



VITAL

– Accounts first half of 2006

Strong results and good growth



## Strong results

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- Profits for allocation amounted to NOK 3.6 billion, an improvement of NOK 1.5 billion from the first half of 2005
- The preliminary estimated allocation to policyholders is NOK 2.9 billion, an improvement of NOK 1.3 billion
- Profit before tax was NOK 749 million, up NOK 168 million
- Value-adjusted return was 2.6 per cent, while recorded return was 3.8 per cent. The value-adjusted return in the second quarter was negative 0.2 per cent
- Buffer capital increased by NOK 860 million from the end of 2005



## Good growth

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- Premium income amounted to NOK 14.4 billion, a growth of 21 per cent
- Strong sales in the individual market – NOK 7.2 billion, up 63 per cent
- Total assets were NOK 210.7 billion, up 4.5 per cent from the end of 2005
- Market leader in compulsory occupational pension schemes with annual premiums of NOK 350 million at 30 June 2006, with continued robust sales

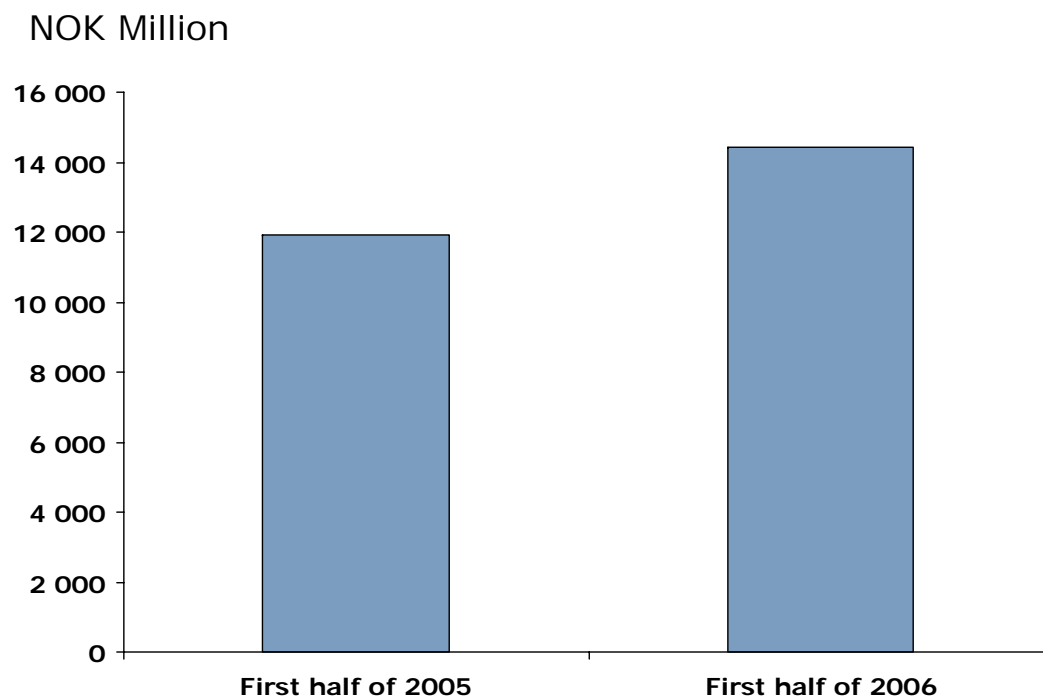


# Result Vital

<b>(Figures in NOK million)</b>	First half of 2006	First half of 2005
Interest result	3 765	2 178
Administration result	-44	-67
Risk result	-96	7
Allocation to security reserve	0	1
Unconditional profit to policyholders	-2 862	-1 536
<b>Result for allocation to equity and tax</b>	<b>763</b>	<b>583</b>
Result - Vital Link	-14	-2
Estimated tax	4	18
<b>Result after tax</b>	<b>753</b>	<b>599</b>
<b>Return on equity</b>	<b>17.2%</b>	<b>15.4%</b>



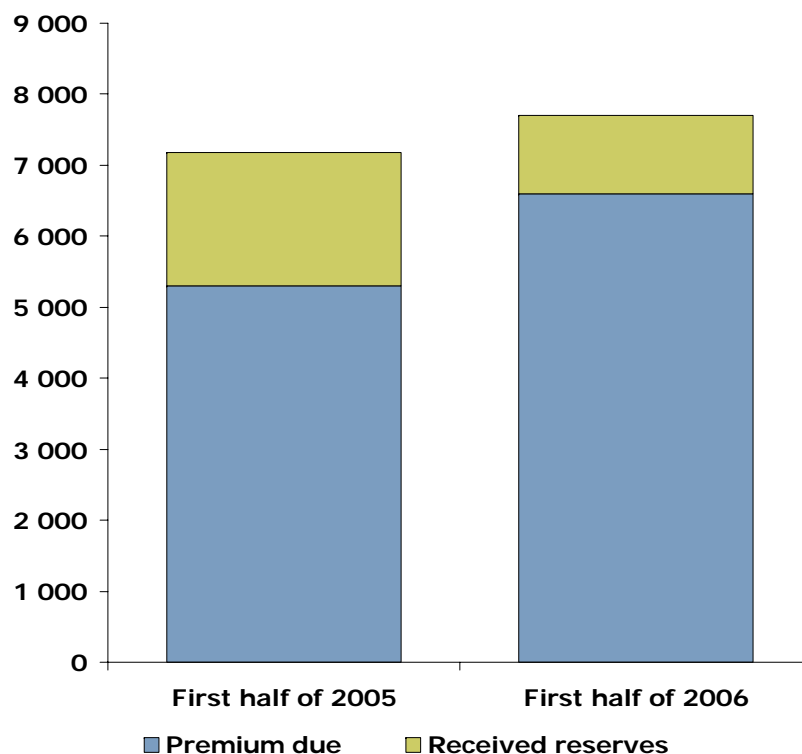
## Growth in total premium



- Total premium income came to 14.4 billion NOK
  - Group pension NOK 7.7 billion
  - Individual products NOK 6.7 billion

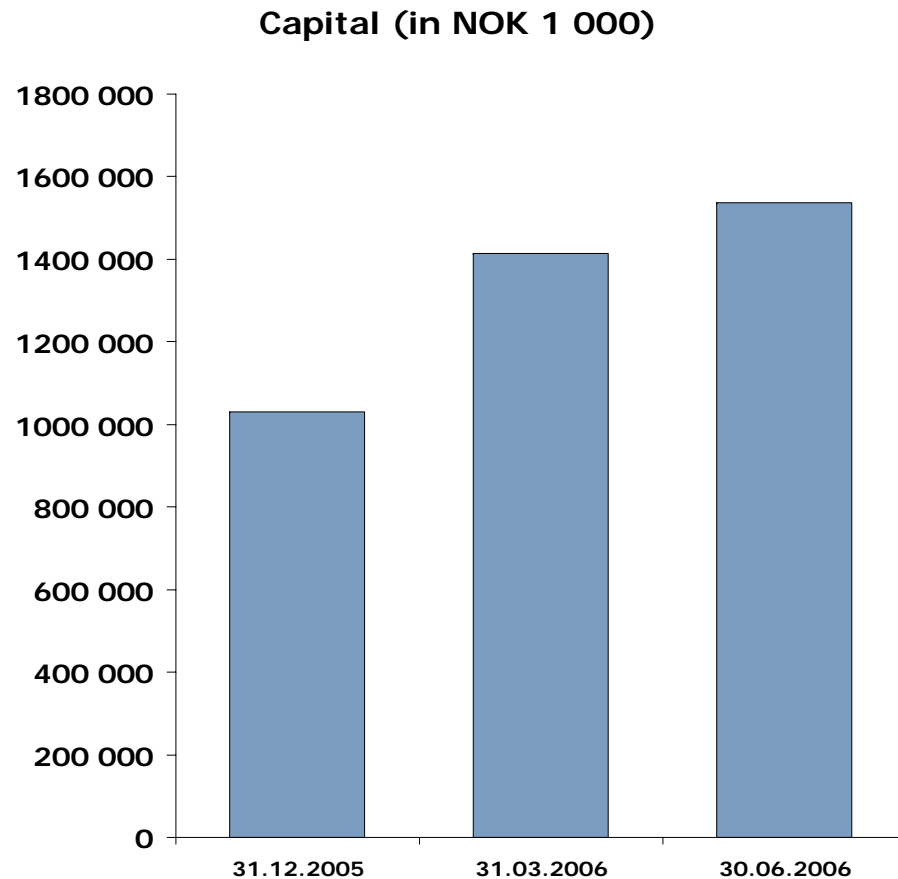
# Total premium group pension

NOK Million



- Premium income NOK 7.7 billion, up 7.3 per cent
- Received premium reserves NOK 1.1 billion
- Total inflow NOK 7.7 billion since the merger in 2004
- New products for personnel insurance will be introduced in third quarter

# Sharp rise in defined contribution based pensions



- Capital NOK 1 538 million, an increase of 49 per cent
- Market share insurance fund 36.6 per cent per first quarter against 33.1 at year-end

# Number of new customer-agreements for compulsory occupational pension schemes

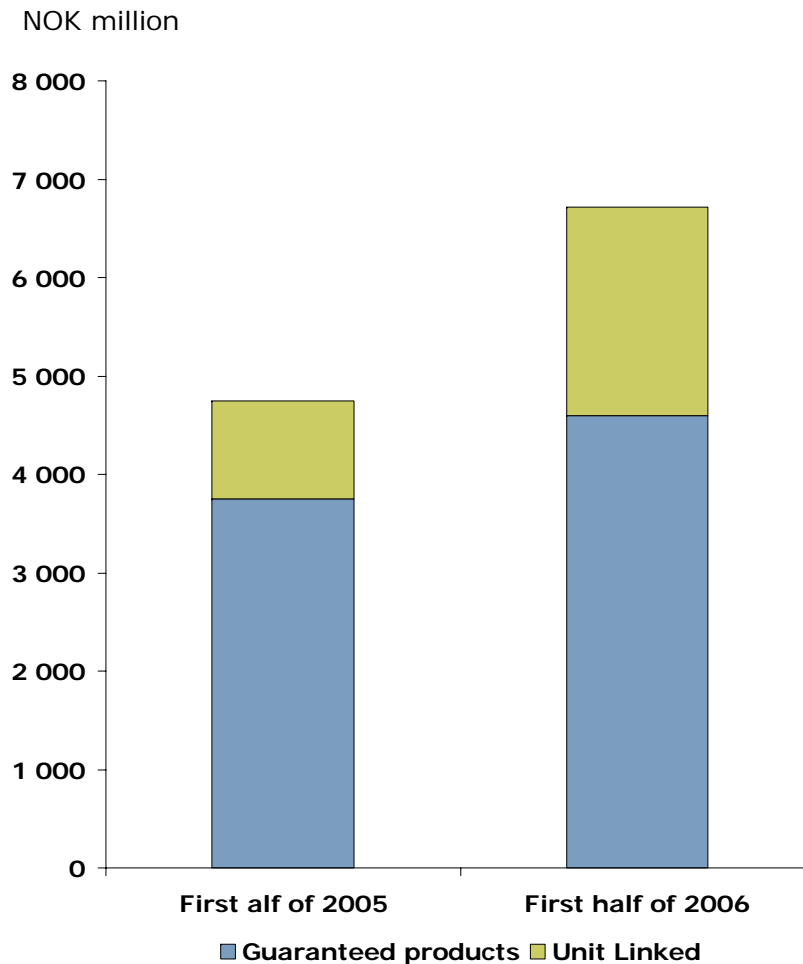


- Market share annual premiums NOK 350 million as per 30 June, corresponding to approx. 20 per cent of total market
- All sale after 30 June will increase the market share above 20 per cent
- Sale has been good since 30 June
- Approx. 5 500 new contracts covering about 75 000 members as per 30 June





# Total premium individual market



- Premium income NOK 6.7 billion, an increase of 42 per cent since last year
  - Unit Linked, 115 per cent
- Market share premium income came to 40.8 per cent first half of 2006 against 35.5 at year-end
- Vital is working to maintain tax benefit on annuity assurance, but is preparing alternative products

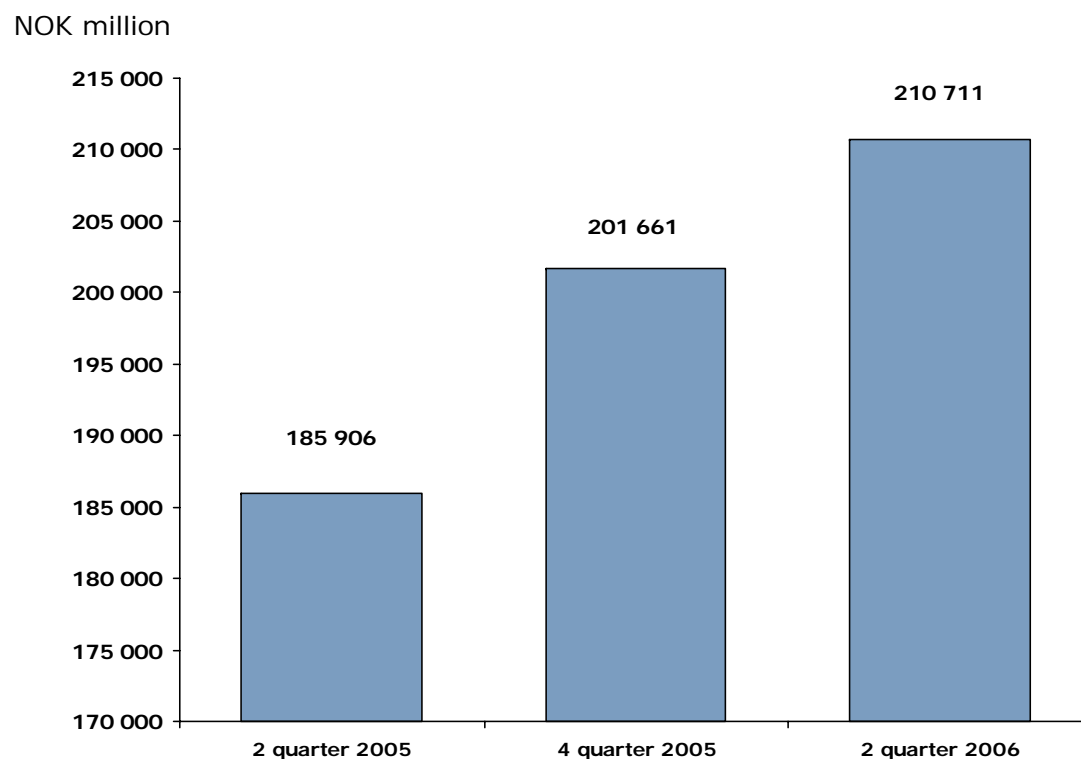


# Transfers

(NOK million)	Per 30.06.2006	Per 30.06.2005
Inflow	1 844	2 483
Outflow	-2 620	-994
Net transfers	-776	1 489



## Total assets up 4.5 per cent

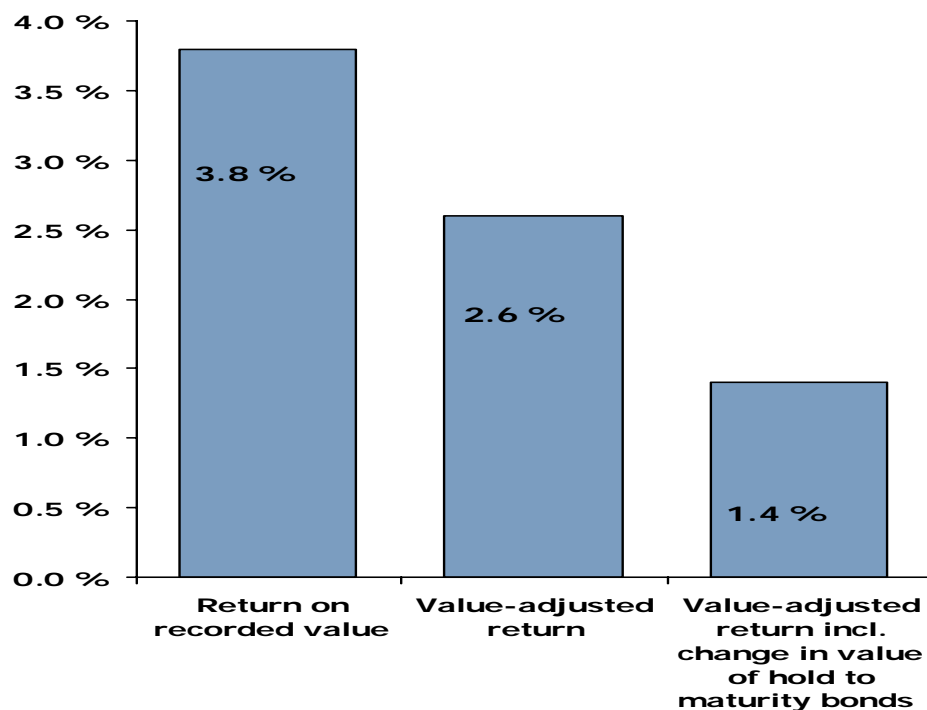


**Norway's largest Life- and pension company**

- Growth in total assets since year-end
  - Vital Forsikring 3.9 per cent
  - Vital Link 12.5 per cent
- Up 13.3 per cent since 30 June 2005
- Negative return and dividend payment in second quarter reduced total assets by NOK 1.8 billion

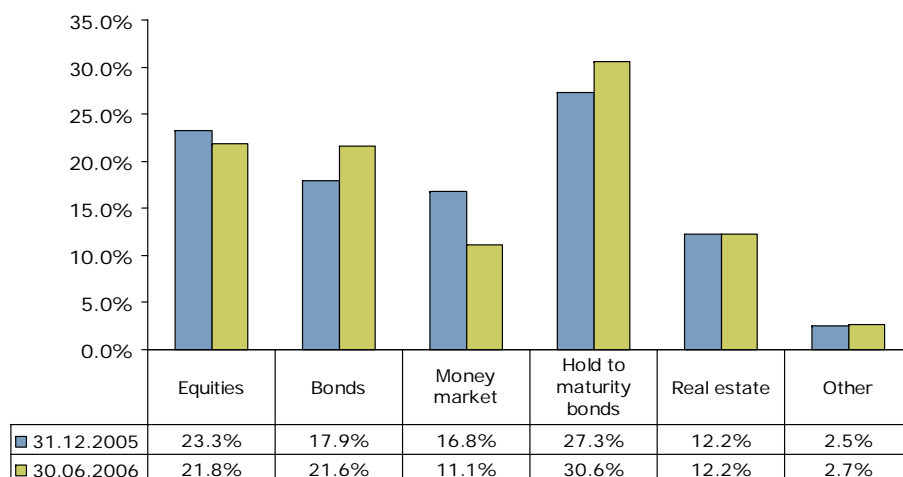


## Value-adjusted return 2.6 per cent



- Good financial result of NOK 4 838 million (NOK 5 527 million first half of 2005)
- Norwegian shares up 15.5 per cent, and foreign shares up 2.3 per cent in local currency
- Negative value-adjusted return second quarter of 0.2 per cent – increased interest level and weak equity market
- Well positioned to meet market fluctuations

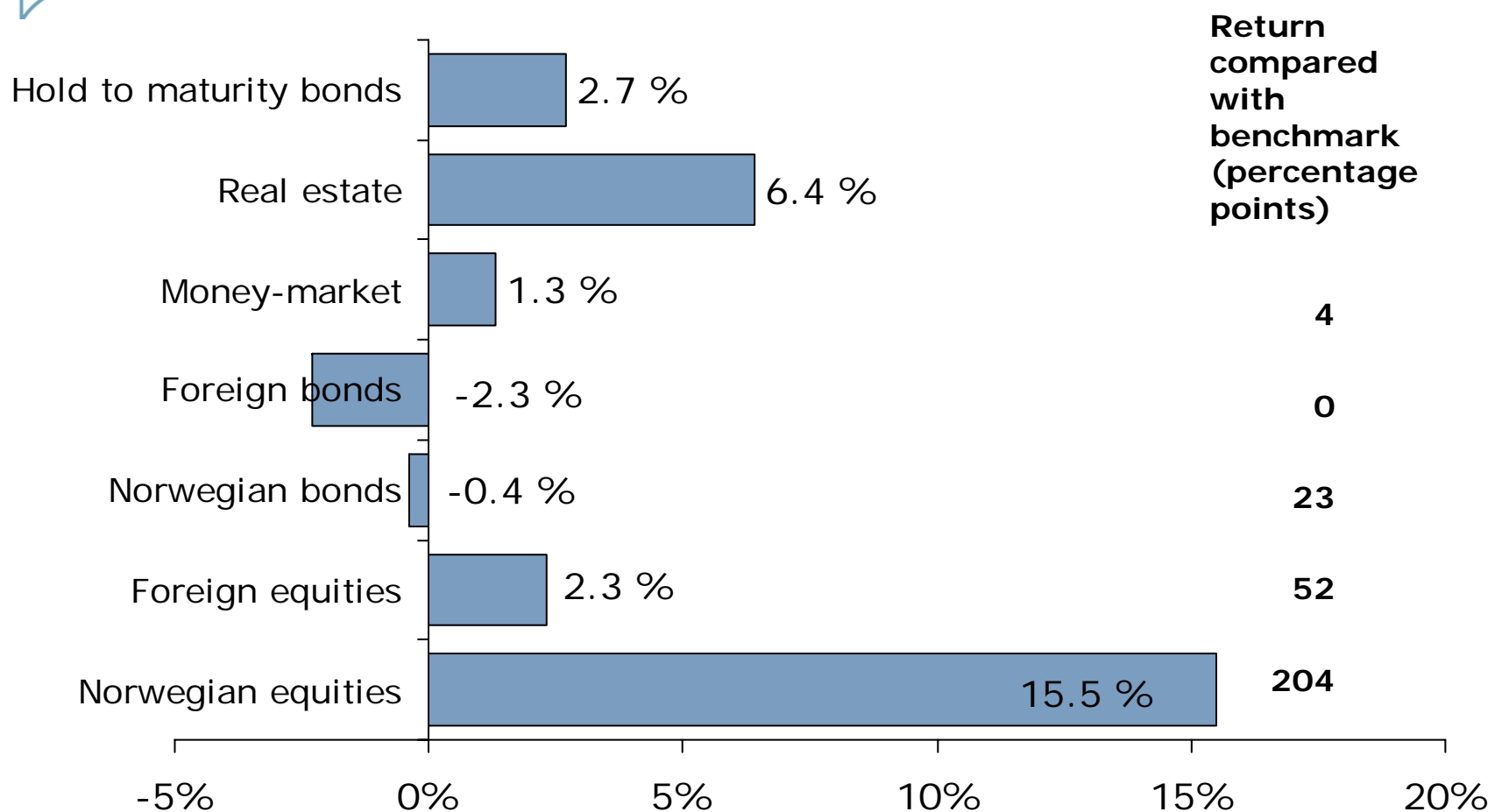
# Total assets incl. derivatives - Vital Forsikring



- Share interest of 21.8 per cent by end of first half year
  - Reduced due to value adjustments and interest hedging program
- Share interest 24 per cent excl hedging
  - Participation in market rise, mitigation decline
- Increased interest risk
  - Purchase of bonds and hold to maturity bonds
  - More attractive bond market due to increased interest



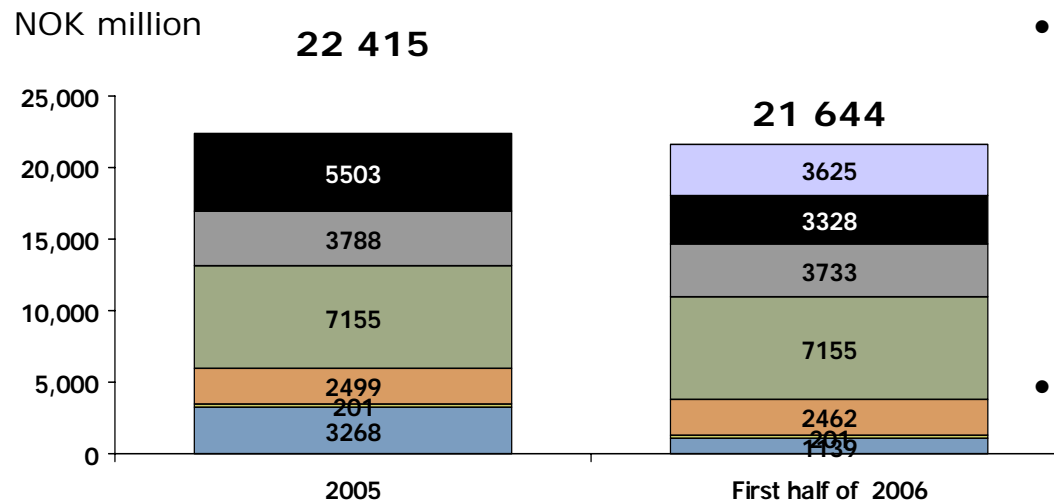
# Return by asset class



**Total additional profits approx. NOK 420 million**

**Return foreign equities measured in local currency**

# Capital base NOK 21.6 billion



- Unrealised gains on hold to maturity securities
- Subordinated loans
- Additional allocations
- Interim profit
- Security reserve
- Equity
- Securities adjustment reserve

- Buffer capital first half year 2006 of NOK 12 426 million, against NOK 11 564 million at year-end
- Reduced security reserve and unrealised gains on hold to maturity securities
  - Rise in bond yield
  - Realised gains Norwegian equities



## Effect of increased interest level

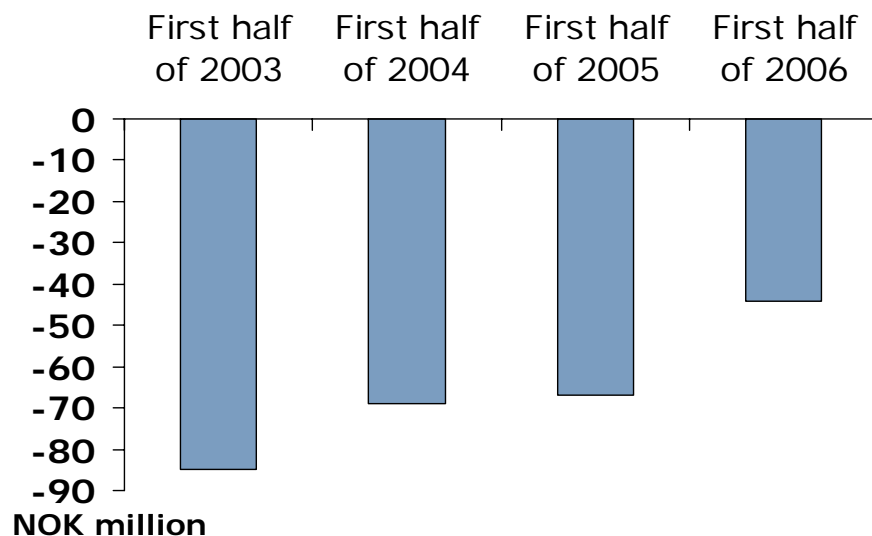
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- Book value insurance obligations of NOK 169 billion per 31 December 2005
- Discounted value market rate ("fair value") amounted to NOK 149 billion per 31 December 2005
- Increased interest level first half year of 60-65 basis points reduced fair value by approx. NOK 14 billion



# Administration result and risk result

## Administration result



- Administration result of minus NOK 44 million, improved by NOK 23 million since last year
- Increased income and good cost control
- Risk result of minus NOK 96 million against 7 million first half-year – weakened disability result



## New insurance legislation

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- First phase of new legislation effective as of 1st July 2006
- Contents:
  - Client and company capital to be separated
  - Client specific risks to be clearly defined
  - Transparent pricing
- Second phase to become effective on 1st January 2008
- Vital has made significant progress in adapting to the new legal framework in terms of products, systems and utilising the potential benefits the accrue

# Profit & Loss account - Vital Forsikring ASA



(NOK million)	First half of 2006	First half of 2005
Premium income	12 050	10 768
Net financial income	4 789	5 496
Insurance payments	(7 147)	(4 815)
Change in insurance reserves	(7 548)	(8 243)
Insurance-related expenses	(631)	(608)
To/from securities adjustment reserve	2 175	(428)
Other costs	(64)	(51)
<b>Result for allocation</b>	<b>3 625</b>	<b>2 119</b>
Profit allocated to policyholders	(2 862)	(1 536)
<b>Profit from ordinary activity</b>	<b>763</b>	<b>583</b>
Tax cost	-	17
<b>Profit after tax</b>	<b>763</b>	<b>600</b>



## Balance Sheet - Vital Forsikring ASA

(NOK million)	30.06.06	30.06.05
Financial assets	189 041	167 724
Other assets	6 267	6 813
<b>Total assets</b>	<b>195 307</b>	<b>174 537</b>
Equity	7 918	7 755
Subordinated loans/trust preferred stock	2 462	2 482
Securities adjustment reserve	3 328	3 966
Insurance reserves	178 873	158 541
Liabilities	2 726	1 793
<b>Total liabilities and equity</b>	<b>195 307</b>	<b>174 537</b>



# Consolidated Profit & Loss Account

## Vital Forsikring and Vital Link

(NOK million)	First half of 2006	First half of 2005
Premium income	14 422	11 918
Net financial income	4 786	5 494
Net income from life insurance assets with choice of investment profile	323	893
Insurance payments	-8 118	-5 666
Change in insurance reserves	-9 067	-9 303
Insurance-related expenses	-846	-738
To/from securities adjustment reserve	2 175	-428
Other costs	-64	-51
<b>Profit for allocation</b>	<b>3 611</b>	<b>2 117</b>
Profit allocated to policyholders	-2 862	-1 536
<b>Result of ordinary activity</b>	<b>749</b>	<b>581</b>
Tax cost	4	18
<b>Profit after tax</b>	<b>753</b>	<b>599</b>

# Consolidated balance Sheet

## Vital Forsikring and Vital Link



(NOK million)	30.06.06	30.06.05
Financial assets	189 109	167.874
Life insurance with choice of investment profile	14 800	10 766
Other assets	6 801	7 267
<b>Total assets</b>	<b>210 711</b>	<b>185 906</b>
Equity	8 161	7 932
Subordinated loans / trust preferred stock	2 557	2 577
Securities adjustment reserve	3 328	3 966
Insurance reserves	178 880	158 547
Reserves in life insurance with choice of investment profile	14 800	10 766
Liabilities	2 985	2 119
<b>Total Liabilities and Equity</b>	<b>210 711</b>	<b>185 906</b>