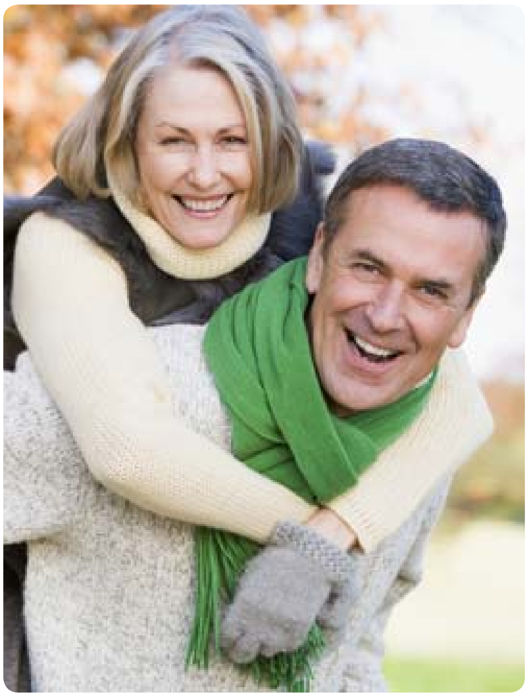
VITAL

Annual report 2010



Vital Forsikring ASA
Vital Forsikring Group
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Board of Directors' Report for 2010

Vital Forsikring generated a pre-tax profit of NOK 1 716 in 2010, an improvement of NOK 560 million from 2009. Recorded and value-adjusted returns for the common portfolio are 6.8 and 6.2 per cent, respectively. Vital had total assets under management of NOK 247 billion on 31 December 2010, an increase of NOK 14.5 billion. The solvency capital increased by NOK 4.0 billion to NOK 24.4 billion at year-end, and the company's capital adequacy was 11 per cent.

BUSINESS ACTIVITIES

Vital Forsikring ASA is a wholly-owned subsidiary of DnB NOR ASA. The company is dedicated to remaining an unsurpassed pension specialist as well as the preferred supplier of life insurance and pension savings products in Norway. The company shall provide competitive returns to its customers and owners, as well as prioritise profitable growth.

Highlights of the year

- Recorded financial result of NOK 12 618 million, an improvement of NOK 3 163 millions on 2009
- Increased share of equities across all portfolios, 23.7 per cent in high risk common portfolio
- Allocations of NOK 4 500 million were made to customers in addition to interest rate guarantees of NOK 6 594 million.
- All nine municipalities that were up for tender in 2010 chose Vital
- Positive transfer balance
- Good cost control and reduced use of resources
- 40 per cent growth in defined-contribution pensions
- 13 years in a row with excess returns on Norwegian shares
- Common portfolio had a value-adjusted return of 6.8 per cent
- Increase in European Embedded Value of 4.4 per cent to NOK 18.6 billion
- Increase in assets under management of 6.2 per cent to NOK 247 billion

Products and market

Vital is Norway's largest provider of individual and group life insurance and pension savings products.

By year-end 2010, Vital had approximately one million retail customers with individual and group agreements. The company had around 26 000 agreements with companies, municipalities and public sector organisations.

The market share of customer funds under management in 2010 was 29.7 per cent at the end of September, as opposed to 32.0 per cent for the same period in the previous year. The reduction is primarily due to one of the market participants being included in statistics for the first time in 2010. Corrected for this, the comparative market share is 31.4 per cent as at Q3 2010. For private sector defined benefit pensions, Vital had a market share of 42.2 per cent, including paid-up policies, as opposed to 42.4 per cent the previous year.

At the end of 2010, 93 per cent of the customer funds in group pensions were defined benefit pensions and 7 per cent were defined contribution pensions. Premium income for defined benefit schemes comprised 81 per cent, and defined contribution schemes 19 per cent. The growth in customer funds within defined contribution pension schemes in 2010 was 40 per cent. Around four per cent of customers who had defined benefit pension schemes at the start of the year have chosen to restructure, either partly or fully, to defined contribution pension schemes. At the end of Q3, the market share within defined contribution pension schemes was 28.5 per cent.

Vital has retained its leading position in the paid-up policy market, despite competition from other players. It is expected that the market for paid-up policies will continue to grow, particularly in consequence of the on-going restructuring from defined benefit to defined contribution pension schemes. Vital consolidated its position as the largest player within the individual pension savings market with a market share of 53.1 per cent at the end of Q3. The company's main products are guaranteed savings products and fund savings through Unit Linked. In the autumn of 2010, Vital introduced new one-year risk products aimed at the individual market. The risk products (critical illness, disability insurance and death insurance) shall be primarily distributed through the retail area in DnB NOR. The products have been well received, and the premium volume is expected to be significant in 2011 and beyond.

New regulations regarding National Insurance retirement pensions come into effect from 01.01.2011. The Pension Reform mainly involves that members of the National Insurance scheme in the age group of 62-67 years age can select when they will start receiving their pensions. Pension payments can be made entirely or partly, while one can also choose to continue to work with a new pension saving plan. The goal of the Pension Reform is to encourage more of the population to stay in work longer. Throughout 2010, Vital has adjusted occupational pension products to the changes in the National Insurance scheme, and payments from Vital in accordance with the new regulations can be received as at 01.02.2011. So far, there are relatively few Vital customers who have asked to take their pensions early. This is however expected to change as customers become more familiar with the scheme through communication from life insurance companies, employers and NAV (The Norwegian Labour and Welfare Service).

Public sector
All nine municipalities that were up for tender in 2010 chose Vital. As of 31 December 2010, Vital had 64 municipalities and one county administration as customers, in addition to a number of public sector enterprises. Measured in capital, Vital's market share was 9.7 per cent at the end of Q3 2010.

Net transfer of pensions
Vital had a positive net transfer of pensions totalling NOK 2 176 million in reserves for 2010. The risk transfer date for a significant portion of the new customers was 1 January 2011, such that the recorded net transfer of pensions was NOK 788 million.

Distribution
Through DnB NOR, external partners and the company's own sales force, Vital has a strong distribution network that connects with all customer groups. In the retail market, independent agents represented gross sales of NOK 915 million. Sales through the company's own sales force totalled NOK 1 131 million, and sales through the retail area in DnB NOR totalled NOK 1 273 million.

In total, NOK 3 363 million is reported in net sold/transferred premiums and capital in the corporate market. Of this, NOK 2 349 million is defined benefit pension schemes in the public sector, NOK 689 million is defined benefit pension schemes in the private sector, NOK 249 million is defined contribution pension schemes, and 76 million is personal insurance. The sale of defined benefit pension schemes in the private sector concerns transfers with restructuring to defined contribution pension schemes, as well as single premium payments/regulations for existing contracts.

Financial management
The year yielded a financial result of NOK 12 618 million. Vital's positive outlook on the stock market has provided good results, particularly throughout Q4. Overall, asset management has contributed to the result, with just under NOK 700 million in excess returns compared to the various reference indexes. All actively managed mandates have contributed positively, including the Norwegian equity management in DnB NOR Kapitalforvaltning, which in 2010 completed its 13th year in a row with excess returns for Vital. Real estate management in Vital Eiendom contributed with returns of 6.3 per cent.

During the year, the average share of equities in the common portfolio increased from 13.7 per cent and comprised 20.9 per cent at year-end.

It has been a demanding but good year overall in the world's stock markets. In addition to the considerable uncertainty associated with the industrial countries' ability to grow without government stimuli, stock markets have fluctuated considerably during the year as a result of the situation around European government debt and fears of overheating in emerging economies. Despite the uncertainty, financial data and corporate results have consistently shown better performance than the market expected. The general picture is that the economic development is in line with a moderate growth scenario where the rate of growth in the USA is increasing slightly, and growth in China and emerging economies is still strong.

Vital Defined Contribution has three standard investment profiles representing varying levels of risk and associated fixed distributions across different asset classes. The trends in the financial markets and in Vital's investment profiles were positive in 2010. Vital's investment profiles are structured for the long-term and are composed robustly. Periodic deposits contribute to soften the impact of strong movements in the financial markets. Active management has provided excess returns of 0.7 per cent, 1.0 per cent and 1.4 per cent in the three profiles Vital 30, Vital 50 and Vital 80 respectively.

Returns in the portfolios were 8.4 per cent, 10.5 per cent and 13.5 per cent.

Risk exposure

Good risk management at Vital is a strategic tool for increasing value creation. The company is managed across the following risk categories:

- Financial risk associated with asset management (market and credit risks)
- Insurance risk related to changes in future payments because of changes in the life expectancy and disability status of policyholders
- Operational risk, which is the risk of losses due to weaknesses or defects in processes and systems, errors caused by employees and external events
- Business risk, which is the risk of losses due to changes in external conditions, such as the market situation or government regulation. The risk also includes reputation risk

An annual interest rate guarantee constitutes a substantial portion of the commitments made to customers. The average interest rate guarantee is approx. 3.3 per cent. Financial risk is primarily connected with the company's ability to generate annual investment returns that are, at least, equal to the guaranteed interest.

The insurance risk is monitored using stress tests, in order to compute potential losses in extreme situations. Monitoring operational and business risks also comprises an integrated part of Vital's total risk management.

The total buffer capital must be in reasonable relation to the total risk. For market risk, a limit is determined that only includes market risk and relevant buffer capital elements. The level is set based on an assessment of the total risk.

The risk situation at Vital is considered in the context of the Group's overall risk profile periodically by the Group's Asset and Liability Committee. It is the task of Vital's Managing Director and Board of Directors to co-ordinate appropriately risk management and strategy at Vital with the Group's risk profile.

The framework for financial risk is established annually by the Board of Directors. The framework for financial risk is established in nominal amounts. In order to address considerations for minimum diversification, frameworks have put in place for each asset class. In addition, a framework has been established for concentration risk relating to individual issuers. A separate framework has been prepared for derivatives. The Department for Risk Analysis and Control monitors and follows up on frameworks and guidelines.

A stress test has been defined at Vital in order to compute the total risk tolerance. Potential losses from the test are measured against the buffer capital in addition to the requirements of the law. This method is also utilised as a basis for the measurement of risk and the establishment of a framework for asset management risk.

Different tools will be used to assess the company's total risk on an on-going basis. The risk management at Vital also utilises the DnB NOR Group's model for total risk.

As providers of life-long pension payments, the increased life expectancy of the population is one of several risk factors for Norwegian life insurance companies. As a result, Vital has in 2010 strengthened the reserves for individual pensions with NOK 973 million, to meet the increased life expectancy assumptions. The remaining provisions needed amount to NOK 770 million, which will be distributed over the next two years. The plan for additions to the reserves is approved by the Financial Supervisory Authority of Norway.

Within the industry, work is also underway to update the life expectancy assumptions in the premium and reserve bases for group insurances. The introduction of updated computational basis for group pensions will be introduced in close dialogue with the authorities. Vital expects that the additions to the reserves will primarily be financed by future surplus returns, after approval from the Financial Supervisory Authority of Norway.

Annual accounts

Vital's profit before taxes was NOK 1 716 million. Recorded taxable income comprised NOK 680 million and the profit after taxes was NOK 2 396 million. The market value adjustment reserve increased from NOK 1 306 to NOK 2 591 million. Customers were allocated NOK 4 093 million in addition to their guaranteed interest of NOK 6 594 million. Further, additional statutory reserves of NOK 407 million have been allocated for contracts with a low level of additional statutory reserves.

The accounts have been submitted under the assumption of continued operation.

Premium income
Vital's premium income comprised NOK 19 879 million (19 459), an increase of 2 per cent on the previous year.

Premium income from group defined benefit pensions was NOK 12 869 million (12 077), an increase of 7 per cent on the previous year. The premium income for group defined benefit pensions in the business market comprised NOK 8 669 million (8 410). The premium income for group defined benefit pensions in the public sector was NOK 4 200 million (3 667).

Premium income for individual products totalled NOK 4 100 million (4 590), a decrease of 11 per cent. For individual products with guaranteed interest, premium income was NOK 3 467 million (3 628), a decrease of 4 per cent over the preceding year.

Premium income for products with investment choice comprised NOK 3 543 million (3 754) in 2010, a decrease of 6 per cent from the previous year. Premium income for defined contribution pensions comprised NOK 2 909 million (2 792), an increase of 4 per cent over the preceding year. Premium income for individual products with investment choice comprised NOK 634 million (962), a decrease of 34 per cent from the previous year.

Annual premiums due and single premium payments for guaranteed products amounted to NOK 12 904 million (12 665), an increase of 2 per cent. Total annual premiums falling due during the year and single premium payments comprised NOK 16 126 million (16 090).

A steady increase in premium income from group pension schemes is expected in the future. Among individual products, premium income will probably vary more from year to year, depending on trends in the economy and the authority regulations.

Returns
Vital's value-adjusted and recorded returns for the common portfolio were 6.8 and 6.2 per cent respectively.

Returns on the share capital were 4.7 per cent. Vital's company portfolio is conservatively oriented with a money market share of 70.2 per cent.

The recorded financial result was NOK 12 618 million (9 455).

For Norwegian shares, the return was 18.6 per cent. This was 1.9 percentage points better than the reference index. For foreign shares, the return was 10.7 per cent measured in local currency, which is 0.6 percentage points better than the reference index.

Returns on Norwegian bonds comprised 6 per cent and for foreign bonds 7.2 per cent. Money market funds yielded returns of 2.8 per cent, whereas hold-to-maturity bonds had recorded returns of 5 per cent.

The Vital real estate portfolio gave direct returns of NOK 1.8 million, which comprises 5.1 per cent. Positive value adjustment comprised NOK 0.4 billion, equivalent to 1.0 per cent. The total returns after value adjustment, capital gains and currency effects was therefore NOK 2.3 billion, equivalent to 6.3 per cent. After the value adjustments as at 31 December 2010, Vital's investment properties have a total value of NOK 36.0 billion. In addition, units in foreign property funds and other net assets comprise NOK 1.6 billion.

Compensation and surrenders

Total compensation paid out was NOK 16 420 million (16 322). Of the total surrenders of individual products, products with interest guarantees comprised NOK 2 184 million (1 915) and products with investment choice NOK 1 183 million (1 226). Payments to policyholders (excluding surrenders) totalled NOK 9 804 million (9 044).

Profit/loss for the year

Vital's interest rate result was improved compared to 2009. Both the company portfolio and portfolios with profit sharing showed positive development in 2010.

Amounts in million NOK	**31.12.10**	**31.12.09**
Interest result	6 024	3 043
Assigned to additional statutory reserves	(407)	(173)
Administration result	(104)	(108)
Additions to reserves for increased life expectancy		
Individual portfolio [1)]	(973)	(177)
Risk result excl. [1)]	731	269
Risk profit and guaranteed interest	552	477
Other	(14)	(36)
Profit for distribution	5 809	3 294
Customer allocation	(4 093)	(2 138)
Profit before taxes	1 716	1 156
Taxes	(680)	(175)
Profit/loss for the year	**2 396**	**1 331**

Taxes

Profits on equities and dividends encompassed by the exemption method, including returns from property companies, are tax-free income for Vital. At the same time, allocations of these returns to customer funds are tax deductible. Years with good returns under the exemption method thus give Vital a fiscal deficit that can be fully exploited in the DnB NOR Group. In accordance with IFRS, deferred taxes connected with properties in our own companies are not recognised. In accordance with regulations regarding annual accounts for insurance companies, deferred tax is not calculated on reserves that are classified as equity. Returns covered by the exemption method were good in 2010, and tax income for 2010 was NOK 680 million.

Balance sheet

Total assets as at 31 December 2010 were NOK 247 465 million (232 971), an increase of 6.2 per cent.

Total assets in the common portfolio totalled NOK 207 726 million (196 639), company portfolio NOK 14 319 million (13 286) and investment choice portfolio NOK 23 506 million (21 337).

Customer funds associated with products with investment choice are distributed with 60.3 per cent (63.1) in equities, 31.1 per cent (25.8) in combination, bond and money market funds, 8.6 per cent (11.1) in bank deposits.

Solvency

Solvency capital, which protects the customers premium reserves, may consist of the market value adjustment reserve, valuation reserve in hold- to-maturity bonds, additional statutory reserves, security reserves, subordinated loans and equity, including the risk equalisation fund and administration reserve. The different elements in the solvency capital have different preconditions and time horizons for use, and may in certain instances be utilised to fulfil the guaranteed returns to customers. The composition of the solvency capital thus is important in the assessment of the company's risk situation. The solvency capital of Vital Forsikring as at 31 December 2010 was NOK 24 448 million (20 372). Vital has a sufficient ability to take investment risks and meet fluctuations in the financial markets.

The solvency capital is strengthened throughout the year, through the building up of the market value adjustment reserve in bond portfolios that are held to maturity.

The composition of the solvency capital and its trend during the course of 2010 was as follows:

Amounts in million NOK	**31.12.10**	**31.12.09**
Securities adjustment reserve	2 591	1 307
Valuation reserve in bonds, hold-to-maturity	1 100	865
Additional statutory reserves	5 694	5 550
Equity	12 414	10 018
Subordinated loans/perpetual subordinated loans	2 492	2 489
Security reserves	158	143
Total solvency capital	**24 448**	**20 372**

The buffer capital, i.e. equity in addition to legally mandated minimum requirements as well as additional statutory reserves and the market value adjustment reserve, were NOK 11 748 million (10 012) as at 31 December 2010.

Capital adequacy and solvency margin capital
Capital adequacy is a term referring to the company's primary capital as a portion of the risk-weighted balance sheet. Vital's eligible primary capital was as at 31 December 2010 a total of NOK 12 552 million (11 269). The capital adequacy was 11.0 per cent (11.6).

Solvency margin capital consists of primary capital with the addition of 50 per cent of additional statutory reserves, 50 per cent of the risk equalisation fund and a portion of security reserves in non-life insurance. Vital's solvency margin capital as at 31 December 2010 was NOK 15 800 million (14 247) and the solvency margin requirement 8 838 million (8 317).

Embedded Value
The European Embedded Value (EEV) of Vital as at 31 December 2010 has been calculated.

The EEV is a valuation of a company based upon the present value of future cash flows to the shareholders from the portfolio as at the date of the balance sheet, in addition to booked equity. A deduction is made for costs of binding equity in the company.

The calculations show an EEV for Vital as at 31 December 2010 of NOK 18 555 million, which is a change in Embedded Value of NOK 787 million. For more detailed information concerning Vital's EEV calculations, see the report "European Embedded Value 2010, Supplementary Information – 10 February 2010", which is available on DnB NOR's website.

Employees
It is important for Vital to attract and retain talented employees. Including subsidiaries, Vital has 850 employees (879) as at 31 December 2010. The number of full-time equivalent employees comprised 823 (828). The conditions for employees of Vital are coordinated with arrangements in the DnB NOR Group in general. In 2009, Vital had a high number of temporary employees. Through 2010, the number of full-time equivalent temporary employees has been reduced from 174 to 96.

Working environment
The trend in sick leave has been positive in 2010. Employee sick leave absences were 5.4 per cent (6.0). No serious injuries or accidents were recorded in 2010. Vital is working with systematic measures that can reduce employee sick leave absences.

Vital places a special focus on individual employees who have been on sick leave for long periods of time. By following up on employees on sick leave, more employees come back to jobs with accommodating working conditions. Vital has a high level of activity in health, safety and environment work (HSE). HSE is reported in parallel with the other internal controls. Through Vital Opptur, a number of measures have been initiated to increase the physical activity of the employees. Vital is an Inclusive Working Life Organisation and is certified as an Environmental Lighthouse Organisation.

In 2010, the legally mandated working environment training was carried out for all line managers with personnel responsibilities.

The management has regular meetings with union representatives for the employees organised under the Finance Sector Union of Norway.

Gender equality

There are nearly identical numbers of female and male employees at Vital Forsikring. Of managers with personnel responsibilities a total of 77 (99) are men and 56 (53) women.

Vital is seeking to increase the number of women in leading positions, including through the increased participation of women in programmes for personal development, management development and trainee programmes.

There is still some distance to go before Vital has the desired balance in the distribution of genders at the management level. Through the DnB NOR Group, Vital will work actively with tangible measures and analyses connected to how women can be recruited to a greater extent for management positions.

Corporate responsibility

Vital conducts responsible corporate activities by contributing to financial security and flexibility during retirement, in the event of disability or when someone passes away.

Vital's business operations shall take the environment, ethics and social conditions into account to ensure sustainable development and long-term value creation. The company's goal is to integrate corporate responsibility into the management tools, so that the company acts consistently and as a cohesive entity.

Corporate responsibility applies for all parts of the company and covers products, services, marketing, acquisitions, owner-management and company management as well as the internal work with the working environment, ethics and environmental efficiency.

To strengthen ethical awareness within the Group, an ethics programme has been developed with a focus on manager initiated discussions regarding ethics and ethical dilemmas.

In 2010, the DnB NOR Group supported sport, culture, non-profit organisations and other social causes with NOK 120 million.

For Vital, sustainable environment management and measures to reduce the scope and effect of climate change is a premise for long-term value creation. The company's direct effect on the environment is mainly connected to greenhouse gas emissions and the production of waste through office-based business operations, while indirect environmental effects occur through the purchasing of goods and services, and requirements that are set for customers, suppliers and investments.

Vital works to have a high environmental standard and good energy solutions in the company's offices and in the properties the company rents to other tenants. Through Vital Eiendom, the Group has been involved in the establishment of the Nordic Green Building Council. The organisation shall work to ensure that Norwegian buildings have a high environmental standard through the application of the BREEAM classification system.

Ethical portfolio management

Vital follows ethical guidelines in its management of its customer pension funds. Recognised international principles lie at the basis of the investments. The guidelines establish minimum standards and are in line with DnB NOR's policy for corporate responsibility and international principles and conventions such as the UN's "Global Compact" and the OECD's guidelines for multinational companies. The guidelines shall ensure that Vital does not contribute to the violation of human and workers' rights, corruption, serious environmental damage or other actions which may be interpreted as unethical.

Vital shall not invest in companies that are involved in the production of tobacco, pornography, anti-personnel mines or cluster bombs, or which have the development and production of components for weapons of mass destruction as a significant part of their business operations. At the end of 2010, 57 companies were excluded as a result of breaching the guidelines. In addition, Vital has an active ownership policy where a dialogue is carried out prior to a possible exclusion. During 2010, it was clarified that the ethical guidelines for investments also apply for external managers and funds. External funds (third party funds) that do not meet Vital/DnB NOR's ethical criteria are excluded from Vital's investment universe for choice of funds.

Customer satisfaction

Vital carries out an annual customer satisfaction survey with its personal and corporate customers. The survey shows that personal customer satisfaction in 2010 is at the same level as for the previous year.

Corporate customer satisfaction increased further in 2010, thereby continuing the progress from previous years. The progress applies to both large and small companies, as well as public sector companies.

Board of Directors and management
Vital's Board of Directors is chaired by DnB NOR's Group Managing Director Rune Bjerke. The Board otherwise consists of Vice-chairman Bjørn Erik Næss, Cathrine Klouman, Kari Olrud Moen, Tove Pettersen, Lars Rosen and Rune Selmar. The employee-elected Board members are Jørn O. Kvilhaug, Oddmunn Olsen and Britt Sæle. Siri Pettersen Strandenes was a Board member until 15 June 2010.

The company is headed by Managing Director Tom Rathke. The senior management in 2010 also comprised of Deputy Managing Director Anders Skjævestad, Director of Direct Sales, Frode J. Hansen, Director of Finance Truls Tollefsen, Director of Operations and Customer Service Geir Sæbdal, Director of Distribution Britt-Iren Spjeld and Director of Products Hanne Langseth.

Future prospects
The economic cycle will probably mature further in 2011, and the global growth is expected to continue at around the same rate as in 2010. It is still emerging economies that provide the greatest growth contributions. However, the situation in Japan has resulted in some uncertainty with regard to the economic development in the short-term.

In the Norwegian economy, a marked increase in growth is expected compared to the previous year. After the upturn in 2009 and 2010, the stock markets can no longer be characterised as low-priced, but the general economic development is expected to provide support for solid earnings in the companies. This also provides a good starting point for solid development in the stock markets in 2011.

The current low interest rate level on government bonds combined with a positive outlook for economic growth creates a demanding climate for this time of bond investment. The expected returns are therefore moderate. However, the compensation for credit risk is still good, something that indicates continued exposure to corporate bonds. Taking long-term risk management into account also indicates that the hold-to-maturity portfolio is maintained with bonds with good credit rating and a long time to maturity.

Increased interest in traditional savings products is expected in both fund management and insurance. At the beginning of 2011, Vital launched a new product called the Investment account. Through this product, customers can invest in funds, stocks and savings.

Vital expects growth within defined contribution pensions to continue, with associated restructuring and a gradual reduction in defined benefit schemes. Growth within the sale of risk products is expected to persist. Vital is working offensively within the municipalities sector, and the potential for continued growth in this area is great.

In 2010, Vital has carried out a programme where the goal was to achieve annual cost reductions of NOK 210 million. The programme has been successful, and will be fully implemented after Q1 2011.

The company expects a positive effect from the Financial Supervisory Authority of Norway's proposed changes in business regulations.

Adjustments that have been made on occupational pension products in 2010 are of a temporary nature. The authorities, life insurance industry and other interested parties are investigating new pension products that will support the Pension Reform on a permanent basis. Vital envisages that the defined contribution pension and a modified version of the defined benefit pension product will be the future of pension products in the private sector. Vital considers it particularly important that the current contribution rates are increased so that the defined contribution pension becomes a product on the same benefit level as defined benefit pensions for those companies who want to restructure. The life insurance industry is also working to change the current solvency regulations. The regulations for additional statutory reserves should be changed to secure greater flexibility in structuring and use. The regulations linked to annual guaranteed interest must also be assessed to see whether customers and life insurance companies are better served by final value guarantees. The desired changes in the solvency regulations will contribute to increasing the customer's expected return through the company being more able to take on financial risk.

Vital is well underway with preparations for Solvens II, a new set of solvency regulations for insurance companies that will replace the current regulations. The preparations involve dialogue with the Financial Supervisory Authority of Norway, and assessments of consequences for capital requirements, organisation and system requirements. The requirements of Solvens II involve the need for significant adjustments in the insurance companies' IT systems and infrastructure. It must be noted that the new regulations will set greater demands regarding solvency capital. The Solvens II regulations will come into effect on 01.03.2013.

Dividends and allocations

The Board proposes that the year's profit of NOK 2 396 million be allocated as follows:

To fund for unrealised profits	301
To risk equalisation fund	255
To administration reserve for annual risk policies	12
Received group contribution (equity ratio)	(3 633)
Given group contribution	4 833
To other equity	628
Total	**2 396**

Oslo, 15. mars 2011

Rune Bjerke
Chairman

Bjørn Erik Næss
Vice-chairman

Britt Sæle

Oddmunn Olsen

Tove E. Pettersen

Lars Rosén

Kari Olrud Moen

Cathrine Klouman

Rune Selmar

Jørn O. Kvilhaug

Tom Rathke
Managing Director

Income statement 2010

VITAL FORSIKRING GROUP					VITAL FORSIKRING ASA	
31.12.09	**31.12.10**	**Note**	*Amounts in million NOK*	**Note**	**31.12.10**	**31.12.09**
			TECHNICAL ACCOUNT			
16 798	16 612		Premiums due, gross		16 612	16 798
(707)	(486)		– Reinsurance premiums paid		(486)	(707)
3 368	3 753	5	Transfer of customer premium reserves from other insurance companies/pension schemes	5	3 753	3 368
19 459	**19 879**	**4**	**Premium income for own account**	**4**	**19 879**	**19 459**
			Income from investments in subsidiaries,			
(1)	1		associated companies and joint ventures		2 096	(470)
7 171	6 673		Interest income and dividends, etc. on financial assets		7 141	7 828
1 657	1 734		Net operating income from property		2	9
(1 173)	2 220		Changes in value of investments		1 404	292
2 571	2 687		Realised profits and losses on investments		2 672	2 565
10 225	**13 314**	**4,7**	**Net income from investments in the common portfolio**	**4,7**	**13 314**	**10 225**
			Income from investments in subsidiaries,			
0	0		associated companies and joint ventures		0	0
79	96		Interest income and dividends, etc. on financial assets		96	79
0	0		Net operating income from property		0	0
3 941	2 164		Changes in value of investments		2 164	3 941
1	108		Realised profits and losses on investments		108	1
4 021	**2 368**	**4,7**	**Net income from investments in investment choice portfolio**	**4,7**	**2 368**	**4 021**
11	**35**	**4**	**Other insurance-related income**	**4**	**35**	**11**
(12 185)	(13 060)		Claims paid		(13 060)	(12 185)
(12 687)	(13 363)		Gross		(13 363)	(12 687)
502	303		– Reinsurance share of claims paid		303	502
(204)	(189)		Change in reserves for claims		(189)	(204)
(204)	(78)		Gross		(78)	(204)
0	(111)		– Changes in reinsurance portion of claims reserves		(111)	0
			Transfer of customer premium reserves and additional statutory reserves			
(3 933)	(3 171)	5	to other insurance companies/pension schemes	5	(3 171)	(3 933)
(16 322)	**(16 420)**	**4**	**CLAIMS**	**4**	**(16 420)**	**(16 322)**
(5 937)	(6 974)		Changes in premium reserve		(6 974)	(5 937)
(5 821)	(6 974)		To (from) premium reserve, gross		(6 974)	(5 821)
(116)	0		– Change in reinsurance portion of premium reserve		0	(116)
(164)	(443)		Change in additional statutory reserves		(443)	(164)
(1 306)	(1 284)		Changes in market value adjustment reserve		(1 284)	(1 306)
(140)	(216)		Changes in premium fund, deposit reserve and pensioners' surplus fund		(216)	(140)
(41)	(25)		Changes in technical reserves for property and casualty insurance business		(25)	(41)
(41)	(25)		To (from) technical reserves for property and casualty insurance business		(25)	(41)
168	206	5	Transfer of additional statutory reserves from other insurance companies/pension schemes	5	206	168
(7 420)	**(8 736)**	**4**	**Changes in insurance liabilities through income statement – contractually established obligations**	**4**	**(8 736)**	**(7 420)**
(32)	(3 287)		Changes in premium reserve		(3 287)	(32)
(5 221)	0		Changes in premium fund, deposit reserve and pensioners' surplus fund		0	(5 221)
0	14		Changes in other reserves		14	0
0	0		Transfer of additional statutory reserves from other insurance companies/pension schemes		0	0
(5 253)	**(3 274)**	**4**	**Changes in insurance liabilities through income statement – special investment choice portfolio**	**4**	**(3 274)**	**(5 253)**

Income statement 2010

VITAL FORSIKRING GROUP						VITAL FORSIKRING ASA
31.12.09	**31.12.10**	**Note**	*Amounts in million NOK*	**Note**	**31.12.10**	**31.12.09**
(1 697)	(3 504)		Profit on investment returns		(3 508)	(1 697)
(177)	(167)		Risk result assigned insurance contracts		(167)	(177)
(263)	(422)		Other assignment of profit		(418)	(263)
(2 137)	**(4 093)**	**4**	**Funds assigned insurance contracts – contractually established obligations**	**4**	**(4 093)**	**(2 137)**
(1 836)	(1 790)	4,8,10,24	Insurance-related operating costs	4,8,10,24	(1 790)	(1 836)
(142)	(100)	4	Other insurance-related costs	4	(100)	(142)
605	**1 183**	**4**	**Result from technical account**	**4**	**1 183**	**605**
			NON-TECHNICAL ACCOUNT			
0	(2)		Income from investments in subsidiaries, associated companies and joint ventures		29	2
525	445		Interest income and dividends, etc. on financial assets		445	525
0	0		Net operating income from property		0	0
44	276		Changes in value of investments		276	44
87	(45)		Realised profits and losses on investments		(45)	87
656	**674**	**7**	**Net income from investments in company portfolio**	**7**	**705**	**658**
71	81		Other income		5	14
(176)	(214)		Management costs and other costs associated with company portfolio		(178)	(121)
551	**541**		**Result from non-technical account**		**532**	**551**
1 156	**1 724**		**Profit before taxes**		**1 716**	**1 156**
175	672	11	Tax cost	11	680	175
1 331	**2 396**		**Result before other profit components**		**2 396**	**1 331**
0	0		Other profit components		0	0
1 331	**2 396**		**TOTAL RESULT**		**2 396**	**1 331**

Balance sheet 2010

VITAL FORSIKRING GROUP					VITAL FORSIKRING ASA	
2009	**2010**	**Note**	*Amounts in million NOK*	**Note**	**2010**	**2009**
			ASSETS IN COMPANY PORTFOLIO			
288	256	24	Intangible assets	24	256	288
			Subsidiaries, associated companies and joint ventures			
5	3	15	Shares and other equity investments in subsidiaries, associated companies and joint ventures	15	82	67
0	0		Receivables on and securities issued by subsidiaries, associated companies and joint ventures		0	0
			Financial assets measured at fair value			
13 155	2 358	17	Shares and other equity investments (incl. shares and other equity investments measured at cost)	17	2 358	13 155
0	11 634	18	Bonds and other fixed-income securities	18	11 634	0
0	22	19	Loans and receivables	19	22	0
1	20	20	Financial derivatives	20	20	1
63	202	21	Other financial assets	21	202	63
13 224	**14 239**		**Investments in company portfolio**		**14 319**	**13 286**
391	311		Receivables		260	342
1 135	1 491	10,11,24	Other assets	10,11,24	1 352	1 019
60	46		Pre-paid expenses and earned, non-received income		46	60
15 099	**16 343**		**Total assets in company portfolio**		**16 233**	**14 995**
			ASSETS IN CUSTOMER PORTFOLIOS			
			Buildings and other real estate			
32 766	35 960	14	Investment properties	14	63	98
			Subsidiaries, associated companies and joint ventures			
14	14	15	Shares and other equity investments in subsidiaries, associated companies and joint ventures	15	35 168	16 284
0	0		Receivables and securities issued by subsidiaries, associated companies and joint ventures		1 841	17 598
			Financial assets measured at amortised cost			
68 128	68 038	16	Hold-to-maturity investments	16	68 038	68 128
			Financial assets measured at fair value			
31 799	40 950	17	Shares and other equity investments (incl. shares and other equity investments measured at cost)	17	40 950	31 799
52 673	52 075	18	Bonds and other fixed-income securities	18	52 075	52 673
3 636	5 955	19	Loans and receivables	19	5 955	3 636
2 149	2 425	20	Financial derivatives	20	2 425	2 149
4 865	1 838	21	Other financial assets	21	1 212	4 274
196 030	**207 254**		**Investments in common portfolio**		**207 726**	**196 639**
			Financial assets measured at fair value			
18 969	14 187		Shares and other equity investments (incl. shares and other equity investments measured at cost)		14 187	18 969
0	7 303		Bonds and other fixed-income securities		7 303	0
2 368	2 015		Loans and receivables		2 015	2 368
0	0		Other financial assets		0	0
21 337	**23 506**	**22**	**Investments in investment choice portfolio**	**22**	**23 506**	**21 337**
217 367	**230 760**		**Total assets in customer portfolios**		**231 232**	**217 975**
232 465	**247 103**		**Total assets**		**247 465**	**232 971**

Balance sheet 2010

VITAL FORSIKRING GROUP						VITAL FORSIKRING ASA
2009	**2010**	**Note**	*Amounts in million NOK*	**Note**	**2010**	**2009**
			EQUITY AND LIABILITIES			
			Share capital subscribed			
1 321	1 321		Share capital/primary capital certificates/guarantee fund		1 321	1 321
1 175	1 175		Share premium		1 175	1 175
2 496	**2 496**		**Total paid in equity**		**2 496**	**2 496**
137	414		Fund for unrealised profits		414	137
407	661		Risk equalisation fund		661	407
6 978	8 842		Other retained earnings		8 842	6 978
7 522	**9 918**		**Total retained earnings**		**9 918**	**7 522**
2 489	**2 492**	**27,34**	**Subordinated loan capital, etc.**	**27,34**	**2 492**	**2 489**
			Insurance liabilities in life insurance – special investment choice portfolio			
180 479	190 493		Premium reserve Supplementary provisions Claims reserves		190 493	180 479
5 550	5 694		Premium fund, deposit reserve and pensioners' surplus fund		5 694	5 550
1 306	2 591		Market value adjustment reserve		2 591	1 306
1 598	1 813		Claims reserves		1 813	1 598
4 412	4 761		Premium fund, deposit reserve and pensioners' surplus fund		4 761	4 412
180	199		Andre tekniske avsetninger for skadeforsikringsvirksomheten		199	180
		25,26,	**Total insurance liabilities in life insurance**	**25,26,**		
193 525	**205 550**	**29,34**	**– Special investment choice portfolio**	**29,34**	**205 550**	**193 525**
			Insurance liabilities in life insurance – special investment choice portfolio			
19 984	21 908		Premium reserve Supplementary provisions Claims reserves		21 908	19 984
2	2		Premium fund, deposit reserve and pensioners' surplus fund		2	2
32	0		Erstatningsavsetning		0	32
1 352	1 595		Premiefond, innskuddsfond og pensjonistenes overskuddsfond		1 595	1 352
		25,26,	**Total insurance liabilities in life insurance**	**25,26,**		
21 370	**23 506**	**29,34**	**– Special investment choice portfolio**	**29,34**	**23 506**	**21 370**
881	251	3,10,11,34	Reserves for liabilities	3,10,11,34	188	813
3 901	2 648	3,20,34	Liabilities	3,20,34	2 350	3 657
0	0	3,34	Liabilities to subsidiaries and associated companies	3,34	723	817
282	243	3,34	Accrued expenses and received, non-earned income	3,34	243	282
232 465	**247 103**		**Total equity and liabilities**		**247 465**	**232 971**

31 December 2010. Oslo, 15 March 2011
Board of Directors of Vital Forsikring ASA

Rune Bjerke,
Chairman

Bjørn Erik Næss,
Vice-chairman

Britt Sæle   Oddmunn Olsen   Tove E. Pettersen   Lars Rosén

Kari Olrud Moen   Cathrine Klouman   Rune Selmar   Jørn O. Kvilhaug

Tom Rathke,
Managing Director

Statement of changes in equity

Amounts in million NOK	PAID-IN CAPITAL Share capital	Share premium	RETAINED EARNINGS Fund for unrealised profits	Risk equalisation fund	Admin. reserves property and casualty insurance	Other equity	Total equity
Balance sheet as at 31.12.08	**1 321**	**1 175**	**75**	**248**		**5 921**	**8 740**
Profit/loss for the year			62	158	28	1 083	1 331
Group contribution						(54)	(54)
Balance sheet as at 31.12.09	**1 321**	**1 175**	**137**	**407**	**28**	**6 950**	**10 018**
Profit/loss for the year			277	255	12	1 852	2 396
Balance sheet as at 31.12.10	**1 321**	**1 175**	**414**	**661**	**40**	**8 802**	**12 413**

Share capital subscribed consists of share capital and share premium, a total of NOK 2 496 million.
Retained earnings consist of the fund for unrealised profits, risk equalisation fund, administration reserves property and casualty insurance and other accrued earnings, a total of NOK 9 918 million.

The number of shares is 52 827 288, with a par value of NOK 25 per share. The company is 100 per cent owned by DnB NOR ASA.

Cash flow statement

VITAL FORSIKRING ASA

Amounts in million NOK	**31.12.10**	**31.12.09**
CASH FLOW FROM OPERATIONAL ACTIVITIES		
Net receipts from premiums/premium fund	14 660	15 452
Net receipts/payments from transfers	727	(345)
Net receipts from investments	11 445	10 764
Net payments from life insurance with investment choice	207	(10)
Other insurance-related receipts	1	21
Compensation payments	(12 606)	(11 815)
Payment for operations	(1 831)	(2 333)
Taxes paid	(513)	(4)
A= Net cash flow from operational activities	**12 090**	**11 731**
Net investment in shares and other equity investments	(13 821)	(15 180)
Net investment in bonds	4 866	5 056
Net investment in loans	1 036	(307)
Net investment in investment contracts	(1 150)	(1 059)
Net investment in properties	(2 579)	(1 268)
Net investment in assets with investment choice	0	0
Net investment in other financial assets	50	398
Net investment in tangible fixed assets	59	(9)
Net investment in intangible assets	(125)	(127)
B=Net cash flow from investments made	**(11 663)**	**(12 497)**
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of subordinated loans	0	124
Paid dividends/group contributions	(68)	(54)
Changes from other financing activities	478	42
Increase in capital	0	0
C=Cash flow from financing activities	**410**	**112**
Net liquidity change (A+B+C)	836	(654)
Liquidity holding as at 01.01.	3 893	4 547
Liquidity holding as at 31.12.	**4 729**	**3 893**

Cash flow statement

VITAL FORSIKRING GROUP

Amounts in million NOK	**31.12.10**	**31.12.09**
CASH FLOW FROM OPERATIONAL ACTIVITIES		
Net receipts from premiums/premium fund	14 660	15 452
Net receipts/payments from transfers	727	(345)
Net receipts from investments	11 540	10 829
Net payments from life insurance with investment choice	207	(10)
Other insurance-related receipts	1	21
Compensation payments	(12 606)	(11 815)
Payment for operations	(1 831)	(2 333)
Taxes paid	(513)	(4)
A= Net cash flow from operational activities	**12 185**	**11 796**
Net investment in shares and other equity investments	(13 821)	(15 180)
Net investment in bonds	4 866	5 056
Net investment in loans	1 036	(307)
Net investment in investment contracts	(1 150)	(1 059)
Net investment in properties	(2 579)	(1 268)
Net investment in assets with investment choice	0	0
Net investment in other financial assets	50	398
Net investment in tangible fixed assets	59	(9)
Net investment in intangible assets	(125)	(127)
B=Net cash flow from investments made	**(11 663)**	**(12 497)**
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of subordinated loans	0	124
Paid dividends/group contributions	(68)	(54)
Changes from other financing activities	478	42
Increase in capital	0	0
C=Cash flow from financing activities	**410**	**112**
Net liquidity change (A+B+C)	931	(589)
Liquidity holding as at 01.01.	4 358	4 947
Liquidity holding as at 31.12.	**5 289**	**4 358**

Investment yield

Investment yield interest I in per cent	**2010**	**2009**
Common portfolio – Insurance	5.5	4.2
Common portfolio – Moderate	6.0	4.8
Common portfolio – High risk	6.5	5.7
Paid-up policies	6.4	4.3
Individual products – Old profit model	6.3	4.6
Common portfolio	6.2	4.7

Investment yield total portefolio in per cent*)	**2010**	**2009**	**2008**	**2007**	**2006**
Investment yield interest I	6.2	4.7	1.9	11.8	7.5
Investment yield interest II	6.8	5.4	0.3	9.5	8.1
Investment yield interest III	6.9	5.7	1.1	8.8	6.4

**) From 2008, investment yield interest is not directly comparable with earlier years due to the transition to new company rules.*

Note 1 – Accounting principles

1. BASIS FOR PREPARATION OF ACCOUNTS

The accounts for Vital Forsikring ASA are submitted in accordance with the Regulations for Annual Accounts etc. related to Insurance Companies, the Norwegian Accounting Act of 1998, Generally Accepted Accounting Principles in Norway (Annual Accounts Regulations), as well as other regulations promulgated by the Financial Supervisory Authority of Norway.

The annual accounts must be approved by the Annual General Meeting of Vital Forsikring ASA before their submission may be deemed to be final.

2. CHANGES IN ACCOUNTING PRINCIPLES

In accordance with the Annual Accounts Regulation for Insurance Companies and circular 8/2010, the company has changed the principle for the entering of deferred tax linked to insurance reserves that are classified as equity in the accounts. Refer to the separate section regarding taxes. Other than this, the company has not made changes in the applied accounting principles in 2010.

3. ESTIMATES

The preparation of the annual accounts involves the management making evaluations and estimates, as well as assumptions being made that affect the assets and liabilities, income and expenses. A more detailed account is given in note 2 of significant estimates and assumptions.

4. CONSOLIDATION

In the consolidated accounts for Vital Forsikring ASA ("Vital") real estate subsidiaries owned are included in the common portfolio, as well as subsidiaries that are included in the company portfolio. Refer to note 15. The accounting principles are applied consistently in the consolidation of ownership interests in subsidiaries, joint ventures and associated companies and are based upon the same reporting periods as for the parent company.

Investments in subsidiaries are fully consolidated. Investments in joint ventures are consolidated proportionately. Investments in associated companies are consolidated in accordance with the equity method. No subsidiaries have significant minority interests, neither individually nor in total. For subsidiaries, joint ventures and associated companies held in the common portfolio, results before taxes are reported collectively under financial income, whereas the tax costs are reported as a part of the Group's tax costs.

In the preparation of the consolidated accounts, Group-internal transactions, balances and unrealised profits and losses on transactions between units in the Group are eliminated. For subsidiaries that are owned in the company portfolio, but which in full or in part sell services that are expenses in the technical accounts, the profit/loss for the year before taxes appears on one line under other income outside technical accounts. This primarily concerns Vital Eiendom AS.

Subsidiaries are defined as companies that Vital controls through direct or indirect ownership interests or other relationships and where the ownership proportion is more than 50 per cent of the capital with voting rights. Normally, it is presumed that Vital has control when the ownership interests in another company are greater than 50 per cent, however Vital also assesses whether the Group in fact has control. For companies where the ownership proportion is under 50 per cent, Vital makes an assessment of whether other circumstances exist that deem that they in fact do have control.

Joint ventures represent investments in companies where Vital controls a company along with others. This type of collaboration is based upon an agreement that governs the central working relationship.

Associated companies are companies where the Group exercises significant influence, but not control and normally encompasses companies with ownership proportions between 20 per cent and 50 per cent. Investments in associated companies are consolidated in accordance with the equity method. Taxes are included in the same manner as for subsidiaries.

5. SUBSIDIARIES

Subsidiaries, joint ventures and associated companies are recognised in accordance with the equity method. The accounts of subsidiaries are converted in accordance with the principles under which the unconsolidated accounts of insurance companies are prepared. Income from investments in subsidiaries in the company portfolio is included after taxes. Income from investments in subsidiaries in the customer portfolios is included before taxes. This is because the customer must be credited with the returns before taxes. Transactions with consolidated accounts are done in accordance with customary business conditions and principles, such that income, costs, losses and profits are distributed between the companies in the Group in the most correct manner possible.

6. CONVERSION OF TRANSACTIONS IN FOREIGN CURRENCIES

The Group's presentation currency and functional currency is the Norwegian krone (NOK).

Income and expenses in foreign currencies are converted to Norwegian kroner by using the exchange rate at the point in time of the transaction. The exception is for income and expenses associated with the company's properties abroad, which are converted to Norwegian kroner based upon the average exchange rate for each quarter.

Financial assets, investment properties and subordinated loans in foreign currencies are converted to Norwegian kroner in accordance with the exchange rate as at the date of the balance sheet. Changes in valuations due to changes in exchange rates between the date of the transaction and the date of the balance sheet are realised on the income statement.

Hold-to-maturity bonds are recognised on the balance sheet at amortised cost in the local currency, being converted to Norwegian kroner using the exchange rate on the date of the balance sheet.

7. ENTRY OF INCOME AND EXPENSES

Premium income and claims paid

Insurance premiums and claims are recognised in the income statement in the amounts that were due during the year.

Net premium income encompasses the premiums due during the year, transferred premium reserves and reinsurance premiums paid. Accruals of earned premiums are handled by reserves for the premium reserve in the insurance fund.

Transfer of premium reserves from account transfers

The accounting transactions for the transfer of insurance contracts take place at the point in time the insurance risk is transferred. With a transfer of risk as at 31 December, the accounting for such is performed in the following year. The amounts transferred include the contract's share of additional statutory reserves, the market value adjustment reserve and the profit/loss for the year.

Transfers of premium reserves are accounted for as premium income for received reserves, and for disbursed reserves as claims for own account. Received additional statutory reserves are recognised under the item change in insurance reserves – contractually established obligations.

Recognised changes in insurance liabilities

Guaranteed returns provided to insurance customers who have products with guaranteed interest are included under the item recognised changes in insurance liabilities – contractually established obligations. Other returns for these customers are recognised under the item funds assigned insurance contracts – contractually established liabilities.

Changes in the market value adjustment reserve in the group portfolio are included under recognised changes in insurance liabilities for contractually established obligations.

8. ENTRY OF ASSETS AND LIABILITIES ON BALANCE SHEET

Assets and liabilities are recognised on the balance sheet as at the point in time of the actual transfer of risk.

Assets are recognised on the balance sheet at the point in time that the actual risk concerning the assets is transferred. Liabilities are no longer included once they have been fulfilled, lapsed or expired.

9. FINANCIAL INSTRUMENTS

Classification of financial instruments

When financial assets are initially recognised, they are classified in one of the following categories according to the type of instrument and the purpose of the investment:

- Financial assets identified at fair value with changes in value realised on the income statement
- Hold-to-maturity investments, recognised on the balance sheet at amortised cost

Vital has no assets classified as trading or available for sale under IAS 39.

Guidelines for classification

Financial assets at fair value with changes in value realised on the income statement

These are assets and liabilities that when recognised for the first time are identified with the category fair value with changes in value realised on the income statement. With the exception of bonds that are classified in the hold-to-maturity category, most of Vital's financial assets fall into this category.

Financial derivatives are also included in the category fair value with changes in value realised on the income statement since Vital does not have derivatives that are classified as hedging under IAS 39.

Hold-to-maturity investments are recognised on the balance sheet at amortised cost

Financial assets with a fixed maturity, which the company has a positive intention of holding until maturity, and which when recognised initially are not identified as fair value with changes in value realised on the income statement, are included in this classification. Parts of the bond portfolio in the common portfolio are classified as hold-to-maturity and are assessed at amortised cost using the effective interest method.

Valuation of financial instruments

Financial instruments in the portfolio are measured at fair value, excluding transaction costs. Fair value will normally be the transaction price, unless another value can be given based on observed market transactions. See the section below regarding the determination of fair value and subsequent measurement of value. Financial instruments are placed in this category if the financial instruments are a part of a portfolio that is managed and recorded on the basis of fair value in accordance with a documented risk management or investment strategy.

Hold-to-maturity investments are recorded at amortised cost and included at the transaction price with additions for direct transaction costs.

Subsequent value measurement at fair value

Fair value is the amount that an asset can be swapped for, or a liability can be settled for, in a transaction between independent parties. In the calculation, the presumption of continued operation is taken as fundamental, and reserves for credit risks in the instrument are included in the valuation.

Shares and units listed on exchanges or other regulated marketplaces are valued at the official closing price on the last trading day up through and including the date of the balance sheet. Other shares and units are valued at their computed fair value based on the available information on the date of the balance sheet.

Bonds and other fixed-income securities with a fixed return listed on an exchange or other regulated marketplace are valued at the official closing price on the last trading day up through and including the date of the balance sheet.

Instruments traded in an active market
For instruments traded in an active market, the quoted price from an exchange, broker or price setting agency is used. A market is active if it is possible to procure externally observable prices, rates or volatilities and such prices represent actual and frequent market transactions. The majority of the company's financial derivatives such as forward exchange contract transactions, contracts that secure a future interest rate, interest rate options, foreign exchange options, interest rate swaps and interest rate futures, are traded in an active market. In addition, some portion of the investments in shares, commercial paper and bonds are traded in active markets. If no prices are quoted for the instrument, it is decomposed and valued on the basis of quoted prices on the individual components.

Instruments not traded in an active market
Financial instruments not traded in an active market are valued according to different valuation techniques and are divided into two categories:

Valuation based on observable market data:
- Recently observed transactions in the relevant instrument between informed, willing and independent parties
- Instruments traded in an active market which are substantially similar to the instrument that is valued
- Other valuation techniques where key parameters are based on observable market data

Valuation based on other factors than observable market data:
- Estimated cash flows
- Valuation of assets and liabilities in companies
- Models where at least one parameter of central significance to the valuation is not based on observable market data
- Possible industry standards

When using valuation techniques, values are adjusted for credit and liquidity risk. Valuations are based on pricing of risk for similar instruments.

Subsequent measurement at amortised cost
Financial instruments not recorded at fair value are recorded at amortised cost, and income is calculated based on the instrument's effective interest rate. The effective interest rate is set by discounting contractual cash flows based on the expected life of the financial instrument.

On each balance sheet date, the company evaluates whether there are objective indications that the financial assets that are recognised at amortised cost have been subjected to a decline in their value. A financial asset or a group of financial assets is written down if there are objective non-transitory indications of a decline in value.

Objective indications for declines in value encompass significant financial problems among debtors, breaches of payment or other significant contractual violations, instances where it is deemed probable that a debtor will initiate debt settlement proceedings or other tangible conditions that have arisen. Write-downs of other financial assets are recognised on the income statement where they belong according to their nature.

Presentation in the balance sheet and income statement
Net income from investments
As per the transition to new company rules, net income from investments will be presented by portfolio in the accounts. Note 7 specifies the result elements from the different asset classes for investments in the company and common portfolios.

Bonds and other fixed-income securities
This category includes commercial paper and bonds that the company has classified as fair value with changes in valuation on the income statement on initial recognition. Items recognised on the balance sheet include accrued interest.

Shares and units
This category includes shares and unit trusts to be accounted for at fair value on the income statement. Beginning in 2008, bond funds are also included in this category. These were previously recognised under the category bonds and other fixed income securities.

Financial derivatives
Financial derivatives are presented as assets if the value is positive and as liabilities if there is a negative value. Netting is undertaken if the company has a legally binding netting agreement with its counterparty and intends to make a net redemption or sell the asset and meet the obligation at the same time.

Loans and receivables
This category includes loans that the company has classified as fair value with changes in valuation on the income statement on initial recognition. Items recognised on the balance sheet include accrued interest.

Investments that are held to maturity
This category includes bonds that the company has classified as hold-to-maturity at amortised cost. Items recognised on the balance sheet include accrued interest.

Assets in life insurance with investment choice
Assets in life insurance with investment choice consist of shares, bonds, commercial paper and financial contracts, units of unit trusts, bond funds, combined share and bond funds and bank funds. The instruments are valued together at market value. Unrealised profits/losses are realised on an on-going basis by the customers.

10. INVESTMENT PROPERTIES
Properties that are owned in order to achieve returns in customer portfolios by earning rental income and obtaining valuation increases are classified as investment properties. Investment properties must be included and measured in accordance with IAS 40.

Investment properties are valued at cost price at initial recognition including acquisition expenses. In the following periods, investment properties are recognised at fair value. Annual depreciations are not carried out on investment properties. Internal and external real estate expertise is used in the valuation of properties. A selection of external valuations is collected for comparison with internal valuations. Sensitivity analyses are carried out on various estimates for parameter values that are included in a total valuation.

Investments in buildings and other real estate is divided into directly owned properties and indirectly owned properties organised in separate legal units (limited companies, general partnerships and limited partnerships). In the company accounts, investments in consolidated property companies are presented as shares and units in subsidiaries etc. For loan financing in the real estate properties' investment properties, loans are presented as receivables from subsidiaries etc. in the company accounts.

Rental income and operating costs are presented as net operating income from property. The year's realised change in market value and realised profits and losses on sales of properties are recognised on the income statement, respectively, as changes in value of investments and realised profits and losses on investments. Changes in market value in consequence of changes in exchange rates for properties located abroad are presented as changes in value of investments.

In the company's unconsolidated accounts, proportionate shares of the results from consolidated property companies are presented as income from investments in subsidiaries, associated companies and joint ventures. The equivalent applies for changes in market value recognised on the income statement and realised profits/losses from such investments. Interest income associated with internal loans to property subsidiaries are presented as interest income and dividends, etc. from financial assets.

The company uses forward contracts to hedge exchange rates for properties abroad. The forward contracts are assessed at fair value with changes in valuation on the income statement and are presented as financial derivatives.

11. INTANGIBLE ASSETS

IT systems and software

Purchased software is capitalised at acquisition cost, including expenses associated with making the software ready for use. Directly identifiable expenses for self-developed software are capitalised as intangible assets. This presumes that the systems are controlled by the company, the probable economic benefits exceed the development costs and the anticipated lifespan in over 3 years.

Direct expenses include employees directly involved with the software development, material costs and a portion of directly attributable overhead. Expenses associated with maintenance of software and IT systems are expensed on an on-going basis on the income statement.

Capitalised IT systems and software are depreciated linearly over their presumed economic lifespan. At each reporting date, management assesses whether there are indicators of an impairment in intangible assets. If such indications exist, a recoverable amount is computed. The capitalised value of the asset is written down immediately if the value on the balance sheet is higher than the estimated recoverable amount.

12. FIXED ASSETS

Fixed assets are valued at their acquisition cost with linear depreciation deducted based on their presumed economic lifespan. Fixed assets for own use are classified as other assets in the balance sheet. Subsequent costs are capitalized on the relevant assets when it is probable that future economic benefits are related to the cost allocated to the Group and these can be measured reliably. Repairs and maintenance are expensed on an on-going basis on the income statement.

13. INSURANCE PRINCIPLES

Classification of contracts

IFRS 4 concerns the accounting treatment of insurance contracts. IFRS 4 defines contracts where the insurance risk comprises a significant part of the product's total risk as being insurance contracts. Products offered by Vital include group pension insurance, group association insurance, individual endowment insurance, individual annuity and pension insurance, products with a investment choice and group life insurance. The insurance reserves in the accounts are in accordance with Norwegian legislation in the area, as well as with IFRS 4.

Insurance reserves

Technical insurance reserves at Vital include the premium reserve, additional statutory reserves, market value adjustment reserve, the claims reserve, the risk equalisation fund and other technical reserves. In addition, the premium fund, deposit fund and the pensioners' surplus fund are included in insurance provisions. In addition, the premium fund, deposit fund and the pensioners' surplus fund are included in insurance provisions.

The premium reserve is a reserve to secure future insurance liabilities to policyholders and insured persons. The premium reserve represents the technical cash value, i.e. the net present value, of the company's total insurance liabilities including costs, less the cash value of future agreed premiums.

Additional statutory reserves are a conditional allocation to policyholders where changes during the year are recognised in the income statement. The insurance Act gives provisions regarding the application and size of the additional reserves. The maximum additional allocations per contract cannot exceed 12 per cent of the premium reserve for the contract. Actual allocations for the individual years are determined in connection with year-end adjustments.

The market value adjustment reserve corresponds to the total unrealised gains on current financial assets included in the common portfolio. If the portfolio of current financial assets shows a net unrealised loss, the value adjustment reserve is set to 0.

Unrealised profits and losses associated with changes in exchange rates on derivatives used to hedge exchange rates for properties, loans and hold-to-maturity bonds in foreign currencies are not included in the market value adjustment reserve.

The claims reserve shall cover the company's anticipated compensation payments for insurance claims that have not been settled or advanced against the company at the end of the accounting year. The claims reserve represents only the funds that would have been disbursed during the accounting year if the processing of the insurance claims had been completed.

The risk equalisation fund can be used to cover negative risk results and strengthen the premium reserve in the event of changes in demographic assumptions in the calculation base. Each year, up to 50 per cent of the company's total risk result can be allocated to the risk equalisation fund. The annual allocation is reviewed in connection with year-end adjustments. The risk equalisation fund is classified as equity in the balance sheet.

The premium fund contains premiums prepaid by policyholders within individual and group pension insurance. A share of annual profits is allocated to the pensioners' surplus fund and used to strengthen the premium reserve for pensioners in connection with adjustments in pension payments.

The administration reserve is intended to cover expenses of claims settlements after any possible liquidation of the company. The reserve is not deemed to be associated with the insurance company's insurance risk for existing or future customers and must be classified as retained earnings.

Classification of insurance liabilities – special investment choice portfolio

The insurance reserves for coverage of obligations associated with the value of special investment choice portfolios must at all times correspond to the value of the investment portfolio that is assigned to the contract. The allocated portion of a positive risk result is included.

Supplemental reserves for special investment choice portfolios are reserves for coverage of guaranteed returns for these contracts that have such. The reserves must correspond to the anticipated disbursements from the company to the customer when retirement age is reached.

Assessment of liabilities to policyholders

Liabilities should be in reasonable proportion to the associated risk. This is ensured through continual follow-ups and monitoring of existing contracts. Furthermore, all premium rates prepared by the company must be reported to the Financial Supervisory Authority of Norway, which has overall responsibility for controlling that adequate premiums are applied. On-going evaluations are made of the computational basis that is used.

With respect to group pension insurance, the basis for computing premium reserves was changed on 1 January 2008 to include new assumptions for life expectancy and marital status. With respect to existing individual pension insurance contracts, the calculation base used is changed due to new assumptions regarding life expectancy. Financing of the change follows a stepping up plan approved by the Financial Supervisory Authority of Norway, which started on 1 January 2009 and will end on 31 December 2012.

The basis for calculating disability risk is more recent, taking account of the increase in disability observed in society at large. The company took new premium rates for group disability pensions into use in 2005. New premium rates were introduced for municipal schemes as at 1 January 2004.

The base rate is used to calculate the present value of future premiums, payments and insurance reserves. The maximum base rate at any point in time is stipulated by the Financial Supervisory Authority of Norway, based on the yield on long-term government bonds. From 1 January 2012, the maximum base rate will be 2.5 per cent for future rights earned.

Adequacy test

The Group carries out, in accordance with IFRS 4, and annual adequacy test to assess whether its premium reserves are adequate to cover its liabilities to policyholders. The test is described in more detail in Note 29, Insurance risk.

14. SUBORDINATED LOAN CAPITAL

Subordinated loan capital is valued as amortised cost on the balance sheet. Subordinated loan capital in foreign currencies is converted to Norwegian kroner according to the exchange rate on the date of the balance sheet. Both realised and unrealised currency gains/losses for subordinated loan capital are realised as financial income/costs. Interest expenses for the subordinated loans are recognised as other costs in the non-technical accounts.

15. INCOME TAX

The year's realised tax costs consist of payable taxes and the change for the year in deferred taxes. Deferred taxes are computed in the basis of differences between reported tax-related and accounting-related results that will be settled in the future. The assessment is based upon the tax positions at the date of the balance sheet.

In accordance with IAS 12, deferred taxes are not associated with properties in real estate companies since Vital ForsikringASA is expected to be able to control the reserves for these temporary differences, and since the assets are not used in Vital's business.

In accordance with the annual accounts regulations for insurance companies, deferred taxes associated with insurance reserves that are classified as equity in accordance with IFRS are not capitalised.

Temporary differences that increase and decrease taxes and that are expected to be reversed during the same period are offset and netted. Net deferred tax benefits are recognised on the balance sheet to the degree that it is probable that there will be taxable income that the temporary difference can be applied against.

Unrealised profits/losses on investments that are encompassed by the market value adjustment reserve (current financial assets) are assessed in relation to the exemption method. Unrealised profits/losses in the exemption method are treated as a permanent difference. Unrealised profits/gains associated with investments in investment choice portfolios are in their entirety treated as a temporary difference on an equal footing with temporary differences associated with the customer commitments for the same portfolio.

16. PENSIONS

Defined benefit scheme

In a defined benefit scheme, the employer is committed to providing future specified pension benefits.

The basis for calculating pension expenses is a linear distribution of pension entitlements measured against estimated accumulated commitments at the time of retirement. Expenses are calculated on the basis of pension entitlements earned during the year with the deduction of the return on funds assigned to pensions.

Pension commitments which are administered through life insurance companies are matched against funds within the scheme. When total pension funds exceed estimated pension commitments on the balance sheet date, the net value is classified as an asset in the balance sheet if it has been rendered probable that the overfunding can be utilised to cover future commitments. When pension commitments exceed pension funds, the net commitments are classified under liabilities in the balance sheet. Each scheme is considered separately.

Pension commitments which are not administered through life insurance companies, are booked as liabilities in the balance sheet.

Pension commitments represent the present value of estimated future pension payments that in the accounts are classified as accumulated on the balance sheet date. The calculation of pension commitments is based on actuarial and economic assumptions about life expectancy, rise in salaries and early retirement. The discount rate used is determined by reference to market yields at the balance sheet date on long term (10-year) government bonds, plus an addition that takes into account the relevant duration of the pension liabilities.

Deviations in estimates are recorded in the income statement over the average remaining service period when the difference exceeds the greater of 10 per cent of pension funds and 10 per cent of pension commitments.

The financial effects of changes in pension schemes are recorded as income or charged to expense on the date of the change, unless the rights under the new pension scheme are conditional on the employee remaining in service for a specified period.

Pension expenses are based on assumptions determined at the start of the period. Pension expenses are classified as personnel expenses in the income statement. Employer's contributions are included in pension expenses and pension commitments.

The company's pension schemes are administrated through its own company. No eliminations are made with respect to the company's pension commitments and pension funds or for pension expenses and premium income in the income statement.

17. EQUITY

Proposed dividends are included as a part of the equity until approved by the Annual General Meeting.

The risk equalisation fund and fund for unrealised profits were introduced into the insurance accounts with the transition to the new Insurance Act. Allocations of reserves for the funds are made in connection with year-end adjustments.

Risk equalisation fund

The purpose of the risk equalisation fund is to absorb fluctuations in the risk result over time, by this result, within more precisely defined limits, being able to be balanced against the risk equalisation fund. The reserve is not deemed to be associated with the insurance company's insurance risk for existing or future customers and must be classified as accrued earnings in the company's balance sheet.

Administration reserve

The administration reserve is intended to cover expenses of claims settlements after any possible liquidation of the company. The reserve is not deemed to be associated with the insurance company's insurance risk for existing or future customers and must be classified as retained earning on the company's balance sheet.

Fund for unrealised profits

The fund for unrealised profits corresponds to the sum of unrealised profits on financial assets that are included in the company portfolio and are a parallel to the market value adjustment reserve in the common portfolio.

18. CASH FLOW STATEMENTS

The cash flow statements show net cash flows grouped according to source and use. Cash is defined as cash, deposits with central banks and deposits with credit institutions.

Note 2 – Significant accounting estimates and discretionary judgements

When preparing the consolidated accounts, management makes estimates and discretionary judgements and prepares assumptions that influence the effect of the accounting principles applied. In turn, this will affect the booked values of assets and liabilities, income and expenses.

Estimates and discretionary judgements are subject to continual evaluation and are based on historical experience and other factors, including expectations of future events that are believed to be probable on the balance sheet date.

Future prospects
The economic cycle will probably mature further in 2011, and the global growth is expected to continue at around the same rate as in 2010. Global BNP growth is expected to be between 4 and 4.5 per cent. It is still emerging economies that provide the greatest growth contributions, despite a downturn in Chinese growth from 10 per cent to 8-9 per cent. The American economy is expected to grow by around 3 per cent, which is marginally stronger than in 2010. Europe is expected to achieve a growth of 1.5-2 per cent, which is around the same level as the previous year. In the Norwegian economy, a marked increase in growth is expected compared to the previous year, perhaps over 3 per cent. Private consumption is on the way up after a flattening. Income is increasing, and savings are already at a high level. At the same time, the interest rate is low and consumer confidence is on the way up. Likewise, things look better within industry, with an increase in both received orders and production. Investments, both offshore and on the mainland, are higher than last year, and the property market continues its strong development.

Despite this, the development in inflation does not indicate any imminent need to tighten the money policy. Nevertheless, it is expected that Norges Bank will resume its normalisation of interest rates through 2-3 interest rate increases during the year. This will most probably be justified on grounds of financial stability.

Even though the stock markets can no longer be characterised as low-priced following the upturn in 2009 and 2010, the general economic development will provide support for solid earnings in the companies. This also provides a good starting point for solid development in the stock markets in 2011.

In many ways, 2010 was a turning point in the market for commercial property. The transaction market picked up, the rental market stabilised, and property values rose somewhat. An improvement in access to credit has moved in the same direction. We expect that this development will continue in 2011, but at a moderate pace. Availability in the office segment is still at too high a level to expect any pressuring of prices in the rental market.

Valuation of properties within Vital Forsikring
The property portfolio of Vital Forsikring is recorded at fair value. The property portfolio in Norway is valued using the company's own model based on the net present value of anticipated cash flows. In addition, internal valuations are benchmarked against independent external appraisals. Central parameters in the valuation model have been harmonised with external market information during Q4.

Changes in assumptions regarding the required rate of return and future rental levels subsequent to the contract period could result in a significant change in the value of the property portfolio. The assumptions used in calculating the fair value of the property portfolio can be found in note 14 Investment property.

Fair value of financial derivatives and other financial instruments
The fair value of financial instruments that are not traded in an active market is determined by using different valuation techniques. The company considers and chooses techniques and assumptions that as far as possible are based on market conditions on the balance sheet date. When valuing financial instruments for which observable market data are not available, the company will make assumptions regarding what it expects the market to use as a basis for valuing corresponding financial instruments. The valuations require extensive use of judgement when calculating liquidity risk, credit risk and volatility. Changes in these factors could affect the established fair value of the company's financial instruments.

The determination of the fair value of Private Equity funds, PE, is in accordance with the industry's valuation standard, International Private Equity and Venture Capital Valuation Guidelines. The method is considered to represent the best estimates of fair values for investments in illiquid equity instruments. On the balance sheet date, the Group does not have access to the valuations of the PE funds as at 31 December 2010. Valuations in the consolidated accounts are thus based on valuations received for previous periods, adjusted for a time lag in the reporting from the funds. The time lags are assessed based on a weighted index consisting of one parameter for the stock market, represented by MSCI World as a reference index, and one parameter for operation, represented by anticipated long-term returns on PE investments. If developments in the weighted quarterly index are within a determined reliability interval, the portfolio value is adjusted by the parameter for operation. If developments in the weighted quarterly index fall outside the reliability interval, a full valuation must be made relative to the weighted index.

Note 3 – Amalgamation of balance sheet items

AMALGAMATION OF BALANCE SHEET ITEMS | **VITAL FORSIKRING ASA**

Amounts in million NOK	**2010**	**2009**
RESERVES FOR LIABILITIES		
Pension commitments, etc.	172	169
Tax liabilities		
Liabilities for period tax	16	644
Total reserves for liabilities as at 31.12.10	**188**	**813**
Liabilities		
Liabilities in connection with direct insurance	178	263
Liabilities in connection with reinsurance	89	29
Liabilities to credit institutions	5	284
Financial derivatives	1 299	1 909
Other liabilities	781	1 172
Other liabilities to subsidiaries and associated companies	723	817
Total liabilities as at 31.12.10	**3 073**	**4 474**
Accrued expenses and received, non-earned income		
Other accrued expenses and received, non-earned income	243	282
Total accrued expenses and received, non-earned income as at 31.12.10	**243**	**282**

AMALGAMATION OF BALANCE SHEET ITEMS | **VITAL FORSIKRING GROUP**

Amounts in million NOK	**2010**	**2009**
Reserves for liabilities		
Pension commitments, etc.	224	227
Tax liabilities		
Liabilities for period tax	27	654
Total reserves for liabilities as at 31.12.10	**251**	**881**
Liabilities		
Liabilities in connection with direct insurance	178	263
Liabilities in connection with reinsurance	89	29
Liabilities to credit institutions	5	284
Financial derivatives	1 299	1 909
Other liabilities	1 078	1 416
Total liabilities as at 31.12.10	**2 648**	**3 901**
Accrued expenses and received, non-earned income		
Other accrued expenses and received, non-earned income	243	282
Total accrued expenses and received, non-earned income as at 31.12.10	**243**	**282**

Note 4 – Profit and loss accounts and analyses distributed by segment

Amounts in million NOK	Group pension priv. sector	Group pension pub. sector	Group assoc. pension	Individ. endow-ment	Individ. pension.	Group life	Casualty insur-ance	2010	2009
INCOME STATEMENT:									
Premium income	10 959	4 200	35	2 686	1 186	437	376	19 879	19 459
Net income from investments in common portfolio	7 703	1 942	331	799	2 491	48	0	13 314	10 225
Net income from investments in investment portfolio	990	0	0	493	886	0	0	2 368	4 021
Other insurance-related income	33	0	0	0	2	0	0	35	11
Claims	(5 890)	(1 659)	(298)	(2 592)	(5 308)	(379)	(294)	(16 420)	(16 322)
– of which surrenders	*(72)*	*0*	*(3)*	*(1 929)*	*(1 440)*	*0*	*0*	*(3 444)*	*(3 294)*
Changes in insurance liabilities through income statement – contractually established obligations	(6 204)	(3 140)	65	(599)	1 215	(48)	(26)	(8 736)	(7 420)
Changes in special investment choice through income statement	(3 362)	0	0	(5)	80	0	14	(3 274)	(5 253)
Funds assigned insurance contracts – contractually established obligations	(2 656)	(913)	(77)	(353)	(120)	24	0	(4 093)	(2 137)
Insurance-related operating costs	(879)	(215)	(16)	(222)	(345)	(58)	(55)	(1 790)	(1 836)
Other insurance-related costs	(32)	(47)	(0)	(6)	(15)	(0)	(0)	(100)	(142)
Profit/loss for the year from technical accounts as at 31.12.10	**662**	**169**	**41**	**202**	**71**	**23**	**14**	**1 183**	**605**
Included in addition in non-technical accounts:									
Net income from investments in company portfolio						*7*	*33*	*40*	*27*
Other result elements (products with investment choice)	*5*			*8*	*2*			*15*	*(5)*
PROFIT AND LOSS ANALYSIS:									
Profit for distribution	3 318	1 082	118	555	191	(1)	14	5 277	2 743
– Result provided to customers									
Risk result	(155)	(67)	16	(89)	578	54	0	338	(66)
Investment returns	(2 501)	(846)	(88)	(242)	(655)	(30)	0	(4 363)	(2 053)
Administration result	0	0	(5)	(22)	(42)	0	0	(68)	(18)
– Total result provided to customers	(2 656)	(913)	(77)	(353)	(120)	24	0	(4 093)	(2 137)
Risk result	225	67	(9)	88	(314)	6	33	96	26
Investment returns	207	0	47	69	327	7	(0)	657	255
Administration result	(162)	(30)	2	26	51	10	(5)	(107)	(121)
Risk profit	142	65	0	0	0	0	0	207	193
Remuneration for guaranteed interest	251	68	0	18	8	0	0	345	284
Other result elements	0	0	0	0	(1)	0	(14)	(15)	(31)
Profit/loss for the year from technical accounts as at 31.12.10	**662**	**169**	**41**	**202**	**71**	**23**	**14**	**1 183**	**605**
The investment returns are adjusted for allocations of reserves to/use of additional statutory reserves	293	19	4	46	45			407	173

DISTRIBUTION BY PROFIT MODEL

GROUP PENSION, PRIVATE *Amounts in million NOK*	Defined ben-efit w.o invest. choice	Paid-up policies	W.o right to portion of profits	Defined contrib. w. invest choice	2010	2009
Premium income	6 935	595	519	2 909	10 959	10 784
Net income from investments in common portfolio	4 046	3 544	112	0	7 703	5 770
Net income from investments in investment choice portfolio	0	0	0	990	990	1 229
Other insurance-related income	31	1	0	0	33	2
Claims	(2 736)	(2 584)	(173)	(397)	(5 890)	(6 153)
– of which surrenders	*(20)*	*(43)*	*0*	*(9)*	*(72)*	*(149)*
Changes in insurance liabilities through income statement – contractually established obligations	(5 619)	(317)	(267)	0	(6 204)	(5 470)
Changes in special investment choice portfolio through income statement	0	0	0	(3 362)	(3 362)	(3 593)
Funds assigned insurance contracts – contractually established obligations	(1 762)	(824)	(69)	0	(2 656)	(1 198)
Insurance-related operating costs	(356)	(157)	(50)	(316)	(879)	(864)
Other insurance-related costs	(30)	(2)	(0)	(0)	(32)	(87)
Profit/loss for the year from technical accounts as at 31.12.10	**509**	**256**	**73**	**(176)**	**662**	**419**

Note 4 – Profit and loss accounts and analyses distributed by segment

DISTRIBUTION BY PROFIT MODEL CONT. *Amounts in million NOK*	Defined benefit w.o. invest choice	Paid-up policies	W.o right to portion of profits	Defined contrib. w. invest. choice	2010	2009
PROFIT AND LOSS ANALYSIS:						
Profit for distribution	2 271	1 081	142	(176)	3 318	1 617
– RESULT PROVIDED TO CUSTOMERS						
Risk result	(158)	4	0	0	(155)	(131)
Investment returns	(1 604)	(828)	(69)	0	(2 501)	(1 067)
Administration result	0	0	0	0	0	0
Total result provided to customers	(1 762)	(824)	(69)	0	(2 656)	(1 198)
Risk result	158	(4)	70	0	225	131
Investment returns	0	207	0	(0)	207	64
Administration result	(15)	53	(24)	(176)	(162)	(153)
Risk profit	118	0	24	0	142	152
Remuneration for guaranteed interest	247	0	4	0	251	225
Profit/loss for the year from technical accounts as at 31.12.10	**509**	**256**	**73**	**(176)**	**662**	**419**
The investment returns are adjusted for allocations of reserves to/ use of additional statutory reserves	*46*	*247*			*293*	*88*

INDIVIDUAL EMDOWMENT INSURANCE *Amounts in million NOK*	With profit sharing	Without right to portion of profit	Investment choice	2010	2 009
Premium income	304	1 931	451	2 686	2 864
Net income from investments in common portfolio	561	239	0	799	611
Net income from investments in investment choice portfolio	0	0	493	493	1 076
Other insurance-related income	0	0	0	0	5
Claims	(1 106)	(624)	(862)	(2 592)	(2 734)
– of which surrenders	*(588)*	*(578)*	*(762)*	*(1 929)*	*(1 436)*
Changes in insurance liabilities through income statement – contractually established obligations	725	(1 324)	0	(599)	(737)
Changes in special investment choice portfolio through income statement	0	0	(5)	(5)	(607)
Funds assigned insurance contracts – contractually established obligations	(258)	(94)	0	(353)	(144)
Insurance-related operating costs	(81)	(81)	(60)	(222)	(264)
Other insurance-related costs	(5)	(0)	0	(6)	(4)
Profit/loss for the year from technical accounts as at 31.12.10	**139**	**46**	**17**	**202**	**66**
ANALYSIS:					
Profit for distribution	397	140	17	555	210
– Result provided to customers					
Risk result	(89)	(0)	0	(89)	(52)
Investment returns	(148)	(94)	0	(242)	(87)
Administration result	(22	0	0	(22)	(5)
– Total result provided to customers	(258)	(94)	0	(353)	(144)
Risk result	48	42	(1)	88	26
Investment returns	80	(12)	1	69	25
Administration result	12	(3)	17	26	7
Risk profit	0	0	0	0	0
Remuneration for guaranteed interest	0	18	0	18	8
Profit/loss for the year from technical accounts as at 31.12.10	**139**	**46**	**17**	**202**	**66**
The investment returns are adjusted for allocations of reserves to/ use of additional statutory reserves	7	39		46	43

Note 4 – Profit and loss accounts and analyses distributed by segment

INDIVIDUAL ANNUITY AND PENSION INSURANCE *Amounts in million NOK*	**With profit sharing**	**W.o. right to portion of profits**	**Invest. choice**	**2010**	**2 009**
Premium income	883	377	(74)	1 186	1 503
Net income from investments in common portfolio	2 407	84	0	2 491	2 002
Net income from investments in investment choice portfolio	0	0	886	886	1 717
Other insurance-related income	1	0	1	2	4
Claims	(4 454)	(95)	(759)	(5 308)	(5 417)
– of which surrenders	*(973)*	*(47)*	*(421)*	*(1 440)*	*(1 009)*
Changes in insurance liabilities through income statement – contractually established obligations	1 516	(300)	0	1 215	1 929
Changes in special investment choice portfolio through income statement	0	0	80	80	(1 088)
Funds assigned insurance contracts – contractually established obligations	(83)	(37)	0	(120)	(129)
Insurance-related operating costs	(211)	(20)	(114)	(345)	(428)
Other insurance-related costs	(15)	(0)	(1)	(15)	(9)
Profit/loss for the year from technical accounts as at 31.12.10	**45**	**8**	**18**	**71**	**85**
PROFIT AND LOSS ANALYSIS:					
Profit for distribution	127	45	18	191	214
– Result provided to customers					
Risk result	578	0	0	578	166
Investment returns	(618)	(37)	0	(655)	(280)
Administration result	(42)	0	0	(42)	(14)
TOTAL RESULT PROVIDED TO CUSTOMERS	(83)	(37)	0	(120)	(129)
Risk result	(311)	(0)	(3)	(314)	(88)
Investment returns	333	0	(6)	327	138
Administration result	23	0	29	51	30
Risk profit	0	0	0	0	0
Remuneration for guaranteed interest	0	8	0	8	5
Other result elements	0	0	(1)	(1)	0
Profit/loss for the year from technical accounts as at 31.12.10	**45**	**8**	**18**	**71**	**85**
The investment returns are adjusted for allocations of reserves to/ use of additional statutory reserves	*30*	*15*		*45*	*34*

Note 5 – Transfers

Amounts in million NOK	**Group pen-sion priv. sector**	**Group pension pub. sector**	**Group assoc. pension**	**Individ. endow-ment insurance**	**Indiv. pension insurance**	**2010**	**2009**
FUNDS RECEIVED:							
Premium reserves	2 089	1 191	2	163	308	3 753	3 368
Additional statutory reserves	128	70	0	0	8	206	168
TOTAL RECEIVED FUNDS (REALISED) AS AT 31. DECEMBER	**2 217**	**1 261**	**2**	**163**	**315**	**3 959**	**3 537**
Premium fund/ deposit fund (on balance sheet)	499	117	0	0	0	617	601
Total contracts funds received	2 919	23	4	273	1 359	4 578	8 576
FUNDS DISBURSED:							
PREMIUM RESERVES	(1 969)	(521)	(84)	(58)	(434)	(3 065)	(3 823)
Additional statutory reserves	(50)	(23)	(3)	(0)	(18)	(94)	(106)
Unrealised gains	(8)	(0)	(1)	(0)	(3)	(12)	(3)
TOTAL DISBURSED FUNDS (REALISED) AS AT 31. DECEMBER	**(2 026)**	**(544)**	**(88)**	**(58)**	**(455)**	**(3 171)**	**(3 933)**
Premium fund/ deposit fund (on balance sheet)	(68)	(50)	0	0	(10)	(128)	(96)
Total contracts funds disbursed	5 184	8	1	306	3 097	8 596	12 970

Note 6 – New business premiums

Amounts in million NOK	Group pension private	Group pension public	Group assoc. pension	Individual pension	Individual endowment	Group life	Products with invest. choice	Total
2010	62	30	1	323	1 757	12	357	2 542
2009	60	0	0	367	1 599	9	430	2 466

Premium reserves received are addressed in note 5 – Transfers.

Note 7 – Net income from investments

VITAL FORSIKRING ASA

Amounts in million NOK	Company portfolio	Common portfolio	2010	2009
Income from investments in subsidiaries, associated companies and joint ventures	**29**	**2 096**	**2 125**	**(468)**
Net operating income from property	**0**	**2**	**2**	**9**
Interest on loans at fair value	0	67	67	103
Interest real estate companies	0	469	469	654
Interest bank	14	(25)	(11)	17
Interest on commercial paper and bonds at fair value	0	2 070	2 070	2 713
Interest bonds amortised cost	0	3 366	3 366	3 323
Interest derivatives	2	288	290	405
Interest shares and units	320	199	520	767
Dividends	77	766	843	266
Other	32	(61)	(29)	104
TOTAL INTEREST AND DIVIDENDS	**445**	**7 141**	**7 586**	**8 353**
Change in value property	0	0	0	(2)
Change in value shares and units	202	1 423	1 625	2 703
Change in value bonds	(24)	(751)	(775)	(3 237)
Change in value bonds amortised cost	0	(349)	(349)	(1 000)
Change in value derivatives	105	1 056	1 161	2 454
Change in value loans	0	26	26	(572)
Changes in value other	(8)	(1)	(8)	(8)
TOTAL CHANGES IN VALUE INCLUDING CHANGES IN EXCHANGE RATES	**276**	**1 404**	**1 680**	**337**
Realised property	0	15	15	5
Realised shares and units	21	2 726	2 746	(80)
Realised bonds	0	447	447	395
Realised derivatives	4	(370)	(366)	1 135
Currency gains shares	0	309	309	27
Currency gains bonds	0	(64)	(64)	180
Currency gains bonds amortised cost	0	(4)	(4)	0
Currency gains derivatives	(64)	(286)	(351)	1 152
Currency gains loans	0	7	7	(20)
Currency gains misc.	(4)	(128)	(133)	(226)
Other financial income and expenses	(1)	21	21	86
TOTAL REALISED PROFITS	**(45)**	**2 672**	**2 627**	**2 653**
INTEREST EXPENSES			**0**	**0**
TOTAL NET INCOME FROM INVESTMENTS	**705**	**13 314**	**14 019**	**10 883**
NET INCOME FROM INVESTMENTS IN INVESTMENT CHOICE PORTFOLIO			**2 368**	**4 021**
TOTAL NET INCOME FROM INVESTMENTS			**16 388**	**14 904**

Note 7 – Net income from investments

VITAL FORSIKRING GROUP

Amounts in million NOK	Company portfolio	Common portfolio	2010	2009
Income from investments in subsidiaries, associated companies and joint ventures	**(2)**	**1**	**(1)**	**(1)**
Net operating income from property	**0**	**1 734**	**1 734**	**1 657**
Interest on loans at fair value	0	67	67	103
Interest real estate companies	0	(0)	(0)	0
Interest bank	14	(25)	(11)	18
Interest on commercial paper and bonds at fair value	0	2 070	2 070	2 713
Interest bonds amortised cost	0	3 366	3 366	3 323
Interest derivatives	2	288	290	405
Interest shares and units	320	199	520	767
Dividends	77	766	843	266
Other	32	(59)	(27)	100
Total interest and dividends	**445**	**6 673**	**7 118**	**7 695**
Change in value property	0	816	816	(1 468)
Change in value shares and units	202	1 423	1 625	2 703
Change in value bonds	(24)	(751)	(775)	(3 237)
Change in value bonds amortised cost	0	(349)	(349)	(1 000)
Change in value derivatives	105	1 056	1 161	2 454
Change in value loans	0	26	26	(572)
Changes in value other	(8)	(1)	(8)	(8)
Total changes in value including changes in exchange rates	**276**	**2 220**	**2 495**	**(1 129)**
Realised property	1	29	31	12
Realised shares and units	21	2 726	2 746	(80)
Realised bonds	0	447	447	395
Realised derivatives	4	(370)	(366)	1 135
Currency gains shares	0	309	309	27
Currency gains bonds	0	(64)	(64)	180
Currency gains bonds amortised cost	0	(4)	(4)	
Currency gains derivatives	(64)	(286)	(351)	1 152
Currency gains loans	0	7	7	(20)
Currency gains misc.	(4)	(128)	(133)	(226)
Other financial income and expenses	(2)	21	20	86
Total realised profits	**(45)**	**2 687**	**2 642**	**2 659**
Total net income from investments	**674**	**13 314**	**13 988**	**10 881**
Net income from investments in investment choice portfolio			**2 368**	**4 021**
Total net income from investments			**16 356**	**14 903**
Income from derivatives in group and company portfolio, distributed by type:				
Equity derivatives			(261)	(931)
Interest derivatives			363	986
Currency derivatives			634	5 090
Total			**735**	**5 145**

Note 8 – Specification of insurance-related operating costs

Amounts in million NOK	VITAL FORSIKRING ASA 2010	2009
Management costs	185	155
Sales costs	380	402
Insurance-related management costs	1 236	1 292
- Reinsurance commissions and profit sharing	(10)	(13)
Total insurance-related operating costs	**1 790**	**1 836**
Specification of sales costs	**2010**	**2009**
Wages and personnel costs own sales resources	156	178
Other sales costs own sales resources	56	49
Commissions to external distributors	167	175
Total sales costs	**380**	**402**
Reserves for long-term liabilities	**2010**	**2009**
Remaining allocated costs for restructuring as at 01.01.10	22	0
Added in year	0	23
Consumption during the year	(11)	(1)
Remaining allocated costs for restructuring as at 31.12.10	**11**	**22**

NOTE 9 – Number of employees/full-time positions

	Vital Forsikring Group		VITAL FORSIKRING ASA	
	2010	**2009**	**2010**	**2009**
Total employees as at 31.12.	850	879	740	764
Total full-time positions as at 31.12.	823	828	715	713
Average number of employees	865	958	752	843
Average number of full-time positions	826	911	714	798

NOTE 10 – Pension liabilities and costs

Up until the end of 2010, Vital Forsikring has had defined benefit occupational pensions for all employees in Norway in the form of group pension insurance covered by a separate company. The pension benefits covered retirement, disability, dependents' and children's pensions, and supplemented benefits from National Insurance. A full pension required an accrual period of 30 years, and entitled the employee to the difference between 70 per cent of salary and the calculated benefits from National Insurance. The scheme fulfilled requirements in the Occupational Pensions Act. The Group also has commitments linked to top salary pension schemes for salaries over 12G (G= National Insurance basic amount), and agreements regarding early retirement. The pension commitments linked to salaries over 12G and early retirement are financed through operations in the companies. The top salary pension scheme was closed as at 30 June 2008.

From 1 January 2011, pension coverage for dependent and child pensions ceased. These are replaced by increased carer and child supplements in the group life insurance from the same time.

The defined benefit pension scheme for retirement and disability pensions for employees in Norway was closed as at 31 December 2010. From 1 January 2011, new employees will be included in a newly established defined contribution pension scheme for retirement pensions, and a new defined benefit pension scheme for disability coverage. The premium rates for the defined contribution pensions follows the law's maximum:

- Salary equivalent to 1 to 6 times the National Insurance basic amount, G: 5%
- Salary equivalent to 6 to 12 G: 8%

Vital Forsikring is included in the scheme for contractual pensions (AFP) for banks and the financial industry. The contractual pension has been an early retirement pension that has provided pensions for employees between the ages of 62 to 66 years, and was adapted to the National Insurance retirement pension being awarded from 67 years of age.

In February 2010, Parliament passed a law regarding the financing of new contractual pensions (AFP), with effect from 2011. The old AFP scheme only applies for employees who had taken out their AFP before the law was passed, as well as those who reached 62 years of age and chose to take out their AFP before the scheme ceased from 30 November 2010. With the transfer to the new AFP scheme, the old scheme will be discontinued.

The new AFP scheme is a scheme that provides a life-long supplement to the ordinary pension. The employee can choose to take out the new AFP scheme from when he/she reaches the age of 62 years, even if he/she elects to stay in work. The benefits in the new scheme are regarded as significantly different from the old scheme, and the transfer to the new scheme is therefore not regarded at a change of plan, but a scaling down and termination of the old scheme. Employees who did not meet the requirements to take out their AFP in 2010 in accordance with the old scheme have no future entitlement in the scheme. This part of the commitment was settled in Q1 2010. The effect of removing the commitment for employees born after 30 November 1948, including associated estimates and employer's contributions, was NOK 7.5 million. The amount was recorded as income in Q1 and reduced the pension expenses.

The new AFP scheme will be entered in the accounts as a defined benefit multi-employer scheme and will be financed through an annual premium which is determined as a percentage of salary between 1 and 7.1 G. The premium for 2011 is set at 1.4 per cent. No information is currently available for the recognition of the new commitment. The cost of this new scheme is expected to be at least as high as the previous AFP cost for the Group.

Employer's contributions are included in pension expenses and pension commitments. There is no provision made for employer's contributions in pension schemes where the pension funds exceed the pension commitments.

ECONOMIC ASSUMPTIONS

	EXPENSES		COMMITMENTS	
	2010	**2009**	**31.12.10**	**31.12.09**
Discount rate 1)	4.40%	3.80%	4.10%	4.40%
Anticipated return 2)	5.60%	5.80%	5.50%	5.60%
Anticipated rise in salaries	4.25%	4.00%	4.00%	4.25%
Anticipated increase in basic amount	4.00%	3.75%	3.75%	4.00%
Anticipated rise in pensions	2.25%	2.0/3.75%	2.00%	2.25%
Anticipated CPA acceptance	35%	35%	35%	35%
Demographic assumptions about mortality 3)	K2005	K2005	K2005	K2005

1) The discount rate used is determined by reference to market yields at the balance sheet date on long term (10-year) government bonds, plus an addition that takes into account the relevant duration of the pension liabilities.
2) The anticipated return on pension funds was calculated by assessing the expected return on the assets encompassed by the current investment policy. The anticipated gain on fixed-rate investments is based on gross gains upon redemption on the balance sheet date. The anticipated return on equity and property investments reflects anticipated long-term real returns in the respective markets.
3) K2005 is a calculation base for statistical mortality assumptions. It includes two projected calculations of mortality based on empirical data from the period 1996 to2001. One of the calculation bases is projected up until 2005, while the other is projected up until 2020. Mortality rates are expected to be lower in 2020 than in 2005. When calculating pension costs and pension commitments, a combination of both calculation bases has been used.

VITAL FORSIKRING ASA

PENSION EXPENSES	**2010**			**2009**		
Amounts in million NOK	**Funded**	**Unfunded**	**Total**	**Funded**	**Unfunded**	**Total**
Net present value of pension entitlements 1)	43	11	54	51	17	67
Interest expenses on pension commitments	55	10	65	49	9	58
Anticipated return on pension funds	(67)	0	(67)	(72)	0	(72)
Changes in pension schemes	0	0	0	0	0	0
Amortisation of changes in estimates not recorded in the accounts	9	6	15	11	8	19
Administrative expenses	9	0	9	8	0	8
Effect of changes to Norwegian accounting standards for pensions	0	(5)	(5)	0	0	0
NET PENSION EXPENSES	**49**	**21**	**70**	**47**	**33**	**80**

1) Incl. employer's contributions

NET PENSION COMMITMENTS	**31.12.10**			**31.12.09**		
Amounts in million NOK	**Funded**	**Unfunded**	**Total**	**Funded**	**Unfunded**	**Total**
Accrued pension commitments	1 196	174	1 370	1 132	181	1 313
Estimated effect of future salary adjustments	174	34	208	160	50	210
TOTAL PENSION COMMITMENTS	**1 370**	**208**	**1 578**	**1 292**	**231**	**1 523**
Value of pension funds	1 149	0	1 149	1 222	0	1 222
NET PENSION COMMITMENTS	**221**	**208**	**429**	**70**	**231**	**301**
Changes in the estimates not recorded in the accounts	(376)	(66)	(442)	(226)	(94)	(320)
Employer's contributions	31	29	60	10	33	42
BOOKED PENSION COMMITMENTS/(FUNDS)	**(124)**	**171**	**47**	**(145)**	**169**	**24**

Over-funding of pension schemes consisting of funds comprised NOK 124 million as at 31 December 2010, and under-funding of such schemes comprised NOK 171 million.

Note 10 – Pension liabilities and costs

VITAL FORSIKRING GROUP

PENSION EXPENSES2010	2010			2009		
Amounts in million NOK	Funded	Unfunded	Total	Funded	Unfunded	Total
Net present value of pension entitlements 1)	52	12	65	61	19	81
Interest expenses on pension commitments	59	11	70	52	10	62
Anticipated return on pension funds	(71)	0	(71)	(76)	0	(76)
Changes in pension schemes	0	0	0	0	0	0
Amortisation of changes in estimates not recorded in the accounts	10	6	16	11	8	19
Administrative expenses	9	0	9	9	0	9
Effect of changes to Norwegian accounting standards for pensions	0	(11)	(11)	0	0	0
Net pension expenses	**60**	**18**	**78**	**58**	**37**	**95**

1) Incl. employer's contributions

NET PENSION COMMITMENTS	31.12.10			31.12.09		
Amounts in million NOK	Funded	Unfunded	Total	Funded	Unfunded	Total
Accrued pension commitments	1 269	190	1 458	1 201	202	1 403
Estimated effect of future salary adjustments	198	39	237	180	55	235
TOTAL PENSION COMMITMENTS	**1 467**	**228**	**1 695**	**1 380**	**258**	**1 638**
Value of pension funds	1 223	0	1 223	1 286	0	1 286
NET PENSION COMMITMENTS	**244**	**228**	**472**	**94**	**258**	**352**
Changes in the estimates not recorded in the accounts	(375)	(62)	(438)	(224)	(94)	(318)
Employer's contributions	34	32	66	13	36	49
Booked pension commitments/(funds)	**(97)**	**198**	**101**	**(117)**	**200**	**83**

Over-funding of pension schemes consisting of funds comprised NOK 97 million as at 31 December 2010, and under-funding of such schemes comprised NOK 198 million.

VITAL FORSIKRING ASA

PENSION COMMITMENTS	31.12.10			31.12.09		
Amounts in million NOK	Funded	Unfunded	Total	Funded	Unfunded	Total
Opening balance	1 293	231	1 524	1 329	235	1 564
Changes in pension schemes	0	0	0	0	0	0
Accumulated pension entitlements	38	9	46	46	13	60
Interest expenses	55	10	65	49	9	58
Pension payments	(62)	(17)	(79)	(67)	(19)	(86)
Changes in the estimates not recorded in the accounts	47	(24)	23	(65)	(8)	(73)
Closing balance	**1 371**	**208**	**1 578**	**1 292**	**231**	**1 523**

PENSJONSMIDLER	31.12.10			31.12.09		
Amounts in million NOK	Funded	Unfunded	Total	Funded	Unfunded	Total
Opening balance	1 222	0	1 222	1 283	(0)	1 283
Changes in pension schemes	0	0	0	0	0	0
Anticipated return	67	0	67	72	0	72
Premium transfers	15	0	15	(12)	0	(12)
Pension payments	(62)	0	(62)	(67)	0	(67)
Changes in the estimates not recorded in the accounts	(93)	0	(93)	(55)	0	(55)
Closing balance	**1 149**	**0**	**1 149**	**1 222**	**0**	**1 222**

Payments through operations are estimated at NOK 18 million.

Note 10 – Pension liabilities and costs

VITAL FORSIKRING GROUP

PENSION COMMITMENTS	31.12.10			31.12.09		
Amounts in million NOK	**Funded**	**Unfunded**	**Total**	**Funded**	**Unfunded**	**Total**
Opening balance	1 381	258	1 639	1 413	263	1 676
Changes in pension schemes	0	0	0	0	0	0
Accumulated pension entitlements	46	10	56	56	16	71
Interest expenses	59	11	70	52	10	61
Pension payments	(64)	(19)	(82)	(68)	(21)	(88)
Changes in the estimates not recorded in the accounts	44	(31)	14	(74)	(10)	(84)
Closing balance	**1 467**	**228**	**1 695**	**1 380**	**258**	**1 638**

PENSJONSMIDLER	31.12.10			31.12.09		
Amounts in million NOK	**Funded**	**Unfunded**	**Total**	**Funded**	**Unfunded**	**Total**
Opening balance	1 287	0	1 287	1 347	(0)	1 347
Changes in pension schemes	0	0	0	0	0	0
Anticipated return	71	0	71	76	0	76
Premium transfers	25	0	25	(5)	0	(5)
Pension payments	(64)	0	(64)	(68)	0	(68)
Changes in the estimates not recorded in the accounts	(96)	0	(96)	(64)	0	(64)
Closing balance	**1 223**	**0**	**1 223**	**1 286**	**0**	**1 286**

Premium transfers in 2010 are expected to be NOK 35 million. Payments through operations are estimated at NOK 20 million.

VITAL FORSIKRING ASA | VITAL FORSIKRING GROUP

31.12.09	31.12.10	MEMBERS	31.12.10	31.12.09
1 412	1 404	Number of persons covered by pension schemes	1 532	1 541
759	761	– of which in employment	870	870
653	643	– of which on retirement and disability pensions	662	671

PENSION FUNDS INVESTMENTS	31.12.10	31.12.09
Commercial paper and bonds at fair value	15.4%	23.3%
Bonds, held to maturity	33.2%	35.7%
Money market	11.5%	8.5%
Equities	20.9%	13.5%
Real estate	17.6%	16.6%
Other	1.5%	2.3%
TOTAL	**100.0%**	**100.0%**

REAL RETURNS	31.12.10	31.12.09	31.12.08
Real returns	6.2%	4.7%	1.7%

HISTORICAL TREND	31.12.10	31.12.09	31.12.08	31.12.07
Gross pension commitments	1 695	1 638	1 677	1 564
Gross pension funds	1 223	1 286	1 347	1 292
Non-realised commitments	(438)	(318)	(360)	(298)
Net booked pension commitments	**35**	**34**	**(31)**	**(26)**

The following estimates are based on facts and conditions prevailing on 31 December 2010, assuming that all other parameters are constant. Actual results may deviate significantly from these estimates.

SENSITIVITY ANALYSIS FOR PENSION CALCULATIONS	Discount rate salaries		Annual rise in salaries/basic amount		Annual rise pensions		Retirement rate	
Change in percentage points	1%	(1%)	1%	(1%)	1%	(1%)	1%	(1%)
Percentage change in pensions								
Pension commitments	15-17	15-17	9-11	9-11	11-13	11-13	1-2	1-2
Net pension expenses for the period	16-18	17-19	19-21	17-19	17-19	15-17	1-2	1-2

A reduction in the discount rate will, as an isolated factor, result in an increase in pension commitments. A one percentage point change in the discount rate will cause a change in pension commitments in the order of 15 to 17 per cent. Higher salary increases and adjustments in pensions will also cause a rise in pension commitments.

Note 11 – Tax cost

Amounts in million NOK	VITAL FORSIKRING ASA 2010	VITAL FORSIKRING ASA 2009	VITAL FORSIKRING GROUP 2010	VITAL FORSIKRING GROUP 2009
CALCULATION OF TAXABLE INCOME				
Profit before taxes	1 716	1 156	1 724	1 156
Permanent differences	(4 208)	(711)	(4 208)	(711)
Mottatt konsernbidrag	0	0	0	0
Changes in temporary differences	(2 817)	2 096	(2 816)	2 132
Loss carryforwards, used	0	0	0	0
Compensation carryforwards, used	0	(243)	0	(243)
Taxable income	**(5 310)**	**2 298**	**(5 300)**	**2 335**
Tax due (28%)	(0)	644	11	654
Tax due; 3-% tax realised profits	16		16	
COMPUTATION OF DEFERRED				
Tax-increasing temporary differences				
Real estate	66	54	66	54
Securities	1 717	794	1 717	794
Long-term receivables and loans in currency	159	(120)	159	(120)
Profit and loss account	292	357	292	357
Funds exceeding commitments insured pension scheme	124	145	124	145
Total tax-increasing temporary differences	**2 358**	**1 230**	**2 358**	**1 230**
TAX-REDUCING TEMPORARY DIFFERENCES				
Pension commitments	172	169	224	229
Fixed assets	79	79	79	81
Other	(1 020)	993	(1 007)	996
Total tax-reducing temporary differences	**(770)**	**1 241**	**1 306**	**1 305**
Loss carryforwards	5 310	109	5 310	109
Compensation carryforwards	0	0	0	0
Total loss and compensation carryforwards	**5 310**	**109**	**5 310**	**109**
Basis for deferred taxes/tax benefits	2 182	120	2 248	184
Deferred taxes (28%) per 31.12.	**611**	**34**	**629**	**52**
TAX EXPENSES FOR THE YEAR				
Tax due	(17)	(644)	(27)	(654)
Reserve 3% tax	(31)	0	(31)	0
Change in deferred tax	607	533	609	551
Change in deferred taxes associated with changes in the estimates in previous years	(75)	78	(75)	78
Share of tax group contribution	0	10	0	10
Reversing allocation deferred tax in subsidiary	0	198	0	190
Correction, deferred tax RUF and admin reserve	196	0	196	0
The year's realised tax costs (-) -income (+)	**680**	**175**	**672**	**175**
DETERMINATION OF EFFECTIVE TAX RATE				
Profit before taxes	1 716	1 156	1 724	1 156
Estimated income tax at nominal tax rate (28%)	(480)	(324)	(483)	(324)
Tax effect of:				
Realised/Unrealised profits and losses shares/units	664	170	664	170
Change in value indirectly owned property	59	(248)	59	(248)
Change non-recorded deferred taxes property companies	372	305	372	313
Reversing allocation deferred tax in subsidiary		198	0	190
Correction, deferred tax RUF and admin reserve	196	0	196	0
Insufficient tax costs allocated previous years	(67)	78	(67)	78
Expensed deviation deferred tax 2009	(8)	0	(11)	0
Other permanent differences	(55)	(5)	(58)	(5)
Tax income (+) -cost (-)	**680**	**175**	**672**	**175**
Effective tax rate	(39%)	(15%)	(39%)	(15%)

Note 12 – Classification of financial instruments

AS AT 31 DECEMBER 2010 **VITAL FORSIKRING ASA**

	Financial instruments at fair value on income statement	Financial deriva- tives such as sec. instruments	Financial assets and liabilities values at amortised cost	Financial instru- ments held to maturity	Non-financial assets and liabilities	Total
Assets						
Other financial assets	1 414					1 414
Loans and receivables	5 976					5 976
Commercial paper, bonds and bond funds	63 709					63 709
Shares and units of unit trusts	43 308					43 308
Financial assets, customer bears risk	23 506					23 506
Financial derivatives	2 445					2 445
Commercial paper and bonds, hold-to-maturity				68 038		68 038
Investment properties					63	63
Shares and other equity investments in subsidiaries, associated companies and joint ventures					35 250	35 250
Receivables and securities issued by subsidiaries, associated companies and joint ventures					1 841	1 841
Intangible assets					256	256
Other assets					1 659	1 659
Total assets	**140 358**			**68 038**	**39 069**	**247 465**
Liabilities and equity						
Insurance liabilities, customer bears risk					23 506	23 506
Liabilities to policy holders					205 550	205 550
Reserves for liabilities					188	188
FINANCIAL DERIVATIVES	1 299					1 299
Liabilities excl. financial derivatives					1 774	1 774
Accrued expenses and non-earned income					243	243
Subordinated loan capital			2 492			2 492
Total liabilities	**1 299**		**2 492**		**231 261**	**235 052**
Total equity					**12 414**	**12 414**
Total liabilities and equity	**1 299**		**2 492**		**243 675**	**247 465**

AS AT 31 DECEMBER 2010 **VITAL FORSIKRING GROUP**

Assets						
Other financial assets	1 990					1 990
Loans and receivables	5 976					5 976
Commercial paper and bonds	63 709					63 709
Shares and units of unit trusts	43 308					43 308
Financial assets, customer bears risk	23 506					23 506
Financial derivatives	2 445					2 445
Commercial paper and bonds, hold-to-maturity				68 038		68 038
Investment properties					36 023	36 023
Shares and other equity investments in subsidiaries, associated companies and joint ventures					4	4
Receivables and securities issued by subsidiaries, associated companies and joint ventures						
Intangible assets					256	256
Other assets					1 848	1 848
Total assets	**140 934**			**68 038**	**38 131**	**247 103**

Note 12 – Classification of financial instruments

Amounts in million NOK	Financial instruments at fair value on income statement	Financial derivatives such as sec. instruments	Financial assets and liabilities values at amortised cost	Financial instruments held to maturity	Non-financial assets and liabilities	Total
Liabilities and equity						
Insurance liabilities, customer bears risk					23 506	23 506
Liabilities to policy holders					205 550	205 550
Reserves for liabilities					251	251
Financial derivatives	1 299					1 299
Liabilities excl. financial derivatives					1 349	1 349
Accrued expenses and non-earned income					243	243
Subordinated loan capital			2 492			2 492
TOTAL LIABILITIES	**1 299**		**2 492**		**230 899**	**234 690**
Total equity					**12 414**	**12 414**
Total liabilities and equity	**1 299**		**2 492**		**243 313**	**247 103**

Note 13 – Financial instruments at fair value

31. DESEMBER 2010

Amounts in million NOK	Prices in active market Level 1	Observable market data and insignificant credit spread Level 2	Non-observable market data, or significant credit spread Level 3	Accrued interest	Total
Assets					
Other financial assets	1 414	0	0	0	1 414
Loans and receivables	0	5 967	0	9	5 976
Commercial paper, bonds and bond funds	20 562	42 420	0	727	63 709
Shares and units:					
Equities	26 915	96	199	0	27 210
Unit trusts	0	9 900		0	9 900
Property funds	0	0	1 134	0	1 134
Hedge funds	0	873	1 374	0	2 247
PE	0	0	2 816	0	2 816
Investments in investment choice portfolio	23 506	0	0	0	23 506
Financial derivatives	10	2 435	0	0	2 445
Total financial instruments at fair value *)	**72 408**	**61 691**	**5 524**	**736**	**140 358**
Liabilities					
Financial derivatives *)	(26)	(1 273)	0	0	(1 299)
*) Cf. note 12	20 562	42 491			

Note 13 – Financial instruments at fair value

31 DECEMBER 2009

Amounts in million NOK	Prices in active market Level 1	Observable market data and insignificant credit spread Level 2	Non-observable market data, or significant credit spread Level 3	Accrued interest	Total
Assets					
Other financial assets	4 336	0	0	0	4 336
Loans and receivables	0	3 628	0	7	3 636
Commercial paper, bonds and bond funds	31 646	37 385	32	970	70 033
Shares and units:					
Equities	21 792	70	328	0	22 190
Unit trusts	403	0	0	0	403
Property funds	0	0	936	0	936
Hedge funds	753	0	1 083	0	1 836
PE	0	0	2 230	0	2 230
Investments in investment choice portfolio	21 337	0	0	0	21 337
Financial derivatives	193	1 956	0	0	2 149
Total financial instruments at fair value *)	**80 460**	**43 039**	**4 609**	**978**	**129 086**
Liabilities					
Financial derivatives *)	179	1 730	0	0	1 909

*) Cf. note 12

Descriptions of the different levels are given in further detail in note 1

FLOW ANALYSIS LEVEL 3				FINANCIAL ASSETS				FINANCIAL LIABILITIES
Amounts in million NOK		Loans and receivables at credit institutions	Loans to customers	Commercial paper and bonds	Shares and units	Financial assets, customer bears risk	Financial derivatives	Financial derivatives
Balance sheet as at 31.12.09		**0**	**0**	**32**	**4 576**	**0**	**0**	**0**
Net realised gains		0	0	0	158	0	0	0
Net unrealised gains 1)		0	0	7	432	0	0	0
Net gains financial instruments		0	0	7	591	0	0	0
Acquired/purchased	nominal value	0	0	0	593	0	0	0
Traded	fair value	0	0	(39)	(201)	0	0	0
Due	fair value	0	0	0	0	0	0	0
Transferred from level 1 or 2 2)	nominal value	0	0	0	0	0	0	0
Transferred to level 1 or 2 2)	fair value	0	0	0	(35)	0	0	0
Other 3)		0	0	0	0	0	0	0
Balance sheet as at 31.12.10		**0**	**0**	**(0)**	**5 524**	**0**	**0**	**0**

1) The standard requires that how much of the realised gains are related to volumes that are on the balance sheet at the end of the period be shown. A differentiation is thus made between realised and unrealised gains.
2) Remarks on transfers in/out of level 3:
Transfers to level 3 are due to it not being possible as at 31 December 2010 to value the security based upon observable and updated market data.
Transfers from level 3 are due to it being possible as at 31 December 2010 to value the security with a point of departure based upon observable market data, or that the valuation may now occur based upon listed prices in an active market.
3) Changes in exchange rates, etc.

Note 14 – Investment properties

The properties of Vital are a part of the funds in the common portfolio and are owned with the intention to achieve long-term returns for policyholders. Vital's property portfolio is recorded at fair value on the balance sheet date. Vital values the properties based on internal models and external valuations. In the internal models, the present value of expected cash flows is estimated. Contractual cash flows are discounted with a normalised nominal required rate of return, whereas future non-contractual cash flows are discounted with a required rate of return which includes an extra risk premium. The model stipulates a required rate of return of 6.25 per cent during the contract period and, subsequent to this, 9.25 per cent for office properties. The anticipated inflation rate and the implicit assumption regarding real interest rates are kept unchanged during the two periods. The difference in the required rates of return thus solely reflects an increase in the risk premium. The increase in the risk premium of 3 percentage points is intended to compensate for the shift from a reliable and known cash flow to a cash flow which does not have the same degree of predictability. In principle, the same rate of return is used for hotels and shopping centres, but following an individual assessment, the required rate of return was revised downwards by up to 0.75 percentage points for certain properties and upwards by up to 1.5 percentage points for others.

For calculation of the normalised required rate of return, the company takes a point of departure in a risk-free rate of interest, normally a government bond yield with a duration of three to five years. Then a relevant risk premium related to the asset class or the project to be valued is subsequently added.

Market rents are considered individually for each property based on a wide range of information, including external market statistics, external analyses and market assessments, internal market interpretations and internal information and knowledge of local market conditions and the properties' technical condition. The model uses the market rent in the terminal stage, so that neither a real price increase nor decrease is assumed.

According to our analysis, the market development in 2010 does not provide a basis for general adjustments to the central parameters in the internal valuation model. Throughout the year, downward adjustments are made on market rents for parts of the office portfolio. Both market rents and other parameters in the valuation model are considered to be well in accordance with the market.

At the end of Q4, Vital Forsikring carried out a complete evaluation of the investment properties. The properties in Sweden were evaluated according to procured appraisals, whereas the properties in Norway were evaluated on the basis of the company's own valuation model. As a supplement to the values in the internal model, appraisals were obtained from two independent, external appraisers for a representative selection of properties corresponding to approximately 29 per cent of the property portfolio in Norway. The purpose of the external appraisals is to benchmark the internal valuations against independent references. Vital's calculations and recorded values are within an acceptable reliability interval of plus/minus 5 per cent in relation to average external appraisals.

There has been a consistently positive development in the real estate market throughout 2010. Activity in the rental market has increased. Rental levels have stabilised. Due to increasing vacancies, the expected upturn in rental levels has generally not occurred. In the transaction market, there has been a marked increase compared to the previous two years. Greater competition for relatively few good possibilities has meant that the yield has slowly decreased throughout the year. As a result of the limited willingness to take on risk, an equivalent downturn has not been observed in other markets.

The total contract rents for the wholly owned portfolio in Norway decreased by NOK 14 million throughout 2010 to NOK 1 575 million. In the same period, the valued market rents for the portfolio decreased by NOK 22 million to NOK 1 697 million. Corrected for changes in the portfolio, contract rents have increased by NOK 48 million, while market rents have increased by NOK 15 million. The economic vacancy rate in the portfolio at the end of 2010 was 4.4 per cent. This is an equivalent level to that at the end of 2009.

The valuations resulted in total write-ups of NOK 341 million to the property portfolio in 2010. Of this, write-ups on development projects represented NOK 3 million. Costs relating to projects in Vital Forsikring's portfolio will normally be guaranteed through turnkey contracts, while income will generally be ensured through contracts concluded before the projects are started.

Valuations are particularly sensitive to changes in required rates of return and assumptions regarding future income flows. Other things equal, a 0.25 percentage point change in the required rate of return will change the value of the property portfolio by approx. 3.5 per cent (NOK 832 million kroner). Other things equal, a 5 per cent change in future market rents will change the value of the property portfolio by 3.9 per cent (NOK 934 million).

Tenants in Vital Forsikring's properties are subject to a semi-annual credit evaluation. In Q4 of 2009, 1 per cent of the tenants were categorised as non-creditworthy and unable to provide collateral.

Building type	Town/Location	Fair value	Annual rental level per m²	Gross rental area m²	Average rental period in no. of years
Rental period in total years					
Office building	East	11 177	1 498	557 339	4.7
Office building	Rest of Norway	3 162	1 424	169 129	3.6
Shopping centre	Oslo/Bergen/Trondheim/Other	7 845	2 111	219 074	3.9
Hotels	Oslo/Bergen/Trondheim/Other	3 845	1 462	158 186	10.6
Abroad	London/Stockholm/Gothenburg/Malmø	9 881	2 603	244 535	4.0
Other	East/West	49	1 362	3 536	0
Total directly owned properties and properties owned through Vital Eiendomsholding as at 31.12.10		**35 960**	**1 793**	**1 351 798**	**4.7**
Of which values of projects		1 962			
Total directly owned properties, ANS, KS and AS as at 31.12.09		**32 766**	**1 710**	**1 314 466**	**5.0**
Change in 2010		3 194	83	37 332	(0.3)

Note 14 – Investment properties

FORM OF OWNERSHIP OF INVESTMENT PROPERTY *)	31.12.10	31.12.09	31.12.08
Directly owned properties	63	98	196
Properties in AS	27 762	26 533	26 302
Properties in ANS/KS	8 255	6 135	5 879
Total properties owned directly and through Vital Eiendomsholding AS as at 31.12.10	**36 080**	**32 766**	**32 383**

*) Properties presented as investment properties regardless of form of ownership.

DIRECT RETURNS	31.12.10	31.12.09	31.12.08
Rental income	2 147	2 051	2 001
Operating costs	(405)	(394)	(389)
Net rent	**1 741**	**1 657**	**1 612**

INVESTMENTS/SALES OF REAL ESTATE LAST 5 YEARS	2010	2009	2008	2007	2006	2005
– Invested	2 946	3 050	2 488	1 002	1 500	2 198
– Sold (selling price)	449	1 198	933	529	1 071	532

ADDITIONS/DISPOSALS AND VALUE ADJUSTMENT LAST YEAR

Amounts in million NOK

Value on balance sheet as at 31.12.08	**32 383**
Additions, purchases of new properties	1 831
Additions, capitalised investments	718
Additions, acquired companies	0
Reclassification from shares	0
Net gains resulting from adjustment to fair value	(669)
Net gains resulting from fair value adjustment of projects	(218)
Disposals	(698)
Exchange rate movements etc.	(581)
Value on balance sheet as at 31.12.09	**32 766**
Additions, purchases of new properties	1 807
Additions, capitalised investments	1 139
Additions, acquired companies	0
Reclassification from shares	0
Net gains resulting from adjustment to fair value	338
Net gains resulting from fair value adjustment of projects	3
Disposals	(449)
Exchange rate movements etc.	355
Value on balance sheet as at 31.12.10	**35 960**

PROJECTS, EXPECTED COMPLETION	2011	2012	2013
Contractual liabilities for purchasing and development of properties	817	92	23

Note 15 – Shares in subsidiaries and associated companies

Amounts in million NOK	Subsidiaries	Associated companies	Total
Acquisition costs	15 252	0	15 252
Booked value as at 31.12.08	11 268	19	11 286
Change in capital 2008, recorded 2009	2 933	0	2 933
Booked value as at 01.01.09	**14 200**	**19**	**14 219**
Addition/disposal	(219)	0	(219)
Portion of the result	135	1	136
Group contribution	52	(1)	51
Changes in capital	2 164	0	2 164
Booked value as at 01.01.10	**16 332**	**19**	**16 351**
Addition/disposal	(142)	0	(142)
Portion of the result	2 097	(2)	2 095
Group contribution	6	0	6
Changes in capital	16 940	0	16 940
Booked value as at 31.12.10	**35 234**	**17**	**35 250**

SUBSIDIARIES IN COMPANY PORTFOLIO	Business office	Ownership interest	Share of voting rights
Vital Eiendom AS	Bergen	100%	100%
Vital Pekon AS	Bergen	100%	100%
Snorre Finansrådgivning AS	Drammen	78%	78%

SUBSIDIARIES IN COMMON PORTFOLIO	Business office	Ownership interest	Share of voting rights
Vital Eiendomsholding AS	Bergen	100%	100%
Vital Forsikring Eiendom Sverige AB	Stockholm	100%	100%
Kortbyrån 17 AB	Stockholm	100%	100%
Vital Handelsparker AS	Bergen	100%	100%
Vital EiendomsInvest KS	Bergen	90%	90%
Vital EiendomsKomplementar AS	Bergen	100%	100%
Storbyen Drift AS	Bergen	100%	100%
Vital Eiendomsforvaltning AS	Bergen	100%	100%
Admiral Hotel AS	Bergen	100%	100%
Akersgata 1-5 AS	Bergen	100%	100%
Beddingen 16 AS	Bergen	100%	100%
Brugata 19 AS	Bergen	100%	100%
Bryggen Eiendom Tromsø AS	Bergen	100%	100%
Brynsveien 11/13 Eiendom AS	Bergen	100%	100%
Brynsveien 12 Eiendom AS	Bergen	100%	100%
Brynsveien 3 Eiendom AS	Bergen	100%	100%
Drammensveien 165/167 AS	Bergen	100%	100%
Drammensveien 169/171 AS	Bergen	100%	100%
Drammensveien 173/175/177 Eiendom AS	Bergen	100%	100%
Essendropsgate 3 AS	Bergen	100%	100%
Folke Bernadottesvei 40 AS	Bergen	100%	100%
Fornebuveien 7 AS	Bergen	100%	100%
Fornebuveien Bygg AS	Bergen	100%	100%
Galleriet Kjøpesenter AS	Bergen	100%	100%
Granfos Næringspark AS	Bergen	100%	100%
Grønvold Gård AS	Bergen	100%	100%
Haslevangen 15 AS	Bergen	100%	100%
Hoffsveien 21/23 AS	Bergen	100%	100%
Hotellgården AS	Bergen	100%	100%
Hygea AS	Bergen	100%	100%
Kirkegaten 24-26 AS	Bergen	100%	100%
Strandveien 13-15 AS	Bergen	100%	100%
Lysaker Brygge Næring AS	Bergen	100%	100%

Note 15 – Shares in subsidiaries and associated companies

SUBSIDIARIES IN COMMON PORTFOLIO	Business office	Ownership interest	Share of voting rights
Lørenveien 55 AS	Bergen	100%	100%
Lørenveien 57 AS	Bergen	100%	100%
Lørenveien 59-65 AS	Bergen	100%	100%
Markeveien 1 B AS	Bergen	100%	100%
Medie-Hjørnet AS	Bergen	100%	100%
Nordnorsk Hotell AS	Bergen	100%	100%
Oslo City Kjøpesenter AS	Bergen	100%	100%
Roald Amundsensgate 6 AS	Bergen	100%	100%
Rosenkrantzgaten 12 AS	Bergen	100%	100%
Rosenkrantzgaten 3 AS	Bergen	100%	100%
Royal Christiania Hotel AS	Bergen	100%	100%
Sandbrogaten 5/7 AS	Bergen	100%	100%
Sandvika Torg AS	Bergen	100%	100%
Sannergaten 2 AS	Bergen	100%	100%
Sjøgaten Eiendomsutvikling AS	Bergen	100%	100%
Sjøsiden Kjøpesenter AS	Bergen	100%	100%
Skjærgården Hotell & Badepark AS	Bergen	100%	100%
Starvhusgaten 2 A AS	Bergen	100%	100%
Starvhusgaten 2 B AS	Bergen	100%	100%
Storbyen Kjøpesenter AS	Bergen	100%	100%
Stortinggaten 22 AS	Bergen	100%	100%
Stortorvet 7 AS	Bergen	100%	100%
Strandgaten 17 AS	Bergen	100%	100%
Strandkanten Garasjeanlegg AS	Bergen	100%	100%
Strandveien 50 AS	Bergen	100%	100%
Strømsveien 344 AS	Bergen	100%	100%
Tollboden Eiendom Drammen AS	Bergen	100%	100%
Tollbugaten 32 AS	Bergen	100%	100%
Trondheim Hotell AS	Bergen	100%	100%
Trondheim Torg AS	Bergen	100%	100%
Tullinsgate 2 Eiendom AS	Bergen	100%	100%
Vestnorsk Hotel AS	Bergen	100%	100%
Vital Kristiansand Hotell AS	Bergen	100%	100%
Vital Oasen Kjøpesenter AS	Bergen	100%	100%
Vital Strandgaten 4 AS	Bergen	100%	100%
Vital Strandveien 18 AS	Bergen	100%	100%
Østre Akervei 95 Eiendom AS	Bergen	100%	100%
ANS Alfa	Bergen	100%	100%
ANS Beddingen	Bergen	100%	100%
ANS Fernanda	Bergen	100%	100%
ANS Fjordalleen 16	Bergen	100%	100%
ANS Hagaløkkveien 13	Bergen	100%	100%
ANS Louise	Bergen	100%	100%
ANS Sjøsiden 1	Bergen	100%	100%
ANS Sjøsiden 2	Bergen	100%	100%
ANS Skiold	Bergen	100%	100%
ANS Sofie	Bergen	100%	100%
ANS Therese	Bergen	100%	100%
ANS Torden	Bergen	100%	100%
ANS Torgalmenningen 14	Bergen	100%	100%
Nye Ullevål ANS	Bergen	100%	100%
Nye Ullevål Park ANS	Bergen	100%	100%
Sandslimarka 251 ANS	Bergen	100%	100%
Ullevål ANS	Bergen	100%	100%
Ullevål Park ANS	Bergen	100%	100%
Verdibo ANS	Bergen	100%	100%

Note 15 – Shares in subsidiaries and associated companies

SUBSIDIARIES IN COMMON PORTFOLIO	Business office	Ownership interest	Share of voting rights
KS Bakerikvartalet	Bergen	100%	100%
KS Bryggen Hotel AS	Bergen	90%	90%
KS Sandsligården 2	Bergen	100%	100%
KS Torggården AS	Bergen	90%	90%
Sandsligården KS	Bergen	100%	100%

ASSOCIATED COMPANIES	Business office	Ownership interest	Share of voting rights
Ferd. Storjohanns Sønner AS	Bergen	32%	32%
Norsk Pensjon AS	Bergen	25%	25%

Note 16 –Investments held to maturity

Commercial paper and bonds are held to maturity by Vital Forsikring and comprised NOK 60 038 million as at 31 December 2010. Vital's portfolio of securities consists of bonds issued by highly creditworthy borrowers. At end-December 2010, bonds with government guarantees represented approximately 22 per cent of the portfolio. The remaining bonds are generally issued by municipalities/county municipalities and finance companies with sound creditworthiness. All investments in bonds issued by finance companies represent senior debt, which has the highest ranking in the capital structure and first priority if the issuer goes bankrupt. Only in exceptional cases does Vital invest in bonds issued by traditional manufacturing companies. The composition of the portfolio is presented below.

	Booked value	Fair value	Booked value	Fair value
Amounts in million NOK	**31.12.10**	**31.12.10**	**31.12.09**	**31.12.09**
State/state guaranteed	14 807	15 307	15 960	15 958
State-owned enterprises	643	625	644	1 059
Municipalities/county municipalities	9 158	9 316	8 974	9 028
Financial institutions	17 618	17 603	19 372	19 452
Bonds with preferential rights	16 092	16 570	12 961	13 350
Other issuers	7 987	7 983	8 451	8 379
Total commercial paper and bonds, hold-to-maturity	**66 303**	**67 403**	**66 361**	**67 227**
Accrued interest	1 735	1 735	1 767	1 767
Commercial paper and bonds, hold-to-maturity	**68 038**	**69 138**	**68 128**	**68 994**

Of which listed securities	56%

CHANGES IN HOLDINGS THROUGH THE ACCOUNTING YEAR

Amounts in million NOK	Commercial paper and bonds hold-to maturity
Balance sheet as at 01.01.09	**55 761**
Addition	17 737
Disposal	6 137
Accrued premium/discount for the year (amortisation)	(66)
Change of currency value	(934)
Balance sheet as at 31.12.09	**66 361**
Addition	5 084
Disposal	4 792
Accrued premium/discount for the year (amortisation)	(77)
Change of currency value	(272)
Balance sheet as at 31.12.10	**66 303**

Note 16 – Investments held to maturity

BONDS SPECIFIED BY CURRENCY	Booked value	Fair value	Booked value	Fair value
Amounts in million NOK	**31.12.10**	**31.12.10**	**31.12.09**	**31.12.09**
NOK	61 825	62 737	61 126	61 728
EUR	4 072	4 242	4 831	5 071
USD	407	424	404	428
Total	**66 303**	**67 403**	**66 361**	**67 227**
Accrued interest	1 735	1 735	1 767	1 767
Commercial paper and bonds, hold-to-maturity	**68 038**	**69 138**	**68 128**	**68 994**

BONDS GROUPED BY MATURITY DATE

Amounts in million NOK

	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
NOK	375	50	2 981	21 677	36 742	61 825
EUR	0	0	195	3 060	817	4 072
USD	0	0	0	407	0	407
Total	**0**	**50**	**3 175**	**25 143**	**37 560**	**66 303**

	31.12.10	31.12.09
Duration	**4.95**	**5.08**
Average effective interest in per cent*	**4.98**	**5.03**

*) For the individual interest-bearing instrument, the effective interest is computed based upon the recorded value of the paper.
The weighting for the average effective interest rate for the entire holding is done using each individual paper's portion of the total interest rate sensitivity as weights.

Note 17 – Shares, units and primary capital certificates at fair value through the profit and loss account ►

NORGE

Amount in thousand NOK

Financial institutions and insurance	No. shares	Ownership interest in per cent	Acquisition costs	Fair value
Aktiv Kapital ASA	277 434	0.59	25 344	12 346
Gjensidige Forsikring ASA	1 738 800	0.35	102 446	101 720
Sparebanken Vest. Grunnfondsbevis	131 600	0.00	5 907	6 185
STOREBRAND ASA	5 243 666	1.17	174 221	228 886
Total financial institutions and insurance			**307 918**	**349 137**

Other shares in Norway	No. shares	Ownership interest in per cent	Acquisition costs	Fair value
Statoil asa	14 655 826	0.46	2 142 399	2 031 297
Telenor asa	10 285 961	0.62	919 140	975 109
Yara international asa	2 572 175	0.89	709 402	868 109
Orkla asa	13 258 161	1.09	814 402	751 738
Oslo børs vps holding asa	8 233 680	0.00	477 718	576 358
Norsk hydro asa	10 684 744	0.66	396 663	455 277
Petroleum geo-services asa	3 131 215	1.44	202 853	284 471
Tgs nopec geophysical company asa	1 849 085	1.79	196 320	243 155
Aker solutions asa	2 077 928	0.76	152 462	206 234
Marine harvest asa	32 318 324	0.90	137 341	199 404
Schibsted asa	1 125 259	1.04	123 757	193 545
Norwegian air shuttle asa	1 305 837	3.78	128 240	153 436
Fred olsen energy asa	482 036	0.72	115 847	124 269
Cermaq asa	1 323 135	1.43	74 221	119 082
Veidekke asa	1 936 444	1.45	95 329	101 663
Wilh. Wilhelmsen asa	2 183 388	0.99	62 235	92 794
Imarex asa	1 618 707	0.00	96 313	92 266
Algeta asa	632 194	1.60	44 849	85 978
Renewable energi corporation asa	4 606 913	0.46	99 270	81 957

Note 17 – Shares, units and primary capital certificates at fair value through the profit and loss account ▶

Other shares in Norway	No. shares	Ownership interest in per cent	Acquisition costs	Fair value
Austevoll Seafood ASA	1 517 017	0.75	62 979	75 244
Additional other shares in Norway			1 000 814	897 543
Total other shares in Norway			**8 052 557**	**8 608 929**
Total shares Norway			**8 360 474**	**8 958 066**

ABROAD

Financial institutions and insurance	No. shares	Ownership interest in per cent	Acquisition costs	Fair value
African Bank Investments Ltd	776 935	0.10	18 390	26 451
AIA Group Ltd	209 800	0.00	3 266	3 428
AXIS Bank Ltd	93 922	0.02	14 200	16 483
BanColombia SA – ADR	45 880	0.07	11 012	16 510
Bank Central Asia Tbk PT	789 400	0.00	2 534	3 259
Bank Pekao SA	17 121	0.01	5 157	6 029
Bco Santander Chile	5 989 563	0.00	2 030	3 147
BM&F Bovespa SA	303 913	0.01	12 698	13 972
China Construction Bank Corp	7 160 440	0.00	31 744	37 317
Commercial International Bank (Egypt)	206 428	0.03	6 716	9 797
Compartamos SAB DE CV	1 528 800	0.09	8 636	19 344
Credicorp (USD)	37 114	0.04	20 536	25 563
EFG Hermes Holding SAE	257 229	0.07	7 929	8 736
Grupo Financiero Inbursa SA de CV	224 390	0.00	5 354	5 737
Haci Omer Sabanci Holding AS	375 034	0.02	9 003	10 198
Hang Lung Group Limited	134 000	0.01	3 865	5 120
Hang Lung Properties Ltd	514 000	0.01	11 996	13 970
HDFC Bank Ltd - ADR	14 010	0.01	11 108	13 608
Hong Kong Exchanges and Clearing Ltd	114 200	0.01	11 943	15 054
Housing Dev Finance Corp	185 163	0.01	11 757	17 531
ICICI Bank - ADR	48 190	0.01	10 929	14 184
Industrial and Commercial Bank of China Asia Ltd	8 549 925	0.01	35 843	37 015
Investimentos Itau SA	571 080	0.02	17 933	26 395
Itau Unibanco Banco Multiplo SA - ADR	94 200	0.00	11 609	13 141
Johannesburg Stock Exchange	12 700	0.01	515	881
Kasikornbank PCL NVDR	666 600	0.03	9 218	16 131
KB Financial Group Inc	69 123	0.02	23 509	21 241
Multiplan Empreendimentos Imobiliarios SA	41 000	0.02	4 061	5 297
Rural Electrification Corp Ltd	532 160	0.05	18 061	20 690
Siam Commercial Bank (F)	150 500	0.00	2 629	3 047
Sm Prime Holdings Inc	12 920 162	0.09	15 090	19 507
Standard Bank Group Ltd	202 469	0.01	15 824	19 132
Turkiye Garanti Bankasi	607 940	0.01	16 839	17 955
Total financial institutions and insurance			**391 933**	**485 876**

Other shares abroad	No. shares	Ownership interest in per cent	Acquisition costs	Fair value
Seadrill Ltd	3 301 779	0.87	615 710	651 111
Subsea 7 SA	3 710 182	1.05	360 163	530 556
Exxon Mobil Corporation	762 275	0.02	310 120	323 974
Royal Caribbean Cruises Ltd	1 055 388	0.49	233 183	291 604
Microsoft Corporation	1 362 507	0.02	227 319	221 114
General Electric Company	1 918 668	0.02	198 813	203 975
Google Inc	58 324	0.02	197 738	201 361
Apple Inc	106 856	0.01	187 497	200 342
Procter and Gamble Company	370 558	0.01	142 988	138 558
Siemens AG	189 207	0.02	122 342	136 769
Pfizer Inc	1 333 148	0.02	140 206	135 684
BHP Billiton Ltd	486 891	0.01	119 317	131 268
Nestle SA	370 784	0.01	116 759	126 592

Note 17 – Shares, units and primary capital certificates at fair value through the profit and loss account ►

	No. shares	Ownership interest in per cent	Acquisition costs	Fair value
Prosafe SE	2 690 433	1.17	91 869	124 836
Total SA	388 893	0.02	129 972	120 238
Johnson & Johnson	327 491	0.01	125 863	117 734
Roche Holding AG	133 370	0.02	122 745	113 941
AT&T Inc	645 780	0.01	107 527	110 281
PepsiCo Inc	275 452	0.02	109 004	104 598
GlaxoSmithKline Plc	894 652	0.02	104 352	100 956
Vodafone Group Plc	6 583 089	0.01	93 687	99 328
CVS Caremark Corp	488 803	0.04	102 186	98 787
Hewlett Packard Company	402 565	0.02	110 865	98 510
Novartis AG	273 498	0.01	90 569	93 718
Chevron Corp	167 710	0.01	89 532	88 952
Royal Dutch Shell Plc	446 942	0.01	78 990	86 980
Toyota Motor Corporation	369 400	0.01	87 887	85 245
Schlumberger Ltd	164 338	0.01	80 707	79 760
Cisco Systems Inc	675 384	0.01	98 490	79 416
ABB Ltd	610 367	0.03	76 969	79 283
BHP Billiton Plc	338 508	0.02	68 639	78 585
Yahoo! Inc	785 856	0.06	77 280	75 962
Valero Energy Corp	552 285	0.10	65 166	74 219
Walt Disney Company	336 811	0.02	72 939	73 434
ConocoPhillips	179 190	0.01	63 437	70 929
BG Group Plc	584 533	0.02	64 035	68 940
L air Liquide SA	92 450	0.03	65 645	68 226
Royal Dutch Shell B	350 543	0.01	60 409	67 470
Anadarko Petroleum Corporation	152 001	0.03	62 477	67 288
Intel Corporation	549 536	0.01	72 783	67 174
Taiwan Semiconductor Manufacturing Co Ltd	4 709 768	0.02	52 064	66 663
Coca Cola Company	170 828	0.01	66 828	65 306
BASF SE	139 895	0.02	67 586	65 125
Electronic Arts Inc	683 370	0.21	66 420	65 063
Merck & Company	310 263	0.01	68 458	64 995
Diageo Plc	602 465	0.02	63 398	64 969
Vale SA-SP Pref - ADR	365 930	0.02	48 224	64 277
Time Warner Cable Inc	165 168	0.05	59 271	63 391
McDonald's Corporation	141 335	0.01	63 831	63 059
EMC Corporation	468 651	0.02	59 473	62 380
Ford Motor Company	634 253	0.02	64 125	61 898
Emerson Electric	185 647	0.02	58 046	61 691
Apache Corporation	87 550	0.02	61 987	60 674
Flowserve Corp	86 449	0.15	55 937	59 906
BW Offshore Ltd	3 640 503	0.53	51 017	59 340
UPM Kymmene Oyj	572 100	0.11	54 436	58 976
BMW AG	128 054	0.02	64 656	58 764
Parker Hannifin Corp	116 696	0.07	59 949	58 537
Telefonica	437 011	0.01	64 341	57 812
Infosys Technologies Ltd	126 888	0.02	41 202	56 785
International Business Machines Corporation	65 978	0.01	55 492	56 282
Koninklijke Ahold NV	725 073	0.06	56 950	55 838
3M Company	110 875	0.02	56 632	55 617
Newmont Mining Corporation	153 697	0.03	57 912	54 879
Eli Lilly & Co	267 498	0.02	56 642	54 481
Wellstream Holdings Plc	740 908	0.74	41 979	53 266
Syngenta AG	30 980	0.03	49 682	52 837
Kimberly-Clark Corporation	143 956	0.04	54 375	52 748
Canadian National Railway Company	135 283	0.03	52 613	52 507
Atlas Copco A	357 800	0.04	54 014	52 497

Note 17 – Shares, units and primary capital certificates at fair value through the profit and loss account ▶

	No. shares	Ownership interest in per cent	Acquisition costs	Fair value
Baxter International Inc	178 364	0.03	59 199	52 480
High Tech Computer Corp	288 070	0.04	32 538	51 685
Adobe Systems Inc	284 118	0.05	49 722	50 831
Saras SpA	4 115 309	0.43	51 203	50 542
Corning Incorporated	448 635	0.03	49 721	50 381
Daimler AG	127 208	0.01	54 543	50 321
Time Warner Inc	266 610	0.02	53 189	49 853
AstraZeneca Plc	186 735	0.01	53 022	49 655
Oneok Inc	153 940	0.14	46 008	49 633
Honda Motor Company Ltd	215 100	0.01	45 606	49 561
E.ON AG	275 080	0.01	57 489	49 196
Covidien Plc	185 220	0.04	46 769	49 157
Celgene Corp	141 928	0.03	47 300	48 788
AutoZone	30 574	0.07	44 550	48 442
Devon Energy Corporation	105 177	0.02	44 490	47 996
Anheuser-Busch InBev NV	142 387	0.01	50 682	47 521
Reckitt Benckiser Group Plc	146 969	0.02	48 663	47 146
ArcelorMittal SA	212 130	0.01	45 448	46 944
Petroleo Brasileiro SA - ADR	234 600	0.01	50 024	46 595
America Movil - ADR	139 510	0.01	38 078	46 497
Amazon.Com Inc	44 388	0.01	48 720	46 441
Tenaris SA	324 303	0.03	44 864	46 404
Enel SpA	1 565 677	0.02	53 079	45 661
Archer Daniels Midland	260 701	0.04	45 710	45 581
Verizon Communications Inc	217 738	0.01	45 185	45 283
Suncor Energy Inc	201 918	0.01	42 277	45 214
Lubrizol Corp	72 079	0.11	42 106	44 778
Itochu Corp	758 000	0.05	40 559	44 654
Sears Holdings Corp	103 402	0.09	46 809	44 326
Ericsson B	653 366	0.02	43 610	44 146
International Paper Company	278 642	0.06	41 247	44 118
Whirlpool Corp	85 370	0.11	40 619	44 079
Pearson Plc	474 941	0.06	43 449	43 567
Progress Energy	169 206	0.06	44 263	42 763
AGCO Corp	143 198	0.15	34 130	42 166
METRO A	158 806	0.15	42 177	41 989
Liberty Global Inc	202 606	0.17	38 708	41 665
China Mobile Ltd	713 500	0.00	42 410	41 186
Newfield Exploration Co	98 136	0.07	42 342	41 133
Marathon Oil Corporation	191 056	0.03	40 167	41 122
Dominion Resources Inc	165 234	0.03	43 223	41 029
Electrolux B	247 300	0.08	36 652	40 838
BP Plc	963 544	0.01	44 151	40 822
NHN Corp	35 096	0.07	33 604	40 803
Amgen Inc	127 306	0.01	43 639	40 624
Key Energy Services Inc	529 169	0.37	37 867	39 924
Arrow Electronics Inc	199 808	0.17	35 674	39 777
Boston Scientific Corp	902 064	0.06	39 368	39 691
Life Technologies Corp	122 820	0.07	35 130	39 621
TeliaSonera	857 500	0.02	40 248	39 516
Comcast Corp	308 301	0.01	36 464	39 370
Celanese Corp Series A	163 835	0.11	33 084	39 206
St Jude Medical Inc	157 640	0.05	38 013	39 171
Target Corporation	111 207	0.02	36 868	38 867
Sasol Ltd	127 114	0.02	28 206	38 673
Conagra Foods Inc	293 605	0.07	39 304	38 535
Bunge	100 276	0.07	37 067	38 189

Note 17 – Shares, units and primary capital certificates at fair value through the profit and loss account ►

	No. shares	Ownership interest in per cent	Acquisition costs	Fair value
Cap Gemini SA	140 026	0.09	39 874	38 140
DeVry Inc	135 574	0.19	38 501	37 809
Agrium	70 258	0.04	31 729	37 605
G4S Plc	1 620 484	0.11	38 079	37 546
Oracle Corporation	205 849	0.00	39 170	37 450
Abbott Laboratories	132 943	0.01	41 421	37 022
CF Industries Holdings Inc	46 974	0.07	35 967	36 901
Fanuc Ltd	41 200	0.02	32 740	36 820
France Telecom SA	301 388	0.01	40 186	36 651
JB Hunt Transport Services	154 215	0.12	33 655	36 581
Novo Nordisk AS	55 207	0.01	33 858	36 336
Tyco International Ltd	150 786	0.03	35 741	36 320
Tele2 B	300 300	0.07	32 815	36 245
Unilever NV	198 913	0.01	36 399	36 140
Holcim Ltd	81 961	0.03	32 869	36 109
NStar	146 633	0.14	35 074	35 959
Gap Inc	276 361	0.04	31 969	35 565
Stolt-Nielsen Ltd	249 331	0.39	26 985	35 530
Vallourec SA	57 807	0.05	35 045	35 430
Mediatek Inc	417 958	0.04	40 719	34 787
National Grid Plc	680 604	0.02	33 397	34 251
WPP Plc	470 012	0.04	32 888	33 769
Magnit OAO	43 889	0.05	16 267	33 572
William Demant Holding	77 300	0.13	34 399	33 325
Sandvine Corp	2 022 724	1.48	25 210	33 249
GameStop Corp	249 484	0.16	30 938	33 179
Impala Platinum Holdings Ltd	160 947	0.03	24 987	32 942
Kubota Corp	593 000	0.05	31 737	32 681
Warner Chilcott Plc	246 737	0.10	30 276	32 355
MeadWestvaco Corp	212 397	0.13	31 639	32 296
Sumitomo Electric Industries Ltd	395 700	0.05	30 984	31 988
Songa Offshore	1 004 437	0.60	19 266	31 539
UnitedHealth Group Incorporated	147 605	0.01	29 493	30 981
Companhia de Bebidas das Americas – ADR	171 000	0.06	21 326	30 842
Nokia Oyj	506 200	0.01	34 434	30 552
Union Pacific Corporation	56 190	0.01	30 828	30 263
VimpelCom Ltd – ADR	344 611	0.03	33 137	30 126
Wisconsin Energy Corp	87 720	0.08	30 185	30 011
Quanta Services Inc	258 162	0.12	31 199	29 891
Puma AG	15 430	0.10	30 239	29 839
RWE AG	76 697	0.01	34 440	29 837
Southwestern Energy Co	136 360	0.04	35 315	29 667
NTT Docomo Inc	2 900	0.01	27 198	29 471
Anglo American Plc	96 342	0.01	23 594	29 244
Applied Material Inc	357 004	0.03	26 393	29 155
Sony Corporation	135 400	0.01	27 667	28 403
EDP Energias De Portugal SA	1 455 656	0.04	29 283	28 275
Perusahaan Gas Negara	9 887 000	0.04	23 345	28 224
Norfolk Southern Corporation	76 529	0.02	28 924	27 944
Enersis SA – ADR	206 900	0.03	22 043	27 925
Eldorado Gold Corp	255 570	0.05	28 593	27 657
Texas Instruments Incorporated	146 287	0.01	28 408	27 635
Newcrest Mining Ltd	114 293	0.01	24 859	27 538
Chesapeake Energy Corp	179 552	0.03	26 413	27 041
Cnooc Ltd	1 951 000	0.00	18 434	26 900
Kingfisher Plc	1 111 092	0.05	25 187	26 633
Woolworths Ltd	164 261	0.01	25 622	26 395

Note 17 – Shares, units and primary capital certificates at fair value through the profit and loss account ►

	No. shares	Ownership interest in per cent	Acquisition costs	Fair value
SKF B	158 000	0.04	21 853	26 174
Ccr Rodovias On	159 000	0.04	17 273	26 111
PTT Plc	419 200	0.01	20 323	25 865
United Technologies Corporation	56 344	0.01	24 282	25 781
Wesfarmers Ltd	134 770	0.01	24 102	25 695
EOG Resources Inc	47 954	0.02	30 484	25 479
Carlsberg B	43 500	0.04	26 158	25 422
Astral Media	103 160	0.19	22 327	25 345
National Semiconductor Corp	316 876	0.13	25 190	25 344
Makita	105 900	0.08	20 619	25 197
Cielo SA	523 251	0.04	28 352	24 643
Chunghwa Telecom Co Ltd	1 651 455	0.02	16 617	24 396
Grupo Mexico SA B de CV	1 020 700	0.01	18 909	24 334
Turkcell Iletisim Hizmet AS	610 382	0.03	24 772	24 321
Canon Inc	80 500	0.01	22 235	24 288
Tokyo Electric Power Co Inc	169 200	0.01	27 275	24 046
Tupras	164 744	0.07	14 844	24 017
Public Power Corp SA	285 190	0.12	28 266	23 884
Qualcomm Inc	82 950	0.01	24 679	23 861
President Chain Store Co	888 056	0.09	12 314	23 812
Occidental Petroleum Corporation	41 598	0.01	22 448	23 719
Garmin	130 183	0.07	26 745	23 450
Empire Co Ltd	71 652	0.21	22 258	23 396
Air France KLM	218 519	0.07	21 044	23 225
Actelion Ltd	72 735	0.06	23 784	23 223
Grupo Televisa SA-SPONS ADR	153 280	0.03	17 478	23 102
International Flavors and Fragrances	71 328	0.09	23 228	23 047
Cintas Corp	141 495	0.09	23 294	22 995
Swedish Orphan Biovitrum AB	649 932	0.31	21 555	22 758
Coca Cola Hellenic Bottling Co SA	148 630	0.04	23 073	22 438
Fomento Economico Mexicano SA de CV – ADR	68 700	0.03	18 865	22 330
Panasonic Corp	269 000	0.01	22 775	22 228
Viacom CL B	96 255	0.02	21 914	22 161
Toshiba Corporation	699 000	0.02	22 993	22 142
Gameloft SA	515 165	0.69	14 440	21 934
Darden Restaurants Inc	81 147	0.06	21 988	21 904
Caterpillar Inc	40 210	0.01	22 543	21 890
Philippine Long Distance Telephone Company – ADR	63 800	0.03	19 659	21 609
Amerigroup Corp	84 000	0.16	22 397	21 444
Lukoil OIO – ADR	64 100	0.01	19 291	21 319
China Merchants Holdings International Co Ltd	928 000	0.04	17 620	21 302
GEA Group AG	124 914	0.07	19 204	21 069
China Resources Power Holdings Co Ltd	2 000 000	0.04	24 840	21 056
Medco Health Solutions Inc	58 876	0.01	22 388	20 968
Tullow Oil Plc	181 723	0.02	21 536	20 854
Express Scripts Inc	66 352	0.01	20 333	20 846
Parmalat SpA	1 296 143	0.07	20 781	20 719
FirstGroup Plc	571 425	0.12	20 732	20 712
Ralcorp	54 210	0.10	20 915	20 484
Bristol-Myers Squibb Company	131 577	0.01	20 990	20 252
Natura Cosmeticos On	121 100	0.03	14 078	20 222
Tingyi (Cayman Islands) Holdings Corp	1 359 000	0.02	20 435	20 221
Sanofi-Aventis SA	53 998	0.00	24 142	20 148
Tenaris SA – ADR	70 570	0.01	15 866	20 091
Nobel Biocare Holding AG	182 639	0.15	18 099	20 079
Koyo Seiko	291 000	0.09	18 949	19 979
Redecard SA	269 900	0.04	23 408	19 893

Note 17 – Shares, units and primary capital certificates at fair value through the profit and loss account ►

	No. shares	Ownership interest in per cent	Acquisition costs	Fair value
MTN Group Ltd	167 728	0.01	14 805	19 809
Franco Nevada Corp	101 628	0.09	19 688	19 773
Vizrt Ltd	822 976	1.26	16 296	19 751
Gazprom OAO - ADR	133 924	0.00	18 436	19 655
Alcatel - Lucent	1 152 400	0.05	20 387	19 590
Insulet Corp	215 296	0.50	18 110	19 397
Nissan Motor Company	341 300	0.01	17 813	18 907
Softbank Corporation	93 600	0.01	16 888	18 856
Walgreen	82 443	0.01	18 344	18 670
SCA B	203 300	0.03	17 911	18 667
Epistar Corp	871 000	0.10	15 550	18 492
Kesko Oyj B	67 700	0.10	16 402	18 440
Bayer AG	42 428	0.01	16 178	18 296
Tiger Brands	107 417	0.06	15 262	18 274
Hindustan Unilever Ltd	447 601	0.02	14 463	18 206
Shin Etsu Chemical Company Ltd	57 600	0.01	19 366	18 163
Home Depot Inc	87 397	0.01	17 276	17 810
Anglo Platinum	29 072	0.01	16 449	17 730
Haldex AB	194 551	0.44	9 750	17 704
Tata Consultancy	115 887	0.01	10 862	17 560
Telstra Corporation Ltd	1 054 222	0.01	17 595	17 524
CPFL Energia SA	120 600	0.03	12 590	17 398
East Japan Railway Company	45 714	0.01	18 879	17 298
Marriott International	71 336	0.02	16 314	17 224
Hess Corp	38 615	0.01	16 152	17 179
Home Retail Group Plc	1 001 356	0.12	20 394	17 177
Neutral Tandem Inc	204 257	0.62	17 334	17 144
Jiangsu Express Co Ltd	2 570 000	0.21	12 560	17 103
Eni SpA	133 578	0.00	19 568	17 020
Shinsegae	5 375	0.03	14 081	16 903
Fomento Economico Mexicano SAB de CV	514 778	0.02	12 770	16 817
CEZ	69 087	0.01	20 036	16 812
Xstrata Plc	122 518	0.00	13 394	16 786
Seven & I Holdings Co Ltd	106 900	0.01	16 116	16 625
TUI AG	202 462	0.08	12 833	16 577
Samsung Electronics Co Ltd	4 983	0.02	11 573	16 563
Potash Corp of Saskatchewan Inc	18 179	0.01	13 229	16 424
EMBRAER SA – ADR	95 880	0.05	14 022	16 385
China Shenua Energy	669 500	0.02	17 541	16 319
China Shipping Development Co Ltd	2 076 000	0.16	15 799	16 081
EI Du Pont de Nemours & Co	55 383	0.01	16 522	16 057
Veeco Instruments Inc	63 680	0.16	15 603	15 901
Grupo Aeroportuario del Pacifico SAB de CV – ADR	67 300	0.14	11 577	15 886
Kraft Foods Inc	86 601	0.00	16 486	15 861
Costco Wholesale Corporation	37 619	0.01	16 316	15 789
Tesco Plc	407 065	0.01	15 991	15 744
United Parcel Service Inc	37 314	0.00	14 487	15 742
RR Donnelley and Sons Co	149 206	0.07	15 090	15 151
Novatek OAO – GDR	21 500	0.00	7 789	14 934
Mobistar SA	39 340	0.07	14 742	14 881
Kansai Electric Power Company	103 400	0.01	15 663	14 850
Want Want China Holdings Ltd	2 904 000	0.00	15 722	14 787
Visa Inc	36 026	0.01	16 741	14 738
HORIBA Ltd	88 900	0.21	13 545	14 673
Nippon Steel Corporation	701 000	0.01	14 897	14 670
Questerre Energy	1 241 802	0.53	15 663	14 666
Zoran Corp	282 875	0.56	15 046	14 469

Note 17 – Shares, units and primary capital certificates at fair value through the profit and loss account ►

	No. shares	Ownership interest in per cent	Acquisition costs	Fair value
Canadian Natural Resources Ltd	55 627	0.01	12 793	14 431
Grupo Modelo SAB de CV	398 054	0.06	11 488	14 339
China Resources Enterprise Ltd	596 000	0.02	12 587	14 194
Dow Chemical	70 788	0.01	12 727	14 047
Maxis Berhad	1 403 200	0.02	11 959	14 019
JFE Holdings Inc	68 600	0.01	15 856	13 903
Denso Corporation	67 800	0.01	12 541	13 615
Zee Entertainment Enterprises	704 456	0.07	9 971	13 484
GDF Suez	63 764	0.00	15 418	13 350
Deere & Co	27 310	0.01	13 618	13 183
Plains Exploration & Production Co	70 148	0.05	12 672	13 105
SAP AG	44 092	0.00	13 204	13 099
Goldcorp Inc	48 644	0.01	13 764	13 055
LVMH Moet Hennessy Louis Vuitton SA	13 575	0.00	13 306	13 031
Staples	97 875	0.01	13 276	12 954
Beijing Enterprises Holdings Ltd	359 000	0.03	12 274	12 938
Monsanto Company	31 897	0.01	11 373	12 911
Autogrill Spa	156 601	0.06	12 590	12 907
Lite-On Technology Corp	1 589 394	0.07	11 657	12 706
Teck Resources Ltd	34 959	0.01	11 970	12 636
Polycom Inc	55 261	0.06	11 446	12 521
Chubu Electric Power Co Ltd	87 500	0.01	13 118	12 517
Enka Insaat ve Sanayi A.S	570 568	0.03	12 536	12 412
Petrochina Co Ltd	1 624 000	0.01	11 354	12 337
B2W Companhia Global do Varejo	109 900	0.10	12 947	12 122
Hitachi High Technologies	88 998	0.06	11 136	12 106
Medtronic Inc	56 078	0.01	11 644	12 090
Colgate Palmolive Company	25 572	0.01	12 441	11 946
Kao Corporation	76 000	0.01	11 370	11 917
Tencent Holdings Ltd	93 800	0.01	11 550	11 846
China BlueChemical Ltd	2 832 000	0.06	9 804	11 795
Unilever Plc	65 851	0.01	11 953	11 764
JSC Kazmunaigas Exploration and Production – GDR	101 541	0.02	11 427	11 704
Schneider Electric SA	13 233	0.00	12 167	11 557
Halliburton	48 164	0.01	11 547	11 430
KDDI	340	0.01	10 742	11 428
Lojas Americanas Pn	210 440	0.04	9 610	11 281
Adva AG Optical Networking	245 983	0.52	7 542	11 242
Kimberly-Clark de Mexico SAB de CV	311 300	0.06	7 789	11 110
Lowe's Cos Inc	75 780	0.01	11 102	11 047
Mitsubishi Corporation	70 000	0.00	10 085	11 027
Takeda Pharmaceutical Co Ltd	38 500	0.00	10 151	11 023
Danone	29 920	0.00	10 455	10 970
Deutsche Telecom AG	145 449	0.00	12 202	10 950
Mimasu Semiconductor Industry Co Ltd	159 500	0.45	10 102	10 779
Ultra Clean Holdings Inc	199 007	0.90	9 566	10 769
ENN Energy Holdings Ltd	618 000	0.06	10 486	10 767
Rubicon Technology Inc	87 141	0.38	11 874	10 677
Origin Energy Ltd	107 330	0.01	9 846	10 654
HCL Technologies Ltd	176 453	0.03	6 688	10 465
Pretoria Portland Cement Co Ltd	340 515	2.24	9 421	10 456
Praxair	18 825	0.01	9 351	10 446
Directv	44 792	0.01	10 590	10 396
Central Japan Railway Company	213	0.01	10 836	10 380
Cadence Pharmaceuticals Inc	232 106	0.46	11 935	10 186
Telekom Indonesia	1 983 300	0.01	11 289	10 172
Hennes & Mauritz B	52 450	0.00	10 367	10 158

Note 17 – Shares, units and primary capital certificates at fair value through the profit and loss account ►

	No. shares	Ownership interest in per cent	Acquisition costs	Fair value
Bridgestone	90 000	0.01	9 164	10 120
Cyrela Brazil Realty S.A. Empreendimentos e Par	131 200	0.03	9 507	10 038
Koninklijke Philips Electronics NV	56 095	0.01	11 555	10 026
Micronics Japan	144 400	0.72	8 447	10 017
Holmen AB – B	52 000	0.08	9 735	9 954
Southern Company	44 677	0.01	9 663	9 928
Vivendi SA	62 797	0.01	10 457	9 891
eBay Inc	60 932	0.00	10 146	9 856
BIM Birlesik Magazalar Anonim Sirketi	49 524	0.03	6 918	9 820
Transocean Ltd	24 262	0.01	10 489	9 803
Gilead Sciences Inc	46 395	0.01	11 053	9 773
Kirin Holdings Co Ltd	119 000	0.01	9 874	9 714
Astra International PT	275 500	0.01	5 572	9 695
Vestas Wind System	52 600	0.03	15 377	9 692
Danaher Corporation	35 261	0.01	8 999	9 668
SABMiller Plc	46 996	0.00	9 029	9 651
Foster Group Ltd	284 794	0.01	9 225	9 638
Iberdrola SA	213 763	0.00	8 318	9 615
Accenture Plc	33 781	0.00	9 856	9 521
Nike Inc	19 039	0.00	8 898	9 453
Tokyo Gas Company	358 000	0.01	10 388	9 236
Cesky Telecom AS	77 822	0.02	11 855	9 227
AES Tietê SA	109 600	0.06	5 693	9 210
Compagnie Financiere Richemont SA	26 782	0.01	9 357	9 186
Orica Limited	61 206	0.02	8 297	9 080
Imperial Oil Ltd	37 903	0.00	9 452	8 997
Research In Motion	26 211	0.01	10 144	8 904
Linde AG	10 047	0.01	8 986	8 896
Sharp Corporation	148 000	0.01	9 958	8 878
02Micro International Ltd - ADR	246 500	0.68	8 756	8 855
Woodside Petroleum Ltd	34 517	0.00	8 737	8 753
Nintendo Co Ltd	5 100	0.00	9 915	8 710
National Oilwell Varco	22 239	0.01	8 546	8 693
Brambles Industries Ltd	203 779	0.01	7 563	8 645
Komatsu Ltd	49 000	0.00	5 832	8 628
SMART Modular Technologies WWH	256 054	0.41	9 336	8 573
Mitsui & Co Ltd	89 000	0.00	8 909	8 553
Illinois Tool Works	27 492	0.01	7 811	8 533
Hengan International Group Co Ltd	167 500	0.01	6 630	8 398
Sysco Corporation	49 093	0.01	9 662	8 389
News Corp	98 907	0.01	8 727	8 370
Sprint Nextel Corp	338 960	0.01	9 435	8 334
Amcor Ltd	206 313	0.02	7 635	8 297
Volkswagen AG PFD	8 749	0.01	8 794	8 282
Fortescue Metals Group Ltd	212 198	0.01	5 796	8 269
Volvo B	80 300	0.01	6 797	8 227
Exelon Co	33 815	0.01	9 313	8 184
China Gas Holdings Ltd	3 212 000	0.07	10 409	8 142
Sumitomo Metal Mining	80 000	0.01	6 946	8 136
Johnson Controls	36 260	0.01	7 158	8 051
THine Electronics Inc	905	0.73	7 818	8 029
Centrica Plc	263 504	0.01	7 635	7 952
Cummins	12 377	0.01	8 163	7 914
Estacio Participacoes SA	83 700	0.10	5 749	7 913
Mitsubishi Chemical Holdings	200 000	0.01	6 605	7 898
Japan Aviation Electronics Ind Ltd	170 000	0.18	7 542	7 883
Carrefour SA	32 549	0.00	9 431	7 830

Note 17 – Shares, units and primary capital certificates at fair value through the profit and loss account ►

	No. shares	Ownership interest in per cent	Acquisition costs	Fair value
VINCI SA	24 625	0.00	8 706	7 811
Fast Retailing Co Ltd	8 400	0.01	8 093	7 784
Golden Ocean Group	958 165	0.21	8 638	7 780
TransCanada Corp	34 958	0.01	7 682	7 769
FedEx Corporation	14 304	0.00	7 917	7 733
Frontline Ltd	51 274	0.07	8 700	7 717
Cencosud	168 462	0.01	4 016	7 699
Baker Hughes Inc	23 091	0.01	7 765	7 673
Asahi Kasei	201 000	0.01	6 437	7 635
Suzuki Motor Corp	53 021	0.01	6 928	7 600
Subsea 7 Inc	49 709	0.03	7 303	7 551
Wellpoint Inc	22 789	0.01	8 121	7 532
Cenovus Energy Inc	38 486	0.01	6 983	7 492
Thermo Fisher Scientific	23 269	0.01	7 854	7 487
Dell Inc	94 913	0.00	7 907	7 475
Transurban Group	243 535	0.02	6 322	7 429
Loreal SA	11 466	0.00	7 317	7 428
Kinross Gold	66 768	0.01	6 574	7 386
MasterCard Inc	5 664	0.00	8 258	7 378
Nitto Denko Corp	26 900	0.02	6 190	7 374
CSX Corp	19 618	0.01	7 259	7 367
AGL Energy Ltd	81 111	0.02	6 283	7 360
Precision Castparts Corp	9 086	0.01	6 901	7 352
Koninklijke KPN NV	85 729	0.01	8 415	7 300
PGE Polska Grupa Energetyczna SA	159 394	0.01	7 323	7 272
Sumitomo Chemical	253 000	0.02	6 733	7 253
Synnex Technology Intl	462 167	0.03	5 404	7 251
Asahi Breweries Ltd	64 300	0.01	7 334	7 249
KLA Tencor Corporation	32 262	0.02	6 922	7 246
Sumitomo Metal Industries Ltd	504 000	0.01	7 960	7 224
Nippon Telegraph & Telephone Corporation	27 082	0.00	6 930	7 133
Toray Industries	205 000	0.01	6 726	7 125
Hitachi Ltd	229 000	0.01	5 843	7 106
Air Products & Chemicals Inc	13 420	0.01	5 687	7 094
Starbucks Corp	37 818	0.01	6 656	7 063
Talisman Energy Inc	54 288	0.01	5 888	7 025
BT Group Plc	426 444	0.01	5 562	7 016
Tohoku Electric Power	54 000	0.01	6 822	7 005
Paccar Inc	20 943	0.01	7 147	6 990
Duke Energy Corporation	67 215	0.01	7 074	6 958
Carnival Corporation	25 920	0.00	6 553	6 947
Aeon Co Ltd	95 200	0.01	6 019	6 932
Tofas Turk Otomobil Fabrikasi AS	229 681	0.05	3 760	6 905
Secom Company	25 000	0.01	6 616	6 889
Yum Brands	24 090	0.01	6 486	6 868
Cognizant Tech Solutions	16 079	0.01	6 999	6 850
NextEra Energy Inc	22 318	0.01	6 662	6 744
Anhanguera Educacional Participacoes SA	48 100	0.03	4 683	6 737
Automatic Data Processing	24 977	0.01	6 660	6 719
Diagnosticos America On	85 100	0.04	4 283	6 705
Allergan Inc	16 783	0.01	6 489	6 699
Incitec Pivot Ltd	282 627	0.02	5 013	6 668
Hyundai Motor Co Ltd	20 461	0.05	4 174	6 654
Kyushu Electric Power Company	51 000	0.01	6 644	6 652
SM Investments Corp	91 990	0.02	3 730	6 627
CSL Ltd	30 595	0.01	6 083	6 615
Transocean Ltd	16 472	0.01	7 023	6 579

Note 17 – Shares, units and primary capital certificates at fair value through the profit and loss account ►

	No. shares	Ownership interest in per cent	Acquisition costs	Fair value
Dai Nippon Printing Company	83 000	0.01	6 483	6 579
Encana Corp	38 486	0.01	8 165	6 549
Kroger Company	50 312	0.01	6 189	6 539
MRV Engenharia e Participacoes SA	119 100	0.02	4 747	6 510
Nippon Yusen KK	252 000	0.01	5 795	6 502
Repsol YPF	39 892	0.00	6 199	6 486
Compagnie de Saint Gobain	21 509	0.00	6 529	6 457
General Mills	31 090	0.00	6 771	6 431
Ajinomoto Co Inc	106 000	0.02	6 258	6 427
Sandvik	56 600	0.00	6 542	6 415
Kobe Steel Ltd	433 000	0.01	4 964	6 392
Chunghwa Telecom Co Ltd - ADR	43 499	0.00	5 119	6 389
Far Eastone Telecommunications Co Ltd	749 393	0.02	5 023	6 319
Asustek Computer Inc	114 282	0.02	5 417	6 311
Conexant Systems Inc	664 310	0.81	8 123	6 294
American Tower Corp A	20 747	0.01	5 942	6 227
Enbridge Inc	18 882	0.00	5 427	6 215
Motorola Solutions Inc	117 769	0.01	5 356	6 209
TJX Cos Inc	24 024	0.01	6 924	6 199
Companhia Brasileira de Distribuicao - ADR	25 340	0.00	6 054	6 183
Rakuten Inc	1 257	0.01	5 618	6 126
Broadcom Corp	24 152	0.00	5 562	6 114
Pernod-Ricard SA	11 122	0.00	5 482	6 102
Mitsubishi Electric Corporation	99 000	0.00	4 899	6 045
Mitsui OSK Lines	152 000	0.01	5 937	6 035
Sohu.com Inc	16 320	0.04	5 137	6 023
Nikon Corp	51 000	0.01	6 575	6 020
Eaton Corporation	10 170	0.01	6 196	6 001
Becton Dickinson and Company	12 099	0.01	5 725	5 944
Rolls Royce PLC	104 040	0.01	5 507	5 899
PG and E Corp	21 001	0.01	5 689	5 840
Priceline.Com	2 503	0.01	6 102	5 813
General Motors Corporation	27 129	0.00	5 825	5 812
Osaka Gas Co	256 000	0.01	5 476	5 779
MegaStudy Co Ltd	6 384	0.10	6 761	5 761
Shiseido Company Ltd	45 000	0.01	5 754	5 721
Unilever PT Indonesia	537 000	0.01	3 842	5 716
Sun Pharmaceutical Ind	90 000	0.01	3 416	5 673
McKesson Corporation	13 829	0.01	6 097	5 657
Ingersoll-Rand Plc	20 666	0.01	5 172	5 657
Aisin Seiki	27 221	0.01	4 447	5 605
Akzo Nobel NV	15 456	0.01	5 282	5 602
Phil Long Distance Telephon	16 400	0.01	5 392	5 557
CRH Plc	45 664	0.01	7 238	5 519
Additional other shares abroad			1 767 980	1 778 254
Total other shares abroad			**16 975 328**	**17 766 185**
Total shares abroad			**17 367 262**	**18 252 060**
Total shares			**25 727 736**	**27 210 126**

Norwegian unit trusts	No. shares	Ownership interest in per cent	Acquisition costs	Fair value
DnB NOR Global Indeks	75 226 658		7 989 263	8 067 846
DnB NOR Global Selektiv II	5 162 851		624 376	661 844
DnB NOR Norge Indeks	4 000 000		400 000	509 402
Other unit trusts Norway			471 703	587 357
Total Norwegian unit trusts			**9 485 341**	**9 826 449**

Note 17 – Shares, units and primary capital certificates at fair value through the profit and loss account ►

Foreign unit trusts, hedge funds, other financial funds	No. shares	Ownership interest in per cent	Acquisition costs	Acquisition costs
AKO Fund Limited - NOK Class C3	872 942 242		506 555	872 942
DnBNOR Part II- Strategic Opportunity FoHF class I	247 809 400		200 000	247 809
Archstone German Fund	3 000 000		258 905	239 313
Tishman Speyer European Core Fund	3 184		182 190	178 866
Cevian Capital II Euro Class C Serie 7	171 360 574		134 784	171 361
Aberdeen Indirect Property Partners Class A2	3 245 845		261 648	159 708
DnBNOR Part II Art Fund Class D	139 564 961		133 107	139 565
Cevian Capital II Euro Class C Serie 1	118 018 094		65 423	118 018
Sector Speculare IV Fund Class A NOK	113 794 732		150 000	113 795
Prologis European Properties Fund II	2 385 950		158 889	110 514
Sector ExSpec Fund	110 301 776		134 975	110 302
Rockspring TransEuropean Limited Partnership IV	177 124		123 813	107 717
Cevian Capital II Euro Class C Serie 2	101 156 804		68 393	101 157
JPMorgan European Property Fund	1 975		200 489	94 371
Cevian Capital II Euro Class C Serie 4	83 578 218		67 568	83 578
Carlyle Europe Real Estate Partners III	189 541		110 651	82 827
Cevian Capital II Euro Class C Serie 6	79 366 673		64 997	79 367
Cevian Capital II Euro Class C Serie 5	78 683 323		68 577	78 683
The Rockspring Portuguese Property Partnership	151 548		122 904	53 072
Andre aksjefond utland			313 819	312 099
Total foreign unit trusts, hedge funds, other financial funds			**3 327 685**	**3 455 064**

Private Equity	No. shares	Ownership interest in per cent	Acquisition costs	Acquisition costs
Advent International GPE VI-E LP			38 746	37 798
Alliance Venture IS			1 745	3 624
Altor Fund II (No. 1) LP			74 226	85 191
Altor Fund III (No.1) LP			14 320	20 443
Apax Europe VII - B, LP			168 292	167 177
Bain Capital Europe Fund III LP			32 241	28 082
BlackRock Diversified Private Equity Program (Vesey Street Portfolio, L.P)			854	85 249
BlackRock Diversified Private Equity Program III (Vesey Street Portfolio III, L.P)			158 242	133 564
Borea Opportunity II AS			22 000	30 209
Danske Private Equity Partners II (EUR) K/S			38 057	38 713
Danske Private Equity Partners II (USD) K/S			27 828	33 454
DnB NOR Private Equity I KS			9 450	8 065
DnB NOR Private Equity I ASA			8 000	7 942
Energy Ventures III LP			29 835	42 717
EQT V (No.1) LP			113 048	112 103
European Fund Investments II LP			60 301	60 156
FSN Capital III LP			28 600	22 794
HarbourVest International Private Equity Partners IV-Partnership Fund LP			29 748	127 570
Herkules Private Equity II (Jersey-I) LP			81 994	65 949
HitecVision Private Equity IV LP			98 066	106 546
NeoMed Innovation III LP			6 838	12 648
NeoMed Innovation IV LP			34 910	47 100
Nordic Capital VII Beta LP			75 302	63 034
Northgate IV LP			44 486	39 607
Northgate Private Equity Partners III LP			126 688	108 823
Northzone Ventures IV KS			30 589	27 931
Northzone Ventures V KS			71 652	91 533
Procuritas Capital Investors III B, LP			(104 752)	23 651
Reiten & Co Capital Partners VI LP			8 148	38 358
Reiten & Co Capital Partners VII LP			68 634	62 061
Sarsia Innovation AS			4 928	1 407
Sarsia Life Science Fund AS			13 171	3 774
Schroders PE Fund of funds C-shares			25 617	170 688
Schroders PE Fund of funds II C-shares			82 195	130 037

Note 17 – Shares, units and primary capital certificates at fair value through the profit and loss account ►

	No. shares	Ownership interest in per cent	Acquisition costs	Acquisition costs
Schroders PE Fund of Funds III C-shares			142 346	122 418
Sterling Capital Partners III LP			63 792	65 825
Såkorninvest Midt-Norge AS			1 050	0
The Fourth Cinven Fund (No.2) LP			140 032	143 323
The Resolute Fund II LP			47 883	47 196
The Third Cinven Fund (No.5) LP			(91 797)	62 589
Verdane Capital III AS			10 647	2 109
Verdane Capital IV AS			374	9 536
Verdane Capital IV TWIN AS			17 170	5 950
Verdane Capital V B KS			17 261	18 061
Verdane Capital VI KS			53 140	28 020
Verdane II AS			239	24
Viking Venture AS			2 272	12 649
Viking Venture II AS			30 183	16 724
Warburg Pincus PE IX LP			83 452	115 352
Warburg Pincus PE VIII LP			52 475	128 673
Total Private Equity			**2 094 517**	**2 816 444**
Total shares and units			**40 635 279**	**43 308 083**
Of which company				**2 358 498**

Note 18 – Commercial paper, bonds and bond funds at fair value ►

			31 December 2010
Amounts in million NOK	**Nominal value**	**Acquisition costs**	**Fair value**
State/state guaranteed	12 619	13 385	13 133
State-owned enterprises	23	26	26
Municipalities/county municipalities	4 230	4 407	4 360
Financial institutions	13 048	13 243	13 215
Bonds with preferential rights	9 973	10 133	10 176
Other issuers	5 054	5 114	4 968
Commercial paper and bonds at fair value	44 947	46 308	45 878
Accrued interest			727
Total commercial paper and bonds at fair value	**44 947**	**46 308**	**46 605**

Amounts in million NOK	**No. shares**	**Acquisition costs**	**Fair value**
DnB NOR Global Credit	285 835	2 616	2 505
DnB NOR Likviditet 20 (IV)	63 923	642	641
DnB NOR Likviditet 20 (V)	1 391 217	13 896	13 939
Other bond funds		19	19
Total bond funds at fair value		**17 173**	**17 104**
Total commercial paper, bonds and bonds funds at fair value		**63 481**	**63 709**

Key figures, commercial paper and bonds	**Duration**	**Average effective interest [1)]**
Bonds Norway	3.4	4.2%
Bonds foreign	6.0	3.3%
Money market	0.5	2.7%
Key figures bond funds:		
DnB NOR Global Credit	5.6	4.4%
DnB NOR Likviditet 20 (IV)	0.2	2.9%
DnB NOR Likviditet 20 (V)	0.2	3.3%

1) For the individual interest-bearing instrument, the effective interest is computed based upon the market price of the paper. For interest-bearing instruments without market prices, the effective interest is computed based on the fixed-rate period and classification of the individual paper with respect to liquidity and credit risk.

Note 18 – Commercial paper, bonds and bond funds at fair value

Bonds, commercial paper and bond funds specified by currency

Amounts in million NOK	**Fair value**
AUD	60
CAD	531
EUR	8 740
GBP	712
NOK	47 658
SEK	57
USD	5 225
Total	62 983
Accrued interest	727
Total commercial paper, bonds and bonds funds at fair value	**63 709**

Note 19 – Loans and receivables

Amounts in million NOK	**Acquisition costs**	**Booked value**
Loans with state guarantees at fair value	2 530	2 528
Other long-term loans at fair value	286	298
Short-term receivables at fair value	(209)	(209)
Bank placements linked to investment activities	3 350	3 350
Accrued interest		9
Total loans and receivables	**5 956**	**5 977**

Loans with state guarantees:
All the loans are 100 per cent secured/guaranteed with guarantee policies issued by GIEK (The Norwegian Guarantee Institute for Export Credits), and Vital has no credit risk in relation to the recipient of the loan. The nominal amount is approx. 435 million USD. In the computation of capital adequacy, the loans are given zero weight.

An agency agreement has been entered into with DnBNOR Bank, which among other things involves the bank having the responsibility for all the administration of the loans and the contact with the customer. Furthermore, a so-called Master Swap Agreement has been entered into with the bank, and Vital has neutralised the interest and currency risks associated with the loans through the use of swap agreements.
This provides NOK exposure and adjustable NIBOR (Norwegian InterBank Offered Rate) on the investment. The balance sheet value in the table above includes a negative unrealised currency component on the loans of approx. NOK 30 million.

Short-term receivables at fair value:
This receivable is connected with the settlement of open derivatives positions where DnB NOR Bank ASA is the counterparty for approx. 46 per cent of the amount. Settlement is made in accordance with the agreement entered into, the so-called Credit Support Annex.

Other long-term loans at fair value
This item essentially consists of first mortgages on office buildings in Oslo.

Note 20 – Outstanding derivative contracts, nominal amounts and market values

Amounts in million NOK	**Interest-related contracts**			**Currency-related contracts**			**Equity related contracts**			**Total**	
Contracts entered into for trading purposes	Nominal value total	Market value Positive	Market value Negative	Nominal value total	Market value Positive	Market value Negative	Nominal value total	Market value Positive	Market value Negative	Market value Positive	Market value Negative
OTC contracts											
Forward rate agreements (FRAs)	40 789	10	(26)							10	(26)
Forward contracts		0	0	4 232	31	(69)	264	42	0	73	(69)
Swaps	21 167	652	(385)	86 950	1 710	(819)	0	0	0	2 362	(1 204)
Options purchased	0	0	0	0	0	0	0	0	0	0	0
Options issued	0	0	0	0	0	0	0	0	0	0	0
Of which cleared OTC contracts	0	0	0	0	0	0	0	0	0	0	0
Exchange-traded contracts										0	0
Futures purchased	2 175	0	0	0	0	0	3 760	0	0	0	0
Futures sold	6 642	0	0	0	0	0	2 237	0	0	0	0
Options purchased	0	0	0	0	0	0	0	0	0	0	0
Options sold	0	0	0	0	0	0	0	0	0	0	0
Other exchange-traded contracts	0	0	0	0	0	0	0	0	0	0	0
Total contracts trading	**70 772**	**662**	**(410)**	**91 182**	**1 741**	**(888)**	**6 261**	**42**	**0**	**2 445**	**(1 299)**

Note 21 – Other financial assets

VITAL FORSIKRING ASA

Amounts in million NOK	Company portfolio	Common portfolio	Investment choice portfolio	2010	2009
Settlement accounts financial	191	(111)	0	80	318
Cash and cash equivalents	0	780	0	780	3 090
Other	11	544	0	554	929
Total as at 31.12.10	**202**	**1 212**	**0**	**1 414**	**4 336**

VITAL FORSIKRING GROUP

Amounts in million NOK	Company portfolio	Common portfolio	Investment choice portfolio	2010	2009
Settlement accounts financial	191	(111)	0	80	318
Cash and cash equivalents	0	1 223	0	1 223	3 463
Other	11	727	0	737	1 147
Total as at 31.12.10	**202**	**1 838**	**0**	**2 040**	**4 928**

Note 22 – Assets in life insurance with investment choice

Investment management	Fund name	Savings balance in million NOK	Price in currency	Price in NOK	Listing price – Monetary Fund currency	Returns in per cent last year
Alfred Berg Kapitalforvaltning	Alfred Berg Gambak (4)	124	12 746.05	12 746.05	NOK	28.52
Carlsson Investment Management	Carlson Asian Small Cap (5)	71	5.35	41.88	EUR	9.34
DnBNOR Kapitalforvaltning	DnB NOR Asia (5)	61	394.01	394.01	NOK	17.32
DnBNOR Kapitalforvaltning	DnB NOR Bankkonto (1)	1 919	1.75	1.75	NOK	2.23
DNBNOR KAPITALFORVALTNING	DNB NOR EUROPA (I) (3)	77	322.90	322.90	NOK	4.61
DNBNOR KAPITALFORVALTNING	DNB NOR MILJØINVEST (5)	91	426.97	426.97	NOK	5.47
DnBNOR Kapitalforvaltning	DnB NOR Navigator (6)	210	5 227.28	5 227.28	NOK	31.53
DnBNOR Kapitalforvaltning	DnB NOR Norden (I) (4)	120	1 624.99	1 624.99	NOK	27.04
DnBNOR Kapitalforvaltning	DnB NOR Nordic Technology (6)	111	346.40	346.40	NOK	24.37
DnBNOR Kapitalforvaltning	DnB NOR Norge Selektiv (I) (4)	167	510.66	510.66	NOK	19.56
DnBNOR Kapitalforvaltning	DnB NOR Norge (I) (4)	132	1 102.86	1 102.86	NOK	18.08
DnBNOR Kapitalforvaltning	DnB NOR Obligasjon 20 (I) (1)	196	1 203.38	1 203.38	NOK	4.79
DnBNOR Kapitalforvaltning	DnB NOR Pengemarked (1)	489	1 034.09	1 034.09	NOK	2.71
DnBNOR Kapitalforvaltning	DnB NOR SMB (5)	160	415.04	415.04	NOK	15.86
East Capital Asset Management	East Capital Russland (6)	321	1 479.84	1 288.32	SEK	33.14
East Capital Asset Management	East Capital Tyrkia (6)	52	10.29	8.96	SEK	24.54
East Capital Asset Management	East Capital Østeuropa (5)	232	43.37	37.76	SEK	26.39
Fim Asset Management	FIM Brazil (6)	116	32.79	256.63	EUR	12.28
Holberg Fondene	Holberg Norden (4)	181	228.23	228.23	NOK	22.67
Holberg Fondene	Holberg Norge (4)	171	341.52	341.52	NOK	8.89
JP Morgan Asset Management	JPM China Fund A (5)	194	49.54	292.20	USD	5.23
JP Morgan Asset Management	JPM India Fund (6)	156	85.53	504.47	USD	26.23
DnBNOR Kapitalforvaltning	MasterFund Balanse (3)	900	156.55	156.55	NOK	12.62
DnBNOR Kapitalforvaltning	MasterFund Offensiv (5)	290	132.98	132.98	NOK	15.09
DnBNOR Kapitalforvaltning	MasterFund Trygg (2)	999	166.18	166.18	NOK	8.32
Morgan Stanley	Morgan Stanley Latin America (6)	63	78.88	465.25	USD	16.76
Odin Forvaltning	Odin Offshore (5)	59	237.95	237.95	NOK	18.83
Skagen AS	Skagen Global (3)	896	819.02	819.02	NOK	16.27
Skagen AS	Skagen Kon-Tiki (6)	1 057	575.16	575.16	NOK	21.23
Skagen AS	Skagen Vekst (4)	442	1 467.62	1 467.62	NOK	15.40
Storebrand Kapitalforvaltning	Storebrand Verdi (4)	105	380.23	380.23	NOK	14.05

Note 22 – Assets in life insurance with investment choice

DnBNOR Kapitalforvaltning	Vital Kombi (2)	182	221.19	221.19	NOK	10.60
DnBNOR Kapitalforvaltning	Vital Kompass (2)	109	143.00	143.00	NOK	6.64
DnBNOR Kapitalforvaltning	Vital Superobligasjon Global (2)	79	1 495.23	1 495.23	NOK	7.99
DnBNOR Kapitalforvaltning	VIP Norske aksjer	1 367				
DnBNOR Kapitalforvaltning	VIP Internasjonale aksjer	3 833				
DnBNOR Kapitalforvaltning	VIP Norske obligasjoner	3 533				
DnBNOR Kapitalforvaltning	VIP Internasjonale obligasjoner	1 216				
DnBNOR Kapitalforvaltning	VIP Pengemarked	1 641				
	Total other funds	1 386				
Total customer funds		**23 506**				

Note 23 – Cash and cash equivalents

Amounts in million NOK	2010	2009
Cash and cash equivalents in financial assets (note 21)	780	3 090
Cash and bank under other assets (note 24)	599	803
Cash and bank under loans and receivables (note 19)	3 350	
Total cash and cash equivalents	**4 729**	**3 893**

Amounts in million NOK	2010	Of which inter-company
Withholding tax	178	178
Cash in bank and holdings	1 200	727
Other settlement accounts	3 350	-
Total cash and cash equivalents	**4 729**	**905**

Note 24 – Intangible assets and other assets

	VITAL FORSIKRING GROUP		VITAL FORSIKRING ASA	
Amounts in million NOK	2010	2009	2010	2009
Goodwill	0	0	0	0
Other intangible assets	256	288	256	288
Total intangible assets	**256**	**288**	**256**	**288**

Amounts in million NOK	2010	2009	2010	2009
Fixed assets	21	43	17	36
Holdings, bank	716	895	599	803
Tax assets	623	52	604	34
Other assets	124	146	124	146
Total other assets	**1 484**	**1 135**	**1 345**	**1 019**

Note 24 – Intangible assets and other assets

VITAL FORSIKRING GROUP	Development of IT systems	Other intangible assets	Fixed assets	Total
As of 31.12.09				
Original acquisition cost	921	1	183	1 105
Total depreciation and write-downs [1]	633	0	140	774
Booked value as at 31.12.09	**288**	**1**	**43**	**331**
Year ending 31.12.10				
Booked value	288	1	43	331
Addition	74	0	1	74
Sales	0	0	9	9
Depreciation	9	0	0	9
Write downs [2]	97	0	14	111
Booked value as at 31.12.10	**255**	**1**	**21**	**277**
As of 31.12.10				
Original acquisition cost	995	1	184	1 179
Total depreciation and write-downs, sales	739	0	163	902
Booked value as at 31.12.10	**255**	**1**	**21**	**277**

VITAL FORSIKRING ASA	Development of IT systems	Other intangible assets	Fixed assets	Total
As of 31.12.09				
Original acquisition cost	921	1	175	1 097
Total depreciation and write-downs [1]	633	0	139	773
Booked value as at 31.12.09	**288**	**1**	**36**	**324**
Year ending 31.12.10				
Booked value	288	1	36	324
Addition	74	0	1	74
Sales	0	0	8	
Depreciation	9	0	0	9
Write downs [2]	97	0	11	109
Booked value as at 31.12.10	**255**	**1**	**17**	**273**
As of 31.12.10				
Original acquisition cost	995	1	176	1 171
Total depreciation and write-downs, sales	739	0	159	898
Booked value as at 31.12.10	**255**	**1**	**17**	**273**

1) Developed IT systems are primarily depreciated over 4 – 5 years. Fixed assets have an average depreciation period of 4.5 years.
2) The depreciation is included in the accounting line for Insurance-related operating costs in the income statement.

Investments in and sales of fixed assets and intangible assets 2005-2010

Amounts in million NOK	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
– Invested	74	145	149	96	145	105
– Sold (sales value)	9	0	0	0	0	18

NOTE 25 – Insurance obligations

Amounts in million NOK	Group pension priv. sector	Group pension pub. sector	Group assoc. pension	Individ. capital insurance	Individ. insurance	Group pension life insurance	Casualty life insurance	2010	2009
Premium reserves	122 796	28 289	3 860	16 049	41 056	352	0	212 401	200 463
Additional statutory reserves	3 020	903	163	285	1 322	0	0	5 694	5 550
Maret value adjustment reserve	1 527	391	56	147	462	9	0	2 591	1 306
Claims reserves	184	0	23	238	234	445	689	1 813	1 630
Premium fund	2 773	1 602	41	0	336	0	0	4 752	4 410
Deposit fund	1 595	0	0	0	0	0	0	1 595	1 352
Pensioners' surplus fund	9	0	0	0	0	0	0	9	2
Supplementary provisions	2	0	0	0	0	0	0	2	2
Other technical provisions	0	0	0	0	0	0	199	199	180
Total insurance liabilities as at 31.12.	**131 905**	**31 184**	**4 143**	**16 719**	**43 410**	**806**	**889**	**229 056**	**214 895**

GROUP PENSION PRIVATE

Amounts in million NOK	Defined benefit w.o. invest. choice	Paid-up policies	W.o. right to portion of profits	Defined contrib. w. invest.	2010	2009
Premium reserves	58 759	52 590	1 212	10 236	122 796	112 835
Additional statutory reserves	2 017	1 002	1	0	3 020	2 810
Market value adjustment reserve	831	677	19	0	1 527	748
Claims reserves	35	149	0	0	184	184
Premium fund	2 427	9	337	0	2 773	2 576
Deposit fund	0	0	0	1 595	1 595	1 352
Pensioners' surplus fund	9	0	0	0	9	2
Supplementary provisions	0	0	0	2	2	0
Other technical provisions	0	0	0	0	0	0
Total insurance liabilities as at 31.12.	**64 077**	**54 427**	**1 569**	**11 833**	**131 905**	**120 508**

INDIVIDUAL EMDOWMENT INSURANCE

Amounts in million NOK	With profit sharing	W.o right to portion of profits	Invest. choice	2010	2009
Premium reserves	7 936	3 980	4 133	16 049	15 342
Additional statutory reserves	211	74	0	285	268
Market value adjustment reserve	109	38	0	147	78
Claims reserves	146	92	0	238	349
Premium fund	0	0	0	0	0
Deposit fund	0	0	0	0	0
Pensioners' surplus fund	0	0	0	0	0
Supplementary provisions	0	0	0	0	2
Other technical provisions	0	0	0	0	-
Total insurance liabilities as at 31.12.	**8 402**	**4 184**	**4 133**	**16 719**	**16 038**

INDIVIDUAL ANNUITY AND PENSION INSURANCE

Amounts in million NOK	With profit sharing	W.o right to portion of profits	Invest. choice	2010	2009
Premium reserves	32 118	1 399	7 539	41 056	43 161
Additional statutory reserves	1 291	32	0	1 322	1 425
Market value adjustment reserve	447	14	0	462	255
Claims reserves	234	0	0	234	238
Premium fund	336	0	0	336	419
Deposit fund	0	0	0	0	0
Pensioners' surplus fund	0	0	0	0	0
Supplementary provisions	0	0	0	0	0
Other technical provisions	0	0	0	0	0
Total insurance liabilities as at 31.12.	**34 426**	**1 445**	**7 539**	**43 410**	**45 497**

Note 26 – Changes in insurance liabilities

CONTRACTUALLY ESTABLISHED OBLIGATIONS

Amounts in million NOK	Premium reserve	Add. statutory reserve avsetn.	Mkt. val adj. fund reg.fond	Claims reserve	Premium fund	Other tech. reserves avsetn.	2010	2009
Opening balance as at 31.12.	**180 479**	**5 550**	**1 306**	**1 598**	**4 412**	**180**	**193 525**	**184 807**
Changes in insurance liabilities through income statement:								
Net realised reserves	6 974	443	1 284	189	216	25	9 131	10 606
Profit on investment returns	3 508	0	0	0	0	0	3 508	(2 053)
Risk result assigned insurance contracts	167	0	0	0	0	0	167	(66)
Other assignment of profit	418	0	0	0	0	0	418	(18)
Adjustment of insurance liabilities	0	0	0	0	0	0	0	0
Total changes in insurance liabilities through income statement	*11 067*	*443*	*1 284*	*189*	*216*	*25*	*13 224*	*8 468*
Unrealised changes in insurance liabilities:								
Transfers between funds	(1 053)	(298)	0	26	133	(6)	(1 198)	249
Transfers to/from the company	0	0	0	0	0	0	0	0
Total unrealised changes in insurance liabilities	*(1 053)*	*(298)*	*0*	*26*	*133*	*(6)*	*(1 198)*	*249*
Closing balance as at 31.12.	**190 493**	**5 694**	**2 591**	**1 813**	**4 761**	**199**	**205 550**	**193 525**

INVESTMENT CHOICE PORTFOLIO

Amounts in million NOK	Premium reserve	Suppl. reserve	Claims reserve	Deposit fund	2010	2009
Opening balance as at 31.12.	**19 984**	**2**	**32**	**1 352**	**21 370**	**16 467**
Changes in insurance liabilities through income statement:						
Net realised reserves	1 246	0	(6)	0	1 241	1 232
Investment returns assigned to contracts	2 387	0	0	0	2 387	4 021
Risk result assigned insurance contracts	0	0	0	0	0	0
Adjustment of insurance liabilities from other profit components	(354)	0	0	0	(354)	(425)
Total changes in insurance liabilities through income statement	*3 279*	*0*	*(6)*	*0*	*3 274*	*4 828*
Unrealised changes in insurance liabilities:						
Transfers between funds	(192)	0	(26)	0	(218)	(16)
Transfers to/from the company	(1 163)	0	0	243	(920)	91
Total unrealised changes in insurance liabilities	*(1 355)*	*0*	*(26)*	*243*	*(1 138)*	*75*
Closing balance as at 31.12.	**21 908**	**2**	**0**	**1 595**	**23 506**	**21 370**

Note 27 – Subordinated loan capital/perpetual subordinated loans

Amounts in million NOK **Loans raised**	Currency	Amount borrowed Currency	Amount borrowed NOK	Interest 2010 NOK	Interest	Due
June 2001	NOK	300	300	15	Adjustable	Perpetual
October 2001	USD	70	407	9	Adjustable	Perpetual
June 2002	NOK	350	350	17	Adjustable	Perpetual
July 2002	NOK	35	35	1	Adjustable	Perpetual
Total perpetual subordinated loans			**1 092**	**43**		
March 2003	NOK	850	850	42	Adjustable	March 2013
December 2003	NOK	300	300	13	Adjustable	December 2013
August 2005	NOK	25	25	1	Adjustable	August 2015
Total term subordinated loans			**1 175**	**56**		
Total subordinated loan capital			**2 267**	**99**		
Perpetual subordinated loans	NOK	225	225	13	Adjustable	Perpetual
Total subordinated loan capital/ perpetual subordinated loans			**2 492**	**112**		

Subordinated loans in various currencies are included in the company's currency strategy and contribute to the hedging of financial investments in foreign currencies. For 2010 an unrealised currency loss was recorded for subordinated loans in foreign currencies of in total NOK 2 million. The preceding year, there was a corresponding currency gain of NOK 86 million. All loans have been raised within the Group. The perpetual loans may at the initiative of the borrower be redeemed after 10 years as computed from the date the loan was granted. Any possible redemptions of subordinated loans prior to their ordinary due dates require the consent of Finanstilsynet (The Financial Supervisory Authority Of Norway). Perpetual subordinated loans of NOK 225 million, granted in 2002, count as a part of the company's core capital.

Note 28 – Risks

Risk management and reporting

Management of Vital's risks is a part of the company's strategy adopted by the Board. The risk situation at Vital will be viewed in the context of the Group's overall risk profile by being addressed periodically in the DnB NOR Group's Asset and Liability Committee (ALCO). Vital's Managing Director and Board of Directors shall contribute to the appropriate co-ordination of risk management with strategy at Vital and in the Group's risk profile. The Risk Analysis and Control Unit reports on, monitors and follows up on Vital's total risk. This unit is organised as a staff function, and is independent of the financial management and the business areas.

Capital conditions

Processes have been established at the DnB NOR Group in order to assess capital requirements in relation to risk profile and the quality of established risk management and control systems. Expansions of the level of capital are a central quantity that is taken into consideration in the long-term financial planning. There is a requirement by the government authorities that there be such a self-assessment of risk profile and capital requirements within the DnB NOR Group called the ICAAP (Internal Capital Adequacy Assessment Process). Vital is a part of this process, where a separate evaluation is performed of the capital requirements at Vital, adopted by the Board of Vital. The self-assessment is evaluated annually by the Financial Supervisory Authority of Norway through SREP (Supervisory Review and Evaluation Process). In this assessment, the Financial Supervisory Authority of Norway provides feedback on the DnB NOR Group's capitalisation, thus also including Vital.

Good risk management is a strategic tool for increasing value creation. The DnB NOR Group has a stated goal of having a low risk profile and wishes to maintain a rating on long-term ordinary borrowings by the bank corresponding to the AA level. The Group's risk is quantified in the form of a risk-adjusted capital requirement in which Vital is included. The capital requirement reflects the market, insurance, operational and business risks. Primary capital at Vital is held to a sufficient level in comparison with risk-adjusted capital, however the capitalisation must also ensure the necessary buffers against the regulatory minimum requirements for capital adequacy and solvency margin. In the capitalisation of Vital, consideration is made for the fact that the company is a part of the DnB NOR Group and that the DnB NOR Group's equity reserves will also be able to be utilised for the benefit of Vital.

Risk-adjusted capital for Vital was NOK 13.9 billion at the end of 2010, in comparison with NOK 11.2 billion at the end of 2009. Of the NOK 13.9 billion, approx. 81 per cent comprises market risk, 7 per cent insurance risk, 9 per cent operational risk and the remaining 3 per cent business risk. Regard is paid to diversification effects between the different risk categories. A significant increase in the exposure to the share market contributed to increased risk-adjusted capital through the year. The building up of the market value adjustment reserve in2010 has strengthened the buffer capital and thus contributed to reducing risk-adjusted capital.

For an overview of the capital beyond the regulatory minimum requirements, refer to note 30 – Capital adequacy and solvency margin.

Risk at Vital

Risk at Vital Forsikring ASA consists of market, credit, liquidity, insurance, operational and business risks. Market risk consists of risks associated with share prices, changes in interest rates and real estate. Overviews of the holdings of shares and interest bearing instruments are given in notes 17 and 18. Credit, liquidity and insurance risk are described in notes 34, 35 and 29 respectively.

An internal stress test has been defined at Vital for the computation of all loss potentials for market, credit, insurance, business and operational risks. In the establishment of the risk tolerance for total risk, this loss potential is measured against the buffer capital beyond the regulatory requirements. This method is also used as a basis for the measurement and establishment of the framework for market and credit risk in asset management. In computing the loss potential for market and credit risks, a stress test is incorporated for shares, interest rates, currencies, real estate, spread risks and counterparty risks respectively.

Financial derivatives are utilised in order to be able to effectuate a market view/allocations through quick and cost-efficient asset and market exposures. Furthermore, use of derivatives provides the possibility of performing active risk management of market risk. Derivatives are also used in order to differentiate sub portfolios and hedge currency risk. Both linear and non-linear derivatives on interest rates and shares may be utilised in asset management. An overview of the derivative positions is given in note 32.

Sensitivity analysis

In order to address considerations for minimum diversification, frameworks have been established for each asset class. The frameworks also limit the concentration risk against a single issuer. A separate framework has been prepared for use of derivatives in asset management. All frameworks for asset management are established annually by the Board.

The table below shows the change in value and effects on results at year-end of a price change of 20 per cent for shares, an interest rate change of 1.5 percentage points and a valuation change of 12 per cent for real estate. The sensitivities have been computed individually. The effect of the change in value on the result is also shown in the table. The effect on the result depends on the level of additional statutory reserves and the market value adjustment reserve.

Market risk		Change in value	Eccect on result
Shares	20%	8 644	1 694
Shares	(20%)	(8 644)	(1 129)
Interest rates	+1.5 pp	(2 068)	(31)
Interest rates	-1.5 pp	2 068	304
Real estate	12%	4 617	627
Real estate	(12%)	(4 617)	0

Note 28 – Risks

Three stress scenarios are presented below that show a simulated price drop in shares, an interest rate increase and a drop in value of real estate. Diversifications are not taken into account. In comparison with the prior year, the loss potential has increased and reflects increased risk-taking throughout the year. Credit risk consists primarily of counterparty risks in derivative contracts and spread risk associated with interest instruments. At the end of the year this comprised 10 per cent of total risk at Vital measured as per the Financial Supervisory Authority of Norway's Stress Test II.

				TOTAL LOSS	
	Shares	**Interest rates**	**Real estate**	**31.12.10**	**31.12.09**
Scenario 1	(20%)	+0.3 pp	(5%)	10 981	7 466
Scenario 2	(20%)	+0.5 pp	(12%)	13 950	10 305
Scenario 3	(20%)	+1.5 pp	(12%)	15 329	12 157

Management of market risk is performed through on-going adjustments of the portfolio for the company's buffer capital. Analyses show that this will improve the risk-adjusted returns over time. The probability of an extremely negative outcome is reduced, while at the same time the possibilities for participating in an upturn in the share markets are good.

Note 29 – Insurance risk

ANALYSIS OF INSURANCE LIABILITIES, INVESTMENT CHOICE AND CONTRACTUALLY ESTABLISHED OBLIGATIONS

Amounts in million NOK	**Investment choice obligations**	**Traditional product obligations**
Balance sheet as at 31.12.08	**16 467**	**184 807**
Deposits	3 055	11 411
Returns	4 021	10 225
Addition of reserves	796	3 239
Disposal of reserves	(846)	(3 754)
Insurance payments	(1 799)	(10 386)
Other changes	(324)	(2 018)
Balance sheet as at 31.12.09	**21 370**	**193 525**
Deposits	2 368	11 680
Returns	2 368	13 314
Addition of reserves	533	3 681
Disposal of reserves	(697)	(2 936)
Insurance payments	(1 794)	(11 267)
Other changes	(644)	(2 448)
Balance sheet as at 31.12.10	**23 505**	**205 550**

Description of insurance products

The company offers traditional life and pension insurance, unit-linked insurance and non-life insurance. A calculation rate is used to determine provisions and premiums for the traditional products. The highest calculation rate is set by the Financial Supervisory Authority of Norway. This interest rate is often called the base rate, and is 2.75 per cent for new contracts. The base rate is the annual guaranteed rate of return on policyholders' funds. In most unit-linked insurance products, policyholders bear the financial risk. Non-life insurance policies are products generating payments related to policyholders' life and health. These products are not subject to profit sharing and are re-priced annually.

Group contracts

Under group defined benefit pensions, pension payments are disbursed from an agreed age and until the death of the policyholder. It can also be agreed that the pension payments cease at a certain age. A defined benefit pension may include a retirement pension, disability pension, dependent's pension and children's pension. Group defined benefit pensions follow the regulations for the insurance industry effective from 1 January 2008. This means that policyholders pay in advance an annual premium for interest rate risk, insurance risk and administration. The company is entitled to change the premium annually. Interest in excess of the guaranteed rate of return is awarded to policyholders in its entirety. If the interest is between 0 and the guaranteed rate of return, the company can use additional allocations to meet the guaranteed rate of return, otherwise the company must cover the deficit. A positive risk result may either be used to increase the risk equalisation fund or be distributed to the policyholders. No more than 50 per cent of annual profits may be allocated to the risk equalisation fund. The company must cover any remaining losses after the risk equalisation fund has been used. The administration result is allocated in its entirety to the company. For one year agreements with disability pensions and dependent's pensions without savings, the risk result is settled directly with the company.

When a member terminates a pension agreement or a pension agreement ends, he or she is entitled to a paid-up policy. Rights earned on the termination date are continued in paid-up policies. Paid-up policies have a separate profit model where a minimum of 80 per cent of profits are distributed to policyholders. Profits for distribution consist of the interest result and the risk result. The administration result is allocated in its entirety to the company.

Note 29 – Insurance risk

Group association insurance is pension insurance taken out by associations for their members. Association insurance can comprise retirement pensions, disability pensions, dependent pensions and children's pensions.

Individual contracts

Individual annuity and pension insurance policies are savings schemes whereby the company disburses monthly amounts up until the death of the policyholder, or until the policyholder reaches an agreed age. This usually comprises a retirement pension, disability pension, dependent's pension and children's pension.

Individual endowment insurance policies are contracts whereby the company disburses an agreed amount upon the death of the policyholder or when the policyholder attains an agreed age. Individual endowment insurance may also include disability cover, which is a one-off benefit for permanent disability.

For individual contracts sold prior to 1 January 2008, the past profit sharing scheme applies. This then implies that the interest result, the risk result and the administration result are included in the profits to be distributed between policyholders and the company. No less than 65 per cent of annual profits must be distributed to policyholders. The new regulations apply to contracts sold as at 1 January 2008.

Contracts where policyholders bear the risk

Defined-contribution pensions are group pension schemes where the employees bear the financial risk. However, full or partial hedging of the paid amount can be bought upon retirement age.

Individual unit-linked insurance polices are endowment insurance policies or annuity insurance polices where policyholders bear the financial risk.

Other sectors

Group life insurance policies are death-risk insurance policies taken out by employers or associations for their employees or members and, where applicable, also for their spouses and children. The amount recoverable under the policy is disbursed upon the death of the policyholder. Group life insurance may also comprise disability cover, which is a one-off benefit for permanent disability.

Employer's liability insurance is a one-year risk product which companies link to their pension agreements. This may be corporate group life insurance or accident insurance. Occupational injury insurance is mandatory for all enterprises.

Insurance risk

Within life insurance, insurance risk is mainly related to the likelihood of death and disability.

Insurance risk at Vital is divided, in varying degrees, between policyholders and the company. With respect to the non-life insurance products employers' liability insurance and certain pure risk products, the company is exposed to insurance risk. For group pension agreements and new individual pension and endowment insurance products, the company's risk represents its obligation to cover a possible negative risk result. The company is credited up to 50 per cent of any positive risk result in the form of allocations to the risk equalisation fund. With respect to individual insurance policies sold prior to 1 January 2008, the risk result is included in profits for allocation to policyholders and the company, where the company is entitled to receive up to 35 per cent of annual profits.

Risk for Vital related to changes in mortality rates is twofold. With respect to mortality risk coverage (mainly dependants' and children's pensions) lower mortality rates will give an improved risk result and a more limited need for provisions. For pensions that are currently payable, lower mortality rates will result in extended disbursement periods and thus require greater provisions. Pursuant to sections 9-11 and 9-25 of the Norwegian Insurance Act, it will be possible to cover the required increase in reserves relating to insurance risk by profits from future surpluses on investment results. Due to higher life expectancy, Vital needs to strengthen recorded premium reserves within individual pension insurance and group association insurance.

In 2010, Vital has strengthened the reserves for individual pensions with NOK 973 million as a part of increasing life expectancy assumptions. The remaining provisions needed amount to NOK 770 million, which will be distributed over the next two years. The plan for additions to the reserves is approved by the Financial Supervisory Authority of Norway.

Within the industry, work is also on-going to update the life expectancy assumptions in the premium and reserve bases for group insurances. The introduction of updated computational basis for group pensions will be introduced in close dialogue with the authorities. Vital expects that the additions to the reserves will primarily be financed by future surplus returns, after approval from the Financial Supervisory Authority of Norway.

Disability risk is more exposed to short-term changes. Allocations covering incurred, unsettled insurance claims are under continuous review. No further needs for strengthening existing provisions relating to disability pensions or other disability products have been identified.

With respect to existing contracts, insurance risk is subject to continual review by analysing and monitoring risk results within each industry. In addition, the company applies reinsurance as an instrument to reduce insurance risk. The company's current reinsurance contracts cover catastrophes and significant individual risks within group and individual insurance. The reinsurance agreements imply that Vital is responsible for risk up to a certain level while the reinsurer covers excess risk up to a maximum defined limit.

In order to reduce insurance risk exposure, it is mandatory that policyholders undergo a health check before entering into a contract for individual risk products. Individual health checks are also required under small-scale group schemes. In connection with the sale of disability pensions, policyholders are divided into risk categories based on a tangible risk assessment in each individual case.

Vital Forsikring's operations are concentrated in Norway. In this market, the portfolio is well diversified and without any concentrations of risk in specific geographical areas or industries.

Note 29 – Insurance risk

The risk result arises when empirical data for mortality, disability and exit risk deviate from the assumptions underlying the calculation base for premiums and provisions. When the risk result generates a surplus, the surplus can be allocated to the risk equalisation fund. The risk equalisation fund cannot exceed 150 per cent of the company's total risk premiums for the accounting year. If there is a deficit on the risk result, the risk equalisation fund can be used. The risk equalisation fund does not apply to risk insurance with a maximum term of one year, disability pensions and dependent's pensions without savings, paid-up policies or individual contracts subject to the former profit sharing model.

	GROUP LIFE INSURANCE DEFINED -BENEFIT PENSIONS			INDIVIDUAL ANNUITY AND PENSION INSURANCE			
RISK RESULT *Amounts in million NOK*	**Private sector**	**Public sector**	**Association insurance**	**Annuity and pension insurance**	**Endowment insurance**	**Other sectors**	**Total**
Risk result in 2010 [1)]	410	133	(24)	(889)	178	(50)	(242)
Risk result in 2009	252	25	4	(255)	77	(11)	92
Sensitivities – effect on risk result							
5 per cent reduction in mortality rate	(15)	(8)	(0)	(9)	2	7	(23)
10 per cent increase in disability rate	(126)	(37)	(2)	(16)	(6)	(13)	(199)
1) Of which: Mortality risk	35	25	32	9	53	(3)	151
Of which pure endowment risk	(52)	(24)	(21)	(86)	0	0	(183)
Of which disability rate	423	72	7	(3)	28	(47)	481
Of which other items	3	60	(43)	(809)	97	0	(692)

The table shows the effect on the risk result for 2010 of given changes in empirical mortality or disability data.
For annuity and pension insurance and association insurance, the costs in restructuring to new calculation bases are entered under other items.
Permanent changes in the calculation assumptions will require changes in premiums and provisions. With respect to group life insurance and individual policies sold after 1 January 2008, it will be possible to finance higher premium reserve requirements by the risk result for the year, or by current or future investment results in accordance with sections 9-11 and 9-25 of the Insurance Act. For individual contracts sold prior to 1 January 2008, rising premium reserve requirements can be financed by profits for allocation or future profits for allocation in accordance with section 9-25 of the Insurance Act.

Calculation assumptions

Amounts in million NOK	**Change**	**Effect on gross premium reserve**
Mortality	-5%	1 836
Disability	10%	2 150

The table shows the effect on the gross premium reserve (NOK million) if the assumptions regarding mortality and disability for each age group changes by -5% and +10% respectively.

Mortality and disability

The table shows the net annual risk premium for a sum assured of NOK 100 000. For dependant's pensions, the premium shown is for an annual disability pension of NOK 10 000 paid from the death of the primary policyholder until the spouse reaches the age of 77. For disability pensions, the premium shown is for an annual disability pension of NOK 10 000 paid until 67 years of age.

	MEN			WOMEN		
Amount in NOK	**30 years**	**45 years**	**60 years**	**30 years**	**45 years**	**60 år**
Individual life insurance	136	340	1 447	68	170	724
Individual disability lump sum	223	695	0	333	1 177	0
Individual disability pension	394	1 000	3 229	630	1 900	4 858
Dependant's pensions in group schemes	20	164	698	17	79	224
Disability pensions in group schemes	254	556	1 114	388	975	1 672

Premiums for individual disability pensions are based on the company's own experience and were last changed in 2006. Premiums for dependant's pensions and disability pensions in group schemes are based upon the company's own experiences and were last changed in 2008.

Note 29 – Insurance risk

Guaranteed rate of return

The table shows long-term developments in the average guaranteed rate of return for each sector. The guaranteed rate of return is shown as a percentage of the premium reserve, premium fund and additional allocations, and is measured as at 31 December. The guaranteed rate of return is gradually reduced each year as the rate for premiums paid within group pensions is guaranteed at 3 per cent.

Per cent	**2010**	**2009**	**2008**	**2007**
Group pension insurance, private sector	3.4%	3.5%	3.6%	3.7%
Group pension insurance, public sector	3.0%	3.1%	3.1%	3.2%
Individual pension insurance	3.4%	3.5%	3.4%	3.4%
Individual endowment insurance	2.8%	3.1%	3.3%	3.4%
Group association insurance	4.0%	4.1%	4.1%	4.1%
Total	**3.3%**	**3.4%**	**3.5%**	**3.6%**

Description of liability adequacy test

In accordance with IFRS 4, the company has assessed whether its premium reserves are adequate to cover its liabilities. If the test shows that the premium reserves are too low to bear the future liabilities of the company, the difference should be recognised on the test date. Adequacy tests are implemented each quarter based on the various profit-sharing models.

All tariff rates used by the company are based on past experience within product segments or business sectors. Thus, products may have different technical rates of interest, mortality and disability assumptions, and may incur different costs. The adequacy test assesses the margins in the tariff rates.

The risk free rate of interest is calculated with a basis in observable Norwegian swap rates. It is presumed that the risk-free interest rate converges to a long-term macro-economic point of interest. The realistic value of the commitments is calculated as the present value of future cash flows from the insurance contracts, given the risk free interest rate curve.

The adequacy test indicated no need for further reserves for commitments other than to policy holders as at 31 December 2010.

Solvency capital

The solvency capital consists of the market value adjustment reserve, additional statutory reserves, the security reserve, risk equalisation fund, equity, subordinated loan capital and perpetual subordinated loan capital securities and unrealised gains on bonds classified as hold-to-maturity. All these elements, with the exception of the risk equalisation fund and parts of the security reserve can be used to meet the guaranteed rate of return on policyholders' funds.

Amounts in million NOK	**31.12.10**	**31.12.09**
Market value adjustment reserve	2 591	1 307
Additional statutory reserves	5 694	5 550
Security fund	158	143
Risk equalisation fund	661	407
Equity	11 752	9 611
Subordinated loan capital and perpetual subordinated loan capital securities	2 492	2 489
Unrealised gains on bonds classified as fixed assets	1 100	865
Total solvency capital	**24 448**	**20 372**
Guaranteed return on policyholders' funds	**6 821**	**6 627**

NOTE 30 – Capital adequacy and solvency margin capital

Capital adequacy regulations regulate the relationship between the company's primary capital and the investment exposure on the asset side of the balance sheet. Solvency margin capital is measured against the solvency margin requirement, which is linked to the company's insurance commitments on the liabilities side of the balance sheet. The solvency margin requirements for Norwegian life insurance companies are subject to regulations on the calculations of solvency margin capital requirements and solvency margin capital, as laid down by the Ministry of Finance on 19 May 1995.

Capital adequacy

Amounts in million NOK	**31.12.10**	**31.12.09**
Paid-in capital	2 496	2 496
Other retained earnings	9 918	7 522
Equity	**12 413**	**10 018**
Perpetual subordinated loans	225	225
Risk equalisation fund	(661)	(407)
Over-funding of pension commitments	(124)	(146)
Goodwill and other intangible assets	(867)	(197)
Other deductions	(6)	(28)
Core capital	**10 980**	**9 465**
Perpetual subordinated loan capital	1 092	1 089
Other subordinated loan capital	480	715
Net additional capital	1 572	1 804
Deductions	0	0
Total eligible primary capital	**12 552**	**11 269**
Risk-weighted volume	113 607	97 239
Capital adequacy in per cent *)	11.0%	11.6%
Core capital adequacy in per cent	9.7%	9.7%

*) For the Group, the eligible primary capital was NOK 12 552 million, risk-weighted volume NOK 112 747 million and the capital adequacy was 11.1 per cent.

Assets distributed by risk categories

Amounts in million NOK	**Weight**	**Booked 31.12.10**	**Risk weighted 31.12.10**	**Risk weighted 31.12.2009**
	0%	33 340	0	0
	4%	9 338	374	315
	10%	27 257	2 726	2 365
	20%	78 639	15 728	16 697
	35%	295	103	105
	50%	8 571	4 285	4 506
	100%	86 342	86 342	67 506
	150%	2 816	4 225	3 345
Goodwill and other intangible assets		867	0	0
Total balance sheet		247 465	113 783	94 838
Off-balance sheet items			2 230	3 707
Deductions			(2 406)	(1 306)
Total risk-weighted volume			**113 607**	**97 239**

Solvency margin capital and solvency margin requirements

Amounts in million NOK	**31.12.10**	**31.12.09**
Net primary capital	12 552	11 269
Additional statutory reserves (50%)	2 847	2 775
Risk equalisation fund (50%)	331	203
Security reserve in non-life insurance (beyond 55% of minimum requirement)	71	64
Solvency margin capital	**15 800**	**14 312**
Solvency margin requirement	**8 838**	**8 317**
Capital in per cent of requirement	**178.8%**	**172.1%**

Note 31 – Interest rate sensitivity

INTEREST RATE SENSITIVITY BY TIME PERIOD AS OF 31 DECEMBER 2010

Amounts in million NOK	**Up to 1 month**	**From 1 month to 3 months**	**From 3 months Up to 1 year**	**From 1 year Up to 5 year**	**Over 5 years**	**Total**
NOK	7	33	166	461	310	977
USD	0	71	97	61	283	175
EUR	0	134	44	85	206	112
GBP	1	15	0	7	60	51
Other currencies	2	1	42	10	27	8

INTEREST RATE SENSITIVITY BY TIME PERIOD AS OF DECEMBER 2009

Amounts in million NOK	**Up to 1 month**	**From 1 month to 3 months**	**From 3 months Up to 1 year**	**From 1 year Up to 5 year**	**Over 5 years**	**Total**
NOK	13	57	55	531	740	1 287
USD	3	86	140	57	198	198
EUR	5	96	4	80	229	205
GBP	1	35	0	4	70	38
Other currencies	2	5	15	5	22	5

The above table shows the interest rate sensitivity associated with Vital's financial assets excluding commercial paper and bonds being held to maturity. A commercial paper's interest rate sensitivity shows the possible change in the commercial paper's value in the event of an interest change of one (1) percentage point.

Duration (Primary mandates)	**31.12.10**	**31.12.09**
Bonds Norway – average time remaining to maturity (years) 2)	3.4	3.9
Bonds foreign – average time remaining to maturity (years) 2)	6.0	5.8
Money market – average time remaining to maturity (years) 2)	0.5	0.5
International credit – average time remaining to maturity (years) 2)	5.6	5.3
Average effective interest rate bonds Norway (per cent) 1)	4.2	4.3
Average effective interest rate bonds foreign (per cent) 1)	3.3	3.2
Average effective interest rate money market (per cent) 1)	2.7	2.6
Average effective interest rate international credit (per cent) 1)	4.4	4.4

1) For the individual interest-bearing instrument, the effective interest is computed based upon the market value of the paper. The weighting for the average effective interest rate for the entire holding is done using each individual paper's portion of the total market value as weights.
2) The duration calculation contains all interest-bearing instruments including derivatives.

Note 32 – Quantification of financial derivatives

INTEREST FUTURES

Amounts in million NOK

Currency	Underlying value as at 31.12.10	Interest rate risk	Expiry	Underlying value Average 2010
GBP	(184)	14	March 11	(365)
EUR	(2 176)	139	March 11	(1 944)
USD	(2 107)	111	March 11	(4 703)
Total	**(4 467)**	**263**		**(7 011)**

INTEREST RATE SWAPS

Amounts in million NOK

Currency	Nominal amount currency	Nominal amount	Interest rate risk	Nominal amount Average 2010
EUR	550	4 289	5	4 402
NOK	16 878	16 878	(193)	21 191
Total		**21 167**	**(188)**	**25 592**

FRA'ER

Amounts in million NOK

Currency	Nominal amount	Interest rate risk	Nominal amount Average 2010
NOK	26 350	43	52 367
SEK	14 439	(14)	12 107
Total	**40 789**	**30**	**64 474**

ASSET SWAPS

Amounts in million NOK

Currency	Nominal amount currency	Nominal amount	Interest rate risk	Nominal amount Average 2010
USD	(435)	(2 554)	3	(2 219)
NOK	2 554	2 554	(3)	2 219
Total		**0**	**0**	**0**

SHARE INDEX FUTURES/SHARE INDEX FORWARDS

Amounts in million NOK

Currency	Cash equivalent value	Expiry	Cash equivalent value Average 2010
EUR	12	March 11	12
GBP	6	March 11	11
NOK	264	February 11	129
USD	1 505	March 11	1 112
Total	**1 787**		**1 264**

SHARE INDEX OPTIONS

Amounts in million NOK

Currency	Cash equivalent value	Market value 31.12.10	Cash equivalent value Average 2010
NOK	0	0	80
Total	**0**	**0**	**80**

FX CONTRACTS, CURRENCY EXPOSURE DISTRIBUTED BY TIME TO MATURITY

Amounts in million NOK

Currency	Under 1 year	1-3 years	Over 3 years	Total per currency
AUD	(791)	0	0	(791)
CAD	(1 512)	0	0	(1 512)
CHF	(954)	0	0	(954)
DKK	(155)	0	0	(155)
EUR	(15 297)	(33)	0	(15 330)
GBP	(2 780)	0	0	(2 780)
JPY	(2 356)	0	0	(2 356)
SEK	(10 088)	(23)	0	(10 111)
SGD	(33)	0	0	(33)
USD	(19 242)	0	0	(19 242)
Total	**(53 206)**	**(56)**	**0**	**(53 262)**

Note 33 – Currency positions

The currency strategy in Vital indicates a high level of security and at year-end was approximately 96 per cent.
The disclosure of the currency risk also takes into account the indirect currency risk as Vital is exposed through fund investments.
The table below shows the net direct currency positions.
The large change from 2009 to 2010 can be explained by a restructuring of the management which involves that more exposure in international markets is taken through funds that are listed in Norwegian kroner.

Amounts in million NOK	Foreign Currency	of which: USD	EUR	GBP	SEK	Other
Net currency exposure as at 31.12.10	(5 638)	(3 595)	(941)	(745)	73	(430)
Net currency exposure as at 31.12.09	2 231	248	179	58	567	1 179

Note 34 – Liquidity risk

UNDISCOUNTED CASH FLOWS FINANCIAL LIABILITIES

Amounts in million NOK	Up to 1 month	From 1 month to 3 months	From 3 months to 1 year	From 1 year to 5 years	Over 5 years	No maturity	Total	Booked value
Financial derivative liabilities	846	(1 834)	2 066	100	120	0	1 299	1 299
Other liabilities	2 205	0	0	0	0	0	2 205	2 205
Subtotal **)							**3 504**	**3 504**
Subordinated loan capital	0	0	0	1 175	0	1 317	2 492	2 492
Uncalled residual liabilities concerning KS, LP, etc.	0	124	372	1 252	36	401	2 185	0
Total financial liabilities	**3 052**	**(1 710)**	**2 439**	**2 527**	**156**	**1 718**	**8 181**	**5 996**
Insurance liabilities ***)								
Insurance liabilities - special investment choice portfolio	74	142	621	4 863	17 806	0	23 506	23 506
Insurance liabilities - contractually established obligations	1 039	2 094	9 225	47 180	146 013	0	205 550	205 550
Total insurance liabilities	**1 112**	**2 237**	**9 846**	**52 042**	**163 819**	**0**	**229 056**	**229 056**

Liquidity risk

Under normal conditions, the sum of short-term placements, securities with a short time remaining to maturity, liquid government bonds and a conservative estimate of premium income will cover expected payments for claims with a good margin.

Life insurance liabilities have an average time to maturity of 17 years, however the customers have the ability to move and in some cases to demand redemption. Disadvantageous changes in framework conditions as well as the decisions of some large individual customers to move could potentially force the company to sell assets in order to cover liquidity needs. It is highly improbable that the short-term liquidity needs cannot be covered through selling liquid interest-bearing instruments: Such a sale, however, could potentially result in an undesired allocation between different classes of assets and a risk of having to carry out a subsequent reallocation under unfavourable market conditions. The company does not have access to borrowing.

*) Other liabilities, both in the company and Group accounts, maturing within 1 month. No separate note has been prepared for the Group accounts.
**) Corresponds to the sum of amalgamated items in note 3.
***) The division of the insurance liabilities is based upon the expected contractual maturity.

Note 35 – Credit risk

VITAL FORSIKRING ASA 31.12.10

INTEREST-BEARING SECURITIES AT FAIR VALUE

Debtor Category	**AAA**	**AA**	**A**	**BBB**	**NIG**	**Not rated**	**Total**
State and state guaranteed	6 504	1 054	945	0	68	4 563	13 133
Municipalities, county municipalities	208	613	254	0	0	3 285	4 360
Finance, banking and insurance	1 055	1 049	100	0	0	11 070	13 274
Corporate bonds	0	0	778	0	0	3 901	4 679
Real estate	0	0	0	0	0	315	315
Bonds with preferential rights	7 039	0	0	0	0	3 138	10 176
Total as at 31.12.10	**14 805**	**2 715**	**2 077**	**0**	**68**	**26 273**	**45 938**

Note 35 – Credit risk

INTEREST-BEARING SECURITIES AT AMORTISED COST

Debtor category	AAA	AA	A	BBB	NIG	Not rated	Total
State and state guaranteed	8 697	872	1 251	0	0	4 486	15 307
Municipalities, county municipalities	1 015	0	0	0	0	8 301	9 316
Finance, banking and insurance	0	1 905	1 272	0	0	14 426	17 603
Corporate bonds	0	199	3 008	0	0	5 401	8 608
Real estate	0	0	0	0	0	0	0
Bonds with preferential rights	10 706	332	0	0	0	5 532	16 570
Total as at 31.12.10	**20 418**	**3 308**	**5 531**	**0**	**0**	**38 146**	**67 403**

INTEREST-BEARING SECURITIES IN FUNDS

Debtor category	AAA	AA	A	BBB	NIG	Not rated	Total
State and state guaranteed	5	0	14	0	0	556	575
Municipalities, county municipalities	0	0	0	0	0	2 306	2 306
Finance, banking and insurance	38	478	497	67	0	10 726	11 806
Corporate bonds	14	250	636	338	0	38	1 276
Real estate	0	0	0	20	0	0	20
Bonds with preferential rights	103	0	0	0	0	625	728
Subordinated loans	0	10	172	81	0	22	284
Total as at 31.12.10	**160**	**739**	**1 319**	**506**	**0**	**14 273**	**16 996**

DERIVATIVES *

Counterparties	AAA	AA	A	BBB	NIG	Not rated	Total
US	0	0	1	0	0	0	1
UK	0	260	0	0	0	0	260
Sweden	0	128	215	0	0	0	344
Denmark	0	0	4	0	0	0	4
Total as at 31.12.10	**0**	**388**	**221**	**0**	**0**	**0**	**609**

*The counterparty risk is connected with OTC derivatives and is divided up into an unrealised part and an add-on part. The unrealised part is the sum of positive market values against the counterparty concerned. The add-on covers future risk connected with the development of the derivative and is differentiated by time to maturity and the underlying exposure. This involves, for example, equity derivatives receiving a larger add-on rate that interest derivatives with the same time to maturity.

In order to reduce the counterparty risk, a CSA agreement has been signed – Credit Support Annex – with a number of Vital's large counterparties. The CSA agreement is a supplemental agreement to an ISDA agreement and regulates margining of changes in value for OTC derivatives. The credit risk account does not include counterparty risk arising against counterparties where a CSA agreement has been established, since the unrealised amounts are exchanged between the parties on an on-going basis.

BANK DEPOSITS

Counterparties	AAA	AA	A	BBB	NIG	Not rated	Total
Norway			1 068			615	1 683
UK			1 328				1 328
Sweden			1 201				1 201
France		41					41
Total as at 31.12.10			**3 598**			**615**	**4 254**

LOANS TO CUSTOMERS FAIR VALUE

Commitments distributed by category	Total
Loans with state guarantees**	2 534
Loans secured by mortgages on real estate	299
Loans secured by mortgages on insurance policies	3
Total as at 31.12.10	**2 836**

**Guarantee from GIEK (The Norwegian Guarantee Institute for Export Credits)

Quantification of credit risk

Credit risk consists primarily of counterparty risks in derivative contracts and spread risk associated with interest instruments.
At the end of the year this comprised 10 per cent of total risk at Vital measured as per the Financial Supervisory Authority of Norway's Stress Test 2.

"The Board of Directors' statement on the stipulation of salaries and other remunerations to senior executives
DnB NOR's guidelines for determining remunerations to the group chief executive and other members of the group management team should, at all times, support prevailing strategy and values, while contributing to the attainment of the Group's targets. The remunerations should inspire conduct to build the desired corporate culture with respect to performance and profit orientation. In connection with this statement, the Board of Directors has passed no resolution entailing changes to the principles for the stipulation of remunerations compared with statements presented previously.

Decision-making process
The Board of Directors in DnB NOR ASA has established a compensation committee consisting of three members: the chairman of the Board, the vice-chairman and one board member.

The Compensation Committee prepares matters for the Board of Directors and has the following main responsibilities:

- Annually evaluate and present its recommendations regarding the total remuneration awarded to the group chief executive
- Annually prepare a recommendation for the group chief executive's score card
- Based on suggestions from the group chief executive, decide the remuneration and other key benefits awarded to the group executive vice president, Group Audit
- Act in an advisory capacity to the group chief executive regarding remunerations and other key benefits for members of the group management team and, when applicable, for others who report to the group chief executive
- Consider other matters as decided by the Board of Directors and/or the Compensation Committee
- Evaluate other personnel-related issues which can be assumed to entail great risk to the Group's reputation

A. Guidelines for the coming accounting year
Remuneration to the group chief executive
The total remuneration to the group chief executive consists of fixed salary (main element), benefits in kind, variable salary, and pension and insurance schemes. The total remuneration is determined based on a total evaluation, and the variable part of the salary is primarily based on the following elements: financial risk-adjusted profits, customer satisfaction and the DnB NOR Group's reputation. In addition, the total evaluation will also reflect compliance with the Group's vision, values, code of ethics and leadership principles. The new regulations on remuneration schemes in the financial services industry and the appurtenant guidelines in a circular from Finanstilsynet will be taken into consideration with respect to remunerations for 2011.

The fixed salary is subject to an annual evaluation and is determined based on general salary levels in the labour market and especially in the financial industry.

Variable salary to the group chief executive is determined based on specific performance measurements of defined target areas stipulated in the group chief executive's score card and an overall assessment. Variable salary cannot exceed 50 per cent of fixed salary. The group chief executive is not awarded performance-based payments other than the stated bonus.

In addition to variable salary, the group chief executive can be granted benefits in kind such as company car, newspapers/periodicals and telephone schemes. Benefits in kind should be relevant to the group chief executive's function or in line with market practice, and should not be significant relative to the group chief executive's fixed salary.

The Board of Directors will respect the agreement entered into with the group chief executive, whereby his retirement age is 60 years with a pension representing 70 per cent of fixed salary. If employment is terminated prior to the age of 60, the pension will be paid from the age of 60 with the deduction of 1/14 of the pension amount for each full year remaining to his 60th birthday. According to the agreement, the group chief executive is entitled to a termination payment for two years if employment is terminated prior to the age of 60. If, during this period, the group chief executive receives income from other employment, the termination payment will be reduced by an amount corresponding to the salary received from this employment. Benefits in kind will be maintained for a period of three months.

Remuneration to other senior executives
The group chief executive determines the remunerations to senior executives in agreement with the Chairman of the Board of Directors. The Board of Directors will honour existing binding agreements.

The total remuneration to senior executives consists of fixed salary (main element), benefits in kind, variable salary, and pension and insurance schemes. The total remuneration is determined based on the need to offer competitive terms in the various business areas. The remunerations should promote the Group's competitiveness in the relevant labour market, as well as the Group's profitability, including the desired trend in income and costs. The total remuneration must neither pose a threat to DnB NOR's reputation nor be market-leading, but should ensure that DnB NOR attracts and retains senior executives with the desired skills and experience.

The fixed salary is subject to an annual evaluation and is determined based on general salary levels in the labour market and especially in the financial industry.

Benefits in kind may be offered to senior executives to the extent the benefits have a relevant connection to the employee's function in the Group or are in line with market practice. The benefits should not be significant relative to the employee's fixed salary.

Implementation of regulations on remuneration schemes in the financial services industry
DnB NOR will work on the implementation and follow-up of the regulations through and beyond 2011. The Group will prepare revised group remuneration guidelines to ensure compliance with the regulations and appurtenant guidelines. The regulations will be implemented in the organisation in accordance with the provisions of the regulations and guidelines in a manner which ensures

that the Group's practices safeguard DnB NOR's reputation.

There will be challenges of a legal nature related to the Group's international branches and subsidiaries, as the Norwegian regulations and guidelines will not always correspond to local legislation and local rules concerning remunerations in financial institutions. In such cases, the Group will seek advice from Finanstilsynet and international experts to ensure that the Group's practices are in compliance with both Norwegian and local regulations concerning remuneration in financial institutions.

Variable salary is based on specific performance measurements of defined target areas stipulated in the executive's score card and an overall assessment reflecting compliance with the Group's vision, values, code of ethics and leadership principles. The scheme should be performance-based without exposing the Group to unwanted risk, nor should the scheme pose a threat to DnB NOR's reputation. Variable salary (bonus) cannot exceed 50 per cent of fixed salary.

Pension schemes and any agreements on termination payments etc. should be considered relative to other remuneration and should ensure competitive terms. The various components in pension schemes and severance pay, either alone or together, must not be such that they could pose a threat to DnB NOR's reputation.

As a main rule, senior executives are entitled to a pension at the age of 65, though this can be deviated from. In accordance with the Group's pension scheme for all employees, defined benefit pension entitlements should not exceed 70 per cent of fixed salary and should constitute maximum 12 times the National Insurance basic amount. However, the DnB NOR Group will honour existing agreements. A defined contribution scheme was established for the Group with effect from 1 January 2011, whereby pensionable income will be limited to 12 times the National Insurance basic amount. Parallel to this, the Group's defined benefit pension scheme was closed for new members as from 31 December 2010. Senior executives who are covered by the defined benefit scheme will be given the opportunity to transfer to defined contribution pensions.

As a main rule, no termination payment agreements will be signed. However, the Group will honour existing agreements.

When entering into new agreements, the guidelines generally apply and comprise all senior executives.

See table of remunerations for senior executives below.

B. Binding guidelines for shares, subscription rights, options etc. for the coming accounting year
An amount corresponding to 50 per cent of the earned variable salary of the group chief executive and senior executives is invested in shares in DnB NOR ASA. The minimum holding periods are one year for one-third of the shares, two years for one-third of the shares and three years for the final one-third of the shares. Guidelines for the shareholdings have been established for 2011.

No additional shares, subscription rights, options or other forms of remuneration only linked to shares or only to developments in the share price of the company or other companies within the Group, will be awarded to the group chief executive or senior executives. The group chief executive and senior executives are, however, given the opportunity to participate in a share subscription scheme on the same terms as other employees in the DnB NOR Group.

C. Statement on the senior executive salary policy in the previous account year
As in previous years, the performance-based pay agreement for 2010 for the head of DnB NOR Markets deviates from the model used for the other group executive vice presidents. The agreement has a higher maximum limit.

In all other respects, the guidelines determined for 2010 have been followed.

D. Statement on the effects for the company and the shareholders of remuneration agreements awarding shares, subscription rights, options etc.
An amount corresponding to 20 per cent of the gross variable salary earned by the group chief executive and senior executives in 2010 is invested in shares in DnB NOR ASA. The Board of Directors believes that the awarding of shares to senior executives, in view of the total number of shares in the company, will have no negative consequences for the company or the shareholders."

Note 36 – Remuneration etc.

Amount in thousand NOK	Basic salary 31.12.10[1]	Paid bonus in 2010[2]	Paid salary in 2010[3]	Bonus earned in 09, paid in 10[4] [6]	Benefits in kind 2010	Total remun. in 2010	Bonus earned in 10, paid in 11[4] [6]	Loans as at 31.12.10[5]	Accrued pension expenses[7]	Value of pension agree-ments[7]
BOARD OF DIRECTORS OF VITAL FORSIKRING ASA										
Rune Bjerke, Chairman	4 592		4 667	674	276	5 618	1 890		3 494	12 074
Bjørn Erik Næss, Vice-chairman	3 282		3 409	1 044	176	4 630	1 468	1 980	4 040	10 365
Cathrine Klouman	2 161		2 246	796	321	3 364	1 011	3 495	1 075	6 879
Lars Rosén		195				195				
Tove E. Pettersen		195			1	196		1 894		
Rune Selmar		195			1	196				
Kari Olrud Moen	1 459		1 494	597	144	2 235	700		456	1 920
Jørn Kvilhaug, employee-elected	971	455	986	89	17	1 546	20	484	180	5 433
Oddmunn Johan Olsen, employee-elected	569	195	638	32	9	874	20	1 171	66	1 552
Britt Sæle, employee-elected from 15.06.10	368	106	402	9	10	527	20	6	33	147
Siri Pettersen Strandenes (until 15.06.10)		256			1	256		3		
Vibeke Holsen, employee-elected (until 15.06.10)	472	89	1 394	9	14	1 506	20	3 202	243	3 131
Total Board	**13 873**	**1 686**	**15 236**	**3 250**	**970**	**21 141**	**5 149**	**12 235**	**9 585**	**41 501**
SENIOR MANAGEMENT GROUP OF VITAL FORSIKRING ASA										
Tom Rathke, Managing Director[6] [8]	2 884		3 098	1 199	177	4 474	1 282	301	2 400	15 137
Anders Skjævestad, Deputy Managing Director and Director of Staff	1 615		1 647	409	154	2 211	422	3 145	564	3 804
Truls Cook Tollefsen, Director of Finance[6])	1 490		1 536	625	147	2 307	648	3 147	224	1 435
Frode J. Hansen, Director of Direct Sales	1 290		1 440	344	148	1 932	325	3 048	299	3 016
Hanne Langseth, Director of Products	1 225		1 254	259	145	1 657	257	1 740	361	3 947
Britt Iren Spjeld, Director of Distribution	1 160		1 178	249	144	1 571	244		341	2 606
Geir Sæbdal, Geir Sæbdal, Director of Operations and Customer Service	1 200		1 201	309	148	1 658	313	1 543	353	3 708
Total senior management group	**10 864**		**11 353**	**3 394**	**1 063**	**15 809**	**3 491**	**12 925**	**4 544**	**33 653**
CONTROL COMMITTEE										
Frode Hassel, Chairman		387				387				
Thorstein Øverland, Vice-chairman		283			17	300		1		
Svein Norvald Eriksen		243				243		1 568		
Karl Olav Hovden		385			4	389		6		
Svein Brustad		243				243				
Merethe Smith		264				264				
Total control committee		**1 803**			**21**	**1 824**		**1 576**		
Total Supervisory Board		**1 093**				**1 093**				

Note 36 – Remuneration etc.

1) Fixed annual salary at year-end for employees who were members of the Board of Directors, the senior management group or Supervisory Board during the year.
2) Includes remuneration received from all companies within the DnB NOR Group for service on Boards of Directors and committees.
3) Includes salary payments for the entire year and holiday pay on bonuses. Some employees were members of the Board of Directors, the senior management group or Supervisory Board for only parts of the year.
4) 20 per cent of variable salary for Group-elected representatives is paid in the form of shares at market price on the date of allocation. The shares have a holding period of two years. The date of allocation for bonuses earned in 2009 was 29 April 2010, and a total of 8 905 shares were purchased in the market at a price of NOK 69.08 per share.
5) As of 31. December 2010, loans are provided by sister company DnB NOR Bank ASA.
   Loans to employees in the DnB NOR Group are provided on official conditions, which are close to ordinary customer conditions.
6) 20 per cent of the variable salary for Tom Rathke and Truls Cook Tollefsen is paid in the form of shares at the time of allocation. The shares have a holding period of two years.
   For the bonus accrued in 2009, the Managing Director invested in 3 446 DnB NOR shares at a price of 69.08 each.
   For the bonus accrued in 2009, the Director of Finance invested in 1 898 DnB NOR shares at a price of 68.50 each.
7) The net present value of pension agreements represents accrued pension commitments excluding payments into funded pension schemes. Assumptions used in actuarial calculations of accrued pension expenses and the present value of pension agreements are shown in note 10 Pensions.
8) The employment relationship may be terminated by both sides with six months written notice, computed from the end of the calendar month in which the termination takes place (notice period). If the employment relationship is brought to an end by the employer due to reasons that are not a basis for dismissal, the Managing Director, based upon an agreement previously entered into, has a claim for his salary for up to a year after the expiry of the notice period. Other income from employment during the course of the one-year period after the expiry of the notice period will be deducted.

Other information on pension agreements

Tom Rathke has a pension agreement that involves a pension equal to 70 per cent of his salary from when he attains 62 years of age. Anders Skjævestad has a pension agreement that involves a pension equal to 70 per cent of his salary from when he attains 65 years of age.

Subscription rights programme for employees

There was no subscription rights programme for employees in the DnB NOR Group at year-end 2010.

Remuneration to auditor

Remuneration to the auditor encompasses fees associated with Vital Forsikring ASA, subsidiaries and directly owned property companies.

Amount in thousand NOK	**2010**	**2009**
Statutory audit [1)]	3 310	3 523
Other certification services		125
Tax-related advice		
Other services	1 273	851
Total remuneration to the statutory auditor	**4 583**	**4 650**
Financial auditing Group auditing	940	850

1) Distribution of statutory auditing at Vital Forsikring

Fees Vital Forsikring	896	825
Subsidiaries of Vital Forsikring	155	125
Property companies	2 259	2 573

Note 37 – Related parties

DnB NOR ASA owns 100 per cent of the shares of Vital Forsikring ASA.

Purchases and sales of services with related parties in the DnB NOR Group:
In 2010 Vital had sales to other companies within the DnB NOR Group of NOK 135 million, while at the same time it purchased NOK 1 016 million of services from companies in the DnB NOR Group. Corresponding figures for 2009 were NOK 85 million and NOK 396 million, respectively. Comments are given below on the largest items:

The increase in the purchase of services from DnB NOR Group companies is mainly attributable to IT services, since Vital's IT division was transferred to DnB NOR at the end of the year 2009-2010.

DnB NOR Bank ASA is a sister company to Vital Forsikring ASA and has an agreement on subscribing to insurance with Vital Forsikring ASA. For individual insurance including Unit Linked, new sales through DnB NOR Bank ASA comprised 37 per cent of total new sales as against 30 per cent in 2009. Commissions paid by Vital Forsikring ASA to DnB NOR Bank ASA were NOK 113 million as against NOK 110 million in 2009.

Vital Forsikring ASA has an agreement on equity management with its sister company DnB NOR Kapitalforvaltning ASA. Total fees for 2010 were NOK 142 million as against NOK 136 million in 2009.

Inter-company accounts between related parties:
DnB NOR Bank ASA is the lender for the company's total subordinated loans of NOK 2 267 million and perpetual subordinated loans of NOK 225 million, as against NOK 2 264 million and perpetual subordinated loans of NOK 225 million in 2009.

Vital Forsikring ASA has receivables from other companies in the Group amounting to a total of NOK 49 million, as against NOK 583 million as at 31 December 2009, as well as owing other companies in Group NOK 723 million, as against NOK 817 million as at 31 December 2009.

Norwegian companies in the DnB NOR Group have pension schemes with Vital Forsikring ASA, and estimated funds as at 31 December 2010 comprise NOK 8.9 billion as against NOK 8.5 billion as at 31 December 2009.

Purchase and sale of financial assets between related parties:
Vital Forsikring owns bonds issued by DnB NOR Boligkreditt. The recorded value of the bonds as at 31 December 2010 is NOK 7 779 million.

DnB NOR Markets is a significant counterparty for Vital Forsikring ASA. It was thus decided in 2008 to sign a CSA agreement with Markets in order to reduce the counterparty risk. As of 31 December 2010, Vital Forsikring ASA had advance settlements totalling NOK 95.3 million.

Purchases and sales of services with related parties in the Vital Forsikring Group:
In 2010, Vital sold services to subsidiaries of Vital Forsikring ASA comprising NOK 27 million, while at the same time it purchased services from subsidiaries totalling NOK 25 million. Corresponding figures for 2009 were NOK 16 million and NOK 22 million, respectively.

Vital has long-term loans with property company subsidiaries of NOK 1 793 billion in 2010, as against NOK 17 016 billion in 2009.

Interest income from loans to subsidiaries in 2010 was NOK 470 million, as against NOK 654 million in 2009.

Note 38 – Other liabilities and obligations

The company's on-going lawsuits do not represent significant amounts in relation to the company's financial position.
Vital has no significant rental or leasing obligations, and has not assumed guarantee liabilities or undertaken any mortgages.

Note 39 – Collateral

RECEIVED AND GIVEN COLLATERAL

	VITAL FORSIKRING ASA	
Amounts in million NOK	**2010**	**2009**
Collateral given for futures trading	(381)	(228)
Collateral given in connection with other derivatives	(209)	(556)
Total received and given collateral	**(590)**	**(784)**

Reports

Statement of Chief Actuary

The Chief Actuary shall see to it that the company's business is conducted at all times in a defensible manner as regards technical insurance matters. With respect to this, the technical insurance situation for Vital Forsikring ASA has been evaluated as at 31 December 2010.

With reference to the accounts submitted for 2010, it is confirmed that the technical insurance reserves have been undertaken in accordance with the applicable computational basis and in accordance with the applicable statutes and associated regulations. The expected higher life expectancy is causing the mortality assumptions in the bases for the reserves to come under pressure. Margins in other computational bases are causing the total reserves as at 31 December 2010 to be assessed as being sufficient regardless.

The distribution of results between the customers and the company has in the perception of the below-signed been carried out with respect to the applicable code of regulations.

Bergen, 7 February 2011

Egil Heilund
Chief Actuary

ERNST & YOUNG

Statsautoriserte revisorer
Ernst & Young AS

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Medlemmer av Den norske Revisorforening

To the Annual Shareholders' Meeting of
Vital Forsikring ASA

AUDITOR'S REPORT

Report on the financial statements

We have audited the accompanying financial statements of Vital Forsikring ASA, comprising the financial statements for the Parent Company and the Group. The financial statements for the Parent Company and the Group comprise the balance sheet as at 31 December 2010, the statements of income, cash flows and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

The Board of Directors' and Managing Director's responsibility for the financial statements

The Board of Directors and Managing Director are responsible for the preparation and fair presentation of these financial statements in accordance with the Norwegian Accounting Act and the corresponding regulations applicable to life insurance companies, and for such internal control as the Board of Directors and Managing Director determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws, regulations, and auditing standards and practices generally accepted in Norway, including International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements for the Parent Company and the Group.

Opinion

In our opinion, the financial statements of Vital Forsikring ASA have been prepared in accordance with laws and regulations and present fairly, in all material respects, the financial position of the Parent Company and the Group as of 31 December 2010 and their financial performance and cash flows for the year then ended in accordance with the Norwegian Accounting Act and accounting standards and practices generally accepted in Norway.

Report on other legal and regulatory requirements

Opinion on the Board of Directors' report

Based on our audit of the financial statements as described above, it is our opinion that the information presented in the Directors' report concerning the financial statements, the going concern assumption and the proposal for the allocation of the result is consistent with the financial statements and complies with the law and regulations.

Opinion on registration and documentation

Based on our audit of the financial statements as described above, and control procedures we have considered necessary in accordance with the international standard on assurance engagements (ISAE) 3000, «Assurance Engagements Other than Audits or Reviews of Historical Financial Information», it is our opinion that the Board of Directors and Managing Director have fulfilled their duty to properly record and document the Company's accounting information as required by law and generally accepted bookkeeping practice in Norway.

Bergen, 15 March 2011
ERNST & YOUNG AS

Bjarne Møller
State Authorised Public Accountant (Norway)
(sign)
(This translation from Norwegian has been made for information purposes only.)

Control Committee's Report

To the Supervisory Board and Annual General Meeting of Vital Forsikring ASA

The Control Committee has carried out supervision of Vital Forsikring ASA in accordance with law and instructions laid down by the Supervisory Board.

In connection with the closing of the accounts for the 2010 financial year, the Control Committee has examined the Directors' Report, the annual accounts, the Statement of Chief Actuary and the Auditor's Report for Vital Forsikring ASA and the Group.

The Committee finds that the Board of Directors' assessment of the financial position of the company is adequate and recommends the approval of the Directors' Report and annual accounts for the 2010 financial year.

Oslo, 16 March 2011

Frode Hassel
(Chairman)

Thorstein Øverland
(Vice-chairman)

Svein N. Eriksen

Karl Olav Hovden

Svein Brustad
(Substitute)

Merethe Smith
(Substitute)

Excerpt from Board meeting minutes – processing of the annual accounts

ITEM 16/2011

The Board of Directors approved the submitted annual accounts with notes, proposal for disposition of the year's results and the Directors' report issued by the Board.

15 March 2011

Definitions

Refer also to the accounting principles.

RESULTS AND INVESTMENT YIELDS

Administration result:
The results of the period's operating costs deviating the assumptions in the premium tariff.

Interest result:
Investment returns, less the base rate.

Risk result:
The result of the period's mortality and disability deviating from the assumptions in the premium tariff.

Investment yield I:
Recorded returns.

Investment yield II:
Recorded returns + unrealised changes in value that are allocated to the market value adjustment reserve.

Investment yield III:
Recorded returns + unrealised changes in value that are allocated to the market value adjustment reserve + changes in value in the hold-to-maturity portfolio.

Average interest:
The average interest expresses the average realised return obtained on policyholder funds during the course of the year. Due to the manner in which the average interest is calculated, it will not be comparable with the interest rates of other financial institutions. The manner of calculation is established by Kredittilsynet and can be described as the ration between:

1. Gross financial income with the deduction of interest expenses, dividends on share capital, allocated reserves to equity, tax expenses and allocated reserves to the security fund.

2. The average funds of policyholders.

Base rate:
The company offers traditional life and pension insurance, unit-linked insurance and non-life insurance. A calculation rate is used to determine provisions and premiums for the traditional products.

The highest calculation rate is established by Kredittilsynet. This interest is often called the base rate. For new contracts, the maximum base rate is 2.75 per cent. The base rate is the annual guaranteed rate of return on policyholders' funds. In most unit-linked insurance products, policyholders bear the financial risk. Non-life insurance policies are products generating payments related to policyholders' life and health. These products are not subject to profit sharing and are re-priced annually.

INSURANCE PRODUCTS

Group contracts

Defined group benefit pensions:
Under group defined benefit pensions, pension payments are disbursed from an agreed age and until the death of the policyholder. It can also be agreed that the pension payments cease at a certain age.

A defined benefit pension may include a retirement pension, disability pension, dependent's pension and children's pension. Group defined-benefit pensions follow the regulations for the insurance industry effective from 1 January 2008. This means that policyholders pay in advance an annual premium for interest rate risk, insurance risk and administration. The company is entitled to change the premium annually. Interest in excess of the guaranteed rate of return is awarded to policyholders in its entirety. If the interest is between 0 per cent and the guaranteed rate of return, the company can use additional allocations to meet the guaranteed rate of return, otherwise the company must cover the deficit.

A positive risk result may either be used to increase the risk equalisation fund or be distributed to the policyholders. No more than 50 per cent of annual profits may be allocated to the risk equalisation fund. The company must cover any remaining losses after the risk equalisation fund has been used. The administration result is allocated in its entirety to the company.

Paid-up policies:
When a member terminates a pension agreement or a pension agreement ends, he or she is entitled to a paid-up policy. Rights earned on the termination date are continued in paid-up policies. Paid-up policies have a separate profit model where a minimum of 80 per cent of profits are distributed to policyholders. Profits for distribution consist of the interest result and the risk result. The administration result is allocated in its entirety to the company.

Group association insurance:
Group association insurance is pension insurance taken out by associations for their members. Association insurance can comprise retirement pensions, disability pensions, dependent pensions and children's pensions.

INDIVIDUAL CONTRACTS

Individual annuity and pension insurance:
Individual annuity and pension insurance policies are savings schemes whereby the company disburses monthly amounts up until the death of the policyholder, or until the policyholder reaches an agreed age. This usually comprises a retirement pension, disability pension, dependent's pension and children's pension.

Individual endowment insurance:
Individual endowment insurance policies are contracts whereby the company disburses an agreed amount upon the death of the policyholder or when the policyholder attains an agreed age. Individual endowment insurance may also include disability cover, which is a one-off benefit for permanent disability.

For individual contracts sold prior to 1 January 2008, the past profit sharing scheme applies. This then implies that the interest result, the risk result and the administration result are included in the profits to be distributed between policyholders and the company. No less than 65 per cent of annual profits must be distributed to policyholders. The new regulations apply to contracts sold as at 1 January 2008.

CONTRACTS WHERE THE CUSTOMER BEARS THE RISK

Defined-contribution pensions:
Defined-contribution pensions are group pension schemes where the employees bear the financial risk. However, full or partial hedging of the paid amount can be bought upon retirement age.

Individual unit-linked insurance:
Individual unit-linked insurance polices are endowment insurance policies or annuity insurance polices where policyholders bear the financial risk.

OTHER SECTORS

Group life insurance:
Group life insurance policies are death-risk insurance policies taken out by employers or associations for their employees or members and, where applicable, also for their spouses and children. The amount recoverable under the policy is disbursed upon the death of the policyholder. Group life insurance may also comprise disability cover, which is a one-off benefit for permanent disability.

Employer's liability insurance:
Employer's liability insurance is a one-year risk product which companies link to their pension agreements. This may be corporate group life insurance or accident insurance. Occupational injury insurance is mandatory for all enterprises.

PREMIUMS AND CLAIMS

Single premium payment:
The total amount that is to be paid for the insurance is paid once for all.

Claim:
The amount the company is to pay in relation to the insurance contract when an insured incident occurs.

Reinsurance:
Transfer of a part of the risk to another insurance company.

Repurchase:
When the policyholder terminates the insurance relationship and the repurchase value is paid out.

Transferred reserves:
Transferred premium reserves and additional statutory reserves to/from other insurance companies/pension schemes.

FINANCIAL DERIVATIVES

Share index futures:
Share index futures are agreements to buy or sell an index at a specific price at a specific point of time in the future. The contracts are standardised and exchange-listed. Daily settlements of gains/losses are performed based upon changes in the closing price.

Share index options:
Share index options involve one-sided rights to buy or sell shares at a predetermined price. The options are associated with share indexes.

Forward Rate Agreement (FRA):
An FRA contract is a contract that establishes an interest rate for a future interest period. When purchasing them, borrowing rates are established, and when selling them, lending rates. The principal, the amount subject to interest, is only a reference amount in the contract, and is not exchanged.

Interest rate futures:
Interest rate futures can most simply be describes as standardised and exchange-listed future interest rate agreements. Gains and losses on differences between the contract interest rate and market rates are settled daily through a clearing centre.

Interest rate swaps:
An agreement between two parties to exchange interest conditions on a security for an amount agreed upon in advance during a specified future period.

Asset swap:
An asset swap consists of an interest rate swap in combination with an interest-bearing instrument/obligation. An asset swap involves that one transforms a fixed interest-bearing instrument to a liquid interest-bearing instrument, or a liquid interest-bearing instrument to a fixed interest-bearing instrument. Alternatively, the interest payment and/or principal can be swapped over to another currency.

Currency forward contracts:
Contract to sell/buy an agreed currency amount at an established exchange rate for delivery at a future point in time. Forward exchange contract transactions normally have a short time to maturity, i.e. three months to one year. The contracts are primarily used to hedge shares, bonds and other holdings in foreign currencies.

CAPITAL ADEQUACY AND SOLVENCY MARGIN CAPITAL

Capital adequacy rules:
Regulations concerning requirements for primary capital at financial institutions. The rules specify the computation and level of primary capital measured against the risk-weighted balance sheet. The result is termed capital adequacy.

Primary capital:
Primary capital consists of core capital and additional capital.

Core capital:
The core capital for an insurance company primarily consists of paid-in equity and accrued earnings.

Additional capital:
Consists primarily of subordinated loan capital.

Subordinated loan capital:
Loans that the company takes out and which under specific conditions are included in the total primary capital. Special permission from the authorities is required in order to take out subordinated loans, and they have special rules for their terms and repayment. Subordinated loan capital is unsecured and stands behind the company's other liabilities.

Capital adequacy:
Eligible primary capital in per cent of the risk-weighted balance sheet.

Solvency margin capital:
Capital that may be included in covering the solvency margin requirement. The capital consists of primary capital, 50 per cent of additional statutory reserves, 50 per cent of the risk equalisation fund and the security reserve in non-life insurance beyond 55 per cent of its minimum value. The solvency margin capital must exceed the solvency margin requirement.

Solvency margin requirement:
A term for the risk associated with the insurance-related obligations. The solvency margin requirement is computed in accordance with more detailed rules with a point of departure based in the individual groups of insurance contracts, and is summed for the company as a whole.