



**The ATP Group
Annual Report 2023**

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ATP in brief

ATP Livslang Pension (Lifelong Pension)



The ATP pension is a **lifelong guaranteed retirement benefit** that is paid out throughout retirement. This helps to ensure financial security, especially for those without pension income other than public pensions and ATP

0.30 per cent

Low annual **expense ratio** (total investment and administration activity expense)

17.1 per cent

in continued **stable bonus capacity after bonus allocation**

DKK 5.7 bn

return in the Investment portfolio, corresponding to 5.5 per cent in relation to the bonus potential. **Over the past 10 years, ATP has generated average annual returns of DKK 12.2bn.**



In 2023, ATP implemented the **optimised business model** with a view to creating **higher pensions**

Low administration activity expenses per member of

DKK 38

Value creation in the guarantees

3.1 per cent



Pensions are increased for pensioners by

3 per cent

PAYMENT OF WELFARE BENEFITS

2/3

of the welfare spending in Denmark is paid out by ATP, for example, as state pensions and child and youth benefits

ATP has **digitalised and streamlined** the payment of welfare benefits. The amount paid out this year was

DKK 320 bn



ATP is a **technology and digitalisation company**, and in 2023 its investments in IT development amounted to

DKK 600 million

Summary of key figures for the ATP Group

DKK million	2023	2022	2021	2020	2019
Investment					
Return in the Investment portfolio	5,718	(64,511)	49,370	29,797	40,545
Tax on pension savings returns and corporate income tax	(1,078)	9,406	(7,282)	(4,374)	(5,718)
Investment activity results	4,640	(55,104)	42,087	25,423	34,827
Hedging					
Interest hedging					
Change due to interest and maturity reduction	(33,348)	212,298	43,124	(63,330)	(77,585)
Return in Interest Hedging portfolio	42,066	(244,827)	(56,187)	66,484	86,710
Tax on pension savings returns	(6,421)	37,459	8,597	(10,172)	(13,267)
Result from interest hedging	2,298	4,930	(4,466)	(7,018)	(4,142)
Supplementary Hedging portfolio					
Return on Supplementary Hedging portfolio	736	-	-	-	-
Tax on pension savings returns	(110)	-	-	-	-
Interest on long-term supplementary provision	(625)	-	-	-	-
Result for Supplementary Hedging portfolio	0	-	-	-	-
Life annuity with market exposure					
Return on market return portfolio	249	(87)	-	-	-
Tax on pension savings returns	(43)	13	-	-	-
Interest on life annuity with market exposure	(206)	73	-	-	-
Result of life annuity with market exposure	0	0	-	-	-
Hedging activity results	2,298	4,930	(4,466)	(7,018)	(4,142)
Insurance income	19,498	19,227	18,423	18,275	18,191
Paid out pensions	(18,408)	(17,957)	(17,260)	(17,180)	(17,054)
Investment activity expenses and hedging	(703)	(822)	(950)	(885)	(936)
Pension activity expenses	(214)	(215)	(213)	(210)	(201)
Change to risk adjustment	(53)	(49)	-	-	-
Other changes	(120)	(184)	-	-	-
Result of insurance service	0	0	0	0	0
Result for ATP Livslang Pension (Lifelong Pension)	6,938	(50,175)	37,621	18,404	30,686
Other income/expenses	(37)	156	240	99	154
Business processing, external parties					
Income	2,484	2,568	2,498	2,297	2,436
Expenses	(2,485)	(2,569)	(2,497)	(2,297)	(2,435)
Result from business processing, external parties	0	0	0	(1)	1
Result before interest on bonus potential	6,901	(50,019)	37,862	18,502	30,840
Interest not added to the bonus potential	(6,938)	50,175	(37,621)	(18,404)	(30,686)
Minority interests' share of the result	37	(156)	(240)	(99)	(154)
Net profit for the year	0	0	0	0	0
Guaranteed pensions	564,966	538,634	787,809	813,589	759,628
Life annuity with market exposure	3,198	1,382	-	-	-
Risk adjustment	835	954	-	-	-
Pension liabilities, total	568,999	540,970	787,809	813,589	759,628
Long-term supplementary provision	39,193	37,265	-	-	-
Bonus potential	104,030	99,572	159,537	146,221	125,980
Total undistributed funds	143,224	136,837	159,537	146,221	125,980
Net assets	712,222	677,806	947,346	959,810	885,608

¹Note: The change in the summary of key figures is primarily due to the implementation of IFRS17. Comparative figures have been prepared in accordance with the same principles as 2023. For more information, see 'Accounting policies'

New accounting regulations

Implementation of the new accounting standard IFRS17 entails a uniform method for recognising and presenting the pension liabilities. IFRS17 introduces a number of mandatory accounting items that result in a significant change to how the income statement is presented.

As a consequence of the new accounting regulation, ATP has a result of 0, as ATP has generated no profit from providing services.

- At ATP, all funds are owned by ATP's members and are paid out to ATP's members. The return is added directly to the bonus potential, which means that the income statement for ATP will always show a 0 result.
- Under insurance service, the contribution revenue is only recognised in the income statement when the insurance is used, i.e. as pensions are paid out and expenses are incurred. Without profit, the result is 0.

Changes to provisions due to life expectancy updates or the allocation of bonuses will impact future payments, and will therefore not appear in the income statement, but will instead be transfers between the bonus potential and the pension liabilities.

Summary of key figures

As the new standard means that all returns and financial income and expenses are shown under one item and there is no opportunity to present the individual business areas, ATP has instead in the summary of key figures reported the result divided by business areas, thereby illustrating the individual returns and correlation for the transfers to the members' assets.

The Management's review comments on the results for the year based on the summary of key figures and ratios.

The relationship between the statement of comprehensive income and the summary of key figures is shown in note 1 'Business area financial statements' in the consolidated financial statements.

Ratios

	2023	2022	2021	2020	2019
Return ratios					
Return on investment before tax relative to the bonus potential in per cent ¹	5.5	(40.9)	35.0	23.3	44.2
Return on market return portfolio before tax in per cent ²	9.1	(15.7)	-	-	-
Value creation ratios					
Value creation from pensions in per cent	3.1	3.1	3.3	3.4	3.4
Value creation from undistributed funds in per cent	4.7	(38.7)	24.5	13.3	30.3
Total value creation in per cent	3.4	(7.2)	8.5	5.5	8.0
Expense ratios in per cent					
Administration activity expenses relative to assets	0.03	0.03	0.02	0.02	0.02
Investment expenses relative to assets	0.18	0.20	0.16	0.16	0.17
Performance fees, external managers relative to assets	0.09	0.12	0.36	0.12	0.13
Total expenses relative to assets (APR)	0.30	0.35	0.54	0.30	0.32
Administration activity expenses in DKK per member	38	39	40	40	38
Other ratios					
Bonus capacity	17.1	17.2	20.3	18.0	16.6
Members (in thousands)	5,600	5,521	5,424	5,347	5,264
Contribution revenues in DKK million	12,624	11,951	11,497	10,744	10,061
Life expectancy updates in DKK million	1,881	3,887	4,796	1,130	3,231
Bonus additions in DKK million	(5,811)	-	(30,391)	-	-

¹Return on Investment is calculated as a daily time-weighted return on the bonus potential. Comparative figures for return ratios have not been adjusted due to the implementation of IFRS 17.

²Return on the market return portfolio is calculated as a daily time-weighted average.

The ATP community provides financial security for the individual

With almost all Danes as members, ATP plays a unique role in the Danish welfare society. ATP helps ensure financial security by virtue of the lifelong and guaranteed pension we pay out to almost all Danes receiving a state pension. At the same time, ATP is a central cog in a machinery that pays out welfare benefits worth DKK 320bn to Danes every single year. In this way, ATP must help to maintain, develop and, along the way, preferably streamline the payment of welfare benefits.

The cornerstone of our business is ATP Livslang Pension (Lifelong Pension). Today, the ATP pension covers almost the entire Danish labour market because all wage earners and almost everyone on transfer income pay compulsory contributions into the scheme until retirement. ATP's ongoing investment of the funds creates a return which ultimately helps to ensure that the members' total ATP pension that is paid out can be several times greater than the money they have paid in themselves. In the guaranteed pension, an interest on the payments is included in advance so that everyone can also expect that their payment will exceed the amount they themselves have contributed.

In 2023, the average ATP pension amounted to DKK 16,600. For approximately 400,000 pensioners in Denmark – around 35 per cent – the ATP pension is a noticeable financial supplement to their daily finances because the payment from ATP is their only pension income other than their public pensions.

Together, the state pension and the ATP pension accounted for three out of four pension kroner received by Danes in 2023, and this number will only slowly decrease over the next several decades. This emphasises that the basic pension, which comprises the state pension and ATP, is important both now and in the future to fulfil the original ambi-

tion for introduction of the ATP contributions: that no Danish pensioners should be poor.

ATP differs from other pension savings by being a collective guaranteed scheme with one product. We promise all members a fixed pension, regardless of how long they live. As part of a collective, you as an individual do not have to worry about whether the pension is enough, because in ATP the pension is guaranteed and all risks are covered by the community.

The past two years have been turbulent for global markets. In particular, ATP's returns were periodically challenged by large, rapid interest rate movements in 2023 – as also happened in 2022 – which resulted in a historically poor investment result for ATP. 2023 ended with a return of DKK 5.7bn in the Investment portfolio.

As an investor, ATP aims to deliver as strong returns as possible. We fully understand that questions arise when our results do not live up to our ambitions. However, all investors experience good and bad years, and as a long-term investor it is important to consider the long-term perspective. Over the past ten years, ATP has generated an investment return of DKK 122.3bn.

ATP's business model includes built-in interest hedging, which protects in the long term against fluctuations in the financial markets. This business model works, and we can therefore always pay out the pensions we have promised to members.

This stability and protection against interest rate fluctuations can also be seen in ATP's bonus capacity. The bonus capacity shows how many additional funds ATP has in relation to our obligations to members. Although the market value of ATP's

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In ATP, the community ensures that we all have a little more to live for on the day we retire. The many contributions together provide a strong foundation that ensures collectively stable lifelong pensions.

pension obligations has fluctuated significantly in recent years, our bonus capacity has been stable. In 2023, this once again benefited Danish pensioners, as ATP had the resilience to raise pensions again, this time by 3 per cent, despite large fluctuations in the financial markets. It takes effect from 2024 and includes all pensioners in ATP's membership, currently over 1 million seniors in Denmark.

ATP's second primary function is to act as a payment processor for DKK 320bn in welfare benefits. For example, in 2023 ATP paid out state pensions of DKK 154bn, rent subsidies of DKK 17bn and maternity/paternity benefits of DKK 12bn. Our ambition is to simplify and streamline payment of these large amounts of money and, as a processing business, ensure correct and equal access to welfare services as well as on-time payment of the correct amounts with excellent customer service.

This is where digitalisation plays an important role. Denmark is a trailblazer in digitalisation, and with the ongoing digital transformation comes more complex sharing data requirements, considerations regarding use of artificial intelligence, and higher expectations from the outside world for digital solutions.

ATP must carry out a socially critical task of providing administrative solutions that affect the everyday lives and finances of millions of people in Denmark. For this reason, we are not only committed to keeping up with digital developments, but also aim to be one of the leading technology and digitalisation companies – because this benefits the people



of Denmark. Intelligent use of data and technology means that we can both save public money and make it easy to contact ATP. We test, develop and use new technology. In this way, we can also assist political decision-makers with knowledge, so that the best framework for the use of technology in Denmark can be created in a safe and responsible manner.

Sustainability also features strongly in ATP's approach to business. ATP is focused on delivering real sustainable development in the breadth of roles that ATP plays. We aim to strengthen the way in which sustainability is incorporated and coordinated across the Group.

As a workplace, ATP works continuously to develop in a more sustainable direction – financially, socially and environmentally. The desire is to create an employee culture that can endure for a long time and an everyday working life where employees thrive in the long term. At the same time, we have an ambition to strongly reduce the carbon footprint from ATP's energy and resource consumption – a continuous commitment that results in new initiatives every year. As an investor, we use active ownership to push companies in a more sustainable direction. In this context, ATP takes an active approach to how companies develop, seeks knowledge and insight and exerts its influence with the aim of creating real change in a sustainable direction.

**Martin Præstegaard,
CEO, ATP**



Social contributions

Financial security for all pensioners in Denmark

Better pensions

Into the engine room

Welfare services on time and with financial benefits

Financial security for all pensioners in Denmark

As a pension provider, ATP contributes to ensuring all Danes have a pension that provides security and a worthy life throughout their retirement.

In ATP, the community ensures that we all have a little more to live for on the day we retire. On the foundation of the many individual contributions, the broad collective can ensure stable pensions even when there are fluctuations in life expectancy and varying rates of return on our investments.

In this way, the community provides financial security for the individual.

Today, around 400,000 people in Denmark only have public pensions and ATP Livslang Pension (Lifelong Pension) as pension income. For the many people who have little or no labour market pension or individual pension savings, the ATP pension is a particularly important contribution to their daily finances.

But regardless of income, public pensions and ATP Livslang Pension (Lifelong Pension) are the foundation of all pensioners' income in Denmark. In 2023, the basic pension will account for 76 per cent of the income of Danish pensioners on average across the country.

The importance of the ATP pension and public pensions will continue to be significant in the future. Looking ahead to 2080, in more than 50 years, the basic pension will account for just over 50 per cent of all Danish pensioners' retirement income, even though by then most pensioners will have had a whole working life to save for retirement via employer-paid schemes (occupational pensions).

The ATP pension is a life annuity. It is paid from the time you retire and until your death, no matter how old you get.

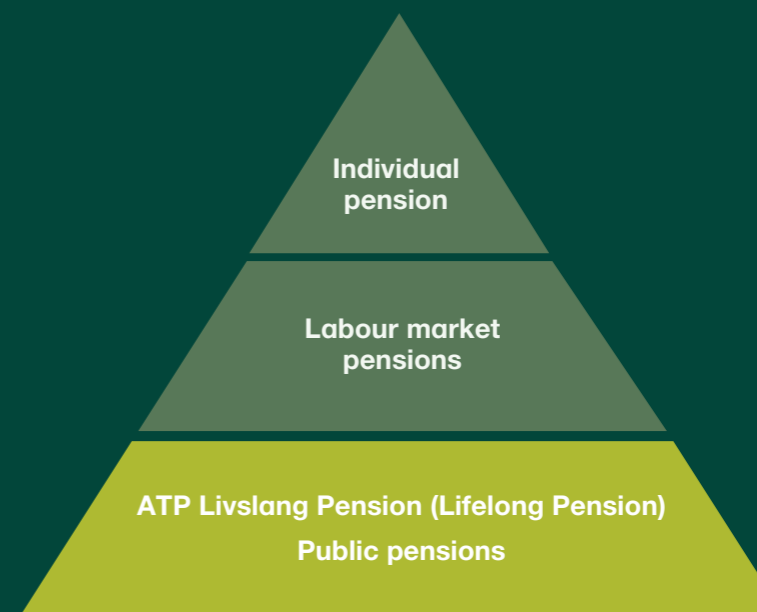
The ATP pension is guaranteed. This means that all recipients are guaranteed a fixed amount every month for the entire disbursement period.

ATP endeavours to increase pensions to the extent that returns and the life expectancy of Danes provide the financial scope to do so. Most recently, the ATP pension was increased by 3 per cent from 1 January 2024 for pensioners.

DKK 16,600

per year was what ATP paid out on average to pensioners in 2023

ATP's role in the Danish pension system



The Danish pension system consists of three layers. They each play their own role, and together they ensure that the Danish pension system has been recognised as among the best in the world for many years.

Together with public pensions, ATP forms the fundamental layer of the system, the basic pension. The role of the two pensions is to ensure a foundation of financial security for all pensioners in Denmark, and they are characterised by being lifelong pensions of a fixed (guaranteed) amount.

In addition to the basic pension, there are labour market pensions and private pension savings.

The three layers are intended to work as a unified system that both relieves public spending and prevents poverty among pensioners. The more you save yourself, the less you will receive in pension payments from the government. In this way, private pensions help to ensure the social and economic sustainability of the pension system. Conversely, public pensions

compensate in the event that private pensions shrink and provide smaller payments to the individual pensioners.

The basic pension can be seen as a collective insurance scheme, and it means that in Denmark you are guaranteed a stable basic pension regardless of how your working life and any other pension savings may turn out.

Facts about ATP

- 90 per cent of 18–65 year-olds make contributions to ATP. The figure for labour market pensions is 65 per cent, and 17 per cent for private pensions in a given year.
- ATP was established in 1964 by a majority of members of the Danish Parliament.
- ATP's Supervisory Board is composed of an independent chairman and equal numbers of representatives from the social partners (employers and trade unions).

ATP helps me afford to take the bus and live an active life

I've been a warehouse clerk all my life, and as a pensioner I only receive a state pension and ATP. That's why ATP really makes a difference for me. It means I can afford to take the bus and have a means of transport. ATP helps ensure that I can volunteer at the Aarhus Maritime Museum and at a men's club for men over 60 in Brabrand. My son lives in another city. I visit him as well, and I can use my Rejsekort travel card to get into the centre of Aarhus and attend events.

It's crucial to me to be able to live an active life as a pensioner. I tend to say: 'If you sit down in front of a television as a pensioner, you die.'

Svend Ove Böhm is 76 years old and lives alone in his own apartment in west Aarhus. He worked as a warehouse clerk for most of his life before he retired.



Without ATP, we probably wouldn't be able to keep our house

My husband and I built our house ourselves. A builder helped with the foundations, but we did pretty much everything else ourselves. That was 50 years ago.

That's why this house means something very special to us. So when we retired, we were very keen to stay in our house – even though our income dropped significantly. We only had a small pension saved up during our working lives.

This is why the pension from ATP is so important to us. Without it, I don't think we could have afforded to stay in our house.

By keeping our house, we have also have the possibility to cash in on its value as pensioners. So ATP has helped secure our finances in several ways. We haven't been able to afford expensive trips around the world, but we've had enough to get by on over the years.

Hanne Mortensen, 76, and her husband, Steen, live in Fløng outside Roskilde. She worked at the same law firm for 40 years as a receptionist, and received a medal from the Queen. Steen worked at the B&W shipyard for most of his working life.

Better pensions

Together with public pensions, the ATP pension is the basic pension that almost all Danish pensioners receive – and they need to be able to rely on it. The predictability of ATP’s pension is of great value to many pensioners. Everyone should be able to feel confident about their ATP pension, which is why ensuring this level of security is what guides our investment strategy. Our investment strategy allows us to pay out the promised amount to all our members, regardless of life expectancy – and at the same time, we seek to generate a return that can increase pensions on an ongoing basis.

Every year, ATP determines how much guaranteed pension members can receive from the year’s interest contribution. This is where the current interest rate matters. High interest rate = high pension. Low interest rates = lower pension. When interest rates in society rise as they have done in recent years, members benefit by receiving a higher ATP pension for the year’s contributions. Typically, the interest rate we use will exceed the expected inflation rate. This means that an increase in the real value is recognised in future payments from the outset.

ATP makes every effort to increase the ATP pension over time. This is why we have adapted our business model in recent years. We take a slightly higher investment risk with a portion of the funds paid in by our members, in the expectation that this will increase the total return over time. The increased risk only applies to members with a long time to retirement, while still enabling ATP to honour the payments we have guaranteed.

ATP payments are expected to be many times greater than the contributions:

DKK 112,000

is what a 67-year-old has paid in total ATP contributions together with their employer if they have made contributions since the age of 18

DKK 546,000

is what ATP pays in total to a 67-year-old with full ATP contributions who will live 20 years as a pensioner

After just four years as a pensioner, you will already have been paid out more than you have paid in

- On average, a person in Denmark is retired for 20 years.
- After four years, you will have received the money you paid into ATP.
- The remaining 16 years of payments are due to the common pool and the returns ATP has realised by investing along the way.



ATP works because so many people in Denmark pay into a common pool which we grow through investments. Every month, 3.6 million people in Denmark pay a small amount of money to ATP – employees, private individuals and employers – and ATP’s task is to make that money grow and thus ensure that all our members receive the best possible pensions.

But the amount you receive may be many times greater. Why? Because ATP invests your – and all other members’ – money and thus generates returns. On average, people are retired for 20 years. After four years, you will have received the money you paid into ATP. The remaining 16 years of payments are due to the common pool and the returns ATP has achieved by investing along the way.

As a new pensioner in 2023, you will have contributed DKK 112,000 to ATP with full contributions during your working life. Your employer has paid part of the contributions.

Risk management

Regardless of market developments, we must be able to pay out the pensions we have promised, and our investment strategy aims to ensure that we always have enough money to pay what we have guaranteed.

The overall risk exposure must be appropriate

The basic principle of ATP's investment approach is that the pension funds are invested in order to secure the guaranteed lifelong payouts, to cover any unforeseen life expectancy increases which impact the pensions and other unforeseen expenses and to enable us to increase the real value of the pensions over time. This means that ATP invests a large proportion of its total funds in assets that are very secure in relation to the future pension payments. This portfolio is called the Interest Hedging portfolio and comprises bonds and interest rate swaps.

The Interest Hedging portfolio ensures that ATP can deliver the guaranteed pensions. This enables ATP's unallocated funds in the bonus potential – ATP's free reserves – to be invested in the higher risk Investment portfolio to achieve an appropriate balance between return and risk.

Risk diversification

All investors are familiar with the basic principle of risk management: Do not put all of your eggs in one basket. This also applies to ATP. In order to have a robust investment portfolio with a high rate of expected return, the Investment portfolio is managed based on a strategy of risk diversification.

ATP believes that the best returns are achieved in a portfolio that is balanced across different types of risks, markets and geographies.



Into the engine room

ATP's investment approach and our special role in the Danish pension system are connected. Below is a brief explanation of the concepts that are both unique and crucial to ATP as a pension company.

Bonus potential

The bonus potential consists of funds that are not initially set aside to cover known future payments. The bonus potential thus functions as ATP's risk capital, which is not tied up from the outset. The money in the bonus potential is invested with a higher risk profile, and the return from investment must be able to cover unforeseen circumstances over time, such as unexpected increases in life expectancy, as well as contribute to increasing the real value of the pensions. ATP invests in such a way as to achieve an appropriate balance between aiming to raise pensions through strong returns and limiting the risk of losing the bonus potential as a result of negative returns. This trade-off between the expected return and the risk of loss is a core part of ATP's business model.

Bonus capacity

ATP's bonus capacity provides a good picture of the health of ATP. The bonus capacity expresses the ratio between ATP's bonus potential and ATP's total liabilities – and thus how many extra funds ATP has in relation to its liabilities to its members. A robust bonus capacity means that there is a high degree of available funds to withstand economic pressure, either in the form of negative investment returns or unforeseen increases in the life expectancy of people in Denmark.

The bonus capacity is important for the Supervisory Board's annual assessment of whether ATP has sufficient financial strength to increase members' pensions in the form of bonuses.

Despite changing interest rate levels and both positive and negative investment returns, ATP's bonus capacity has remained very stable, averaging 16.8 per cent over the past 10 years.

Investment process

ATP is an investor with many different types of assets and investments – from bonds and listed equities to infrastructure, real estate and natural resources. But ATP does not invest in just anything. All potential investment cases must undergo a thorough review before it is decided whether ATP will invest members' money in them.

The review is carried out by the Risk and Investment Committee, among others. Here, the management of the Pension and Investment Business, in collaboration with ATP's own professionals in various areas (e.g. valuation, risk management, legal, tax, operational implementation and sustainability), discuss the most important characteristics and risk factors of the investment case in question. For particularly large or special cases, ATP's Supervisory Board is also involved in the process.

The process must ensure that ATP invests on the best possible basis: Does the investment fit in with ATP's strategy? Does it seem to offer attractive returns? Are the other conditions in order? A thorough process ensures that ATP fulfils current requirements for a well-documented investment process.

Value creation

ATP provides lifelong pensions with a high degree of security. For the contributions paid to ATP, you receive a pension from the state pension age and for as long as you live. A return is calculated into the pension so that you can expect the pension payments to exceed the contributions.

A portion of the contributions paid in go to the bonus potential, where they are invested with a higher risk profile. The aim is to achieve a higher return, which can be used to increase pensions. ATP not only provides a return on contributions, but also endeavours to keep up with the developments in Danish inflation rate so that the pension maintains its purchasing power.

For members, there is also value in being part of a collective scheme where you are guaranteed a predictable lifelong pension no matter how long you live. **Being part of a collective means that you do not have to worry as an individual, because your pension is guaranteed and lifelong and the risks are covered by the collective rather than by you personally.

Welfare services on time and with financial benefits

ATP and the Danish welfare society are connected. In addition to generating returns and thus ensuring the best possible pensions, ATP today also functions as a central cog in the system that ensures public sector payments to people in Denmark. State-funded old-age pensions, maternity and paternity benefits, rent subsidies, holiday pay and a wide range of other benefits are administered and paid out by ATP; on an annual basis, the figure amounts to DKK 320bn.

It has not always been this way. However, bringing these tasks together under one organisation has saved the Danish state and municipalities a lot of money. Economies of scale, efficiency improvements and continuous optimisation of IT systems have meant that Denmark saves DKK 700 million every year by letting ATP as a processing business manage two thirds of the total welfare spending in Denmark.

ATP's administration saves the Danish state and municipalities millions of Danish kroner every year.

ATP implements legislative changes quickly and efficiently so the money can be disbursed.

Payments are made on time.

DKK 320bn
was paid out in welfare benefits in 2023 by ATP

ATP's Processing Business (Udbetaling Danmark and Pension & Labour Market)

As a processing business, ATP handles and disburses welfare and insurance benefits worth DKK 320bn a year. This part of ATP covers two areas: Udbetaling Danmark and Pension & Labour Market. Udbetaling Danmark – Public Benefits Administration

focuses on benefits aimed directly at people in Denmark (e.g. state-funded old-age pensions, family benefits, rent subsidies, etc.), while Pension & Labour Market operates where the social partners are behind the schemes.





Digitalisation

ATP is digitalising Denmark

Digitalisation in practice

ATP is digitalising Denmark

ATP aims to be one of the leading technology and digitalisation companies, thus helping to create welfare solutions that future-proof our society. Technological developments are moving at lightning speed, and new opportunities are constantly emerging. The expectations and demands that people of Denmark have of us in the digital space are steadily increasing. We would like to be able to quickly and efficiently develop and use new technology and meet the Danish public – citizens as well as companies – with effective, easy solutions.

ATP plays a significant role in the digitalisation of Danish society because we are behind the systems that pay out over DKK 320bn each year to the people of Denmark in the form of welfare benefits such as state-funded old-age pensions, holiday allowance and rent subsidies. The Danish welfare society is digitally driven, and ATP helps make this possible.

ATP has a large database and a unique professional community with almost 500 IT and technology specialists, including data and digitalisation experts. We experiment with, develop, test and commission applications and algorithms. And we push the boundaries of what you can do with digitalisation, automation, AI, self-service solutions and user-friendly interfaces.

Digital innovation

At ATP, we have succeeded in putting new technology into operation on a large scale. Our IT solutions have positioned ATP as a central player in the Danish IT sector, interacting with and inspiring other public authorities and private sector actors .

It is a big responsibility to create digital solutions for an entire country, and it is crucial that there is trust in what we do. That is why we actively take part in joint public sector collaborations to strengthen digital inclusion. We work to make it as simple as possible to distribute and receive welfare benefits.



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I focus strongly on the aim for technology to make a positive difference. Technology does not create value in itself, but should rather be considered a means to achieve the goal of providing the simplest, most efficient administration of ATP for the benefit of everyone we come into contact with.

Bine Knudsen, New Tech, Cand.IT in IT Management from Aalborg University

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ATP has established a management model that ensures a fast and comprehensive focus on value creation and scaling in the business – following the mantra ‘fail fast’.

Bernt Bisgaard Caspersen, New Tech, Master of Science in Computer Engineering from DTU



The basic idea of New Tech is to boost the digitalisation agenda in ATP

The digital transformation is under way – also in Denmark. People’s expectations for digital solutions are high, the requirements for sharing data are complex and artificial intelligence is a reality.

It requires innovation and a willingness to take risks to be able to meet expectations, which is why a new department – New Tech – was created in 2023. The New Tech team must make it easier for ATP to go from having a good digital idea to taking action on it.

The economies of scale in a group like ATP are important in the field of technology. When we do something good in one area using new technology such as Generative AI or Augmented Reality, this knowledge is also brought to other relevant business areas.

Advising: The New Tech team acts as an advisor to the organisation on technology in relation to their needs. The team helps clarify the potential of new technologies. The team also acts as a bridge builder for technologies already tested in one place in the organisation but with potential in other areas.

Educational: The New Tech team helps promote the digital power of imagination in ATP. Work with digital imagination boosts skills and is done in the form of presentations, workshops and the internal training course Digital Genius Academy.

Testing: The New Tech team tests new technologies that can add value to ATP. This is always done in close collaboration with the business area. The testing is clearly and briefly defined in advance, and the work is characterised by a willingness to take risks, strong curiosity and an openness to trying out previously untested solution models.

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We must ensure that we constantly strive to achieve smarter solutions, while also benefiting from economies of scale by testing new technology.

Haktan Bulut, Executive Vice President, Digital Solutions



AESther

AES is engaged in a test project called AESther where a chatbot can provide customer advisors with professionally qualified answers to their questions, either by linking to articles or showing guidance or instructions in the Knowledge Bank. It is expected that the chatbot will be used by all customer advisors. An evaluation by AESther shows that 93 per cent of customer advisors believe that the chatbot makes a positive difference. Among the things mentioned in the positive feedback was that AESther contributes to more qualified case processing and better, faster telephone services by making relevant information easily accessible at the exact moment it is asked for.

Translations that help residents of Denmark

As part of simplifying foreign citizens' and companies' access to Danish authorities, a solution has been developed for automatic translation from Danish to English of self-service pages and instructions. The solution uses a cloud-based translation service which automates and simplifies the previous translation processes and the ongoing maintenance of texts and guides. Unlike other digital translations, authorised translations of technical terms are included as an integral part of the program. The solution, which supports the EU Single Digital Gateway regulation, is already in operation on one scheme, with more to follow.

Augmented Reality (AR) in welcome letter from FerieKonto

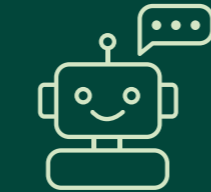
ATP is currently testing AR as part of efforts to make it easier to understand information about holiday pay in letters to people in Denmark. The technology is being tested in welcome letters to new customers of FerieKonto, where it has been decided that the QR code that gives access to the AR guide will only be embedded in letters to customers in the 13 to 19 years age group. The AR guide provides an opportunity to increase understanding among young people that they must remember to withdraw their holiday pay.

Speech synthesisers are used in the customer centres

ATP has developed automatic screenings that automatically direct citizens through our telephone flow rather than the citizen having to press numbers to navigate the menu themselves. Combined with speech synthesis, a functionality that provides the caller with relevant information, e.g. on how much rent subsidy they will be paid and when, this technology facilitates the work of customer advisors. In concrete terms, it means shorter waiting times on the phone and savings in paid customer advisor hours. In 2023, over 52,000 calls were handled by the caller receiving the relevant information from the speech synthesiser.

Introduction of the new joint public solution for digital mail

The new joint public solution for digital mail offers the opportunity to improve and strengthen the dialogue with both private citizens and businesses. This is done, e.g., through notifications with a precise indication of a desired action from the person in question, the possibility to add reminders or response deadlines to the person's personal calendar, and supplementing the letters' content with direct links to self-service solutions or further reading.



Digitalisation in practice

Working with digitalisation and technology requires us to take advantage of the opportunities available, which includes both existing, well-tested technologies and the opportunities offered by future technologies.

Easier billing

ATP has actively contributed to a proposed act of parliament which, as of 2024, will ensure a simpler collection process for ATP contributions via Samlet Betaling and more cost-effective interaction between companies and the Danish public sector. In concrete terms, this will be achieved by the ATP contribution being collected together with the schemes in Samlet Betaling, which means that in future, employers will only have to pay four times a year instead of eight times as previously. This will also reduce ATP Livslang's expenses since separate payment orders will no longer be needed.

Employees' Guarantee Fund (LG)

ATP has developed a new, easier self-service solution for the Employee's Guarantee Fund (LG) which makes it easier for employees to apply for compensation in the event of unpaid wages, e.g. if their employer goes bankrupt. The new solution guides employees and authorised representatives through the application process in a more detailed manner, so that they can be confident that they have applied with all the relevant requirements and sent the necessary documentation. After the new solution was implemented, customer satisfaction regarding parameters related to the self-service solution increased by 4-13 per cent. The solution also allows users to submit the requested documentation digitally after completing and submitting the application form. Simultaneously, a greater degree of digitalisation and use of machine learning also provides a better basis for systematic checks and thus a higher quality of case processing.



Sustainability

Sustainability in balance

Climate and environment

Diversity & inclusion

An attractive workplace

Sustainability in balance

Climate change and its consequences are a reality that we have a responsibility to take seriously and act on. This has created an expectation to contribute to sustainable solutions across countries and stakeholders. At the same time, there is a growing focus on creating a responsible society that is diverse, equal and inclusive.

At ATP, we want to strengthen the way in which sustainability efforts are implemented and coordinated across the Group. ATP works with sustainability from a broad perspective that encompasses matters related to environmental, social and human resources as well as respect for human rights and the fight against corruption and bribery.

ATP's sustainability efforts are realised in two strategic focus areas: 'Climate & Environment' and 'Diversity & Inclusion'. In both these focus areas, we aim to contribute to finding solutions via interactions with the surrounding world – as a workplace, administrator and investor.



Climate and environment

ATP works in a targeted manner to reduce its climate footprint. We aim to reduce our own CO₂ emissions as a company and push the companies we are invested in towards improved sustainability through our active ownership. ATP also focuses on biodiversity. Both as a company and as an active owner, we will map and take responsibility for how we safeguard biodiversity. Finally, ATP invests in the technological solutions that can really accelerate the green transition.



Diversity & inclusion

There is more to sustainability than green initiatives. For ATP, it is also about contributing to a responsible society in a broader sense. A society where all talents are utilised. That is why we are dedicated to promoting diversity so that all talent can thrive regardless of gender, age, ethnicity, sexual orientation, gender identity and physical/mental ability. This commitment enriches both our business and society as a whole.

Climate and environment

A responsible investor

For ATP, being an active owner and simultaneously spotting good business opportunities in the green transition is a priority. On this basis, ATP has defined a number of climate ambitions¹ intended to serve as guidelines in our investments and our work with the companies in our portfolio in the years ahead.

In 2023, ATP made green investments totalling DKK 12bn, primarily in green bonds. In the same period, ATP sold off green investments worth DKK 7bn, primarily listed equities and real estate. The portfolio of green investments increased by DKK 9bn this year, DKK 4bn of which is attributable to a positive price development in the bond and equity markets. At the end of 2023, ATP's green investments were valued at DKK 75bn.

One of ATP's climate ambitions is that the companies that ATP invests in should report on their CO₂ emissions by the end of 2025 at the latest. This is to ensure that we have the best possible overview of climate risks in our portfolio. Moreover, as an active owner we want to know which companies have done the most – and which have done the least – to mitigate climate change. We are monitoring this work by means of a points system in which we rate companies based on the quality of their CO₂ reporting.

¹ ATP's climate ambitions are specified using a number of assumptions, including market expectations between now and 2030 and market-related, company-specific and political events. The work on fulfilling our climate ambitions takes place within the framework of the prudent person principle and the requirement that ATP must invest its assets in ways that best serve its members' interests. Agreements with funds signed before October 2021 are exempt from the CO₂ reporting ambition.

2023 saw positive development, mainly among the listed companies. The positive development from 2022 has continued, and we see more and more companies improving the quality of their CO₂ reporting. Data is mainly lacking from companies that ATP is a co-owner of via funds and listed companies in countries with a limited climate focus.

Biodiversity is a topic that is closely linked to climate-related issues. We still need to get better at recognising the direct connection between companies' business activities and biodiversity. Biodiversity issues are still new, difficult and often geographically specific challenges, and it is difficult for organisations to account for how, for example, their supply chains impact biodiversity.

Nevertheless, we believe it is crucial that businesses make an effort to understand how they impact biodiversity and how they depend on it.

ATP works hard to reduce its own carbon footprint

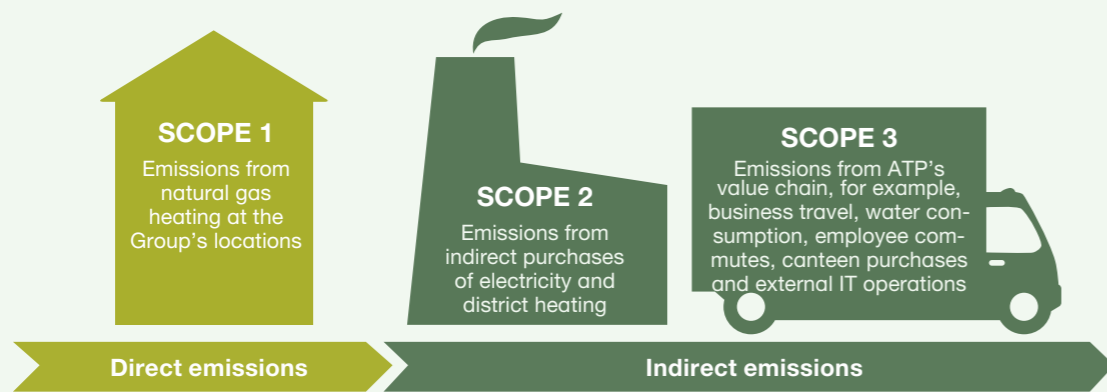
ATP has an ambition to reduce the carbon footprint from energy consumption at its own office locations and travel activities by 30 per cent in 2025 and 70 per cent in 2030, and to achieve carbon neutrality in 2050 as compared to 2018. ATP's calculated carbon footprint was reduced by 46 per cent in 2023 compared to 2018, and we have thus fulfilled our 2025 ambition.

The reduction in CO₂ emissions was driven by a number of initiatives, including optimised operation in ATP's offices. This included replacing heat exchangers and hot water tanks and optimising our technical facilities.

CO2 emissions for ATP as a workplace

	2023	2022	2021	2020	2019
CO2e emissions, tonnes*					
Direct emissions – natural gas (scope 1)	65	79	66	75	115
Indirect emissions – electricity and district heating (scope 2)	617	685	727	646	1,000
Indirect emissions – energy, air and car travel (scope 3)	832	696	509	681	1,343
Total CO2e emissions (2018 baseline – 2,817 tonnes)	1,514	1,460	1,302	1,403	2,458
CO2e reduction compared to 2018 baseline	46%	48%	54%	50%	13%
<i>Other indirect emissions – commuting, canteen purchases, IT operations, waste management (scope 3)**</i>	5,178	4,739	-	-	-

*Greenhouse gas emissions are stated in CO2 equivalents and divided into scope pursuant to the GHG protocol
 **The emissions for activities are only estimated from 2022, as data for previous years was not available. These activities are therefore not included in ATP's climate ambition.



Examples of CO2 reduction initiatives for ATP as a workplace



Better infrastructure for green transport

Employee commuting is one of the most CO₂-intensive categories in scope 3, and ATP has therefore focused on improving the possibilities for green transport. This includes setting up more charging stations for electric cars and launching DSB's 'Kørmit' bicycle scheme.



Meat consumption reduced by 25 per cent in 2023

Meat is the largest climate impact for ATP's canteens. By 2023, consumption has therefore been reduced by 25 per cent and the target for 2025 is a reduction of 30 per cent (baseline 2018).



Solar panels provide power to all ATP's locations

By 2023, solar panels have been installed at several of ATP's locations. This year in Hillerød alone, a saving of 48 tonnes of CO₂ has been achieved due to solar panels.



Sustainable remodelling of ATP's head office

ATP is expanding its head office in Hillerød by up to 2500 m². In the tender, ATP emphasised that the turnkey contractor's solution must focus on sustainability in a broad sense. The new building will also be DNGB gold certified, which is a stamp of quality for sustainability in construction.

Collaborations result in actions

Based on the basic premise that 'together we can achieve more', ATP participates in a number of collaborations and partnerships related to sustainability.

One of the newer collaborations is under the auspices of the Danish Agency for Digital Government. Here, ATP participates in the steering group for Digital Innovation and Green Transition ('Digital Innovation og Grøn Omstilling' / DIGO) and in the working group for Green Data Processing and Storage ('Grøn databehandling og opbevaring'). The initiative is part of the Joint Public Digitisation Strategy ('Fællesoffentlige Digitaliseringsstrategi' / FODS) 2022-2025 and is implemented in a joint public sector collaboration. Through a number of initiatives, this collaboration will identify, develop and disseminate best practices for energy efficiency and sustainability for data processing and storage, e.g. with regard to procurement, use and operation of physical infrastructure and software. Energy consumption in data centres today is estimated to account for 2-3 per cent of the world's total energy consumption, equivalent to the energy consumption of the entire aviation industry. At the same time, data centre power consumption is expected to account for 7-13 per cent of Denmark's total power consumption in 2030.

Initially, a joint public sector coordinated trial of the EU Green Procurement Criteria (GPP criteria) for data centres, server rooms and cloud services will be launched. ATP is involved in the first pilot tests and will test the criteria in connection with larger tenders involving data centres.

ATP participates in the following collaborations, partnerships and certifications related to sustainability:

- The United Nations Global Compact
- The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard
- Butterfly partner – Danish Society for Nature Conservation
- Network for Eco-labelled Purchases ('Netværk for MiljømærketIndkøb')
- The Diversity Pledge (Confederation of Danish Industry)
- The Organic Cuisine Label: Bronze, 30-60 per cent organic products
- Foreningen Lige Adgang ('The Association for Equal Access')
- POGI / Partnerskab for Offentlige Grønne Indkøb ('The Partnership for Green Public Sector Purchases')
- DIGO / Digital innovation og grøn omstilling ('Digital Innovation and Green Transition')
- Partnerskab for Miljømærkede indkøb ('Partnership for Ecolabelled Procurement')



Diversity & inclusion

Space for the whole person

At ATP, we consider diversity and inclusion to be essential to running an attractive, competitive and tolerant workplace. Diversity is a prerequisite in order to utilise all talents. After all, the larger the talent pool, the more resources we have to ensure a strong knowledge base on which to build our society.

Inclusion is a critical factor in the success of diversity. This means that ATP must have a respectful and inclusive culture free from discrimination. We continuously collect data in this area so that ATP can take meaningful action based on our specific challenges.

We actively work to ensure inclusive structures and processes in the organisation, and to offer training opportunities that support a culture of inclusion in the workplace and prevent unconscious bias.

ATP has a strong foundation when it comes to gender diversity, with a 60/40 gender distribution at all management levels and graduate teams. However, diversity is about more than gender, which is why ATP also focuses on listening and creating space for a diversity of voices from within the organisation.

ATP needs an LGBT+ network

The LGBT+ network at ATP is a forum for mutual support, advice, learning and sparring among LGBT+ employees and allies. The network also offers learning and sparring opportunities with HR, CSR and other employees.

‘An LGBT+ network is needed at ATP to highlight our differences and break down some of the more or less conscious prejudices about the LGBT+ community. It’s not just during Pride Week but throughout the year that we need to be aware that we have colleagues who are different to us, both visibly and invisibly. We need to see this as a value, and more than that: We need to actively make changes and address our unconscious assumptions to ensure that everyone feels safe and included. Personally, I have a dream that people I meet will not automatically assume I am heterosexual and ask about my wife, for example.’

Mikael Boe Larsen, Organiser for ATP’s LGBT+ network



Kasr Meho

For colleagues at ATP who come from a different culture, it is especially important to get to know the language and the Danish work culture. One of them is Kasr Meho, who joined ATP in FASE in 2019 and is now a permanent employee at FASE as a service assistant.

‘Being in contact with the Danish labour market is important to me, and I enjoy working with others. My tasks at ATP are very diverse. They include practical as well as administrative work, and that suits me very well. My colleagues mean a lot to me, as does the social aspect and the help and support I get at FASE. And the Danish language is the gateway to everything, so FASE opens many new doors for me.’

‘ATP is close to Allerød, where I still live with my husband and our youngest son, and I ride my scooter to and from work. The two older sons are students and have already left home, so we’ve all settled in well in Denmark. I’m happy about that.’

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Kasr Meho comes from Syria, where she trained as a school teacher. She worked for five years at a school in Al-Qamishli in north-eastern Syria before her family had to flee in 2016, after which she came to Denmark with her husband and two youngest sons. They were reunited shortly after this with their third son, who was already in Denmark. In addition to Danish, Kasr speaks Arabic, Turkish, English and Kurdish.

FACTS about FASE

FASE is a function in ATP for particularly vulnerable groups in the labour market. The scheme was established in 2010 and has since recruited over 300 employees. More than 60 per cent of them have now been helped into jobs or study programmes. The FASE programme currently comprises 23 employees, while 19 former FASE colleagues are employed by ATP.

An attractive workplace

ATP represents security for Danes. We work for the benefit of the individual and society – and this places obligations on us. That is why we need to be an attractive workplace capable of bringing together some of the country’s best people to solve the tasks across our 10 locations in Denmark and Greenland.

When we ask employees, 82 per cent say they feel engaged and motivated in their work and 89 per cent find their work tasks to be meaningful. When we look at our own results in the latest employee satisfaction survey and benchmarks for other companies, we are pleased that ATP is perceived as an attractive workplace.

At ATP, we are finding, like many other companies, that in the current job market with a high employment rate we need to be on our toes to attract the right talent. That is why we are curious about how candidates experience their encounter with ATP in the recruitment process. Evaluation of the candidate experience shows that 86 per cent of our applicants in 2023 will recommend others to apply for a job at ATP and 88 per cent of applicants have the impression of ATP being an inclusive workplace. We are proud of this.

We are looking for people who are passionate about solving our core tasks. And we recognise that both for our current employees and applicants for our vacant positions, work-life balance is of great importance. Like many other organisations, we are in the process of finding a balance between individual flexibility and a close-knit workplace community.

As one of ATP’s approximately 3,000 employees, you are part of a large community. This is reflected in strong colleague relationships and the sense of

community that arises when everyone, from customer advisors to economists, works together to develop new digital solutions and ensure efficient and timely payment of welfare benefits. Examples of this include our development of an internal chatbot to help customer advisors and case managers, and a desktop robot that eliminates manual tasks in our finance function.

Another example of community is when we meet across the board during ATP’s first Health Week.

Our many associations bring together all types of employees in activities ranging from cultural experiences to sports and board games. In addition, there are a number of professional networks such as our legal network, communication network and management network which strengthen professional competencies and promote a sense of community across departments.

In 2023 – as every year – we conducted a number of successful initiatives to attract and retain talented employees. This year, 25 new graduates chose ATP’s graduate programme as their first job and 15 new office trainees had their first working day at one of our locations. 24 employees across departments and job titles advanced their personal development as part of our talent team, and our development programmes for both new and experienced leaders are bearing fruit, as we can see in our employee satisfaction survey, where we got high scores for both supportive and goal-oriented leadership.

We have high ambitions for ATP as a workplace, now and in the future. Skilled and happy employees are essential for ATP to remain relevant and value-creating and to enjoy the trust of our customers, stakeholders and employees.



SPECIALIST

Belal optimises the systems processing DKK 15bn for families with children

Every year, ATP is in contact with nearly half of the Danish population in connection with the payment of state pensions, industrial injuries or holiday allowance. This places great demands on our systems. Belal is one of the people behind the systems. He is a business specialist and is responsible for securing the system that pays DKK 15bn to Danish families with children every year.

‘Together with my colleagues, I ensure safe and efficient operation of the system. I maintain an ongoing dialogue with stakeholders on all sides to make sure the system runs smoothly and the money is paid to the right people on time. But we also focus on constantly optimising the system and the processes around it.’

For Belal, it is about more than the disbursement of money.

‘It’s a big responsibility because our systems deliver welfare to an entire country – and in my case, security to Danish families with children – so this is a meaningful job for me.’

TALENT PROGRAMME

Line is one of ATP’s many talents

At ATP we cultivate talent. That is why every year we have a talent team where several talents are offered accelerated personal development programmes. The Talent Programme is a key element in retaining and developing our most talented employees, and in 2023, an additional 24 employees participated in this programme.

‘I have gained greater insight into my strengths and challenges and how I bring the former into play as a customer advisor, instructor and colleague,’ says Line. ‘It has been a huge personal boost to be selected for the talent team and to know that someone has recognised my development potential.’

The talent programme is designed so that talents across programmes and job roles gain a cross-disciplinary network and a greater understanding of how their role contributes to the bigger picture.

‘There was a focus on personal development, which has encouraged me to aim high in terms of my personal development and future career at ATP. I also gained useful tools to help me continue working on my own development after the programme ends.’





Result and outlook

ATP's optimised business model and
new accounting standard

Result for the year and expectations
for 2024

ATP's management

ATP's optimised business model and new accounting standard

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

The changes in the business model are comprised of two parts. Life annuity with market exposure was introduced in 2022 (see the Annual Report for 2022) and a new hedging strategy was 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 to provide better opportunities to increase the real value of the pensions.

The changed hedging strategy is based on two special features regarding 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 is to provide the guaranteed pensions is invested with a long-term focus where ATP assumes a higher investment risk than with pure interest hedging. The objective is to achieve higher returns over time as a supplement to the current interest hedging, while continuing to ensure that ATP is extremely likely to be able to honour the guaranteed benefit payments.

As a consequence of the illiquidity in the liabilities, ATP must – in accordance with international accounting standards (implementation of new standard IFRS17) – from 2023 calculate the value of the pension liabilities taking into account the illiquidity therein. For this reason, ATP adds an illiquidity spread to the discount curve for the purpose of calculating the value of the guaranteed pensions,

which will thus be reduced by DKK 37bn at the beginning of 2023. ATP has chosen to allocate the funds that are released in this way to Long-term Supplementary Provision (LSP), while 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 are expected to be able to be transferred to the bonus potential and thus contribute to increasing the real value of the lifelong pensions. ATP must also calculate a surcharge – risk adjustment for non-financial risks – to pension liabilities as a consequence of the implementation of the new international accounting standard IFRS17. This supplement amounts to DKK 1.0bn and is an expression of the funds that ATP needs to reserve to assume non-financial risks.

Two new items have thus been introduced under pension provisions: Long-term supplementary provision and risk adjustment.

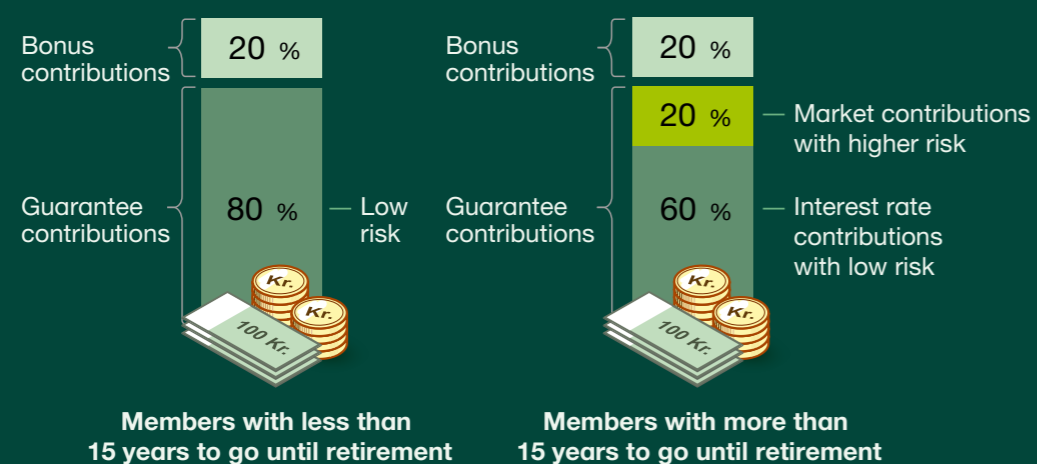
ATP's pension provisions will then consist of pension liabilities and undistributed funds. Pension liabilities are distributed to members either as a guaranteed pension or a life annuity with market exposure subject to a risk adjustment for non-financial risks.

ATP's undistributed funds form the remaining part of the pension provisions and consist of the bonus potential and the long-term supplementary provision.

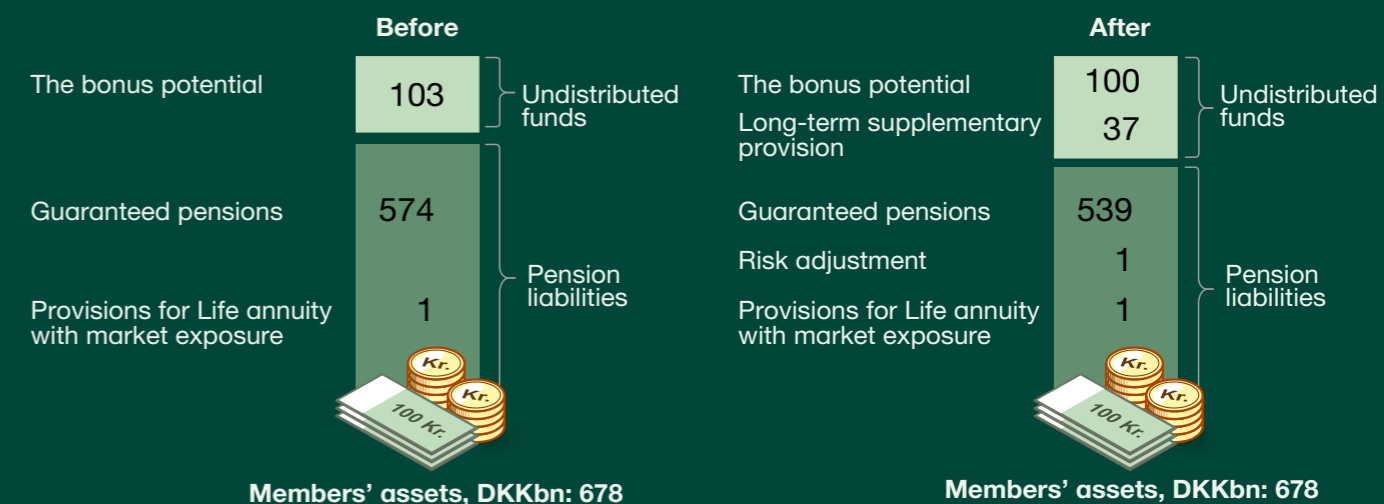
The new balance sheet items will generally not change the value of the members' total assets. All of ATP's assets belong to its members, either as distributed or non-distributed funds.

The implementation of a new accounting standard also means, in addition to the changes to the balance sheet, that ATP's result will be 0 as ATP has no profit. For more information, see accounting practices.

Implementation of Life annuity with market exposure in 2022



Pension provisions before and after changes, start of 2023



Result for the year and expectations for 2024

Market developments in 2023

Over the year as a whole, global equity markets were characterised by price increases, with the European bond markets in particular characterised by falling interest rates. 2023 was an eventful year, and several major events affected the mood and developments in the financial markets. 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 concerns caused fluctuations in the financial markets. During the spring and summer, both the US and European central banks continued to raise interest rates, which was clearly reflected in market interest rates. In October, a reduction in inflation began to raise hopes of a soft landing in the economy, after which yields on bonds with long remaining maturities began to fall while equities rose.

Geopolitics and security policy events continue to create uncertainty, and in addition to the war in Ukraine and tensions between the United States and

China, uncertainty was greatly increased as a result of the conflict in the Middle East.

Global equity returns were high in 2023, but were unevenly distributed. The US S&P Index posted a total return of around 25 per cent in 2023, driven by seven major technology and IT stocks contributing returns of over 100 per cent. In comparison, the equilibrium index, where price developments are not dominated by the largest companies, had a return of 14 per cent. The Danish equity market rose significantly less than US equities, with the KAX Cap index rising by 6.4 per cent in 2023.

In the markets for illiquid investments, such as real estate, infrastructure and private equities, trading activity was low in 2023. This reflects, among other things, the higher level of interest rates and consequently higher financing costs for investors who borrow money to finance assets. However, investment commitments from investors remain at record levels, helping to support the market.

As a result, the return on illiquid assets remained stable or slightly declining in 2023 and thus could not keep up with the increase in liquid markets – both equities and bonds – observed in the latter part of the year.

Follow-up on 2023

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

In order to ensure the best possible returns while at the same time enabling ATP to honour the guarantees it has made to its members, the Supervisory Board has specified a long-term profit expectation of 11 per cent of the bonus potential. The profit expectation can be seen as a benchmark for how ATP is expected to perform in an average year. The result for ATP Livslang Pension (Lifelong Pension) in 2023 was DKK 6.9bn, corresponding to the sum of the results for Hedging of DKK 2.3bn and Investment of DKK 4.6bn. This corresponds to 7.0 per cent of the bonus potential at the beginning of 2023.

The profit expectation was thus not achieved for 2023, seen separately. However, the result is considered acceptable as the deviation from the profit expectation reflects, among other things, ATP's long-term investment strategy and certain choices in implementing it. It is natural that investment results vary in the short term, and the profit expectation does not necessarily have to be achieved every year.

ATP's ability to increase guaranteed pensions is measured by the bonus capacity, which is the ratio between the bonus potential and ATP's total liabilities to its members. The bonus capacity was stable

during the year, and ATP thus had the financial strength to increase pensions by 3 per cent for all pensioners. This bonus distribution was announced at the end of November 2023 and will take effect from 1 January 2024. After the year's bonus allocation, the bonus capacity stood at 17.1 per cent at year end, which demonstrates that ATP's finances are robust. The bonus potential was DKK 104bn at the end of 2023, and together with the pension liabilities of DKK 569bn and supplementary provision of DKK 39bn, the members' assets totalled DKK 712bn.

Perspective on the return

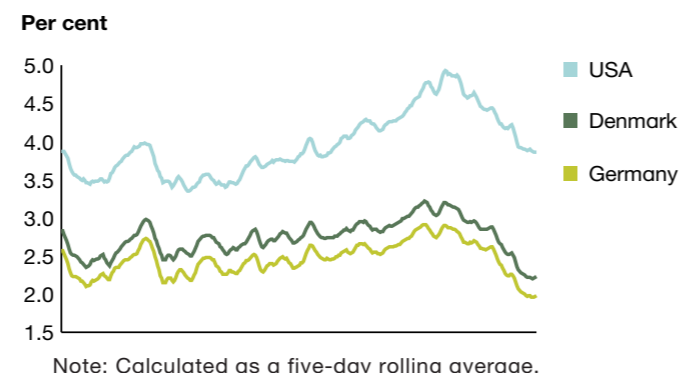
ATP's investment strategy is adapted to ATP's role and product. The strategy is long-term and is based on hedging the interest rate risk on the liabilities to the members, an investment portfolio based on a high degree of risk diversification as well as a market interest rate, and a supplementary hedging portfolio being developed with long-term risk-taking. The risk-bearing portfolios mean that ATP invests across liquid and illiquid investments, across assets, companies and geographies and with dynamic and disciplined risk management.

ATP's investment strategy differs from market rate products by operating with a higher level of risk in the Investment portfolio and through a different allocation of risk. For example, ATP has a far more equal distribution between equity and interest rate risk than a traditional market-rate product in Danish pension funds. Overall, this means that ATP performs relatively well when bonds have positive price movements, while ATP performs relatively poorly when equities do very well – precisely because ATP has 'more bonds and fewer equities in comparison. Another difference in comparison with market rate products is that ATP has greater exposure to

Equity price developments in 2023



Interest rate developments in 2023



0.30 per cent **DKK 38**

in total annual investment and administration activity expenses in relationship to assets.

in administration activity expense per member.

inflation-bearing instruments. The strategic choices reflect ATP's role in the Danish pension system and ATP's pension product, which differs from the labour market pensions primarily because ATP has fixed liabilities in the form of the guaranteed pensions.

ATP's return from the Investment portfolio in 2023 was DKK 5.7bn, and the most positive contributions came from investments in bonds and equities in the liquid portfolio and, to a lesser extent, from the illiquid portfolio. The differences in returns are due to market development where illiquid or unlisted assets had a somewhat more difficult environment than liquid markets in 2023. ATP's balanced investment approach includes a large share of illiquid assets, which was not optimal in 2023. ATP also has some exposure to inflation-related instruments, which impacted negatively on returns.

ATP owns many Danish equities and is also seeking to diversify its exposure to global equities, including US equities. Both these factors have contributed to reducing the return on the Liquid Equity portfolio. This is because Danish equities did not perform as well as global equities in 2023. In addition, a few large companies in the US technology and IT sector drove the return on global equities. Due to the risk diversification, ATP's equity portfolio did not have large exposure to these specific companies. In 2023, ATP's Danish equity portfolio delivered a return in line with the KAX Cap index.

Unlisted returns were generally sluggish in 2023, but generated positive returns from an overall perspective. In particular, write-downs on real estate and infrastructure investments dragged down returns, while private equity – which has otherwise been a strong asset class in recent years – delivered only a slightly positive return.

When considering ATP's returns, it is also important to note that ATP invests on the basis of risk capacity and how the individual investment portfolios interact with each other in order to utilise the available capacity. Many years of low interest rates have made it advantageous to borrow available liquidity internally to increase risk in the Investment portfolio, but with the current higher interest rates it has become less advantageous, which affected the result for 2023. Return expectations and financing costs are continuously included in the trade-offs when determining the strategic and tactical risk level in the Investment portfolio.

It is also an important factor for the return that ATP has accumulated a significant tax asset in the form of deferred pension yield tax after the large negative result in 2022. In the years with positive returns up to 2022, ATP paid significant amounts of pension yield tax to the Danish state, while in the case of negative returns, it is not the practice to pay a tax receivable to investors. The receivable thus appears as a deferred asset on ATP's balance sheet, amounting to almost DKK 50bn at the start of 2023. At the end of 2023, ATP had an asset of DKK 41bn that is tied up and thus does not contribute a return.

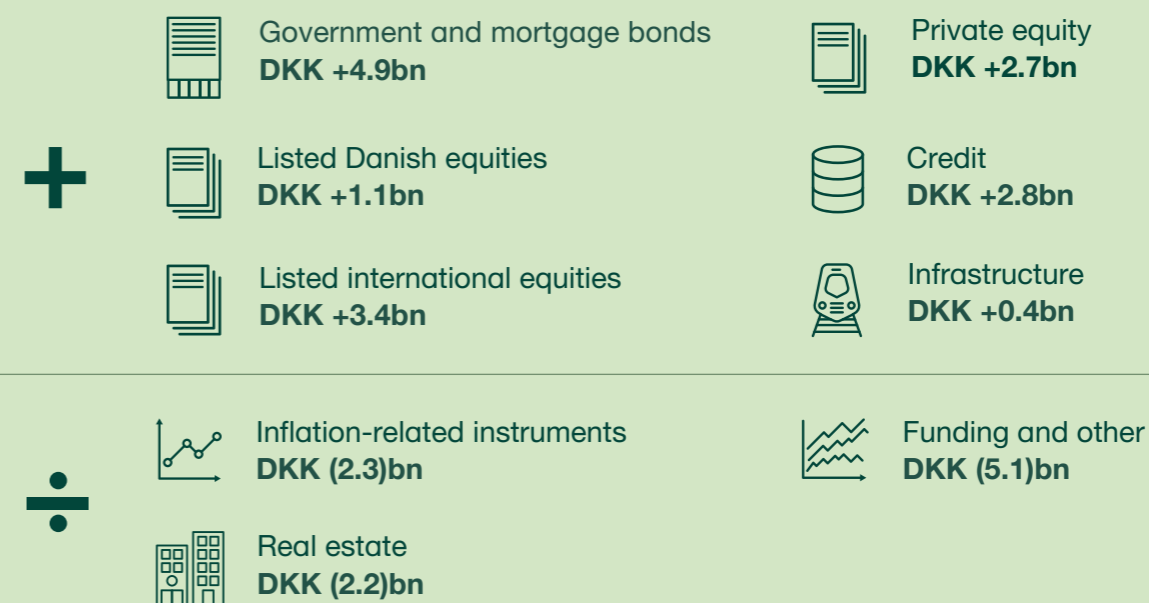
Result for ATP Livslang Pension (Lifelong Pension)

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

Hedging

Hedging includes three portfolios: Interest Hedging, Supplementary Hedging and Life Annuity with Market Exposure.

The return on investment in the Investment portfolio in 2023 was DKK 5.7bn:



For details of the return on investment in the Investment portfolio, see note 1 on page 64.

Interest hedging

The purpose of interest hedging is to safeguard the guaranteed lifelong pensions in such a way that the market value of the Interest Hedging portfolio after tax is expected to fluctuate at the same rate and to the same extent as the guaranteed pensions when interest rates change. The value of the guaranteed pensions increased by DKK 33.3bn during the year as a result of interest rate changes and maturity shortening. Conversely, the Interest Hedging portfolio generated a return after tax of DKK 35.6bn. The total result of interest hedging thus amounted to DKK 2.3bn, representing less than one per cent of the value of the guaranteed pensions, and the interest hedging thus worked as intended.

The result of the interest hedging does not typically amount to zero, which is due to the fact that ATP's liabilities cannot be hedged exactly in the financial markets. For example, ATP has some very long liabilities which must be covered with shorter maturity bonds as there are no bonds with such a long maturity. This is why the hedging cannot be completely accurate. This effect, together with the portfolio of green bonds, is the primary reason why the result from interest hedging was DKK 2.3bn. Conversely, the tied-up funds in ATP's tax asset impacted negatively on the result.

Supplementary hedging

During the last quarter of 2023, the phasing in of

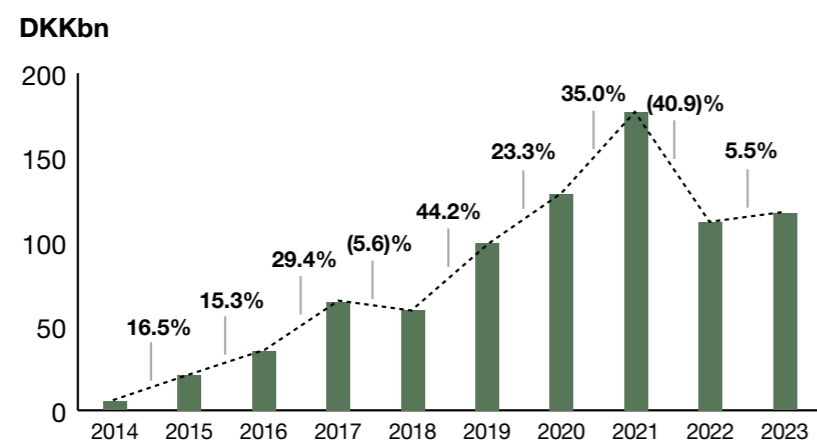
market risk in the Supplementary Hedging portfolio began as part of the overall hedging strategy. During this short period, the portfolio generated a return of DKK 0.7bn. Over time, the return from the Supplementary Hedging portfolio is expected to form the basis for transfers to the bonus potential and thus, in the long term, contribute to increasing the real value of lifelong pensions. The portfolio is still being developed and will need to take on long-term risk. Therefore, the Supplementary Hedging portfolio has a relatively higher degree of exposure to illiquid assets.

Life annuity with market exposure

For members with more than 15 years to go until reaching retirement age, 20 per cent of contributions will be allocated to Life annuity with market exposure. These life annuities are not guaranteed a return, but receive the return obtained in the associated market return portfolio. The return on these life annuities is not guaranteed, but on the other hand, there is the opportunity to take more risk than in the Interest Hedging portfolio. Over time, the portfolio is expected to contribute a higher return and thus generate higher pensions for members. In 2023, the market return portfolio generated a positive return of DKK 0.2bn, corresponding to a time-weighted return of 9.1 per cent compared to the provision for Life annuity with market exposure.

The provision for Life annuity with market exposure amounted to DKK 3.2bn at the end of 2023.

Accumulated return in the Investment Portfolio and annual percentage return



Investment

In the Investment portfolio, the return for the year was characterised by changes in interest rates, rising equity prices and high inflation. Overall, this meant that the Investment portfolio yielded a positive return of DKK 5.7bn, which, after expenses, corresponds to 5.5 per cent in relation to the bonus potential. Over the year, the largest positive returns came from investments in government and mortgage bonds and secondarily from equities, both listed and unlisted. The largest negative returns came from the portfolio of inflation-related instruments and real estate investments.

ATP has delivered solid returns over a number of years. Over the past ten years, ATP has generated an average annual return on investment of DKK 12.2bn.

Result of insurance service

ATP's members are entitled to a lifelong pension by paying contributions. There is a clear correlation between the individual contributions made and the entitlement to payments. Historically, the average recognised interest rate in the guaranteed pensions is 3.1 per cent.

ATP's members contributed DKK 12.6bn in 2023. Contributions are recognised as income as pensions are paid and expenses are incurred.

ATP paid out DKK 18.4bn in pension benefits for the year.

The result of insurance service will always be 0 at ATP, since ATP derives no profit from managing members' funds.

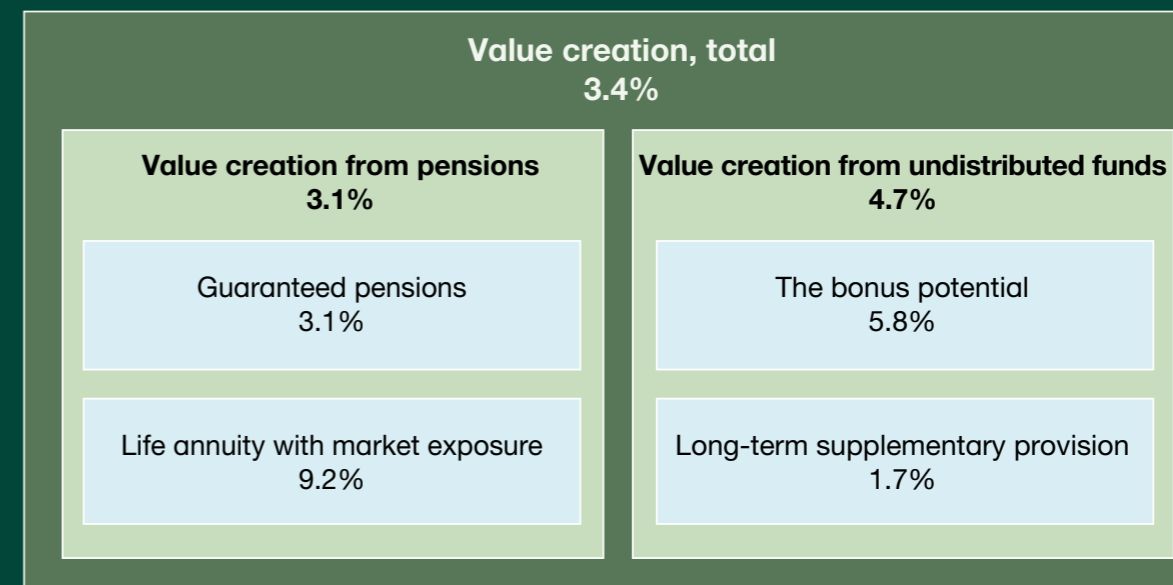
Low expenses

In order to create a sustainable balance between quality, risk and expenses, ATP applies a balanced approach to cost efficiency. The level of expenses has a direct impact on future pensions, and over time even small differences can have a significant impact over a long period of savings. ATP's administration activity expenses in 2023 were DKK 214 million, equal to DKK 38 per member. This is at a similar level to last year.

ATP's total expenses for investment and hedging amounted to DKK 1,940 million, including indirect expenses. The total investment expenses amount to DKK 349 per member, which is similar to last year. Total annual administrative and investment expenses as a percentage of assets (APR) for 2023 were 0.30 per cent. This is a low expense level in both a Danish and an international context.

Events after the reporting date

From the reporting date until the date of the presentation of this Annual Report, no events have occurred that would materially affect the assessment of the Annual Report.



Besides the value that the interest on the contributed funds creates for individual members, the lifelong pension guarantee is valuable in itself for the individual members, who can take comfort in the fact that they are guaranteed some kind of income throughout their retirement.

Total value creation

The total value creation in ATP's pension product was 3.4 per cent in 2023. This is composed of value creation in pensions and in undistributed funds, where pensions are by far the largest part of the assets.

Over time, the composition of ATP's total value creation will illustrate the interest rate level over time and how much risk is taken and managed in the individual portfolios in order to achieve the best possible value in the overall product for members. The interest rate level is of great importance in generating returns for the guaranteed pensions, and the utilisation of risk capacity has an impact on the possibility of increasing pensions in the long term. This balancing of expected returns against the risk of losses is central to ATP's business model, so the risk in the overall pension product is still low.

Pensions

In order to ensure the assumed 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 – the Interest Hedging portfolio. The pension includes a return on contributions and hedging, so the pension payments can be expected to exceed the contributions. The value creation from the pensions illustrates the average interest on all

members' pensions. For the guaranteed pensions, value creation was 3.1 per cent in 2023, which reflects the return that ATP has promised members on average over time.

For life annuity with market exposure, the value creation was 9.2 per cent, which is an expression of the realised returns for the period.

Undistributed funds

ATP's undistributed funds comprise the bonus potential and the long-term supplementary provision. To increase the real value of the guaranteed pensions, ATP invests the bonus potential in a riskier portfolio, the Investment portfolio. The funds belonging to the bonus potential are invested so 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. Value creation in the bonus potential was 5.8 per cent in 2023.

As little risk has yet been taken in the Supplementary Hedging portfolio still under development, value creation in the long-term supplementary provision was 1.7 per cent in 2023.

Outlook for 2024

Expected results

The basic principle for ATP's investment approach is that members must have a very high degree of security for lifelong pensions and there must be the opportunity to increase the real value of the retirement benefits over time.

The long-term profit expectation, which represents 11 per cent of the bonus potential, also applies to 2024. The expectation can be viewed as a guideline for how ATP expects to perform in an average year and is calculated based on expectations for returns relative to the risk profile that has been chosen. There is still a great deal of uncertainty in the financial markets and about the direction of the world economy, and it is therefore difficult to predict the return in any individual year. If, for example, interest rates rise and equity markets fall in 2024, it cannot be ruled out that ATP will realise losses.

Optimising ATP's business model ensures that we can balance risk in the short and long term. As the Investment portfolio has an interest rate element,

large interest rate changes will not significantly affect the bonus capacity. It is important for ATP's finances to remain robust, as ATP delivers a collective product with guaranteed lifelong pensions.

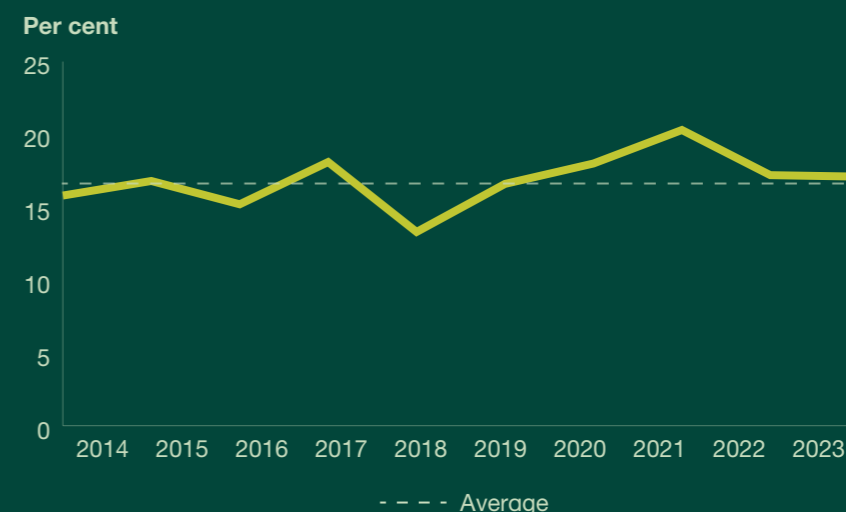
In 2024, ATP will therefore continue to maintain its disciplined approach to risk management in order to generate the best possible returns, while ensuring that ATP is always capable of meeting its guarantees to its members.

When performing 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 benefit members by providing them with a higher ATP pension from their contributions. For members' contributions for 2024, the recognised interest rate will be 3.2 per cent. The interest rate will typically exceed the expected inflation rate so that members' contributions are already increased in terms of real value.

Assets and a robust bonus capacity

How ATP's bonus capacity has developed

The bonus capacity remains similar to the past few years.



At the end of 2023, the bonus potential – which is ATP's reserves – was DKK 104.0bn, the total pension liabilities amounted to DKK 569.0bn, and the supplementary provision was 39.2bn. Total assets amounted to DKK 712.2bn and ATP's finances remain robust. Our business model is designed to ensure that we can withstand losses, and our investment strategy has meant that we have achieved significant returns up to 2022. The robustness can also be seen in our bonus capacity¹, which expresses ATP's ability to give bonuses to members. The bonus ability shows the relationship between the bonus potential – ATP's reserves – and the value of ATP's liabilities to its members.

¹ The bonus capacity is the relationship between ATP's bonus potential and ATP's pension liabilities calculated without illiquidity spreads, where the illiquidity spread is a supplement to the yield curve that expresses the illiquidity of the guarantees.

After a bonus attribution of 3 per cent to pensioners at the end of 2023, the bonus capacity will remain at 17.1 per cent at the end of 2023, which is in line with the average over the past 10 years. 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 liabilities towards its members. The bonus potential funds will – besides having to cover ATP's risk taking and unforeseen expenses – be able to be used in the long term to increase 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. Bonds are heavily weighted in ATP's balanced investment portfolio, and ATP's returns were therefore hit especially hard by the steep interest rate hikes. The advantage of this strategy is that, in addition to the expected long-term yield, it also stabilises the bonus capacity.



ATP's management

Board of Representatives

Chairman:

Chairman of the Supervisory Board
Torben M Andersen

Employer representatives:

Appointed by the Confederation of Danish Employers (DA):

CEO (Chief Executive Officer) Jacob Holbraad
CEO (Chief Executive Officer) Lars Sandahl Sørensen
CEO (Chief Executive Officer) Brian Mikkelsen
Professional board member Anne Gram
CEO (Chief Executive Officer) Fini Belin
Deputy Director Charlotte Vester
Deputy Director Steen Nielsen
Deputy CEO Pernille Knudsen
Deputy Director Camilla Khokhar
Deputy Director Steen Müntzberg

Appointed by the Danish Minister for Finance:

Professional Board Member Vibeke Krag

Appointed by Danish Regions:

Regional Council Member Mogens Nørgård

Appointed by Local Government Denmark (LGDK):

Mayor Ole Vive
City Council member, Arne Boelt

Appointed by the Danish Employers' Association for the Financial Sector (FA):

Former CEO Nicole Offendal

Employee representatives:

Appointed by Danish Trade Union Confederation, FH:

Chairman Morten Skov Christiansen
Chief Economist Jonas Schytz Juul
Ingerlise Buck, Economist
CEO (Chief Executive Officer) Jan Walther Andersen
Trade Union President Anja C. Jensen
Trade Union President Ole Wehlast
Trade Union President Elisa Rimpler
Trade Union President Claus Jensen
Trade Union President Henning Overgaard
Trade Union President Benny Yssing
Trade Union President Benny Andersen
Chairwoman Dorthe Boe Danbjørg
Chairman Gordon Ørskov Madsen

Appointed by the Danish Association of Managers and Executives (LH):

CEO (Chief Executive Officer) Bodil Nordestgaard
Ismiris

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

Chairman Lisbeth Lintz

Supervisory Board

Chairman:



Chairman off the Supervisory Board
Torben M. Andersen

Employer representatives:



CEO (Chief Executive Officer)
Jacob Holbraad



CEO (Chief Executive Officer)
Lars Sandahl Sørensen



CEO (Chief Executive Officer)
Brian Mikkelsen



Professional Board Member
Anne Gram



Professional Board Member
Vibeke Krag



Danish Regional Council Member
Mogens Nørgård

Employee representatives:



Chairman
Morten Skov Christiansen



Chief Economist
Jonas Schytz Juul



Economist
Ingerlise Buck



CEO (Chief Executive Officer)
Jan Walther Andersen



Trade Union President
Anja C. Jensen



Chairman
Lisbeth Lintz

Executive Committee

Torben M. Andersen (Chairman)
Jacob Holbraad
Morten Skov Christiansen

Audit Committee

Jan Walther Andersen (Chairman)
Torben M. Andersen
Jacob Holbraad
Morten Skov Christiansen

Risk Committee

Torben M. Andersen (Chairman)
Jan Walther Andersen
Vibeke Krag
Anne Gram

The Group management team



Martin Præstegaard, CEO

Group Management (left to right)

Kristine Stenhuus, Executive Vice President Udbetaling Danmark

Mikkel Svenstrup, Executive Vice President Investment, Chief Investment Officer

Anne Kristine Axelsson, Executive Vice President Pension and Labour Market

Martin Præstegaard, CEO, Chief Executive Officer

Pernille Vastrup, Executive Vice President Corporate Functions, Chief Financial Officer

Haktan Bulut, Executive Vice President Data & Technology, Chief Information and Technology Officer

Jacob Lester, Executive Vice President Pension and Risk, Chief Risk Officer

Chief Actuary

Camilla Fredsgaard Larsen

Chief Auditor, Internal Audit

Per Graabæk Ventzel

Pernille Vastrup joined on 1 April 2023 as the new CFO. Group Management was further changed by CRO Kim Johansen's resignation at the end of the year. Jacob Lester joined on 1 January 2024 as the new CRO. With minor adjustments in the organisation, the entire Group Management is ready to continue to ensure a focused and well-run organisation.

Corporate governance, responsibility, etc. at atp.dk

ATP's governance framework is set out in the Danish ATP Act. For further information on ATP's corporate governance, including ATP's overall management, pay policy, remuneration report and how ATP complies with the Recommendations on Corporate Governance, see the supplementary information on page 153 and the website:

www.atp.dk/en/results-and-reports/annual-and-interim-reports-atp-group/further-information-full-year-2023

Also see:

www.atp.dk/en/dokument/recommendations-corporate-governance-2023

www.atp.dk/en/dokument/remuneration-report-2023

For ATP's statutory reporting on responsibility and the gender composition of the management and ATP's sustainability-related information pursuant to the Disclosure and Taxonomy Regulations, see:

www.atp.dk/en/dokument/report-responsibility-2023

www.atp.dk/dokument/disclosureforordningen-2023

www.atp.dk/dokument/Taxonomirapportering-2023

For ATP's report on data ethics, see:

www.atp.dk/en/dokument/data-ethics-report-2023

Consolidated financial statements

Statement by the Supervisory and Executive Boards

The Supervisory and Executive Boards have today considered and adopted ATP's Annual Report for the financial year 1 January to 31 December 2023.

The consolidated financial statements and parent company financial statements are presented in accordance with the Danish ATP Act, IFRS Accounting Standards approved by the EU and additional legal requirements and the Executive Order on Financial Reports for ATP.

In our opinion, the consolidated financial statements and parent company financial statements give a true and fair view of the Group's and ATP's assets, liabilities and financial position as of 31 December 2023 and of the financial performance

and cash flows of the Group and ATP for the financial year 1 January to 31 December 2023.

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

We recommend that the Annual Report be adopted by the Board of Representatives.

Hillerød, 7 February 2024

Martin Præstegaard
CEO (Chief Executive Officer)

Torben M. Andersen
Chairman of the
Supervisory Board:

Jacob Holbraad
Member of the
Supervisory Board

Lars Sandahl Sørensen
Member of the
Supervisory Board

Brian Mikkelsen
Member of the
Supervisory Board

Anne Gram
Member of the
Supervisory Board

Vibeke Krag
Member of the
Supervisory Board

Mogens Nørgård
Member of the
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Lisbeth Lintz
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Supervisory Board

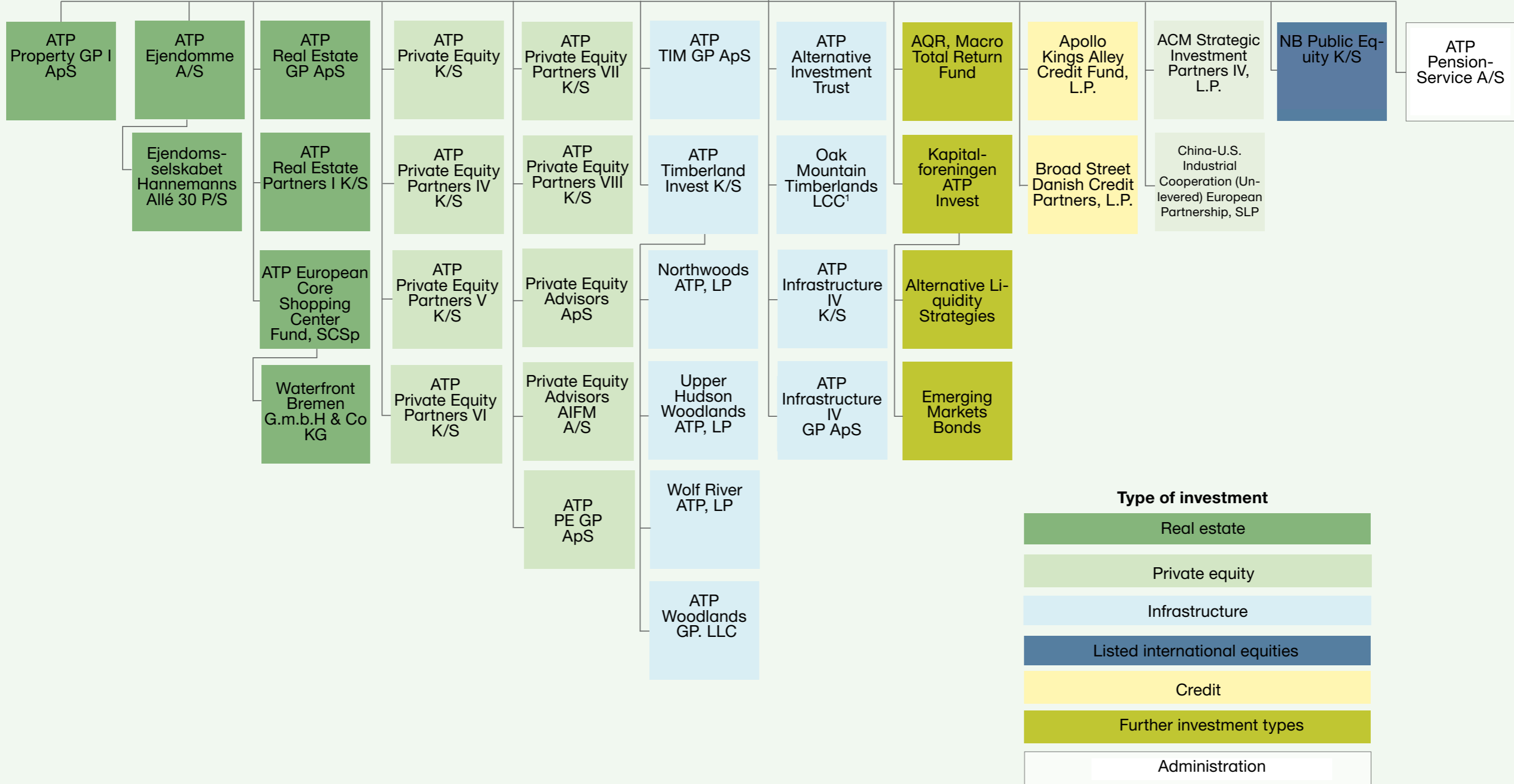
Adopted by the Board of Representatives.

Hillerød, 7 February 2024

Torben M. Andersen
Chairman of the Board of Representatives

Overview of the ATP Group

ATP



1: Oak Mountain Timberlands LCC is the parent company of ten subsidiaries.

Statement of comprehensive income

DKK million Note	Group		ATP	
	2023	2022	2023	2022
4 Insurance income	19,498	19,227	19,299	19,026
5, 6 Expenses for insurance service	(19,498)	(19,227)	(19,299)	(19,026)
Result of insurance service	0	0	0	0
2 Financial returns	48,769	(309,425)	48,430	(310,099)
3 Financial insurance income or expenses	(41,117)	262,547	(40,918)	262,748
Financial items, net	7,652	(46,878)	7,512	(47,351)
7 Tax on pension savings returns and corporate income tax	(7,652)	46,878	(7,512)	47,351
Result of insurance and investment activities	0	0	0	0
Other income/expenses				
Other financial returns	(36)	171	-	-
Expenses related to other financial returns	(1)	(1)	-	-
Tax related to other financial returns	0	(14)	-	-
Other income/expenses, total	(37)	156	-	-
Administration				
Other income	2,484	2,568	2,492	2,575
6 Other expenses	(2,485)	(2,569)	(2,492)	(2,576)
Administration activity result	0	0	0	0
Result for the period	(37)	156	0	0
Other comprehensive income	0	0	-	-
Comprehensive income for the period	(37)	156	0	0
Minority interests' share of total comprehensive income for the year	(37)	156	-	-
ATP's share of total comprehensive income for the year	0	0	0	0
Allocated comprehensive income	(37)	156	0	0

Statement of financial position

DKK million Note	Group			ATP		
	2023	2022	2021	2023	2022	2021
ASSETS						
Cash and on-demand deposits	7,288	6,792	10,364	5,615	5,033	8,320
Receivables from reverse transactions	38,613	25,669	49,249	38,613	25,669	49,249
11 Bonds	488,630	483,354	651,574	485,584	480,380	646,227
9 Listed equities	53,125	50,855	117,647	50,743	48,592	115,116
10 Unlisted equity investments	110,548	114,430	119,886	74,712	76,386	79,931
14 Financial derivatives	76,925	82,270	91,523	76,661	81,841	91,559
11 Loans	3,552	4,328	5,327	99	168	1,340
Loans to group subsidiaries	-	-	-	2,525	2,140	3,290
Investments in group subsidiaries	-	-	-	66,576	71,056	77,246
12 Investment properties	24,269	24,858	30,076	-	-	-
13 Investment assets associated with life annuity with market exposure	3,321	2,452	-	3,307	2,452	-
Owner-occupied properties	904	909	891	844	849	831
Operating funds	8	4	5	4	3	3
Intangible assets	839	1,004	1,163	825	997	1,159
Receivables on pension savings returns and income tax	624	859	303	594	839	379
Deferred tax on pension savings returns and income tax	41,276	48,534	1,267	41,276	48,534	1,267
Collateral regarding financial derivatives	6,267	13,380	5,814	6,267	13,380	5,814
Receivables contributions	3,310	3,150	3,057	3,310	3,150	3,057
Other receivables	6,823	4,763	2,229	6,630	4,602	1,666
Other prepayments and accrued income	1,029	1,006	1,039	1,021	986	985
Total assets	867,347	868,617	1,091,414	865,204	867,058	1,087,438
EQUITY AND LIABILITIES						
Debt from reverse transactions	1,099	10,709	51,452	1,099	10,709	51,250
14 Financial derivatives	136,926	172,840	81,831	137,358	173,982	81,501
Tax payable on pension savings returns and income tax payable	2	2	20	-	-	15
Deferred corporation tax	14	85	373	-	-	-
Other debts	16,533	6,521	9,597	14,525	4,560	7,326
Total liabilities	154,574	190,158	143,272	152,982	189,251	140,092
Guaranteed benefits	564,966	538,634	743,131	564,966	538,634	743,131
13 Life annuity with market exposure	3,198	1,382	-	3,198	1,382	-
Risk adjustment	835	954	1,285	835	954	1,285
Pension liabilities, total	568,999	540,970	744,416	568,999	540,970	744,416
Long-term supplementary provision	39,193	37,265	59,683	39,193	37,265	59,683
Bonus potential	104,030	99,572	143,248	104,030	99,572	143,248
Total undistributed funds	143,224	136,837	202,930	143,224	136,837	202,930
16 Total pension provisions	712,222	677,806	947,346	712,222	677,806	947,346
Minority interests	551	653	796	-	-	-
Total equity and liabilities	867,347	868,617	1,091,414	865,204	867,058	1,087,438

Cash flow statement

DKK
million

	Group		ATP	
	2023	2022	2023	2022
Cash flow from operating activities				
Contributions and fees received	12,489	11,891	12,489	11,891
Paid pension benefits	(18,455)	(17,960)	(18,455)	(17,960)
Investment activity expenses and hedging and pension expenses	(670)	(972)	(515)	(883)
Interest income received	27,322	21,168	21,282	19,692
Interest expense paid	(27,999)	(4,687)	(16,818)	(4,363)
Deferred tax on pension savings returns and corporate income tax	(270)	(667)	(51)	(334)
Total income from investment properties	1,104	877	77	42
Administrative revenue received	2,513	2,541	2,505	2,547
Administration activity expenses paid	(2,485)	(2,351)	(2,475)	(2,298)
Cash flow from operating activities	(6,451)	9,840	(1,961)	8,334
Cash flow from investment activities				
Sales and redemptions of bonds	226,213	135,243	226,179	128,798
Purchase of bonds	(200,477)	(136,200)	(200,315)	(131,675)
Sale of equity investments	67,460	160,753	60,374	167,439
Purchase of equity investments	(59,554)	(102,727)	(55,930)	(105,614)
Financial derivatives, net	(3,251)	(56,816)	(4,525)	(53,021)
Sale of investment properties	85	6,960	-	-
Purchase of investment properties	(1,026)	(1,721)	-	-
Sale and purchase, net of intangible assets, property, plant and equipment and own-er-occupied properties	(318)	(279)	(289)	(276)
Lending, repo and reverse transactions with financial institutions	(22,008)	(18,582)	(22,883)	(17,610)
Cash flow from investment activities	7,124	(13,369)	2,612	(11,959)
Cash flow from financing activities				
Loans, capital increase and dividend from/to minority shareholder	(91)	(540)	-	-
Cash flows from financing activities	(91)	(540)	-	-
Change in cash and cash equivalents	581	(4,069)	651	(3,625)
Foreign currency translation adjustments	(108)	559	(109)	399
Liquid stocks as of 1st of January	6,854	10,364	5,094	8,320
Liquid stocks as of 31th December	7,328	6,854	5,637	5,094
Of which placed under investment assets associated with life annuity with market exposure in the financial statement.	40	61	21	61

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

Cash flow from financing activities includes a loan from a minority shareholder, which was realized in 2022 in connection with the sale of the subsidiary Galaxy Properties SA.

Significant financial statement notes

This section includes the financial statement notes considered by the management to be important to provide an insight into ATP and the ATP Group.

The notes include investment returns and hedging activity results, information on expenses and tax, etc.

The section also includes information on investment assets and risk management.

64	Note 1: Business area financial statements
69	Note 2: Financial returns
69	Note 3: Financial insurance income or expenses
70	Note 4: Insurance income
71	Note 5: Expenses for insurance service
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Note 1: Business area financial statements

The note illustrates the decomposition of insurance and investment activities from the income statement items to the business areas under Hedging and Investment. The note is presented for the Group only.

2023							
DKK million	Life annuity with market exposure	Interest hedging	Supplementary Hedging portfolio	Hedging activities, total	Investment	Transfer to bonus potential	ATP Group, total
Insurance income	6	18,855	67	18,928	570	-	19,498
Expenses for insurance service	(6)	(18,855)	(67)	(18,928)	(570)	-	(19,498)
Result of insurance service	-	-	-	-	-	-	-
Investment return	249	42,066	736	43,051	5,718	-	48,769
Change to calculation interest	-	(20,498)	-	(20,498)	-	-	(20,498)
Maturity reduction	-	(12,850)	-	(12,850)	-	-	(12,850)
Interest on life annuity with market exposure	(206)	-	-	(206)	-	-	(206)
Interest on Long-term Supplementary Provision	-	-	(625)	(625)	-	-	(625)
Interest on undistributed funds	-	-	-	-	-	(6,938)	(6,938)
Financial items, net	43	8,719	111	8,873	5,718	(6,938)	7,652
Tax on pension savings returns and corporate income tax	(43)	(6,421)	(110)	(6,574)	(1,078)	-	(7,652)
Result of insurance and investment activities	0	2,298	0	2,298	4,640	(6,938)	0

The IFRS17 accounting standard has introduced a number of mandatory accounting items that result in a significant change to how the income statement is presented. All returns, financial income and expenses are shown under one item and this does not allow for the presentation of individual business areas. In the summary of key figures, ATP has broken down the results by business area and shown how the individual returns are transferred to the relevant provision under the members' assets.

The relationship between the statement of comprehensive income in the financial statements and the business areas in the summary of key figures is illustrated above.

The following pages elaborate on the performance of the individual business areas in 2023.

2022							
DKK million	Life annuity with market exposure	Interest hedging	Supplementary Hedging portfolio	Hedging activities, total	Investment	Transfer to bonus potential	ATP Group, total
Insurance income	1	18,464	49	18,514	714	-	19,227
Expenses for insurance service	(1)	(18,464)	(49)	(18,514)	(714)	-	(19,227)
Result of insurance service	-	-	-	-	-	-	-
Investment return	(87)	(244,827)	-	(244,914)	(64,511)	-	(309,425)
Change to calculation interest	-	222,190	-	222,190	-	-	222,190
Maturity reduction	-	(9,892)	-	(9,892)	-	-	(9,892)
Interest on life annuity with market exposure	73	-	-	73	-	-	73
Interest on undistributed funds	-	-	-	-	-	50,175	50,175
Financial items, net	(14)	(32,529)	-	(32,543)	(64,511)	50,175	(46,878)
Tax on pension savings returns and corporate income tax	13	37,459	-	37,472	9,406	-	46,878
Result of insurance and investment activities	0	4,930	-	4,930	(55,104)	50,175	0

Note 1: Business area financial statements, continued

Business area financial statements

Paid-in pension contributions to ATP are divided into a guarantee contribution and a bonus contribution, which in 2023 amounted to 80 per cent and 20 per cent of the paid-in contributions, respectively. The guarantee contribution is used to accrue pension entitlements. The remaining 20 per cent are funds that are invested to increase members' pensions with bonuses and protect against unforeseen expenses. The guarantee contribution is guaranteed for the expected lifetime. From 2022, the guarantee contribution is split into two parts for members who have more than 15 years to go before reaching retirement age. 75 per cent of the guarantee contribution (corresponding to 60 per cent of the total deposit) is invested with low risk (the interest contribution) and 25 per cent (the market contribution, corresponding to 20 per cent of the total deposit) is invested with a higher risk to achieve a higher return. From when the member has 15 years to go until reaching the retirement age, the pension earned with market contributions is gradually invested at low risk until retirement age is reached, and the remaining 20 per cent is invested with the goal of generating returns to increase pensions.

ATP's investments reflect the design of the pension product and are divided into Hedging and Investment, respectively.

Hedging

Hedging includes three portfolios: Interest Hedging, Supplementary Hedging and Life Annuity with Market Exposure.

Interest hedging

The purpose of interest hedging is to hedge the guaranteed lifelong pensions, meaning that the market value of the Interest Hedging portfolio after tax is expected to fluctuate at the same rate and to the same extent as the guaranteed benefits when interest rates change. The value of the guaranteed pensions increased by DKK 33.3bn during the year as a result of interest rate changes and maturity shortening. Correspondingly, the Interest Hedging portfolio generated a return after tax of DKK 35.6bn. The total result from interest hedging was thus DKK 2.3bn, which represented less than one per cent of the value of the guaranteed benefits and the interest hedging thus worked as intended.

The result of the interest hedging does not typically amount to zero, which is due to the fact that ATP's liabilities cannot be hedged exactly in the financial markets. For example, ATP has some very long liabilities which must be covered with shorter maturity bonds as there are no bonds with such a long maturity. This is why the hedging cannot be completely accurate. This effect, together with the portfolio of green bonds, has been the primary reason for the profit from interest hedging of

Guaranteed benefits are recognised as the sum of the expected future cash flows plus the discount rate effect and a risk adjustment to account for non-financial risks. The change in the guaranteed benefits attributable to the change in the discount rate and maturity shortening is recognised in the result of hedging. Other changes in guaranteed benefits are

recognised directly in the balance sheet.

Financial assets in the Hedging portfolio are also recognised and measured at fair value and value adjustments are recognised under 'Result from interest hedging'.

DKK 2.3bn. Conversely, the tied-up funds in ATP's tax assets, among other things, negatively impacted the result.

Supplementary hedging

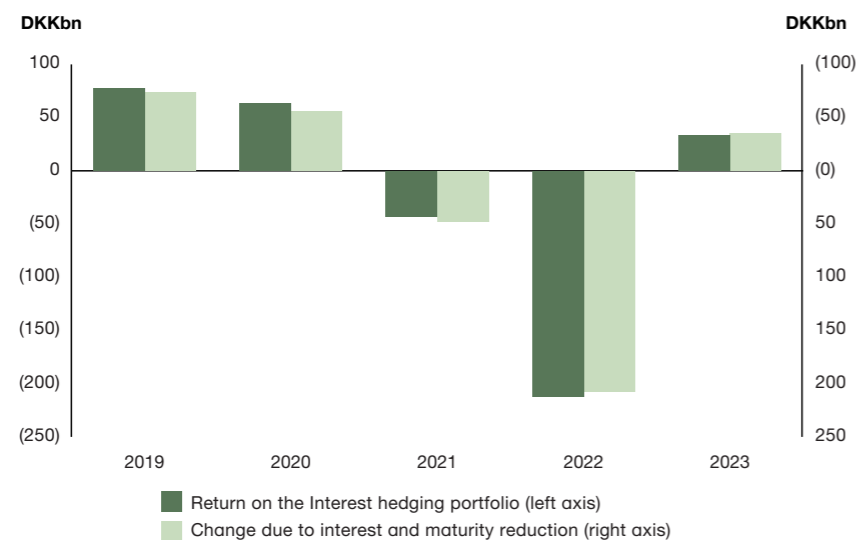
During the last quarter of 2023, the phasing in of market risk in the Supplementary Hedging portfolio began as part of the overall hedging strategy. During this short period, the portfolio generated a return of DKK 0.7bn. Over time, the return from the Supplementary Hedging portfolio is expected to form the basis for transfers to the bonus potential and thus, in the long term, contribute to increasing the real value of lifelong pensions. The portfolio is still being developed and will need to take on long-term risk. Therefore, the Supplementary Hedging portfolio has a relatively higher degree of exposure to illiquid assets.

Life annuity with market exposure

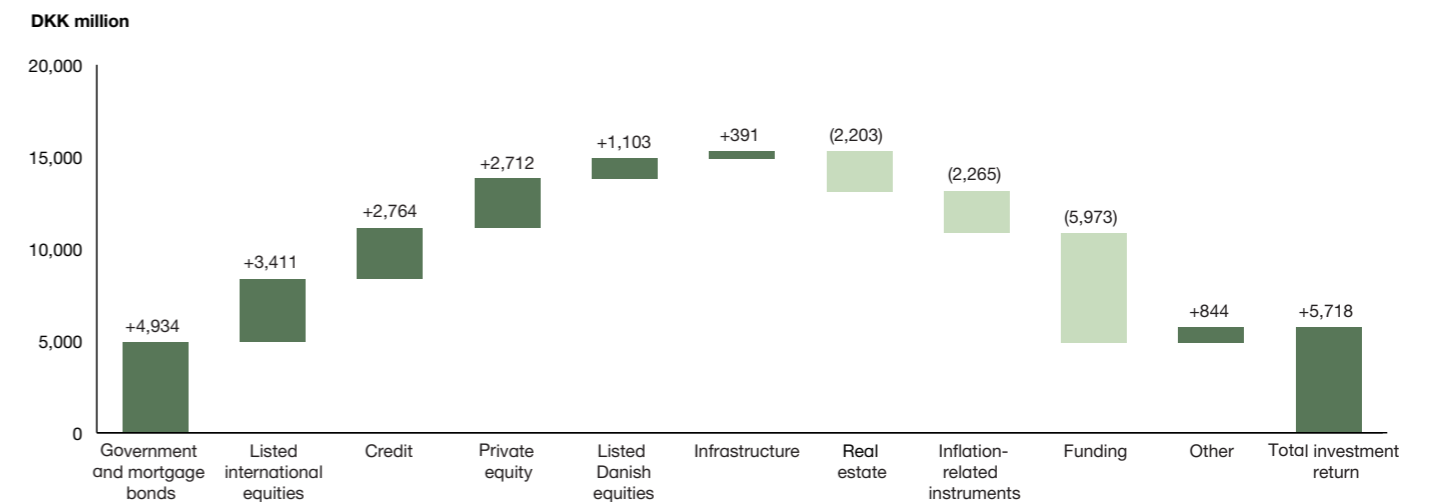
For members with more than 15 years to go until reaching retirement age, 20 per cent of the contributions are allocated to Life annuity with market exposure. These life annuities are managed in the associated market return portfolio. The return on these life annuities is not guaranteed, but on the other hand, there is the opportunity to take more risk than in the Interest Hedging portfolio. Over time, the portfolio is expected to contribute a higher return and thus generate higher pensions for members. In 2023, the market return portfolio generated a positive return of DKK 0.2bn, corresponding to a time-weighted return of 9.1 per cent compared to the provision for Life annuity with market exposure.

The provision for Life annuity with market exposure amounted to DKK 3.2bn at the end of 2023.

Hedging of the guaranteed benefits 2019-2023



Return on investment 2023 for the Investment portfolio



Note 1: Business area financial statements, continued

Investment

In the Investment portfolio, the return for the year was characterised by changes in interest rates, rising equity prices and high inflation. Overall, this meant that the Investment portfolio yielded a positive return of DKK 5.7bn, which, after expenses, corresponds to 5.5 per cent in relation to the bonus potential. Over the year, the largest positive returns came from investments in government and mortgage bonds and secondarily from equities, both listed and unlisted. The largest negative returns came from the portfolio of inflation-related instruments and real estate investments.

The portfolio of government and mortgage bonds, which also includes exposure via derivatives, generated a return of DKK 4.9bn, which is due to falling interest rates on European and US bonds, mainly in the last part of the year.

Listed international equities generated returns of DKK 3.4bn, spread broadly across the portfolio.

The private equity portfolio comprises, 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 2.7bn.

Listed Danish equities generated returns of DKK 1.1bn.

Investments in credit generated positive returns of DKK 2.8bn. These investments consist partly of bonds issued by companies with low credit ratings or developing countries and partly of financial instruments. Additionally, there are loans to credit institutions and funds that, among other things, invest in bank loans and corporate loans.

Inflation-related instruments, consisting of commodities-related financial contracts, index-linked bonds and inflation swaps generated a return of DKK (2.3)bn.

Investments in real estate generated returns of DKK (-2.2)bn. The negative return is mainly due to the recognition of higher return requirements for properties.

The return from other items was DKK (5.1)bn. This item primarily comprises interest payments from the Investment portfolio to the Interest Hedging portfolio for borrowing liquidity – called funding. As the Interest Hedging portfolio includes interest rate swaps in addition to bonds, which do not tie up liquidity, the funds that are not tied up can be lent to the Investment portfolio in return for the payment of interest. Interest rates have been low for many years, but in 2023 they made up a significant part of the return on the Investment portfolio.

5.5 per cent

in investment returns in relation to the bonus potential

ATP and the ATP Group recognise and measure all investment assets at fair value with value adjustment in the income statement. ATP manages on the basis of asset properties rather than the legal structure of the asset. A division of the investment return based on accounts category and measuring method can be seen in Note 19.

The Investment portfolio invests based on the bonus potential. In addition, funds not tied up in the Hedging portfolio as a result of the use of derivative financial instruments are available for investment in the Investment portfolio on market terms. In practice, this means that the Investment portfolio can operate with more funds than the bonus potential.

Note 2: Financial returns

DKK million	Group		ATP	
	2023	2022	2023	2022
The investment portfolio	5,718	(64,511)	5,399	(65,185)
Interest Hedging portfolio	42,066	(244,827)	42,066	(244,827)
Supplementary Hedging portfolio	736	-	721	-
Life annuity with market exposure	249	(87)	243	(87)
Financial returns, total	48,769	(309,425)	48,430	(310,099)

Note 3: Financial insurance income or expenses

DKK million	Group		ATP	
	2023	2022	2023	2022
Change to calculation interest	(20,498)	222,191	(20,498)	222,191
Maturity reduction	(12,850)	(9,893)	(12,850)	(9,893)
Interest added to life annuity with market exposure	(206)	73	(204)	73
Interest added to long-term supplementary provision	(625)	-	(618)	-
Interest not added to the bonus potential	(6,938)	50,175	(6,748)	50,377
Financial insurance income or expenses, total	(41,117)	262,547	(40,918)	262,748

Note 4: Insurance income

DKK million	Group		ATP	
	2023	2022	2023	2022
Expected retirement benefits	18,562	18,141	18,562	18,141
Expected investment and administration activity expenses	883	1,037	684	836
Expected discharge of risk adjustment	53	49	53	49
Insurance income, total	19,498	19,227	19,299	19,026

Insurance income comprises expected retirement benefits, projected expenses and the expected run-off of risk adjustment for non-financial risks included in the pension provisions at the beginning of the financial year. The year's contributions, which are comprised of reported and collected contribu-

tions minus labour market contributions, are recognised as a balance sheet item under pension provisions. The contributions are recognised as insurance income as insurance services are provided in the form of payments and as expenses are incurred for administration and investment management.

Note 5: Expenses for insurance service

DKK million	Group		ATP	
	2023	2022	2023	2022
Personal pension (current)	(17,172)	(16,765)	(17,172)	(16,765)
Spouse pension (current)	(3)	(4)	(3)	(4)
Personal pension (lump sum)	(115)	(69)	(115)	(69)
Spouse pension (lump sum)	(950)	(956)	(950)	(956)
Child benefit (lump sum)	(119)	(123)	(119)	(123)
Payments to estates of deceased persons (lump sum)	(48)	(40)	(48)	(40)
Pension benefits	(18,408)	(17,957)	(18,408)	(17,957)
Investment activity expenses and hedging	(703)	(822)	(504)	(621)
Costs related to the administration of ATP Livslang Pension (Lifelong Pension)	(214)	(215)	(214)	(215)
Expenses	(917)	(1,037)	(718)	(836)
Change to risk adjustment for non-financial risks	(53)	(49)	(53)	(49)
Other changes	(120)	(184)	(120)	(184)
Expenses for insurance service, total	(19,498)	(19,227)	(19,299)	(19,026)

Insurance service expenses consist primarily of the year's retirement benefit payments as well as administration and investment expenses.

Paid out retirement benefits comprise personal pensions, spouse pensions and capitalised benefits for the year. Benefits prepaid are accrued on the statement of financial position and presented under the item 'Other prepayments and accrued income'.

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

Investment activity expenses and Hedging comprise expenses incurred to achieve the investment and

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

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

Note 6: Expenses

Expenses in the ATP Group are distributed between the business areas Investments, Hedging, Pension and Business Processing, external parties.

Distribution of expenses between the different areas is based on time registration and expense allocation based on the Activity Based Costing model. Distribution of expenses is intended to ensure that there is no cross-subsidisation between the different areas.

Investment expenses for the Group totalled DKK 703 million. This is a decrease on last year of DKK 119 million, corresponding to 14 per cent. This decrease is primarily due to lower trading costs as a result of a smaller investment portfolio that needs to be rebalanced.

To this is added the indirect investment expenses and indirect performance fees which are deducted from ATP's investment return in private equity investments. In the calculation of annual expenses in per cent, which is disclosed in the chapter 'Result for the year and expectations for 2024' in the Management's review, indirect investment expenses and performance fees are included.

Pension expenses, which include administration activity expenses for the management of ATP Livslang Pension (Lifelong Pension) amounted to DKK 214 million in 2023, which is in line with 2022. Expenses related to Pensions represent 0.03 per cent relative to the total assets. The ability to keep pension expenses low is due to a high degree of automation and digitalisation when contacting members and a stable IT support system.

In 2023, ATP was once again able to keep its administration activity expenses low, as ATP Livslang Pension (Lifelong Pension) is a collective scheme and a relatively simple product.

The Group's administration activity expenses for external parties are incurred in connection with tasks for the social partners, the state and the municipalities and are distributed among the following clients:

DKK million	2023	2022
Udbetaling Danmark – Public Benefits Administration	1,560	1,621
Pension and Labour Market	864	870
Senior pension	58	57
Other	2	21
Total	2,485	2,569

These tasks are assigned to ATP on a cost-recovery basis – i.e. without profit to ATP or without any risk of expense. In 2023, expenses of DKK 2.5bn were incurred in relation to business processing for external parties, and these expenses are off-set by similar income.

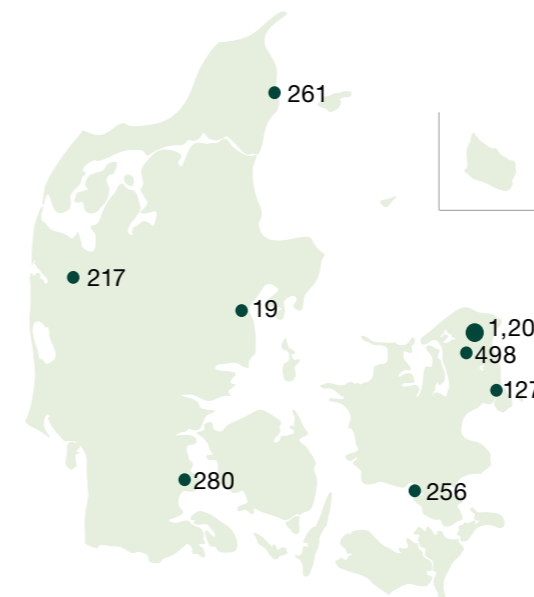
The decrease in administration activity expenses from 2022 to 2023 reflects, among other things, lower expenses for the implementation of customer agreements, the realisation of efficiency improvements through automation and the use of new technology and the fact that in 2022 an immediate write-off was made related to the development of a new student debt solution under 'Statslige Finansielle Ordninger' in Udbetaling Danmark.

DKK million	Group		ATP	
	2023	2022	2023	2022
Investment activity expenses and hedging	703	822	504	621
Pension activity expenses	214	215	214	215
Business processing expenses, external parties	2,485	2,569	2,492	2,576
Total expenses	3,401	3,606	3,210	3,411
The aforementioned expenses include staff expenses totalling				
Remuneration	1,623	1,611	1,520	1,504
Pension contributions	275	271	257	253
Other social security expenses	25	25	24	24
Total staff expenses	1,923	1,907	1,801	1,781
Average number of full-time staff	2,860	2,901	2,736	2,769

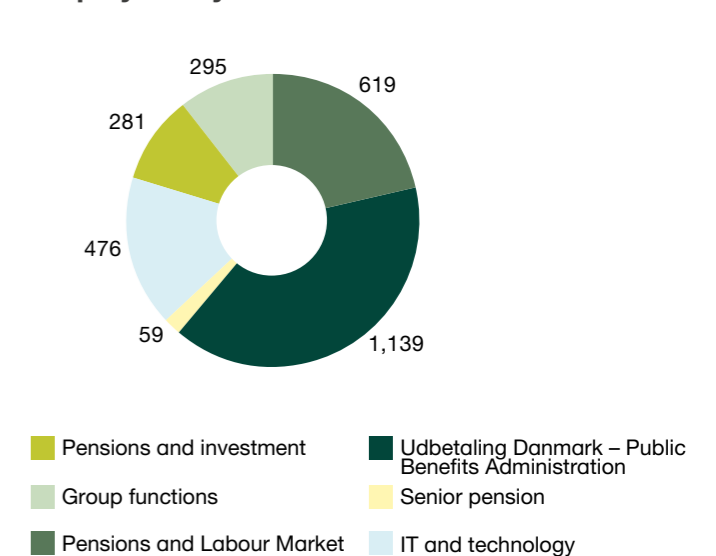
Management remuneration details can be seen in Note 24.

In 2023, ATP and the ATP Group's employees in Denmark were distributed across locations in Vordingborg, Holstebro, Haderslev, Allerød, Frederikshavn, Aarhus, Copenhagen and the head office in Hillerød. In addition, an average of 6 employees are located in Greenland.

Full-time staff distributed across Denmark



Employees by area



Note: Average number of full-time employees in 2023 in Denmark.

For further information on ATP employees, see ATP's responsibility report, available at:

→ www.atp.dk/en/dokument/report-responsibility-2023

ATP's corporate social responsibility report is not subject to audit.

Note 7: Tax

ATP pays Danish tax on pension savings returns, no matter where in the world the returns are generated. The Danish tax on pension savings returns was DKK 7.6bn in 2023. Tax on pension savings returns for the year is offset against negative pension yield taxes carried forward from previous years. Tax on pension savings returns for 2023 therefore does not result in a payable Danish tax, but rather in a reduction of ATP's tax asset. For the same reason, the amount is not shown in the figure below, which only shows the actual taxes paid/payable for 2023.

After offsetting the year's pension yield taxes against negative pension yield taxes from previous years, the negative pension yield tax carried forward amounts to DKK 41bn. ATP is taxed in Denmark according to the rules of the Danish Pension Returns Tax Act. The tax on pension savings returns is calculated on the basis of ATP's total return on assets. The tax rate is 15.3 per cent. The taxation basis is calculated on the accrual basis, and therefore includes both realised and non-realised returns, but exclusive of deductible interest and asset management expenses.

The calculated tax on pension savings returns is partially reduced by an amount equal to ATP's inter-

national tax payments, such that double taxation of ATP's returns is minimised. International tax primarily comprises pay-as-you-earn taxes on dividends and interest and tax on American commercial income, and is generated by ATP's investments in international listed equities and unlisted investments in, e.g., properties, infrastructure and capital funds.

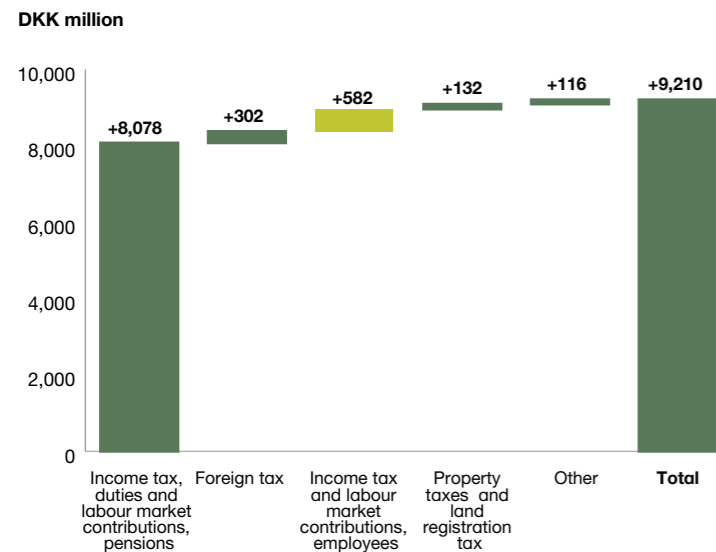
ATP is tax exempt relative to the Danish Income Tax Act, but has subsidiaries which are independently liable for tax and which submit returns pursuant to the Corporation Tax Act. Moreover, as a result of its investment activities, ATP has tax return liabilities in Germany and the USA, and in accordance with legislation, ATP is also subject to tax in other countries.

In addition to tax on pension savings returns, payments to the Danish state also include corporation tax, VAT and labour market contributions paid on behalf of members of their ATP contribution payments and personal taxes withheld and paid on behalf of own employees. As a global investor, ATP also pays taxes in several places abroad.

Excluding the year's tax on pension savings returns, ATP's tax contribution totalled DKK 9.2bn for 2023.

DKK million	Group		ATP	
	2023	2022	2023	2022
Financial returns	48,769	(309,425)	48,430	(310,099)
Investment activity expenses and hedging	(703)	(822)	(504)	(621)
Total returns subject to pension yield taxes	48,065	(310,247)	47,925	(310,720)
Of which 15.3 per cent	7,354	(47,442)	7,333	(47,540)
Tax effect of different methods of calculating accounting and tax returns on transparent entities etc.	249	119	136	(123)
Tax effect of reduction under section 10 of the Danish Pension Savings Returns Tax Act (reduction regarding life and pension insurance policies, year-end 1982)	(58)	402	(58)	402
Tax on pension savings returns for the year	7,545	(46,921)	7,411	(47,262)
Prior year adjustments	101	(89)	101	(89)
Total tax on pension savings returns	7,646	(47,010)	7,512	(47,351)
Tax on pension savings returns	7,646	(47,010)	7,512	(47,351)
Corporate income tax related to other financial income	0	(14)	0	0
Corporate income tax	6	145	0	0
Total pension yield and corporation tax	7,652	(46,878)	7,512	(47,351)

Tax contribution – incurred and withheld taxes



Read about ATP's tax policy and the work performed by ATP to implement its tax policy in investments and in establishing national and international collaboration in the tax area.

→ www.atp.dk/en/tax-policy

ATP's tax policy is not subject to audit.

The overview above only includes tax on ATP's and the ATP Group's own activities and investments. Tax paid locally by Danish and international companies in which ATP and the ATP Group has invested is therefore not included.

Note 8: Market value of ATP's investment portfolio

DKK million	Per cent of investment portfolio		Per cent of investment portfolio	
	2023		2022	
Listed Danish equities	22,620	9%	22,005	7%
Listed international equities, including currency hedging	26,628	11%	29,952	10%
Unlisted equity investments	46,269	18%	54,033	17%
Credit investments	7,476	3%	7,315	2%
Government and mortgage bonds	46,848	19%	69,625	22%
Inflation-related instruments	8,146	3%	14,298	5%
Infrastructure investments	33,548	13%	37,872	12%
Real estate	37,983	15%	42,889	14%
Loans	16,555	7%	27,789	9%
Other	4,423	2%	4,704	2%
Total market value	250,496	100%	310,482	100%

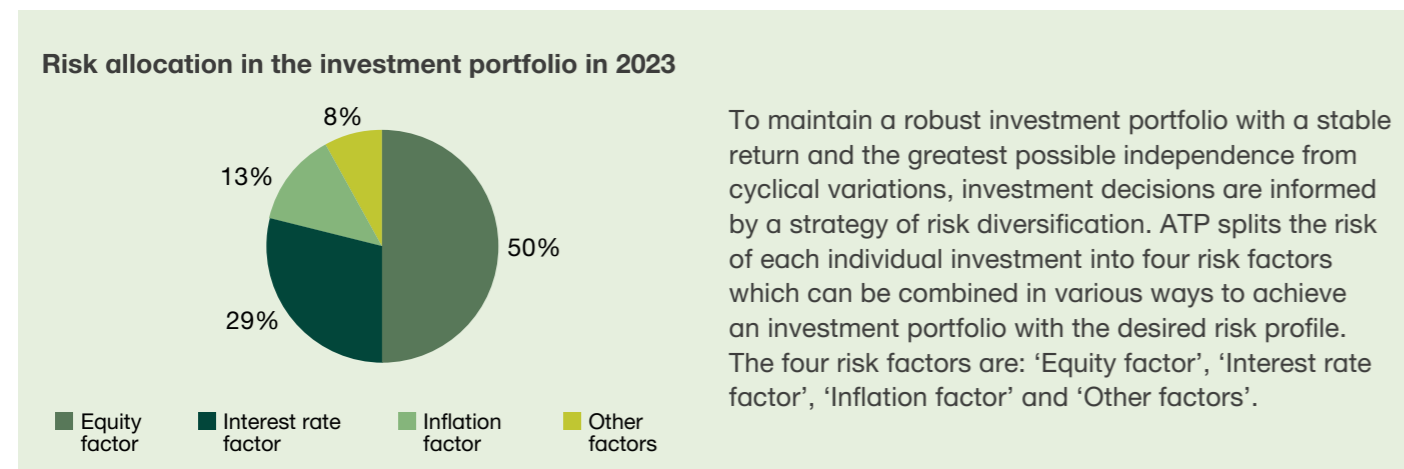
The market value expresses the liquidity commitment of the investments, and changes in the market value can be due to several different factors that do not necessarily relate to the investment return during the period.

Firstly, the investment portfolio follows a risk-based investment where the focus is on risk rather than how much money is invested. In addition to equities and bonds, the market value of the investment portfolio also includes financial instruments such as interest rate swaps and equity futures that do not tie up liquidity. For financial instruments, the market value is typically low, zero or even negative. Thus, the risk in the portfolio can increase and the return on the portfolio can be positive, while the market value decreases if more financial instruments are included in the portfolio.

Secondly, for management reasons, ATP has divided the majority of assets into the hedging and investment portfolios. As a general rule, the investment portfolio comprises funds from the bonus potential. In the hedging portfolio, pension liabilities are hedged partly by purchasing bonds and partly by using financial instruments. The hedging provided by financial instruments does not tie up liquidity, and the available liquidity will be available to the investment portfolio at market conditions. In practice, this means that by borrowing available liquidity – leverage – the investment portfolio can operate with more funds than the bonus potential.

The investment portfolio thus invests on behalf of the bonus potential. The ongoing return of the investment portfolio is embedded in the bonus potential, i.e. a positive return will, all other things being equal, mean that the portfolio has more funds to invest. In addition to the bonus potential, the portfolio also invests funds borrowed by hedging, which ensures, for example, that the portfolio can achieve the desired risk level. Thus, the market value of the portfolio's total assets comprises: bonus potential, accumulated results and internal loans.

This means that the size of the market value depends on the size of these components and the changes to them. Changes in market value therefore cannot be explained by portfolio returns alone, and the size of the portfolio varies greatly depending on the desired level of risk and its implementation.



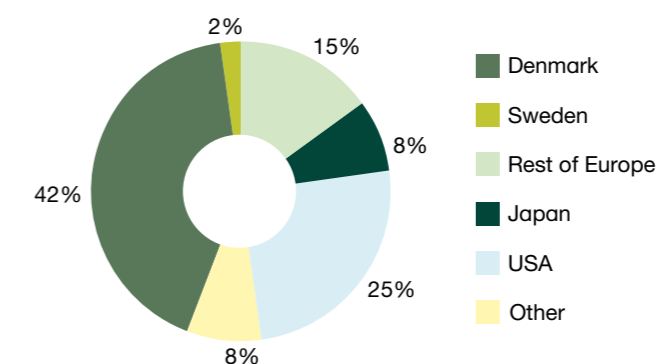
Note 9: Listed equities

ATP Group DKK million	Danish listed equities		International listed equities		Listed equities, total	
	2023	2022	2023	2022	2023	2022
Fair value as of 1 January	22,005	42,224	29,015	75,424	51,020	117,648
Additions during the year	8,600	13,145	39,613	73,936	48,213	87,081
Disposals during the year	(9,453)	(24,983)	(39,922)	(113,677)	(49,374)	(138,660)
Fair value adjustment for the year	1,468	(8,381)	2,722	(6,668)	4,190	(15,049)
Fair value as of 31 December	22,620	22,005	31,428	29,015	54,048	51,020
Of which placed under investment assets associated with life annuity with market exposure in the financial statement.					923	165

The listed equity investment holding has increased by DKK 3.0bn, primarily due to a net disposal of DKK 1.2bn, while the fair value adjustment for the year amounts to DKK 4.2bn. The net decrease is in both Danish and international equities.

The figure below shows the geographical distribution of the ATP Group's listed equities portfolio as of 31 December 2023.

Distribution by country of listed equities



The five largest holdings of, respectively, Danish and international listed equities amount to:

Danish listed equities	Market value (DKK million)	Proportion of Danish equities	International listed equities	Market value (DKK million)	Proportion of international equities
Vestas Wind Systems A/S	1,607	7.1%	Össur HF (Iceland)	595	1.9%
Novo Nordisk	1,500	6.6%	UCB SA (Belgium)	421	1.3%
Bavarian Nordic A/S	1,402	6.2%	Boozt AB (Sweden)	314	1.0%
NKT A/S	1,272	5.6%	Almirall S.A. (Spain)	217	0.7%
Danske Bank A/S	1,147	5.1%	Grupo Financiero Banorte (Mexico)	103	0.3%

Note 10: Unlisted equity investments

ATP Group	Unlisted equity investments, total	
	2023	2022
DKK million		
Fair value as of 1 January	115,044	119,886
Transfer	0	0
Additions during the year	11,331	15,207
Disposals during the year	(21,081)	(29,557)
Fair value adjustment for the year	5,949	9,508
Fair value as of 31 December	111,243	115,044
Of which investments that can be classified as associated companies or joint ventures	49,199	47,278
Of which investments that can be classified as equity investments	62,044	67,766
Fair value as of 31 December	111,243	115,044
Of which placed under investment assets associated with life annuity with market exposure in the financial statement.	695	614

The private equities portfolio primarily comprises infrastructure investments, property investments and private equity in the form of capital funds which are primarily invested via ATP Private Equity Partners.

2023 saw net disposals of DKK 9.8bn while the year's value adjustments amounted to DKK 5.9bn.

Value adjustments for the year were positively affected by value adjustments from the sale of private equity investments.

In 2023, ATP acquired 50 per cent of Danske Bank's new headquarters in Postbyen, Copenhagen, in a partnership with Danica Ejendomme.

Equity investments, equity investments in associates and joint ventures, and equity investments in subsidiaries are recognised and measured at fair value with value adjustment via the income statement. Investments in associates and joint ventures are often structured as a combination of share equity investment and loans. Where all investors hold proportionally identical shares of both loans and equity investment and where the company has no significant debt financing, the risk of the loan is considered to be identical to the risk of the equity investment. Such loans are presented as an integral

part of the investment in the associate or joint venture – both in internal management reporting and in external reporting. Loans that are an integral part of the investment in the associate or joint venture are recognised and measured at fair value. A combined overview of ATP's equity investments can be found at:

→ www.atp.dk/en/dokument/specification-accordance-executive-order-financial-reporting-danish-labour-market-supplementary-pension-fund-atp-ss-10

Group	Fair value 31/12/2023	Fair value 31/12/2022	Fair value hierarchy	Valuation input	Fair value sensitivity to changes in unobservable inputs
	DKK million	DKK million			
Unlisted equity investments					-
Trading price for new transactions					
Private Equity	1,960	7,051	2	Trading prices	-
Infrastructure	404	155	2	Trading prices	-
Reported fair value ¹					
Infrastructure	15,296	15,462	3	Reporting	-
Credit	4,933	6,052	3	Reporting	-
Private Equity	46,871	41,832	3	Reporting	-
Forestry	1,650	1,563	3	Reporting	-
Property	10,493	11,703	3	Reporting	-
Other	1,455	1,487	3	Reporting	-
Multiple analysis					
Private Equity	1,531	3,607	3	Valuation multiples used	If the valuation multiples used are altered by (10) per cent, the fair value is altered by DKK (209) million.
Discounting of expected future cash flow					
Infrastructure	14,334	15,053	3	Applied discount factor	If the discount factor changes by (0.5) per cent, the fair value will change by DKK (1,564) million.
Return-based model.					
Property	12,315	11,080	3	Applied return rates	The average return requirement is at 5.21 per cent and with a 25 bp change, the fair value will change by DKK (554) million.

¹ 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.

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 consists primarily of investment entities that measure all material assets and liabilities at fair value using the methods described in notes 9-12 and note 14. 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.

Significant accounting estimates

Significant accounting estimates are associated primarily with the measurement of private equity investments when the valuation is based on unobservable inputs.

Estimates are applied when selecting the valuation model and assessment of the most important unobservable input parameters, including multiples and discounting factors.

The majority of the Group's private equity investments have been valued on the basis of reported fair value. In case of reported fair value, the management assesses whether the valuation methods and inputs applied by the external managers are relevant, but also whether adjustments are to be made to the reported fair value due to events after the reporting period.

Note 11: Bonds and loans

ATP Group DKK million	Bonds		Loans	
	2023	2022	2023	2022
Fair value as of 1 January	483,903	651,574	4,369	5,327
Additions during the year	200,475	136,201	832	3,194
Disposals during the year	(215,750)	(138,036)	(1,535)	(4,687)
Fair value adjustment for the year	21,070	(165,835)	(92)	535
Fair value as of 31 December	489,698	483,903	3,574	4,369
Of which placed under investment assets associated with life annuity with market exposure in the financial statement.	1,067	549	22	41

The bond portfolio increased by DKK 5.8bn in 2023, which is due to positive value adjustments of DKK 21.1bn and a net outflow of DKK 15.3bn.

Of the bond portfolio included in the hedging activities, Danish and German government bonds amounted to DKK 331.2bn.

The bond portfolio also includes Danish mortgage bonds and credit bonds which form part of the investment portfolio.

At year-end 2023, the portfolio of green bonds amounted to DKK 57.9bn. Green bonds are characterised by the issuer of the bond using the loan to finance climate-friendly investments. A climate-friendly investment might be an investment in e.g. increased energy efficiency, hydropower and wind turbines.

Loans consist of loans to credit institutions and funds which invest in bank loans, property related loans and corporate loans, and are included in the investment portfolio.

The loans issued at the end of 2023 decreased by DKK 0.8bn compared to the start of the year. This decrease is mainly attributable to corporate lending activities.

Green bonds

ATP has ESG requirements for green bonds, and we have therefore developed our own standards and requirements for issuers which exceed the 'Green Bond Principles' recommendations. ATP requires transparency related to the projects that the bonds help to finance and we also have requirements for the quality of the reporting.

Group	Fair value 31/12/2023	Fair value 31/12/2022	Fair value hier- archy	Valuation method used	Applied observa- ble/ unobservable inputs	Fair value sensitivity to changes in unobservable in- puts
	DKK million	DKK million				
Bonds, listed	474,812	461,315	1	Listed price or price quote.	-	-
Bonds, observable in- puts	5,659	6,723	2	Discounting to net present val- ue using a relevant yield curve with the addition of a spread	Yield curves, spreads	-
Bonds, unobservable inputs	9,227	15,865	3	Discounting of expected future cash flows to net present val- ue using relevant yield curves and investment-specific credit spread premiums	Investment-specif- ic credit spread pre- miums used on yield curves	If investment-specific credit spread premiums increase by 1 percentage point, the fair value is altered by DKK (206) million.
Loans, unobservable in- puts – reported value	3,474	4,187	3	Discounting of expected future cash flows to net present val- ue using relevant yield curves and investment-specific credit spread premiums	Applied invest- ment-specific cred- it spread premiums of between 9.0 and 17.2 per cent (avg. 11.8%)	-
Loans, unobservable input	100	182	3	Discounting of expected future cash flows to net present val- ue using relevant yield curves and investment-specific credit spread premiums	Investment-specif- ic credit spread pre- miums used on yield curves	If investment-specific credit spread premiums increase by 1 percentage point, the fair value is altered by DKK 0 million.

Significant accounting estimates

Significant accounting estimates are associated primarily with the measurement of bonds and loans where the valuation is based on unobservable inputs.

Bonds for which the valuation is based on observable inputs include bonds for which there have been no updated external prices within

the previous two trading days prior to the balance

sheet date. A theoretical price is calculated for such bonds.

Loans are valued by discounting the future cash flows from the loans. The future cash flows are adjusted for changes in credit risk. The determination of the discount rate and the credit risk involves a degree of estimation, which affects the determination of the fair value.

Supplementary information on the Group's holdings of government bonds and credit bonds can be found at:
 → www.atp.dk/en/results-and-reports/annual-and-interim-reports-atp-group/further-information-full-year-2023
 The supplementary information on holdings of government bonds and credit bonds are not subject to audit.

Note 12: Investment properties

The Group's investment properties comprise real estate investments in the form of offices, homes and hotels plus forestry investments. Both are aimed at generating returns via ongoing incomes and value adjustments, so are presented as one item on the statement of financial position.

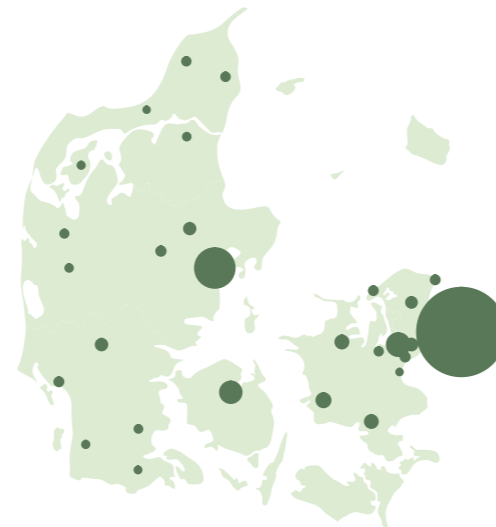
ATP Group DKK million	Forestry investment properties		Property investments		Investment properties, total	
	2023	2022	2023	2022	2023	2022
Fair value as of 1 January	5,711	5,460	19,291	24,616	25,002	30,076
Additions during the year	23	24	1,003	1,685	1,026	1,709
Disposals during the year	(120)	(152)	(4)	(7,248)	(124)	(7,400)
Fair value adjustment for the year	457	379	(1,943)	239	(1,486)	618
Fair value as of 31 December	6,071	5,711	18,347	19,291	24,418	25,002
Of which placed under investment assets associated with life annuity with market exposure in the financial statement.					150	144

Real estate investments

Real estate investments in the ATP Group are managed by the subsidiary ATP Ejendomme A/S. Real estate investments are comprised of 100 per cent owned real estate. Danish investment properties represent DKK 17.1bn and primarily comprise prime location office buildings in Copenhagen and Aarhus.

Foreign investment properties amounted to DKK 1.2bn.

Location of properties in Denmark based on market value



DKK million	Group	
	2023	2022
Rental income from investment properties	1,098	1,021
Value adjustments of property investments for the year	(1,985)	239
Operating costs in relation to investment properties	(228)	(282)
Maintenance costs related to property investments	(9)	(11)
Total return from property investments	(1,124)	967
At the statement of financial position date, the Group had entered into leases under which future rental income is expected to be distributed as follows:		
Within 1 year	775	744
Between 1 and 5 years	1,717	1,634
After 5 years	2,628	2,194
Total rental income	5,120	4,572

Fair value is determined based on the following general rates of return:

	Group	
	2023	2022
Weighted average rate of return	5.1%	4.7%
Highest rate of return	9.0%	8.1%
Lowest rate of return	4.2%	3.6%

Changes in the required rate of return have the most significant impact on the fair value of the Group's investment properties. The table below shows the details of the most significant breakdown of properties.

2023							Sensitivity to change of 25 bps (DKK million)	Market value per sq.m. (DKK/sq.m.)
Country	Location	Type	Number of properties	Number of '000 sq.m.	Market value (DKKbn)	Weighted avg. rate of return		
Denmark	Greater Copenhagen Area and Aarhus	Offices	46	447.7	11.8	4.8%	584	26,378
Denmark	Major Danish towns and cities	Retail properties	38	71.3	1.5	6.3%	59	21,710
Denmark	Major cities	-	-	81.9	1.1	6.0%	44	13,436
Denmark	Greater Copenhagen area	Development projects	4	-	1.1	-	-	-
Denmark	Greater Copenhagen area	Other ¹	9	118.4	2.7	5.4%	122	23,166

¹ 'Other' comprises 4 hotel properties, 4 car park buildings and 1 residential property.

Overall, for all types of properties, a 0.25 per cent increase in the required rate of return (25 bp) will result in the fair value of the Group's investment properties being reduced by DKK 809 million as of 31.12.2023.

2022							Sensitivity to change of 25 bps (DKK million)	Market value per sq.m. (DKK/sq.m.)
Country	Location	Type	Number of properties	Number of '000 sq.m.	Market value (DKKbn)	Weighted avg. rate of return		
Denmark	Greater Copenhagen Area and Aarhus	Offices	46	432.5	12.7	4.4%	689	29,370
Denmark	Major Danish towns and cities	Retail properties	38	71.1	1.6	5.9%	65	22,717
Denmark	Major cities	-	-	89.0	1.5	5.3%	62	15,414
Denmark	Greater Copenhagen area	Development projects	4	-	0.6	-	-	-
Denmark	Greater Copenhagen area	Other ¹	9	118.4	3.0	5.0%	144	25,414

¹ 'Other' comprises 4 hotel properties, 4 car park buildings and 1 residential property.

Overall, for all types of properties, a 0.25 per cent increase in the required rate of return (25 bps) will result in the fair value of the Group's investment properties being reduced by DKK 980 million as at 31 December 2022.

Significant accounting estimates

The fair value of the Group's investment properties is influenced by several factors, one of the most significant being the predefined required rate of return for the individual properties. The ATP Group uses external estate agents and their valuation of the

market level to determine the required rate of return and the market rent. The determination of operating income is affected by estimates to a lesser extent, the determination of vacancy rent being the most significant one.

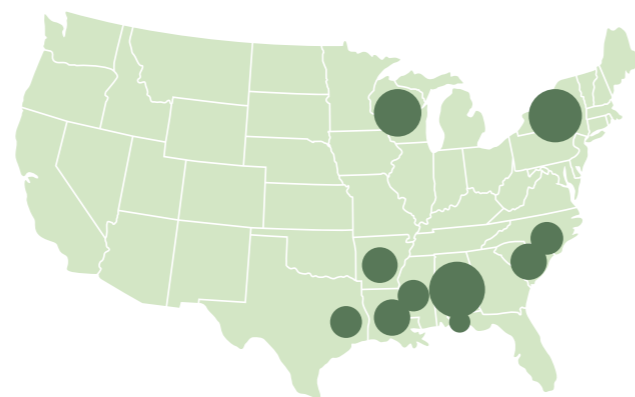
Note 12: Investment properties, continued

Forestry investment properties

The Group's forestry investment properties are comprised of forested areas in the eastern United States covering approximately 204,000 hectares. Together with the investments in forests, which are classified as shares in unlisted companies, cf. note 10, ATP has invested in forest areas totalling 263 thousand hectares – which is the size of almost 40 per cent of Denmark's total forested areas.

The forestry operations are handled by external managers specialising in forestry and the returns mainly consist of value adjustments due to growth and, to a lesser extent, income from harvesting lumber. In some forest areas, ATP has certified CO₂ quotas that are sold off on an ongoing basis. At the end of 2023, the remaining CO₂ quotas were included with a market value of DKK 32 million.

Location of forests in the United States



DKK million	Group	
	2023	2022
Income from forestry investment properties	396	414
Annual value adjustments for forestry investment properties	460	379
Operating expenses concerning forestry investment properties	(313)	(326)
Total income from forestry investment properties	543	467

The Group's forestry investment properties are valued mainly on the basis of discounting future cash flow. The most important parameters in the valuation model are the discount factor and assumptions about the price development.

DKK million	Fair value at +0.25 per cent change	Fair value 31/12 2023	Fair value at (0.25) per cent change
Discount factor	5,974	6,071	6,162
Assumptions for price developments	6,101	6,071	6,034

Significant accounting estimates

The Group's forestry investments are valued by external experts who typically use a number of different valuation models, e.g. discounting of future cash flows, comparable sales or the cost method.

The most commonly used method is the discounting of future cash flows, where future earnings are estimated on the basis of expectations for sales prices, expenses and value growth.

Note 13: Assets associated with Life annuity with market exposure

For members with more than 15 years to go until retirement, 20 per cent of the ATP contribution is allocated to Life annuity with market exposure. The contributions allocated to Life annuity with market exposure are invested with a higher risk profile than the interest contribution, and the pension that is accrued depends on the returns that can be achieved. When there are less than 15 years to go until retirement, the

savings are gradually converted to a fully guaranteed lifelong pension.

Assets and liabilities associated with life annuity with market exposure are placed in a separate market portfolio. The investment assets in the market return portfolio are presented as one on the statement of financial position while other items are not separated.

DKK million	ATP Group		ATP	
	2023	2022	2023	2022
Investment assets				
Cash and on-demand deposits	40	61	21	61
Bonds	1,067	549	1,015	538
Listed equities	923	165	882	153
Unlisted equity investments	695	614	462	424
Financial derivatives	423	878	414	861
Loans	22	41	16	14
Investments in group subsidiaries	-	-	498	401
Investment properties	150	144	-	-
Investment assets associated with life annuity with market exposure	3,321	2,452	3,307	2,452
Other items				
Other assets	264	115	260	115
Deferred tax on pension savings returns	(18)	13	(18)	13
Financial derivatives	(333)	(687)	(329)	(687)
Other debts	(36)	(511)	(23)	(511)
Provisions for Life annuity with market exposure	3,198	1,382	3,198	1,382

Note 14: Financial derivatives

ATP Group

2023 DKK million	Fair value, net			Fair value, gross		Net market value
	Up to and including 1 year	1 year up to and including 5 years	Over 5 years	Positive market value	Negative market value	
Interest rate contracts						
Swaps	(108)	(1,510)	(67,994)	63,297	(132,909)	(69,612)
Swaptions	0	560	799	1,765	(405)	1,360
Futures and cross-currency swaps	38	3	0	48	(7)	41
Equity contracts						
Index futures, options	213	5	0	298	(80)	218
Inflation contracts						
Swaps	0	215	7,233	8,381	(934)	7,448
Commodity contracts						
Futures	198	0	0	426	(228)	198
Credit contracts						
Credit default swaps	1	452	0	706	(253)	453
Foreign exchange contracts						
Non-deliverable forwards	(13)	0	0	25	(39)	(13)
Total forward contracts:	330	0	0	2,402	(2,072)	330
Total financial derivatives	659	(275)	(59,962)	77,348	(136,926)	(59,578)

Of which placed under investment assets associated with life annuity with market exposure in the financial statement.

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The ATP Group uses various financial derivatives such as interest rate swaps, stock index futures, inflation swaps and forward exchange contracts as part of its risk management and hedging and investment strategy. Using financial derivatives makes it possible to increase or reduce the exposure to market risks, currency and interest risks.

The most commonly used financial derivatives are interest rate swaps in DKK and EUR, which are primarily used to hedge interest rate sensitivity related to guaranteed benefits, while forward contracts are used to hedge currency risks related to foreign currency investments. The Investment portfolio uses stock index

futures and equity-indexed options to achieve exposure to various stock indices, while sold Credit Default Swaps (CDS) are used to obtain credit exposure.

A characteristic of financial derivatives is that their value depends on developments in the value of an underlying instrument, index, etc. As the values change, security is provided to or from the counterparties. An increasing proportion of interest rate swaps, inflation swaps and CDSs are settled via central clearing houses.

Interest rate swaps help to hedge the pension liabilities.

ATP Group

2022 DKK million	Fair value, net			Fair value, gross		Net market value
	Up to and including 1 year	1 year up to and including 5 years	Over 5 years	Positive market value	Negative market value	
Interest rate contracts						
Swaps	(201)	(4,830)	(101,605)	61,645	(168,282)	(106,636)
Swaptions	(1,041)	459	584	1,392	(1,390)	1
Futures and cross-currency swaps	34	10	0	54	(10)	44
Equity contracts						
Index futures, options	788	439	0	1,252	(25)	1,227
Inflation contracts						
Swaps	651	1,313	9,772	13,261	(1,525)	11,737
Commodity contracts						
Futures	(16)	0	0	24	(40)	(16)
Credit contracts						
Credit default swaps	4	(194)	0	103	(293)	(190)
Foreign exchange contracts						
Non-deliverable forwards	(15)	0	0	45	(60)	(15)
Total forward contracts:	4,157	0	0	5,372	(1,216)	4,157
Total financial derivatives	4,360	(2,802)	(91,250)	83,148	(172,840)	(89,692)

Of which placed under investment assets associated with life annuity with market exposure in the financial statement.

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Significant accounting estimates

Significant accounting estimates in connection with the valuation of derivatives concern the selection of method, including whether an adjustment should be made to the observable inputs that are typically in the form of interest rate curves.

The current benchmark reform, where existing IBOR interest rates are replaced with new risk-free reference rates, result in accounting estimates since there is uncertainty about timing and methods for transitioning to the alternative risk-free interest rates.

Group	Fair value 31/12/2023	Fair value 31/12/2022	Fair value hierarchy	Valuation method used
	DKK million	DKK million		
Listed financial derivatives in the form of commodity futures and index futures (net) ¹	427	1,208	1	Listed price or price quote.
Unlisted derivative financial instruments in the form of interest and currency swaps, forward contracts, non-deliverable forwards, options, swaptions and credit default swaps (net) ¹	(60,005)	(90,939)	2	Linear financial instruments (e.g. interest rate swaps) are valued using inputs of relevant curves, indices, spreads for calculating future payments and discounting using the relevant yield curve. For non-linear financial instruments, volatilities and methods reflecting applicable market practices for the valuation of these instruments are also used.
Unlisted financial derivatives in the form of forward contracts regarding fixed price agreements for ongoing construction projects	0	39	3	The difference between the current return requirements and the contract-based return requirement is used to specify the value of the forward contract.

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

Note 15: 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.

ATP Group	Quoted prices		Observable inputs		Unobservable inputs		Of which concerning life annuity with market exposure ¹				Statement of financial position 31/12	
	Level 1		Level 2		Level 3		Total					
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
DKK million												
Assets												
Receivables from reverse transactions	0	0	38,613	25,669	0	0	38,613	25,669	0	0	38,613	25,669
Bonds	474,812	461,315	5,659	6,723	9,227	15,865	489,698	483,903	(1,067)	(549)	488,630	483,354
Listed equities	54,048	51,020	0	0	0	0	54,048	51,020	(923)	(165)	53,125	50,855
Unlisted equity investments	0	0	2,364	7,206	108,879	107,838	111,243	115,044	(695)	(614)	110,548	114,430
Financial derivatives	737	1,279	76,611	81,830	0	39	77,348	83,148	(423)	(878)	76,925	82,270
Loans	0	0	0	0	3,574	4,369	3,574	4,369	(22)	(41)	3,552	4,328
Investment properties	0	0	0	0	24,418	25,002	24,418	25,002	(150)	(144)	24,268	24,858
Total	529,597	513,614	123,247	121,427	146,098	153,113	798,941	788,155	(3,281)	(2,391)	795,661	785,764
Liabilities												
Debt from reverse transactions	0	0	1,099	10,709	0	0	1,099	10,709	0	-	1,099	10,709
Financial derivatives	310	71	136,616	172,769	0	0	136,926	172,840	0	-	136,926	172,840
Total	310	71	137,714	183,478	0	0	138,025	183,549	0	-	138,025	183,549

ATP	Quoted prices		Observable inputs		Unobservable inputs		Of which concerning life annuity with market exposure ¹				Statement of financial position 31/12	
	Level 1		Level 2		Level 3		Total					
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
DKK million												
Assets												
Receivables from reverse transactions	-	-	38,613	25,669	-	-	38,613	25,669	0	0	38,613	25,669
Bonds	471,725	458,377	5,659	6,723	9,215	15,818	486,599	480,918	(1,015)	(538)	485,584	480,380
Listed equities	51,625	48,745	-	-	-	-	51,625	48,745	(882)	(153)	50,743	48,592
Unlisted equity investments	-	-	2,364	7,206	72,808	69,604	75,173	76,810	(461)	(424)	74,712	76,386
Financial derivatives	662	1,219	76,413	81,483	-	-	77,075	82,702	(414)	(861)	76,661	81,841
Loans, including loans to group subsidiaries	-	-	-	-	2,641	2,322	2,641	2,322	(16)	(14)	2,625	2,308
Investments in group subsidiaries	-	-	-	-	67,074	71,457	67,074	71,457	(498)	(401)	66,576	71,056
Total	524,011	508,340	123,049	121,081	151,738	159,202	798,798	788,624	(3,286)	(2,391)	795,512	786,233
Liabilities												
Debt from reverse transactions	-	-	1,099	10,709	-	-	1,099	10,709	0	-	1,099	10,709
Financial derivatives	262	54	137,096	173,927	-	-	137,358	173,982	0	-	137,358	173,982
Total	262	54	138,195	184,636	-	-	138,457	184,691	0	-	138,457	184,691

¹ 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.

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

ATP Group	Bonds		Unlisted equity investments		Financial derivatives		Loans		Investment properties		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
DKK million												
Statement of financial position as of 1 January	15,865	17,263	107,838	115,465	39	-	4,369	5,327	25,002	27,601	153,113	165,656
Realised/unrealised gains or losses for the period, recognised in results	892	669	2,808	9,284	-	39	(92)	535	(1,486)	618	2,123	11,145
Purchase/deposit	-	34	10,112	12,279	-	-	832	3,194	1,026	1,712	11,970	17,219
Sale/distribution	(7,530)	(2,100)	(14,738)	(29,544)	-	-	(1,535)	(4,687)	(121)	(4,928)	(23,925)	(41,259)
Reclassification	-	-	39	-	(39)	-	-	-	(3)	-	(3)	-
Transfer into level 3	-	-	6,253	353	-	-	-	-	-	-	6,253	353
Transfer out of level 3	-	-	(3,433)	-	-	-	-	-	-	-	(3,433)	-
Statement of financial position as of 31 December	9,227	15,865	108,879	107,838	0	39	3,574	4,369	24,418	25,002	146,098	153,113
Losses/gains on assets held	289	96	1,462	5,841	-	39	58	146	(1,490)	4	319	6,087

ATP	Bonds		Unlisted equity investments		Loans, including loans to group subsidiaries		Investments in group subsidiaries		Total	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
DKK million										
Statement of financial position as of 1 January	15,818	17,249	69,604	75,524	2,322	4,630	71,457	77,246	159,202	174,649
Realised/unrealised gains or losses for the period, recognised in results	892	669	1,562	5,461	23	137	608	2,396	3,085	8,663
Purchase/deposit	-	-	3,133	2,423	2,025	5,239	3,877	11,562	9,036	19,223
Sale/distribution	(7,496)	(2,099)	(4,310)	(14,157)	(1,729)	(7,684)	(8,869)	(19,747)	(22,404)	(43,688)
Reclassification	-	-	-	-	-	-	-	-	-	-
Transfer into level 3	-	-	6,253	353	-	-	-	-	6,253	353
Transfer out of level 3	-	-	(3,433)	-	-	-	-	-	(3,433)	0
Statement of financial position as of 31 December	9,215	15,818	72,808	69,604	2,641	2,322	67,074	71,457	151,738	159,202
Losses/gains on assets held	289	95	205	2,246	95	(56)	597	3,743	1,186	6,028

Level 3 – Unobservable inputs: The valuation of certain financial assets and liabilities is based substantially on unobservable inputs. For a significant portion of the Group's equity investments and a small portion of the Group's bond portfolio, the valuation is based on unobservable inputs. Note 29 describes the individual valuation methods used to determine the fair value of these financial assets.

There were no significant transfers between levels 1 and 2 in 2023 and 2022.

The move out of level 3 in 2023 mainly consists of an investment that during 2023 was merged with a listed company. Transfers to level 3 consist of shares that were previously valued at the 'purchase price for new transactions' (level 2) and which during 2023 are valued using a valuation method using unobservable inputs.

Losses and gains related to level 3 are recognised in the income statement under the item 'Financial return'.

Note 16: Pension provisions

Pension provisions consist of the sum of guaranteed benefits, life annuity with market exposure, Long-term supplementary provision, risk adjustment for non-financial risks and the bonus potential. The guaranteed benefits are the pensions that have been promised to ATP's members while the life annuity with market exposure is the pension that is invested with a higher risk profile and which is adjusted by the achieved returns. The Long-term supplementary provision is the difference between the guaranteed benefits calculated with and without illiquidity spread, minus the risk adjustment and plus the return from the Supplementary Hedging portfolio. Risk adjustment for non-financial risks is a provision that takes into account the uncertainty in the calculation of future cash flows. The bonus potential is the reserve that can be used, for example, to cover improvements in life expectancy and for allocation of bonuses.

2023							
Net liabilities concerning remaining cover							
DKK million	Guaranteed benefits ¹	Life annuity with market exposure	Long-term supplementary provision	Bonus potential	Risk adjustment for non-financial risks	Liabilities concerning the payment of benefits	Total
Pension provisions, start of year	538,341	1,382	37,265	99,572	954	293	677,806
Expected payments of pensions at start of year	(18,562)	-	-	-	-	-	(18,562)
Expected expenses at start of year	(293)	(6)	(14)	(570)	-	-	(883)
Expected discharge of risk adjustment at start of year	-	-	-	-	(53)	-	(53)
Insurance income	(18,855)	(6)	(14)	(570)	(53)	-	(19,498)
Expenses for insurance service							
Benefits paid out	-	-	-	-	-	18,408	18,408
Administration and investment expenses	-	-	-	-	-	917	917
Difference between actual payments and expected payments	-	-	-	120	-	-	120
Changes to risk adjustment	-	-	53	-	-	-	53
Expenses for insurance service, total	-	-	53	120	-	19,325	19,498
Result of insurance service	(18,855)	(6)	39	(449)	(53)	19,325	0
Financial insurance income or expenses							
Change to calculation interest	19,078	-	1,420	-	-	-	20,498
Maturity reduction	14,122	-	(1,272)	-	-	-	12,850
Attributed return	-	206	625	6,938	-	-	7,769
Financial insurance income or expenses, total	33,200	206	773	6,938	-	-	41,117
Amount registered in statement of comprehensive income, total	14,345	200	811	6,489	(53)	19,325	41,117
Updating of life expectancy	(1,809)	3	(76)	1,881	-	-	0
Transfer between Life annuity with market exposure and guaranteed benefits	3	(3)	-	-	-	-	0
Bonus distribution	5,696	0	115	(5,811)	-	-	0
Other changes	417	16	96	(627)	-	98	0
Change to risk adjustment beyond the end of the period	-	-	75	-	(75)	-	0
Cash flows for the period, including:							
Contribution income	8,240	1,739	986	2,611	11	-	13,587
Social security contributions	(659)	(139)	(79)	(85)	(1)	-	(963)
Paid benefits and expenses	-	-	-	-	-	(19,325)	(19,325)
Cash flow, total	7,581	1,600	907	2,526	10	(19,325)	(6,701)
Pension provisions, end of year	564,575	3,198	39,193	104,030	835	391	712,222

The risk adjustment as of 31.12.2023 was DKK 835 million, which corresponds to a confidence level of 51 per cent if the confidence level method is applied.

¹ Guaranteed benefits in this note exclude claims provisions

2022							
Net liabilities concerning remaining cover							
DKK million	Guaranteed benefits ¹	Life annuity with market exposure	Long-term supplementary provision	Bonus potential	Risk adjustment for non-financial risks	Liabilities concerning the payment of benefits	Total
Pension provisions, start of year	787,560	-	-	159,537	-	249	947,346
Effect of IFRS 17 implementation and new business model	(44,678)	0	59,683	(16,289)	1,285	-	0
Pension provisions – restated at the beginning of the year	742,882	0	59,683	143,248	1,285	249	947,346
Expected payments of pensions at start of year	(18,141)	-	-	-	-	-	(18,141)
Expected expenses at start of year	(323)	(1)	-	(714)	-	-	(1,037)
Expected discharge of risk adjustment at start of year	-	-	-	-	(49)	-	(49)
Insurance income	(18,464)	(1)	-	(714)	(49)	-	(19,227)
Expenses for insurance service							
Benefits paid out	-	-	-	-	-	17,957	17,957
Administration and investment expenses	-	-	-	-	-	1,037	1,037
Difference between actual payments and expected payments	-	-	-	184	-	-	184
Changes to risk adjustment	-	-	49	-	-	-	49
Expenses for insurance service, total	-	-	49	184	-	18,995	19,227
Result of insurance service	(18,464)	(1)	49	(530)	(49)	18,995	0
Financial insurance income or expenses							
Change to calculation interest	(200,664)	-	(21,527)	-	-	-	(222,190)
Maturity reduction	11,622	-	(1,729)	-	-	-	9,892
Attributed return	-	(73)	-	(50,175)	-	-	(50,249)
Financial insurance income or expenses, total	(189,042)	(73)	(23,256)	(50,175)	-	-	(262,547)
Amount registered in statement of comprehensive income, total	(207,506)	(74)	(23,207)	(50,705)	(49)	18,995	(262,547)
Updating of life expectancy	(3,489)	(5)	(393)	3,887	-	-	-
Other changes	461	(3)	130	(581)	-	44	51
Change to risk adjustment beyond the end of the period	-	-	289	-	(289)	-	-
Cash flows for the period, including:							
Contribution income	6,514	1,592	829	3,950	8	-	12,893
Social security contributions	(521)	(127)	(66)	(227)	(1)	-	(942)
Paid benefits and expenses	-	-	-	-	-	(18,995)	(18,995)
Cash flow, total	5,993	1,464	763	3,724	7	(18,995)	(7,044)
Pension provisions, end of year	538,341	1,382	37,265	99,572	954	293	677,806

¹ Guaranteed benefits in this note exclude claims provisions

Note 16: Pension provisions, continued

2023 DKK million	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
Pension provisions, start of year	538,634	1,382	37,265	99,572	954	677,806
Changes concerning current services:						
Experience-based adjustments	(120)	-	53	120	(53)	0
Changes concerning current services, total:	(120)	-	53	120	(53)	0
Result of insurance service	(120)	-	53	120	(53)	0
Financial insurance income or expenses						
Change to calculation interest	19,078	-	1,420	-	-	20,498
Maturity reduction	14,122	-	(1,272)	-	-	12,850
Attributed return	-	206	625	6,938	-	7,769
Financial insurance income or expenses, total	33,200	206	773	6,938	-	41,117
Amount registered in statement of comprehensive income, total	33,080	206	826	7,058	(53)	41,117
Updating of life expectancy	(1,809)	3	(76)	1,881	-	-
Transfer between Life annuity with market exposure and guaranteed benefits	3	(3)	-	-	-	-
Bonus distribution	5,696	0	115	(5,811)	-	-
Other changes	515	16	96	(627)	-	-
Change to risk adjustment beyond the end of the period	-	-	75	-	(75)	-
Cash flows for the period, including:						
Contribution income	8,240	1,739	986	2,611	11	13,587
Social security contributions	(659)	(139)	(79)	(85)	(1)	(963)
Paid benefits and expenses	(18,735)	(6)	(14)	(570)	-	(19,325)
Cash flow, total	(11,154)	1,595	893	1,956	10	(6,701)
Pension provisions, end of year	564,966	3,198	39,193	104,030	835	712,222

2022 DKK million	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
Pension provisions, start of year	787,809	-	-	159,537	-	947,346
Effect of the implementation of IFRS 17 and changed hedging strategy	(44,678)	0	59,683	(16,289)	1,285	0
Pension provisions – restated at the beginning of the year	743,131	0	59,683	143,248	1,285	947,346
Changes concerning current services:						
Experience-based adjustments	(184)	-	49	184	(49)	0
Changes concerning current services, total:	(184)	-	49	184	(49)	0
Result of insurance service	(184)	-	49	184	(49)	0
Financial insurance income or expenses						
Change to calculation interest	(200,664)	-	(21,527)	-	-	(222,191)
Maturity reduction	11,622	-	(1,729)	-	-	9,893
Attributed return	-	(73)	-	(50,175)	-	(50,249)
Financial insurance income or expenses, total	(189,042)	(73)	(23,256)	(50,175)	-	(262,547)
Amount registered in statement of comprehensive income, total	(189,226)	(73)	(23,207)	(49,992)	(49)	(262,547)
Updating of life expectancy	(3,489)	(5)	(393)	3,887	-	0
Other changes	505	(3)	130	(581)	-	51
Change to risk adjustment beyond the end of the period	-	-	289	-	(289)	0
Cash flows for the period, including:						
Contribution income	6,514	1,592	829	3,950	8	12,893
Social security contributions	(521)	(127)	(66)	(227)	(1)	(942)
Paid benefits and expenses	(18,280)	(1)	-	(714)	-	(18,995)
Cash flow, total	(12,288)	1,464	763	3,010	7	(7,044)
Pension provisions, end of year	538,634	1,382	37,265	99,572	954	677,806

Note 16: Pension provisions, continued

DKK million	2023	2022	Yield curve points	2023	2022	Discount rate	2023	2022
Sensitivity disclosures:								
Interest rate increase of 1 percentage point								
Assets	(91,653)	(85,168)	1 year	3.22%	2.86%	Interest rate swaps denominated in Danish kroner	12.5%	12.5%
Pension provisions excluding bonus potential	(71,547)	(68,597)	5 years	2.30%	3.00%	Interest rate swaps denominated in Euros	42.5%	42.5%
Bonus potential	(20,106)	(16,571)	10 years	2.56%	3.12%	Danish government bonds	22.5%	22.5%
			15 years	2.83%	3.23%	German government bonds	22.5%	22.5%
			20 years	2.94%	3.21%			
			30 years	2.80%	2.91%			
			Inflation	0.4%	9.6%			
Interest rate fall of 1 percentage point								
Assets	110,361	102,552						
Pension provisions excluding bonus potential	86,006	82,824						
Bonus potential	24,355	19,728						
Mortality rate increase of 10 per cent								
Assets	0	0						
Pension provisions excluding bonus potential	(19,170)	(17,766)						
Bonus potential	19,170	17,766						
Mortality rate decrease of 10 per cent¹								
Assets	0	0						
Pension provisions excluding bonus potential	21,233	19,652						
Bonus potential	(21,233)	(19,652)						

¹ In 2023, a mortality rate decrease of 10 per cent was equivalent to a 0.8 year increase in life expectancy (2022: 0.8 years).

The table above shows the effect on ATP's assets, pension provisions excluding the bonus potential and the bonus potential in isolation in the event of an interest rate decrease and increase of 1 percentage point and an increase/decrease in mortality rate of 10 per cent.

Guaranteed benefits are calculated as the sum of the expected future cash flows, discounting effect and a risk adjustment to account for non-financial risks. Guaranteed benefits are recognised using the variable margin method. The discounting factors used to measure the value of the guaranteed benefits are calculated based on an underlying yield curve. The yield curve takes into account the illiquidity of the liabilities through the use of an illiquidity spread.

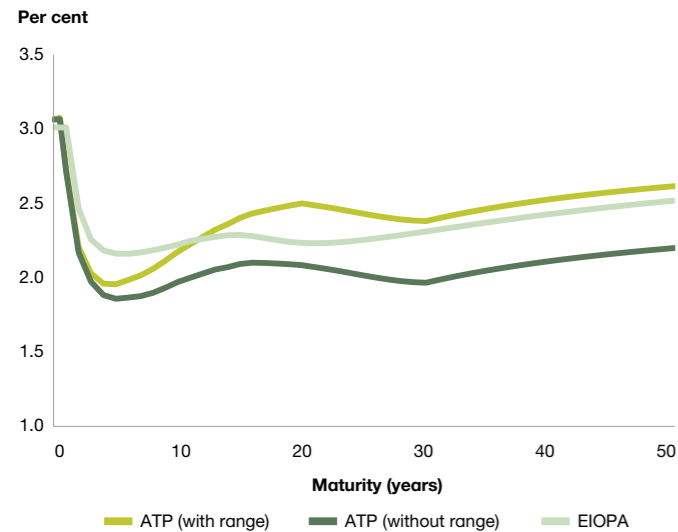
The Long-term supplementary provision is a part of the unallocated funds that ATP has chosen to manage more long-term than the bonus potential. The provision is calculated in accordance with the provision basis notified by ATP to the Danish Financial Supervisory Authority. The Long-term supplementary provision is given by the guaranteed benefits calculated with the market yield curve without illiquidity

spread minus the guaranteed benefits calculated with the market yield curve with illiquidity spread plus the risk adjustment plus the accumulated return in the Supplementary Hedging portfolio minus the accumulated transfers to the bonus potential.

The provisions for life annuity with market exposure are measured at the capital value of ATP's pension liabilities for life annuity with market exposure. The capital value is calculated with an interest rate of 0 per cent, as the pension entitlements are written up or down with the realised returns up to the balance sheet date. Contributions to life annuity with market exposure, called the market contribution, amounts to 20 per cent of members' contributions up until they have 15 years to go until retirement. After that, the accrued pension entitlements in life annuity with market exposure will gradually be converted to an ordinary life annuity and be part of ATP's guaranteed benefits.

Note 16: Pension provisions, continued

Yield curves 31 December 2023 (based on pension yield tax)



The ATP Group's guaranteed benefits calculated using ATP's discount rates and EIOPA's discount rates, respectively.

DKK million	2023	2022
Guaranteed benefits calculated with the illiquidity range	564,966	538,634
Guaranteed benefits calculated without the illiquidity range	604,384	576,853
Guaranteed benefits calculated with EIOPA's discount rates	579,220	550,181

The guaranteed benefits are calculated using discount rates that are in accordance with the provision basis reported to the Danish Financial Supervisory Authority. Interest is used for Danish and German government bonds and interest swaps in DKK and EUR. ATP's discount curve is specified with consideration for ATP's opportunities to hedge interest rate risks on the pension liabilities after pension yield tax appropriately. When calculating the book value of the guaranteed benefits, an illiquidity range is added to the curve. When calculating ATP's bonus capacity, the discount curve is used without an illiquidity range.

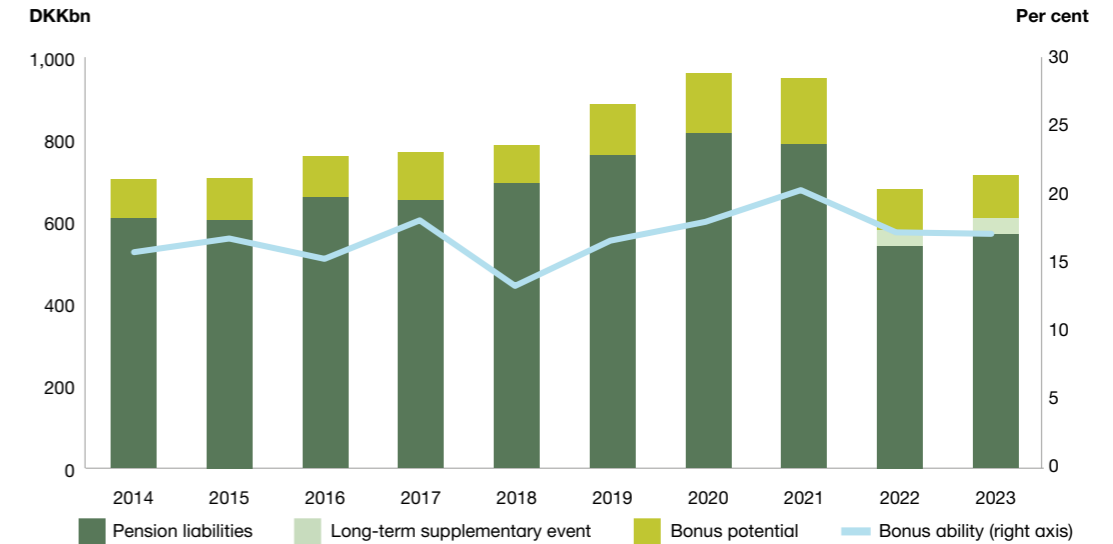
When calculating the guaranteed benefits with EIOPA's discount rates, the yield curve as of the end of December 2023 is used, including the volatility adjustment published on EIOPA's homepage. The figure above shows ATP's discount curve with and without the illiquidity range as compared to EIOPA's discount curve including volatility adjustment.

The differences in the discount rate curves cause the differences in the calculated values of the guaranteed benefits. Thus, the value of the guaranteed benefits calculated with EIOPA's discount rates are lower than those calculated with ATP's discount curve without the range, but higher than when ATP uses the illiquidity range.

Bonus capacity

The bonus potential in relation to the value of ATP's total liabilities to its members is called the bonus capacity. Developing and maintaining the bonus capacity is very important for ATP's future ability to generate returns and thus deliver future bonuses. The bonus potential has increased by DKK 8.2bn in the last 10 years, corresponding to 8.6 per cent. In the same period, the bonus capacity has only increased from 15.7 per cent to 17.1 per cent, which is due to the pension liabilities being at the same level as 10 years ago.

Development in bonus capacity



The bonus potential and the Long-term supplementary provision constitute the reserves that have not been distributed to ATP's members. The bonus potential is calculated as the amount corresponding to the carrying amount of the total assets associated with ATP minus the guaranteed benefits, life annuity with market exposure, Long-term supplementary provision, risk adjustment for non-financial risks and the sum of the carrying amount of ATP's other liabilities. The Supervisory Board can decide on the distribution of bonuses from the reserves. The bonus allocation is transferred to the guaranteed benefits and life annuity with market exposure as a direct balance sheet entry.

Bonus policy

The framework for ATP's bonus policy is defined in section 18(3) of the Danish Executive Order on ATP ('Bekendtgørelse af lov om Arbejdsmarkedets Tillægspension'), which stipulates that the aim is to pursue a long-term bonus policy to ensure that the real value of pensions is preserved. The annual

bonus decision is made on the basis of an overall assessment of a number of factors based on the bonus capacity. The bonus capacity is defined as the bonus potential in relation to the sum of the guaranteed benefits calculated without illiquidity spread plus life annuity with market exposure.

Based on an overall assessment of the robustness of ATP's finances, the Supervisory Board has decided to increase pensions by 3 per cent for all pensioners. This will take effect from 1 January 2024.

Read more about ATP's pension product: www.atp.dk/en/results-and-reports/annual-and-interim-reports-atp-group/further-information-full-year-2023

(see the section 'Facts about ATP Livslang Pension (Lifelong Pension)')

Facts about ATP Livslang Pension (Lifelong Pension) is not subject to audit

DKK million	2023	2022
Bonus potential that could be used to increase guaranteed benefits and life annuity with market exposure	0	18,278
Bonus potential that must be retained as unallocated bonus	104,030	81,294
Total	104,030	99,572

Note 17: Value creation at ATP from pensions and undistributed funds (after tax)

Per cent	2023	2022	2021	2020	2019
Value creation from guaranteed benefits	3.1	3.1	3.3	3.4	3.4
Value creation from life annuity with market exposure	9.2	-	-	-	-
Value creation from pensions (after tax)	3.1	3.1	3.3	3.4	3.4
Value creation from the bonus potential	5.8	(38.7)	24.5	13.3	30.3
Value creation from Long-term supplementary provisions	1.7	-	-	-	-
Value creation from undistributed funds (after tax)	4.7	(38.7)	24.5	13.3	30.3
Total value creation (after tax)	3.4	(7.2)	8.5	5.5	8.0

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 to improving the description of the total value creation, ATP calculates some supplementary ratios.

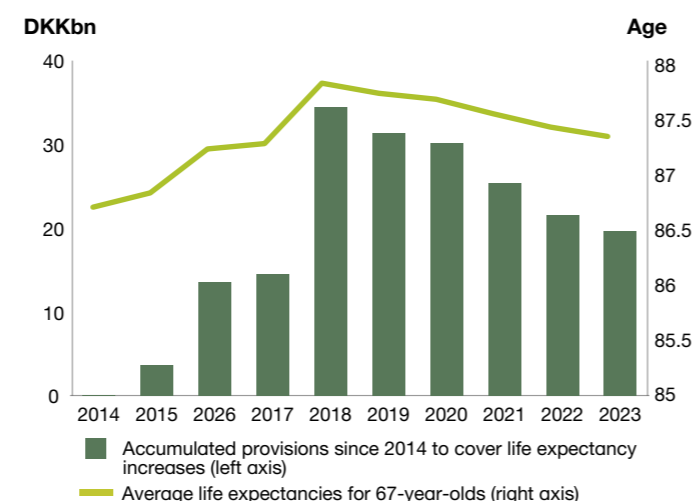
Value creation from pensions illustrates the average interest on the pensions ATP has promised its members over time across all age groups. The ratio is calculated on the basis of historical contributions and the associated pensions. For the guaranteed benefits, the value creation is 3.1 per cent for 2023. For life annuity with market exposure, the value creation of 9.2 per cent is an expression of an achieved return for the period and not an actual rate of interest. The value creation from pensions of 3.1 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 provision. The value creation in the bonus potential of 5.8 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 1.7 per cent. The value creation from undistributed funds of 4.7 per cent is a weighted calculation of the value creation in, respectively, the bonus potential and the long-term supplementary provision.

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

For additional information on the definition of ATP's ratios for value creation, see supplementary information at www.atp.dk/resultater-rapporter/aars-og-kvartalsrapporter/atp-koncernen



Note 18: Risk management

ATP's risk profile

ATP's risk profile is aligned with the purpose of securing the guaranteed lifelong payments, covering any unforeseen life expectancy increases for the pensions and other unforeseen expenses and enabling an increase in the real value of the pensions. This means that safe investments are prioritised in order to provide the promised lifelong guarantees, while also weighing the opportunities to generate reasonable returns against the risk of losing ATP's reserves. The overarching principle is that the total risk must be balanced in relation to ATP's reserves, bonus potential and Long-term supplementary provision. The risk profile for ATP is generally expressed based on a measure of the total risk with an ATP-developed risk model supplemented by several risk calculations and analyses. The purpose of these risk calculations is to provide a varied and detailed overview of the specific risks to which ATP is exposed. ATP's financial robustness is assessed by comparing the calculated risks with the bonus potential.

In order to protect ATP's bonus potential and financial capacity to take action, ATP's Supervisory Board has specified a risk budget that is an upper limit of how large the total risk consumption is permitted to be. The risk budget reflects the Supervisory Board's overall risk tolerance and is specified at 50 per cent of the bonus potential. Hence, the risk budget changes dynamically in line with the bonus potential.

At the end of 2023, ATP's bonus potential was DKK 104.0bn and thus the risk budget was DKK 52.0bn. ATP calculates a risk consumption daily. The risk consumption is measured using an ATP-developed risk model that calculates a total risk consumption based on the risks associated with ATP's business model.

The risk target for risk consumption is expected shortfall (ES) with a confidence level of 99 per cent and a three-month time horizon. Risk consumption is a here-and-now stress without risk adjustment and expresses the average of the 1 per cent biggest loss of bonus potential if a three-month stress event happens immediately.

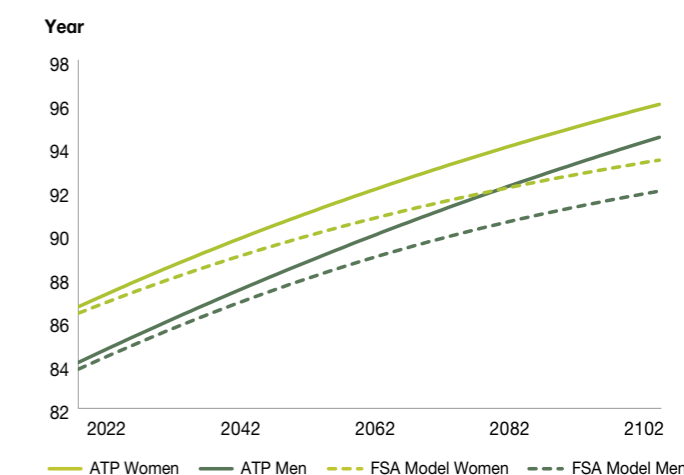
Pension-related risks

ATP disburses a monthly pension for as long as the members are alive. Accordingly, increasing life expectancy (longevity risk) is the greatest pension risk facing ATP. When life expectancy increases more than predicted, the bonus potential is reduced, since ATP has to reserve a greater amount to cover the pension liabilities, as pensions have to be paid out for longer. ATP has elected not to hedge its life expectancy risk, and must therefore cover losses in case of increased life expectancy. ATP follows life expectancy statistics closely, based on an in-house developed life expectancy model.

Provisions for longer than projected life expectancies reduce the bonus potential. However, contrary to, for instance, investment loss, it has not reduced the total asset value of the members. On the contrary, additional provisions as a result of longer life expectancy reflect that ATP's members are expected to live longer, and the provisions will therefore benefit ATP's members.

Other Danish pension companies apply a model based on life expectancy assumptions developed by the Danish Financial Supervisory Authority for the use of those insured via the life insurance and pension companies. The figure below shows life expectancy for 67-year-old men and women using ATP's and the Danish Financial Supervisory Authority's model, respectively, for life expectancy presumptions, with the latter adjusted to the life expectancies observed by

Expected future increases in life expectancy



Note 18: Risk management, continued

ATP. It can be seen that ATP's life expectancy model projects higher increases in life expectancy than those envisaged by the Danish Financial Supervisory Authority's model.

The Danish Financial Supervisory Authority's life expectancy projections are a benchmark for current observed life expectancy, based on information from a number of Danish life insurance companies and broad-spectrum pension funds with a total of 3.6 million customers as well as a benchmark for life expectancy improvements based on population data from all of Denmark. ATP's model is based partly on information concerning its 5.6 million members and partly on information concerning approximately 350 million inhabitants in 18 OECD countries. This means that different data are used when modelling life expectancy assumptions, just as the models themselves differ.

The model developed by ATP is based on the assumption that life expectancy in Denmark follows the same pattern as the 18 selected OECD nations and that the lag in Denmark relative to the selected countries will be caught up with over time. Data from the past 50 years show that the countries have generally undergone the same development in terms of longevity, although it differs between countries when and how quickly the improvements take place. ATP includes international data in order to provide a stable prognosis for future life expectancy improvements.

Market risks

Market risks reflect risks associated with investments in the financial markets and the interest rate risk on pension liabilities. Market risks are managed based on structured risk models with close risk monitoring and detailed risk frameworks.

Market risks in the Interest Hedging portfolio and the guaranteed benefits mainly comprise interest rate risks. The Hedging portfolio generally has the same interest rate sensitivity as the guaranteed benefits. A general interest rate change has a large impact on ATP's statement of financial position, but the bonus potential will be virtually unaffected as changes in the Interest Hedging portfolio and the value of the guaranteed benefits will largely offset each other. Market risks related to interest hedging are therefore limited.

The long-term market risk added via the Supplementary Hedging portfolio (SHP) in hedging has its own dedicated loss-absorbing buffer in the form of the Long-term supplementary provision (LSP). As long as the LSP is large enough to cover the market risk in the Supplementary Hedging portfolio, this added risk will not affect the risk consumption. In the event of major losses in the Supplementary Hedging portfolio, the LSP may at some point affect the bonus potential, as the bonus potential will have to transfer funds to the LSP. This risk is referred to as transfer risk and is recognised in the risk consumption. The contribution that goes to annuity with market exposure is invested in the market return portfolio in hedging. By investing this contribution with a higher risk, a higher return and thus a higher pension is expected over time. The risk in the market return portfolio is adjusted to the provisions for annuity with market exposure.

ATP's market risks in relation to the bonus potential are mainly market risks related to the Investment portfolio. The long-term objective of the Investment portfolio is to generate a return that will allow, in part, for the building of reserves for, e.g., financing increased life expectancy so that ATP secures pensions for a whole lifetime, and to increase the guaranteed pensions, thereby striving to preserve the real value of the lifelong pensions. In order to have a robust investment portfolio with a high rate of expected return, the investment portfolio is managed based on a strategy of risk diversification. ATP splits the risk of each individual investment into four risk factors which can be combined in appropriate ways to achieve a portfolio with the desired risk profile. The four fundamental factors are: The equity factor, interest rate factor, inflation factor, and other factors. The risk associated with each investment is allocated to the four factors based on the types of risk to which the investment is exposed.

Counterparty risks

Counterparty risks are risks associated with financial counterparties' potential breach of agreements entered into in connection with contracts on derivatives, repo and reverse transactions and bank deposits.

The use of derivatives, especially for interest rate hedging, represents a particular risk for ATP. Changes in the value of these instruments will generate a liability

or a receivable between ATP and its counterparties. ATP may therefore incur a loss if – for example because of a bankruptcy or liquidation – a counterparty is in breach of a concluded agreement. In order to reduce counterparty risk, both ATP and its counterparties require that collateral be provided for mutual receivables. Collateral is typically provided so that the market value of the collateral exceeds the market value of the related contract by a certain margin.

Liquidity risks

Liquidity risks are risks associated with potential non-payment of payment demands or securities. ATP has developed a liquidity risk management model intended to ensure that ATP remains able at all times to comply with its contractual obligations in terms of providing either liquidity or security. This must be done by ensuring that sufficient liquidity can be obtained to meet liquidity requirements in the short term and the long term.

Currency risks

ATP's investments are, as a general rule, hedged against currency fluctuations in DKK and EUR. Thus, the exposure to currencies other than DKK and EUR is limited. In light of the high degree of confidence in Denmark's fixed price policy, ATP tolerates a significant exposure to the euro.

Concentration risks

Concentration risks are risks resulting from a disproportionate reliance on a particular type of exposure, such as a particular asset class, investment market or single investment. The Supervisory Board has established concentration risk guidelines and frameworks to ensure that unnecessary concentration risks are avoided.

Sustainability risks

ATP views sustainability-risks similarly to other investment-related risks, including market risks. ATP's work with sustainability risks indicates that the measurement methods, data, etc. used to assess the impact on the value of investments are not as developed as they are for traditional risk factors.

It is therefore neither possible to identify nor make a nuanced and specific assessment of how various sustainability risks materialise across investment types in the same way as can be done for traditional financial risks. For this reason, the work involves a more general and holistic approach to the assessment of sustainability risks. As is the case with other investment risks, ATP strives to identify ESG related risk sources and assess to which degree ATP is compensated. ATP is continually working on improving its opportunities for integrating sustainability risks by developing and testing new methods such as, for example, when working with climate data which ATP assesses is the area that has seen the most progress.

Operational risks

The operational risks associated with the management of ATP Livslang Pension (Lifelong Pension) cover all potential financial, reputational or compliance-related impacts associated with, in particular, trading activities, risk measurements, contributions and payments to ATP's members and the operation of systems and information security. The operational risks most frequently manifest as financial losses and are part of the measurement of risk consumption. The Supervisory Board has specified detailed principles for the management of operational risks to ensure that the impact of such operational risks are limited in terms of financial, reputational and compliance-related impacts.

Note 18a: Market risks and currency risks

Market risks associated with the investment portfolio

ATP's market risk primarily comprises market risks associated with the Investment portfolio. The Investment portfolio is managed to generate stable returns that are as independent of business cycle developments as possible. Therefore, the Investment portfolio is put together based on a strategy of risk diversification based on four fundamental factors: The equity factor, interest rate factor, inflation factor, and other factors. The risk associated with each investment is allocated to the four factors based on the types of risk to which the investment is exposed.

ATP's risk management provides a framework for the allocation of risk across the four risk factors with a view to ensuring appropriate diversification of ATP's investments. Risk allocation has been determined as each risk factor's share of the sum of risk for the four risk factors. ATP's Supervisory Board has set a long-term guideline and upper and lower limits for each risk factor's share of the risk in the Investment portfolio.

Investment portfolio risk broken down by factors

	Expected Shortfall in DKK million		Relative risk allocation (per cent)		Long-term guideline ¹
	31.12.2023	31.12.2022	31.12.2023	31.12.2022	
Equity factor	35,328	31,429	50.5	53.1	42.8
Interest rate factor	20,084	14,672	28.7	24.8	31.5
Inflation factor	8,953	7,476	12.8	12.6	14.5
Other factors	5,647	5,635	8.1	9.5	11.3

¹ Calculated based on the long-term benchmarks for the liquid and illiquid portfolios and a long-term 75/25 split between them.

At the end of 2023, the distribution in equity factor was over the long-term guideline, and the distribution in the other factors was below the guideline. However, the distributions are within the upper and lower bounds that the Supervisory Board has specified for the risk distribution.

Market risks associated with the Hedging portfolio and the guaranteed benefits

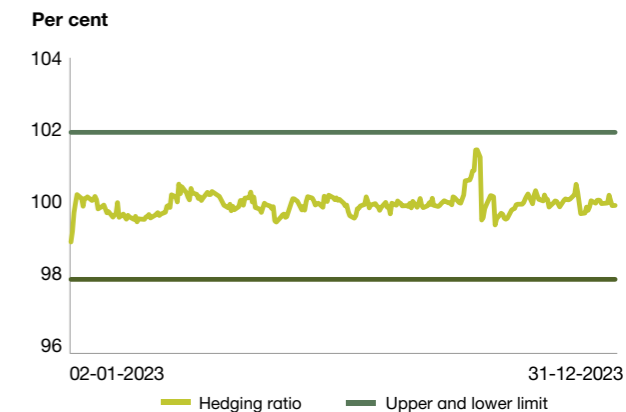
Market risks in the Hedging portfolio and the guaranteed pensions mainly comprise interest rate risks. The hedging ratio ² indicates the ability of the Hedging portfolio to hedge the interest rate sensitivity of the guaranteed benefits. ATP aims to ensure that the hedging ratio, measured by DKK duration after tax, remains in a narrow range of about 100 per cent. Accordingly, market risks associated with the hedging portfolio are limited.

² The hedging ratio is calculated as the after-tax duration of the Interest Hedging portfolio in relation to the duration of the guaranteed benefits.

DKK duration and hedging ratio

	31.12.2023	31.12.2022
Guaranteed benefits' DKK duration after tax, DKK million	(78,268)	(71,313)
Hedging portfolio's DKK duration after tax, DKK million	78,279	75,398
Hedging ratio in per cent	100	106

Note: The DKK duration indicates the market value impact of a marginal change in interest rates, scaled to take into account a 1 per cent decline in interest rates.



The hedging ratio is calculated to be 100 per cent at the end of 2023. As the figure above shows, the hedging ratio was close to 100 per cent for most of the year.

Currency risks

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

ATP's currency exposure as of 31.12.2023	Currency exposure in DKKbn	Currency hedging in DKKbn	Currency exposure incl. currency hedging in DKKbn	Per cent of financial instruments measured at fair value
<i>Currency</i>				
USD	59.7	(63.0)	(3.3)	(0.5)
SEK	19.9	(19.7)	0.1	0.0
Total other currencies ¹	27.4	(23.4)	3.9	0.6

¹ Other totals are ex. EUR and DKK

ATP's currency exposure as of 31.12.2022	Currency exposure in DKKbn	Currency hedging in DKKbn	Currency exposure incl. currency hedging in DKKbn	Per cent of financial instruments measured at fair value
<i>Currency</i>				
USD	57.7	(59.6)	(1.9)	(0.3)
SEK	17.2	(17.8)	(0.6)	(0.1)
Total other currencies ¹	26.1	(23.9)	2.2	0.3

¹ Other totals are ex. EUR and DKK

Note 18b: Credit risks

Credit and counterparty risks

As a part of ATP's investment strategy, ATP actively assumes credit risks in the Investment portfolio. The Group's credit risks relate primarily to actual credit investments. Credit investments comprise investments in corporate bonds, emerging market government bonds, credit funds, loans, etc.

In addition, the Group has a number of business-related credit risks (counterparty risks), including receivables, cash and cash equivalents and unlisted financial derivatives with a positive fair value.

Collateral

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

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

DKK million	Group		ATP	
	2023	2022	2023	2022
Assets provided as collateral:				
Bonds	81,909	113,472	81,909	113,472
Loans	0	95	0	95
Liquid assets	586	412	567	412
Total assets provided as collateral	82,495	113,979	82,475	113,979
Assets received as collateral:				
Bonds	48,589	33,010	48,589	33,010
Liquid assets	51	28	-	-
Total assets received as collateral	48,641	33,037	48,589	33,010

Finally, ATP's other portfolios of bonds involve a credit risk. As regards government bonds, excluding emerging markets, the credit risk is assessed as being close to zero, as 100 per cent of this portfolio consisted of German and Danish government bonds at year-end 2023. As regards mortgage bonds, bonds issued by international organisations (supranationals) and bonds issued by publicly guaranteed authorities (agencies), the credit risk is assessed as being moderate.

Market value as of 31 December

DKKbn	2023	2022
Credit investments	26	34
Mortgage bonds	90	86
Government bonds excluding emerging markets	336	335
Bonds issued by supranationals or agencies	46	38
Unlisted financial derivatives, net (before provision of collateral)	(23)	(83)
Unlisted financial derivatives, net (after provision of collateral)	(3)	10
Cash	7	7
Other receivables, receivable contributions and margin collateral	16	21

Note: The market value of credit investments includes CDSs with a total market value at year-end 2023 of DKK 0.5bn (2022: DKK (0.2)bn) and a principal amount at year-end of 2023 of DKK 25.8bn. (2022: DKK 16.3bn). In addition, at year-end 2023 ATP had issued guarantees of DKK 0.0bn (2022: DKK 0.0)

Other receivables mainly consist of unsettled transactions, ATP contributions receivable and rent receivable. Provisions are made for expected losses on ATP contributions receivable and rent receivable based on a simplified provision matrix, using a fixed provisions percentage depending on how many days the receivable remains overdue. The provision rate is based on historical data.

Note 18c: Liquidity risks

Liquidity risks are risks associated with potential non-payment of payment demands or securities. ATP has developed a liquidity risk management model intended to ensure that ATP remains able at all times to comply with its contractual obligations in terms of providing either liquidity or security.

This is done by ensuring that liquidity and liquidity requirements both in the short term (5 banking days) and the longer term (1 year) are mutually aligned. Liquidity can be obtained via the sale of assets, but also via the repo market. The net liquidity effect on contribution payments and pension benefits over the year is stable.

Maturity analysis

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

ATP Group, 2023						
DKK million	0-1 year	1-5 years	6-15 years	16-20 years	Over 20 years	Total
<i>Financial derivatives</i>						
Gross-settled financial derivatives, payments made	26,738	49,416	116,335	30,998	17,788	241,276
Gross-settled financial derivatives, payments received	(13,490)	(24,065)	(50,855)	(14,077)	(10,887)	(113,374)
Financial derivatives, settled net	2,461	0	405	0	0	2,866
Total derivative financial liabilities	15,709	25,351	65,885	16,921	6,901	130,768
<i>Other financial liabilities</i>						
Guaranteed benefits and life annuity with market exposure	19,927	104,832	219,267	110,361	463,931	918,318
Payables to credit institutions	1,099	0	0	0	0	1,099
Income tax and tax on pension savings returns payable	2	0	0	0	0	2
Other debts	14,626	597	1,296	14	0	16,533
Total other financial liabilities	35,654	105,429	220,563	110,375	463,931	935,952
Total	51,363	130,780	286,448	127,296	470,832	1,066,720

ATP Group, 2022

DKK million	0-1 year	1-5 years	6-15 years	16-20 years	Over 20 years	Total
<i>Financial derivatives</i>						
Gross-settled financial derivatives, payments made	28,454	72,651	135,712	30,103	16,648	283,567
Gross-settled financial derivatives, payments received	(19,888)	(29,687)	(52,367)	(14,657)	(12,448)	(129,047)
Financial derivatives, settled net	2,165	284	349	0	0	2,799
Total derivative financial liabilities	10,731	43,247	83,694	15,446	4,199	157,318
<i>Other financial liabilities</i>						
Guaranteed benefits and life annuity with market exposure	18,621	99,917	215,409	107,855	426,061	867,863
Payables to credit institutions	10,709	0	0	0	0	10,709
Income tax and tax on pension savings returns payable	2	0	0	0	0	2
Other debts	4,434	774	1,304	9	0	6,521
Total other financial liabilities	33,767	100,691	216,713	107,864	426,061	885,096
Total	44,498	143,939	300,407	123,310	430,260	1,042,414

In addition to the financial liabilities stated, the ATP Group made a number of investment and loan commitments, see Note 21 'Contingent liabilities'. It is not possible to determine the expected contractual maturity of these contingent liabilities, and it is uncertain whether contingent liabilities will result in a drain on the liquidity of the Group.

Other financial statement notes

This section contains Other financial statement notes. It includes notes and information that the management deems less significant in understanding ATP and the ATP Group

- 108 Note 19: Financial assets and liabilities and returns
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-



Note 19: Financial assets and liabilities and returns

ATP Group DKK million	2023 Exchange rate adjustments, interest and other returns	2022 Exchange rate adjustments, interest and other returns
Returns from listed equities ¹	4,190	(15,049)
Returns from unlisted equity investments ¹	2,887	9,391
Bonds	29,297	(157,864)
Loans	145	869
Financial derivatives	11,548	(148,779)
Receivables and debt from repo/reverse transactions	911	161
Financial assets and liabilities recognised at fair value in the financial statement	48,976	(311,270)
Cash and on-demand deposits	406	442
Other	(33)	11
Financial assets and liabilities at amortised cost	373	453
Return on investment properties	(581)	1,391
Total	48,769	(309,425)

Calculation of financial assets and liabilities and return distributed across accounts categories are only shown for the Group. ATP Group subsidiaries are measured at fair value in the income statement.

¹ Returns on equities include dividends plus unrealised and realised price adjustments. Unlisted equity investments include investments in companies where the ATP Group has ownership stakes of up to 50 per cent.

Significant accounting estimates

Significant accounting estimates are associated primarily with the measurement of financial assets and liabilities at fair value where the valuation is based on unobservable inputs.

The accounting methods include discounting to net present value of future cash flows and assessment of underlying market conditions. Assumptions of interest rates, risk premiums, volatility, default and prepayments and other information are included in the use of

these methods. The fair value of financial assets and liabilities, including financial derivatives for which no quoted market prices exist, is based on the best information available under the circumstances.

Financial assets where the valuation is based on unobservable inputs include parts of the Group's bonds, unlisted equity investments, derivatives, investment properties and loans.

ATP Group DKK million	2023	2022
Financial assets:		
Receivables from reverse transactions	38,613	25,669
Bonds	489,698	483,903
Listed equities	54,048	51,020
Unlisted equity investments	111,243	115,044
Financial derivatives	77,348	83,148
Loans	3,574	4,369
Financial assets measured at fair value over the income statement	774,523	763,152
Receivables contributions	3,310	3,150
Collateral regarding financial derivatives	6,267	13,380
Other receivables	6,823	4,763
Financial assets measured at amortised cost	16,399	21,294
Financial liabilities:		
Financial derivatives	136,926	172,840
Financial liabilities measured at fair value over the income statement	136,926	172,840
Debt from reverse transactions	1,099	10,709
Financial liabilities measured at fair value over the income statement (chosen)	1,099	10,709
Other debts	16,533	6,521
Financial liabilities measured at amortised cost	16,533	6,521

Breakdown of the Group's financial assets and investment properties measured under level 3 in the fair value hierarchy.

	2023		2022	
	DKK million	Per cent	DKK million	Per cent
Bonds	9,227	6%	15,865	10%
Unlisted equity investments	108,879	75%	107,838	70%
Financial derivatives	0	0%	39	0%
Loans	3,574	2%	4,369	3%
Investment properties	24,418	17%	25,002	16%
	146,098	100%	153,113	100%

Note 20: Interests in other companies

The ATP Group continuously invests in unlisted equity investments. Where the Group has a significant, but not controlling, interest, the companies are classified as associates/joint ventures. At www.atp.dk/en/dokument/specification-accordance-executive-order-financial-reporting-danish-labour-market-supplementary-pension-fund-atp-ss-10 there is a complete list of companies which the ATP Group has classi-

fied as associates and joint ventures, respectively. Below, accounting information is provided for the most significant associates/joint ventures, defined as companies in which the ATP Group's share of the fair value is more than DKK 1bn. Summary information for non-significant associates/joint ventures is also provided. The information provided is as per the most recently published Annual Report.

2023										
Financial information for significant associates and joint ventures										
DKK million	Current assets	Non-current assets	Current payables	Non-current payables	Current	Results after tax	Other comprehensive income	Total comprehensive income	Dividends received/distributed	
3i Managed Infrastructure Acquisitions LP	82	10,769	73	72	0	2,207	-	2,207	152	
ATPFA K/S	139	4,913	17	10	248	(745)	-	(745)	110	
Basilisk Holdings Inc. ¹	-	-	-	-	-	-	-	-	0	
Casper TopCo SAS	2,133	27,526	3,439	19,062	7,114	(95)	-	(95)	0	
Colombo Topco Limited	10	3,970	0	0	0	1,278	-	1,278	66	
Danske Shoppingcentre P/S	192	15,065	261	191	978	424	-	424	0	
Ejendomsselskabet Project Sunflower P/S	0	0	0	0	0	(0)	-	(0)	11	
FIC DBR Co-Invest, LP	2	4,386	0	0	0	888	-	888	78	
Hancock Queensland Plantations Pty Ltd.	851	1,079	0	228	90	90	-	90	38	
Harbour P/S	22	2,765	0	0	102	6	-	6	46	
Kastrup Airports Parent ApS	1,061	7,616	244	1,473	0	(381)	-	(381)	-	
Redexis Gas S.A.	1,193	15,791	856	11,914	1,857	211	-	211	-	

¹ Basilisk Holdings Inc. does not publish an annual report.

Financial information for non-significant associates and joint ventures

	Results from continuing operations	Results after tax from discontinued operations	Other comprehensive income	Total comprehensive income
Associates	2,458	-	-	2,458
Joint ventures	(64)	-	-	(64)

2022

Financial information for significant associates and joint ventures

DKK million	Current assets	Non-current assets	Current payables	Non-current payables	Current	Results after tax	Other comprehensive income	Total comprehensive income	Dividends received/distributed
3i Managed Infrastructure Acquisitions LP	13	9,126	300	0	0	799	-	799	53
ATPFA K/S	80	5,888	4	20	245	263	-	263	88
Basilisk Holdings Inc. ¹	-	-	-	-	-	-	-	-	-
Casper TopCo SAS	1,926	25,222	2,468	17,580	3,715	(705)	7	(698)	-
Colombo Topco Limited	6	3,203	53	-	-	250	-	250	153
Danske Shoppingcentre P/S	153	14,983	157	197	882	517	-	517	32
Hancock Queensland Plantations Pty Ltd.	669	6,048	100	4,883	579	(24)	-	(24)	60
Harbour P/S	14	2,848	1	0	97	256	-	256	37
Kastrup Airports Parent ApS	648	6,884	526	5,422	0	(526)	-	(526)	-
Redexis Gas S.A.	949	15,742	1,045	11,418	1,784	283	-	283	60

¹ Basilisk Holdings Inc. does not publish an annual report.

Financial information for non-significant associates and joint ventures

	Results from continuing operations	Results after tax from discontinued operations	Other comprehensive income	Total comprehensive income
Associates	1,051	-	-	1,051
Joint ventures	468	-	-	468

Note 21: Contingent liabilities

DKK million	Group		ATP	
	2023	2022	2023	2022
Investment and loan commitments				
Investment commitments, capital shares	9,919	11,279	438	604
Investment commitments, property funds	7	19	7	14
Investment commitments, Danish properties	600	396	41	33
Investment commitments, international properties	22	0	22	0
Investment commitments, infrastructure	4,221	5,247	4,221	5,247
Investment commitments, credit funds	534	539	534	539
Loan commitments, businesses	221	629	154	489
Loan commitments, credit funds	0	1,230	0	1,230
Investment commitments, affiliated companies	-	-	18,788	19,535
Loan commitments, group subsidiaries	-	-	1,460	1,860
Other contingent liabilities				
Rental/leasing liabilities and contractual liabilities related to the acquisition of intangible and tangible assets	978	929	971	922
Potential deferred tax related to properties ¹	119	481	-	0
Letters of credit to businesses	20	36	20	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.

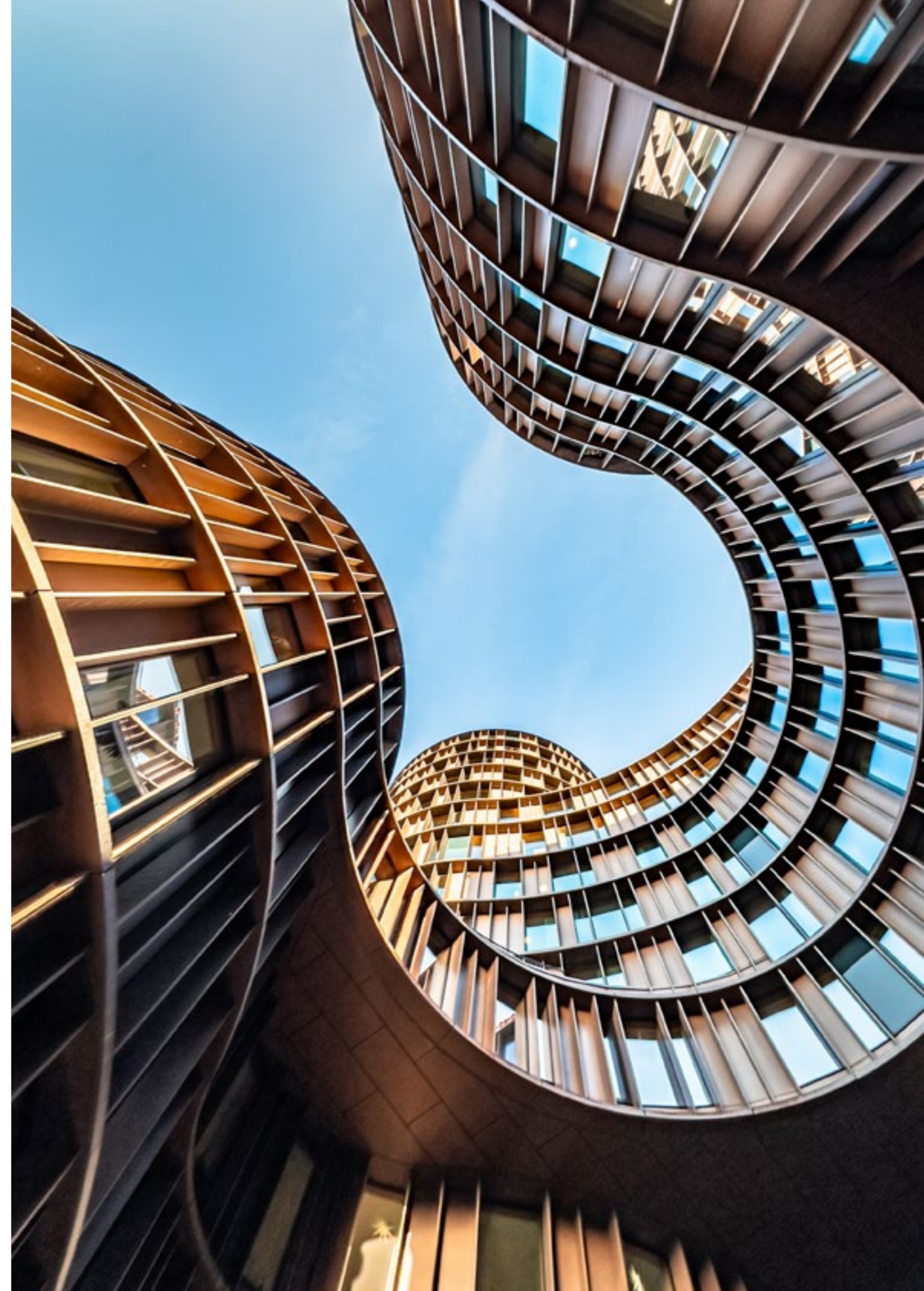
Owing to its size and business volume, the ATP Group is continually a party to various lawsuits and disputes. Cases are assessed on an ongoing basis, and pending lawsuits and disputes are not believed to have any significant impact on the financial position of the ATP Group.

¹ 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 2023, ATP Ejendomme A/S met the conditions for tax exemption.

The accounting treatment of contingent assets and liabilities is based on an assessment of the expected outcome of the applicable contingency. If it is almost certain that a future economic benefit will flow to the ATP Group, the asset and the related income are recognised. If, on the other hand, it is probable that a future economic benefit will flow from the ATP Group when discharging the liability, the

contingency is recognised as a liability.

Where it is not possible to estimate an amount with sufficient certainty, or it is not possible to estimate the outcome of a given matter, information to this effect will be provided. Decisions relating to such matters may generate realised profits or losses in future accounting periods that exceed the amounts recognised in the financial statements.



Note 22: Information on offsetting

The ATP Group uses a limited degree of offsetting in connection with the settlement of financial assets and liabilities. The ATP Group extensively uses collateral provided to and from counterparties when entering into financial contracts. Net amounts thus indicate the exposure after provision of collateral. There is no information provided on the ATP Parent Company, as this information is in all material respects identical to that provided for the Group.

2023 Group Financial assets	Recognised assets, gross	Financial liabilities offset in the statement of financial position	Related amounts not offset in the financial statement		Net amount	
			Net amounts of financial assets presented in the statement of financial position	Financial instruments Financial collateral		
DKK million						
Financial derivatives	78,164	(815)	77,348	(73,609)	(3,271)	469
Receivables from credit institutions	38,613	-	38,613	(69)	(38,513)	31
Total	116,776	(815)	115,961	(73,678)	(41,784)	500
Financial liabilities	Liabilities recognised, gross	Assets offset in the statement of financial position	Related amounts not offset in the financial statement		Net amount	
			Net amounts of financial liabilities presented in the financial statement	Financial instruments Financial collateral		
DKK million						
Financial derivatives	137,741	(815)	136,926	(73,609)	(61,919)	1,398
Payables to credit institutions	1,099	0	1,099	(69)	(1,018)	12
Total	138,840	(815)	138,024	(73,678)	(62,937)	1,410

2022 Group Financial assets	Recognised assets, gross	Financial liabilities offset in the statement of financial position	Related amounts not offset in the financial statement		Net amount	
			Net amounts of financial assets presented in the statement of financial position	Financial instruments Financial collateral		
DKK million						
Financial derivatives	83,621	(473)	83,148	(80,707)	(1,597)	844
Receivables from credit institutions	25,669	-	25,669	(2,146)	(23,522)	0
Total	109,290	(473)	108,817	(82,853)	(25,120)	844

Financial liabilities	Liabilities recognised, gross	Assets offset in the statement of financial position	Related amounts not offset in the financial statement		Net amount	
			Net amounts of financial liabilities presented in the financial statement	Financial instruments Financial collateral		
DKK million						
Financial derivatives	173,313	(473)	172,840	(80,707)	(90,382)	1,751
Payables to credit institutions	10,709	-	10,709	(2,146)	(8,456)	107
Total	184,022	(473)	183,549	(82,853)	(98,838)	1,858

Note 23: Transactions with related parties

ATP and the ATP Group

Related parties of the ATP Group are associates and joint ventures and independent schemes managed by ATP.

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

ATP and the ATP Group have entered into the following related party transactions:

2023 DKK million	Sale	Purchase	Forward contracts, net, and interest			Receivables/ Contingent		
			on loans	Contributions	Dividends	Debt ¹	loans ¹	liabilities
Group subsidiaries (ATP)	8	21	1,037	4,773	9,380	605	2,637	20,248
Associates and joint ventures (ATP)	-	-	-	1,025	1,571	2	-	-
Associated companies and joint ventures (ATP Group)	19	-	-	1,025	1,634	-	-	-
Independent schemes managed (ATP and the ATP Group)	2,484	-	-	-	-	776	298	-

2022 DKK million	Sale	Purchase	Forward contracts, net, and interest			Receivables/ Contingent		
			on loans	Contributions	Dividends	Debt ¹	loans ¹	liabilities
Group subsidiaries (ATP)	7	28	(3,266)	12,605	18,134	1,395	2,163	21,395
Associates and joint ventures (ATP)	-	-	-	166	1,299	-	-	-
Associated companies and joint ventures (ATP Group)	11	-	-	166	1,372	-	-	5
Independent schemes managed (ATP and the ATP Group)	2,568	-	-	-	-	933	322	-

The above transactions were all made on market terms.

¹ Payables and receivables include positive/negative market values of intercompany forward transactions.

Sales to associates, joint ventures, group subsidiaries and schemes comprise a number of administration functions, including accounting functions, IT operations and development and staff administration etc.

Net forward contracts, include net payments in respect of intercompany forward currency transactions made by ATP on behalf of group subsidiaries. Also included is interest on loans to group subsidiaries totalling DKK 95 million. (2022: DKK 29 million). Loans are unsecured and no write-downs have occurred.

Contributions include contributions of capital in group subsidiaries, associates and joint ventures, while distributions include distributions, including dividends. Contingent liabilities to associates, joint ventures and group subsidiaries consist of investment and loan commitments.

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

Management remuneration appears in note 24 and in the remuneration report, which can be found at www.atp.dk/en/dokument/remuneration-report-2023.

Note 24: Remuneration for management and auditor fees

DKK million	Group ¹		Group	
	2023	Of which pension contribution	2022	Of which pension contribution
Remuneration paid to CEOs:	Total remuneration		Total remuneration	
CEO (Chief Executive Officer):				
Martin Præstegaard	7.0	1.0	3.5	0.5
Bo Foged	-	-	4.7	0.5
Remuneration paid to CEOs, total:	7.0	1.0	8.2	1.0

¹ The CEO remuneration comprises fixed remuneration, pension contributions and a range of employee benefits, including company car.

Remuneration paid to ATP's Supervisory Board and Board of Representatives

DKK million	2023	2022
Total remuneration for the ATP Supervisory Board	2.3	2.2
Total remuneration for ATP's Board of Representatives	0.3	0.3
Total remuneration for ATP's Executive Committee	0.3	0.3
Total remuneration for the ATP Audit Committee	0.3	0.3
Total remuneration for to the ATP Risk Committee	0.3	0.3
Annual remuneration in DKK thousands paid to:		
Chairman of the Supervisory Board (total remuneration)	853	825
Member of the Executive Committee	95	92
Member of the Supervisory Board (including remuneration for the Board of Representatives)	143	138
Member of the Board of Representatives	16	15
Chairman of the Audit Committee	94	90
Member of the Audit Committee	72	69
Member of the Risk Committee	72	69

Additional information is available in the remuneration report. For information on pay policy and practice for the Board of Representatives, the Supervisory Board, the Executive Board and other significant risk takers as required under the executive order on pay policy please visit this page www.atp.dk/en/dokument/remuneration-report-2023.

Audit fees in DKK million:	Group		ATP	
	2023	2022	2023	2022
Total fees paid to auditors can be broken down as follows:				
Statutory audit	2.4	4.2	1.6	3.3
Other declaration tasks with security	0.4	0.1	0.3	0.1
Tax and VAT services	0.0	0.0	0.0	0.0
Other services	0.5	0.9	0.4	0.7
Total auditing fees	3.3	5.2	2.3	4.2

Fees for non-audit services provided by Deloitte Statsautoriseret Revisionspartnerselskab to the ATP Group in 2023 amounted to DKK 0.9 million and relate to the submission of declarations and assessment reports and other accounting advice.

Note 25: Five-year summary for ATP

Financial highlights (DKK million)

	2023	2022	2021	2020	2019
Contributions	12,624	11,951	11,497	10,744	10,061
Pension benefits	18,408	17,957	17,260	17,180	17,054
Investment return	47,683	(310,633)	(7,828)	80,849	107,340
Total pension-related operating expenses	214	215	213	210	201
Transfer to/from bonus potential	6,748	(50,377)	13,316	20,251	33,893
Net profit for the year	0	0	0	0	0
Total pension provisions	712,222	677,806	947,346	959,810	885,608
Total assets	865,204	867,058	1,087,438	1,140,345	1,024,472

Ratios

Return ratios

Rate of return related to guaranteed benefits, Long-term supplementary provision, risk adjustment and bonus potential (N1)	8.2	(32.9)	(0.8)	10.8	16.2
Return percentage related to Life annuity with market exposure (N2)	12.2	(12.4)	-	-	-

Costs ratios

Expense percentage of pension provisions ¹	0.03	0.03	0.02	0.02	0.02
Expenses per member (DKK)	38	39	40	40	38

Other ratios

Bonus capacity (in per cent)	17.1	17.2	20.3	18.0	16.6
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¹ The definition of the ratio is in ATP's most recent executive order on accounting changed from 'pension-related operating expenses in relation to guaranteed benefits' to 'pension-related operating expenses in relation to pension provisions.' In addition to the guaranteed benefits, pension provisions consist of provisions for Life annuity with market exposure, Long-term supplementary provisions, risk adjustment and the bonus potential. Comparative figures have been adjusted.

Please refer to the description of ratios in Appendix 3 of ATP's executive order on accounting issued by the Danish Financial Supervisory Authority (Executive Order on Financial Reporting by ATP, Executive Order no. 1600 of 14 December 2023).

ATP does not apply the Danish Financial Supervisory Authority's return ratio. The return ratio tends to

over-reflect market value changes in ATP's Hedging portfolio, which will not notably affect the pensions promised. As the ratio does not allow for variance in the value creation of the guaranteed products, the ratio does not provide a complete picture of the value creation for ATP's members for the individual year. In the very long term, however, the ratio better reflects the value creation.

Note 26: Breakdown of ATP's assets and their returns at market value

	Carrying amount as of 2023		Return p.a. before tax on pension savings returns per cent
	DKK million		
	Beginning of year	End of year	
Assets related to guaranteed benefits, Long-term supplementary provision, risk adjustment and the bonus potential			
Land and buildings	40,740	41,317	(5.1)%
Listed equity investments	48,567	51,490	8.3%
Unlisted equity investments	102,119	95,462	4.8%
Total capital shares	150,686	146,952	5.8%
Government and mortgage bonds	463,654	469,795	6.4%
Index-linked bonds	1,068	8,400	(8.0%)
Credit bonds and emerging market bonds	19,818	19,468	8.4%
Loans, etc.	2,637	2,941	1.8%
Total bonds and loans	487,178	500,603	6.3%
Other investment assets	24,431	36,037	n/a ¹
Financial derivatives entered into for the purpose of hedging the net change of assets and liabilities	(81,441)	(61,526)	n/a ¹
Total investment assets	621,594	663,383	7.7%

¹ The two asset classes 'Other investment assets' and 'Financial derivatives entered into for the purpose of hedging the net change in assets and liabilities' only contain derivatives, and their primary purpose is to hedge investment currency risk and guaranteed benefits interest risk, respectively. It therefore does not make sense to state separate returns figures for these asset classes. Please refer to the description of ratios in Appendix 2 of ATP's executive order on accounting issued by the Danish Financial Supervisory Authority (Executive Order on Financial Reporting by ATP, Executive Order no. 1600 of 14 December 2023).

	Carrying amount as of 2023		Return p.a. before tax on pension savings returns per cent
	DKK million		
	Beginning of year	End of year	
Assets associated with Life annuity with market exposure			
Land and buildings	268	255	(5.1)%
Listed equity investments	305	888	9.0%
Unlisted equity investments	633	629	5.0%
Total capital shares	939	1,516	8.8%
Government and mortgage bonds	436	841	13.3%
Index-linked bonds	56	146	(8.9%)
Credit bonds and emerging market bonds	158	235	10.1%
Loans, etc.	17	18	1.6%
Total bonds and loans	667	1,241	10.3%
Other investment assets	(137)	(224)	n/a ¹
Financial derivatives entered into for the purpose of hedging the net change of assets and liabilities	28	33	n/a ¹
Total investment assets	1,765	2,822	8.2% ²

¹ The two asset classes 'Other investment assets' and 'Financial derivatives entered into for the purpose of hedging the net change in assets and liabilities' only contain derivatives, and their primary purpose is to hedge investment currency risk and guaranteed benefits interest risk, respectively. It therefore does not make sense to state separate returns figures for these asset classes.

² The return percentage differs from the return on the market return portfolio of 9.1 per cent as the latter return target is calculated in relation to the provision for Life annuity with market exposure. The figures are not directly comparable with note 13 as these are calculated according to different principles. Please refer to the description of ratios in Appendix 2 of ATP's executive order on accounting issued by the Danish Financial Supervisory Authority (Executive Order on Financial Reporting by ATP, Executive Order no. 1600 of 14 December 2023).

Note 27: Specification of ATP's pension provisions

2023						
DKK million	Guaranteed benefits	Life annuity with market exposure	Risk adjustment	Long-term supplementary provision	Bonus potential	Total
Pension provisions, start of year	538,634	1,382	954	37,265	99,572	677,806
Change in provisions for the period						
Contributions	7,581	1,600	10	907	2,526	12,624
Pension benefits	(18,562)	-	-	-	-	(18,562)
Change of calculation interest rate	19,078	-	-	1,420	-	20,498
Change due to maturity reduction	14,122	-	-	(1,272)	-	12,850
Change due to life expectancy update	(1,809)	3	-	(76)	1,881	-
Change due to return	-	204	-	618	6,748	7,570
Change due to bonus	5,696	-	-	115	(5,811)	-
Transfer between Life annuity with market exposure and guaranteed benefits	3	(3)	-	-	-	-
Transfer between LSP and BP	-	-	-	0	0	-
Other changes	222	12	(128)	217	(886)	(564)
Total change in provisions for the period	26,332	1,816	(118)	1,928	4,458	34,416
Pension provisions, end of year	564,966	3,198	835	39,193	104,030	712,222

2022						
DKK million	Guaranteed benefits	Life annuity with market exposure	Risk adjustment	Long-term supplementary provision	Bonus potential	Total
Pension provisions, start of year	787,809	-	-	-	159,537	947,346
Effect of IFRS 17 implementation and new business model	(44,678)	0	1,285	59,683	(16,289)	0
Pension provisions – restated at the beginning of the year	743,131	0	1,285	59,683	143,248	947,346
Change in provisions for the period						
Contributions	5,993	1,464	7	763	3,775	12,002
Pension benefits	(18,141)	-	-	-	-	(18,141)
Change of calculation interest rate	(200,664)	-	-	(21,527)	-	(222,190)
Change due to maturity reduction	11,622	-	-	(1,729)	-	9,892
Change due to life expectancy update	(3,489)	(5)	-	(393)	3,887	-
Change due to return	-	(73)	-	-	-	(73)
Change due to bonus	-	-	-	-	(50,377)	(50,377)
Transfer between Life annuity with market exposure and guaranteed benefits	-	-	-	-	-	-
Transfer between LSP and BP	-	-	-	-	-	-
Other changes	182	(4)	(338)	469	(961)	(652)
Total change in provisions for the period	(204,497)	1,382	(331)	(22,418)	(43,676)	(269,539)
Pension provisions, end of year	538,634	1,382	954	37,265	99,572	677,806

Accounting policies and significant estimates and assessments

This section includes the overall description of accounting policies and significant accounting estimates and assessments.

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Note 28: New accounting regulations

Implementation of changes to the 'Executive Order on Financial Reporting by ATP'

As of 1 January 2024, the 'Executive Order on Financial Reporting by ATP' was changed and updated in a number of areas. It is possible to apply the executive order already from 2023, which is what ATP has chosen. The most significant change affecting the Annual Report is related to the implementation of IFRS 17 and the update of ATP's business model. See below for more information.

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:

- IFRS17, Insurance Contracts
- Amended IAS1, Information about accounting policies
- Amended IAS8, Definition of accounting estimates
- Amended IAS12, 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 Annual Report for the ATP Group and ATP.

IFRS17, 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 enter into contracts with its members, as the 'contract' between ATP and its members is defined in legislation. The 'contract' between ATP and its members is implicitly an insurance contract which is covered by IFRS 17.

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 members, 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 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 provision are included, cf. below, regardless of whether they are expected to be paid out to current or future members.

Discounting

The discounting factors used to measure the value of the guaranteed benefits are calculated based on an underlying yield curve, cf. note 16, page 95. 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 term.

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 does not impact 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. In addition, the risk adjustment is deducted and returns from the Supplementary Hedging portfolio (after tax) are transferred to 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 comprises expected pension benefits and expected expenses that were included in the pension provisions at the beginning of the reporting period. Insurance service expenses comprise pension benefit payments as well as administrative and investment expenses. Financial insurance income or expenses comprise 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 type of equity to which the profit for the year is transferred via the disposition of the result. Under IFRS 17, the bonus potential is part of the pension provisions and not treated as a kind of equity, 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 supplementary provision. The interest accrued to the bonus potential means that the income statement for ATP will show a result of 0.

Contributions 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 are comprised of pension liabilities which are distributed to members either as a guaranteed benefit or as 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.

Due to the implementation of IFRS 17 and a retrospective change in accounting policies, comparative figures for the balance sheet at the end of 2021 are presented in accordance with IAS 1.

Note 28: New accounting regulation, continued

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

When implementing IFRS 17, ATP has applied the retrospective method and measured the pension provisions retrospectively.

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 of 1 January 2023 have been adjusted and the impact on the individual items can be seen on the table in the right column. In the table and in the notes for the Annual Report, the start of year effect will cover both direct changes due to IFRS 17 and how ATP chooses to implement the changes in combination with a changed hedging strategy with the establishment of the Long-term supplementary provision.

The comparative figures for 2022 have been adjusted to the same principles as for 2023. This means that the result for 2022 changes, with the most significant differences being as follows:

The result from investment and hedging is transferred directly to the bonus potential.

The result from 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 13.2bn.

The result of pension and life expectancy updates changes by a total of DKK (7.3)bn as the contribution payments and life expectancy updates pursuant to IFRS 17 should not appear on the income statement as they impact future payments.

Financial statement item (DKKbn)	IFRS4	IFRS17
Guaranteed benefits	573.8	538.6
Life annuity with market exposure	1.4	1.4
Risk adjustment	-	1.0
Long-term supplementary provision	-	37.3
Bonus potential	102.6	99.6
Total pension provisions	677.8	677.8

Standards and interpretations that have not yet taken effect

A number of changed standards have been issued that are expected to be implemented in 2024 or later. None of these are expected to have a significant impact on the submission of the financial statements.



Note 29: Accounting policies

The consolidated financial statements and ATP's Annual Report for 2023 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with additional Danish disclosure requirements as set out in the 'Executive Order on Financial Reporting by ATP' (Bekendtgørelse om finansielle rapporter for Arbejdsmarkedets Tillægspension).

When preparing the consolidated financial statements and the parent company financial statements, Management assumes a number of estimates and preconditions that affect the accounting value of assets and liabilities as well as income and expenses. Note 30 details the accounting assessments performed by Management in connection with the application of accounting policies and estimates which are considered material for the preparation of the consolidated financial statements and parent company financial statements. Accounting estimates for specific items are set out in the individual notes.

In addition to the implementation of new and amended accounting standards as described in note 28, the accounting policies for domicile properties have been changed for 2023. As of 2023, domicile properties are recognised in the same way as investment properties with fair value adjustments through the income statement.

All figures are presented in DKK million unless otherwise stated. The totals stated are calculated on the basis of actual figures, and the rounding off to nearest DKK million may result in minor differences between the sum of individual figures and totals stated.

Materiality in presentation

When preparing the consolidated financial statements and the parent company financial statements, Management performs an assessment about their presentation. In this context, it is taken into account that the content of the Group and parent company financial statements is significant to the reader. In the presentation of the Group's and ATP's assets, liabilities, financial position and performance, it is assessed whether it would be beneficial to aggregate less significant amounts.

The assessment of materiality and relevance in the presentation has resulted in changes to the presentation of some notes relative to the Annual Report for 2022.

Consolidation

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

A Group overview is available on page 58.

Foreign currency translation: Functional currency and presentation currency

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

Conversion of transactions and amounts

Transactions in currencies other than the functional currency are foreign currency transactions. Foreign currency transactions are converted into the functional currency at the exchange rate prevailing at the transaction date. Investment assets, receivables and payables in foreign currencies are converted into the functional currency at the exchange rate prevailing at the statement of financial position date. Realised and unrealised exchange gains and losses are included in the income statement under 'Financial returns'.

Income statement

Insurance income

Insurance income comprises expected retirement benefits, projected expenses and the expected run-off of risk adjustment for non-financial risks included in the pension provisions at the beginning of the financial year. The year's contributions, which are comprised of reported and collected contributions minus labour market contributions, are recognised as a balance sheet item under pension provisions. Contributions are recognised as insurance income as insurance services are provided in the form of payments and as expenses are incurred for administration and investment management.

Expenses for insurance service

Insurance service expenses consist of the year's

pension benefit payments as well as administrative and investment expenses.

Paid out retirement benefits comprise personal pensions, spouse pensions and capitalised benefits for the year. Benefits prepaid are accrued on the statement of financial position and presented under the item 'Other prepayments and accrued income'.

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

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

Expenses incurred in connection with the administration of ATP Livslang Pension (Lifelong Pension) cover administration expenses related to the management of the pension scheme, including SUPP (Supplementary Labour Market Pension Scheme for Disability Pensioners). These expenses include direct and indirect expenses related, for example, to pay and remunerations, IT operations, amortisation of internal development projects and depreciation on property, plant and equipment.

Financial returns

Financial return includes interest income, interest expenses, dividends and value adjustments on the financial assets and liabilities included in the Investment and Hedging portfolios, respectively. Returns on investment also include income from investment properties. Income from investment properties is comprised of the rental income from investment properties for the year and sale of timber from forestry properties less property management and operating expenses for forestry properties.

Financial insurance income or expenses

Includes changes in the discount rate and maturity reduction for the guaranteed benefits and Long-term supplementary provision. In addition, the item includes the transfer of interest allocated to Life annuity

with market exposure, the bonus potential and the Long-term supplementary provision.

Tax on pension savings returns and corporate income tax

Tax on pension savings returns comprises current tax on pension savings returns for the year, changes in deferred tax on pension savings returns, and prior year adjustments, if any.

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

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

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

Corporate income tax is recognised according to the same principles as tax on pension savings returns.

Other income/expenses

Other income/expenses include minority interests' share of returns, expenses and income tax.

Other income

Other income includes income for the year from the sale of administration services to external clients as well as related parties. In addition, other customary income for the year that cannot be attributed to the result of insurance and investment activities is recognised.

Other expenses

Other expenses include expenses incurred in connection with the administration of a number of major schemes. These expenses include direct and indirect expenses related, for example, to wages and remuneration, IT operations and amortisation of internal development projects.

Note 29: Accounting policies, continued

Statement of financial position

Financial assets and liabilities

The buying and selling of financial assets and liabilities are recognised on the transaction date if the conditions for an ordinary purchase or sale have been met. If the conditions are not met, the financial assets and liabilities are recognised on the settlement date. A change in the fair value between the trading date and the settlement date is recognised in the income statement for financial assets measured as the fair value above the income statement.

Financial assets and liabilities are measured at the fair value at the first recognition and subsequently measured at either fair value or amortised cost.

Financial assets

The following financial assets are measured after the initial recognition at fair value as a result of ATP's business model:

- Bonds
- Loans, including loans to group subsidiaries
- Receivables from reverse transactions

The assets and liabilities specified above are managed and assessed based on fair value in accordance with the Group's risk management strategy, and are therefore measured at fair value with value adjustment via the income statement.

The financial assets below are not based on cash flows consisting of payment of principal and interest, and are therefore measured at fair value after initial recognition:

- Listed equity investments and unlisted capital shares, including investments in subsidiaries and associates and joint ventures
- Financial derivatives

Other financial assets are measured after initial recognition at amortised cost price.

Financial liabilities

Financial derivatives with a negative market value must be recognised at fair value, while it has been decided to recognise payables resulting from repo transactions at fair

value with value adjustment through the income statement as they are managed and assessed based on fair value in accordance with the Group's risk management strategy.

Other financial liabilities are subsequently measured at amortised cost.

Adjustments to the fair value of financial assets and liabilities are recognised on an ongoing basis in the income statement under 'Financial returns'. With regard to debt from repo transactions, the portion of the fair value changes that is attributable to changes in ATP's own credit risk is recognised in 'Other comprehensive income.' Due to ATP's strong financial position and the short maturity of the repo transactions, the impact of ATP's credit risk is assessed as being insignificant.

Determination of fair value

For financial assets and liabilities that are traded in a market, the official market price is used. Measuring listed equities and financial assets and liabilities is based on closing prices from relevant stock exchanges while bid prices are used for listed bonds. If, in respect of bonds, there have been no updated external prices within the previous two trading days prior to the balance sheet date, a theoretical price is calculated and the bonds are registered as 'observable input' in the fair value hierarchy.

For other financial assets and liabilities, the fair value determination represents ATP's most objective estimate of the current fair value of financial assets and liabilities, based on the most unambiguous and uniform guidelines possible and, to some extent, supported by management estimates. When determining these estimates, the following methods are applied:

Bonds, interest-based investment assets and liabilities
For investments in bonds for which no active market exists, yield curves with the addition of yield curves and investment-specific premiums are used.

Unlisted equity investments, including investments in subsidiaries and associates and joint ventures
Private equity investments consist of investments in portfolio funds, direct equity investments, direct equity investments in portfolio companies and real estate funds.

Portfolio funds
For a significant portion of the investments in portfolio funds, the valuation is based on reporting received from

portfolio funds. Equity investments in portfolio funds are generally measured using the IPEV Valuation Guidelines under which equity investments are measured at fair value on the reporting date. Listed equity investments in portfolio funds are measured at the closing rate of the relevant stock exchange. For unlisted equity investments for which no quoted price exists, the equity investments are measured on the basis of the latest market price, either in connection with a round of capital increases resulting in a change in ownership or in connection with a partial sale, based on the value of comparable companies.

Direct equity investments

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

Direct equity investments in portfolio companies

Direct equity investments in portfolio companies consist of co-investments together with portfolio funds and are valued using traditional valuation methods and as described above for portfolio funds. The following factors are included in the determination of fair value:

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

Real estate funds

Private equity investments in real estate funds are measured primarily on the basis of the valuations performed by the real estate funds. The measurement is based on a valuation model that measures the fair value of the equity where the fair value of the underlying properties is reflected on an ongoing basis. The

fair value of the real estate is usually determined on the basis of valuations performed by external estate agents and market assessors. In addition, the managers of the funds regularly perform an internal valuation based on changes in market conditions, which is typically reflected in an adjustment of the required rate of return. Other factors such as the stability of the real estate cash flow, market rent level, location and tenant quality are included in the valuation.

Loans

Valuation of loans is based on discounting of expected future cash flows to net present value using relevant yield curves and investment-specific credit spread premiums.

Receivables and debt from repo/reverse transactions

Includes repo and reverse transactions, i.e. the purchase/sale of securities where, as part of the agreement, an agreement is concluded regarding selling back/buying back at a later time. In reverse transactions, the securities purchased are not included in the statement of financial position, and the amount paid is recognised as a receivable. In repo transactions, securities sold are still included in the statement of financial position and the amount received is recognised as a liability. On initial recognition, receivables from and debts from repo and reverse transactions are recognised at fair value and subsequently measured at fair value. Interest received and paid is recognised across the duration of contracts. Valuation of repo activities is based on discounting of expected future cash flows using relevant yield curves.

Financial assets and liabilities at amortised cost

Other receivables
Other receivables, which primarily comprise incomplete transactions, contributions receivable and rent receivable, are measured at amortised cost. Amortised cost is usually equivalent to nominal value.

Provisions are made for expected losses on ATP contributions receivable and rent receivable based on a simplified provision matrix, using a fixed provisions percentage depending on how many days the receivable remains overdue. The provision rate is based on historical data.

Provisions for expected losses are deducted directly from the asset items to which the provisions relate,

Note 29: Accounting policies, continued

while period changes are recognised in the income statement.

Other liabilities

Includes 'Payables to group subsidiaries' and 'Other payables', measured at amortised cost, essentially equivalent to nominal value.

Financial derivatives

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

Changes in the fair value of financial derivatives are recognised in the income statement as they occur. Financial derivatives with a positive fair value are recognised in the statement of financial position as assets, while financial derivatives with a negative fair value are recognised in the statement of financial position as liabilities. Listed futures for which the margin is calculated on a daily basis are considered to be settled for which reason the market value is recognised at DKK 0.

Other cash and cash equivalents received as part of a margin settlement are recognised in the statement of financial position, given that ATP has the right of disposal of margin account balances. Securities which, as part of collateral security, have only been formally assigned to ATP's ownership are not recognised in the statement of financial position, given that ATP neither bears the risk nor benefits from the return on these securities. Similarly, securities which ATP has only assigned formally to counterparties as part of collateral security are still recognised in ATP's statement of financial position. ATP enters into foreign exchange contracts with external counterparties on behalf of several of the Group's subsidiaries.

Investments in group subsidiaries

Equity investments in group subsidiaries are managed and assessed based on fair value in accordance with ATP's risk management and investment strategies.

Reporting to the ATP Group Management is also based on this, for which reason ATP has selected the option in IAS 27 to recognise and measure equity investments in group subsidiaries in accordance with the regulations of IFRS 9. Cash flows from equity investments in group subsidiaries do not consist of payment of principal and interest, meaning that equity investments in group subsidiaries are recognised and measured at fair value with value adjustment via the income statement.

No minority interests are deemed to own a significant share of the group subsidiaries.

Investments in associates and joint ventures

Associates are entities in which the Group has a significant but not controlling interest. Significant interest is typically achieved through direct or indirect ownership or disposal of more than 20 per cent of the voting rights, but less than 50 per cent. In the assessment of whether the Group has a significant interest, potential voting rights that may be exercised at the statement of financial position date are taken into account. Joint ventures include entities whose activities are jointly controlled by the Group, which is generally the case if the Group holds 50 per cent of the voting rights.

In accordance with IAS 28, ATP and the ATP Group have decided to recognise and measure investments in associates and joint ventures under the provisions of IFRS 9. Cash flows from equity capital shares in associates and joint ventures do not consist of payment of principal and interest, and investments in associates and joint ventures are therefore recognised and measured at fair value with value adjustment through the income statement.

Investments in associates and joint ventures are often structured as a combination of share equity investment and loans. Where all investors hold proportionally identical shares of both loans and equity investment and where the company has no significant debt financing, the risk of the loan is considered to be identical to the risk of the equity investment. Such loans are presented as an integral part of the investment in the associate or joint venture – both in internal management reporting and in external reporting. Loans that are an integral part of the investment in the associate or joint venture are recognised and measured at fair value.

Equity investments in associated companies and joint ventures are presented under the 'Unlisted equity investments' item in the financial statements.

Investment properties

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

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

The periodisation of rental discounts in the form of rent-free periods, gradual phasing in of market rate rents and other incentive agreements are an integral part of the value of investment properties. The periodisation is adjusted each year via rental income by an amount that is the difference between the year's invoiced rental income and the calculated period-adjusted rental income.

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

Forestry investment properties

Forestry investment properties include land planted with woodlands that are held for the purpose of generating income from the sale of timber and capital gains.

On initial recognition, investment properties are recognised at cost including transaction expenses, and subsequently at fair value. The measuring of forestry investment property fairly is based on a weighted average of fair values of a variety of models. The most commonly applied models include recent sales of comparable forestry investment properties adjusted for size, location and types of timber and DCF models discounting expected future income from the sales of timber and land.

The fair value is determined by external valuing experts specialising in forestry investment properties.

Owner-occupied properties

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

Owner-occupied properties are recognised at cost and subsequently measured at fair value using a revaluation model. Revaluation is performed at the end of each quarter. The fair value of owner-occupied properties is assessed using the principles applied to the Group's investment properties.

Revaluations and write-downs of a property from cost price to fair value are recognised in the income statement.

On initial recognition, leasing assets are measured at cost, corresponding to the discounted value of the expected rent payments. The leasing period, which forms the basis for calculating the rent liability, corresponds to the period for which ATP, as the lessee, is entitled and expects to make use of the underlying assets.

Subsequently, the leasing asset is measured at cost less accumulated amortisation and depreciation. The leasing asset is amortised across the shorter period of

Note 29: Accounting policies, continued

the leasing period and the working life of the leasing asset and amortisations are calculated as straight-line in the income statement.

On initial recognition, leasing liabilities are measured at amortised cost and a calculated interest cost is recognised in the income statement.

Intangible assets

Intangible assets only include internal development projects.

Internal development projects

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

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

Write-down test

Intangible assets are evaluated yearly for indications of value impairment.

In case of indications of depreciation, impairment test is performed for each asset or group of assets. A write-down is then made to the recoverable amount if this is lower than the accounting value. The recoverable value is the highest value of the capital value and the sale value minus expected sale costs. The capital value is measured as the current value of expected net cashflows from the use of the asset or group of assets and expected net cashflows from the sale of the asset or group of assets after use.

Guaranteed benefits

Guaranteed benefits are calculated as the sum of the fulfilment cash flows, which consist of the expected future cash flows discounted using the relevant yield curve and a risk adjustment for non-financial risks, cf. below. Guaranteed benefits include unpaid pension benefits due in respect of events having occurred during the financial year or earlier (provisions for claims outstanding).

The discount rate is calculated in accordance with the provision basis reported to the Danish Financial Supervisory Authority, based on the zero coupon yield curve at the statement of financial position date, reflecting the term of the guaranteed benefits. In 2023, the yield curve is adjusted to add an illiquidity spread and a forward rate of 3 per cent is used for liabilities over 30 years, cf. note 28, page 124. The rate thus calculated has been reduced by the tax rate under the Danish Pension Savings Returns Act (Pensionsafkastbeskatningsloven), currently accounting for 15.3 per cent.

Changes related to changes in market interest rates and changes in the shortening of maturities are recognised in Financial insurance income or expenses. Changes related to the year's paid contributions, life expectancy updates and bonuses are not recognised in the income statement but as a direct balance sheet entry.

Life annuity with market exposure

The provisions for Life annuity with market exposure are measured at the capital value of ATP's pension liabilities for life annuity with market exposure. The capital value is calculated with an interest rate of 0 per cent, as the pension entitlements are written up or down with the realised returns up to the balance sheet date.

Risk adjustment

The provision for risk adjustment reflects the compensation that ATP makes to take into account the uncertainty associated with non-financial risks in the calculation 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. The risk adjustment is calculated by rec-

ognising the value of the reduced investment capacity due to the existence of non-financial risks.

The guaranteed benefits, Life annuity with market exposure and risk adjustment together make up the **total pension liabilities**.

The undistributed funds are recognised at the amount corresponding to the carrying amount of the total assets minus the pension liabilities and the sum of the carrying amount of other liabilities.

The undistributed funds contain the items:

Long-term supplementary provision

The long-term provision is undistributed funds that ATP has chosen to manage more long-term than the bonus potential. The provision is calculated in accordance with the provision basis notified by ATP to the Danish Financial Supervisory Authority. The Long-term supplementary provision is given by the guaranteed benefits calculated with the market yield curve without illiquidity spread minus the guaranteed benefits calculated with the market yield curve with illiquidity spread. In addition:

- the risk adjustment is deducted,
- the accumulated return in the Supplementary Hedging Portfolio is added and
- the accumulated transfers to the bonus potential are deducted.

Bonus potential

The bonus potential represents reserves which, apart from the Long-term supplementary provision, have not been distributed to ATP's members. The bonus potential is equivalent to the carrying amount of total assets related to ATP minus guaranteed benefits, Life annuity with market exposure, risk adjustment, Long-term supplementary provision and the sum of the carrying amount of ATP's other liabilities.

The reserves can be distributed as bonus. The bonus accrual is transferred to the guaranteed benefits and Life annuity with market exposure as a balance sheet item and does not affect the income statement and statement of comprehensive income. The financial return for the year after tax minus changes in the calculation interest rate and maturity reduction as well as the return attributed to Life annuity with market exposure and Long-term supplementary provision constitute the return on the bonus potential for the year. The return

on the bonus potential, which is recognised in the income statement item 'Financial insurance income or expenses', means that the income statement for ATP will show a 0 result. A proportion of the year's contributions, the discharge of expected payments and expenses and life expectancy updates are transferred to the bonus potential. The bonus potential thus increases and decreases in line with the size of the annual return on the bonus potential, payments, discharges, life expectancy updates and bonus accrual.

Cash flow statement

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

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

Cash flows from investment activities include purchases and sales for the financial year of bonds, equity investments, financial derivatives, loans, repo and reverse transactions, investment properties, as well as intangible assets and operating equipment.

Cash flows from financing activities include minority interest transactions for the financial year.

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

Note 30: Significant accounting estimates and assessments

In the preparation of the consolidated financial statements and parent company financial statements, the Management make estimates, set assumptions and make assessments that affect the reported accounting elements.

Accounting assessments

Management has conducted a range of assessments in connection with the application of the Group's accounting policies. The primary accounting assessments relate to the following areas:

Measurement of forestry investment properties

Forestry investment properties consist of biological assets (trees), land and CO₂ quotas. ATP considers forestry investment properties as an aggregate and integrated investment asset, due to the fact that realisation of forestry investment properties usually happens via the sale of the total property including land and CO₂ quotas and only to a small degree takes the form of harvesting and selling of the biological assets. Forestry investment properties are therefore considered an aggregate unit which is recognised at fair value with value adjustments via the income statement and is presented as a part of 'Investment properties'.

DKK is the functional currency of all subsidiaries

The ATP Group makes investments across the globe and therefore also holds foreign subsidiaries. It is a characteristic of foreign subsidiaries that they act as investment companies with no independent operating activities, since the purpose of these investments, and other Group investments generally, is to invest the members' contributions and to obtain a return that will safeguard stable pension benefits to the members in DKK. It is the assessment of the Management that the relevant currency for measuring and valuing these investments should also be DKK.

ATP's business model

ATP's business model is to manage and value assets and liabilities based on changes to the fair value in keeping with ATP's risk management strategy. For this reason, guaranteed benefits and associated investment assets are measured at fair value with recognising of value adjustment via the income statement, regardless of the fact that some investment assets in essence satisfy the conditions for measuring at amortised cost price, including bonds, loans and receivables from banks.

Capital assets held for sale

The ATP Group makes continuous adjustments to the invested capital, in which connection management decisions are continuously made regarding the sale of assets. This also includes illiquid assets with a longer sale process. The Management may decide, for example, to sell one property rather than investing in other properties which are at a different developmental stage or in another location. ATP considers this to be continuous portfolio management and does not consider the assets as 'assets held for sale' in accordance with IFRS 5.

Measuring associated companies, joint ventures and group subsidiaries at fair value

Associated companies and joint ventures are measured in the consolidated financial statements and the parent company financial statements at fair value in accordance with IFRS 9 with reference to the special provisions of IAS 28, associated companies, applicable to certain investment companies, including pension companies. Capital shares in group subsidiaries are also measured at fair value in ATP's annual accounts. The management justifies this policy by these investments being considered equal to other investments in ATP's business model, in which assets and liabilities are managed and assessed on the basis of changes to the fair value in accordance with ATP's risk management strategy cf. the above description of ATP's business model.

Capitalisation of pension yield tax losses to be carried forward

ATP's taxable income can be strongly impacted by changes to interest rates where interest rates will lead to price declines on the holdings of bonds and swaps. This mainly originates from the Hedging activities, where fluctuations have no impact on the ability to generate future profits.

ATP is taxed on the notional gains of price changes, which is why price gains in one year can result in a large taxable income while subsequent price declines can result in tax-related losses for deferral. The tax value of a loss for deferral is activated as the management deems that the losses will be used at a future date. ATP has – when disregarding the impact of interest rate changes – an underlying positive taxable income consisting of interest income from bonds, loans and swaps and income from investment properties and forest investments that can be offset in the taxable losses for deferral.

Presentation of loans forming an integral part of investments in equities

Investments in associated companies and joint ventures and equity investments in other companies are often structured as a combination of equity investment and loans to the companies in question. In such instances where all investors hold proportionally identical shares of both loans and equity investment and where there is no significant external financing in the company generally, the risk of the loan is considered to be identical with the risk of the equity investment. ATP considers such loans as an integral part of the equity investment and therefore presents both the loan and the equity investment as equity investments which are both measured at fair value with value adjustments via the income statement.

Accounting estimates

Measuring the accounting value of certain assets and liabilities requires estimations and assumptions regarding future events. The management base their estimates on historical experience and on various other factors that are believed to be reasonable and relevant

under the circumstances. ATP's management considers the following estimations to be central to the preparation of the consolidated financial statement:

- Estimates related to determining fair value of equity investments, bonds and loans are described in notes 10 and 11.
- Estimates related to the valuation of the Group's investment properties are described in note 12.
- Estimates related to the valuation of the Group's derivatives are described in note 14.
- Estimates related to valuing guaranteed benefits are primarily concerned with discounting factor and future life expectancy for ATP's members. For Life annuity with market exposure, the estimates only concern expectations about future life expectancies. Note 16 states the primary assumptions applied in connection with valuing guaranteed benefits.

Internal audit statement

To the Board of Representatives

Opinion

We have audited the consolidated financial statements and parent company financial statements of the Danish Labour Market Supplementary Pension Fund (ATP) for the financial year 1 January to 31 December 2023, comprising the income statement, statement of comprehensive income, statement of financial position, cash flow statement and notes, including the accounting policies for the Group as well as the Parent Company. The consolidated financial statements and parent company financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with additional Danish disclosure requirements as set out in the 'Executive Order on Financial Reporting by ATP' (available in Danish only).

In our opinion, the consolidated financial statements and parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position as of 31 December 2023 and of the financial performance and cash flows of the Group and the Parent Company for the financial year 1 January to 31 December 2023 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with additional Danish disclosure requirements as set out in the 'Executive Order on Financial Reporting by ATP' (Bekendtgørelse om finansielle rapporter for Arbejdsmarkedets Tillægspension –available in Danish only).

Basis of opinion

We have conducted our audit in accordance with the Financial Supervisory Authority's executive order on auditing of the Danish Labour Market Supplementary Pension Scheme, AES – the Labour Market Occupational Diseases Fund, LD – the Employees' Capital Pension Fund and in accordance with international auditing standards and any additional requirements applicable in Denmark. This requires that we comply with ethical requirements and plan and perform our audit with a view to obtaining reasonable assurance that the consolidated financial statements and parent company financial statements are free from material misstatement.

The audit is planned and executed in such a way that we have assessed the business processes and internal control procedures, including the risk management planned by the management that is directed towards the rendering of accounts and essential business risks.

An audit involves performing audit procedures to obtain au-

dit evidence about the amounts and disclosures in consolidated financial statements and parent company financial statements. The audit procedures selected depend on the auditors' judgement, including an assessment of the risks of material misstatement in the consolidated financial statements and parent company financial statements, whether due to fraud or errors. In making these risk assessments, the auditors consider internal controls relevant to the Danish Labour Market Supplementary Pension Fund's preparation of consolidated financial statements and parent company financial statements that give a true and fair view. The aim is to develop auditing actions that are appropriate for the circumstances. An audit also includes evaluating the appropriateness of the accounting policies applied by Management and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and parent company financial statements. Our audit has covered the significant aspects and areas of risk, and we believe that the auditory evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the consolidated financial statements and parent company financial statements does not include the management's review, and we do not express any kind of opinion on the management's review.

In connection with our audit of the consolidated financial statements and the parent company financial statements, it is our responsibility to read the management's review and in this connection consider whether it is significantly inconsistent with the consolidated financial statements, the Parent Company's financial statements or the knowledge we gained during the audit or if there is otherwise found to be significant misinformation.

It is furthermore our responsibility to consider whether the management's review contains the information required pursuant to the 'Executive Order on Financial Reporting by the Danish Labour Market Supplementary Pension Fund (ATP)'.

Based on the work performed, we believe that the management's review is in accordance with the consolidated financial statements and parent company financial statements and has been prepared in accordance with the 'Executive Order on Financial Reporting by the Danish Labour Market Supplementary Pension Fund (ATP)'. We have not found any material misstatement in the Management's review.

Hillerød, 7 February 2024

Per Graabæk Ventzel
Chief Auditor

Independent auditors' report

To the Board of Representatives

Opinion

We have audited the consolidated financial statements and parent company financial statements of the Danish Labour Market Supplementary Pension Fund (ATP) for the financial year 1 January to 31 December 2023, comprising the income statement, statement of comprehensive income, statement of financial position, cash flow statement and notes, including the accounting policies for the Group as well as the Parent Company. The consolidated financial statements and parent company financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with additional Danish disclosure requirements as set out in the 'Executive Order on Financial Reporting by ATP' (available in Danish only).

In our opinion, the consolidated financial statements and parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position as of 31 December 2023 and of the financial performance and cash flows of the Group and the Parent Company for the financial year 1 January to 31 December 2023 in accordance with the International Financial Reporting Standards (IFRS) as adopted by the EU and in accordance with additional Danish disclosure requirements as set out in the 'Executive Order on Financial Reporting by ATP' ('Bekendtgørelse om finansielle rapporter for Arbejdsmarkedets Tillægspension').

Our opinion is consistent with our audit statement to the Audit Committee and the Supervisory Board.

Basis for opinion

We conducted our audit in accordance with international auditing standards and the additional requirements applicable in Denmark. Our responsibility according to these standards and requirements is described in detail in the section 'Auditors' responsibility for the audit of the consolidated financial statements and parent company financial statements' in the auditors' report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountant's international guidelines for accountant ethics (IESBA Code) and the additional ethical requirements that apply in Denmark, and we have also fulfilled our other ethical obligations pursuant to these requirements and the IESBA Code. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the best of our knowledge, no prohibited auditing services have been provided pursuant to Article 5(1) of EU Directive 537/2014.

We were initially selected as auditors for the Danish Labour Market Supplementary Pension Fund on 4 February 2009, and have been re-elected annually by representative vote for a total period of 15 years up to and including fiscal year 2023. We were re-elected on 9 February 2019 following a tender procedure.

Key audit elements

Key audit elements are those elements which, in our professional opinion, were most important to our audit of the consolidated financial statements and parent company financial statements for the fiscal year 1 January – 31 December 2023. These elements were processed as a part of our audit of the consolidated statements and parent company financial statements as a whole and the preparing of our opinion regarding this. We do not provide any separate opinion about these elements.

Implementation of the new executive order on financial reporting, including the international accounting standard IFRS 17 on Insurance Contracts	
Key element	<p>With effect from financial year 2023, ATP has implemented the Executive Order on Financial Reports for ATP of 12 December 2023, including implementation of the international accounting standard IFRS 17 on Insurance Contracts.</p> <p>This has resulted in significant impact on the presentation of the income statement, the subdivision of the pension provisions and notes, and a change in the discount rate used to calculate the pension provisions.</p> <p>We refer to accounting policies, note 28, for a further description and quantification of the amount-related effect. In summary, the changes have resulted in the bonus potential being reduced by DKK 3bn as of 1 January 2023</p> <p>IFRS 17 is a complex accounting standard that requires significant interpretations and assumptions in connection with its implementation.</p> <p>We have therefore determined that the implementation of IFRS17 is a key audit matter, in particular in relation to interpretations and assumptions in connection with the restatement of items and notes as well as the method for discounting provisions.</p>
Auditing the key element	<p>Based on our risk assessment, we have reviewed the interpretations and assumptions made by management in connection with the restatement of accounting items and notes as well as the method for discounting provisions.</p> <p>Our audit procedures, which involved our own national and international IFRS 17 specialists and qualified actuaries, included the following elements:</p> <ul style="list-style-type: none"> Assessing the reasonableness of management's interpretations and assumptions made in connection with the implementation of IFRS 17 and whether they are consistent with the standard. Assessment of the method used to determine the discount rate, including illiquidity premiums. Assessing whether the presentation and content of the items in the income statement, including changes in comparative figures, are in accordance with the requirements of the standard. Assessing whether the changes and content of the notes to the financial statements are in accordance with the requirements of the Danish Executive Order on Accounting and the standard.

Independent auditors' report, continued

Measuring unlisted investments	
Key element	<p>Unlisted investments account for DKK 146.1bn as of 31 December 2023 (2022: DKK 153.1bn) for the Group.</p> <p>Unlisted investments consist of investment in real estate, capital funds, infrastructure funds, private equity and credit portfolios. Measuring unlisted investments is considered a key element for the audit, as such measurement is affected by management estimates and assumptions regarding future events and particularly for 2023, the macro-economic uncertainties.</p> <p>It is our assessment that the primary risks relate to changes to assumptions and the methods and models applied. Changes to assumptions and the methods and models applied can significantly affect the measuring of unlisted investments.</p> <p>Assumptions with the greatest degree of management estimation include:</p> <ul style="list-style-type: none"> • Assessment of future cash flows • Determination of return requirement • Determination of valuation multiples • Determination of yield curve and credit spread supplement <p>Management has provided details of measurement of unlisted investments in Note 19, Financial assets and liabilities and returns and in Note 15, Fair value disclosure.</p>
Auditing the key element	<p>Based on our risk assessment, we have reviewed the valuation of unlisted investment undertaken by the management and assessed the determined assumptions and the methods and models applied.</p> <p>Our review included the following elements:</p> <ul style="list-style-type: none"> • Assessment of controls for valuation of unlisted investments, including procedures for determining assumptions. • Assessment of the preconditions with the most management estimates, including the macro-economic uncertainties and their impact on these. • Assessment of the applied methods and models by applying our industry insight and experience focusing on such issues as changes compared with the previous year.

Measuring guaranteed benefits	
Key element	<p>For the Group, guaranteed benefits represent DKK 565.0bn as of 31 December 2023 (2022: DKK 538.6bn)</p> <p>Measuring guaranteed benefits is considered a key element of the audit, as the calculation of guaranteed benefits is a complex issue which is to a large extent subject to accounting estimations based on management assessments and assumptions regarding future events. It is our assessment that the primary risks relate to changes to assumptions and applied methods and models. Changes to assumptions and applied methods and models can have significant impact on the measurement of guaranteed benefits.</p> <p>Areas involving the greatest degree of management estimates include:</p> <ul style="list-style-type: none"> • Models for valuing guaranteed benefits • Calculating future life expectancy (the life expectancy model SAINT). • Determining the discount rate. <p>The management has provided a description of the measuring of guaranteed benefits in Note 16, pension provisions.</p>
Auditing the key element	<p>Based on our risk assessment, we have reviewed the valuation of guaranteed benefits performed by Management and assessed the model applied and the determined assumptions.</p> <p>Our auditing activities, in which we have included our own, internationally qualified actuaries, have included the following elements:</p> <ul style="list-style-type: none"> • Assessment of controls in actuary models, data collection and analysis and procedures for determining assumptions. • Independent actuary assessment of applied data, methods, models and assumptions relative to accepted actuarial standards, the historic development and trends. • Assessment of changes to applied assumptions and applied methods and models relative to last year and developments in industry standards and practices. • Independent recalculation of Guaranteed Benefits in an in-house developed model based on ATP's data.

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

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

In the preparation of the consolidated financial statements and parent company financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue their operations; for providing information on matters relating to the continued operations, where relevant; and for preparing consolidated financial statements and parent company financial statements based on the going concern basis of accounting, unless Management intends to either liquidate the Group or the Parent Company or cease operations or has no other realistic alternative than doing this.

Auditors' responsibility for the audit of the consolidated financial statements and parent company financial statements

Our goal is to obtain a high degree of assurance that the consolidated financial statements and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report with an opinion. A high degree of assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international auditing standards and in accordance with additional Danish requirements will always identify material misstatement where such exists. Misstatements may arise as a result of fraud or error and may be deemed to be material if it could reasonably be expected that they, separately or collectively, affect the financial decisions made by the users on the basis of the consolidated financial statements and parent company financial statements.

As part of an audit conducted in accordance with international auditing standards and the additional requirements applicable in Denmark, we make professional judgements and maintain professional scepticism during our audit. Moreover:

- We identify and assess the risk of material misstatement in the consolidated financial statements and parent com-

pany financial statements, whether due to fraud or error, we design and perform audit procedures in response to these risks and we obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinion. The risk of not identifying material misstatement resulting from fraud is higher than in connection with material misstatement resulting from error as fraud may comprise conspiracy, forgery, deliberate omission, misrepresentation or override of internal controls.

- We obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the company's internal control.
- We determine whether the accounting policies applied by Management are appropriate and whether the accounting estimates and related information prepared by Management are reasonable.
- We express an opinion on whether Management's preparation of the consolidated financial statements and parent company financial statements based on the going concern basis of accounting is appropriate and on whether, based on the audit evidence obtained, material uncertainty is attached to events or conditions that may give rise to significant doubt about the Group's and the company's ability to continue their operations. If we express the opinion that there is material uncertainty, we must in our auditors' report draw attention to information thereon in the consolidated financial statements and parent company financial statements or, if such information is insufficient, we must modify our opinion. Our opinions are based on the audit evidence obtained until the date of our auditors' report. Future events or conditions may, however, result in the Group and the company becoming unable to continue operations.
- We consider the overall presentation, structure and content of the consolidated financial statements and parent company financial statements, including disclosures in the notes, and whether the consolidated financial statements and parent company financial statements reflect the underlying transactions and events in such a way that they provide a true and fair view thereof.
- We obtain sufficient and appropriate audit evidence about the financial information regarding the entities or business activities in the Group for use for the purpose of expressing an opinion on the consolidated financial statements. We are responsible for directing, supervising and conducting the consolidated financial statements audit. We are solely responsible for our audit opinion.

We communicate with the senior management on, among

Independent auditors' report, continued

other things, the planned scope and timing of the audit as well as significant audit observations, including any significant deficiencies in internal controls that we identify during our audit.

We also submit a statement to the senior management to the effect that we have complied with relevant ethical requirements regarding independence and notify it of all relationships and other circumstances which can be reasonably considered to affect our independence and, where relevant, any applied security measures or action taken to eliminate threats.

On the basis of the conditions communicated to the senior management, we determine which were the most significant conditions in the auditing of the consolidated financial statements and the parent company financial statements for the relevant period of time and which are therefore key auditing conditions. We describe these conditions in our auditor's statement except where legislation or other regulation prohibits the publishing of the matter or in the very rare instance where we determine that the matter should not be included in our auditor's statements because the negative consequences of this can be reasonably expected to be of greater significance than the public interest benefits of such a communication.

Statement on the management's review

The management is responsible for the management's review.

Our opinion on the consolidated financial statements and parent company financial statements does not include the man-

agement's review, and we do not express any kind of opinion on the management's review.

In connection with our audit of the consolidated financial statements and parent company financial statements, it is our responsibility to read the management's review and in this connection consider whether the management's review is materially inconsistent with the consolidated financial statements or the parent company financial statements or the knowledge obtained during our audit or in any other way appears to contain material misstatement.

It is furthermore our responsibility to consider whether the management's review contains the information required pursuant to the 'Executive Order on Financial Reporting by the Danish Labour Market Supplementary Pension Fund (ATP)'.

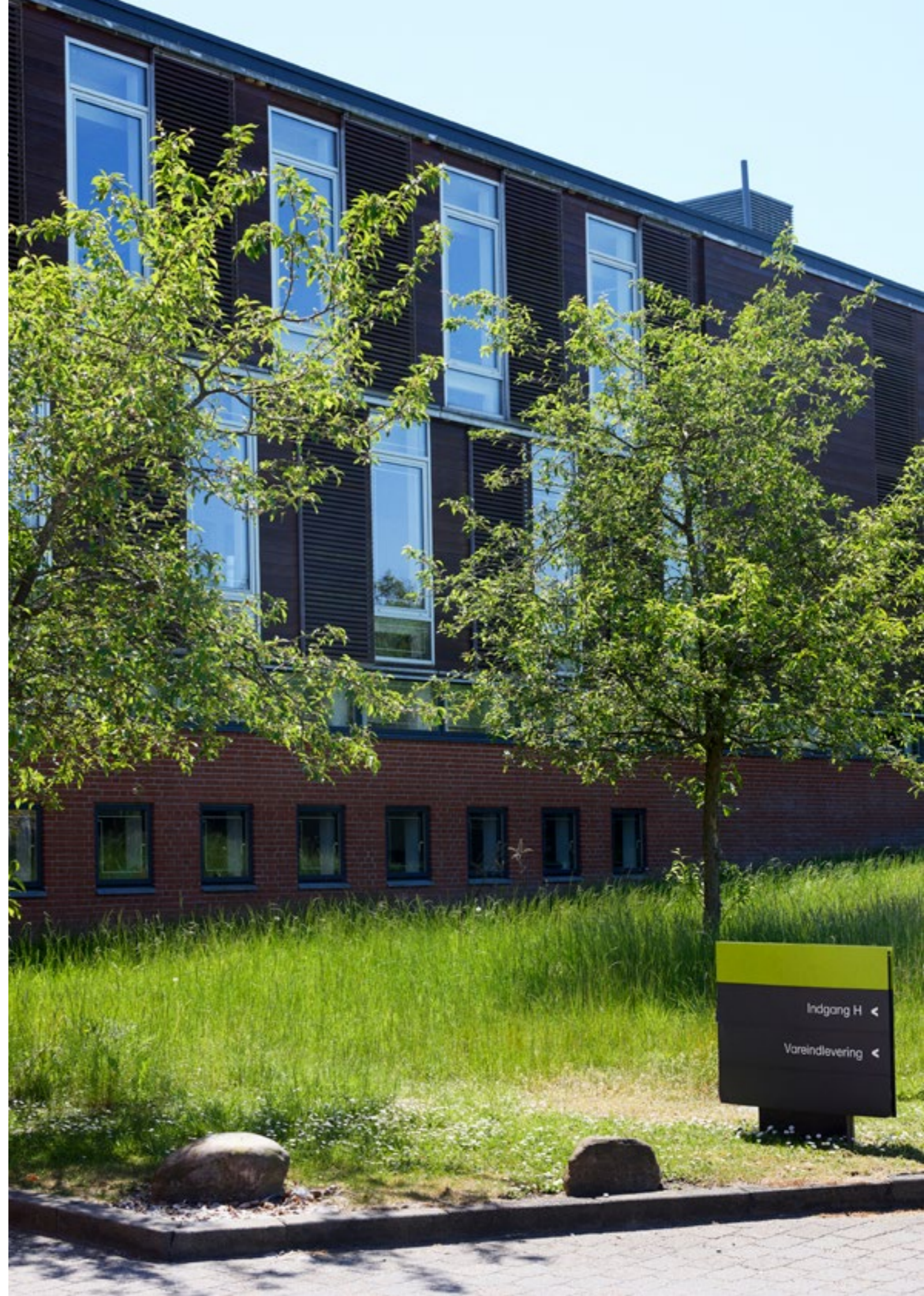
Based on the work performed, we believe that the management's review is in accordance with the consolidated financial statements and parent company financial statements and has been prepared in accordance with the 'Executive Order on Financial Reporting by the Danish Labour Market Supplementary Pension Fund (ATP)'. We have not found any material misstatement in the management's review.

Hillerød, 7 February 2024

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration (CVR) No. 33 96 35 56

Jacques Peronard
State Authorised Public Accountant
MNE No. 16613

Lars Kronow
State Authorised Public Accountant
NE No. 19708



Management positions and competencies

- 145 Other directorships held by members of Group Management
- 146 Supervisory Board competencies, other directorships, etc. 2023

Other directorships held by members of Group Management

Below is a summary of the occupations (cf. Section 24(8) of the Danish ATP Act) that the Supervisory Board has approved for persons who are appointed by the Supervisory Board according to law or the Articles of Association.

CEO (Chief Executive Officer), Martin Præstegaard

No appointments

Chief Financial Officer (CFO) Pernille Vastrup

- ATP Group
- Member of the Supervisory Board of ATP Ejendomme A/S
- Member of the Supervisory Board of ATP Private Equity Partners IV-VIII K/S
- Member of the Supervisory Board for ATP Private Equity K/S
- Member of the Supervisory Board of ATP Real Estate Partners I K/S
- Board member of Private Equity Advisors AIFM A/S
- Member of the Supervisory Board of Kapitalforeningen ATP Invest

CIO (Chief Investment Officer), Mikkel Svenstrup

- ATP Group
- Chairman of the Supervisory Board of ATP Ejendomme A/S
- Chairman of the Supervisory Board of ATP Private Equity Partners IV-VIII K/S
- Chairman of the Supervisory Board of ATP Private Equity K/S
- Chairman of the Supervisory Board of ATP Timberland Invest K/S
- Chairman of the Supervisory Board of ATP Real Estate Partners I K/S
- Chairman of the Board in Private Equity Advisors AIFM A/S

Chief Risk Officer (CRO), Kim Johansen

- ATP Group

- Member of the Supervisory Board of ATP Ejendomme A/S
- Member of the Supervisory Board of ATP Private Equity Partners IV-VIII K/S
- Member of the Supervisory Board for ATP Private Equity K/S
- Member of the Supervisory Board of ATP Real Estate Partners I K/S
- Board member of Private Equity Advisors AIFM A/S

Executive Vice President, Labour Market Pension and Insurance, Anne Kristine Axelsson

- ATP Group
- Chairman of the Supervisory Board of ATP PensionService A/S

Chief Information and Technology Officer (CITO), Haktan Bulut

- Other occupations
- Owner and CEO of FR-HB HOLDING ApS
- Member of the Board of Directors of FIVEVC ApS.

Executive Vice President and CEO (Chief Executive Officer) of Udbetaling Danmark – Public Benefits Administration, Kristine Stenhuus

- Other occupations
- Member of the Board of Directors of IT University of Copenhagen

Chief Actuary, Camilla Fredsgaard Larsen

- ATP Group
- Chief Actuary, Labour Market Insurance
- Other occupations
- Fully responsible participant in the sole proprietorship '6. Generation på Møngevej 8 v/Camilla Christina Larsen' (recreational agriculture).

Chief Auditor Per Ventzel

No appointments

Supervisory Board competencies, other directorships, etc. 2023

Chairman of the Supervisory Board Torben M. Andersen

Born: 1956

Seniority: joined the Supervisory Board in 2018 – current term expires in 2024

Competencies:

- Wide experience and knowledge of economic affairs, including developing and applying economic models
- Board appointments and chairmanships of a large number of government commissions and committees and advisory appointments in a range of countries, OECD, the World Bank and the EU Commission.
- Extensive knowledge of politics and societal matters, including stakeholder management
- Experience in the design of pension schemes, pension models and risk management
- Many years' experience from research and assessment committees
- International network experience

Education:

- Ph.D. CORE Université Catholique, Louvain-la-Neuve, Belgium
- Lic. oecon. (Ph.D.) Aarhus University
- M.Sc. London School of Economics
Participated in ATP's Board training programme at CBS

Other directorships:

- Chairman of LG (the Employees' Guarantee Fund)
- Chairman of the Supervisory Board of the Danish Labour Market Fund for Posted Workers
- Chairman of the Board of the Senior Pensions Unit
- Member of the Board of Politiken-Fonden and A/S Politiken Holding
- Deputy Chairman of the Supervisory Board of Industriens Fond

- Member of the Board of Aarhus University Research Foundation, including AUFF Holding P/S
- Member of the Board of Directors of Forskningsfondens Ejendomsselskab Erhverv P/S and Bolig P/S
- Member of Rådet for Afkastforventninger (Council for Returns Expectations), created by F&P and Finance Denmark
- Chairman of the Board of DREAM-model-gruppe (model group) and MAKRO-modelgruppe (model group)
- Chairman of Greenland Economic Council
- Member of the Economic Council
- Member of Det Systemiske Risikoråd (Systemic Risk Council), Faeroe Islands
- Member of the Board of Nationaløkonomisk Forening (National Economic Association)
- Member of the Board of Aarhus Symposium
- Member of the Board of Parkkollegierne P/S
- Member of the Rockwool Foundation's programme committee for research
- Owner of Østergaard-Stutteri Reskelund v/ Andersen og Mahler

Participation in ordinary meetings:

- Supervisory Board (Chairman) – participated in 7 out of 7 meetings
- Executive Committee (Chairman) – participated in 7 out of 7 meetings
- Audit Committee – participated in 4 out of 4 meetings
- Risk Committee (Chairman) – participated in 4 out of 4 meetings

Employer representatives

Jacob Holbraad, CEO

Born: 1968

Seniority: joined in 2015 – current term expires in 2026

Competencies:

- Management experience as CEO of Confederation of Danish Employers (DA) and management positions in public authorities
- Many years' experience with political issues, including financial policy and stakeholder management
- Experience and knowledge of economic and societal issues and analyses and the preparation and implementation of strategies and plans
- Experience and knowledge of ATP's strategy, tasks and role in society
- In-depth knowledge of national and international labour market issues

Education:

- Cand.scient.pol., Copenhagen University
- Participated in ATP's corporate governance programme at CBS

Other directorships:

- Director-General of the Confederation of Danish Employers (DA)
- Member of the Supervisory Board of LG – The Employees' Guarantee Fund
- Member of the Supervisory Board of the Danish Labour Market Fund for Posted Workers
- Member of the Board of the Senior Pensions Unit
- Member of the Economic Council
- Deputy Chairman of the Board and member of PFA's Audit Committee
- Chairman of the Board and member of the Group Audit Committee at PFA Holding A/S
- Chairman of the Board of Directors of PFA-Fonden
- Chairman of the Board of PFA Brug Livet Fonden
- Member of the Executive Committee for BusinessEurope

Participation in ordinary meetings:

- Board – participated in 7 out of 7 meetings
- Executive Committee – participated in 7 out of 7 meetings
- Audit Committee – participated in 4 out of 4 meetings

CEO (Chief Executive) Officer Lars Sandahl Sørensen

Born: 1963

Seniority: joined in 2019 – current term expires in 2024

Competencies:

- Extensive management experience, including as CEO of Confederation of Danish Industry (DI), group direct of SAS and Board memberships
- Extensive knowledge of national and international corporate and labour market issues
- Wide knowledge of politics, economics and societal matters, including stakeholder management
- Experience and knowledge of ATP's strategy, tasks and role in society

Education:

- MSc in Economics & Management, Kansai Gaidai University, Stanford University and St. Cloud University

Other directorships:

- CEO, Confederation of Danish Industries (DI)
- Member of the Supervisory Board of LG – The Employees' Guarantee Fund
- Member of the Supervisory Board of the Danish Labour Market Fund for Posted Workers
- Member of the Board of the Senior Pensions Unit
- Deputy Chairman of the Board for PensionDanmark and PensionDanmark Holding A/S
- Chairman of the Board of Directors of A/S as from 3rd June 1986
- Member of the Board at Københavns Lufthavne A/S
- Owner of Sandahl v/Lars Sandahl Sørensen

Participation in ordinary meetings:

- Board – participated in 7 out of 7 meetings

CEO (Chief Executive Officer) Brian Mikkelsen

Born: 1966

Seniority: joined in 2020 – current term expires in 2026

Competencies:

- Management experience including CEO at the Danish Chamber of Commerce, former minister for culture, justice, finance and commerce, as well as Board appointments
- Extensive knowledge of national and international corporate and labour market issues
- Wide knowledge of politics, economics and societal matters, including stakeholder management
- Experience and knowledge of ATP's strategy, tasks and role in society

Education:

- Cand.scient.pol., Copenhagen University

Other directorships:

- CEO, Danish Chamber of Commerce
- Member of the Supervisory Board of LG – The Employees’ Guarantee Fund
- Member of the Supervisory Board of the Danish Labour Market Fund for Posted Workers
- Member of the Board of the Senior Pensions Unit
- Member of the Board of PensionDanmark A/S and PensionDanmark Holding A/S
- 1st Deputy Chairman of the Board of Kraks Fond
- General Secretary for International Chamber of Commerce Denmark
- Member of the Executive Board of EWM-BM Invest ApS
- Member of the Board of Directors of Ove K. Invest A/S
- Member of Olympic Sports Forum

Participation in ordinary meetings:

- Supervisory Board – participated in 6 out of 7 meetings

Professional Board Member Vibeke Krag

Born: 1962

Seniority: joined in 2020 – current term expires in 2026

Competencies:

- Management experience as Group President of Codan A/S (2006-2014) and board appointments
- Many years’ experience with financial regulations
- Knowledge and experience related to digitisation, IT and processes
- In-depth knowledge of economic, financial, insurance and accounting issues
- Knowledge and experience related to risk management and credit issues
- Broad knowledge of companies with significant customer portfolios, investment portfolios, social impact and stakeholder management
- Experience and knowledge of ATP’s strategy, tasks and role in society

Education:

- Board Leadership Masterclass, CBS
- Strategy, Innovation, Leadership, Insead
- LL.M (Cand.jur.), Copenhagen University

Other directorships:

- Member of the Supervisory Board of LG – The Employees’ Guarantee Fund
- Member of the Supervisory Board of the Danish Labour Market Fund for Posted Workers
- Member of the Board of the Senior Pensions Unit
- Member of the Board and Chairman of the Audit Committee of Gjensidige Forsikring ASA
- Member of the Investment Advisory Board at Forenet Kredit
- Member of the Board and the Risk Committee of Nykredit A/S
- Member of the Board and the Risk Committee of Nykredit Realkredit A/S
- Member of the Nomination Committee, Copenhagen University
- Faculty member, Copenhagen Business School, CBS Executive
- Member of the Danish Competition Council, Danish Competition and Consumer Authority
- Editor, Erhvervsjuridisk Tidsskrift, Karnov Group

Participation in ordinary meetings:

- Board – participated in 7 out of 7 meetings
- Risk Committee – participated in 4 out of 4 meetings

Danish Regional Council Member, Mogens Nørgård

Born: 1957

Seniority: joined in 2022 – current term expires in 2024

Competencies:

- Management experience from, e.g., North Jutland Region and Board appointments
- Experience from, e.g., political work in the region, as a member of the Danish parliament and as the CEO of a company and renting out homes
- Extensive knowledge of politics and societal matters, including stakeholder management
- Experience and knowledge of ATP’s strategy, tasks and role in society

Education:

Vocational training programme, carpenter

Other directorships:

- 2nd Deputy Chairman, North Denmark Region

- Member of the Supervisory Board of LG – The Employees’ Guarantee Fund
- Member of the Supervisory Board of the Danish Labour Market Fund for Posted Workers
- Member of the Board of the Senior Pensions Unit
- Member of the Board of Danske Regioner
- Chairman of the Board of Directors of Hospice Vangen S/I
- Chairman of the Board of Directors of Thy-Mors HF og VUC
- Member of the Board of Directors of AMGROS
- Member of the Board of Directors of Ravnsholt Fond
- Owner of Mogens Nørgård Consult

Participation in ordinary meetings:

- Board – participated in 7 out of 7 meetings

Professional board member Anne Gram

Born: 1965

Seniority: joined in October 2023 – current term expires in 2025

Competencies:

- Many years of board experience
- Extensive experience and knowledge of financial markets, wealth management and sustainable investments
- In-depth knowledge of economic conditions and analyses as well as the development and implementation of investment strategies
- Experience and knowledge of climate change, the green transition and climate risks for investments
- Experience and knowledge of risk budgeting and management, performance measurement and evaluation
- Knowledge of ATP’s strategy, tasks and role in society

Education:

- Chartered Financial Analyst, CFA Institute
- Cand.merc.int, CBS

Other directorships:

- Member of the Board of Directors of ABP (NL)
- Member of the Supervisory Board of LG – The Employees’ Guarantee Fund
- Member of the Supervisory Board of the Danish

Labour Market Fund for Posted Workers

- Member of the Board of the Senior Pensions unit
- Chairman of the Investment Committee, IBM Pension Fund NL
- Member of the Investment Committee, Lægernes Pension Fund NL
- Member of the Investment Committee, ING Pension Fund
- Chairman of Internal Oversight, HAL Pension Fund
- Chairman of the Board of Directors of ASN Impact Investors
- Member of Sustainable Pensions Investment Lab
- Member of the Board of Eumedion
- Member of the Chartered Financial Analyst Society Netherlands

Participation in ordinary meetings:

- Supervisory Board – participated in 2 out of 2 meetings
- Risk Committee – participated in 1 out of 1 meeting

Employee representatives

Chairman Morten Skov Christiansen

Born: 1982

Seniority: joined in 2023 – current term expires in 2024

Competencies:

- Management experience as Chairman of FH, Chairman of LD and Chairman of LO Hovedstaden
- Extensive trade union and board experience from work in DSU, Dansk Metal, LO and FH.
- Extensive knowledge of politics and societal matters, including stakeholder management
- Experience and knowledge of ATP’s strategy, tasks and role in society
- Experience with pension and insurance
- Experience and knowledge related to budgeting and accounting
- In-depth knowledge of national and international labour market issues

Education:

- Electronics Mechanic from Frederiksberg Technical College
- Community Organiser in 'Movement For Change' (2012)
- Collective Labour Law 2018-2019
- CBS Board study programme

Other directorships:

- President, Danish Trade Union Confederation, FH:
- Member of the Supervisory Board of LG – The Employees' Guarantee Fund
- Member of the Supervisory Board of the Danish Labour Market Fund for Posted Workers
- Member of the Board of the Senior Pensions Unit
- Member of the Cooperation Council DKF/LO
- Chairman of the Board of LD Fonde
- Member of the Supervisory Board of the Economic Council of the Labour Movement
- Ordinary judge at the Labour Court
- Member of the Board of Governors of Danmarks Nationalbank
- Member of the Economic Council

Participation in ordinary meetings:

- Supervisory Board - participated in 5 out of 5 meetings
- Executive Committee – participated in 2 out of 4 meetings
- Audit Committee – participated in 2 out of 3 meetings

Chief Economist Jonas Schytz Juul

Born: 1979

Seniority: joined in 2021 – current term expires in 2024

Competencies:

- Experience as Chief Economist in the Danish Trade Union Confederation, the Danish Ministry of Social Affairs and the Economic Council of the Labour Movement.
- Extensive knowledge of politics and societal matters, including stakeholder management
- Experience and knowledge of ATP's strategy, tasks and role in society
- Experience and knowledge related to administration and IT, including organisational development

- In-depth knowledge of national and international labour market issues
- In-depth knowledge of socio-economic issues.

Education:

- Cand.polit (degree in Politics), University of Copenhagen
- MSc. in Economics, University of Essex

Other directorships:

- Chief Economist and Head of Department at the Danish Trade Union Confederation
- Member of the Supervisory Board of LG – The Employees' Guarantee Fund
- Member of the Supervisory Board of the Danish Labour Market Fund for Posted Workers
- Member of the Board of the Senior Pensions Unit
- Member of the Board of LD Fonde
- Member of the Supervisory Board of the Economic Council of the Labour Movement

Participation in ordinary meetings:

- Supervisory Board – participated in 7 out of 7 meetings

Ingerlise Buck, Economist

Born: 1959

Seniority: joined in April 2023 – current term expires in 2026

Competencies:

- Experience as an economic consultant at the Danish Trade Union Confederation and previously as a department manager and project manager at the same organisation.
- In-depth knowledge of the Danish pension system and Danish labour market pensions
- Extensive experience and knowledge of ATP's strategy, tasks and role in society
- Broad knowledge of politics and society
- Great insight into Danish labour relations

Education:

- Cand.polit, University of Copenhagen

Other directorships:

- Economist of the Danish Trade Union Confederation

- Member of the Supervisory Board of LG – The Employees' Guarantee Fund
- Member of the Supervisory Board of the Danish Labour Market Fund for Posted Workers
- Member of the Board of the Senior Pensions Unit
- Member of the Board of LD Fonde

Participation in ordinary meetings:

Supervisory Board – participated in 6 meetings out of 6

CEO Jan Walther Andersen

Born: 1958

Seniority: joined in 2014 – current term expires in 2026

Competencies:

- Management experience as bank manager at Arbejdernes Landsbank A/S and board appointments
- Many years' experience in financial enterprises – including investments and financial markets, pension models, risk management, payment facilitation, liquidity management, etc. – as member of the Board of Arbejdernes Landsbank and the Board of BI Holding A/S
- Experience with the design of pension schemes, including problems linked to pensions, taxation and off-setting
- Experience and knowledge related to budgeting and accounting
- Experience and knowledge of ATP's strategy, tasks and role in society and international activities
- Wide knowledge of politics, economics and societal matters, including stakeholder management

Education:

- Graduate Diploma in Financing
- Banking qualification
- Participated in ATP's corporate governance programme at CBS

Other directorships:

- Managing Director of Arbejdernes Landsbank A/S
- Member of the Supervisory Board of LG – The Employees' Guarantee Fund
- Member of the Supervisory Board of the Danish Labour Market Fund for Posted Workers
- Member of the Board of the Senior Pensions Unit

- Deputy Chairman of Forvaltningsinstituttet for Lokale Pengeinstitutter
- Chairman of the Board of AL Finans A/S
- Member of the Board of BI Holding A/S
- Member of the Board of Directors of Euronext (VP) Securities A/S and Chairman of the Risk Committee
- Member of the Board of Directors in PRAS A/S
- Member of the Board of Directors of Landsdækkende Banker
- Chairman of PFA Advisory Board
- Member of the Board of Ejendomsselskabet Sluseholmen A/S
- Member of the Board of Directors of Sluseholmen 7 A/S

Participation in ordinary meetings:

- Supervisory Board – participated in 6 out of 7 meetings
- Audit Committee (Chairman) – participated in 4 meetings out of 4
- Risk Committee – participated in 4 out of 4 meetings

Trade Union President Anja C. Jensen

Born: 1970

Seniority: joined in 2022 – current term expires in 2025

Competencies:

- Management experience as union President of HK and from a range of management positions in HK, including serving as Deputy Chairman of HK Privat and in other Board posts
- In-depth knowledge of national and international labour market issues
- In-depth knowledge of the living conditions of a broad cross-section of Danes
- Extensive knowledge of politics and societal matters, including stakeholder management and experience as a municipal politician
- Experience and knowledge of ATP's strategy, tasks and role in society
- Experience and knowledge related to administration and IT, including organisational development
- In-depth knowledge of communication and negotiation

Education:

- Hotel receptionist

Other directorships:

- President of HK Danmark
- Member of the Supervisory Board of LG – The Employees' Guarantee Fund
- Member of the Supervisory Board of the Danish Labour Market Fund for Posted Workers
- Member of the Board of the Senior Pensions Unit
- Vice President of HK unemployment insurance fund
- Member of the Management Committee and Executive Committee of the Danish Trade Union Confederation (FH)
- Member of the Board of Directors of AKF Holding
- Member of the Supervisory Board of the Economic Council of the Labour Movement
- Member of the Supervisory Board of Arbejdernes Landsbank
- Member of the Board of Arbejdernes Landsbank
- Member of the Board of A-Pressen
- Member of the Board of CPH Business
- Member of the Board of Danske Erhvervsskoler og -Gymnasier
- Member of the Board of Fonden for Entreprenørskab
- Member of the Board of Nordisk Handelskomite
- Member of the Board of U/Nord
- Member of the Executive Board of ASX 7 ApS

Participation in ordinary meetings:

- Supervisory Board – participated in 6 out of 7 meetings

Chairman Lisbeth Lintz

Born: 1966

Seniority: joined in 2022 – current term expires in 2024

Competencies:

- Manager experience as Chairman of Yngre Læger, Overlægeforeningen and Foreningen af Speciallæger and from working as a senior physician in the Danish healthcare system
- Extensive knowledge of politics and societal matters, including stakeholder management
- Experience and knowledge of ATP's strategy, tasks and role in society
- Experience and knowledge related to administration, including organisational development

- Thorough knowledge of labour market issues

Education:

- Cand.med (MSc in Medicine), Copenhagen University
- Specialist Doctor, geriatrics and internal medicine

Other directorships:

- Chairman of the Danish Confederation of Professional Associations (Akademikerne)
- Member of the Supervisory Board of LG – The Employees' Guarantee Fund
- Member of the Supervisory Board of the Danish Labour Market Fund for Posted Workers
- Member of the Board of the Senior Pensions Unit
- Member of the Economic Council
- Member of the Board of LD Fonde
- Deputy Chairman of the Central Federation of State Employees' Organisations (Centralorganisationernes Fællesudvalg)
- Deputy Chairman of the Forhandlingsfællesskabet (The Negotiating Community)
- Member of PFA's Customer Council
- Member of Beskæftigelsesrådet (National Employment Council)
- Member of Arbejdsmiljørådet (Occupational Health and Safety Council)
- 2nd Deputy Chairman of Lån og Spar Bank

Participation in ordinary meetings:

- Board – participated in 7 out of 7 meetings

Further information

→ www.atp.dk/en/results-and-reports/annual-and-interim-reports-atp-group/further-information-full-year-2023

General matters

- ATP's General Management
- Recommendations on corporate governance
- Terms of reference of the Audit Committee
- Procedures of the Executive Committee
- Terms of reference of the Risk Committee
- The financial reporting process
- Data ethics report
- ATP's whistleblower scheme

Remuneration

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

Supplementary accounting information

- Listed Danish equity investments
- Listed Danish equity investments (Excel)
- Listed international equity investments
- Listed international equity investments (Excel)
- Unlisted Danish equity investments
- Unlisted international equity investments
- Corporate bonds
- Government bonds, by issuer country

Supplementary information marked with an * is subject to audit, while other supplementary information is not audited.

- Exposure to equity indices in financial derivatives
- Specification for 'Executive Order on Financial Reporting by ATP' Section' 11*

Financial calendar

- Quarterly and annual reporting 2024

Value creation

- Definition of value creation ratios

Responsibility

- Responsibility 2023
- Reporting on the Disclosure Regulation
- Taxonomy reporting

Facts about ATP Livslang Pension (Lifelong Pension)

- Breakdown of Danish Financial Supervisory Authority's return ratios (N1)
- ATP's pension product
- Mandatory Pension Scheme (Obligatorisk Pensionsordning – OP)
- Pension scheme for disability pensioners (SUPP)
- ATP's life expectancy model and work with life expectancy prediction