



VITAL  
Presentation  
Nine-month accounts 2005



## Highlights – Nine-month accounts 2005

---

- Profit: NOK 4.1bn, of which NOK 3.2bn to policyholders and NOK 0.9bn to owner and tax
- Total assets: NOK 193.1bn, up 10.2% since year-end
- High premium income and net inflow of transfers  
Premiums written: NOK 14.1bn, up 18%
- Good financial results  
Value-adjusted return: 6.0%
- Positive trend in risk and administration results
- Capital base: NOK 24.8bn, up NOK 5.2bn since year-end

# Regulations relating to new insurance legislation

– draft from Norwegian Financial Supervisory Authority  
24.10.2005



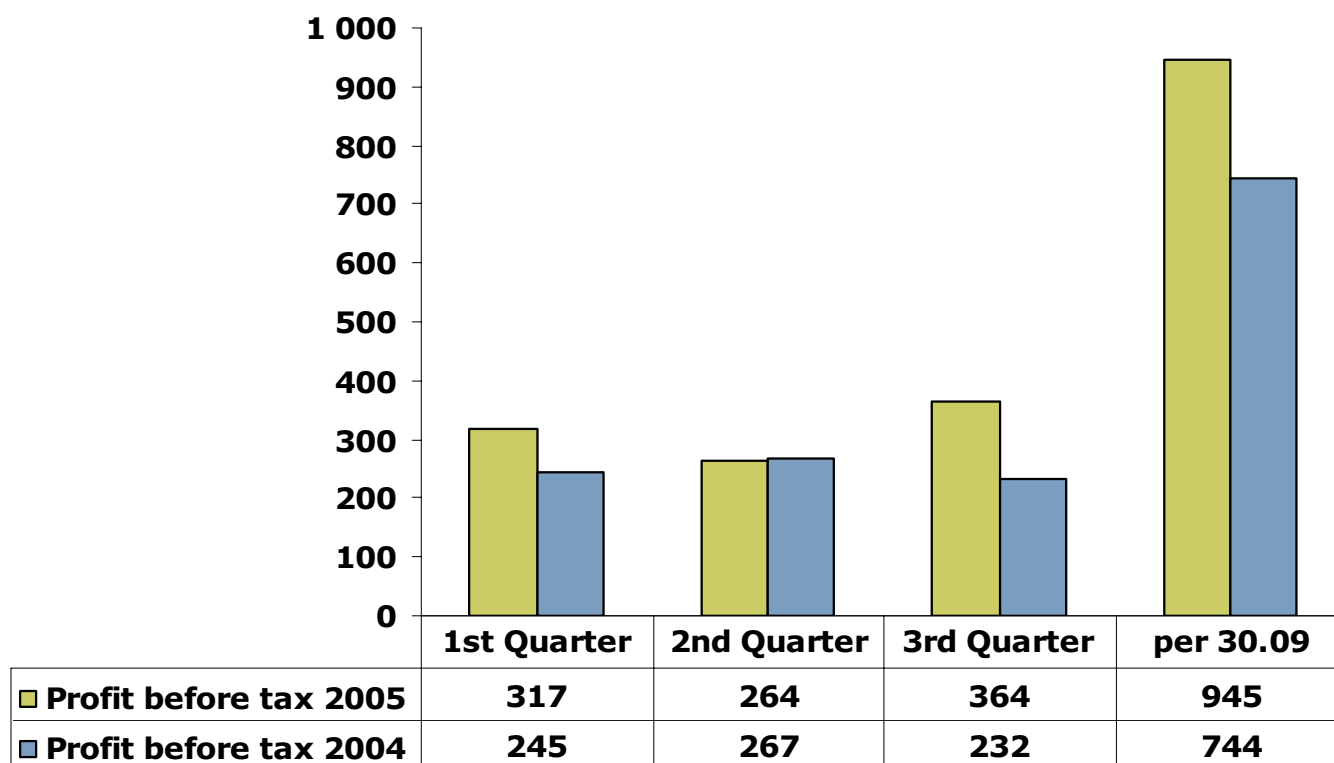
- Amendment of regulations governing securities adjustment reserve and merger by absorption of Vital Link from 1 January 2006
- The proposed implementation date of other amendments is 1 January 2008
- Scope for multi-year contracts with the possibility of imposing a termination charge in the event of contract default
- Existing individual contracts will be governed by the regulations for modified profit sharing, with possibility of covering an administration loss against the risk and interest result for a 10-year transitional period
- The regulations avoid detailed control and give scope for flexibility in several important areas:
  - Accumulation of additional allocations
  - The use of a risk equalisation reserve
  - Determination of price tariffs, incl. a method of pricing the interest rate guarantee
- An important first step towards establishing more flexible operating conditions



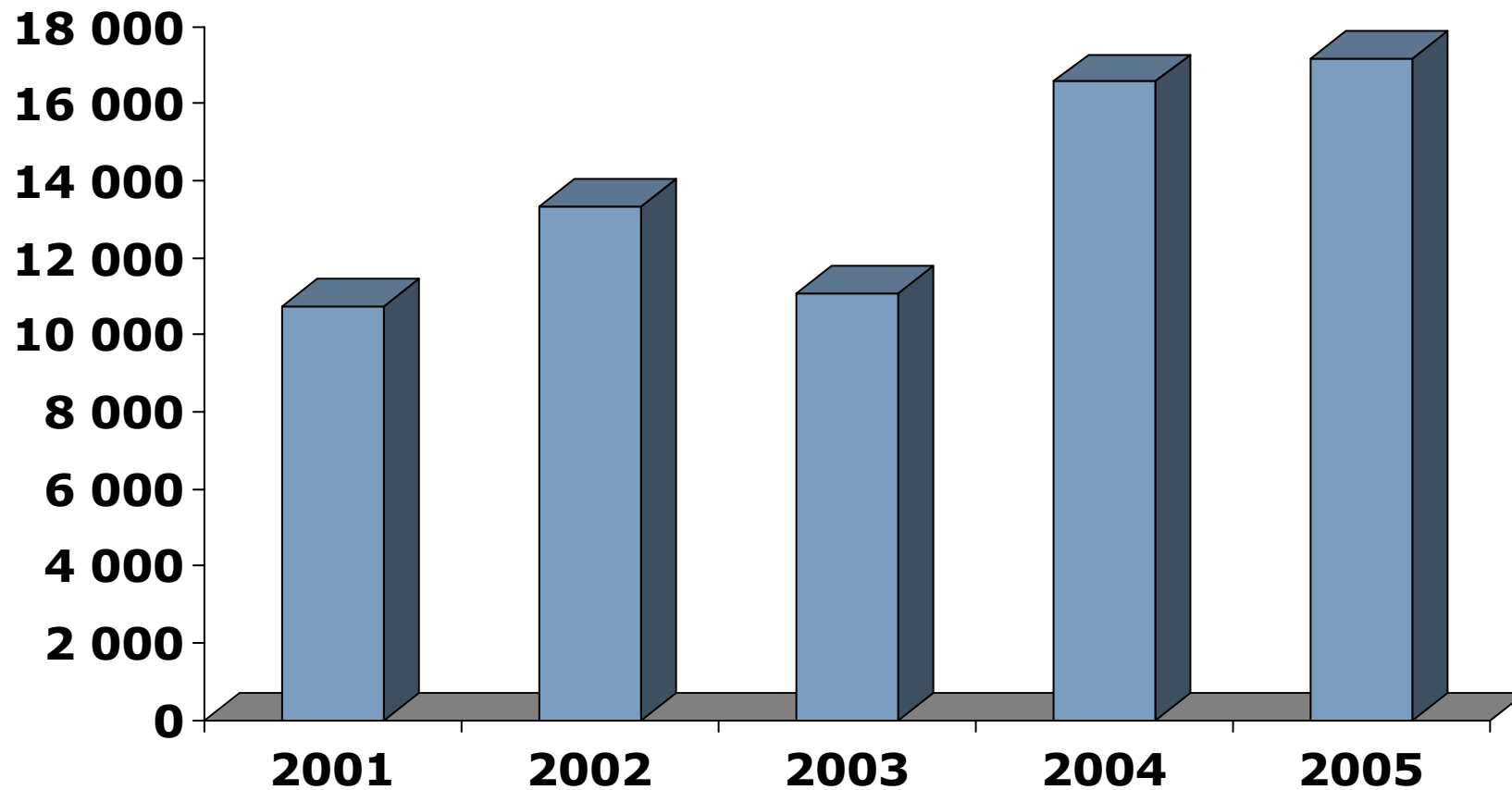
# Results - Vital

(NOK billion)	30.09.2005	30.09.2004
Interest result	4 141	3 335
Administration result	-68	-100
Risk result	42	-268
Allocation to security reserve	-6	-3
Undistributed profit to policyholders	-3 172	-2 107
<b>Profit before other activities</b>	<b>937</b>	<b>857</b>
Profit/loss(-) on other activities	0	-114
<b>Profit for allocation to equity and taxes</b>	<b>937</b>	<b>743</b>
Profit - Vital Link	8	1
Estimated taxes	26	-97
<b>Profit after tax</b>	<b>971</b>	<b>647</b>

# Profit before tax

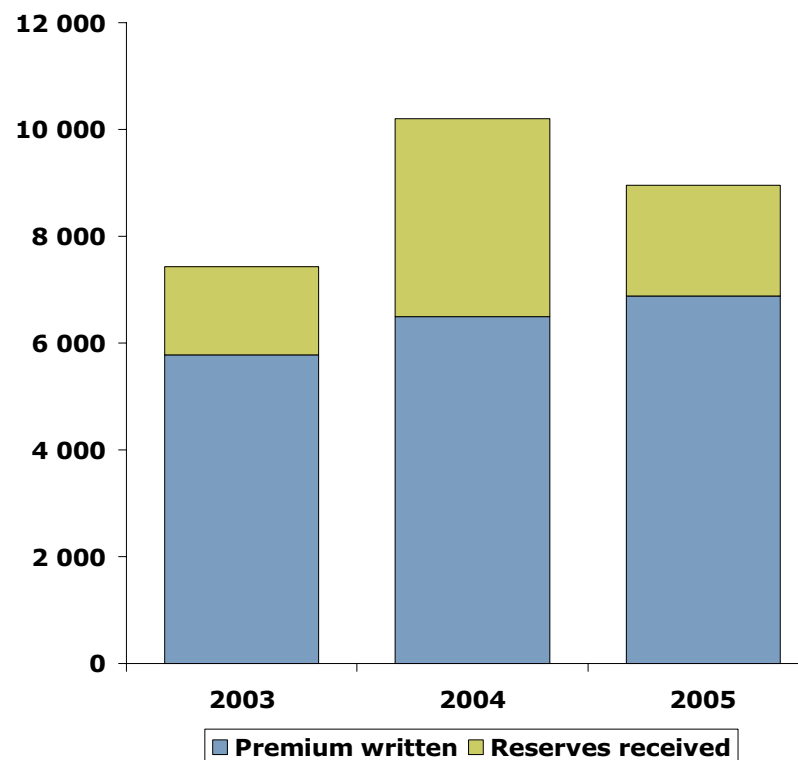


# Total premium income 3<sup>rd</sup> quarter 2001 - 2005



## Total premium income - group pension business 3<sup>rd</sup> quarter 2003 - 2005

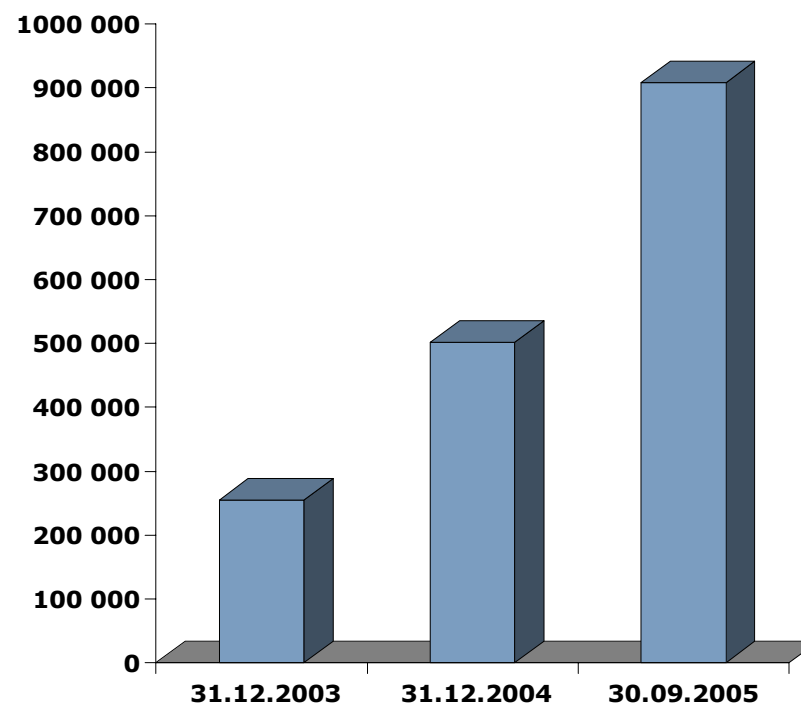
- Premiums written: up 6%
- Premium reserves received: NOK 2.1bn
- Net transfer inflow since merger: NOK 6.2bn



# Defined contribution based pensions

- Up 81% since year-end
- Market share: 35.3% at half-year  
up 4.6% since year-end
- Agreement with Posten Norge AS to  
be signed in week 44:  
26 000 members, with annual  
contributions of at least NOK 200m
- Agreements made with 1 531  
companies – an increase of 44% since  
year-end
- Well placed for obligatory occupational  
pension schemes

Customer funds ( NOK 1 000 )

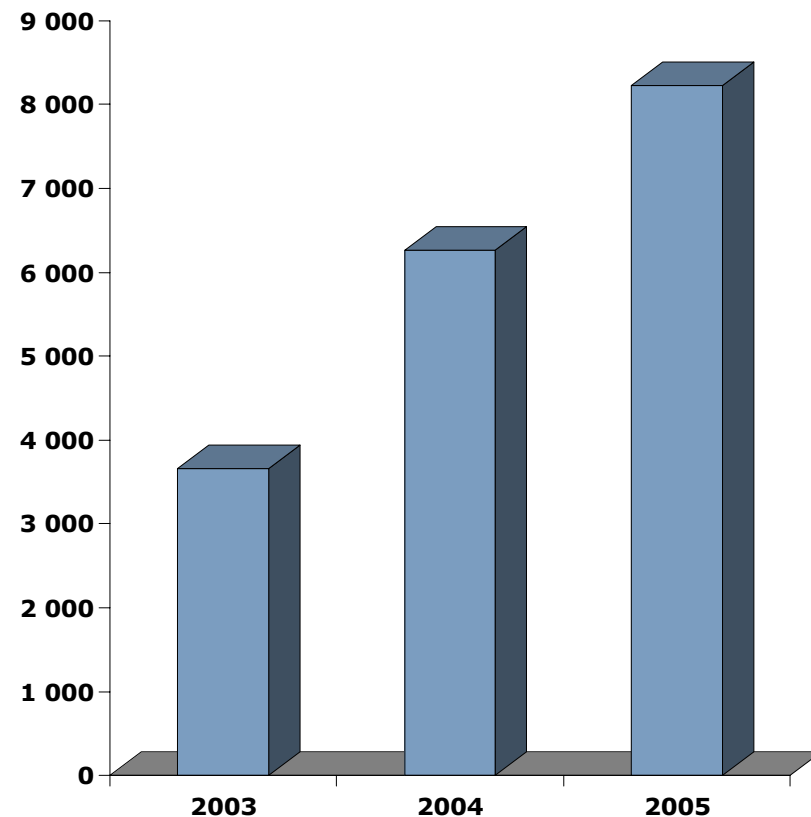




# Total premium income – individual market per 3<sup>rd</sup> quarter 2003 - 2005



- High premium income, 31% up on last year
- Higher market shares (in 2Q)
- Sharp rise in premium income from annuity and life insurance

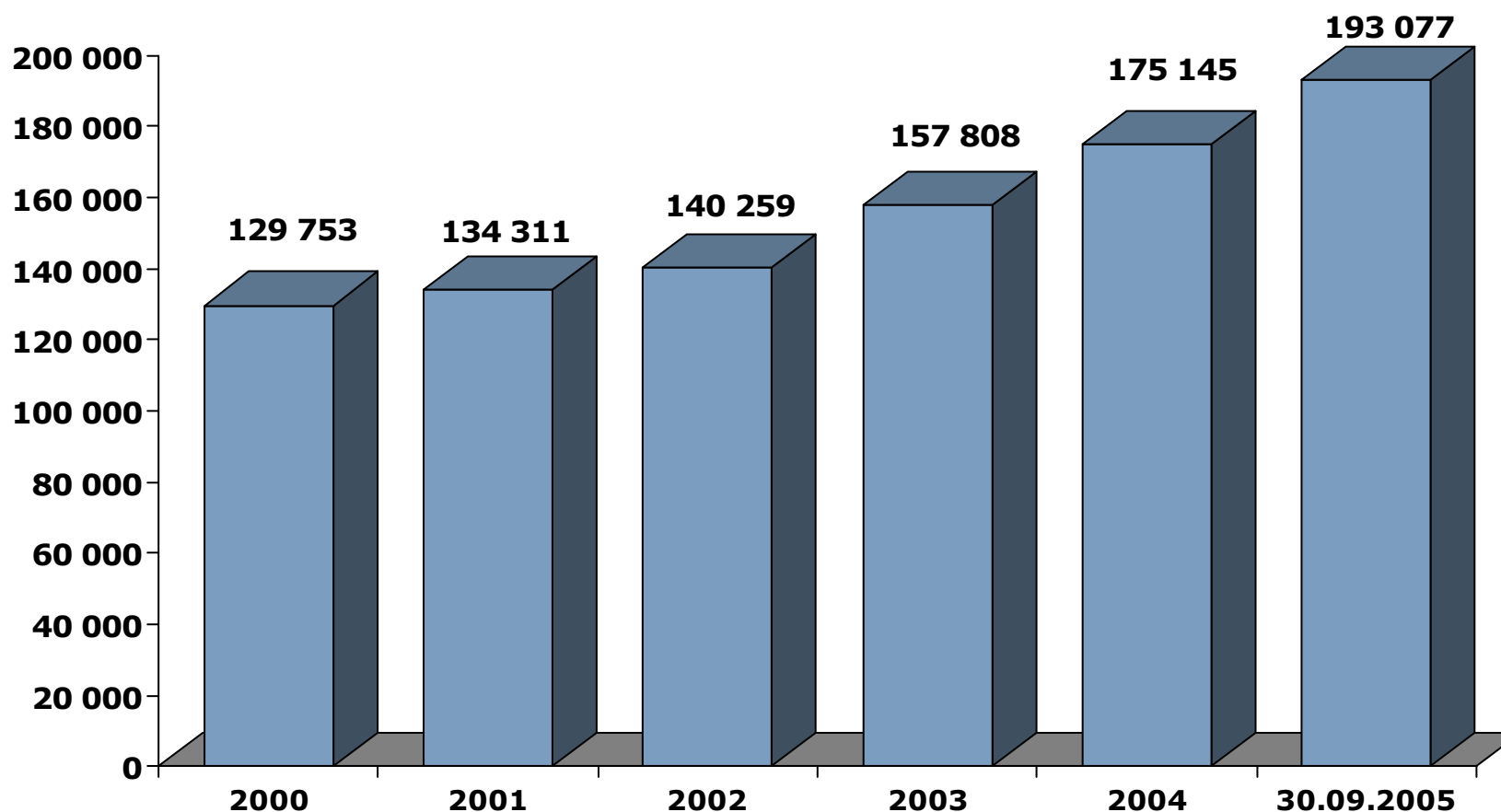




## Net inflows at high level

(NOK mill.)	At 30.09.2005	At 30.09.2004
Transferred to Vital	2 665	4 205
Transferred to Vital Link	417	609
Transferred from Vital	-1 221	-1 642
Transferred from Vital Link	-432	-295
Net transfers	1 430	2 876
Transferred from Vital Forsikring to Vital Link	192	319
Transferred from Vital Link to Vital Forsikring	272	211

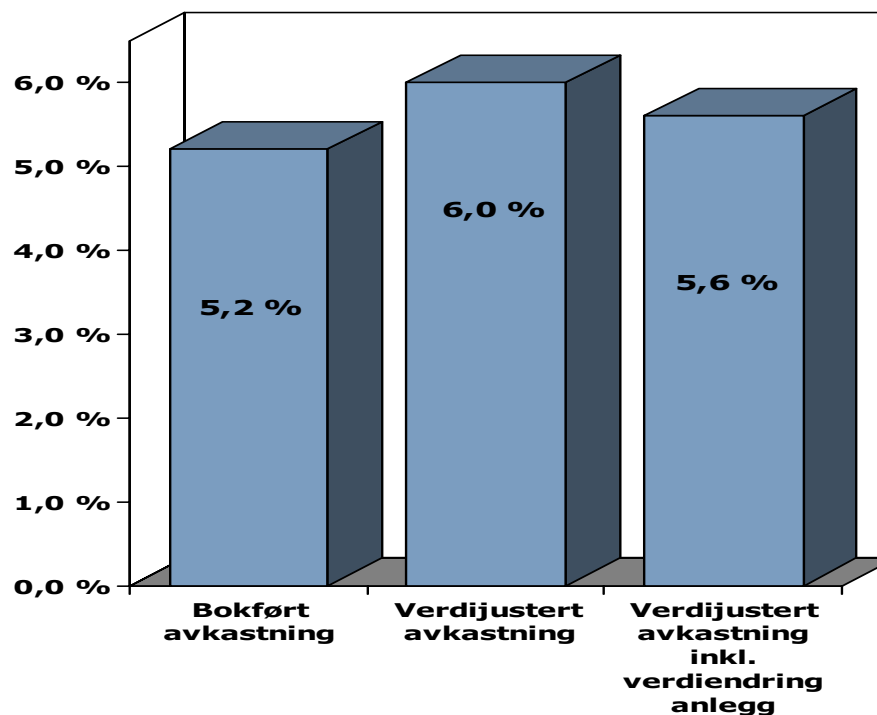
# Total assets up 10.2%



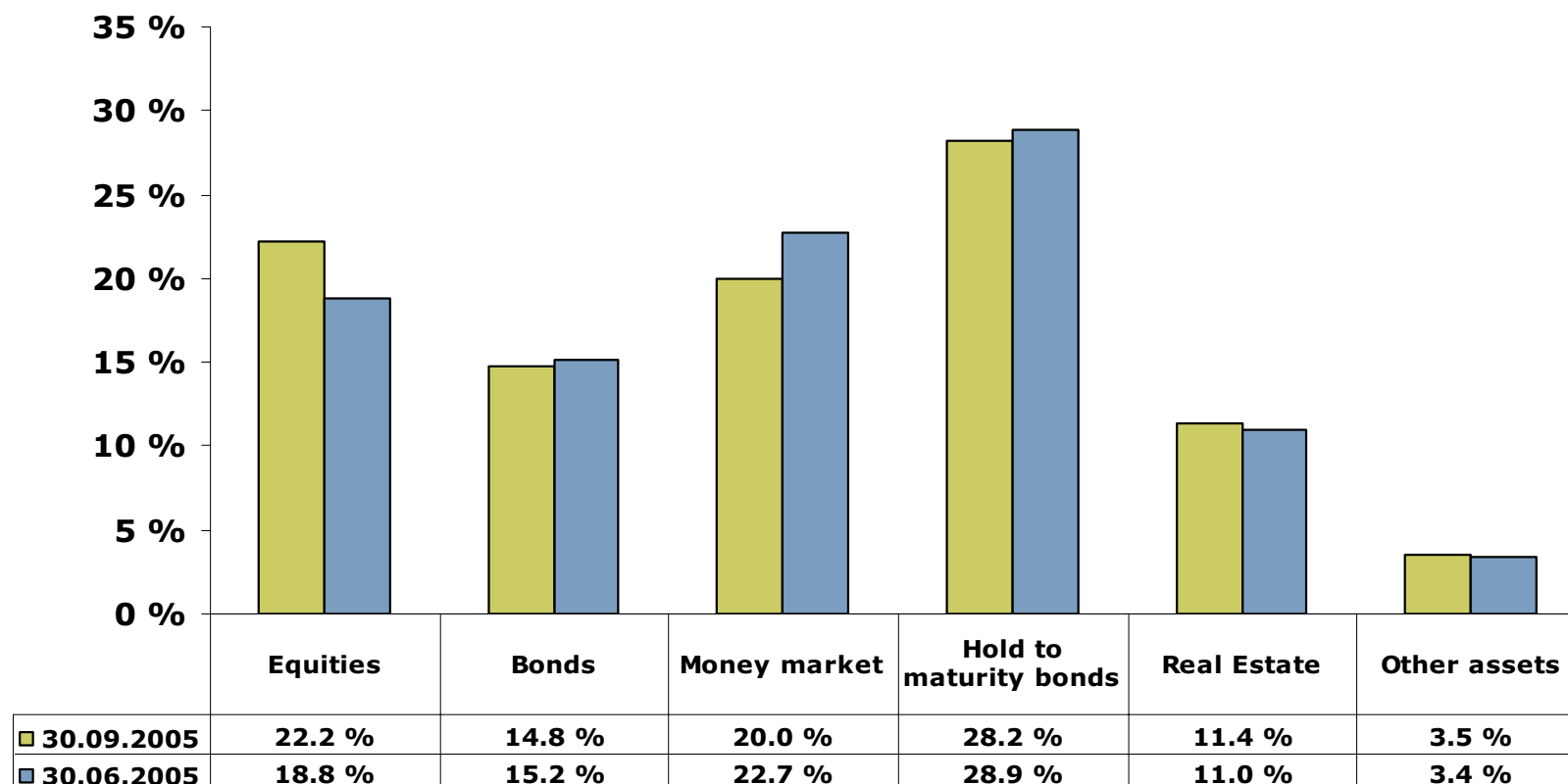
Norway's largest pension saving and life insurance company

## Value-adjusted return: 6.0%

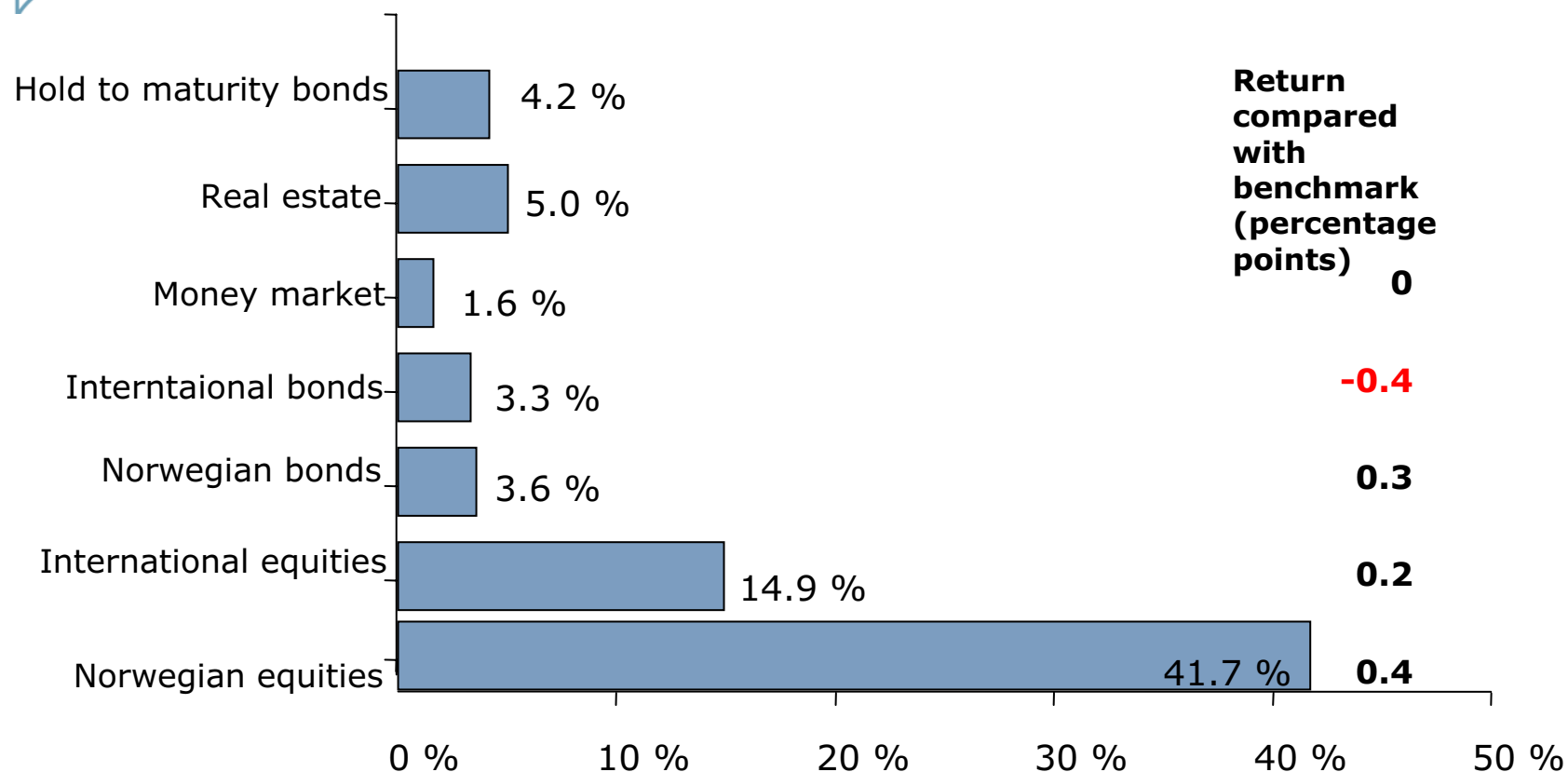
- Good financial result: NOK 9 897m
- High stock market return in 3Q
- Ability to assume risk and meet fluctuations in financial markets



# Balance sheet including derivatives Vital Forsikring



# Return by asset class at 30.09.05



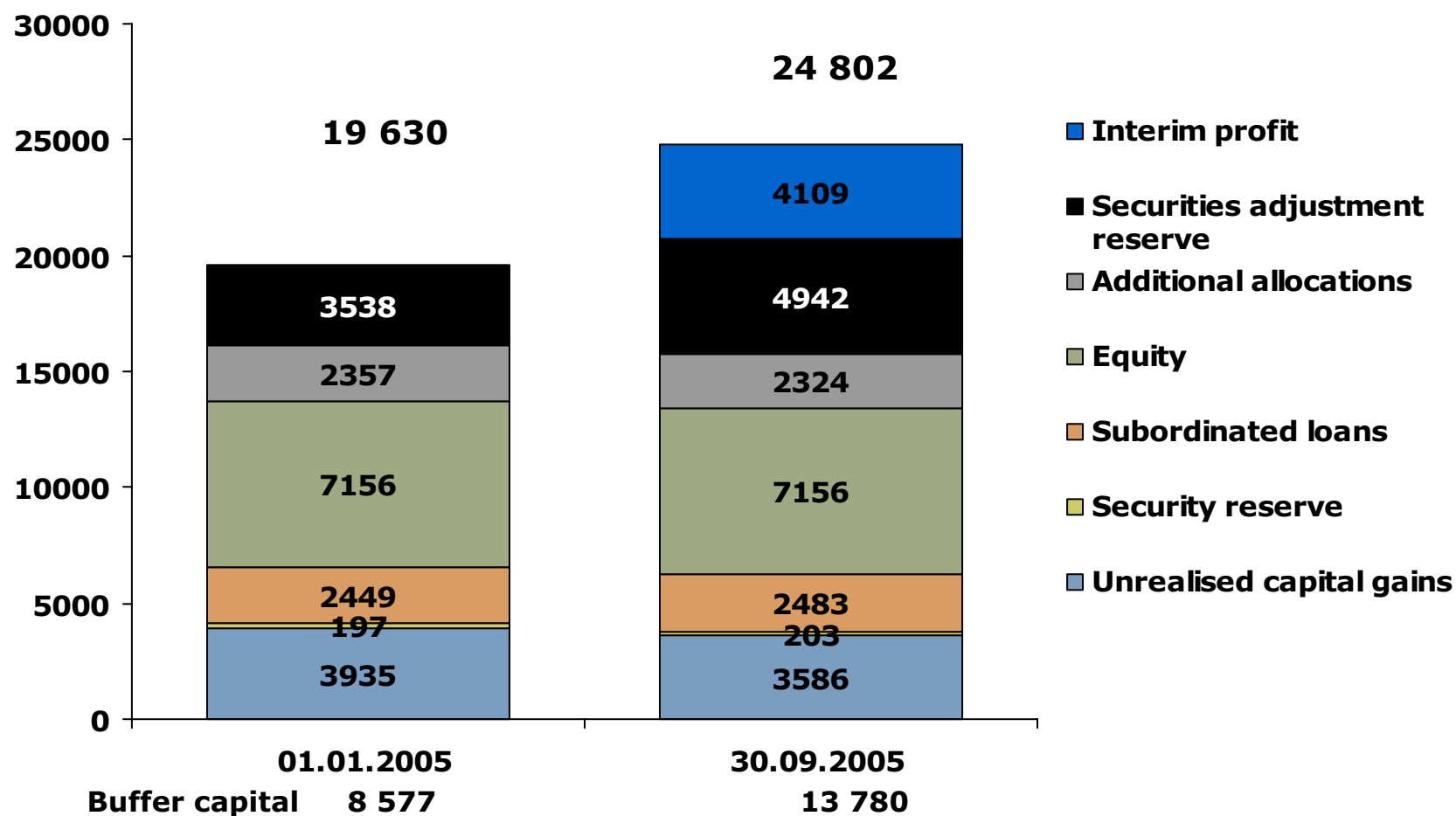


## October fluctuations, but.....

---

- Vital has good risk-assuming ability with a capital base of NOK 24.8 billion
- Vital's stock market investments have a long-term perspective
- Vital has good risk control, also in turbulent periods
- 40% of the company's assets consist of hold to maturity bonds and real estate with fixed income covering around 75% of the interest-rate guarantee

# Capital base: NOK 24.8 billion



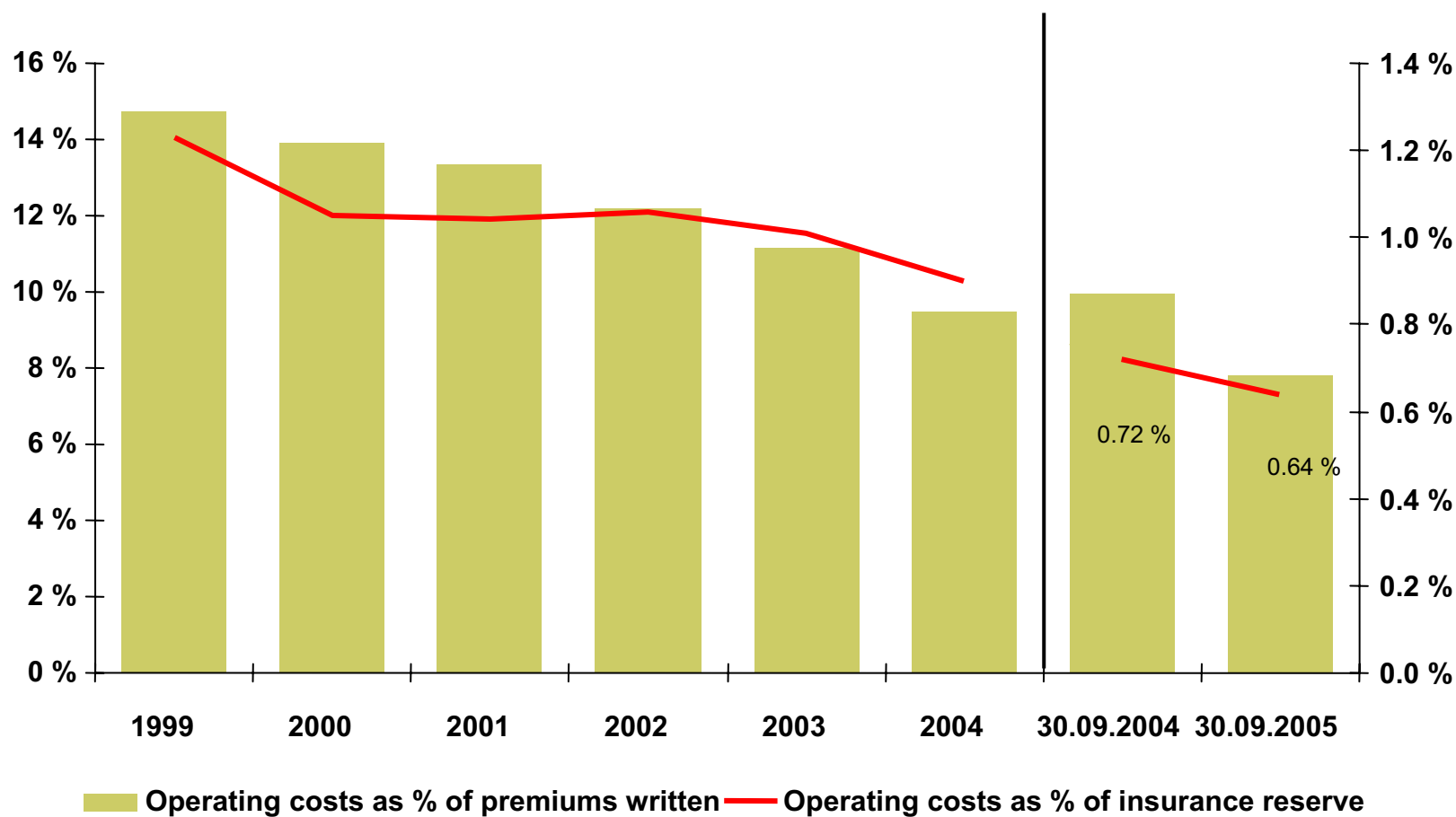


## Administration result

---

- No changes in total costs since 3rd quarter last year
- Ratio of costs to customer funds: 0.64% at 30.09.05, against 0.72% for same period last year
- Administration result: A loss of NOK 68m, reflecting an improvement of NOK 32m on last year
- Integration process on schedule

# Operating costs - Vital Forsikring





# Consolidated Balance Sheet

## - Vital Forsikring and Vital Link

(NOK mill.)	30.09.05	30.09.04
Intangible assets	214	334
Financial assets	173 083	148 446
Life insurance assets with choice of investment profile	12 016	9 230
Accounts receivable	2 664	4 778
Other assets	2 559	6 882
Prepaid costs and accrued income	2 541	2 801
<b>Total assets</b>	<b>193 077</b>	<b>172 472</b>
Paid up equity	2 466	2 441
Retained profit	5 840	4 198
Trust preferred stocks	225	225
Subordinated loan capital	2 353	2 341
Securities adjustment reserve	4 942	1 966
Insurance reserves	163 477	147 604
Provisions in life insurance with choice of investment profile	12 016	9 230
Provisions for commitments	624	854
Liabilities	934	1 711
Accrued costs and prepaid income	200	1 903
<b>Total liabilities and equity</b>	<b>193 077</b>	<b>172 472</b>

## Risk result – a positive trend

---

- Risk result: A profit of NOK 42m, reflecting an improvement of NOK 310m on last year
- The improvement was mainly due to a better disability result
- Extraordinary allocations totalled NOK 127m, against NOK 256m last year

# Consolidated Profit and Loss Account

## - Vital Forsikring and Vital Link



(NOK mill)	30.09.05	30.09.04
Premium income	17 175	16 804
Income from financial assets	12 731	17 474
Income from life insurance assets with a choice of investment profile	1 976	575
Other insurance-related income	6	65
Insurance payments	-8 557	-8 250
Change in insurance reserves	-13 773	-12 511
Insurance-related operating costs	-1 067	-1 079
Costs related to financial assets	-2 791	-10 549
Costs related to life insurance assets with a choice of investment profile	-3	-5
Other insurance-related costs	-99	-80
To/from securities adjustment reserve	-1 404	482
Other costs	-76	-75
<b>Profit before allocation</b>	<b>4 117</b>	<b>2 851</b>
Profit allocated to policyholders	-3 172	-2 107
<b>Profit from ordinary activity</b>	<b>945</b>	<b>744</b>
Tax cost	26	-97
<b>Profit after tax</b>	<b>971</b>	<b>647</b>

# Profit and Loss Account

## - Vital Forsikring ASA



(NOK mill.)	30.09.05	30.09.04
Premium income	15 445	14 401
Income from financial assets	12 726	17 467
Other insurance-related income	5	65
Insurance payments	(7 327)	(7 388)
Change in insurance reserves	(11 498)	(10 575)
Insurance-related operating costs	(880)	(905)
Costs related to financial assets	(2 783)	(10 542)
Other insurance-related costs	(98)	(79)
To/from securities adjustment reserve	(1 404)	482
Other costs	(76)	(75)
<b>Profit for allocation</b>	<b>4 109</b>	<b>2 850</b>
Profit allocated to policyholders	(3 172)	(2 107)
<b>Profit from ordinary activity</b>	<b>937</b>	<b>743</b>
Tax cost	28	(97)
<b>Profit after tax</b>	<b>965</b>	<b>646</b>



## Balance Sheet – Vital Forsikring ASA

(NOK mill.)	30.09.05	30.09.04
Intangible assets	167	294
Financial assets	172 986	148 407
Accounts receivable	2 559	4 702
Other assets	2 331	6 736
Prepaid costs and accrued income	2 514	2 768
<b>Total assets</b>	<b>180 556</b>	<b>162 906</b>
Paid up equity	2 343	2 343
Retained profit	5 777	4 159
Trust preferred stocks	225	225
Subordinated loan capital	2 258	2 271
Securities adjustment reserve	4 942	1 966
Insurance reserves	163 471	147 599
Provisions for commitments	623	853
Liabilities	718	1 587
Accrued costs and prepaid income	200	1 903
<b>Total liabilities and equity</b>	<b>180 556</b>	<b>162 906</b>