

The ATP Group

Quarterly report – Q1 2008

Financial highlights for Q1 2008

DKK million	Q1 2008	Q1 2007	Full year 2007
Investment-activity results	(4,771)	2,904	10,030
Hedging-activity results	(31)	(1,847)	(2,212)
Pension-activity results	326	1,233	(2,952)
Transferred to client deposits under the SP and SUPP schemes	2,247	(850)	(2,013)
Administration-activity results	24	47	23
Tax	(1)	(3)	(10)
Net profit for the period	(2,206)	1,484	2,866

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Financial highlights of the ATP Group

DKK million	Q1 2008	Q1 2007	Full year 2007
Income statement			
Investment activities			
Return on investment	(5,619)	3,509	11,939
Expenses	(101)	(98)	(383)
Tax on pension-savings returns	949	(507)	(1,526)
Investment-activity results	(4,771)	2,904	10,030
Hedging activities			
Return on hedging portfolio, etc.	13,405	(7,724)	(18,548)
Change in guaranteed benefits due to change in discount rate	(8,496)	7,390	24,287
Change in guaranteed benefits due to declining term to maturity	(2,929)	(2,672)	(10,733)
Tax on pension-savings returns	(2,011)	1,159	2,782
Hedging-activity results	(31)	(1,847)	(2,212)
Pension activities			
Contributions	1,865	1,996	7,263
Fee income	22	22	90
Pension benefits	(2,024)	(1,845)	(7,666)
Change in guaranteed benefits due to contributions and pension benefits	525	1,125	4,055
Expenses	(62)	(65)	(239)
Results before change in mortality and bonus, etc.	326	1,233	3,503
Change in guaranteed benefits due to change in mortality	0	0	(744)
Bonus for the year	0	0	(5,711)
Pension-activity results	326	1,233	(2,952)
Transferred to client deposits under the SP and SUPP schemes	2,247	(850)	(2,013)
Administration activities			
Income	123	138	510
Expenses	(99)	(91)	(487)
Administration-activity results	24	47	23
Tax	(1)	(3)	(10)
Net profit for the period	(2,206)	1,484	2,866
Of which minority interests' share	(93)	20	51
Balance sheet			
Assets			
Investment assets	419,678	415,246	429,944
Other assets	20,472	16,235	14,730
Total assets	440,150	431,481	444,674
Liabilities			
Guaranteed benefits	292,300	286,711	281,400
Bonus potential	70,995	71,832	73,181
Provisions for unit-linked contracts under the SP scheme	49,879	52,626	52,574
Other liabilities	26,976	20,312	37,519
Total liabilities	440,150	431,481	444,674

Report for Q1 2008

- The Group's financial results were a loss of DKK 2.2bn.
- The Group's bonus potential decreased by DKK 2.2bn, to a total of DKK 71.0bn, at 31 March 2008.
- The market return on the ATP investment portfolio was a negative DKK 1.0bn, equivalent to a negative rate of return of 0.3 per cent.
- Administration expenses amounted to DKK 9 for each ATP member and DKK 7 for each SP client.
- Investment expenses totalled DKK 9 for each ATP member and DKK 2 for each SP client.

Results for the period

The overview 'Financial highlights of the ATP Group' reflects the main activities of the ATP Group. Financial results were a loss of DKK 2.2bn, thus falling short of expectations. This will cause ATP's reserves to show a corresponding decrease, which is obviously not satisfactory. The reason why ATP was, after all, able to contain the loss at DKK 2.2bn – in the face of adverse equity-market conditions – was that a number of investment decisions paid off – not least the decision to hedge the equity portfolio by purchasing financial instruments. Moreover, investments in oil-related securities and long-dated bonds returned a profit.

Results can be broken down as follows:

Q1 2008 – DKK million	ATP	SP	Other ¹	Group
Investment-activity results	(2,426)	(2,254)	(91)	(4,771)
Hedging-activity results	(31)	0	0	(31)
Pension-activity results	326	0	0	326
Transferred to client deposits under the SP and SUPP schemes	0	2,247	0	2,247
Administration-activity results	25	0	(1)	24
Tax	0	0	(1)	(1)
Net profit for the period	(2,106)	(7)	(93)	(2,206)

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

Investment activities

The Group's investment activities comprise the 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 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 (the Special Pension Savings Scheme and the 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 administration services in the fields of pensions and social-security services to other schemes, including LG, AER, AES, *FerieKonto*, *Barsel.dk* and LD. These services are provided on a cost-recovery basis. ATP also sells administration services, etc., to 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 administration-activity items 'Other Income' and 'Other expenses'.

Investment-activity results

The Group's investment-activity results were a negative DKK 4.8bn after tax on pension-savings returns of DKK 0.9bn. ATP's investment-activity results were a negative DKK 2.4bn after tax. The investment-activity results achieved by the SP and SUPP schemes, totalling a negative DKK 2.3bn, are transferred to client deposits. Minority interests' share of investment-activity results is a negative DKK 0.1bn.

The ATP investment portfolio

In Q1, the investment portfolio generated an overall market return of a negative DKK 1.0bn before tax, equivalent to a negative rate of return of 0.3 per cent.

The investment portfolio comprises a Beta portfolio and an Alpha portfolio.

- The Beta portfolio, totalling DKK 342.5bn, invests broadly in asset classes that are subject to a certain amount of investment risk, including listed and private equities, government and mortgage bonds, real estate, commodity-related investments, etc. Given that investors usually charge a premium for assuming investment risks, such investments tend, over time, to generate a higher return than risk-free investments. This return, which may be seen as compensation to investors for accepting greater risk, is known as 'Beta'.
- The Alpha portfolio is actively invested, e.g. through the purchase and sale of individual equities that are expected to go up or down within a given time horizon. The return achieved by active asset management is known as 'Alpha'.

ATP has separated the investment decisions relating to the Alpha and Beta portfolios and lodged the portfolio responsibility with a number of independent investment teams – the objective being to ensure that the investment approach is focused and flexible with a clear allocation of responsibilities and efficient decision-making processes.

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 Q1, the overall market return of the investment portfolio was a negative DKK 1.0bn before tax, equivalent to a negative rate of return of 0.3 per cent. This figure includes a return of DKK 3.0bn, 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 is thus a negative DKK 4.0bn.

The ATP investment portfolio ¹	Portfolio end of Q1		Return Q1	
	DKK billion	per cent	DKK million	per cent ²
Beta	342.5	100.0	(1,054)	(0.3)
Nominal interest-rate risk	130.3	38.0	3,431	2.4
Credit risk	19.0	5.5	(221)	(1.4)
Equity-related risk	103.0	30.1	(5,944)	(5.2)
Inflation-related risk	75.7	22.1	869	1.3
Commodity-related risk	14.5	4.2	811	5.2
Alpha	(0.1)		(93)	-
Other	6.9		97	-
Total investment portfolio	349.3		(1,050)	(0.3)
Transferred to hedging activities³	(284.4)		(2,995)	1.1
Total investment portfolio after financing			(4,045)	

1) Each figure is reconciled separately and, accordingly, rounding differences may occur.

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

3) The hedging portfolio is comprised of financial instruments designed to hedge ATP's pension liabilities; the portfolio does not include securities. Funds that are not tied up in the hedging portfolio are 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".

Nominal interest-rate risk and inflation-related risk generated the highest absolute returns in the Beta portfolio

In Q1, the overall Beta portfolio posted a negative return of DKK 1.1bn, equivalent to a negative 0.3 per cent. The Beta portfolio is divided into five risk classes: nominal interest-rate risk, credit risk, equity-related risk, inflation-related risk and commodity-related risk. The risk class nominal interest-rate risk, achieving a return of DKK 3.4bn, or 2.4 per cent, accounted for the bulk of the return, but inflation-related risk also made a positive contribution of DKK 869m, or 1.3 per cent, to the return. Finally, the commodity-related risk class generated a high return of DKK 811m, equivalent to 5.2 per cent.

- Positive return on "nominal interest-rate risk" The nominal interest-rate risk class generated a return of DKK 3.4bn, equivalent to 2.4 per cent. This portfolio comprises global bonds, domestic mortgage bonds and US mortgage bonds.

The portfolio of global bonds, comprised primarily of domestic and foreign nominal bonds, produced a return of DKK 2.2bn, or 2.4 per cent. Domestic mortgage bonds produced a return of DKK 1.2bn, equivalent to 2.3 per cent, while US mortgage bonds achieved a return of DKK 35m, or 2.9 per cent.

- Credit risk: The credit-risk class posted a negative return of DKK 221m, equivalent to a negative 1.4 per cent. This portfolio consists primarily of high-yield bonds. These are bonds issued by companies with low credit ratings or by developing countries.
- Trying conditions for equity-related risk: The equity-related risk class yielded a negative return of DKK 5.9bn, equivalent to a negative 5.2 per cent. This portfolio is comprised of listed domestic and foreign equities, as well as private equities. The portfolio of listed domestic equities accounted for most of the negative return, posting a negative return of DKK 2.5bn, equivalent to a negative 5.4 per cent.

Listed foreign equities recorded an overall negative return of DKK 3.1bn, equivalent to a negative 5.8 per cent. Listed European equities, for their part, yielded a negative return of DKK 1.1bn, equivalent to a negative 3.1 per cent, while the portfolio of listed equities domiciled outside Western Europe, consisting of listed US, Japanese and emerging market-equities, recorded a negative return of DKK 2.0bn, or a negative 11.2 per cent. Listed US equities produced a negative return of DKK 374m, equivalent to a negative 4.2 per cent, while listed Japanese equities recorded a negative return of DKK 479m, or a negative 17.1 per cent. Finally, the portfolio of listed emerging-market equities generated a negative return of DKK 1.1bn, equivalent to a negative 18.1 per cent.

Private equities produced a negative return of DKK 363m, equivalent to a negative 2.6 per cent.

Since July 2007, equity options have been used to hedge a significant portion of the equity portfolio against equity-price falls. In Q1, equity hedging contributed positively to the return by DKK 1.2bn for listed domestic equities and DKK 2.2bn for listed European equities. As Denmark does not have a sufficiently large and liquid market for equity options, hedging of the domestic equity portfolio has been conducted in European equity options.

- Positive return on inflation-related risk: The inflation-related risk portfolio generated a return of DKK 869m, equivalent to 1.3 per cent. This portfolio comprises index-linked bonds, real estate, foreign infrastructure investments and an externally managed, well-diversified beta portfolio – an All Weather portfolio. The portfolio of index-linked bonds recorded a return of DKK 881m, equivalent to 1.9 per cent. Real-estate investments produced a return of DKK 271m, equivalent to 1.5 per cent. Infrastructure and 'All Weather' investments recorded negative returns of 195m and DKK 88m, respectively, equivalent to negative rates of return of 5.4 per cent and 4.7 per cent, respectively.
- Strong contribution by commodity-related risk: The commodity-related risk class, comprised exclusively of oil-indexed bonds, generated a return of DKK 811m, or 5.2 per cent.

ATP Alpha

The objective of the ATP Alpha portfolio is to generate stable returns – which are independent of long-term developments in financial markets – and to limit potential losses through active position, portfolio and risk management. In Q1, ATP Alpha reported an overall negative return of DKK 93m. Since its launch in late 2005, ATP Alpha has achieved a positive return of DKK 463m. In ATP Alpha, the returns of the individual investments teams have exhibited a low degree of covariation. ATP Alpha has generated positive returns in 17 of the 27 months since its launch.

Market-independent returns can be generated primarily by taking both long and short positions in financial markets. A positive return is achieved on long positions if the price goes up, while the opposite is true for short positions, which yield a positive return if the price goes down. This strategy requires a clear focus on risk management to limit potential losses on individual positions as well as on the overall portfolio. Moreover, wide portfolio diversification ensures that the risk attached to individual positions is reduced significantly.

SP investment activities

In Q1, SP's total market return on investments was a negative DKK 2.6bn before tax, equivalent to a negative rate of return of 5.0 per cent.

SP's assets are comprised of:

- SP funds invested directly by ATP
- SP funds invested by SP clients
- SUPP funds invested by ATP

SP funds invested by ATP on behalf of the clients – totalling 97.5 per cent of the total portfolio – are invested so as to ensure that the investment risk is adapted to the individual client's age. The portfolio allocation of clients up to age 45 is approximately 60 per cent equities and approximately 40 per cent bonds, while the portfolio allocation of clients aged over 65 is approximately 20 per cent equities and 80 per cent bonds. For clients between 45 and 65, the equity allocation is scaled down gradually from approximately 60 per cent to approximately 20 per cent.

Three funds under the ATP Invest mutual fund have been designed with different risk levels to provide for the creation of an age-dependent portfolio allocation.

The SP investment portfolio ¹	Portfolio end of Q1		Return Q1		
	DKK million	per cent	SP	SP ²	Bench-mark ²
			DKK million	per cent	per cent
SP funds invested directly by ATP	49,174	97.5	(2,553)	(4.9)	
<i>ATP Invest Basis Lav Risiko</i>	7,289	14.8	(50)	(0.7)	(1.0)
<i>ATP Invest Basis Mellem Risiko</i>	13,174	26.8	(484)	(3.5)	(3.8)
<i>ATP Invest Basis Høj Risiko</i>	28,711	58.4	(2,019)	(6.5)	(6.9)
SP funds invested by SP clients	206	0.4	(48)	(18.7)	
The SUPP scheme	1,053	2.1	(44)	(4.0)	
Total investment assets	50,434		(2,644)	(5.0)	

1) Each figure is reconciled separately and, accordingly, rounding differences may occur.

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

SP funds invested directly by ATP produced a negative return of DKK 2.6bn, equivalent to a negative rate of return of 4.9 per cent. Overall, equity markets underperformed bond markets during Q1. Consequently, the equity allocation has been a key factor in the return achieved. Accordingly, *ATP Invest Basis Lav Risiko* ("ATP Invest Basic Low Risk"), the risk of which is lower due to its lower equity allocation, delivered the best return in Q1.

A benchmark has been established for each of the three basic sub-funds, based on market indices and

market portfolios. The benchmarks reflect the strategic allocation targets of the portfolios. All three basic sub-funds outperformed their respective benchmarks.

In Q1, SP funds invested by clients produced a negative return of DKK 48m, equivalent to negative 18.7 per cent. The return reflects that SP clients primarily opted for high-risk equity-based funds. Overall, these funds underperformed both bond-based funds and equity markets in general.

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 Q1, the SUPP portfolio posted a negative return of DKK 44m, equivalent to a negative rate of return of 4.0 per cent, thus outperforming the portfolio of SP funds invested directly by ATP. 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 – 37 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 58 per cent.

Hedging-activity results

The Group's hedging activities produced a loss of DKK 31m, which, viewed in isolation, serves to reduce the bonus potential.

In Q1 2008, the market value of ATP's pension liabilities – guaranteed benefits – increased by DKK 8.5bn as a result of the interest-rate falls during Q1. At the same time, the value of the liabilities increased by DKK 2.9bn due to the shorter term to maturity of the liabilities. Between them, these changes produced an increase in guaranteed benefits of DKK 11.4bn.

The hedging portfolio produced a positive return of DKK 13.4bn before tax. Tax on pension-savings returns amounted to an expense of DKK 2.0bn. Thus the hedging portfolio produced a gain after tax of DKK 11.4bn.

The return on the hedging portfolio is comprised of financial instruments designed to hedge ATP's pension liabilities and interest income transferred from investment activities. In Q1, financial instruments produced a return of DKK 10.4bn, while interest income amounted to DKK 3.0bn.

Hedging-activity results are impacted by the interest-rate differential between DKK-denominated claims and euro-denominated claims. In case of a reduction in the interest-rate differential between euro rates and Danish rates of e.g. 0.1 percentage point, hedging activities stand to lose DKK 3.6bn.

Pension-activity results

The Group's pension-activity results were DKK 326m. In Q1, the Group received contributions totalling DKK 1.9bn and fee income of DKK 22m.

During the period, pension benefits totalling DKK 2.0bn were paid to members, up DKK 179m on the same period last year. At the end of Q1 2008, upwards of 672,000 pensioners received a current pension from ATP – an increase of some 13,000 pensioners relative to the same period last year.

Overall pension-activity results include a change in guaranteed benefits of DKK 0.5bn due mainly to the impact of the purchase of new pension rights for the contributions paid into the schemes and the benefit payouts under the schemes during the period under review. This change amounted to DKK 1.1bn in Q1 2007. The difference of a negative DKK 0.6bn was attributable primarily to the adoption of a new ATP model of pension accrual, effective as at 1 January 2008. Under the new model, a larger portion than previously of the contributions is earmarked towards the purchase of new pension rights, thereby increasing guaranteed benefits.

At the end of Q1 2008, the Group had received fee income of DKK 22m. Fees to cover expenses are collected directly from individual SP clients. As at 31 March 2008, the number of clients was 3,018,352.

Some 8,000 clients opted to take advantage of free SP choice to invest their SP savings themselves. In Q1 2008, about 13,700 clients chose to transfer their SP deposits to external pension providers. Since 1 January 2005, a total of some 236,000 clients have transferred their SP deposits to different pension providers.

Administration-activity results

The Group's administration-activity results, totalling DKK 24m, comprise sale of administration services to external clients and other related parties, as well as expenses incurred in the sale of administration services.

Accounting policies

The quarterly report of the ATP Group for Q1 2008 has been prepared in accordance with International Financial Reporting Standards (IFRS), 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 and the Special Pension Savings Scheme' (available in Danish only).

The accounting policies are consistent with those applied in the annual report for 2007.

Outlook for 2008

The financial crisis that erupted in August 2007 deepened in Q1 2008. Moreover, there were increasing signs that the US economy is perilously close to slipping into recession. Expectations are that the financial-market turmoil, as well as the negative outlook for the US economy – and the resulting knock-on effect on the global economy – will continue, but without accelerating over the coming quarters.

Provided market conditions do not deteriorate further, the Supervisory and Executive Boards still believe that it is possible for the ATP Group to achieve results of between DKK 1 and 4bn – before recognition of any additional provisions resulting from increases in life expectancy and any bonus additions to pensions and pension commitments.

Though prospects are for relatively modest results in 2008, ATP still expects to be able to add bonus to pensions and pension commitments at the beginning of 2009. This expectation is based on the assumption that the financial-market turmoil in early 2008 does not grow worse.

ATP expects the Group's overall administration expenses to increase slightly in 2008 – in line with the expectations announced in connection with the financial statements for 2007.

The administration expenses of the ATP scheme are expected to go up from DKK 35 to DKK 36 for each member, while the administration expenses of the SP scheme are expected to rise from DKK 26 to DKK 29.

The investment-activity expenses of the ATP scheme are expected to increase from DKK 27 to DKK 36 for each member due to a significant expansion of investment activities. SP's expenses are, however, expected to remain at an average of DKK 6 per client.

Hillerød, 24 April 2008

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The ATP Group

Income statement

DKK million	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Contributions	1,865	1,714	1,814	1,739	1,996
Fees	22	23	22	23	22
Income from associates	(35)	(322)	(38)	0	1
Income from investment properties	153	139	152	127	146
Interest income and dividends, etc.	3,444	3,642	3,741	4,672	4,129
Fee income	4	3	4	4	24
Market-value adjustments	4,228	(4,109)	7,953	(18,351)	(8,514)
Interest expenses	(6)	(1)	(3)	(1)	(1)
Fee expenses	(2)	(2)	(2)	(2)	0
Investment-activity expenses	(101)	(123)	(78)	(84)	(98)
Total investment return	<u>7,685</u>	<u>(773)</u>	<u>11,729</u>	<u>(13,635)</u>	<u>(4,313)</u>
Tax on pension-savings returns	(1,062)	63	(1,493)	2,034	652
Investment return after tax on pension-savings returns	6,623	(710)	10,236	(11,601)	(3,661)
Benefit payouts	(2,024)	(2,065)	(1,891)	(1,862)	(1,847)
Change in claims-outstanding provisions	0	(3)	0	0	2
Total pension benefits	<u>(2,024)</u>	<u>(2,068)</u>	<u>(1,891)</u>	<u>(1,862)</u>	<u>(1,845)</u>
Change in guaranteed benefits	(10,900)	(2,325)	(4,956)	18,303	5,843
Bonus addition for the year	0	(5,711)	0	0	0
Change in provisions for unit-linked contracts	2,247	646	(525)	(1,284)	(850)
Pension-activity expenses	(62)	(50)	(58)	(66)	(65)
Technical profit	(2,229)	(8,481)	4,642	5,252	1,440
Other income	123	119	114	139	138
Other expenses	(99)	(160)	(103)	(133)	(91)
Profit before tax	(2,205)	(8,522)	4,653	5,258	1,487
Tax	(1)	(1)	(4)	(2)	(3)
Net profit for the period	(2,206)	(8,523)	4,649	5,256	1,484
Minority interests' share of the net profit for the period	(93)	(33)	5	59	20
The ATP Group's share of the net profit for the period	<u>(2,113)</u>	<u>(8,490)</u>	<u>4,644</u>	<u>5,197</u>	<u>1,464</u>
Allocated results	(2,206)	(8,523)	4,649	5,256	1,484

The ATP Group

Balance sheet

DKK million	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
ASSETS					
Total intangible assets	756	694	632	557	475
Operating equipment	29	19	15	15	13
Owner-occupied properties	456	449	415	414	364
Total property, plant and equipment	485	468	430	429	377
Investment properties	10,329	10,273	9,986	9,941	9,401
Investments in associates	4,530	4,449	4,249	1,893	558
Equity investments	102,106	115,657	122,033	118,126	114,474
Mutual-fund units	23	82	1,661	122	113
Bonds	230,338	234,535	220,462	228,052	227,243
Derivative-financial instruments	19,609	11,470	11,400	6,752	9,700
Other loans	2,300	0	20	20	20
Loans to portfolio companies	9	9	5	5	5
Total other financial investment assets	354,385	361,753	355,581	353,077	351,555
Total investment assets	369,244	376,475	369,816	364,911	361,514
Investment assets related to unit-linked contracts	50,434	53,469	55,187	54,879	53,732
Deferred tax	6	6	0	0	0
Deferred tax on pension-savings returns	1,898	1,497	1,536	3,063	802
Contributions receivable	1,983	1,961	2,085	2,086	2,169
Other receivables	1,083	668	1,351	378	665
Interest receivable and accrued rent	3,030	3,373	3,673	4,341	3,490
Other prepayments	4,595	128	28	24	37
Tax receivable on pension-savings returns	54	54	0	1,244	1,244
Corporation tax	5	2	0	0	0
Cash in hand and demand deposits	6,577	5,879	6,662	6,323	6,976
Total receivables and other assets	19,231	13,568	15,335	17,459	15,383
Total assets	440,150	444,674	441,400	438,235	431,481
LIABILITIES					
Total minority interests	749	778	908	962	903
Guaranteed benefits	292,300	281,400	273,364	268,408	286,711
Claims-outstanding provisions	40	40	37	37	37
Bonus potential	70,961	73,147	81,666	77,021	71,829
Revaluation reserve	34	34	4	3	3
Total bonus potential	70,995	73,181	81,670	77,024	71,832
Provisions for unit-linked contracts	49,879	52,574	53,616	53,471	52,626
Provisions for the SUPP scheme	1,149	1,112	1,061	993	929
Total pension provisions	414,363	408,307	409,748	399,933	412,135
Short-term loans	92	101	61	51	43
Amounts owed to credit institutions	0	0	20	20	20
Derivative-financial instruments	15,691	28,798	27,948	32,221	13,587
Tax payable tax on pension-savings returns	1,460	0	476	516	286
Other payables	7,795	6,690	2,239	4,532	4,507
Total payables	25,038	35,589	30,744	37,340	18,443
Total liabilities	440,150	444,674	441,400	438,235	431,481

The ATP Group

Note 1 – Cash flow statement

DKK million	<u>Q1 2008</u>	<u>Q4 2007</u>	<u>Q3 2007</u>	<u>Q2 2007</u>	<u>Q1 2007</u>
Cash flows from operating activities					
Received in respect of pension activities	(557)	(944)	(71)	370	(429)
Management income received	(4,626)	9,230	(2,629)	9,905	6,409
Tax on pension savings returns paid	0	(120)	900	0	0
Other operating activities	58	(73)	(951)	(140)	(85)
Total	<u>(5,125)</u>	<u>8,093</u>	<u>(2,751)</u>	<u>10,135</u>	<u>5,895</u>
Net cash flow from investing activities					
Purchase and sale of investment assets	5,921	(8,791)	3,165	(10,710)	(3,157)
Intangible assets	(79)	(76)	(73)	(78)	(68)
Property, plant and equipment	(19)	(9)	(2)	0	0
Total	<u>5,823</u>	<u>(8,876)</u>	<u>3,090</u>	<u>(10,788)</u>	<u>(3,225)</u>
Change in cash and cash equivalents	698	(783)	339	(653)	2,670
Cash and cash equivalents, beginning of year	<u>5,879</u>	<u>6,662</u>	<u>6,323</u>	<u>6,976</u>	<u>4,306</u>
Cash and cash equivalents, end of year	<u>6,577</u>	<u>5,879</u>	<u>6,662</u>	<u>6,323</u>	<u>6,976</u>

The ATP Group

Note 2 – Contingent liabilities

DKK million	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Collateral security in respect of derivatives	11,016	24,795	17,284	22,057	3,796
Rental/lease obligations	125	132	110	116	122
Investment commitments, equity investments and commitments made by ATP Private Equity Partners	13,650	10,889	12,807	13,247	13,343
Investment commitments, real-estate funds	3,626	3,950	4,250	1,277	2,061
Investment commitments, infrastructure funds	1,697	2,414	2,719	3,366	3,407
Investment commitments, credit funds	2,024	0	0	0	0
Loan commitments, credit institutions	12,700	15,000	15,000	15,000	15,000
Agreements concluded on supply of IT systems	239	310	256	343	427

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	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Guaranteed benefits					
Market value, beginning of period	281,400	273,364	268,408	286,711	292,554
Change in provisions for the period	10,900	2,325	4,956	(18,303)	(5,843)
Bonus provision	0	5,711	0	0	0
Market value, end of period	<u>292,300</u>	<u>281,400</u>	<u>273,364</u>	<u>268,408</u>	<u>286,711</u>
Change in provisions for the period:					
Contributions	1,865	1,714	1,814	1,740	1,995
Pension benefits	(2,024)	(2,066)	(1,891)	(1,862)	(1,847)
Change in mortality	0	7	8	729	0
Change in discount rate	8,496	940	3,097	(20,934)	(7,390)
Other changes	2,563	1,730	1,928	2,024	1,399
Total	<u>10,900</u>	<u>2,325</u>	<u>4,956</u>	<u>(18,303)</u>	<u>(5,843)</u>
Claims-outstanding provisions					
Balance, beginning of period	40	37	37	37	39
Change in provisions for the period	0	3	0	0	(2)
Balance, end of period	<u>40</u>	<u>40</u>	<u>37</u>	<u>37</u>	<u>37</u>
Bonus potential					
Bonus potential:					
Balance, beginning of period	72,808	81,401	76,761	71,562	70,098
Changes during the period	(2,106)	(8,593)	4,640	5,199	1,464
Balance, end of period	<u>70,702</u>	<u>72,808</u>	<u>81,401</u>	<u>76,761</u>	<u>71,562</u>
Adjustment pool:					
Balance, beginning of period	339	266	260	267	265
Changes during the period	(80)	73	6	(7)	2
Balance, end of period	<u>259</u>	<u>339</u>	<u>266</u>	<u>260</u>	<u>267</u>
Revaluation reserve:					
Balance, beginning of period	34	3	3	3	3
Changes during the period	0	31	0	0	0
Balance, end of period	<u>34</u>	<u>34</u>	<u>3</u>	<u>3</u>	<u>3</u>
Total bonus potential	<u>70,995</u>	<u>73,181</u>	<u>81,670</u>	<u>77,024</u>	<u>71,832</u>
Provisions for unit-linked contracts					
Balance, beginning of period	52,574	53,616	53,471	52,626	52,284
Changes during the period	(2,695)	(1,042)	145	845	342
Balance, end of period	<u>49,879</u>	<u>52,574</u>	<u>53,616</u>	<u>53,471</u>	<u>52,626</u>
Provisions for the SUPP scheme					
Balance, beginning of period	1,112	1,061	993	929	856
Changes during the period	37	51	68	64	73
Balance, end of period	<u>1,149</u>	<u>1,112</u>	<u>1,061</u>	<u>993</u>	<u>929</u>
Total pension provisions	<u>414,363</u>	<u>408,307</u>	<u>409,748</u>	<u>399,933</u>	<u>412,135</u>

ATP

Income statement

DKK million	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Contributions	1,865	1,714	1,814	1,739	1,996
Income from subsidiaries	(2,590)	423	1,194	1,988	315
Income from associates	(48)	(387)	(48)	(19)	1
Income from investment properties	95	82	83	84	92
Interest income and dividends, etc.	2,412	2,798	2,616	3,552	3,335
Fee income	3	3	4	4	24
Market-value adjustments	10,602	(2,921)	7,274	(20,784)	(9,068)
Interest expenses	(5)	0	0	0	0
Fee expenses	(2)	(2)	(2)	(1)	(1)
Investment-activity expenses	(39)	(50)	(18)	(26)	(27)
Total investment return	<u>10,428</u>	<u>(54)</u>	<u>11,103</u>	<u>(15,202)</u>	<u>(5,329)</u>
Tax on pension-savings returns	(1,460)	(39)	(1,402)	2,261	802
Investment return after tax on pension-savings returns	8,968	(93)	9,701	(12,941)	(4,527)
Benefit payouts	(2,024)	(2,065)	(1,891)	(1,862)	(1,847)
Change in claims-outstanding provisions	0	(3)	0	0	2
Total pension benefits	<u>(2,024)</u>	<u>(2,068)</u>	<u>(1,891)</u>	<u>(1,862)</u>	<u>(1,845)</u>
Change in guaranteed benefits	(10,900)	(2,325)	(4,956)	18,303	5,843
Bonus addition for the year	0	(5,711)	0	0	0
Pension-activity expenses	(40)	(34)	(38)	(42)	(43)
Technical profit	(2,131)	(8,517)	4,630	5,197	1,424
Other income	163	144	144	164	180
Other expenses	(138)	(189)	(134)	(162)	(140)
Net profit for the period	<u>(2,106)</u>	<u>(8,562)</u>	<u>4,640</u>	<u>5,199</u>	<u>1,464</u>
Allocation of profits					
Transferred to/from bonus potential	(2,106)	(8,562)	4,640	5,199	1,464
Ratios					
Return before tax on pension-savings returns (per cent)	2.9	0.1	3.1	(4.2)	(1.5)
Return after tax on pension savings returns (per cent)	2.5	0.1	2.7	(3.6)	(1.2)
Members (number in thousands)	4,534	4,520	4,505	4,490	4,452
Expenses					
Pension-activity expenses per member (DKK)	9	8	8	9	10
Investment-activity expenses per member (DKK)	9	11	4	6	6

ATP

Balance sheet

DKK million	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
ASSETS					
Total intangible assets	754	690	626	553	475
Operating equipment	27	17	15	13	11
Owner-occupied properties	434	427	392	391	342
Total property, plant and equipment	461	444	407	404	353
Investment properties	6,824	6,769	6,553	6,520	6,261
Investments in subsidiaries	48,308	50,385	48,704	39,932	37,608
Loans to subsidiaries	33	33	33	33	33
Investments in associates	3,062	3,195	3,562	1,260	11
<i>Total investments in subsidiaries and associates</i>	<i>51,403</i>	<i>53,613</i>	<i>52,299</i>	<i>41,225</i>	<i>37,652</i>
Equity investments	75,827	87,185	94,451	93,239	91,187
Mutual-fund units	0	51	1,652	113	105
Bonds	214,730	218,556	204,527	217,440	216,766
Derivative-financial instruments	18,970	10,695	10,820	6,565	9,618
Other loans	2,300	0	20	20	20
<i>Total other financial investment assets</i>	<i>311,827</i>	<i>316,487</i>	<i>311,470</i>	<i>317,377</i>	<i>317,696</i>
Total investment assets	370,054	376,869	370,322	365,122	361,609
Deferred tax on pension-savings returns	1,497	1,497	1,537	3,063	802
Contributions receivable	1,956	1,934	2,062	2,062	2,145
Receivables from subsidiaries	59	61	62	57	183
Other receivables	623	313	519	236	554
Interest receivable and accrued rent	2,752	3,103	3,323	4,110	3,294
Tax on pension-savings returns	0	0	0	1,244	1,244
Cash in hand and demand deposits	4,563	3,947	4,978	4,800	5,376
Total receivables and other assets	11,450	10,855	12,481	15,572	13,598
Total assets	382,719	388,858	383,836	381,651	376,035
LIABILITIES					
Guaranteed benefits	292,300	281,400	273,364	268,408	286,711
Claims-outstanding provisions	40	40	37	37	37
Bonus potential	70,736	72,842	81,404	76,764	71,565
Total pension provisions	363,076	354,282	354,805	345,209	358,313
Short-term loans	92	101	61	51	43
Amounts owed to credit institutions	0	0	20	20	20
Payables to subsidiaries	0	1	0	11	13
Derivative-financial instruments	15,672	28,756	27,940	32,210	13,583
Other payables	3,879	5,718	1,010	4,150	4,063
Total payables	19,643	34,576	29,031	36,442	17,722
Total liabilities	382,719	388,858	383,836	381,651	376,035

SP

Income statement

DKK million	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
Fees	22	23	22	23	22
Interest income and dividends, etc.	1	1	3	(4)	21
Market-value adjustments	(2,647)	(679)	618	1,518	983
Investment-activity expenses	(6)	(6)	(2)	(4)	(6)
Total investment return	(2,652)	(684)	619	1,510	998
Tax on pension-savings returns	398	103	(93)	(226)	(150)
Investment return after tax on pension-savings returns	(2,254)	(581)	526	1,284	848
Change in provisions for unit-linked contracts	2,210	637	(515)	(1,267)	(839)
Change in provisions for the SUPP scheme	37	9	(10)	(17)	(11)
Pension-activity expenses	(22)	(16)	(19)	(25)	(22)
Technical profit	(7)	72	4	(2)	(2)
Other income	0	0	0	0	2
Net profit for the period	(7)	72	4	(2)	0
Ratios					
Return before tax on pension-savings returns (per cent)	(4.9)	(1.2)	1.1	2.8	1.9
Return after tax on pension savings returns (per cent)	(4.2)	(1.1)	1.0	2.4	1.6
Clients (number in thousands)	3,018	3,040	3,051	3,077	3,093
Expenses					
Pension-activity expenses per client (DKK)	7	5	6	8	7
Investment-activity expenses per client (DKK)	2	2	1	1	2

SP

Balance sheet

DKK million	Q1 2008	Q4 2007	Q3 2007	Q2 2007	Q1 2007
ASSETS					
Mutual-fund units	50,434	53,469	55,187	54,879	53,732
Investment assets related to unit-linked contracts	50,434	53,469	55,187	54,879	53,732
Contributions receivable	27	27	24	27	24
Other receivables	456	54	11	3	3
Other prepayments	11	106	0	12	13
Demand deposits	380	394	224	359	360
Total receivables and other assets	874	581	259	401	400
Total assets	51,308	54,050	55,446	55,280	54,132
LIABILITIES					
Adjustment pool	333	339	266	260	267
Provisions for unit-linked contracts	49,805	52,574	53,616	53,471	52,626
Provisions for the SUPP scheme	1,148	1,112	1,061	993	929
Total pension provisions	51,286	54,025	54,943	54,724	53,822
Payables to subsidiaries	19	9	19	15	11
Other payables	3	16	494	538	299
Total payables	22	25	513	553	310
Total liabilities	51,308	54,050	55,456	55,277	54,132