



VITAL

Accounts First Half 2010



Highlights First Half 2010

- Profit before tax NOK 215 million
- NOK 3.9 billion distributed to customers 1H 2010, NOK 0.6 billion in addition to guaranteed interest of NOK 3.3 billion
- Positive returns from all portfolios despite the turmoil in financial markets towards the end of the first half
- Value adjusted return for the common portfolio 1.4 per cent, booked return 2.1 per cent. Return on company portfolio 0.7 per cent
- Reserves for increased longevity strengthened by NOK 486 million
- Positive transfer balance
- Satisfactory solvency capital with a capital ratio of 10.3 per cent and solvency margin capital 60 per cent above minimum requirements



Income statement

<i>Amounts in NOK million</i>	1H 10	2Q 10	1Q 10	4Q 09	3Q 09	1H 09	2Q 09
Recorded investment return	4 017	967	3 051	2 969	2 620	3 866	2 347
Guaranteed interest on policyholders' funds	-3 276	-1 633	-1 643	-1 617	-1 625	-3 171	-1 580
Net investment return	742	-667	1 408	1 353	996	694	766
Allocated to / use of additional allocations	38	38	0	-173	-8	8	-181
Interest profit after use of additional allocations	779	-629	1 408	1 180	988	702	585
Pre-priced risk and interest guarantee	275	138	137	113	127	237	118
Administration profit	-31	8	-39	2	-9	-101	-73
Risk profit	-211	-46	-166	-70	12	149	65
Customer allocations and other items	-598	427	-1 024	-920	-798	-456	-395
Profit before tax	215	-102	317	305	320	532	300
Tax	75	97	-22	-771	102	495	279
Profit after tax	140	-199	339	1 076	218	37	21

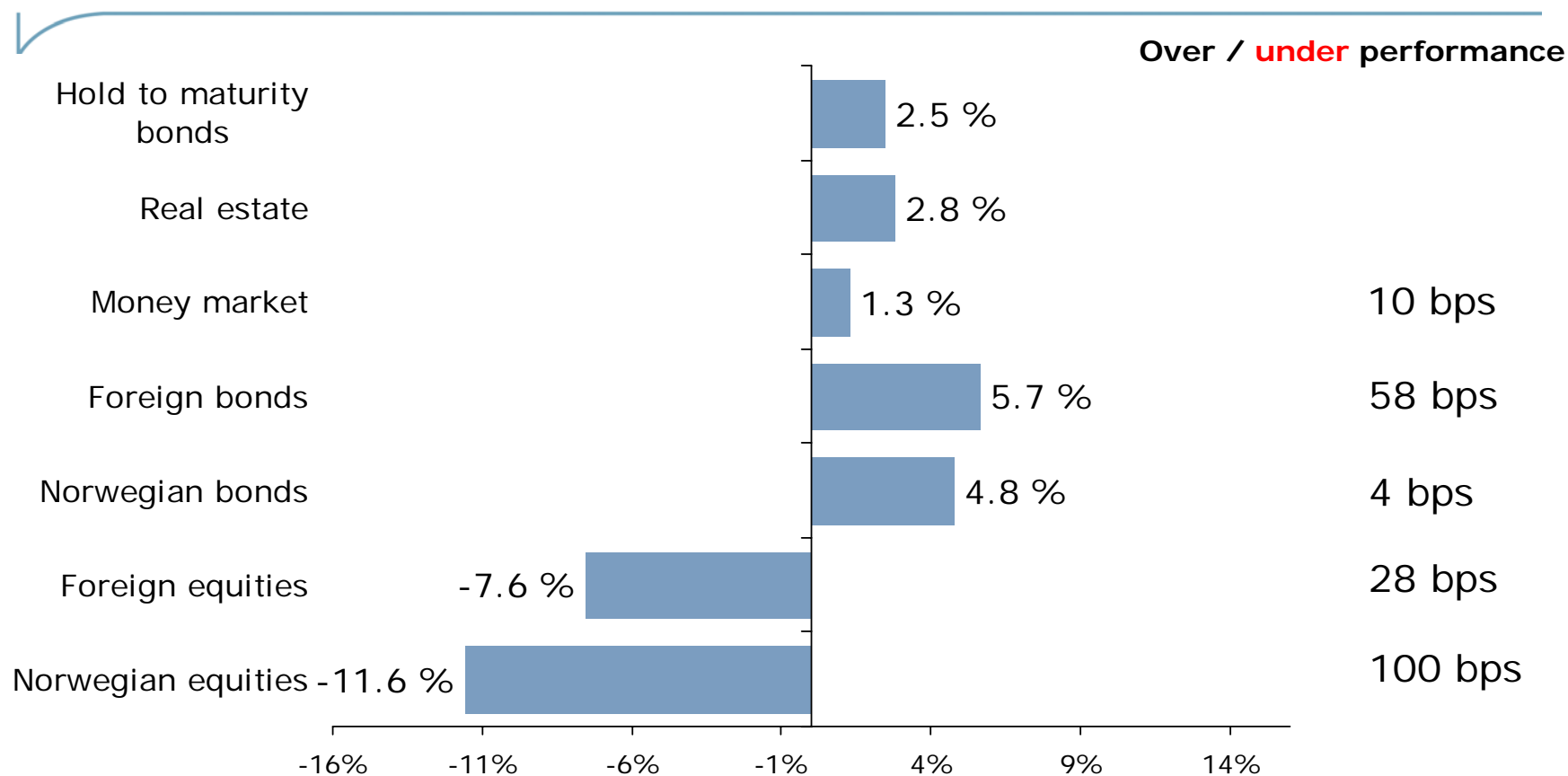


Steady asset management in turbulent markets

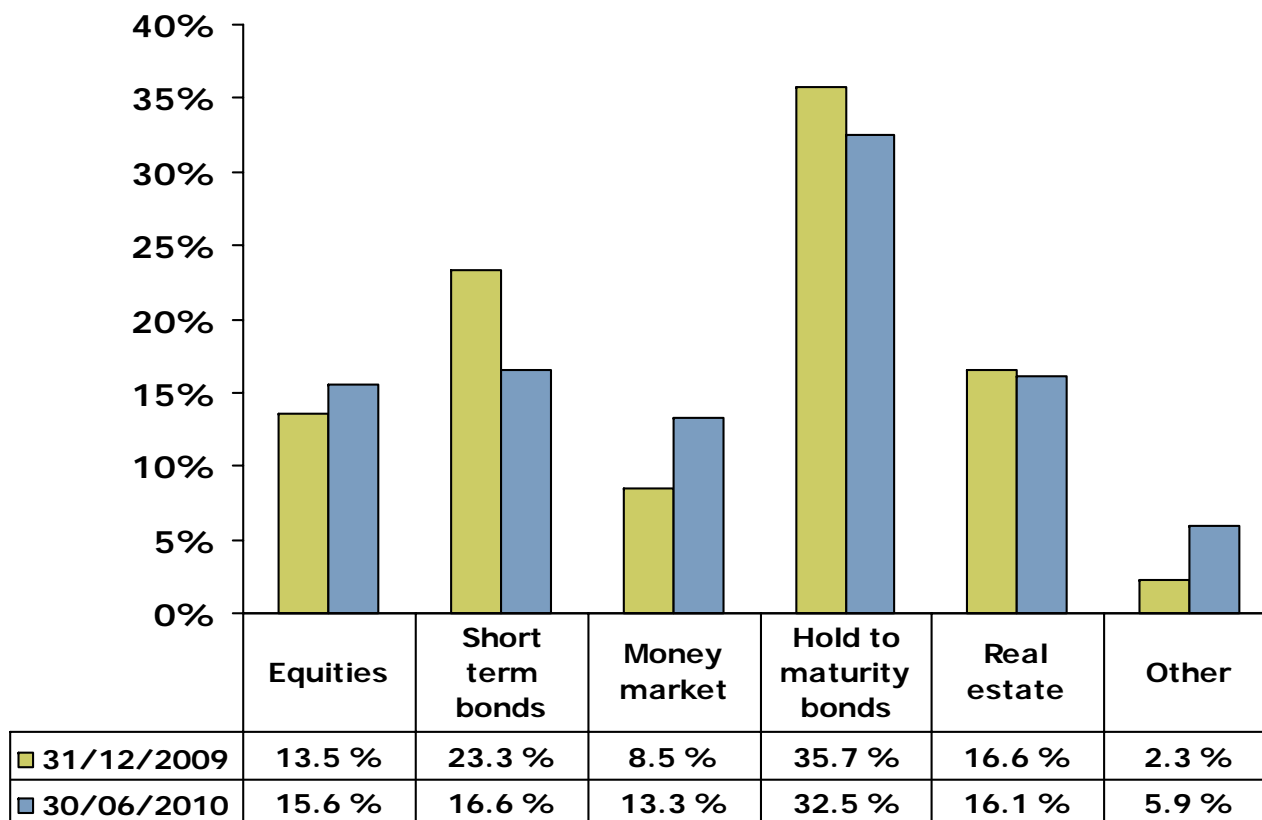
- Share of equities maintained at the same level through 2Q
- Share of equities in the pre-priced guarantee portfolios
 - Low risk portfolio 10.0 per cent
 - Moderate risk portfolio 15.6 per cent
 - High risk portfolio 21.6 per cent
- Active asset management has contributed with excess return of more than NOK 400 million
- The majority of the common portfolio is invested in attractive real estate and bonds with a high credit quality
- Total reserves of NOK 2 196 million in Hold to maturity bonds portfolio



Excess return in all asset classes



Asset allocation common portfolio ¹⁾



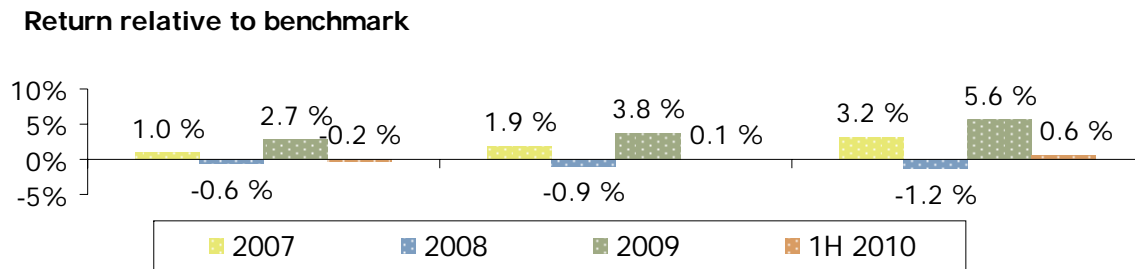
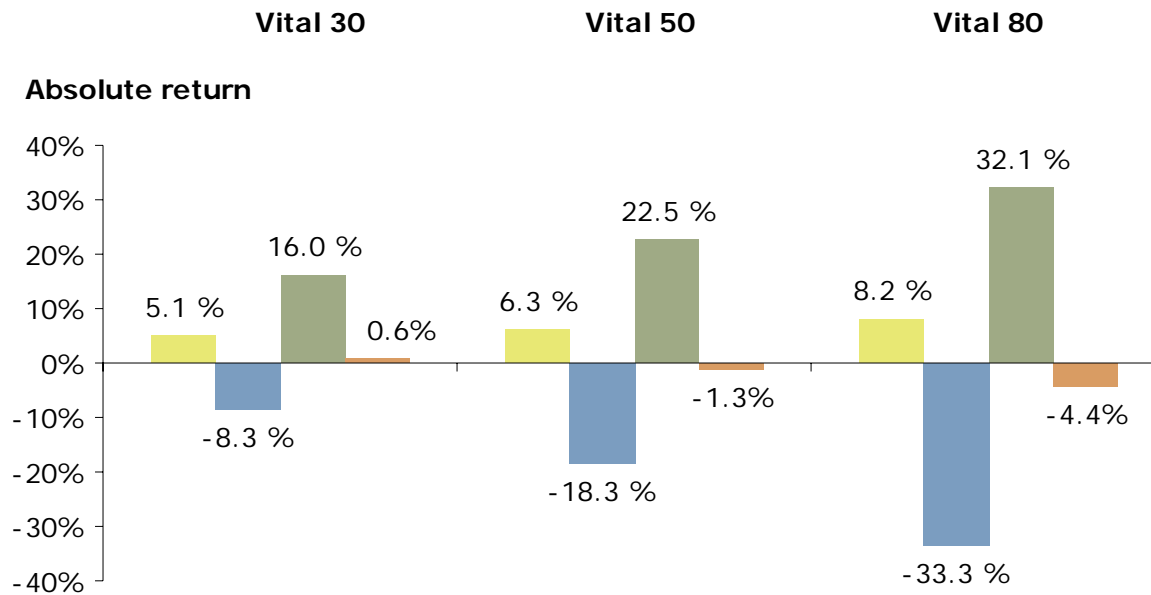
¹⁾ Financial exposure



Return / share of equities

	Common portfolio					Average	Company portfolio
	Pre-priced guarantee			With profits			
	Low risk	Moderate risk	High risk	Paid-up policies	Prev. Est. Individual products		
Recorded	2.7 %	2.1 %	1.3 %	2.3 %	2.0 %	2.1 %	0.7 %
Value-adjusted	2.0 %	1.4 %	0.6 %	1.6 %	1.3 %	1.4 %	0.7 %
Share of equities	10.0 %	15.6 %	21.6 %	13.5 %	16.4 %	15.6 %	13.8 %

Excess return on defined contribution group pensions



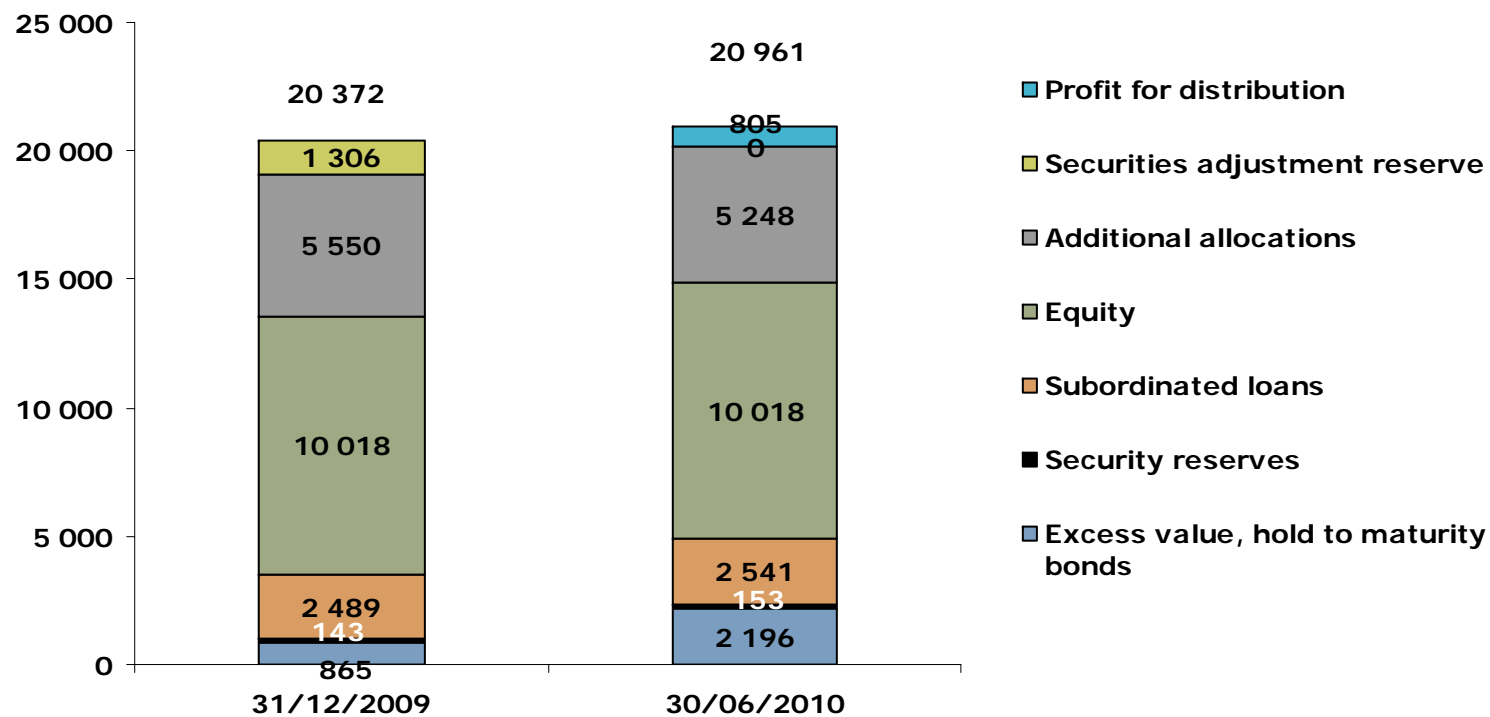
Solvency – solid margins over legal requirements



CAPITAL ADEQUACY	30/06/2010	31/12/2009	31/12/2008
Core capital	9 344	9 465	8 278
Additional capital	1 686	1 804	2 120
Capital adequacy	11 030	11 269	10 398
Risk-weighted assets	107 063	97 239	84 608
Core capital (%)	8.7%	9.7%	9.8%
Capital adequacy ratio (%)	10.3%	11.6%	12.3%
SOLVENCY MARGIN			
Solvency margin capital	13 876	14 247	13 202
Solvency margin minimum requirement	8 672	8 317	8 147
Capital exceeding minimum requirement	5 204	5 930	5 054
Capital as per cent of requirement	160.0%	171.3%	162.0%

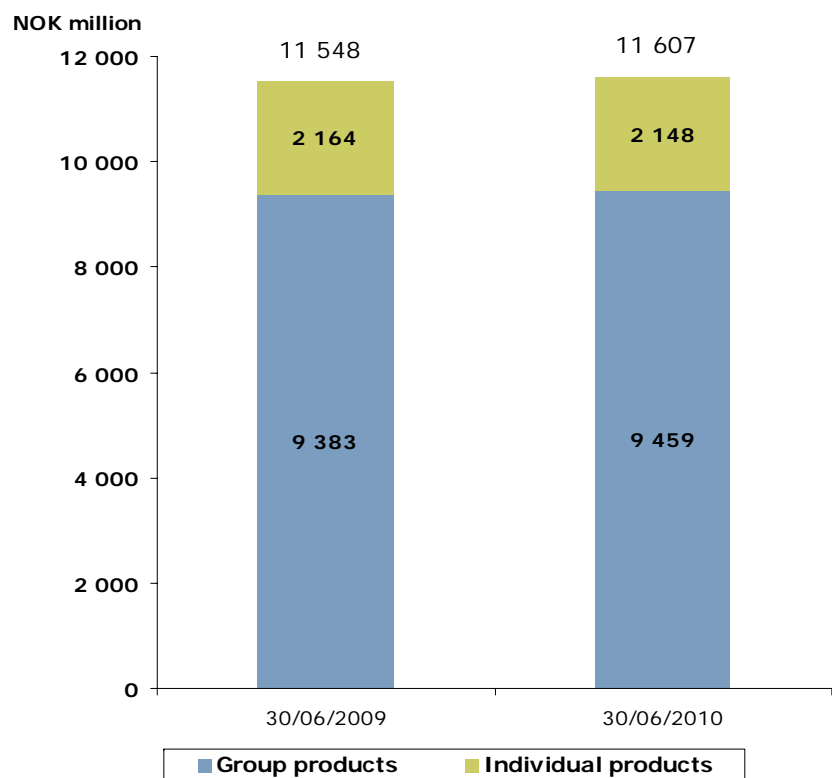
Buffer capital

NOK million





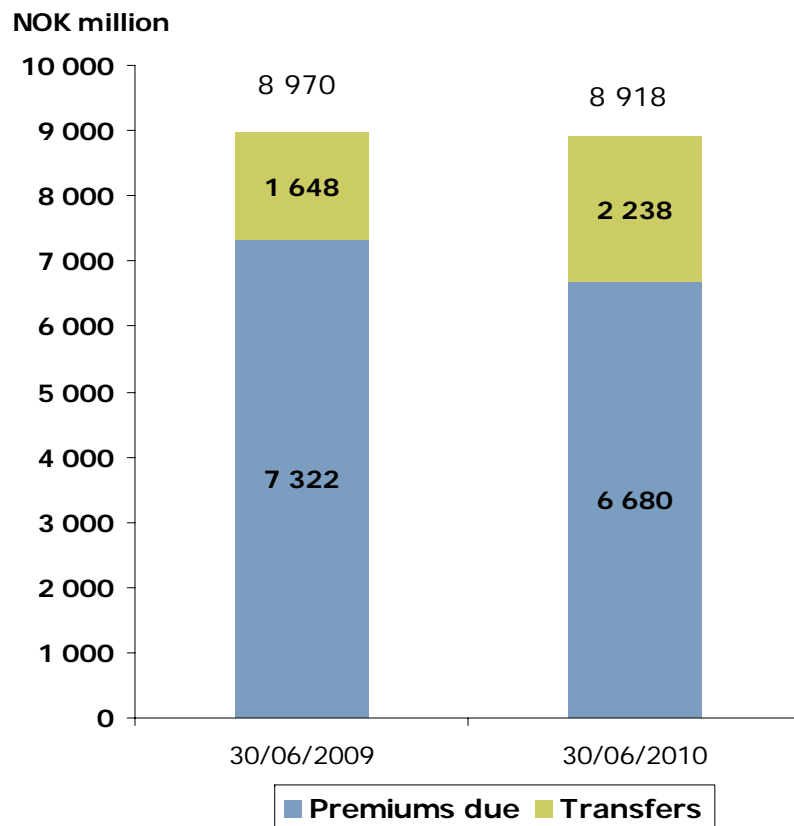
Total premium income



- Total premium income NOK 11.6 billion, 0.5 per cent increase compared to 1H 2009
- Premium income group pensions (incl. staff insurance) NOK 9.5 billion, 0.8 per cent increase compared to 1H 2009
- Premium income individual market NOK 2.1 billion, 0.7 per cent fall compared to 1H 2009



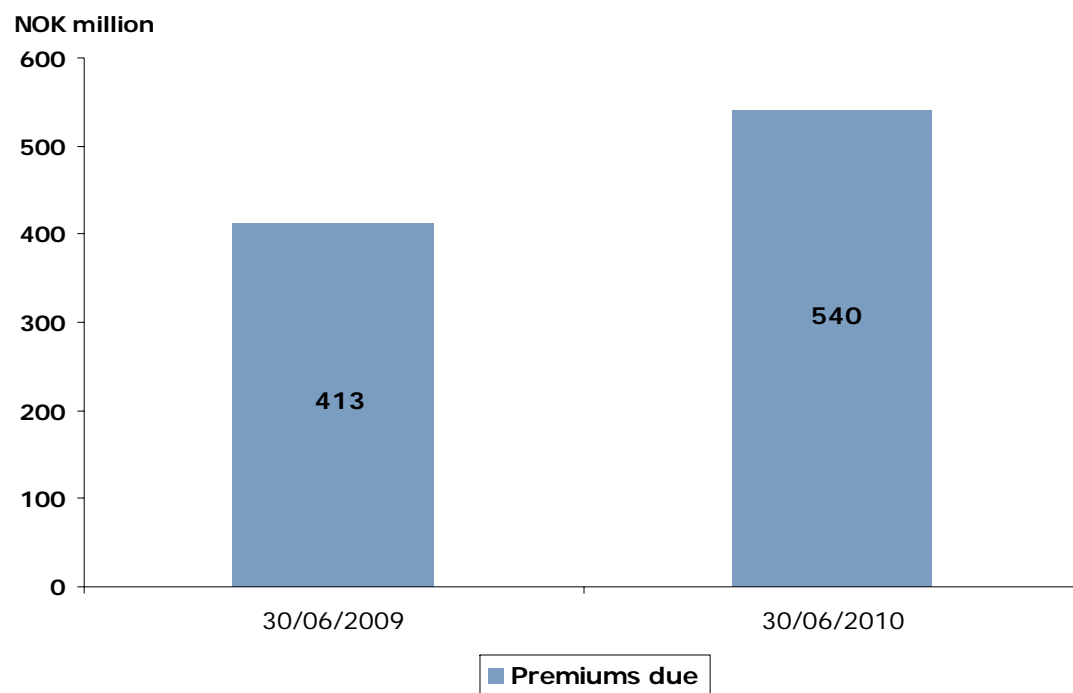
Group pension



- Premiums due NOK 6.7 billion 1H 2010, 8.8 per cent fall compared to 1H 2009, due to reduction in single premiums and switches to defined contribution from defined benefit
- Net transfers NOK 2.2 billion, an increase of 35.8 per cent



Growth in employer's liability insurance

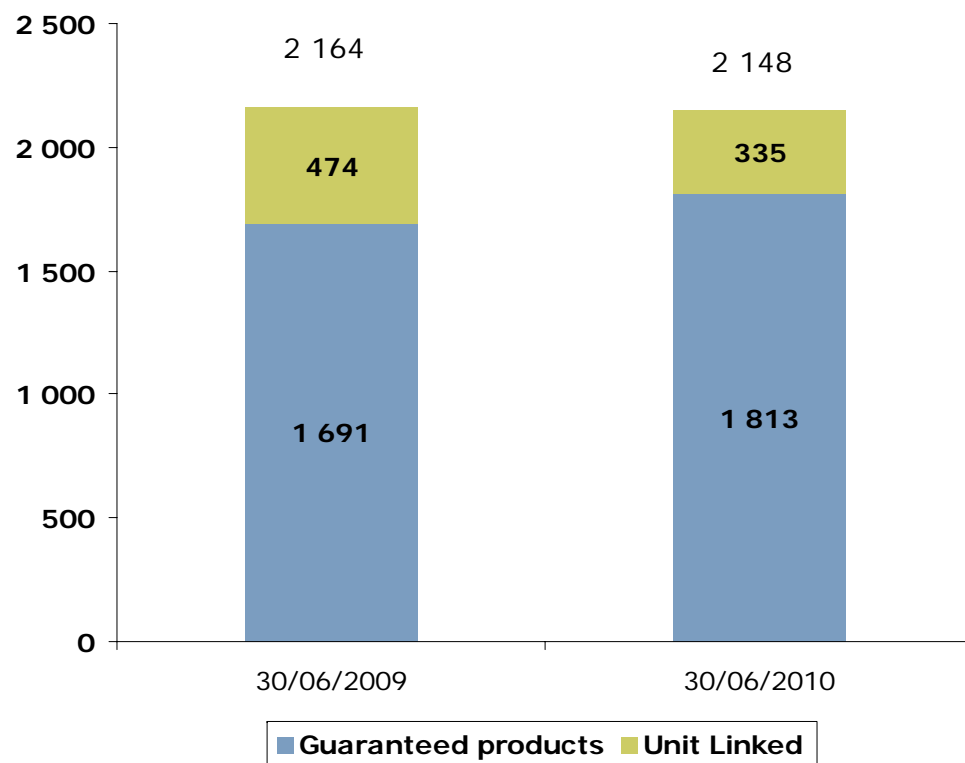


- Group life insurance 44 per cent of premiums due, occupational injury insurance and other injury related products 56 per cent
- Market share group life insurance 14.7 per cent 1Q 2010 compared to 6.8 per cent 1Q 2009



Premium income individual market

NOK million



- Premium income NOK 2.1 billion 1H 2010, a fall of 0.7 per cent compared to 1H 2009
- Premiums due NOK 1.9 billion, compared to NOK 1.8 billion, an increase of 8.9 per cent



Transfers (reported sales)

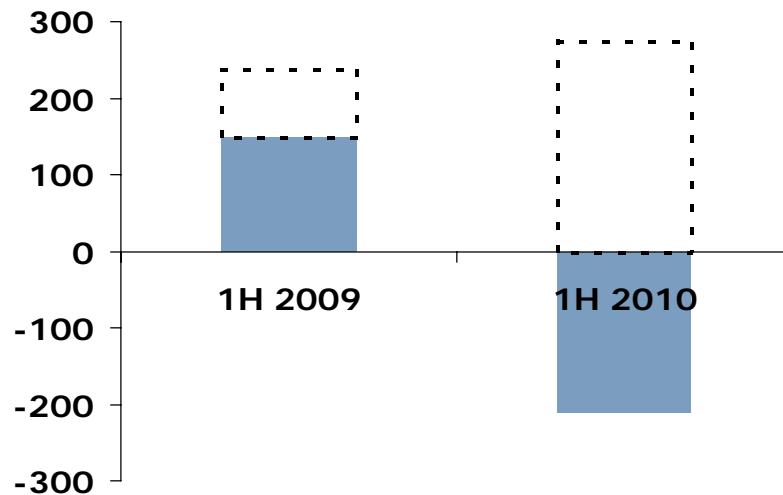
<i>Amounts in NOK million</i>	1H 10	2Q 10	1Q 10	4Q 09	3Q 09	1H 09	2Q 09
Transfer to Vital	885	282	603	2 653	665	1 393	819
Transfer from Vital	(759)	(41)	(718)	(1 200)	(789)	(1 726)	(814)
Transfer balance	126	241	(115)	1 454	(124)	(334)	4

- Recorded transfer balance NOK 710 million, compared to NOK - 2 million 1H 2009

Extra provisions for increased longevity within the individual portfolio



NOK million



- Risk profit NOK -211 million, compared to NOK 149 million 1H 2009
- Reserves for the individual portfolio strengthened by NOK 486 million due to increased longevity

- - - Risk profit 1H 2010 NOK 275 million excluding the extra provisions for increased longevity, compared to NOK 238 million 1H 2009



Satisfying trend in development of expenses

Expenses in per cent of policy holders' funds

