

## Press release

17 November 2021

# ATP grows its members' pensions by a historic DKK 30bn

**Strong investment returns and record results over the past three years mean that ATP is dialling up the pensions for all the company's more than five million members. The increase is the largest in ATP's history, and with DKK 30.4bn, it provides all members with a lifelong and noticeably larger pension.**

ATP Livslang Pension (Lifelong Pension) increases by four per cent from 1 January 2022. The increase applies to all of ATP's members, both the current and future pensioners, for the rest of their lives. This is based on several years of historically strong investment results which have grown ATP's financial reserves to the extent that there is now the capacity to spend DKK 30.4bn to increase ATP members' pensions.

"It is great that ATP is continuing to deliver such strong results on the investment front. Our financial results, particularly in the past three years, mean that we have the financial resources to increase payments by an unprecedented amount in the billions which will benefit all our members. For almost 40 per cent of the pensioners here in Denmark, ATP Livslang Pension (Lifelong Pension) is their only pension supplement to the state pension, so this is an increase that will matter for many, many thousands of pensioners in Denmark for the rest of their lives," says Bo Foged, ATP's CEO.

### **DKK 30.4bn more for pensioners**

ATP Livslang Pension (Lifelong Pension) is a benefit that almost everyone working in Denmark is entitled to. Each year, ATP pays out more than DKK 17bn to its members and this figure is growing by DKK 700 million per year as a result of ATP's Supervisory Board now having decided to increase the payments by four per cent. The increase will cost ATP DKK 30.4bn, which will be paid for from the financial reserves.

"Thirty billion Danish kroner is - even for a company the size of ATP - a lot of money. But we can afford it since our returns have been so extremely good for several years and because our assets today amount to over nine hundred billion Danish kroner. It is our members' money that we invest, and we are very aware of the trust Danes put in us. For ATP, it is about ensuring basic security for all pensioners, and therefore it is very satisfying for us to be able to increase the pensions so notably. Because it goes without saying that ATP's members need to benefit when their payments to us grow so much in value," says Bo Foged.

For an average 66-year-old pensioner, the increase means that their ATP pension will grow by around DKK

14,000 in total for the remainder of their estimated life expectancy.

ATP has never previously increased its pensions by such a large amount for all its members. One must go all the way back to 1993 to see another example of ATP increasing pensions by this much. Back then, pensioners received four per cent more while the other members received 3.6 per cent more.

The last time ATP increased its payments for all members was in 2017, where all pensions were increased by one per cent.

**Facts:**

- ATP is spending DKK 30.4 from its financial reserves - the bonus potential - to increase ATP Livslang Pension (Lifelong Pension) by four per cent.
- The increase takes effect on 1 January 2022.
- The increase will cover all 5.4 million ATP members and thus both the current more than one million pensioners and all future pensioners.
- For an average 66-year-old pensioner with DKK 17,000 in annual pension (2020) from ATP, this increase of four per cent means that he or she will get more than DKK 14,300 overall in ATP pension if considering the average life expectancy. On an annual basis, this is an increase of DKK 700.
- For a 66-year-old pensioner with a full ATP pension (DKK 25,200 in 2020), the total payments if we consider the average life expectancy amount to more than DKK 20,000.
- ATP's bonus policy states that ATP can increase all member pensions once the bonus rate exceeds 20 per cent. The bonus potential is the "free reserves" that ATP has as its disposal once the value of all of ATP's guarantees to its members are counted. The bonus rate is calculated as the relationship between the free reserves and the value of ATP's guarantees and is thus an expression of how well-funded ATP is. For the interim report for the first half of 2021, ATP's bonus rate was at 22.8 per cent.

For further info, please contact Press adviser Gerd Buchhave, phone: +45 2499 0911, e-mail: geb@atp.dk