Internship Report

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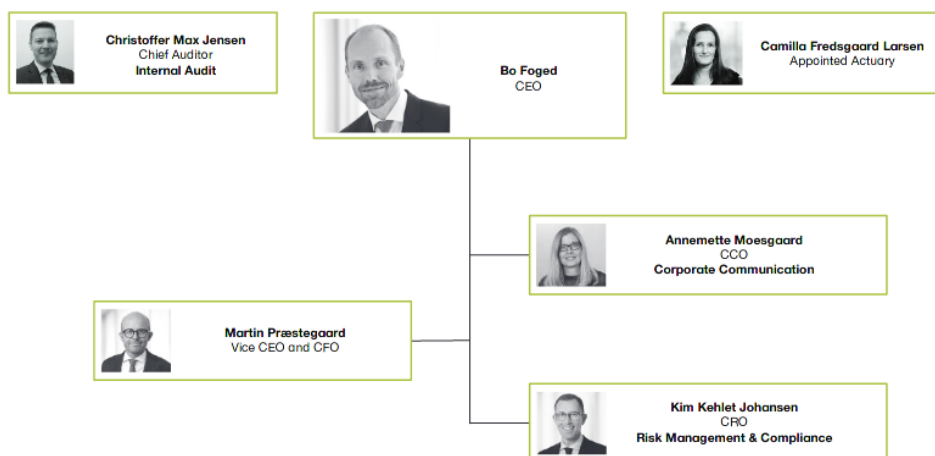Emil A. Overbeck [1]

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1 The Company

1.1 Introduction

> *ATP was introduced by the Danish Parliament in 1964 with the purpose of providing Danes with a state pension supplement. Today, ATP covers most of the Danish population who put money aside for their pension via ATP Livslang Pension.*

– ATP 2020 annual report introduction

Today, the ATP Group is Denmark's largest pension company and Europe's fourth largest.[1] It is based in Hillerød and has around 3 000 employees, most of which currently work from home because of the pandemic. ATP has since its creation expanded into a private financial processing and investment enterprise which conducts billion-krone long term investments in Danish companies through its 26 subsidiaries. The company recorded its second best financial results ever in 2020, sustaining the Danish economy despite the effects of COVID-19.[2]

1.2 Structure & Organisation
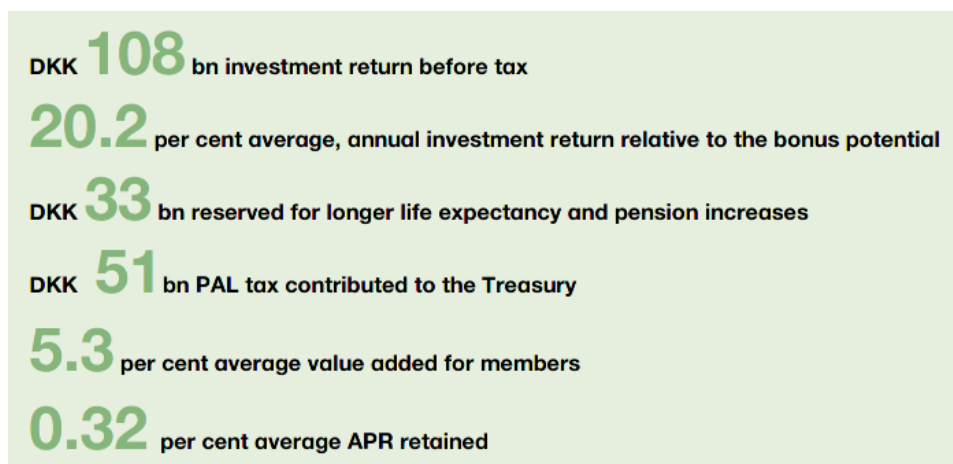

ATP's executive structure[2]

The company is divided into two business areas: Pensions & Investments and the Processing Business. Both ultimately report to ATP's Supervisory Board. There exists a number of general departments similar to those

present in most companies: Legal, Communication & External Relations, HR, Finance, IT, Sourcing & Contract Management and Risk Management & Compliance. The Internal Audit and Actuarial Department are completely separate from this structure and report directly to the Supervisory Board.[2]

ATP Livslang Pension (Lifelong Pension) is simultaneously managed by a Board of Representatives, the Supervisory Board and a CEO because of the critical nature of this department as a mandatory and lifelong service for all Danish citizens.[2,3]

Within the previously mentioned Processing Business, there is a "Systems Architecture" team of seven people into which I was admitted during my internship. To understand the purpose of this activity, we must consider the entirety of the company's structure and organisation. In essence, the stakeholders set the overall goals and requirements to be implemented by the technically competent divisions. However, in the realm of IT and communications, an intermediary step may be required to translate and divide these goals into practical schemes which can be directly implemented by developpers, designers and others. In simpler terms, systems architects determine and describe the requirements and course of action to be taken in order to achieve an overall goal. They may also abstract and break down the functions and interactions of a system into an "architecture", which allows these systems to be assessed and optimised.[4] Hence, this profession is of crucial importance to a large and complex enterprise such as ATP. These concepts will be further illustrated and detailed via my experience.

1.3 Financial Overview

DKK **108** bn investment return before tax

20.2 per cent average, annual investment return relative to the bonus potential

DKK **33** bn reserved for longer life expectancy and pension increases

DKK **51** bn PAL tax contributed to the Treasury

5.3 per cent average value added for members

0.32 per cent average APR retained

Financial summary of ATP's past 5 years[3]

Analysis of these statistics, especially the DKK 108 billion return on investment before tax, shows that ATP has exhibited considerable growth in these past five years. Furthermore, they report having exceeded the Supervisory Board's expectations in 2020 for investment activities with a result of DKK 17.6 billion.[3] During the COVID-19 pandemic, the Danish government triggered a number of measures to support the economy. These measures include a recovery fund to invest in large Danish companies threatened by the crisis and a one-time payment of DKK 1 000 to over 2.2 million residents. The ATP Group was selected to manage both of these efforts, which renders apparent the close relationship between it and Danish society, within which it primarily operates.[5] In the words of CEO Bo Foged:

> *ATP has been entrusted to solve important societal tasks for the benefit of all of Denmark*

2 The Experience

References

[1] IPE, "Top 1000 European Pension Funds." `https://www.ipe.com/Uploads/v/a/k/Top-1000-European-Pension-Funds.pdf`.

[2] ATP, "About page." `https://www.atp.dk/en/about-us`.

[3] ATP, "Annual Report 2020." `https://www.atp.dk/en/aarsrapport-2020`.

[4] S. Watts, "What Exactly Does a System Architect Do?." `https://www.bmc.com/blogs/system-architect/`.

[5] ATP, "Responsibility during the covid-19 pandemic." `https://www.atp.dk/en/we-have-been-given-major-responsibility-during-covid-19-pandemic`.