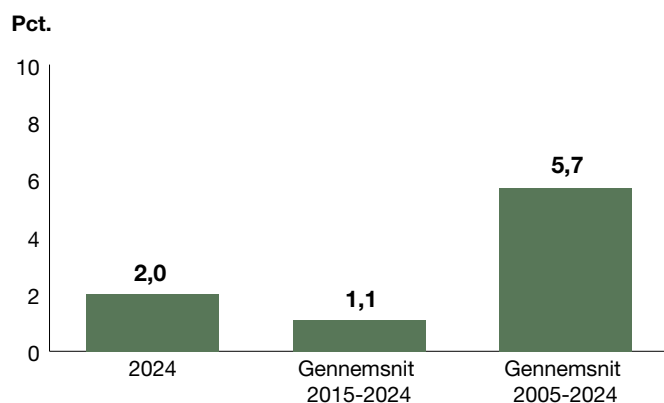


The Danish Financial Supervisory Authority's return ratios

ATP does not apply the Danish Financial Supervisory Authority's one-year return ratio (N1)

Each year, the Danish Financial Supervisory Authority publishes, among other things, return ratios for average rate products for life insurance companies and industry-wide pension funds. The 'N1' ratios applied by the Danish Financial Supervisory Authority measure only returns on assets, including the assets of ATP's interest hedging portfolio, while

ATP's returns over 1-year, 10-year and 20-year horizons



Note: Defined in accordance with the Danish Financial

no allowance is made for changes in the market value of ATP's guaranteed pensions.

The guarantee element and the hedging of guarantees against interest rate changes mean that short-term interest rate changes do not affect future pension payouts, but may significantly impact the size of ATP's return ratio in both a positive and a negative direction.

For instance, if interest rates of the assets included in ATP's interest hedging portfolio go down, the interest hedging portfolio will generate a significant positive return – a return that is included in the Danish Financial Supervisory Authority's return ratios. However, such a fall in interest rates also means that the value of the guaranteed pensions increases. The reason being that ATP needs to set aside more funds to be able to meet future pension liabilities. Consequently, the decline in interest rates does not notably affect future pension payouts in the short term.

Moreover, the Danish FSA's return ratios for average rate products do not allow for the cross-company variance in value creation for different companies' guaranteed products. The return ratio of the individual year is focused exclusively on the return on total assets – not on the increase in the guaranteed pension actually obtained by members. In other words, the return achieved by ATP's members in the individual year is therefore not reflected by the Danish FSA's return ratios.

As the Danish Financial Supervisory Authority's return ratios tend to reflect market value changes in ATP's interest hedging portfolio that will not notably affect the pension commitments made, and as the ratio does not allow for the variance in value creation for the pension providers' guaranteed products, the ratio fails to provide a comprehensive view of the value creation for ATP's members for the individual year. However, in the very long term, the ratio better reflects the value creation.