

Personal Banking

Accelerating the modernisation of personal banking

- Radical changes in customer behaviour require new operating model
- Everything going digital
- Modernisation will significantly reduce costs

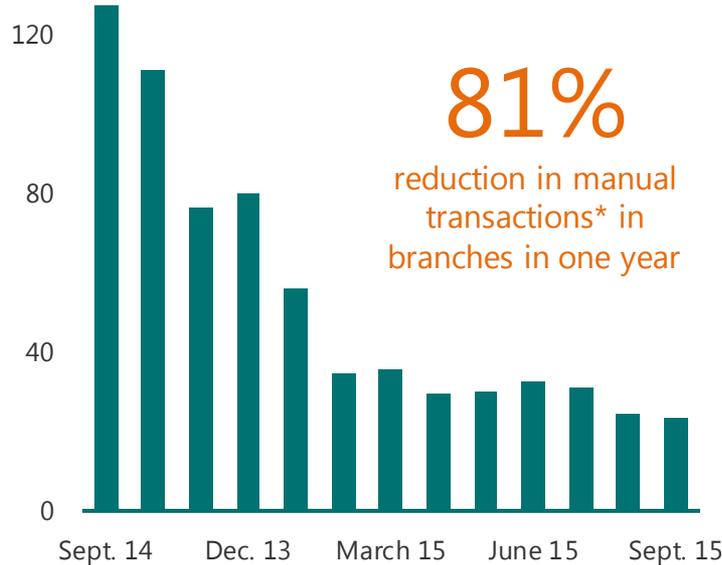
Trond Bentestuen
Head of Personal Banking Norway

Modernising the way we do banking

– ahead of last year's ambition to cut manual transactions by 50-70%

Number of manual transactions

In thousands



Key takeaways

- All branches stopped manual cash-handling services by end-March 2015
- The quest to eliminate manual transactions is continuing
- Contrary to some predictions before reducing manual transactions, customer satisfaction has improved and is at an all-time high

Customers are digital

– calls for radical changes to our operating model

DNB customers' channel usage

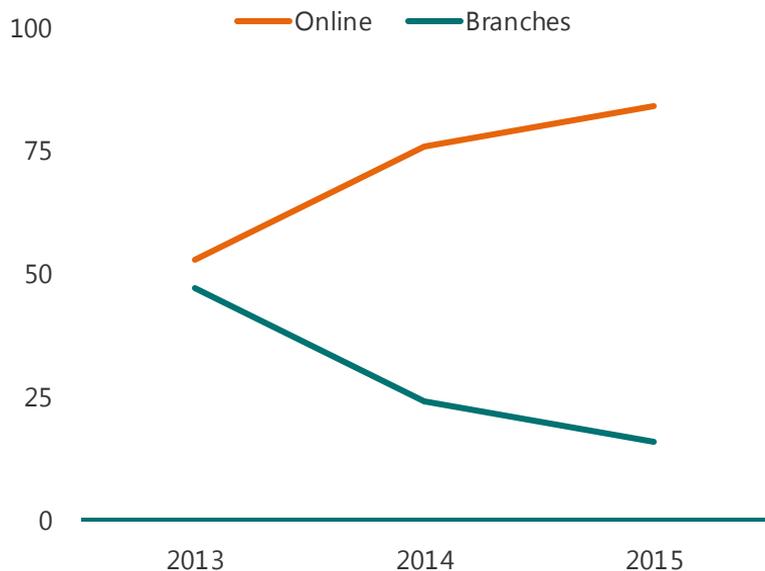
Per cent



Going digital also means more sales

Sale of savings schemes by channel

Per cent



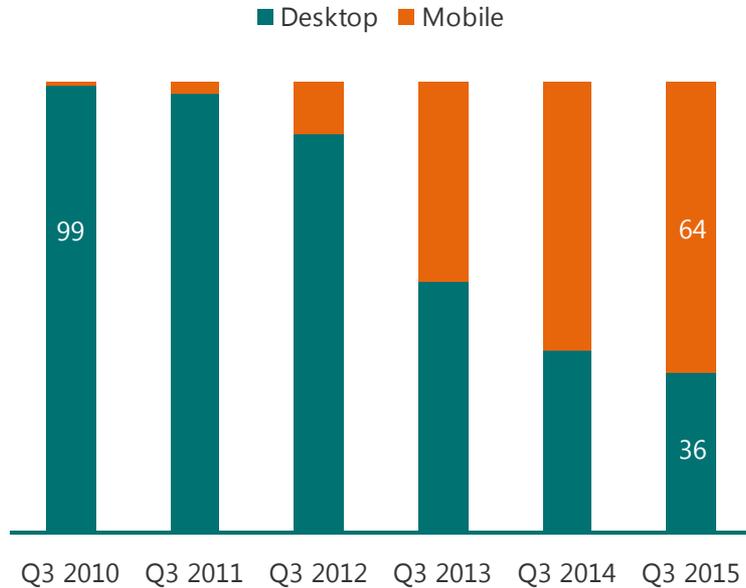
Key takeaways

- Going digital boosts sales. 110% increase in sales of mutual fund savings schemes YTD
- 86% of mutual fund savings schemes sold online
- > 40% market share* of mutual funds saving schemes sold in first half 2015
- Aiming to double sales of savings schemes from 100 000 to 200 000 by 2018**

And it is all about mobile

Share of digital traffic

Per cent



Key takeaways

- 40 million visits on mobile in Q3 2015
- Today, due to digital channels, we have more contact with our customers than ever before. Our average mobile customer visits us every day
- A unique opportunity to increase sales and customer loyalty and reduce costs

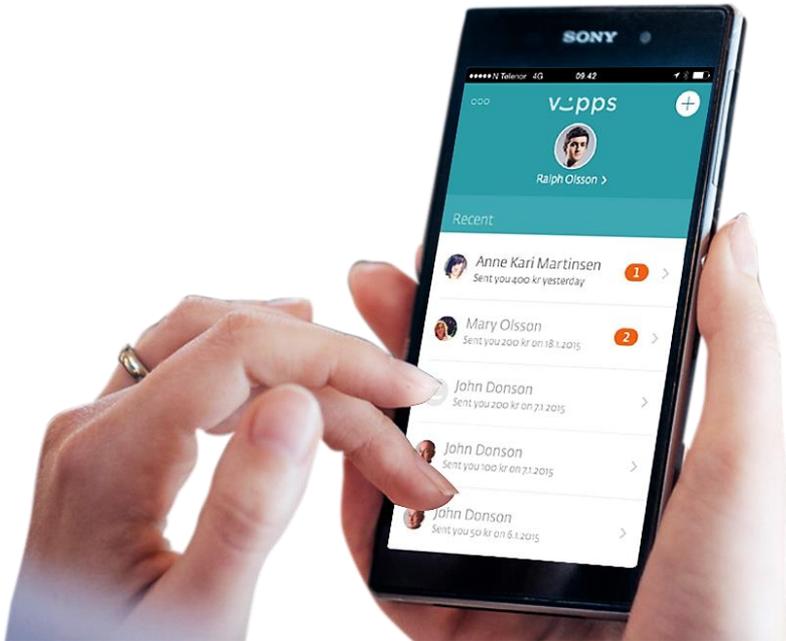
The launch of **v-pps**

By DNB

- P2P solution simplifying payments for all Norwegians

Key takeaways

- Customers only need a phone number to make a payment
- 1 in 4 Norwegians have downloaded the Vipps app already
- 85% brand awareness in only five months, equalling brand awareness in Norway for brands such as Apple
- 43% of Vipps customers are not DNB customers

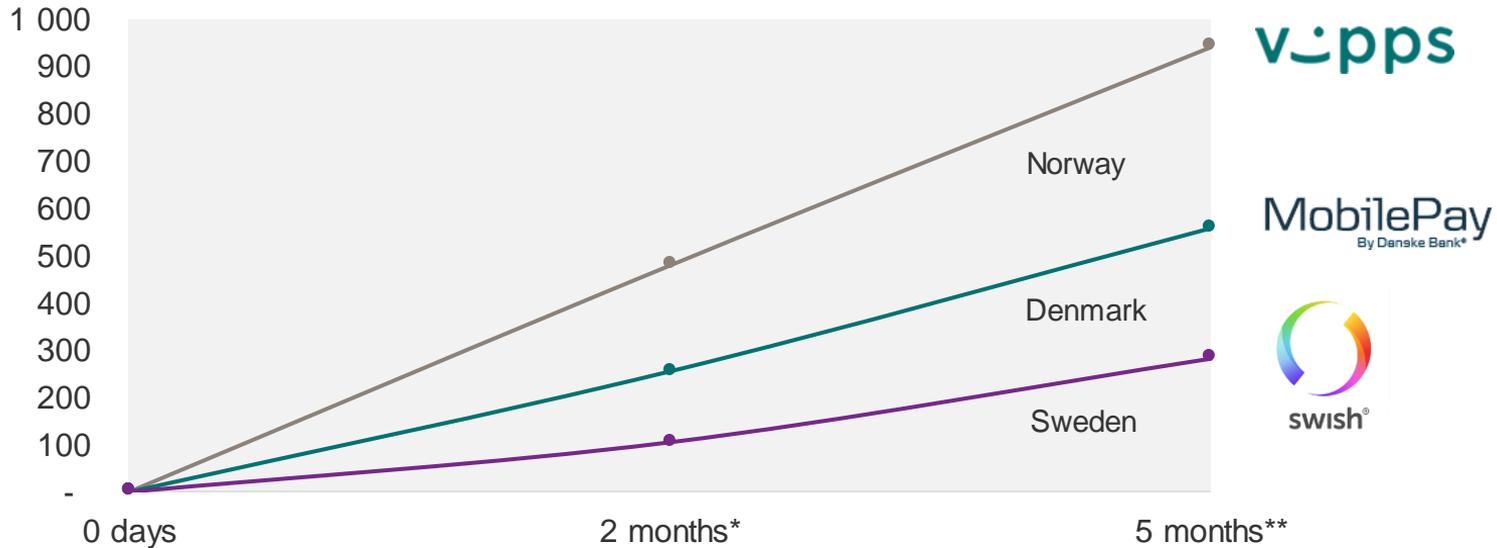


Fast market uptake of vipp

By DNB

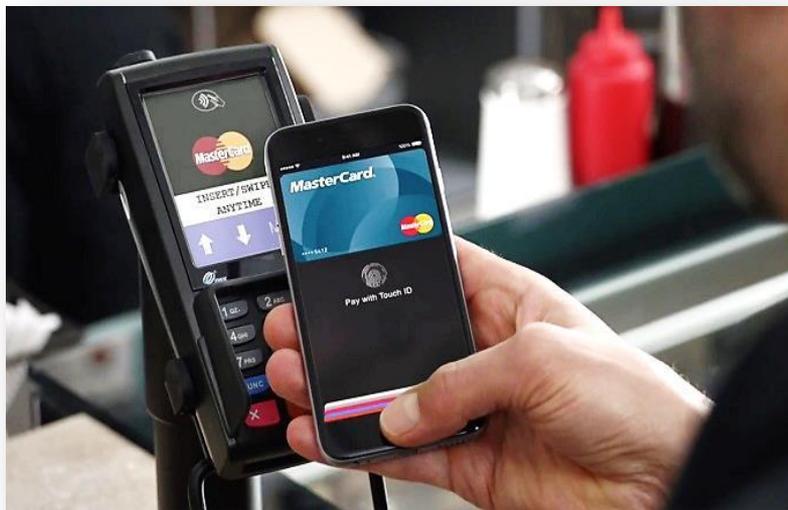
Number of downloads

In thousands



vippss – a platform for future earnings

By DNB

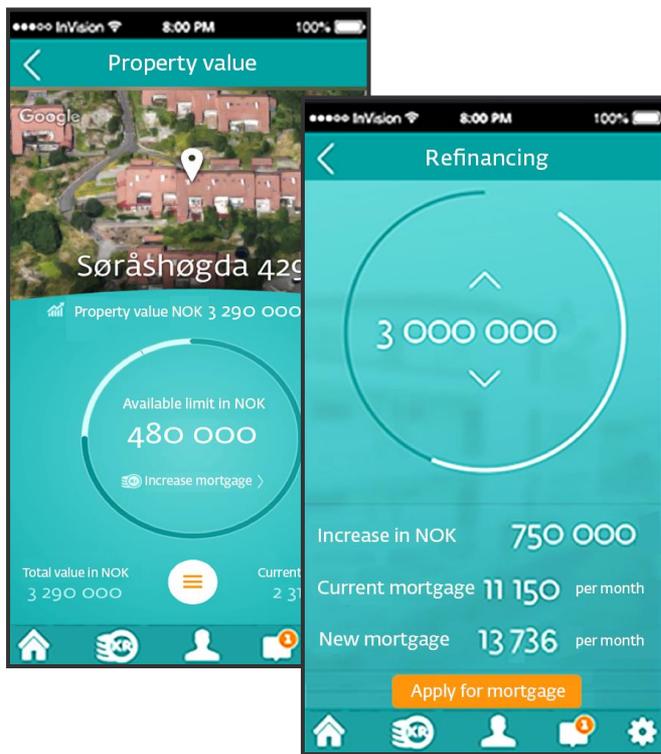


Key takeaways

- Launch of Vipps Business in 2016, making it easy to receive payments for businesses and providing consumers with an easy checkout option
- New features to come on the existing P2P solution in 2016, including customer rewards and deals
- Platform for selling a wider range of products, such as consumer finance

Moving mortgages to a digital platform

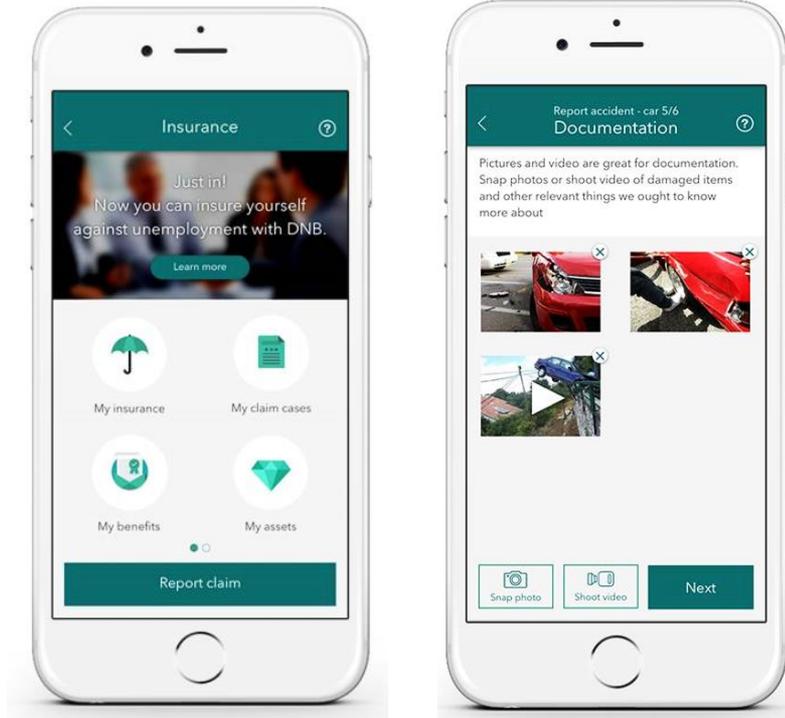
– digitalising the entire loan process



Key takeaways

- 100% of loan applications will start on a digital platform
- Our target is 40% fully automated mortgage sales and processing by end 2017
- Digitalisation and automation will potentially reduce annual costs by NOK 150 million by end 2017

Targeting further growth in insurance



Key takeaways

- We target > 50%* growth in insurance premiums by year-end 2018, from NOK 2.4 billion to NOK 3.7 billion**
- Boosting sales through a dedicated sales force
- Digitalising customer service and reducing the number of inbound calls by > 50%
- Targeting 30% of all claims handling in digital channels

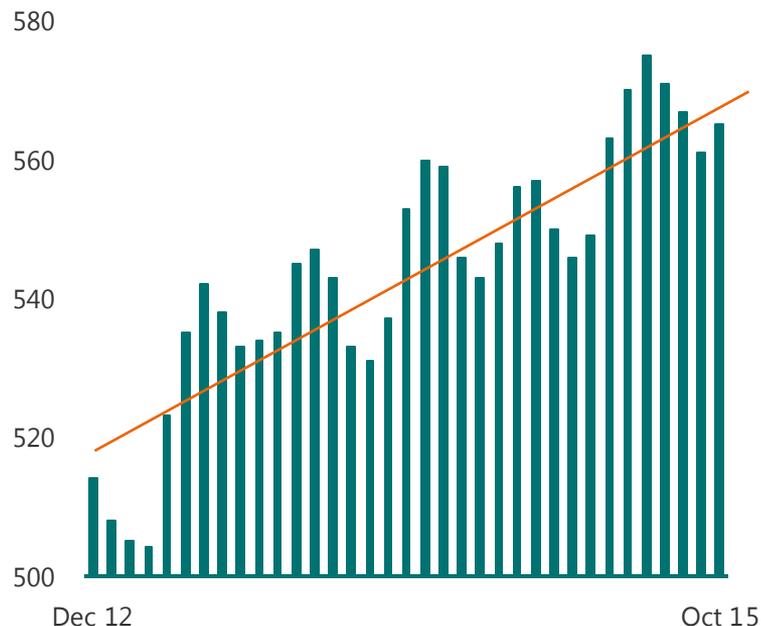
*Equals 15% annual growth **Combined sales from non-life and life insurance, excluding pensions

Consumer finance and credit cards

– potential to further build customer loyalty and increase revenues

Number of active* DNB MasterCard

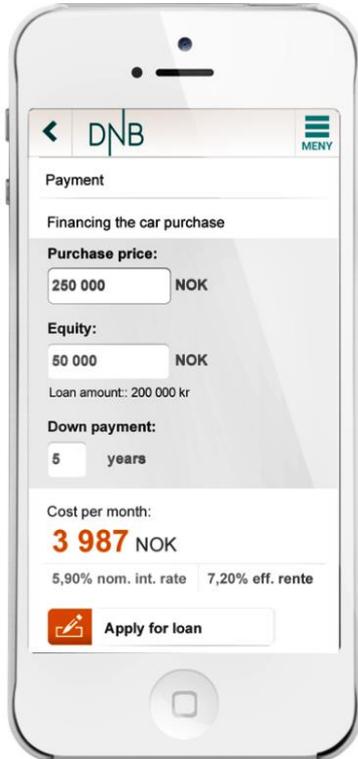
In thousands



Key takeaways

- Untapped potential for increased revenues from our one million DNB MasterCard, both from increased share of active cards and increased average spending per active card
- DNB's purchasing power gives customers unique deals. YTD deals have given our customers > NOK 100 million in discounts. MasterCard usage peaks when special discounts are offered
- In October 2015, we launched SAS EuroBonus rewards for SAGA MasterCard customers. Faster uptake than expected. Our target is 55 000 SAS EuroBonus reward customers by year-end 2016, and > NOK 50 million in increased annual revenues from fees

Buying a car made easy

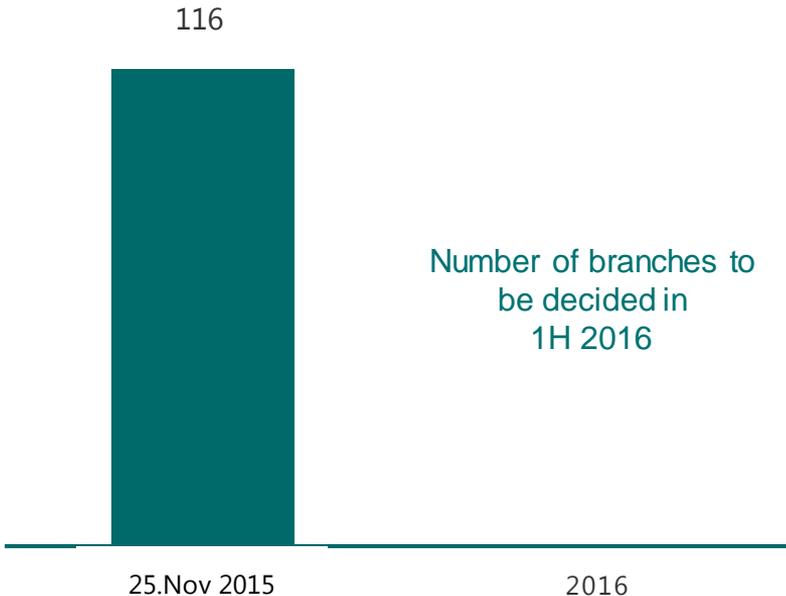


Key takeaways

- A 100% digital P2P solution for buying a car to be launched in mid-2016
- One app for car loans and car insurance
- Targeting a 50% increase in loan sales by end 2018 from NOK 3.5 billion in 2015 to NOK 5.0 billion in 2018

Designing a new branch structure

The number of branches will be significantly reduced in 2016



Key takeaways

- A significant reduction in branch visits, changes in customer behaviour and the discontinuation of manual transactions call for changes in the branch structure
- The service offering in remaining branches will be radically changed, focusing on important events* in the customer life cycle
- The number of FTEs in branches will be reduced as a result of a new branch structure

Substantial reduction in managers and staff implemented in Q3 2015

From (Q2 2015)

84

branch managers



- 50%

To (Q4 2015)

42

branch managers



212

managers



- 45%

126

managers



201

support staff



- 35%

130

support staff



Total cost reduction of NOK 900–1 100 million by 2018

Cost base, personal customers*

in NOK million, not adjusted for inflation



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