

The ATP Group

Preliminary announcement of financial statements for 2006

Financial highlights for 2006:

DKK million	<u>2006</u>	<u>2005</u>
Investment-activity results	21,127	25,795
Hedging-activity results	3,610	(6,022)
Pension-activity results (including mortality update)	(1,822)	(1,390)
Transferred to client deposits under the SP and SUPP schemes	(4,518)	(6,379)
Administration-activity results	12	(8)
Tax	(2)	(12)
Net profit for the year	<u>18,407</u>	<u>11,984</u>

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Financial highlights of the ATP Group

DKK million	2006	2005
Income statement		
Investment activities		
Return on investment	24,919	30,409
Expenses	(359)	(313)
Tax on pension-savings returns	(3,433)	(4,301)
Investment-activity results	21,127	25,795
Hedging activities		
Return on hedging portfolio, etc.	(14,948)	40,467
Change in guaranteed benefits due to change in calculation rate	26,195	(30,687)
Change in guaranteed benefits due to declining term to maturity	(9,879)	(10,019)
Tax on pension-savings returns	2,242	(5,783)
Hedging-activity results	3,610	(6,022)
Pension activities		
Contributions	7,205	6,744
Fee income	119	121
Pension benefits	(7,080)	(6,079)
Change in guaranteed benefits due to contributions and pension benefits	2,812	2,622
Expenses	(224)	(214)
Results before change in mortality and bonus, etc.	2,832	3,194
Change in guaranteed benefits due to change in mortality	(3,957)	(3,903)
Bonus for the year	(697)	(681)
Pension-activity results	(1,822)	(1,390)
Transferred to client deposits under the SP and SUPP schemes	(4,518)	(6,379)
Administration activities		
Other income	502	499
Other expenses	(490)	(507)
Administration-activity results	12	(8)
Tax	(2)	(12)
Net profit for the year	18,407	11,984
Of which minority interests' share	128	164
Balance sheet		
Assets		
Investment assets	413,864	405,668
Other assets	12,652	11,379
Total assets	426,516	417,047
Liabilities		
Pension provisions	416,099	409,493
Other liabilities	10,417	7,554
Total liabilities	426,516	417,047

Report for 2006

- The Group's net profit totals DKK 18.4bn
- An update of the mortality base has added an amount of DKK 4.0 bn to provisions
- The market return on ATP's investment portfolio is 7.8 per cent
- The bonus potential is up by DKK 18.4bn, to a total of DKK 70.4bn, at 31 December 2006
- Administrative expenses amount to DKK 33 for each ATP member and DKK 24 for each SP client
- Investment expenses total DKK 22 for each ATP member and DKK 6 for each SP client

Net profit for the year

The overview 'Financial highlights of the ATP Group' reflects the main activities of the ATP Group. The Group achieved a net profit of DKK 18.4bn, which is satisfactory.

Net profit can be broken down as follows:

2006, DKK million	ATP	SP	Other ¹	Group
Investment-activity results	16,425	4,578	124	21,127
Hedging-activity results	3,610	0	0	3,610
Pension-activity results	(1,863)	41	0	(1,822)
Transferred to client deposits under the SP and SUPP schemes	0	(4,518)	0	(4,518)
Administration-activity results	4	2	6	12
Tax	0	0	(2)	(2)
Net profit for the year	18,176	103	128	18,407

1) Comprised primarily of reclassifications related to the financial statement consolidation.

Investment activities

The Group's investment activities comprise asset management of the ATP and SP schemes, including the SUPP scheme (the Supplementary Labour Market Pension Scheme for Disability Pensioners).

The introduction of mark-to-market accounting fundamentally changed the conditions for managing pension assets. This prompted ATP, at the end of 2005, to divide its portfolio into two separate sub-portfolios to match the two main objectives to which the management of ATP's investments is subject:

- A hedging portfolio comprised primarily of interest-rate swaps, etc., the aim of which is to ensure optimal hedging of ATP's pension liabilities.
- An investment portfolio, the aim of which is to generate an absolute return that is sufficient to ensure growth in the bonus potential, thus making it possible to preserve the long-term purchasing power of pensions.

The hedging-portfolio return is included in hedging-activity results, while investment activities comprise other investments.

Hedging activities

Hedging activities relate only to ATP. The market value of guaranteed benefits rises in case of interest-rate falls and declines in case of interest-rate rises. The objective of ATP's hedging activities is, primarily, to hedge the interest-rate risk related to ATP's guaranteed benefits. In other words, the objective of the hedging activities is not, *per se*, to generate a return.

The hedging portfolio may consist of long-dated bonds or similar financial instruments, e.g. interest-rate swaps. In principle, these instruments are subject to an interest-rate risk after tax that is equivalent to the interest-rate risk of the guaranteed benefits. At present, bonds do not form part of the hedging portfolio.

Pension activities

Pension activities comprise the management of the ATP pension scheme and the SP and SUPP savings schemes (Special Pension Savings Scheme and Supplementary Labour Market Pension Scheme for Disability Pensioners).

The financial statements of the SP and SUPP schemes are presented as unit-linked schemes, entailing, among other things, that contribution payments and pension benefits are recognised directly in the item 'Provisions for unit-linked contracts' in the balance sheet.

Changes in guaranteed benefits due to changes in mortality are updated once a year at the end of H1.

Administration activities

In relation to its pension activities, ATP sells administrative services in the fields of pensions and social insurance to other schemes, including LG, AER, AES, *FerieKonto* and LD. These services are provided on a cost-recovery basis. ATP also sells administrative services to a number of labour-market pension schemes. These services are provided as part of the Group's administration activities.

Other customary income and expenses that cannot be attributed to pension or investment activities are recorded under the items 'Other Income' and 'Other expenses'.

Investment-activity results

The Group's investment-activity results totalled DKK 21.1bn after tax on pension-savings returns of DKK 3.4bn. ATP's investment-activity results totalled DKK 16.4bn after tax.

The investment returns achieved by the SP and SUPP schemes, totalling DKK 4.5bn after tax, are transferred to client deposits.

The ATP investment portfolio

In 2006, the investment portfolio generated an overall market return of DKK 28.4bn before tax.

The investment portfolio is comprised of two components that are attributable to two different sources of return:

- The return achieved by investing broadly in asset classes subject to a certain amount of investment risk. Experience shows that, over time, most risky assets generate an additional return relative to risk-free investments. This return, which may be seen as compensation to investors for accepting greater risk, is often known as "beta".
- The return achieved by investing actively, e.g. by purchasing individual equities that are expected to show the greatest increase within a given time horizon and selling individual equities that are expected to show the smallest increase. The return achieved by active asset management is often known as "alpha".

ATP has decided to separate these investment decisions and lodge the portfolio responsibility with different investment teams – the objective being to ensure that the investment approach is focused and flexible with a clear allocation of responsibilities and an efficient decision-making process. To that end, the investment portfolio has been divided into an alpha and a beta portfolio.

Interest-rate swaps, the aim of which is to hedge ATP's pension liabilities, do not form part of the investment portfolio. Accordingly, the return on interest-rate swaps is not included in the market return on the investment portfolio.

In 2006, the investment portfolio generated an overall market return of DKK 28.4bn before tax, equivalent to a rate of return of 7.8 per cent. This figure includes a return of DKK 9.3bn, which has been transferred to the hedging portfolio. The return is transferred to the hedging portfolio because the hedging portfolio makes liquidity available to the investment portfolio. Allowing for financing costs, the return on the investment portfolio thus totals DKK 19.1bn.

The ATP investment portfolio	Portfolio end of 2006		Return 2006	
	DKK billion	per cent	DKK million	per cent ¹
Beta	392.3	100.0	27,922	7.8
Bonds	268.1	68.3	6,849	2.7
- Nominal bonds, etc.	251.7	64.2	6,782	2.7
- Index-linked bonds	16.4	4.2	66	1.1
Listed equities	100.1	25.5	17,144	20.4
- Domestic equities	46.9	12.0	11,242	27.8
- Foreign equities	53.2	13.6	5,902	13.5
Other assets	24.0	6.1	3,929	21.0
- Real estate	14.0	3.6	2,060	18.2
- Private equities	10.0	2.6	1,869	25.1
Alpha	0.3		432	-
Other	3.5		75	-
Total investment portfolio	396.0		28,429	7.8
Transferred to hedging activities²	(318.4)		(9,297)	3.0
Total investment portfolio after financing			19,132	

1) ATP uses daily, time-weighted rates of return.

2) The hedging portfolio is comprised of financial instruments designed to hedge ATP's pension liabilities; the portfolio does not include securities. Consequently, no liquidity is used to purchase securities and liquidity is thus available for investment in the investment portfolio. A market rate is paid to hedging activities on these funds. This amount is referred to as "Transferred to hedging activities".

Beta portfolio achieved high returns – especially on listed domestic equities and private equities

The beta portfolio generated a return of DKK 27.9bn, DKK 6.8bn of which was accounted for by the bond portfolio, equivalent to 2.7 per cent. The portfolio of listed equities recorded a return of DKK 17.1bn, or 20.4 per cent, while the portfolio of 'Other assets' – real estate and private equities – posted a return of DKK 3.9bn, equivalent to 21.0 per cent. The total return achieved by the alpha portfolio was DKK 0.4bn.

Yet another good year for equity investors

2006 was the fourth consecutive year of high equity market returns, but the year was more turbulent than the previous three years. A strong market correction in late spring paved the way for new price increases for the remainder of the year. Equity markets benefited from continued strong momentum in the global economy, all-time high profit margins, low indebtedness and enhanced utilisation of production facilities, serving to underpin strong earnings growth. In general, developed markets, including Denmark, recorded double-digit price increases – the only exception being Japan, which experienced a slowdown in the domestic economy. Emerging markets also enjoyed strong equity-price increases as favourable economic trends were reinforced by structural economic improvements.

In bond markets, yields on long-dated bonds rose in H1 of 2006. Long-dated bond yields dropped at the beginning of H2, only to start rising again towards the end of the year. The net outcome was small yield increases in both Europe and the USA and small, but positive bond returns. Domestic bonds achieved returns in line with bond returns in the eurozone.

Alpha portfolio achieved positive returns

In 2006, the alpha portfolio generated an overall return of DKK 432m and the portfolio achieved a positive return during 10 of the 12 months of the year.

The alpha portfolio is divided into six sub-portfolios that are managed independently:

- One sub-portfolio focuses on generating returns on the purchase and sale of exposure to equity and bond asset classes, e.g. through purchase and sale of equity-index futures
- Four equity-sector portfolios focus on generating returns on the purchase and sale of cyclical equities, technology equities, financial equities and stable growth equities, respectively
- One bond portfolio focuses on generating returns on the purchase and sale of bonds and other interest-rate instruments.

As a main rule, the alpha portfolio must be self-financing. Accordingly, investments purchased by the alpha portfolio must be financed by a corresponding sale – either through financial instruments or through the sale of securities borrowed from the beta portfolio. This means that the net assets of the alpha portfolio are usually close to zero.

In 2006, five of the six sub-portfolios achieved positive returns. In the course of the year, the returns of the six sub-portfolios exhibited a low degree of covariation. In general, the days on which individual sub-portfolios achieved positive returns – respectively negative returns – did not coincide. For the year as a whole, the average covariation between the returns of the individual sub-portfolios was close to zero. The very low degree of covariation between returns reduces the risk of the overall alpha portfolio.

SP investment activities

SP's total market return on investment was DKK 5.4bn before tax in 2006, corresponding to a rate of return of 10.9 per cent. Returns were fuelled, in particular, by healthy equity-price increases, but both equity and bond markets contributed positively to returns.

SP's assets are comprised of:

- SP funds invested directly by ATP
- SP funds invested by SP clients
- Funds under the SUPP scheme

The lion's share by far of SP's clients – some 3.1m people – leave the management of their deposits to ATP. Thus SP funds invested directly by ATP account for 98 per cent of SP's overall investment assets. These funds, invested in three sub-funds of ATP Invest, achieved an overall return of DKK 5.3bn, equivalent to a rate of return of 10.9 per cent.

The SP investment portfolio	Portfolio end of 2006		Return		
	DKK million	per cent	SP	SP ¹	Benchmark ¹
SP funds invested directly by ATP	52,050	98.1	5,257	10.9	
<i>ATP Invest Basis Lav Risiko</i>	6,086	11.5	292	5.1	4.9
<i>ATP Invest Basis Mellem Risiko</i>	13,344	25.1	1,115	9.0	8.0
<i>ATP Invest Basis Høj Risiko</i>	32,620	61.5	3,850	12.7	11.5
SP funds invested by SP clients²	200	0.4	39	19.4	
The SUPP scheme	821	1.5	65	9.5	
Total investment assets	53,071		5,361	10.9	

1) ATP uses daily, time-weighted rates of return.

2) SP funds invested by SP clients were not necessarily invested during the entire period under review. The return is calculated as the return on average invested funds. The return is not directly comparable with that of other portfolios.

SP funds invested directly by ATP produced a return of DKK 5.3bn, or 10.9 per cent.

Both equity and bond markets achieved positive returns in 2006, but equity markets significantly outperformed bond markets. Thus the equity allocation of the portfolio was a key factor in the return achieved in 2006. The highest return was generated by *ATP Invest Basis Høj Risiko* ("ATP Invest Basic High Risk"), the risk of which is higher due to its higher equity allocation.

A benchmark based on market indices and market portfolios has been established for each of the three sub-funds. The benchmarks reflect the strategic allocation targets of the portfolios. All three basic sub-funds outperformed their respective benchmarks.

SP funds invested by clients produced a return of DKK 39m, equivalent to a rate of return of 19.4 per cent. A small portion of SP's clients – some 6,700 – exercise their free SP choice to invest their SP deposits themselves through *Folkebørsen*. The high return reflects that clients primarily opted for equity-based sub-funds, which generally outperformed bond-based funds.

ATP administers SUPP (the Supplementary Labour Market Pension Scheme for Disability Pensioners) within the framework of SP. This entails that the SUPP funds are managed as part of the SP portfolio. The SUPP funds are invested individually depending on the age of the individual client – exactly as with SP funds invested directly by ATP.

In 2006, the SUPP portfolio achieved a return of DKK 65m, equivalent to 9.5 per cent, thus slightly underperforming the portfolio of SP funds invested directly by ATP using the pension graph. The differential is attributable exclusively to a difference in age distribution. On account of the age distribution, the SUPP portfolio has a significantly lower equity allocation – 38 per cent of its funds are invested in the sub-fund *ATP Invest Basis Høj Risiko*, while the corresponding figure for SP funds invested directly by ATP is 63 per cent.

Hedging-activity results

The Group's hedging-activity results totalled DKK 3.6bn.

In 2006, the market value of ATP's pension liabilities – guaranteed benefits – dropped by DKK 26.2bn as a result of the interest-rate increases during the year. At the same time, the value of the liabilities increased by DKK 9.9bn due to the shorter term to maturity of the liabilities. Between them, these changes produced a fall of DKK16.3bn in guaranteed benefits.

The hedging portfolio recorded a negative return of DKK 14.9bn before tax. As a result of this loss, tax on pension-savings returns amounted to an income of DKK 2.2bn. The hedging portfolio thus produced a negative return after tax of DKK 12.7bn.

Hedging activities produced an overall profit of DKK 3.6bn, contributing to the overall strengthening the bonus potential.

The profit achieved by hedging activities is attributable, in particular, to the widening of the interest-rate differential between euro-denominated claims and DKK-denominated claims during the first few months of the year.

Pension-activity results

The Group's pension-activity results totalled DKK 2.8bn before the annual update of the mortality base, adding an amount of DKK 4.0bn to provisions for guaranteed benefits. Overall pension-activity results were negative by DKK 1.8bn.

In 2006, the Group received contributions totalling DKK 7.2bn and fee income of DKK 119m.

During the period, pension benefits totalling DKK 7.1bn were paid to members, up DKK 1bn on the same period last year. At year-end 2006, upwards of 650,000 pensioners received a current pension from ATP – an increase of some 53,000 relative to 2005.

Overall pension-activity results include a change in guaranteed benefits of DKK 2.8bn due mainly to the impact of the purchase of new pension rights for the contributions paid into the schemes during the year.

Overall pension-activity results, at a negative DKK 1.8bn, are impacted mainly by the annual update of the mortality base, effected at 30 June 2006. The update resulted in a change in guaranteed benefits of DKK 4.0bn.

In 2006, the ATP Group received fee income of DKK 119m. Fees to cover expenses are collected directly from the individual SP client. As at 31 December 2006, the number of clients was 3,121,500.

Some 6,700 clients opted to take advantage of the option provided by free SP choice to invest their SP savings themselves. In 2006, about 64,500 clients chose to transfer their SP deposits to external pension providers. Since 1 January 2005, a total of 156,000 clients have transferred their SP deposits to different pension providers. However, ATP still manages almost 95 per cent of all SP funds.

Administration-activity results

The Group's administration-activity results, totalling DKK 12m, comprise sale of administrative services to external clients and other related parties, as well as expenses incurred for the sale of administrative services.

Accounting policies

The preliminary announcement of financial statements of the ATP Group for 2006 was prepared in accordance with International Financial Reporting Standards (IFRS), as approved 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 and the Special Pension Savings Scheme' (available in Danish only).

The accounting policies are consistent with those applied in the latest annual report (2005).

Outlook for 2007

Based on the interest-rate and price levels prevailing at the end of 2006, ATP has calculated an expected market return on ATP's investments of 4.5 per cent in 2007. It should be emphasised that this is a purely technical progression. It is based on the assumptions, on the one hand, that interest rates will remain unchanged from the levels prevailing at 31 December 2006 and, on the other, that the normal return on equities is approximately 2 percentage points above the yield on a 10-year government bond.

The expected slight deceleration in the momentum of the global economy should serve to reduce inflationary pressures and the need for monetary tightening. Against this backdrop, the Executive and Supervisory Boards believe that small, positive bond returns can be expected for 2007, as yields on long-dated bonds are likely to hover around the level seen in 2006.

With low interest rates and continued growth – albeit at a lower level – 2007 could be the fifth consecutive year of positive equity-market returns. However, returns are not likely to be in line with those achieved in recent years.

ATP expects the Group's total administrative expenses to decrease slightly in 2007.

Administrative expenses for the ATP scheme are expected to come to an unchanged DKK 33 for each member, while average administrative expenses for the SP scheme are expected to rise from DKK 24 to DKK 26 per client.

ATP's investment-activity expenses are expected to increase from DKK 22 to DKK 27 for each member, due to expanded activities. SP's investment-activity expenses are expected to remain at an average DKK 6 per client.

Hillerød, 22 February 2007

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The ATP Group

Income statement

DKK million	2006	2005	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Contributions	7,205	6,744	1,780	1,831	1,803	1,791	1,687
Fees	119	121	22	24	23	50	32
Income from associates	(87)	(17)	1	(96)	0	8	(3)
Income from investment properties	524	517	130	133	136	125	159
Interest income and dividends, etc.	20,788	20,357	3,759	4,173	7,508	5,348	4,819
Fee income	10	2	10	0	0	0	0
Market-value adjustments	(11,250)	50,107	1,583	33,427	(26,260)	(20,000)	1,794
Interest expenses	(8)	(90)	(5)	(1)	0	(2)	(59)
Fee expenses	(6)	0	(6)	0	0	0	0
Investment-activity expenses	(359)	(313)	(79)	(85)	(97)	(98)	(68)
Total investment return	9,612	70,563	5,393	37,551	(18,713)	(14,619)	6,642
Tax on pension-savings returns	(1,191)	(10,084)	(707)	(5,645)	2,918	2,243	(906)
Investment return after tax on pension-savings returns	8,421	60,479	4,686	31,906	(15,795)	(12,376)	5,736
Benefit payouts	(7,069)	(6,083)	(1,907)	(1,777)	(1,730)	(1,655)	(1,713)
Change in claims outstanding provisions	(11)	4	(13)	0	0	2	(3)
Total pension benefits	(7,080)	(6,079)	(1,920)	(1,777)	(1,730)	(1,653)	(1,716)
Change in guaranteed benefits	15,171	(41,987)	4,870	(22,721)	9,193	23,829	2,810
Bonus addition for the year	(697)	(681)	(697)	0	0	0	(681)
Change in provisions for unit-linked contracts	(4,518)	(6,379)	(1,986)	(1,981)	921	(1,472)	(1,259)
Pension-activity expenses	(224)	(214)	(75)	(47)	(38)	(64)	(75)
Technical profit	18,397	12,004	6,680	7,235	(5,623)	10,105	6,534
Other income	502	499	165	88	101	148	147
Other expenses	(490)	(507)	(210)	(72)	(81)	(127)	(223)
Profit before tax	18,409	11,996	6,635	7,251	(5,603)	10,126	6,458
Tax	(2)	(12)	6	(3)	(3)	(2)	(3)
Net profit for the period	18,407	11,984	6,641	7,248	(5,606)	10,124	6,455
Minority interests' share of the net profit for the period	128	164	63	45	(26)	46	34
The ATP Group's share of the net profit for the period	18,279	11,820	6,578	7,203	(5,580)	10,078	6,421
Allocated profit	18,407	11,984	6,641	7,248	(5,606)	10,124	6,455

To ensure comparability between individual quarters, a correction has been made in Q2 2006 relative to the published half-year report. The DKK 46m correction has been effected between the items 'Investment-activity expenses' and 'Other income'.

The ATP Group

Balance sheet

DKK million	2006	2005	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
ASSETS							
Total intangible assets	407	230	407	395	309	242	230
Operating equipment	13	12	13	9	10	11	12
Domicile properties	359	335	359	333	332	329	335
Total property, plant and equipment	372	347	372	342	342	340	347
Investment properties	8,888	7,920	8,888	8,064	8,033	7,977	7,920
Investments in associates	534	237	534	240	281	260	237
Investments	112,851	89,780	112,851	102,677	95,331	97,316	89,780
Mutual-fund units	10	7	10	141	133	11	7
Bonds	222,432	215,454	222,432	216,253	212,242	214,697	215,454
Derivative financial instruments	16,058	41,915	16,058	24,436	14,440	42,309	41,915
Other loans	20	20	20	20	20	0	20
Total other financial investment assets	351,371	347,176	351,371	343,527	322,166	354,333	347,176
Total investment assets	360,793	355,333	360,793	351,831	330,480	362,570	355,333
Investment assets related to unit-linked contracts							
	53,071	50,335	53,071	52,050	50,038	51,582	50,335
Deferred tax	6	0	6	0	5,139	2,491	0
Contributions receivable	1,999	1,889	1,999	2,027	2,028	2,027	1,889
Other receivables	768	501	768	1,250	838	540	501
Interest receivable and accrued rent	3,316	2,954	3,316	3,833	4,109	3,223	2,954
Other prepayments	234	51	234	5	71	7	51
Corporation tax	0	14	0	0	0	0	14
Tax on pension-savings returns	1,244	0	1,244	0	0	0	0
Cash in hand and demand deposits	4,306	5,393	4,306	4,220	5,274	5,178	5,393
Total receivables and other assets	11,873	10,802	11,873	11,335	17,459	13,466	10,802
Total assets	426,516	417,047	426,516	415,953	398,628	428,200	417,047
LIABILITIES							
Total minority interests	772	640	772	789	682	700	640
Guaranteed benefits	292,554	307,028	292,554	296,727	274,006	283,199	307,028
Claims outstanding provisions	39	28	39	26	26	26	28
Bonus potential	70,362	52,079	70,362	63,778	56,575	62,157	52,079
Revaluation reserve	4	4	4	4	4	4	4
Total bonus potential	70,366	52,083	70,366	63,782	56,579	62,161	52,083
Provisions for unit-linked contracts	52,284	49,760	52,284	50,801	49,347	50,643	49,760
Provisions for the SUPP scheme	856	594	856	763	686	642	594
Total pension provisions	416,099	409,493	416,099	412,099	380,644	396,671	409,493
Short-term loans	44	38	44	43	42	40	38
Due to credit institutions	20	20	20	20	20	20	20
Derivative financial instruments	5,952	2,612	5,952	934	12,733	25,470	2,612
Payable tax on pension-savings returns	135	2,580	135	672	2,567	2,583	2,580
Other payables	3,494	1,664	3,494	1,396	1,940	2,716	1,664
Total payables	9,645	6,914	9,645	3,065	17,302	30,829	6,914
Total liabilities	426,516	417,047	426,516	415,953	398,628	428,200	417,047

The ATP Group

Note 1 – Cash flow statement

DKK million	2006	2005	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Cash flows from operating activities							
Received in respect of pension activities	(1,137)	1,160	(1,049)	421	(294)	(215)	1,474
Management income received	29,237	37,751	9,958	4,585	5,711	8,983	3,709
Tax on pension-savings returns paid	(4,652)	(8,904)	(2,216)	(2,436)	0	0	(7,858)
Other operating activities	(881)	(818)	721	(2,076)	(204)	678	(4,307)
Total	22,567	29,189	7,414	494	5,213	9,446	(6,982)
Net cash flow from investing activities							
Purchase and sale of investment assets	(23,303)	(31,028)	(7,143)	(1,460)	(5,053)	(9,647)	4,899
Intangible assets	(182)	(192)	(16)	(86)	(65)	(15)	(102)
Property, plant and equipment	(169)	(42)	(169)	(2)	1	1	(11)
Total	(23,654)	(31,262)	(7,328)	(1,548)	(5,117)	(9,661)	4,786
Change in cash and cash equivalents	(1,087)	(2,073)	86	(1,054)	96	(215)	(2,196)
Cash and cash equivalents, beginning of year	5,393	7,466	4,220	5,274	5,178	5,393	7,589
Cash and cash equivalents, end of year	4,306	5,393	4,306	4,220	5,274	5,178	5,393

The ATP Group

Note 2 – Contingent liabilities

DKK million	2006	2005	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Collateral security in respect of derivatives	3,257	2,638	3,257	3,049	7,944	1,999	2,638
Rental/lease obligations	128	165	128	146	149	157	165
Investment commitments, investments in group enterprises and associates and commitments made by ATP Private Equity Partners	13,338	10,681	13,338	12,532	11,609	10,470	10,681
Investment commitments, domestic real estate	143	143	143	143	143	143	143
Investment commitments, real-estate funds	1,643	1,662	1,643	2,039	1,755	1,591	1,855
Investment commitments, infrastructure funds	4,317	-	4,317	-	-	-	-
Agreements concluded on supply of IT systems	533	752	533	433	485	719	752

ATP has joint VAT registration with a number of subsidiaries. These subsidiaries are jointly and severally liable for payment of VAT and payroll tax included in the joint registration for VAT.

The ATP Group

Note 3 – Pension provisions

DKK million	2006	2005	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Guaranteed benefits							
Market value, beginning of period	307,028	264,360	296,727	274,006	283,199	307,028	309,157
Change in provisions for the period	(15,171)	41,987	(4,870)	22,721	(9,193)	(23,829)	(2,810)
Bonus provisions	697	681	697	0	0	0	681
Market value, end of period	<u>292,554</u>	<u>307,028</u>	<u>292,554</u>	<u>296,727</u>	<u>274,006</u>	<u>283,199</u>	<u>307,028</u>
Guaranteed benefits comprise Scheme I (pension rights accrued on the basis of contribution payments up until and including 31 December 2001) and Scheme II (pension rights accrued on the basis of contribution payments made after 31 December 2001).							
Change in provisions for the period							
Contributions	7,205	6,744	1,780	1,831	1,803	1,791	1,687
Pension benefits	(7,080)	(6,079)	(1,918)	(1,777)	(1,730)	(1,655)	(1,709)
Change in mortality	3,957	3,903	21	22	3,914	0	29
Change in calculation rate	(26,195)	30,687	(6,420)	20,774	(14,835)	(25,714)	(4,517)
Other changes	6,942	6,732	1,667	1,871	1,655	1,749	1,700
Total	<u>(15,171)</u>	<u>41,987</u>	<u>(4,870)</u>	<u>22,721</u>	<u>(9,193)</u>	<u>(23,829)</u>	<u>(2,810)</u>
Claims outstanding provisions							
Balance, beginning of period	28	32	26	26	26	28	25
Change in provisions for the period	11	(4)	13	0	0	(2)	3
Balance, end of period	<u>39</u>	<u>28</u>	<u>39</u>	<u>26</u>	<u>26</u>	<u>26</u>	<u>28</u>
Bonus potential							
Bonus potential:							
Balance, beginning of period	51,921	40,121	63,554	56,390	61,967	51,921	45,506
Changes during the period	18,176	11,800	6,543	7,164	(5,577)	10,046	6,415
Balance, end of period	<u>70,097</u>	<u>51,921</u>	<u>70,097</u>	<u>63,554</u>	<u>56,390</u>	<u>61,967</u>	<u>51,921</u>
Adjustment pool:							
Balance, beginning of period	158	131	224	185	190	158	137
Changes during the period	107	27	41	39	(5)	32	21
Balance, end of period	<u>265</u>	<u>158</u>	<u>265</u>	<u>224</u>	<u>185</u>	<u>190</u>	<u>158</u>
Revaluation reserve:							
Balance, beginning of period	4	4	4	4	4	4	4
Changes during the period	0	0	0	0	0	0	0
Balance, end of period	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Total bonus potential	<u>70,366</u>	<u>52,083</u>	<u>70,366</u>	<u>63,782</u>	<u>56,579</u>	<u>62,161</u>	<u>52,083</u>
Provisions for unit-linked contracts							
Balance, beginning of period	49,760	45,581	50,801	49,347	50,643	49,760	49,085
Changes during the period	2,524	4,179	1,483	1,454	(1,296)	883	675
Balance, end of period	<u>52,284</u>	<u>49,760</u>	<u>52,284</u>	<u>50,801</u>	<u>49,347</u>	<u>50,643</u>	<u>49,760</u>
Provisions for the SUPP scheme							
Balance, beginning of period	594	363	763	686	642	594	517
Changes during the period	262	231	93	77	44	48	77
Balance, end of period	<u>856</u>	<u>594</u>	<u>856</u>	<u>763</u>	<u>686</u>	<u>642</u>	<u>594</u>
Total pension provisions	<u>416,099</u>	<u>409,493</u>	<u>416,099</u>	<u>412,099</u>	<u>380,644</u>	<u>396,671</u>	<u>409,493</u>

ATP

Income statement

DKK million	2006	2005	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Contributions	7,205	6,744	1,780	1,831	1,803	1,791	1,687
Income from group enterprises	4,520	4,966	2,639	1,553	(1,000)	1,328	1,565
Income from associates	(5)	(10)	(6)	1	0	0	0
Income from investment properties	326	293	84	80	76	86	65
Interest income and dividends, etc.	17,159	17,330	3,689	2,748	6,246	4,476	4,029
Fee income	10	0	10	0	0	0	0
Market-value adjustments	(17,772)	40,487	(3,440)	30,819	(22,900)	(22,251)	(570)
Interest expenses	0	(89)	0	0	0	0	0
Fee expenses	(6)	0	(6)	0	0	0	0
Investment-activity expenses	(95)	(82)	(24)	(21)	(23)	(27)	(23)
Total investment return	4,137	62,895	2,946	35,180	(17,601)	(16,388)	5,066
Tax on pension-savings returns	(418)	(8,957)	(342)	(5,333)	2,766	2,491	(685)
Investment return after tax on pension-savings returns	3,719	53,938	2,604	29,847	(14,835)	(13,897)	4,381
Benefit payouts	(7,069)	(6,083)	(1,907)	(1,777)	(1,730)	(1,655)	(1,713)
Change in claims outstanding provisions	(11)	4	(13)	0	0	2	(3)
Total pension benefits	(7,080)	(6,079)	(1,920)	(1,777)	(1,730)	(1,653)	(1,716)
Change in guaranteed benefits	15,171	(41,987)	4,870	(22,721)	9,193	23,829	2,810
Bonus addition for the year	(697)	(681)	(697)	0	0	0	(681)
Pension-activity expenses	(146)	(130)	(53)	(30)	(24)	(39)	(56)
Technical profit	18,172	11,805	6,584	7,150	(5,593)	10,031	6,425
Other income	556	628	109	120	172	155	180
Other expenses	(552)	(633)	(150)	(106)	(156)	(140)	(190)
Net profit for the period	18,176	11,800	6,543	7,164	(5,577)	10,046	6,415
Allocation of profit							
Transferred to/from bonus potential	18,176	11,800	6,543	7,164	(5,577)	10,046	6,415
Ratios							
Return before tax on pension-savings returns (per cent)	1.2	20.6	0.2	10.7	(5.1)	(4.6)	1.4
Return after tax on pension-savings returns (per cent)	1.0	17.7	0.2	9.0	(4.3)	(3.9)	1.2
Members (number in thousands)	4,442	4,393	4,442	4,431	4,421	4,401	4,393
Expenses							
Pension-activity expenses per member (DKK)	33	30	12	7	5	9	13
Investment-activity expenses per member (DKK)	22	19	6	5	5	6	5

ATP

Balance sheet

DKK million	2006	2005	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
ASSETS							
Total intangible assets	407	230	407	394	308	242	230
Operating equipment	13	12	13	9	10	11	12
Domicile properties	339	310	339	313	312	310	310
Total property, plant and equipment	352	322	352	322	322	321	322
Investment properties	5,768	5,134	5,768	5,219	5,214	5,183	5,134
Investments in group enterprises	40,697	30,741	40,697	36,817	35,101	32,297	30,741
Loans to group enterprises	33	33	33	33	33	33	33
Investments in associates	10	14	10	17	16	18	14
<i>Total investments in group enterprises and associates</i>	<i>40,740</i>	<i>30,788</i>	<i>40,740</i>	<i>36,867</i>	<i>35,150</i>	<i>32,348</i>	<i>30,788</i>
Equity investments	87,531	72,272	87,531	80,369	74,703	78,473	72,272
Bonds	211,106	205,290	211,106	205,476	201,857	204,691	205,290
Derivative financial instruments	15,784	41,900	15,784	24,298	14,062	42,209	41,900
Other loans	20	20	20	20	20	0	20
<i>Total other financial investment assets</i>	<i>314,441</i>	<i>319,482</i>	<i>314,441</i>	<i>310,163</i>	<i>290,642</i>	<i>325,373</i>	<i>319,482</i>
Total investment assets	360,949	355,404	360,949	352,249	331,006	362,904	355,404
Deferred tax on pension-savings returns	0	0	0	0	5,142	2,491	0
Contributions receivable	1,975	1,868	1,975	2,008	2,008	2,007	1,868
Receivables from group enterprises	111	23	111	45	64	0	23
Other receivables	662	440	662	1,042	619	333	440
Interest receivable and accrued rent	3,151	2,793	3,151	3,630	3,888	3,013	2,793
Tax on pension-savings returns	1,244	0	1,244	0	0	0	0
Cash in hand and demand deposits	2,830	4,004	2,830	2,974	3,493	3,730	4,004
Total receivables and other assets	9,973	9,128	9,973	9,699	15,214	11,574	9,128
Total assets	371,681	365,084	371,681	362,664	346,850	375,041	365,084
LIABILITIES							
Guaranteed benefits	292,554	307,028	292,554	296,727	274,006	283,199	307,028
Claims outstanding provisions	39	28	39	26	26	26	28
Bonus potential	70,101	51,925	70,101	63,558	56,394	61,971	51,925
Total pension provisions	362,694	358,981	362,694	360,311	330,426	345,196	358,981
Short-term loans	44	38	44	43	42	40	40
Due to credit institutions	20	20	20	20	20	20	20
Payables to group enterprises	293	14	293	0	0	0	14
Derivative financial instruments	5,900	2,392	5,900	867	12,717	25,453	2,392
Payable tax on pension-savings returns	0	2,374	0	0	0	0	0
Other payables	2,730	1,265	2,730	1,423	3,645	4,332	3,637
Total payables	8,987	6,103	8,987	2,353	16,424	29,845	6,103
Total liabilities	371,681	365,084	371,681	362,664	346,850	375,041	365,084

SP

Income statement

DKK million	2006	2005	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
Fees	119	121	22	24	23	50	32
Interest income and dividends, etc.	14	3	5	(1)	10	0	1
Market-value adjustments	5,355	7,499	2,384	2,331	(1,091)	1,731	1,475
Investment-activity expenses	(18)	(19)	(3)	(5)	(4)	(6)	(4)
Total investment return	5,351	7,483	2,386	2,325	(1,085)	1,725	1,472
Tax on pension-savings returns	(773)	(1,126)	(365)	(312)	152	(248)	(220)
Investment return after tax on pension-savings returns	4,578	6,357	2,021	2,013	(933)	1,477	1,252
Change in provisions for unit-linked contracts	(4,462)	(6,330)	(1,959)	(1,956)	908	(1,455)	(1,244)
Change in provisions for the SUPP scheme	(56)	(49)	(27)	(25)	13	(17)	(15)
Pension-activity expenses	(78)	(84)	(22)	(17)	(14)	(25)	(19)
Technical profit	101	15	35	39	(3)	30	6
Other income	2	5	0	0	0	2	0
Net profit for the period	103	20	35	39	(3)	32	6
Ratios							
Return before tax on pension-savings returns (per cent)	10.9	16.6	5.1	4.6	(2.2)	3.4	3.0
Return after tax on pension-savings returns (per cent)	9.2	14.1	4.2	4.0	(1.9)	2.9	2.5
Clients (number in thousands)	3,122	3,234	3,210	3,239	3,273	3,297	3,234
Expenses							
Pension-activity expenses per client (DKK)	24	25	6	5	5	8	6
Investment-activity costs per client (DKK)	6	6	1	2	1	2	1

SP

Balance sheet

DKK million	2006	2005	Q4 2006	Q3 2006	Q2 2006	Q1 2006	Q4 2005
ASSETS							
Mutual-fund units	53,071	50,335	53,071	52,050	50,038	51,582	50,335
Investment assets related to unit-linked contracts	53,071	50,335	53,071	52,050	50,038	51,582	50,335
Contributions receivable	24	19	24	19	21	19	19
Receivables from group enterprises	0	15	0	0	0	0	15
Other receivables	1	47	1	13	0	24	47
Other prepayments	70	2	70	0	0	0	2
Demand deposits	389	321	389	179	509	328	321
Total receivables and other assets	484	404	484	211	530	371	404
Total assets	53,555	50,739	53,555	52,261	50,568	51,953	50,739
LIABILITIES							
Adjustment pool	265	158	265	224	185	190	158
Provisions for unit-linked contracts	52,284	49,760	52,284	50,801	49,347	50,643	49,760
Provisions for the SUPP scheme	856	594	856	763	686	642	594
Total pension provisions	53,405	50,512	53,405	51,788	50,218	51,475	50,512
Payables to group enterprises	14	3	14	11	27	8	3
Other payables	136	224	136	462	323	470	224
Total payables	150	227	150	473	350	478	227
Total liabilities	53,555	50,739	53,555	52,261	50,568	51,953	50,739