



The ATP Group

Interim report 2007

Financial highlights for H1 2007:

DKK million	H1 2007	H1 2006	Full year 2006
Investment-activity results	7,896	2,450	21,127
Hedging-activity results	(187)	4,999	3,610
Pension-activity results (including mortality update)	1,117	(2,416)	(1,822)
Transferred to client deposits under the SP and SUPP schemes	(2,134)	(551)	(4,518)
Administration-activity results	53	41	12
Tax	(5)	(5)	(2)
Net profit for the period	6,740	4,518	18,407

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Financial highlights of the ATP Group

DKK million	<u>H1 2007</u>	<u>H1 2006</u>	<u>Full year 2006</u>
Income statement			
Investment activities			
Return on investment	9,479	2,887	24,919
Expenses	(182)	(195)	(359)
Tax on pension-savings returns	(1,401)	(242)	(3,433)
Investment-activity results	<u>7,896</u>	<u>2,450</u>	<u>21,127</u>
Hedging activities			
Return on hedging portfolio, etc.	(27,245)	(36,024)	(14,948)
Change in guaranteed benefits due to change in calculation rate	28,324	40,548	26,195
Change in guaranteed benefits due to declining term to maturity	(5,353)	(4,928)	(9,879)
Tax on pension-savings returns	4,087	5,403	2,242
Hedging-activity results	<u>(187)</u>	<u>4,999</u>	<u>3,610</u>
Pension activities			
Contributions	3,735	3,594	7,205
Fee income	45	73	119
Pension benefits	(3,707)	(3,385)	(7,080)
Change in guaranteed benefits due to contributions and pension benefits	1,904	1,318	2,812
Expenses	(131)	(102)	(224)
Results before change in mortality and bonus, etc.	<u>1,846</u>	<u>1,498</u>	<u>2,832</u>
Change in guaranteed benefits due to change in mortality	(729)	(3,914)	(3,957)
Bonus for the year	0	0	(697)
Pension-activity results	<u>1,117</u>	<u>(2,416)</u>	<u>(1,822)</u>
Transferred to client deposits under the SP and SUPP schemes	<u>(2,134)</u>	<u>(551)</u>	<u>(4,518)</u>
Administration activities			
Income	277	249	502
Expenses	(224)	(208)	(490)
Administration-activity results	<u>53</u>	<u>41</u>	<u>12</u>
Tax	<u>(5)</u>	<u>(5)</u>	<u>(2)</u>
Net profit for the period	<u>6,740</u>	<u>4,518</u>	<u>18,407</u>
Of which minority interests' share	79	20	128
Balance sheet			
Assets			
Investment assets	419,790	380,518	413,864
Other assets	18,445	18,110	12,652
Total assets	<u>438,235</u>	<u>398,628</u>	<u>426,516</u>
Liabilities			
Pension provisions	399,933	380,644	416,099
Other liabilities	38,302	17,984	10,417
Total liabilities	<u>438,235</u>	<u>398,628</u>	<u>426,516</u>

Report for H1 2007

- The Group's net profit totals DKK 6.7bn
- The annual update of the mortality base added an amount of DKK 0.7bn to provisions
- The Group's bonus potential is up by DKK 6.7bn, to a total of DKK 77.0bn, at 30 June 2007
- The market return on ATP's investment portfolio is DKK 12.7bn, equivalent to 3.5 per cent
- Administrative expenses amount to DKK 19 for each ATP member and DKK 15 for each SP client
- Investment expenses total DKK 12 for each ATP member and DKK 3 for each SP client

Net profit for the period

The overview 'Financial highlights of the ATP Group' reflects the main activities of the ATP Group. The Group achieved a net profit of DKK 6.7bn, which is satisfactory.

Net profit can be broken down as follows:

H1 2007 – DKK million	ATP	SP	Other ¹	Group
Investment-activity results	5,689	2,132	75	7,896
Hedging-activity results	(187)	0	0	(187)
Pension-activity results	1,119	(2)	0	1,117
Transferred to client deposits under the SP and SUPP schemes	0	(2,134)	0	(2,134)
Administration-activity results	42	2	9	53
Tax	0	0	(5)	(5)
Net profit for the period	6,663	(2)	79	6,740

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

Investment activities

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

The introduction of mark-to-market accounting has fundamentally changed the conditions for managing pension assets. This has 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 administrative services in the fields of pensions and social insurance to other schemes, including LG, AER, AES, *FerieKonto*, *Barsel.dk* and LD. These services are provided on a cost-recovery basis. ATP also sells administrative services, etc., 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 7.9bn after tax on pension-savings returns of DKK 1.4bn. ATP's investment-activity results totalled DKK 5.7bn after tax. The investment-activity results achieved by the SP and SUPP schemes, totalling DKK 2.1bn after tax, are transferred to client deposits. Minority interests' share of investment-activity results totals about DKK 0.1bn.

The ATP investment portfolio

In H1, the investment portfolio generated an overall market return of DKK 12.7bn 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 known as "beta".
- The return achieved by investing actively, e.g. by purchasing individual equities that are expected to show the greatest increase over a given time horizon and selling individual equities that are expected to show the smallest increase. The return achieved by active asset management is known as "alpha".

ATP has decided to separate the investment decisions relating to alpha and beta and lodge 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 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 H1, the investment portfolio generated an overall market return of DKK 12.7bn before tax, equivalent to a rate of return of 3.5 per cent. This figure includes a return of DKK 5.8bn, 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 6.9bn.

The ATP investment portfolio		Portfolio end of H1		Return H1	
		DKK billion	per cent	DKK million	per cent ¹
Beta		370.4	100.0	12,472	3.5
Bonds		228.6	61.7	(210)	(0.1)
- Nominal bonds, etc.		206.2	55.7	90	0.0
- Index-linked bonds		22.4	6.1	(301)	(1.5)
Listed equities		102.9	27.8	10,159	10.9
- Domestic equities		51.9	14.0	6,629	14.5
- Foreign equities		51.1	13.8	3,530	7.5
Other assets		38.8	10.5	2,520	7.6
- Real estate		15.5	4.2	987	6.9
- Private equities		12.6	3.4	784	6.7
- Commodities		10.8	2.9	749	11.5
Alpha		0.4		116	-
Other		3.4		121	-
Total investment portfolio		374.2		12,710	3.5
Transferred to hedging activities²		(297.2)		(5,782)	2.0
Total investment portfolio after financing				6,927	

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. 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".

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

The beta portfolio's best performers were listed domestic equities and commodities

In H1, the beta portfolio generated a return of DKK 12.5bn, equivalent to 3.5 per cent. Listed equities were the top performers, generating a return of DKK 10.2bn, or 10.9 per cent.

- The bond portfolio produced a negative return of DKK 0.2bn, equivalent to a negative rate of return of 0.1 per cent. The portfolio of nominal bonds, etc., achieved a return of DKK 90m. This portfolio comprises global bonds, domestic mortgage bonds, US mortgage bonds and high-risk bonds. The global bond portfolio recorded a return of DKK 0.7bn, or 0.5 per cent. Domestic mortgage bonds produced a negative return of DKK 0.7bn, equivalent to a negative rate of return of 1.1 per cent, while US mortgage bonds, for their part, recorded a negative return of DKK 3.9m, equivalent to a negative rate of return of 0.3 per cent. Finally, the portfolio of high-risk bonds produced a return of DKK 0.1bn, or 1.2 per cent.

The beta portfolio's bond allocation includes index-linked bonds, recording a negative return of DKK 0.3bn, equivalent to a negative rate of return of 1.5 per cent. The portfolio of domestic index-

linked bonds contributed a negative DKK 0.2bn, equivalent to a negative rate of return of 3.4 per cent. Much of the loss may be attributed to the expected removal of the tax exemption on domestic index-linked bonds. The portfolio of foreign index-linked bonds recorded a negative return of DKK 76m, equivalent to a negative rate of return of 0.7 per cent.

- The portfolio of listed equities achieved an overall return of DKK 10.2bn, or 10.9 per cent. The return was boosted, in particular, by the portfolio of domestic equities, generating a return of DKK 6.6bn, equivalent to 14.5 per cent.

The portfolio of foreign equities generated a return of DKK 3.5bn, equivalent to 7.5 per cent. This portfolio comprises European, US, Japanese and Emerging Markets equities. The highest absolute return was posted by the portfolio of European equities, producing a return of DKK 2.8bn.

The portfolio of Emerging Markets equities produced a return of DKK 0.7bn. Japanese equities recorded a return of DKK 84m, while US equities posted a negative return of DKK 0.1bn.

- The portfolio of other assets yielded a return of DKK 2.5bn, or 7.6 per cent. Real estate produced a return of DKK 1.0bn, or 6.9 per cent, while the portfolio of private equities returned DKK 0.8bn, equivalent to 6.7 per cent. Moreover, the new commodity exposure portfolio achieved a return of DKK 0.7bn, or 11.5 per cent.

Alpha portfolio achieved positive return

The alpha portfolio is divided into eight 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 equities in well-defined market segments, currently cyclical equities, technology equities, financial equities and stable growth equities.
- Three bond portfolios focus 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 H1, the alpha portfolio achieved an overall return of DKK 0.1bn. In four of the six months of H1, the overall alpha portfolio recorded positive returns.

Since the launch of the alpha portfolio at the end of 2005, the returns of the individual sub-portfolios have exhibited a low degree of covariation, and the overall alpha portfolio has generated six consecutive quarters of positive returns.

SP investment activities

In H1, SP's total market return on investments was DKK 2.5bn before tax, equivalent to a rate of return 4.8 per cent.

SP's assets are comprised of:

- SP funds invested directly by ATP
- SP funds invested by SP clients
- Funds under the SUPP scheme (the Supplementary Labour Market Pension Scheme for Disability Pensioners)

SP funds invested by ATP on behalf of the clients – totalling 97.8 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	Portfolio end of		Return H1 2007		
	H1 2007		SP	SP ¹	Benchmark ¹
	DKK million	per cent	DKK million	per cent	Per cent
SP funds invested directly by ATP	53,656	97.8	2,449	4.7	
<i>ATP Invest Basis Lav Risiko</i>	6,742	12.3	109	1.7	1.7
<i>ATP Invest Basis Mellem Risiko</i>	13,784	25.1	464	3.5	3.3
<i>ATP Invest Basis Høj Risiko</i>	33,130	60.4	1,876	5.8	5.5
SP funds invested by SP clients	247	0.4	29	13.7	
The SUPP scheme	977	1.8	35	4.0	
Total investment assets	54,879		2,513	4.8	

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

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

SP funds invested directly by ATP produced a return of DKK 2.4bn, or 4.7 per cent.

Overall, equity markets outperformed bond markets, meaning that the equity allocation has been a key factor in the return achieved. Accordingly, the highest return was achieved 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 sub-funds equalled or outperformed their respective benchmarks.

SP funds invested by clients produced a return of DKK 29m, equivalent to a rate of return of 13.7 per cent. The return reflects that SP clients primarily opted for equity-based funds. Overall, these funds outperformed 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 H1, the SUPP portfolio achieved a return of DKK 35m, equivalent to 4.0 per cent, thus slightly underperforming the portfolio of SP funds invested directly by ATP. The differential is attributable solely 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 62 per cent.

Hedging-activity results

The Group recorded a DKK 187m loss on hedging activities.

In H1 2007, the market value of ATP's pension liabilities – guaranteed benefits – dropped by DKK 28.3bn as a result of the interest-rate increases during the period. At the same time, the value of the liabilities increased by DKK 5.4bn due to the shorter term to maturity of the liabilities. Between them, these changes produced a fall of DKK 22.9bn in guaranteed benefits.

The hedging portfolio recorded a loss of DKK 27.2bn before tax. As a result of this loss, tax on pension-savings returns amounted to an income of DKK 4.1bn. Thus the hedging portfolio recorded a negative return after tax of DKK 23.1bn.

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 H1, financial instruments produced a negative return of DKK 33.0bn, while interest income amounted to DKK 5.8bn.

Hedging activities produced an overall loss of DKK 187m, which is included in the overall results for the period.

Pension-activity results

The Group's pension-activity results totalled DKK 1.1bn.

In H1, the Group received contributions totalling DKK 3.7bn and fee income of DKK 45m.

During the period, pension benefits totalling DKK 3.7bn were paid to members, up DKK 322m on the same period last year. At the end of H1 2007, more than 666,000 pensioners received a current pension from ATP – an increase of close to 25,000 pensioners relative to the same period last year.

Overall pension-activity results include a change in guaranteed benefits of DKK 1.9bn 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.

ATP performs the annual update of the mortality base in connection with the preparation of the interim report. Due to the update, ATP has to make further provisions of about DKK 0.7bn, equivalent to approx. 0.25 per cent of the guaranteed benefits. The mortality updates of the preceding three years triggered additional provisions of DKK 3.9bn (2006), DKK 3.9bn (2005) and DKK 2.4bn (2004). Compared with the preceding years, the latest update represents a very modest increase in the life expectancies of both men and women.

In H1, the Group received fee income of DKK 45m. Fees to cover expenses are collected directly from the individual SP client. As at 30 June 2007, the number of clients was 3,165,000.

Some 7,500 clients opted to take advantage of free SP choice to invest their SP savings themselves. In H1 2007, about 30,600 clients chose to transfer their SP deposits to external pension providers. Since 1 January 2005, a total of some 198,000 clients have transferred their SP deposits to different pension providers. However, ATP still manages almost 94 per cent of all SP funds.

Administration-activity results

The Group's administration-activity results, totalling DKK 53m, 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 interim report of the ATP Group for H1 2007 has been 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 (2006).

Outlook for 2007

Based on the interest-rate and price levels prevailing at the end of H1 2007, ATP has calculated an expected market return on the investment portfolio of 5.8 per cent for 2007. It should be emphasised that this is a purely technical projection. It is based on the assumptions, on the one hand, that interest rates will remain unchanged from the levels prevailing at the end of H1 2007 and, on the other, that the normal return on equities is approximately 2 percentage points higher per annum than the yield on a 10-year government bond.

ATP's hedging activities are not, *per se*, designed to generate a return. At the beginning of the year, a break-even result is thus, in principle, expected for the hedging activities, assuming that the interest-rate spread between euro interest rates and Danish kroner remains unchanged. In case of a tightening of, say, 0.1 percentage points, hedging activities will suffer a loss of DKK 4.0bn relative to the result achieved in H1 2007.

In H1 2007, European bond markets, in particular, experienced significant yield increases and equity markets also enjoyed good gains.

Prospects are for continued strong economic momentum in H2. However, the increased volatility and risk aversion in the markets over the summer could continue throughout H2. These forces will pull in opposite directions in both government bond and equity markets, indicating that H2 could be marked by price fluctuations without any clear direction.

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 27 per client.

ATP's investment-activity expenses are expected to increase from DKK 22 to DKK 25 for each member, due to expanded activities. SP's investment-activity expenses are, however, expected to remain at an average of DKK 6 per client.

Hillerød, 23 August 2007

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The ATP Group

Income statement

DKK million	H1 2007	H1 2006	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Contributions	3,735	3,594	1,739	1,996	1,780	1,831	1,803
Fees	45	73	23	22	22	24	23
Income from associates	1	8	0	1	1	(96)	0
Income from investment properties	273	261	127	146	130	133	136
Interest income and dividends, etc.	8,801	12,856	4,672	4,129	3,759	4,173	7,508
Fee income	28	0	4	24	10	0	0
Market-value adjustments	(26,865)	(46,260)	(18,351)	(8,514)	1,583	33,427	(26,260)
Interest expenses	(2)	(2)	(1)	(1)	(5)	(1)	0
Fee expenses	(2)	0	(2)	0	(6)	0	0
Investment-activity expenses	(182)	(195)	(84)	(98)	(79)	(85)	(97)
Total investment return	<u>(17,948)</u>	<u>(33,332)</u>	<u>(13,635)</u>	<u>(4,313)</u>	<u>5,393</u>	<u>37,551</u>	<u>(18,713)</u>
Tax on pension-savings returns	2,686	5,161	2,034	652	(707)	(5,645)	2,918
Investment return after tax on pension-savings returns	(15,262)	(28,171)	(11,601)	(3,661)	4,686	31,906	(15,795)
Benefit payouts	(3,709)	(3,385)	(1,862)	(1,847)	(1,907)	(1,777)	(1,730)
Change in claims-outstanding provisions	2	2	0	2	(13)	0	0
Total pension benefits	<u>(3,707)</u>	<u>(3,383)</u>	<u>(1,862)</u>	<u>(1,845)</u>	<u>(1,920)</u>	<u>(1,777)</u>	<u>(1,730)</u>
Change in guaranteed benefits	24,146	33,022	18,303	5,843	4,870	(22,721)	9,193
Bonus addition for the year	0	0	0	0	(697)	0	0
Change in provisions for unit-linked contracts	(2,134)	(551)	(1,284)	(850)	(1,986)	(1,981)	921
Pension-activity expenses	<u>(131)</u>	<u>(102)</u>	<u>(66)</u>	<u>(65)</u>	<u>(75)</u>	<u>(47)</u>	<u>(38)</u>
Technical profit	6,692	4,482	5,252	1,440	6,680	7,235	(5,623)
Other income	277	249	139	138	165	88	101
Other expenses	(224)	(208)	(133)	(91)	(210)	(72)	(81)
Profit before tax	6,745	4,523	5,258	1,487	6,635	7,251	(5,603)
Tax	(5)	(5)	(2)	(3)	6	(3)	(3)
Net profit for the period	6,740	4,518	5,256	1,484	6,641	7,248	(5,606)
Minority interests' share of the profit for the period	79	20	59	20	63	45	(26)
The ATP Group's share of the profit for the period	<u>6,661</u>	<u>4,498</u>	<u>5,197</u>	<u>1,464</u>	<u>6,578</u>	<u>7,203</u>	<u>(5,580)</u>
Allocated results	6,740	4,518	5,256	1,484	6,641	7,248	(5,606)

The ATP Group

Balance sheet

DKK million	H1 2007	H1 2006	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
ASSETS							
Total intangible assets	557	309	557	475	407	395	309
Operating equipment	15	10	15	13	13	9	10
Owner-occupied properties	414	332	414	364	359	333	332
Total property, plant and equipment	429	342	429	377	372	342	342
Investment properties	9,941	8,033	9,941	9,401	8,888	8,064	8,033
Investments in associates	1,893	281	1,893	558	534	240	281
Equity investments	118,131	95,331	118,131	114,479	112,851	102,677	95,331
Mutual-fund units	9	133	9	8	10	141	133
Bonds	228,052	212,242	228,052	227,243	222,432	216,253	212,242
Derivative-financial instruments	6,865	14,440	6,865	9,805	16,058	24,436	14,440
Other loans	20	20	20	20	20	20	20
Total other financial investment assets	353,077	322,166	353,077	351,555	351,371	343,527	322,166
Total investment assets	364,911	330,480	364,911	361,514	360,793	351,831	330,480
Investment assets related to unit-linked Contracts							
Total	54,879	50,038	54,879	53,732	53,071	52,050	50,038
Deferred tax on pension-savings returns	3,063	5,139	3,063	802	6	0	5,139
Contributions receivable	2,086	2,028	2,086	2,169	1,999	2,027	2,028
Other receivables	378	838	378	665	768	1,250	838
Interest receivable and accrued rent	4,341	4,109	4,341	3,490	3,316	3,833	4,109
Other prepayments	24	71	24	37	234	5	71
Tax on pension-savings returns	1,244	0	1,244	1,244	1,244	0	0
Cash in hand and demand deposits	6,323	5,274	6,323	6,976	4,306	4,220	5,274
Total receivables and other assets	17,459	17,459	17,459	15,383	11,873	11,335	17,459
Total assets	438,235	398,628	438,235	431,481	426,516	415,953	398,628
LIABILITIES							
Total minority interests	962	682	962	903	772	789	682
Guaranteed benefits	268,408	274,006	268,408	286,711	292,554	296,727	274,006
Claims-outstanding provisions	37	26	37	37	39	26	26
Bonus potential	77,020	56,575	77,020	71,828	70,362	63,778	56,575
Revaluation reserve	4	4	4	4	4	4	4
Total bonus potential	77,024	56,579	77,024	71,832	70,366	63,782	56,579
Provisions for unit-linked contracts	53,471	49,347	53,471	52,626	52,284	50,801	49,347
Provisions for the SUPP scheme	993	686	993	929	856	763	686
Total pension provisions	399,933	380,644	399,933	412,135	416,099	412,099	380,644
Short-term loans	51	42	51	43	44	43	42
Amounts owed to credit institutions	20	20	20	20	20	20	20
Derivative-financial instruments	32,221	12,733	32,221	13,587	5,952	934	12,733
Payable tax on pension-savings returns	516	2,567	516	286	135	672	2,567
Other payables	4,532	1,940	4,532	4,507	3,494	1,396	1,940
Total payables	37,340	17,302	37,340	18,443	9,645	3,065	17,302
Total liabilities	438,235	398,628	438,235	431,481	426,516	415,953	398,628

The ATP Group

Note 1 – Cash flow statement

DKK million	H1 2007	H1 2006	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Cash flows from operating activities							
Received in respect of pension activities	(59)	(509)	370	(429)	(1,049)	421	(294)
Management income received	16,314	14,694	9,905	6,409	9,958	4,585	5,711
Tax on pension-savings returns paid	0	0	0	0	(2,216)	(2,436)	0
Other operating activities	(225)	474	(140)	(85)	721	(2,076)	(204)
Total	16,030	14,659	10,135	5,895	7,414	494	5,213
Net cash flow from investing activities							
Purchase and sale of investment assets	(13,867)	(14,700)	(10,710)	(3,157)	(7,143)	(1,460)	(5,053)
Intangible assets	(146)	(80)	(78)	(68)	(16)	(86)	(65)
Property, plant and equipment	0	2	0	0	(169)	(2)	1
Total	(14,013)	(14,778)	(10,788)	(3,225)	(7,328)	(1,548)	(5,117)
Change in cash at bank and in hand	2,017	(119)	(653)	2,670	86	(1,054)	96
Cash and cash equivalents, beginning of period	4,306	5,393	6,976	4,306	4,220	5,274	5,178
Cash and cash equivalents, end of period	6,323	5,274	6,323	6,976	4,306	4,220	5,274

The ATP Group

Note 2 – Contingent liabilities

DKK million	H1 2007	H1 2006	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Collateral security in respect of derivatives	22,057	7,944	22,057	3,796	3,257	3,049	7,944
Rental/lease obligations	116	149	116	122	128	146	149
Investment commitments, equity investments and commitments made by ATP Private Equity Partners	13,247	11,609	13,247	13,343	13,338	12,532	11,609
Investment commitments, domestic real estate	0	143	0	0	143	143	143
Investment commitments, real-estate funds	1,277	1,755	1,277	2,061	1,643	2,039	1,755
Investment commitments, infrastructure funds	3,366	-	3,366	3,407	4,317	-	-
Agreements concluded on supply of IT systems	343	485	343	427	533	433	485

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	H1 2007	H1 2006	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Guaranteed benefits							
Market value, beginning of period	292,554	307,028	286,711	292,554	296,727	274,006	283,199
Change in provisions for the period	(24,146)	(33,022)	(18,303)	(5,843)	(4,870)	22,721	(9,193)
Bonus provisions	0	0	0	0	697	0	0
Market value, end of period	<u>268,408</u>	<u>274,006</u>	<u>268,408</u>	<u>286,711</u>	<u>292,554</u>	<u>296,727</u>	<u>274,006</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	3,735	3,594	1,740	1,995	1,780	1,831	1,803
Pension benefits	(3,709)	(3,385)	(1,862)	(1,847)	(1,918)	(1,777)	(1,730)
Change in mortality	729	3,914	729	0	21	22	3,914
Change in calculation rate	(28,324)	(40,549)	(20,934)	(7,390)	(6,420)	20,774	(14,835)
Other changes	3,423	3,404	2,024	1,399	1,667	1,871	1,655
Total	<u>(24,146)</u>	<u>(33,022)</u>	<u>(18,303)</u>	<u>(5,843)</u>	<u>(4,870)</u>	<u>22,721</u>	<u>(9,193)</u>
Claims-outstanding provisions							
Balance, beginning of period	39	28	37	39	26	26	26
Change in provisions for the period	(2)	(2)	0	(2)	13	0	0
Balance, end of period	<u>37</u>	<u>26</u>	<u>37</u>	<u>37</u>	<u>39</u>	<u>26</u>	<u>26</u>
Bonus potential							
Bonus potential:							
Balance, beginning of period	70,097	51,921	71,561	70,097	63,554	56,390	61,967
Changes during the period	<u>6,663</u>	<u>4,469</u>	<u>5,199</u>	<u>1,464</u>	<u>6,543</u>	<u>7,164</u>	<u>(5,577)</u>
Balance, end of period	<u>76,760</u>	<u>56,390</u>	<u>76,760</u>	<u>71,561</u>	<u>70,097</u>	<u>63,554</u>	<u>56,390</u>
Adjustment pool:							
Balance, beginning of period	265	158	267	265	224	185	190
Changes during the period	<u>(5)</u>	<u>27</u>	<u>(7)</u>	<u>2</u>	<u>41</u>	<u>39</u>	<u>(5)</u>
Balance, end of period	<u>260</u>	<u>185</u>	<u>260</u>	<u>267</u>	<u>265</u>	<u>224</u>	<u>185</u>
Revaluation reserve:							
Balance, beginning of period	4	4	4	4	4	4	4
Changes during the period	<u>0</u>						
Balance, end of period	<u>4</u>						
Total bonus potential	<u>77,024</u>	<u>56,579</u>	<u>77,024</u>	<u>71,832</u>	<u>70,366</u>	<u>63,782</u>	<u>56,579</u>
Provisions for unit-linked contracts							
Balance, beginning of period	52,284	49,760	52,626	52,284	50,801	49,347	50,643
Changes during the period	<u>1,187</u>	<u>(413)</u>	<u>845</u>	<u>342</u>	<u>1,483</u>	<u>1,454</u>	<u>(1,296)</u>
Balance, end of period	<u>53,471</u>	<u>49,347</u>	<u>53,471</u>	<u>52,626</u>	<u>52,284</u>	<u>50,801</u>	<u>49,347</u>
Provisions for the SUPP scheme							
Balance, beginning of period	856	594	929	856	763	686	642
Changes during the period	<u>137</u>	<u>92</u>	<u>64</u>	<u>73</u>	<u>93</u>	<u>77</u>	<u>44</u>
Balance, end of period	<u>993</u>	<u>686</u>	<u>993</u>	<u>929</u>	<u>856</u>	<u>763</u>	<u>686</u>
Total pension provisions	<u>399,933</u>	<u>380,644</u>	<u>399,933</u>	<u>412,135</u>	<u>416,099</u>	<u>412,099</u>	<u>380,644</u>

ATP

Income statement

DKK million	H1 2007	H1 2006	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Contributions	3,735	3,594	1,739	1,996	1,780	1,831	1,803
Income from group enterprises	2,303	328	1,988	315	2,639	1,553	(1,000)
Income from associates	(18)	0	(19)	1	(6)	1	0
Income from investment properties	176	162	84	92	84	80	76
Interest income and dividends, etc.	6,887	10,722	3,552	3,335	3,689	2,748	6,246
Fee income	28	0	4	24	10	0	0
Market-value adjustments	(29,852)	(45,151)	(20,784)	(9,068)	(3,440)	30,819	(22,900)
Interest expenses	0	0	0	0	0	0	0
Fee expenses	(2)	0	(1)	(1)	(6)	0	0
Investment-activity expenses	(53)	(50)	(26)	(27)	(24)	(21)	(23)
Total investment return	<u>(20,531)</u>	<u>(33,989)</u>	<u>(15,202)</u>	<u>(5,329)</u>	<u>2,946</u>	<u>35,180</u>	<u>(17,601)</u>
Tax on pension-savings returns	3,063	5,257	2,261	802	(342)	(5,333)	2,766
Investment return after tax on pension-savings returns	(17,468)	(28,732)	(12,941)	(4,527)	2,604	29,847	(14,835)
Benefit payouts	(3,709)	(3,385)	(1,862)	(1,847)	(1,907)	(1,777)	(1,730)
Change in claims-outstanding provisions	2	2	0	2	(13)	0	0
Total pension benefits	<u>(3,707)</u>	<u>(3,383)</u>	<u>(1,862)</u>	<u>(1,845)</u>	<u>(1,920)</u>	<u>(1,777)</u>	<u>(1,730)</u>
Change in guaranteed benefits	24,146	33,022	18,303	5,843	4,870	(22,721)	9,193
Bonus addition for the year	0	0	0	0	(697)	0	0
Pension-activity expenses	<u>(85)</u>	<u>(63)</u>	<u>(42)</u>	<u>(43)</u>	<u>(53)</u>	<u>(30)</u>	<u>(24)</u>
Technical profit	6,621	4,438	5,197	1,424	6,584	7,150	(5,593)
Other income	344	327	164	180	109	120	172
Other expenses	(302)	(296)	(162)	(140)	(150)	(106)	(156)
Net profit for the period	6,663	4,469	5,199	1,464	6,543	7,164	(5,577)
Allocation of profit							
Transferred to/from bonus potential	6,663	4,469	5,199	1,464	6,543	7,164	(5,577)
Ratios							
Return before tax on pension-savings returns (per cent)	(5.6)	(9.5)	(4.2)	(1.5)	0.2	10.7	(5.1)
Return after tax on pension savings returns (per cent)	(4.8)	(8.0)	(3.6)	(1.2)	0.2	9.0	(4.3)
Members (number in thousands)	4,490	4,421	4,490	4,452	4,442	4,431	4,421
Expenses							
Pension-activity expenses per member (DKK)	19	14	9	10	12	7	5
Investment-activity expenses per member (DKK)	12	11	6	6	6	5	5

ATP

Balance sheet

DKK million	H1 2007	H1 2006	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
ASSETS							
Total intangible assets	553	308	553	475	407	394	308
Operating equipment	13	10	13	11	13	9	10
Owner-occupied properties	391	312	391	342	339	313	312
Total property, plant and equipment	404	322	404	353	352	322	322
Investment properties	6,520	5,214	6,520	6,261	5,768	5,219	5,214
Investments in group enterprises	39,932	35,101	39,932	37,608	40,697	36,817	35,101
Loans to group enterprises	33	33	33	33	33	33	33
Investments in associates	1,260	16	1,260	11	10	17	16
<i>Total investments in group enterprises and associates</i>	<u>41,225</u>	<u>35,150</u>	<u>41,225</u>	<u>37,652</u>	<u>40,740</u>	<u>36,867</u>	<u>35,150</u>
Equity investments	93,239	74,703	93,239	91,187	87,531	80,369	74,703
Bonds	217,440	201,857	217,440	216,766	211,106	205,476	201,857
Derivative-financial instruments	6,678	14,062	6,678	9,723	15,784	24,298	14,062
Other loans	20	20	20	20	20	20	20
<i>Total other financial investment assets</i>	<u>317,377</u>	<u>290,642</u>	<u>317,377</u>	<u>317,696</u>	<u>314,441</u>	<u>310,163</u>	<u>290,642</u>
Total investment assets	365,122	331,006	365,122	361,609	360,949	352,249	331,006
Deferred tax on pension-savings returns	3,063	5,142	3,063	802	0	0	5,142
Contributions receivable	2,062	2,008	2,062	2,145	1,975	2,008	2,008
Receivables from group enterprises	57	64	57	183	111	45	64
Other receivables	236	619	236	554	662	1,042	619
Interest receivable and accrued rent	4,110	3,888	4,110	3,294	3,151	3,630	3,888
Tax on pension-savings returns	1,244	0	1,244	1,244	1,244	0	0
Cash in hand and demand deposits	4,800	3,493	4,800	5,376	2,830	2,974	3,493
Total receivables and other assets	15,572	15,214	15,572	13,598	9,973	9,699	15,214
Total assets	381,651	346,850	381,651	376,035	371,681	362,664	346,850
LIABILITIES							
Guaranteed benefits	268,408	274,006	268,408	286,711	292,554	296,727	274,006
Claims-outstanding provisions	37	26	37	37	39	26	26
Bonus potential	76,764	56,394	76,764	71,565	70,101	63,558	56,394
Total pension provisions	345,209	330,426	345,209	358,313	362,694	360,311	330,426
Short-term loans	51	42	51	43	44	43	42
Amounts owed to credit institutions	20	20	20	20	20	20	20
Payables to group enterprises	11	0	11	13	293	0	0
Derivative-financial instruments	32,210	12,717	32,210	13,583	5,900	867	12,717
Payable tax on pension-savings returns	0	2,260	0	0	0	190	2,260
Other payables	4,150	1,385	4,150	4,063	2,730	1,233	1,385
Total payables	36,442	16,424	36,442	17,722	8,987	2,353	16,424
Total liabilities	381,651	346,850	381,651	376,035	371,681	362,664	346,850

SP

Income statement

DKK million	H1 2007	H1 2006	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
Fees	45	73	23	22	22	24	23
Interest income and dividends, etc.	17	10	(4)	21	5	(1)	10
Market-value adjustments	2,501	640	1,518	983	2,384	2,331	(1,091)
Investment-activity expenses	(10)	(10)	(4)	(6)	(3)	(5)	(4)
Total investment return	<u>2,508</u>	<u>640</u>	<u>1,510</u>	<u>998</u>	<u>2,386</u>	<u>2,325</u>	<u>(1,085)</u>
Tax on pension-savings returns	<u>(376)</u>	<u>(96)</u>	<u>(226)</u>	<u>(150)</u>	<u>(365)</u>	<u>(312)</u>	<u>152</u>
Investment return after tax on pension-savings returns	2,132	544	1,284	848	2,021	2,013	(933)
Change in provisions for unit-linked contracts	(2,106)	(547)	(1,267)	(839)	(1,959)	(1,956)	908
Change in provisions for the SUPP scheme	(28)	(4)	(17)	(11)	(27)	(25)	13
Pension-activity expenses	<u>(47)</u>	<u>(39)</u>	<u>(25)</u>	<u>(22)</u>	<u>(22)</u>	<u>(17)</u>	<u>(14)</u>
Technical profit	(4)	27	(2)	(2)	35	39	(3)
Other income	2	2	0	2	0	0	0
Net profit for the period	<u>(2)</u>	<u>29</u>	<u>(2)</u>	<u>0</u>	<u>35</u>	<u>39</u>	<u>(3)</u>
Ratios							
Return before tax on pension-savings returns (per cent)	5.4	1.3	3.5	1.9	5.1	4.6	(2.2)
Return after tax on pension savings returns (per cent)	4.7	1.1	3.1	1.6	4.2	4.0	(1.9)
Clients (number in thousands)	3,165	3,273	3,165	3,182	3,210	3,239	3,273
Expenses							
Pension-activity expenses per client (DKK)	15	12	8	7	6	5	5
Investment-activity expenses per client (DKK)	3	3	1	2	1	2	1

SP

Balance sheet

DKK million	H1 2007	H1 2006	Q2 2007	Q1 2007	Q4 2006	Q3 2006	Q2 2006
ASSETS							
Mutual-fund units	54,879	50,038	54,879	53,732	53,071	52,050	50,038
Investment assets related to unit-linked Contracts	54,879	50,038	54,879	53,732	53,071	52,050	50,038
Contributions receivable	24	21	24	24	24	19	21
Other receivables	3	0	3	3	1	13	0
Other prepayments	12	0	12	13	70	0	0
Demand deposits	359	509	359	360	389	179	509
Total receivables and other assets	398	530	398	400	484	211	530
Total assets	55,277	50,568	55,277	54,132	53,555	52,261	50,568
LIABILITIES							
Adjustment pool	260	185	260	267	265	224	185
Provisions for unit-linked contracts	53,471	49,347	53,471	52,626	52,284	50,801	49,347
Provisions for the SUPP scheme	993	686	993	929	856	763	686
Total pension provisions	54,724	50,218	54,724	53,822	53,405	51,788	50,218
Payables to group enterprises	15	27	15	11	14	11	27
Other payables	538	323	538	299	136	462	323
Total payables	553	350	553	310	150	473	350
Total liabilities	55,277	50,568	55,277	54,132	53,555	52,261	50,568