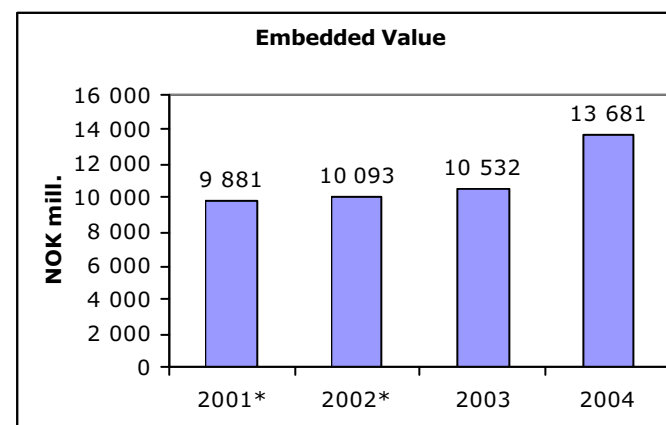




Embedded Value Vital Forsikring and Vital Link 31 December 2004

Embedded Value – Vital

- Embedded value of NOK 13 681 mill. per 31 December 2004, increased from 10 532 NOK mill. at 31.12.2003
- Embedded value increase of 3 149 NOK mill.
- Value added by new business in 2004 of NOK 358 mill.



* Separate calculations for Vital Forsikring and Gjensidige Nor Spareforsikring



2004 Embedded Values

- Based on traditional deterministic EV methodology
- Calculated by Vital, reviewed by Deloitte and Tillinghast (former GNSF portfolio only)
- Based on a model of Vital Forsikring and Vital Link's business set up on Prophet and TAS systems
- Economic assumptions agreed between Vital and Deloitte
- Portfoliospecific assumptions for former GNSF portfolio agreed between Vital and Tillinghast
- The non-life and group life portfolios were sold off during 2004

Key Assumptions (1)

	2003	2004
Risk discount rate	7.8 %, 8.8 %, 9.8 %	7.5 %, 8.5 %, 9.5 %
Investment returns		
Bonds	5.0 % pa	4.5 % pa
Equities	7.5 % pa	7.0 % pa
Real estate	6.5 % pa	6.5 % pa
Overall non-unit linked	5.6 % pa	5.1 % pa
Overall unit linked	6.7 % pa	5.7 % pa
Assumed equity share	18 %	18 %
Expense inflation	3.5 % pa	3.5 % pa
Benefit escalation Group Pension	4.0 % pa	3.5 % pa*)
Tax on shareholder profit		
Vital Forsikring	16 %	0 %
Vital Link	16 %	0 %

*) Applied 4% (3%) for former Vital (GNSF) portfolio

Key Assumptions (2)

- Mortality, expenses
- Lapses

Based on recent experience

**Based on recent experience,
excluding transfers from Vital
Forsikring to Vital Link**

(transfers into Vital Link from
Vital Forsikring have been excluded
from the Value of 2004 New
Business)

- Cost of locking-in capital

**EU solvency margin & Norwegian
minimum capital ratio
requirements; 50% assumed to
be covered by subordinated loan
capital**

Tax in Embedded Value 2004

- The tax rate is reduced from 16% to 0% in 2004.
- The "exemption-method" was introduced 26 March 2004.
 - Profits from equities investments inside EEA are non taxable income. (effective date 26 March 2004)
 - Dividends from equities inside EEA are none taxable income. (effective date 1 January 2004)
- Expected returns from equities located inside EEA will reduce taxable income to zero in the future.

Profit Sharing Model

Profit sharing in Vital Forsikring between policyholders and shareholders is assumed to follow the model described in the 2000 Former Vital Annual Report.

Shareholder entitlement:

- Return on equity, subordinated loan capital and security reserve, after loan servicing costs and allocations to security reserve
- 0.38 % pa of customer funds
- Up to 12 % pa of risk premiums, varying by product



Profit Sharing Model (2)

- New legislation on life insurance will have impact on future profit sharing model for existing group pension business and for individual new business
 - Shareholders profit sources under new legislation will mainly approach today's principles for unit link contracts
 - New legislation is expected to become operative from 1 January 2006, with transitional periods on some key areas
 - Shareholders profit margins under new legislation are assumed to equalize margins under current regime
- EV calculations are based on current legislation

Embedded Value Summary

NOK mill.	Embedded Value at Risk Discount Rate		
	7.50 %	8.50 %	9.50 %
Vital Forsikring	13 964	13 128	12 426
Vital Link	583	553	527
Total	14 547	13 681	12 953

EV at Central RDR - Vital Forsikring

		EV at central RDR	
NOK mill.	Reserves 31 Dec 2004	2003	2004
Net Asset value		5 898	7 156
Inforce Business			
Group Pensions	93 783	3 524	4 722
Individual Pensions	39 324	1 057	1 338
Individual Capital	8 045	225	332
<u>Other funds</u>	<u>12 080</u>	<u>456</u>	<u>581</u>
Total	153 233	5 262	6 973
Cost of locking-in capital		(978)	(1 001)
Embedded Value		10 182	13 128



EV at Central RDR - Vital Link

NOK mill.	Reserves 31 Dec 2004	EV at central RDR	
		2003	2004
Net Asset value		138	144
Inforce Business	9 722	234	433
Cost of locking-in capital		(22)	(24)
Embedded Value		350*	553

* Recalculated to 322 NOK mill. after publication



Value Added by New Business 2004

NOK mill.	Value added by New business 2004 at RDR			
	APE*	7.50 %	8.50 %	9.50 %
Vital Forsikring	1 344	398	346	303
Vital Link	368	19	12	6
Total	1 712	417	358	309

* APE = Annual premium + single premium / 10

Embedded Value Sensitivities

NOK mill.	Vital Forsikring	Vital Link	Total
Central Assumptions (risk discount rate 8.5 % pa)	13 128	553	13 681
Risk Discount Rate -1 %	+ 821	+ 30	+ 851
Risk Discount Rate +1 %	- 690	-27	- 717
Investment return +1 % pa	+ 533	+ 6	+ 539
Investment return -1 % pa	- 3 236	- 52	- 3 288
20 % fewer lapses	+ 360	+ 19	+ 379
10 % higher mortality	- 7	- 1	- 8
20 % higher renewal expenses	- 22	- 97	- 119
Tax rate +1 %	- 83	-5	- 88

Low Investment Return Scenario

- Central EV for Vital Forsikring
 - Based on investment return of 5.1%
 - Projected critical point for 35% rule lower than 5.1%Central EV thus not affected by 35% rule
- Sensitivity on EV for Vital Forsikring
 - Based on investment return of 4.1%
 - Projected critical point for 35% rule above 4.1%
 - EV for Vital Forsikring reduced by NOK 3 236 mill. compared to Central EV run

Analysis of Change Vital Forsikring and Vital Link



NOK mill.	2003	2004
Embedded Value 1.1	10 093	10 504*
Model changes		+ 24
Interest on start-year EV	+ 849	+ 860
Value added by new business	+ 184	+ 358
Variance from current year's assumptions	+ 310	+ 586
Changes in assumptions	- 134	+1.349
Embedded Value before dividend	11 302	13 681
Net dividend	-770	0
Embedded Value 31.12	10 532	13 681

* Net Asset Value of Vital Link has been adjusted with NOK 28 million at 31 December 2003

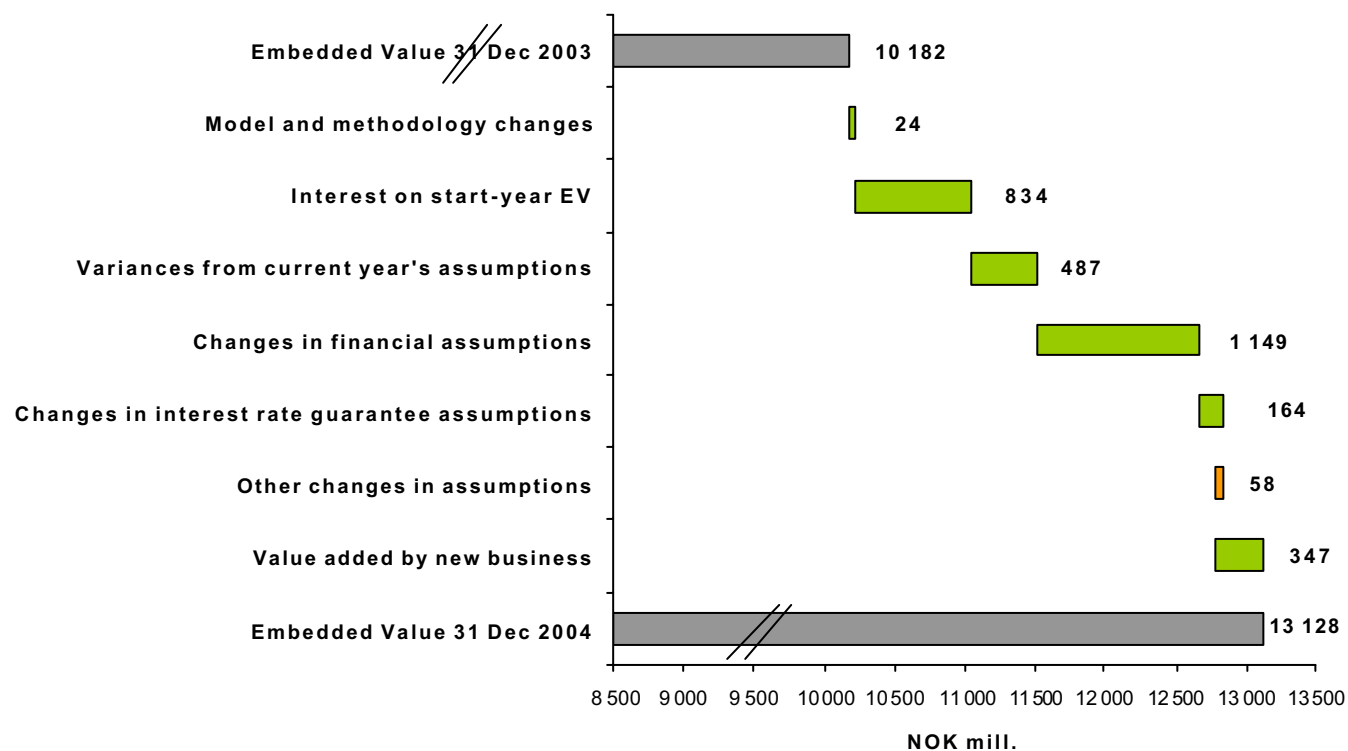
Comments to Analysis of Change

- Variance from current year's assumptions relates mainly to
 - Stronger investment return than projected
 - Less 2004 tax than projected
 - Contribution from sale of non-life portfolio

- Changes in assumptions relate mainly to
 - Reduced tax rate assumption from 16 % to 0 %
 - Reduction of guaranteed interest rate for group pension

EV Profit Analysis 2004

Vital Forsikring



EV Profit Analysis 2004

Vital Link

