

# CAPITAL MARKETS DAY

DNB

21 November 2017



# DNB Capital Markets Day 2017

Title	On stage
DNB towards 2020	Rune Bjerke
ROE target within reach	Kjerstin Braathen
Break	
High portfolio quality	Terje Turnes
LCI – Transforming the way we do business	Harald Serck-Hanssen
Positioning Personal Banking for the future	Trond Bentestuen
Vipps: From P2P to business transactions	Rune Bjerke and Rune Garborg
Q&A	Rune Bjerke and Kjerstin Braathen



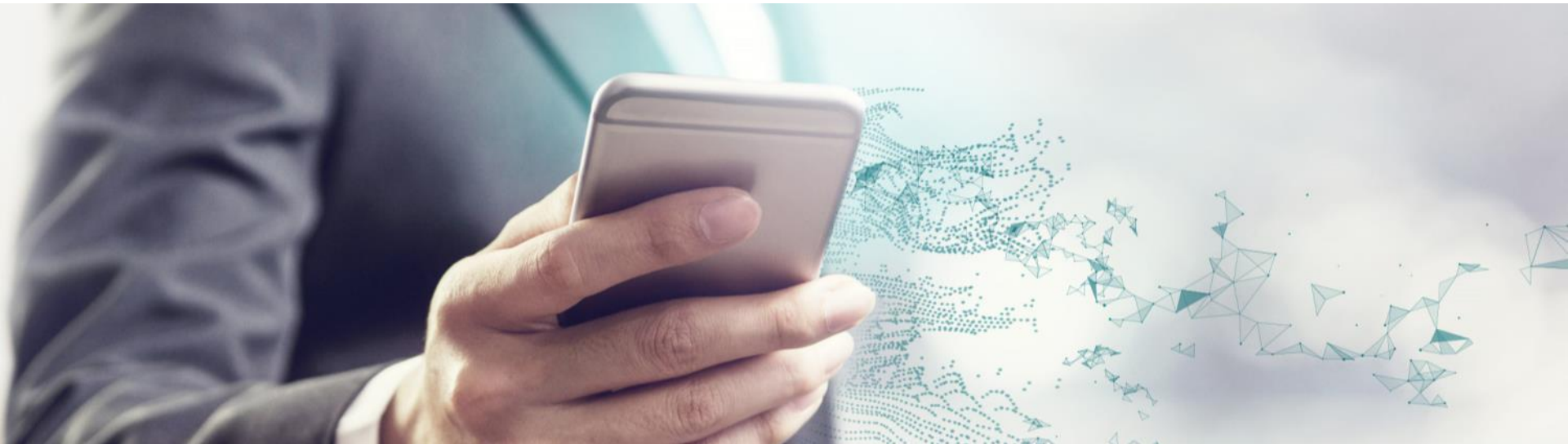
# DNB towards 2020



**ROE:** Our main priority



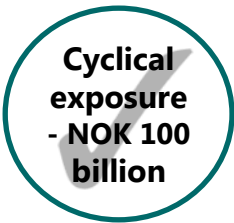
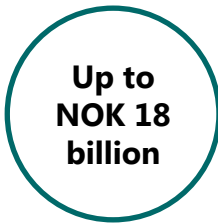
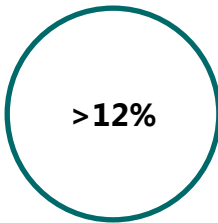
**CAPITAL:** Solid capital position ensures high payout capacity, even with Basel IV

**THE NORWEGIAN ECONOMY:** Low volatility and positive outlook



# Financial track record

– We have delivered on our promises

Previous targets			On track	Current target
2013	2014	2015	2016	Year-end 2019
 <b>&gt; 50%</b>	 <b>Reach capital requirement</b>	 <b>Cyclical exposure - NOK 100 billion</b>	 <b>Up to NOK 18 billion</b>	 <b>&gt; 12%</b>
Payout ratio when capital level is reached	Focus on capital accumulation	Rebalancing of the LCI portfolio	Accumulated impairment losses 2016-2018	Return on equity

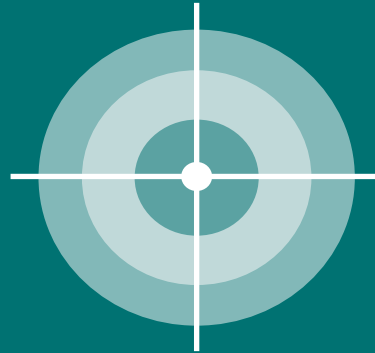
# The road ahead: Financial ambitions towards year-end 2019

> 12 per cent ROE

Overriding target

> 50 per cent payout ratio

Dividend policy



< 40 per cent C/I ratio

Key performance indicator

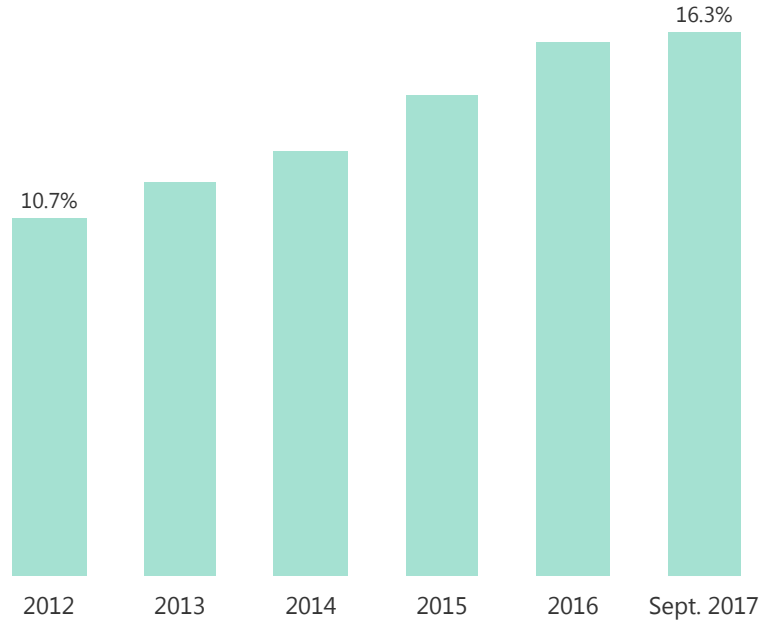
~16.1 per cent CET1 ratio\*

as capital level

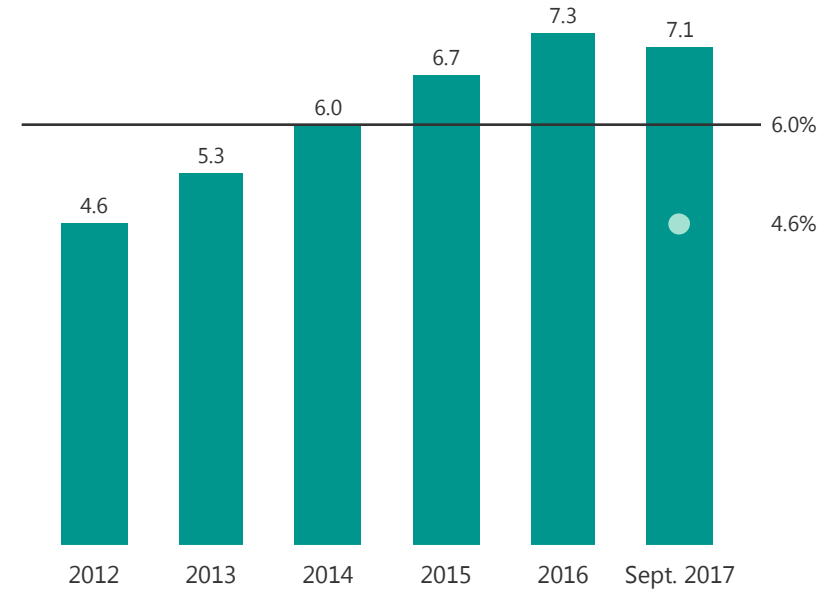
# DNB is in a new phase after years of capital build-up...

– Well positioned for future Basel regulations

CET1 ratio\*  
Per cent



Leverage ratio  
End of year, per cent



■ Leverage ratio — Requirement

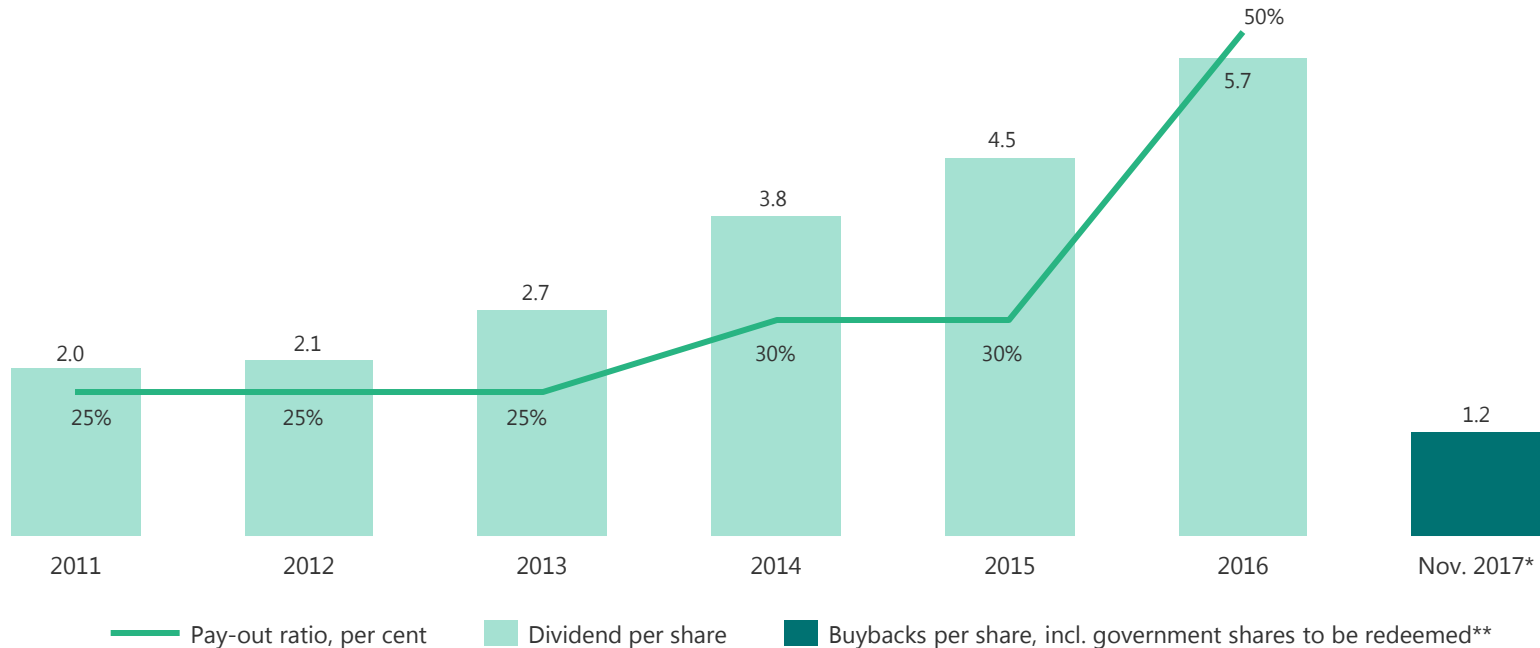
● Peer average (end-September 2017)

\*Based on transitional rules

## ...ensuring a high payout capacity

– Distribution of excess capital: Nominal increase in cash dividend combined with share buybacks

### Dividend per share and pay-out ratio NOK

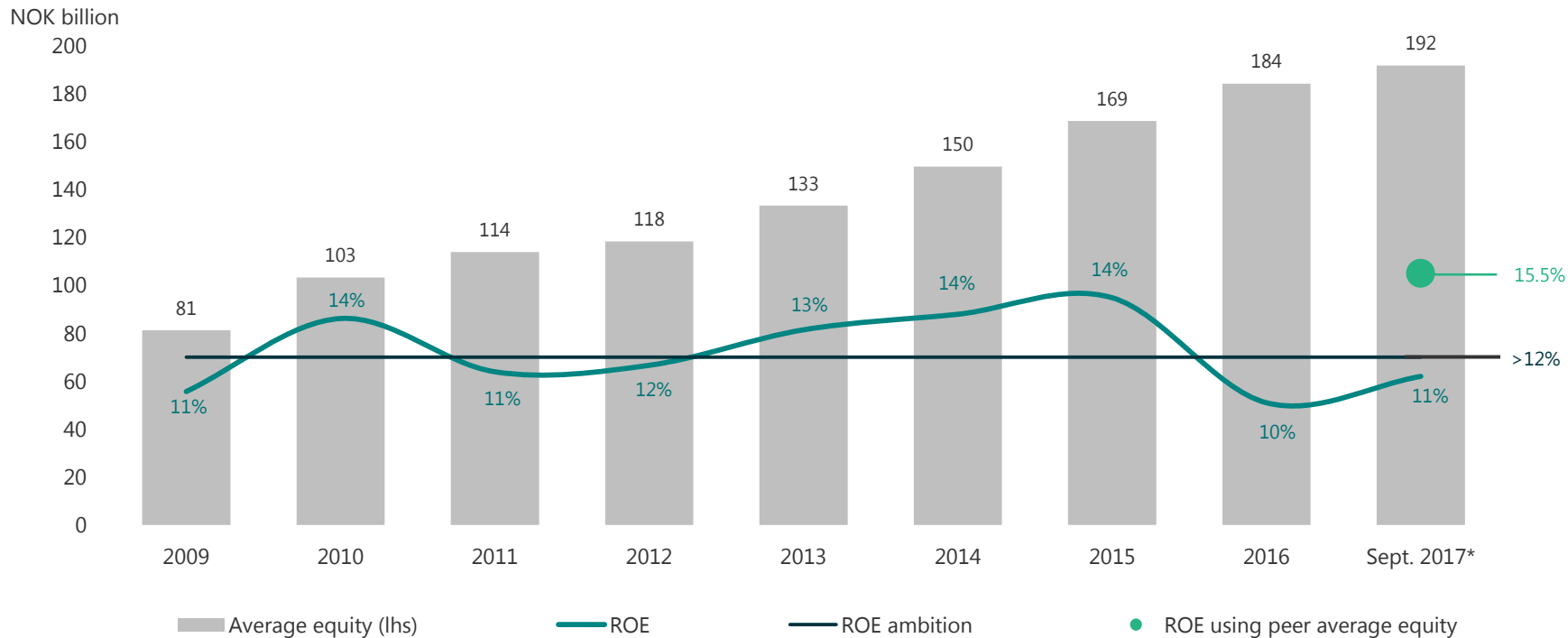


\*As at 14 November 2017.

\*\*We have completed the first buyback programme of 0.5 per cent. The second programme is 60 per cent completed. According to an agreement, the Norwegian government will redeem shares on a proportionate basis so that its current holding will remain unchanged at 34 per cent.

# ROE > 12 per cent towards year-end 2019

## Return on equity Per cent



\*ROE annualised adjusted for MTM effects and gains from the carve out of Vipps. Average equity year to date.

# The Norwegian economy

Low volatility and positive outlook

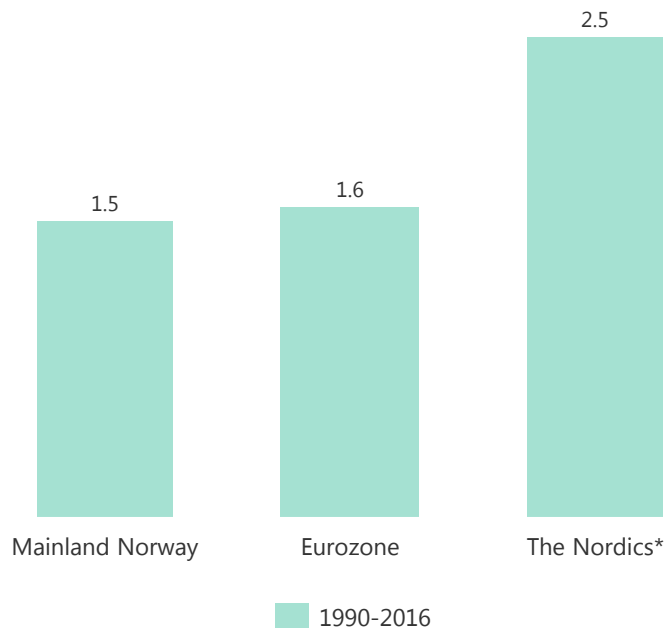


# Norwegian economy: low volatility and positive outlook

– Growth picking up

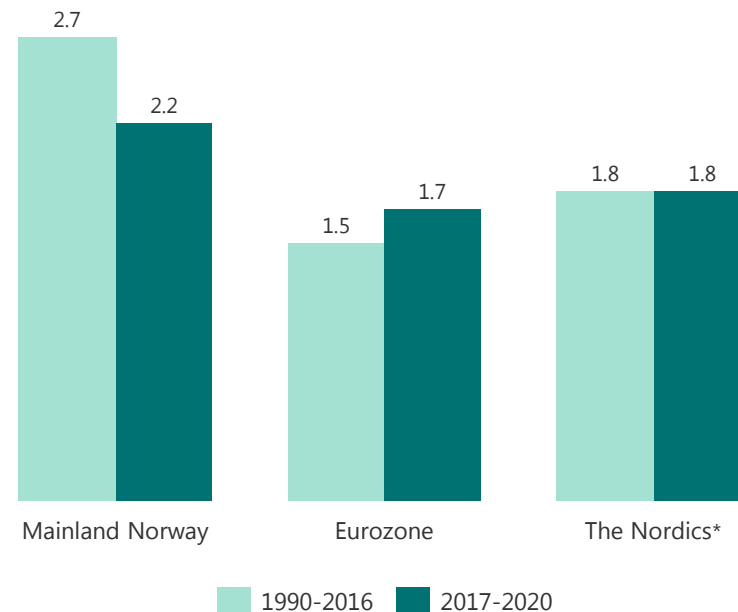
## Average real GDP – standard deviation

Historical, year-on-year, per cent



## Average real GDP growth

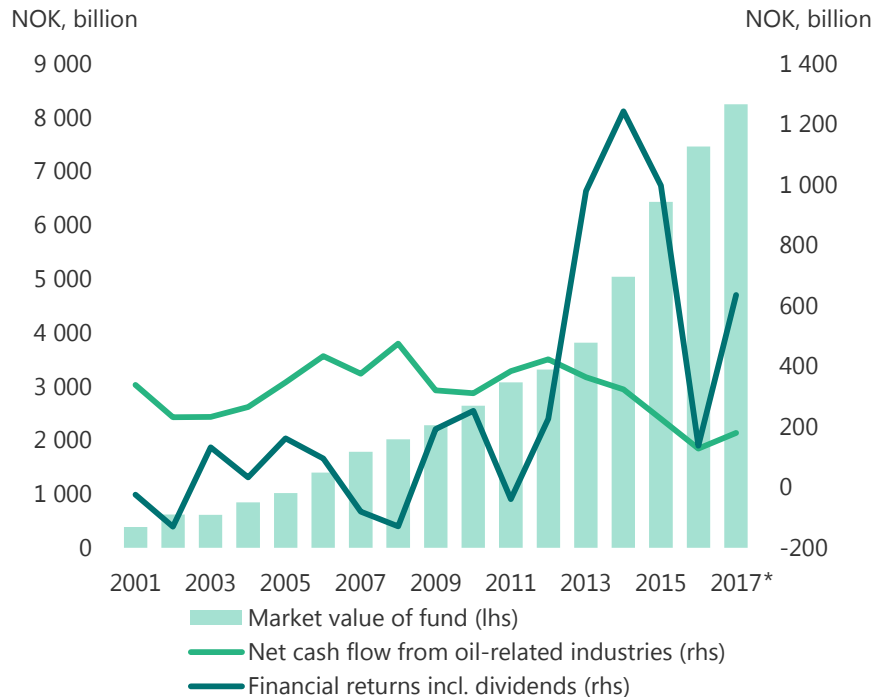
Historical and estimated, year-on-year, per cent



# Norway is in a strong financial position

– Use of fiscal and monetary policy measures to smooth cycles

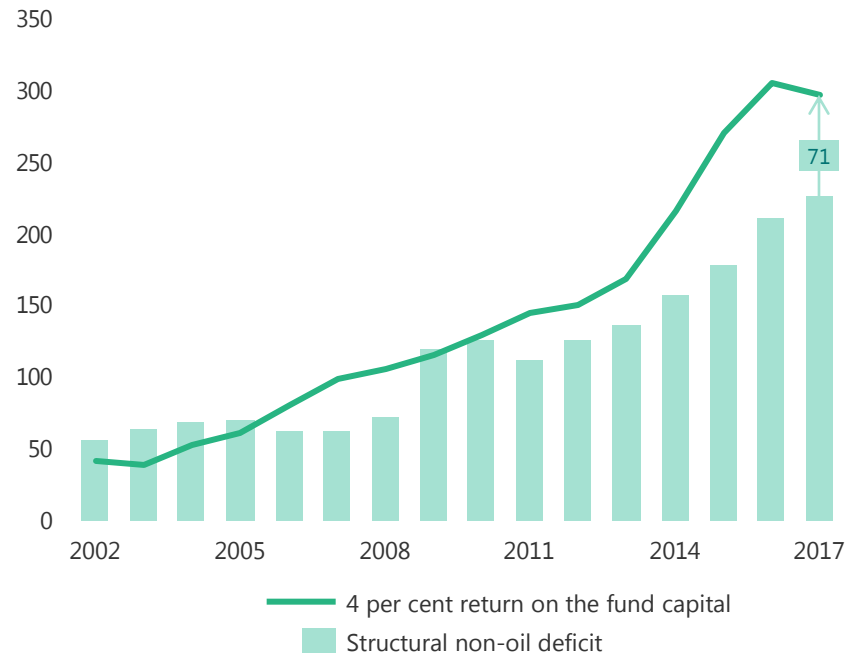
## Norwegian sovereign wealth fund 2001-2017



\*Nov. 2017

Source: Norwegian Ministry of Finance, Norges Bank

## National budget's structural non-oil deficit NOK billion (2017 prices)



# A floating currency provides a natural hedge

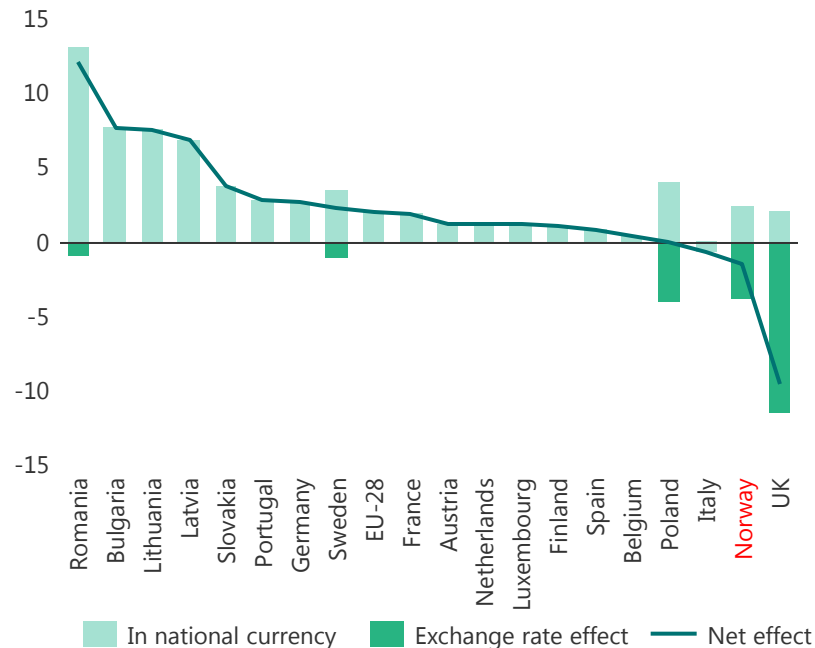
– Eases the transition of the Norwegian economy

Development in USD/NOK and Brent Oil  
Price per barrel in USD



Source: Statistics Norway, Euroinvestor, Eurostat

Exchange rate effect on labour costs\*  
Relative change\*\* in hourly labour costs, 2016 year-on-year, per cent



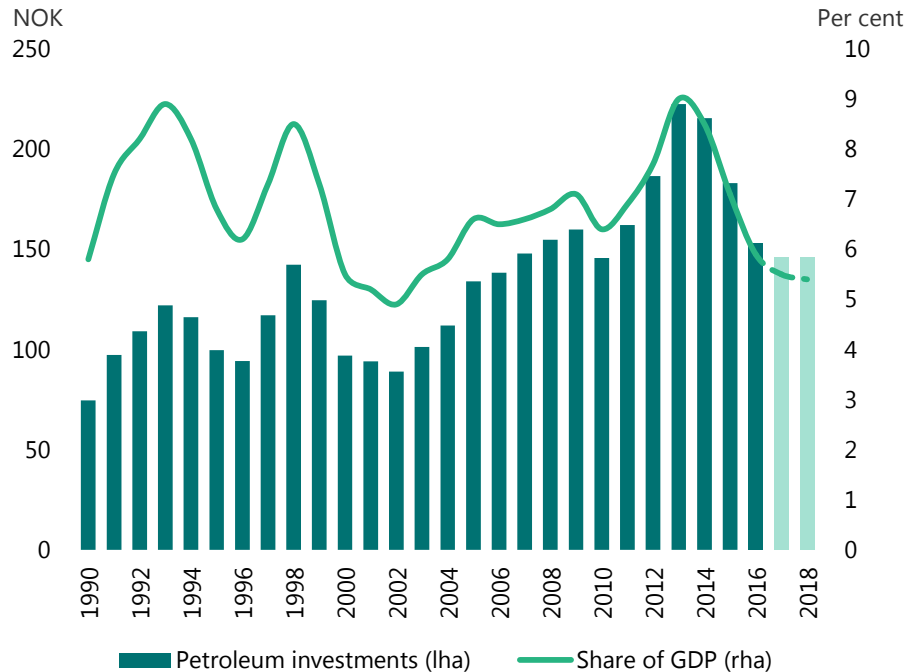
\*Excluding agriculture and public administration  
\*\*Relative to EU member states

# Petroleum investments are stabilising at a high level

– Lower break-even price ensures a competitive Norwegian continental shelf

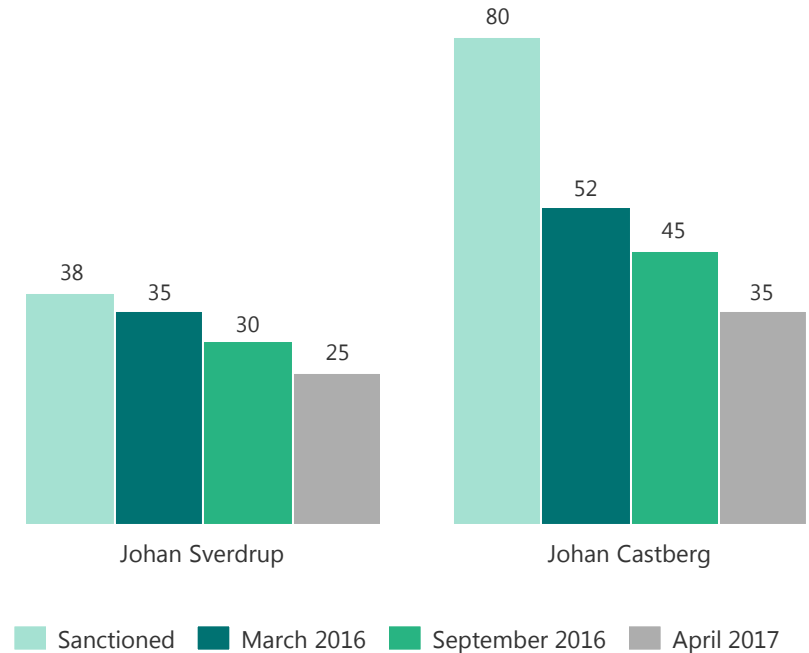
## Petroleum investments in Norway

NOK billion (constant 2014 prices), share of GDP in per cent



## Break-even price: Sanctioned vs April 2017

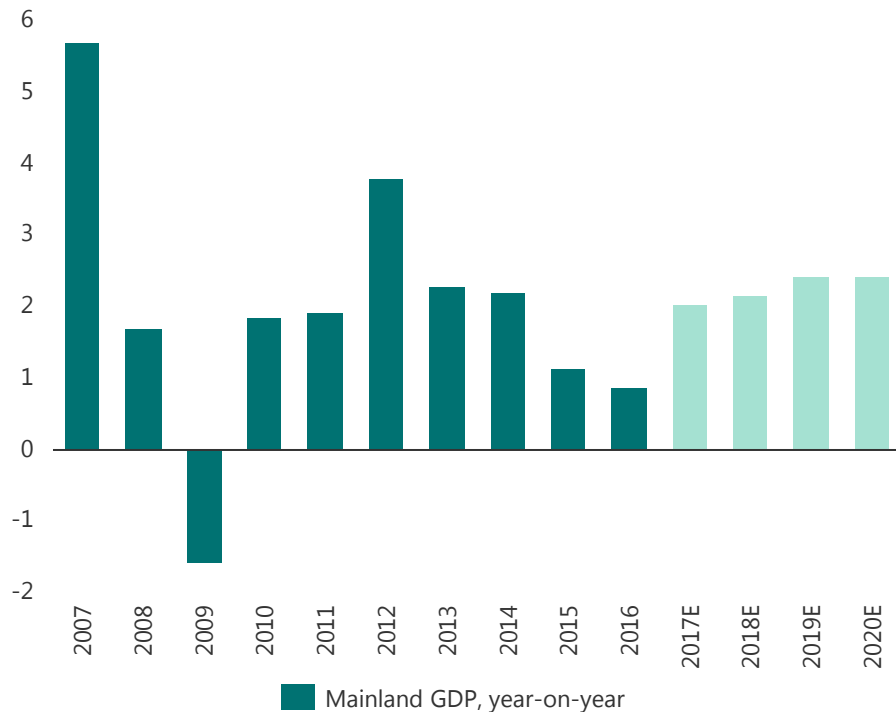
USD per barrel, Brent Blend



# Operating in a robust Norwegian economy

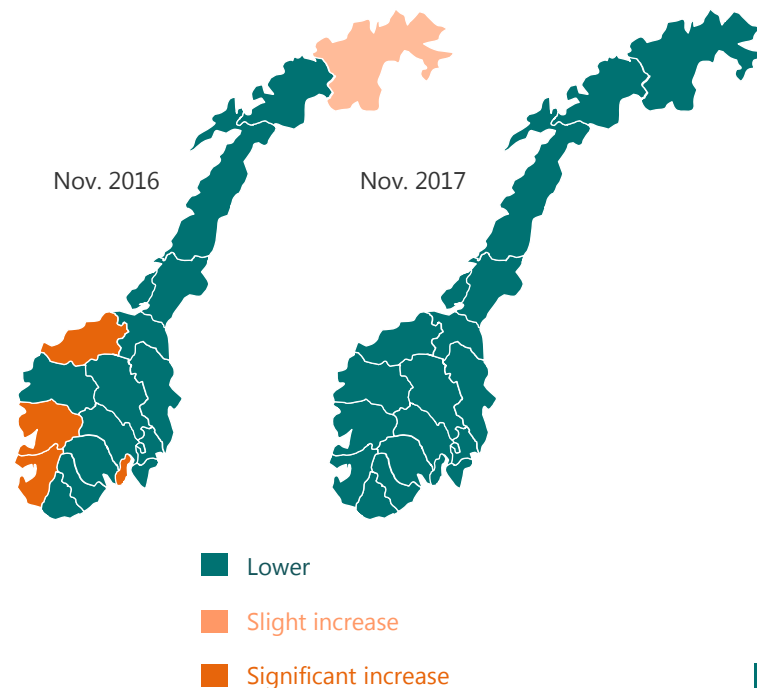
## – Positive GDP growth and low unemployment rates

Norwegian GDP growth  
Per cent



Source: Statistics Norway

Unemployment rate by county  
Nov. 2016 vs. Nov. 2017, year-on-year

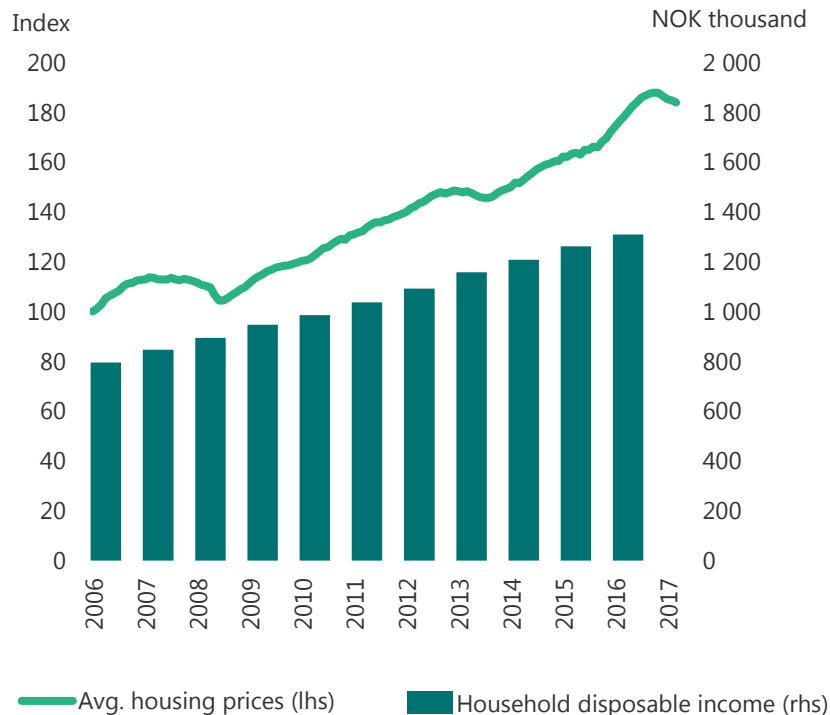


# A healthy adjustment in the housing market

## – Norwegian households are optimistic about the future

### Housing prices

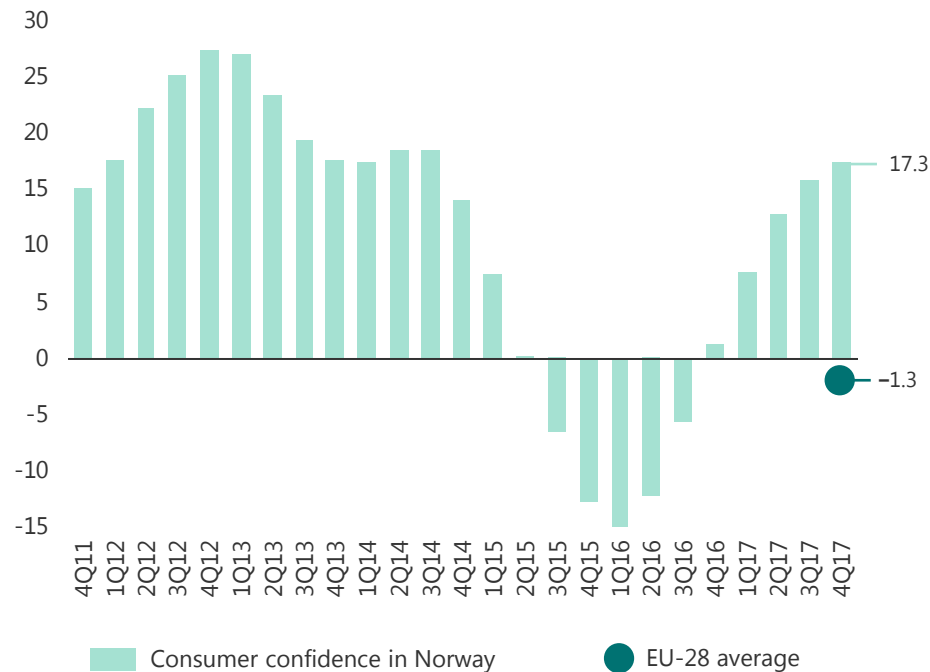
2006 = 100



Source: Statistics Norway, Eiendomsverdi, Real Estate Norway, Finance Norway

### Consumer confidence\*

Index, seasonally adjusted



\* Expectations barometer

# DNB towards 2020



**ROE:** Our main priority

**CAPITAL:** Solid capital position ensures high dividend capacity, even with Basel IV

**THE NORWEGIAN ECONOMY:** Low volatility and positive outlook





# ROE target within reach

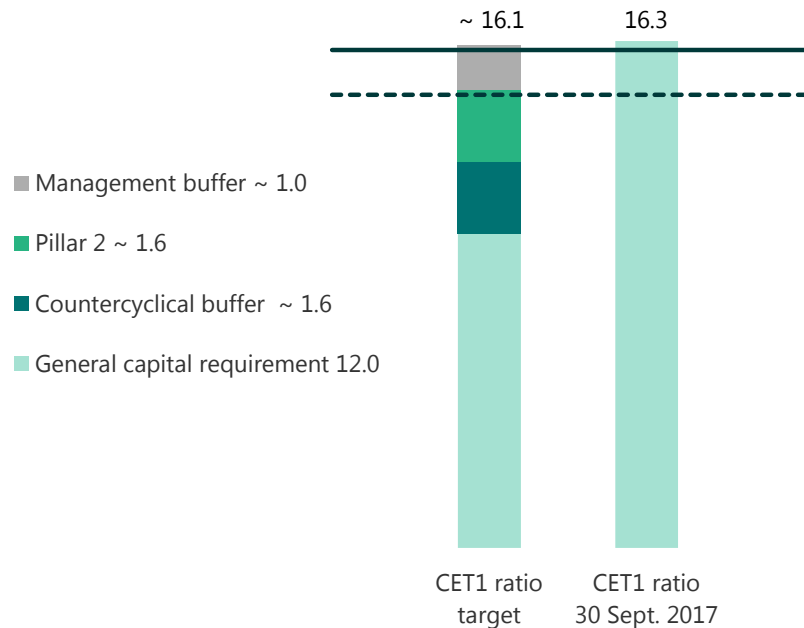
- Well capitalised, also with Basel IV
- Aiming to increase dividend per share combined with share buybacks
- DNB Livsforsikring in dividend position – will strengthen DNB's payout capacity
- Positive Norwegian macro outlook and strategic initiatives strengthen revenue platform
- Positioned for further cost reductions through digital transformation



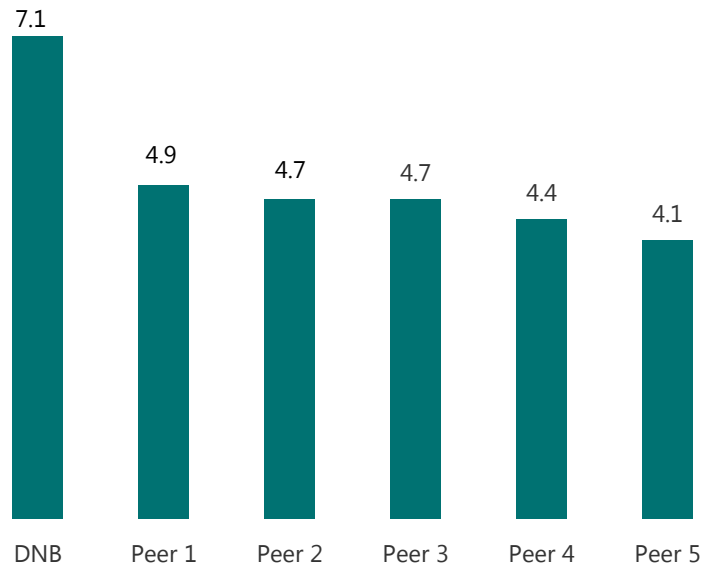
# DNB has reached the capital requirement after years of capital build-up

– Well positioned for future regulatory changes

CET1 ratio\* above the target level for year-end 2017  
Per cent



Leverage ratio is well above the requirement  
Per cent at end-September 2017



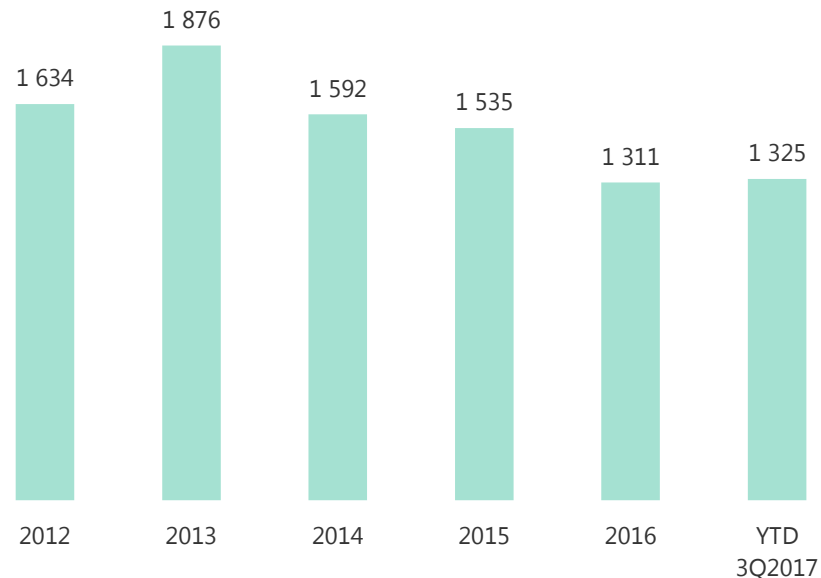
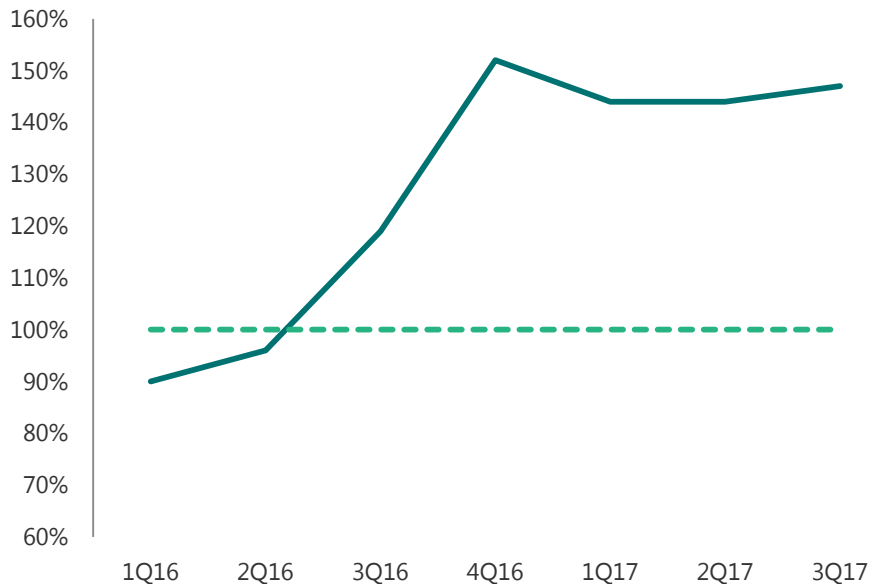
\*Based on transitional rules, including 50 per cent of interim profits.

# DNB Livsforsikring in dividend position for the first time in ten years

– Will strengthen DNB's total payout capacity from 2018

Solvency position without transitional rules well above requirement

Strong future dividend capacity



--- Solvency II margin requirement

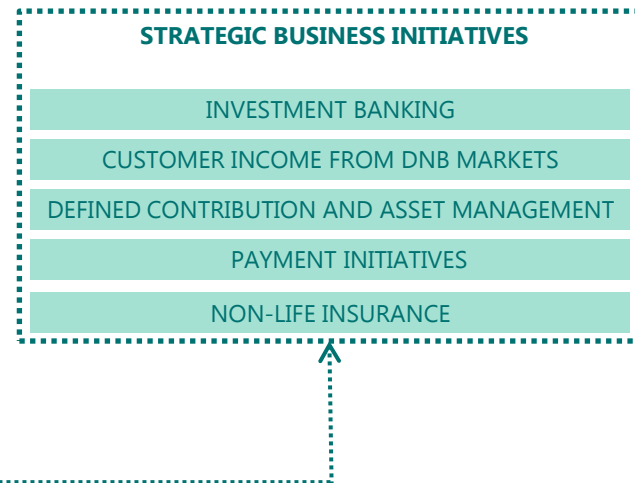
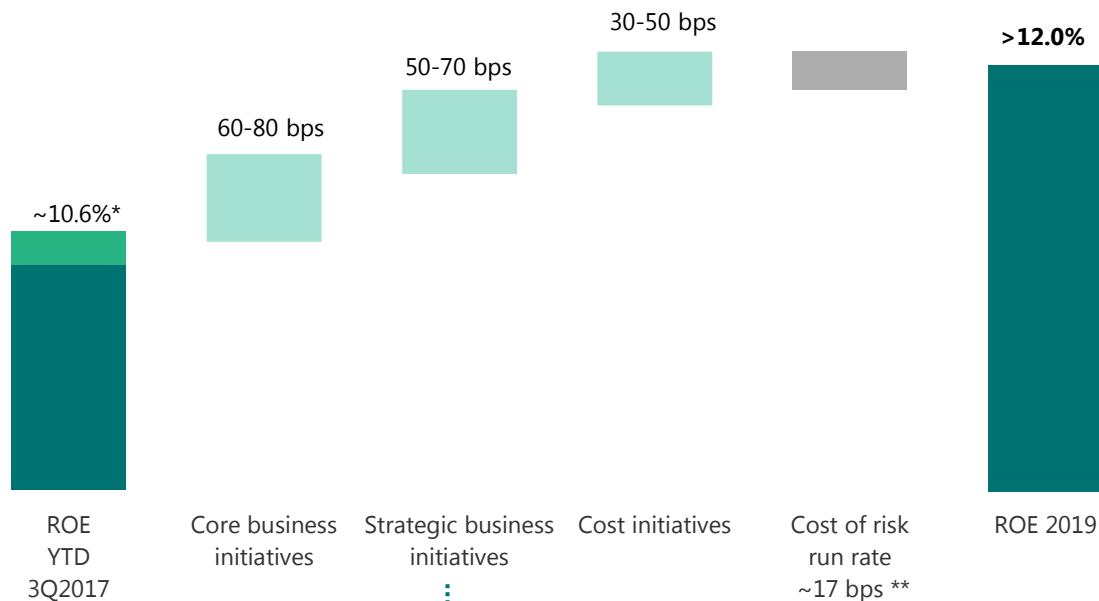
— Solvency II margin without transitional rules

■ Profit per year (NOK million)

# A return on equity above 12 per cent remains our main priority

## Bridge to ROE > 12 per cent towards year-end 2019

Basis points



\*Adjustments for MTM effects and gain from the demerger of Vipps

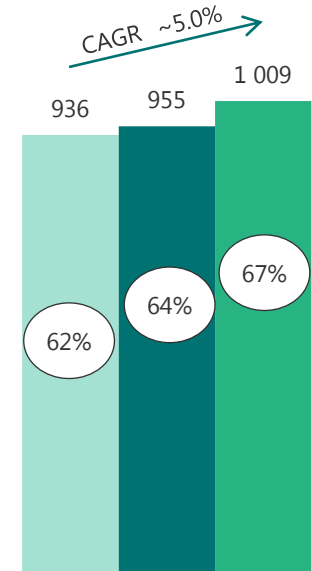
\*\*Basis point of EAD

# Profitable volume growth will improve return on equity

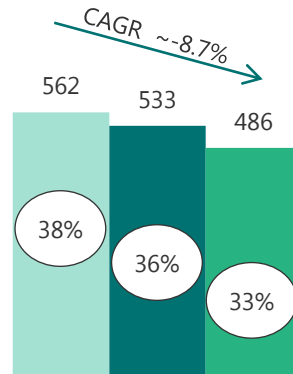
– Positive Norwegian macro outlook supports our growth ambition of 3-4%

## Strong volume growth for personal customers and SMEs

Loans to customers (NOK billion) and portfolio composition (per cent)



Personal customers and SMEs



Large corporates and international customers

■ 3Q15\*   ■ 3Q16   ■ 3Q17

\*Adjusted for organisational changes in DNB Finans

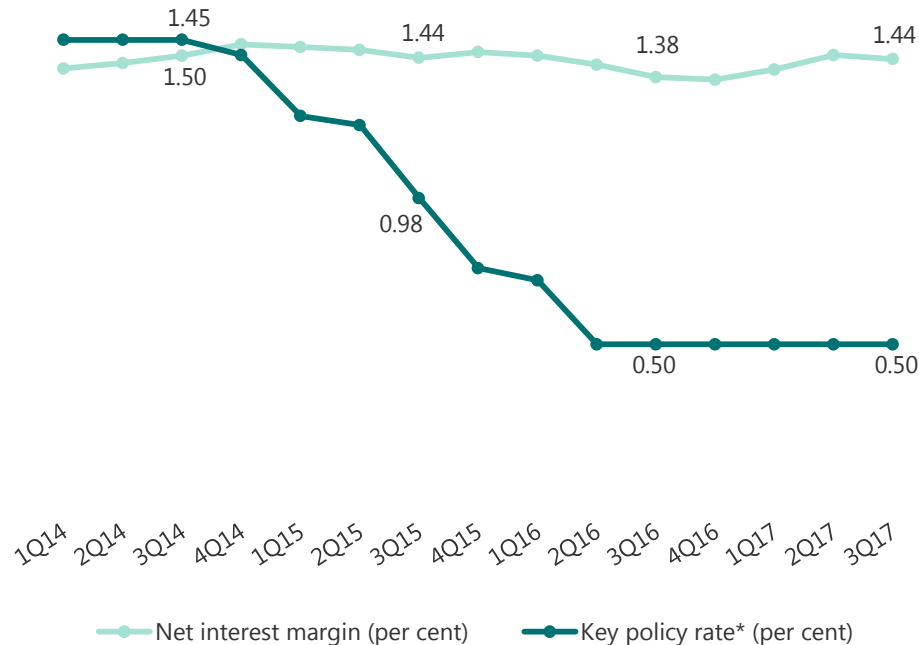
## Approaching normalised volume growth as LCI rebalancing continues at a slower pace

- Profitable volume growth for personal customers, SMEs and core LCI customers is expected to continue
- Rebalancing in LCI continues, but at a slower pace
  - Continue reduction in exposure to shipping and oil-related industries

# Stable margins over time despite low interest rate environment

## Optimising margins in a competitive market

## Positive outlook for key policy rate provides greater flexibility

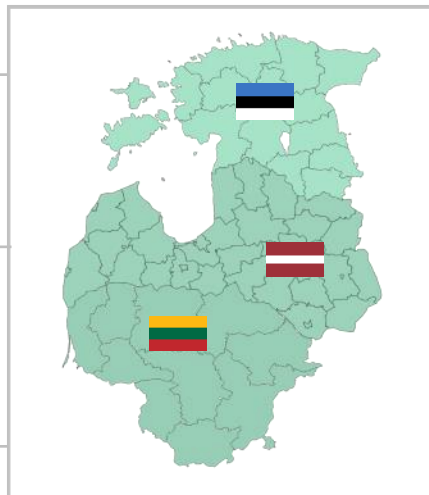
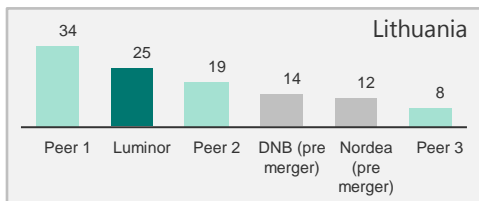
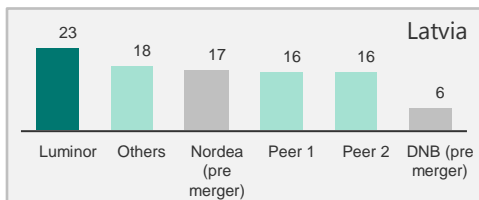
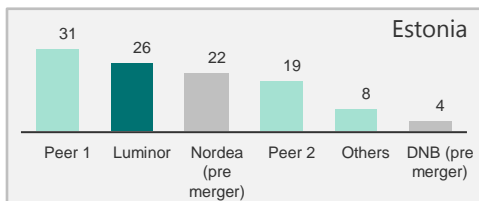


- A large portion of our portfolio can be repriced
  - 90% of mortgages and 30% of SME loan book can be repriced
  - A marginal portion of the deposit book in NOK is fixed-rate, whereas 75% of total NOK deposits can be repriced
- SMEs and large corporates have individually priced margins

\*Source: Norges Bank

# Luminor: Joint venture to strengthen our position across the Baltics

## Loan market share\*, pre and post merger Per cent, 2016



### Strong operating platform

- Economies of scale – cost synergies
- Good match: Complementary customer bases and different business focus areas
- Making the bank more attractive to local customers:
  - Speed and flexibility – decisions are made locally
  - Strong operating platform and core banking system

### Well positioned in a growing market

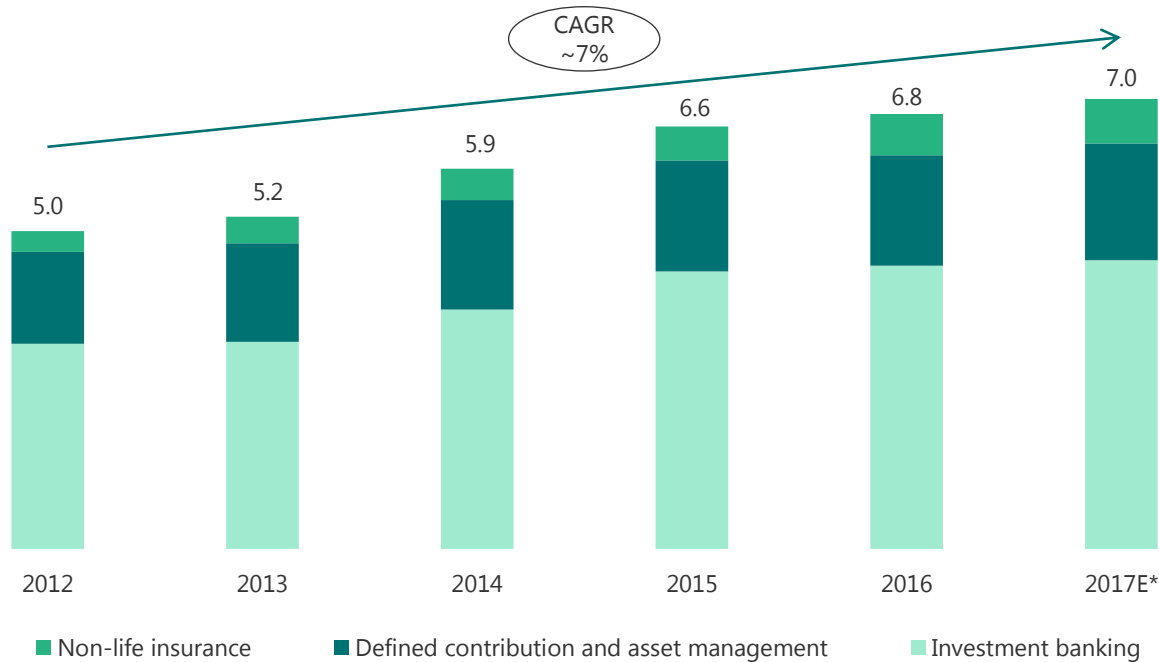
- Baltics: GDP growth is picking up, supported by strong tailwinds and highly accommodative monetary and fiscal policies
- Lending and deposit volumes in the Baltic market are expected to grow at an annual rate of 4% towards 2020

\*Source: European Central Bank, Boston Consulting Group, BA-HR

# Revenue growth from strategic business initiatives will build return on equity

Revenues from strategic business initiatives have increased by 42% since 2012

NOK billion

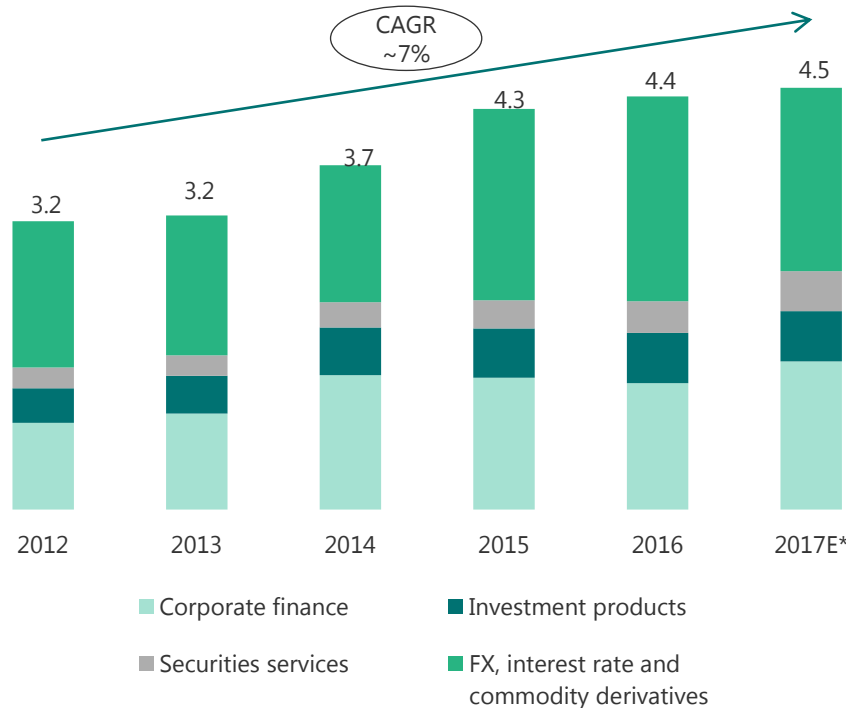


\*2017 annualised per 3Q

# We have expanded our investment banking platform

– An essential part of the Originate and Distribute strategy for LCI segment

Customer revenues from DNB Markets – up by 41% since 2012  
NOK billion



Successful development of investment banking platform for future growth

- Leading position within investment banking in Norway
- No. 2 in research in the Nordics in 2017\*\*
- The Norwegian and Swedish high-yield markets have developed into a Nordic market, with an all-time-high new issue volume this year
  - DNB has a leading position
- Expanded product range, diversified by geography and industry

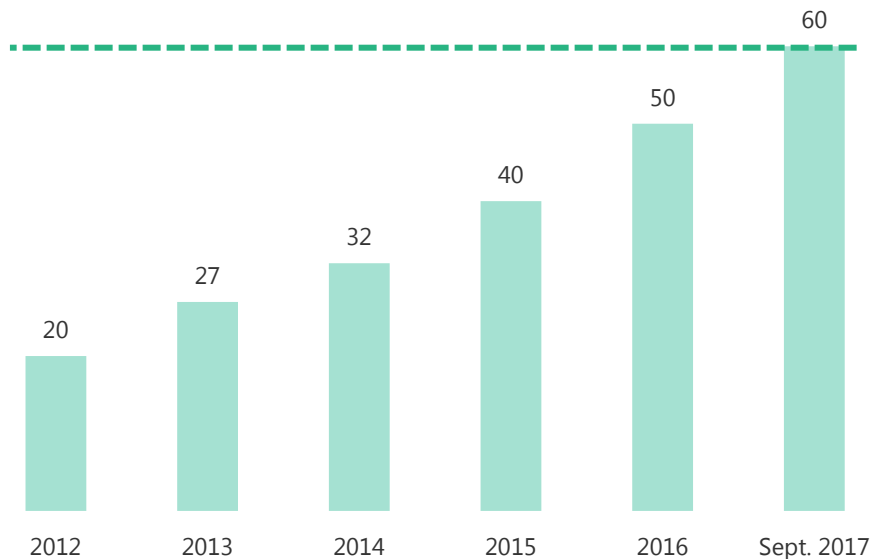
\*2017 annualised per 3Q

\*\*Source: Extel 2017, Nordic Equity Research

# Further growth potential for asset management

– Wealth management products stimulated by government incentives

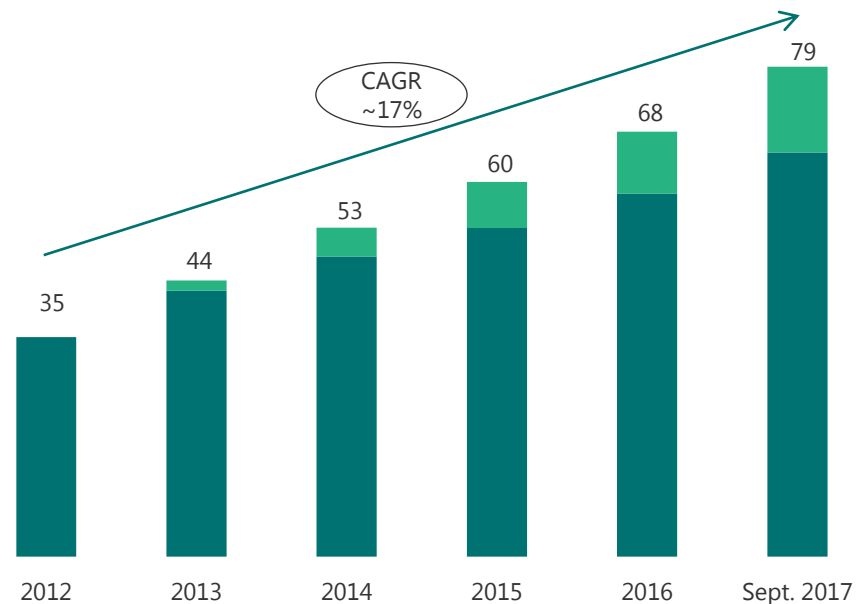
Assets under management for defined contribution have tripled since 2012



■ Assets under management for defined contribution (NOK billion)

--- Target communicated at CMD 2014 – NOK 60bn

Assets under management for personal customers have more than doubled since 2012

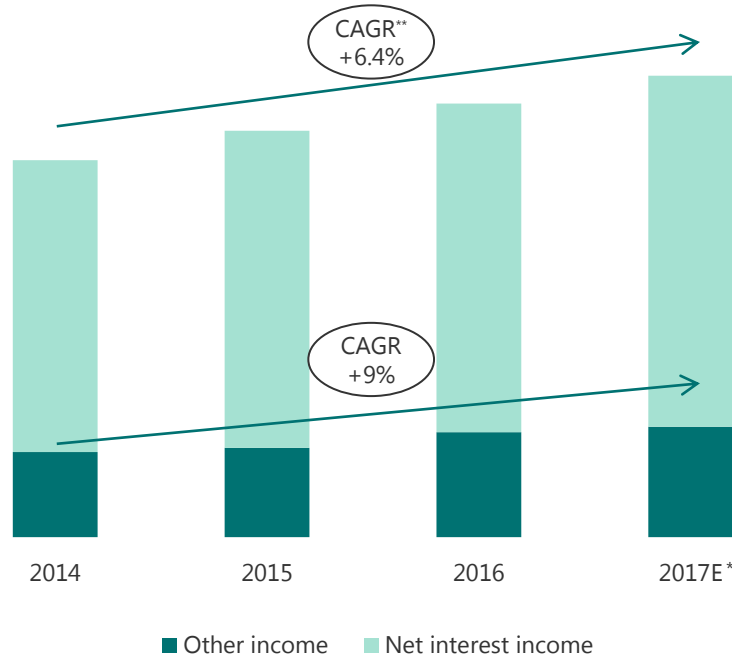


■ Assets under management for personal customers (NOK billion)

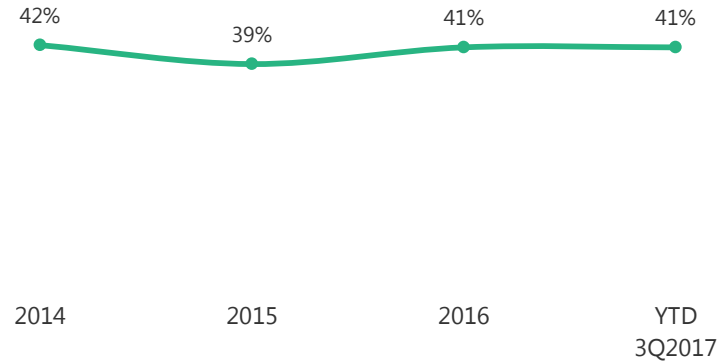
■ Accumulated net flow (NOK billion)

# SMEs will be an important future contributor to ROE growth

Other income growth driven by customer revenues from DNB Markets



Cost/income ratio stable and moving in the right direction

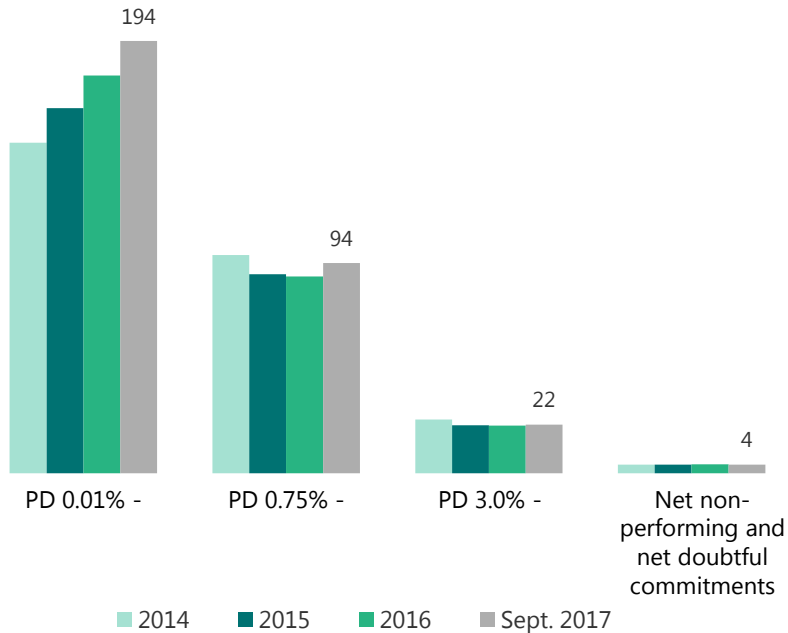


\*2017 annualised per 3Q

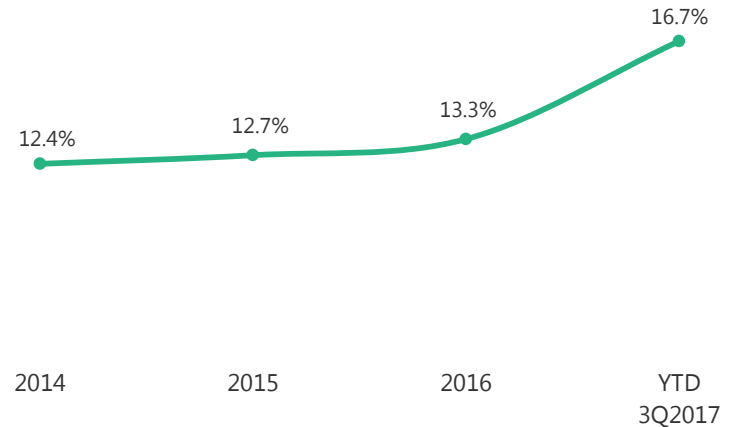
\*\*Adjusted for organisational changes in DNB Finans

# Strong profitability development in the SME segment

Growth supported by positive trend in portfolio quality  
NOK billion



Return on allocated capital in SME segment

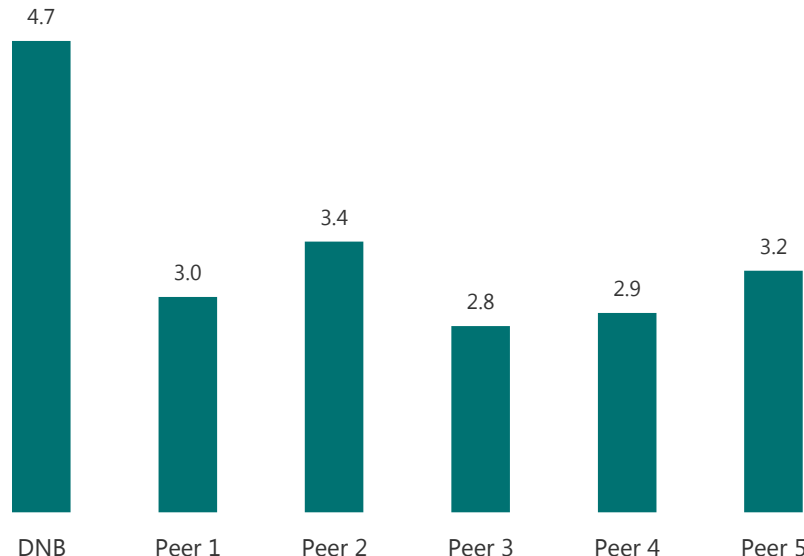
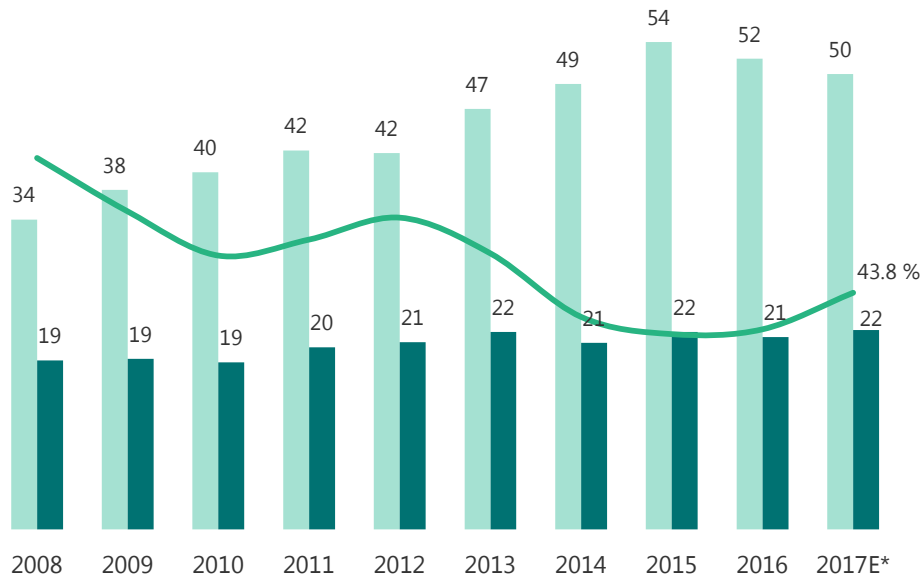


# Cost efficiency is becoming more important to remain competitive in a changing landscape



Reduced cost/income ratio from 56% to 43.8% over the past 10 years

Revenue per FTE\*\*  
NOK million, 2016



Income (NOK billion)   Costs (NOK billion)   C/I (%)

\*2017 annualised per 3Q  
\*\*Source: Arctic Securities



# Further cost reductions through digitalisation and automation

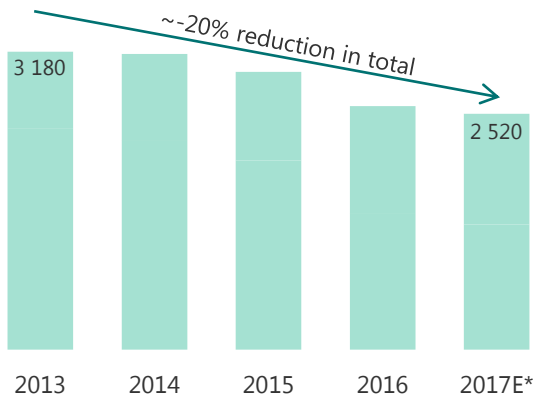
– More manual processes can be automated

We have reduced branch distribution by 2/3 over the past 3 years

Number of branches



Number of FTEs in retail and customer service in the personal customer and SME segments



\*Estimated at year-end

Further cost potential in core processes



Automation of credit processes



Onboarding process



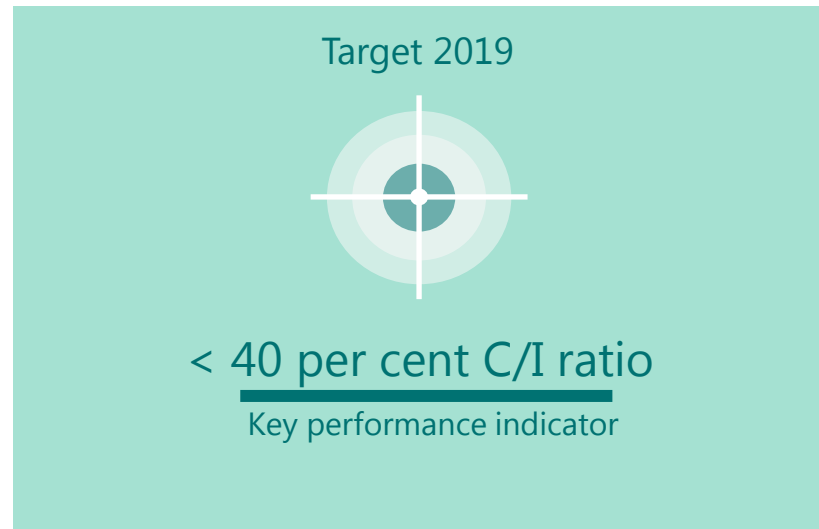
Efficient customer sales and services

# Automation of core processes is the next major cost initiative



Aggregated gross cost saving initiatives of NOK 1.5 to 2.0 billion 2018-2020

Our cost/income ratio target remains at <40 per cent



\*Not adjusted for inflation. Annual cost reductions referring to the Baltic operation are not included.

# DNB is well positioned for regulatory changes

## Implications of IFRS 9 and BRRD\* for DNB



### IFRS 9

- The EU transitional rules will be reflected in similar Norwegian regulations and thus have very limited effects on the CET1 ratio
- An estimate of full implementation of IFRS 9 from 1 January 2018 would give a reduction in equity of NOK 3.0-4.0 billion, corresponding to a 20-30 bps reduction in the CET1 ratio



### BRRD\*

- The sum of the deposit guarantee fund levy and the resolution fund fee is estimated to reduce NII by around NOK 400 million from 2019

## Other regulatory changes



### BASEL IV

- Basel IV is not expected to have any material effect on total RWA due to the Norwegian version of the Basel I floor
- More level playing field with respect to risk weights and capital requirements



### MiFID II

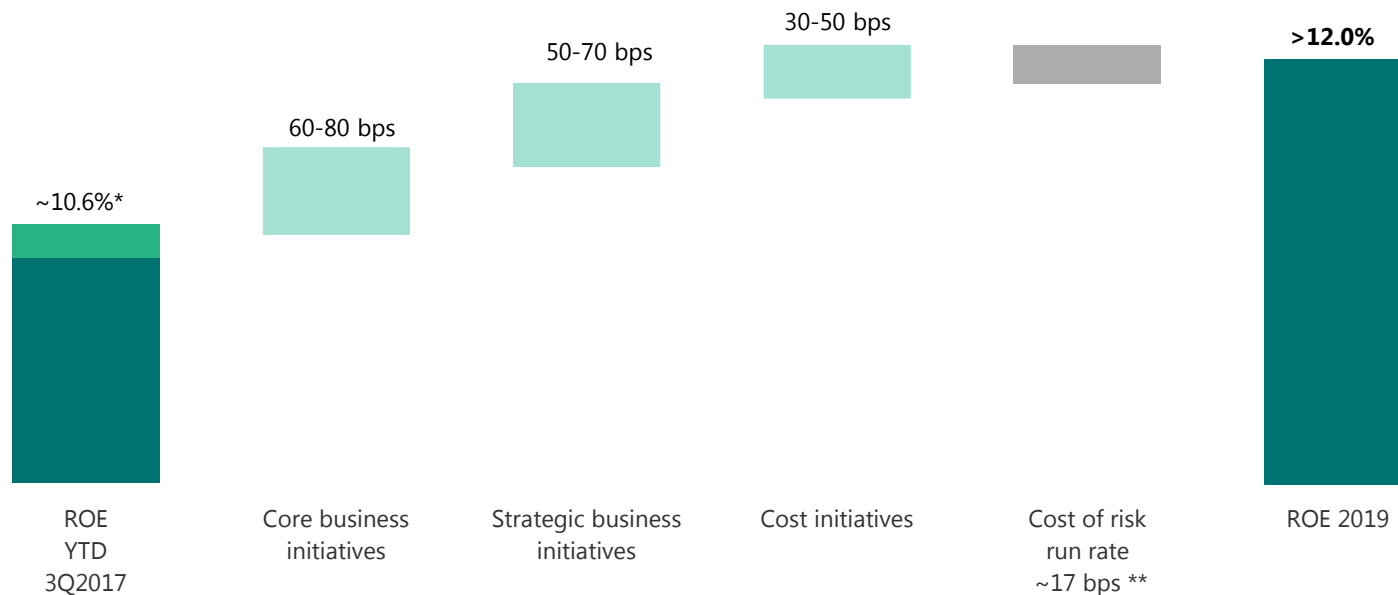
- MiFID II is expected to increase pre- and post-trade transparency in the markets
- DNB Markets is well positioned as a regional and industry specialist and has a leading position in Norway

\*Bank Recovery and Resolution Directive

# A return on equity above 12 per cent remains our main priority

Bridge to ROE > 12 per cent towards year-end 2019

Basis points



\* Adjustments for MTM effects and gain from the demerger of Vipps

\*\*Basis point of EAD



## ROE target within reach

- Well capitalised, also with Basel IV
- Aiming to increase dividend per share combined with share buybacks
- DNB Livsforsikring in dividend position – will strengthen DNB's payout capacity
- Positive Norwegian macro outlook and strategic initiatives strengthen revenue platform
- Positioned for further cost reductions through digital transformation



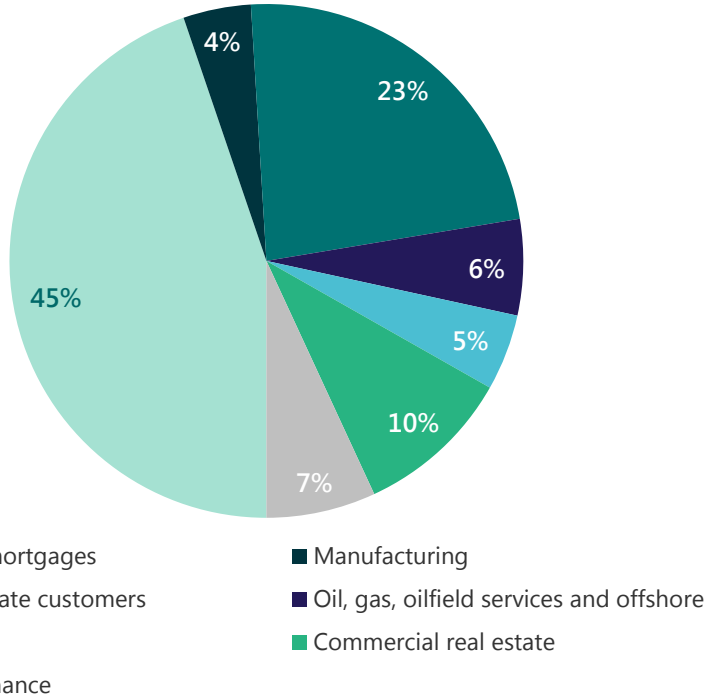
# High portfolio quality

- Improved overall portfolio quality
- Robust mortgage book
- De-risked oil-related portfolio
- Reduced and stabilised risk after rebalancing of the large corporate portfolio

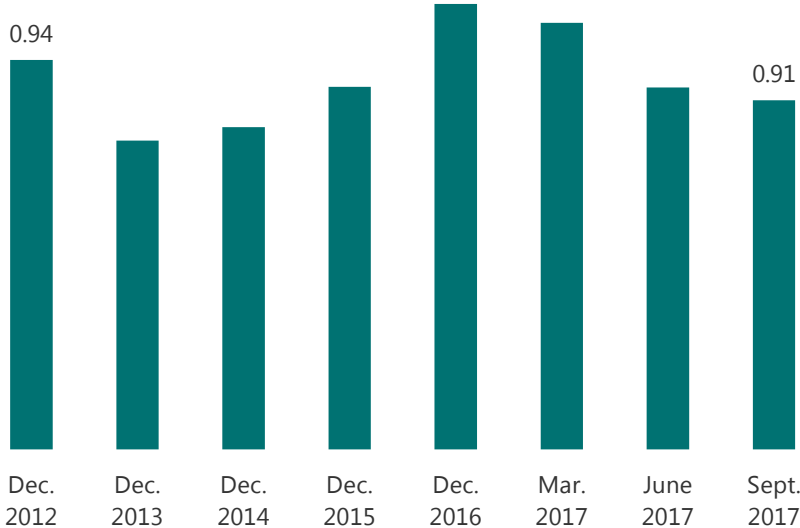


# Portfolio quality back to pre-2016 levels

Well-diversified portfolio – concentration risk reduced  
30 September 2017



Probability of default – DNB Group  
Per cent of EAD, excluding non-performing and doubtful loans

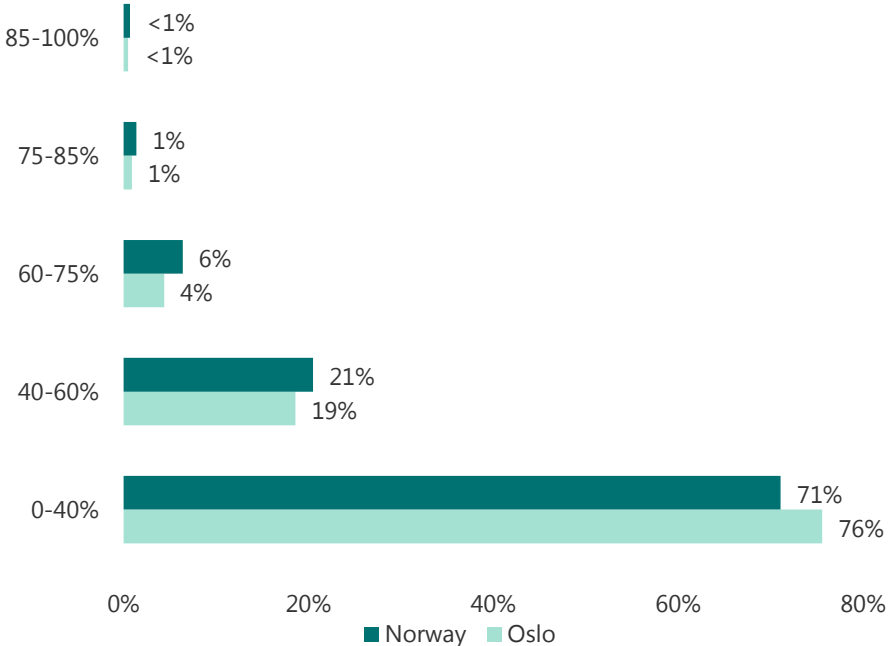


# Robust mortgage portfolio

**Low and stable probability of default for mortgages**  
Per cent of EAD, excluding non-performing and doubtful loans



**Loan-to-value ratio provides significant buffers**  
Marginal LTV distribution, as at 30 September 2017

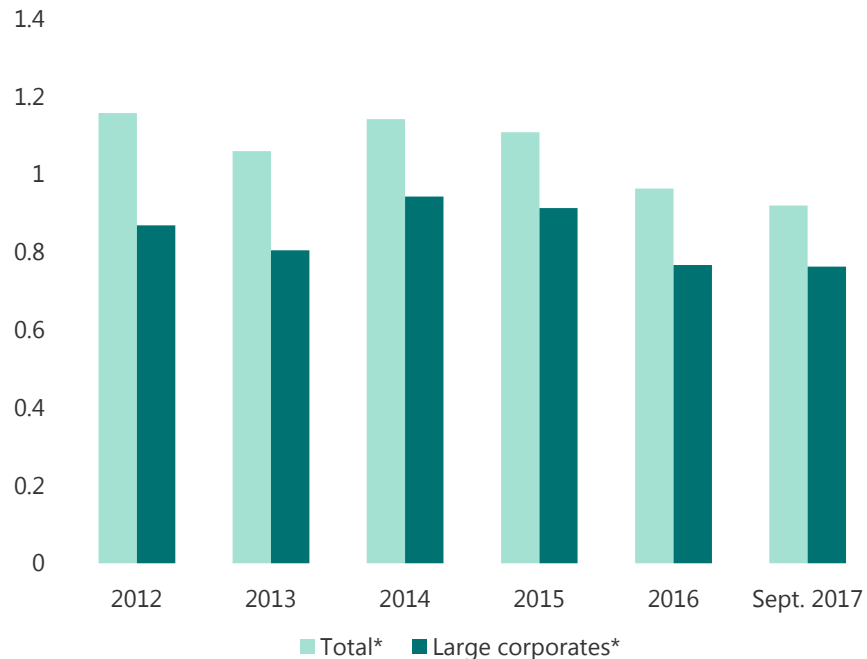


# General corporate\* portfolio quality improving

– Healthy and stable residential and commercial real estate portfolios

## Stable probability of default

Per cent of EAD, excluding non-performing and doubtful loans



## Robust residential and commercial real estate portfolios

PD, per cent of EAD, excluding non-performing and doubtful loans

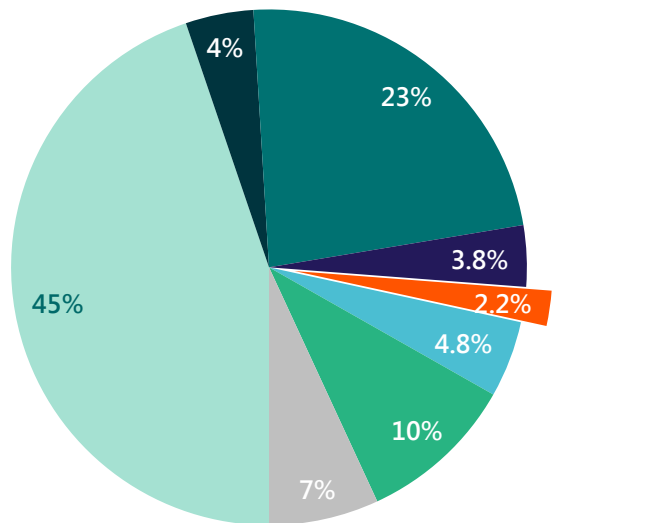


\* All segments excl. shipping, oil & gas, commercial real estate and residential real estate

# Rebalancing in the large corporate segment results in a less cyclical portfolio

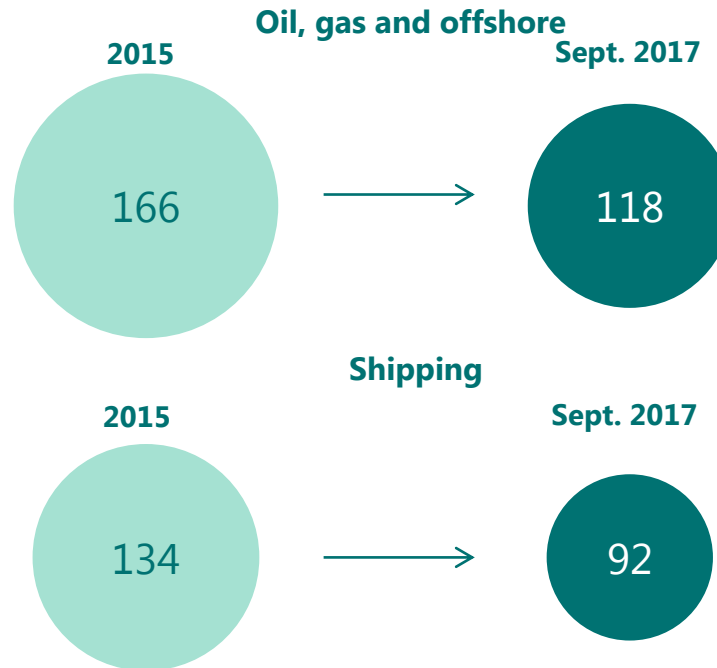
– Only 2.2 per cent of DNB's portfolio is exposed to the offshore industry

Total loan portfolio – EAD NOK 1 895 billion  
As at 30 September 2017



- Residential mortgages
- Other corporate customers
- Offshore
- Commercial real estate
- Manufacturing
- Oil, gas and oilfield services
- Shipping
- Consumer finance

Reduced exposure in cyclical industries  
Exposure at default, NOK billion



# Revised impairment guiding up to year-end 2018

Impairment approaching normalised levels

Impairment guiding 2016-2018



**2017-2018: Around 17 basis points of EAD**

**Impairment levels will vary from quarter to quarter**

- Reassessed impairment and recoveries
- Net individual impairment
- Change in collective impairment
- Total impairment in relation to average volumes, annualised

## High portfolio quality

- Improved overall portfolio quality
- Robust mortgage book
- De-risked oil-related portfolio
- Reduced and stabilised risk after rebalancing of the large corporate portfolio



# Large Corporates and International

Transforming the way we do business

**Increasing ROE in the large corporate segment by:**

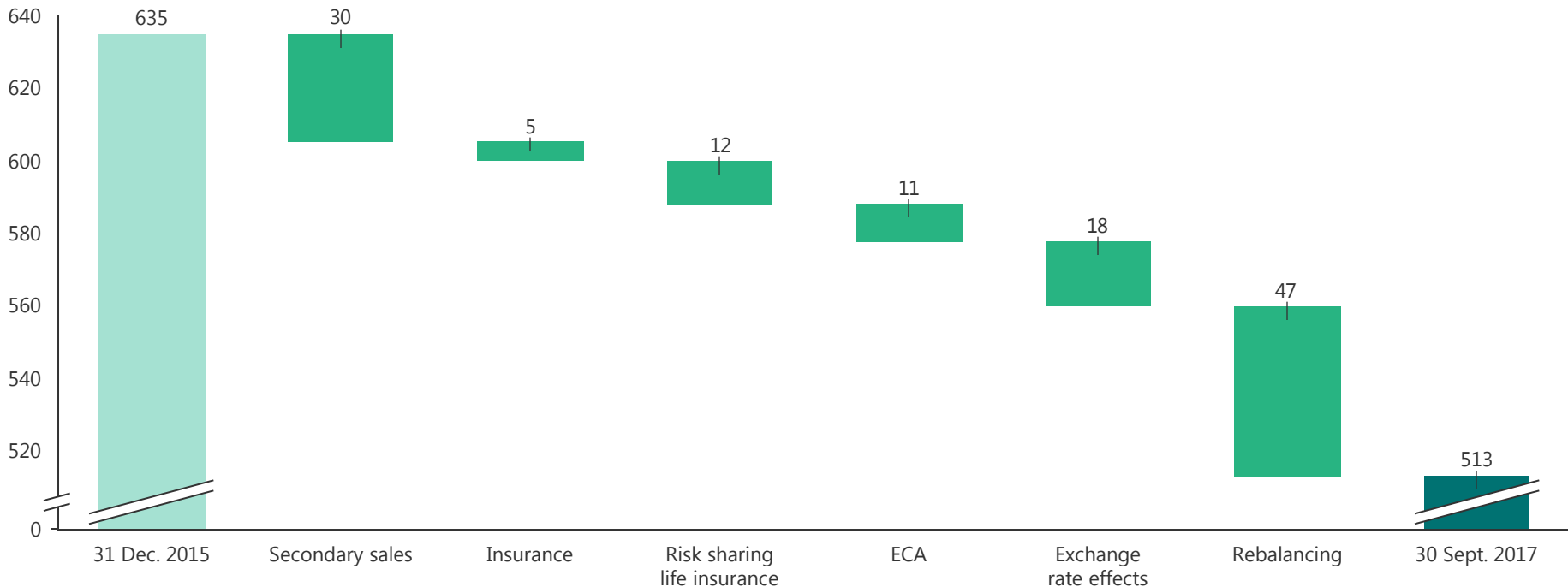
- Rebalancing of portfolio
- Allocation of capital to higher return
- Increased capital turnover



# Strong platform for profitable new business

– Delivered on the RWA reduction in 2016

RWA\* reductions of approx. NOK 125 billion

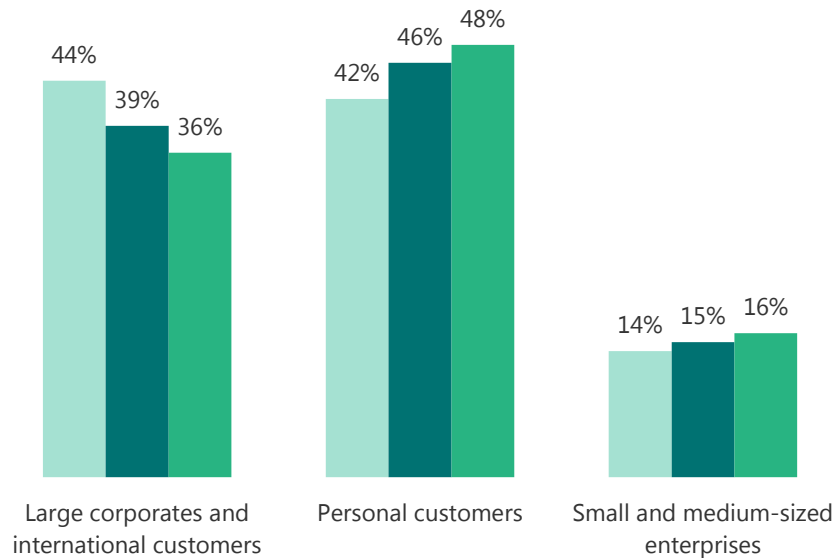


\* Basel I transitional rules

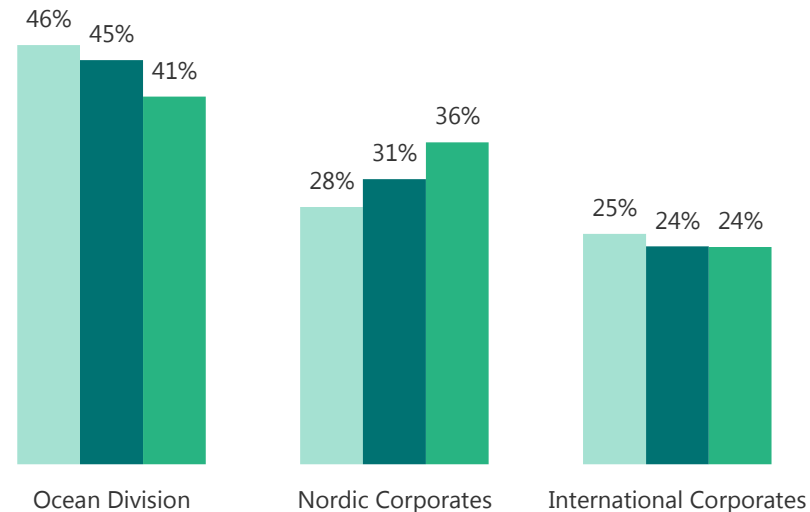
# Strict prioritisation of capital to profitable exposure

– Capital is re-allocated to profitable exposure, also within the LCI segment

Exposure at default  
(per cent of portfolio)



Exposure at default per LCI division  
(per cent of LCI's portfolio excl. Baltics)



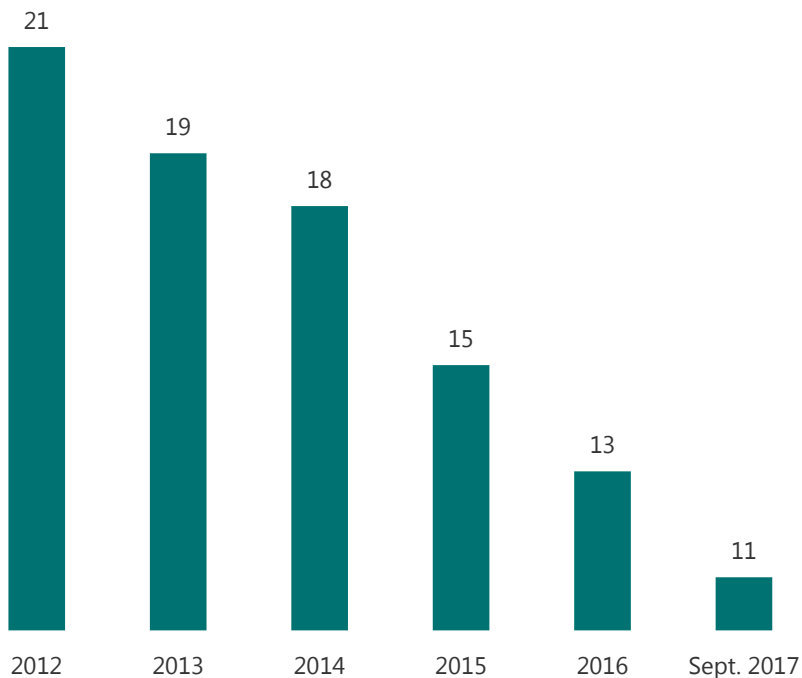
■ Sept. 2015 ■ Sept. 2016 ■ Sept. 2017

■ Sept. 2015 ■ Sept. 2016 ■ Sept. 2017

# Substantial reductions in shipping and oil-related industries

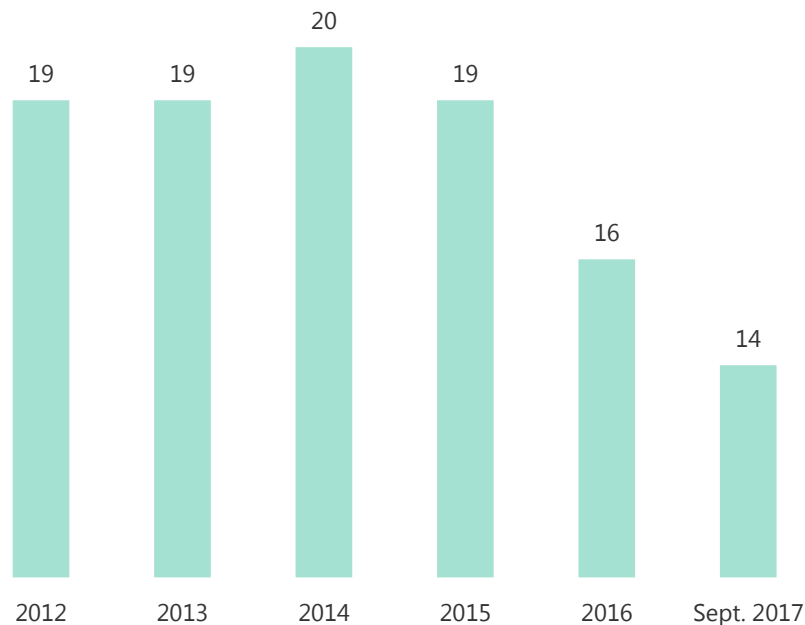
## Shipping exposure reduced by above 45 per cent since 2012

Shipping EAD in USD billion



## Oil-related exposure reduced by about 30 per cent since 2012

Oil, gas and offshore EAD in USD billion



# Transforming the way we do business

– Implemented new tools to increase ROE

Toolbox for reaching ROE > 12 per cent



Capital use



Costs



New business



Non-core



Originate  
and  
Distribute

# Accelerating the tail-end of the rebalancing in a new non-core division

– Enabling full focus on profitable new business through Originate and Distribute

Significant contribution to improving ROE

A clear exit strategy for the non-core portfolio



Approx.  
USD 10 billion  
portfolio in EAD

## The mandate of the new division:

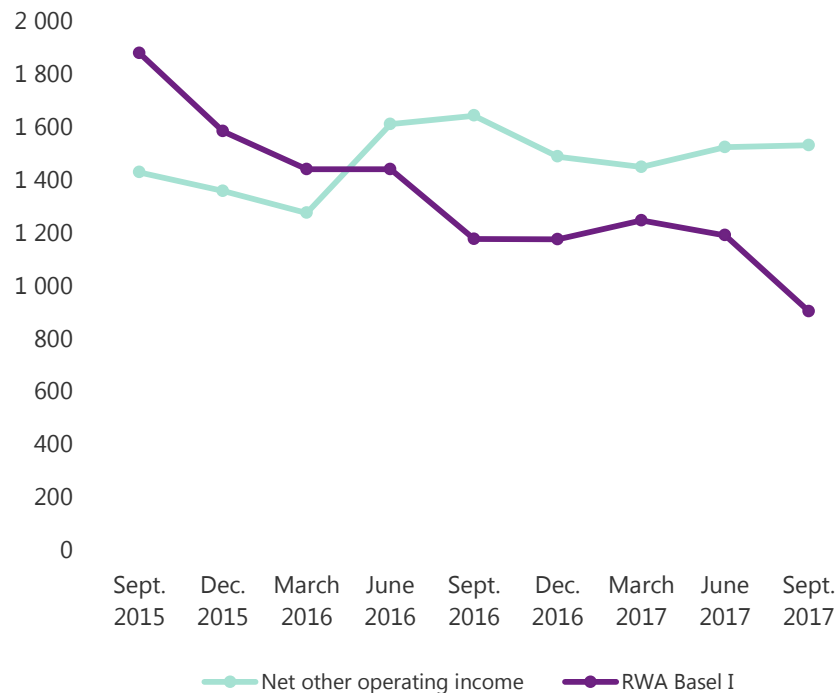
- Effective as of 1 January 2018
- The portfolio is limited to shipping and oil-related exposures
- Taking over a portfolio of exit exposures and certain loss-exposed loans
- About 30% of exposure is subject to restructuring
- Less than 20% loss exposed and non-performing
- Mandate to speed up volume reduction

# Implemented an Originate and Distribute business model

– More efficient use of capital

## Improving the use of capital over the last 12 months

NOK million, RWA right hand axis



## Implemented Originate and Distribute

- Established a dedicated team (in place at end-September 2017)
- Expanded the distribution capacity
- Ensuring that new exposure will be more 'eligible' for distribution

### The most important tools for higher turnover of capital are:

- Bridge-to-bond
- Lower final holds
- Shorter tenors
- Guarantees
- Sub-participation

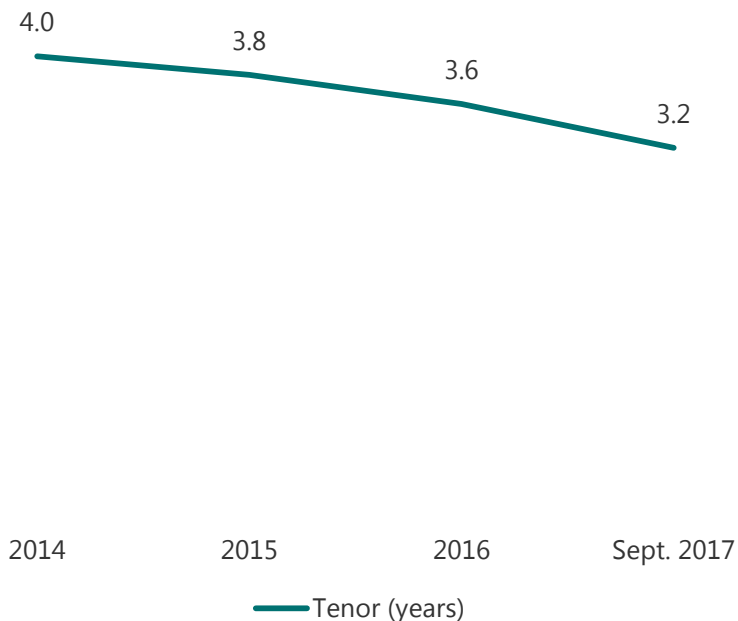
### Working to add new tools, such as:

- Investment funds
- Credit-linked notes
- Synthetic portfolio solutions

# Increased capital turnover in the large corporate segment

## – Increasing the ROE

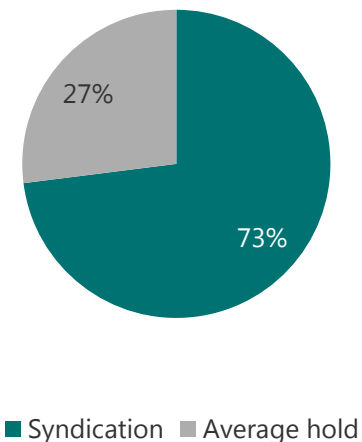
The contractual remaining tenor has decreased....



\* Based on a volume of USD 7 billion

...and the share of syndication has increased in 2017

- Average syndication has historically been around 50%
- Our target is 75% average syndication
- The average in 2017 so far is 73%\*:



# Large Corporates and International

Transforming the way we do business

**Increasing ROE in the large corporate segment by:**

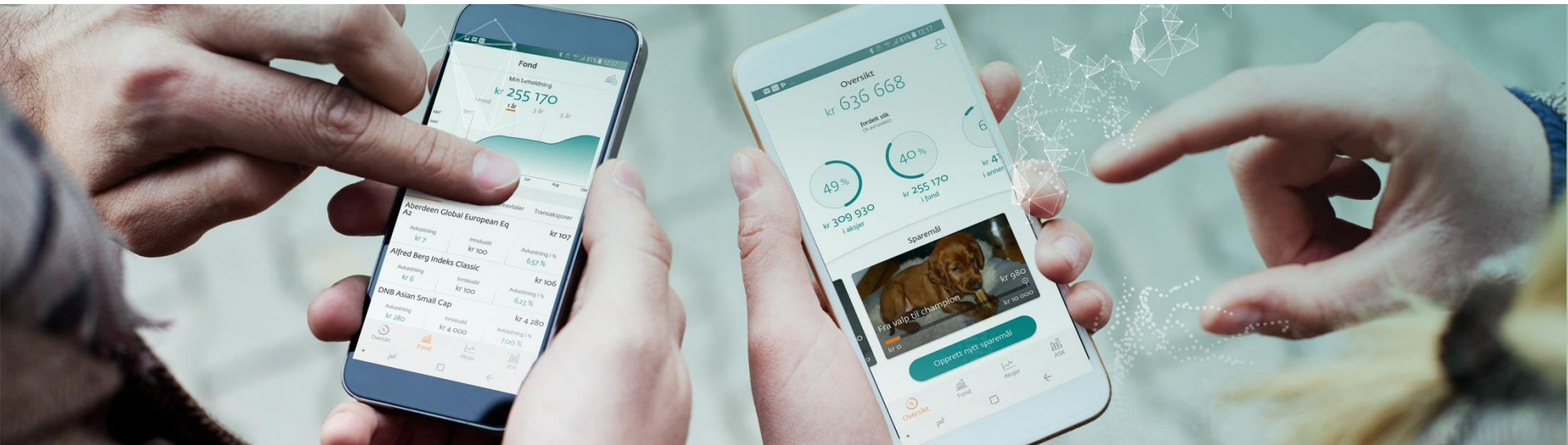
- Rebalancing of portfolio
- Allocation of capital to higher return
- Increased capital turnover



# Positioning Personal Banking for the future



- Selling more at a lower cost
- Building strategic digital platforms



# Norway is a digital front runner – enabling change



96%  
of Norwegians use the  
Internet



6%  
of payments are made in  
cash



No. 1  
world's best ICT  
infrastructure

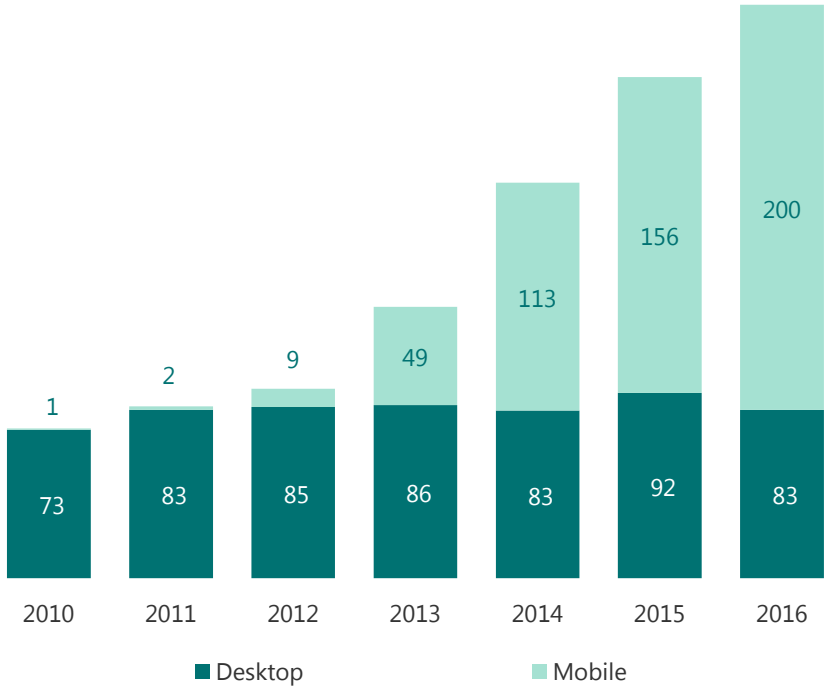


91%  
of Norwegians use online  
banking services

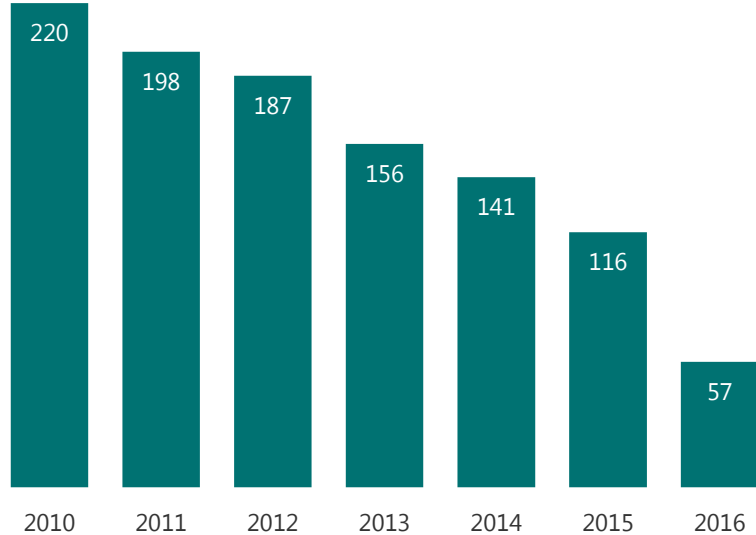


# Personal Banking has transformed the way we do business

Mobile platform driving growth in digital banking  
Annual visits to our digital platforms in millions



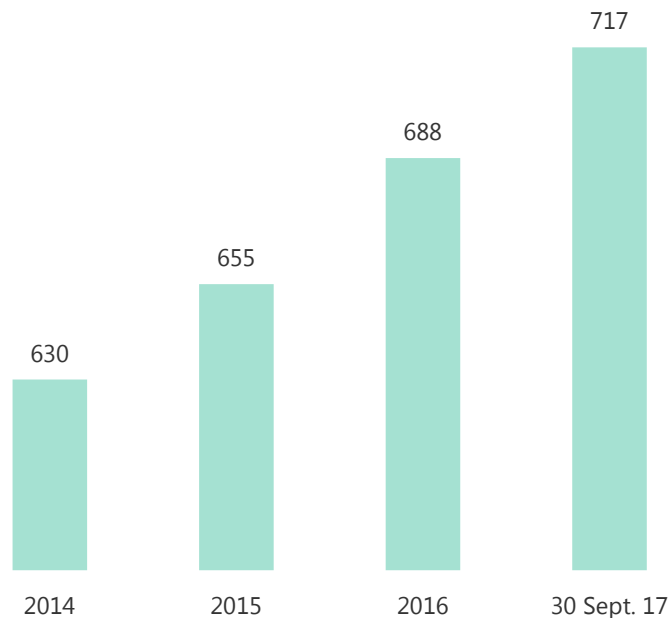
Transforming our branch network  
Number of branch offices



# Consistent and profitable growth in mortgage portfolio

- Major contributor to group ROE improvements

5 per cent annual growth in mortgage portfolio  
Portfolio in NOK billion\*



Selling more at a lower cost

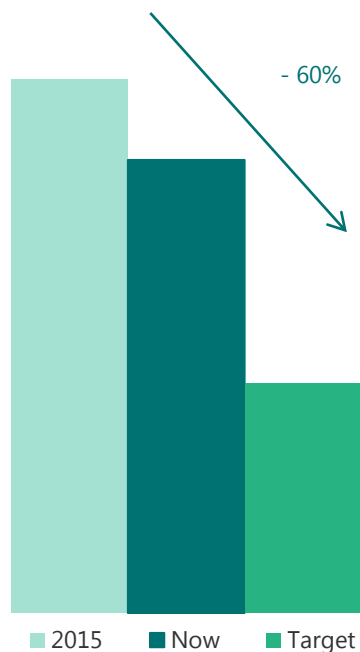
- DNB's mortgage portfolio has grown from NOK 630 billion (end 2014) to NOK 717 billion by 3Q 2017\*.
- This growth is consistent and profitable, with low risk, and mainly originates from prioritised city areas.
- Since 2014, the number of FTEs authorised to sell mortgages has been reduced by more than 20 per cent, while the volume of mortgages sold per FTE has increased by more than 40 per cent.

\*Mortgages, total amount drawn, plus portfolio transferred to DNB Livsforsikring

# Revolutionising secured lending with a fully automated mortgage process

## Boosting efficiency with automation

Reduction in time spent on mortgage applications to personal customers



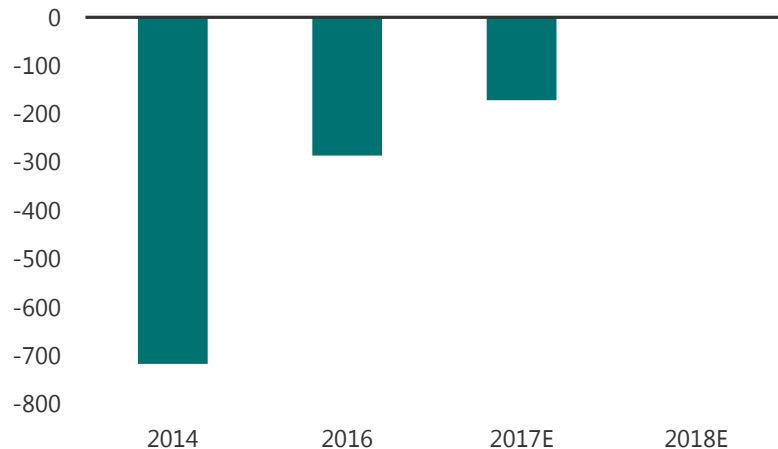
## Delivering a fully automated mortgage process

- New value proposition: enhanced customer experience, improved efficiency and higher quality.
- Digital refinancing launched in 2016. Next step: Fully digital pre-approval letters\*.
- Targets for mortgage automation:
  - Refinancing: 90 per cent starting digitally - 45 per cent of digital applications fully automated
  - Pre-approval letters: 75 per cent starting digitally - 30 per cent of digital applications fully automated
- Today, 60 per cent of refinancing applications are digital, and 20 per cent of these are fully automated.

\*Binding offer from DNB to finance a customer's new home up to a certain amount. Based on a full credit process.

# Continuing to cut costs in manual payments

Deficit from manual payments in NOK million

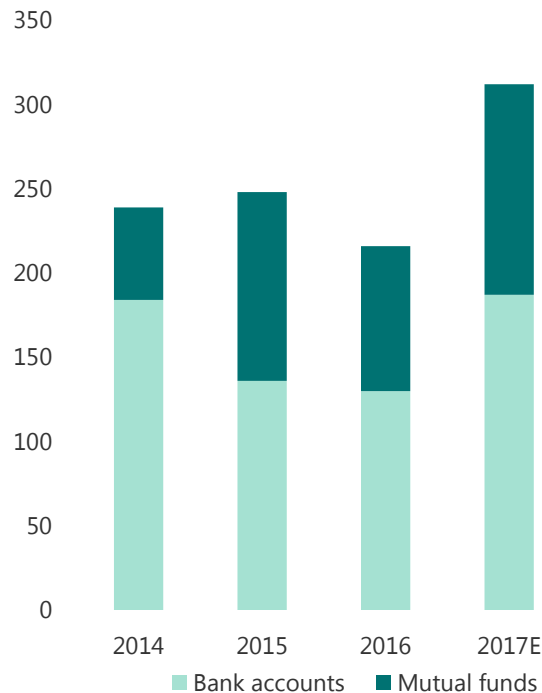


Well on our way to eliminating the deficit from manual payments

- New solutions, such as Vipps, are changing customer behaviour, moving away from cash.
- From January 2015 to 3Q 2017, manual payments in DNB have been reduced by 36 per cent.
- Terminated distribution of manual payments through Norway's largest retailer in June 2017.

## New savings app driving increased activity and sales

Number of savings agreements sold per year\* in thousands

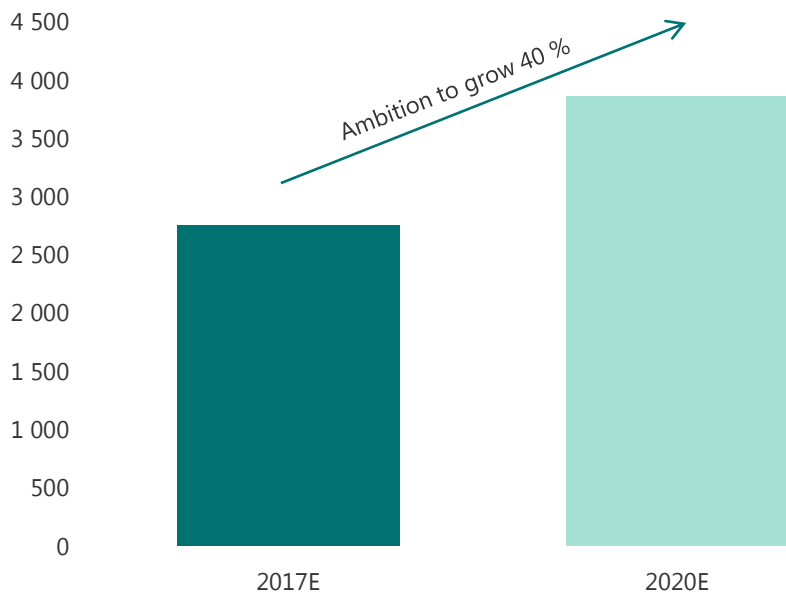


## The future of savings – building an open platform

- New customer-friendly and popular savings app and other new savings products\*\* launched in 2017.
- Providing a platform for profitable growth.
- Offering customers all their savings in one app - including mutual funds, and eventually accounts from outside DNB.
- Turning Spare into an open platform, connecting customers and third parties.

# Non-life insurance is profitable – we are ready to grow

Sticking to our goals, but reaching them at a later date  
Written premium per year in NOK million\*



## Challenging the insurance market

- We are a market challenger, and now we are going to act like one. We have a revised strategy, with a new competitive edge.
- Non-life insurance in DNB is profitable, and we are positioned for growth.
- We aim to grow fast through simplification, personalisation and automation.

\*2017 annualised per 3Q - Includes Individual Life and Disability Insurance sold from DNB Forsikring

# Positioning Personal Banking for the future



- Selling more at a lower cost
- Building strategic digital platforms



# From a P2P service to a payment platform

**LEADING PLATFORM:** The preferred payment partner in the Nordics

**SPIN-OFF:** Strong ownership ensures future growth

**360 DEGREES PAYMENT:** Payment solutions in every situation

**INCREASING NO. OF TRANSACTIONS:** Main focus on growth in e-commerce and invoice payment

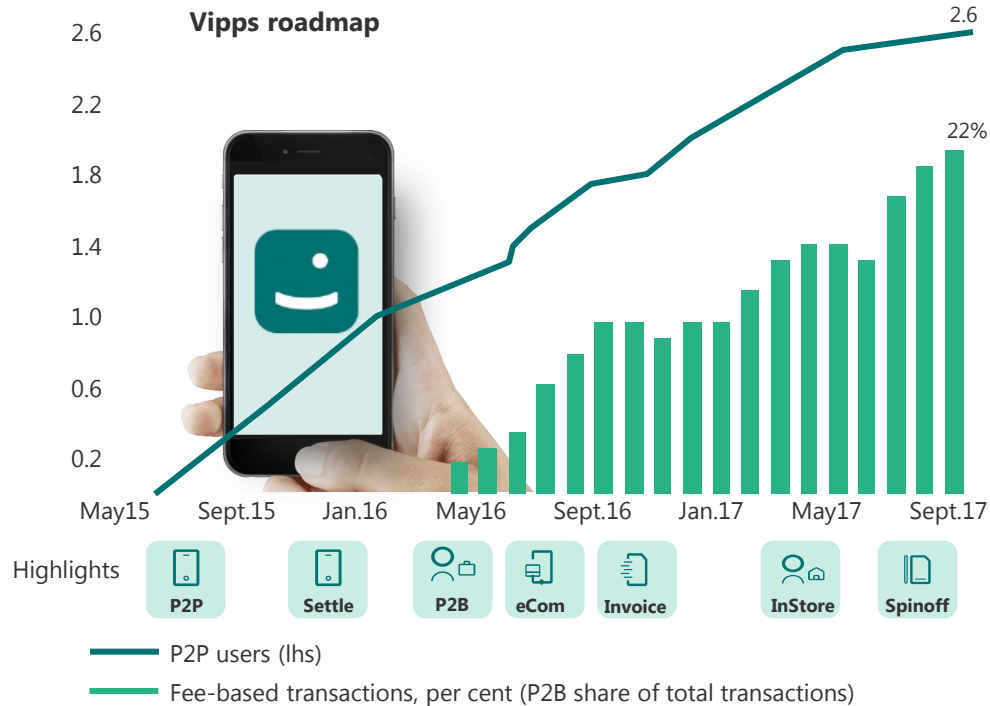


# Expanding from a P2P service to a leading payment platform

Leveraging on a strong P2P customer base to increase the number of fee-based transactions

Active users, million

## Vipps roadmap



## Strong link between P2P customer base and P2B attractiveness

- 61 per cent of the Norwegian population (above the age of 15) is using Vipps P2P
- >45 000 businesses, associations and sports clubs accept payments via Vipps P2B
- InStore solution in pilot with McDonalds
- 22 per cent of transactions are generating fees

## Expanding to the Nordics

- Ambition to make Vipps the preferred payment partner for companies operating across the Nordics
- Will make our technological platform available across the Nordics

# Strategic partnership to meet international competition

105 Norwegian banks rally around the Vipps payment platform, while an additional four banks have a distribution agreement



109 out of 128  
Norwegian banks  
are distributing  
Vipps

## Vipps – a single, strong and distinct payment service provider

- Two main bank-backed competitors in the mobile payment market have terminated their operations
- Norwegian banks stand united behind the Vipps platform; ensures strong distribution

## Vipps spun off as an autonomous joint venture

- 105 banks as owners
- Four banks with distribution agreements
- DNB as the majority shareholder

# Vipps, BankAxept and BankID teaming up to create a Nordic champion

Combining the building blocks to create a holistic offering and gain new opportunities in the payment landscape



## Benefiting from combining the separate building blocks

- Strengthen innovative power and increase speed in product development
- Significantly reduce transaction costs – improved earnings capacity
- Economies of scale – cost synergies
- Access to more than 109 000 new points of sale

## A potential spearhead into new markets

### Norway has one of the world's best payment infrastructures

- Result of 25 years of cooperation between Norwegian banks



v:pps

**Price**

Cost reductions

v:pps

**Trust**

Secure payments

v:pps

**Simplicity**

Disruption

v:pps

**Availability**

Distribution power

# Norway loves v:pps

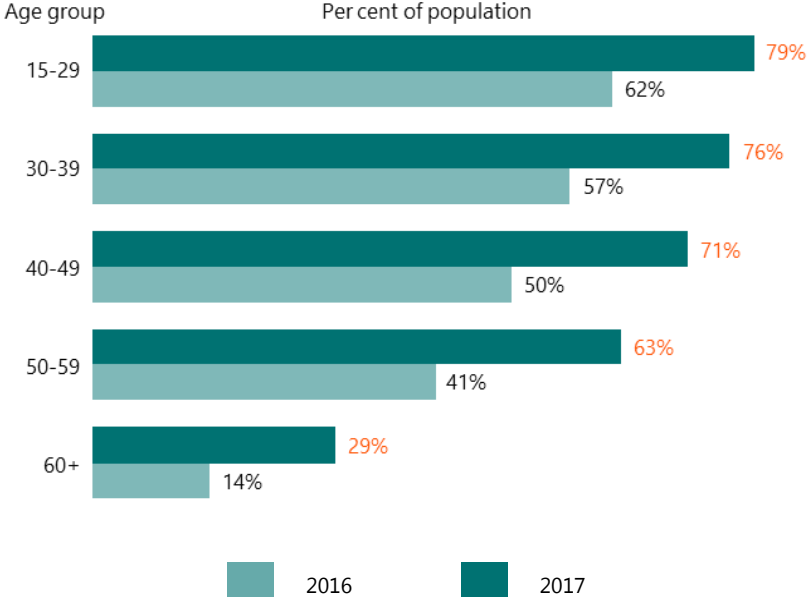
The fastest growing brand in Norway

95%

Brand recognition



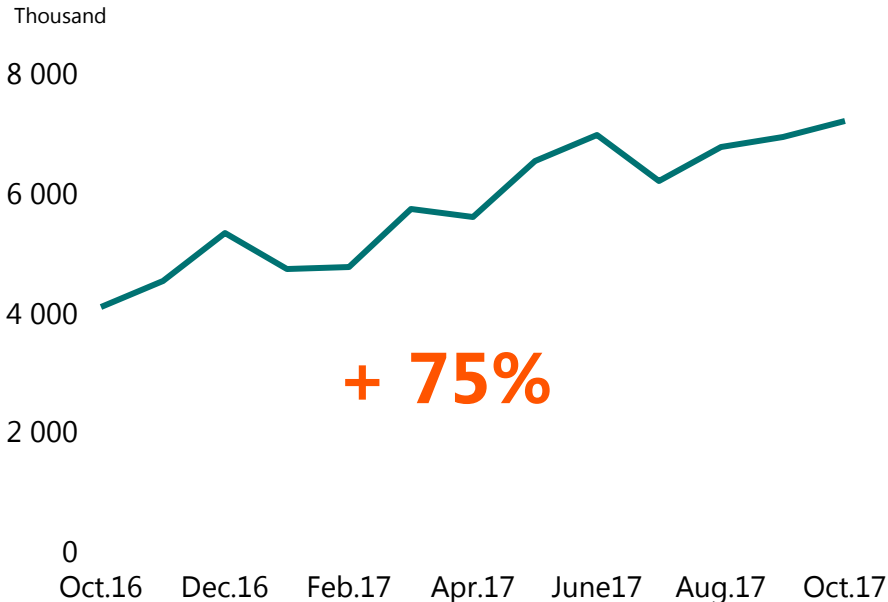
## Market share by age group



Source: Statistics Norway

# P2B transactions – the main volume growth driver

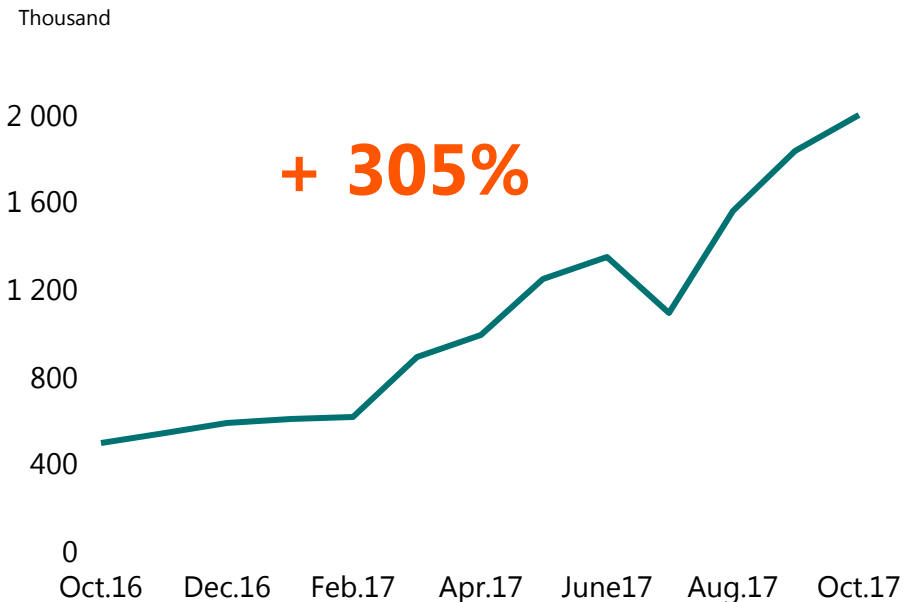
**P2P** transactions, Oct. 2016 – Oct. 2017



**+ 75%**



**P2B** transactions, Oct. 2016 – Oct. 2017



**+ 305%**

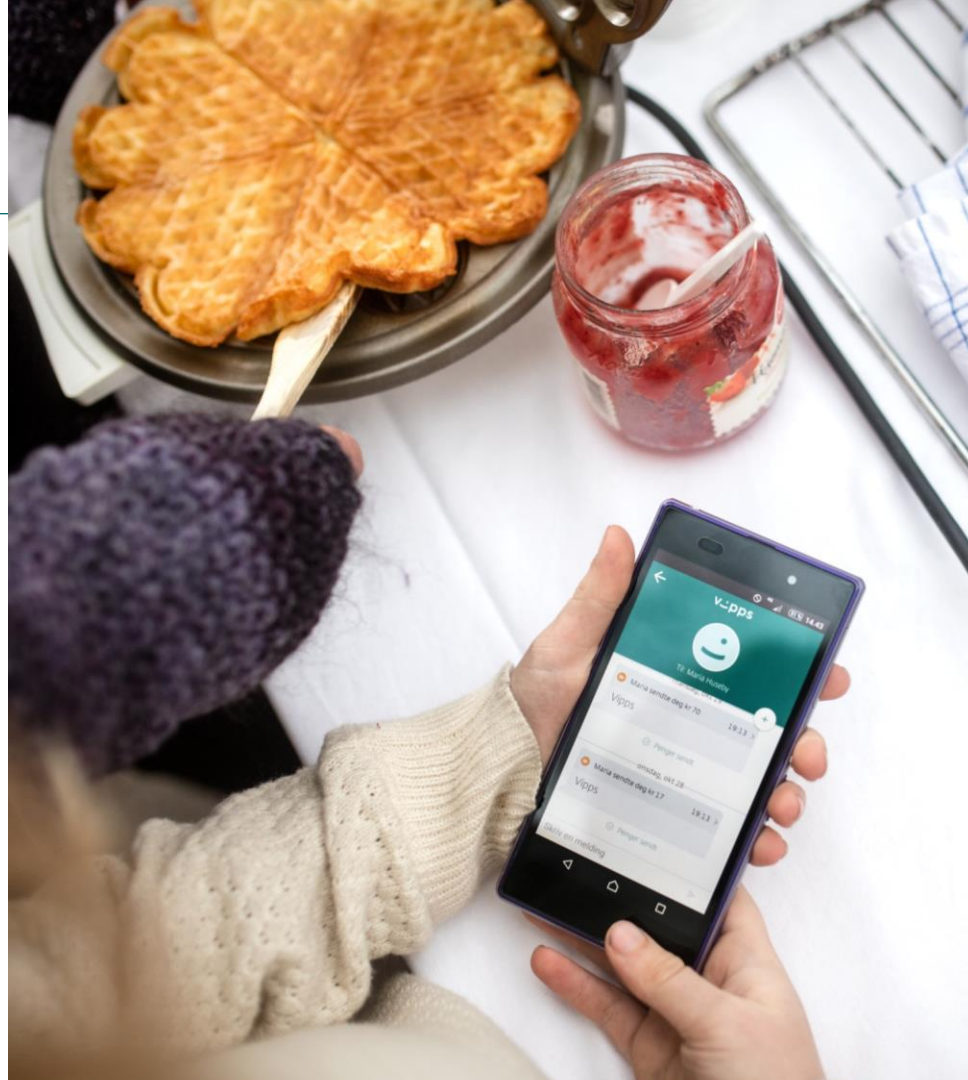
# Reducing transaction costs

Enabling instant payments for P2P transactions by moving from international card scheme to account-based solution

and at the same time...


Reducing transaction costs by up to 60% in 2018

v:pps



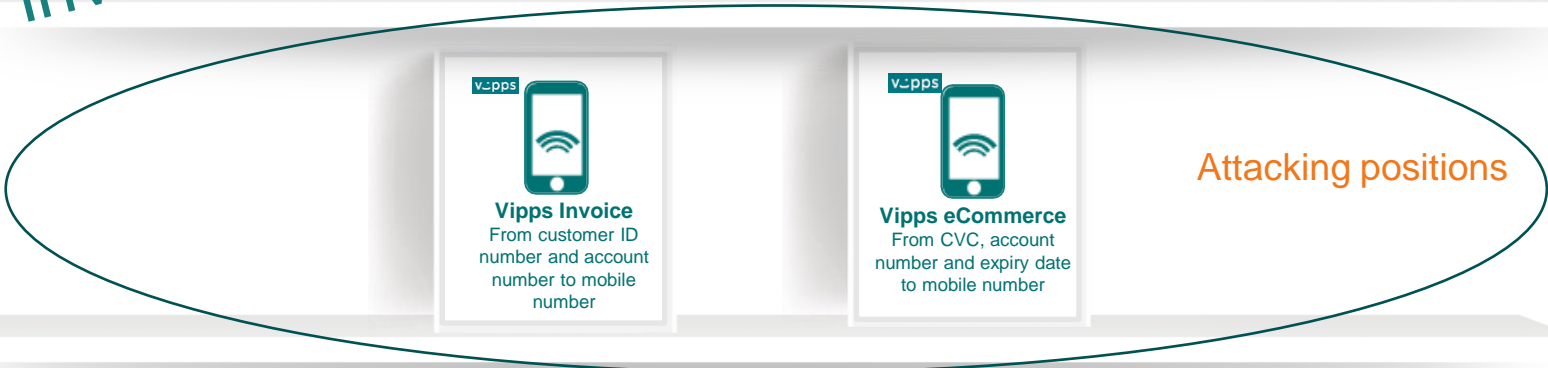
# Attacking e-commerce and invoice payment

v-pps




**Vipps inStore**  
From card and PIN code to mobile and FingerID

Pilot




v-pps



**Vipps Invoice**  
From customer ID number and account number to mobile number


v-pps



**Vipps eCommerce**  
From CVC, account number and expiry date to mobile number

Attacking positions

v-pps



**Vipps P2P**  
From account number to mobile number

v-pps

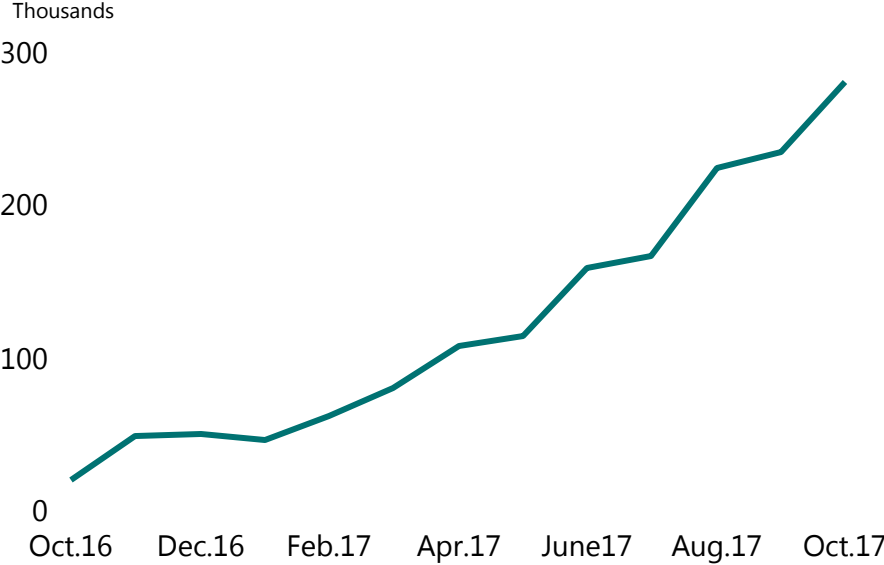


**Vipps sports clubs, associations and businesses**  
From cash to mobile number

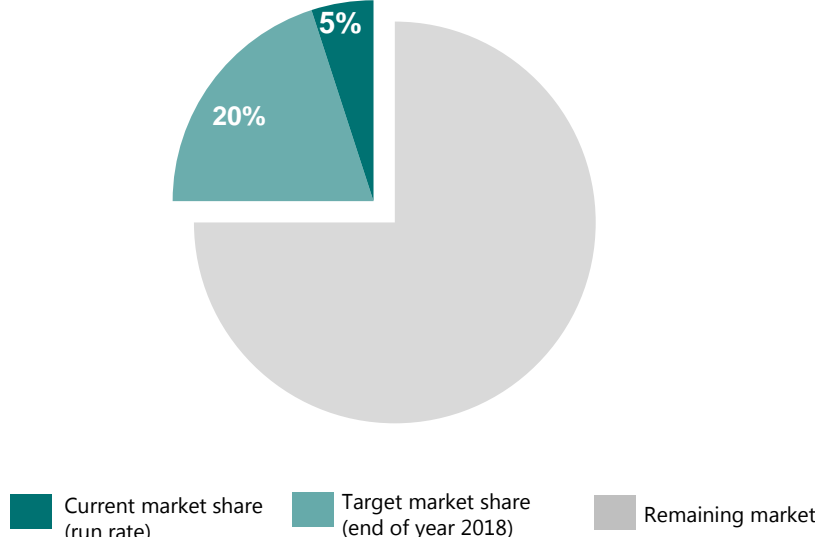
Strong position

# E-commerce – gaining traction

E-commerce transactions, Oct. 16 – Oct. 17



Total market ~60-80 million transactions per year

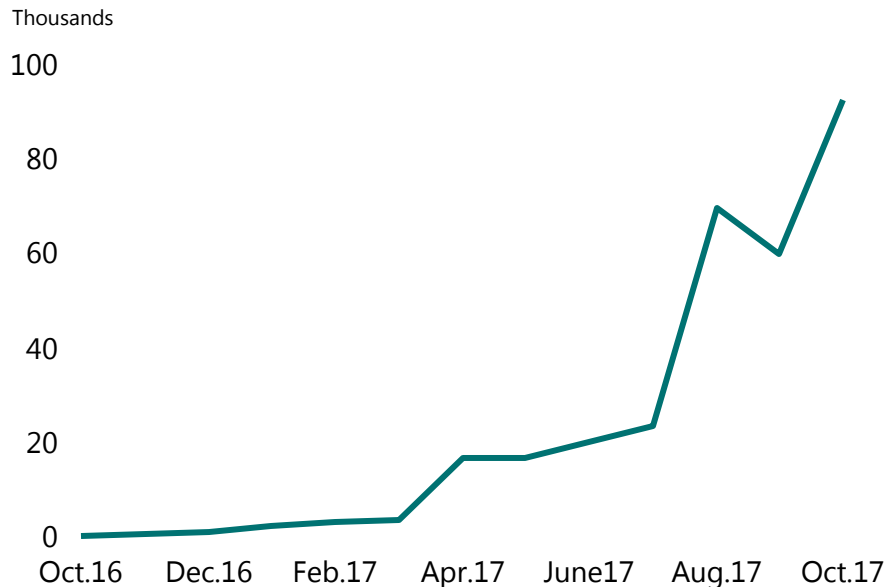


Source: DIBS, PostNord

20-30% of the transactions when Vipps is an option

# Invoice payment – a potential game changer

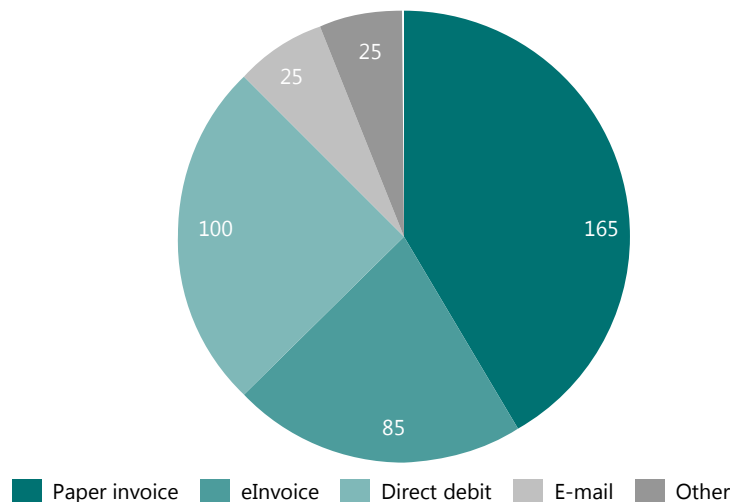
## Invoice transactions, Oct. 2016 – Oct. 2017



vipps

## Total market of 400 million invoices each year

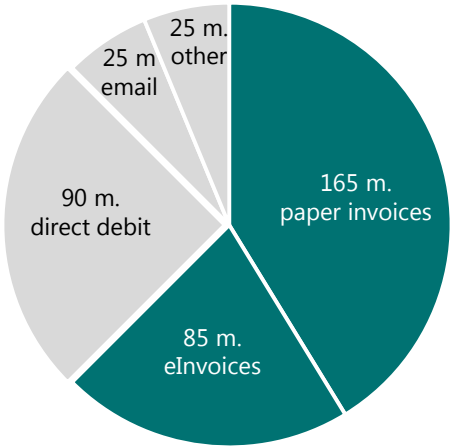
Millions



**Collection rate:**  
Vipps = 10 days.  
Average = 20 days

# It's the customer's choice!

## Customer choices



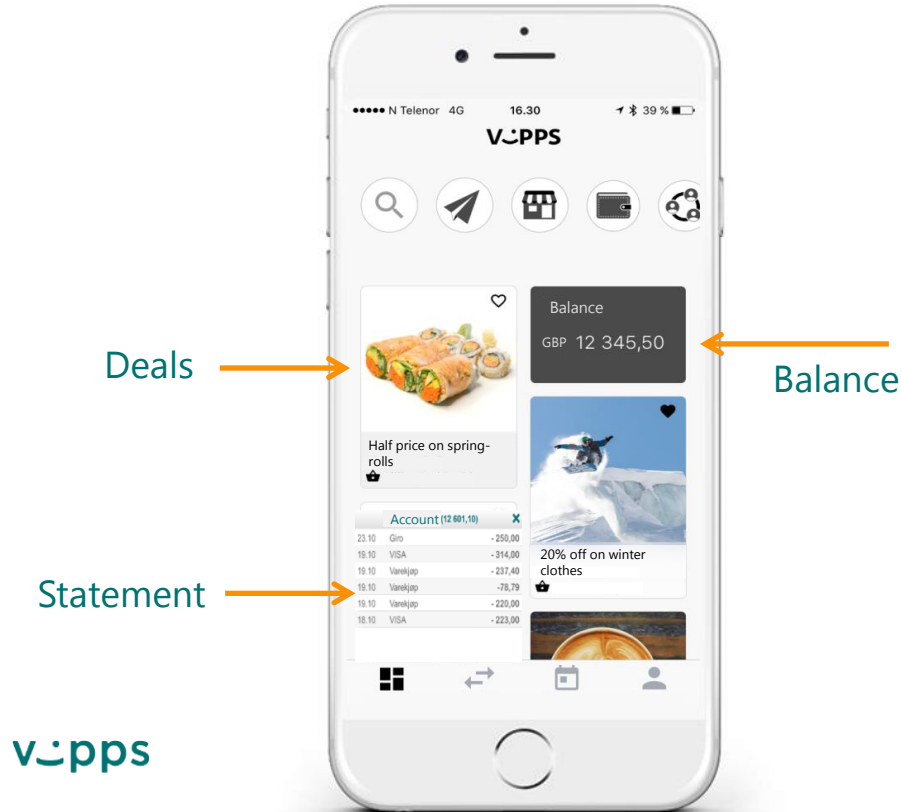
■ Paper invoice ■ eInvoice ■ Direct debit ■ E-mail ■ Other



## Vipps ambitions

- Our goal is to offer Vipps Invoice as an option every time a paper invoice or a digital online bank invoice is issued.
- A shift in power
- ERPs will ensure higher volumes

# PSD2 – another opportunity for Vipps



- Becoming the "one-stop" environment for payments and financial overview
- Increase the traffic in Vipps
- Statements and balances create the most traffic in the online bank

# From a P2P service to a payment platform

**LEADING PLATFORM:** The preferred payment partner in the Nordics

**SPIN-OFF:** Strong ownership ensures future growth

**360 DEGREES PAYMENT:** Payment solutions in every situation

**INCREASING NO. OF TRANSACTIONS:** Main focus on growth in e-commerce and invoice payment



# CAPITAL MARKETS DAY

DNB

21 November 2017

