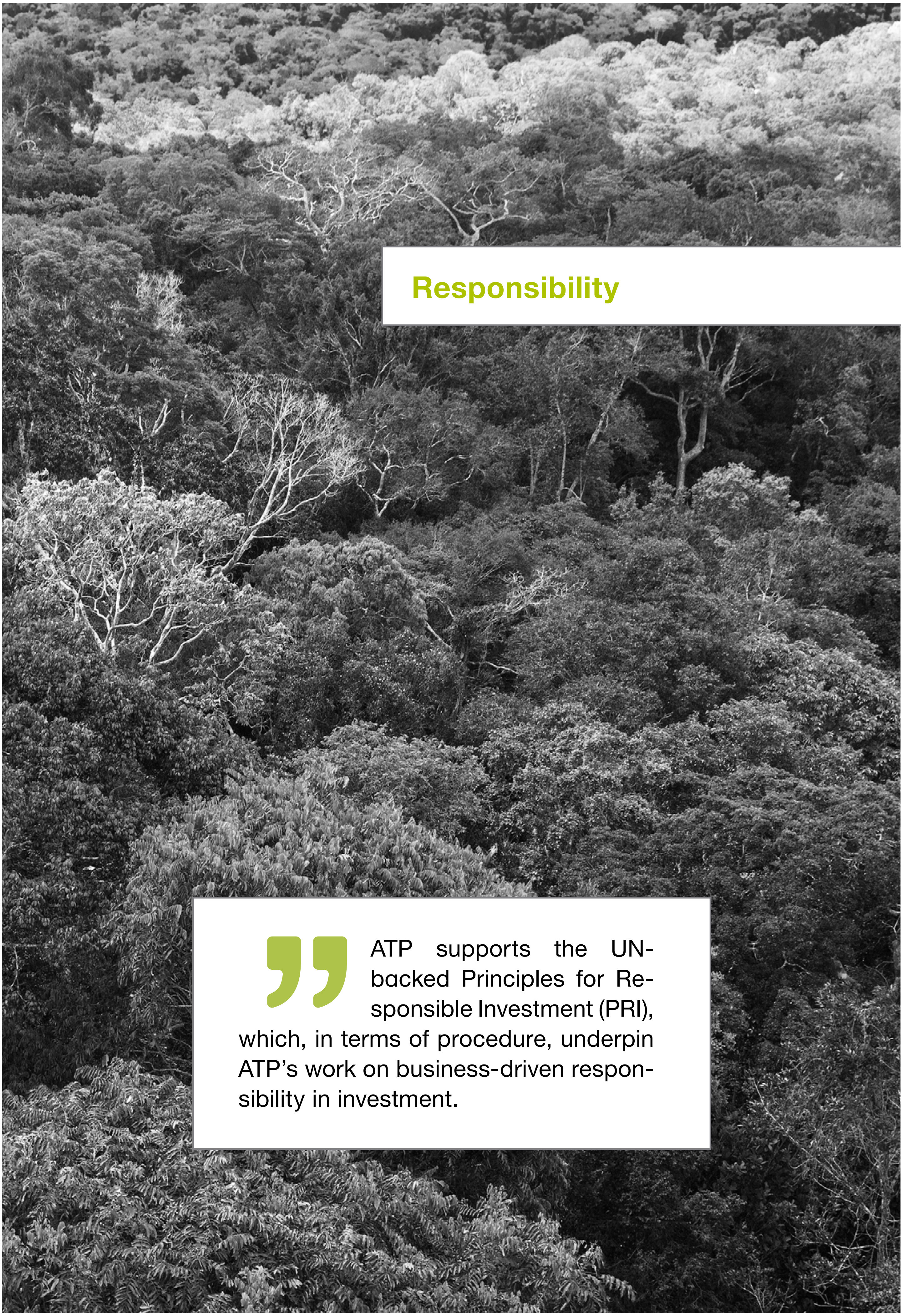
Operational risks

ATP's operational risks relate particularly to bulk disbursements by the Processing Business and the processing of trading and transactions in connection with investments and hedging.

Regulatory risks

Changes to the international or Danish regulation of the financial markets represent a risk to ATP. For instance, derivatives trading must be expected increasingly to be settled through central clearing counterparties in future. How this will impact the financial markets in the longer term remains to be seen, but ATP is operationally prepared for this.

Moreover, ATP's operations are governed largely by statute or through collective agreements, entailing that the conditions under which these activities are carried out may be changed at relatively short notice.



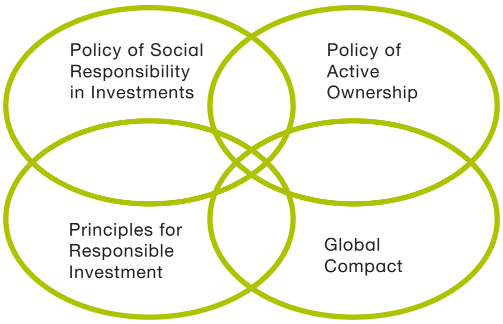
Responsibility

ATP supports the UN-backed Principles for Responsible Investment (PRI), which, in terms of procedure, underpin ATP's work on business-driven responsibility in investment.

Responsibility

ATP practises business-driven social responsibility in investments in order to safeguard and increase the return for the benefit of ATP's members.

ATP's framework for practising responsibility



The framework for ATP's work with responsibility is set out in the Policies of Social Responsibility in Investments and Corporate Governance adopted by the Supervisory Board.

The policies provide a basis for taking into account, in investment analyses and investment decisions, a wide range of environmental, social and governance (so-called ESG) issues of relevance to society.

Policy of Social Responsibility in Investments

ATP's Policy of Social Responsibility in Investments is based on the rules and regulations laid down by national authorities and international organisations endorsed by Denmark; however, ATP believes that compliance with the policy will also protect and increase the return on ATP's investments. If a company does not act responsibly, it may cause the risk to increase significantly for the company, which will affect its value. Conversely, a clear focus on responsibility may enable the company to realise its business potential and thus increase the value of ATP's ownership interest.

Policy of Active Ownership

The purpose of ATP's Policy of Corporate Governance is to protect and increase the return on ATP's investments. A valuable spin-off effect of the efforts to promote corporate governance is that they may contribute to achieving minimum cost of capital and maximum competitiveness for the benefit of all shareholders and the company's other stakeholders.

ATP and the UN Principles for Responsible Investment

The UN-supported Principles for Responsible Investment (PRI) comprise six principles for how to work with responsible investment.

- ESG integration
- Active ownership
- Information from companies
- Promotion of the Principles for Responsible Investment
- Collaboration with other investors
- Dialogue and reporting

These principles naturally co-exist with ATP's Policies of Responsibility in Investments and Corporate Governance. The six principles provide inspiration on possible actions for supporting and communicating the work on the policies.

For a number of years, dialogue has been sought with other investors that have also adopted the six Principles for Responsible Investment in order to develop and improve ATP's practice in this field. These efforts continued in 2015.

In December 2013, ATP decided to leave the private organisation supporting the six Principles for Responsible Investment (PRI). ATP still supports the six Principles and is in active dialogue with the organisation about governance issues.

ATP and the UN Global Compact
ATP has for a number of years been working with the UN Global Compact principles in relation to its own business practices. In 2015, it was decided that, going forward, a more targeted approach would be adopted to the ten principles in relation to ATP's investments, as it is believed that the best opportunity for constructively and effectively supporting the ten principles lies within this field.

SPECIAL MEASURES IN 2015

Integration of climate considerations in ATP's portfolios
For a number of years, work has been going into integrating climate considerations into ATP's investments.

Expectations have been and still are that a gradual global transition to a low-carbon economy will take place over a number of years. The adoption of the global Paris Agreement in December 2015 confirms the likelihood of this development.

ATP incorporates climate considerations into all of its investments, but finds this especially relevant in connection with illiquid investments, such as forestry and infrastructure, in which ATP holds substantial investments.

In order for ATP and other investors to be able to allocate even more resources to the transition to a low-carbon economy in the future, it is crucial that a clear, credible and predictable policy framework be established at the national and regional level. ATP is working with other investors via the Institutional Investors Group on Climate Change to further this development.

New active ownership initiatives
ATP has a long-standing tradition for exercising active ownership in relation to Danish equity investments In 2015, the Supervisory Board decided that, in future, ATP will continue to exercise its voting rights in respect of the Group's international equity investments. To ensure coherence and continuity in relation to the active ownership exercised so far, a model has been developed whereby ATP's Committee for Social Responsibility controls all ATP's voting in the portfolios which do not involve a continuous dialogue with the companies.

For many years, ATP has been engaged in active ESG dialogue with companies in which ATP holds a significant ownership interest. In 2015, particular focus areas of the ESG dialogue were anti-corruption issues and diversity in management.

In 2015, ATP's Committee for Social Responsibility chose to extend its list of excluded companies on two occasions. In both cases, the list of excluded companies was extended by companies in which ATP had not invested. Additions to the list were seven companies identified by an external expert as being associated with the production of weapons subject to conventions and five companies which were documented by leading investors as being environmentally irresponsible in their logging activities by showing no regard for biodiversity.

ATP and the Global Compact
In 2015, ATP worked to integrate the 10 Global Compact principles in its screenings. Moreover, ATP chose to intensify its participation in the UN Global Compact activities, both at the global and regional level. In 2016, ATP will continue its active participation in the Global Compact.

Collaboration with other investors
Collaboration with other investors is a source of greater

knowledge and greater influence. To enhance the effectiveness of its work on responsibility, ATP is consistently seeking to strengthen its collaboration and dialogue with other investors.

In 2015, in collaboration with Nordic colleagues from the Swedish AP funds, the Norwegian Folketrygdfondet and the Finnish Ilmarinen, ATP chose to set up a workshop for major companies in the Nordic region with a special focus on the UN Guiding Principles for Business & Human Rights.

Moreover, in partnership with a small group of global investors, ATP co-founded a new organisation (GRESB Infrastructure), which is to develop a global ESG reporting and benchmarking standard for infrastructure investments.

ATP also participated actively in the global initiative Focusing Capital on the Long Term (FCLT), which was established to promote a long-term focus among investors and companies.

Dialogue and reporting

ATP wants to ensure a high degree of openness in respect of its activities to promote responsibility. The idea is that greater openness contributes to a better understanding of the dilemmas and challenges facing investors when practising social responsibility in investments.

In 2015, ATP was invited to participate in a dialogue with NGOs and companies on the challenges and opportunities relating to tax and the private sector. The feeling is that this dialogue has led to a better understanding among the parties of how investors and companies handle tax matters and of the wishes of the NGOs in respect of companies' and investors' tax-related work.

In future, ATP will publish its holdings of listed equities in conjunction with the publication of the ATP Group's annual report and the interim report for H1.

More information

More information on ATP's responsibility work is available in the report ATP Responsibility in Investments 2015, which also constitutes ATP's Communication on Progress to the UN Global Compact at ATP's website (www.atp.dk/Results and Reports/Responsibility Reports/2015).

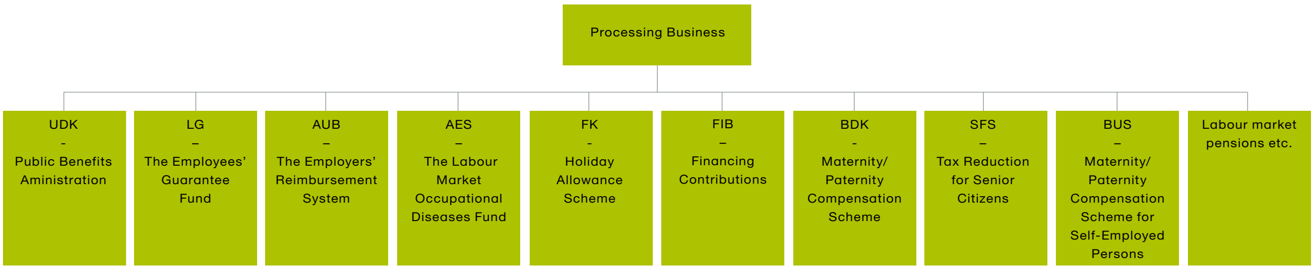
Business processing, external parties

> In 2012 and 2013, UDK – Public Benefits Administration assumed responsibility for the administration of a number of welfare benefits, including the state-funded old-age pension. UDK – Public Benefits Administration was tasked with delivering cost savings of 33 per cent, equivalent to annual cost savings of close to DKK 300m. On 1 March 2015, this target was achieved on time.

Business processing, external parties

Savings targets achieved

Business processing, external parties



The core of the ATP Group's Processing Business is the disbursement of benefits, the collection of contributions and membership and client administration. The tasks are administered on a cost-recovery basis, and ambitious targets have been defined for customer dialogue and customer satisfaction coupled with efficient and competitive operations, the result being falling key ratios for the development of expenses. ATP also offers a very limited range of business processing services on an arm's length basis (i.e. on market terms).

Digitisation, optimisation, structured work processes and efficient operations management once again resulted in low operating expenses in 2015. In 2015, the Processing Business incurred expenses of DKK 1.2bn, which were re-invoiced to the schemes managed on a cost-recovery basis.

In 2010, targets were defined for the schemes managed (not including UDK – Public Benefits Administration) towards 2015. The financial targets, equivalent to a 10 per cent reduction in operating expenses in the 2010 to 2015 period, have been achieved. The separate target set for UDK – Public Benefits Administration of annual cost savings of 33 per cent was achieved in 2015.

STATUTORY SERVICES PROVIDED ON A COST-RECOVERY BASIS

UDK – Public Benefits Administration

On behalf of the 98 Danish municipalities, UDK disburses state-funded old-age pension, disability benefits, housing benefits, maternity/paternity benefits and family benefits, totalling around DKK 200bn, to more than two million citizens. In 2015, the focus was maintained on good customer dialogue, compliance with agreed service targets coupled with streamlining of operations and achieving the planned cost savings. The initial business case set out a requirement for annual savings of 33 per cent, or just under DKK 300m, from customer operations. This target was achieved as at 1 March 2015. On top of that, additional efficiency gains of approx. DKK 40m were achieved in respect of the joint public digitisation strategy – mandatory digital self-service and e-Income – in 2015.

New benefit disbursement tasks were assigned to UDK on 1 May 2015 in the form of international health insurance services, funeral benefits, benefits under the Danish flexijob scheme (benefits paid for less demanding, publicly supported jobs), survivor lump-sum benefits and partial pensions. The new disbursement tasks have been incorporated into UDK operations, and the required savings for 2015 were delivered. From 2016, expenses are expected to be reduced by 42 per cent, equivalent to DKK 22m. On 1 May 2015, UDK also launched a new joint data unit to expand the basis for and cooperation on the control of municipal social benefits.

In parallel with this, a large number of IT solutions will be developed to streamline and modernise business processes and citizen services over the coming years. This is expected to lead to significant efficiency gains and reductions of the municipalities' IT operating expenses by a minimum of 25 per cent.

Business processing expenses, external parties

DKKm	2015	2014
UDK – Public Benefits Administration	882	885
LG – The Employees' Guarantee Fund	70	106
AUB – The Employers' Reimbursement System	68	63
AES – The Labour Market Occupational Diseases Fund	57	58
FK - Holiday Allowance Scheme	79	77
Barsel.dk - Maternity/Paternity Compensation Scheme	33	36
FIB – Financing Contributions	13	15
SFS – Tax Reductions for Senior Citizens	9	11
BUS – Maternity/Paternity Compensation Scheme for Self-employed Persons	20	-
Labour market pension schemes etc.	1	175
Total	**1,229**	**1,426**

International Pension & Social Security (IPOS) handles cases concerning state-funded old-age pension and disability pension for Danes living abroad and social security for Danish employees and companies abroad. Responsibility for international pension and social security tasks was transferred to UDK in 2013, resulting in cost savings of about 25 per cent. As part of the Danish government's plan for the relocation of public sector jobs, it has been decided that IPOS employees will be relocated from Hillerød to UDK centres in western Denmark in 2016.

Some of the tasks of the Danish Public Administration are expected to be transferred to UDK – Public Benefits Administration, and most of these employees are also expected to be relocated to UDK centres in western Denmark, cf. the Danish government's plan for the relocation of public sector jobs. This requires a legislative amendment, which is expected to be adopted in spring 2016.

LG – The Employees' Guarantee Fund

Funded by contributions from private sector employers, LG ensures that wage earners are able to recover their outstanding salaries and wages from companies being declared bankrupt or otherwise going out of business. LG also assists wage earners if companies are subject to financial reconstruction. In 2015, LG processed just over 12,000 claims from wage earners and disbursed DKK 488m in pay, compensation and holiday allowance. Business processing expenses totalled DKK 70m. Activity-defined expenses amounted to DKK 1,217 per wage earner claim processed.

AUB – The Employers' Reimbursement System

Funded by contributions from public and private sector employers, AUB provides financial support to employers, apprentices, trainees, schools and committees in connection with the vocational training and education of apprentices and trainees – among other things with a view to encourage the creation of more vocational apprenticeships. Disbursements under AUB are digital. In 2015, AUB disbursed a total of DKK 4,466m, including DKK 2,670m in wage reimbursements. The business processing expenses of AUB totalled DKK 68m, equivalent to DKK 530 per student/apprentice.

AES – The Labour Market Occupational Diseases Fund

Funded by contributions from public and private sector employers, AES pays compensation to wage earners suffering from recognised occupational diseases. AES makes lump-sum payments and pays out current benefits based on the Danish National Board of Industrial Injuries' assessment of the specific claims filed.

In addition, AES charges an industrial injury tax on behalf of SKAT (the Danish Customs and Tax Administration). In 2015, AES disbursed a total of DKK 1,182m and collected DKK 1,332m in contributions. Business processing expenses totalled DKK 57m, equivalent to an average of DKK 26 per wage earner covered by the scheme.

Effective from 1 July 2016, ATP is expected to assume responsibility for the administration of the Danish National Board of Industrial Injuries, which is to form part of a new solution along with AES. This requires the adoption of a legislative amendment in spring 2016.

FK - Holiday Allowance Scheme

FK handles the administration of holiday allowance for wage earners not covered by collective schemes. Employers pay holiday allowance into accounts with FK, and the scheme subsequently pays the allowance to wage earners based on holidays reported. 987,184 wage earners are covered by FK. ATP provides administrative and technical assistance in connection with the administration of FK on behalf of the Danish Agency for Labour Market and Recruitment. In 2015, FK disbursed holiday allowance totalling DKK 9.3bn to wage earners and collected DKK 9.9bn from employers. Business processing expenses totalled DKK 79m, equivalent to DKK 80 per wage earner.

As part of the Danish government's relocation of public sector jobs, it has been decided that Feriekonto employees will be relocated from Hillerød to UDK centres in western Denmark in 2016.

BDK - Maternity/Paternity Compensation Scheme

BDK is a mandatory maternity/paternity compensation scheme. BDK covers the part of the private sector labour market that is not covered by other approved maternity/paternity compensation schemes. BDK collects contributions for maternity/paternity compensation and reimburses employers who pay wages to employees on maternity/paternity leave. In 2015, DKK 488m was received in contributions from employers, and DKK 424m was reimbursed. Business processing expenses totalled DKK 33m, equivalent to DKK 1,373 per period of maternity/patentity leave.

As part of the central government's relocation of public sector jobs, it has been decided that BDK employees will be relocated from Hillerød to UDK centres in western Denmark in 2016.

BUS – Maternity/Paternity Compensation Scheme for Self-employed Persons

In 2015, ATP participated in the setting-up of a new scheme: BUS – Maternity/Paternity Compensation Scheme for Self-employed Persons, which is a mandatory scheme provided by the Danish Act on Maternity and Paternity Compensation for Self-Employed Persons (Lov om barselsudligning for selvstændigt erhvervsdrivende). The scheme went on stream with collections from August 2015 and disbursements from October 2015. Business processing expenses totalled DKK 20m.

It turned out that a number of people were covered by the scheme without being self-employed in the commonly understood sense of the word. If the scheme were to be targeted more specifically at self-employed persons, the preconditions for the scheme would change. It was therefore not possible to continue the scheme in its current form. Consequently, the Danish government has introduced a bill to discontinue the scheme. This bill includes a transitional arrangement whereby self-employed persons who start their maternity/paternity leave before 1 April 2016 will be eligible for compensation during their leave under the existing rules, even if their leave extends beyond 1 April 2016.

FIB – Financing Contributions

Private sector employers pay FIB contributions to finance ATP contributions for employees during spells of absence from the labour market due to unemployment, sickness or maternity/paternity leave. ATP collects FIB contributions together with LG contributions. The collection of the contributions is a statutory collection service performed by the ATP Group on behalf of the Danish Government and LG under the name FIB (Financing contributions). In 2015, ATP collected FIB contributions totalling DKK 994m. The annual FIB rate per full-time employee was DKK 644 in 2015. Business processing expenses totalled DKK 13m.

SFS – Tax Reductions for Senior Citizens

ATP administers SFS in cooperation with SKAT. The purpose of the scheme is to encourage wage earners and self-employed persons to remain in the labour market after age 60. ATP's role is to calculate the employment rate of employees aged 60 to 64 and notify them of their employment rate, which is calculated based on data from ATP's collections. In 2015, ATP sent almost 180,000 statements to people born in the years from 1949 to 1952. Business processing expenses totalled DKK 9m.

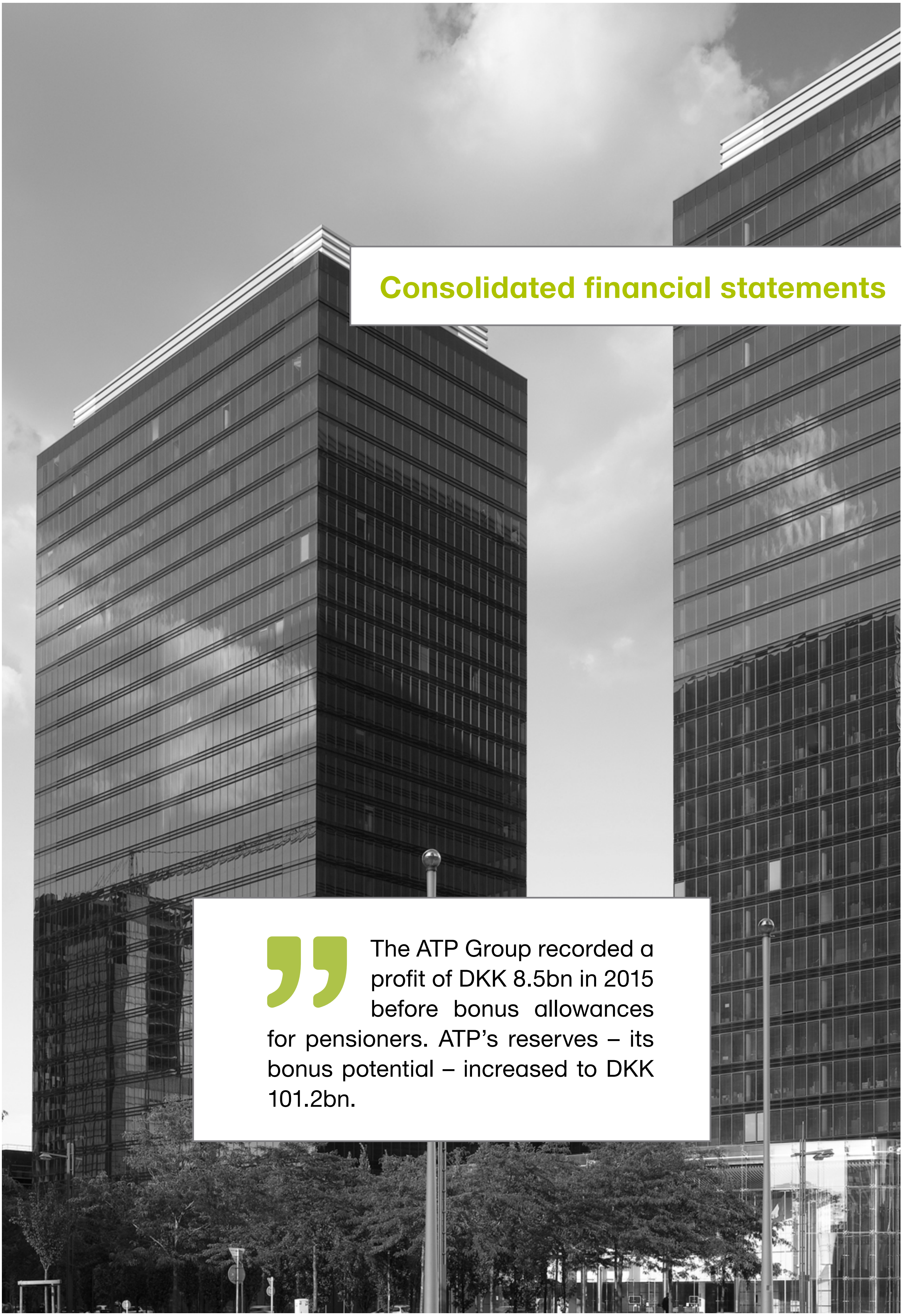
SERVICES PROVIDED ON AN ARM'S LENGTH BASIS (ON MARKET TERMS)

The administration services sold by ATP on an arm's length basis are administered via the subsidiary ATP PensionService A/S.

DAB - Maternity/Paternity Compensation Scheme

The ATP Group manages the maternity/paternity scheme DA-Barsel on behalf of the Confederation of Danish Employers (DA). The administration involves the collection of contributions from employers and reimbursements to companies with employees on maternity/paternity leave.

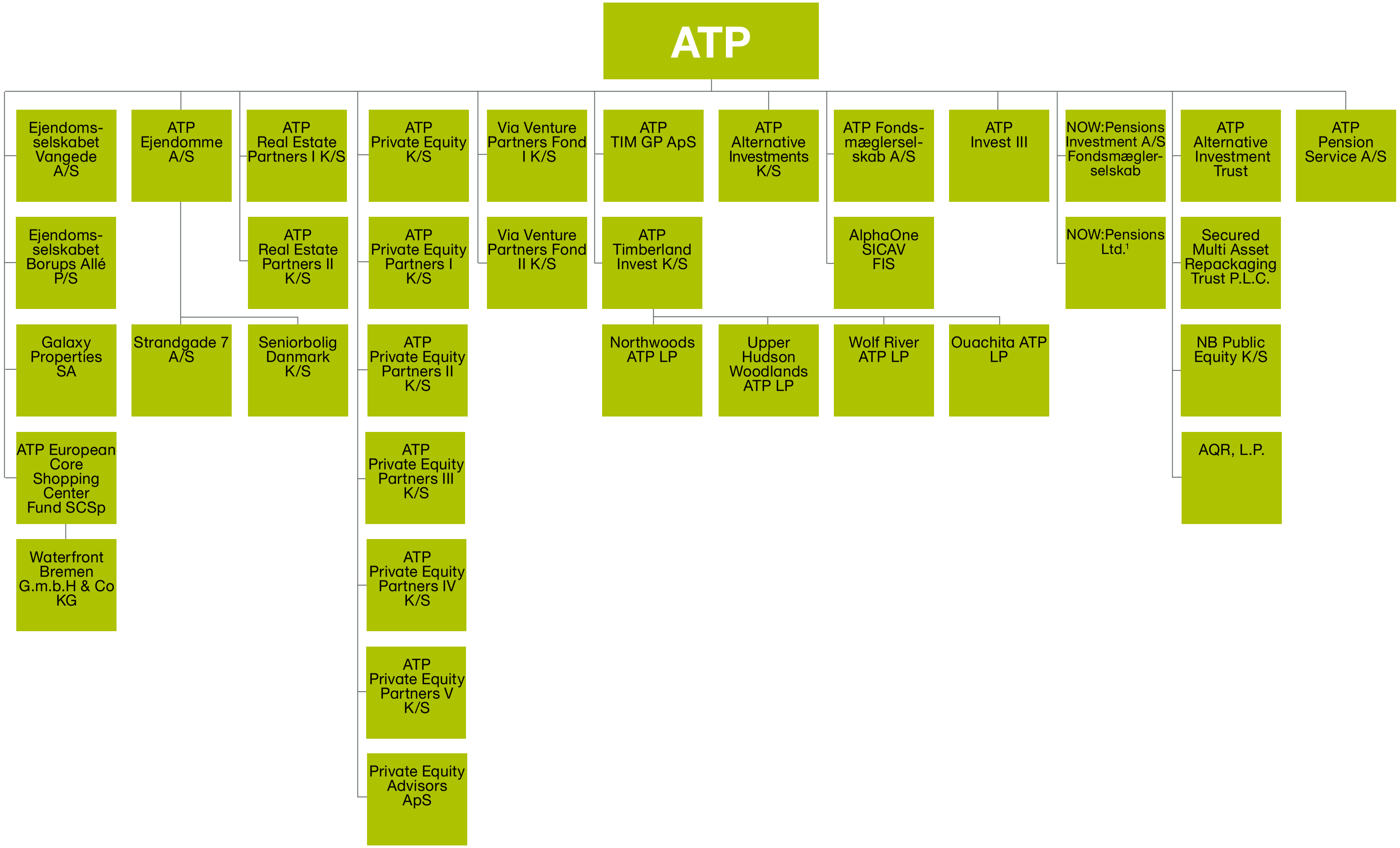
Consolidated financial statements



The ATP Group recorded a profit of DKK 8.5bn in 2015 before bonus allowances for pensioners. ATP's reserves – its bonus potential – increased to DKK 101.2bn.

North Galaxy Towers, Brussels

Overview of the ATP Group



[1]NOW Pensions Ltd. has 5 subsidiaries with no activity

Statement by the Supervisory and Executive Boards

The Supervisory and Executive Boards have today considered and adopted the annual report of ATP for the financial year 1 January to 31 December 2015.

The annual report has been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with additional Danish disclosure requirements as set out in the 'Executive Order on Financial Reporting by the Danish Labour Market Supplementary Pension Scheme' (Bekendtgørelse om finansielle rapporter for Arbejdsmarkedets Tillægspension – available in Danish only).

In our opinion, the consolidated financial statements and parent company financial statements give a true and fair view of the Group's and ATP's assets, liabilities and financial position as at 31 December 2015 and of the financial performance and cash flows of the Group and ATP for the financial year 1 January to 31 December 2015.

In our opinion, the management's review also provides a true and fair description of the development in the Group's and the Parent Company's operations and financial conditions, and a description of the most significant risks and uncertainties that may affect the Group and the Parent Company.

We recommend that the annual report be adopted by the Board of Representatives.

Copenhagen, 3 February 2016

Executive Board:

Carsten Stendevad
Chief Executive Officer

/Bo Foged
Chief Financial Officer

Supervisory Board:

Jørgen Søndergaard
Chairman of the Supervisory Board

Torben Dalby Larsen
Member of the Supervisory Board

Kim Graugaard
Member of the Supervisory Board

Lizette Risgaard
Member of the Supervisory Board

Arne Grevsen
Member of the Supervisory Board

Jacob Holbraad
Member of the Supervisory Board

Anne Broeng
Member of the Supervisory Board

Jan Walther Andersen
Member of the Supervisory Board

Kim Simonsen
Member of the Supervisory Board

Anne Jæger
Member of the Supervisory Board

Bent Hansen
Member of the Supervisory Board

Bente Sorgenfrey
Member of the Supervisory Board

Vacant
Member of the Supervisory Board

Adopted by the Board of Representatives.

Copenhagen, 3 February 2016

Board of Representatives:

Jørgen Søndergaard
Chairman of the Board of Representatives

Internal auditors' report

To the Board of Representatives

Auditors' report on the consolidated financial statements and parent company financial statements

We have audited the consolidated financial statements of the ATP Group and the financial statements of the ATP Parent Company for the financial year 1 January to 31 December 2015. The consolidated financial statements and parent company financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with additional Danish disclosure requirements as set out in the 'Executive Order on Financial Reporting by the Danish Labour Market Supplementary Pension Scheme' (Bekendtgørelse om finansielle rapporter for Arbejdsmarkedets Tillægspension – available in Danish only).

Basis of opinion

We conducted our audit in accordance with the Danish Financial Supervisory Authority's executive order on auditing of the Danish Labour Market Supplementary Pension Scheme (ATP), the Labour Market Occupational Diseases Fund (AES), the Employees' Capital Pension Fund (LD) and in accordance with international auditing standards. Those standards require that we plan and perform our audit to obtain reasonable assurance that the consolidated financial statements and parent company financial statements are free from material misstatement.

The audit was performed in accordance with the division of responsibilities agreed with the external auditors and included an assessment of the procedures and internal controls established, including the risk management organised by the Management relevant to reporting processes and material business risks. Based on materiality and risk, we examined, on a test basis, the basis of amounts and other disclosures in the consolidated financial statements and parent company financial statements. Furthermore, the audit included evaluating the appropriateness of the accounting policies applied by Management and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and parent company financial statements.

We participated in the audit of risk and material areas, and we believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion

In our opinion, the procedures and internal controls established, including the risk management organised by Management relevant to the Group's and the Parent Company's reporting processes and material business risks, are working satisfactorily.

Furthermore, in our opinion, the consolidated financial statements and parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position as at 31 December 2015 and of the financial performance and cash flows of the Group and the Parent Company for the financial year 1 January to 31 December 2015 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with additional Danish disclosure requirements as set out in the 'Executive Order on Financial Reporting by the Danish Labour Market Supplementary Pension Scheme' (Bekendtgørelse om finansielle rapporter for Arbejdsmarkedets Tillægspension –available in Danish only).

Statement on the Management's review

Pursuant to the 'Executive Order on Financial Reporting by the Danish Labour Market Supplementary Pension Scheme' (available in Danish only), we have read the management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent company financial statements.

On this basis, it is our opinion that the information provided in the management's review is consistent with the consolidated financial statements and parent company financial statements.

Copenhagen, 3 February 2016

Peter Jochimsen
Chief Auditor

Independent auditors' report

To the Board of Representatives

Auditors' report on the consolidated financial statements and parent company financial statements

We have audited the consolidated financial statements of the ATP Group and the financial statements of the ATP Parent Company for the financial year 1 January to 31 December 2015, comprising the income statement, comprehensive income statement, statement of financial position, statement of changes in equity, cash flow statement and notes, including the accounting policies for the Group as well as the Parent Company. The consolidated financial statements and parent company financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with additional Danish disclosure requirements as set out in the 'Executive Order on Financial Reporting by the Danish Labour Market Supplementary Pension Scheme' (Bekendtgørelse om finansielle rapporter for Arbejdsmarkedets Tillægspension – available in Danish only).

Management's responsibility for the consolidated financial statements and parent company financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements and parent company financial statements in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with additional Danish disclosure requirements as set out in the 'Executive Order on Financial Reporting by the Danish Labour Market Supplementary Pension Scheme (Bekendtgørelse om finansielle rapporter for Arbejdsmarkedets Tillægspension – available in Danish only). Management is also responsible for the internal controls considered necessary by Management to prepare consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent company financial statements based on our audit. We conducted our audit in accordance with international auditing standards and additional requirements in accordance with Danish auditing legislation. This requires that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the consolidated financial statements and parent company financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in consolidated financial statements and parent company financial statements. The audit procedures selected depend on the auditors' judgement, including an assessment of the risks of material misstatement in the consolidated financial statements and parent company financial statements, whether due to fraud or errors. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements and parent company financial statements. The objective is to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of the accounting policies applied by Management and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and parent company financial statements.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit did not result in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position as at 31 December 2015 and of the financial performance and cash flows of the Group and the Parent Company for the financial year 1 January to 31 December 2015 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with additional Danish disclosure requirements as set out in the 'Executive Order on Financial Reporting by the Danish Labour Market Supplementary Pension Scheme' (Bekendtgørelse om finansielle rapporter for Arbejdsmarkedets Tillægspension –available in Danish only).

Statement on the Management's review

Pursuant to the 'Executive Order on Financial Reporting by the Danish Labour Market Supplementary Pension Scheme' (available in Danish only), we have read the management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent company financial statements.

On this basis, it is our opinion that the information provided in the management's review is consistent with the consolidated financial statements and parent company financial statements.

Copenhagen, 3 February 2016

Deloitte
Statsautoriseret Revisionspartnerselskab

Henrik Wellejus	Kasper Bruhn Udam
State Authorised Public Accountant	State Authorised Public Accountant

Income statement

		Group		ATP	
DKKm		2015	2014	2015	2014
Note	**Pensions & Investments**				
	Investment				
	Income from group subsidiaries	-	-	6,623	7,526
	Income from associates	1,008	927	563	697
4	Income from investment properties	1,021	896	419	429
	Consulting fee and fee income	184	119	139	78
5	Interest income, dividends etc. related to investment activities	5,808	4,269	3,537	1,662
5	Market value adjustments related to investment activities	10,607	2,301	6,453	(2,449)
5	Interest expenses related to investment activities	(2,080)	(2,415)	(1,922)	(2,347)
6	Investment activity expenses	(837)	(720)	(254)	(264)
9	Tax on pension savings returns in respect of investment activities	(2,211)	(579)	(2,211)	(579)
	Income tax in respect of investment activities	(48)	0	-	-
	Investment activity results	**13,452**	**4,798**	**13,347**	**4,753**
	Hedging				
5	Interest income related to hedging activities	17,716	18,213	17,716	18,213
5	Market value adjustments related to hedging activities	(25,357)	114,013	(25,357)	114,013
5	Interest expenses related to hedging activities	(351)	(5)	(351)	(5)
9	Tax on pension savings returns in respect of hedging activities	1,223	(20,230)	1,223	(20,230)
22	Change in guaranteed benefits due to change in discount rate	12,172	(102,304)	12,172	(102,304)
22	Change in guaranteed benefits due to maturity reduction	(7,674)	(10,439)	(7,674)	(10,439)
	Hedging activity results	**(2,271)**	**(752)**	**(2,271)**	**(752)**
	Investment and hedging activity results	**11,181**	**4,046**	**11,076**	**4,001**
	Pension				
10	Contributions	9,055	9,049	9,055	9,049
	Fees	2	2	2	2
11	Benefit payouts	(14,566)	(13,661)	(14,566)	(13,661)
23	Change in provisions for claims outstanding	(6)	(18)	(6)	(18)
22	Change in guaranteed benefits due to contributions and pension benefits	6,694	6,061	6,694	6,061
5	Interest income related to pension activities	11	10	11	10
5	Interest expenses related to pension activities	(4)	0	(4)	0
6	Pension activity expenses	(283)	(300)	(283)	(300)
9	Tax on pension savings returns in respect of pension activities	(1)	(2)	(1)	(2)
	Revenue recognition of Special Pension Savings not withdrawn	147	0	147	0
	Results before change in life expectancy	**1,049**	**1,141**	**1,049**	**1,141**
22	Change in guaranteed benefits due to life expectancy update	(3,723)	96	(3,723)	96
	Pension activity results	**(2,674)**	**1,237**	**(2,674)**	**1,237**
	Pensions & Investments results	**8,507**	**5,283**	**8,402**	**5,238**
	Processing Business				
7	Other income	1,251	1,450	1,278	1,462
6. 8	Other expenses	(1,229)	(1,426)	(1,261)	(1,447)
	Income tax in respect of business processing	(1)	8	-	-
	Processing Business results	**21**	**32**	**17**	**15**
	Results before bonus	**8,528**	**5,315**	**8,419**	**5,253**
	Bonus allowance for the year	(3,017)	(2,772)	(3,017)	(2,772)
	Net results for the year	**5,511**	**2,543**	**5,402**	**2,481**
	Minority interests' share of net results for the year	109	62	-	-
	The ATP Group's share of net results for the year	5,402	2,481	5,402	2,481
	Allocated profit	**5,511**	**2,543**	**5,402**	**2,481**

Statement of comprehensive income

DKKm	Group 2015	Group 2014	ATP 2015	ATP 2014
Net results for the year	**5,511**	**2,543**	**5,402**	**2,481**
Other comprehensive income				
Items that may not be reclassified to results:				
Revaluation reserve, owner-occupied properties	9	6	9	6
Other	0	0	0	0
Total	**9**	**6**	**9**	**6**
Other comprehensive income	**9**	**6**	**9**	**6**
Comprehensive income for the year	**5,520**	**2,549**	**5,411**	**2,487**
Minority interests' share of comprehensive income for the year	109	62	-	-
The ATP Group's share of comprehensive income for the year	5,411	2,487	5,411	2,487
Allocated comprehensive income	**5,520**	**2,549**	**5,411**	**2,487**

Statement of financial position

DKKm		Group		ATP	
Note		2015	2014	2015	2014
	ASSETS				
	Cash and demand deposits	5,491	5,234	2,397	2,033
12	Bonds	520,244	515,714	494,443	488,199
12	Equity investments	81,279	78,095	43,759	37,504
12	Mutual fund units	5,535	6,603	0	0
12.13	Financial derivatives	81,932	116,725	81,930	116,657
12	Loans to portfolio companies	10,049	5,142	9,435	4,572
12	Loans to group subsidiaries	-	-	2,695	2,755
12	Receivables from group subsidiaries	-	-	526	1,037
12. 14	Investments in group subsidiaries	-	-	85,460	78,842
12. 15	Investments in associates	13,018	10,328	7,910	7,157
25	Intangible assets	582	527	537	425
16	Investment properties	20,360	17,871	7,749	7,507
26	Owner-occupied properties	847	842	802	799
	Operating equipment	23	19	19	16
	Tax receivable on pension savings returns and income tax	0	1	0	0
	Deferred tax on pension savings returns and income tax	8	11	0	0
12	Interest receivable	4,273	4,633	3,887	4,208
12	Contributions receivable	2,435	2,408	2,435	2,408
12	Receivables from credit institutions	35,428	55,835	35,428	55,835
12	Other receivables and other loans	2,144	2,827	1,010	1,719
	Other prepayments	814	766	806	760
	Total assets	**784,462**	**823,581**	**781,228**	**812,433**
	EQUITY AND LIABILITIES				
12	Payables to group subsidiaries	-	-	167	114
12. 13	Financial derivatives	57,782	69,934	56,811	68,169
	Tax payable on pension savings returns and income tax payable	976	15,432	976	15,428
	Deferred tax on pension savings returns and income tax	116	69	0	0
12	Payables to credit institutions	16,070	18,995	16,070	18,995
12	Other payables	3,965	14,619	1,990	5,304
	Total payables	**78,909**	**119,049**	**76,014**	**108,010**
22	Guaranteed benefits	603,857	608,309	603,857	608,309
23	Provisions for claims outstanding	115	109	115	109
24	Bonus potential	101,242	95,831	101,242	95,831
	Provisions for unit-linked contracts	0	174	0	174
	Total pension provisions	**705,214**	**704,423**	**705,214**	**704,423**
	Minority interests	339	109	-	-
	Total equity and liabilities	**784,462**	**823,581**	**781,228**	**812,433**

Cash flow statement

DKKm Note		Group 2015	Group 2014	ATP 2015	ATP 2014
	Cash flows from operating activities				
	Contributions and fees received	9,020	8,925	9,020	8,925
	Pension benefit payouts	(14,645)	(13,702)	(14,645)	(13,702)
	Pension activity expenses paid	(49)	(67)	(49)	(67)
	Interest income received in respect of pension activities	11	10	11	10
	Interest expenses paid in respect of pension activities	(4)	0	(4)	0
	Tax paid on pension savings returns in respect of pension activities	(1)	0	(1)	0
	Cash flows from pension activities	(5,668)	(4,834)	(5,668)	(4,834)
	Interest income etc. received in respect of investment and hedging activities	23,898	22,402	21,571	19,938
	Interest expenses etc. paid in respect of investment and hedging activities	(2,431)	(2,420)	(2,275)	(2,352)
	Return received on investment properties and consulting fee	1,322	964	566	498
	Investment activity expenses paid	(782)	(669)	(254)	(264)
	Tax paid on pension savings returns in respect of investment and hedging activities	(15,440)	(16)	(15,440)	(16)
	Cash flows from investment and hedging activities	6,567	20,261	4,168	17,804
	Income received in respect of business processing	1,282	1,417	1,343	1,432
	Business processing expenses paid	(1,162)	(1,426)	(1,188)	(1,441)
	Cash flows from business processing	120	(9)	155	(9)
	Income tax paid	(2)	16	-	-
	Cash flows from operating activities	**1,017**	**15,434**	**(1,345)**	**12,961**
	Cash flows from investment activities				
	Sale of bonds	142,463	180,421	103,702	144,696
	Bond drawings	19,189	26,977	19,148	26,916
	Purchase of bonds	(191,096)	(200,222)	(146,470)	(165,703)
	Sale of equity investments	51,841	38,986	59,363	47,104
	Purchase of equity investments	(42,063)	(39,579)	(56,884)	(47,096)
	Financial derivatives	4,159	1,575	9,684	2,510
	Sale of mutual fund units	3,350	2,561	0	0
	Purchase of mutual fund units	0	(1,641)	0	0
	Sale of investment properties	824	459	38	0
	Purchase of investment properties	(1,750)	(261)	(158)	(225)
	Sale and purchase, net, intangible assets, property, plant and equipment and owner-occupied properties	(231)	(22)	(229)	(19)
	Loans to credit institutions, portfolio companies and subsidiaries	16,276	(3,344)	16,395	(5,856)
28	Acquisition and sale of companies	0	17	0	0
	Cash flows from investment activities	**2,962**	**5,927**	**4,589**	**2,327**
	Cash flows from financing activities				
	Repayment of mortgage debt	0	(3,957)	0	0
	Loan and capital increase from minority shareholder	113	415	0	0
	Loans from credit institutions	(2,925)	(16,250)	(2,925)	(16,250)
	Cash flows from financing activities	**(2,812)**	**(19,792)**	**(2,925)**	**(16,250)**
	Change in cash and cash equivalents	**1,167**	**1,569**	**319**	**(962)**
	Foreign currency translation adjustments	(910)	(121)	45	37
	Cash and cash equivalents as at 1 January	**5,234**	**3,786**	**2,033**	**2,958**
	Cash and cash equivalents as at 31 December	**5,491**	**5,234**	**2,397**	**2,033**

The cash flow figures cannot be deduced directly from the figures of the consolidated financial statements.

Contents of notes

Note 1 General accounting policies

The consolidated financial statements and the annual report of ATP for 2015 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with additional Danish disclosure requirements as set out in the 'Executive Order on Financial Reporting by the Danish Labour Market Supplementary Pension Scheme' (Bekendtgørelse om finansielle rapporter for Arbejdsmarkedets Tillægspension – available in Danish only).

In the preparation of the annual report, the Supervisory and Executive Boards list a number of assumptions that affect the application of the accounting policies and the carrying amounts of assets and liabilities, as well as income and expenses. Note 2 specifies the accounting estimates and assessments considered to be material in the preparation of the annual report. Accounting policies and accounting estimates for specific items are set out in the individual notes.

§ Accounting policies

Materiality in presentation
In the preparation of the annual report, the Supervisory and Executive Boards assess how to present the annual report. In this context, it is taken into account that the content of the annual report must be significant to the reader. In the presentation of the Group's and ATP's assets, liabilities, financial position and performance, it is assessed whether less significant amounts could, with advantage, be aggregated. In the preparation of the notes, the focus is on ensuring that the content is relevant and the presentation is clear. Assessments are always carried out with reference to relevant legislation, international financial reporting and accounting standards and to ensure that the annual report provides an overall true and fair view.

Consolidation
The consolidated financial statements comprise the financial statements of the ATP Parent Company and entities controlled by ATP. ATP controls an entity when ATP is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The consolidated financial statements are based on the financial statements of the Parent Company and the individual subsidiaries, prepared in accordance with the Group's accounting policies. Items of a uniform nature are added together and the following items are eliminated: intercompany income and expenses, equity holdings, intercompany balances and dividends, as well as realised and unrealised gains and losses on transactions between consolidated companies.

A group overview is available on page 57.

Foreign currency translation:

Functional currency and presentation currency
The consolidated financial statements are presented in Danish kroner (DKK), which is the functional currency and presentation currency of the Parent Company. A functional currency is determined for each of the Group's reporting entities. All of the Group's entities use Danish kroner (DKK) as their functional currency.

Translation of transactions and amounts
The functional currency is the currency used in the primary financial environment in which the reporting entity operates. Transactions in currencies other than the functional currency are foreign currency transactions. Foreign currency transactions are translated into the functional currency at the exchange rate prevailing at the transaction date. Investment assets, receivables and payables in foreign currencies are translated into the functional currency at the exchange rate prevailing at the statement of financial position date. Realised and unrealised foreign exchange gains and losses are included in the income statement under 'Market value adjustments related to investment activities' and 'Market value adjustments related to hedging activities'.

Cash flow statement
The Group's cash flow statement shows the cash flows for the year, broken down by operating, investment and financing activities; changes for the year in cash and cash equivalents; and the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities are presented directly and calculated as pension contributions received less pension benefit payouts. Moreover, management fees received, payments related to administration activities, payments to suppliers and staff, and direct and indirect taxes are included.

Cash flows from investment activities include purchases and sales for the financial year of bonds, equity investments, financial derivatives, mutual fund units, loans to credit institutions, investment properties, as well as intangible assets and operating equipment.

Cash flows from financing activities include the use of repo transactions, minority interest transactions and repayment of mortgage debt in companies acquired, for the financial year.

Cash and cash equivalents include cash and demand deposits, as well as time deposits with an original term to maturity of less than three months.

Bonus potential
ATP and the ATP Group have no owners in the traditional sense of the word such as a public limited company with shareholders. Thus, ATP and the ATP Group have no shareholders' equity.

The comprehensive income for the year is transferred to ATP's and the Group's bonus potential. The comprehensive income for the year includes the profit for the year plus revaluation of owner-occupied properties for the year.

The bonus potential is used to increase the future guaranteed benefits on an ongoing basis. The bonus allowances for the year are recognised as an expense in the income statement.

Note 1 General accounting policies, continued

Accounting policies for notes without a specific note attached

Income tax
Tax on results for the year, comprising current tax for the year, changes in deferred tax and prior-year adjustments, if any, is recognised in the income statement. Tax payable and deferred tax are recognised under payables, while tax receivable and deferred tax assets are recognised under assets.

Deferred tax resulting from temporary differences between the carrying amount and the tax base of assets and liabilities is measured under the statement of financial position liability method.

The tax value of tax loss carryforwards is included in the calculation of deferred tax if it is likely that the tax loss carryforwards can be utilised. Deferred tax is measured in accordance with the current tax rules and at the tax rates that are expected to apply in the periods in which the temporary differences reverse.

Operating equipment
Operating equipment is measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price as well as expenses directly related to the acquisition until such a time as the asset is ready for use. Expenses incurred for repair and maintenance are taken directly to the income statement.

Depreciation of operating equipment is provided on a straight-line basis over the estimated useful economic lives of the assets. The depreciation periods have been determined at two to five years.

Losses or gains on the sale or other disposal of property, plant and equipment are measured as the difference between the selling price and the carrying amount.

The residual value and useful economic lives of the assets are reviewed and adjusted, if appropriate, at each statement of financial position date. If the residual value of the asset exceeds the carrying amount, depreciation is discontinued. In case of changes in the depreciation period or the residual value, the prospective effect of depreciation is recognised as a change in accounting estimate.

Note 2 Significant accounting estimates

In the preparation of the annual report in accordance with generally accepted accounting principles, the Supervisory and Executive Boards make estimates and assumptions that affect the reported amounts of assets and liabilities. The Supervisory and Executive Boards base their estimates on historical experience and on various other factors that are believed to be reasonable and relevant under the circumstances. The Supervisory and Executive Boards of the ATP Group consider the following estimates and related assessments to be significant in the preparation of the consolidated financial statements.

- Estimates related to the determination of the fair value of financial instruments (note 12).
- The discount rate and estimates related to the valuation of pension provisions (note 22).
- Estimates related to the valuation of the Group's investment properties (note 16).

Note 3 New accounting regulations

The following new and revised standards that are effective for financial periods beginning on 1 January 2015 have been implemented in the consolidated financial statements and the parent company financial statements.

- IAS 19 Defined Benefit Plans: Employee Contributions – Amendments to IAS 19.
- Parts of Annual Improvements to IFRSs 2010-12 Cycle.
- Annual Improvements to IFRS 2011-13 Cycle.

None of the revised standards have affected recognition and measurement in the consolidated financial statements and the parent company financial statements for 2015.

Standards and interpretations not yet in effect
A number of new and revised standards and interpretations have been issued that are not mandatory for the Group and ATP for the preparation of the annual report for 2015. None of these standards and interpretations are expected to have a material impact on the financial reporting of the Group and ATP.

Note 4 Income from investment properties

DKKm	Group		ATP	
	2015	**2014**	**2015**	**2014**
Rental income from investment properties	1,233	1,096	572	570
Income from forestry investment properties	51	41	0	0
Property management expenses	(199)	(184)	(145)	(131)
Operating expenses, forestry properties	(52)	(43)	0	0
Maintenance expenses in respect of investment properties	(12)	(14)	(8)	(10)
Total income from investment properties	**1,021**	**896**	**419**	**429**
Operating expenses excl. forestry investment properties incl. repairs and maintenance in respect of:				
Rented floor space	(182)	(176)	(129)	(125)
Non-rented floor space	(29)	(22)	(24)	(16)
Total	**(211)**	**(198)**	**(153)**	**(141)**

§ Accounting policies

Income from investment properties is comprised of the rental income from investment properties for the year and sale of timber from forestry properties less property management and timber expenses. Fair value adjustments of investment properties are recognised in the item ‘Market value adjustments related to investment activities’. The specification is set out in note 5 ‘Investment returns, broken down by asset type’. The determination of the fair value of investment properties is described in detail in note 16 ‘Investment properties’.

Note 5 Investment returns, broken down by asset type, Group

The ATP Group's investment returns are allocated to the Group's three business areas using the following principles. The return in the hedging portfolio consists of interest income and market value adjustments of bonds, interest rate swaps and repo transactions. The return on bonds and interest rate swaps after tax on pension savings returns of 15.3 per cent is largely equivalent to the changes in the guaranteed benefits due to changes in the discount rate and changes in maturity. Hedging using interest rate swaps does not require liquidity in the same manner as bonds, and the unused liquidity is made available for investment activities. Investment activities pay interest on this liquidity, referred to below as 'Loans from hedging activities'. Pensions & Investments use this liquidity to invest in five risk classes within a pre-defined risk budget.

See the 'Investment' section for a description of the individual risk classes. A small part of the Group's cash and cash equivalents and the related interest income are attributed to pension activities.

DKKm	2015			2014		
Investment	**Interest income, dividends etc.**	**Interest expenses**	**Market value adjustments**	**Interest income, dividends etc.**	**Interest expenses**	**Market value adjustments**
Investment properties	0	0	555	1	0	80
Equity investments	3,749	0	15,846	2,115	0	11,902
Mutual fund units	0	0	2,282	0	0	1,229
Bonds	1,938	0	(1,079)	1,368	0	2,044
Loans from hedging activities	0	(1,169)	0	0	(1,294)	0
Receivables from and payables to credit institutions	0	0	0	363	(364)	(2)
Other	78	(162)	(595)	422	(70)	93
Financial assets and liabilities recognised at fair value in the income statement (chosen)	5,765	(1,331)	17,009	4,269	(1,728)	15,346
Financial derivatives	43	(749)	(6,402)	0	(687)	(13,045)
Total trading assets	43	(749)	(6,402)	0	(687)	(13,045)
Total	**5,808**	**(2,080)**	**10,607**	**4,269**	**(2,415)**	**2,301**

Hedging	**Interest income etc.**	**Interest expenses**	**Market value adjustments**	**Interest income etc.**	**Interest expenses**	**Market value adjustments**
Bonds	10,948	0	(13,013)	11,940	0	57,918
Loans for investment activities	1,169	0	0	1,294	0	0
Receivables from and payables to credit institutions	287	(351)	2	30	0	0
Other	0	0	(24)	0	0	15
Financial assets and liabilities recognised at fair value in the income statement (chosen)	12,404	(351)	(13,035)	13,264	0	57,933
Financial derivatives	5,312	0	(12,322)	4,949	(5)	56,080
Total trading assets	5,312	0	(12,322)	4,949	(5)	56,080
Total	**17,716**	**(351)**	**(25,357)**	**18,213**	**(5)**	**114,013**

Pension	**Interest income etc.**	**Interest expenses**	**Interest income etc.**	**Interest expenses**
Other	11	(4)	10	0
Financial assets and liabilities at amortised cost	11	(4)	10	0
Total	**11**	**(4)**	**10**	**0**

Note 5 Investment returns, broken down by asset type, ATP

DKKm	2015			2014		
Investment	**Interest income, dividends etc.**	**Interest expenses**	**Market value adjustments**	**Interest income, dividends etc.**	**Interest expenses**	**Market value adjustments**
Investment properties	0	0	122	0	0	(284)
Equity investments	2,583	0	8,917	542	0	5,346
Bonds	508	0	(1,274)	165	0	407
Loans from hedging activities	0	(1,169)	0	0	(1,294)	0
Receivables from and payables to credit institutions	0	0	0	363	(364)	(2)
Other	403	(4)	3,408	592	(2)	2,674
Financial assets and liabilities recognised at fair value in the income statement (chosen)	3,494	(1,173)	11,173	1,662	(1,660)	8,141
Financial derivatives	43	(749)	(4,720)	0	(687)	(10,590)
Total trading assets	43	(749)	(4,720)	0	(687)	(10,590)
Total	**3,537**	**(1,922)**	**6,453**	**1,662**	**(2,347)**	**(2,449)**

Hedging	**Interest income etc.**	**Interest expenses**	**Market value adjustments**	**Interest income etc.**	**Interest expenses**	**Market value adjustments**
Bonds	10,948	0	(13,013)	11,940	0	57,918
Loans for investment activities	1,169	0	0	1,294	0	0
Receivables from and payables to credit institutions	287	(351)	2	30	0	0
Other	0	0	(24)	0	0	15
Financial assets and liabilities recognised at fair value in the income statement (chosen)	12,404	(351)	(13,035)	13,264	0	57,933
Financial derivatives	5,312	0	(12,322)	4,949	(5)	56,080
Total trading assets	5,312	0	(12,322)	4,949	(5)	56,080
Total	**17,716**	**(351)**	**(25,357)**	**18,213**	**(5)**	**114,013**

Pension	**Interest income etc.**	**Interest expenses**	**Interest income etc.**	**Interest expenses**
Other	11	(4)	10	0
Financial assets and liabilities at amortised cost	11	(4)	10	0
Total	**11**	**(4)**	**10**	**0**

Note 5 Investment returns, broken down by asset type

§ Accounting policies

Investment

Interest income, dividends etc. include interest for the year on securities and loans, forward premiums related to repo transactions and forward exchange contracts, indexation of index-linked bonds, interest payments on financial derivatives and dividends on equity investments less foreign dividend taxes.

Interest expenses comprise the interest expense for the year payable by Pensions & Investments to Hedging for liquidity made available and for hedging of ATP's long-term liabilities more than 40 years into the future. The interest expense regarding loans of excess liquidity is calculated daily using an internal money market rate, while the payment for hedging of long-term liabilities is fixed at 3 per cent per year. The contra entry is included in interest income related to hedging activities. Also included are all expenses related to forward premiums on repo transactions and forward exchange contracts and interest payments on interest rate and inflation swaps.

Market value adjustments comprise value adjustments for the year of equity investments, bonds, mutual fund units, financial derivatives, loans to portfolio companies and investment properties, as well as realised gains and losses on the sale of equity investments, bonds, mutual fund units, financial derivatives, loans to portfolio companies and investment properties. Foreign currency translation adjustments are also included.

Hedging

Interest income comprises the interest for the year on securities and loans. The interest income from lending is the income received by Hedging from Pensions & Investments for liquidity made available and for hedging of ATP's long-term liabilities more than 40 years into the future. The interest income from lending of excess liquidity is calculated daily using an internal money market rate, while the payment for hedging of long-term liabilities is fixed at 3 per cent per year. Also included are interest income on bonds and interest rate swaps and forward premiums related to repo transactions.

Interest expenses comprise all expenses related to forward premiums on repo transactions and forward exchange contracts.

Market value adjustments related to hedging activities comprise value adjustments for the year of bonds and financial derivatives. Foreign currency translation adjustments are also included.

Pension

Interest income and interest expenses comprise interest for the year which is not allocated to investment and hedging activities, respectively. Interest income relates primarily to late-payment interest in connection with the collection of ATP contributions.

Note 6 Expenses

DKKm	Group 2015	Group 2014	ATP 2015	ATP 2014
Investment activity expenses	837	720	254	264
Pension activity expenses	283	300	283	300
Business processing expenses	1,229	1,426	1,261	1,447
	2,349	**2,446**	**1,798**	**2,011**
Audit fees:				
Total fees paid to auditors can be broken down as follows:				
Statutory audit	3.1	3.2	1.3	1.1
Other assurance engagements	0.3	0.3	0.0	0.0
Tax and VAT services	1.6	0.2	0.1	0.0
Other services	0.7	0.7	0.1	0.1
	5.7	**4.4**	**1.5**	**1.2**
Depreciation, amortisation and impairment losses:				
Depreciation and impairment losses, property, plant and equipment	13	32	10	29
Amortisation and impairment losses, intangible assets	167	255	110	204
Staff expenses:				
Payroll costs	1,022	1,051	882	932
Pension contributions	158	160	141	145
Other social security expenses	23	24	15	17
Total staff expenses	**1,203**	**1,235**	**1,038**	**1,094**
Average number of full-time staff	1,964	2,075	1,753	1,897
Remuneration paid to the CEO	-	-	6.4	6.1
Of which pension contribution	-	-	1.0	0.9
Total remuneration paid to the ATP Supervisory Board	-	-	2.1	2.2
Total remuneration paid to the ATP Board of Representatives	-	-	0.3	0.2
Total remuneration paid to the ATP Audit Committee	-	-	0.4	0.2
Annual remuneration in DKK thousands paid to:				
Chairman of the Supervisory Board (total remuneration)	-	-	715	715
Member of the Executive Committee	-	-	80	80
Member of the Supervisory Board (including remuneration for Board of Representatives)	-	-	120	120
Member of the Board of Representatives	-	-	13	13
Member of the Audit Committee (excluding the Chairman of the Supervisory Board)	-	-	60	60

For information on pay policy and practice for the Board of Representatives, the Supervisory Board, the Executive Board and other significant risk takers as required under the executive order on pay policy and the remuneration disclosure requirements for the Danish Labour Market Supplementary Pension Scheme and LD – The Employees' Capital Pension Fund, please visit www.atp.dk.

§ Accounting policies

Expenses are allocated between the individual business areas either as direct expenses or as an expense allocation based on ATP's internal model for allocation of other expenses.

Investment activity expenses comprise expenses incurred to achieve the investment return for the year. These expenses include direct and indirect expenses related, for example, to pay and remunerations, custody expenses and transaction costs related to the purchase and sale of investment assets. Expenses incurred in investment subsidiaries are also included in these expenses for the Group.

Pension activity expenses comprise expenses incurred in connection with the management of the ATP pension scheme, including SUPP. These expenses include direct and indirect expenses related, for example, to pay and remunerations, IT operations, amortisation of internal development projects and depreciation on property, plant and equipment.

Business processing expenses comprise expenses incurred in connection with the management of a number of large schemes. These expenses include direct and indirect expenses related, for example, to pay and remunerations, IT operations and amortisation of internal development projects. Also included are expenses from the subsidiary PensionService A/S, which sells administration services on market terms.

Note 7 Other income

DKKm	Group 2015	Group 2014	ATP 2015	ATP 2014
Sale of administration services by group subsidiaries	14	189	0	0
Sale of administration services to related parties	1,237	1,261	1,278	1,462
Total other income	**1,251**	**1,450**	**1,278**	**1,462**

§ Accounting policies

Other income includes income for the year from the sale of administration services to external clients as well as related parties. Also included is other customary income for the year that cannot be attributed to Pensions & Investments

Note 8 Other expenses

DKKm	Group 2015	Group 2014	ATP 2015	ATP 2014
Expenses related to the sale of administration services by group subsidiaries	(8)	(159)	0	0
Expenses related to the sale of administration services to related parties	(1,221)	(1,267)	(1,261)	(1,447)
Total other expenses	**(1,229)**	**(1,426)**	**(1,261)**	**(1,447)**

§ Accounting policies

Other expenses include expenses incurred for the sale of administration services. Also included are other customary expenses for the year that cannot be attributed to Pensions & Investments under the item 'Other expenses'.

Note 9 Tax on pension savings returns

DKKm	Group 2015	Group 2014	ATP 2015	ATP 2014
Investment activities:				
Tax on pension savings returns	(1,153)	(20,795)	(1,153)	(20,795)
Prior-year adjustments	164	(16)	164	(16)
Tax on pension savings returns transferred to hedging activities	(1,223)	20,230	(1,223)	20,230
Tax on pension savings returns transferred to pension activities	1	2	1	2
Tax on pension savings returns in respect of investment activities	(2,211)	(579)	(2,211)	(579)
Hedging activities:				
Tax on pension savings returns transferred from investment activities	1,223	(20,230)	1,223	(20,230)
Tax on pension savings returns in respect of hedging activities	1,223	(20,230)	1,223	(20,230)
Pension activities:				
Tax on pension savings returns transferred from investment activities	(1)	(2)	(1)	(2)
Tax on pension savings returns in respect of pension activities	(1)	(2)	(1)	(2)

Note 9 Tax on pension savings returns, continued

DKKm	Group 2015	Group 2014	ATP 2015	ATP 2014
Total tax on pension savings returns	**(989)**	**(20,811)**	**(989)**	**(20,811)**
Investment activity results before tax on pension savings returns and transfer to unit-linked contracts	15,711	5,377	15,558	5,332
Hedging activity results before tax on pension savings returns and change in guaranteed benefits	(7,992)	132,221	(7,992)	132,221
Interest income and interest expenses, pension activities	7	10	7	10
	7,726	137,608	7,573	137,563
Calculated 15.3% of which	(1,182)	(21,054)	(1,159)	(21,047)
Tax effect of different methods of calculating accounting and tax returns on transparent entities etc.	14	(14)	(9)	(21)
Tax effect of reduction under section 10 of the Danish Pension Savings Returns Tax Act (Pensionsafkastbeskatningsloven)(reduction regarding life and pension insurance policies, year-end 1982)	15	273	15	273
Tax on pension savings returns for the year	(1,153)	(20,795)	(1,153)	(20,795)
Prior-year adjustments	164	(16)	164	(16)
Total tax on pension savings returns	**(989)**	**(20,811)**	**(989)**	**(20,811)**
Portion of tax on pension savings returns falling due after more than one year	0	0	0	0

§ Accounting policies

Tax on pension savings returns comprises current tax on pension savings returns for the year, changes in deferred tax on pension savings returns, and prior-year adjustments, if any. Tax on pension savings returns is allocated between investment, hedging and pension activities based on the return allocated to investment, hedging and pension activities, respectively.

Current tax liabilities in respect of pension savings returns and current tax receivable in respect of pension savings returns are recognised in the statement of financial position as calculated tax on pension savings returns adjusted for interim payment of tax on pension savings returns.

Deferred tax on pension savings returns resulting from temporary differences between the carrying amount and the tax base of assets and liabilities is measured under the statement of financial position liability method.

Deferred tax assets in respect of pension savings returns, including the tax value of tax loss carryforwards, are included at the value at which the asset is expected to be realisable – either by elimination in pension savings returns tax on future earnings or by set-off against deferred tax liabilities.

Deferred tax on pension savings returns is measured in accordance with current tax rules and at the tax rates that are expected to apply in the periods in which the temporary differences reverse.

Taxation of ATP and its subsidiaries
In Denmark, ATP is subject to the provisions of the Danish Pension Savings Returns Tax Act (Pensionsafkastbeskatningsloven); abroad, ATP is taxed under local rules. ATP files income tax returns in Denmark, the UK and the US. Local withholding taxes are also paid in a number of other jurisdictions. ATP's Danish subsidiaries, which are separately liable to tax, are taxed under the Danish Income Tax Act (Selskabsskatteloven). Returns from subsidiaries that are exempt from tax or not separately liable to tax are included in ATP's tax on pension savings returns and taxed under the provisions of the Danish Pension Savings Returns Tax Act (Pensionsafkastbeskatningsloven).

The method of accounting for returns in the calculation of ATP's tax on pension savings returns is based on the market value principle. The system is that the tax base is comprised of the total return on assets (Danish and international and the returns from subsidiaries already subject to income tax) less deductible interest and asset management expenses. In the tax payable, ATP is entitled to relief of taxes paid abroad. However, the relief cannot exceed the amount of the Danish tax on pension savings returns on the international income (measured under Danish rules).

The international taxes typically consist of withholding taxes on dividends, interest and US corporate income. These taxes are primarily attributable to ATP's investments in international private equity and listed international equities, international real estate investments and forestry and infrastructure investments.

The principles applied to ATP's international investments are explained in ATP's tax policy at atp.dk

Note 10 Contributions

DKKm	Group 2015	Group 2014	ATP 2015	ATP 2014
ATP contributions	9,842	9,846	9,842	9,846
Social security contributions	(787)	(797)	(787)	(797)
Total contributions	**9,055**	**9,049**	**9,055**	**9,049**

§ Accounting policies

Contribution income is recognised as reporting is received.

Contributions comprise ATP contributions reported and collected for the year less social security contributions. Also included is adjustment for the year of impairment losses on contributions receivable, see note 12 'Financial assets and liabilities'.

Note 11 Benefit payouts

DKKm	Group 2015	Group 2014	ATP 2015	ATP 2014
Personal pension (current)	(13,582)	(12,711)	(13,582)	(12,711)
Spouse pension (current)	(19)	(22)	(19)	(22)
Personal pension (capitalised)	(86)	(73)	(86)	(73)
Spouse pension (capitalised)	(724)	(698)	(724)	(698)
Child benefits (capitalised)	(130)	(130)	(130)	(130)
SUPP estate amount (capitalised)	(25)	(27)	(25)	(27)
Total benefit payouts	**(14,566)**	**(13,661)**	**(14,566)**	**(13,661)**

§ Accounting policies

Benefit payouts comprise personal pensions paid, spouse pensions and capitalised benefits for the year. Benefits prepaid are accrued on the statement of financial position and presented under the item 'Other prepayments'.

Note 12 Financial assets and liabilities

In the table below, the Group's and ATP's financial assets and liabilities are broken down by the category in which they are recognised on initial recognition.

DKKm	Group 2015	Group 2014	ATP 2015	ATP 2014
Financial assets:				
Financial derivatives	81,932	116,725	81,930	116,657
Financial assets measured at fair value over the income statement (trading assets)	**81,932**	**116,725**	**81,930**	**116,657**
Investments in group subsidiaries	-	-	85,460	78,842
Investments in associates	13,018	10,328	7,910	7,157
Equity investments	81,279	78,095	43,759	37,504
Mutual fund units	5,535	6,603	0	0
Bonds	520,244	515,714	494,443	488,199
Loans to portfolio companies	10,049	5,142	9,435	4,572
Receivables from credit institutions	35,428	55,835	35,428	55,835
Financial assets measured at fair value over the income statement (chosen)	**665,553**	**671,717**	**676,435**	**672,109**
Total financial assets measured at fair value	**747,485**	**788,442**	**758,365**	**788,766**
Loans to group subsidiaries	-	-	2,695	2,755
Contributions receivable	2,435	2,408	2,435	2,408
Receivables from group subsidiaries	-	-	526	1,037
Interest receivable	4,273	4,633	3,887	4,208
Other receivables and other loans	2,144	2,827	1,010	1,719
Financial assets measured at amortised cost	**8,852**	**9,868**	**10,553**	**12,127**

Note 12 Financial assets and liabilities, continued

DKKm	Group 2015	Group 2014	ATP 2015	ATP 2014
Financial liabilities:				
Financial derivatives	57,782	69,934	56,811	68,169
Financial liabilities measured at fair value over the income statement (trading liabilities)	**57,782**	**69,934**	**56,811**	**68,169**
Payables to credit institutions	16,070	18,995	16,070	18,995
Financial liabilities measured at fair value over the income statement (chosen)	**16,070**	**18,995**	**16,070**	**18,995**
Total financial liabilities measured at fair value	**73,852**	**88,929**	**72,881**	**87,164**
Payables to group subsidiaries	-	-	167	114
Other payables	3,965	14,619	1,990	5,304
Financial liabilities measured at amortised cost:	**3,965**	**14,619**	**2,157**	**5,418**

§ Accounting policies

The purchase and sale of financial assets and liabilities are recognised on the trading date.
Financial assets and liabilities are recognised at fair value on the trading date. Subsequent to initial recognition, financial assets and liabilities are measured at fair value or amortised cost.

Financial assets and liabilities at fair value

In accordance with the fair value option (chosen) of IAS 39, the following assets and liabilities are recognised at fair value in the income statement:

- Bonds
- Equity investments, including investments in group subsidiaries and associates
- Mutual fund units
- Loans to portfolio companies
- Receivables from credit institutions
- Payables to credit institutions.

The assets and liabilities specified above are managed and assessed based on changes in fair value in accordance with the Group's risk management strategy, see the section 'Risks and risk management'.

In addition, financial derivatives (trading assets and liabilities) are also recognised at fair value on the trading date. Subsequent to initial recognition, financial derivatives are also measured at fair value. Accounting policies for financial derivatives are presented in note 13.

Adjustments of the fair value of financial assets and liabilities are recognised in the income statement under 'Market value adjustments related to investment activities' and 'Market value adjustments related to hedging activities' on an ongoing basis.

Determination of fair value

For financial assets and liabilities that are traded in a market, the official market price is used. Bid prices are used in the measurement of financial assets, while ask prices are used in the measurement of financial liabilities. For other financial assets and liabilities, the fair value determination represents ATP's most objective estimate of the current fair value of financial assets and liabilities, based on the most unambiguous and uniform guidelines possible and, to some extent, supported by management estimates. In the determination of these estimates, the following methods are applied:

Interest-based investment assets and liabilities
For investments in bonds for which no active market exists, yield curves with the addition of yield spreads are used, so as to ensure that the pricing is as fair as possible.

Private equity investments.
Private equity investments consist of investments in portfolio funds, direct equity investments, direct equity investments in portfolio companies and real estate funds.

Portfolio funds
For a significant portion of the investments in portfolio funds, the valuation is based on reporting received from portfolio funds. Equity investments in portfolio funds are generally measured using the IPEV Valuation Guidelines under which equity investments are measured at fair value on the reporting date. Listed equity investments in portfolio funds are measured at the closing price of the relevant stock exchange. For unlisted equity investments for which no quoted price exists, equity investments are measured on the basis of the latest market price – either in connection with a round of capital increases resulting in a change in ownership or in connection with a partial sale, based on the value of comparable companies and using traditional valuation methods. Market-based multiples are also used for a few investments.

Direct equity investments
Direct private equity investments are measured using one of the following methods: a) multiple analysis where the ratio of the value of comparable listed companies to relevant key figures for these companies is used in the valuation of the company in question; b) if sufficient comparable companies cannot be found, a 'sum-of-the-parts' valuation is performed where each business area of the company in question is measured separately; c) for new investments, the acquisition cost is used.

Note 12 Financial assets and liabilities, continued

§ Accounting policies, continued

Direct equity investments in portfolio companies
Direct equity investments in portfolio companies are measured using traditional valuation methods and as described on the previous page for portfolio funds. The following factors are included in the determination of fair value:

1) valuation and other significant conditions related to the latest round of financing
2) significant events related to the company's business, product launches, new clients, changes to the management team
3) compliance or non-compliance with significant predefined milestones and other conditions assessed to be capable of impacting the fair value, including general changes in market and competition conditions and new technology.

Real estate funds
Private equity investments in real estate funds are measured primarily on the basis of the valuations performed by the real estate funds. The measurement is based on a valuation model that measures the fair value of the equity where the fair value of the underlying properties is reflected on an ongoing basis. The fair value of the real estate is usually determined on the basis of valuations performed by external estate agents and market assessors. In addition, the manager of the funds regularly performs an internal valuation based on changes in market conditions, which is typically reflected in an adjustment of the required rate of return. Other factors such as the stability of the real estate cash flow, market rent level, location and tenant quality are included in the valuation.

Mutual fund units, loans, receivables and payables at fair value
Mutual fund units are measured on the basis of reporting received from mutual funds. This reporting contains information on fair values of the underlying assets and liabilities of the mutual funds.

Loans to portfolio companies. The valuation of loans to portfolio companies is based on expected cash flows from these loans, adjusted for changes in credit risk.

Receivables from credit institutions comprise amounts paid under repo transactions, i.e. the purchase of securities where, as part of the agreement, the buyer agrees to sell back the security at some later date. Securities purchased are not included in the statement of financial position, and the amount paid is therefore included as a receivable.

Payables to credit institutions comprise amounts received under repo transactions, i.e. the sale of securities where, as part of the agreement, the borrower agrees to repurchase the security at some later date. Securities sold are still included in the statement of financial position, and the amount received is included as a liability.

Financial assets and liabilities at amortised cost

Loans and receivables, with the exception of 'Loans to portfolio companies' and 'Receivables from credit institutions', are measured at amortised cost. Amortised cost is usually equivalent to nominal value.

If an objective indication of impairment of a loan or receivable is believed to exist, impairment is performed to meet losses on other loans and receivables.

An objective indication of impairment of a loan or receivable exists, for example, if a debtor is facing significant financial difficulties, if a debtor fails to meet its payment obligations under a contract or agreement, or if a debtor is likely to go bankrupt or be subjected to other forms of financial reconstruction.

Write-downs for impairment are made individually. Impairment losses are deducted directly from the related asset items, while the changes in impairment losses for the period under review are recognised in the income statement.

Other liabilities, comprising 'payables to group subsidiaries' and 'other payables', are measured at amortised cost, essentially equivalent to nominal value.

! Significant accounting estimates

Significant accounting estimates are associated primarily with the measurement of financial assets and liabilities at fair value where the valuation is based to a lesser extent on observable market data. The accounting methods include discounting to net present value of future cash flows and assessment of underlying market conditions. The methods are based on assumptions concerning interest rates, risk premiums, volatility, default, prepayments and other information. The fair value of financial assets and liabilities, including financial derivatives for which no quoted market prices exist, is based on the best information available under the circumstances.

Financial assets where the valuation is based to a lesser extent on observable market data include parts of the Group's bonds, equity investments, mutual fund units, investment properties and loans to portfolio companies, see level 3 assets in note 20 'Fair value disclosure'.

Breakdown of the Group's financial assets measured under level 3 in the fair value hierarchy, see note 20.

	2015		2014	
	DKKm		DKKm	
Bonds	1,698	2%	0	0%
Equity investments	55,403	52%	52,241	57%
Mutual fund units	5,535	5%	6,603	7%
Loans to portfolio companies	10,049	10%	5,142	6%
Investments in associates	13,018	12%	10,208	11%
Investment properties	20,360	19%	17,871	19%
	106,063		92,065	

Most of the Group's equity investments, mutual fund units and investments in associates in level 3 are measured on the basis of the reported fair value. The reported fair value involves a degree of judgement in connection with the determination of the fair value of the underlying statements of financial position of the companies.

Loans to portfolio companies are measured by discounting to net present value the future cash flows from these loans. The future cash flows are adjusted for changes in credit risk. The determination of the discount rate and the credit risk involves a degree of judgement, which affects the determination of the fair value.

Investment properties are measured using a return-based model in which the determination of the future operating income and the required rate of return involves a degree of judgement, see note 16.

Note 13 Financial derivatives

Group
The ATP Group uses various financial derivatives as part of its risk management such as interest rate swaps, equity futures, inflation swaps and forward exchange contracts. A characteristic of financial derivatives is that their value depends on developments in the value of an underlying instrument, index or the like. Using financial derivatives makes it possible to increase or reduce the exposure to market risks, among other things.

Interest rate contracts
Among other instruments, the ATP Group uses interest rate swaps to hedge the interest rate risk associated with the Group's pension liabilities. Interest rate swaps are included in the Group's hedging portfolio. In addition to interest rate swaps, the Group also used interest rate swaptions and interest rate futures in 2015. Below, the fair values as at 31 December 2015 are listed by positive and negative values, respectively.

DKKm	2015		2014	
	Fair value		Fair value	
	Positive	Negative	Positive	Negative
Interest rate swaps	78,165	(48,453)	115,213	(57,089)
Interest rate swaptions	2,838	(4,132)	994	(4,699)
Interest rate futures	274	(225)	1	(273)
Total interest rate contracts	**81,277**	**(52,810)**	**116,208**	**(62,061)**

Equity contracts
The equity contracts used by the ATP Group in 2015 included equity futures, equity-indexed options and contracts for difference (CFDs).

	2015		2014	
	Fair value		Fair value	
	Positive	Negative	Positive	Negative
Equity futures	143	(220)	6	(6)
Equity-indexed options	60	(97)	184	(197)
Contracts for difference	0	(87)	0	(8)
Total equity contracts	**203**	**(404)**	**190**	**(211)**

Inflation contracts
The inflation contracts used by the ATP Group in 2015 included inflation swaps. Below, the fair values as at 31 December 2015 are listed by positive and negative values, respectively.

	2015		2014	
	Fair value		Fair value	
	Positive	Negative	Positive	Negative
Inflation swaps	59	(1)	0	(1,438)
Total inflation contracts	**59**	**(1)**	**0**	**(1,438)**

Commodity contracts
The commodity contracts used by the ATP Group in 2015 included commodity futures. Below, the fair values as at 31 December 2015 are listed by positive and negative values, respectively.

	2015		2014	
	Fair value		Fair value	
	Positive	Negative	Positive	Negative
Commodity futures	0	(877)	0	(1,743)
Total commodity contracts	**0**	**(877)**	**0**	**(1,743)**

Credit contracts
The credit contracts used by the ATP Group in 2015 included credit default swaps. Below, the fair values as at 31 December 2015 are listed by positive and negative values, respectively.

	2015		2014	
	Fair value		Fair value	
	Positive	Negative	Positive	Negative
Credit default swaps	25	0	0	0
Total credit contracts	**25**	**0**	**0**	**0**

Foreign exchange contracts
In the group of foreign exchange contracts, the ATP Group used forward exchange contracts to hedge foreign exchange risks on the Group's international investments in 2015. Below, the fair values of the Group's foreign exchange contracts as at 31 December 2015 are listed by positive and negative values, respectively.

	2015		2014	
	Fair value		Fair value	
	Positive	Negative	Positive	Negative
Forward exchange contracts	368	(3,690)	327	(4,481)
Total foreign exchange contracts	**368**	**(3,690)**	**327**	**(4,481)**
Total financial derivatives	**81,932**	**(57,782)**	**116,725**	**(69,934)**

ATP

Apart from the size of amounts, the Parent Company's use of financial derivatives is virtually identical to that of the Group. Below, positive and negative fair values of ATP's financial derivatives as at 31 December 2015 are listed.

Interest rate contracts

DKKm	2015		2014	
	Fair value		Fair value	
	Positive	Negative	Positive	Negative
Interest rate swaps	78,165	(48,453)	115,213	(57,089)
Interest rate swaptions	2,838	(4,132)	994	(4,699)
Interest rate futures	274	(225)	1	(273)
Total interest rate contracts	**81,277**	**(52,810)**	**116,208**	**(62,061)**

Equity contracts

	2015		2014	
	Fair value		Fair value	
	Positive	Negative	Positive	Negative
Equity futures	143	(220)	6	(6)
Equity-indexed options	60	(97)	184	(197)
Total equity contracts	**203**	**(317)**	**190**	**(203)**

Inflation contracts

	2015		2014	
	Fair value		Fair value	
	Positive	Negative	Positive	Negative
Inflation swaps	59	(1)	0	(1,438)
Total inflation contracts	**59**	**(1)**	**0**	**(1,438)**

Credit contracts

	2015		2014	
	Fair value		Fair value	
	Positive	Negative	Positive	Negative
Credit default swaps	25	0	0	0
Total credit contracts	**25**	**0**	**0**	**0**

Foreign exchange contracts

	2015		2014	
	Fair value		Fair value	
	Positive	Negative	Positive	Negative
Forward exchange contracts	366	(3,683)	259	(4,467)
Total foreign exchange contracts	**366**	**(3,683)**	**259**	**(4,467)**
Total financial derivatives	**81,930**	**(56,811)**	**116,657**	**(68,169)**

Note 13 Financial derivatives, continued

§ Accounting policies

On initial recognition, i.e. the date of entering into the derivative transaction, financial derivatives are recognised at fair value. Subsequent to initial recognition, financial derivatives are also measured at fair value. For financial derivatives that are traded in a market, the official market price is used. For financial derivatives that are not traded in a market, various generally accepted valuation methods are used, depending on the type of instrument involved. For interest rate instruments, valuation is based on the market rate expressed as the zero coupon yield curve at the statement of financial position date. Bid prices are used in the measurement of financial assets, while ask prices are used in the measurement of financial liabilities.

Changes in the fair value of financial derivatives are recognised in the income statement as they occur. Financial derivatives with a positive fair value are recognised in the statement of financial position as assets, while financial derivatives with a negative fair value are recognised in the statement of financial position as liabilities. Cash and cash equivalents received as part of a margin settlement are recognised in the statement of financial position, given that ATP has the right of disposal of margin account balances. Securities which, as part of collateral security, have only been formally assigned to ATP's ownership are not recognised in the statement of financial position, given that ATP neither bears the risk nor benefits from the return on these securities. Similarly, securities which ATP only has assigned formally to counterparties as part of collateral security are still recognised in ATP's statement of financial position. ATP enters into foreign exchange contracts with external counterparties on behalf of several of the Group's subsidiaries. The positive or negative market values in relation to subsidiaries are not included in the before mentioned on page 79, but are presented as 'Receivables from group subsidiaries' and 'Payables to group subsidiaries' in ATP's statement of financial position.

Note 14 Investments in group subsidiaries

DKKm	Group 2015	Group 2014	ATP 2015	ATP 2014
Fair value as at 1 January	-	-	78,842	72,774
Transferred from equity investments			120	0
Additions during the year	-	-	41,360	19,188
Disposals during the year	-	-	(37,117)	(15,064)
Market value adjustments for the year	-	-	2,255	1,944
Fair value as at 31 December	**-**	**-**	**85,460**	**78,842**

§ Accounting policies

In accordance with the fair value option of IAS 39, investments in subsidiaries are measured at fair value in ATP's financial statements, see note 12. Shares of profit or loss in group subsidiaries are assessed based on fair value in accordance with ATP's and the ATP Group's risk management and investment strategies. Reporting to the Supervisory and Executive Boards of the ATP Group is based on this.

2015	Ownership interest per cent	Share capital DKKm	Assets DKKm	Revenue DKKm	Net results DKKm	Domicile
ATP Alternative Investments K/S	100.0	1,278	1,339	-	93	Denmark
ATP Ejendomme A/S	100.0	2,250	3,425	226	225	Denmark
Strandgade 7 A/S	100.0	28	390	48	(57)	Denmark
Ejendomsselskabet Vangede A/S	100.0	110	2,149	118	246	Denmark
Galaxy Properties S.A.	90.0	700	3,797	251	198	Belgium
ATP European Core Shopping Center Fund	100.0	1,622	1,622	-	17	Luxembourg
Waterfront Bremen G.m.b.H. & Co. KG	94.9	1,718	1,846	31	35	Germany
Ejendomsselskabet Borups Allé P/S	100.0	-	498	36	33	Denmark
Seniorbolig Danmark K/S	100.0	1	1	-	(5)	Denmark
ATP Fondsmæglerselskab A/S	100.0	34	62	-	3	Denmark
NOW: Pensions Investment A/S Fondsmæglerselskab	100.0	10	33	-	3	Denmark
NOW: Pensions Ltd.	100.0	161	198	-	(154)	UK
ATP Invest III	100.0	18,915	19,127	-	1,796	Denmark
ATP PensionService A/S	100.0	10	43	14	4	Denmark
Private Equity Advisors ApS	100.0	3	20	-	1	Denmark
ATP Private Equity K/S	100.0	3,383	3,421	-	251	Denmark
ATP Private Equity Partners I K/S	100.0	1,215	1,270	-	108	Denmark
ATP Private Equity Partners II K/S	100.0	5,686	5,766	-	539	Denmark
ATP Private Equity Partners III K/S	100.0	8,392	8,546	-	1,203	Denmark
ATP Private Equity Partners IV K/S	100.0	7,245	7,261	-	749	Denmark
ATP Private Equity Partners V K/S	100.0	879	895	-	(17)	Denmark
ATP Real Estate Partners I K/S	100.0	4,841	4,846	-	443	Denmark
ATP Real Estate Partners II K/S	100.0	1,332	1,340	-	173	Denmark
ATP TIM GP ApS	100.0	1	1	-	-	Denmark
ATP Timberland Invest K/S	100.0	2,369	2,497	-	179	Denmark
Northwoods ATP LP	100.0	331	333	7	29	USA
Upper Hudson Woodlands ATP LP	100.0	423	427	39	53	USA
Wolf River ATP LP	100.0	175	176	1	(18)	USA
Ouachita ATP LP	100.0	341	343	4	12	USA
Via Venture Partners Fond I K/S	99.8	270	271	-	25	Denmark
Via Venture Partners Fond II K/S	99.8	741	772	-	530	Denmark
ATP Alternative Investment Trust	100.0	1,801	1,800	-	626	Australia
AlphaOne SICAV-FIS	100.0	14,643	16,648	-	(309)	Luxembourg
Secured Multi Asset Repackaging Trust P.L.C.	100.0	1	1	-	(1)	Ireland
AQR Offshore Multistrategy Fund XII, L.P.	100.0	3,311	3,311	-	(124)	Cayman Islands
NB Public Equity K/S	99.5	868	871	-	20	Denmark

Note 14 Investments in group subsidiaries, continued

2014	Ownership interest per cent	Share capital DKKm	Assets DKKm	Revenue DKKm	Net results DKKm	Domicile
ATP Alternative Investments K/S	100.0	2,681	2,770	-	270	Denmark
ATP Ejendomme A/S	100.0	2,250	3,463	322	408	Denmark
Strandgade 7 A/S	100.0	28	28	47	-	Denmark
Ejendomsselskabet Vangede A/S	100.0	110	2,003	114	172	Denmark
Galaxy Properties S.A.	90.0	501	3,619	175	67	Belgium
Ejendomsselskabet Borups Allé P/S	100.0	486	489	13	5	Denmark
ATP Fondsmæglerselskab A/S	100.0	34	62	-	4	Denmark
NOW: Pensions Investment A/S Fondsmæglerselskab	100.0	10	45	-	1	Denmark
NOW: Pensions Ltd.	100.0	152	183	-	(107)	UK
ATP Invest III	100.0	19,111	19,198	-	2,946	Denmark
ATP PensionService A/S	100.0	23	113	190	8	Denmark
Private Equity Advisors ApS	100.0	3	20	-	1	Denmark
ATP Private Equity K/S	100.0	3,896	4,025	-	660	Denmark
ATP Private Equity Partners I K/S	100.0	1,677	1,736	-	391	Denmark
ATP Private Equity Partners II K/S	100.0	5,854	6,066	-	840	Denmark
ATP Private Equity Partners III K/S	100.0	8,366	8,628	-	1,363	Denmark
ATP Private Equity Partners IV K/S	100.0	4,840	5,082	-	575	Denmark
ATP Private Equity Partners V K/S	100.0	194	195	-	0	Denmark
ATP Real Estate Partners I K/S	100.0	4,855	4,935	-	382	Denmark
ATP Real Estate Partners II K/S	100.0	1,080	1,108	-	88	Denmark
ATP TIM GP ApS	100.0	0	1	-	-	Denmark
ATP Timberland Invest K/S	100.0	2,149	2,177	-	120	Denmark
Northwoods ATP LP	100.0	269	270	2	18	USA
Upper Hudson Woodlands ATP LP	100.0	338	344	23	107	USA
Wolf River ATP LP	100.0	172	173	1	57	USA
Ouachita ATP LP	100.0	292	294	15	34	USA
Via Venture Partners Fond I K/S	99.8	235	235	-	(6)	Denmark
Via Venture Partners Fond II K/S	99.8	556	556	-	51	Denmark
ATP Alternative Investment Trust	100.0	1,788	1,788	-	381	Australia
AlphaOne SICAV-FIS	100.0	14,953	25,296	-	(945)	Luxembourg
Secured Multi Asset Repackaging Trust P.L.C.	100.0	1	1	-	-	Ireland

Note 15 Investments in associates

DKKm	Group 2015	Group 2014	ATP 2015	ATP 2014
Fair value as at 1 January	10,328	9,840	7,157	6,674
Transferred from/to equity investments	(120)	0	(120)	0
Additions during the year	3,080	4,841	474	4,648
Disposals during the year	(1,196)	(5,014)	(66)	(4,801)
Fair value adjustment for the year	926	661	465	636
Fair value as at 31 December	**13,018**	**10,328**	**7,910**	**7,157**

§ Accounting policies

In accordance with the fair value option of IAS 39, investments in associates are measured at fair value in the Group's and ATP's financial statements, see note 12.

Investments in associates are managed and assessed based on changes in fair value in accordance with ATP's and the ATP Group's risk management and investment strategies (fair value option). Reporting to the Supervisory and Executive Boards of the ATP Group is based on this.

Associates are entities in which the Group has a significant but not controlling interest. A significant interest is typically achieved through direct or indirect ownership or right of exercise of more than 20 per cent of the voting rights, but less than 50 per cent. In the assessment of whether the Group has a significant interest, potential voting rights that may be exercised at the statement of financial position date are taken into account.

An overview of the Group's associates in 2015 and 2014 is given below with relevant accounting information.

	Owner	Ownership interest per cent	Voting rights per cent	Assets DKKm	Liabilities DKKm	Revenue DKKm	Net results DKKm
2015							
ATPPFA K/S	ATP	49.7	49.7	5,097	37	252	243
ATPIP P/S	ATP	50.0	50.0	-	-	-	-
Ejendomsselskabet Norden I K/S	ATP	22.2	22.2	351	211	5	1
Ejendomsselskabet Norden VIII K/S	ATP	32.8	32.8	-	-	-	-
ATPPD Lyngby A/S	ATP	50.0	50.0	729	482	37	48
ATPPD Århus A/S	ATP	50.0	50.0	811	233	44	40
ATPPD Odense A/S	ATP	50.0	50.0	350	211	19	14
ATPPD Kgs. Nytorv ApS	ATP	50.0	50.0	2,095	1,726	101	13
Harbour P/S	ATP	45.8	45.8	2,216	3	92	218
Harbour Komplementar ApS	ATP	45.8	45.8	0	0	0	0
Rosengårdscenteret	ATP	25.0	25.0	3,170	1,905	142	42
VVP A/S	ATP	44.0	44.0	5	4	17	0
Ejendomsselskabet Axeltorv 2 P/S	ATP	33.3	33.3	1,242	997	0	(14)
Ejendomsselskabet Axeltorv 2 Komplementar ApS	ATP	33.3	33.3	0	0	0	0
Portland P/S	ATP	33.3	33.3	463	11	23	85
Portland Komplementar ApS	ATP	33.3	33.3	0	0	0	0
Capital Four – Strategic Lending Fund K/S	ATP	33.3	33.3	1,010	-	-	-
FIH Holding A/S	ATP	48.8	50.0	23,354	69	1,029	62
NEAS Energy A/S	ATP/Via Venture Partners Fond II K/S	47.8	47.8	1,429	998	11,175	80
Polaris Private Equity II K/S	ATP Private Equity Partners I K/S	15.0	15.0	686	13	0	182
Aberdeen Real Estate Fund Finland L.P.	ATP Real Estate Partners I K/S	32.8	32.8	2,684	1,763	320	(272)
AREIM I Fund L.P.	ATP Real Estate Partners I K/S	32.8	32.8	2,647	951	236	158
CBRE Real Estate Iberian Value Added Fund CV	ATP Real Estate Partners I K/S	20.2	20.2	872	454	53	68
Patroffice B.V.	ATP Real Estate Partners I K/S	46.9	46.9	2,425	1,975	190	16
Ejendomsselskabet Norden IV K/S	ATP Real Estate Partners II K/S	32.4	32.4	327	117	1	13
Retail Support International ApS	Via Venture Partners Fond I K/S	43.9	43.9	56	0	0	3
Nordic International Holding A/S	Via Venture Partners Fond I K/S	46.0	46.0	71	65	20	15
Beneq Oy	Via Venture Partners Fond I K/S	25.7	25.7	144	127	170	(28)
Adform ApS	Via Venture Partners Fond I K/S	25.1	25.1	206	107	0	18
Frontmatec Holding A/S	Via Venture Partners Fond I K/S	44.1	44.1	157	77	0	11
Envidan	Via Venture Partners Fond II K/S	45.5	45.5	-	-	-	-
All NRG Holding A/S	Via Venture Partners Fond II K/S	49.6	49.6	406	261	447	21
UVD Holding A/S	Via Venture Partners Fond II K/S	47.9	47.9	113	75	0	13
AQR GRPT EL Master Account Ltd.	AQR	46.4	46.4	3,716	1,408	0	(284)
AQR Global Macro Master Account	AQR	27.8	27.8	2,106	1,178	0	65
AQR Churchill Master Account	AQR	47.0	47.0	2,133	1,318	0	(21)
AQR Absolute Return Credit Master Account	AQR	42.6	42.6	794	224	0	78
Cloud Supply Company ApS	Via Venture Partners Fond II K/S	49.9	49.9	36	11	0	4
Profit Holding OY	Via Venture Partners Fond II K/S	49.1	49.1	186	127	19	(1)
Hancock Queensland Plantations Pty Ltd.	ATP Timberland Invest K/S	31.1	31.1	5,395	4,681	442	221

Note 15 Investments in associates, continued

	Owner	Ownership interest per cent	Voting rights per cent	Assets DKKm	Liabilities DKKm	Revenue DKKm	Net results DKKm
2014							
ATPPFA K/S	ATP	49.7	49.7	5,091	50	242	181
Ejendomsselskabet Norden I K/S	ATP	22.2	22.2	293	152	7	6
NB Public Equity K/S	ATP	99.5	0.0	164	0	0	(22)
ATPPD Lyngby A/S	ATP	50.0	50.0	689	491	37	13
ATPPD Århus A/S	ATP	50.0	50.0	803	265	43	73
ATPPD Odense A/S	ATP	50.0	50.0	345	220	19	7
ATPPD Kgs. Nytorv ApS	ATP	50.0	50.0	2,084	1,729	100	0
FIH Holding A/S	ATP	48.8	50.0	27,500	125	260	228
Harbour P/S	ATP	45.8	45.8	2,085	30	92	83
Harbour Komplementar ApS	ATP	45.8	45.8	0	0	0	0
Rosengårdscenteret	ATP	25.0	25.0	3,042	1,830	119	222
VVP A/S	ATP	44.0	44.0	4	4	18	1
Ejendomsselskabet Axeltorv 2 P/S	ATP	33.3	33.3	861	603	0	(4)
Ejendomsselskabet Axeltorv 2 Komplementar ApS	ATP	33.3	33.3	0	0	0	0
Portland P/S	ATP	33.3	33.3	397	9	8	7
Portland Komplementar ApS	ATP	33.3	33.3	0	0	0	0
Polaris Private Equity II K/S	ATP Private Equity Partners I K/S	15.0	15.0	616	6	0	160
Aberdeen Real Estate Fund Finland L.P.	ATP Real Estate Partners I K/S	32.8	32.8	3,274	2,084	352	77
AREIM I Fund L.P.	ATP Real Estate Partners I K/S	32.8	32.8	3,456	1,924	221	49
CBRE Real Estate Iberian Value Added Fund CV	ATP Real Estate Partners I K/S	20.2	20.2	1,111	762	136	(135)
Patroffice B.V.	ATP Real Estate Partners I K/S	46.9	46.9	2,650	2,218	171	22
Ejendomsselskabet Norden IV K/S	ATP Real Estate Partners II K/S	32.4	32.4	864	352	28	18
Viamix AB	Via Venture Partners Fond I K/S	49.9	49.9	84	376	658	658
Retail Support International ApS	Via Venture Partners Fond I K/S	43.9	43.9	56	3	3	3
Nordic International Holding A/S	Via Venture Partners Fond I K/S	46.1	46.1	79	9	8	8
Beneq Oy	Via Venture Partners Fond I K/S	30.1	30.1	133	85	79	(48)
Adform ApS	Via Venture Partners Fond I K/S	21.3	21.3	119	59	90	13
Frontmatec Holding A/S	Via Venture Partners Fond I K/S	44.6	44.6	123	58	10	9
Daldata Holding AS	Via Venture Partners Fond II K/S	49.9	49.9	109	66	37	34
All NRG Holding A/S	Via Venture Partners Fond II K/S	45.1	45.1	0	0	0	0
UVD Holding A/S	Via Venture Partners Fond II K/S	47.9	47.9	109	84	(3)	(3)
Conscia TopCo A/S	Via Venture Partners Fond II K/S	33.5	33.5	106	0	0	0
Mocorp Holding ApS	Via Venture Partners Fond II K/S	49.9	49.9	0	0	0	0
Cloud Supply Company ApS	Via Venture Partners Fond II K/S	49.9	49.9	35	15	4	4
Profit Holding OY	Via Venture Partners Fond II K/S	49.0	49.0	0	0	0	0
Hancock Queensland Plantations Pty Ltd.	ATP Timberland Invest K/S	31.1	31.1	4,725	4,212	411	(129)

Note 16 Investment properties

DKKm	Group 2015	Group 2014	ATP 2015	ATP 2014
Fair value as at 1 January	17,871	13,834	7,507	7,566
Reclassification to/from owner-occupied properties	0	(10)	0	0
Additions during the year	1,750	4,284	158	225
Disposals during the year	(28)	(183)	(13)	0
Fair value adjustment for the year	767	(54)	97	(284)
Fair value as at 31 December	**20,360**	**17,871**	**7,749**	**7,507**

§ Accounting policies

Investment properties are properties held by the ATP Group to earn rental income and/or capital gains. Investment properties are properties which the ATP Group does not use for administration etc. as such properties are classified as owner-occupied properties, see note 27. Properties with both owner-occupied and investment elements are allocated proportionately between the two asset types.

On initial recognition, investment properties are recognised at cost including transaction expenses. Subsequent to initial recognition, investment properties are measured at fair value. A return-based model is used to determine the fair value of the Danish properties. An external assessment has been obtained for the valuation of market rent and required rates of return. These valuations are segmented on the locations and qualities of the properties. The valuation of the Group's international properties is made by external valuers, however, since local knowledge abroad requires external inputs. The determination of the return in the return-based model for individual properties is based on the expected rental income at full occupancy of the properties. Expected operating, administration and maintenance expenses are deducted. The value subsequently calculated is adjusted for recognised vacancy rent loss for a suitable period and expected expenses related to major maintenance work; deposits and prepaid rent are also added. The required rates of return are determined based on external estate agents' assessment of the market level.

Expenses incurred in the form of new or improved qualities which result in an increase in the fair value determined immediately prior to the incurrence of the expenses, are added to the acquisition price as improvements.

	Group 2015	Group 2014	ATP 2015	ATP 2014
Weighted average required rate of return	5.5%	5.5%	5.3%	5.6%
Maximum required rate of return	8.5%	8.5%	8.5%	8.5%
Minimum required rate of return	4.8%	5.0%	4.8%	5.0%

! Significant accounting estimates

The fair value of the Group's investment properties is influenced by several factors, one of the most significant ones being the predefined required rate of return for the individual properties. The ATP Group uses external estate agents and their valuation of the market level to determine the required rate of return and the market rent. The determination of operating income is affected by estimates to a lesser extent, the determination of vacancy rent being the most significant one.

Changes in the required rate of return have the most significant impact on the fair value of the Group's investment properties. A 0.25 per cent (25bp) increase in the required rate of return reduces the fair value of the Group's investment properties as at 31 December 2015 by DKK 876m (2014: DKK 731m).

Note 17 Market risks

ATP's risk limits are, in addition to statutory limits, based on an overall risk framework in which market risks are included as well as a number of more specific limits. The overall risk framework is set out in a risk budget, determined on the basis of the bonus potential and guaranteed benefits, while the overall risk is determined using the Value-at-Risk target with a risk tolerance of 0.5 per cent and a one-year time frame. The overall risk framework and the related risk target are determined by the Supervisory Board.

ATP's risk limits – statutory limits, limits set by the Supervisory Board and internally established limits – are monitored and reported on a daily basis in relation to ATP's actual risks, and any deviations from these limits are reported to the ATP Supervisory and Executive Boards.

Market risks for ATP are specified below. As the Group's subsidiaries are included in the risk classes below, the market risks of the Group are identical to those of ATP.

Market risks

Market risks in the ATP investment portfolio are based on the investment portfolio's division into the risk classes Interest Rates, Credit, Equities, Inflation and Commodities. A number of risk targets are used in the measurement of ATP's market risks, including Expected Shortfall, which is a generally used target for risk in worst-case scenarios. In connection with the determination of risk allocation between the five risk classes, Expected Shortfall over a three-month time frame and a 1 per cent quantile (ES, three months, 99 per cent) is used. This risk target expresses the average of the 1 per cent worst losses over a three-month time frame.

Expected Shortfall for ATP's investment portfolio

DKKm	ES 31.12.2015	ES 31.12.2014
Investment portfolio		
Interest Rates	5,041	390
Credit	2,943	2,996
Equities	18,964	16,106
Inflation	8,822	7,939
Commodities	974	1,332

ATP's risk management provides a framework for the allocation of risk on the investment portfolio's five risk classes with a view to ensuring appropriate diversification of ATP's investments. The risk allocation has been determined as each risk class's share of the sum of risk for the five risk classes. The ATP Supervisory Board has set a long-term guideline and upper and lower limits for each risk class's share of the overall risk of the investment portfolio.

Relative risk allocation (per cent)

	Year-end 2015	Year-end 2014	Guideline
Interest Rates	13.7	1.4	20.0
Credit	8.0	10.4	10.0
Equities	51.6	56.0	35.0
Inflation	24.0	27.6	25.0
Commodities	2.7	4.6	10.0

Currency risks

ATP's currency risks are, as a general rule, hedged in DKK and euros. However, a limit applies for the currency exposure to other currencies. This limit allows for the fact that hedging is not completely precise and that it may therefore be inexpedient to hedge some currencies. As a general rule, emerging market currency exposure is not hedged.

ATP's currency exposure as at 31 December 2015

Incl. hedging	Currency exposure DKKbn	Per cent of investment portfolio
Currency		
EUR	194.5	27.7
USD	(1.4)	(0.2)
Total other currencies	1.1	0.2

Excl. hedging	Currency exposure DKKbn	Per cent of investment portfolio
Currency		
EUR	196.6	27.7
USD	60.8	(0.2)
Total other currencies	8.2	0.2

ATP's currency exposure as at 31 December 2014

Incl. hedging	Currency exposure DKKbn	Per cent of investment portfolio
Currency		
EUR	215.5	30.1
USD	1.1	0.2
Total other currencies	0.2	0.0

Excl. hedging	Currency exposure DKKbn	Per cent of investment portfolio
Currency		
EUR	216.6	30.2
USD	53.3	7.4
Total other currencies	7.6	1.1

Note 18 Credit and counterparty risks

The Group's credit risks are associated, in part, with investments in the Credit risk class, in part with bonds, loans, CDSs, receivables and cash and cash equivalents and, in part, with financial derivatives with a positive fair value.

As part of the ATP investment strategy, ATP actively assumes credit risks by investing in emerging market government bonds, corporate bonds, CDSs, mezzanine capital and payment-in-kind notes. Credit risks associated with these investments are regarded as a separate risk class, Credit, to which separate limits apply.

ATP's portfolios of government bonds and mortgage bonds involve a credit risk which, in the case of government bonds, is assessed as being close to zero, as ATP's portfolio of government bonds consisted exclusively of German and Danish government bonds at year-end 2015, and, in the case of mortgage bonds, is assessed as being moderate. Moreover, ATP's cash deposits with banks are subject to credit risk, which is assessed as being moderate.

Market value as at 31 December 2015

DKKbn

	2015	2014
The Credit risk class	44	42
Mortgage bonds	111	84
Unlisted financial derivatives, net (before provision of collateral)	25	49
Unlisted financial derivatives, net (after provision of collateral)	0	0
Cash and cash equivalents	5	5
Other receivables	2	3

As at 31 December 2015, overdue loans and receivables are included in the Group's loans and receivables at DKK 0m (2014: DKK 0m).
At year-end 2015, impairment losses on receivables for the ATP Group amounted to DKK 30m (2014: DKK 25m).
For ATP, impairment losses at year-end 2015 amounted to DKK 28m (2014: DKK 25m).

Note 19 Liquidity risk

Liquidity risk is the risk that the ATP Group will not have sufficient funds available to meet its contractual obligations when they fall due. Liquidity risk is associated, in particular, with hedging activities, but also with contribution payments, pension benefit payouts and payment of tax on pension savings returns.

The Group must at all times be able to meet requirements for paying liquidity or providing collateral in the form of bonds. ATP's management of liquidity risk is based on calculations of liquidity needs and liquidity under various scenarios with related limits for how much liquidity ATP must be able to muster in the short term (five days) and the long term (one year). In addition, current cash budgets are prepared.

The net liquidity effect on contribution payments and pension payouts over the year is stable.

The Group's cash reserves are comprised of cash and cash equivalents and other financial assets and unutilised credit facilities.

Maturity analysis

In the table below, the Group's and ATP's financial liabilities are broken down by contractual maturity including interest.

Financial liabilities

2015 Group	**0-1 year**	**1-5 years**	**6-15 years**	**16-20 years**	**Over 20 years**	**Total**
DKKm						
Derivative financial liabilities						
Gross-settled financial derivatives, payments made	8,485	23,242	28,207	14,992	14,673	89,599
Gross-settled financial derivatives, payments received	(13,514)	(42,839)	(41,514)	(36,214)	(31,876)	(165,957)
Financial derivatives, settled net	4,753	0	0	0	1,167	5,920
Total derivative financial liabilities	(276)	(19,597)	(13,307)	(21,222)	(16,036)	(70,438)
Other financial liabilities						
Guaranteed benefits	15,687	83,712	185,017	97,823	462,157	844,396
Provisions for claims outstanding	29	86	0	0	0	115
Payables to credit institutions	16,070	0	0	0	0	16,070
Income tax payable	0	0	0	0	0	0
Tax payable on pension savings returns	976	0	0	0	0	976
Other payables	3,580	76	309	0	0	3,965
Total other financial liabilities	36,342	83,874	185,326	97,823	462,157	865,522
Total	**36,066**	**64,277**	**172,019**	**76,601**	**446,121**	**795,084**

2014 Group	**0-1 year**	**1-5 years**	**6-15 years**	**16-20 years**	**Over 20 years**	**Total**
DKKm						
Derivative financial liabilities						
Gross-settled financial derivatives, payments made	25,776	27,640	45,640	18,473	19,061	136,590
Gross-settled financial derivatives, payments received	(34,676)	(46,978)	(93,037)	(41,046)	(40,126)	(255,863)
Financial derivatives, settled net	6,579	0	0	0	1,438	8,017
Total derivative financial liabilities	(2,321)	(19,338)	(47,397)	(22,573)	(19,627)	(111,256)
Other financial liabilities						
Guaranteed benefits	14,827	81,026	179,372	99,125	460,240	834,590
Provisions for claims outstanding	22	87	0	0	0	109
Payables to credit institutions	18,995	0	0	0	0	18,995
Income tax payable	4	0	0	0	0	4
Tax payable on pension savings returns	15,424	0	0	0	0	15,424
Other payables	14,230	71	318	0	0	14,619
Total other financial liabilities	63,502	81,184	179,690	99,125	460,240	883,741
Total	**61,181**	**61,846**	**132,293**	**76,552**	**440,613**	**772,485**

Note 19 Liquidity risk, continued

2015 ATP DKKm	0-1 year	1-5 years	6-15 years	16-20 years	Over 20 years	Total
Derivative financial liabilities						
Gross-settled financial derivatives, payments made	7,637	23,242	28,207	14,992	14,673	88,751
Gross-settled financial derivatives, payments received	(12,672)	(42,839)	(41,514)	(36,214)	(31,876)	(165,115)
Financial derivatives, settled net	3,789	0	0	0	1,167	4,956
Total derivative financial liabilities	(1,246)	(19,597)	(13,307)	(21,222)	(16,036)	(71,408)
Other financial liabilities						
Guaranteed benefits	15,687	83,712	185,017	97,823	462,157	844,396
Provisions for claims outstanding	29	86	0	0	0	115
Payables to credit institutions	16,070	0	0	0	0	16,070
Tax payable on pension savings returns	976	0	0	0	0	976
Other payables	1,939	45	6	0	0	1,990
Payables to group subsidiaries, payments made	28,243	0	0	0	0	28,243
Receivables from group subsidiaries, payments received	(28,638)	0	0	0	0	(28,638)
Total other financial liabilities	34,306	83,843	185,023	97,823	462,157	863,152
Total	**33,060**	**64,246**	**171,716**	**76,601**	**446,121**	**791,744**

2014 ATP DKKm	0-1 year	1-5 years	6-15 years	16-20 years	Over 20 years	Total
Derivative financial liabilities						
Gross-settled financial derivatives, payments made	23,547	27,640	45,640	18,473	19,061	134,361
Gross-settled financial derivatives, payments received	(32,393)	(46,978)	(93,037)	(41,046)	(40,126)	(253,580)
Financial derivatives, settled net	4,827	0	0	0	1,438	6,265
Total derivative financial liabilities	(4,019)	(19,338)	(47,397)	(22,573)	(19,627)	(112,954)
Other financial liabilities						
Guaranteed benefits	14,827	81,026	179,372	99,125	460,240	834,590
Provisions for claims outstanding	22	87	0	0	0	109
Payables to credit institutions	18,995	0	0	0	0	18,995
Tax payable on pension savings returns	15,428	0	0	0	0	15,428
Other payables	5,269	31	4	0	0	5,304
Payables to group subsidiaries, payments made	26,845	0	0	0	0	26,845
Receivables from group subsidiaries, payments received	(27,725)	0	0	0	0	(27,725)
Total other financial liabilities	53,661	81,144	179,376	99,125	460,240	873,546
Total	**49,642**	**61,806**	**131,979**	**76,552**	**440,613**	**760,592**

Note 20 Fair value disclosure

This note discloses how the ATP Group determines the fair value of various financial assets, liabilities and investment properties.

Most of the Group's financial assets and liabilities are measured at fair value. The table below shows how the fair value of various financial assets and liabilities is determined. Disclosures are not provided specifically for the ATP Parent Company. Apart from the size of amounts, these disclosures are identical to those of the Group. All fair value measurements disclosed are recurring value measurements.

Group	Fair value as at 31 December 2015	Fair value as at 31 December 2014	Fair value hierarchy	Valuation method used	Observable/ unobservable inputs/ranges used	Fair value sensitivity to changes in unobservable inputs
	DKKm	DKKm				
Bonds, listed	517,816	502,677	1	Closing prices of relevant stock exchange.	-	-
Bonds, observable inputs	730	13,037	2	Discounting to net present value using relevant yield curve with the addition of a spread.	Yields curves, spreads	-
Bonds, unobservable inputs	1,698	0	3	Discounting of expected future cash flows to net present value using relevant yield curves and investment-specific credit spread premiums.	Investment-specific credit spread premiums used on yield curves	If investment-specific credit spread premiums increase by 1 percentage point, the fair value is reduced by DKK 82m.
Equity investments, listed	25,876	25,854	1	Closing prices of relevant stock exchange.	-	-
Equity investments, unlisted	51,725	48,143	3	Reported fair value[1]	-	-
Equity investments, unlisted	3,678	4,098	3	Multiple analysis / for new investments traded by purchase, acquisition cost is used	Valuation multiples used	If the valuation multiples used are reduced by -10 per cent, the fair value is reduced by DKK 265m.
Mutual fund units	5,535	6,603	3	Reported fair value[1]	-	-
Financial derivatives, listed (net)	(846)	(1,830)	1	Closing prices of relevant stock exchange.	-	-
Financial derivatives, unlisted (net)	24,996	48,621	2	Linear financial instruments (e.g. interest rate swaps) are measured using inputs in the form of relevant curves, indices, spreads for calculating future payments and discounting using the relevant yield curve. For non-linear financial instruments, volatilities and methods reflecting applicable market practice for the valuation of these instruments are also used[2].	Yields curves, spreads	-
Loans to portfolio companies	10,049	5,142	3	Discounting of expected future cash flows to net present value using relevant yield curves and investment-specific credit spread premiums.	Investment-specific credit spread premiums used on yield curves	If investment-specific credit spread premiums increase by 1 percentage point, the market value is reduced by DKK 158m.
Investments in associates	0	120	2	Reported fair value[1]	-	-
Investments in associates	9,985	8,181	3	Reported fair value[1]	-	-
Investments in associates	2,186	2,027	3	'Sum-of-the-parts' valuation	Unobservable haircuts applied to underlying assets	If the haircut applied to underlying assets increases by 5 per cent, the market value is reduced by DKK 155m.
Investments in associates	847	0	3	Multiple analysis / for new investments traded by purchase, acquisition cost is used	Valuation multiples used	A decrease in earnings capacity is reflected in decreasing fair value
Investments in group enterprises (ATP)	85,460	78,842	3	Reported fair value[1]	-	-
Investment properties	20,360	17,871	3	Return-based model. Reference is made to note 16 for a further description.	Required rates of return – 5.0 per cent to 5.5 per cent	If the required rate of return of 5.5 per cent increases by 0.25 (25 bps), the fair value of the Group's investment properties is reduced by DKK 876m.
Receivables from credit institutions	35,428	55,835	2	Discounting to net present value using relevant yield curve.	Yield curves	-
Payables to credit institutions	(16,070)	(18,995)	2	Discounting to net present value using relevant yield curve.	Yield curves	-

[1] Reported fair value based on reporting by relevant companies in which underlying assets and liabilities are measured at fair value. If the reporting date is different from the Group's statement of financial position date, adjustment is made for significant changes in the market's observable inputs and the quoted prices of underlying assets.

[2] Financial derivatives are presented net (asset less liability), since disclosures are identical for assets and liabilities apart from the amounts.

Note 20 Fair value disclosure, continued

Financial instruments are recognised in the statement of financial position at fair value or amortised cost, see accounting policies for financial instruments in note 12. In the determination of fair value, the ATP Group uses a predefined hierarchy in IFRS 7, consisting of three levels of inputs.

Level 1 – quoted prices. The market price of the financial instrument is used if an active market exists. The market price can take the form of a quoted price or price quotation.

Level 2 – observable inputs. If a financial instrument is listed on a non-active market, the valuation is based on the most recent transaction price. Adjustments are made for subsequent changes in market conditions. For some financial assets and liabilities, no actual market exists. The valuation of these assets and liabilities is made using an estimated value based on recent transactions in similar instruments. For financial derivatives, valuation techniques based on market conditions, e.g. yield curves and exchange rates, are widely used.

Level 3 – unobservable inputs. The valuation of certain financial assets and liabilities is based substantially on unobservable inputs. For a significant portion of the Group's equity investments and a small portion of the Group's bond portfolio, the valuation is based on unobservable inputs. Note 12 describes the individual valuation methods used to determine the fair value of these financial assets.

Transfers between levels are assessed, as a minimum, at each closing of quarterly financial statements. For individual financial assets and liabilities, it is assessed whether the most significant input variables in connection with the fair value determination have changed, for example from unobservable to observable. If this is the case, the asset or liability is transferred out of the relevant level and into the new level from the time the input variables changed.

Group

DKKm	Quoted prices		Observable inputs		Unobservable inputs			
	Level 1		Level 2		Level 3		Total	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Assets								
Bonds	517,816	502,677	730	13,037	1,698	0	520,244	515,714
Equity investments	25,876	25,854	0	0	55,403	52,241	81,279	78,095
Mutual fund units	0	0	0	0	5,535	6,603	5,535	6,603
Financial derivatives	477	191	81,455	116,534	0	0	81,932	116,725
Loans to portfolio companies	0	0	0	0	10,049	5,142	10,049	5,142
Investments in associates	0	0	0	120	13,018	10,208	13,018	10,328
Investment properties	0	0	0	0	20,360	17,871	20,360	17,871
Receivables from credit institutions	0	0	35,428	55,835	0	0	35,428	55,835
Total	**544,169**	**528,722**	**117,613**	**185,526**	**106,063**	**92,065**	**767,845**	**806,313**
Liabilities								
Payables to credit institutions	0	0	16,070	18,995	0	0	16,070	18,995
Financial derivatives	1,323	2,021	56,459	67,913	0	0	57,782	69,934
Total	**1,323**	**2,021**	**72,529**	**86,908**	**0**	**0**	**73,852**	**88,929**

There were no significant transfers between levels 1 and 2 in 2015 and 2014.

For financial instruments measured at fair value using unobservable data (level 3), the movements for the year are as follows:

	Bonds		Equity investments		Investment fund units		Loans to portfolio companies		Investments in associates		Investment properties		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Statement of financial position 01.01	0	0	52,241	42,484	6,603	6,294	5,142	1,402	10,208	9,134	17,871	13,834	92,065	73,148
Realised/unrealised gains or losses for the period, recognised	32	0	3,987	5,104	1,643	1,771	781	12	926	651	688	(62)	8,057	7,476
Purchase	907	0	8,158	9,593	0	1,641	6,221	4,832	3,080	701	1,829	4,284	20,195	21,051
Sale	(14)	0	(8,983)	(9,096)	(2,711)	(3,103)	(2,095)	(1,104)	(1,196)	(278)	(28)	(185)	(15,027)	(13,766)
Transfer into level 3	773	0	0	4,156	0	0	0	0	0	0	0	0	773	4,156
Transfer out of level 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Statement of financial position 31.12	**1,698**	**0**	**55,403**	**52,241**	**5,535**	**6,603**	**10,049**	**5,142**	**13,018**	**10,208**	**20,360**	**17,871**	**106,063**	**92,065**
Losses/gains on assets held	66	0	9,213	6,342	815	1,771	1,009	14	1,244	697	580	50	12,927	8,874

In 2015, transfers out of level 2 into level 3 related primarily to parts of the Group's bond holdings where the valuation also included investment-specific credit spread premiums. Losses and gains related to level 3 are recognised in the income statement in the items 'Market value adjustments related to investment activities' and 'Market value adjustments related to hedging activities'.

ATP

DKKm	Quoted prices		Observable inputs		Unobservable inputs			
	Level 1		Level 2		Level 3		Total	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Assets								
Bonds	492,015	483,866	730	4,333	1,698	0	494,443	488,199
Equity investments	22,206	17,473	0	0	21,553	20,031	43,759	37,504
Financial derivatives	477	191	81,453	116,466	0	0	81,930	116,657
Loans to portfolio companies	0	0	0	0	9,435	4,572	9,435	4,572
Investments in group subsidiaries	0	0	0	0	85,460	78,842	85,460	78,842
Investments in associates	0	0	0	120	7,910	7,037	7,910	7,157
Investment properties	0	0	0	0	7,749	7,507	7,749	7,507
Receivables from credit institutions	0	0	35,428	55,835	0	0	35,428	55,835
Total	**514,698**	**501,530**	**117,611**	**176,754**	**133,805**	**117,989**	**766,114**	**796,273**
Liabilities								
Payables to credit institutions	0	0	16,070	18,995	0	0	16,070	18,995
Financial derivatives	446	279	56,365	67,890	0	0	56,811	68,169
Total	**446**	**279**	**72,435**	**86,885**	**0**	**0**	**72,881**	**87,164**

There were no significant transfers between levels 1 and 2 in 2015 and 2014.

	Bonds		Equity investments		Loans to portfolio companies		Investments in group enterprises		Investments in associates		Investment properties		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Statement of financial position 01.01	0	0	20,031	14,555	4,572	1,060	78,842	72,774	7,037	5,968	7,507	7,566	117,989	101,923
Realised/unrealised gains or losses for the period, recognised	32	0	2,034	2,110	756	2	2,255	1,944	465	627	97	(284)	5,639	4,399
Purchase	907	0	3,482	5,522	6,149	4,609	41,480	19,188	474	507	158	225	52,650	30,051
Sale	(14)	0	(3,994)	(2,156)	(2,042)	(1,099)	(37,117)	(15,064)	(66)	(65)	(13)	0	(43,246)	(18,384)
Transfer into level 3	773	0	0	0	0	0	0	0	0	0	0	0	773	0
Transfer out of level 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Statement of financial position 31.12	**1,698**	**0**	**21,553**	**20,031**	**9,435**	**4,572**	**85,460**	**78,842**	**7,910**	**7,037**	**7,749**	**7,507**	**133,805**	**117,989**
Losses/gains on assets held	66	0	3,483	2,110	975	2	2,311	1,980	615	627	122	(284)	7,572	4,435

Losses and gains related to level 3 are recognised in the income statement in the items ‘Market value adjustments related to investment activities’ and ‘Market value adjustments related to hedging activities’.

Note 21 Disclosures about offsetting financial assets and liabilities

This note contains disclosures about offsetting financial assets and liabilities for the ATP Group. The ATP Group does not use offsetting in connection with the settlement of financial liabilities. Thus, there is no difference between the columns 'Recognised assets, gross' and 'Net amounts of financial assets presented in the statement of financial position'. The ATP Group extensively uses collateral provided to and from counterparties when entering into financial contracts. Net amounts thus indicate the exposure after provision of collateral. Disclosures are not provided specifically for the ATP Parent Company. These disclosures are identical to those of the Group.

2015 Group **Financial assets** DKKm				**Related amounts not offset in the statement of financial position**		
	Recognised assets, gross	**Financial liabilities offset in the statement of financial position**	**Net amounts of financial assets presented in the statement of financial position**	**Financial instruments**	**Financial collateral**	**Net amounts**
Financial derivatives	81,930	0	81,930	(53,824)	(28,106)	0
Receivables from credit institutions	35,428	0	35,428	(8,999)	(26,429)	0
Total	**117,358**	**0**	**117,358**	**(62,823)**	**(54,535)**	**0**

Financial liabilities **2015 Group**				**Related amounts not offset in the statement of financial position**		
	Liabilities recognised, gross	**Assets offset in the statement of financial position**	**Net amounts of financial liabilities presented in the statement of financial position**	**Financial instruments**	**Financial collateral**	**Net amounts**
Financial derivatives	56,811	0	56,811	(53,824)	(2,358)	629
Payables to credit institutions	16,070	0	16,070	(8,999)	(7,068)	3
Total	**72,881**	**0**	**72,881**	**(62,823)**	**(9,426)**	**632**

2014 Group **Financial assets** DKKm				**Related amounts not offset in the statement of financial position**		
	Recognised assets, gross	**Financial liabilities offset in the statement of financial position**	**Net amounts of financial assets presented in the statement of financial position**	**Financial instruments**	**Financial collateral**	**Net amounts**
Financial derivatives	116,657	0	116,657	(64,931)	(51,726)	0
Receivables from credit institutions	55,835	0	55,835	(12,443)	(43,392)	0
Total	**172,492**	**0**	**172,492**	**(77,374)**	**(95,118)**	**0**

Financial liabilities **2014 Group**				**Related amounts not offset in the statement of financial position**		
	Liabilities recognised, gross	**Assets offset in the statement of financial position**	**Net amounts of financial liabilities presented in the statement of financial position**	**Financial instruments**	**Financial collateral**	**Net amounts**
Financial derivatives	68,169	0	68,169	(64,931)	(2,008)	1,230
Payables to credit institutions	18,995	0	18,995	(12,443)	(6,552)	0
Total	**87,164**	**0**	**87,164**	**(77,374)**	**(8,560)**	**1,230**

Note 22 Guaranteed benefits

DKKm	Group 2015	Group 2014	ATP 2015	ATP 2014
Fair value as at 1 January	608,309	498,951	608,309	498,951
Change in provisions for the year:				
Contributions	9,055	9,049	9,055	9,049
– of which transferred to bonus potential	(1,811)	(1,810)	(1,811)	(1,810)
Pension benefits	(14,566)	(13,661)	(14,566)	(13,661)
Change due to life expectancy update	3,723	(96)	3,723	(96)
Change due to change in discount rate	(12,172)	102,304	(12,172)	102,304
Change due to bonus	3,017	2,772	3,017	2,772
Change due to maturity reduction	7,674	10,439	7,674	10,439
Other changes	628	361	628	361
Total change in provisions for the year	**(4,452)**	**109,358**	**(4,452)**	**109,358**
Fair value as at 31 December	**603,857**	**608,309**	**603,857**	**608,309**
Change in provisions for the year, broken down by the Group's and ATP's activities:				
Hedging activities:				
Change due to maturity reduction	7,674	10,439	7,674	10,439
Change due to change in discount rate	(12,172)	102,304	(12,172)	102,304
	(4,498)	112,743	(4,498)	112,743
Pension activities:				
Contributions	9,055	9,049	9,055	9,049
– of which transferred to bonus potential	(1,811)	(1,810)	(1,811)	(1,810)
Pension benefits	(14,566)	(13,661)	(14,566)	(13,661)
Other changes	628	361	628	361
Change in guaranteed benefits due to contributions and pension benefits	(6,694)	(6,061)	(6,694)	(6,061)
Change due to life expectancy update	3,723	(96)	3,723	(96)
	(2,971)	(6,157)	(2,971)	(6,157)
Not allocated:				
Change due to bonus	3,017	2,772	3,017	2,772
Total	**(4,452)**	**109,358**	**(4,452)**	**109,358**
Sensitivity disclosures:				
Change in provisions at the following changes:				
Interest rate increase of 1 percentage point	(74,402)	(76,587)	(74,402)	(76,587)
Interest rate fall of 1 percentage point	91,809	89,587	91,809	89,587
Mortality rate increase of 10 per cent	(19,921)	(19,802)	(19,921)	(19,802)
Mortality rate fall of 10 per cent*	22,043	21,902	22,043	21,902

* In 2015, a 10 per cent fall in the mortality rate was equivalent to a 1.1 year increase in life expectancy.

Note 22 Guaranteed benefits, continued

§ Accounting policies

Guaranteed benefits are calculated at the fair value of the Group's pension liabilities, i.e. the value in use of guaranteed benefits and rights (the pension commitment) assessed as a function of the current discount rate at the statement of financial position date.

The discount rate is calculated in accordance with the provision basis reported to the Danish Financial Supervisory Authority, based on the zero coupon yield curve at the statement of financial position date, reflecting the term of the guaranteed benefits. The rate thus calculated has been reduced by the tax rate under the Danish Pension Savings Returns Act (Pensionsafkastbeskatningsloven), currently 15.3 per cent.

On 1 January 2015, the guaranteed return on new ATP contributions was changed: the return is fixed for 15-year periods for all contributions from 1 January 2015 onwards. So far, the return has been fixed for life at the time that contributions are paid in. The adjustment applies only to members born in 1964 or later. The pension guarantees issued before 2015 are not affected. At the end of each 15-year guarantee period, a new rate is fixed for the next 15-year period, based on the current market rate. This practice continues until the individual member is less than 15 years from retirement.
At this point, a guaranteed rate of return is fixed to apply for the rest of the member's life.

The changes for the year in guaranteed benefits are allocated between hedging and pension activities.
Changes related to changes in the market rate and changes in maturity reduction are recognised in hedging activities. Changes related to contribution payments for the year and pension benefit payouts for the year are recognised in pension activities. Other minor changes are also recognised in pension activities. In addition, changes due to the life expectancy update are also recognised in pension activities. The life expectancy update comprises observed and expected future increases in life expectancy. Bonus is not allocated to the Group's business areas.

! Significant accounting estimates

The assessment of pension provisions is based on customary actuarial assumptions, with the most significant assumptions relating to the discount factor being based on the discount rate specified and on life expectancies for ATP's members, see the section 'Risks and risk management'. These assumptions are assumed to reflect current market conditions.

Discount rate
The discount rate curve is comprised of a zero-coupon yield curve, estimated using a recognised method, and a long-term required rate of return of 3 per cent.The assets included in the estimation basis reflect the relevant currency denomination, maturity and liquidity. The percentage breakdown of the assets included in the estimation basis is as follows:

Interest rate swaps denominated in Danish kroner – 15%

Interest rate swaps denominated in euros – 35%

Danish government bonds – 25%

German government bonds – 25%

The zero-coupon yield curve is estimated on the basis of buying and selling rates on the asset side of the breakdown above and determined on the basis of a specific set of maturities up to 30 years. The four input curves, weighted using the zero-coupon yields, are used for this purpose. Other points on the yield curve are determined by linear interpolation between the estimated points.

For interest rate swaps denominated in Danish kroner (DKK), Danish CIBOR fixings and Danish swap rates are used. For interest rate swaps denominated in euros, EURIBOR fixings, euro forward rate agreements and euro swap rates against EURIBOR and EONIA are used. For Danish government bonds, yields on Danish government bonds with a term to maturity of more than two months are used. For German government bonds, yields on German government bonds with a term to maturity of more than two months are used.

From 40 years onwards, the required rate of return of 3 per cent is used.

The table below shows selected points on the zero-coupon yield curve in 2015 and 2014.

Yield curve points	**2015**	**2014**
1 year	(0.27%)	0.03%
5 years	0.19%	0.18%
10 years	0.92%	0.72%
15 years	1.35%	1.10%
20 years	1.58%	1.33%
30 years	1.68%	1.51%
Inflation	0.34%	0.09%

Life expectancy
ATP guarantees lifelong pensions. Thus, increases in life expectancy have a major impact on the size of the guaranteed benefits. ATP uses the SAINT life expectancy model. SAINT is based on comparable data from 18 OECD countries. In addition to factoring in already observed increases in life expectancy, SAINT allows for projected future life expectancy increases. Projections of future increases in life expectancy involve a degree of judgement and uncertainty.

Note 23 Provisions for claims outstanding

	Group		ATP	
DKKm	**2015**	**2014**	**2015**	**2014**
Fair value as at 1 January	109	91	109	91
Change in provisions for the year	6	18	6	18
Fair value as at 31 December	**115**	**109**	**115**	**109**

§ Accounting policies

Provisions for claims outstanding are unpaid pension benefits due in respect of events having occurred during the financial year or earlier.

Note 24 Bonus potential, the Group

2015 Group

DKKm	Revaluation reserve	Other	Retained earnings	Total
Bonus potential as at 1 January	42	12	95,777	95,831
Net results for the year	-	0	5,402	5,402
Other comprehensive income:				
Translation adjustments related to foreign subsidiaries	-	0	-	0
Revaluation reserve in respect of owner-occupied properties	9	0	-	9
Other	0	0	0	0
Total other comprehensive income	9	0	0	9
Comprehensive income for the year	9	0	5,402	5,411
Bonus potential as at 31 December	**51**	**12**	**101,179**	**101,242**

Under the bonus allocation principles reported to the Danish Financial Supervisory Authority, the bonus potential may be divided into one portion that may be used to increase the guaranteed benefits and one portion that must be retained as unallocated bonus.

Bonus potential that could be used to increase guaranteed benefits	0
Bonus potential that must be retained as unallocated bonus	101,242
Total	**101,242**

2014 Group

DKKm	Revaluation reserve	Other	Retained earnings	Total
Bonus potential as at 1 January	35	12	93,297	93,344
Revaluation, Investment property transferred to owner-occupied property, beginning of year	1	0	(1)	0
Net results for the year	-	0	2,481	2,481
Other comprehensive income:				
Translation adjustments related to foreign subsidiaries	-	0	-	0
Revaluation reserve in respect of owner-occupied properties	6	0	-	6
Other	0	0	0	0
Total other comprehensive income	6	0	0	6
Comprehensive income for the year	6	0	2,481	2,487
Bonus potential as at 31 December	**42**	**12**	**95,777**	**95,831**

Bonus potential that could be used to increase guaranteed benefits	0
Bonus potential that must be retained as unallocated bonus	95,831
Total	**95,831**

Note 24 Bonus potential, ATP

2015 ATP

DKKm	Revaluation reserve	Other	Retained earnings	Total
Bonus potential as at 1 January	42	0	95,789	95,831
Net results for the year	-	0	5,402	5,402
Other comprehensive income:				
Translation adjustments related to foreign subsidiaries	-	0	-	0
Revaluation reserve in respect of owner-occupied properties	9	0	-	9
Total other comprehensive income	9	0	0	9
Comprehensive income for the year	9	0	5,402	5,411
Bonus potential as at 31 December	**51**	**0**	**101,191**	**101,242**

Under the bonus allocation principles reported to the Danish Financial Supervisory Authority, the bonus potential may be divided into one portion that may be used to increase the guaranteed benefits and one portion that must be retained as unallocated bonus.

Bonus potential that could be used to increase guaranteed benefits	0
Bonus potential that must be retained as unallocated bonus	101,242
Total	**101,242**

2014 ATP

DKKm	Revaluation reserve	Other	Retained earnings	Total
Bonus potential as at 1 January	35	0	93,309	93,344
Revaluation, Investment property transferred to owner-occupied property, beginning of year	1	0	(1)	0
Net results for the year	-	0	2,481	2,481
Other comprehensive income:				
Translation adjustments related to foreign subsidiaries	-	0	-	0
Revaluation reserve in respect of owner-occupied properties	6	0	-	6
Total other comprehensive income	6	0	0	6
Comprehensive income for the year	6	0	2,481	2,487
Bonus potential as at 31 December	**42**	**0**	**95,789**	**95,831**

Bonus potential that could be used to increase guaranteed benefits	0
Bonus potential that must be retained as unallocated bonus	95,831
Total	**95,831**

Note 24 Bonus potential, continued

§ Accounting policies

ATP's and the Group's bonus potential are reserves that are not distributed to ATP's members. The bonus potential is equivalent to the carrying amount of total assets related to ATP less guaranteed benefits, provisions for claims outstanding and the sum of the carrying amount of ATP's other liabilities.

The reserves can be distributed as bonus. Bonus allowances are transferred to guaranteed benefits over results and comprehensive income. Comprehensive income for the year is transferred to the bonus potential. Revaluations and reversed revaluations of owner-occupied properties are recognised directly in the bonus potential over other comprehensive income. The bonus potential thus rises and falls with the size of the net results for the year and other comprehensive income.

Bonus policy

The framework of ATP's bonus policy is defined in section 18(3) of the ATP Act (ATP-loven), stipulating that the aim is to pursue a long-term bonus policy to preserve the real value of pensions. The ATP Supervisory Board decides on any bonus allowances once a year. This depends, among other things, on the size of the bonus rate. The bonus rate is defined as bonus potential relative to guaranteed benefits, see note 32.

In 2013, the ATP Supervisory Board resolved to expand ATP's indicative bonus policy with the option of increasing pensions for current pensioners. If the bonus rate exceeds 10 per cent, pensions for current pensioners can be increased. In 2015, the bonus potential was sufficient to increase pensions at year-end by 1.5 per cent for all current pensioners.

ATP's risk consumption based on the European Solvency II regulation for insurance companies was measured at DKK 44.3bn as at 31 December 2015 (31.12.2014: DKK 31.6bn), see the section 'Risks and risk management'.

Note 25 Intangible assets

	Group		ATP	
DKKm	**2015**	**2014**	**2015**	**2014**
Goodwill:				
Cost as at 1 January	221	214	0	0
Additions	0	0	0	0
Foreign currency translation adjustments	0	7	0	0
Cost as at 31 December	221	221	0	0
Impairment losses as at 1 January	(120)	(70)	0	0
Impairment losses for the year	(57)	(50)	0	0
Impairment losses as at 31 December	(177)	(120)	0	0
Carrying amount as at 31 December	**44**	**101**	**0**	**0**
Internal development projects				
Cost as at 1 January	1,255	1,331	1,243	1,319
Additions during the year	225	62	225	62
Disposals during the year	(3)	(138)	(3)	(138)
Cost as at 31 December	1,477	1,255	1,465	1,243
Amortisation as at 1 January	(829)	(708)	(818)	(698)
Amortisation and impairment losses for the year	(110)	(205)	(110)	(204)
Disposals during the year	0	84	0	84
Amortisation as at 31 December	(939)	(829)	(928)	(818)
Carrying amount as at 31 December	**538**	**426**	**537**	**425**
Total intangible assets:				
Cost as at 1 January	1,476	1,545	1,243	1,319
Additions during the year	225	62	225	62
Disposals during the year	(3)	(138)	(3)	(138)
Foreign currency translation adjustments	0	7	0	0
Cost as at 31 December	1,698	1,476	1,465	1,243
Amortisation and impairment losses as at 1 January	(949)	(778)	(818)	(698)
Amortisation and impairment losses for the year	(167)	(255)	(110)	(204)
Disposals during the year	0	84	0	84
Amortisation and impairment losses as at 31 December	(1,116)	(949)	(928)	(818)
Carrying amount as at 31 December	**582**	**527**	**537**	**425**

§ Accounting policies

Goodwill
On initial recognition, goodwill is recognised in the statement of financial position at cost as described under acquisition of companies, see note 28. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

Internal development projects
Clearly defined and identifiable development projects, for which the technical rate of utilisation, sufficient resources and a potential future market or application in the company can be demonstrated, and where the intention is to produce, market or use the project, are recognised as intangible assets, provided that the cost of these assets can be measured reliably and there is a sufficient degree of certainty of the future value in use. Other development costs are recognised in the income statement as incurred. Development costs include expenses, remunerations and amortisation attributable to the Group's development activities.

Internal development projects are measured at cost less accumulated amortisation and impairment losses. Amortisation is provided on a straight-line basis over the estimated useful economic lives of the assets, typically from three to ten years. The useful economic lives of the assets are reviewed and adjusted, if appropriate, at each statement of financial position date.

Note 25 Intangible assets, continued

Significant accounting estimates

Impairment test for goodwill

As at 31 December 2015, the Supervisory and Executive Boards tested the carrying amount of goodwill for impairment, based on the allocation made of the cost of goodwill on cash-generating units.

Goodwill	Group		ATP	
	2015	**2014**	**2015**	**2014**
NOW: Pension Ltd.	170	170	0	0
Ejendomsselskabet Vangede A/S	44	44	0	0
	214	214	0	0
Recoverable amount				
NOW: Pension Ltd.	0	57	0	0
Ejendomsselskabet Vangede A/S	44	44	0	0
	44	101	0	0

The recoverable amount is determined as the highest use-value and the fair value less selling costs. The recoverable amount is based on the value in use, determined through use of expected net cash flows based on budgets approved by the Supervisory and Executive Boards.

Impairment tests of development projects and other assets

Internal development projects comprise primarily the tendering of the contract for IT systems relating to UDK – Public Benefits Administration. The carrying amount of tendering of the contract for IT systems totalled DKK 284m as at 31 December 2015. The objective of tendering the contract is to reduce IT expenses through procurement of operationally reliable and cost-effective business solutions.

The remaining carrying amount as at 31 December 2015 relates to projects that have been completed for operation and are used mainly by the Group's Processing Business.

In 2015, the Supervisory and Executive Boards conducted an impairment test of the carrying amount of development projects in progress. The assessment is that the recoverable value exceeds the carrying amount. The assessment of the recoverable amount is based on value-in-use calculations, determined through use of expected cash flows based on budgets for the years 2016-2020 as approved by the Supervisory and Executive Boards.

For other completed development projects, the Supervisory and Executive Boards have assessed the amortisation period applied. For a few projects, the Supervisory and Executive Boards have found that the value in use should be reduced, and, in addition, in 2015 impairment was provided for a few completed projects.

Note 26 Owner-occupied properties

DKKm	Group 2015	Group 2014	ATP 2015	ATP 2014
Cost as at 1 January	834	816	797	792
Reclassification from/to investment properties	0	9	0	0
Additions during the year	0	9	0	5
Cost as at 31 December	834	834	797	797
Revaluations as at 1 January	42	35	34	28
Reclassification from/to investment properties	0	1	0	0
Revaluations for the year	9	6	7	6
Reversal of revaluations due to value adjustment	0	0	0	0
Revaluations as at 31 December	51	42	41	34
Amortisation and impairment losses as at 1 January	(34)	(30)	(32)	(28)
Depreciation for the year	(5)	(4)	(4)	(4)
Amortisation and impairment losses as at 31 December	(39)	(34)	(36)	(32)
Fair value as at 31 December	**847**	**842**	**802**	**799**

§ Accounting policies

Owner-occupied properties are properties used by the Group for administration purposes. Properties with both owner-occupied and investment elements are allocated proportionately between the two asset types by square metre.

Owner-occupied properties are recognised at cost and subsequently measured at fair value using a revaluation model. The fair value of owner-occupied properties is assessed using the principles applied to the Group's investment properties, see note 16.

Depreciation of owner-occupied properties is provided on a straight-line basis over the estimated useful economic lives of the assets. The depreciation periods have been determined at 50 years. No depreciation is provided for land.

Revaluation at the statement of financial position date of property, plant and equipment from cost to fair value is recognised under the bonus potential as a revaluation reserve. Increases in the fair value of a property are recognised directly in the item 'Revaluation reserve' under bonus potential, unless the increase is offset by a corresponding decrease in value previously recognised in the income statement. A decrease in the fair value of a property is recognised in the income statement, unless the decrease is offset by a corresponding increase in value previously recognised directly in the item 'Revaluation reserve' under the bonus potential. In that case, the decrease in value is transferred directly as a reduction in the revaluation reserve.

Note 27 Acquisition of companies

In 2015, the ATP Group acquired a company in Luxembourg. The ATP Group acquired two companies in 2014. On 31 July 2015, the ATP Group acquired 100 per cent of the equities in the company ATP European Core Shopping Center Fund. The payment totalled DKK 0.0m. As at 31 July 2015, the net assets acquired amounted to DKK 0.0m.

The acquisition did not significantly impact the ATP Group's income statement or statement of financial position. Had the company acquired been owned by the ATP Group throughout the year, the Group's income statement and statement of financial position would not have been significantly impacted either.

§ Accounting policies

Newly acquired or newly formed companies are recognised in the consolidated financial statements from the date of acquisition and the date of formation, respectively. The date of acquisition is the time at which control of the company is actually acquired. Companies that are sold or divested are recognised in the consolidated statement of comprehensive income until the date of sale and divestment, respectively.

On the acquisition of new companies in which the Group achieves a controlling interest, the purchase method is applied under which the identifiable assets, liabilities and contingent liabilities of the newly acquired companies are measured at fair value at the date of acquisition. The consideration paid for a company is the fair value of the payment made for the acquired company. If the determination of the payment is conditional upon one or more future events, these events are recognised at the fair value thereof at the date of acquisition. Expenses related to the acquisition are recognised in the income statement when incurred.

A positive balance (goodwill) between, on the one hand, the consideration paid for the acquired company and the fair value of equity investments previously acquired and, on the other hand, the fair value of the assets, liabilities and contingent liabilities acquired is recognised under intangible assets and tested for impairment at least once a year. If the carrying amount of the asset exceeds its recoverable amount, it is written down to the lower recoverable amount, see note 25.

Note 28 Operating leases

The Group as lessor:
The Group acts as lessor for property leases. All leases are offered as operating leases. Assets are recognised in the Group's and ATP's statements of financial position under investment properties.

	Group		ATP	
DKKm	2015	2014	2015	2014
Rental income for the year from property rental	1,233	1,096	572	570
Lessees are under contractual obligation for an average of (years)	11	12	3	3
At the statement of financial position date, the Group had entered into leases under which future rental income is expected to be distributed as follows:				
Within 1 year	1,108	1,048	497	497
Between 1 and 5 years	2,779	2,805	861	981
After 5 years	3,792	4,645	217	269
Total rental income	**7,679**	**8,498**	**1,575**	**1,747**

Note 29 Contingent liabilities and collateral

Collateral

The ATP Group provides and receives assets as collateral from clearing centres when entering into financial transactions. The ATP Group is entitled to sell or repledge the assets received. ATP's counterparties are also entitled to sell or repledge the assets received when the ATP Group provides assets as collateral. Assets provided as collateral continue to be recognised in the Group's statement of financial position.

Assets provided and received as collateral are specified in the table below:

	Group		ATP	
DKKm	**2015**	**2014**	**2015**	**2014**
Assets provided as collateral:				
Bonds	26,568	23,983	26,568	23,983
Cash and cash equivalents	93	0	93	0
Total assets provided as collateral	**26,661**	**23,983**	**26,661**	**23,983**
Assets received as collateral:				
Bonds	66,072	109,829	66,072	109,829
Total assets received as collateral	**66,072**	**109,829**	**66,072**	**109,829**
Investment and loan commitments				
Investment commitments, equity investments	13,871	13,086	255	308
Investment commitments, real estate funds	2,063	1,393	2,214	760
Investment commitments, Danish properties	388	497	388	497
Investment commitments, infrastructure funds	3,728	2,203	3,728	2,203
Investment commitments, credit funds	1,960	2,182	398	645
Investment commitments, biotech companies	878	1,558	878	1,558
Loan commitments, credit institutions	9,054	1,869	9,054	1,869
Loan commitments, real estate investments	0	0	2,000	0
Other contingent liabilities				
Rental/lease obligations	355	422	342	415
Potential deferred tax related to real estate[1]	151	170	0	0

[1] Under certain conditions, the ATP Group is not subject to income tax on the activities of its subsidiaries ATP Ejendomme A/S and Ejendomsselskabet Vangede A/S as of and including 2001.

If the conditions for tax exemption are not met, provisions are made for both current and deferred tax in the company. In 2015, ATP Ejendomme A/S and Ejendomsselskabet Vangede A/S met the conditions for tax exemption.

ATP is jointly registered for VAT with a number of subsidiaries. These subsidiaries are jointly and severally liable for the payment of VAT and payroll tax included in the joint registration for VAT.

§ Accounting policies

Decisions regarding the accounting treatment of contingent assets and liabilities are based on an assessment of the expected outcome of the applicable contingency. If it is almost certain that a future economic benefit will flow to the ATP Group, the asset and the related income are recognised. If, on the other hand, it is probable that a future economic benefit will flow from the ATP Group when discharging the liability, the contingency is recognised as a liability. Where it is not possible to estimate an amount with sufficient certainty, or it is not possible to estimate the outcome of a given matter, information to this effect will be provided. Decisions relating to such matters may generate realised profits or losses in future accounting periods that exceed the amounts recognised in the financial statements.

Note 30 Related party transactions

The ATP Group

Related parties of the ATP Group are associates and independent schemes managed by ATP. For an overview of associates, please refer to note 15.

Members of the ATP Supervisory and Executive Boards and their close family members are also regarded as related parties. Enterprises in which these persons have a controlling or significant interest are also regarded as related parties. No one is considered to have a controlling or significant interest in the Group.

The Group has entered into the following related party transactions:

2015

DKKm

	Sale	Purchase	Payables	Receivables/ Loans	Contingent liabilities
Associates	3,457	353	0	1,525	487
Independent schemes managed by ATP:					
AUB – The Employers' Reimbursement System	63	0	0	7	0
FerieKonto	78	0	0	8	0
LG – The Employees' Guarantee Fund	63	0	0	11	0
AES – The Labour Market Occupational Diseases Fund	50	0	0	7	0
Barsel.dk	28	0	0	3	0
UDK – Public Benefits Administration	775	0	178	0	0
SFS – Tax Reductions for Senior Citizens	8	0	0	0	0
FIB – Financing Contributions	10	0	0	0	0
BUS – Maternity/Paternity Compensation Scheme for Self-employed Persons	19	0	0	2	0
Other	5	0	0	1	0
Total related party transactions	**4,556**	**353**	**178**	**1,564**	**487**

2014

DKKm

	Sale	Purchase	Payables	Receivables/ Loans	Contingent liabilities
Associates	4,746	4,875	0	1,491	494
Independent schemes managed by ATP:					
AUB – The Employers' Reimbursement System	59	0	0	8	0
FerieKonto	73	0	0	17	0
LG – The Employees' Guarantee Fund	98	0	0	44	0
AES – The Labour Market Occupational Diseases Fund	53	0	0	8	0
Barsel.dk	31	0	0	4	0
UDK – Public Benefits Administration	791	0	0	124	0
SFS – Tax Reductions for Senior Citizens	10	0	0	1	0
FIB – Financing Contributions	13	0	0	1	0
Other	5	0	0	1	0
Total related party transactions	**5,879**	**4,875**	**0**	**1,699**	**494**

Sales to schemes comprise a number of administration functions, including accounting functions, IT operations and development and staff administration etc. These amounts are also set out in note 7.

Related party transactions also comprise the statutory labour market pension for members of the ATP Supervisory and Executive Boards and their close family members, as well as enterprises in which these persons have significant interests.

Overall payments to ATP in 2015 total DKK 0.0m (2014 DKK 0.0m).

Transactions with associates comprise loans entered into and interest accrued which are settled on an arm's length basis (market terms).

Transactions with related parties are settled on a cost-recovery basis for schemes. The transactions are subject to contractual agreement with ATP.

Remuneration details for the Supervisory and Executive Boards are set out in note 6.

Note 30 Related party transactions, continued

ATP

Related parties of ATP are associates, group subsidiaries and independent schemes managed by ATP. For an overview of associates and group subsidiaries, please refer to notes 14 and 15.

Members of the ATP Supervisory and Executive Boards and their close family members are also regarded as related parties. Enterprises in which these persons have significant interests are also regarded as related parties.

ATP has entered into the following related party transactions:

2015
DKKm

	Sales *)	Purchases *)	Payables	Receivables/ Loans	Contingent liabilities
Associates	3,457	353	0	1,525	487
Group subsidiaries	278,882	278,773	167	3,221	0
Independent schemes managed by ATP:					
AUB – The Employers' Reimbursement System	63	0	0	7	0
FerieKonto	78	0	0	8	0
LG – The Employees' Guarantee Fund	63	0	0	11	0
AES – The Labour Market Occupational Diseases Fund	50	0	0	7	0
Barsel.dk	28	0	0	3	0
UDK – Public Benefits Administration	775	0	178	0	0
SFS – Tax Reductions for Senior Citizens	8	0	0	0	0
FIB – Financing Contributions	10	0	0	0	0
BUS – Maternity/Paternity Compensation Scheme for Self-employed Persons	19	0	0	2	0
Other	5	0	0	1	0
Total related party transactions	**283,438**	**279,126**	**345**	**4,785**	**487**

2014
DKKm

	Sales *)	Purchases *)	Payables	Receivables/ Loans	Contingent liabilities
Associates	4,746	4,875	0	1,491	494
Group subsidiaries	233,832	230,755	114	3,792	0
Independent schemes managed by ATP:					
AUB – The Employers' Reimbursement System	59	0	0	8	0
FerieKonto	73	0	0	17	0
LG – The Employees' Guarantee Fund	98	0	0	44	0
AES – The Labour Market Occupational Diseases Fund	53	0	0	8	0
Barsel.dk	31	0	0	4	0
UDK – Public Benefits Administration	791	0	0	124	0
SFS – Tax Reductions for Senior Citizens	10	0	0	1	0
FIB – Financing Contributions	13	0	0	1	0
Other	5	0	0	1	0
Total related party transactions	**239,711**	**235,630**	**114**	**5,491**	**494**

* Internal sales and purchases include administration services, interest and internal forward exchange transactions.

Sales to group subsidiaries and schemes comprise a number of administration functions, including accounting functions, IT operations and development and staff administration etc. These amounts are also set out in note 7. Sales to group subsidiaries also comprise hedging activities undertaken by ATP on behalf of group subsidiaries.

Related party transactions also comprise the statutory labour market pension for members of the ATP Supervisory and Executive Boards and their close family members, as well as enterprises in which these persons have a controlling or significant interest.
Overall payments to ATP in 2015 total DKK 0.0m (2014 DKK 0.0m).

Transactions with associates comprise loans entered into and interest accrued which are settled on an arm's length basis (market terms).

Related party transactions are settled on an arm's length basis (market terms) or, in the case of group subsidiaries and schemes, on a cost-recovery basis. The transactions are subject to contractual agreement with ATP.

Remuneration details for the Supervisory and Executive Boards are set out in note 6.

No one is considered to have a controlling interest in the Parent Company.

§ Accounting policies

Related party transactions are settled on an arm's length basis (market terms) or, in the case of group subsidiaries and schemes, on a cost-recovery basis. Transactions are subject to contractual agreement between the Group's companies.

Note 31 Non-current and current assets and liabilities

	Group		ATP	
DKKm	2015	2014	2015	2014
Non-current assets:				
Intangible assets	582	527	537	425
Operating equipment	23	19	19	16
Owner-occupied properties	847	842	802	799
Investment properties	20,360	17,871	7,749	7,507
Investments in associates	13,018	10,328	7,910	7,157
Investments in group subsidiaries	-	-	85,460	78,842
Tax receivable on pension savings returns and income tax	0	0	-	-
Deferred tax on pension savings returns and income tax	8	11	0	0
Total non-current assets	**34,838**	**29,598**	**102,477**	**94,746**
Current assets:				
Cash and demand deposits	5,491	5,234	2,397	2,033
Bonds	520,244	515,714	494,443	488,199
Equity investments	81,279	78,095	43,759	37,504
Mutual fund units	5,535	6,603	0	0
Financial derivatives	81,932	116,725	81,930	116,657
Tax receivable on pension savings returns and income tax	0	1	-	-
Deferred tax on pension savings returns and income tax	0	0	0	0
Contributions receivable	2,435	2,408	2,435	2,408
Loans to portfolio companies	10,049	5,142	9,435	4,572
Loans to group subsidiaries	-	-	2,695	2,755
Receivables from group subsidiaries	-	-	526	1,037
Receivables from credit institutions	35,428	55,835	35,428	55,835
Other receivables	2,144	2,827	1,010	1,719
Other prepayments	814	766	806	760
Interest receivable	4,273	4,633	3,887	4,208
Total current assets	**749,624**	**793,983**	**678,751**	**717,687**
Total assets	**784,462**	**823,581**	**781,228**	**812,433**
Non-current liabilities:				
Guaranteed benefits	588,162	593,692	588,162	593,692
Bonus potential	101,242	95,831	101,242	95,831
Provisions for unit-linked contracts	0	174	0	174
Deferred tax on pension savings returns and income tax	116	69	-	-
Minority interests	339	109	-	-
Total non-current pension provisions and liabilities	**689,859**	**689,875**	**689,404**	**689,697**
Current liabilities:				
Guaranteed benefits	15,695	14,617	15,695	14,617
Provisions for claims outstanding	115	109	115	109
Payables to group subsidiaries	-	-	167	114
Financial derivatives	57,782	69,934	56,811	68,169
Tax payable on pension savings returns and income tax payable	976	15,432	976	15,428
Payables to credit institutions	16,070	18,995	16,070	18,995
Other payables	3,965	14,619	1,990	5,304
Total current liabilities	**94,603**	**133,706**	**91,824**	**122,736**
Total equity and liabilities	**784,462**	**823,581**	**781,228**	**812,433**

Note 32 Five-year summary for ATP

Financial highlights (DKKm)	2015	2014	2013	2012	2011
Contributions	9,055	9,049	11,587	8,554	8,602
Pension benefits	14,566	13,661	12,741	11,903	11,080
Investment return	6,584	116,752	(30,109)	48,552	105,792
Pension-related operating expenses	283	300	310	325	327
Technical profit	5,385	2,466	9,156	10,098	4,007
Net results for the year	5,402	2,481	9,168	10,104	4,000
Bonus potential	101,242	95,831	93,344	84,167	74,135
Pension provisions	705,214	704,423	592,566	624,132	579,321
Total assets	781,228	812,433	677,497	791,076	775,534
Members (number in thousands)	4,971	4,901	4,839	4,783	4,732
Pensioners (number in thousands)	975	944	915	879	838
Ratios					
Return ratios[1]					
Return before tax on pension savings returns (per cent)	1.1	23.3	(5.7)	9.9	26.2
Return after tax on pension savings returns (per cent)	0.9	19.8	(4.8)	8.4	22.3
Expense ratios					
Expense ratio for contributions	3.1	3.3	2.7	3.8	3.8
Expense ratio for provisions	0.1	0.1	0.1	0.1	0.1
Expenses per member (DKK)	57	62	65	68	69
Other ratios					
Bonus rate (per cent)	16.8	15.8	18.7	15.6	14.7
Return on pension provisions before tax on pension savings returns (per cent)	1.1	23.3	(5.7)	9.9	26.2

The five-year summary for ATP has been prepared in accordance with the format requirements of the Danish Financial Supervisory Authority in line with the methods of accounting used by other pension providers in Denmark. Consequently, the investment returns and the return ratios etc. deviate from ATP's format, which is IFRS-compliant.

[1]ATP does not apply the Danish FSA's return ratio. The return ratio tends to over-reflect market value changes in ATP's hedging portfolio, which will not notably affect the pensions promised. As the ratio does not allow for variance in the value creation of the guaranteed products, the ratio does not provide a complete picture of the value creation for ATP's members for the individual year. However, in the very long term, the ratio better reflects the value creation.

Note 33 Breakdown of ATP's assets and their returns at market value

	Carrying amount 31.12.2015		Net investment	Return p.a. before tax on pension savings returns
	DKKm		DKKm	per cent
	Beginning of year	**End of year**		
Land and buildings directly owned	8,306	8,568	(146)	10.8
Property companies	18,527	21,460	(905)	6.7
Total land and buildings	**26,833**	**30,028**	**(1,051)**	**9.6**
Other subsidiaries	**32,499**	**33,382**	**2,920**	**11.9**
Listed Danish equity investments	17,110	21,520	3,066	45.8
Unlisted Danish equity investments	5,481	6,872	(769)	10.1
Listed international equity investments	2,892	3,020	(1,285)	(56.1)
Unlisted international equity investments	12,919	16,922	(642)	23.3
Total other equity investments	**38,402**	**48,334**	**370**	**25.4**
Government bonds (Zone A)	412,348	392,447	17,222	(0.9)
Mortgage bonds	75,806	103,775	(28,757)	(0.6)
Index-linked bonds	1,121	690	384	0.1
Credit bonds, investment grade	2,645	1,700	1,134	7.4
Credit bonds, non-investment grade, and emerging markets bonds	19,111	18,915	1,991	9.5
Other bonds	14,953	14,644	0	(2.1)
Total bonds	**525,984**	**532,171**	**(8,026)**	**(0.2)**
Other financial investment assets	**42,256**	**30,942**	**5,776**	(9.3)
Financial derivatives entered into for the purpose of hedging the net change of assets and liabilities	**52,981**	**28,506**	**20,872**	-
Total investment assets	**718,955**	**703,363**	**20,861**	**1.1**

The breakdown includes financial derivatives at a negative market value of DKK 68,169m at year-end 2014 and DKK 56,811m at year-end 2015, respectively, and payables to credit institutions of DKK 18,995m at year-end 2014 and DKK 16,070m at year-end 2015. Payables to group subsidiaries of DKK 114m at year-end 2014 and DKK 167m at year-end 2015 are included.

Note 34 ATP's risk factors and their impact on the bonus potential (after tax)

2015 Events DKKbn	**Impact on assets**	**Impact on guaranteed benefits**	**Total impact on bonus potential**
Interest rate increase of 0.7 percentage points	(53.4)	(53.7)	0.3
Interest rate decrease of 0.7 percentage points	60.6	62.2	(1.6)
Equity price fall of 12 percentage points	(10.3)	-	(10.3)
Property price fall of 8 percentage points	(2.3)	-	(2.3)
Exchange rate change with 1 per cent probability over 10 days	(0.2)	-	(0.2)
Counterparty loss of 8 percentage points	(4.0)	-	(4.0)
Country spread risk	4.4	4.7	(0.3)
Commodity price fall of 18 percentage points	(0.7)	-	(0.7)
Mortality rate fall of 10 per cent	-	22.0	(22.0)
Mortality rate increase of 10 per cent	-	(19.9)	19.9

Note: The impact on assets and the value of guaranteed benefits, as well as the overall impact on the bonus potential are calculated for each event. The impact of each event in the table is calculated based on a ceteris paribus consideration on the basis of the closing statement of financial position as specified in the financial statements. It is assumed that the individual events occur as events with immediate effect.

Note 35 ATP's equity investments broken down by sector and region

2015

Per cent	Denmark	Rest of Europe	North America	Japan	Other countries	Total
Energy	0.0	0.0	0.0	0.0	0.0	0.0
Materials	0.7	0.0	0.0	0.0	0.0	0.7
Industrials	5.3	0.0	0.0	0.0	0.0	5.3
Consumer durables	2.1	0.0	0.0	0.0	0.0	2.1
Consumer goods	1.1	0.0	0.0	0.0	0.0	1.1
Health care	6.3	0.6	0.0	0.0	0.0	6.9
Finance	2.2	0.1	0.0	0.0	0.0	2.3
IT	0.7	0.0	0.0	0.0	0.0	0.7
Telecommunications	0.2	0.0	0.0	0.0	0.0	0.2
Utilities	0.0	0.0	0.0	0.0	0.0	0.0
Not broken down	48.8	7.9	14.7	2.3	7.0	80.7
Total	**67.4**	**8.6**	**14.7**	**2.3**	**7.0**	**100.0**

'Not broken down' for Rest of Europe includes futures exposure of DKK 905m and options exposure of DKK 503m.
'Not broken down' for North America includes futures exposure of DKK 5,130m and options exposure of DKK 127m.
'Not broken down' for Japan includes futures exposure of DKK 2,602m.

Specification: Breakdown of the investment portfolio by risk class and development in the Interest Rates portfolio

Breakdown of the investment portfolio by risk class, year-end 2015

DKKbn	Interest Rates	Credit	Equities	Inflation	Commodities
Portfolio	52.0	29.1	74.4	94.8	4.4

Note: The portfolio of the individual risk classes is expressed in terms of exposure. Exposure is the sensitivity of the risk class to changes in asset prices relative to the primary factor of the respective asset or underlying asset. However, the Interest Rates portfolio is expressed in terms of 10-year German government bonds. If the risk in Interest Rates is expressed in terms of the risk on German government bonds with a term to maturity of 10 years, the Interest Rates portfolio is thus equivalent to a portfolio of German government bonds totalling DKK 52.0bn.

The Interest Rates portfolio expressed in terms of 10-year German government bonds during the period from 31 December 2014 to 31 December 2015

If the risk in Interest Rates is expressed in terms of the risk on German government bonds with a term to maturity of 10 years, on the date specified the Interest Rates portfolio was equivalent to a portfolio of German government bonds as specified:

DKKbn	31 December 2015	30 September 2015	30 June 2015	31 March 2015	31 December 2014
Interest Rates	52.0	33.7	27.8	7.0	3.9

Supervisory Board

Chairman

Chairman of the Supervisory Board
Jørgen Søndergaard

Employer representatives

Chairman
Torben Dalby Larsen

Deputy Director General
Kim Graugaard

Director-General
Jacob Holbraad

Professional Board Member
Anne Broeng

Group Chief Auditor
Anne Jæger

Chairman
Bent Hansen

Employee representatives

Chairman
Lizette Risgaard

Vice President
Arne Grevsen

Chief Executive Officer
Jan Walther Andersen

President
Kim Simonsen

Chairman
Bente Sorgenfrey

Supervisory Board
vacancy

Board of Representatives

Chairman:

Jørgen Søndergaard, Chairman of the Supervisory Board

Employer representatives
Appointed by the Confederation of Danish Employers (DA):
Chairman; Torben Dalby Larsen, Deputy Director; Kim Graugaard, Deputy Director; Jacob Holbraad, Director-General; Lise Bardenfleth, Chief Consultant; Charlotte Vester, Deputy Director; Berit Vinther,Deputy Director General; Steen Müntzberg, Deputy Director; Pernille Knudsen, Deputy Director; Camilla Khokhar, Professional Board Member; Anne Broeng

Appointed by the Danish Minister of Finance:
Anne Jæger, Group Chief Auditor

Appointed by Danish Regions:
Bent Hansen, President of Danish Regions

Appointed by Local Government Denmark (LGDK):
2nd Deputy Mayor Søren Kristensen, Mayor Martin Damm

Appointed by the Danish Employers' Association for the Financial Sector (FA): Mariane Dissing, CEO

Employee representatives
Appointed by the Danish Confederation of Trade Unions (LO):
President; Lizette Risgaard, President; Arne Grevsen, Vice President; Jan Walther Andersen, Director; Ole Wehlast, President; Claus Jensen, President; Per Christensen, President; Jørgen Juul Rasmussen, President; Kim Simonsen, President; Lone Engberg Thomsen, President; Benny Andersen

Appointed by the Salaried Employees' and Civil Servants' Confederation (FTF):
Bente Sorgenfrey, President; Kent Petersen, President; Jens Kragh

Appointed by the Danish Association of Managers and Executives (LH):
Svend Askær, President

Appointed by the Danish Confederation of Professional Associations (Akademikerne):
Supervisory Board vacancy

Executive Committee, Audit Committee, Executive Board and Appeals Board

Executive Committee
Jørgen Søndergaard (Chairman)
Jacob Holbraad
Lizette Risgaard

Audit Committee
Jørgen Søndergaard (Chairman)
Jacob Holbraad
Lizette Risgaard

Executive Board
Chief Executive Officer (CEO): Carsten Stendevad

Members of the Group Executive Board:
Lilian Mogensen, COO, Processing Business and HR
Henrik Gade Jepsen, CIO, Pensions & Investments
Bo Foged, Chief Financial Officer

Appointed actuary: Ulla Schjødt-Hansen

Appeals Board
The Appeals Board for ATP etc.
Ved Stranden 8, DK-1061 Copenhagen K

Other directorships held by members of the Supervisory Board

Jørgen Søndergaard, Chairman of the Supervisory Board
Seniority: joined the Supervisory Board in 2003 – current term expires in 2018

Other directorships:
Chairman of the Supervisory Board of LG – The Employees' Guarantee Fund
Chairman of the Supervisory Board of AES – The Labour Market Occupational Disease Fund
Vice Chairman of the Supervisory Board of Psykiatrifonden
Member of the Supervisory Board of All-Ears Telemarketing

Employer representatives

Torben Dalby Larsen, President
Seniority: joined the Supervisory Board in 2011 – current term expires in 2017

Other directorships:
Chairman of the Confederation of Danish Employers (DA)
Member of the Supervisory Board of LG – The Employees' Guarantee Fund
Managing Director of Sjællandske Medier A/S
Editor-in-Chief of DAGBLADET, Frederiksborg Amts Avis, Nordvestnyt and Sjællandske.
Chairman of the Supervisory Board of the wholly-owned subsidiaries of Sjællandske Medier
Chairman of the news agency Dagbladenes Bureau
Chairman of Vestsjællandske Distriktsblade A/S
Vice Chairman of the Supervisory Board of PFA Pension A/S
Member of the Supervisory Board of the Danish Broadcasting Corporation (DR).
Member of the Supervisory Board of the Danish Newspapers' and Media Employers' Association
Chairman of the Supervisory Boards of Roskilde Mediecenter K/S and A/S

Kim Graugaard, Deputy Director General
Seniority: joined the Supervisory Board in 2003 – current term expires in 2018

Other directorships:
Deputy Director General of the Confederation of Danish Industry (DI)
Member of the Supervisory Board of LG – The Employees' Guarantee Fund
Chairman of TekSam
Vice Chairman of the Supervisory Board of Industriens Pension
Member of the Supervisory Board of the Confederation of Danish Employers (DA)
Member of the Supervisory Board of ESS, European Spallation Source
Judge of the Industrial Court

Jacob Holbraad, Director-General
Seniority: joined the Supervisory Board in 2015 – current term expires in 2017

Other directorships:
Director-General of the Confederation of Danish Employers (DA)
Member of the Supervisory Board of LG – The Employees' Guarantee Fund

Anne Broeng, Professional Board Member
Seniority: joined the Supervisory Board in 2014 – current term expires in 2016

Other directorships:
Member of the Supervisory Board of LG – The Employees' Guarantee Fund
Member of the Supervisory Board and the Audit Committee of VKR Holding A/S
Member of the Supervisory Board and Chairman of the Audit Committee of NNIT A/S
Member of the Supervisory Board of Købmand Herman Sallings Fond
Member of the Supervisory Board of Købmand Ferdinand Sallings Mindefond
Member of the Supervisory Board of F. Salling Holding A/S
Member of the Supervisory Board of F. Salling Invest A/S
Member of the Supervisory Board of Bikubenfonden
Member of the Supervisory Board of NASDAQ OMX Nordic Ltd.
Member of the Supervisory Board of PensionDanmark

Anne Jæger, Group Chief Auditor
Seniority: joined the Supervisory Board in 2014 – current term expires in 2017

Other directorships:
Group Chief Auditor of Assicurazioni Generali S.p.A., Italy
Member of the Supervisory Board of LG – The Employees' Guarantee Fund

Bent Hansen, President of Danish Regions
Seniority: joined the Supervisory Board in 2015 – current term expires in 2017

Other directorships:
Chairman of Central Denmark Region
Member of the Supervisory Board of LG – The Employees' Guarantee Fund
Chairman of the Board of Danish Regions
Chairman of PKA A/S
Chairman of the Pension Fund for Nurses and Medical Secretaries (Pensionskassen for sygeplejersker og lægesekretærer)
Chairman of Growth Forum Central Denmark Region
Member of the Supervisory Board of Fonden for Aarhus 2017
Member of the Supervisory Board of Grenaa Havn

Employee representatives

Lizette Risgaard, President
Seniority: joined the Supervisory Board in 2007 – current term expires in 2018

Other directorships:
President of the Danish Confederation of Trade Unions (LO)
Member of the Supervisory Board of LG – The Employees' Guarantee Fund
Member of the Supervisory Board of LD – The Employees' Capital Pension Fund
Member of the Supervisory Board of Højstrupfonden
Chairman of the Supervisory Board of Højstrupgård A/S
Member of the Supervisory Board of ALKA Forsikring (insurance)
Member of the Supervisory Board and the Board of Representatives of the Economic Council of the Labour Movement (ECLM)
Member of the Supervisory Board and the Board of Representatives of Arbejdernes Landsbank
Member of the Economic Council
Member of the Supervisory Board of Arken Museum of Modern Art
Member of the Supervisory Board of The Fund for Better Working Environment and Labour Retention
Member of the Supervisory Board and the Board of Representatives of LO-skolen

Arne Grevsen, Vice President
Seniority: joined the Supervisory Board in 2015 – current term expires in 2018

Other directorships:
Vice President of the Danish Confederation of Trade Unions (LO)
Member of the Supervisory Board of LG – The Employees' Guarantee Fund
Member of the Supervisory Board of the Economic Council of the Labour Movement (ECLM)
Chairman of the Supervisory Board of A-pressen A/S
Member of the Supervisory Board of Arbejdernes Landsbank
Chairman of the Supervisory Board of Avisen.dk
Member of the Supervisory Board of Højstrupfonden
Member of the Supervisory Board of Højstrupgård A/S
Member of the Supervisory Board of LD – The Employees' Capital Pension Fund

Jan Walther Andersen, Director
Seniority: joined the Supervisory Board in 2014 – current term expires in 2017

Other directorships:
Managing Director of Arbejdernes Landsbank
Member of the Supervisory Board of LG – The Employees' Guarantee Fund
Vice Chairman of Forvaltningsinstituttet for Lokale Pengeinstitutter
Member of the Supervisory Board of AL Finans A/S
Member of the Supervisory Board of Bankpension (pension fund for employees in the financial sector)
Member of the Supervisory Board of BI Holding A/S

Kim Simonsen, President
Seniority: joined the Supervisory Board in 2010 – current term expires in 2016

Other directorships:
President of the Union of Commercial and Clerical Employees in Denmark (HK)
Member of the Supervisory Board of LG – The Employees' Guarantee Fund
Chairman of ALKA Forsikring
Chairman of Forbrugsforeningen af 1886
Chairman of Knudemosen A/S
Chairman of Refshaleøens Ejendomsselskab
Chairman of Fonden LO-skolen
Chairman of Hotel Christiansminde a/s
Chairman and Director of ASX7 Aps, Svendborg
Vice Chairman of Sampension Administrationsselskab a/s
Vice Chairman of Kommunernes Pensionsforsikringsselskab A/S
Member of the Supervisory Board of AKF-Holding
Member of the Supervisory Board of A-Pressen
Member of the Supervisory Board of Copenhagen Business Academy
Member of the Supervisory Board of Erhvervsskolen Nordsjælland
Member of the Supervisory Board of Danish Foundation for Entrepreneurship
Member of the Supervisory Board of Nordisk Investeringsdepot
Member of the Supervisory Board of the Economic Council of the Labour Movement
Member of the Supervisory Board of Erhvervsskolernes Bestyrelsesforening (Supervisory Board of Danish vocational schools)
Member of the Supervisory Board of the Environmental Economic Council
Member of the Board of Representatives of Lån & Spar Bank
Member of the Board of Representatives of Arbejdernes Landsbank

Bente Sorgenfrey, President
Seniority: joined the Supervisory Board in 2004 – current term expires in 2017

Other directorships:
President of the Salaried Employees' and Civil Servants' Confederation (FTF)
Member of the Supervisory Board of LG – The Employees' Guarantee Fund
Vice Chairman of UCSJ – University College Zealand
Member of the Supervisory Board of LD – The Employees' Capital Pension Fund
Member of the Board of Directors of Danmarks Nationalbank (central bank)
Member of the Supervisory Board of Lån & Spar Bank A/S

General Management

ATP is an independent, statutory institution, managing the ATP Pension Scheme.

ATP is managed by a Board of Representatives, a Supervisory Board and a Chief Executive Officer (CEO). The composition of the ATP Board of Representatives and Supervisory Board is prescribed by the Danish ATP Act (ATP-loven). The CEO is appointed by the Supervisory Board. The Board of Representatives comprises fifteen employer representatives, fifteen employee representatives and a Chairman appointed by the Board of Representatives. The Chairman must not be affiliated with any employer or employee organisations. The Board of Representatives ordinarily convenes once a year. The Supervisory Board is composed of members of the Board of Representatives and comprises six employer representatives, six employee representatives and the Chairman of the Board of Representatives. The Supervisory Board ordinarily convenes six times a year. The members of the Board of Representatives and the Supervisory Board are appointed by the Danish Minister for Employment – upon the recommendation of the social partners. The Chairman and the other members of the Supervisory Board and the Board of Representatives are appointed for three-year terms, the aim being to achieve a balanced composition of men and women on the boards. The members are eligible for reappointment, and no age limit applies.

The ATP Supervisory Board has adopted a Diversity Policy with a defined target for the gender distribution of its senior management. The target is to have at least one third of the underrepresented gender on ATP's Board of Representatives (at least 11) and ATP's Supervisory Board (at least 5). This target must be achieved by 1 April 2019. The deadline has been set in view of the three-year election period applicable for members of the Board of Representatives and the Supervisory Board, which means that one third of the members are appointed each year. The target for the Board of Representatives was met with 11 women in 2015 (35 per cent), while the Supervisory Board continues to work towards its target and had four female members in 2015 (31 per cent), the same number as in 2014. There is no gender underrepresentation at other ATP management levels. ATP is constantly striving to increase the share of women in management, and the gender targets are part of ATP's Diversity Policy. The strategy has been to increase the focus and emphasis on diversity in connection with the recruitment of new employees and to dedicate efforts to the recruitment and development of internal talents in ATP's talent programme.

The Supervisory Board undertakes an annual self-assessment of all aspects of its performance and evaluates whether its members collectively possess the necessary knowledge and experience to understand ATP's risks and business.

The Supervisory Board is broadly composed: some members have short-cycle or medium-cycle education, others have higher education, possibly supplemented by continuing education programmes in Denmark or abroad. This composition provides for diverse and nuanced professional approaches to the Supervisory Board tasks. Many of the Supervisory Board members have served on the boards of large organisations and possess general experience with board duties. The Supervisory Board also has skills and management experience from national and international financial business in the areas of pension, insurance and banking.

The ATP Supervisory Board has appointed a three-member Executive Committee – consisting of the Chairman and two Supervisory Board members, appointed by the employer and employee representatives of the Supervisory Board. The Executive Committee is tasked with making decisions and preparing and implementing Supervisory Board resolutions as authorised by the procedures adopted by the Supervisory Board. The Executive Committee is authorised to make a range of decisions, especially pertaining to investment and employment conditions. The Executive Committee convenes once a month and also handles the tasks assigned to the Remuneration Committee. The Remuneration Committee prepares Supervisory Board decisions on remuneration, including pay policy and other related decisions that may influence the company's risk management.

The Supervisory Board has appointed an Audit Committee, consisting of the Chairman of the ATP Supervisory Board and two other Board members. The Chairman of the Supervisory Board is the Chairman of the Audit Committee. The Audit Committee has been appointed to assist the Supervisory Board in overseeing the financial reporting process with a view to ensuring the reliability, integrity and transparency of the financial reporting. The ATP Audit Committee ordinarily convenes four times a year. The Audit Committee's Terms of Reference are determined by the Supervisory Board.

The Supervisory Board has appointed a technical advisory committee under the Audit Committee, called the ORSA Committee, consisting of the Chairman of the Supervisory Board and three members of the Supervisory Board with operational experience and expertise within relevant specialist fields. The objective of this committee is to support the preparation of overall risk and solvency assessments, to discuss key issues relating to the risk management system and to help provide the best possible basis for the work of the Audit Committee and the Supervisory Board.

= For further information on corporate governance and incentive schemes, please visit www.atp.dk

For further information on the ATP Group's Annual Report, please visit www.atp.dk

/Results and reports/Annual and interim reports/ATP Group/Further information 2015

GENERAL MATTERS

- Corporate Governance in the ATP Group
- Recommendations on corporate governance
- Terms of reference of the Audit Committee
- Procedures of the Executive Committee
- Other directorships of the Group Executive Board

REMUNERATION

- Pay policy for the Supervisory and Executive Boards, significant risk takers etc. at the Danish Labour Market Supplementary Pension Fund (ATP).

OTHER INFORMATION

Financial calendar

- Interim and annual reporting 2016

Investment and hedging activities

- Breakdown of the ATP Group's portfolio of government bonds, broken down by issuer country, year-end 2015
- Financial instruments used by ATP

Risk

- The traffic light system of the Danish Financial Supervisory Authority: Red-light exposures

Value creation

- Definition of value creation ratios

Supplementary accounting specifications

- Breakdown of the ATP Group's listed Danish equities, year-end 2015
- Breakdown of the ATP Group's listed international equities, year-end 2015
- Breakdown of the ATP Group's private Danish equities in which the ATP Group's ownership exceeds 5 per cent
- Breakdown of the ATP Group's private international equities in relation to which the Group's ownership exceeds 5 per cent
- The ATP Group's pension provisions, calculated using the discount rates applied by ATP and the Danish Financial Supervisory Authority, at year-end 2015
- The ATP Group's pension provisions, calculated using the discount rates applied by ATP and the Danish Financial Supervisory Authority, at the end of H1 2015

Responsibility

- Report on Responsibility in Investments (www.atp.dk/Results and reports/Responsibility reports/2015).