

The image features the letters 'atp' in a large, lowercase, sans-serif font. The letters are filled with a dark brown, wood-grain texture. To the right of the 'atp' is an equals sign, also filled with the same wood-grain texture. The entire graphic is set against a plain white background.

**atp =**

**The ATP Group  
interim report for H1 2023**

# ATP in brief

## ATP Livslang Pension (Lifelong Pension)



The ATP retirement benefit is a **lifelong guaranteed pension** that is paid out throughout a person's retirement and this helps to ensure basic financial security, mainly for those without other pension income than the state pension.

**18.2** per cent

in continuing **stable bonus capacity**

**DKK 1.4bn**

in returns for H1 2023.  
Over the past 10 years, ATP has generated average annual returns of DKK 13bn.



**As of 2023, ATP has implemented the new IFRS 17 accounting standard.**

The implementation has an impact on ATP's recognition, measurement and presentation of its pension liabilities.

**Low administration activity expenses** per member of

**DKK 19**

**The value creation** from pensions and undistributed funds totals

**1.6** per cent



Solid ESG data is a precondition for being able to push companies in a more **sustainable** direction.

## BUSINESS PROCESSING, EXTERNAL PARTIES - PAYMENT OF WELFARE BENEFITS

**2/3**

of all Danish welfare spending is paid out by ATP

ATP has **digitalised and streamlined** the payment of welfare benefits. In the first half of the year,

**DKK 160** bn has been paid out



ATP is a **digitalisation company** and the IT development budget for the first half of 2023 was

**DKK 280** million

# Key figures for the Group

DKK million	H1 2023	H1 2022
<b>Investment</b>		
Return in the investment portfolio	1,363	(57,231)
Tax on pension savings returns and corporate income tax	(263)	8,035
<b>Investment activity results</b>	<b>1,100</b>	<b>(49,197)</b>
<b>Hedging activities</b>		
<b>Interest hedging</b>		
Change due to interest and maturity reduction	(6,401)	165,409
Return in hedging portfolio	9,573	(191,147)
Tax on pension savings returns	(1,460)	29,245
<b>Result from interest hedging</b>	<b>1,712</b>	<b>3,508</b>
<b>Life annuity with market exposure</b>		
Return on market return portfolio	25	(55)
Tax on pension savings returns	(4)	8
Interest on life annuity with market exposure	(21)	46
<b>Result of life annuity with market exposure</b>	<b>0</b>	<b>0</b>
<b>Hedging activity results</b>	<b>1,712</b>	<b>3,508</b>
Insurance income	9,680	9,701
Paid out pensions	(9,166)	(9,017)
Investment activity expenses and hedging	(346)	(441)
Administration activity expenses	(103)	(105)
Change to risk adjustment	(26)	(24)
Other changes	(38)	(113)
<b>Result of insurance service</b>	<b>0</b>	<b>0</b>
<b>Result of ATP Livslang Pension (Lifelong Pension)</b>	<b>2,813</b>	<b>(45,689)</b>
<b>Other income/expenses</b>	<b>26</b>	<b>130</b>
<b>Business processing, external parties</b>		
Income	1,259	1,220
Expenses	(1,259)	(1,220)
<b>Result from business processing, external parties</b>	<b>0</b>	<b>0</b>
<b>Result before interest on bonus potential</b>	<b>2,839</b>	<b>(45,559)</b>
Interest not added to the bonus potential	(2,813)	45,689
Minority interests' share of the result	(26)	(130)
<b>Result for the period</b>	<b>0</b>	<b>0</b>
Guaranteed pensions	538,460	586,294
Life annuity with market exposure	2,189	616
Risk adjustment	861	862
<b>Pension liabilities, total</b>	<b>541,511</b>	<b>587,772</b>
Long-term supplementary provision	36,935	42,094
Bonus potential	105,234	102,746
<b>Undistributed funds, total</b>	<b>142,169</b>	<b>144,840</b>
<b>Net assets</b>	<b>683,679</b>	<b>732,612</b>

Note: Comparison figures have been prepared in accordance with the same principles as 2023. The change is mainly due to the implementation of IFRS 17. For more information, see 'Accounting policies'

ATP's assets and returns belong to its members, which is why ATP has no equity. In accordance with IFRS 17, ATP's result after transfers to the bonus potential is therefore 0.

## Ratios for ATP

	H1 2023	5-year
<b>Return ratios</b>		
Return on investment before tax relative to the bonus potential in per cent <sup>1</sup>	0.9	4.4
Return on market return portfolio, before tax in per cent <sup>2</sup>	1.8	-
<b>Value creation ratios</b>		
Value creation from pensions in per cent	1.5	3.3
Value creation from undistributed funds in per cent	1.8	2.3
<b>Total value creation in per cent</b>	<b>1.6</b>	<b>3.1</b>
	<b>H1 2023</b>	<b>H1 2022</b>
<b>Other ratios</b>		
Bonus capacity	18.2	16.3
Members (in thousands)	5,545	5,455
Administration activity expenses in DKK per member	(19)	(19)
Contribution payments in DKK million	6,268	5,925
Life expectancy updates in DKK million	1,881	3,805
Bonus additions in DKK million	0	0

<sup>1</sup>Returns on Investment are calculated as a daily time-weighted return on the bonus potential. The investment portfolio follows a risk-based investment approach, the focus of which is on risk rather than on the amount of DKK invested. The investment portfolio, as a general rule, consists of funds from the bonus potential. The funds that are not bound to the hedging portfolio due to the use of derivatives are available to the investment portfolio on market terms. In practice, this means that the investment portfolio can operate with more funds than the bonus potential. The market value at the end of H1 2023 was DKK 277.4bn. The market value of the investment portfolio also includes derivatives where the market value will typically be low, zero or negative.

<sup>2</sup>Returns on the market portfolio are calculated as a daily time-weighted average.



## = Review

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# Review

## ATP offers a sense of security – today and in 50 years

ATP is the pension fund for all of Denmark and each year it pays out DKK 18bn in pensions to its members. At the same time, ATP is also charged with the payment of welfare and social security benefits exceeding DKK 300bn each year. This makes ATP an important part of the Danish welfare state.

Even if people in Denmark are increasingly saving up for their own pensions, the basic pension, consisting of the state pension and ATP Livslang Pension (Lifelong Pension), currently represents the clear majority of the pension income that an average pensioner receives. Around three quarters of the pension income is currently from the basic pension, and this applies all across Denmark. And if we look 50 years ahead, this will not change the fundamental importance of the basic pension. In 2080, the state pension and ATP will on average represent around 50 per cent of the pension income for pensioners. This is the case even when virtually everyone by that time will have had a full working life to save up for their own pension via their salaries.

ATP Livslang Pension (Lifelong Pension) continues to work - completely in line with the intention behind the creation of ATP in 1964, which was to ensure a financial safety net for Denmark's pensioners. In 2023, the ATP money is thus the only pension income beyond the state pension for approximately 400,000 pensioners in Denmark.

For ATP, the 2022 result was characterised by rapidly rising interest rates and ended with a large loss. In 2023, the markets have developed more positively even if they are still difficult for the long-term investment strategy that we have chosen. We still believe that the investment strategy is the correct one and we have also followed this strategy in H1 2023, which is a strategy that supports ATP's role in the pension system and ensures that we can provide a predictable, lifelong and guaranteed pension. The higher interest rate environment of 2023 means that ATP will be able to generate more interest on the contributions made by members in 2023 than in previous years and ATP's ability to increase pensions in the future (the bonus capacity) has shown a slight increase in the first half of the year. Besides the value creation that the interest on the contributed funds create or individuals, the lifelong pension guarantee is valuable in itself for the individual members who can then throughout their working lives

take comfort in the fact that they are guaranteed some kind of income throughout their lives.

It is also a central objective for ATP to ensure fundamental security on the labour market. In a period characterised by financial uncertainty in the form of rising interest rates and higher inflation, Lønmodtagernes Garantifond (which is administered by ATP) helps employees when companies go bankrupt. At the start of 2023 there were more employees impacted by bankruptcies than in the preceding few years. In the first half of 2023 the number of bankruptcies was 859 compared to 721 in the same period of last year. The number of employees reporting claims was at 6,955 compared to 4,463 in the first half of 2022.

## Digitalisation helps the people of Denmark

Because ATP is paying out public benefits such as state pensions, maternity/paternity benefits, holiday pay, rent subsidies and family benefits, ATP is in contact with a lot of Danes every day. For example, ATP receives 2.5 million phone calls every year from people in Denmark and when the economy in society is under pressure, we get an increasing number of calls. The benefits from ATP are critical to many people's everyday lives, and by talking to people in Denmark over the phone, we can quickly get a sense for what worries or occupies them.

The high energy prices combined with inflation that is higher than what have been seen in many years was a particular reason for many phone calls in the first months of the year from people concerned about their financial situation. Here, it was ATP's job to address the people who called on an even footing and provide a good and personal service experience.

One of the tools we have available to constantly improve the service we provide to the people of Denmark, and to even do so more and more cost effectively, is digitalisation. Therefore, in the first half of 2023 ATP has also had a major focus on developing new technology, not least exploring the many opportunities of artificial intelligence. Even though artificial intelligence may seem both remote and foreign, it is a concept that we all need to relate to and it is also something that we can benefit greatly from. ATP is already working to translate the many new and exciting technologies into specific and useful tools that can improve our internal

processes and our external contacts with the people of Denmark. After all, if we do this right, it can help to safeguard one of the world's best-functioning welfare states and provide simpler and easier ways to contact the public sector in the future.

However, the interest in digitalisation does not mean that ATP is uncritical in its use of new technologies. We are doing trial runs and testing on solutions before they are put into production and we have both a policy for data ethics and a well-functioning setup that ensures that the people of Denmark can trust us to handle their information responsibly. And yes, the implementation of new technologies will mean that our customers will experience changes. It is quite possible that people in Denmark will be meeting more chatbots than usual and the self-service solutions that many already use will also work slightly differently. New technologies have always resulted in us having to adjust our behaviours slightly.

In 2023, ATP has set up a dedicated team to ensure that we have the ability to test new technologies. Even if it may sound contradictory for a long-term investor and a large processing business like us to do so, we are practising thinking on a short-term basis when it comes to technologies. This is because technology is developing more rapidly than any of us could have imagined just a few years ago. A societal institution like ATP needs to be on its toes when it comes to digital matters. For the benefit of the individual people in Denmark who should find it simple to interact with ATP and for the benefit of society, which can save important welfare money on administration and use it for other purposes.

ATP wants to be Denmark's leading IT business and technology is a precondition for us being able to continually improve ourselves. This year, ATP has therefore made comprehensive changes to the part of our business that manages IT and technology targeted towards our welfare and social security benefits. Approximately 200 employees have been assigned new tasks, a number of management roles have been cut and the organisation has been organised to support as much technological development as possible at the lowest possible cost.

## How ATP works as an investor

ATP is a large institutional investor. ATP invests in a large number of companies both in Denmark and

abroad. The individual companies vary on a large number of parameters, and the challenges the companies face also vary significantly across industries, geographies and sizes. As an investor, we are working on wielding our influence successfully and pushing companies in the direction that we believe creates growth and thus returns for our members. And that direction is a sustainable one. For us, the winning strategies of the future are green. The companies that manage to transition their business, develop new technologies and leave a smaller climate footprint are the ones that will perform best in the long run.

A critical part of the work with accelerating the companies' green transition is ESG reporting (Environment, Social and Governance factors). If the goal is to reduce CO2 emissions and ensure biodiversity, it requires that the companies know where they currently stand. In other words, it is important to have a good grasp of the data, but this is a hard thing to achieve. The smaller the company the more manageable the task might seem - but increasing regulatory requirements for both investors such as ATP and for companies themselves increase the need for data, so there is no way around it.

ATP wants to help companies find their way. In recent years, we have spearheaded the efforts involved in developing an ESG questionnaire for the unlisted companies, which are companies in our portfolio that still have a long way to go before they have a full overview of ESG matters. Subsequently, several Danish institutional investors have endorsed the questionnaire which is now also getting attention on a European level as it creates value for the contributing companies and investors who share knowledge in the database that is being built up. The questionnaire serves as a basis for dialogue between investors and companies where both learn more about industries, trends and specific challenges through their participation. Furthermore, by collaborating with other investors on a standardised form, we hope that we can contribute to the overall development in the area of data collection.



Martin Præstegaard  
CEO of ATP

## Results and assets for the period

ATP must always ensure that we are able to pay the lifelong and guaranteed pensions to our 5.5 million members. Therefore, we are hedging the interest risk on our pensions. This worked as intended in the first half of 2023. At the same time, the investment portfolios generated a positive return which, together with an update of our members' life expectancies, contributed to a slightly increasing bonus capacity on par with the average of the past 10 years. It was primarily equities which generated positive investment returns, but alternative investments - which ATP has a lot of - did not, overall, contribute significantly in the first half of 2023.

All in all, DKK 2.8bn was transferred to the bonus potential during the period which then amounted to DKK 105.2bn at the end of H1.

## Bonus capacity

ATP's bonus capacity is the relationship between the value of ATP's bonus potential and ATP's total liabilities towards its members. The bonus capacity provides a good illustration of how healthy ATP is as it expresses how many additional funds ATP has in relation to ATP's obligations towards its members. The bonus potential funds will - besides having to cover ATP's risk taking

and unforeseen expenses - be used in the long term to increase the ATP pensions. Even though the value of ATP's pension liabilities has fluctuated steeply over the past year, ATP's bonus capacity has remained quite stable. ATP's ability to increase pensions in the future, the bonus capacity, is thus not notably impacted by the major fluctuations in interest rates seen over the past year.

This means that besides ensuring that ATP's members have their guarantees with ATP secured, members also still have as many free funds as before. ATP's investment strategy thus appropriately secures the guaranteed pensions, both those already stated as guaranteed pensions and the future possibility for bonuses to those pensions.

## Value creation and investment approach

ATP Livslang Pension (Lifelong Pension) is a supplement to the state pension, and today covers virtually every citizen in Denmark. This has a fundamental impact on the manner in which ATP invests its members' contributions. Members must be able to count on their lifelong ATP pensions.

The basic principle of ATP's investment approach is that members must have a very high degree of security in the lifelong pensions while also making every effort to secure the real value of the pensions over time. There are no investment strategies that can guarantee that the pensions will always rise with the actual inflation rate.

When doing the annual calculation of how much guaranteed pension members get for their ATP contributions, the current nominal bond interest rate is recognised. Members will receive more in pension from their contributions when the interest rate is high, and less when the interest rate is low. The rising interest rates in recent years thus benefits members by providing them with a higher ATP pension from their contributions.

Typically, the recognised interest rate will exceed the expected inflation rate, and this ensures the real value of the members' contributions.

In order to ensure the recognised interest on pensions, ATP invests a large proportion of its total funds in assets that are very reliable in terms of the future benefit payments. This portfolio is called the interest hedging portfolio. The interest hedging portfolio ensures that ATP is able to provide the nominal guaranteed pensions to its members.

In order to increase the odds of ensuring the real value of the nominal guaranteed pensions, ATP invests the bonus potential in a portfolio with a higher risk profile - the investment portfolio - so that the risk profile of the total pension product remains low. The funds pertaining to the bonus potential are invested in such a way that an appropriate balance is maintained between having the opportunity to add bonuses to the pensions and limiting the risk of the bonus potential being lost due to negative returns. This weighing of expected returns against the risk of loss is a core part of ATP's business model.

The financial statements reflect the annual result of ATP's business activities, but the interest accruing on the pensions is not directly highlighted. ATP also has a number of portfolios, each of which contributes to the

total value creation in ATP in its own way. Therefore, ATP calculates some supplementary ratios that highlight the total value creation at ATP.

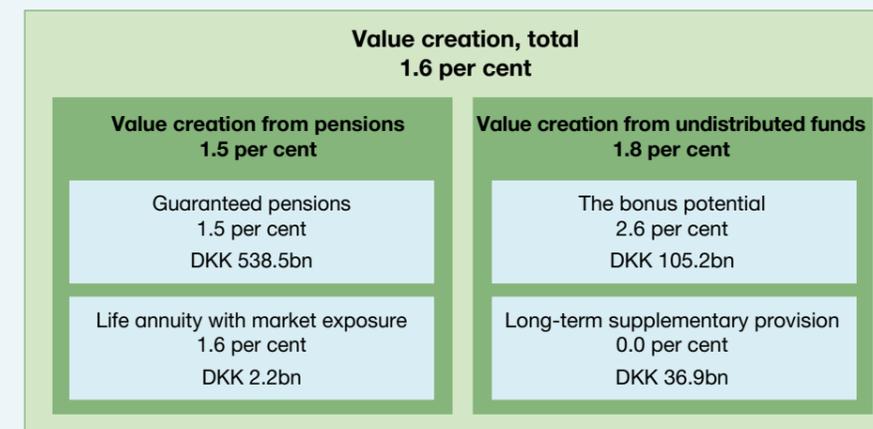
The value creation for undistributed funds amount to 1.8 per cent for the first half of 2023, and illustrates the interest on ATP's so-called undistributed funds, i.e. the bonus potential and the long-term supplementary provisions. The value creation of the bonus potential of 2.6 per cent is primarily driven by the investment returns. As no risk has yet been taken in the supplementary hedging portfolio, the value creation of the long-term supplementary provision is 0 per cent.

The value creation from the pensions illustrates the average interest on members' pensions. For the guaranteed pensions, the value creation was 1.5 per cent in the first half of 2023 and reflects the interest that ATP has recognised in the guarantees and has thus promised to its members over time (across age groups). For life annuity with market exposure, the value creation was 1.6 per cent, which is an expression of the realised returns for the period.

ATP's value creation totalled 1.6 per cent for the period and over time this will be impacted by the individual portfolios and the investment risks taken in these while taking into account the overall business model.

## How ATP's bonus capacity has developed

The bonus capacity remains similar to the past few years.



Besides the value creation that the interest on the contributed funds create or individuals, the lifelong pension guarantee is valuable in itself for the individual members who can then throughout their working lives take comfort in the fact that they are guaranteed some kind of income throughout their lives.

### ATP's optimised business model

The optimised business model is a result of ATP's objective of being an important contributor to the basic financial security of people in Denmark via providing stable and guaranteed lifelong pensions and to ensure the real value of these pensions. The objective of the overall changes to the business model for ATP Livslang Pension (Lifelong Pension) is to achieve both higher pensions in absolute terms and ensuring better opportunities for preserving their real value.

The changes to ATP's business model are twofold: Life annuity with market exposure was introduced in 2022 and a new hedging strategy will be introduced in 2023.

The changes to the hedging strategy are based on ATP's existing interest hedging with the addition of a

long-term market risk for hedging in the form of riskier assets in order to have better opportunities to ensure the real value of lifelong pensions. The changed hedging strategy is based on two particularities concerning the ATP scheme: The payments stretch far into the future and the funds are only paid to members as they begin to retire. This means that the part of the assets that are to provide the guaranteed pensions (the hedging) are invested with a long-term focus where ATP assumes a higher investment risk than if it were to have a pure interest hedging. The objective is to achieve higher returns over time as a supplement to the current interest hedging and also continue to ensure that ATP is extremely likely to be able to honour the guaranteed benefit payments.

As a consequence of the illiquidity of ATP's liabilities, ATP must, in accordance with international accounting

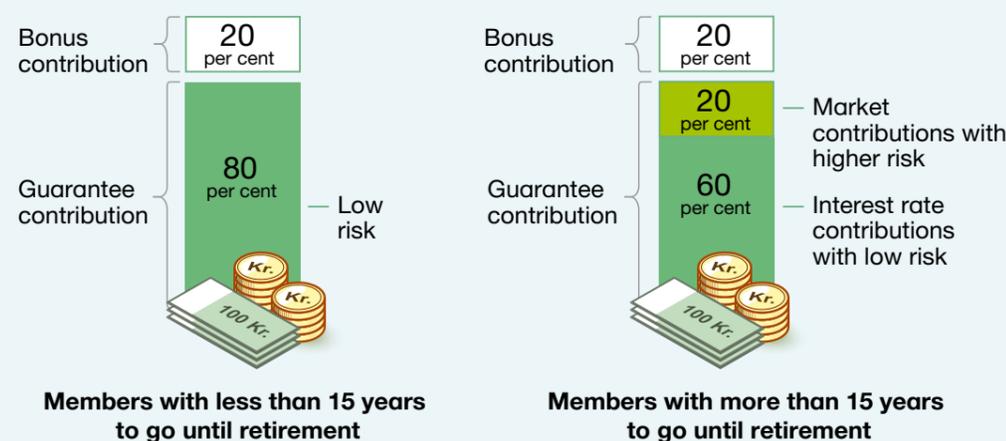
standards, from 2023 measure the value of its pension liabilities while taking into account their illiquidity. Therefore, ATP is including an illiquidity range to the discount curve when measuring the value of guaranteed pensions. This reduces the guaranteed pensions by DKK 37bn at the end of 2023. ATP has chosen to allocate the funds that are released from this to a special buffer, Langsigtet Supplerende Hensættelse (LSH - or 'Long-term Supplementary Provision') while also establishing a Supplementary Hedging Portfolio with long-term risk taking as part of the overall hedging. Over time, the returns from the supplementary hedging portfolio is expected to be able to be transferred to the bonus potential and thus contribute to ensuring the real value of lifelong pensions. Similarly, AATP must also measure a supplement, risk adjustment, to the pension liabilities due to the new international

accounting standards. This supplement amounts to DKK 1.0bn and is an expression of the funds that ATP needs to reserve to assume non-financial risks.

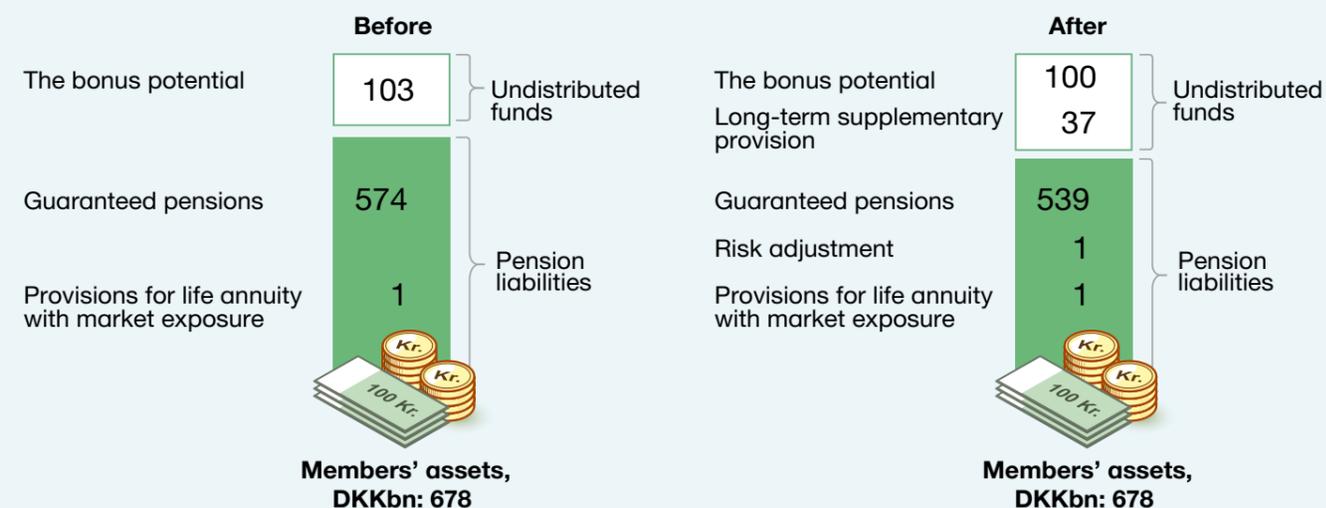
Thus two new items are introduced under the pension provisions: Long-term supplementary provision and risk adjustment.

The new balance sheet items will generally not change the value of the members' total assets. All of ATP's assets belong to its members, either as distributed or non-distributed funds.

#### Implementation of Life annuity with market exposure in 2022



#### Pension provisions before and after changes, start of 2023



## New accounting regulations

ATP complies with the international accounting standards (IFRS) and as of 2023 ATP has also implemented a new standard (IFRS 17) concerning insurance contracts which took effect from 1 January 2023. The implementation has an impact on how ATP recognises items and how it measures and presents pension liabilities.

### Method for measuring pension liabilities

IFRS 17 introduces a uniform method for recognising, measuring and presenting pension liabilities. The value of pension liabilities is measured as the sum of projected future cash flows plus profit margins, the discount effect and a risk adjustment to take into account non-financial risks.

### Profit margin

The purpose of the new accounting standard IFRS 17 is to create transparency about companies' earnings. At ATP, all funds are owned by ATP's members and are also paid out to ATP's members. ATP therefore generates no profits from providing its services and therefore ATP's profit margin will always be 0.

### Risk adjustment

IFRS 17 introduces a risk adjustment that amounts to a reservation that ATP makes to take into account the uncertainty associated with non-financial risks in the measurement of the future cash flows.

### Discounting

The discount rate which is used to measure the value of the guaranteed pensions is calculated based on an underlying yield curve which also takes into account the illiquidity of the liabilities.

### Changed presentation

IFRS17 introduces a number of mandatory accounting items that result in a significant change to how the income statement is presented. The result

from insurance service is always 0. The contributions increase the provision and are only recognised in the income statement when the insurance is used, i.e. as pensions are paid out and expenses are incurred.

Previously, the bonus potential was treated as a form of equity which the result of the year was transferred to. With IFRS 17, the bonus potential will be part of the pension provisions and therefore the bonus potential will accrue interest matching the returns which are not allocated to the pension liabilities. The interest on the bonus potential means that the income statement for ATP will always add up to 0.

Changes to provisions due to life expectancy updates or the allocation of bonuses will impact future payments and these will therefore not appear in the income statement but rather by items between the bonus potential and the pension liabilities.

### Statement of financial position

ATP's pension provisions consist of pension liabilities and undistributed funds. Pension liabilities are distributed to members either as a guaranteed pension or a life annuity with market exposure subject to a risk adjustment for non-financial risks. Guaranteed pensions, life annuity with market exposure and the risk adjustment are presented as separate items on ATP's Statement of financial position.

ATP's undistributed funds form the remaining part of the pension provisions and consist of the bonus potential and the long-term supplementary provision. The bonus potential and long-term supplementary provision are thus presented as separate items on ATP's statement of financial position.

Comparison figures for 2022 have been adjusted.

**For more information, see the accounting policies section.**

## Result of ATP Livslang Pension (Lifelong Pension)

The result of ATP Livslang Pension (Lifelong Pension) is composed of the result of Hedging and Investment.

### Hedging

Hedging includes three portfolios: Interest hedging, Supplementary hedging portfolio and Life annuity with market exposure.

#### Interest hedging

Interest hedging is organised so that the market value of the interest hedging portfolio after tax is expected to fluctuate at the same pace and extent as the guaranteed pensions when interest rates change.

The interest hedging portfolio consists of bonds and interest rate swaps to hedge the interest risk for the guaranteed pensions. Interest rate swaps in the hedging portfolio do not tie down liquidity to the same extent that bonds do, and the funds that are not tied to the interest hedging portfolio can be borrowed out for investments in the investment portfolio.

In the first half of the year, the value of the guaranteed pensions increased by DKK 6.4bn. In turn, the interest hedging portfolio generated a positive return after tax of DKK 8.1bn. The value of the interest hedging portfolio

thus increase in line with the pension guarantees and the interest hedging was working as designed. The total result of the interest hedging amounted to DKK 1.7bn or 0.3 per cent of the value of the guaranteed pensions.

#### Supplementary hedging portfolio

During 2023, a supplementary hedging portfolio will be established as part of the overall hedging strategy. Over time, the returns from the supplementary hedging portfolio are to form the basis for transfers to the bonus potential and thus contribute to ensuring the real value of lifelong pensions. No investments were made in the supplementary hedging portfolio in the first half of 2023.

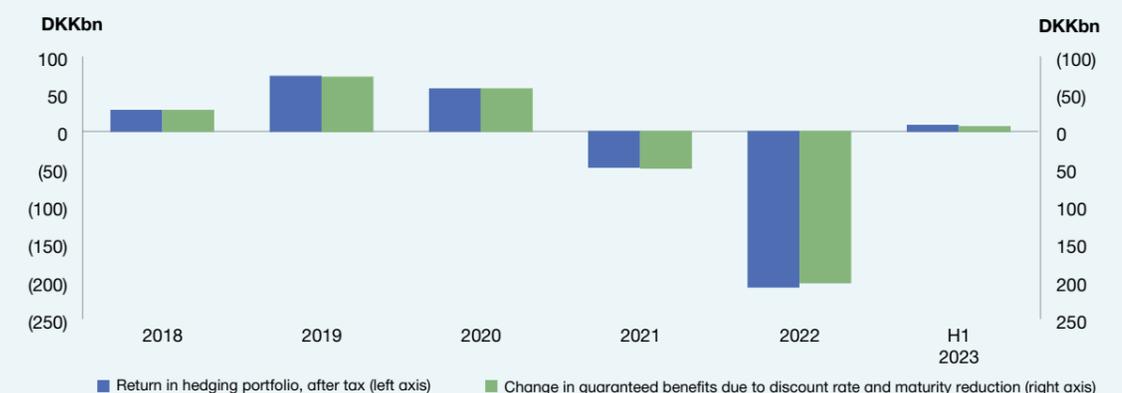
#### Life annuity with market exposure

Contributions to life annuity with market exposure are invested in the market return portfolio. By investing part of the contributions with a higher risk profile, it is expected that over time this will generate higher returns and thus higher pensions. In the first half of the year, the portfolio generated returns of DKK 25 million. At the end of the first half of the year, the provisions for life annuity with market exposure were at DKK 2.2bn or under 0.1 per cent of ATP's assets.

### Investment

In the first half of the year, the investment portfolio generates a return before tax and expenses of DKK

### Hedging protects the guaranteed pensions



1.4bn or a return of 0.5 per cent before tax in relation to the bonus potential.

The developments in the financial markets were characterised by rising stock prices on the global equity markets in the first half of the year as a whole. On the bond markets, the interest rates rose on the European and US bonds with relatively short maturities while the interest rates fell for bonds with longer maturities. During the first half of the year there were growing concerns about a banking crisis after multiple banks in the United States were declared bankrupt and the monetary policy authorities in Europe had to offer liquidity to the Swiss bank Credit Suisse. These worries resulted in fluctuations on the financial markets during the first half of the year.

When viewing the first half of the year as a whole, the largest positive contribution was the returns from equities while the largest negative contributions were from investments in real estate and commodity-related financial contracts.

The total holdings of equities (which consist of listed Danish and international equities and private equity) generated total returns of DKK 6.2bn.

Listed international equities generated returns of DKK 2.7bn, spread broadly across the portfolio.

The private equity portfolio consists of, among other things, ATP Private Equity Partners which mainly invests in capital funds abroad and other private equity investments. The total private equity portfolio generated returns of DKK 2.0bn.

Listed Danish equities generated returns of DKK 1.5bn. The largest positive contribution was from equity investments in DSV A/S while the largest negative contribution was from ALK-Abello A/S.

Investments in credit generated returns of DKK 1.1bn. These investments consist partly of bonds issued by companies with low credit ratings or developing countries and partly of financial instruments. This part of the portfolio generated returns of DKK 0.7bn. It also includes loans to credit institutions and funds which, among other things, invest in bank loans and corporate loans, which generated returns of DKK 0.4bn.

The infrastructure investments portfolio generated a return of DKK (0.5bn). This portfolio includes forestry investments in North America and Australia and investments in renewable energy.

The portfolio of government and mortgage bonds, which also includes exposure via derivatives, generated a return of DKK (0.5bn), which is due to rising interest

rates on European and US bonds with relatively short maturities.

Inflation-related instruments, which consist of commodity-related financial contracts, index-linked bonds and inflation swaps generated returns of DKK (1.2bn). Investments in commodity-related financial contracts generated returns of DKK (1.8bn) and index-linked bonds and inflation swaps generated returns of DKK 0.6bn.

Investments in real estate generated returns of DKK (1.8bn). The negative return is mainly due to the recognition of higher return requirements for properties.

Other items ended the quarter at DKK (2.0bn). These holdings consist of, among other things, externally managed portfolios. They also include interest payments to the interest hedging portfolio for liquidity loans.

**Result of insurance service**

When paying contributions, ATP's members earn the right to a guaranteed lifelong pension. There is a clear correlation between the individual contributions that are made and the entitlement to payments.

In the first half of the year, ATP's members contributed DKK 6.3bn. These contributions are recognised as

income under insurance service in line with pensions being paid out and expenses being incurred.

In the first half of the year, ATP paid out DKK 9.2bn in pensions.

**Lower expenses**

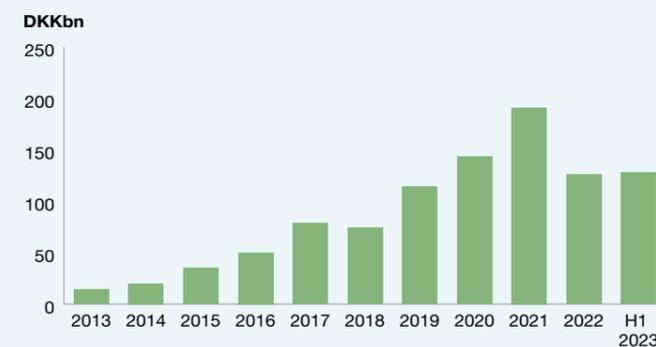
In order to create a sustainable balance between quality, risk and expenses, ATP works with a balanced approach to cost efficiency. The level of expenses has a direct impact on the future pensions, and over time even small differences can have a significant impact over a long period of savings. ATP's administration activity expenses amounted to DKK 103 million in the first half of 2023 or DKK 19 per member. This is similar to what it was last year.

ATP's total expenses for investment and hedging amounted to DKK 1,023 million, including direct expenses. The total investment expenses amount to DKK 185 per member, which is similar to last year.

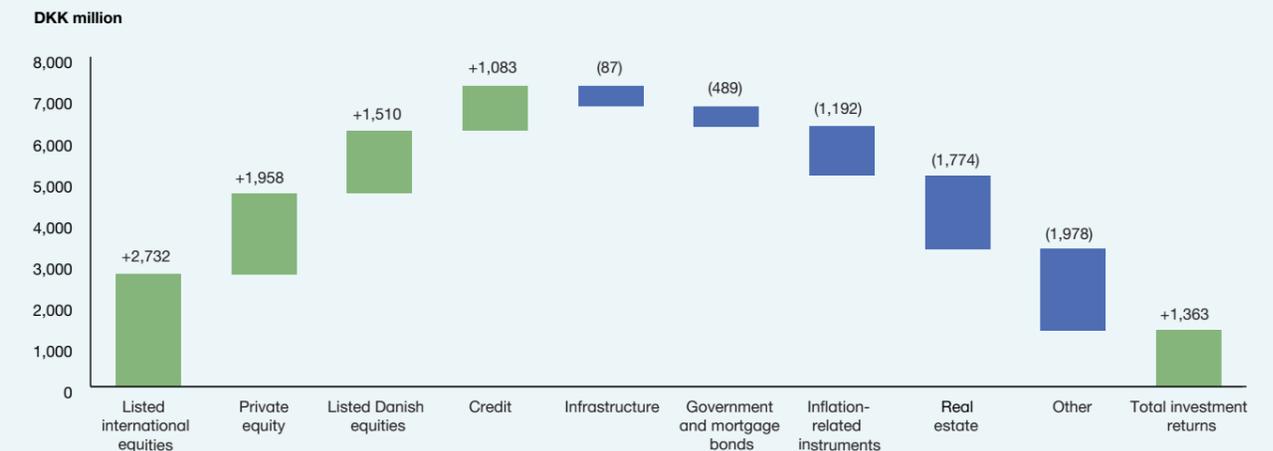
**Development in equity prices during H1 2023**



**Historical accumulated returns from the investment portfolio before tax**



**Composition of the investment return in H1 2023**



## Corporate Social Responsibility

As an important societal actor, ATP also has a responsibility that goes beyond financial results. This responsibility is to create real positive and sustainable change in society and the business community that we as an investor have an opportunity to influence. We live out this responsibility through the way in which we impact the world around us either via investments or collaborations.

The external work with Environmental, social, and corporate governance (ESG) is part of ATP's investment process and is intended to allow us to put together a portfolio of assets which creates the best returns for ATP's members. ATP believes that the winning companies of the future will be those who are best at transitioning their business towards a green direction. Legislation is pushing for this, and the world needs a more sustainable business community. Today, ESG data is therefore a critical

thing to deliver and it is critical for an investor such as us to base our decisions on when we attempt to help our portfolio companies move towards a better direction. ATP wants to improve the ESG data that companies report and it has taken the lead in the work involved with creating a standard for unlisted company reporting on this in the form of a questionnaire which other Danish pension companies have also endorsed.

For ATP, it is important that the work with ESG creates noticeable changes. We want to contribute to creating real improvements in the individual companies and sectors and we believe that this effort is best done via a tangible and active stewardship with a focus on the individual companies' specific challenges and by focusing our efforts on where they will generate most value for society and for us as shareholders and, ultimately, the people of Denmark.

## Business processing, external parties

Besides ATP Livslang Pension (Lifelong Pension), ATP also carries out administration tasks for social partners, the Danish Government and municipalities in Denmark. These tasks are assigned to ATP on a cost-recovery basis - i.e. without profit or without any risk of expense. In the first half of the year, expenses of DKK 1.3bn were paid in relation to business processing, external parties and these are off-set by similar income. Business processing, external parties are subject to ambitious efficiency improvement requirements which have been agreed upon between the clients and the supervisory boards.

## Significant risks and uncertainties

The most significant risks for ATP concern investments, pensions, regulations and operations. There are no significant risks beyond those described in ATP's 2022 annual report.

## Events after the reporting date

From the reporting date and up to the submission date of this interim report for H1, no events have occurred that would materially impact the assessment of the annual report.

## Outlook for 2023

### Measuring results

ATP has a long-term results target involving ensuring the real value of lifelong pensions. There will be good and bad years for investments, and the objective does not necessarily need to be fulfilled every year. There is still a lot of uncertainty in the financial markets and about which direction the world economy is heading in. Therefore, it cannot be excluded that developments will result in a reduction of the bonus capacity and that losses will also be realised in 2023. The bonus capacity

has improved in the first half of 2023 and this testifies to the robustness of ATP's finances.

In the remaining part of the year, it is expected that the financial markets will continue to be characterised by a great deal of uncertainty. ATP will maintain its disciplined approach to risk management so as to create the best possible returns while also ensuring that ATP is always capable of fulfilling the guarantees it has made to its members.

There is an integral interest rate component to the interest hedging of the guarantees. With how interest rates are developing on the financial markets, it will be possible to ensure that members have better guarantees as the pension entitlements for 2023 are signed at higher interest rates than in previous years.

# Financial statements

→ Statement by the Supervisory and Executive Boards

→ The ATP Group

Statement of comprehensive income

Statement of financial position

Cash flow statement

Notes

→ ATP

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→ Further information

## Statement by the Supervisory and Executive Boards

On today's date, the Supervisory Board and Executive Board have processed and adopted the interim report for the period 1 January - 30 June 2023 for the ATP Group. There has been no review or audit of the interim report for H1.

The interim report for H1 is submitted in accordance with IAS 34, Presentation of interim report, as approved by the EU and additional Danish reporting requirements pursuant to the Danish executive order on financial reporting for Arbejdsmarkedets Tillægspension.

The interim report for H1 is submitted in accordance with IFRS 17.

In our opinion, the interim report for H1 provides a true and fair view of the Group and ATP's assets, liabilities and financial position as at 30 June 2023 and the Group and ATP's result and the Group's cash flows for the period 1 January - 30 June 2023.

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

Copenhagen, 28 August 2023

CEO (Chief Executive Officer):

**Martin Præstegaard**  
CEO (Chief Executive  
Officer)

Supervisory  
Board:

**Torben M. Andersen**  
Chair of the board

**Jacob Holbraad**  
Member of the Supervisory Board

**Lars Sandahl Sørensen**  
Member of the Supervisory Board

**Brian Mikkelsen**  
Member of the Supervisory Board

**Vibeke Krag**  
Member of the Supervisory Board

**Mogens Nørgård**  
Member of the Supervisory Board

**Morten Skov Christiansen**  
Member of the Supervisory Board

**Jonas Schytz Juul**  
Member of the Supervisory Board

**Ingerlise Buck**  
Member of the Supervisory Board

**Jan Walther Andersen**  
Member of the Supervisory Board

**Anja C. Jensen**  
Member of the Supervisory Board

**Lisbeth Lintz**  
Member of the Supervisory Board

Vacant

## ATP Group - Statement of comprehensive income

DKK million		H1 2023	H1 2022
Note			
4	Insurance income	9,680	9,701
5	Expenses for insurance service	(9,680)	(9,701)
	<b>Result of insurance service</b>	<b>0</b>	<b>0</b>
6	Financial returns	10,961	(248,433)
7	Financial insurance income or expenses	(9,220)	211,145
	<b>Financial items, net</b>	<b>1,741</b>	<b>(37,288)</b>
	Tax on pension savings returns and corporate income tax	(1,727)	37,288
	<b>Result of insurance and investment activities</b>	<b>14</b>	<b>0</b>
	<b>Other income/expenses</b>		
	Other financial returns	27	145
	Expenses related to other financial returns	0	(1)
	Tax related to other financial returns	0	(14)
	<b>Other income/expenses, total</b>	<b>26</b>	<b>130</b>
	<b>Administration</b>		
	Other income	1,259	1,220
	Other expenses	(1,259)	(1,220)
	Administration activity corporation tax	0	0
	<b>Administration activity result</b>	<b>0</b>	<b>0</b>
	<b>Result for the period</b>	<b>41</b>	<b>130</b>
	<b>Other comprehensive income</b>		
	<b>Items that may not be reclassified to the result:</b>		
	Value adjustments of owner-occupied properties	(16)	0
	Tax on pension savings returns regarding value adjustments for owner-occupied properties	2	0
	<b>Total other comprehensive income</b>	<b>(14)</b>	<b>0</b>
	<b>Comprehensive income for the period</b>	<b>26</b>	<b>130</b>
	Minority interests' share of total comprehensive income for the year	26	130
	ATP's share of total comprehensive income for the year	0	0
	<b>Allocated comprehensive income</b>	<b>26</b>	<b>130</b>

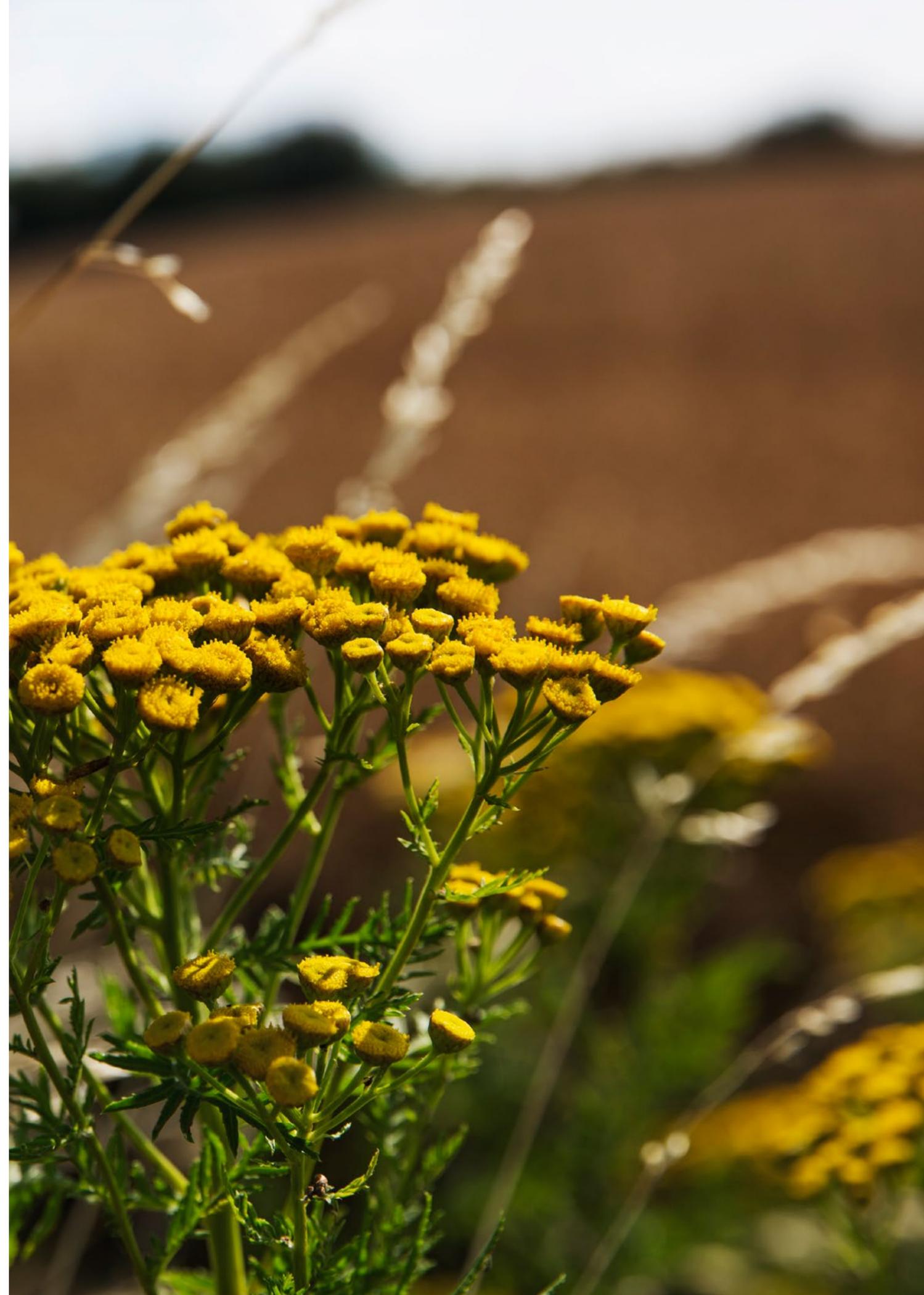
## ATP Group - Statement of financial position

DKK million		H1 2023	Year 2022
Note			
	<b>ASSETS</b>		
	Cash and on-demand deposits	6,715	6,792
	Receivables from reverse transactions	30,264	25,669
	Bonds	473,504	483,354
	Listed equities	51,926	50,855
	Unlisted equity investments	110,464	114,430
	Derived financial instruments	77,152	82,270
	Loans	3,745	4,328
	Investment properties	24,067	24,858
	Investment assets associated with life annuity with market exposure	2,813	2,452
	Intangible assets	941	1,004
	Owner-occupied properties	885	909
	Operating funds	5	4
	Receivables on pension savings returns and income tax	839	859
	Deferred tax on pension savings returns and income tax	47,279	48,534
	Receivables contributions	3,241	3,150
	Collateral regarding financial derivatives	10,374	13,380
	Other receivables	4,934	4,763
	Other prepayments and accrued income	1,010	1,006
	<b>Total assets</b>	<b>850,159</b>	<b>868,617</b>
	<b>EQUITY AND LIABILITIES</b>		
	Debt from reverse transactions	116	10,709
	Derived financial instruments	157,272	172,840
	Tax payable on pension savings returns and income tax payable	2	2
	Deferred tax on pension savings returns and income tax	86	85
	Other debts	8,375	6,521
	<b>Total liabilities</b>	<b>165,852</b>	<b>190,158</b>
	Guaranteed benefits	538,460	538,634
	Life annuity with market exposure	2,189	1,382
	Risk adjustment	861	954
	<b>Pension liabilities, total</b>	<b>541,511</b>	<b>540,970</b>
	Long-term supplementary provision	36,935	37,265
	Bonus potential	105,234	99,572
	<b>Undistributed funds, total</b>	<b>142,169</b>	<b>136,837</b>
8	<b>Total pension provisions</b>	<b>683,679</b>	<b>677,806</b>
	Minority interests	627	653
	<b>Total equity and liabilities</b>	<b>850,159</b>	<b>868,617</b>

# ATP Group

## – Cash flow statement, summary

DKK million	H1 2023	H1 2022
<b>Cash flow from operating activities</b>		
Cash flow from pension activities	(2,551)	(2,752)
Cash flow from investment and hedging activities	(1,286)	9,730
Cash flow from administration activities	149	25
Settled corporation and tax on pension savings return	(451)	132
<b>Cash flow from operating activities</b>	<b>(4,139)</b>	<b>7,135</b>
<b>Cash flow from investment activities</b>		
Buying and selling of investment activities	4,250	(9,064)
Intangible and tangible assets and owner-occupied properties	(130)	(113)
<b>Cash flow from investment activities</b>	<b>4,120</b>	<b>(9,177)</b>
<b>Cash flow from financing activities</b>		
Loans, capital increase and dividend from/to minority shareholder	(40)	(520)
<b>Cash flows from financing activities</b>	<b>(40)</b>	<b>(520)</b>
<b>Change in cash and cash equivalents</b>	<b>(59)</b>	<b>(2,562)</b>
Foreign currency translation adjustments	(80)	394
<b>Cash and cash equivalents, 1 January</b>	<b>6,854</b>	<b>10,364</b>
<b>Cash and cash equivalents as at 30 June</b>	<b>6,715</b>	<b>8,196</b>



## ATP Group note 1: Accounting policies

The interim report for H1 for the ATP Group and ATP for the period 1 January 2023 - 30 June 2023 is submitted in accordance with IAS 34, Presentation of interim reports, as approved by the EU and additional Danish reporting requirements pursuant to the Danish executive order on financial reporting for Arbejdsmarkedets Tillægspension.

Accounting policies have been changed compared to the 2022 annual report due to the implementation of IFRS 17. The changes are described in more detail below.

Beyond this, the accounting policies are unchanged compared to 2022. The Group and ATP's significant risks and the management's significant accounting-related estimates which may impact the group and ATP are described in more detail in the 2022 annual report.

### Implementation of new or changed accounting standards

The ATP Group and ATP have effectively, as of 1 January 2023, implemented the following new or changed standards and interpretation contributions:

- IFRS 17, Insurance contracts
- Changed IAS 1, Information about accounting policies
- Changed IAS 8, Definition of accounting estimates
- Changed IAS 12, Deferred tax concerning assets and liabilities stemming from a single transaction

Besides IFRS 17, all standards and interpretation contributions are implemented with no impact on the interim report for H1 for the ATP Group and ATP.

#### IFRS 17, Insurance contracts

Pursuant to IFRS 17, an insurance contract is "A contract under which one party (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder."

ATP does not sign contracts with members as the "contract" between ATP and its members is defined in legislation.

#### Method for measuring pension liabilities

IFRS 17 introduces a uniform method for recognising,

measuring and presenting pension liabilities. The value of pension liabilities is measured as the sum of projected future cash flows plus profit margins, the discount effect and a risk adjustment to take into account non-financial risks.

As ATP's bonus potential is shared by all member, ATP's contracts are characterised by being contracts with elements of direct participation. Therefore, the pension liabilities are measured based on the variable margin method.

ATP's contracts must be divided into annual cohorts based on whether they "loss making", "potentially loss making" or "other". All of ATP's contracts are in the "other" cohort, as at the time of contributions being made they are neither loss making or potentially loss making. ATP has chosen to group contracts into annual cohorts on the basis of the tariff year which the ATP contributions concern.

#### Profit margin

All funds are paid to ATP's members, and ATP has no profit in delivering the services, which is why ATP's profit margin will always be 0.

#### Expected future cash flows

When measuring the expected future cash flows, cash flows in the collective reserves consisting of the bonus potential and the long-term supplementary provisions are included, cf. below, regardless of whether these are expected to be paid out to current or future members.

#### Discounting

The discounting factors that are used to measure the value of the guaranteed benefits are calculated based on an underlying yield curve. The interest curve is adjusted by taking into account the illiquidity of the liabilities and by an adjustment of how the yield curve is specified in the long run.

The adjustment of the yield curve partly results in liabilities with a maturity beyond 30 years using a forward-interest of 3 per cent to calculate the risk-free yield curve and partly in the risk-free yield curve having added an illiquidity range that reflects the illiquidity of the liabilities. The adjustment of the yield curve only has an impact on the book value of ATP's guaranteed benefits and therefore has no impact on the pensions for ATP's members.

All in all, the adjusted yield curve means that the book

value of the guaranteed benefits as of 1 January 2023 are reduced by DKK 35.2bn, of which DKK 3.0bn impact the bonus potential while DKK 37.3bn are included in a separate reserve called the long-term supplementary provision and DKK 1.0bn is a risk adjustment for non-financial risks. The long-term supplementary provision will initially be calculated as the difference between the guaranteed benefits excluding the illiquidity range and guaranteed benefits including the illiquidity range. Additionally, the risk adjustment is deducted from the long-term supplementary provision.

#### Risk adjustment

IFRS 17 introduces a risk adjustment that amounts to a reservation that ATP makes to take into account the uncertainty associated with non-financial risks in the measurement of future cash flows. For ATP, the non-financial risks mainly relate to life expectancy risks. As the bonus potential can cover unforeseen expenses associated with, for example, unforeseen life expectancy improvements, the risk adjustment is calculated as the non-financial risks' impact on the investment-related risk taking in the bonus potential and not using the confidence level method.

#### Changed presentation

IFRS 17 introduces a number of mandatory accounting items that result in a significant change to how the income statement is presented and the pension provisions on the statement of financial position being sub-divided with new items.

#### Income statement

Insurance income consists of the expected discharge of pension benefits and the expected discharge of expenses that were part of the pension provisions at the start of the accounting period. Insurance-related expenses consist of payments of pension benefits and administration and investment expenses. Insurance-related financial income or expenses consist of shorter maturity periods and interest changes and will also include the interest on the long-term supplementary provision and the bonus potential, cf. below.

#### Result of insurance and investment activities

Under IFRS 4, the bonus potential is presented and treated as a kind of equity that the result for the year is transferred to. Under IFRS 17, the bonus potential is part of the pension provisions which is why the bonus potential accrues interest matching the returns that have not been allocated to the guaranteed benefits, life annuity with market exposure and long-term supple-

mentary provision. The interest accrued to the bonus potential means that the income statement for ATP will show a result of 0.

Contribution incomes are not recognised in the income statement but they increase the size of the provisions on the statement of financial position. Changes to provisions due to life expectancy updates or the allocation of bonuses do not impact expected or actual payments within the accounting year. These changes are therefore not included in the income statement but are instead made as reclassifications within the pension provisions.

#### Statement of financial position

ATP's pension provisions consist of pension liabilities which are distributed to members either as a guaranteed benefit or a life annuity with market exposure with an added risk adjustment for non-financial risks. Guaranteed benefits, life annuity with market exposure and risk adjustment are presented as separate lines on ATP's statement of financial position and collectively represent the pension liabilities.

ATP's undistributed funds form the remaining part of the pension provisions and consist of the bonus potential and the long-term supplementary provision. The bonus potential and long-term supplementary provision are thus presented as separate items on ATP's statement of financial position.

#### Effect on the pension provisions from the implementation of IFRS 17 and the new business model

With the implementation of IFRS 17, ATP has used the retrospective method and measured the pension provision as if IFRS 17 had always been applied.

IFRS 17 specifies two new requirements for the measurement of the pension provisions:

- A reflection of the illiquidity of the guaranteed benefits. By using an illiquidity supplement to the yield curve, this releases funds that ATP chooses to manage with a more long-term approach in the long-term supplementary provision.
- A risk adjustment which reflects the reservation that ATP must set aside to compensate for assuming non-financial risks.

The pension provisions as at 1 January 2023 have been adjusted and the impact on the individual items can be seen on the next page. In this table and in the notes for the interim report for H1, the start of year effect will cover both direct changes due to IFRS 17 and how ATP

## ATP Group note 1: Accounting policies, continued

chooses to implement the changes in combination with a changed hedging strategy with the establishment of the long-term supplementary provision.

Financial statement item (DKK bn)	IFRS4	IFRS17	Change
Guaranteed benefits	573.8	538.6	(35.2)
Life annuity with market exposure	1.4	1.4	0.0
Risk adjustment	-	1.0	1.0
<b>Pension liabilities, total</b>	<b>575.2</b>	<b>541.0</b>	<b>(34.2)</b>
Long-term supplementary provision	-	37.3	37.3
Bonus potential	102.6	99.6	(3.0)
<b>Total pension provisions</b>	<b>677.8</b>	<b>677.8</b>	<b>0.0</b>

The comparison figures for 2022 have been adjusted to the same principles as 2023 uses. This means that the result for the first half of 2022 changes, and the most significant differences are:

- The result from investment and hedging is transferred directly to the bonus potential.
- The result of hedging is changed as the provisions are discounted based on the yield curve resulting from the implementation of IFRS 17. The yield curve is more sensitive to interest rate changes than the previously used curve, and this has a positive impact on the result of DKK 10.6bn.
- The result of pension and life expectancy updates changes by a total of DKK (5.5bn) as the contribution payments and life expectancy updates pursuant to IFRS 17 should not appear on the income statement as they impact future payments.

### Presentation of notes and cash flow statement

The cash flow statement (summary) is only presented for the ATP Group. Notes 2-9 are only presented for the ATP Group.

### Executive Order on accounting for ATP

An executive order on accounting for ATP which is adjusted to the changed business model and IFRS 17 has still not been issued. It is expected that it will be issued sometime during the second half of 2023. As a result, ATP's statement of financial position and financial statements in general are structured based on how the future executive order on accounting is expected to be formulated. Thus, the risk adjustment is placed as part of ATP's liabilities together with the guaranteed benefits and life annuity with market exposure while the long-term supplementary provision is regarded as part of ATP's undistributed funds in line with the bonus potential. The measurement of the individual items is described in more detail in the Pension and provision basis which is publicly available on ATP's homepage.

The bonus potential is calculated as the residual between ATP's total assets and all other liabilities (guaranteed benefits, life annuity with market exposure, risk adjustment, long-term supplementary provision and other debt).

The bonus capacity is calculated as the size of the bonus potential compared to the sum of the guaranteed benefits calculated with a yield curve without an illiquidity range and the provision for life annuity with market exposure.

There has been no review or audit of the interim report for H1.

## ATP Group note 2: Contingent liabilities

### Investment and loan commitments

Investment commitments, capital shares  
Investment commitments, property funds  
Investment commitments, Danish properties  
Investment commitments, infrastructure  
Investment commitments, credit funds  
Loan commitments, businesses  
Loan commitments, credit funds

### Other contingent liabilities

Rental/leasing liabilities and contractual liabilities related to the acquisition of intangible assets  
Potential deferred tax related to properties<sup>1</sup>  
Letters of credit to businesses

	H1 2023	The year 2022
Investment and loan commitments		
Investment commitments, capital shares	10,972	11,279
Investment commitments, property funds	19	19
Investment commitments, Danish properties	2,372	33
Investment commitments, infrastructure	5,049	5,247
Investment commitments, credit funds	601	539
Loan commitments, businesses	347	629
Loan commitments, credit funds	1,231	1,230
Other contingent liabilities		
Rental/leasing liabilities and contractual liabilities related to the acquisition of intangible assets	919	929
Potential deferred tax related to properties <sup>1</sup>	207	481
Letters of credit to businesses	22	36

ATP has joint VAT registration 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.

Owing to its size and business volume, the ATP Group is continually a party to various lawsuits and disputes. Cases are assessed on an ongoing basis, and pending lawsuits and disputes are not believed to have any significant impact on the financial position of the ATP Group.

<sup>1</sup> As of 2001 and under certain conditions, the ATP Group is not subject to income tax on the activities of its subsidiary ATP Ejendomme A/S. If the conditions for tax exemption are not met, provisions are made for both current and deferred tax in the company. In H1 2023, ATP Ejendomme A/S met the conditions for tax exemption.

## The ATP Group note 3: Business area financial statements

### H1 2023

DKK million	Life annuity with market exposure	Guaranteed benefits	Long-term supplementary provision, including risk adjustment	Hedging activities, total	Investment	Group item and eliminations	ATP Group, total
Insurance income	1	9,340	26	<b>9,367</b>	312	-	9,680
Expenses for insurance service	(1)	(9,340)	(26)	<b>(9,367)</b>	(312)	-	(9,680)
<b>Result of insurance service</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>
Investment return	25	9,573	-	<b>9,598</b>	1,363	-	10,961
Change to calculation interest	-	(310)	94	<b>(216)</b>	-	-	(216)
Maturity reduction	-	(6,840)	655	<b>(6,185)</b>	-	-	(6,185)
Interest on life annuity with market exposure	(21)	-	-	<b>(21)</b>	-	-	(21)
Interest on undistributed funds	-	-	-	-	-	(2,798)	(2,798)
<b>Financial items, net</b>	<b>4</b>	<b>2,423</b>	<b>749</b>	<b>3,176</b>	<b>1,363</b>	<b>(2,798)</b>	<b>1,741</b>
Tax on pension savings returns and corporate income tax	(4)	(1,460)	-	<b>(1,464)</b>	(263)	-	(1,727)
<b>Result of insurance and investment activities</b>	<b>-</b>	<b>963</b>	<b>749</b>	<b>1,712</b>	<b>1,100</b>	<b>(2,798)</b>	<b>14</b>
<b>DKK million</b>							
Pension provisions	2,189	538,460	37,796	<b>578,445</b>	105,234	-	683,679

### H1 2022

DKK million	Life annuity with market exposure	Guaranteed benefits	Long-term supplementary provision, including risk adjustment	Hedging activities, total	Investment	Group item and eliminations	ATP Group, total
Insurance income	0	9,235	24	<b>9,260</b>	441	-	9,701
Expenses for insurance service	0	(9,235)	(24)	<b>(9,260)</b>	(441)	-	(9,701)
<b>Result of insurance service</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>0</b>
Investment return	(55)	(191,147)	-	<b>(191,202)</b>	(57,231)	-	(248,433)
Change to calculation interest	-	152,576	17,020	<b>169,596</b>	-	-	169,596
Maturity reduction	-	(5,162)	976	<b>(4,186)</b>	-	-	(4,186)
Interest on life annuity with market exposure	46	-	-	<b>46</b>	-	-	46
Interest on undistributed funds	-	-	-	-	-	45,689	45,689
<b>Financial items, net</b>	<b>(8)</b>	<b>(43,733)</b>	<b>17,996</b>	<b>(25,746)</b>	<b>(57,231)</b>	<b>45,689</b>	<b>(37,288)</b>
Tax on pension savings returns and corporate income tax	8	29,245	-	<b>29,254</b>	8,035	-	37,288
<b>Result of insurance and investment activities</b>	<b>0</b>	<b>(14,488)</b>	<b>17,996</b>	<b>3,508</b>	<b>(49,197)</b>	<b>45,689</b>	<b>0</b>
<b>DKK million</b>							
Pension provisions	616	586,294	42,956	<b>629,866</b>	102,746	-	732,612

## ATP Group note 4: Insurance income

DKK million	The ATP Group	The ATP Group
	H1 2023	H1 2022
Expected pension benefits	9,193	9,074
Expected investment and administration activity expenses	460	602
Expected discharge of risk adjustment	26	24
<b>Insurance income, total</b>	<b>9,680</b>	<b>9,701</b>

## ATP Group note 6: Financial returns

DKK million	The ATP Group	The ATP Group
	H1 2023	H1 2022
The investment portfolio	1,363	(57,231)
Interest hedging portfolio	9,573	(191,147)
Life annuity with market exposure	25	(55)
<b>Financial returns, total</b>	<b>10,961</b>	<b>(248,433)</b>

## ATP Group note 5: Expenses for insurance service

DKK million	The ATP Group	The ATP Group
	H1 2023	H1 2022
Benefits paid out	9,166	9,017
Investment activity expenses and hedging	346	441
Administration activity expenses	103	105
Change to risk adjustment for non-financial risks	26	24
Other changes	38	113
<b>Expenses for insurance service, total</b>	<b>9,680</b>	<b>9,701</b>

## ATP Group note 7: Financial insurance income or expenses

DKK million	The ATP Group	The ATP Group
	H1 2023	H1 2022
Change to calculation interest rate - guaranteed benefits	(310)	152,576
Maturity reduction - guaranteed benefits	(6,840)	(5,162)
Change to calculation interest rate - long-term supplementary provision	94	17,020
Maturity reduction - long-term supplementary provision	655	976
Interest added to life annuity with market exposure	(21)	46
Interest not added to the bonus potential	(2,798)	45,689
<b>Financial insurance income or expenses, total</b>	<b>(9,220)</b>	<b>211,145</b>

## ATP Group note 8: Reconciliation of pension provisions

H1 2023	Net obligations concerning remaining cover						
	Guaranteed benefits	Life annuity with market exposure	Long-term supplementary provision	Bonus potential	Risk adjustment for non-financial risks	Liabilities concerning the payment of benefits	Total
<b>Pension provisions, start of year</b>	(573,832)	1,382	-	102,593	-	-	677,806
Effect of the implementation of IFRS 17 and changed hedging strategy	(35,198)	-	37,265	(3,021)	954	-	0
<b>Pension provisions - corrected</b>	<b>538,634</b>	<b>1,382</b>	<b>37,265</b>	<b>99,572</b>	<b>954</b>	-	<b>677,806</b>
Expected payments of pensions at start of year	(9,193)	-	-	-	-	-	(9,193)
Expected expenses at start of year	(147)	(1)	-	(312)	-	-	(460)
Expected discharge of risk adjustment at start of year	-	-	-	-	(26)	-	(26)
<b>Insurance income</b>	<b>(9,340)</b>	<b>(1)</b>	-	<b>(312)</b>	<b>(26)</b>	-	<b>(9,680)</b>
<b>Expenses for insurance service</b>	-	-	-	-	-	-	-
Benefits paid out	-	-	-	-	-	9,166	9,166
Administration and investment expenses	-	-	-	-	-	449	449
Difference between actual payments and expected payments	-	-	-	38	-	-	38
Changes to risk adjustment	-	-	26	-	-	-	26
<b>Expenses for insurance service, total</b>	-	-	<b>26</b>	<b>38</b>	-	<b>9,615</b>	<b>9,680</b>
<b>Result of insurance service</b>	<b>(9,340)</b>	<b>(1)</b>	<b>26</b>	<b>(274)</b>	<b>(26)</b>	<b>9,615</b>	<b>(0)</b>
Financial insurance income or expenses	7,150	21	(749)	2,798	-	-	9,220
<b>Amount registered in statement of comprehensive income, total</b>	<b>(2,190)</b>	<b>20</b>	<b>(723)</b>	<b>(2,524)</b>	<b>(26)</b>	<b>9,615</b>	<b>9,220</b>
Life expectancy update	(1,809)	3	(76)	1,881	-	-	(0)
Other changes	121	11	(4)	(128)	-	-	-
Change to risk adjustment beyond the end of the period	-	-	71	-	(71)	-	-
<b>Cash flow for the period, including</b>	-	-	-	-	-	-	-
Contribution income	3,704	773	401	1,385	5	-	6,268
Paid benefits and expenses	-	-	-	-	-	(9,615)	(9,615)
<b>Cash flow, total</b>	<b>3,704</b>	<b>773</b>	<b>401</b>	<b>1,385</b>	<b>5</b>	<b>(9,615)</b>	<b>(3,348)</b>
<b>Pension provisions, end of year</b>	<b>538,460</b>	<b>2,189</b>	<b>36,935</b>	<b>105,234</b>	<b>861</b>	-	<b>683,679</b>

H1 2022	Net obligations concerning remaining cover						
	Guaranteed benefits	Life annuity with market exposure	Long-term supplementary provision	Bonus potential	Risk adjustment for non-financial risks	Liabilities concerning the payment of benefits	Total
<b>Pension provisions, start of year</b>	<b>787,809</b>	-	-	<b>159,537</b>	-	-	<b>947,346</b>
Effect of the implementation of IFRS 17 and changed hedging strategy	(44,678)	-	59,683	(16,289)	1,285	-	0
<b>Pension provisions - corrected</b>	<b>743,131</b>	-	<b>59,683</b>	<b>143,248</b>	<b>1,285</b>	-	<b>947,346</b>
Expected payments of pensions at start of year	(9,074)	-	-	-	-	-	(9,074)
Expected expenses at start of year	(162)	0	-	(441)	-	-	(602)
Expected discharge of risk adjustment at start of year	-	-	-	-	(24)	-	(24)
<b>Insurance income</b>	<b>(9,235)</b>	<b>0</b>	-	<b>(441)</b>	<b>(24)</b>	-	<b>(9,701)</b>
<b>Expenses for insurance service</b>	-	-	-	-	-	-	-
Benefits paid out	-	-	-	-	-	9,017	9,017
Administration and investment expenses	-	-	-	-	-	546	546
Difference between actual payments and expected payments	-	-	-	113	-	-	113
Changes to risk adjustment	-	-	24	-	-	-	24
<b>Expenses for insurance service, total</b>	-	-	<b>24</b>	<b>113</b>	-	<b>9,563</b>	<b>9,701</b>
<b>Result of insurance service</b>	<b>(9,235)</b>	<b>0</b>	<b>24</b>	<b>(328)</b>	<b>(24)</b>	<b>9,563</b>	<b>0</b>
Financial insurance income or expenses	(147,414)	(46)	(17,996)	(45,640)	-	-	(211,096)
<b>Amount registered in statement of comprehensive income, total</b>	<b>(156,649)</b>	<b>(46)</b>	<b>(17,971)</b>	<b>(45,968)</b>	<b>(24)</b>	<b>9,563</b>	<b>(211,096)</b>
Life expectancy update	(3,489)	(5)	(393)	3,887	-	-	-
Other changes	176	2	(1)	(176)	-	-	0
Change to risk adjustment beyond the end of the period	-	-	402	-	(402)	-	-
<b>Cash flow for the period, including</b>	-	-	-	-	-	-	-
Contribution income	(3,125)	666	375	1,755	4	-	5,925
Paid benefits and expenses	-	-	-	-	-	(9,563)	(9,563)
<b>Cash flow, total</b>	<b>(3,125)</b>	<b>666</b>	<b>375</b>	<b>1,755</b>	<b>4</b>	<b>(9,563)</b>	<b>(3,638)</b>
<b>Pension provisions, end of year</b>	<b>586,294</b>	<b>616</b>	<b>42,094</b>	<b>102,746</b>	<b>862</b>	-	<b>732,612</b>

The risk adjustment as at 30 June 2023 amounts to DKK 861 million which corresponds to a confidence level of 52 per cent as the confidence level method was applied.

## ATP Group note 8: Reconciliation of pension provisions, continued

H1 2023	Estimate for present value of future cash flows					
	Guaranteed benefits	Life annuity with market exposure	Long-term supplementary provision	Bonus potential	Risk adjustment for non-financial risks	Total
<b>Pension provisions, start of year</b>	(573,832)	1,382	-	102,593	-	677,806
Effect of the implementation of IFRS 17 and changed hedging strategy	(35,198)	-	37,265	(3,021)	954	-
<b>Pension provisions - corrected</b>	<b>538,634</b>	<b>1,382</b>	<b>37,265</b>	<b>99,572</b>	<b>954</b>	<b>677,806</b>
<b>Changes concerning current services:</b>						
Experience-based adjustments	(38)	-	26	38	(26)	0
<b>Changes concerning current services, total:</b>	<b>(38)</b>	<b>-</b>	<b>26</b>	<b>38</b>	<b>(26)</b>	<b>0</b>
<b>Result of insurance service</b>	<b>(38)</b>	<b>-</b>	<b>26</b>	<b>38</b>	<b>(26)</b>	<b>0</b>
Financial insurance income or expenses	7,150	21	(749)	2,798	-	9,220
<b>Amount registered in statement of comprehensive income, total</b>	<b>7,112</b>	<b>21</b>	<b>(723)</b>	<b>2,836</b>	<b>(26)</b>	<b>9,220</b>
Bonus additions and life expectancy updates	(1,809)	3	(76)	1,881	-	0
Other changes	121	11	(4)	(128)	-	-
Change to risk adjustment beyond the end of the period	-	-	71	-	(71)	-
<b>Cash flows for the period, including:</b>						
Contribution income	3,704	773	401	1,385	5	6,268
Paid benefits and expenses	(9,302)	(1)	-	(312)	-	(9,615)
<b>Cash flow, total</b>	<b>(5,598)</b>	<b>772</b>	<b>401</b>	<b>1,073</b>	<b>5</b>	<b>(3,348)</b>
<b>Pension provisions, end of year</b>	<b>538,460</b>	<b>2,189</b>	<b>36,935</b>	<b>105,234</b>	<b>861</b>	<b>683,679</b>

H1 2022	Estimate for present value of future cash flows					
	Guaranteed benefits	Life annuity with market exposure	Long-term supplementary provision	Bonus potential	Risk adjustment for non-financial risks	Total
<b>Pension provisions, start of year</b>	<b>787,809</b>	<b>-</b>	<b>-</b>	<b>159,537</b>	<b>-</b>	<b>947,346</b>
Effect of the implementation of IFRS 17 and changed hedging strategy	(44,678)	-	59,683	(16,289)	1,285	-
<b>Pension provisions - corrected</b>	<b>743,131</b>	<b>-</b>	<b>59,683</b>	<b>143,248</b>	<b>1,285</b>	<b>947,346</b>
<b>Changes concerning current services:</b>						
Experience-based adjustments	(113)	0	24	113	(24)	0
<b>Changes concerning current services, total:</b>	<b>(113)</b>	<b>0</b>	<b>24</b>	<b>113</b>	<b>(24)</b>	<b>0</b>
<b>Result of insurance service</b>	<b>(113)</b>	<b>0</b>	<b>24</b>	<b>113</b>	<b>(24)</b>	<b>0</b>
Financial insurance income or expenses	(147,414)	(46)	(17,996)	(45,640)	-	(211,096)
<b>Amount registered in statement of comprehensive income, total</b>	<b>(147,527)</b>	<b>(46)</b>	<b>(17,971)</b>	<b>(45,527)</b>	<b>(24)</b>	<b>(211,096)</b>
Bonus additions and life expectancy updates	(3,489)	(5)	(393)	3,887	-	-
Other changes	176	2	(1)	(176)	-	0
Change to risk adjustment beyond the end of the period	-	-	402	-	(402)	-
<b>Cash flows for the period, including:</b>						
Contribution income	(3,125)	666	375	1,755	4	5,925
Paid benefits and expenses	(9,122)	-	-	(441)	-	(9,563)
<b>Cash flow, total</b>	<b>(5,997)</b>	<b>666</b>	<b>375</b>	<b>1,314</b>	<b>4</b>	<b>(3,638)</b>
<b>Pension provisions, end of year</b>	<b>586,294</b>	<b>616</b>	<b>42,094</b>	<b>102,746</b>	<b>862</b>	<b>732,612</b>

## ATP Group note 9: Fair value

Financial instruments are recognised at fair value or amortised cost in the statement of financial position. In the determination of fair value, the ATP Group uses a predefined hierarchy in IFRS 13, consisting of three levels.

DKK million	Quoted prices			Unobservable inputs	Of which concerning Life annuity with market exposure <sup>1</sup>	Statement of financial position 30/6 2023
	Level 1	Observable inputs Level 2	Level 3			
<b>H1 2023</b>						
<b>Assets</b>						
Receivables from reverse transactions	-	30,264	-	30,264	-	30,264
Bonds	454,159	5,129	14,708	473,996	(492)	473,504
Listed equities	52,141	-	-	52,141	(215)	51,926
Unlisted equity investments	-	4,532	106,976	111,508	(1,044)	110,464
Derived financial instruments	300	77,673	-	77,973	(821)	77,152
Loans	-	-	3,778	3,778	(33)	3,745
Investment properties	-	-	24,276	24,276	(209)	24,067
<b>Total</b>	<b>506,600</b>	<b>117,597</b>	<b>149,738</b>	<b>773,936</b>	<b>(2,813)</b>	<b>771,123</b>
<b>Liabilities</b>						
Debt from reverse transactions	-	116	-	116	-	116
Derived financial instruments	628	156,643	-	157,272	-	157,272
<b>Total</b>	<b>628</b>	<b>156,760</b>	<b>-</b>	<b>157,388</b>	<b>-</b>	<b>157,388</b>

For assets and liabilities measured at fair value using unobservable input data (level 3), the movements for the year are as follows:

DKK million	Unlisted equity financial instruments		Derived financial instruments	Loans	Investment properties	Total
	Bonds	investments				
<b>H1 2023</b>						
Statement of financial position, start of year	15,865	107,838	39	4,369	25,002	153,113
Realised/unrealised gains or losses for the period, recognised in results	2,404	3,863	-	(270)	(1,152)	4,845
Purchase/deposit	-	4,038	-	657	516	5,211
Sale/distribution	(3,561)	(12,485)	(39)	(978)	(90)	(17,154)
Transfer into level 3	-	5,633	-	-	-	5,633
Transfer out of level 3	-	(1,910)	-	-	-	(1,910)
<b>Statement of financial position, end of year</b>	<b>14,708</b>	<b>106,976</b>	<b>-</b>	<b>3,778</b>	<b>24,276</b>	<b>149,738</b>
Losses/gains on assets held	440	891	-	(15)	(1,058)	258

<sup>1</sup> Assets associated with Life annuity with market exposure are presented in a separate item in the statement of financial position.

**Level 1** - Quoted prices The market price of the financial instrument is used where an active market exists. The market price may be in 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.

There were no significant transfers between levels 1 and 2 in the first half of 2023. Transfers out of level 3 consist of shares that were listed during the first half of 2023. Transfers to level 3 consist of shares that were previously valued at the "purchase price for new transactions" (level 2) and which during the first half of 2023 are valued using a valuation method using unobservable inputs.

Financial instruments are recognised at fair value or amortised cost in the statement of financial position. In the determination of fair value, the ATP Group uses a predefined hierarchy in IFRS 13, consisting of three levels.

DKK million	Quoted prices			Unobservable inputs	Of which concerning Life annuity with market exposure <sup>1</sup>	Statement of financial position 31/12 2022
	Level 1	Observable inputs Level 2	Level 3			
<b>Year 2022</b>						
<b>Assets</b>						
Receivables from reverse transactions	-	25,669	-	25,669	-	25,669
Bonds	461,315	6,723	15,865	483,903	(549)	483,354
Listed equities	51,020	-	-	51,020	(165)	50,855
Unlisted equity investments	-	7,206	107,838	115,044	(614)	114,430
Derived financial instruments	1,279	81,830	39	83,148	(878)	82,270
Loans	-	-	4,369	4,369	(41)	4,328
Investment properties	-	-	25,002	25,002	(144)	24,858
<b>Total</b>	<b>513,614</b>	<b>121,428</b>	<b>153,113</b>	<b>788,155</b>	<b>(2,391)</b>	<b>785,764</b>
<b>Liabilities</b>						
Debt from reverse transactions	-	10,709	-	10,709	-	10,709
Derived financial instruments	71	172,769	-	172,840	-	172,840
<b>Total</b>	<b>71</b>	<b>183,478</b>	<b>-</b>	<b>183,549</b>	<b>-</b>	<b>183,549</b>

For assets and liabilities measured at fair value using unobservable input data (level 3), the movements for the year are as follows:

DKK million	Unlisted equity financial instruments		Derived financial instruments	Loans	Investment properties	Total
	Bonds	investments				
<b>Year 2022</b>						
Statement of financial position, start of year	17,263	115,465	-	5,327	27,601	165,656
Realised/unrealised gains or losses for the period, recognised in results	669	9,284	39	535	618	11,145
Purchase/deposit	34	12,279	-	3,194	1,712	17,219
Sale/distribution	(2,100)	(29,544)	-	(4,687)	(4,928)	(41,259)
Reclassification	-	-	-	-	-	-
Transfer into level 3	-	353	-	-	-	353
Transfer out of level 3	-	-	-	-	-	-
<b>Statement of financial position, end of year</b>	<b>15,865</b>	<b>107,838</b>	<b>39</b>	<b>4,369</b>	<b>25,002</b>	<b>153,113</b>
Losses/gains on assets held	96	5,841	39	146	4	6,126

<sup>1</sup> Assets associated with Life annuity with market exposure are presented in a separate item in the statement of financial position.

There were no significant transfers between levels 1 and 2 in 2022.

## ATP Group note 9: Fair value, continued

Group	Fair value 30/06/2023	Fair value 31/12/2022	Fair value hierarchy	Valuation inputs	Fair value sensitivity to changes in unobservable inputs
	DKK million	DKK million			
<b>Bonds</b>					
Mortgage and government bonds	5,129	6,723	2	Discounting with relevant interest curves with spreads added	-
Corporate bonds	14,708	15,865	3	Discounting with investment-specific credit range additions to interest curves	With a 1 percentage point increase in the investment-specific credit range addition, the market value will change by DKK (262 million).
<b>Unlisted equity investments</b>					
<b>Trading price for new transactions</b>					
Private Equity	4,532	7,051	2	Trading prices	-
Infrastructure	-	155	2	Trading prices	-
<b>Reported fair value<sup>1</sup></b>					
Infrastructure	15,080	15,462	3	Reporting	
Credit	5,558	6,052	3	Reporting	
Private Equity	46,554	41,832	3	Reporting	
Forestry	1,525	1,563	3	Reporting	
Properties	10,897	11,703	3	Reporting	
Other	1,423	1,487	3	Reporting	
<b>Multiple analysis</b>					
Private Equity	599	3,607	3	Valuation multiples used	If the valuation multiples used are altered by (10) per cent, the fair value is altered by DKK (65.7 million).
<b>Discounting of expected future cash flow</b>					
Infrastructure	13,945	15,053	3	Applied discount factor	If the discount factor changes by (0.5) per cent, the fair value will change by DKK (1,697 million).
Private Equity	470	-		Applied discount factor	If the discount factor changes by (0.5) per cent, the fair value will change by DKK (27 million).
<b>Return-based model.</b>					
Properties	10,925	11,080	3	Applied return rates	The average return requirement is at 5.11 per cent and with a 25 bp change, the market value will change by DKK (508 million).

<sup>1</sup> Reported fair value based on reporting by relevant companies in which underlying assets and liabilities are valued 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.

Group	Fair value 30/06/2023	Fair value 31/12/2022	Fair value hierarchy	Valuation inputs	Fair value sensitivity to changes in unobservable inputs
	DKK million	DKK million			
<b>Financial derivatives, unlisted, net</b>					
Derivative financial instruments in the form of interest and currency swaps, forward contracts, non-deliverable forwards, options, swaptions and credit default swaps	(78,971)	(90,939)	2	Valued using inputs of relevant curves, indices, spreads for calculating future payments and discounting using the relevant yield curve. For non-linear instruments, volatilities and methods reflecting applicable market practices for the valuation of these instruments are also used.	
<b>Loans</b>					
<b>Reported fair value<sup>1</sup></b>					
Loans to businesses	3,596	4,187	3	Reported fair value	
<b>Discounting of expected future cash flow</b>					
Loans to businesses	182	182	3	Discounting of expected future cash flows to net present value using relevant yield curves and investment-specific credit spread premiums	With a 1 percentage point increase in the investment-specific credit range addition, the market value will change by DKK (1 million).
<b>Investment properties</b>					
Office, retail, shopping centres, residential properties, etc.	18,497	19,292	3	Return-based model.	Return requirements from 4.125 per cent to 8.350 per cent (avg. 4.95 per cent). If the average return requirement of 4.95 per cent is increased by 0.25 per cent, the fair value of the Group's investment properties will change by DKK (852 million).
Forestry investment properties	5,779	5,711	3	Discounting of expected future cash flow	If the discount factor changes by (0.5) per cent, the fair value will change by DKK (172 million).
<b>Repo and reverse transactions</b>					
Receivables from reverse transactions	30,264	25,669	2	Discounting when using relevant yield curve	-
Debt from reverse transactions	116	10,709	2	Discounting when using relevant yield curve	-

<sup>1</sup> Financial derivatives are presented net (asset less liability), since disclosures are identical for assets and liabilities apart from amounts.

The calculation above shows sensitivities in case of changes to significant input parameters for the Group. The parent company ATP has invested in equity in group subsidiaries which consist primarily of investment entities that measure all material assets and liabilities at fair value using the methods described above. Since all material assets and liabilities in the group subsidiaries are recognised at fair value, the fair value of group subsidiaries is equivalent to ATP's share of the reported Net Asset Value.

## ATP - Statement of comprehensive income

DKK million	H1 2023	H1 2022
Insurance income	9,580	9,562
Expenses for insurance service	(9,580)	(9,562)
<b>Result of insurance service</b>	<b>0</b>	<b>0</b>
Financial returns	10,775	(248,828)
Financial insurance income or expenses	(9,121)	211,286
<b>Financial items, net</b>	<b>1,654</b>	<b>(37,542)</b>
Tax on pension savings returns and corporate income tax	(1,644)	37,542
<b>Result of insurance and investment activities</b>	<b>10</b>	<b>0</b>
<b>Administration</b>		
Other income	1,262	1,223
Other expenses	(1,262)	(1,223)
<b>Administration activity result</b>	<b>0</b>	<b>0</b>
<b>Result for the period</b>	<b>10</b>	<b>0</b>
<b>Other comprehensive income</b>		
<b>Items that may not be reclassified to the result:</b>		
Value adjustments of owner-occupied properties	(12)	0
Tax on pension savings returns regarding value adjustments for owner-occupied properties	2	0
<b>Total</b>	<b>(10)</b>	<b>0</b>
<b>Total other comprehensive income</b>	<b>(10)</b>	<b>0</b>
<b>Comprehensive income for the period</b>	<b>0</b>	<b>0</b>

## ATP - Statement of financial position

DKK million	H1 2023	Year 2022
<b>ASSETS</b>		
Cash and on-demand deposits	4,948	5,033
Receivables from reverse transactions	30,264	25,669
Bonds	470,998	480,380
Listed equities	49,699	48,592
Unlisted equity investments	74,483	76,386
Derived financial instruments	77,833	81,841
Loans	120	168
Loans to group subsidiaries	2,265	2,140
Investments in group subsidiaries	67,640	71,056
Investment assets associated with life annuity with market exposure	0	2,452
Owner-occupied properties	829	849
Operating funds	4	3
Intangible assets	933	997
Receivable tax on pension savings returns	818	839
Deferred tax on pension savings returns	47,279	48,534
Collateral regarding financial derivatives	0	13,380
Receivables contributions	3,241	3,150
Other receivables	15,113	4,602
Other prepayments and accrued income	998	986
<b>Total assets</b>	<b>847,464</b>	<b>867,058</b>
<b>EQUITY AND LIABILITIES</b>		
Derived financial instruments	157,098	173,982
Debt from reverse transactions	116	10,709
Other debts	6,571	4,560
<b>Total liabilities</b>	<b>163,785</b>	<b>189,251</b>
Guaranteed benefits	538,460	538,634
Life annuity with market exposure	2,189	1,382
Risk adjustment	861	954
<b>Pension liabilities, total</b>	<b>541,511</b>	<b>540,970</b>
Long-term supplementary provision	36,935	37,265
Bonus potential	105,234	99,572
<b>Undistributed funds, total</b>	<b>142,169</b>	<b>136,837</b>
<b>Total pension provisions</b>	<b>683,679</b>	<b>677,806</b>
Minority interests	-	-
<b>Total equity and liabilities</b>	<b>847,464</b>	<b>867,058</b>

# Further information

There is supplementary information on the interim report for H1 at [atp.dk](http://atp.dk):  
[www.atp.dk/en/further\\_information\\_half\\_year-2023](http://www.atp.dk/en/further_information_half_year-2023)

## Supplementary information

- Listed Danish equities
- Listed international equities
- Unlisted Danish equities
- Unlisted international equities
- Corporate bonds
- Definition of value creation ratios
- Exposure to equity indices in financial derivatives
- Pension provisions





## = Specifications

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- Specification 1: The impact of the Danish Financial Supervisory Authority's life expectancy model on the measurement of ATP's pension liabilities
  - Specification 2: Value creation at ATP from pensions and undistributed funds
  - Specification 3: Market value of ATP's investment portfolio
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# Specification 1: The impact of the Danish Financial Supervisory Authority's life expectancy model on the measurement of ATP's pension liabilities

The Danish Financial Supervisory Authority's life expectancy model used for oversight purposes with life insurance companies and pension funds consists of two elements: a benchmark for the observed current life expectancy and a benchmark for the projected future life expectancy improvements.

ATP's currently used observed life expectancy figures are lower than the Danish Financial Supervisory Authority's benchmark for the observed current life expectancy. However, ATP is expecting higher future life expectancy improvements than the benchmark used by the Danish Financial Supervisory Authority.

### Observed current life expectancy

The Danish Financial Supervisory Authority's benchmark for the observed current life expectancy is based on information from a number of Danish life insurance companies and lateral pension funds with over 3.0 million total customers. The observed current life expectancy which ATP uses is based on information about ATP's 5.5 million members.

The current life expectancy among pension company customers is higher than the current life expectancy among ATP's members. This is entirely in line with international studies which show that those with insurance live longer than the non-insured. The difference is illustrated in the figure below which shows life expectancies for 67-year-olds calculated on the basis of the Danish Financial Supervisory Authority's life expectancy model, ATP's holdings and figures from Statistics Denmark.

### Expected future life expectancy improvements

The Danish Financial Supervisory Authority's benchmark

for the expected future life expectancy improvements is based on developments in life expectancy in the Danish population over the past 20 years. ATP's model for the expected future life expectancy improvements is based on comparable data for the 1970-2019 period from 18 OECD countries. The model is thus based partly on information regarding ATP's own members and partly on information regarding approximately 345 million people in the 18 OECD countries.

The projected life expectancy improvements are higher in ATP's model compared to the benchmark used by the Danish Financial Supervisory Authority. The difference is mainly due to the fact that the Danish population currently has a lower life expectancy than the average in those 18 countries. In ATP's model, it is assumed that the life expectancy in Denmark will over time approach the average seen in the 18 OECD countries.

### ATP's pension liabilities

As a supplement to the value of ATP's pension liabilities in the financial statements, ATP also calculates the value of the pension liabilities based on the current life expectancy among ATP's members combined with the Danish Financial Supervisory Authority's benchmark for the projected future life expectancy improvements. Using the Danish Financial Supervisory Authority's life expectancy model, the value of the pension liabilities would be DKK 532.8bn at the end of H1 while using ATP's life expectancy model they would be DKK 540.6bn. In other words, ATP's bonus potential would be DKK 7.8bn higher if ATP had used the Danish Financial Supervisory Authority's life expectancy model.

# Specification 2: Value creation at ATP from pensions and undistributed funds (after tax)

Per cent	H1 2023	H1 2022	Year 2022	Year 2021	Year 2020	Year 2019	Year 2018
Value creation from pensions (after tax)	1.5	1.5	3.1	3.3	3.4	3.4	3.5
Value creation from undistributed funds (after tax)	1.8	(35.0)	(38.7)	24.5	13.3	30.3	(7.0)
<b>Total value creation (after tax)</b>	<b>1.6</b>	<b>(7.3)</b>	<b>(7.2)</b>	<b>8.5</b>	<b>5.5</b>	<b>8.0</b>	<b>1.5</b>

The financial statements reflect the annual result of ATP's activities, including how the result for the year impacts the bonus potential. The hedging of pensions is also described in the financial statements while the interest accrued on the pensions is not highlighted directly. With a view towards improving the description of the total value creation, ATP calculates some supplementary ratios.

*Value creation from pensions* illustrates the average interest on the pensions ATP has promised its members over time across all age groups. The ratio is calculated on the basis of historical contributions and the associated pensions. For the guaranteed benefits, the value creation is 1.5 per cent for the first half year. For a life annuity with market exposure, the value creation of 1.6 per cent is an expression of an achieved return for the period and not an actual interest rate growth. The value creation from pensions of 1.5 per cent is a weighted calculation of the value creation from, respectively, the guaranteed benefits and life annuity with market exposure.

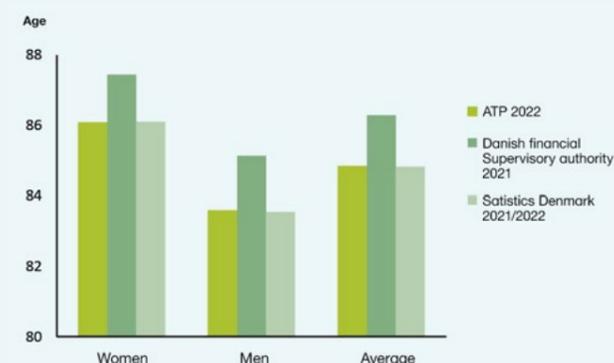
*The value creation for undistributed funds* illustrates the interest on ATP's so-called undistributed funds, i.e.

the bonus potential and the long-term supplementary provisions. The value creation in the bonus potential of 2.6 per cent is mainly driven by the investment return, but for example, it is also impacted by the result for hedging and expenses. As no risks have yet been taken in the supplementary hedging portfolio, the value creation of the long-term supplemental provision is 0 per cent. The value creation from undistributed funds of 1.8 per cent is a weighted calculation of the value creation in, respectively, the bonus potential and the long-term supplementary provision.

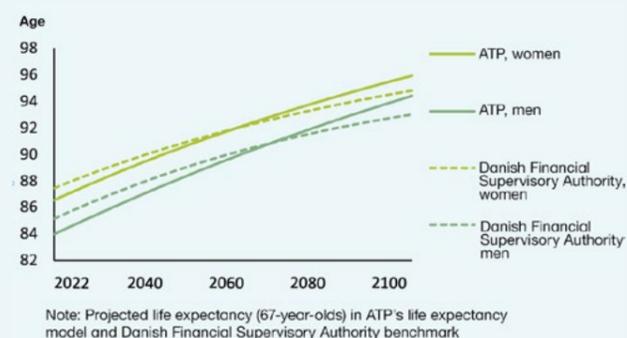
*Total value creation* shows ATP's ability to generate value creation in one figure. The ratio is a weighted calculation of value creation in, respectively, pensions and the undistributed funds.

For additional information about the definition of ATP's ratios for value creation, please see supplementary information at [www.atp.dk/en/results-and-reports-atp-group](http://www.atp.dk/en/results-and-reports-atp-group)

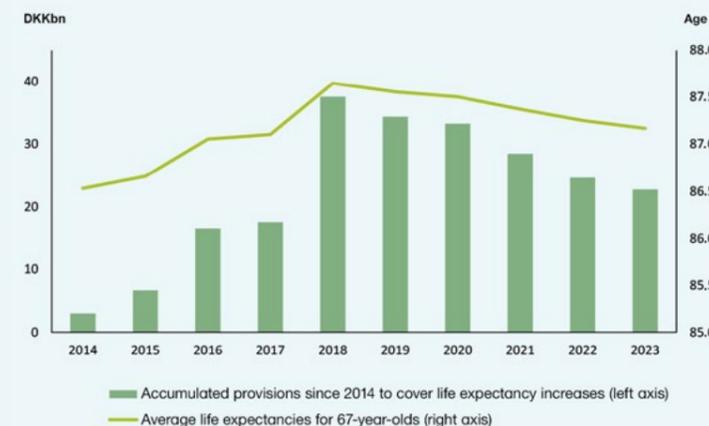
### Life expectancies for 67-year-olds



### Expectations for future life expectancy improvements



### Extra provisions due to changes in life expectancy



### Value creation

Per cent	H1 2023
Value creation from guaranteed benefits	1.5
Value creation from life annuity with market exposure	1.6
<b>Value creation from pensions</b>	<b>1.5</b>
Value creation from the bonus potential	2.6
Value creation from Long-term Supplementary Provision	0.0
<b>Value creation from undistributed funds</b>	<b>1.8</b>

## Specification 3: Market value of ATP's investment portfolio

DKKbn	H1 2023
Listed Danish equities	25.2
Listed international equities	25.8
Private equity	49.9
Credit	31.7
Government and mortgage bonds	53.7
Inflation-related instruments	9.3
Infrastructure	35.8
Real estate	40.9
Other	5.1
<b>Total market value</b>	<b>277.4</b>

Note: The market value is an expression of the money tied up in the investment. The investment portfolio market value also includes financial derivatives such as futures, swaps and options. The market value of futures is equal to zero due to daily settlement of losses/gains. For other financial derivatives, the market value may be negative.