

Growth opportunities in the Norwegian retail market



Presentation by Head of Retail Banking, Åsmund Skår
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DnBNOR

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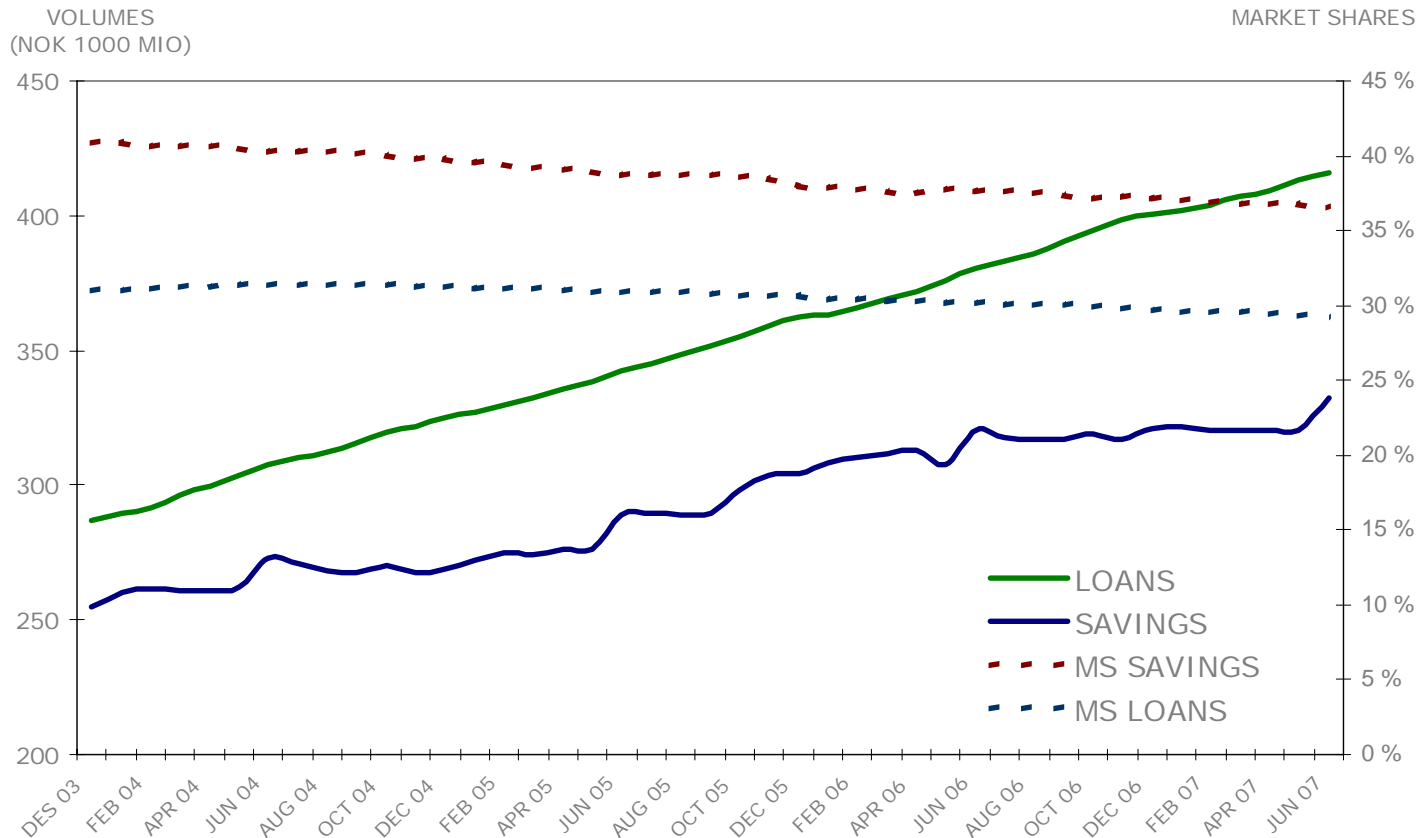


- **Steady and profitable growth - well positioned for the future**
- **Competitive and changing environment**
- **Enhancement of the Retail Banking model**
- **Non-life Insurance – a growth initiative**

Some loss of market shares, but strong growth since the merger in 2003



Volumes and market shares ¹⁾ 2004-2007

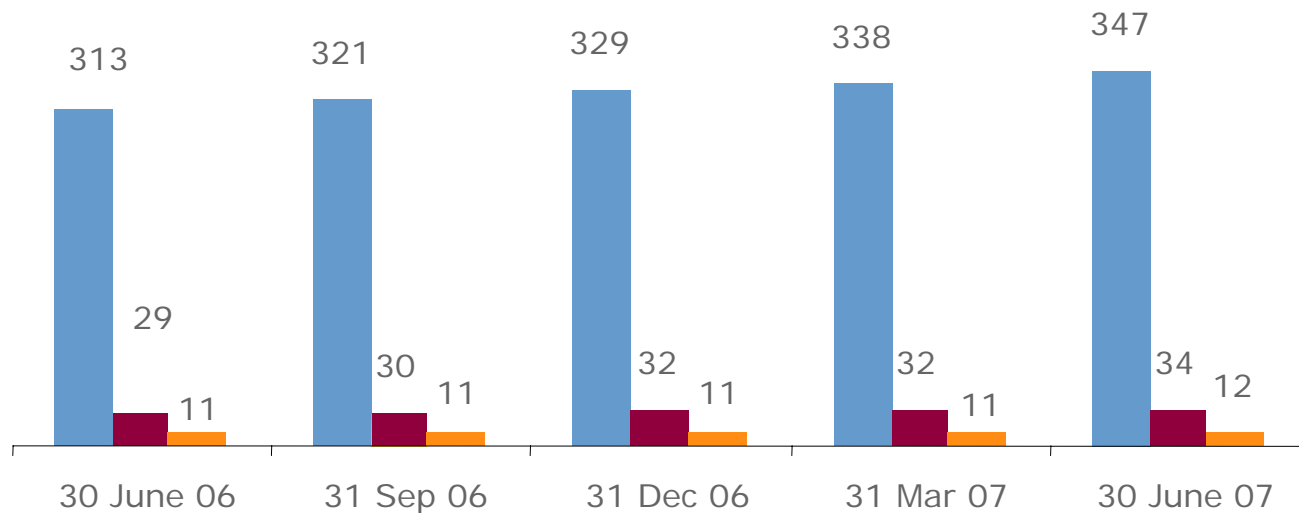


1) Market shares including volumes from public institutions

Sound asset quality



Categorization of mortgage loans, NOK billion

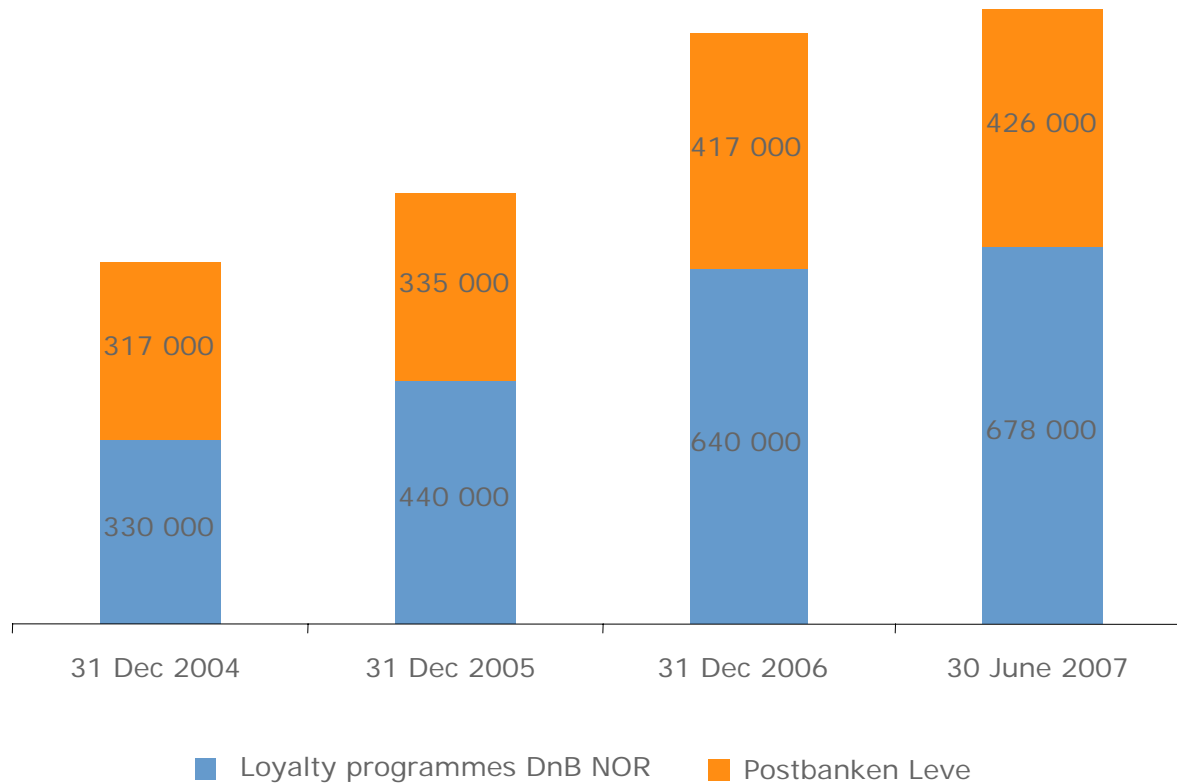


■ Mortgages within 60 per cent of collateral value (30 June 2007: 88%)

■ Mortgages between 60 and 80 per cent of collateral value (30 June 2007: 9%)

■ Mortgages above 80 per cent of collateral value (30 June 2007: 3%)

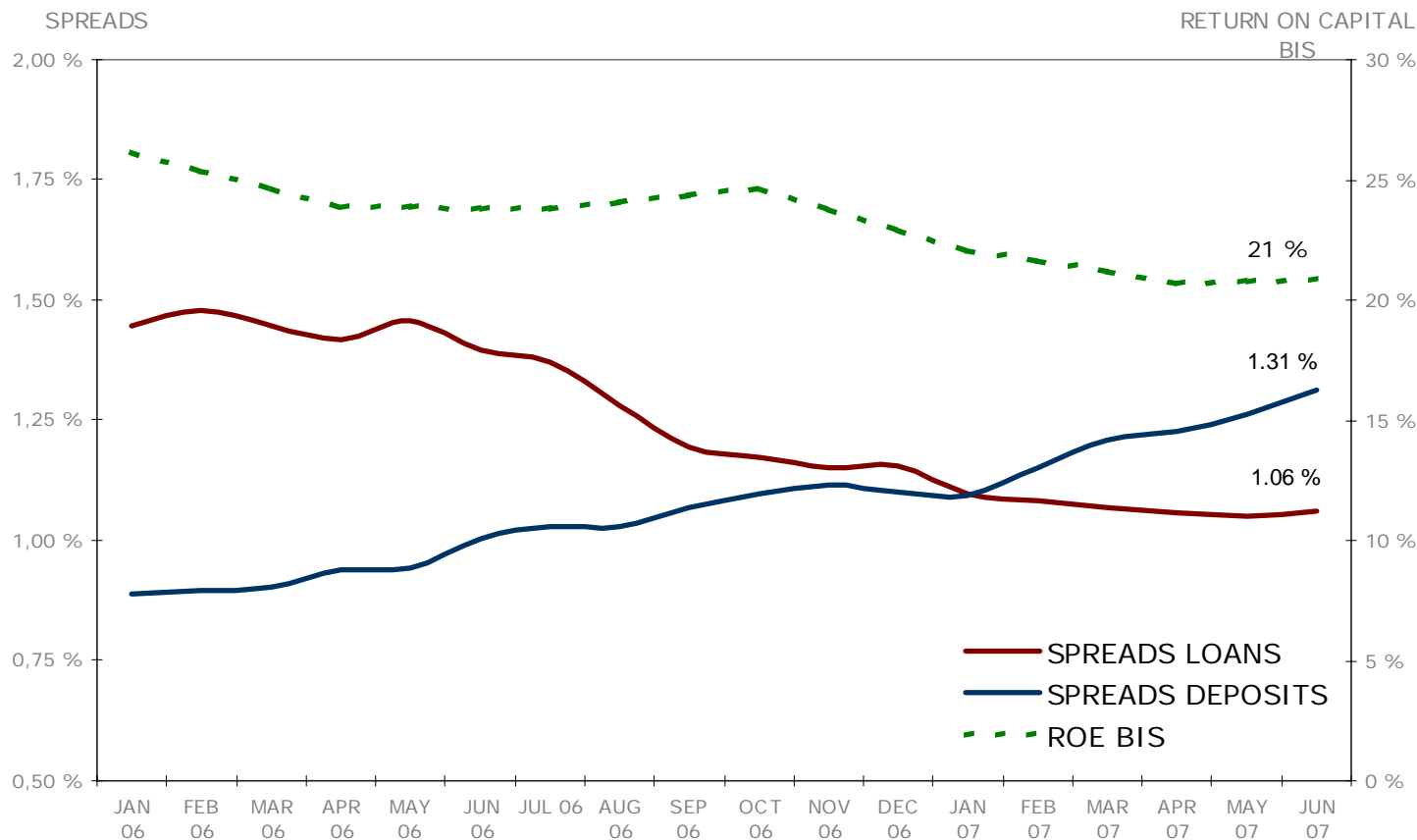
Increasing share of wallet from strong sales of loyalty programmes



Strong competition and pressure on spreads, but good return



Spreads and Return on Capital , Retail Banking 2006-2007



Well positioned for further growth



- Well-known brands
- Large customer base
 - access to in-depth customer information
- Broad distribution network
- Complete product range
- Competent and motivated employees



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Changing environment



Transparency

Public requirements

Customer preferences

Speed and relevance

Requires new banking models....



Digital Natives

- the new customers



Immersed in technology

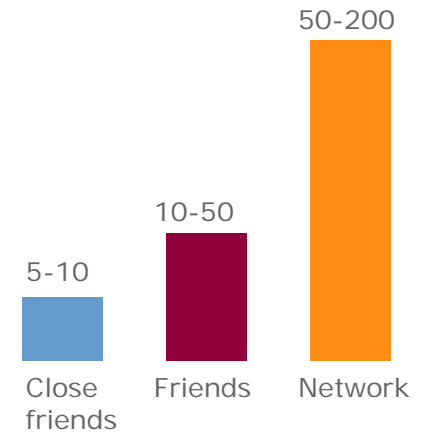
Prefer digital services

Natural multi-taskers



Just-in-time learners

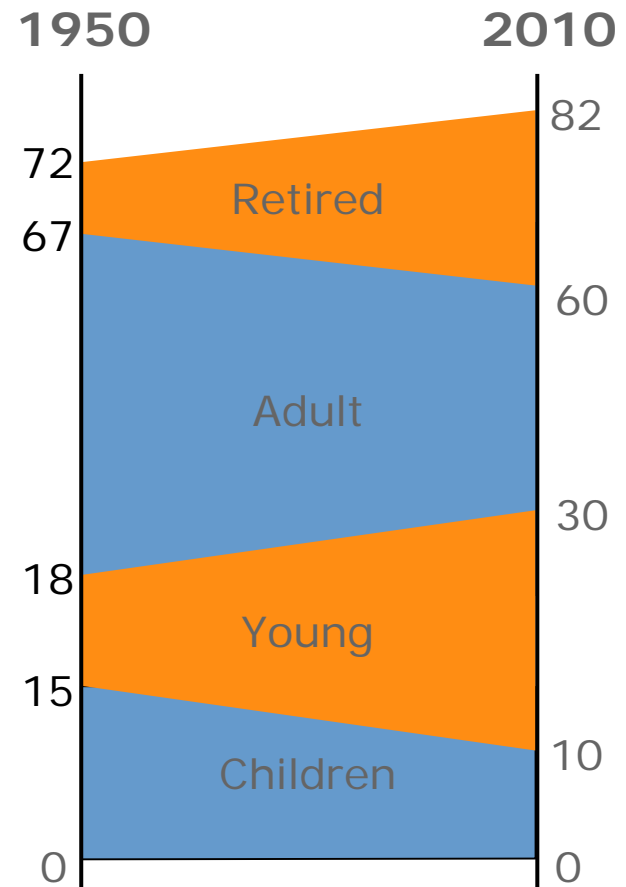
Very talented networkers!



Seniors are just as interesting...

Seniors (55+)

- the Golden Customers



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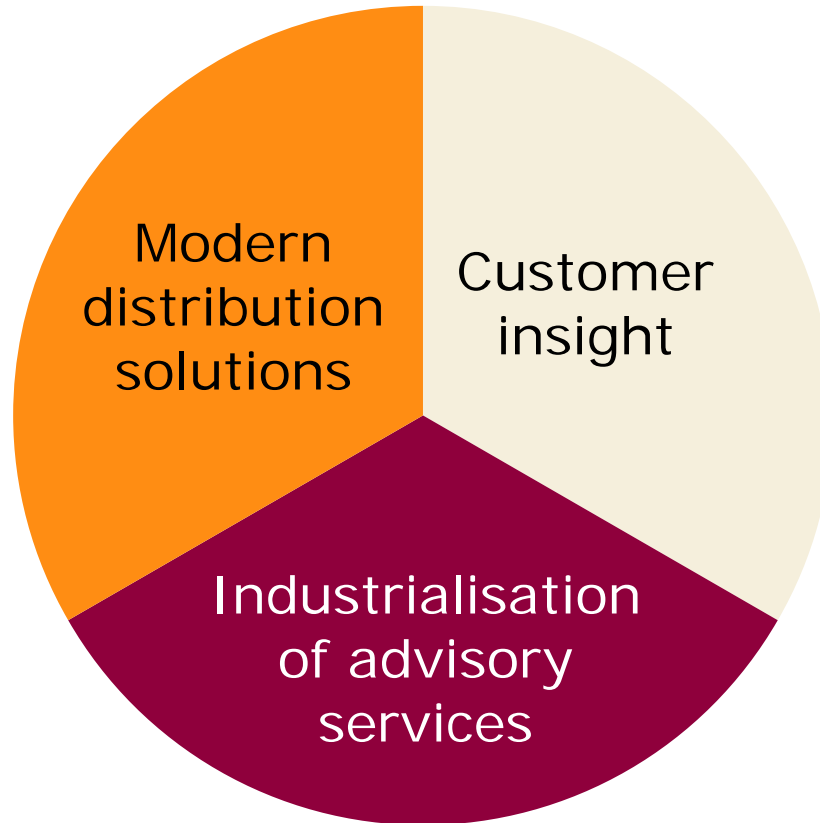
Ambitions for DnB NOR Retail Banking



- **Attractive value propositions**
- **Efficient operations**



Enhancement along 3 main dimensions



Customer insight



- Taking individual customer needs seriously
- Active collection and analysis of customer information
- Targeted customer communication



**Effective and sustainable
cross-selling!**



Industrialisation of advisory services



- High quality advice available for customers in all channels
- Highly competent advisors and well structured advisory processes
- Advanced decision support through online banking



Convenience - lower cost!



Modern distribution solutions



- Strongest distribution power in Norway !
- Focus on advisory services
- Front runner in Internet and mobile banking
- External distribution partners supplement DnB NOR's services



Convenience - growth!



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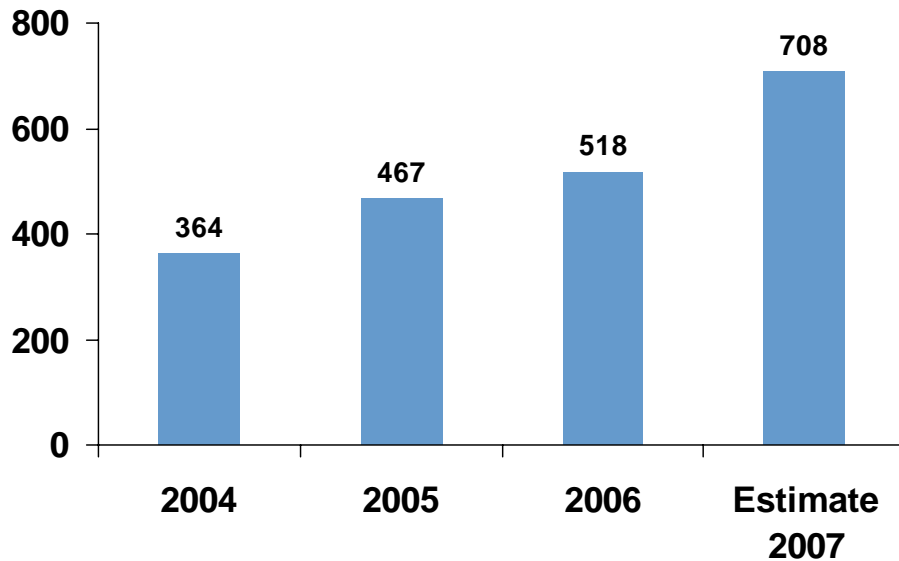


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- **Non-life insurance – a growth initiative**

Good results from current agent model for non-life insurance



Premium income (NOK million)



- Strong growth in premiums
- High-quality portfolio with low claims ratio



Establishing a non-life insurance company to exploit market potential



- Existing bank customers – an untapped resource for considerable growth in non-life products
- Long experience as an underwriting agency
- Targets for non-life insurance to banking customers:
 - 30 per cent in 2010
 - 50 per cent in 2012



And there's much more to come....

- Positioning for the rapidly growing Private Banking segments
- Opening new Investment Advisory Centres
- Exploiting our 1.5 million credit card portfolio
- Increased cross-selling from real estate brokerage
- More targeted service offer to young customers
- New credit products to Seniors



Conclusion



**We are well positioned
for future growth !**

