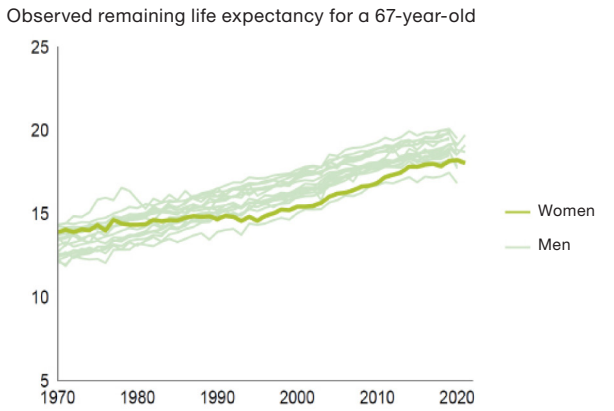
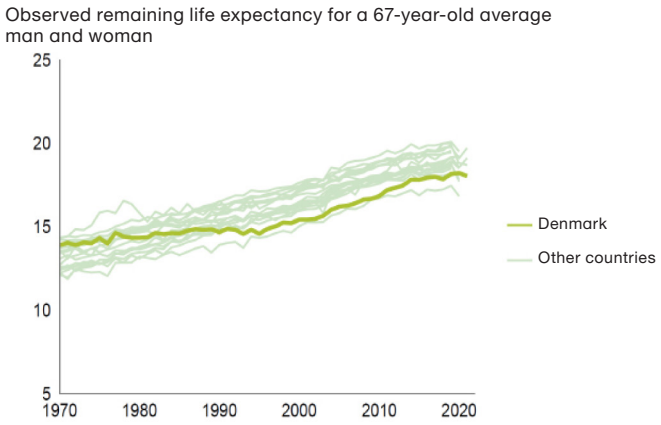
ATP applies its own life expectancy model

The model uses data from 18 comparable countries

Forecast of life expectancy in Denmark



Forecast of life expectancy internationally



ATP's calculation of the size of the amounts to be paid to current and future pensioners is based on a life expectancy model. The model is based on a range of assumptions about future developments in life expectancy.

Uniform pattern in life expectancy development

Over the past 100 years, life expectancy in the western world has increased steadily. There are, however, differences between countries in when and how quickly this increase is seen. This applies to Denmark, too. The historical life expectancy improvement variation makes it difficult to predict how life expectancy will develop in the future.

The ATP life expectancy model is based on the fact that there is a uniform pattern of life expectancy development across the industrialised world. There is good cause to believe that this development will also continue in future since western nations share commonalities, such as in respect of lifestyles, treatment opportunities and socio-economic factors.

For this reason, ATP's life expectancy model does not just rely on Danish data, but includes also those of a number of other OECD countries which, in the view of ATP, are comparable to Denmark. The purpose of this is to provide a stable prognosis for future life expectancy improvements. The ATP life expectancy model is based on the assumption that Danish life expectancy trends follow the international trend, getting closer to the international average in the longer term. This makes it important that the countries included in the international data set are comparable to Denmark. ATP's life expectancy model uses life expectancy data from 1970 and onwards from 18 industrialised OECD countries with a total of approximately 330 million citizens.

Comparison with the Danish Financial Supervisory Authority's life expectancy model

In 2011, the Danish FSA introduced a life expectancy benchmark with the purpose of ensuring that pension companies held sufficient funds to secure the pension for current and future pensioners.

The Danish FSA's life expectancy model differs from ATP's. The FSA's model applies the last 20 years' Danish data to predict future life expectancy improvements. This results in expected residual life expectancies that are slightly lower than those resulting from using ATP's life expectancy model.

If ATP's pension liabilities were calculated on the basis of the Danish FSA's life expectancy model, they would be DKK 8.2bn lower than when calculated with ATP's life expectancy model.

	Life expectancy (years)	
Age in 2022	**Men**	**Women**
0	92	95
20	90	93
40	87	90
60	85	88
80	89	90
100	102	102