

Quarterly report for 1st quarter - 3rd quarter 2024

31 October 2024

Increased equity and declined interest rates generated ATP a return of DKK 11bn

Global equity markets continue to rise and were supplemented by falling bond yields in the third quarter. In total, this means that ATP achieved a return of DKK 10.6bn in the investment portfolio in the first three quarters of the year. The positive development in the bonus potential has continued throughout the year, and interest rate hedging of the pension guarantees ensures that the pension guarantees stand firm.

In the first three quarters of the year, ATP's investment portfolio generated a return of DKK 10.6bn before tax, corresponding to 9.7 per cent of the bonus potential. ATP's investments in listed Danish and international equities and falling interest rates on bonds contributed positively to the return, while private equity contributed negatively.

In the interest rate hedging portfolio, the value of guaranteed pensions increased by DKK 10.2bn compared to the beginning of the year. At the same time, the portfolio generated a positive return after tax of DKK 9.1bn. The correlation between the guaranteed pensions and the hedging thus ensured that the value of the interest rate hedging portfolio increased in line with the pension guarantees.

"The development in both interest rates and equities in the third quarter have aligned well with ATP's investment strategy. In the first three quarters of the year, the financial markets generally fluctuated a lot, which has resulted in large variations in the results throughout the year. I am pleased that we have earned almost DKK 11bn in our investment portfolio in the first three quarters, despite extraordinary write-downs in private equity," says Martin Præstegaard, CEO of ATP.

ATP's investment strategy is organised with a long-term perspective. For this reason, large fluctuations may occur between individual quarters. This is a natural consequence of the strategy.

"ATP pays out a guaranteed, lifelong pension to virtually all Danes, and our focus is always on creating good returns for our members over long time horizons," adds Martin Præstegaard.

Bonus capacity continues to rise

At ATP, all funds are owned by the 5.7 million members as the return from the investment portfolio is attributed to the bonus potential, ATP's free funds. As a result of ATP's returns, the bonus potential increased by DKK 10.5bn in the first three quarters of the year, amounting to DKK 114.5bn at the end of the third quarter.

ATP's other liabilities consist of total pension liabilities of DKK 572.0bn and supplementary provisions of DKK 38.7bn. ATP members' assets totalled DKK 725.2bn after the first three quarters of the year.

There is still a solid financial excess cover (bonus capacity), as ATP's bonus potential at the end of the third quarter was 18.8 per cent of ATP's liabilities. The bonus capability has increased 1.7 percentage points since the start of the year.

ATP's administration activity expenses remain low, with a key figure for administration expenses of DKK 26 per member for the period. This is very low both in a Danish and international context.