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**The ATP Group
Interim report 2022**

ATP in brief

ATP LIVSLANG PENSION (LIFELONG PENSION)



The ATP pension is a **lifelong guaranteed benefit** that is paid throughout a person's retirement - as of 1 January, this was increased by 4% due to bonuses

17.4%

in continued **stable bonus capacity**

DKK **(58)bn**

in returns in a **very turbulent** first half of the year. In the past 5 years, ATP has generated average annual returns of DKK 14bn.



A sustainable business model

A life annuity with market exposure has been implemented as of 1 January 2022 and the implementation of a new **hedging strategy is in progress.**

Low administration activity expenses pr. member of

DKK **19**

ATP continues to focus on sustainability and in the first half of the year investments have been made in **geothermal heating** and **green batteries for electric vehicles**



BUSINESS PROCESSING, EXTERNAL PARTIES – PAYMENT OF WELFARE BENEFITS

Ensures **uniform case handling**, correct and timely payments, and **cost-effective** administration within **specified risk tolerances**

There has been **paid out**

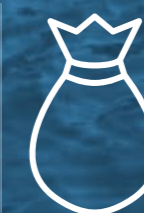
DKK **150bn**
in the period.



The new **IT system** for Labour Market Insurance has been made fully operational and will contribute to **ensuring an efficient case handling**



Udbetaling Danmark – Public Benefits Administration also implemented an equal sharing of the **child and youth benefits** with a self-service solution on 1 January



“Arne pension” (intended to allow those who have spent a long time on the labour market to retire early)

In the first half year of 2022, 29,000 applications have been processed and of these, 72 per cent have been granted an early retirement pension.

Group financial highlights

DKKm

	H1 2022	H1 2021	FY 2021
Investment activities			
Investment return	(57,574)	26,996	49,620
Expenses	(442)	(443)	(952)
Tax on pension savings returns and income tax	8,504	(4,202)	(7,291)
Investment activity results	(49,512)	22,350	41,378
Hedging activities			
Guaranteed pensions			
Change due to interest rates and shorter duration	156,743	54,106	48,632
Return in hedging portfolio	(191,147)	(63,801)	(56,187)
Tax on pension savings returns	29,245	9,762	8,597
Result of hedging of guaranteed pensions	(5,158)	67	1,042
Life annuity with market exposure (LAWMA)			
Change in LAWMA due to returns	46	-	-
Return on market return portfolio	(55)	-	-
Tax on pension savings returns	8	-	-
Result of life annuity with market exposure	0	-	-
Change due to yield curve break	(1,893)	(2,820)	(5,508)
Hedging activity results	(7,051)	(2,754)	(4,466)
Results from Investment and Hedging	(56,563)	19,597	36,912
Pension activities			
Contributions	5,925	5,696	11,497
Pension benefits	(9,017)	(8,643)	(17,260)
Changes to pensions resulting from contributions and payments	4,932	4,259	8,200
Administration activity expense	(105)	(106)	(213)
Other items	4	3	7
Pension activity results before life expectancy update	1,739	1,209	2,231
Business processing, external parties			
Income	1,239	1,310	2,498
Expenses	(1,220)	(1,261)	(2,497)
Result from business processing, external parties	18	49	0
Result before bonus allowances and life expectancy update	(54,805)	20,855	39,143
Life expectancy update	3,805	4,796	4,796
Bonus addition for the period	0	0	(30,391)
The result for the period	(51,000)	25,651	13,548
Guaranteed pensions	623,610	753,248	787,809
Life annuity with market exposure	616	0	0
Pension liabilities, total	624,226	753,248	787,809
Bonus potential	108,404	171,717	159,537
Net assets	732,630	924,966	947,346

Low administration
expenses per
member of

DKK **19**

Bonus potential of DKK 108bn
relative to pension liabilities
of DKK 624bn, amounting
to a bonus capacity of

17.4 per cent

Ratios

DKKm

Bonus capacity

Return ratios

Return on investment before tax relative to the bonus potential in per cent¹Return per average risk krone²Return on market return portfolio, before tax in per cent³

The Danish Financial Supervisory Authority's ratios related to pension liabilities and bonus potential (N1), in per cent

The Danish Financial Supervisory Authority's ratios related to life annuity with market exposure (N2), in per cent

Value creation for members, in per cent

¹ Return on Investments is calculated as a daily time weighted return on the bonus potential. The investment portfolio follows a risk-based investment approach, the focus of which is on risk rather than on the amount of DKK invested. The investment portfolio, as a general rule, consists of funds from the bonus potential. 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. The market value at the end H1 2022 was DKK 342.4bn. The market value of the investment portfolio also includes financial derivatives of which the market value will typically be low, zero or negative.

² Return per average risk krone is calculated as the annualised accumulated return for the period compared to the average risk for the same period. The risk result is the Expected Shortfall.

³ Return on the market return portfolio is calculated as a daily time-weighted return.

⁴ Average year over the period

	H1 2022	H1 2021	FY 2021
Bonus capacity	17.4	22.8	20.3

	H1 2022	1-year	3-year ⁴	5-year ⁴
Return on investment before tax relative to the bonus potential in per cent ¹	(36.4)	(27.4)	4.9	10.3
Return per average risk krone ²	(2.4)	(0.6)	0.2	0.3
Return on market return portfolio, before tax in per cent ³	(13.2)	-	-	-
The Danish Financial Supervisory Authority's ratios related to pension liabilities and bonus potential (N1), in per cent	(26.4)	(23.7)	(6.4)	0.3
The Danish Financial Supervisory Authority's ratios related to life annuity with market exposure (N2), in per cent	(16.4)	-	-	-
Value creation for members, in per cent	(7.3)	(3.7)	2.8	3.7



= Report

- Highlights of the year
 - Result and assets overview
 - Investment and hedging
 - Pension activities
 - Low expenses
 - Business processing, external parties
 - Responsibility
 - Significant risks and uncertainty factors
 - Events after the reporting date
 - Outlook for 2022
-

Report

Highlights of the year

ATP plays a special role in Denmark. We are simultaneously all of Denmark's pension fund, we manage one of Europe's largest pension assets and we administer and pay welfare benefits amounting to several hundred billions of Danish kroner to people in Denmark every year. These tasks come with a great responsibility to contribute to Denmark's development and to future proof the Danish welfare society.

Each year, ATP pays out DKK 17bn in pensions to our own members. In addition, via its Processing Business, ATP also manages the payment of welfare and social security benefits totalling more than DKK 300bn each year - ATP is thus one of the basic pillars of the Danish welfare society.

A supplier of welfare: lifelong pensions and public benefits paid on time

ATP's pension product, **ATP Livslang Pension (Lifelong Pension)**, is a lifelong supplement to the state pension and was politically adopted in 1964. The purpose, then as now, was to ensure basic security for people in Denmark when they retire. Today, ATP has 5.5 million members who in H1 2022 paid DKK 5.9bn into ATP. In the same period, ATP paid out DKK 9.0bn to members or their dependants.

ATP makes every effort to provide stable pensions and returns which over time contribute to ensuring that ATP Livslang Pension (Lifelong Pension) keeps up with inflation. Effective as of 1 January 2022, ATP has increased the ATP Livslang Pension (Lifelong Pension) by 4 per cent for all members due to bonuses being paid out after many years of good investment returns. At the same time, our business model is in the process of being modernised so that it will also in the future be possible to achieve strong investment results and returns with a view towards being able to increase the pensions on an ongoing basis.

As an ATP member, you are guaranteed to have the ATP Livslang Pension (Lifelong Pension) paid out from the time you reach the state retirement age to when you die, even

if we are modernising ATP Livslang Pension (Lifelong Pension) over the coming years.

Among other things, the modernisation means that younger ATP members will now have 20 per cent of their contributions invested with a slightly higher risk profile than the one in the fully guaranteed life annuity. During the saving process, this will allow for the opportunity to achieve higher returns which then results in higher pensions - but the additional risk also means that the pension may potentially lose value in periods where the financial markets see declines. This risk and uncertainty is not appropriate when one is close to the retirement age. Therefore, the new rules only apply to members that are making ATP contributions and who have more than 15 years to go until they retire. 15 years before the retirement age we gradually dial down the risk so that the pension will be a known quantity and fully guaranteed from the state retirement age.

The overall modernisation of ATP Livslang Pension (Lifelong Pension) will gradually in the coming years have more and more of an impact on our members and our business.

With its **processing business**, ATP is in charge of the payment of DKK 300bn in welfare and social security benefits each year. Besides ensuring a number of economies of scale advantages, ATP's volume in terms of payments allows for equal access and correct case handling for everyone receiving welfare benefits. The two legs of the processing business - Pension & Social Security and Udbetaling Danmark – Public Benefits Administration - handle things such as holiday pay, state pension, child and family benefits and rent subsidies.

The child benefits are divided equally between the parents.

In 2022, Udbetaling Danmark – Public Benefits Administration has implemented new legislation concerning the equal sharing of the child and youth benefits. The change means that from 1 January 2022 the benefits will be divided equally between parents that have joint custody of a child. 1.2 million people in Denmark are impacted by the changes and Udbetaling Danmark –

Public Benefits Administration has had an ambition of ensuring the timely and correct implementation of the new legislation. The opening of the self-service solution from 1 January 2022 and the first payment of the child and youth benefit in January 2022 proceeded as planned.

Labour Market Insurance's new IT system is now fully operational

Labour Market Insurance's new IT system became fully operational in April 2022, and all of the approximately 50,000 annual cases are now processed with that. The work on creating a new and modern IT system for the processing of industrial injury cases have long been one of the top priorities for Labour Market Insurance. After using the old system for 30 years, Labour Market Insurance now has a modern IT platform that will contribute to future proofing the processing of industrial injury cases. In the long run, the system will also contribute towards ensuring a good and cohesive process for those filing claims and professional parties.

Payment of the heating cheque

In April 2022, a political agreement was entered into concerning the payment of a heating cheque to those people in Denmark whose homes were heated using one of the energy sources that have seen massive price increases in 2022. The Danish Agency for Data Supply and Efficiency and the Danish Energy Agency have selected the households that qualify, while ATP handled the payment of the heating cheque in August.

Result and assets overview

In H1 2022, the ATP Group saw a negative result of DKK 51.0bn. The result is mainly attributed to a large negative return in the investment portfolio which is due

to the general financial turbulence with falling equity markets and rising interest rates.

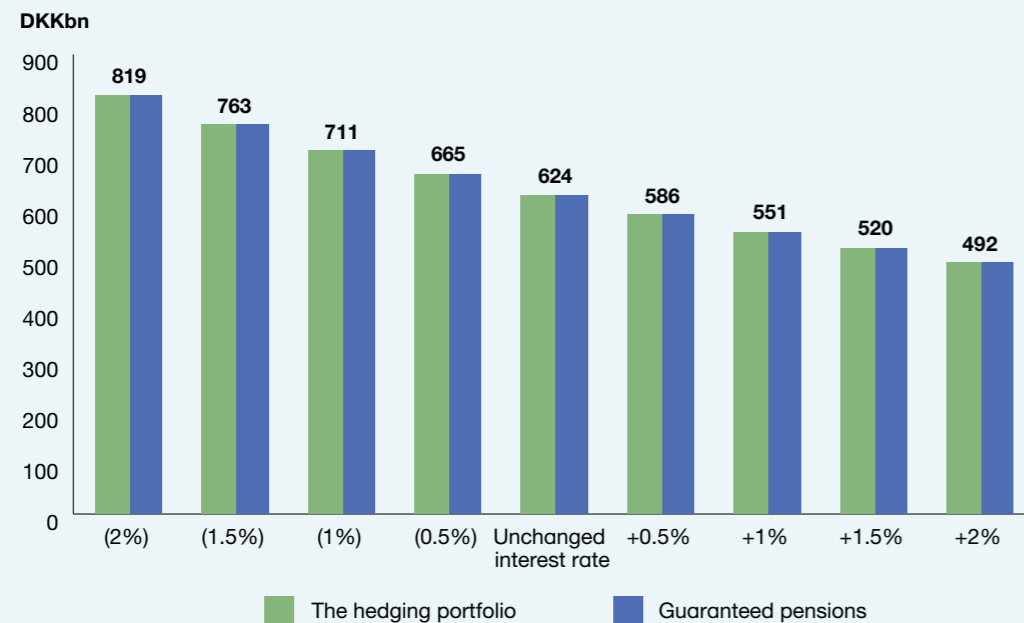
Despite the negative result, the basic security remains and there is no doubt about ATP's ability to handle the future payments for all of our members. ATP Livslang Pension (Lifelong Pension) is guaranteed a good while before you retire. A negative H1 result that is closely correlated with the high levels of inflation and the rising interest rates does not impact this guarantee. This is because we use hedging to ensure that we can always pay our members what we have promised them.

The hedging is done in an independent portfolio in ATP which consists of bonds and interest rate swaps - the same assets that are behind the market rate curve that we use to calculate the value of the guaranteed pensions. The hedging portfolio is thus very sensitive to interest rates, but this sensitivity has been designed to keep pace with the value of our future liabilities to pensioners. When interest rates go down, the value of the liabilities and the hedging portfolio rise concurrently, and when interest rates rise, as they did in H1 2022, the value of the liabilities and the hedging portfolio also fall concurrently. This correlation ensures that ATP has the funds needed to match what we have promised our members. In other words, regardless of which way interest rates go, our guarantees are intact.

Another way of assessing the robustness of ATP's finances is to look at the bonus capacity. The bonus capacity is the relationship between the bonus potential, which are ATP's reserves (DKK 108bn), and the value of the pension liabilities (DKK 624bn). Despite a turbulent H1, the bonus capacity remains at 17.4 per cent, and thus in line with the average over the past 10 years.

ATP's assets are shifting quickly. The guaranteed pensions decrease in value when interest rates rise and vice versa. ATP's hedging portfolio tracks this development and ensures that we are always capable of paying our guaranteed pensions.

Interest rate sensitivity of ATP's assets, end of June 2022



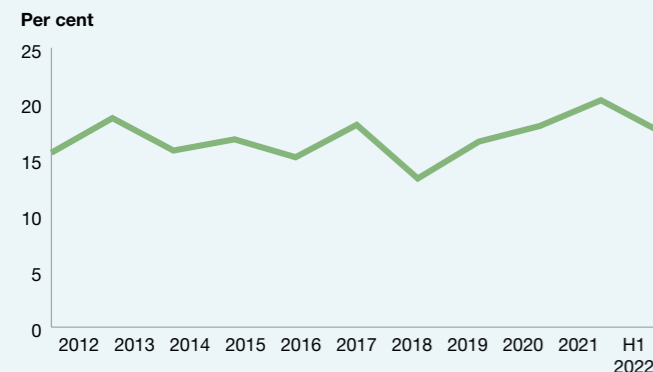
The value of the pensions our many members will be receiving in the future fluctuates a lot. In fact, the value of the pensions are constantly moving as they are directly correlated to the level of interest rates.

When interest rates decrease, the current value of the pensions we have promised to our members increases. And conversely, when interest rates increase, the current value of the pensions decreases. This year, there have been steep rises in interest rates and thus the value of the guaranteed pensions have decreased

by DKK 160bn. This development can be seen in ATP's assets. For members, however, the critical factor is not whether ATP's assets are growing or remain stable. The critical factor is that our investment strategy ensures that we always have enough money to pay what we have guaranteed our members, regardless of which direction interest rates move. And that is precisely what we ensure is possible by hedging our risks so that fluctuations in interest rate do not impact our customers' pensions either now or in the future.

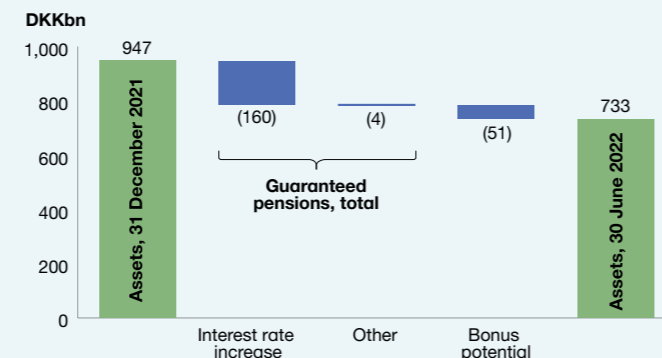
Development in ATP's bonus capacity

The bonus capacity remains on a similar level as last year



The development in ATP's total assets, H1

Interest rate increases are the main reason for the decrease in assets



Note: 'Other' covers the effect of the period's contributions, payments, maturity reduction and updates to life expectancy forecasts.

ATP is creating sustainable growth and returns

As a significant institutional investor, ATP owns equities in a large number of Danish companies, and as owners, we play an active role. We want to impact and exchange knowledge and ideas with the companies that we invest in and this allows us to contribute towards creating the frameworks for a well-functioning Danish business community and thus in turn strengthen Danish growth.

In 2022, ATP has invested a triple-digit million kroner amount in **VEO**, which is one of the fastest-growing tech companies in Denmark. The company is behind an intelligent sports camera and it is a first mover with a unique product on a market that is growing rapidly, even in a global context. ATP sees a great deal of potential in the digital business model during a time where streaming and working remotely has become more widespread. The investment is the first under the auspices of ATP's investment leg called ATP Long Term Danish Equity, and the objective is to generate attractive returns for members and to contribute with long-term ownerships of promising Danish companies - which, ideally, should remain Danish and create new jobs here at home.

Another significant potential investment will be the energy island that ATP would like to create in the North Sea via a consortium including Ørsted. The decision to build an energy island in the North Sea has been adopted by the Danish Parliament and the island will be the largest construction project in Danish history and a critical factor in meeting the Danish and EU objectives of becoming carbon neutral in 2050. This spring we presented our concept for the future's energy island, which will be an island that ushers in a new era in the green transition and which has the potential to drive the ongoing green transformation for many decades. The concept of a contained island that can be expanded with flexible modules ensures that there can be delivered large amounts of green power as quickly as possible during a time when both Denmark and the EU are working on ensuring maximum levels of self-sufficiency in terms of energy. We believe that with the **North Sea Energy Island** we can create both a climate-friendly energy solution and the basis for decent risk-adjusted returns for our members.

Another green ATP investment that has the potential to protect both the climate and Danish jobs is related to

geothermal energy, which is a technology where one uses the heat of the Earth's core to heat houses and apartments instead of using gas, coal and biomass. Earlier in the year, ATP was part of raising capital for Innargi, a company that wants to build the EU's largest geothermal heating plant in Aarhus. The goal is to be able to deliver heat to residents of Aarhus already by 2025, and ATP sees both a large Danish and international potential in the green technology that geothermal heat represents both in terms of the climate and in terms of generating attractive returns for ATP's members.

It is precisely returns and contributions to the green transition that have also characterised another major ATP investment in H1: **Northvolt**. ATP has allocated an additional DKK 400 million to the Swedish manufacturer of green batteries for cars, bringing our total investment up to DKK 1.9bn. ATP was the only Danish investor to participate in the investment round which in total raised approximately DKK 7.8bn. Northvolt is a leading global company when it comes to recycling batteries and using green power in its manufacturing process - and it also has a full order book.

Green investments

Sustainability is part of ATP's investment philosophy; we want to use responsible investments and stable returns to ensure that people in Denmark have basic financial security when they retire. In a world of massive climate change, as a societal institution we believe that it is important to think in terms of sustainability and at the same time, climate challenges also create business opportunities among the companies working on a green transition - and there will be potential returns from those companies that make the green transition possible.

ATP wants real and permanent improvements when it comes to climate issues and work is being done to support the transition from black to green production processes in the industries and companies that have the greatest societal impact. Our climate ambitions are addressed both in the short and long term as illustrated in the figure below. During H1, ATP has made green investments totalling DKK 14.3bn, primarily in green bonds. In the same period, ATP has sold off green investments worth DKK 7.8bn, mainly listed equities and a property abroad. The fact that green investments only increased by DKK 3.3bn in H1 is due to the negative price developments in the bond and equity markets.



At the end of H1, ATP had green investments of DKK 64.7bn distributed across green bonds of DKK 52.5bn, listed equities of DKK 3.9bn, real estate of DKK 3.9bn and direct investments and funds of DKK 4.4bn.

Investment and hedging

The principal objective of the investment portfolio is to generate a return that will allow, in part, the building of reserves for, e.g., financing increased life expectancy, such that ATP secures pensions for a whole lifetime, and to increase the guaranteed pensions, thereby supporting their value in real terms. The hedging portfolio is intended to ensure that ATP is always able to live up to its guarantees.

Investment activities

The primary factor for the management of investments is the investment risk, which, first and foremost, includes market risk. The market risk of the investment portfolio is calibrated to ensure that the projected long-term returns are sufficient to ensure the real value of the guaranteed pensions via bonuses while also ensuring that both the market risk and the overall risk for ATP is always within the parameters of the specified risk profile.

To maintain a robust investment portfolio with a stable return and the greatest possible independence from cyclical variations, investment decisions are informed by a strategy of risk diversification. The risk associated with each investment is divided into different risk factors, depending on the types of risk to which the investment is exposed, and the investments are structured to achieve the desired level of risk diversification.

A key element in the investment strategy is to continuously adjust the investment portfolio's market risk based on the size of the bonus potential. In H1, the investment portfolio's risk was also reduced due to the growing levels of uncertainty in the financial markets. Throughout this period, ATP's risk exposure has been within the parameters of the specified risk profile.

Investment activity results

In H1, the investment portfolio generated returns (before expenses and tax) of DKK (57.6)bn, and after expenses this is equivalent to (36.4) per cent of the bonus potential. The total investment activity results after expenses and tax amounted to DKK (49.5)bn.

Since 2012, ATP has generated returns of DKK 185bn, cf. the figure below. Throughout this period, the financial markets have been supported by the expansionary monetary policies of central banks which have contributed to the positive results. The size of the returns has varied over the period, but as a long-term investor, ATP is not focused on short-term fluctuations. The large negative result in H1 should be viewed in the light of the turbulence in the financial markets since the end of last year where the combination of rising interest rates and falling global equity markets resulted in significant losses to the investment portfolio.

The war in Ukraine has also shaken all of Europe, and the uncertainty in the financial markets has significantly

grown in the wake of the growing geopolitical unease. Due to the rapidly rising rates of inflation and the lack of labour, leading central banks begun a monetary tightening process and in June the US Federal Reserve announced the largest single interest rate hike since 1994.

Looking at H1 as a whole, the largest negative contributions came from investments in government and mortgage bonds and from listed equities, while the largest positive contributions came from the holdings of inflation-related instruments.

Government and mortgage bonds generated negative returns of DKK 48.4bn, mainly due to the negative contribution of United States and European bonds as a result of increasing interest rates.

Listed international equities generated negative returns of DKK 10.7 and of these, the listed US equities had the largest negative contribution.

Listed Danish equities generated a negative return of 9.7bn. The Novo Nordisk A/S shares contributed with the largest positive returns while the shares in DSV A/S had the largest negative returns.

Investments in **credit** generated a negative return of DKK 2.6bn. These investments consist partly of bonds issued by companies with low credit ratings or developing nations and partly of financial derivatives, and these generated a negative return of DKK 2.2bn. Also included are loans to credit institutions and funds that

invest, among other things, in bank loans and corporate loans, which generated a negative return of DKK 0.4bn.

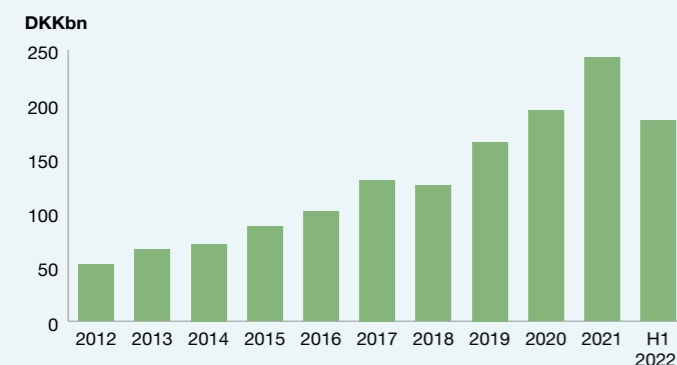
Inflation-related instruments, consisting of commodity-related financial contracts, index-linked bonds and inflation swaps generated a total positive return of DKK 10.7bn. Investments in commodity-related financial contracts generated returns of DKK 4.7bn, mainly due to rising commodity prices in H1. Inflation swaps generated returns of DKK 6.1bn, due to higher expectations for inflation.

Investment in **real estate** generated returns of DKK 2.0bn. The returns for real estate investments in H1 are mainly from rental income from directly owned real estate and profits from the selling of properties. In addition, there have been positive revaluations in the logistics segment, while other segments have seen negative revaluations due to market conditions.

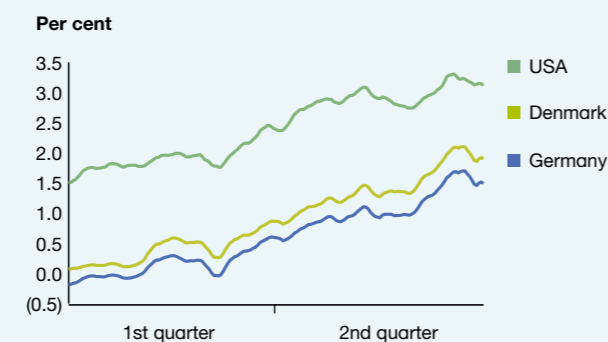
The **private equities** portfolio includes ATP Private Equity Partners, which primarily invests in international capital funds, and of other private equity investments. The portfolio of private equities generated a return of DKK 0.5bn.

The portfolio of **infrastructure investments** generated a return of DKK 0.2bn where, among other things, the divestment in H1 made positive contributions to the return. The infrastructure investments portfolio also includes investments in forestry in North America and Australia as well as sustainable energy investments.

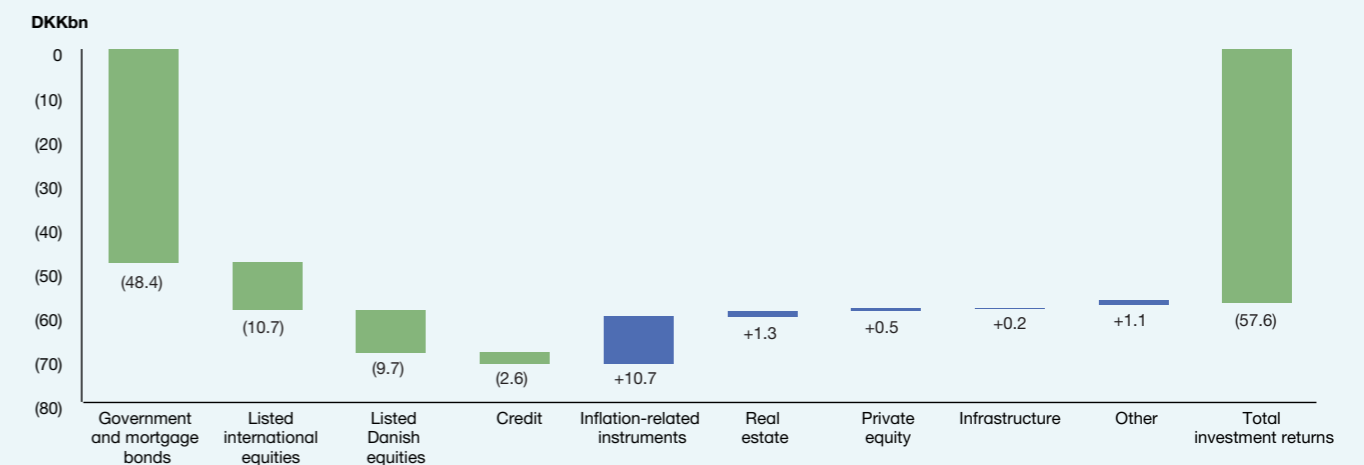
Historical accumulated returns on the investment portfolio before tax



Yield development for 10-year government bonds



The composition of investment returns in H1 2022



Life annuity with market exposure

As mentioned, the ongoing modernisation of ATP means that, among other things, 20 per cent of the contributions for members with more than 15 years to go until the retirement age will from 1 January 2022 be allocated to a life annuity with market exposure and be invested in a special market return portfolio with slightly higher risk than the fully guaranteed life annuity. The aim here is to achieve higher long-term returns for this part of the contribution, and thus a higher overall pension when reaching the retirement age. In H1, the portfolio generated a negative return of DKK 55 million due to the turbulence in the markets, amounting to (13.2) per cent before tax. After tax, the return was (11.2) per cent, which matches the adjustment of pensions with life annuity with market exposure for the period.

Hedging of guarantees

ATP's pension products are, as mentioned, a lifelong guaranteed product and hedging is intended to ensure that ATP is always capable of meeting its guarantees. Hedging is undertaken to ensure that the market value of the hedging portfolio after tax can be expected to fluctuate in line with the guaranteed pensions when interest rates change.

The hedging portfolio consists of bonds and interest rate swaps to hedge the interest rate risk on guaranteed benefits up to 40 years, and an internal loan

to the investment portfolio equivalent to the value of the guaranteed benefits over 40 years. Hedging portfolio interest rate swaps do not tie up liquidity to the same extent that bonds do. Funds not tied up in the hedging portfolio can be allocated to loans for investing in the investment portfolio.

Hedging activity results

The value of the guaranteed pensions fell in nH1 by DKK 156.7bn, mainly due to significantly higher interest rates. Correspondingly, the hedging portfolio generated negative returns (after tax) of DKK 161.9bn. The value of the hedging portfolio thus fell as the value of the pension guarantees fell, and the hedging worked as intended.

Hedging generated total returns of DKK (7.1)bn, equivalent to 1.1 per cent of the guaranteed benefits. The negative result is, among other things, due to the fact that the hedging of pension guarantees cannot be completely precise. In addition, part of the loss is due to the break in the yield curve at 40 years, as the market rate has been below 3 per cent. The yield curve break at 40 years means that the guarantees that during the year were valued at a fixed rate of 3 percent and then valued at market rates will impact the hedging with a profit or loss depending on whether the market rate is above or below 3 per cent. In H1 2022, the market-based part of the yield curve was below 3 per cent.

Pension activities

ATP's members accrue guaranteed lifelong pension rights by contributing to the scheme. There is a clear link between the individual contributions paid and the pension rights accrued by the individual member.

Pension activity result

Pension activity result before the life expectancy update realised a profit of DKK 1.7bn in H1, driven primarily by the share of contribution payments transferred to the bonus potential.

In H1, contribution payments totalled DKK 5.9bn. Contribution payments are divided into guarantee contributions and bonus contributions. The guarantee contribution, accounting for 80 per cent, is earmarked for the acquisition of a pension. The bonus contribution, accounting for 20 per cent, is allocated to the bonus potential to be used for potential future increases and extensions of pensions.

At the end of H1 2022, 1,027,000 pensioners were receiving ATP Livslang Pension (Lifelong Pension) and the pension payouts amounted to a total of DKK 9.0bn. The payments have been somewhat higher than in the same period of last year, mainly due to the 4 per cent increase of the pensions.

The period's contributions increase ATP's pension liabilities and the pension payouts reduces them. This is expressed in the item "Changes to pensions resulting from contributions and payments", which amounts to DKK 4.9bn.

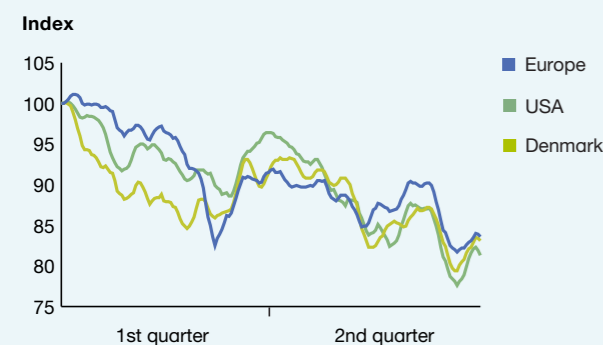
This year's life expectancy update resulted in a transfer of pension liabilities to the bonus potential of DKK 3.8bn, or 0.6 per cent of the value of the pension liabilities. The transfer is an expression of the adjustment to life expectancy due to the actual changes in the past year.

Continued reasuring measurement of pension liabilities

ATP's yield curve consists of both a market-based segments and a fixed-rate segment. A characteristic of the market-based segment is that it can be hedged. The ATP yield curve for valuing pension liabilities results in higher pension liabilities than the yield curve published by European Insurance and Occupational Pensions Authority (EIOPA). Had ATP used the EIOPA's yield curve, the pension liabilities at the end of H1 would have been DKK 39.4bn lower than the current level of DKK 624.2bn. The bonus potential would have been correspondingly higher.

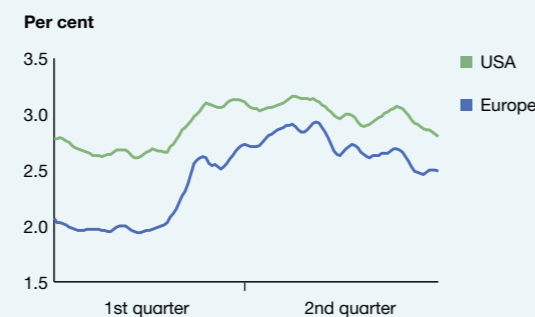
ATP's life expectancy model projects higher increases in life expectancy than those envisaged by the Danish

Equity price developments



Note: Calculated as a five-day rolling average.

Developments in long-term inflation expectations

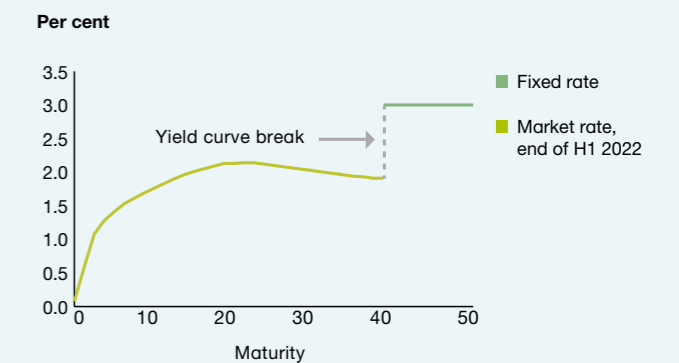


Note: Calculated as a five-day rolling average.

Hedging protects guaranteed pensions



ATP's yield curve, end of H1 2022



Financial Supervisory Authority's model¹. The Financial Supervisory Authority's life expectancy model is different from ATP's, among other things, because the Financial Supervisory Authority's model consists of people who are covered by insurance. Had ATP used the Danish Financial Supervisory Authority's life expectancy model, ATP's pension liabilities at the end of H1 would have been DKK 2.7bn lower than the current level. The bonus potential would have been correspondingly higher.

Overall, ATP's pension liabilities would have been DKK 42.0bn lower and its bonus potential would have been correspondingly higher if both the Danish Financial Supervisory Authority's life expectancy model and EIOPA's yield curve were used.

Low expenses

In order to create a sustainable balance between quality, risk and expenses, ATP works with a balanced approach to cost efficiency. The level of costs had a direct impact on the future pension, and even small differences can lead to major differences over the course of a long savings process. In H1 2022, ATP's administration activity expenses totalled DKK 105

¹ See specification 1 on page 40 to compare this with the Danish Financial Supervisory Authority's model.

million, equivalent to DKK 19 per member. This is similar to last year.

ATP's total investment expenses amounted to DKK 1,126bn including indirect expenses of DKK 684 million. The total investment expenses correspond to DKK 207 per member. This is a notable decrease compared to the same period of last year, which can be attributed to

extraordinarily high returns last year and the associated high performance fees.

Business processing, external parties

In addition to the administration of ATP Livslang Pension (Lifelong Pension), the ATP Group performs administration tasks on behalf of the social partners, the Danish government and local authorities. These tasks are assigned to ATP on a cost-recovery basis – i.e. without profit to ATP and without any risk of expense. In H1, there were expenses of DKK 1.2bn for business processing, external parties and this is offset by equivalent revenues. Business processing, external parties is subject to ambitious requirements for streamlining, as agreed with managers and boards of directors.

ATP is 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.



Responsibility

In H1 2022, ATP has continued working on strengthening its work with ESG (Environmental, Social, Governance) issues - particularly in the light of the EU's regulation of the sustainable finance area.

On 1 January 2022, ATP became subject to the so-called disclosure and taxonomy regulations, and in H1 work has continued on implementing the regulations and preparing for the future reporting requirements.

In addition, work has been done on the climate ambitions where, among other things, we enter into dialogues with a number of portfolio companies about improving their climate reporting.

In the spring, we expanded our ESG questionnaire for illiquid investments to now being a partnership with two other Danish pension funds. After this was announced, there has been a notable interest in the questionnaire from several other investors.

Significant risks and uncertainty factors

The most significant risks for ATP are related to investment risks, pension risks, regulatory risks and operational risks. There are no significant changes to risks relative to those described on page 56 of ATP's 2021 annual report.

Events after the reporting date

From the balance-sheet date until the date of the presentation of this interim report, no events have occurred that would materially affect the assessment of the report.

Outlook for 2022

Performance target

ATP's investment strategy is to ensure that ATP generates the best possible returns, while always being able to meet the guarantees issued to members.

The objective is based on the principles that members' interests must be a central consideration, that it is the aim to secure the real value of life-long pensions in the long term and that the objective is an ambitious one.

The result objective is an absolute return objective, which does not necessarily have to be achieved every year, which in isolation is set for 2022 at DKK 14.9bn after expenses and tax. In H1, the investment and hedging activities produced a result of DKK (56.6)bn.

For the remainder of the year, it is expected that the financial markets will still be characterised by a great deal of uncertainty. ATP maintains its disciplined approach towards risk management, ensuring that there is generated the highest possible returns while also ensuring that ATP is all times capable of meeting the guarantees to its members.

ATP's business model

After the Danish Parliament adopted an amendment to the ATP Act in May 2021, ATP can now have better opportunities to invest with a higher expected return for members. There is expected to continue to be a comprehensive effort in implementing the modernised and sustainable business model for the rest of 2022 and in 2023.



= Financial statements

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→ **ATP**

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Statement by the Supervisory and Executive Boards

The Supervisory and Executive Boards have today considered and adopted the interim report of the ATP Group for the period 1 January to 30 June 2022. The interim report has not been subject to review or audit.

The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting as adopted by the EU and in accordance with additional Danish disclosure requirements as set out in 'Executive Order on Financial Reporting by the Danish Labour Market Supplementary Pension Scheme' (Bekendtgørelse om finansielle rapporter for Arbejdsmarkedets Tillægspension – available in Danish only).

The accounting policies applied in this interim report are consistent with those applied in the annual report for 2021.

In our opinion, the interim report provides a true and fair view of the Group's and ATP's assets, equity and liabilities and financial position as of 30 June 2022 and of the Group's and ATP's financial performance, as well as the Group's cash flows for the period 1 January to 30 June 2022.

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

Copenhagen, 31 August 2022

CEO (Chief Executive Officer)

Martin Præstegaard

CEO (Chief Executive Officer)

Supervisory Board:

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 Broeng
Member of the
Supervisory Board

Vibeke Krag
Member of the
Supervisory Board

Mogens Nørgård
Member of the
Supervisory Board

Lizette Risgaard
Member of the
Supervisory Board

Bente Sorgenfrey
Member of the
Supervisory Board

Jonas Schytz Juul
Member of the
Supervisory Board

Jan Walther Andersen
Member of the
Supervisory Board

Anja C. Jensen
Member of the
Supervisory Board

Lisbeth Lintz
Member of the
Supervisory Board

The ATP Group – Income statement

DKKm	H1 2022	H1 2021	Q2 2022	Q2 2021
Investment activities				
Returns on investment activities	(57,574)	26,996	(37,028)	27,983
Investment activity expenses	(442)	(443)	(186)	(218)
Tax on pension savings and corporate tax concerning investment activities	8,504	(4,202)	5,740	(4,332)
Investment activity results	(49,512)	22,350	(31,474)	23,431
Hedging activities				
Guaranteed benefits (GB)				
Change in GB due to interest rates and shorter duration	156,743	54,106	89,951	3,555
Returns concerning hedging activities	(191,147)	(63,801)	(109,485)	(4,109)
Tax on pension savings returns	29,245	9,762	16,751	629
Results of hedging of guaranteed benefits	(5,158)	67	(2,782)	75
Life annuity with market exposure (LAWMA)				
Change in LAWMA due to returns	46	-	45	-
Return on market return portfolio	(55)	-	(54)	-
Tax on pension savings returns	8	-	8	-
Result of life annuity with market exposure	0	-	0	-
Change in GB due to yield curve break	(1,893)	(2,820)	(663)	(1,253)
Hedging activity results	(7,051)	(2,754)	(3,446)	(1,179)
Results from Investment and Hedging	(56,563)	19,597	(34,920)	22,253
Pension activities				
Contributions	5,925	5,696	2,980	2,846
Paid benefits	(9,017)	(8,643)	(4,461)	(4,272)
Changes to pensions resulting from contributions and pension benefits	4,932	4,259	2,561	2,039
Pension activity expenses	(105)	(106)	(50)	(53)
Other items	4	3	2	1
Pension activity results before change in life expectancy	1,739	1,209	1,032	561
Change in pensions due to life expectancy update	3,805	4,796	3,805	4,796
Pension activity result	5,544	6,005	4,837	5,357
Administration				
Other income	1,239	1,310	601	636
Other expenses	(1,220)	(1,261)	(634)	(653)
Administration activity result	18	49	(33)	(17)
Result before bonus	(51,000)	25,651	(30,116)	27,593
Bonus addition for the period	-	-	-	-
The result for the period	(51,000)	25,651	(30,116)	27,593
Minority interests' share of net results for the period	130	154	19	91
The ATP Group's share of results for the period	(51,130)	25,497	(30,135)	27,502
Allocated profit	(51,000)	25,651	(30,116)	27,593

The ATP Group – Statement of comprehensive income

DKKm	H1 2022	H1 2021	Q2 2022	Q2 2021
The result for the period	(51,000)	25,651	(30,116)	27,593
Other comprehensive income				
Items that may not be reclassified to the result:				
Value adjustments of owner-occupied properties	(2)	0	(2)	0
Total	(2)	0	(2)	0
Total other comprehensive income	(2)	0	(2)	0
Comprehensive income for the period	(51,003)	25,651	(30,118)	27,593
Minority interests' share of total comprehensive income for the period	130	154	19	91
The ATP Group's share of total income for the period	(51,133)	25,497	(30,137)	27,502
Allocated comprehensive income	(51,003)	25,651	(30,118)	27,593

The ATP Group – Statement of financial position

DKKm	H1 2022	FY 2021
ASSETS		
Cash and on-demand deposits	8,196	10,364
Receivables from reverse transactions	26,811	49,249
Bonds	550,932	651,574
Private equity	58,227	117,647
Unlisted equity investments	119,414	119,886
Financial derivatives	75,089	91,523
Loans	5,376	5,327
Investment properties	23,763	30,076
Owner-occupied properties	876	891
Investment assets associated with life annuity with market exposure	1,121	-
Intangible assets	1,136	1,163
Operating funds	5	5
Tax receivable on pension savings returns and income tax	453	303
Deferred tax on pension savings returns and income tax	39,046	1,267
Contributions receivable	3,099	3,057
Collateral regarding financial derivatives	25,798	5,814
Other receivables	3,581	2,229
Other prepayments and accrued income	997	1,039
Total assets	943,920	1,091,414
EQUITY AND LIABILITIES		
Debt from reverse transactions	37,422	51,452
Financial derivatives	168,942	81,831
Tax payable on pension savings returns and income tax payable	2	20
Deferred tax on pension savings returns and income tax	85	373
Other debts	4,192	9,597
Total liabilities	210,644	143,272
Guaranteed benefits	623,610	787,809
Life annuity with market exposure	616	-
Bonus potential	108,404	159,537
Total pension provisions	732,630	947,346
Minority interests	646	796
Total equity and liabilities	943,920	1,091,414

The ATP Group - cash flow statement, summary

DKK M	H1 2022	H1 2021
Cash flows from operating activities		
Cash flows from pension activities	(2,752)	(2,860)
Cash flows from investment and hedging activities	9,730	9,680
Cash flows from administration activities	25	103
Income tax paid and tax paid on pension savings returns	132	(14,375)
Cash flows from operating activities	7,135	(7,452)
Cash flows from investing activities		
Purchase and sale of investment assets	(9,064)	6,874
Intangible assets, property, plant and equipment and owner-occupied properties	(113)	(94)
Cash flows from investing activities	(9,177)	6,780
Cash flows from financing activities		
Loans, capital increase and dividend from/to minority shareholder	(520)	(39)
Cash flows from financing activities	(520)	(39)
Change in cash and cash equivalents	(2,562)	(711)
Foreign currency translation adjustments	394	116
Cash and cash equivalents, 1 January	10,364	11,451
Cash and cash equivalents as at 30 June	8,196	10,856

The ATP Group – Note 1: Accounting policies

The interim report of the ATP Group and ATP for the period 1 January 2022 to 30 June 2022 has been prepared in accordance with IAS 34 'Interim Financial Reporting' and in accordance with additional Danish disclosure requirements as set out in 'Executive Order on Financial Reporting by the Danish Labour Market Supplementary Pension Scheme' (Bekendtgørelse om finansielle rapporter for Arbejdsmarkedets Tillægspension).

The accounting policies are consistent with those applied in the annual report for 2021. Significant risks faced by the Group and ATP and significant accounting estimates made by the Supervisory and Executive Boards which may affect the Group and ATP are described in detail in the annual report for 2021.

The implementation of changes to the "Executive Order on Financial Reports for the Danish Labour Market Supplementary Pension Scheme"

Effective as of 1 January 2022, the "Executive Order on Financial Reports for the Danish Labour Market Supplementary Pension Scheme" has been changed and updated in a number of areas. The most significant change impacting the interim report for H1 is that provisions for Life annuity with market exposure must be presented in a separate liability item in the statement of financial position and that investment activities associated with Life annuity with market exposure are to be presented in a single item on the statement of financial position regardless of what kind of investment it is.

Changes to the "Executive Order on Financial Reports for the Danish Labour Market Supplementary Pension Scheme" have been implemented without it having an impact on the result, asset sum or the bonus potential.

Implementation of new accounting standards

Effective as of 1 January 2022, the ATP Group and ATP have implemented the following new or revised standards and interpretations:

- Revised IFRS 16, Covid-19 related lease concessions - extended for concessions up to and including 30/6/2022
- Revised IFRS 3, References to framework
- Revised IAS 16, Income from fixed assets being constructed
- Revised IAS 37, Loss-generating contracts - costs for the fulfilment of the contract
- Annual improvements to IFRS's 2018-2020 Cycle

All standards have been implemented without having an impact on the interim report for the ATP Group and ATP.

The interim report has not been subject to review or audit.

The presentation of notes and cash flow statement (summary) is only presented for the ATP Group. Notes 2-4 are presented only for the ATP Group.

The ATP Group – Note 2: Contingent liabilities

DKKm

	H1 2022	FY 2021
Investment and loan commitments		
Investment commitments, equity investments	14,200	14,496
Investment commitments, property funds	19	95
Investment commitments, Danish properties	1,857	118
Investment commitments, infrastructure	4,628	4,674
Investment commitments, credit funds	656	1,858
Loan commitments, businesses	2,656	4,746
Loan commitments, credit funds	1,230	1,230
Other contingent liabilities		
Rental/leasing liabilities and contractual liabilities related to the acquisition of intangible assets	534	534
Potential deferred tax related to properties ¹	487	529
'Letters of credit' to businesses	280	299

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 H1 2022, ATP Ejendomme A/S met the conditions for tax exemption.

The ATP Group – Note 3: Pension provisions

Pension provisions consist of the sum of guaranteed benefits, life annuity with market exposure 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 bonus potential is the reserve that can be used to cover improvements in life expectancy and for allocating bonuses.

DKKm

	H1 2022	FY 2021
Guaranteed benefits		
Fair value, start of period	787,809	813,589
Change in provisions for the year:		
Contributions	5,088	11,497
– of which transferred to bonus potential	(1,185)	(2,299)
Pension benefits	(9,017)	(17,260)
Change due to life expectancy update	(3,800)	(4,796)
Change due to change in calculation rate (including yield curve break)	(158,084)	(45,777)
Bonus addition for the year	-	30,391
Change due to maturity reduction	3,233	2,653
Other changes	(602)	(188)
Total change in guaranteed benefits for the year:	(164,199)	(25,780)
Fair value, end of period	623,610	787,809
Life annuity with market exposure		
Fair value, start of period	-	-
Net assets and pension benefits	668	-
Return	(46)	-
Change due to life expectancy update	(5)	-
Fair value, end of period	616	-
Pension liabilities, end of period	624,226	787,809
Bonus potential		
Bonus potential, start of period	159,511	146,203
Changes during the period	(51,130)	13,308
Balance, end of period	108,381	159,511
Revaluation reserve		
Revaluation reserve, start of period	25	17
Changes during the period	(2)	8
Balance, end of period	23	25
Total bonus potential, end of period	108,404	159,537
Total pension provisions	732,630	947,346

The ATP Group – Note 4: Fair value

DKK m	Quoted prices		Observable inputs	Unobservable inputs	Of which concerning life annuity with market exposure ¹	Statement of financial position 30/6 2022
	Level 1	Level 2	Level 3	Total		
H1 2022						
Assets						
Receivables from reverse transactions	-	26,811	-	26,811	-	26,811
Bonds	530,087	4,402	16,699	551,188	(256)	550,932
Private equity	58,359	-	-	58,359	(133)	58,227
Unlisted equity investments	-	5,424	114,245	119,669	(255)	119,414
Financial derivatives	2,035	73,366	-	75,401	(312)	75,089
Loans	-	-	5,389	5,389	(13)	5,376
Investment properties	-	-	23,804	23,804	(41)	23,763
Total	590,481	110,003	160,137	860,621	(1,010)	859,612
Liabilities						
Debt from reverse transactions	-	37,422	-	37,422	-	37,422
Financial derivatives	663	168,279	-	168,942	-	168,942
Total	663	205,701	-	206,364	-	206,364

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

H1 2022	Unlisted equity investments		Loans	Investment properties	Total
	Bonds				
Statement of financial position, start of period	17,263	115,465	5,327	27,601	165,656
Realised/unrealised gains or losses for the period, recognised in results	355	5,472	195	716	6,738
Purchase/deposit	4	6,164	3,132	172	9,472
Sale/distribution	(923)	(12,856)	(3,265)	(4,685)	(21,729)
Transfer into level 3	-	-	-	-	-
Transfer out of level 3	-	-	-	-	-
Statement of financial position, end of period	16,699	114,245	5,389	23,804	160,137
Losses/gains on assets held	127	6,042	98	215	6,482

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 currency exchange rates, are widely used.

Level 3 - Unobservable inputs. The valuation of certain financial assets and liabilities is based substantially on unobservable inputs. For a significant portion of the Group's equity investments and a small portion of the Group's bond portfolio, the valuation is based on unobservable inputs.

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

The ATP Group – Note 4: Fair value, continued

DKK m	Quoted prices		Observable inputs	Non-observable inputs	Of which concerning life annuity with market exposure ¹	Statement of financial position 31/12 2021
	Level 1	Level 2	Level 3	Total		
FY 2021						
Assets						
Receivables from reverse transactions	-	49,249	-	49,249	-	49,249
Bonds	624,931	9,381	17,263	651,574	-	651,574
Private equity	117,647	-	-	117,647	-	117,647
Unlisted equity investments	-	4,421	115,465	119,886	-	119,886
Financial derivatives	2,256	89,267	-	91,523	-	91,523
Loans	-	-	5,327	5,327	-	5,327
Investment properties	-	2,475	27,601	30,076	-	30,076
Total	744,834	154,793	165,656	1,065,282	-	1,065,282
Liabilities						
Debt from reverse transactions	-	51,452	-	51,452	-	51,452
Financial derivatives	101	81,730	-	81,831	-	81,831
Total	101	133,182	-	133,283	-	133,283

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

FY 2021	Unlisted equity investments		Loans	Investment properties	Total
	Bonds				
Statement of financial position, start of period	17,919	103,948	7,222	25,906	154,995
Realised/unrealised gains or losses for the period, recognised in results	671	20,695	403	1,185	22,954
Purchase/deposit	1,351	15,650	9,559	478	27,038
Sale/distribution	(2,678)	(21,637)	(11,856)	(1,957)	(38,128)
Reclassification	-	(3,191)	-	4,463	1,272
Transfer into level 3	-	-	-	-	-
Transfer out of level 3	-	-	-	(2,475)	(2,475)
Statement of financial position, end of period	17,263	115,465	5,327	27,601	165,656
Losses/gains on assets held	214	18,722	259	1,105	20,300

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

In 2021, an investment property on Nesa Allé 1 moved out of level 3 as a purchase agreement was signed.

The ATP Group – Note 4: Fair value, continued

Group	Fair value 30/06/2022	Fair value 31/12/2021	Fair value hierarchy	Valuation input	Fair value sensitivity to changes in unobservable inputs
	DKKm	DKKm			
Bonds					
Government and mortgage bonds	4,402	9,381	2	Discounting with relevant yield curves with spreads added	-
Corporate bonds	16,699	17,269	3	Discounting with investment-specific credit spread premiums used on yield curves	If investment-specific credit spread premiums increase by 1 percentage point, the market value is altered by DKK (464) million.
Unlisted equity investments					
Trading price for new transactions					
Private Equity	5,270	4,421	2	Trading prices	-
Infrastructure	155	-	2	Trading prices	-
Reported fair value¹					
Infrastructure	16,991	19,083	3	Reporting	
Credit	6,239	5,124	3	Reporting	
Private Equity	42,565	41,655	3	Reporting	
Forestry	1,475	1,368	3	Reporting	
Real estate	12,137	12,414	3	Reporting	
Other	2,827	2,292	3	Reporting	
Multiple analysis					
Private Equity	3,005	2,822	3	Valuation multiples used	If the valuation multiples used are altered by (10) per cent, the fair value is altered by DKK (332) million.
Discounting of expected future cash flows					
Infrastructure	15,960	17,481	3	Applied discount factor	If the discount factor changes +/- 0.5 per cent, the fair value will change by DKK (2,381) million.
Return-based model.					
Real estate	13,031	13,142	3	Applied return rates	The average return requirement is at 4.73 per cent and when there is a change of 25 bp, the market value is changed by DKK (665) million.
Sum of the parts					
Private Equity	15	85	3	Haircuts applied to underlying assets	If the haircut applied to underlying assets increases by 5 per cent, the market value is altered by DKK (1) 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 ATP Group – Note 4: Fair value, continued

Group	Fair value 30/06/2022	Fair value 31/12/2021	Fair value hierarchy	Valuation input	Fair value sensitivity to changes in unobservable inputs
	DKKm	DKKm			
Financial derivatives, unlisted (net)					
Financial derivatives in the form in interest and currency swaps, total forward contracts, non-deliverable forwards, options, swaptions and credit default swaps	(94,913)	7,537	2	Valued using inputs of relevant curves, indices, spreads for calculating future payments and discounting using the relevant yield curve. For non-linear instruments, volatilities and methods reflecting applicable market practices for the valuation of these instruments are also used.	
Loans					
Reported fair value¹					
Loans to businesses	4,027	3,987	3	Reported fair value	
Discounting of expected future cash flows					
Loans to businesses	1,361	1,340	3	Discounting of expected future cash flows using relevant yield curves and investment-specific credit spread premiums	If investment-specific credit spread premiums increase by 1 percentage point, the market value is altered by DKK (21) million.
Investment properties					
Office, retail, shopping centres and residential properties, etc.	17,852	22,141	3	Return-based model.	Return requirement from 3.875 per cent to 8.125 per cent (avg. 4.57 per cent). 'If the average return requirement of 4.57 per cent is increased by 0.25 percentage points, the fair value of the Group's investment properties will change by DKK (892) million.
Forestry investments	5,952	5,460	3	Discounting of expected future cash flows to net present value	If the discount factor changes by (0.5) per cent, the fair value will change by DKK (172) million.
Repo and reverse transactions					
Receivables from reverse transactions	26,811	49,249	2	Discounting to net present value using relevant yield curve	-
Debt from reverse transactions	37,422	51,452	2	Discounting to net present value using relevant yield curve	-

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

ATP - Income statement

DKKm	H1 2022	H1 2021	Q2 2022	Q2 2021
Investment activities				
Returns on investment activities	(58,022)	26,676	(37,138)	27,808
Investment activity expenses	(302)	(295)	(132)	(144)
Tax on pension savings returns concerning investment activities	8,680	(4,185)	5,776	(4,324)
Investment activity results	(49,644)	22,196	(31,494)	23,340
Hedging activities				
Guaranteed benefits (GB)				
Change in GB due to interest rates and shorter duration	156,743	54,106	89,951	3,555
Returns concerning hedging activities	(191,147)	(63,801)	(109,485)	(4,109)
Tax on pension savings returns concerning hedging activities	29,245	9,762	16,751	629
Results of hedging of guaranteed benefits	(5,158)	67	(2,782)	75
Life annuity with market exposure (LAWMA)				
Change in LAWMA due to returns	46	-	45	-
Return on market return portfolio	(55)	-	(54)	-
Other items	8	-	8	-
Result of life annuity with market exposure	0	-	0	-
Change in guaranteed benefits due to yield curve break	(1,893)	(2,820)	(663)	(1,253)
Hedging activity results	(7,051)	(2,754)	(3,446)	(1,179)
Results from Investment and Hedging	(56,695)	19,442	(34,940)	22,161
Pension activities				
Contributions	5,925	5,696	2,980	2,846
Paid benefits	(9,017)	(8,643)	(4,461)	(4,272)
Change in guaranteed benefits due to contributions and pension benefits	4,932	4,259	2,561	2,039
Pension activity expenses	(105)	(106)	(50)	(53)
Other items	4	3	2	1
Pension activity results before change in life expectancy	1,739	1,209	1,032	561
Change in guaranteed benefits due to life expectancy update	3,805	4,796	3,805	4,796
Pension activity result	5,544	6,005	4,837	5,357
Administration				
Other income	1,242	1,307	602	635
Other expenses	(1,223)	(1,258)	(635)	(653)
Administration activity result	18	49	(33)	(17)
Result before bonus	(51,133)	25,497	(30,137)	27,502
Bonus addition for the period	0	0	0	0
The result for the period	(51,133)	25,497	(30,137)	27,502
Danish Financial Supervisory Authority ratios (per cent)				
Return before tax on pension savings returns – N1	(26.4)	(3.9)	(17.1)	2.6
Return after tax on pension savings returns	(22.4)	(3.3)	(14.5)	2.2
Return ratios for life annuity with market exposure, per cent	(16.4)	-	(11.5)	-
Members (in thousands)	5,455	5,364	5,455	5,364
Expenses				
Pension activity expenses per member (DKK)	19	20	9	10

ATP – Statement of comprehensive income

DKKm	H1 2022	H1 2021	Q2 2022	Q2 2021
The result for the period	(51,133)	25,497	(30,137)	27,502
Other comprehensive income				
Items that may not be reclassified to the result:				
Value adjustments of owner-occupied properties	0	0	0	0
Total	0	0	0	0
Total other comprehensive income	0	0	0	0
Comprehensive income for the period	(51,133)	25,497	(30,137)	27,502

ATP – Statement of financial position

DKKm	H1 2022	FY 2021
ASSETS		
Cash and on-demand deposits	6,213	8,320
Receivables from reverse transactions	26,811	49,249
Bonds	546,928	646,227
Private equity	55,868	115,116
Unlisted equity investments	78,744	79,931
Financial derivatives	75,247	91,559
Loans	1,348	1,340
Loans to group subsidiaries	1,080	3,290
Investments in group subsidiaries	72,782	77,246
Owner-occupied properties	819	831
Investment assets associated with life annuity with market exposure	1,121	-
Intangible assets	1,133	1,159
Operating funds	3	3
Tax receivable on pension savings returns	450	303
Deferred tax on pension savings returns	39,046	1,267
Contributions receivable	3,099	3,057
Collateral regarding financial derivatives	25,798	5,814
Other receivables	3,207	1,742
Other prepayments and accrued income	987	985
Total assets	940,684	1,087,438
EQUITY AND LIABILITIES		
Debt from reverse transactions	37,354	51,250
Financial derivatives	168,434	81,501
Tax payable on pension savings returns	0	15
Other debts	2,268	7,326
Total liabilities	208,055	140,093
Guaranteed benefits	623,610	787,809
Life annuity with market exposure	616	-
Bonus potential	108,404	159,537
Total pension provisions	732,630	947,346
Total equity and liabilities	940,684	1,087,438

Further information

For further information on the interim report for H1, please visit
 → www.atp.dk/en/further-information-half-year-2022

Further information

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



= Specifications

- Specification 1: The impact of the Danish Financial Supervisory Authority's life expectancy model on the measurement of ATP's pension liabilities.
 - Specification 2: ATP's value creation from guarantees and bonus potential
 - Specification 3: Market value of ATP's investment portfolio
-

Specification 1: The impact of the Danish Financial Supervisory Authority’s life expectancy model on the measurement of ATP’s pension liabilities.

The Danish Financial Supervisory Authority’s life expectancy model – to be used for supervision of life insurance companies and pension funds – consists of two elements: a benchmark for observed current life expectancy and a benchmark for expected future increases in life expectancy.

The observed current life expectancy of the ATP population is lower than the Danish Financial Supervisory Authority’s benchmark for observed current life expectancy. However, ATP expects higher future increases in life expectancy than the Danish Financial Supervisory Authority’s benchmark.

Observed current life expectancy

The Danish Financial Supervisory Authority’s benchmark for observed current life expectancy is based on data from a number of Danish life insurance companies and industry-wide pension funds with a total membership of 3.0 million clients. The observed current life expectancy applied by ATP is based on data relating to ATP’s approximately 5 million members.

The current life expectancy of pension company clients is higher than the current life expectancy of ATP’s members. This is in line with international analyses, showing that the life expectancy of insured persons is higher than that of non-insured persons. The difference is shown in the chart above, illustrating life expectancies for 67-year-olds based on the Danish Financial Supervisory Authority’s life expectancy model, the ATP pension population and data from Statistics Denmark.

Expected future increases in life expectancy

The Danish Financial Supervisory Authority’s benchmark for expected future increases in life expectancy is based on life expectancy developments in Denmark over the past 20 years. ATP’s model for expected future increases in life expectancy is based on comparable data for the period 1970-2018 from 18 OECD countries. The model is based on data on ATP members and about approx. 345 million inhabitants of the 18 OECD countries.

Expected future increases in life expectancy are higher according to ATP’s model than according to the Danish Financial Supervisory Authority’s benchmark. This difference is particularly attributable to the current shorter life expectancy in Denmark relative to the average of the 18 OECD countries. ATP’s model assumes that Danish life expectancy will eventually approximate the average of the 18 countries.

ATP pension liabilities

In addition to the value of ATP’s pension liabilities in the financial statements, ATP also calculates pension liabilities based on the current life expectancy of the ATP population in combination with the Danish Financial Supervisory Authority’s benchmark for expected future increases in life expectancy. Using the Danish Financial Supervisory Authority’s life expectancy model, the value of the pension liabilities would be DKK 621.5bn at the end of H1 while if using ATP’s life expectancy model the value would be DKK 624.2bn. In other words, ATP’s bonus potential would have been DKK 2.7bn higher if ATP had used the Danish Financial Supervisory Authority’s life expectancy model.

Specification 2: ATP’s value creation from guarantees and bonus potential (after tax)

Per cent	H1 2022	H1 2021	FY 2021	FY 2020	FY 2019	FY 2018	FY 2017
Value creation from pensions (after tax)	1.5	1.7	3.3	3.4	3.4	3.5	3.7
Value creation from bonus potential (after tax)	(35.0)	13.3	24.5	13.3	30.3	(7.0)	22.5
Total value creation (after tax)	(7.3)	4.4	8.5	5.5	8.0	1.5	7.3

The financial statements reflect the annual results of ATP’s business, including how profit for the year affects bonus potential. Pension hedging is also described in the financial statements, but the return implied in the pensions is not directly accounted for. In order to improve the description of ATP’s overall value creation, ATP calculates three ratios.

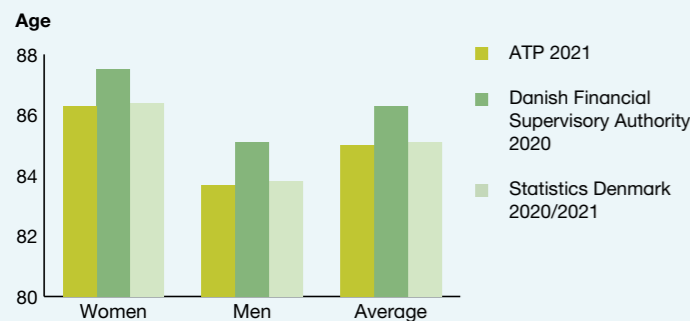
Value creation from the pensions illustrates the average rate of return on the pensions that ATP has issued to members over time, across age groups. For life annuity with market exposure, however, this concerns achieved returns for the period and not an outright rate of return. This ratio is calculated based on historical contributions and the associated pensions.

Value creation from the bonus potential illustrates the return on the bonus potential. This ratio is driven primarily by investment returns, but is for example also impacted by hedging activity results and administration expenses.

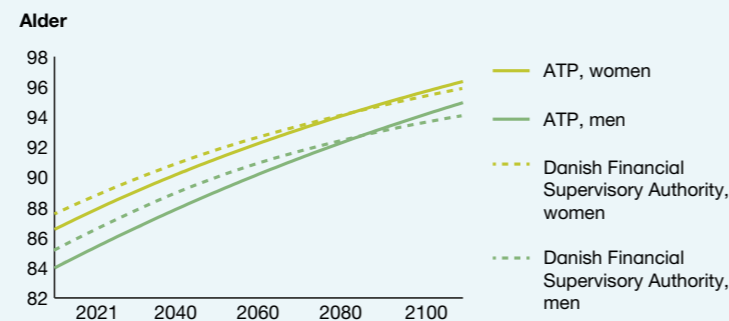
Total value creation shows ATP’s ability to generate overall value creation. This ratio is the weighted average of the two ratios above.

For more information about the definition of ATP’s value creation ratios, see the supplemental information at www.atp.dk/en/results-and-reports-atp-group

Life expectancies for 67-year-olds

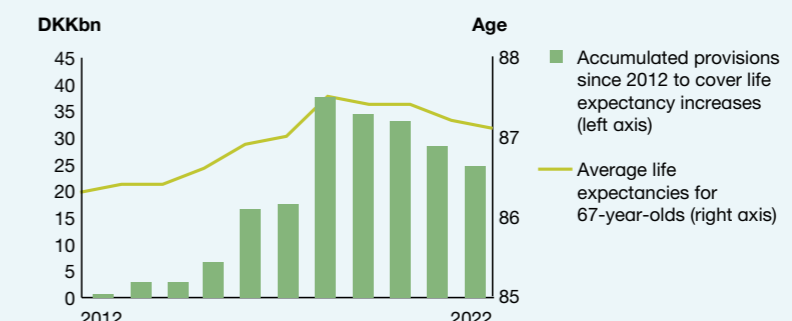


Expected future increases in life expectancy



Note: Projected life expectancy (67-year-olds) in ATP’s life expectancy model and Danish Financial Supervisory Authority benchmark.

Additional provisions due to changes in life expectancy



Specification 3: Market value of ATP's investment portfolio

Market value of ATP's investment portfolio, end of H1 2022

	DKKbn
Listed Danish equities	30.4
Listed international equities	28.1
Private equity	49.3
Credit	35.9
Government and mortgage bonds	97.5
Inflation-related instruments	11.0
Infrastructure	39.4
Real estate	43.8
Other	7.0
Total market value	342.4

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