



one

team

This report examines DnB NOR's value creation, results and challenges posed by environmental and social considerations. The main topics addressed in the report are economic consequences, environmental order in our own house, ethics and values, human resources policy, responsible business practices, corporate governance and cooperation with organisations, authorities, sports associations and cultural institutions. DnB NOR's financial results are described in the Group's financial annual report.

The report applies to the financial year 2005 and is DnB NOR's first separate sustainability report. As a rule, stated key figures apply as at 31 December of the relevant year.

To the extent this is possible, the report covers the entire DnB NOR Group, including subsidiaries and brand names such as Vital, Postbanken, Nordlandsbanken and Cresco. Unless otherwise stated, DnB NOR refers to the entire Group. However, DnB NORD, which was established in cooperation with NORD/LB in 2005, is not comprised by the report.

The report is based on the global reporting standard Global Reporting Initiative (GRI). The reporting standard functions as a guide, and the guidelines and indicators are employed provided that they are relevant to DnB NOR and that the information is available. Some GRI elements are covered in the Group's annual report. At the back of this report, an index shows where the various GRI elements can be found in this report and which elements are referred to in the Group's annual report.

DnB NOR does not have a separate corporate social responsibility reporting system. Therefore, information in the report is based on data collected from different parts of the organisation. On account of the restructuring resulting from the merger between DnB and Gjensidige NOR in 2003, data and key figures are only available for 2004 and 2005.

For supplementary information, please refer to DnB NOR's annual report and www.dnbnor.com/csr.

For more information on the reporting standard GRI, please visit www.globalreporting.org.



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Our responsibility



On 2 August 2004, I took part in approving DnB NOR's corporate social responsibility guidelines. This report is a logical continuation of the work to demonstrate that Norway's largest financial services group assumes responsibility, and describes how this is done.

Of course we exercised corporate social responsibility before August 2004. DnB NOR has been a partner for local communities, companies and individuals for more than 180 years. But only in recent years has the role of financial institutions, as contributors towards sustainable development, received the same attention as that of large manufacturing companies.

The trust shown by our customers, owners, employees and society in general is dependent on the way we practise corporate social responsibility. Thus, this trust is perhaps the most critical capital in today's market. Corporate social responsibility is inextricably linked to responsible business conduct and cannot be isolated from business operations, as a fashionable response to a topical challenge. Every decision we make influences someone or something around us. Accepting our corporate social responsibility means being aware of this influence and doing what we can to ensure that our decisions are in line with the values and norms of society at large.

Our corporate social responsibility guidelines point out environmental, ethical and social considerations as important areas on which to focus. This means that DnB NOR will not offer products and services or perform acts representing a risk of involvement in unethical conduct, infringement of human or labour rights, corruption or harm to the environment.

This report reviews our performance and our targets within the different areas of our business operations and portrays our relationships with the different groups affected by our business activities. In particular, I would like to mention our employees. Through their professionalism and skills, DnB NOR employees show that they are the company's greatest resource, also by being standard bearers of our corporate social responsibility. Their business decisions, based on sound knowledge of customers and local conditions, make them active co-players in the development of a society that is good to live in, also for our children and grandchildren.

I hope the report will give you, the reader, the possibility to judge our contributions towards sustainable development. Here, as elsewhere, we can refer to both success stories and areas where we need to work harder to reach our targets. I am pleased to say that we have made good progress in this work.

Svein Aaser

Key figures

Key figures as at 31 December	2005	2004
<i>Financial data</i> ¹⁾		
Total assets in NOK million	1 081 191	901 606
Equity in NOK million	58 353	48 717
Total operating income in NOK million	25 331	23 792
Pre-tax profit in NOK million	13 109	10 019
Total assets at the end of the period in NOK million	1 463 000	1 246 000
<i>Employees</i>		
Number of employees	10 057	10 362
Full-time/part-time ²⁾	88/12	87/13
Women/men ²⁾	51/49	52/48
Women/men in executive positions (%) ³⁾	29/71	28/72
Women/men on the Board of Directors (%)	45/55	25/75
Employee satisfaction (1-100 points)	68.2	I/T
Absence due to illness (%)	5.09	4.75
Investment in competence-building in NOK million	80.7	84.9
<i>Society</i>		
Sponsorship and donations in NOK million ⁴⁾	14	I/T
SRI investments, proportion of investment portfolio (%) ⁵⁾	100	41
<i>Environment</i>		
Energy consumption, GWh ⁶⁾	79.8	80.1
Paper purchased (tons) ⁷⁾	957	I/T
Waste recycling ratio (%) ⁸⁾	31	31

N/A: not available

¹⁾ All accounting figures are presented according to IFRS standards.

²⁾ Estimates based on employees in the parent bank and Norwegian subsidiaries.

³⁾ Management levels 1-5.

⁴⁾ Sponsorship of humanitarian organisations, research and development. Does not include cultural or sports sponsorship.

⁵⁾ SRI: Socially Responsible Investments. SRI criteria represent social, environmental and/or ethical criteria related to investments.

⁶⁾ Measured energy consumption comprises approximately 90 per cent of the Group's office space. Energy consumption comprising part of shared costs in buildings where DnB NOR is a lessee is not included. Oil and district heating are not included. Oil and district heating constituted approximately 10 per cent of total measured energy consumption in 2004.

⁷⁾ The figure comprises paper bought through the Group's purchasing agreements. In addition, it is assumed that many offices buy paper in smaller quantities from local distributors and charitable organisations, but these quantities are unknown.

⁸⁾ The recycling ratio is based on figures from refuse companies with which DnB NOR has a cooperation agreement. The figures only comprise major DnB NOR buildings in the eastern part of southern Norway, but it is assumed that recycling ratios are the same, independent of geographical location. In buildings where DnB NOR is a lessee, waste handling is regulated by the lessor's agreements.

DnB NOR and corporate social responsibility

In the view of DnB NOR, creating a long-term basis for financial and economic growth is strategically important. Thus, the Group is committed to combining profitability for customers and shareholders with environmental and social considerations.

DnB NOR aspires to be a good partner for customers, and contributes by supplying capital and competence. The Group shows, and has shown, responsible conduct by assisting customers in both good and bad times.

DnB NOR's contribution towards sustainable development is primarily reflected in how the Group integrates social and environmental concerns into its everyday business operations, for example through investments and lending, in relation to employees and in its dialogue with customers, suppliers, shareholders and society at large.

About DnB NOR

DnB NOR is Norway's largest financial services group and offers financial products and services within areas such as loans and deposits, mutual funds and asset management, life insurance and pension savings, payment and financing services, real estate broking and services related to the money and capital markets.

DnB NOR serves individuals, companies, organisations and the public sector via the most extensive distribution

network in the Norwegian financial sector. The services are provided under the brand names DnB NOR, Postbanken, Nordlandsbanken, Vital and Cresco.

Some facts about DnB NOR:

- approximately 2.2 million retail customers and a market share of 38 per cent of loans to the retail market
- approximately 165 000 corporate customers and a market share of 37 per cent of loans to small and medium-sized companies. Principal bankers for about 60 per cent of the 300 largest companies in Norway
- Vital is Norway's largest life insurance company with about 900 000 policyholders
- Asset Management has approximately 676 000 retail customers in Norway and approximately 470 corporate and institutional clients in Norway and Sweden

Internationally, DnB NOR is represented through 12 branches and representative offices. DnB NOR is a partner for Norwegian businesses outside Norway, for large international companies in Norway and for international customers within selected business sectors. The Group finances more than fifty per cent of Norwegian foreign trade, is Norway's largest foreign exchange bank, one of the world's largest shipping banks and is a major international market participant in the energy sector.

Through the establishment of DnB NORD in cooperation with the German bank NORD/LB, DnB NOR is expanding its presence in Poland and the Baltic states. In 2005, Sweden was defined as a home market for DnB NOR.

As Norway's largest financial services group with growing international ambitions, DnB NOR faces escalating expectations as regards the role of businesses in the development of society. DnB NOR has an obligation towards the society in which it is a major player. By meeting new challenges both in cooperation and in dialogue with employees, customers, shareholders and society at large, DnB NOR aims to build upon a long tradition as an active player in society.

Much work remains and efforts will be intensified in 2006 to integrate corporate social responsibility into decision-making processes across the organisation.

Corporate social responsibility ambitions

DnB NOR's corporate social responsibility is based on the Group's strategy, corporate culture and values, as well as on internationally recognised principles and guidelines. DnB NOR has, among other things, endorsed the principles of the United Nations Global Compact, the OECD's guidelines for international companies and the Transparency International anti-corruption principles.

Main brands	Distribution channels
	<ul style="list-style-type: none"> • 194 bank branches • 23 investment centres • Private banking • Internet bank: dnbnor.no • Telephone bank • Real estate broking in 78 locations
	<ul style="list-style-type: none"> • 43 customer service centres • Internet bank: postbanken.no • Telephone bank • 300 post offices • 1 202 in-store postal outlets
	<ul style="list-style-type: none"> • 17 bank branches • Internet bank: nordlandsbanken.no • Telephone bank
	<ul style="list-style-type: none"> • 22 sales and advisory services offices • Sales through bank branches • Internet bank
	<ul style="list-style-type: none"> • External distribution of credit cards
 Part of the DnB NOR Group	<ul style="list-style-type: none"> • Brand name in the mutual fund market in Sweden • More than 130 cooperation agreements with independent companies and financial advisers



UNEP **Finance Initiative**
Innovative financing for sustainability



DnB NOR's strategic aim is that the Group should be characterised by high ethical standards. The Group's ambitions within corporate social responsibility are outlined in a separate policy.

The most important elements in DnB NOR's corporate social responsibility policy can be summarised as follows:

- DnB NOR wishes to promote sustainable development through responsible business operations giving priority to environmental, ethical and social considerations
- DnB NOR will not be involved in activities representing a risk of involvement in unethical conduct, infringement of human or labour rights, corruption or harm to the environment
- DnB NOR's aspires to be among the best financial institutions in the Nordic region within corporate social responsibility

First and foremost, responsible business operations mean taking ethical, environmental and social factors into consideration in investments and lending. The Group does this through corporate social responsibility and ethical guidelines drawn up for asset management and credit operations.

DnB NOR's corporate social responsibility is also about reducing business risk, keeping environmental order in our own house, making environmental and ethical demands on suppliers while being an attractive employer. The Group is committed to maintaining high ethical standards and being a partner that can be relied on. Just as important as these considerations is the ability to attract competent employees who enjoy their work, develop their competencies and are proud of their employer. DnB NOR also aspires to be a partner for organisations, cultural and sports events.

Partners

DnB NOR is an active participant in several international networks promoting corporate social responsibility in business and industry. International partners within corporate social responsibility are:

- **Global Compact:** a worldwide network initiated by the UN, which is based on ten principles related to human and labour rights, corruption and the environment
- **United Nations Environment Programme (UNEP), Financial Initiative:** a programme where participation includes acknowledging that sustainable development is a fundamental aspect of good business practice and that the financial industry is an important contributor to sustainable development
- **Transparency International:** a global organisation established in 1993 to combat corruption nationally and internationally

Follow-up measures

The Group's corporate social responsibility policy is endorsed by DnB NOR's Board of Directors and group management. The policy applies to the entire Group. The process to follow up the Group's policy is currently in progress, but several areas remain to be covered.

In 2005, corporate social responsibility guidelines were drawn up for credit operations, for the Investment Division, for DnB NOR Asset Management and for procurements. In 2006, further efforts will be made to put corporate social responsibility on the agenda, through measures such as training and internal audit of compliance with the Group's policy.

The annual report on corporate social responsibility is part of the work to follow up the obligations within corporate social responsibility. The report is also meant to function as an action plan. In addition to referring to results, future targets and priority areas will be defined.

In 2005, an action plan was drawn up for environmental order in our own house. Environmental efforts will be followed up every six months in status reports to group management. However, the measurement of various environmental indicators is challenging and better measurement methods are necessary in order to satisfactorily follow up environmental efforts. This will be given priority in 2006.

In DnB NOR, the corporate social responsibility department is responsible for following up the Group's ambitions within sustainable development. The department's role is that of an adviser and driving force, and it cooperates closely with other units in the Group through regular meetings and ongoing projects. An environmental group has been established as well as a network consisting of contact persons within corporate social responsibility. However, each business area and support unit is responsible for its own compliance with the guidelines.

Stakeholders

DnB NOR places importance on having an active dialogue with its stakeholders. Customers, employees, owners, investors and society at large should know how the Group exercises corporate social responsibility. The annual report on corporate social responsibility is an element in this. Other examples include regular customer satisfaction surveys, customer seminars, employee surveys, the innovation award, consumer economists, contact with public authorities, cooperation with organisations and participation in networks. The relationship to the various stakeholders is described in further detail in the following chapters.

Results and measures

2005 in brief	
Policy and guidelines	<ul style="list-style-type: none"> • Adopted corporate social responsibility (CSR) guidelines in credit operations, in DnB NOR Asset Management and in the Investment Division
Reporting and monitoring	<ul style="list-style-type: none"> • Established an ethics committee in DnB NOR Asset Management • Decided to publish the Group's first annual CSR report • Completed internal audit of the implementation of the Group's code of ethics in parts of the banking group in Norway
Ethics	<ul style="list-style-type: none"> • Developed training tools in ethics (dilemma training for use in department meetings, management courses and an e-learning programme) • Adopted requirement that employees working with customers or transactions have to complete the e-learning course "Too hot to handle" about money laundering by the end of the year
Environment	<ul style="list-style-type: none"> • Completed an action plan for environmental order within DnB NOR, containing concrete targets and measures for the period 2006-2008 • Decided to use a special declaration about suppliers' CSR in procurements
Employees	<ul style="list-style-type: none"> • 8 350 employees participated in various training programmes and further education • NOK 80.7 million was invested in competence-building measures • Completed extensive measures within corporate culture building and management training • DnB NOR was ranked as Norway's second most attractive employer by engineering and business graduates (Univsum, 2005) • Employee survey showed a satisfaction level of 68.7 points (on a scale of 1-100) • Absence due to illness increased slightly from 4.75 per cent in 2004 to 5.09 per cent in 2005 • The proportion of women in management positions increased from 28 per cent in 2004 to 29 per cent in 2005 • 13 new trainees were recruited
Customers	<ul style="list-style-type: none"> • Implemented guidelines for ethical management in Vital. 34 companies had been excluded from the investment portfolio by the end of the year • A minimum ethical standard was adopted by DnB NOR Asset Management for all investments. One company was excluded from the investment portfolio in 2005 • Customer satisfaction increased slightly among corporate customers, whereas satisfaction levels for retail customers showed a decline • Launched "First-home loan with interest rate ceiling"
Shareholders	<ul style="list-style-type: none"> • NOK 153 million was allocated to the employee investment fund DnB NOR Ansattefond • DnB NOR qualified for continued inclusion in the FTSE4Good sustainability index • The Group did not qualify for inclusion in the Dow Jones Sustainability Index
Society	<ul style="list-style-type: none"> • Approximately NOK 14 million was allocated by the Group to humanitarian work and to the funding of research and development • Sports and cultural sponsorship amounted to close to NOK 50 million • Completed in-house mobile phone return campaign, proceeds given to Plan Norway • NOK 360 000 was donated by DnB NOR to Amnesty International and the Church City Mission instead of Christmas gifts to business associates • Agreements between DnB NOR, BI Norwegian School of Management and the Norwegian School of Economics and Business Administration were entered into to finance two five-year professorships • Sparebankstiftelsen DnB NOR (the Savings Bank Foundation) gave NOK 65 million in financial contributions to charitable causes

Targets and actions in 2006

- Revise and simplify the Group's code of ethics
- Complete an internal audit of compliance with the Group's CSR policy
- Further develop dilemma and ethical training
- Reduce paper consumption by 2.5 per cent
- Ensure that air travel (number of kilometres) does not increase by more than five per cent
- Improve methods to measure energy consumption and reduce energy consumption by 3.5 per cent
- Chart the potential for energy savings in large buildings
- Use special declarations regarding suppliers' CSR in new procurements and renegotiations
- Achieve environmental certification of three buildings and re-certify four buildings
- Continue efforts to create a common corporate culture
- Increase employee satisfaction rate to above 70 points
- Increase proportion of women in management positions
 - start-up of a competence-building programme for female management candidates
 - ensure that the talent programme Growth has 50 per cent female participants
- Start-up of the talent programme Growth (72 participants divided between two classes)
- Prevent and reduce absence due to illness to below 5.09 per cent
- Continue charting of competencies
- Recruit 15 new trainees
- Stimulate mobility within the Group, by measures such as increased use of practice periods
- Continue the Career Change Centre
- Implement guidelines for CSR in credit operations, for example by working out a training programme for use in annual credit seminars
- Follow up guidelines for ethical management in Vital and DnB NOR Asset Management
- Certify customer advisers whose main task is to give investment advice to retail customers
- Increase customer satisfaction among both retail and corporate customers. DnB NOR's aim is to have higher customer satisfaction than other major banks in Norway
- Recruit 70 new employees to the branch network, telephone and Internet banking
- Improve investor information on CSR on the Group's website www.dnbnor.com
- Publish the first annual report on CSR in March 2006
- Qualify for inclusion in the Dow Jones Sustainability Index
- Retain inclusion in the FTSE4Good Sustainability Index
- Continue support to humanitarian work at the same level as in 2005
- Cooperate actively with organisations and networks
- Be a sponsor and partner for the Ibsen Year 2006

Economic value creation

DnB NOR plays a role in society through its management of a considerable share of society's capital.

Financial role and ripple effects

DnB NOR's financial role in society can be illustrated by the social value creation represented by its operations, which is the difference between the income generated by operations and the consumption of external goods and services. The table below shows the Group's value creation distributed among different stakeholder groups.

Distributed value creation		
NOK million	2005	2004
Net income adjusted for loan losses	25 973	24 499
Consumption of external goods and services ¹⁾	5 321	5 491
Total value creation	20 652	19 008
Norwegian employees (salaries and other personnel costs)	6 138	6 262
Government (taxes)	3 717	3 009
Shareholders (dividends)	4 679	3 414
Retained in operations	6 118	6 323
Total distributed value creation	20 652	19 008

¹⁾ The figure for 2004 does not include NOK 930 million covering restructuring measures carried to expense.

Employees

At the end of 2005, DnB NOR had 10 057 employees. 30 per cent of value creation, the equivalent of NOK 6 138 million, was channelled to employee-related purposes in the form of salaries and social costs.

The Norwegian government

NOK 2 965 million of the NOK 13 109 million recorded as operating profits for 2005 represented estimated tax to the Norwegian government. In addition, the Norwegian government received NOK 752 million in employer's contributions.

Shareholders

Profits after tax in 2005 totalled NOK 10 144 million, of which NOK 4 679 million is proposed distributed as shareholder dividend. The remaining profit will be retained in the Group to strengthen capital adequacy and increase opportunities for future growth.

Procurement

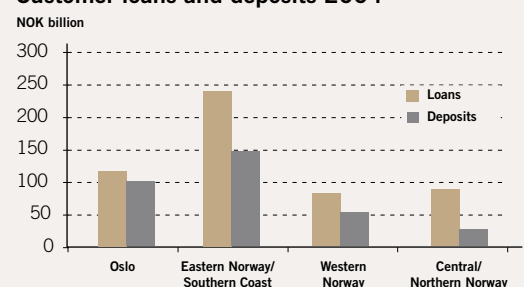
DnB NOR is a major buyer of goods and services within such areas as transportation, IT, real estate, personnel and office services. In 2005, the Group's consumption totalled NOK 5.3 billion. As a result of its demand for goods and services, DnB NOR stimulates activity and helps maintain jobs in supplier companies, with significant ripple effects in many local communities.

Source of capital

Even though DnB NOR offers a number of different

financial products and services, the traditional banking function, whereby credit is transferred from depositors to borrowers, still represents a major part of the Group's operations. The figure below shows how DnB NOR's lending and savings products represent a net supply of credit to individuals, businesses and institutions in different parts of the country.

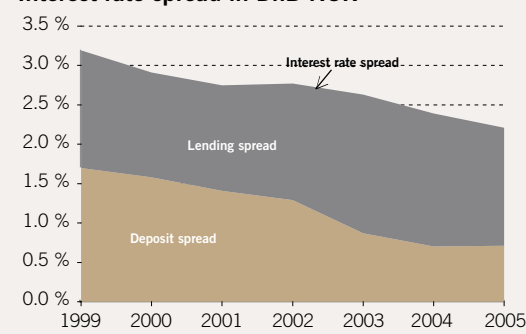
Customer loans and deposits 2004 ²⁾



²⁾ Based on figures for 2004, since figures for 2005 are not published until April 2006.

The Group contributes to creating values by grouping together a number of small short-term deposits to provide long-term loans. Through risk assessments and guidelines for the extension of credit, the Group has great influence on which projects and ideas are realised in society in general as well as in the business community. DnB NOR finances a major part of its lending through funding in international markets. The Group also facilitates equity injections into companies and projects by offering financial advisory services, arranging equity investments, assistance in stock-exchange listings and project finance.

Interest rate spread in DnB NOR



Narrower interest spreads

In recent years, the difference between deposit rates and lending rates has generally narrowed, to the benefit of the bank's customers. This development is a result of intense competition and low loan losses, in combination with continual streamlining of operations in DnB NOR and other banks.

Money laundering and economic crime

DnB NOR has a special unit for preventing and reporting economic crime, including fraud, money laundering and proceeds from criminal acts and the financing of terrorism. Both manual and electronic methods are used to detect suspicious transactions. Risk areas and recommended measures are illustrated in annual experience reports sent to group management and the Board of Directors.

2005 saw the introduction of an electronic system that detects suspicious transactions. Searches are made daily of three million transactions to find suspicious transaction patterns. DnB NOR heads the field internationally with respect to the use of electronic tools in this connection. Statutory measures against money laundering and terror financing include identity control when

establishing customer relationships, the investigation of suspicious transactions, the reporting of irregularities to ØKOKRIM (the Norwegian National Authority for Investigation and Prosecution of Economic and Environmental Crime) and the training of own personnel.

All employees in DnB NOR working with customers and carrying out transactions complete the Internet training course "Too Hot to Handle". The programme gives an introduction in what money laundering is and the role and responsibilities of each employee in detecting and preventing money laundering. In addition, training programmes are organised for international entities and for different units within the Group.

In 2006, preventive work to counter economic crime will be intensified.

Committed to innovation

Globalisation, technological developments, the blurring of industry boundaries and intensifying international competition increase the need for innovation in Norway. As the country's leading financial services group, DnB NOR places major importance on strengthening its own innovative initiatives and stimulating new ideas in society.

DnB NOR strengthens its own innovative capabilities through a comprehensive innovation process, employing future projections and prototypes and testing new ideas. For example, the Group has worked out a method to collect, develop and test out ideas and contributions from its own staff in a special innovation laboratory. To identify needs and find future solutions, customers are involved in all phases of the innovation process.

Innovative efforts in DnB NOR in 2005 included the development of a technological solution enabling telephone customer advisers to navigate Internet pages together with customers.

DnB NOR's Innovation Award was established in 2003 and is presented to the best Norwegian ideas within knowledge-based business development. Entrepreneurs and small businesses, as well as established companies and public sector representatives can compete for the award, which is presented once a year, both locally and nationally. In total, the Group annually distributes NOK 1 million in prize money. The main award is NOK 250 000 and free idea testing in DnB NOR's innovation laboratory. The winner is chosen by a jury consisting of representatives from Norwegian politics, business and research circles.

In 2005, DnB NOR's main innovation award was won by the company ReVolt Technology AS for their new and environmentally friendly battery technology.

For more information on DnB NOR's innovation initiatives, visit www.dnbnor.com/innovation



ReVolt Technology and managing director Nils Kristian Nakstad won DnB NOR's main innovation award 2005 for their environmentally friendly battery technology.

Environmental order in our own house

DnB NOR supports the protection of both nature and the environment by limiting its consumption of energy and paper, ensuring good waste management and requiring suppliers to conform with environmental standards. The Group can also save costs by using scarce resources efficiently.

Environmental impact

DnB NOR influences the environment directly and indirectly. The Group's investments and lending activities have an indirect impact on the environment and are governed by corporate social responsibility guidelines for credit operations and asset management.

As an office-based company, DnB NOR has a direct impact on the environment through its consumption of paper and energy, waste management, procurement and use of means of transport. DnB NOR wishes to reduce the Group's direct environmental impact and save costs by keeping environmental order in its own house. In 2005, as part of this work, an action plan with concrete targets for environmental measures was prepared for the period 2006–2008.

However, the Group lacks methods and systems to follow up the environmental targets for all units and buildings. The energy consumption and waste figures do not include Vital and Nordlandsbanken.

Energy

In 2005, energy consumption totalled 79.8 GWh ¹⁾. However, the figure does not include district and oil heating. During the last few years, DnB NOR has implemented energy efficiency measures in connection with environmental certification. In 2006, DnB NOR will carry out a survey of the energy efficiency potential of all large buildings. The Group will also

implement measures to improve the methods used to measure and monitor energy consumption.

Paper

In 2005, DnB NOR bought approximately 957 tons of paper ³⁾, in the form of copy paper, stationary sheets and envelopes, in addition to paper used for advertising material and monthly and annual account statements sent to customers. Paper is bought in bulk, is environmentally certified and unbleached.

DnB NOR's aim is to reduce paper quantities by 2.5 per cent in 2006 by, for example, encouraging electronic communication with customers.

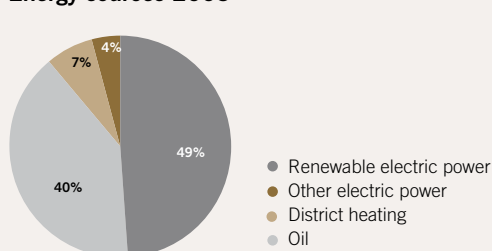
Waste management

In 2005, DnB NOR recycled 31 per cent of all waste ⁴⁾. DnB NOR's offices have paper recycling schemes, and food waste from the largest cafeterias goes to animal feed. Waste management routines are reviewed in connection with environmental certification.

The Group has cooperation agreements with environmentally-certified companies and recycling stations ensuring recycling and environmentally-friendly handling of, for example, used and outdated electronic equipment (computers plus appurtenant equipment, printers, copiers etc.). The purchasing department ensures that discarded electronic equipment is delivered to these partners.

In 2005, DnB NOR, in cooperation with Plan Norway, organised within the Group a mobile phone collection campaign which as well as benefiting Plan also contributed to environmentally-friendly disposal of used mobile phones. In 2006, new routines will be introduced requesting employees to return their old mobile phones to the purchasing department when they receive a new phone to ensure environmentally-friendly waste management.

Energy sources 2005 ²⁾



¹⁾ Measured energy consumption comprises about 90 per cent of the Group's office space. Energy consumption comprising part of shared costs in buildings where DnB NOR is a lessee, are not included. Oil and district heating figures are included in the energy consumption figures for 2004, but not for 2005. Oil and district heating constituted approximately 10 per cent of total measured energy consumption in 2004.

²⁾ The overview of different energy sources is based on information on different energy sources in 2005 from the energy exchange Norpool, where the Group buys energy. In addition, it is assumed that the consumption of oil and district heating constitutes the same share of total consumption as in 2004.

³⁾ The figure comprises paper bought through the Group's purchasing agreements. In addition, it is assumed that many offices buy paper in smaller quantities from local distributors and charitable organisations, but these quantities are unknown.

⁴⁾ The recycling ratio is based on figures from refuse companies with which DnB NOR has a cooperation agreement. The figures only comprise major DnB NOR buildings in the eastern part of southern Norway, but it is assumed that recycling ratios are the same, independent of geographical location. In buildings where DnB NOR is a lessee, waste handling is regulated by the lessor's agreements.

Transportation

DnB NOR contributes to the emission of greenhouse gases through employee travelling, such as air travel and commuting. Car journeys are not measured, but air travel is monitored regularly.

In 2005, the number of air kilometres increased by 24.8 per cent compared with 2004 ⁵⁾. The increase can partly be accounted for by greater activity abroad, such as the establishment of DnB NORD. However, the number of domestic air kilometres has also increased.

In 2006, DnB NOR will seek to limit air travel by, for example, facilitating increased use of video and telephone conferences. The objective is to avoid any increase in domestic air kilometres in 2006. Since an increase in international business activity is expected, the Group's target is a maximum 30 per cent rise in the number of international air kilometres. The total increase should not exceed five per cent.

Suppliers

In 2005, DnB NOR introduced a special declaration for suppliers' corporate social responsibility. This means that all potential suppliers must sign a declaration confirming that they neither contribute to violation of human or labour rights, nor engage in environmental harm or corruption. Only suppliers that sign the declaration will be considered in connection with procurements.

Eco-lighthouse

The majority of DnB NOR's large buildings have been certified under the eco-lighthouse programme ⁶⁾. The certificates must be renewed every three years.

The certification applies to routines and measures implemented within the areas:

- purchasing, with particular emphasis on material consumption
- energy consumption
- transportation
- waste management
- health, safety and environment
- water consumption, air quality and noise

At the end of 2005, 13 of DnB NOR's buildings were environmentally certified. Approximately one third of the Group's employees worked in these certified buildings. In 2006, there are plans to certify three buildings and re-certify four buildings. The target is that about half of the Group's employees will work in environmentally-certified buildings by the end of 2008.



www.eco-lighthouse.com

Environment: Status and action plan			
	2005	2004	Mål 2006-2008
Total energy consumption ¹⁾ (GWh)	79.8	80.1	Survey of energy consumption in large buildings in 2006. 3.5 per cent annual reduction
Purchased paper ³⁾ (tons)	957	N/A	2.5 per cent annual reduction in paper consumption
Waste recycling ratio ⁴⁾ (%)	31	31	Status quo
Electronic equipment: return scheme	Yes	Yes	Continue general return scheme. Introduce mobile phone return scheme
Domestic air travel (Norway) (number of flights)	33 235	26 909	Status quo in 2006
International air travel (number of flights)	4 561	3 385	Maximum increase of 30 per cent in 2006
Eco-lighthouse certified buildings (number)	13	13	16 buildings will be certified by the end of 2006
Procurements: special declaration on CSR	Yes	No	Use special declaration in contracts and renegotiations

⁵⁾ The figure comprises all plane tickets bought through the Group's agreements in Norway with travel agents and airlines.

⁶⁾ Eco-lighthouse is a Norwegian public certificate recommended by the Ministry of the Environment.

To qualify for eco-lighthouse certification, companies must fulfil a number of environmental requirements.

For more information, visit www.miljofyrtarn.no.

Employees

DnB NOR is dependent on satisfied and motivated employees to create a sustainable and prosperous financial services group, and the Group's human resources policy should promote this. Priority areas include career development, participation and involvement, training in key topics and a good working environment.

2005 was a year characterised by restructuring. In the wake of the merger between DnB and Gjensidige NOR in 2003/2004, the Group's challenges have been mainly related to the reorganisation process and workforce reductions. Top priority has also been given to creating a common corporate culture after the merger.

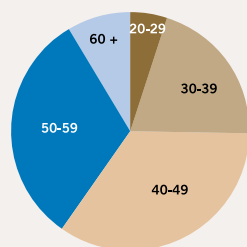
Employees		
Key figures as at 31 December	2005	2004
Number of employees	10 057	10 362
Number of full-time positions	9 696	9 966
Women (%)	51	52
Men (%)	49	48
Average age (years) ¹⁾	46.3	46
Average length of service (years) ¹⁾	18.5	18.2
Women in executive positions (%) ²⁾	29	28
Men in executive positions (%) ²⁾	71	72
Employee satisfaction (1-100 points)	68.2	N/A
Competence-building investments in NOK million	80.7	84.9
Absence due to illness (%)	5.09	4.75

N/A: not available

¹⁾ Includes employees in the parent bank and Norwegian subsidiaries.

²⁾ Management levels 1-5.

Age composition 2005



Values and culture – "This is the way we do things"

More than 1 000 employees were involved in the process to define the Group's values: team spirit, simplicity and value creation. These values form the basis for the Group's code of conduct (human resources policy) and leadership principles, and form a framework for work relating to organisational development and corporate culture.

In 2005, priority was given to increasing awareness of the Group's values throughout the organisation. As part of this process, the working method "This is the way we do things" was taken into use in large parts of the Group. The method implies that management groups and departments together define what the values mean to them in practice. An e-learning programme was also developed, using various everyday dilemmas to bring to life the Group's values and code of ethics. In 2006, the programme will be actively employed in training initiatives and employee seminars.

DnB NOR also aims to promote a common corporate culture through practical management training focusing on values, corporate culture and leadership principles. In 2005, 246 managers completed such training.

Employee satisfaction surveys together with annual performance reviews follow up how the Group's values, leadership principles and human resources policy are put into practice. The next stage of the "This is the way we do things" process will be another step towards making the values part of the employees' everyday lives in 2006.

DnB NOR's code of conduct

The code of conduct reflects DnB NOR's human resources policy. The code of conduct can be summarised as follows:

- Pride and high-quality performance are generated by satisfied employees. Job satisfaction is important to provide the foundation for a good working environment
- Independence and shared responsibility develop when we are involved, relied on and given latitude
- Flexible working conditions are best for both employees and the Group
- Good results are something we accomplish together by doing our best and making the most of our expertise and diversity
- Ethical conduct and practices ensure that we maintain our credibility and good reputation

Ethics in DnB NOR

Earning the trust of the surrounding community and obtaining lasting commercial success are dependent on each individual employee maintaining high ethical standards. Being conscious of business ethics has an intrinsic value and contributes to promoting the Group's corporate culture.

The Group's code of ethics applies to all employees and elected officers. Training and exercises in handling ethical dilemmas are important instruments in making ethics an integrated part of daily operations. In 2005, several training tools were developed in ethics, including dilemma training for use in, for example, department meetings and management courses. DnB NOR also offers the course "Ethical challenges in the financial services industry" in cooperation with BI Norwegian School of Management.

Each individual manager is responsible for acquainting employees with the code of ethics and for putting relevant ethical problems on the agenda. During 2004 and 2005, Group Audit carried out an audit of the implementation of the code of ethics in the banking group in Norway. One of the results of the audit was the development of an interactive e-learning programme for employees whose main function is to give investment advice to retail customers.

Employees in DnB NOR have a duty to notify any suspicion of breaches of the code of ethics, either directly to the Group's internal audit unit or via their immediate superior. DnB NOR has a concession to investigate suspicions of internal irregularities or violations of the law committed by employees and has a special unit responsible for such matters.

Dialogue and influence

DnB NOR is strongly committed to having an open dialogue and good relations with and between employees in the Group. Everyone is encouraged to participate in the annual employee satisfaction surveys, and employee representatives discuss staff-related issues with management at regular meetings and in committees.

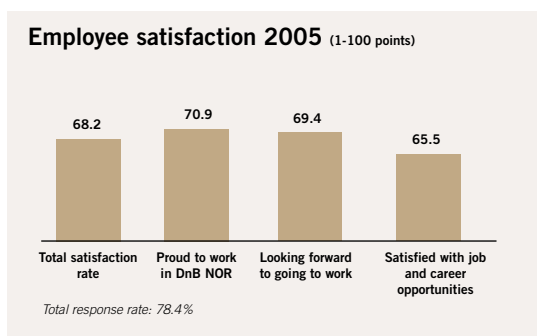
Employee satisfaction

DnB NOR regularly measures employee satisfaction. Central subjects covered in the survey are general satisfaction, management, career opportunities, working environment, ethics and pride. The survey is an important tool in measuring prevailing conditions and attitudes in the Group, and feedback is systematically followed up at both department and group level.

The Group carried out an employee satisfaction survey in February 2005. The response rate was 78.4 per cent and average satisfaction in the Group was 68.2 points (on a scale from 1-100). DnB NOR's target is a satisfaction level above 70 points. Nevertheless, the result is considered to be satisfactory given that DnB NOR has completed a demanding merger

process. A new employee satisfaction survey was conducted in early 2006.

The survey showed that the employees are highly committed to their work, have a strong sense of loyalty and perceive the Group as an attractive workplace. In addition, older employees had a higher level of satisfaction than younger employees, and young employees with higher education desired greater development opportunities. Based on feedback from the survey, DnB NOR will start a new talent programme in 2006.



Employee participation and rights

DnB NOR supports the right of employees to be organised and 67 per cent of employees are members of a trade union. Through the Norwegian Employers' Association for the Financial Sector, DnB NOR is a party in the national collective agreement with the trade unions organising employees in the Group. Agreements negotiated in the various companies in the Group regulate aspects such as salaries, working hours and competence development.

Joint consultation and working environment committees are established at both a national and regional level where employee representatives and management discuss issues relating to reorganisation processes and the working environment. Employee representatives serve on an appointment committee and can therefore exert influence in appointment processes.

Good dialogue with the employees and their representatives is particularly important in a phase of significant restructuring resulting from the merger between DnB and Gjensidige NOR. A committee led by the chairman of DnB NOR's Board of Directors, with broad representation from management and employee organisations, has had frequent meetings during this entire period.

Employee benefits

Employees in the DnB NOR Group enjoy a number of benefits. In 2005, a common standard was established for these benefits which include:

- a home PC scheme
- five weeks' holiday and flexible working hours with the opportunity to take a maximum 14 days as time off in lieu for accrued overtime
- share purchase scheme at a discounted price and employee investment fund
- pension and insurance schemes
- financial support for training programmes and further education
- the possibility to take study leave

Equality and diversity

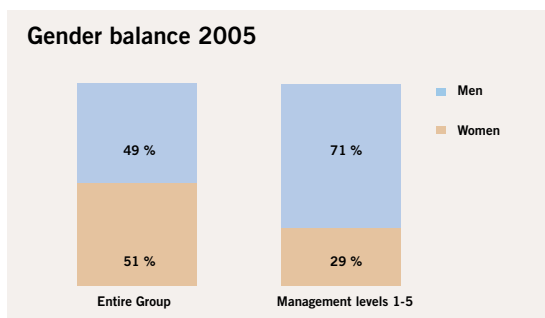
DnB NOR's target is that its staff should reflect society in general in relation to gender, age, education and ethnic background, and diversity is emphasised in both the human resources policy and in leadership principles.

DnB NOR is committed to gender equality, meaning that men and women should receive the same opportunities for development as well as salary and career progression. DnB NOR also has flexible schemes that make it easier to combine a career with family life.

In 2005, systematic efforts were made to increase the number of women at management level. The proportion of women at the five top management levels in DnB NOR was 29 per cent at the end of 2005, up one percentage point on 2004. 51 per cent of the total number of employees were women.

In 2005, a range of measures were implemented to increase the proportion of women in management positions:

- Priority is given to female candidates for management positions, subject to equal qualifications
- The best female candidate is considered for positions in units with a minority of women
- Equality and diversity are on the agenda in management training programmes
- Gender balance is sought in the recruitment of trainees
- Flexible working hours and access to DnB NOR's IT systems outside of the office to be offered in most parts of the Group
- As a rule, vacancies are advertised internally



- A minimum of one woman to be ensured as an introductory speaker or speaker at all major conferences

In 2006, additional measures will be implemented to increase the proportion of women in management positions. Half of all participants on the talent programme Growth should be women and a separate programme and mentor scheme have been developed for female senior executive candidates.

When recruiting trainees, importance is placed on gender balance as well as ensuring diversity in cultural, geographic and educational backgrounds. Of 13 trainees recruited in 2005, five had an ethnic minority background.

Learning and development

Qualified employees provide an important competitive advantage. DnB NOR works systematically with learning and development to reach the Group's targets, be an attractive workplace, and keep and develop critical competence. Through competence development, DnB NOR creates values for both the Group and its employees.

Building competence

Each individual employee is responsible for his or her own competence, but DnB NOR facilitates learning and development by offering a broad portfolio of courses and other development measures. DnB NOR also gives financial support to training programmes, further education and different forms of study leave.

In 2005, 8 350 employees participated in training programmes or further education and 327 employees received financial support to study at external education institutions.

Learning and development are systematically monitored through annual performance reviews and an overall competence management model. Profiles have been drawn up showing which skills and competencies are needed for different positions and levels. At the end of 2005, 1 400 employees had charted their competencies. Based on this information, competence development plans are drawn up for both individuals and departments.

Management training

Good leadership and management development are strategically important for DnB NOR. Management training is closely tied to values, business challenges and the day-to-day tasks of each manager. In 2005, the training programme "This is the way we do things" was completed by 119 management teams, while 329 managers participated in other management training initiatives.

Trainees and talents

In 2005, 13 trainees were recruited to the Group from universities and colleges in Norway and abroad. DnB NOR received approximately 750 applications for these 13 positions. The trainees receive 18 months of

Learning and development		
	2005	2004
Participants on competence-building schemes	8 350	7 700
Participants in external training and further education programmes	327	311
Competence-building investments in NOK million	80.7	84.9
Competence-building investments per full-time position, in NOK	8 323	8 520
New trainees	13	5

varied training, with work practice in various units and participation in obligatory professional seminars. The trainees gain a broad understanding of DnB NOR's operations. The training programme attracts young competent employees and develops future-oriented competence.

In 2005, engineering and business graduates ranked DnB NOR as the second most attractive employer in Norway. The Group's trainee programme is frequently ranked among the best of its kind in Norway.

DnB NOR is committed to retaining and developing the competencies of proficient employees. A new development programme for young, talented employees, "Growth", is starting in 2006. This will be for a period of 18 months consisting of a mentor scheme, work practice in other group units and project work. In 2006, 72 employees will participate in the programme.

Career changes and restructuring

Restructuring resulting from mergers, the introduction of new technology and a high average age among employees presents challenges for DnB NOR. After the merger between DnB and Gjensidige NOR in 2003/2004, the Group has been through a period of workforce reductions. In 2005, 288 employees left the Group. In total, staff cuts of 1 423 full-time positions have thus far resulted from the merger, parallel to natural attrition and voluntary schemes. In 2005, 520 internal candidates and 469 external candidates filled 989 vacant positions.

Just as important as competence development is retaining and reassigning competencies, and DnB NOR has thus established an internal temporary employment agency, DnB NOR Ressurs, and a separate consulting unit, DnB NOR Consulting.

The Group wishes to stimulate internal mobility, and employees are encouraged to change jobs within the organisation. Periods of practice across group units and stays in offices in other countries will be employed more in the future to increase employee mobility.

Health, safety and working environment

DnB NOR works systematically and has a long-term perspective within the areas of health, safety and



Career Change Centre

In 2004, as part of restructuring efforts, the Group established a career change centre. The Career Change Centre is a voluntary service for employees made redundant or wishing to make a career change. Employees made redundant are offered use of the Centre's services for a period of three months, on full salary, while those who request career counselling are offered assistance for a period of two weeks. Under the scheme, employees are assisted in defining their own skills and career opportunities and receive job search support. The Career Change Centre also assists staff on longterm sick leave.

The Career Change Centre had 210 commissions in 2005 from employees in all parts of the Group with a wide variety of educational backgrounds, positions and experience. Whereas the majority in 2004 were

employees made redundant, approximately 70 per cent in 2005 were employees lacking motivation or wishing to make a career change.

About half of all those receiving assistance were over 50 years of age and almost half had a length of service exceeding 25 years. In 2005, about 60 per cent of those visiting the Career Change Centre found a new position in or outside DnB NOR before the end of the year, whereas 25 per cent returned to their current jobs. 15 per cent left the Group.

The Career Change Centre has contributed in increasing readjustment among groups of employees who traditionally rarely change jobs. This is important for an organisation in a period of restructuring and with a high average age among its employees. The arrangement will be continued in 2006.

environment. The objective is both to create a good working environment with high job satisfaction and to reduce absence due to illness and occupational injuries. The Group places importance on assisting employees in achieving a healthy balance between work and home lives.

Absence due to illness and preventive measures

DnB NOR has entered into an agreement with the Norwegian National Insurance Service and is classified as an inclusive workplace. This means that it must closely follow up employees absent due to illness and adjust work tasks to suit each individual's working capacity, enabling those on long-term sick leave to return to work as quickly as possible.

DnB NOR emphasises ergonomic design of work stations and noise reduction as part of preventive health measures. Another measure is to offer employees whose sedentary work can cause muscular tension a fitness programme during working hours. Employees with special needs can have a training programme set up by a physiotherapist. The Group has also entered into cooperation agreements with external occupational health services.

DnB NOR wishes to stimulate both physical and cultural activity among its employees, and several thousand employees are active participants in company sports activities and different cultural groups. DnB NOR contributed NOK 9 million to these activities in 2005. The Group also encourages employees to participate in an annual "Bike to work" campaign.

In 2005, in spite of the major reorganisation process, absence due to illness averaged 5.09 per cent, compared with 4.75 per cent in 2004. DnB NOR aims to reduce absence due to illness, and preventive measures to achieve this target will remain in focus in 2006.

Occupational injuries, robberies and threats

In 2005, a total of 20 occupational injuries were reported, with three employees exposed to robberies and threats. None of the employees exposed to robberies suffered physical injuries.

DnB NOR devotes considerable resources to preventing injuries caused by robberies and threats through extensive security procedures and training programmes. Security and preparedness are included in the internal HS&E and working environment training for managers and safety representatives in DnB NOR. In 2005, 31 managers and 32 safety representatives completed such training programmes. In addition, courses and drills in coping with bank robberies were held for 179 employees, threat management training courses for 324 employees and managers, as well as disaster recovery exercises for a total of 65 participants.

Absence due to illness and occupational injuries	2005	2004
Absence due to illness (%)	5.09	4.75
Occupational injuries	20	14

Balance between work and leisure

In order to create a good balance between work and leisure, DnB NOR seeks to adapt working situations to suit the different phases of life of the employees. Measures include offering access to DnB NOR's IT systems outside of the office and the possibility to work from home. In 2005, approximately 2 000 employees installed remote access solutions. A large proportion of the employees also have flexi-time agreements. Both part-time work and flexible working hours contribute to reducing absence due to illness and increase the actual retirement age in the Group.



Customers

It is an overriding principle in DnB NOR that all business activity should respect customer needs, while being both sustainable and profitable.

DnB NOR is able to contribute towards sustainable development primarily through implementing corporate social responsibility (CSR) criteria in investments and lending. Other means include good customer service, financial advice of high ethical standard and products which safeguard the needs of customers, the environment and society at large.

Socially responsible investments

What are socially responsible investments?

Socially Responsible Investing (SRI) means that investments are only made in companies which meet defined criteria related to ethical, environmental or social aspects. The criteria generally concern environmental considerations, respect for human and labour rights and anti-corruption. Some investors refrain from investing in specific industries such as the weapons and tobacco industries.

Institutional investors, such as pension funds and life insurance companies, have led the field within SRI. This trend is supported by the idea that criteria related to ethical, environmental and social considerations may have a positive effect on companies' investment returns in the longer term. At the same time, critics claim that when the investment universe is restricted, the risk level increases.

SRI still represents only a limited part of total stock market investments in Europe and the United States, but the proportion is gradually increasing. In DnB NOR's view, this type of investment is an important tool to promote sustainable development. Cooperation between business sectors and customers that are committed to CSR issues is necessary if SRI is to have any effect.

Ethical management in DnB NOR

In 2005, DnB NOR Asset Management approved a minimum ethical standard for all investments. This means that all companies DnB NOR invests in, either through mutual fund products or directly on behalf of customers, are considered in relation to social, environmental and ethical criteria. DnB NOR has also introduced a corresponding standard for the Group's equity investments.

The minimum criteria are in line with DnB NOR's policy for corporate social responsibility and imply that investments representing a risk of involvement in unethical conduct, infringement of human and labour rights, corruption or harm to the environment are excluded. The guidelines are based on the following internationally recognised guidelines and principles:

- United Nations Global Compact
- OECD's guidelines for multinational companies
- The Ottawa Convention ¹⁾

DnB NOR Asset Management also manages mutual funds and portfolios subject to more extensive ethical

criteria, involving both positive and negative screening, such as the mutual fund DnB NOR Global Etisk, which excludes specific industries. Other examples are DnB NOR Miljøinvest and DnB NOR Grønt Norden, which have stricter environmental criteria. In addition, some customers define more extensive ethical criteria.

Analysis, dialogue and exclusion of companies

DnB NOR Asset Management has offered ethical products since the late 1980s and has considerable competence within SRI company analysis. The analyses draw on the expertise of internal financial analysts, external experts and tailor-made information sources. External experts have contributed to establishing environmental and social criteria for special sectors. These factors are incorporated in DnB NOR Asset Management's screening model, which is based on quantitative and qualitative data, as well as direct contact with the individual companies.

DnB NOR Asset Management is in continual dialogue with companies suspected of acting contrary to the United Nations Global Compact or the OECD guidelines for multinational companies. Thus, the company uses its influence as an investor to attempt to guide companies in a positive direction, often in cooperation with other investors. In certain cases, shareholder rights are used actively in order to influence companies. The willingness and initiative to rectify discreditable conditions are taken into account in an overall evaluation of each company. Companies that violate the Ottawa Convention are excluded as potential investment objects.

An internal ethics committee is responsible for and monitors DnB NOR's ethical management. Companies that infringe the ethical criteria are assessed by the ethics committee and risk being withdrawn from the investment portfolio. The head of DnB NOR Asset Management makes the final decision as to whether or not a company is to be excluded.

Results and challenges

In 2005, DnB NOR Asset Management excluded Singapore Technologies from the investment portfolio. The company produced landmines and was considered to be in violation of the Ottawa Convention. During summer 2005, DnB NOR was criticised in the media for its investments in the company. The episode hastened the process that had already been commenced to define new ethical guidelines for DnB NOR Asset Management.

Efforts to follow up the new guidelines will continue in 2006. In 2005, DnB NOR Asset Management entered into a dialogue with about 80 companies suspected of breaching the ethical guidelines. At the end of the year, talks were still in progress with eleven companies, while talks with the other companies were finalised due

¹⁾ The Ottawa Convention entails a total prohibition of the use, stockpiling, production and transfer of anti-personnel mines. See www.icbl.org.



to either satisfactory answers from the companies or exclusion. It is expected that several companies may be withdrawn from the investment portfolio.

The list of excluded companies is continually updated and published on www.dnbnor.com.

Ethical management in Vital

The pension company Vital, which is part of the DnB NOR Group, has chosen to have more extensive ethical criteria governing its investments than DnB NOR Asset Management. In addition to general ethical criteria in line with DnB NOR Asset Management's minimum standard, Vital excludes:

- companies producing tobacco
- companies producing pornography
- companies involved in the production or distribution of strategic components to be used in weapons of mass destruction

In 2005, Vital excluded 34 companies. This amounted to approximately 2.5 per cent of the investment portfolio, based on the companies' weights in the Morgan Stanley Composite Index.

Carbon Disclosure Project

Together with a number of other investors, DnB NOR participates in a project where companies disclose their emissions of greenhouse gases and work to improve investors' understanding of potential risks and possibilities resulting from climate change affecting the companies in which they invest.

Credit operations and corporate social responsibility

In 2005, DnB NOR adopted corporate social responsibility guidelines for credit operations in line with the Group's policy. The guidelines imply that risk related to environmental, ethical and social aspects are analysed on a par with other risk factors in the credit evaluation. DnB NOR will not grant credit which may represent a risk of involvement in environmental damage, corruption or infringement of human or labour rights.

The introduction of the guidelines poses challenges, since the size, complexity and nature of individual cases vary greatly. The aim is to ensure that environmental and social risks are taken into account when this is relevant, while ensuring that less complicated cases are processed in a simple manner.

A "caution poster" has been produced to be used in credit evaluations. The poster features a list of questions about environmental aspects, corruption, and human and labour rights, and commitments are also classified based on the country and industry risk related to these. The poster provides the tools to assess the degree of social, ethical and environmental risk and whether a more detailed analysis is required. The approach is flexible, but is dependent on the expertise of each account officer.

The implementation of tools and routines to support the

new guidelines will be an priority area in 2006. The aim is to develop a training programme for account officers.

DnB NOR does not yet have systems or routines that can document the number of cases where environmental or social considerations have been discussed with customers. Documentation requirements and routines will be subject to further consideration in 2006.

Project financing

DnB NOR checks whether its partners use the Equator Principles¹⁾ in project financing, but does not require that the principles be adopted. Environmental and social considerations in project financing are safeguarded by credit operations guidelines.

Good customer service

DnB NOR is committed to offering products and providing advice to meet customer needs. Customer surveys, customer complaints and feedback from organisations and professional groups outside the Group contribute to the improvement and development of products and services. The Group also considers that relevant expertise and high ethical standards in its financial advisory services are vital to developing good customer relations.

Customer input

For DnB NOR, an important aim is to have satisfied customers. The Group tracks customer satisfaction trends by carrying out regular surveys among both retail and corporate customers and receives feedback on what can be improved. The purpose of the surveys is to gain insight into customers' opinions of DnB NOR's products and services, for example whether the bank is perceived to be competitive with respect to prices and service. Surveys are also carried out on the quality of financial advisory services and distribution channels.

Customer surveys also generate a customer satisfaction index. Customer satisfaction among corporate customers showed a slight increase in 2005, whereas there was a minor decrease among retail customers. DnB NOR aims to have higher customer satisfaction levels than the other major banks in Norway. Efforts are continually being made to increase customer satisfaction. In 2006, initiatives will include the recruitment of 70 new employees to the branch network, telephone and Internet banking.

Complaints management

Complaints from retail customers in DnB NOR are handled by a special unit – Complaints Service. Nevertheless, the aim is that as many cases as possible should be dealt with where they arise, be it in the branch network, the Internet bank or the telephone bank. If the matter cannot be solved there and then, the target is that the customer will receive a provisional answer within three working days. Corporate customers with a complaint may contact an account officer or Corporate Customer Service by phone or via the Internet.

Surveys show a positive trend in customer perception of complaints management after the introduction

¹⁾ The Equator Principles have been drawn up by the financial services industry in cooperation with International Finance Corporation (IFC). The principles provide a framework for financial institutions to analyse and manage environmental and social risk issues in project financing. See www.equator-principles.com.

of a new complaints policy in 2004. The number of complaints from retail customers declined by 16 per cent for DnB NOR and nine per cent for Postbanken in 2005 compared with 2004. Complaints regarding fraud attempts increased in 2005, while complaints regarding prices declined.

Certification of financial advisers

DnB NOR emphasises open and objective communication. Advice on products and services should be tailor-made to meet the needs of each individual customer. Pursuant to the Norwegian Financial Services Act, banks are obliged to give customers in-depth information on the options available and the consequences of their choices. In 2005, DnB NOR developed a certification programme for customer advisers. The aim is to ensure a high level of expertise among DnB NOR customer advisers in order to establish good customer relations and high professional and ethical standards.

The aim for 2006 is to certify all employees whose main task is to give investment advice to retail customers. To be certified, advisers must show that they have the necessary competence, are qualified to give financial advice and have passed both a written and a practical test. The theoretical test covers topics such as macro-economics and insurance, whereas the practical test is related to sales and financial advisory situations. Certification will have to be renewed every three years or more frequently.

First-home loans with interest rate ceiling

In 2005, based on input from customers, organisations and specialists outside the Group, DnB NOR developed the product "First-home loans with interest rate ceiling" for first-time buyers entering the housing market. Previously, equity capital requirements have created difficulties for many young adults despite their ability to meet repayments. First-home loans with interest rate ceilings have helped this group, previously excluded from the housing market, to take up housing loans on favourable terms.

Board of directors seminars

In cooperation with StyreConsult AS, DnB NOR offers seminars on the roles and responsibilities of boards of directors for relevant customer groups. The aim is to increase knowledge about the work of boards of directors so that seminar participants are better equipped to perform the work of a director in an effective manner and improve the way board resources are used. The programme consists of a series of seminars and a data base for boards of directors. The data base contains useful information for administering a board of directors. The seminars are divided into three modules, which collectively provide a comprehensive introduction to the work of boards of directors.

The seminars started in 2004 and since their start, DnB NOR has, in cooperation with StyreConsult AS, held 34 seminars throughout Norway with the number of participants totalling close to 900.



Shareholders

Important principles governing DnB NOR's relationship with its shareholders include equal treatment of investors and transparent, correct and relevant information to the stock market.

Values for shareholders

DnB NOR had a market capitalisation of NOK 96.3 billion at end-December 2005 and was the fourth largest company listed on Oslo Børs (the Oslo Stock Exchange) and the third largest on the Oslo Børs benchmark index. As at 31 December 2005, DnB NOR had 1 337 million shares divided between close to 50 000 shareholders. The value of the DnB NOR share increased considerably in 2005. The proposed dividend of NOK 3.50 per share provides a direct return of 4.9 per cent¹⁾.

Shareholder and dividend policy

DnB NOR aims to manage group resources in a manner which will ensure shareholders a competitive return in the form of dividends and increases in share price relative to comparable investment alternatives. All shareholders will be treated equally and have the same opportunity to exert influence through the principle of one share – one vote. DnB NOR intends to distribute approximately 50 per cent of net annual profits as dividends provided that capital adequacy is at a satisfactory level. Dividends will be determined on the basis of expected profit levels in a normalised market situation, external parameters and the need for core capital.

Communication with investors

DnB NOR maintains an open dialogue with shareholders and other participants in the stock market. In the opinion of the Group, transparent, correct, relevant and timely information will promote confidence and predictability and correct pricing of the company's shares. Information subject to disclosure requirements is provided in the form of notices to Oslo Børs and immediately thereafter published on DnB NOR's website and sent via e-mail to registered subscribers, as well as to the Norwegian and international press.

The company holds regular presentations for investors, analysts and the press, both in Norway and internationally, in the form of result presentations, capital markets days, seminars and one-to-one meetings with investors. A large number of share analysts follow developments in the DnB NOR share. The share is actively monitored by institutional investors' own analysts, and by a total of 28 large and small investment banks and brokerage houses, of which 15 are Nordic-based and 13 are international. It is in the interest of DnB NOR that high-quality equity analyses are published. Emphasis is placed on providing relevant, complete and high-quality information and on ensuring that all analysts, regardless of their assessments of the DnB NOR share, receive equal treatment at all times. Daily contact with investors and analysts is handled by the Investor Relations department.

¹⁾ Based on the market price as at 31 December 2005.

DnB NOR also has regular contact with a number of analysts, investors and analyst agencies which monitor the company's performance within corporate social responsibility and ethics. The publication of a separate annual report on corporate social responsibility is part of this communication.

Sustainability indexes

DnB NOR is included in the sustainability index FTSE4Good and aims to be included in the Dow Jones Sustainability Index.

Employee fund scheme

DnB NOR has established a fund for its employees – DnB NOR Ansattefond AS. The purpose of the fund is to allow employees to share in the Group's results when conditions so permit and to contribute to long-term ownership in the Group. All employees are comprised by the scheme and share in the financial results, value creation and ownership of DnB NOR. Under the scheme, the Board of Directors of DnB NOR ASA allocates funds which are managed in the fund until the employees are entitled to be paid the accumulated values. The allocation is made based on a discretionary assessment of the Group's annual financial performance.

The allocation to the employee fund scheme for 2005 was NOK 153 million. As at 31 December 2005, the fund's equity interest in the Group totalled 1.2 per cent, which is the equivalent of a market value of NOK 1.1 billion.

Shareholder values

Key figures as at 31 December

	2005	2004
Aggregate return on shares including dividends (%)	25.3	40.7
Payout ratio (%)	46	46
DnB NOR Ansattefond ownership interest (%)	1.2	1.2
Allotment to DnB NOR Ansattefond in NOK million	153	146
Qualified for FTSE4Good Index	Qualified	Qualified
Qualified for Dow Jones Sustainability Index	Not qualified	Not qualified

Corporate governance

DnB NOR aims to ensure good corporate governance through equal treatment of shareholders, compliance with laws, regulations and ethical standards and by electing independent and well-qualified board members.

Management processes, descriptions of responsibilities, independence requirements, remuneration systems and the opportunities of shareholders to exert influence help protect the interests of shareholders, customers, employees, authorities and society at large.

The Norwegian code of practice for corporate governance was launched in 2004. DnB NOR was involved in the process of drawing up the standard and supports this. In addition, the Group takes into account the proposed principles for corporate governance from the Committee of European Banking Supervisors (CEBS) introduced in 2005.

Corporate governance in DnB NOR is based on the following main principles:

- The establishment of and communication about the Group's targets, strategy and values. As part of this, DnB NOR has adopted guidelines that clearly describe how the Group should observe corporate social responsibility
- A clear division of roles and responsibilities between various bodies and management
- Predictability and equal treatment of all shareholders
- Shareholder involvement and influence
- Relevant and timely reporting to shareholders and other stakeholders
- Independent and qualified board members
- Adequate remuneration to board members and management
- Compliance with laws, regulations and ethical standards
- Independent internal and statutory auditors



Society

As Norway's leading financial institution, DnB NOR is an important contributor, partner and source of expertise both locally and nationally.

DnB NOR is part of Norwegian society and this entails obligations. The Group's conduct both in local communities, towards authorities, organisations and individuals is based on more than 180 years' experience as an active player in society.

Investment in society

DnB NOR supports a number of charitable institutions and good causes, both on an ad hoc basis and as part of a long-term strategy to form fruitful and inspiring alliances between organisations, the workplace and individuals. At the local level, DnB NOR gives cash donations to charitable causes such as children and youth projects. In 2006, in addition to providing purely financial support, the Group will intensify efforts to broaden its social commitment in local communities where the Group is present.

Humanitarian work

Since 1987, DnB NOR employees have, in a voluntary scheme, donated NOK 8 million to Save the Children Norway. Automatic monthly deductions are made from employee wages. Money raised goes to a Save the Children Norway project in Guatemala City providing education for children. Today, about 800 persons in the Group are registered on the scheme ¹⁾.

DnB NOR is a general sponsor of Plan Norway, a politically and religiously independent organisation engaged in child-centred development work in 45 countries. In 2005, DnB NOR organised within the Group a mobile phone collection campaign with proceeds benefiting Plan ²⁾. The mobile phone collection campaign gave additional funds to Plan's work in areas affected by the tsunami and ensured environmentally-friendly disposal of the second-hand phones.

DnB NOR also supports the Nobel Peace Center in Oslo. The centre's vision is to promote peace through reflection, debate and involvement. The agreement with the Nobel Peace Center has a value of NOK 14 million and makes DnB NOR one of the centre's five "Global Founding Partners".

DnB NOR wishes to provide financial support and assistance when disasters strike. In total, the Group gave more than NOK 4 million to the victims of the tsunami disaster in South-East Asia, including direct contributions, free handling of public donations to the relief organisations and assistance in counting money raised. During 2005, DnB NOR also contributed funds and manpower to the TV campaign "Dream Catcher" as well as money for the adoption of one of the all-terrain trucks used to transport food to famine victims in Niger.

In recent years, DnB NOR has given a monetary gift to good causes instead of Christmas presents to the Group's business associates. In 2005, the Christmas present was given to the Church City Mission and Amnesty International, which received a total of NOK 360 000.

Art collection

DnB NOR has one of Norway's largest private art collections. The collection consists of over 10 000 works of art dating back from the end of the 1800s up until today, with emphasis on recognised contemporary artists. In addition to being on display in DnB NOR's offices in Norway, works of art are also lent to art exhibitions upon request.

Research and development

One of DnB NOR's guiding principles is to help strengthen the competitiveness of the Norwegian business community by stimulating innovation and competence building. The Group is therefore financing two five-year professorships within finance, one in financial economics at the Norwegian School of Economics and Business Administration and one in asset management at BI Norwegian School of Management. The Group also supports innovation, cf. page 11.

Sponsorship

DnB NOR is strongly committed to supporting Norwegian cultural activities and sports, and in 2005 donated approximately NOK 50 million to various sports organisations and cultural projects. This figure does not include costs related to following up the agreements, monetary gifts to charitable causes and cooperation agreements with different public institutions. In 2005, sports organisations received approximately 80 per cent of the sponsorship funds, while cultural institutions received 20 per cent.

Financial support and sponsorship agreements

NOK million	2005	2004
Cultural sponsorship agreements	9.9	N/A
Sports sponsorship agreements	39.1	N/A
Cooperation agreements with humanitarian organisations	10.1	N/A
Donations	2.4	N/A
Gifts to fund research professorships	1.5	N/A
Total	63.0	N/A

N/A: not available

¹⁾ The scheme is a cooperation project between Save the Children Norway and the Finance Sector Union DnB NOR

²⁾ The mobile phone return scheme was based on collaboration between Plan Norway, Dangaard Telecom AS and various mobile phone distributors. The mobile phone distributors supported Plan Norway with NOK 50 per donated mobile phone.



Above: The Norwegian Chamber Orchestra.
Photo: Sverre Chr. Jarild

Right: Plan Norway. Photo: Alf Berg

Below: From "The Storm". Photo: Erik Berg
© The Norwegian Opera

Bottom: From DnB NOR's art collection:

"At sunset" by Frithjof Smith-Hald, 1894.



The level of sponsorship funds will increase in 2006, one of the reasons being that DnB NOR is the main sponsor of the Ibsen Year 2006, one of Norway's largest cultural events ever.

Sponsoring activities are based on the Group's governing strategy and play an important part in supporting DnB NOR's priority areas and values: team spirit, simplicity and value creation. The three primary objectives of the Group's sponsoring activities are brand-building, customer service and team-building among its employees.

Dialogue with authorities and trade associations

In order for DnB NOR to achieve its targets, also within corporate social responsibility, it is vital that framework conditions are favourable for the Group as well as for the Group's customers. DnB NOR is therefore engaged in systematic work towards the authorities to ensure the best possible working conditions and functions as a source of expertise for both politicians and civil servants. Local and national authorities are important partners also within areas such as the prevention of economic crime and the securing of values.

In 2005, DnB NOR held nine meetings with invited politicians. Meeting topics were macroeconomics, challenges facing Norwegian businesses, the status of DnB NOR, pensions, framework conditions for the financial services industry and ethical management. This series of meetings will continue in 2006. DnB NOR gives no financial support to political parties or related organisations, nor does it support political parties in other ways.

The Norwegian Financial Services Association and the Norwegian Savings Banks Association are important arenas for DnB NOR, not least in efforts to establish a greater understanding for value creation in the financial services industry.

Source of expertise

DnB NOR possesses extensive expertise within such areas as personal finances, market development and business and industry. This expertise is represented in more than 190 locations nationwide, and many of the Group's employees have gained a position as sources of expertise in their local communities.

Courses and seminars

DnB NOR arranges a number of courses and seminars for both companies and individuals. Course topics include roles and responsibilities of boards of directors, starting one's own company, retirement pension seminars, cash management day and seminars for the energy sector, organisations, the property sector and the wood-processing industry. Another example is the project "Setting up House", which is a collaboration between secondary schools and DnB NOR to teach 15 and 16 year olds about the financial aspects of setting up house. 71 schools are

currently participating in this project. The ambition is to offer the project to schools throughout Norway during 2006.

DnB NOR's experts

The consumer economists and macroeconomists in DnB NOR are professional experts who are often called upon to provide information and insight by giving interviews in the press, contributing articles for publication both on the Internet and in customer magazines, and participating in seminars. Since 2002, DnB NOR and Postbanken have each had their own consumer economist. Their job is to give objective and precise consumer information on personal finances. The macroeconomists prepare analyses and prognoses regarding national and global economic prospects for customers and the financial market.

The Savings Bank Foundation

Sparebankstiftelsen DnB NOR (the Savings Bank Foundation), which is DnB NOR's second largest shareholder, gives financial contributions to a wide range of charitable causes. The Foundation's capital is a result of accumulated profits from the former savings banks which are now part of DnB NOR. Through the Foundation, DnB NOR continues savings banks' strong tradition of giving monetary gifts to non-profit causes. The Foundation's profits mainly represent dividends from DnB NOR shares. The Foundation allocates up to 25 per cent of profits to non-profit causes.

In 2005, the Foundation made donations totalling NOK 65 million. Examples of projects that received financial support in 2005 are drinking water coolers for students in upper secondary schools and the engraving of Ibsen quotations on the main shopping street in Oslo, Karl Johans gate. During the first six months of 2006, the Foundation will give priority to cultural heritage, outdoor activities and integration measures for people from ethnic minority backgrounds.

In addition to giving direct financial contributions, the Savings Bank Foundation invests in causes that benefit the general public. In 2005, the Foundation invested NOK 100 million in an instrument fund, Dextra Musica, and a considerable sum in the art fund Dextra Artes, which, among other things, will administer the Astrup collection.

Visit www.sparebankstiftelsen.no for more information about the Savings Bank Foundation.

Indicator		Page:	Indicator		Page:
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1.2	Statement from the CEO	4	EC1	Net sales	5
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			EC5	Payroll and benefits	10
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2.2	Products and/or services	6	EC8	Total sum of taxes	10
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2.5	Countries located	*	Environmental performance indicators		
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2.13	Boundaries of report	2	EN14-15	Environmental impact of products/services	N/R
2.14	Organisation changes	N/R	EN16	Incidents of non-compliance	N/R
2.15	Basis for reporting on joint ventures	2	EN17	Renewable energy/energy efficiency	12, 13
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2.19	Measurement methods changes	N/R	LA1	Breakdown of workforce	5, 14
2.20	Internal practices for assurance of report	2, 7	LA2	Net employment and turnover	17 ¹⁾
2.21	Independent assurance report	30	LA3, 15	Independent trade unions	15
2.22	Additional information	2	LA4, 13	Labour/management relations	15
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3.2	Independence of board members	*	LA9, 17	Training, skills and learning	16, 17
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3.4	Board-level processes regarding sustainability	*	LA12	Employee benefits	15, 18
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3.7	Codes of conduct, mission and values	7, 14	HR1	Human rights policy and procedures	7
3.8	Shareholders' communication mechanisms	24-25 and *	HR2-3	Human rights impacts: procurement, investments and supply chain	7, 13, 20-22
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3.9	Major stakeholders	N/A	HR5	Freedom of association policy	7, 15
3.10	Approach to stakeholder consultation	15, 20-24, 28	HR6	Child labour	7
3.11-3.12	Information generated from stakeholder consultation	15, 20-24, 28	HR7	Forced and compulsory labour	7
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3.20	Certifications	13			

N/A: Not available

N/R: Not relevant for DnB NOR

*: refers to the DnB NOR Group's annual report 2005

**: refers to www.dnbnor.com

¹⁾ Turnover rate is not reported.

GRI has established two supplementary sets of performance indicators regarding the financial sector in addition to the indicators above. The supplementary indicators covers environmental and social aspects. A separate GRI-index for these sector supplements can be found on www.dnbnor.com/csr.

For more information about Global Reporting Initiative (GRI), please refer to www.globalreporting.org.

Auditor's report

To the stakeholders of DnB NOR ASA

Independent assurance report with limited assurance

We have been engaged by the management of the DnB NOR Group to conduct an independent review of the report "DnB NOR and society 2005".

We have conducted our review in accordance with the requirements for assurance engagements with limited assurance in the Norwegian standard on assurance engagements SA 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the Norwegian Institute of Public Accountants (approved in September 2005). The procedures for gathering sufficient appropriate evidence in a limited assurance engagement are limited relative to a reasonable assurance engagement.

We have conducted an independent review of the report "DnB NOR and society 2005". DnB NOR's group management is responsible for the report "DnB NOR and society 2005". Our responsibility is to express our opinion on the report "DnB NOR and society 2005" based on our independent review.

In this review, we have used relevant criteria in the sustainability reporting guidelines issued by the Global Reporting Initiative (GRI). General areas of focus for the stakeholders of DnB NOR have also been taken into consideration. We consider these reporting criteria to be relevant and sufficient to review the report "DnB NOR and society 2005".

Our review has involved the following activities:

- Assessing the contents of the report based on our understanding of the financial sector and its relevant issues in relation to corporate social responsibility;
- Assessing the acceptability of the reporting principles used and significant estimates and calculations made in preparing the report;
- Performing analytical procedures at both group and company level to assess the quantitative data;
- Examining evidence supporting the descriptive and quantitative data provided, and studying other relevant company documents;
- Conducting interviews with selected managers and employees of the DnB NOR Group for the purpose of assessing the plausibility of the descriptive and quantitative data in the report "DnB NOR and society 2005";
- Conducting an overall review of the report "DnB NOR and society 2005" by testing its contents against relevant criteria in the sustainability reporting guidelines issued by the Global Reporting Initiative.

We believe we have collected sufficient appropriate evidence as a basis for our opinion.

Because the above procedures do not constitute either an audit or a review made in accordance with Norwegian Standards on Auditing, we do not express any assurance that the report does not contain material errors.

Based on the procedures performed in this report, nothing came to our attention that leads us to believe that the information in the report "DnB NOR and society 2005" in all material respects is not in accordance with relevant criteria in the sustainability reporting guidelines issued by the Global Reporting Initiative.

Oslo, 14 March 2006
PricewaterhouseCoopers AS

Geir Julsvoll
Partner

Contact information

Points of view?

Please contact us by e-mail: external.relations@dnbnor.no
or by post at:

DnB NOR
Corporate Communications/External Relations
Stranden 21
NO-0021 Oslo

www.dnbnor.com/csr

www.dnbnor.com/csr