

CAPITAL MARKETS DAY

16 November 2016

DNB



DNB Capital Markets Day 2016

Time	Title	On stage
12.30	Ready to resume normal dividend payout	Rune Bjerke
12.55	Robust asset quality – challenges mainly in the offshore portfolio	Terje Turnes, Berit L. Henriksen and Kristin H. Holth
13.25	Q&A	Terje Turnes, Kristin H. Holth, Berit L. Henriksen and Thomas Midteide
13.40	Break	
14.00	How to reach ROE >12 per cent towards 2019	Bjørn Erik Næss
14.30	Large Corporates and International – Transforming the way we do business	Harald Serck-Hanssen
14.45	Digitalisation - Transforming the way we do business	Trond Bentestuen
15.05	Wrap-up and Q&A	Rune Bjerke and Bjørn Erik Næss

Ready to resume normal dividend payout

DNB

- Capital: We have reached our capital target
- Costs: Our digitalisation initiatives ensure world-class cost efficiency
- Income: Slight volume growth and wider combined spreads will increase NII
- Asset quality: Well-diversified portfolio in a strong economic environment

Rune Bjerke
CEO



Ready to resume normal payout ratios

– Our financial ambitions remain firm

2016-2018 ambitions *from last year*

~15.5 per cent CET1 ratio*

as capital level

> 50 per cent payout ratio

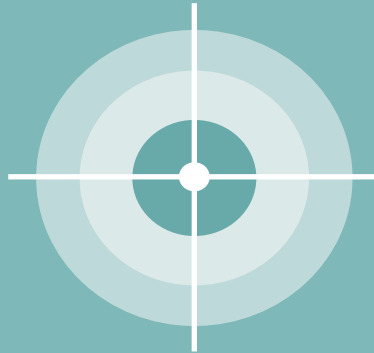
Dividend policy once capital
level is reached

< 40 per cent C/I ratio

Key performance indicator

> 12 per cent ROE

Overriding target



Jan.-Sept. 2016

15.7 per cent**

CET1 ratio*

30-50 per cent

Dividend payout ratio

40.8 per cent C/I ratio

Key performance indicator

9.9 per cent ROE

Overriding target

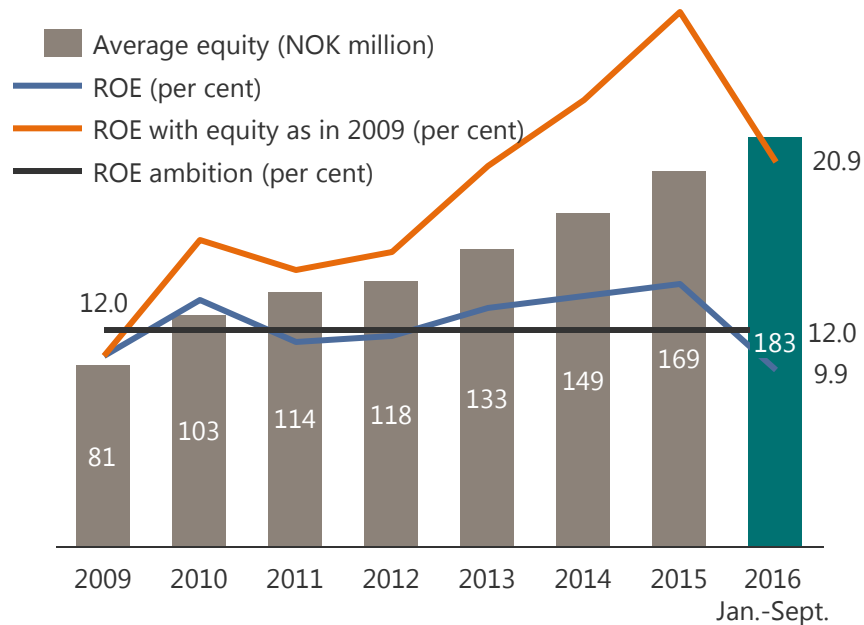
*Based on transitional rules **Assuming a 50% payout ratio

Strong profitability during the capital build-up period

– ROE >12 per cent towards 2019, but challenging in the short term

Return on equity

Per cent



Challenges in the short term

- High capital base
- Low interest rates
- Commissions and fees
- Higher than normal loan-loss provisions

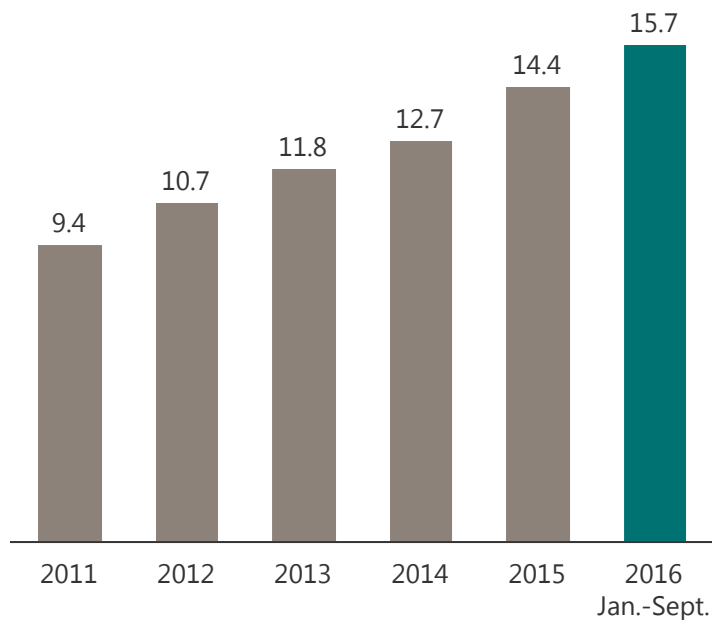


We have reached our targeted capital level

– Well positioned for Basel changes – among the best-capitalised banks worldwide

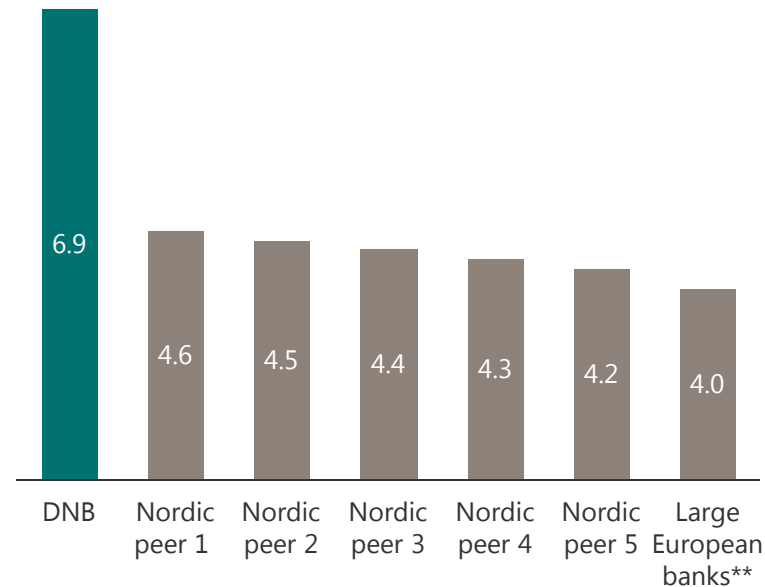
CET 1 capital ratio *

Per cent



Leverage ratio

As at 30 September 2016, per cent

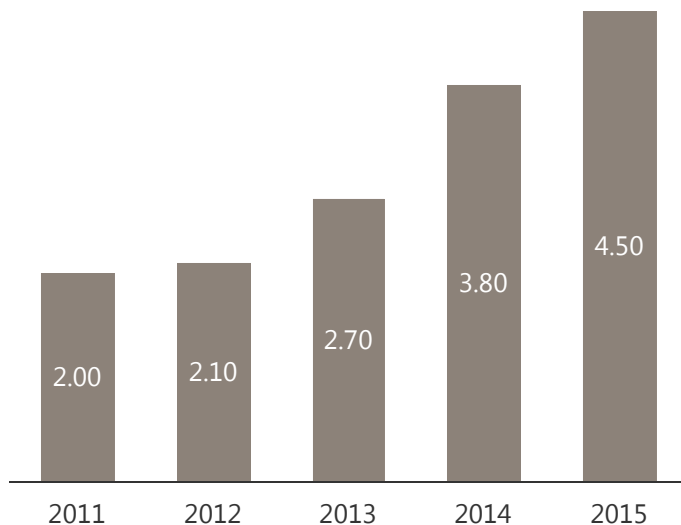


Dividend payout ratios increase

– In both relative and absolute terms

Dividend per share

NOK



Our dividend payout ambition is unchanged

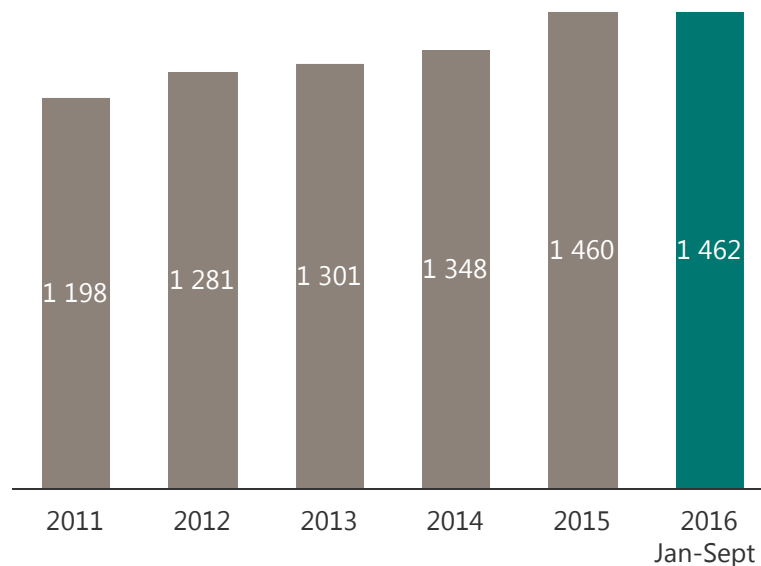
- For 2015 – paid out 30 per cent
- For 2016 – will pay out between 30 and 50 per cent
- From 2017 – will pay out > 50 per cent
- Will consider share buy-back from 2017

Slight volume growth and wider spreads strengthen NII

– Norwegian policy rates expected to remain positive

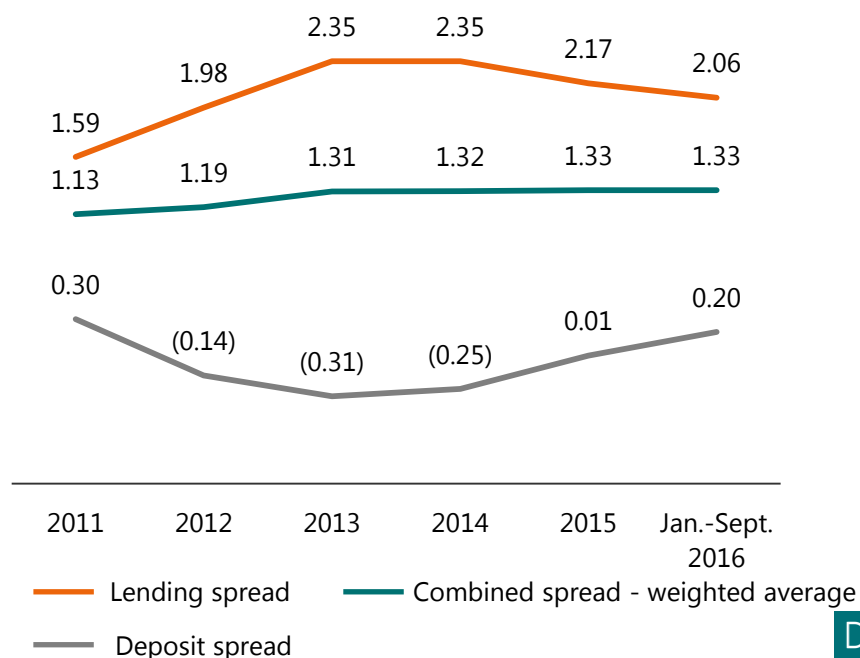
Average performing loans

Customer segments, NOK billion



Interest rate spread

Customer segments, per cent

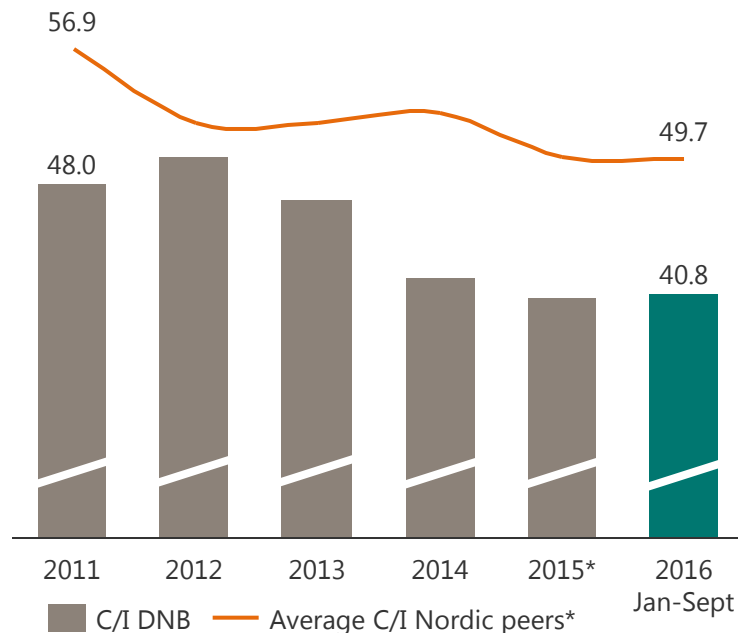


Digitalisation ensures world-class cost efficiency

– More customer interaction at lower cost

Cost/income ratio DNB vs Nordic peers

Per cent



Reduction of branches, but increased activity

- From 137 to 57 branches in two years
- Close to 5 per cent annual growth in mortgages
- 76 per cent annual growth in mobile bank logins
- From 38 to 83 per cent digital mutual fund sales

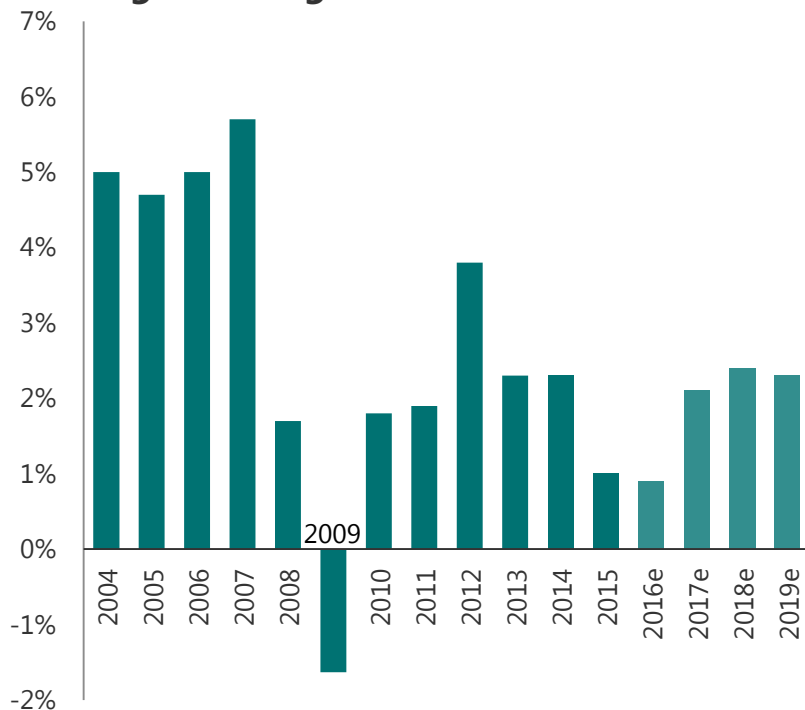
The Norwegian economy

- Seven stabilising forces for DNB

1. Operating in a robust Norwegian economy

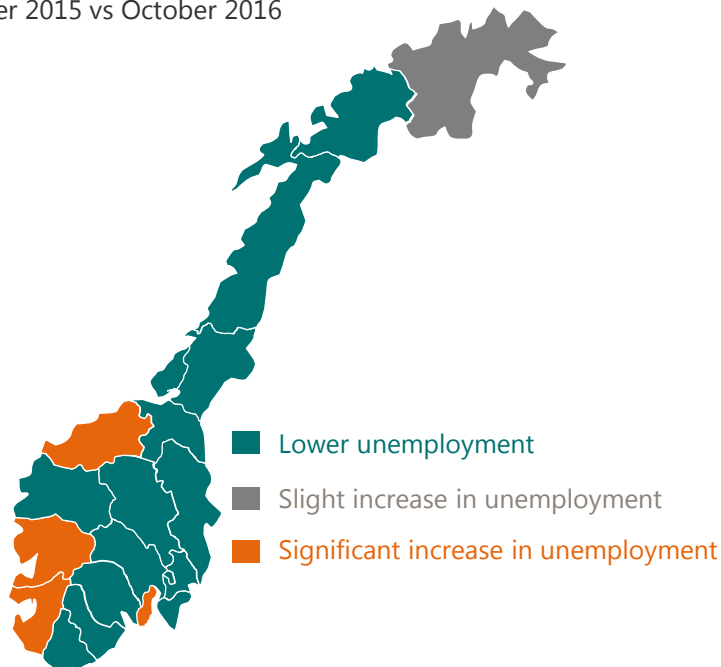
- Positive GDP growth and oil-related downturn concentrated in a few regions

Norwegian GDP growth



Unemployment rate by county

October 2015 vs October 2016

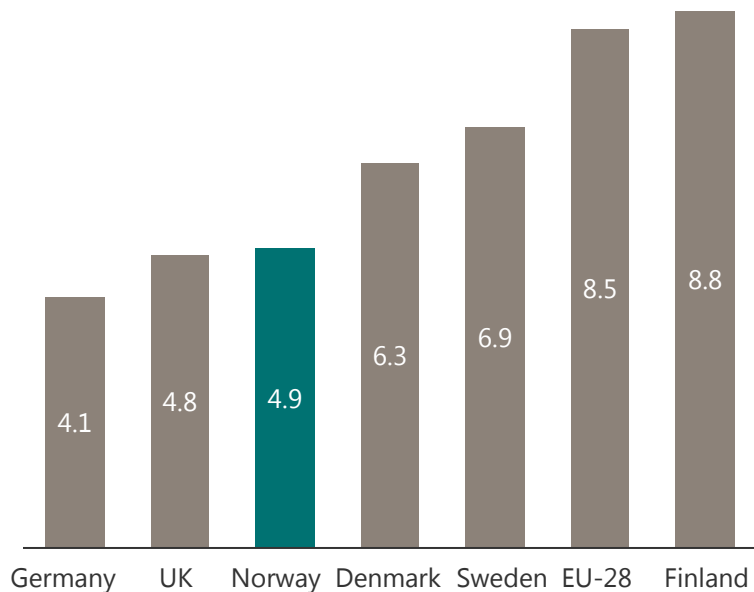


2. Low unemployment rate compared to Europe

– A highly efficient labour market

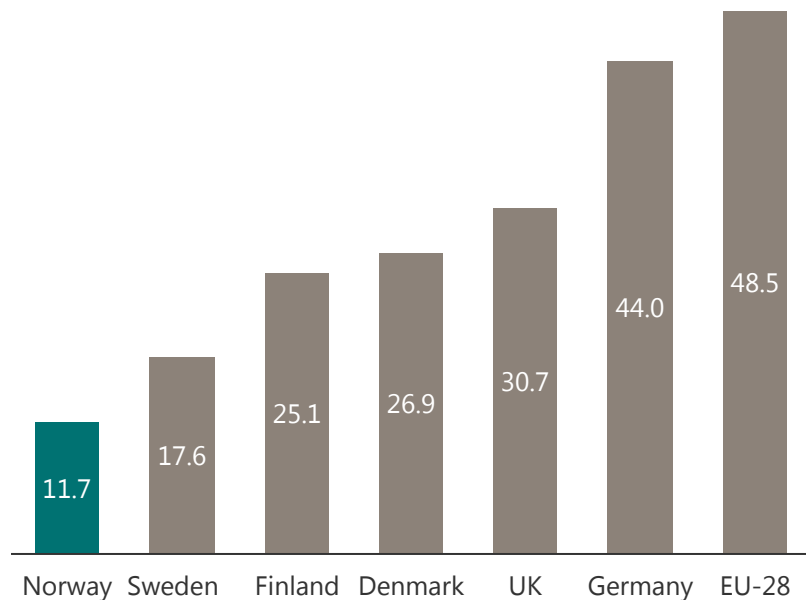
Unemployment rate

Per cent of labour force*, Sept. 2016



Long-term unemployment rate**

Per cent of total unemployed, 2015



*Including those in paid work or self-employment
11 Source: OECD Labour Market Statistics

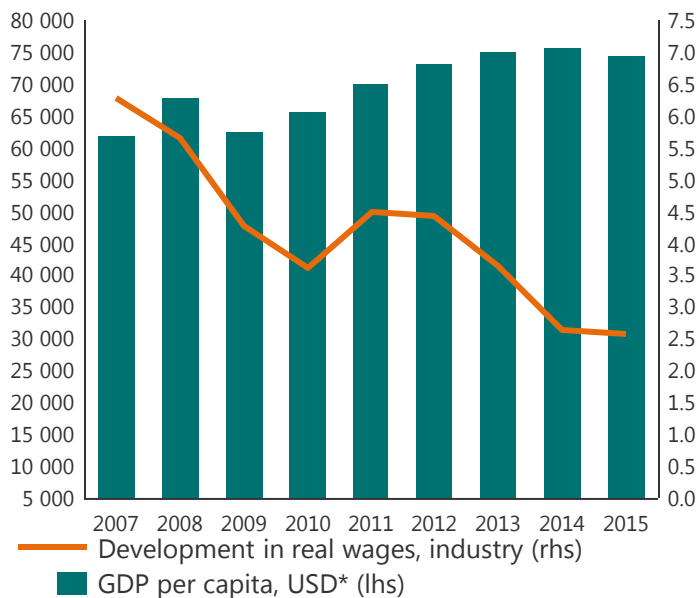
** Long-term refers to people who have been unemployed for 12 months or more.

3. Modest development in wages ensures competitiveness

– Mainland industries grow when oil price drops

Development in GDP and real wages

USD, per cent

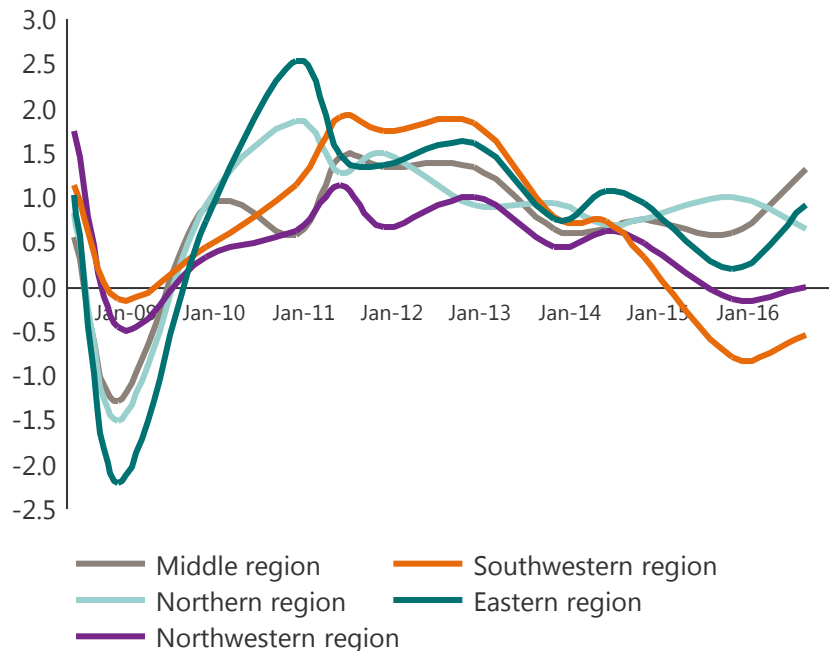


*Adjusted by average 2015 exchange rate (NOK/USD)

12 Source: Central Bank of Norway, Statistics Norway

Growth in production by region

Per cent, last 3 months

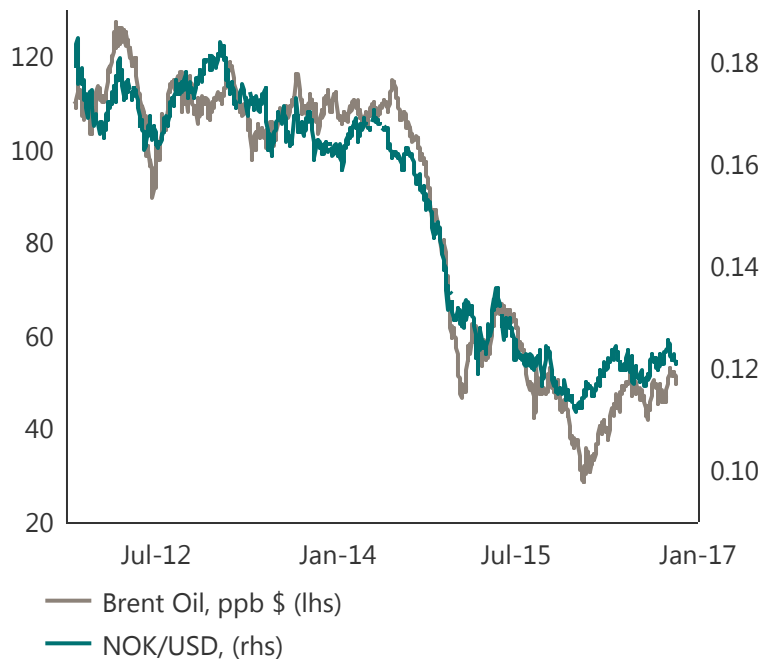


4. A floating currency provides a natural hedge

- Eases the transition of the Norwegian economy

Development in NOK/USD and Brent Oil

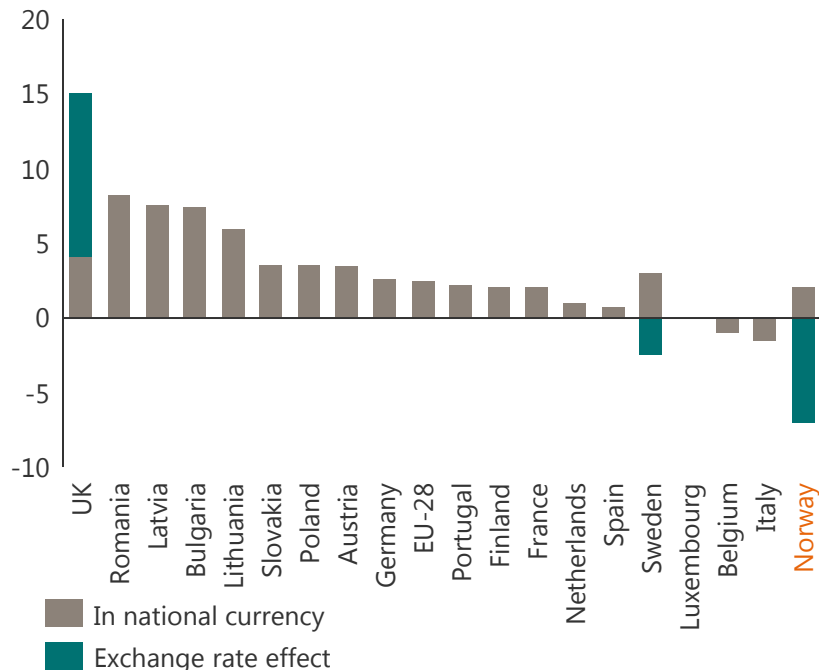
Price per barrel in USD



13 Source: Central Bank of Norway, Euroinvestor, Eurostat

Exchange rate effect on labour prices*

Relative change** in hourly labour costs, 2015 year-on-year, per cent



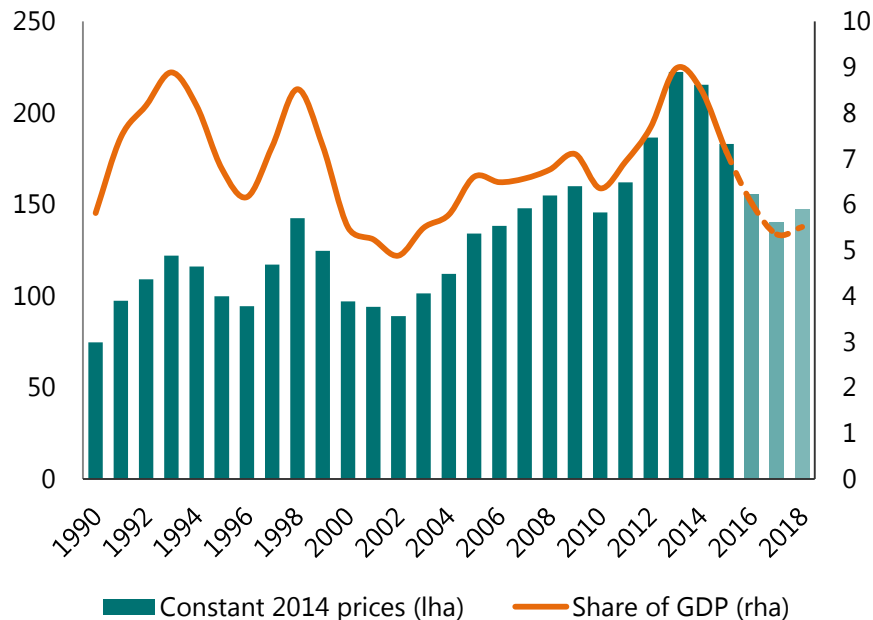
* Excluding agriculture and public administration ** Relative to EU member states

5. Oil investments are stabilising at a high level

- Lower break-even price ensures a competitive continental shelf

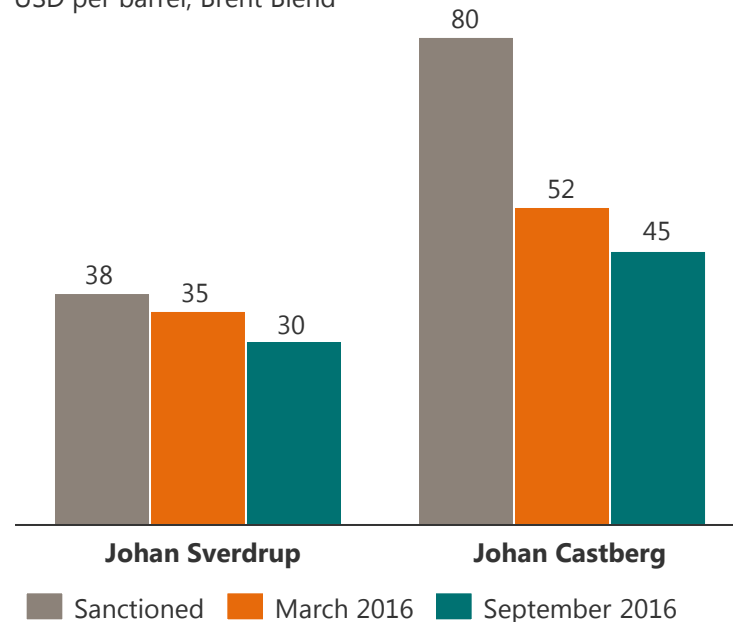
Petroleum investments in Norway

NOK billion, share of GDP in per cent



Break-even price: Sanctioned vs September 2016

USD per barrel, Brent Blend

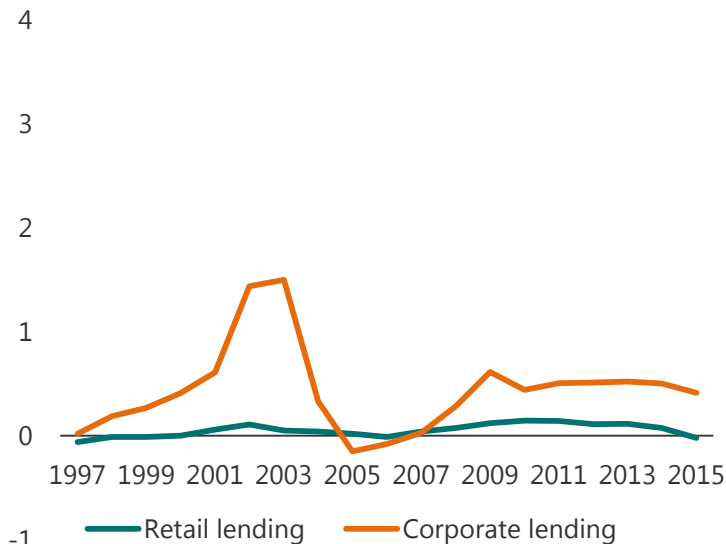


6. Major part of portfolio exposed to a resilient retail market

- Sound loan-to-value structure, and Norwegians pay their debt

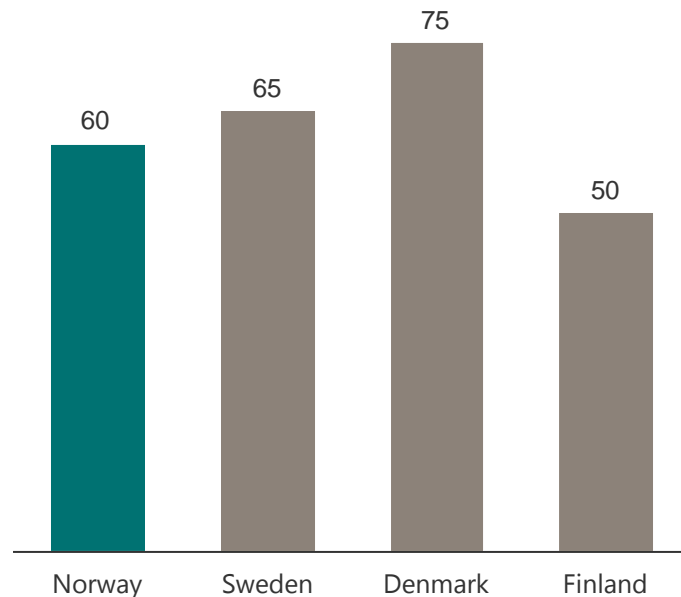
Historical loan losses

Aggregated number of Norwegian banks, per cent of total lending



Average LTV, mortgages

Per cent, July 2016

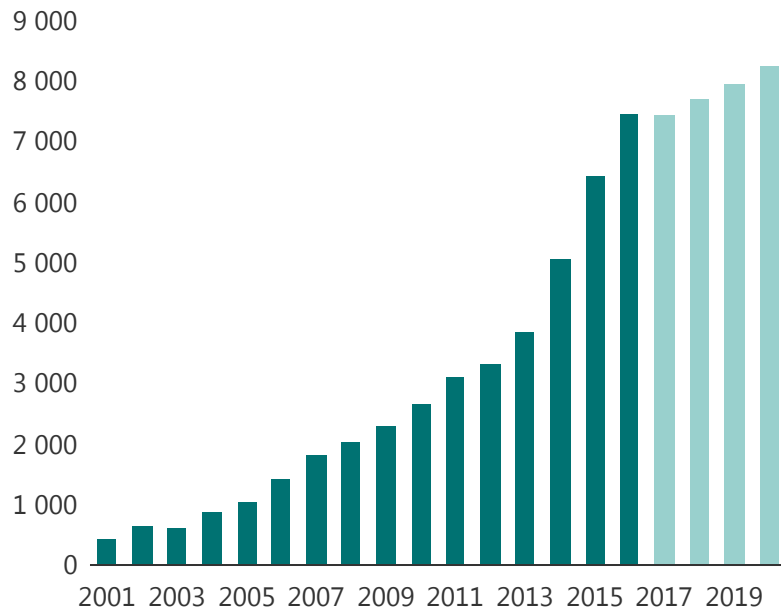


7. Norway in a strong financial position

- Use of fiscal and monetary policy measures to smooth cycles

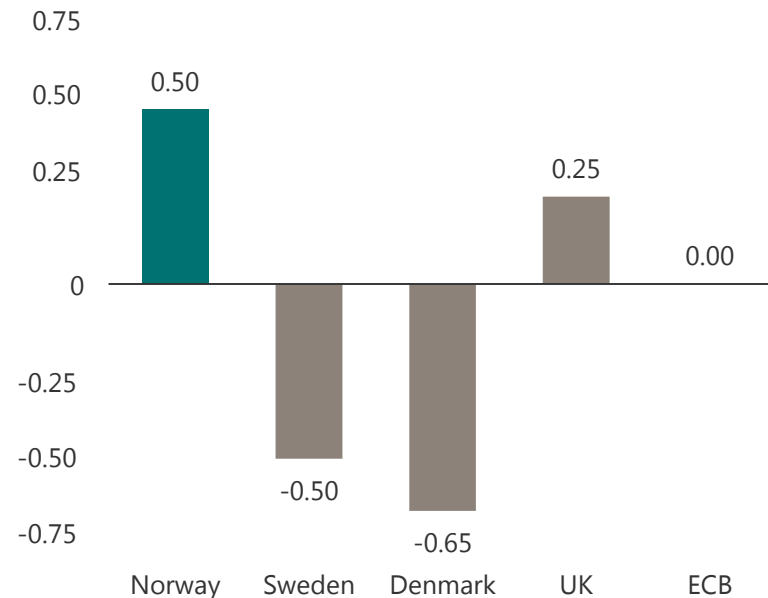
The Norwegian sovereign wealth fund

Beginning of the year, NOK billion



Key central bank interest rates

Per cent, November 2016

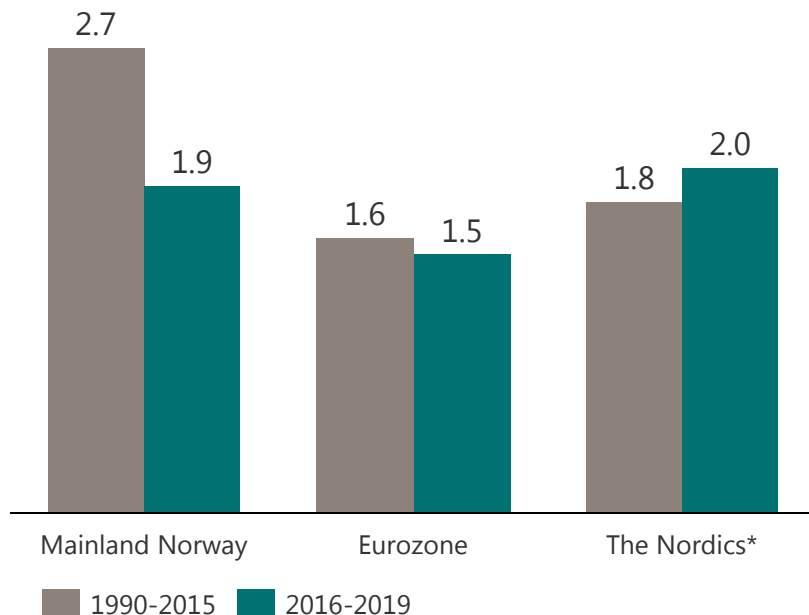


Norwegian economy – low volatility

– Slower speed, but still growth

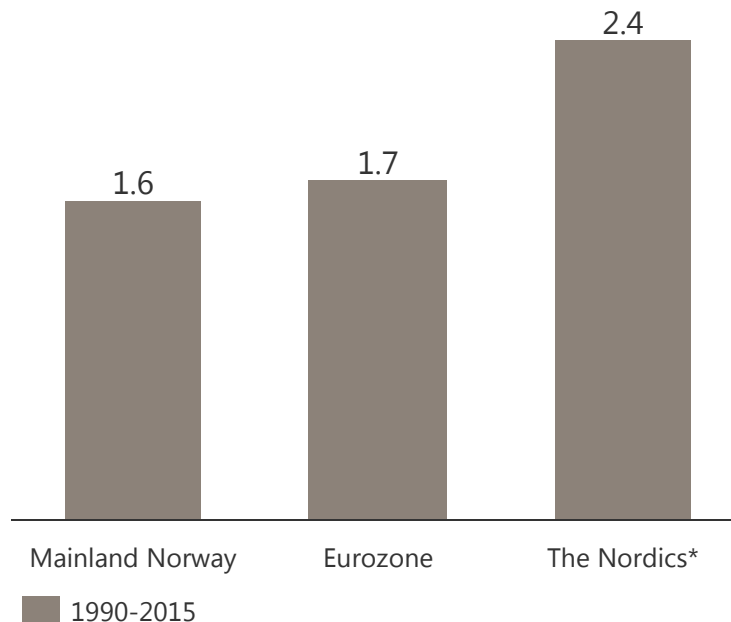
Average real GDP growth

Historical and estimated, year-on-year, per cent



Average real GDP – standard deviation

Historical, year-on-year, per cent



Ready to resume normal dividend payout

DNB

- Capital: We have reached our capital target
- Costs: Our digitalisation initiatives ensure world-class cost efficiency
- Income: Slight volume growth and wider combined spreads will increase NII
- Asset quality: Well-diversified portfolio in a strong economic environment



Robust asset quality

– challenges mainly in the offshore portfolio

- Part of the portfolio affected by the low oil/offshore sector activity
- Limited downside in the oil & gas and oilfield services sectors
- Restructuring of the offshore-related portfolio well under way

Terje Turnes

Berit L. Henriksen

Kristin H. Holth



DNB

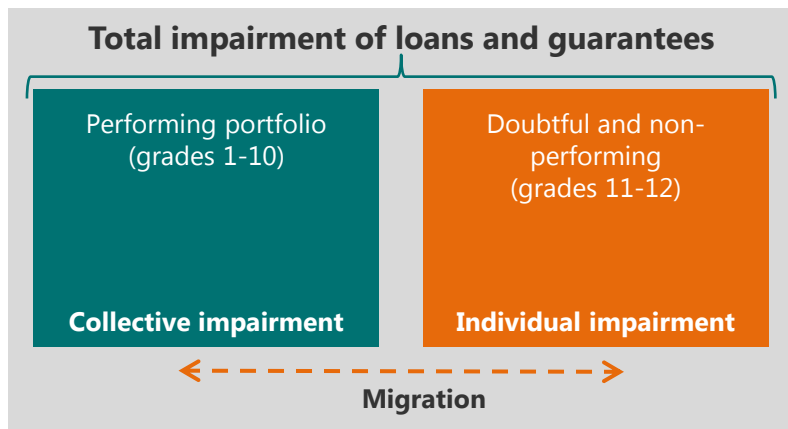


Part of the portfolio is affected
by the low oil/offshore sector
activity

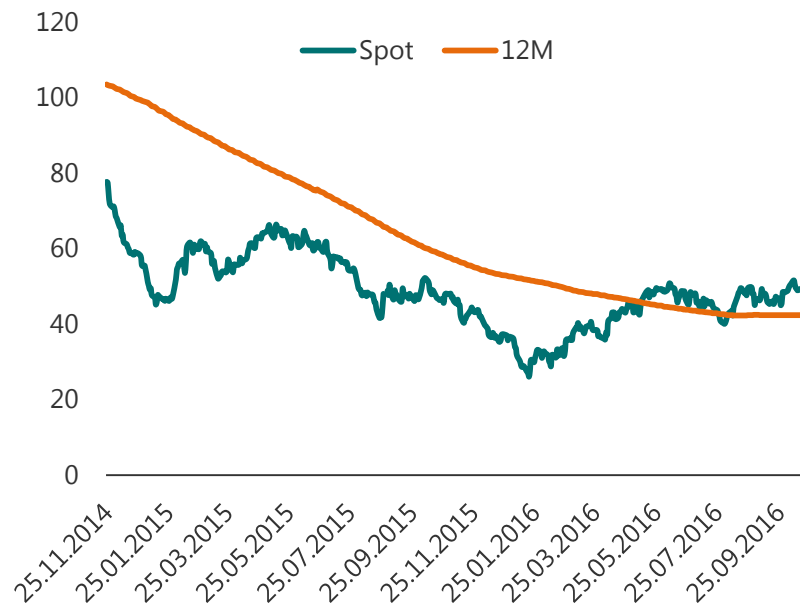
Terje Turnes
CRO

Negative migration affecting our P&L through collective and individual impairment

Collective and individual impairment



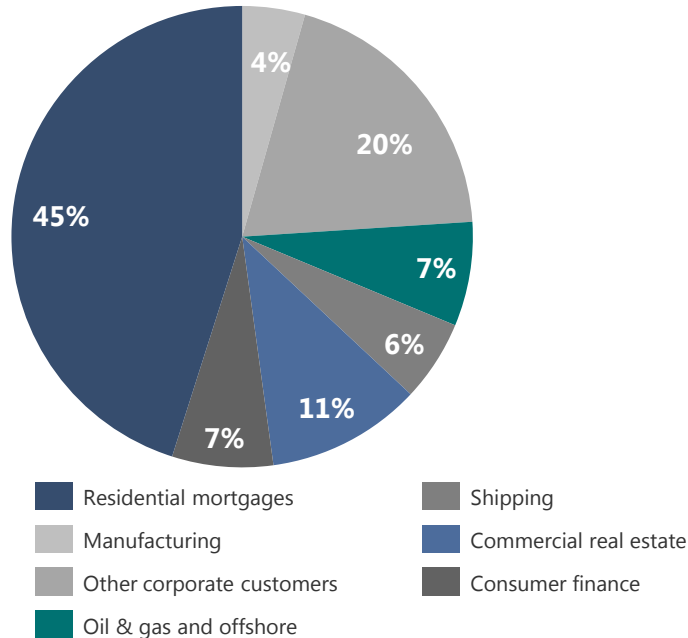
Brent crude oil price last 2 years and 12-month moving average



Robust portfolio quality

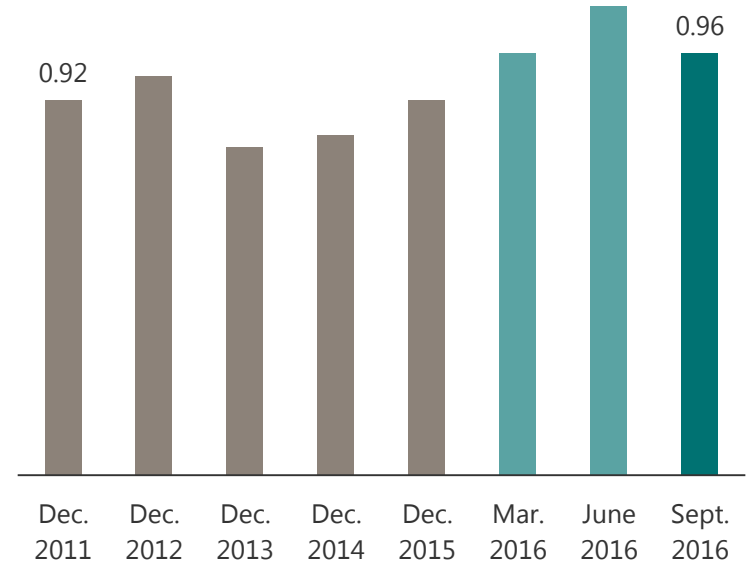
No secondary effects seen across our portfolio

As at 30 September 2016



Probability of default – DNB Group

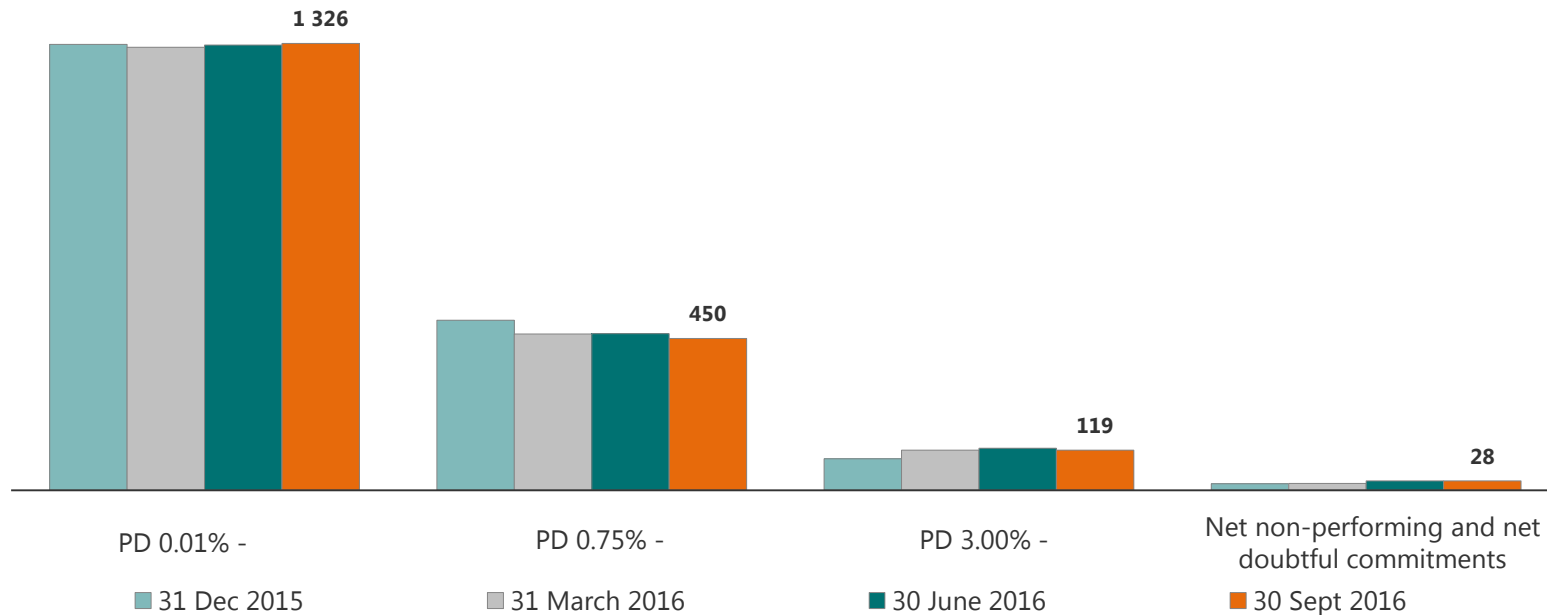
Per cent, excluding non-performing and doubtful loans



93 per cent of our portfolio is low or medium risk*

Only a very small part of the portfolio is classified as non-performing (grades 11-12)

NOK billion

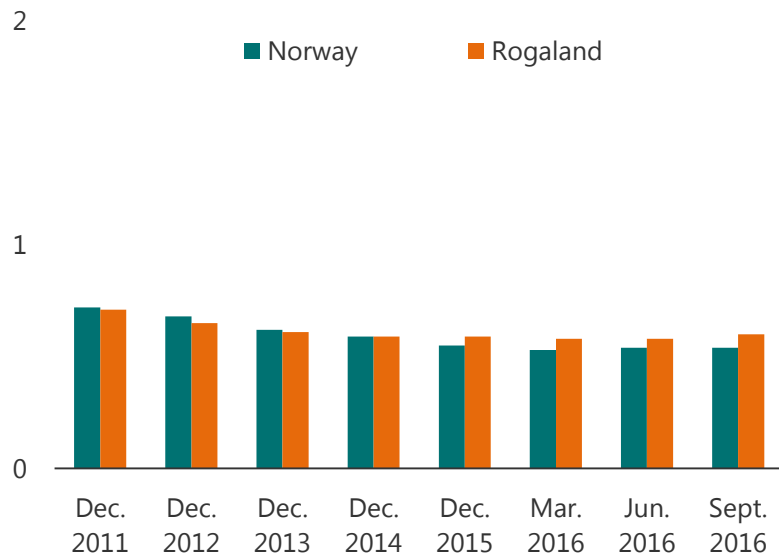


No signs of secondary effects in our retail portfolio

– No pick-up in default rates

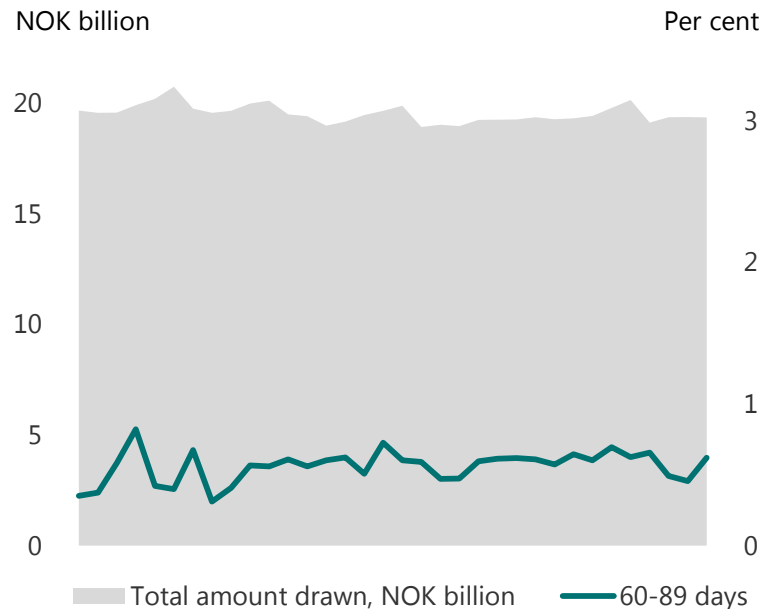
Low and stable probability of default for home mortgages

Per cent, excluding non-performing and doubtful loans



Past due cards/consumer finance

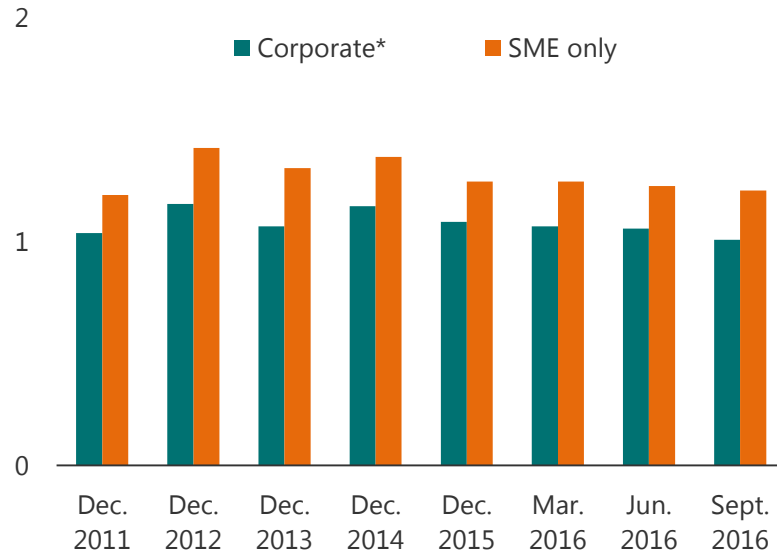
31 December 2013 - 30 September 2016



No deterioration in our general corporate* portfolio

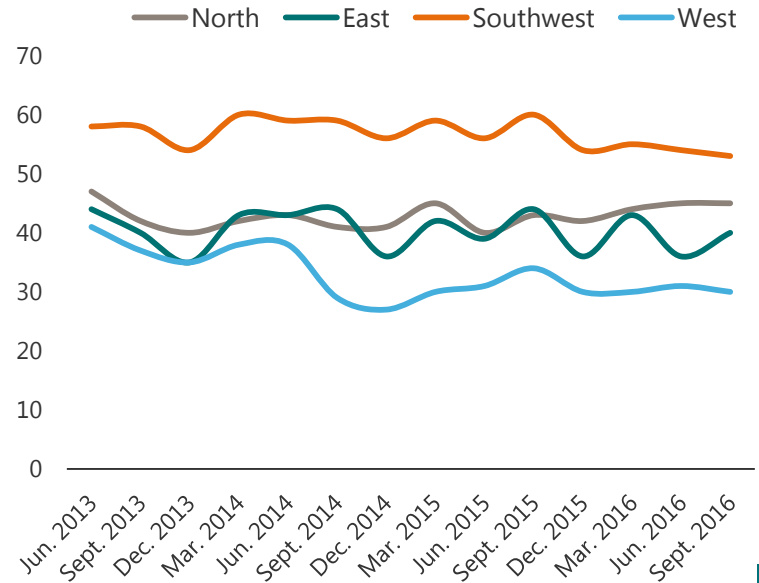
Stable probability of default

Per cent, excluding non-performing and doubtful loans



Overdraft facilities show a stable trend in all regions in the Norwegian SME market

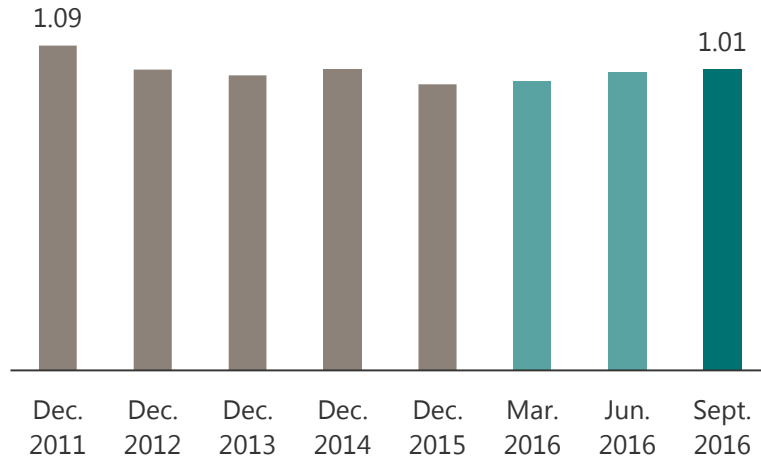
Per cent



Robust commercial real estate portfolio

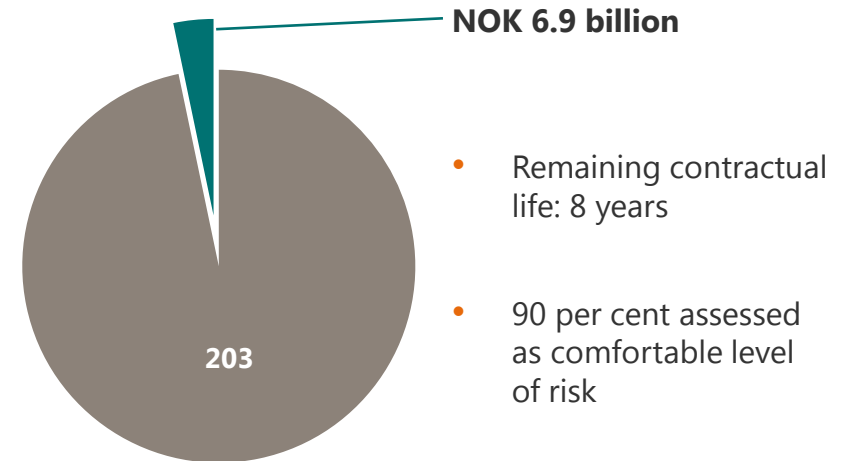
Healthy and stable portfolio quality

Probability of default, per cent



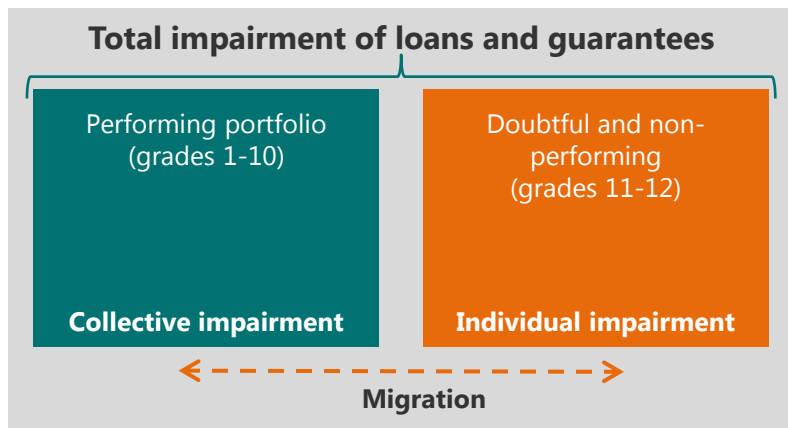
Only ~3per cent represents direct exposure to oil and gas lessees*

NOK 6.9 billion out of NOK 210 billion, 30 September 2016



* >50 per cent of rent from oil & gas lessees; corporate exposure excluded

Total impairment in 2016 to 2018 up to NOK 18 billion



- Impairment losses are estimated to be up to NOK 18 billion in 2016-2018
- Impairment losses will be frontloaded
- Level of impairment losses will vary from quarter to quarter



Limited downside in the oil & gas and oilfield services sectors

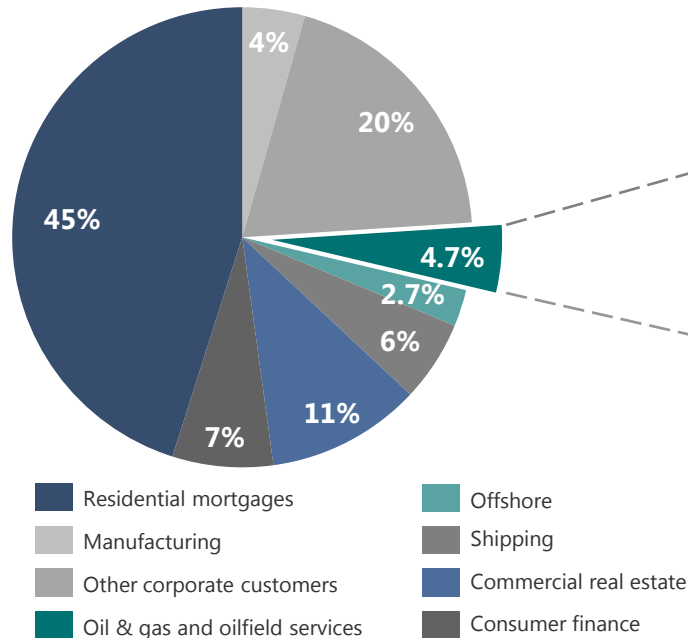
Berit L. Henriksen
Head of Energy

Oil & Gas and Oilfield Services stabilised

– 62 per cent is investment grade* or less sensitive to oil prices**

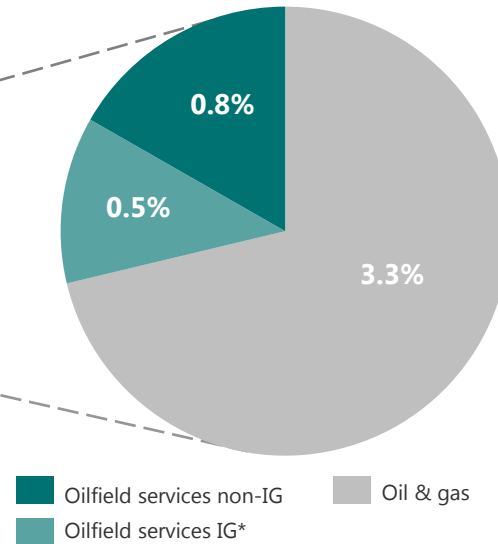
Total loan portfolio – EaD NOK 1 923 billion

Per cent, as at 30 September 2016



Oil & Gas and Oilfield Services portfolio

EAD NOK 88 billion – in per cent of total loan portfolio
As at 30 September 2016



* Based on DNB's internal risk classification system. "Investment grade" generally represents a risk profile of "BBB-"/"Baa3" or better, as defined by independent rating agencies

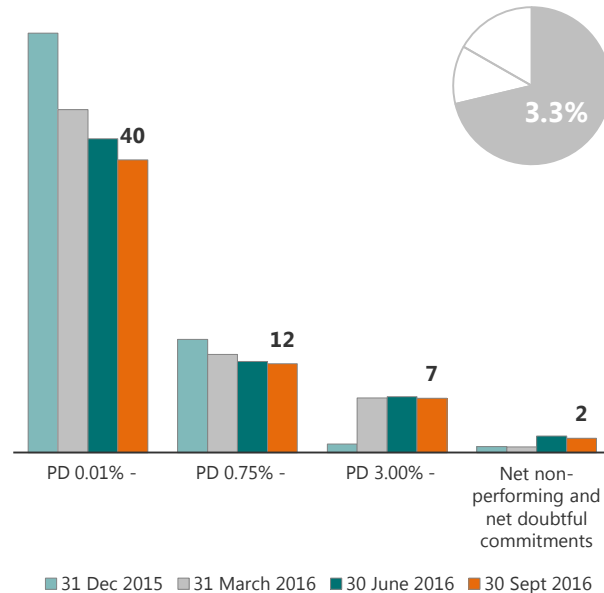
** Midstream and downstream companies are regarded as less oil-price sensitive
Due to rounding, some totals may not correspond with the sum of the separate figures

The Oil & Gas portfolio is robust

– Challenges limited to individual customers

EaD distribution by PD bracket

NOK billion



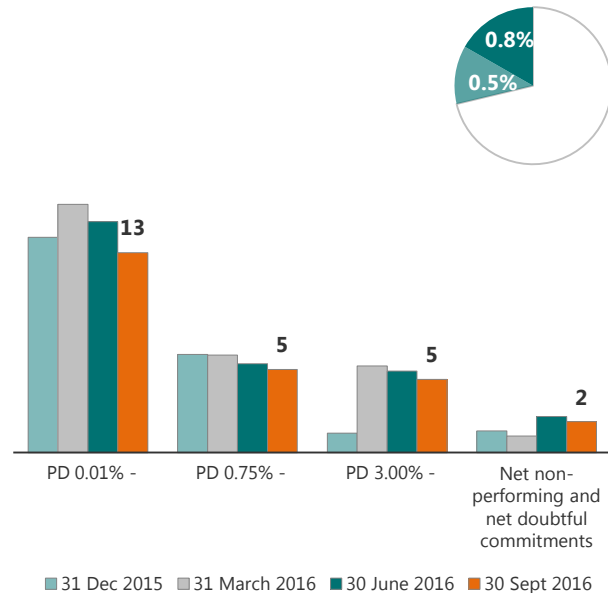
- 55% of portfolio is investment grade* or similar
- Companies are striving to work within their cash flow limits, reducing costs and capital expenditure
- Operators in general have strong negotiating power towards suppliers
- Reserve-based lending (RBL) structures have proven to be robust
- Improved market sentiment

The Oilfield Services portfolio is 'asset-light'

– Not out of the woods yet, but manageable

EaD distribution by PD bracket

NOK billion



- 42% of portfolio is investment grade* or similar
- The major part of the exposure is asset-light: companies are able to downsize and rightsize their business
- Limited complexity in creditor positions:
 - Small syndicates
 - Few creditor classes, with limited bond financing in restructuring cases
 - DNB often in the lead in domestic workouts



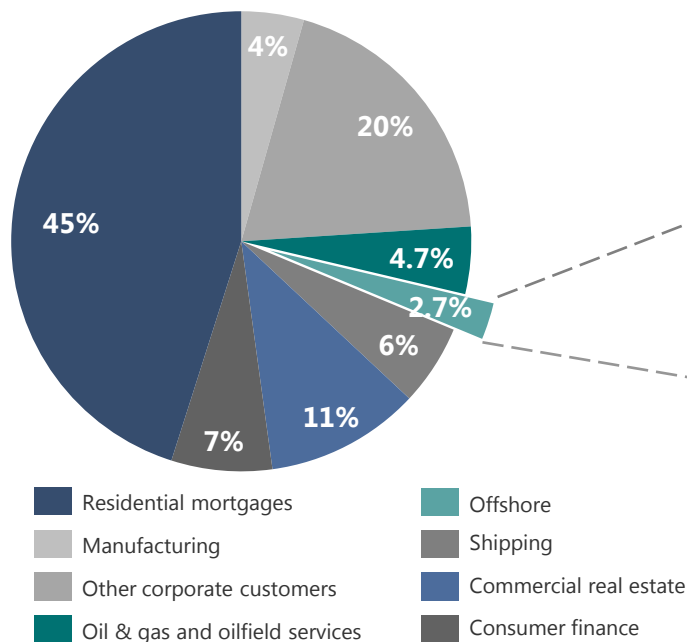
Restructuring of the offshore-related portfolio is well under way

Kristin H. Holth
Head of Shipping, Offshore and Logistics

2.7 per cent of DNB's portfolio is exposed to the offshore sector

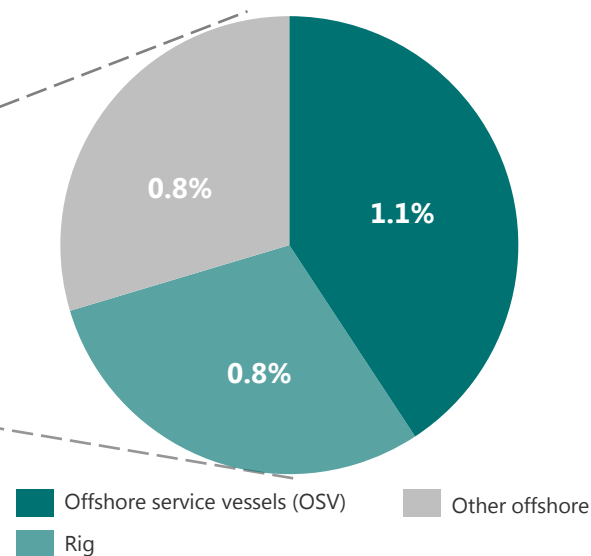
Total loan portfolio – EaD NOK 1 923 billion

As at 30 September 2016



Offshore exposure – EaD NOK 53 billion

Per cent of DNB's portfolio, as at 30 September 2016



The offshore sector has been squeezed by several forces



1. Oversupply of floating assets

– Stable high oil price and cheap financing led to many newbuilds



2. Cut in exploration and production (“E&P”) spending

– Cost increases and a commitment to stable dividends led to negative operating cash flows and cuts in E&P spending



3. Sharp fall in oil prices

– Catalyst for implementing further cuts in spending



4. Brazil and Mexico lost momentum

– The corruption scandals in Brazil led to funding challenges for Petrobras
– Negative effect of Mexican energy reform

An ongoing, but gradual recovery

Drivers for increased demand for offshore services



Higher production

Increase in field development

Upturn in exploration

Drivers for a reduced offering of offshore services



Recapitalisation

Consolidation

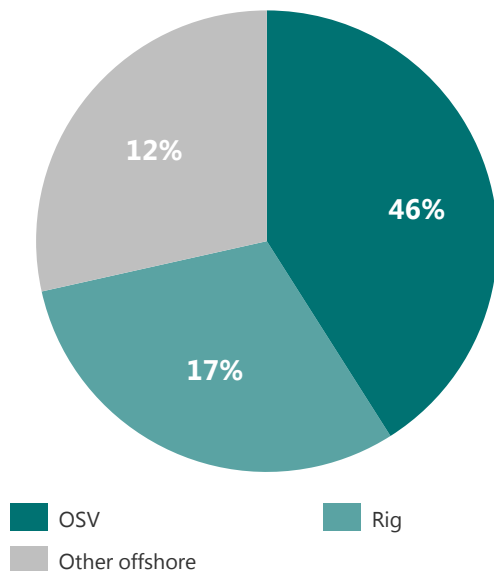
Increased scrapping

Proximity to our clients gives us a strong foothold

– NOK 19 billion representing 35 per cent of EaD has been recapitalised so far

Recapitalised volume in per cent of EaD

As at 30 September 2016



Viable solutions imply:

- Going concern rather than liquidation
- Contributions from all stakeholders
- Every case is individual

DNB's approach to achieving viable solutions:

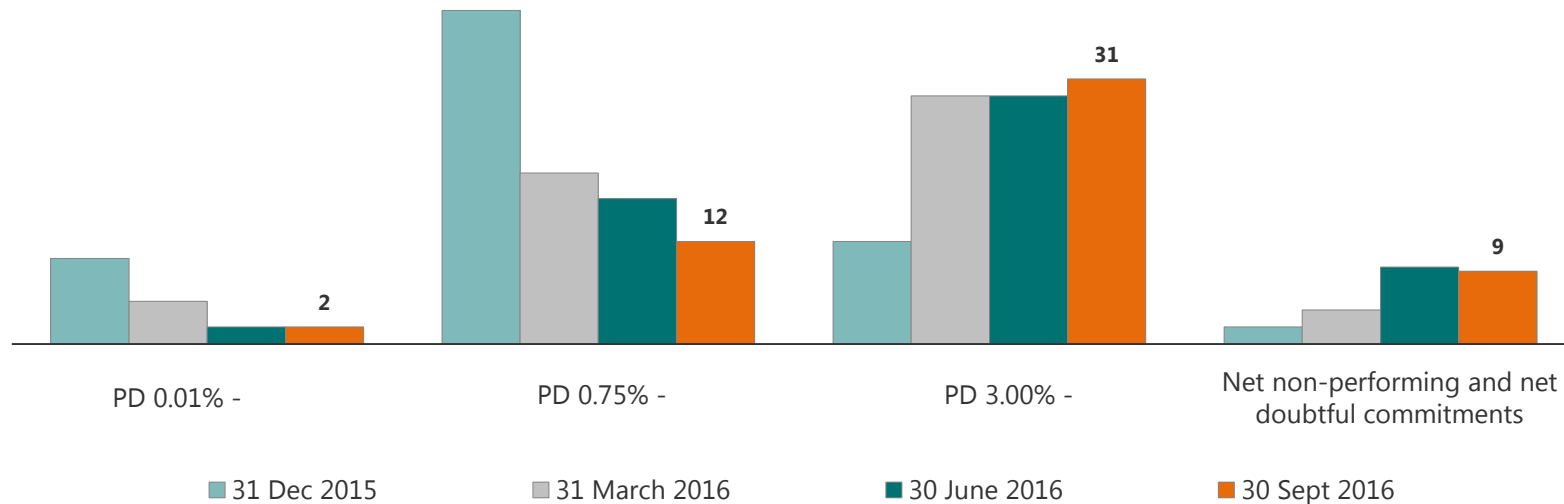
- Driving the process (close to client, first lien mortgage, agent role)
- Structuring and placing new bonds and equity
- Offering tenable terms, focusing on the upside

Negative migration in offshore portfolio is levelling off

– 60 per cent of high risk has already been recapitalised

Offshore – EaD distribution by PD bracket

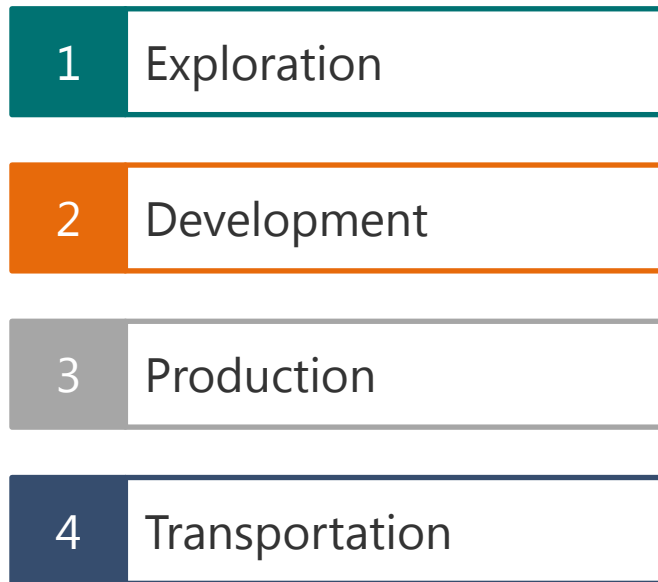
NOK billion



Offshore and shipping have different drivers

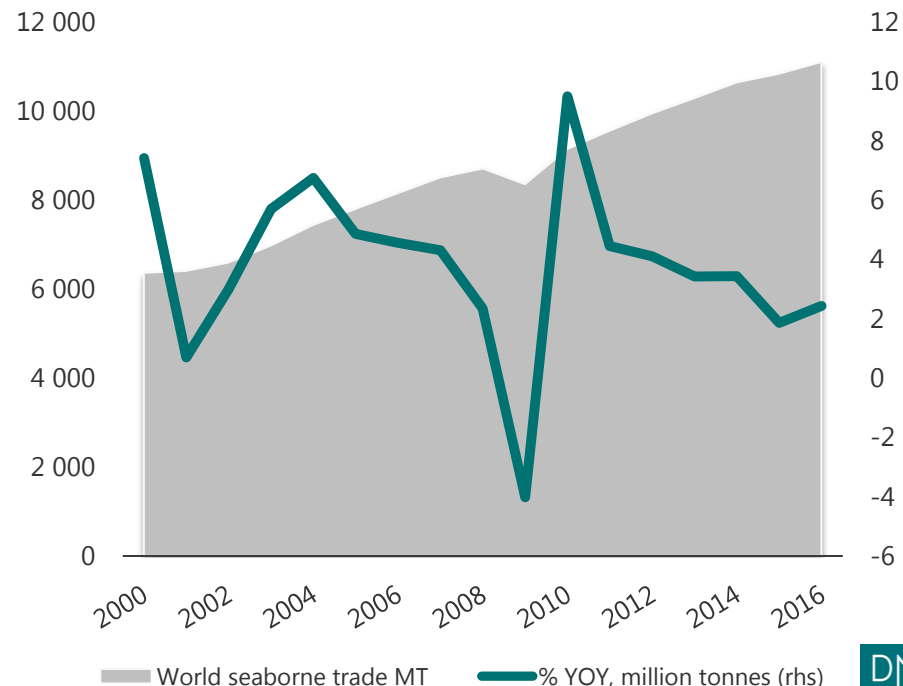
– Both are cyclical, but in different ways

Offshore is about energy infrastructure and the value chain



Shipping is a facilitator of world trade

World seaborne trade in million tonnes

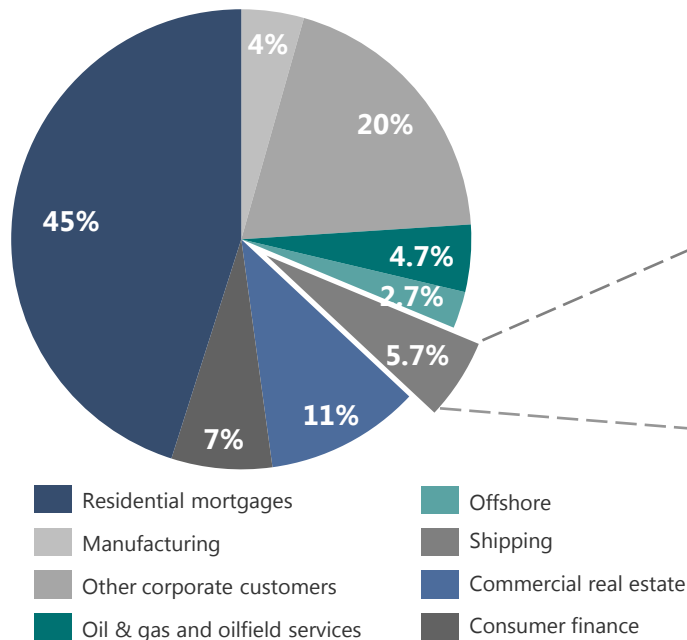


5.7 per cent of DNB's portfolio is exposed to shipping

– The shipping portfolio is well diversified

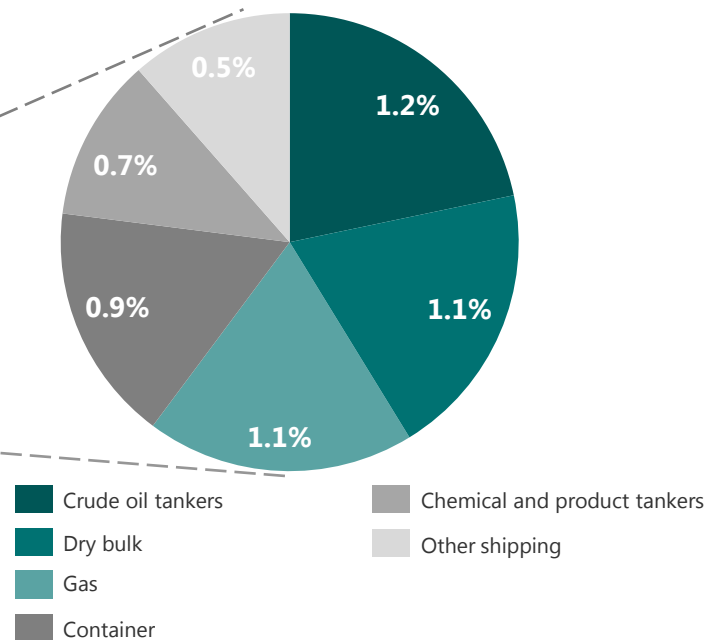
Total loan portfolio – EaD NOK 1 923 billion

Per cent of DNB's portfolio, as at 30 September 2016



Shipping portfolio – EaD NOK 109 billion

Per cent of DNB's portfolio, as at 30 September 2016

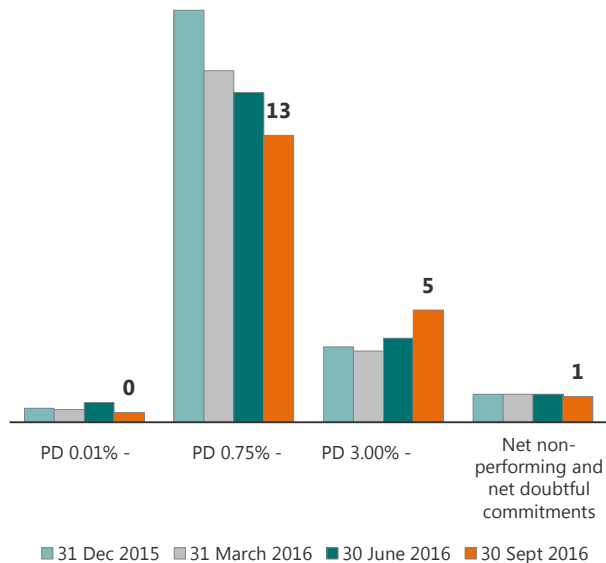


2.1 per cent of DNB's portfolio is exposed to dry bulk and container

– Some negative migration is expected

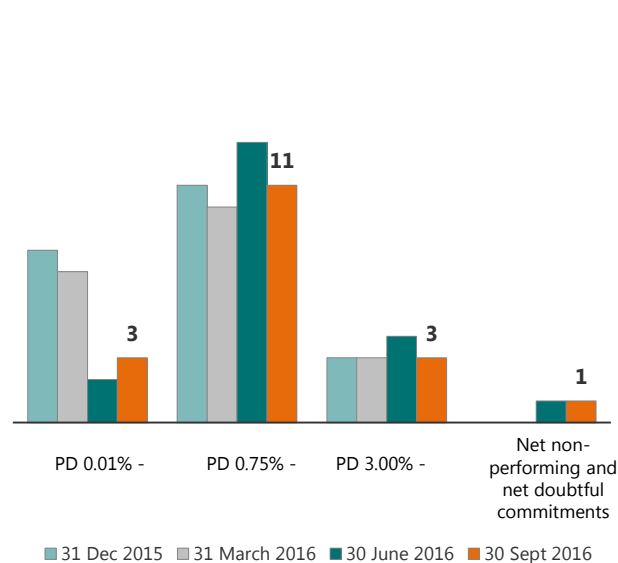
Dry bulk – EaD distribution by PD bracket

NOK billion



Container – EaD distribution by PD bracket

NOK billion



Robust asset quality

– challenges mainly in the offshore portfolio

- Part of the portfolio affected by the low oil/offshore sector activity
- Limited downside in the oil & gas and oilfield services sectors
- Restructuring of the offshore-related portfolio well under way



DNB

How to reach ROE >12 per cent towards 2019

- Contributions from income, costs and capital
- Strong capital position secures dividend capacity
- Well positioned for future regulatory requirements

DNB



Bjørn Erik Næss
CFO

Key measures to reach ROE >12 per cent towards 2019

Improve NII

Increase other income

Ensure continued cost efficiency

Normalise loan-loss provisions

Return
—
Equity

>

12 per cent

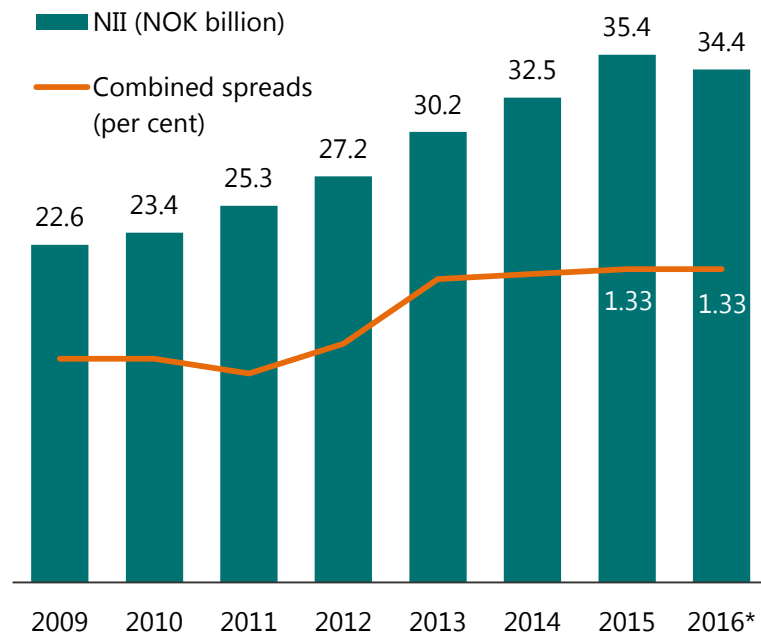
Profitable and efficient use of capital

NII is expected to increase slightly

– Driven by slight volume growth and gradual increase in combined spreads

Development in NII and combined spreads

NOK billion and per cent



Measures to increase NII

- Increasing lending growth in the personal customer and SME segments
- Achieving wider combined spreads in all customer segments

Some negative implications on NII from other profitability measures

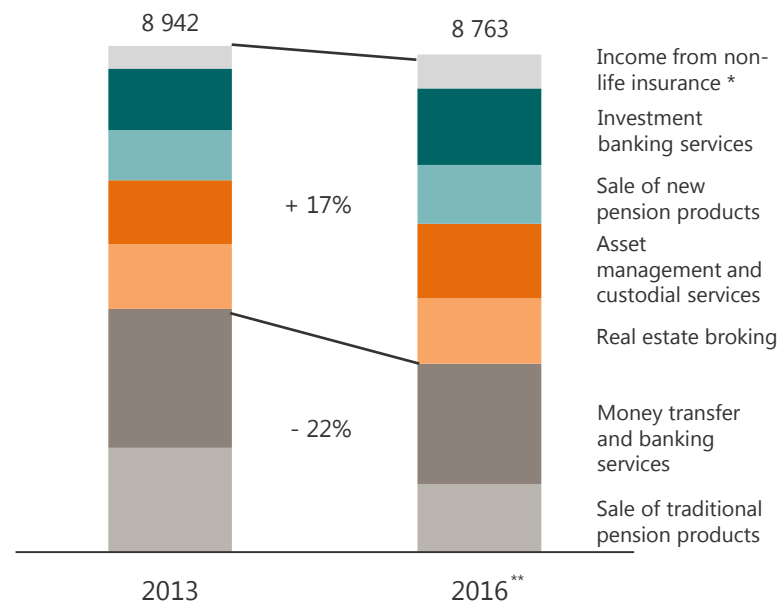
- Rebalancing large corporates and reducing credit exposure
- Divesting the Baltic operation to a joint venture

Growth ambition for commissions and fees is unchanged

– About 3 per cent annual growth

The fee income structure is changing

NOK million



Outlook: Increase in income and new opportunities



Investment banking



Savings and new pension products



Non-life insurance



VIPPS and new digital solutions



Real estate broking

Outlook: Decrease in income



Traditional pension products



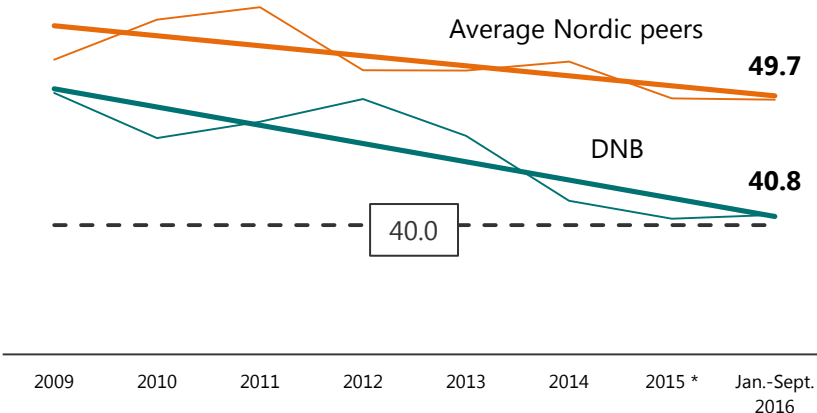
Traditional payment fees

Best-in-class cost efficiency

– Ambition of C/I ratio below 40 per cent retained

Development in cost/income ratio

Total costs in per cent of total income

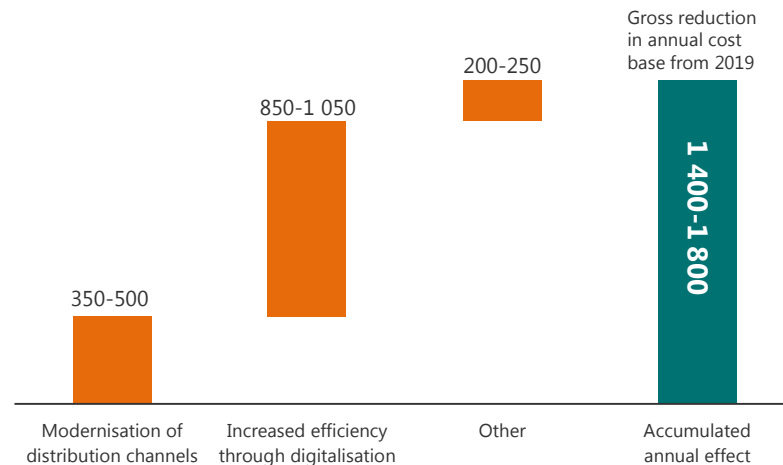


Estimated cost reduction of NOK 600 million in 2016 due to:

- Modernisation of personal banking
- Optimisation of business activities across geographies
- Transformation of DNB Livsforsikring

Still potential for cost savings

Accumulated cost reduction 2017-2019, NOK million, not adjusted for inflation



In addition, the divestment of the Baltic operation to a joint venture will reduce costs by NOK 1 billion annually from 2018

Restructuring costs of NOK 1 billion in total for the period

Increased investments in IT development

– Reduction in IT operations and maintenance costs

**Reduced
time-to-market**



**Improved
project capacity**



Stronger competitive edge

Investment profile

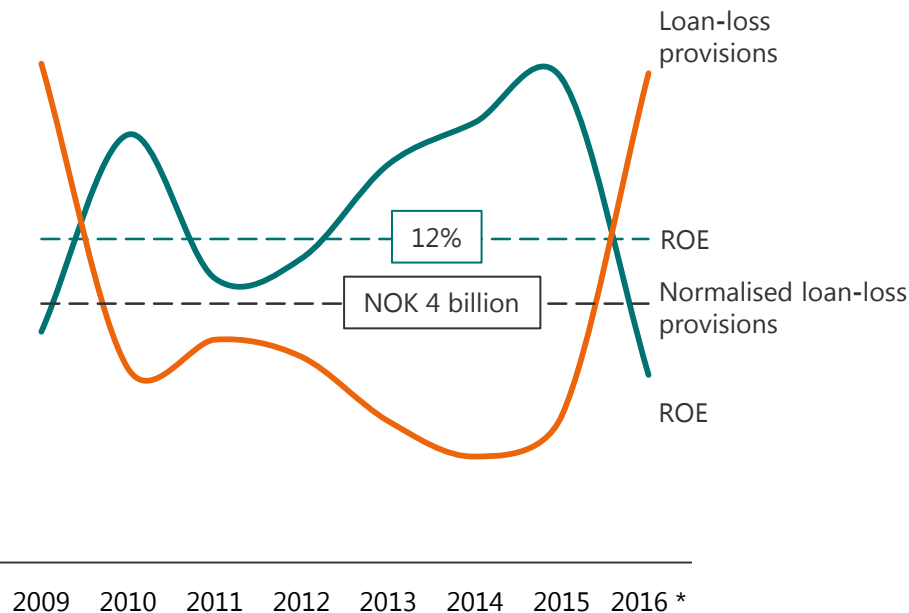
- No major investments in core banking systems
- Investments to support more digital customer solutions
- Active role in the FinTech market
- Stricter compliance requirements will call for higher IT investments

Cost efficiency

- Further increase speed and reduce time-to-market
- Continue the outsourcing and offshoring of IT services to further improve IT cost structures and levels
- Simplify by restructuring the IT portfolio

Normalised loan-loss provisions is a key element to improving ROE

ROE affected by negative cycle

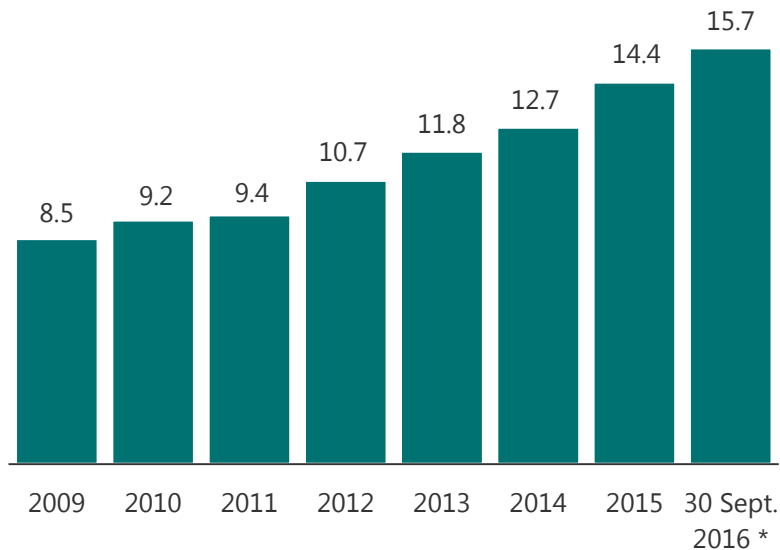


- Loan-loss provisions were below normalised loan-loss provisions from 2010 to 2015
- In the three first quarters of 2016, loan-loss provisions were 80 per cent higher than normalised loan-loss provisions

The current CET1 ratio of 15.7 per cent already complies with requirements from the Norwegian FSA

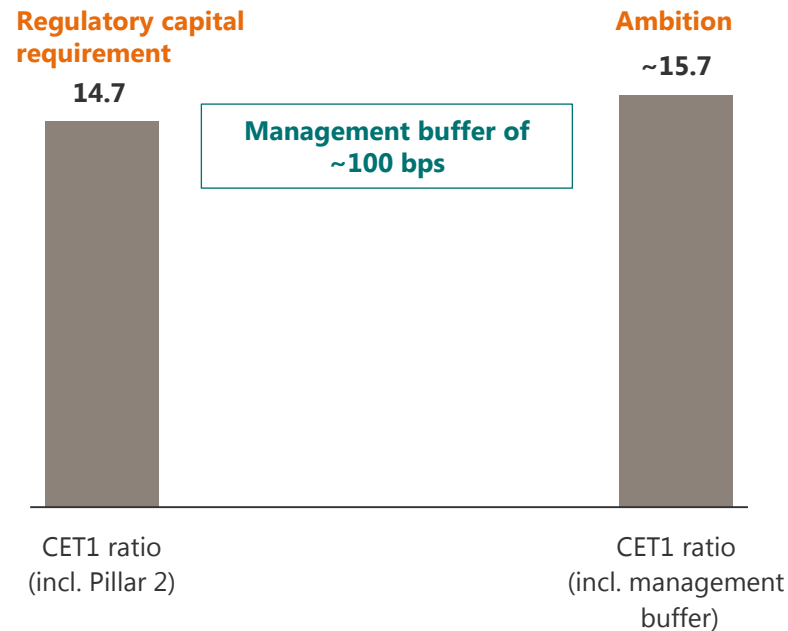
CET1 ratio development since 2009

Per cent, transitional rules



CET1 ratio requirements

Per cent, transitional rules



We have reached our capital efficiency targets

Capital efficiency measures presented at CMD 2015

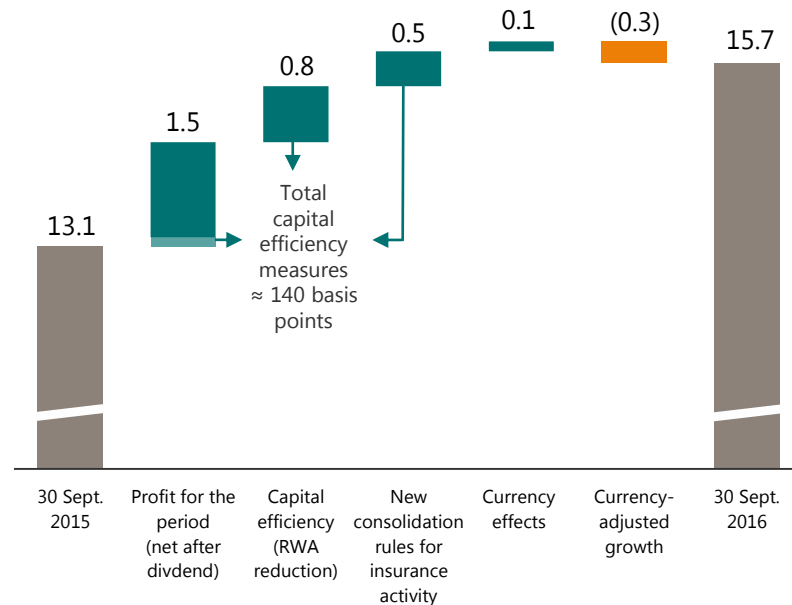
Estimated potential net effect on CET1 ratio by 31 Dec. 2016

~ 80–120 bps

- 1 Asset disposal/
reallocation
- 2 Financial restructuring
- 3 Other

CET1 ratio increased by 257 bps

From 30 Sept. 2015 to 30 Sept. 2016, per cent



Profitable and efficient use of capital is still a top priority

– RWA expected to be stable

	Measures	Examples
1	Efficient use of capital in the large corporate segment	<ul style="list-style-type: none">• Higher capital turnover• Bridge to capital markets• Lower final hold• Portfolio optimisation
2	Sale of assets	<ul style="list-style-type: none">• Sale of non-performing portfolios• Sale of foreclosed assets
3	Optimising capital level	<ul style="list-style-type: none">• Capital reallocation between segments and products• DNB Livsforsikring investing in mortgages and real estate loans• Distribution of excess capital

We will deliver on our long-term dividend policy

– Share buy-back programme to be considered in 2017 onwards

Dividend policy

Payout ratio

> 50 per cent



Aim for stable, increasing cash dividend per share

Optimising capital level

- Possible share buy-backs in addition to > 50% cash dividend
- A buy-back programme will help us to reach > 12% ROE
- DNB's annual general meeting has approved a share buy-back of up to 2 per cent of outstanding shares. A buy-back is dependent on approval from the Norwegian FSA
- Details on a possible buy-back programme will be published in 2017

DNB Livsforsikring: Well-capitalised and stable income generation

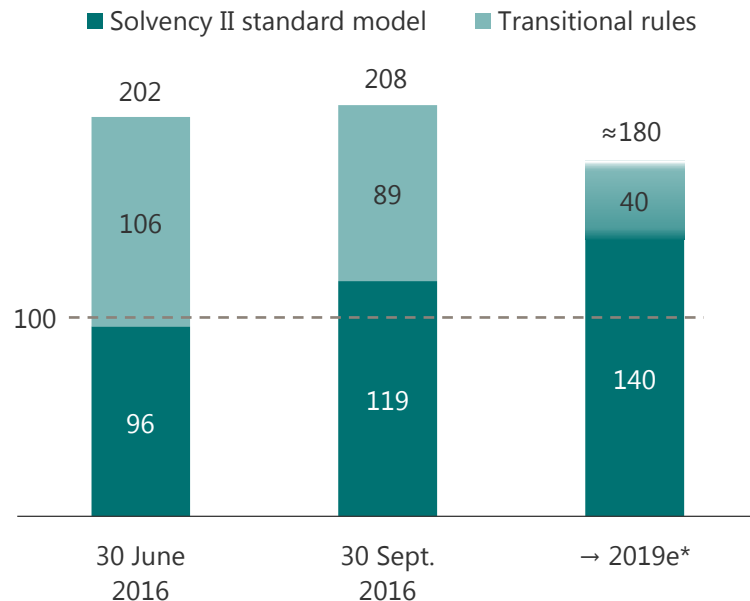
– Positioned to resume dividend payouts

Capital positions



Solvency position





DNB Livsforsikring AS, per cent



Improved solvency position

- High-quality and low-volatility income generation
- Significant reduction in costs
- Reduced risk through lower equity and real estate exposure
- Stable income, cost reductions, a higher share of non-guaranteed products and an optimal asset and capital mix will build dividend capacity
- DNB Livsforsikring is positioned to resume dividend payouts

Well positioned for future regulatory requirements

Regulations	How it will affect DNB	Relative competitive effect
 Bank payroll tax	Estimated to increase annual costs by NOK 400 million before tax. In addition, the corporate tax rate in Norway will be unchanged for financial institutions	The proposal will affect all financial institutions in Norway, and compensatory measures will be considered
 BRRD *	Sum of deposit guarantee fund levy and resolution fund fee is estimated to reduce NII by around NOK 250 million from 2017	Less effect than for Nordic peers
 IFRS 9	IFRS 9 is expected to have a minor impact on the CET1 ratio and will not affect our dividend policy	The Basel Committee will probably propose transitional rules for the effect on capital adequacy
 Basel IV	Basel IV RWA not expected to increase above the Basel transitional RWA	Basel IV will most likely imply a more level playing field for risk weights and capital requirements. Will improve DNB's competitive position

Financial ambitions 2017-2019

ROE > 12 per cent

Overriding target
towards 2019

C/I ratio < 40 per cent

Key performance indicator



CET1 ratio ~ 15.7 per cent *

Requirement including
management buffer

Payout ratio > 50 per cent

Cash dividend combined
with share buy-back
programme

Nominal volume growth in loans to personal customers and SMEs, but only a slight increase in total loans **

Gradual increase in combined spreads

About 3 per cent annual growth in commissions and fees

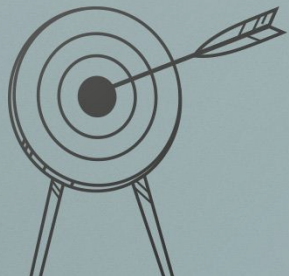
Loan-loss provisions are estimated to be up to NOK 18 billion over the period 2016-2018, with the highest provisions during the first part of the period

Stable risk-weighted assets **

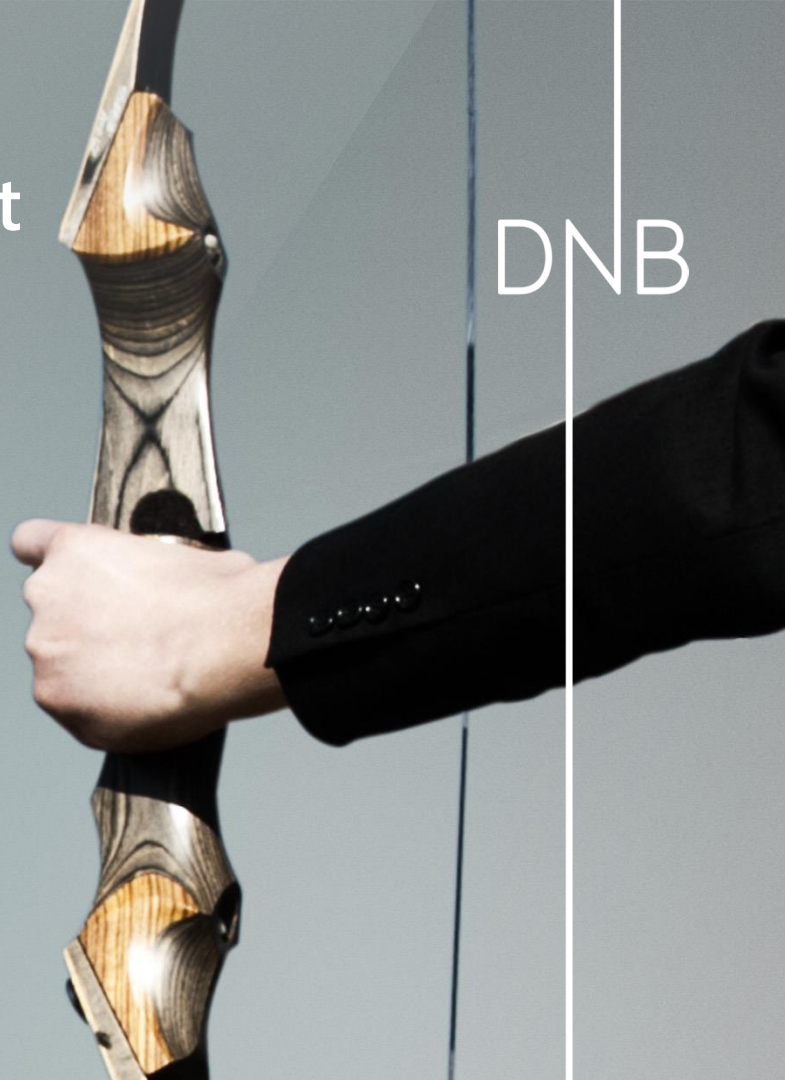
Tax rate: 24 per cent

How to reach ROE >12 per cent towards 2019

- Contributions from income, costs and capital
- Strong capital position secures dividend capacity
- Well positioned for future regulatory requirements



DNB



Large Corporates and International

– Transforming the way we do business

DNB

- Reducing risk-weighted assets and mitigating concentration risk
- Increasing ROE in the large corporate segment through
 - Allocation of capital to where the risk/return potential is higher
 - Stricter customer segmentation and prioritisation
 - Increased capital turnover

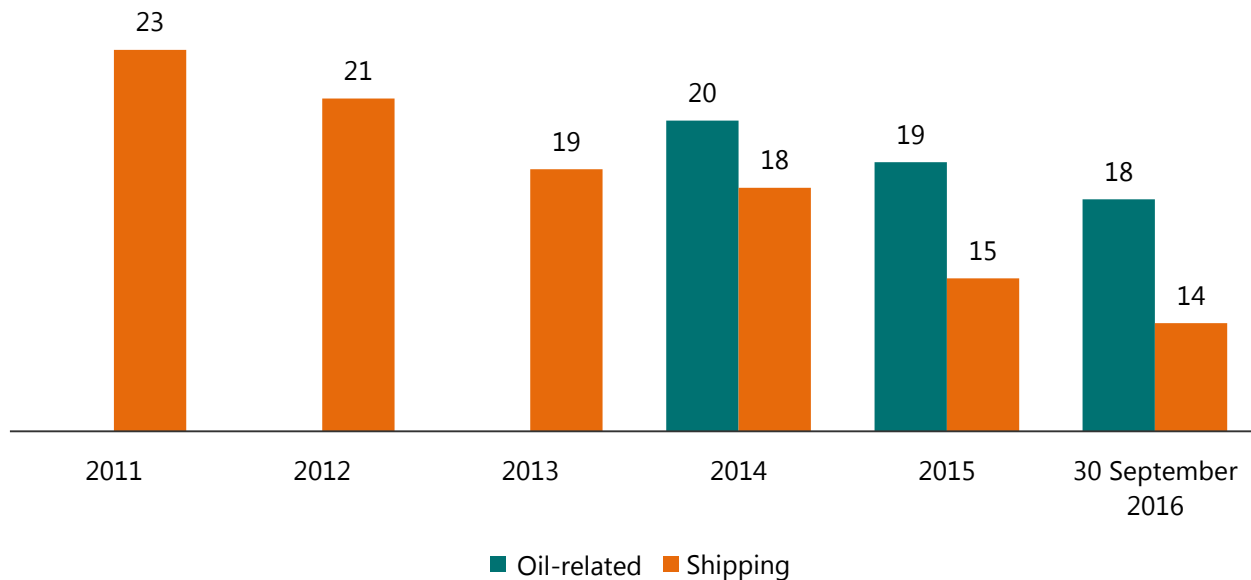


Harald Serck-Hanssen
Head of Large Corporates and International

Gradually reducing exposure in cyclical and capital-intensive industries

Shipping and oil-related exposure

EaD in USD million

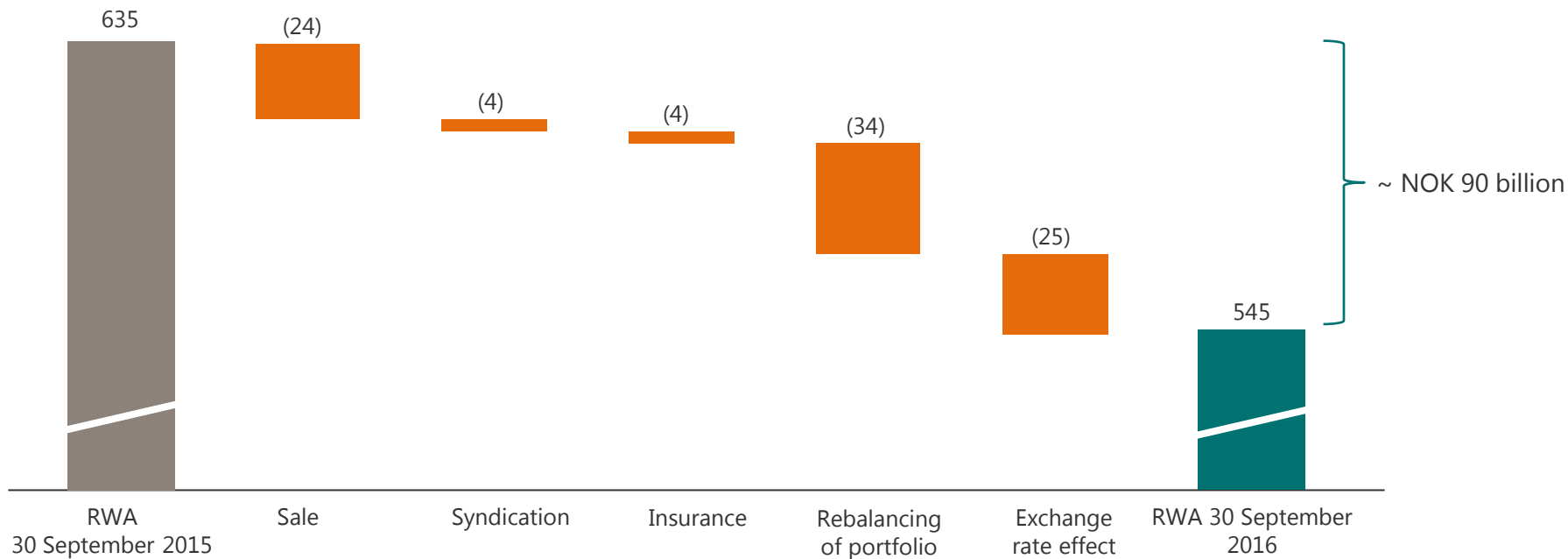


- **Shipping ~40% reduction, 2011 – 30 September 2016**
- **Oil-related ~14% reduction, 2014 – 30 September 2016**

We will continue to reduce RWA through active portfolio management

RWA reductions of approx. NOK 90 billion

From 30 September 2015 to 30 September 2016

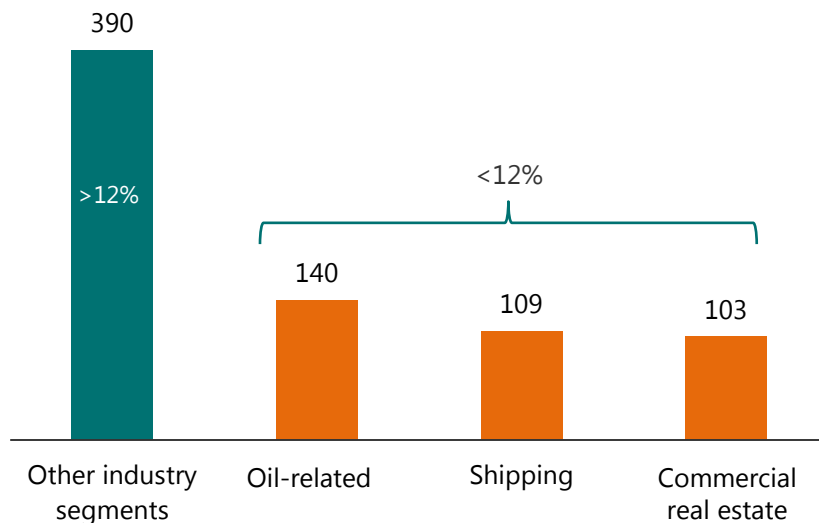


Increasing ROE in the large corporate segment

– Allocating capital to areas where the risk/return potential is higher

Volumes and profitability

EaD, NOK billion and risk-adjusted return in per cent, as at 30 September 2016



Characteristics of other industry segments

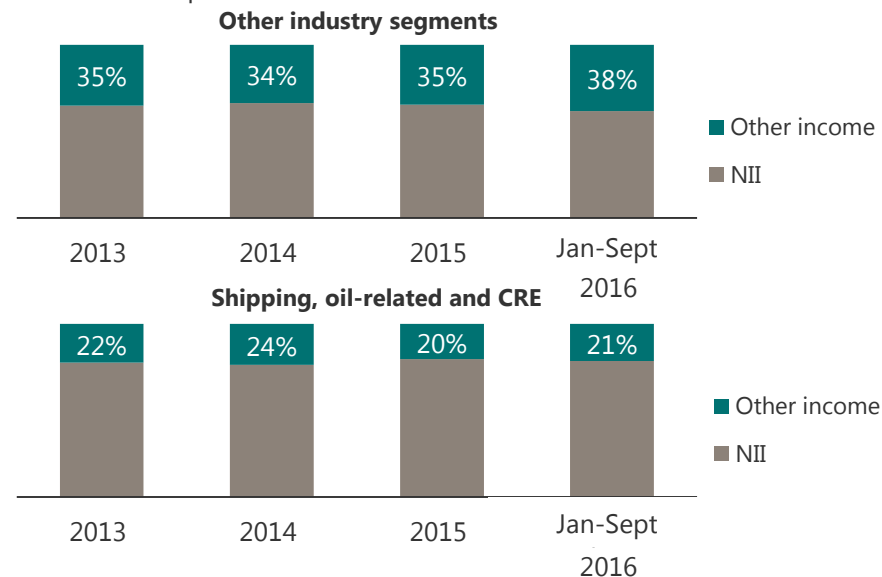
Less cyclical, volatile and capital intensive

Higher capital turnover

Broader product needs

Income mix

2013 – 30 September 2016

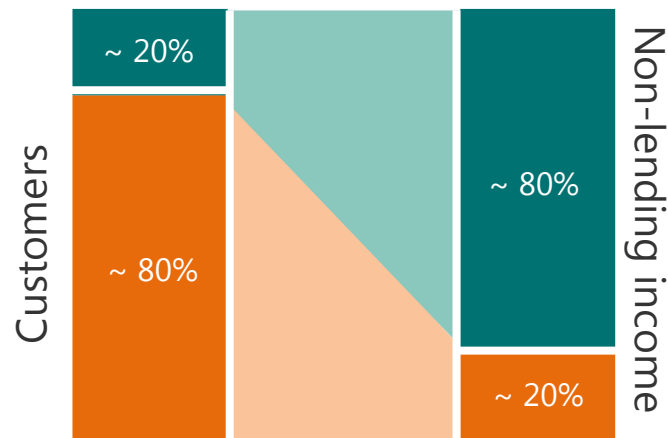


Increasing ROE in the large corporate segment

– Stricter segmentation and prioritisation of customers

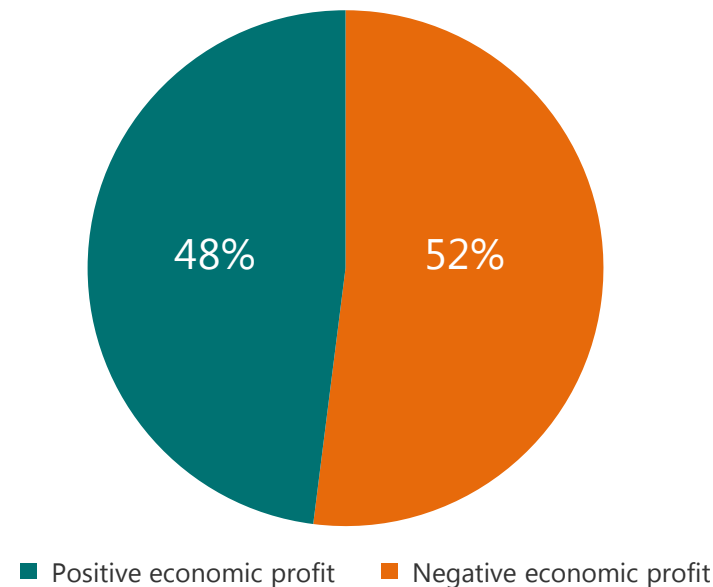
Non-lending income

Approx. 80% of non-lending income stems from approx. 20% of the customer base



Total allocated capital and economic profit*

October 2016



Economic profit: profit above the cost of allocated capital

Increasing ROE in the large corporate segment

– Through higher capital turnover

Originate-to-distribute business model

Illustration

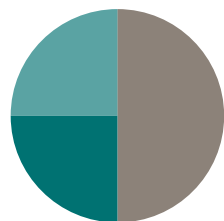
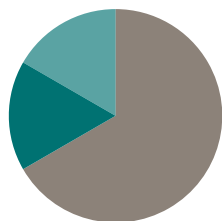
Today's model



Originate to distribute



Income mix



■ NII ■ Fee income ■ Other non-lending income

Ingredients for DNB's success

- Focus on customers using capital markets
- Lower final hold
- Bridge to capital markets

DNB's ambitions next three years

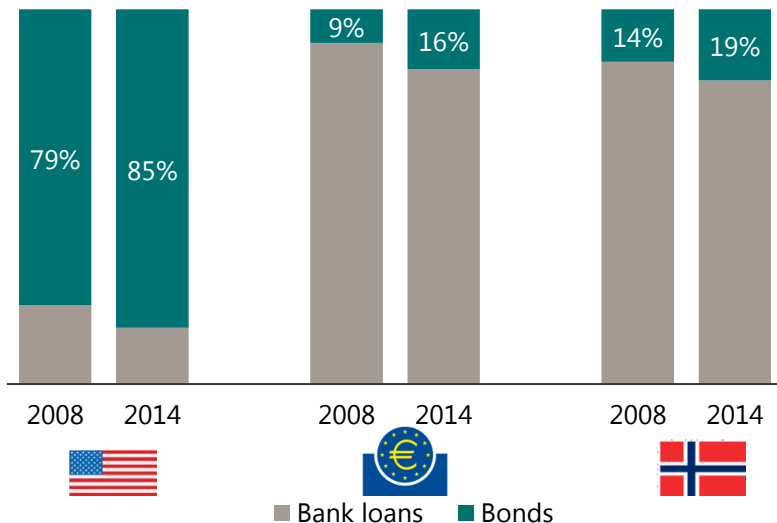
- We will increase investment banking/FICC income by at least 15%
- We will increase other operating income by at least 10%

Increasing ROE in large corporates segment

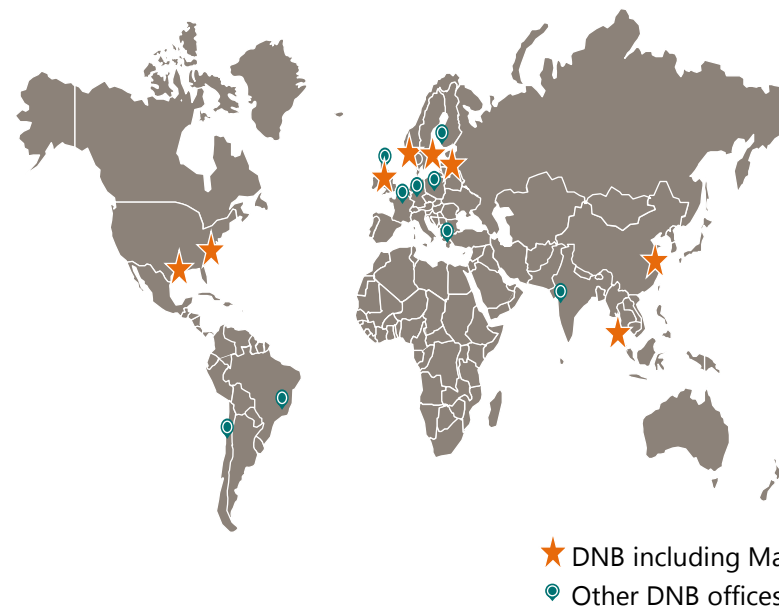
– Through higher capital turnover

Strong drivers for originate-to-distribute business model

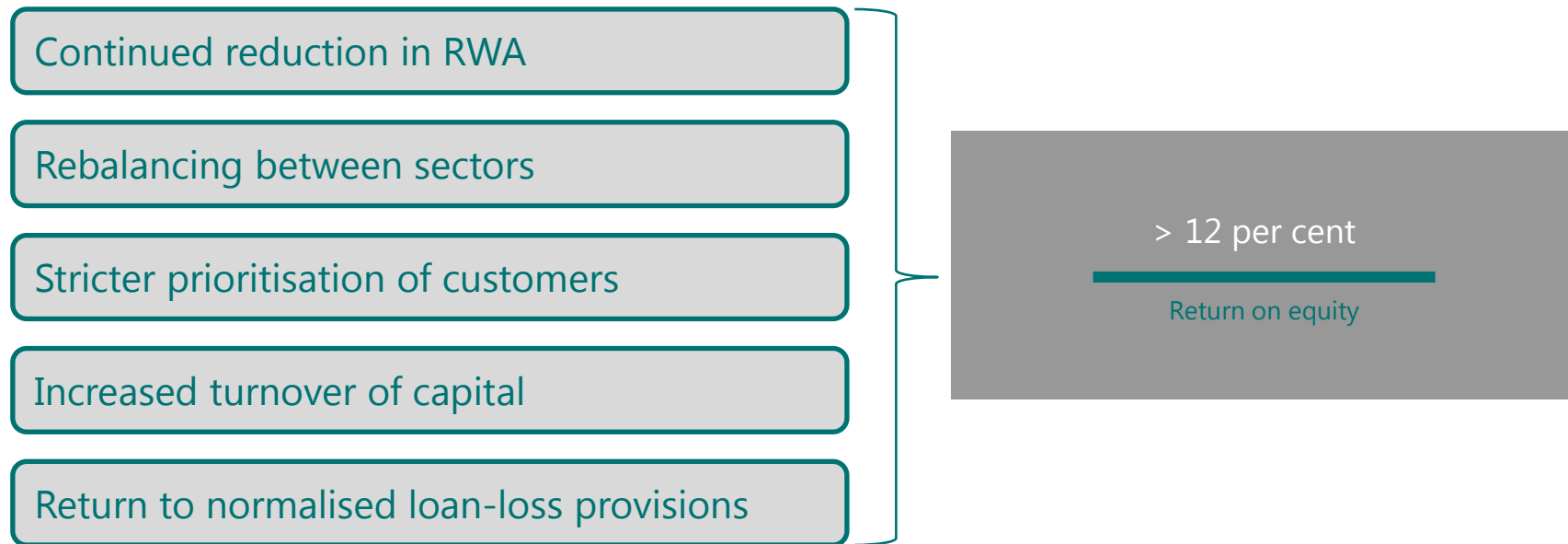
Share of total borrowing (excl. financial institutions)



DNB well positioned – broad physical distribution network and industry expertise



Conclusion – Large Corporates and International's transformation towards a ROE above 12 per cent



Large Corporates and International

– Transforming the way we do business

DNB

- Reducing risk-weighted assets and mitigating concentration risk
- Increasing ROE in the large corporate segment through
 - Allocation of capital to where the risk/return potential is higher
 - Stricter customer segmentation and prioritisation
 - Increased capital turnover



Digitalisation – Transforming the way we do business

- Transformation on track
- Automation and digitalisation is key to reducing costs
- Digital innovations will improve efficiency and customer experience

Trond Bentestuen
Head of Personal Banking Norway



DNB

Last year's CMD promise

From CMD 2015

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

Cost base, personal customers*
in NOK million, not adjusted for inflation



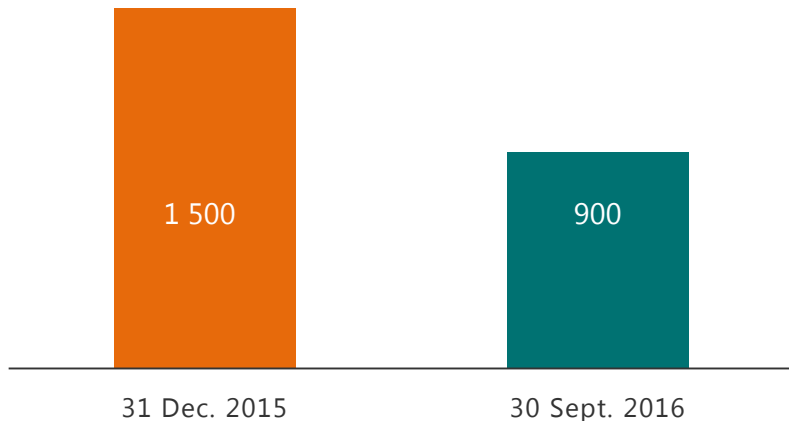
- Radical changes in our operating model
- Everything is going digital
- Significant cost reductions through modernisation



We are on track! NOK 500 million in cost reductions from Personal Banking Norway by year-end 2016

We have restructured our branch network

The number of advisers in our branches reduced by 600

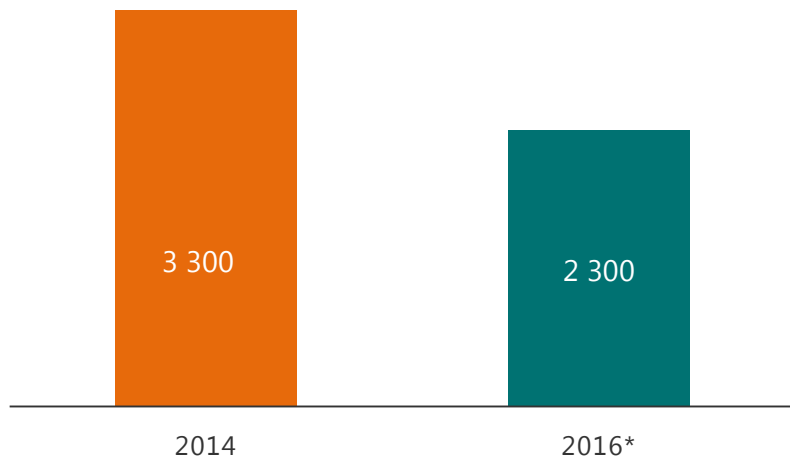


- In 2016, we have reduced the number of branches from 116 to 57
- Sales efficiency in branches has improved by 50 per cent*
- Annual mortgage growth is now close to 5 per cent, despite 430 fewer authorised credit advisers

Going digital means replacing manual processes

Manual service workflows

In NOK thousand

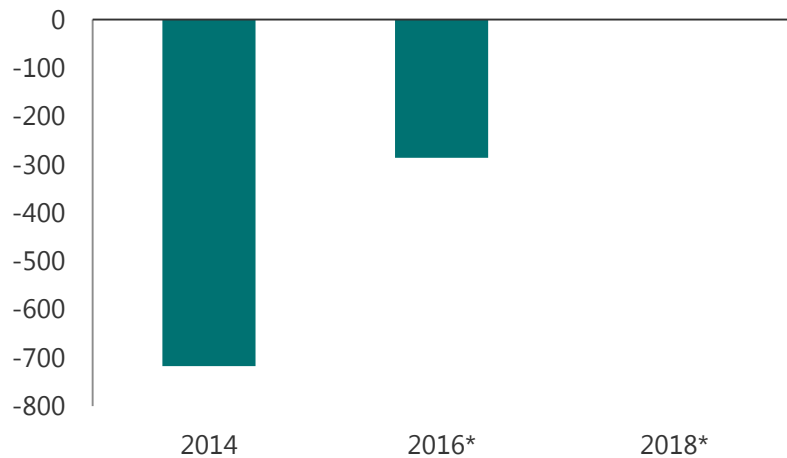


- More than 60 per cent of all customer processes in DNB are still paper-based – a potential for cost reductions
- 90 per cent of process costs will be eliminated when we go from manual to digital processes
- We are making good progress, starting with manual services and manual cash transactions

Eliminating deficit from manual cash transactions

Deficit from manual cash transactions

In NOK million



- A reduction in manual cash transactions combined with fair pricing of such transactions will eliminate the NOK 700 million deficit from 2014 to 2018
- Cash is no longer king - it's being replaced by new mobile payment solutions
- DNB still has extensive external distribution of cash



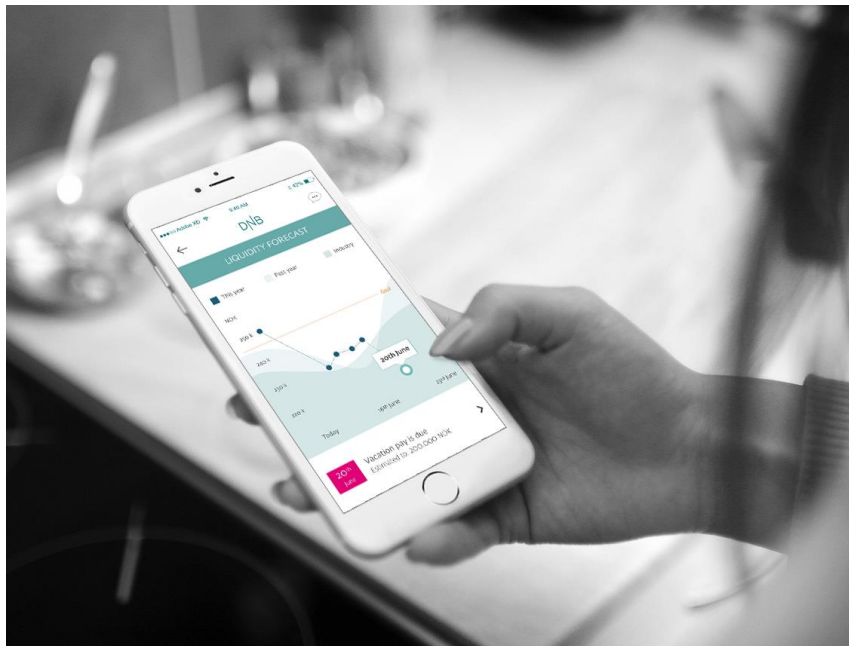
Selling more at lower cost to more satisfied customers

- New digital SME platform
- Automating secured lending
- New savings platform
- Vipps as a fee generator

New digital platform for the SME segment

– Personalised financial advice and information

Keeping an eye on your business anywhere, anytime



- Shifting advisory and sales services from personal service to self-service
- Personalised and relevant financial advice using customer data
- More present in our customers' daily operations

Digitalising and automating secured lending across DNB



- First version launched to personal customers
- 50 per cent of all secured loans across DNB identified as potential targets for automation and digitalisation*
- Automatic secured lending will give our customers a better, faster and easier process
- 90 per cent reduction in time spent per loan for automated secured lending processes compared to manual**
- Higher portfolio quality from automated processes

New digital platform will transform savings

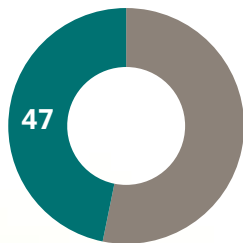


- We have adapted our distribution model to low margin products – from manual to digital sales
- Launching new savings app in early 2017 to boost sales by making savings part of customers' daily lives
- Next step will be to add customer value through personalised investment advice

Norway loves vipps

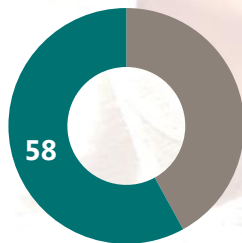
– A platform for future earnings

Half of Norway uses Vipps*



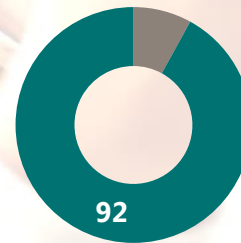
■ Non-Vipps users ■ Vipps users

The majority of Vipps users are customers in other banks



■ DNB customers ■ Customers in other banks

Very high brand recognition

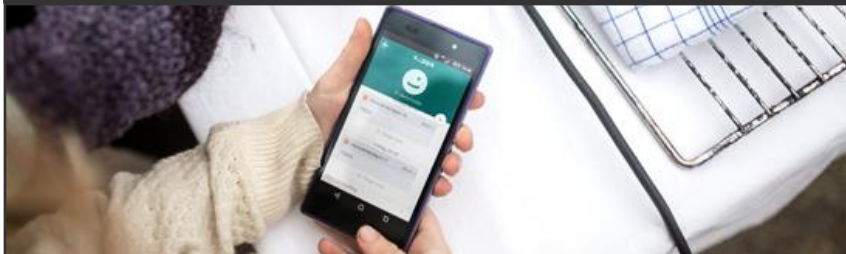


■ Do not recognise Vipps ■ Recognise Vipps

From free payments to fee generator

- v~pps set to break even in 2017

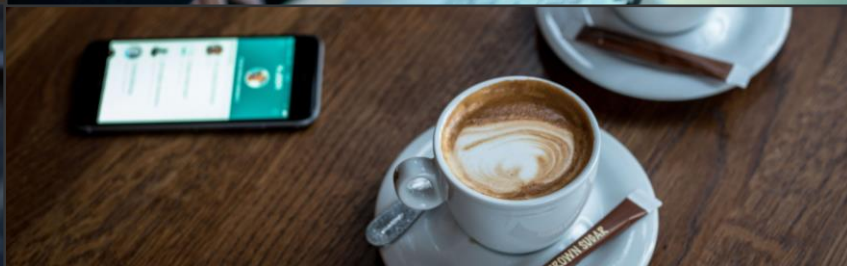
Small businesses and organisations



E-commerce and in-app solutions



Tickets and transportation

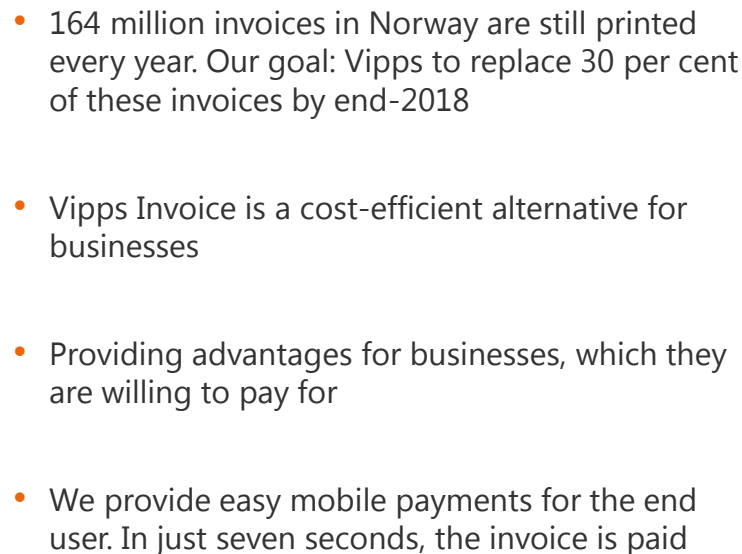


In-store and restaurants

vipps simplifies e-shopping

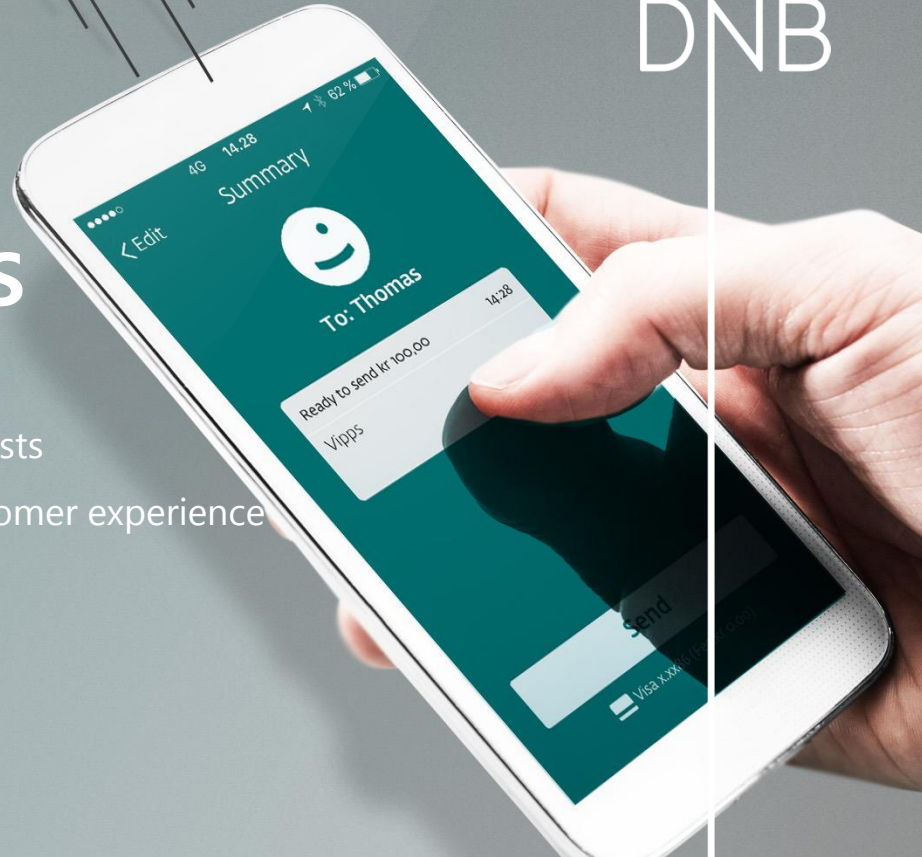


- Norwegian e-commerce market: NOK 90 billion a year, growing at 16 per cent annually
- Vipps has already partnered with some of Norway's largest e-retailers. Aiming to make Vipps a payment option in 60-70 per cent of Norwegian e-retailers by year-end 2017
- In just 24 days, Vipps went from 0 to 30% of market share at elkjop.no* (Dixons Group). According to Elkjøp, the fastest change in their customer behaviour ever
- Other retailers show similar figures



Digitalisation – Transforming the way we do business

- Transformation on track
- Automation and digitalisation is key to reducing costs
- Digital innovations will improve efficiency and customer experience



CAPITAL MARKETS DAY

16 November 2016

DNB



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