



VTB Group Q1 2008 Results Conference Call

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July 16, 2008



Some of the information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of JSC VTB ("VTB") and its subsidiaries (together with VTB, the "Group"). Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. We caution you that these statements are not guarantees of future performance and involve risks, uncertainties and other important factors that we cannot predict with certainty. Accordingly, our actual outcomes and results may differ materially from what we have expressed or forecasted in the forward-looking statements. These forward-looking statements speak only as at the date of this presentation and are subject to change without notice. We do not intend to update these statements to make them conform with actual results.

- **Core income up +114.4% y-o-y to US\$ 1.2 billion**

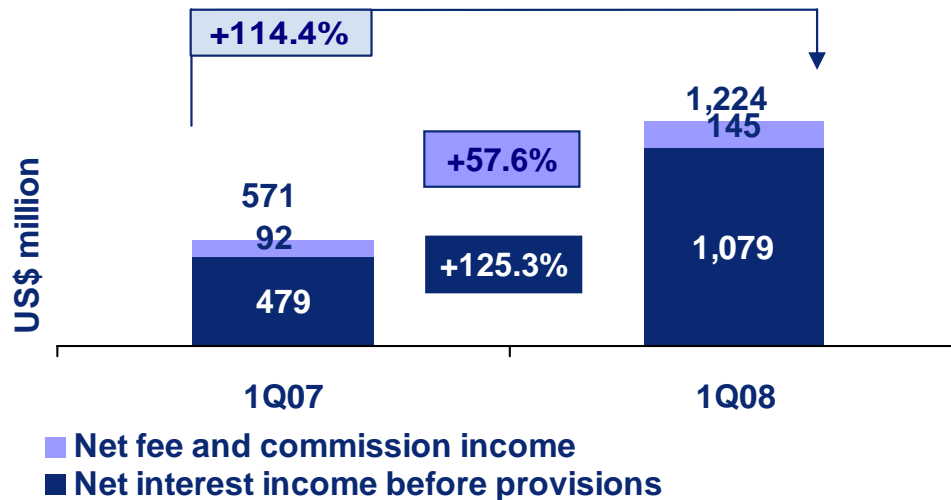
- **Net interest margin up to 5.1% from 4.4% in 2007**

- **Total loans up 15.7% q-o-q to US\$ 69.4 billion**

- **Total assets up 7.2% q-o-q to US\$ 99.3 billion**

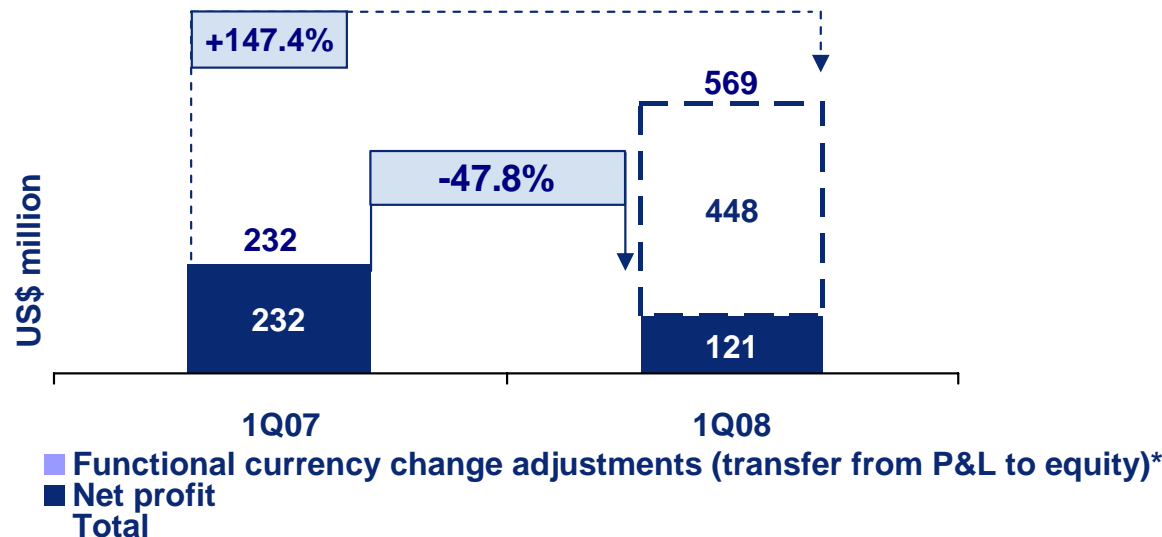
- **Net profit at US\$ 121 million as compared to US\$ 232 million in Q1'07**

Core income



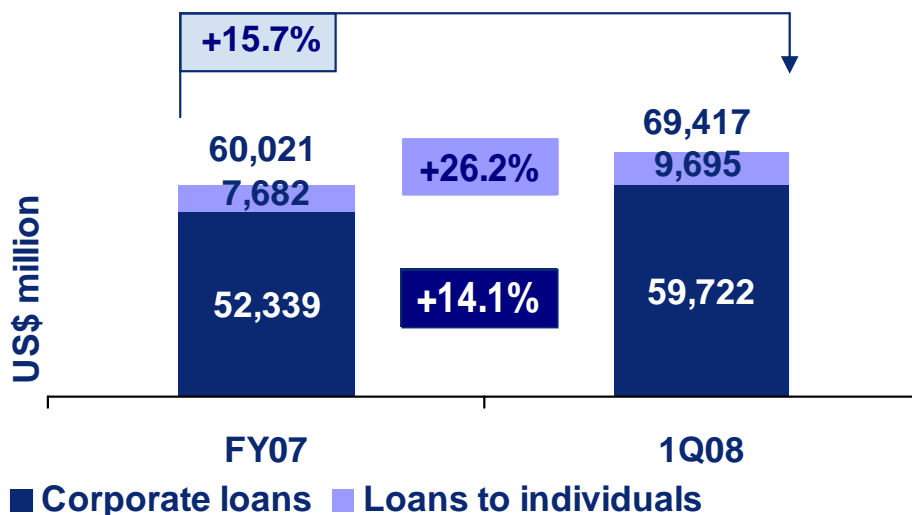
- Core income more than doubled in Q1'08 year on year due to VTB's significant growth in lending activities
- Reported net profit impacted by securities losses and value adjustments, as well as move to rouble currency basis in line with IFRS
- Comparable net profit on constant currency basis in Q1'08 would have been in excess of US\$ 550 million*

Net profit *



* Please note that the adjustment figure was based on VTB own estimates. For detailed information please find the currency breakdown in appendix on page 20.

Loans to customers (gross)

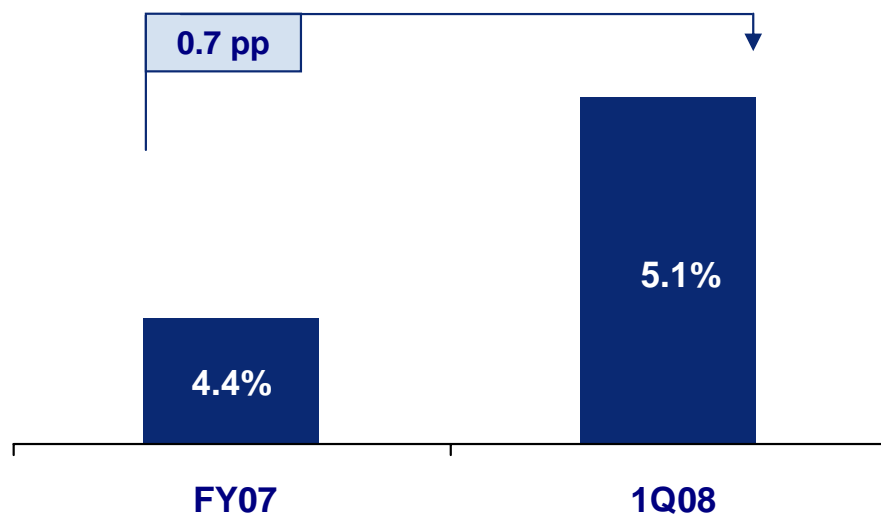


- Loan portfolio growth outperformed the market in both corporate and retail loans
- VTB Group gained #2 position in retail loans in Russia with market share of 6.7% in 1Q'08 compared to 5.9% at the end of 2007*

- # 2 position in corporate loans in Russia maintained with market share rising to 11.0% in 1Q'08 compared to 10.7% at the end of 2007*

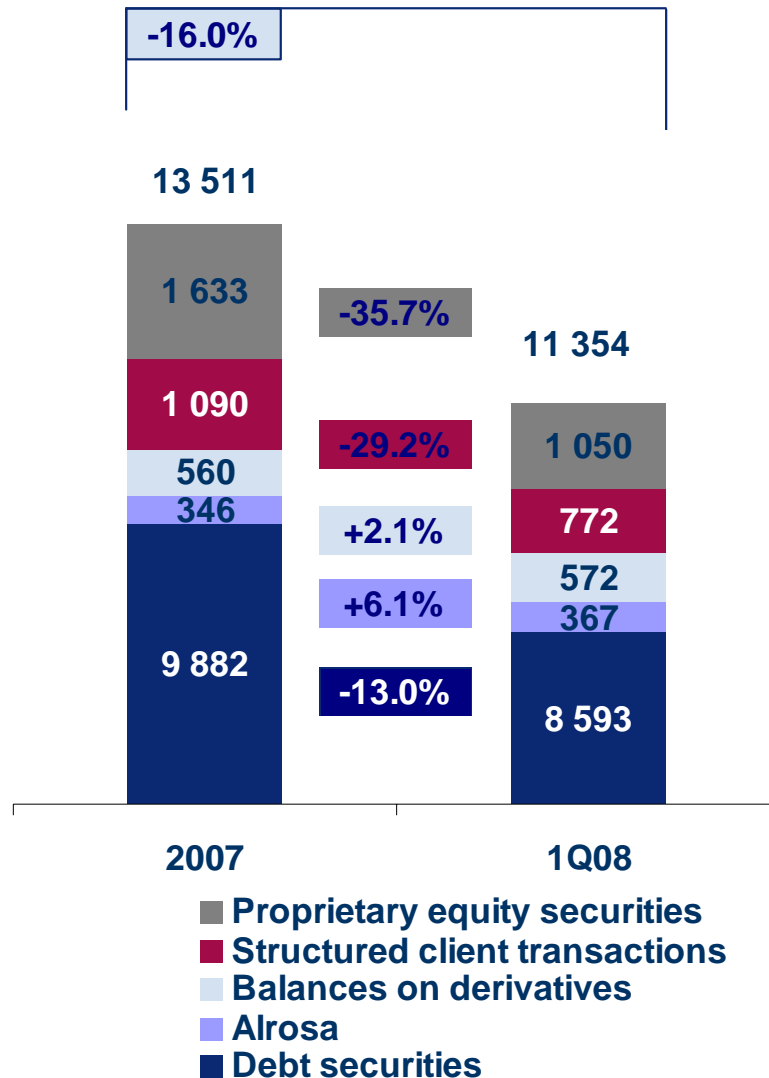
- Net interest margin rose to 5.1% in 1Q'08 compared to 4.4% 2007 and 4.6% in Q4'07

Net interest margin



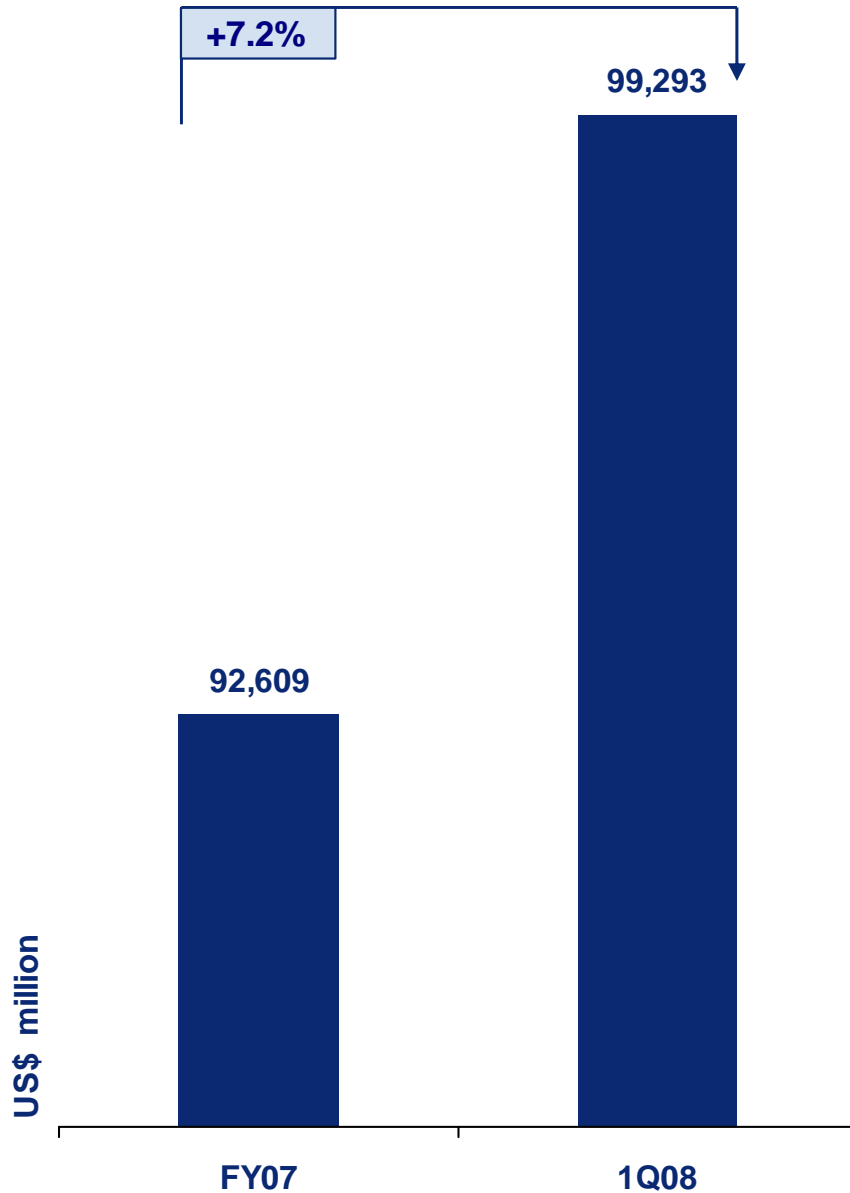
* Market share data are calculated in accordance with CBR.

Total securities

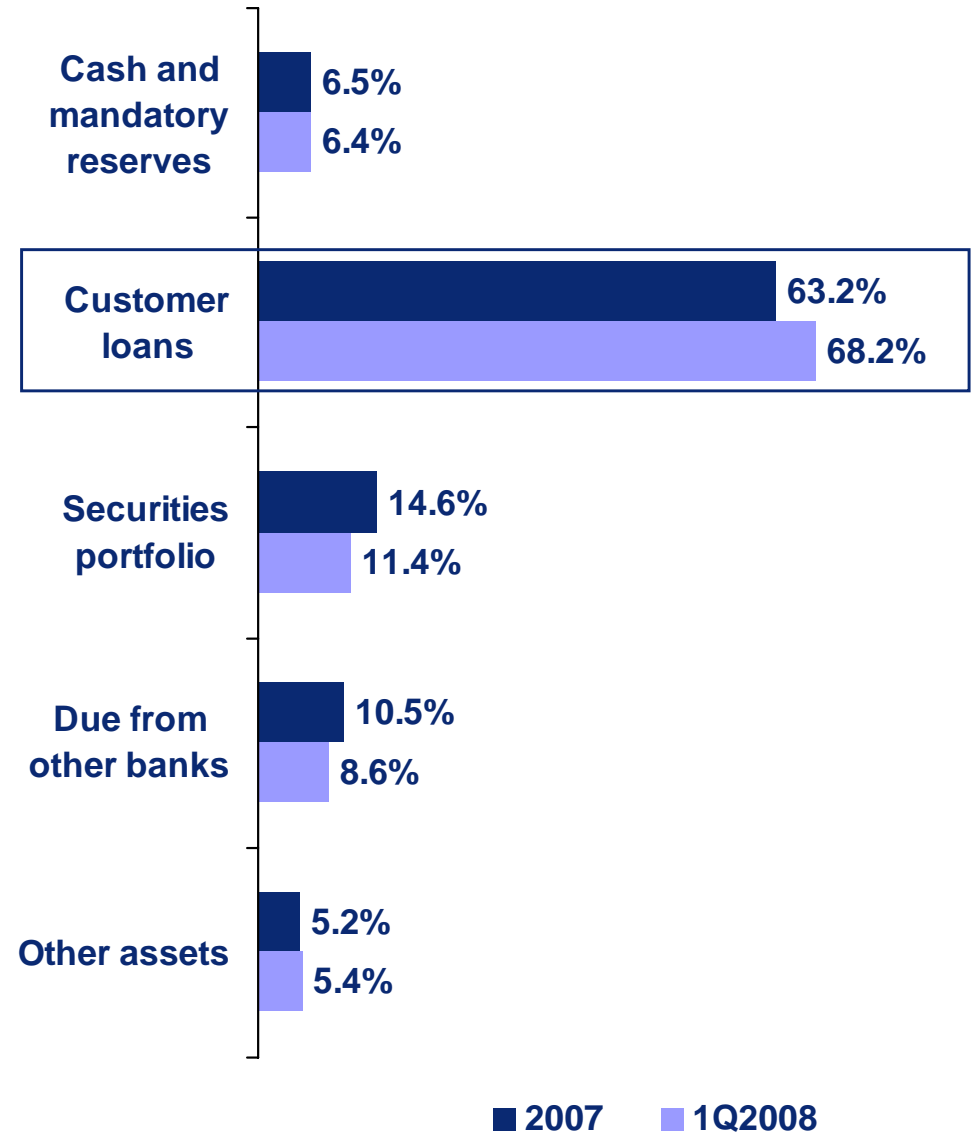


- Securities exposure fell as a result of prudent risk management strategy to reduce overall earnings volatility
- New approach to managing securities portfolio introduced:
 - Securities portfolio to be managed by dedicated team within Investment Bank
 - Risk management policy tightened with new risk limits and active hedging policy launch
 - Further reduction in proprietary exposure to equities in Q2'08.
- 10.63% stake in Alrosa shares sold post Q1'08

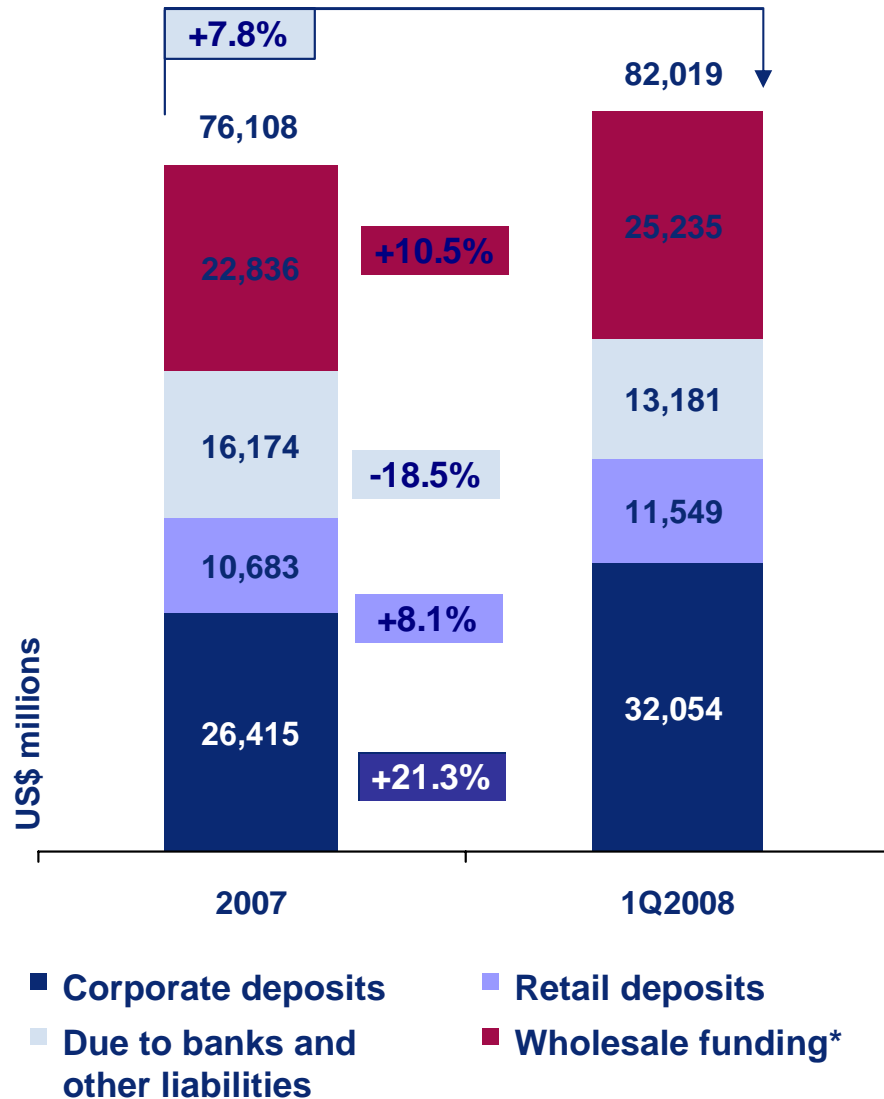
Total assets



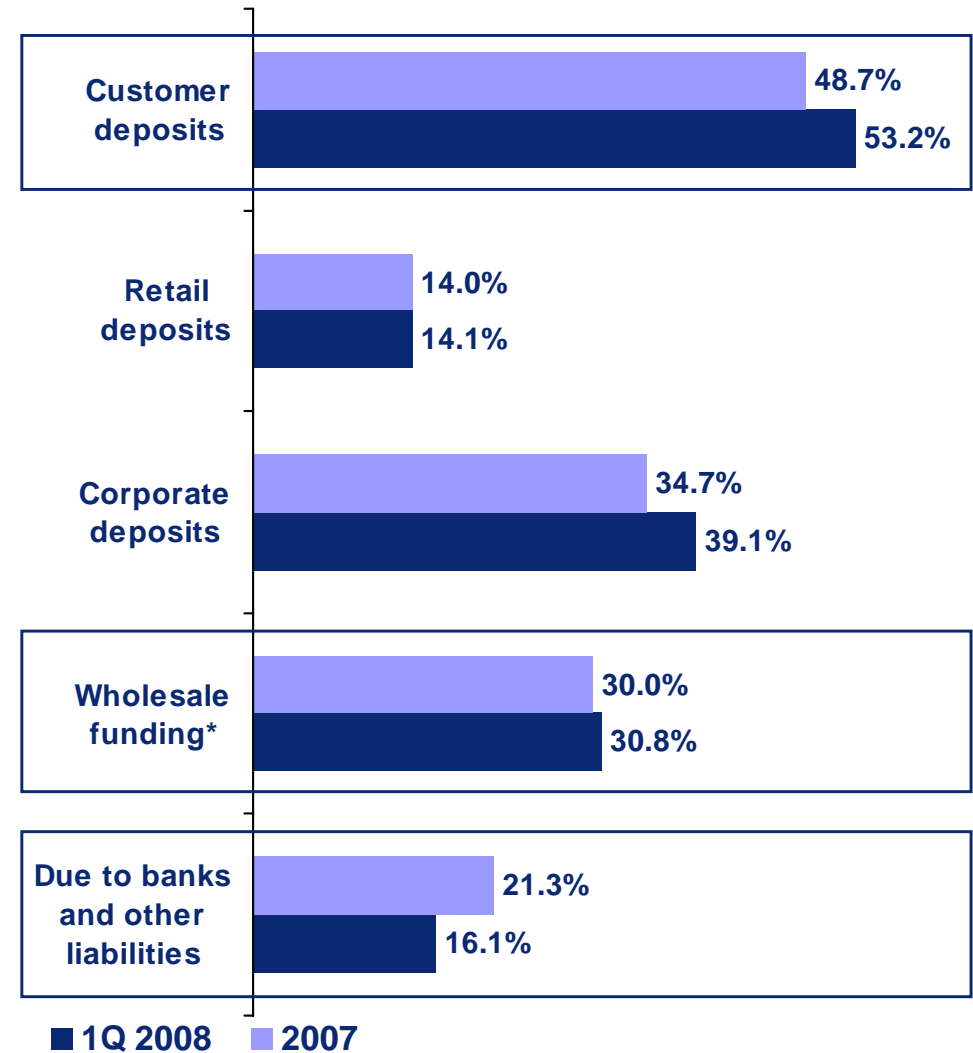
Breakdown of assets (as % of total)



Total liabilities



Breakdown of liabilities (as % of total)



* Including debt securities issued, other borrowed funds and subordinated debt)

Investment banking

- IB business build-out is underway - management team in place under leadership of Yuri Soloviev
- Development of business plan well in hand

Retail banking

- Branch roll out well on track – 50 new VTB24 branches opened in Q1 2008 with full year target of 500 in reach
- Active customer recruitment programme

VTB North-West

- 97% of VTB N-W shares now held by Group as a result of the statutory offer to VTB N-W shareholders*
- Right to enforced buy out

CIS / Rest of the World expansion

- Presence in Kazakhstan established with the representative office opening in Q1'08
- Branches in India and China opened in Q1'08
- US\$ 30 million for acquisitions in Moldova and Tajikistan are approved

* according to preliminary results



Appendix

Income statement

Unaudited figures

US\$ million	1Q/08	1Q/07	D, y-o-y	%,y-o-y	4Q/07	D, q-o-q	%,q-o-q
Interest income	2,105	1,059	1,046	99	1,744	361	21
Interest expense	-1,026	-580	-446	77	-920	-106	12
Net interest income	1,079	479	600	125	824	255	31
Provision charge for impairment	-194	-62	-132	213	-171	-23	13
Net Fee and Commission Income	145	92	53	58	143	2	1
Gains less losses arising from securities	-453	42	-495	n.a.	91	-544	-598
Foreign exchange translation gains less losses	-502	13	-515	n.a.	-26	-476	1,831
Gains less losses arising from dealing in foreign currencies	612	78	534	685	200	412	206
Other operating income	70	32	38	119	101	-31	-31
Operating income	757	674	83	12	1,162	-405	-35
Staff costs and administrative expenses	-542	-365	-177	48	-659	117	-18
- of which staff costs	-292	-183	-109	60	-327	35	-11
Profit from disposal of subsidiaries and associates	0	18	-18	-100	18	-18	-100
Profit before taxation	192	313	-121	-39	505	-313	-62
Income tax expense	-71	-81	10	-12	-42	-29	69
Net profit	121	232	-111	-48	463	-342	-74
of which minority interest	8	14	-6	-43	12	-4	-33

Balance sheet

Unaudited figures

US\$ million	31-Mar-08	31-Dec-07	D, q-o-q	%,q-o-q	30-Sep-07	30-Jun-07	31-Mar-07
Assets							
Cash and short-term funds	5,028	5,160	-132	-2.6	3,297	3,441	3,523
Mandatory cash balances with central banks	1,318	825	493	59.8	1,133	850	641
Financial assets at fair value through profit or loss	8,431	10,436	-2,005	-19.2	9,583	10,301	7,291
Financial assets pledged under repurchase agreements and loaned financial assets	1,538	2,212	-674	-30.5	3,149	1,156	2,463
Due from other banks	8,537	9,733	-1,196	-12.3	6,452	8,453	6,193
Loans and advances to customers	67,693	58,549	9,144	15.6	45,025	35,693	31,697
Financial assets available-for-sale, net	1,346	858	488	56.9	1,239	2,591	970
Investments in associates	190	167	23	13.8	191	185	173
Investment securities held-to-maturity	39	5	34	680.0	14	5	5
Other assets	5,173	4,664	509	10.9	4,172	3,548	3,197
Total assets	99,293	92,609	6,684	7.2	74,255	66,223	56,153

Balance sheet

Unaudited figures

US\$ million	31-Mar-08	31-Dec-07	D, q-o-q	%,q-o-q	30-Sep-07	30-Jun-07	31-Mar-07
Liabilities							
Due to other banks	11,689	14,794	-3,105	-21.0	9,245	5,753	6,643
Customer deposits	43,603	37,098	6,505	17.5	28,923	25,083	23,381
Other borrowed funds	5,437	5,176	261	5.0	5,714	4,679	4,279
Debt securities issued	18,644	16,489	2,155	13.1	12,130	13,189	12,915
Other liabilities	1,492	1,380	112	8.1	1,184	1,118	626
Total liabilities before subordinated debt	80,865	74,937	5,928	7.9	57,196	49,822	47,844
Subordinated debt	1,154	1,171	-17	-1.5	1,167	1,185	1,166
Total liabilities	82,019	76,108	5,911	7.8	58,363	51,007	49,010
Equity							
Share capital	3,084	3,084	0	0.0	3,084	3,084	2,500
Share premium	8,792	8,792	0	0.0	8,792	8,792	1,513
Treasury shares	-21	-21	0	0.0	-20	-21	
Unrealized gain on financial assets available-for-sale and cash flow hedge	90	109	-19	-17.4	62	92	49
Currency translation difference	1,340	663	677	102.1	580	417	391
Premises revaluation reserve	583	587	-4	-0.7	332	334	336
Retained earnings	3,111	2,993	118	3.9	2,674	2,123	1,994
Equity attributable to shareholders of the parent	16,979	16,207	772	4.8	15,504	14,821	6,783
Minority interest	295	294	1	0.3	388	395	360
Total equity	17,274	16,501	773	4.7	15,892	15,216	7,143
Total liabilities and equity	99,293	92,609	6,684	7.2	74,255	66,223	56,153

	1Q/08	FY/07	4Q'07	3Q/07	2Q/07	1Q/07
Net Interest Spread ⁽¹⁾	4.7%	4.1%	4.1%	4.4%	3.9%	4.3%
Net Interest Margin ⁽²⁾	5.1%	4.4%	4.6%	4.9%	4.1%	4.2%
Cost to income ⁽³⁾	74.9%	53.6%	57.8%	45.2%	56.8%	56.0%
Return on equity ⁽⁴⁾	2.9%	12.3%	11.4%	14.1%	9.7%	13.1%
Return on assets ⁽⁴⁾	0.5%	2.2%	2.2%	3.1%	1.8%	1.7%

(1) $(\text{Interest Income}/\text{Avg. Interest Earning Assets}) - (\text{Interest Expense}/\text{Avg. Interest Bearing Liabilities})$. Averages are calculated as a simple quarterly average.

(2) Net interest income divided by average interest earning assets, which include gross loans and advances to customers, due from other banks (gross) and debt securities.

(3) Calculated including provision for loan impairment and excluding income and expenses from non-banking activities.

(4) Calculated using net profit and average assets/equity (all including minority interest).

- The table below is a summary of possible foreign currency translation gains represented as if VTB left functional currency in US\$ in order to show Q1'08 and Q1'07 results on a comparable basis (i.e. transferring the Q1'08 gains from equity to P&L).

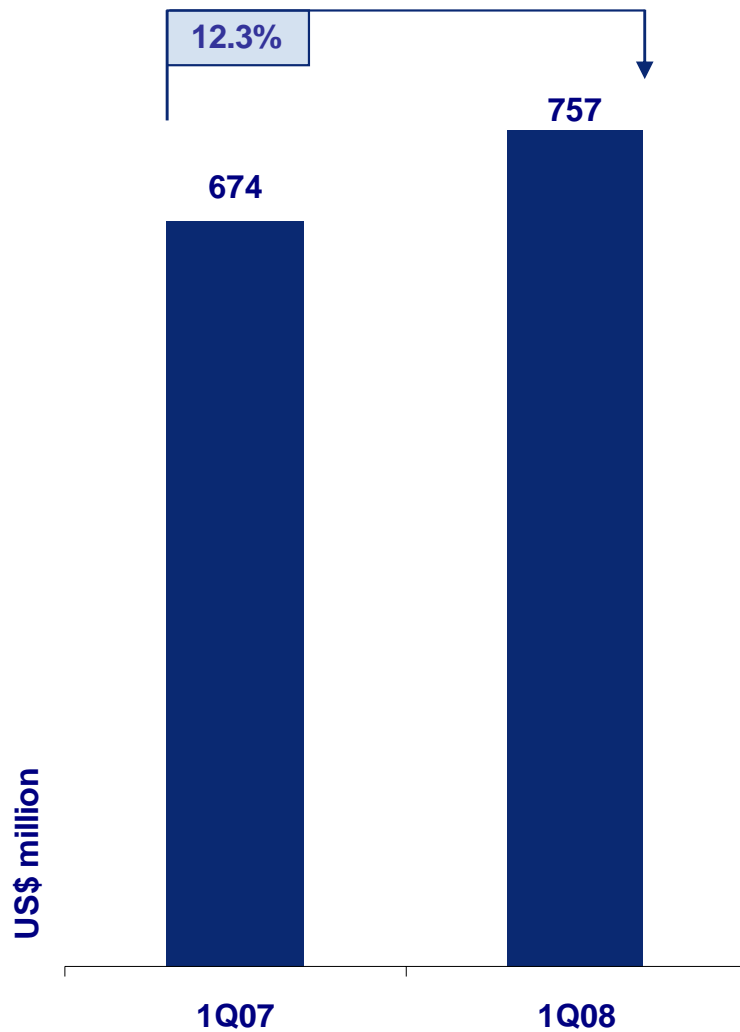
- All adjustments are based on VTB's internal estimates.

	(US\$, mln.)
VTB capital as of 01/01/08 in IFRS	14,313
Investments in non-monetary assets as of 01/01/08	
- Investments in consolidated entities	2,764
- Premises and equipment	891
Total currency position exposed to revaluation	10, 658
Revaluation per quarter	+ 448

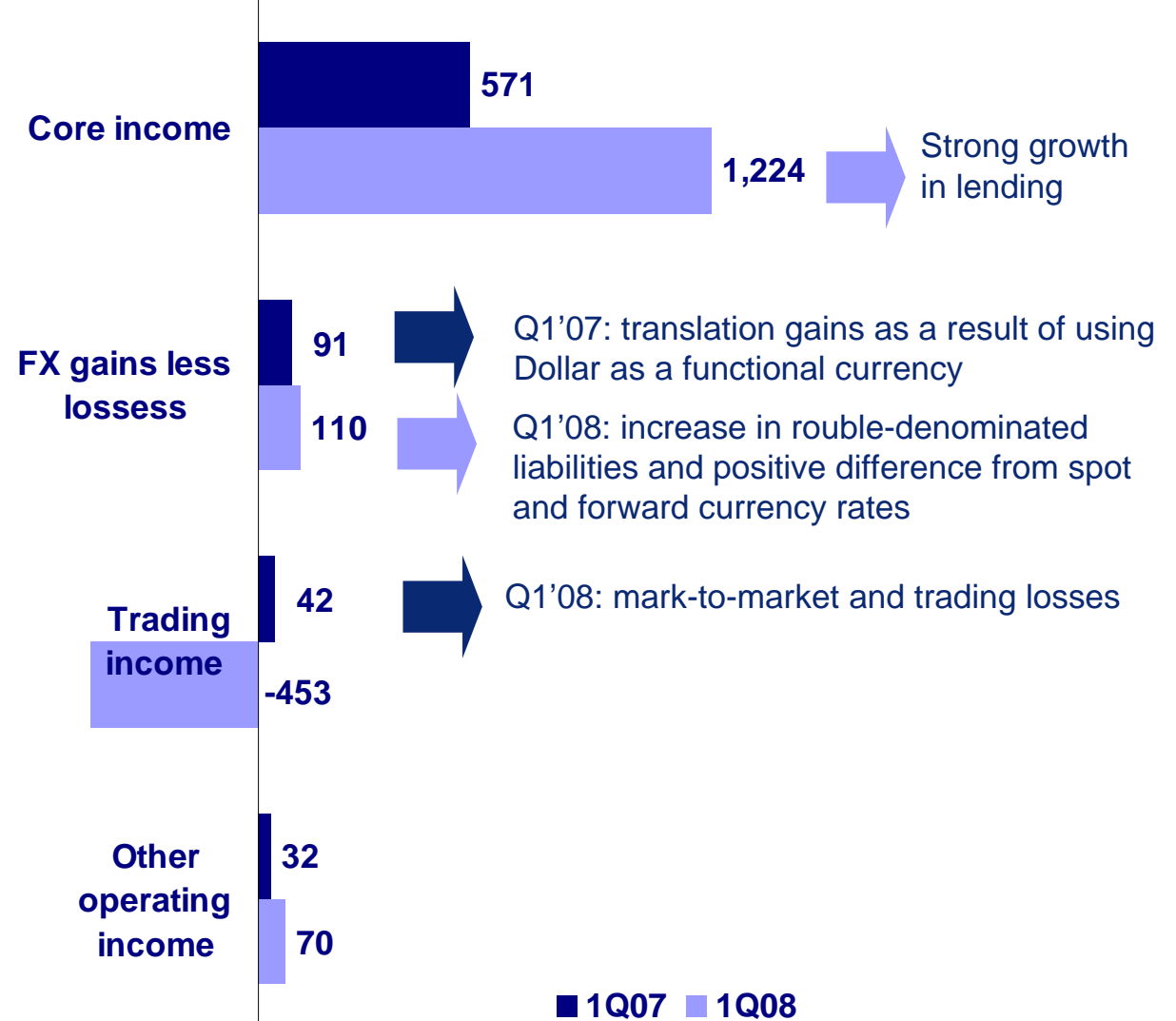
Note

US\$ as of 01/01/08	24,5462
US\$ as of 01/04/08	23,5156
Depreciation towards Rouble in Q1'08 (\$)	-1,0306
Depreciation towards Rouble in Q1'08(%)	-4%

Operating income



Operating income breakdown

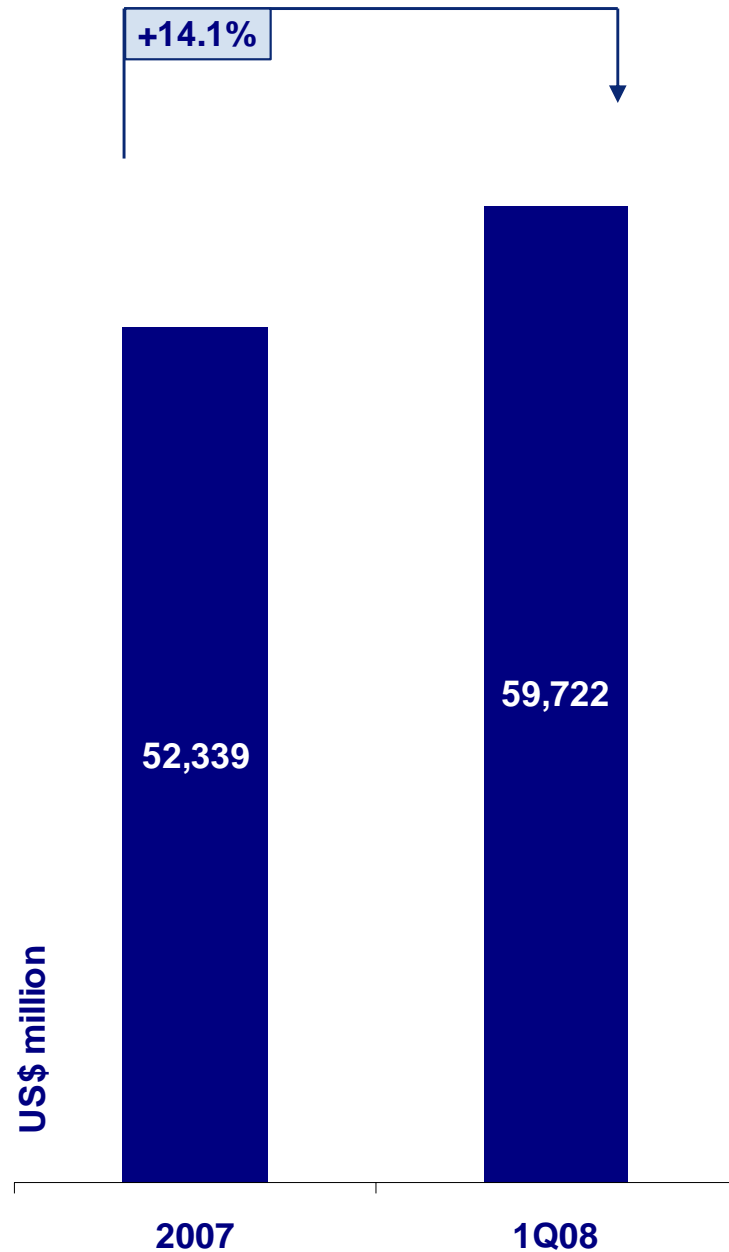


Securities portfolio and derivatives

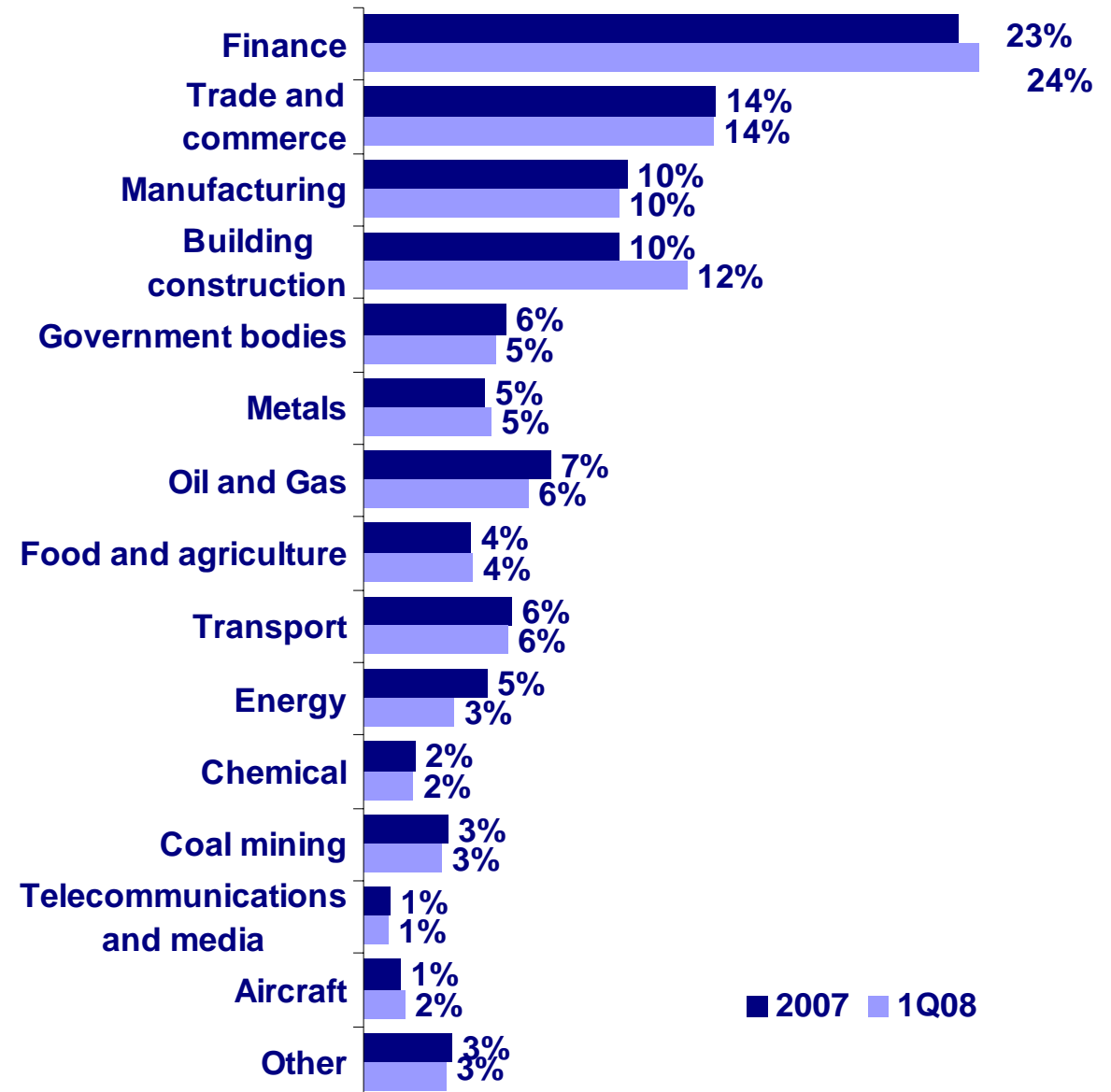
Unaudited figures

31-Mar-08	At fair value through P&L	Repo + loaned securities	Available-for-sale	Held-to-maturity	Total
Debt securities	6,274	1,538	742	39	8,593
- Russian	5,414	1,104	157	0	6,675
- Foreign	860	434	585	39	1,918
Equity securities	1,585	0	579	0	2,164
Alrosa	0	0	367	0	367
Structured client transactions	772	0	0	0	772
Proprietary equity securities	813	0	237	0	1,025
Balances on derivatives	572	0	0	0	597
Total securities and derivatives	8,431	1,538	1,346	39	11,354
31-Dec-07	At fair value through P&L	Repo + loaned securities	Available-for-sale	Held-to-maturity	Total
Debt securities	7,623	1,986	268	5	9,882
- Russian	6,758	1,009	102	0	7,869
- Foreign	865	977	166	5	2,013
Equity securities	2,253	226	590	0	3,069
Alrosa	0	0	346	0	346
Structured client transactions	887	203	0	0	1,090
Proprietary equity securities	1,366	23	244	0	1,633
Balances on derivatives	560	0	0	0	560
Total securities and derivatives	10,436	2,212	858	5	13,511

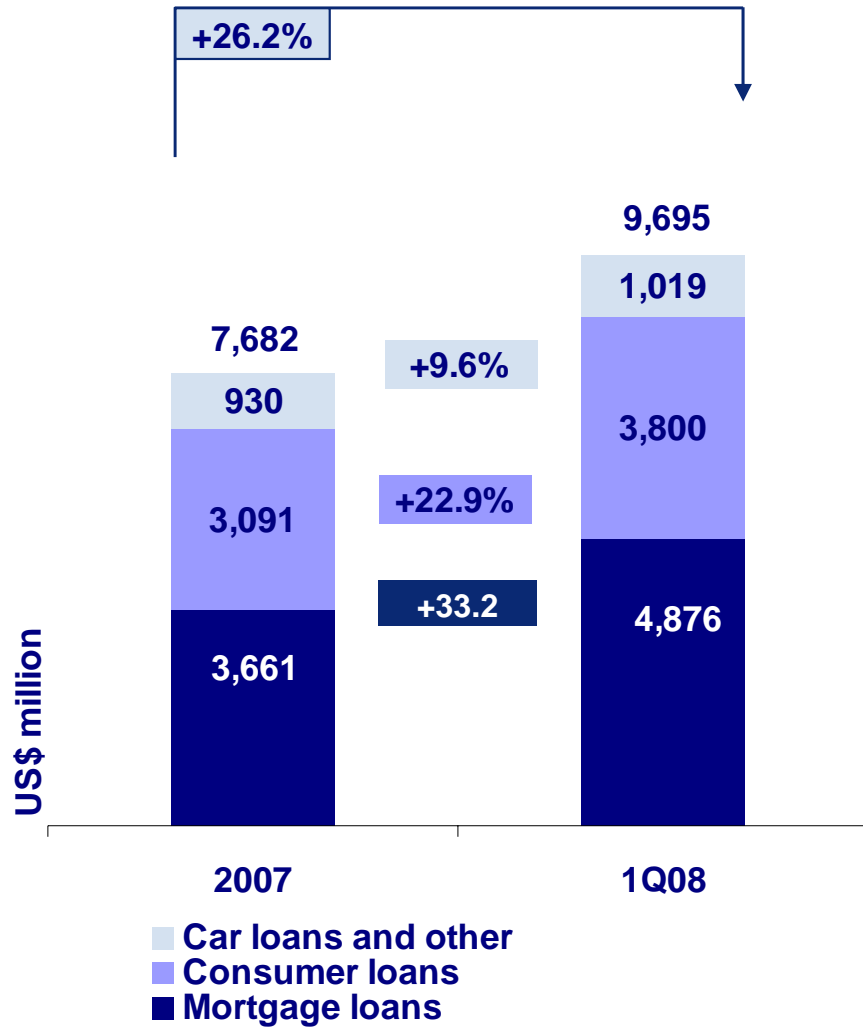
Corporate loans (gross)



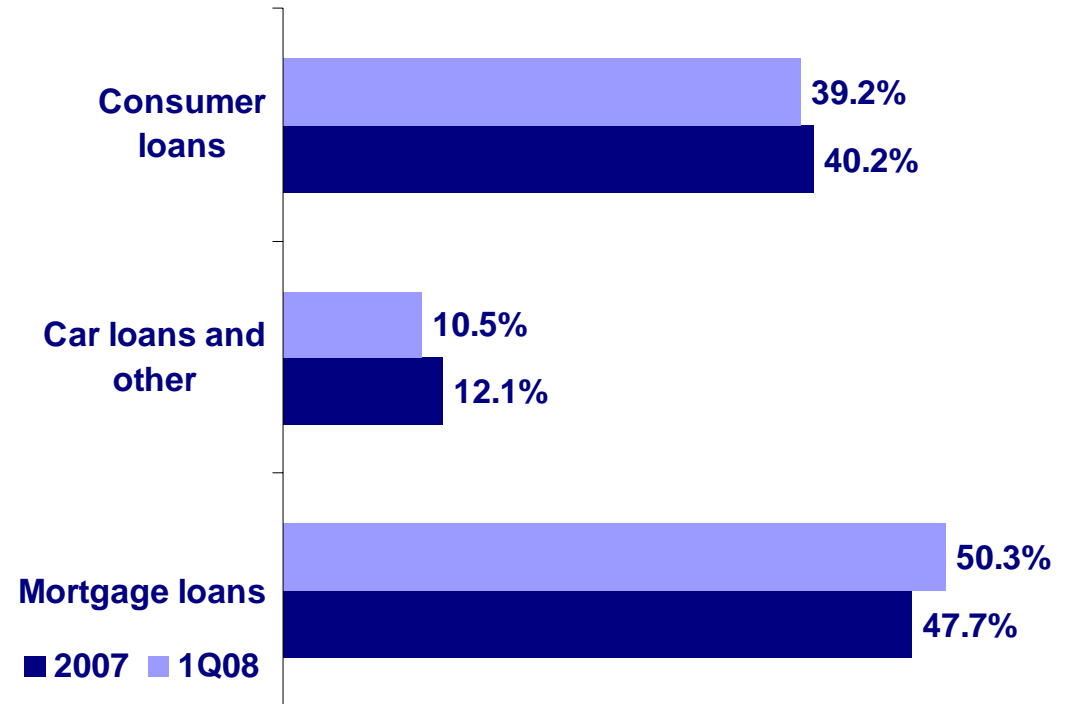
Breakdown by sectors



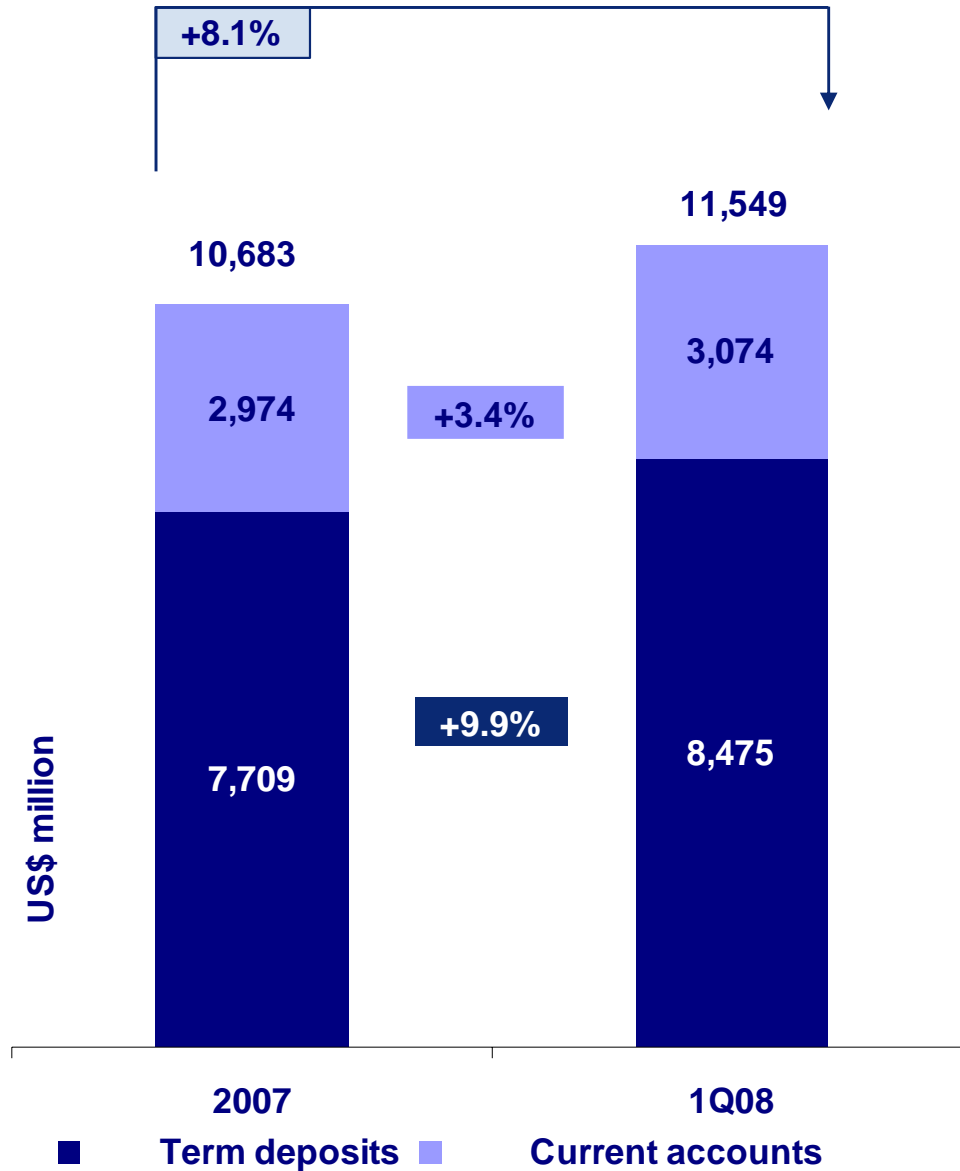
Loans to individuals (gross)



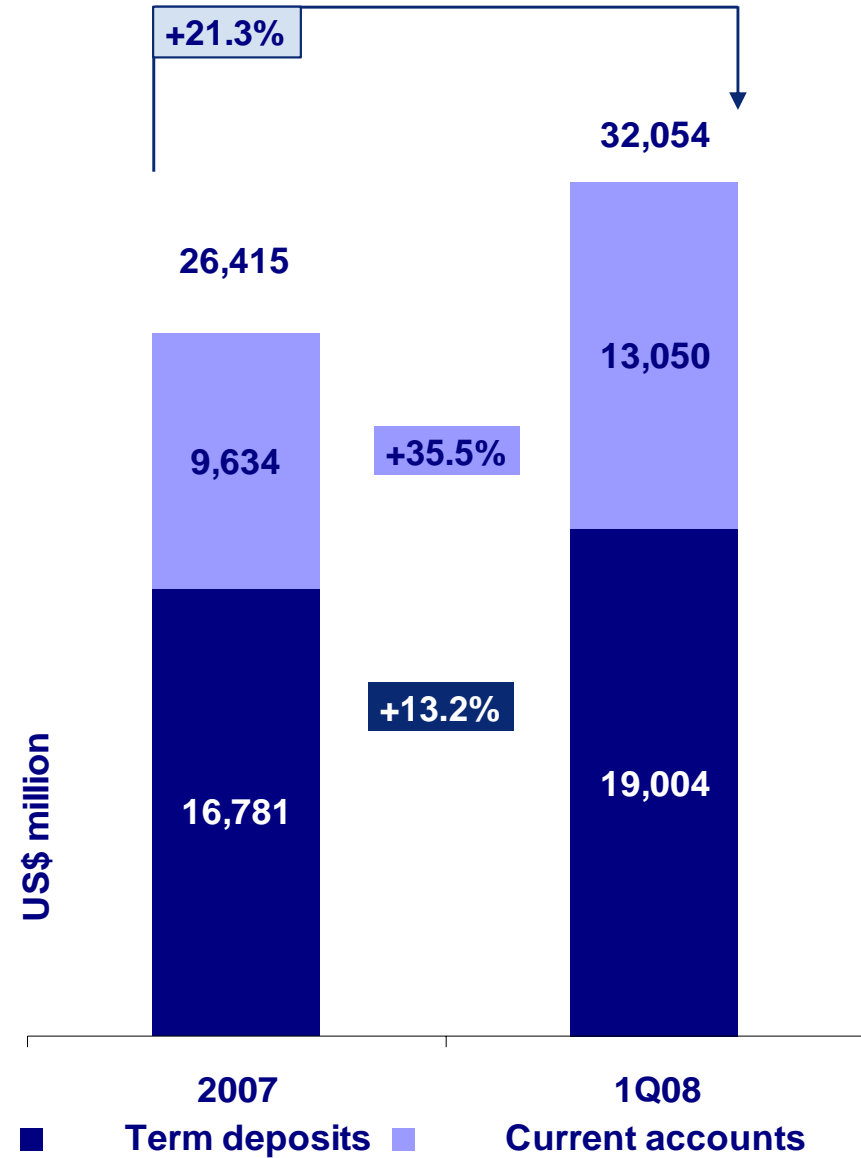
Breakdown by loan type

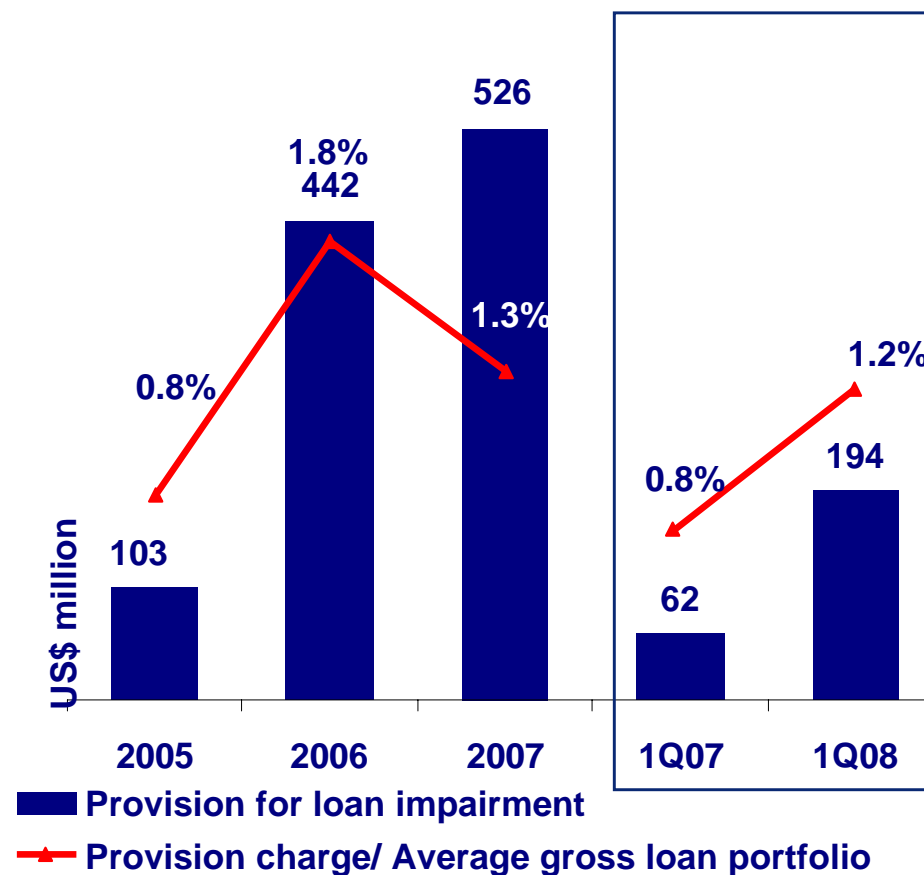
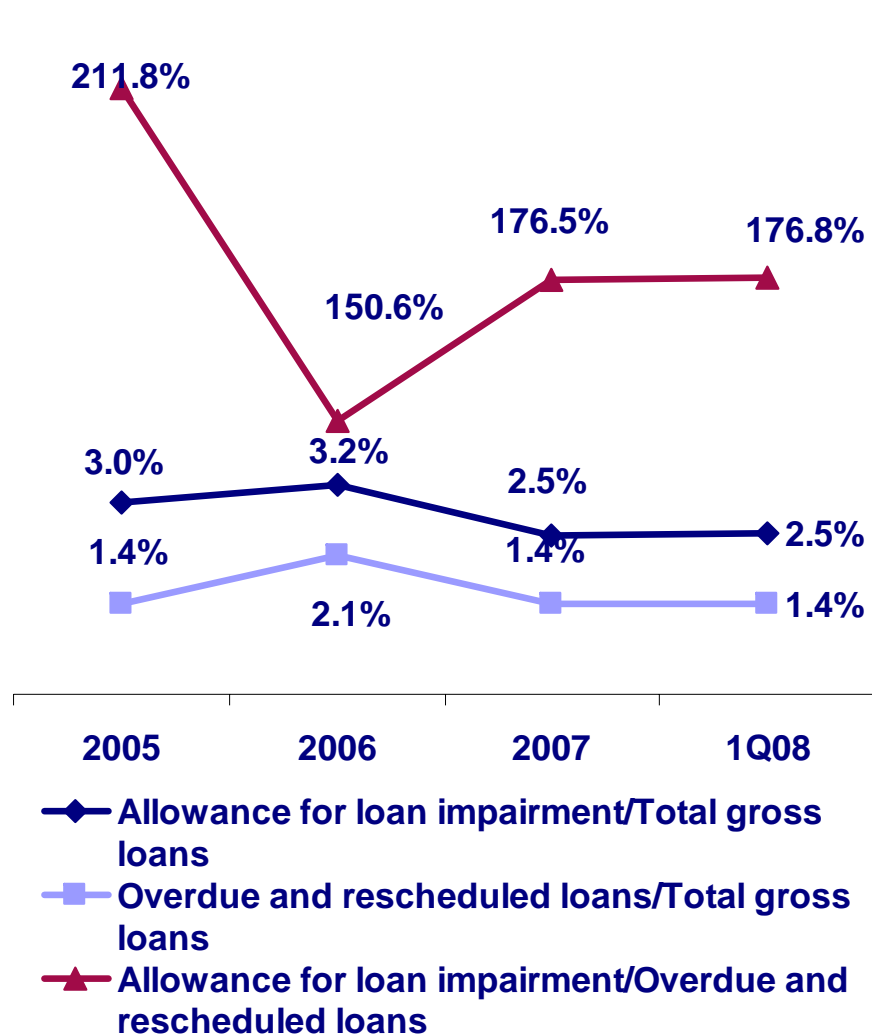


Breakdown of individuals' accounts

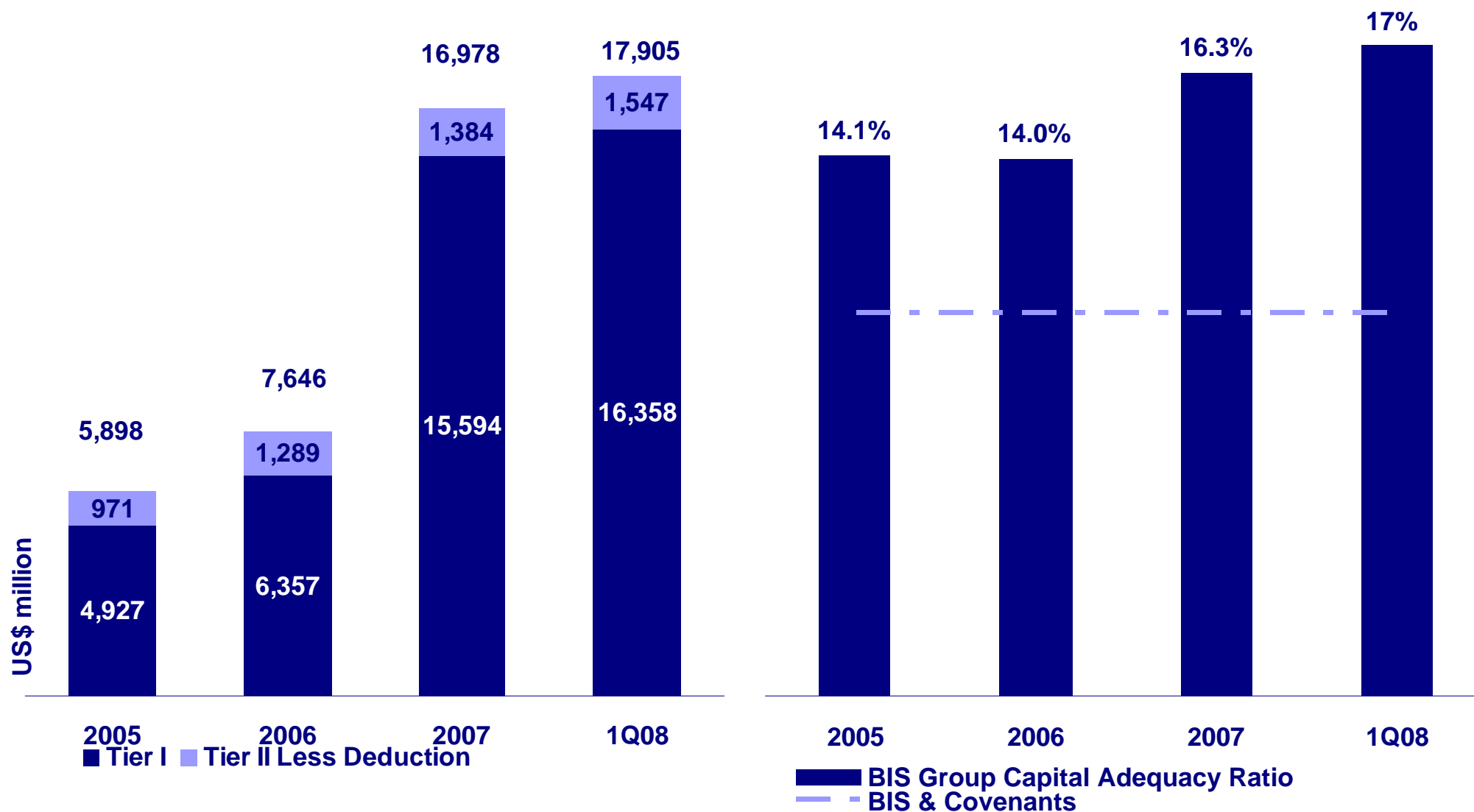


Breakdown of corporate accounts





Note: Overdue loans represent payments, that are overdue, and do not include the entire amount payable under the loan agreement



VTB Group public debt instruments maturity schedule

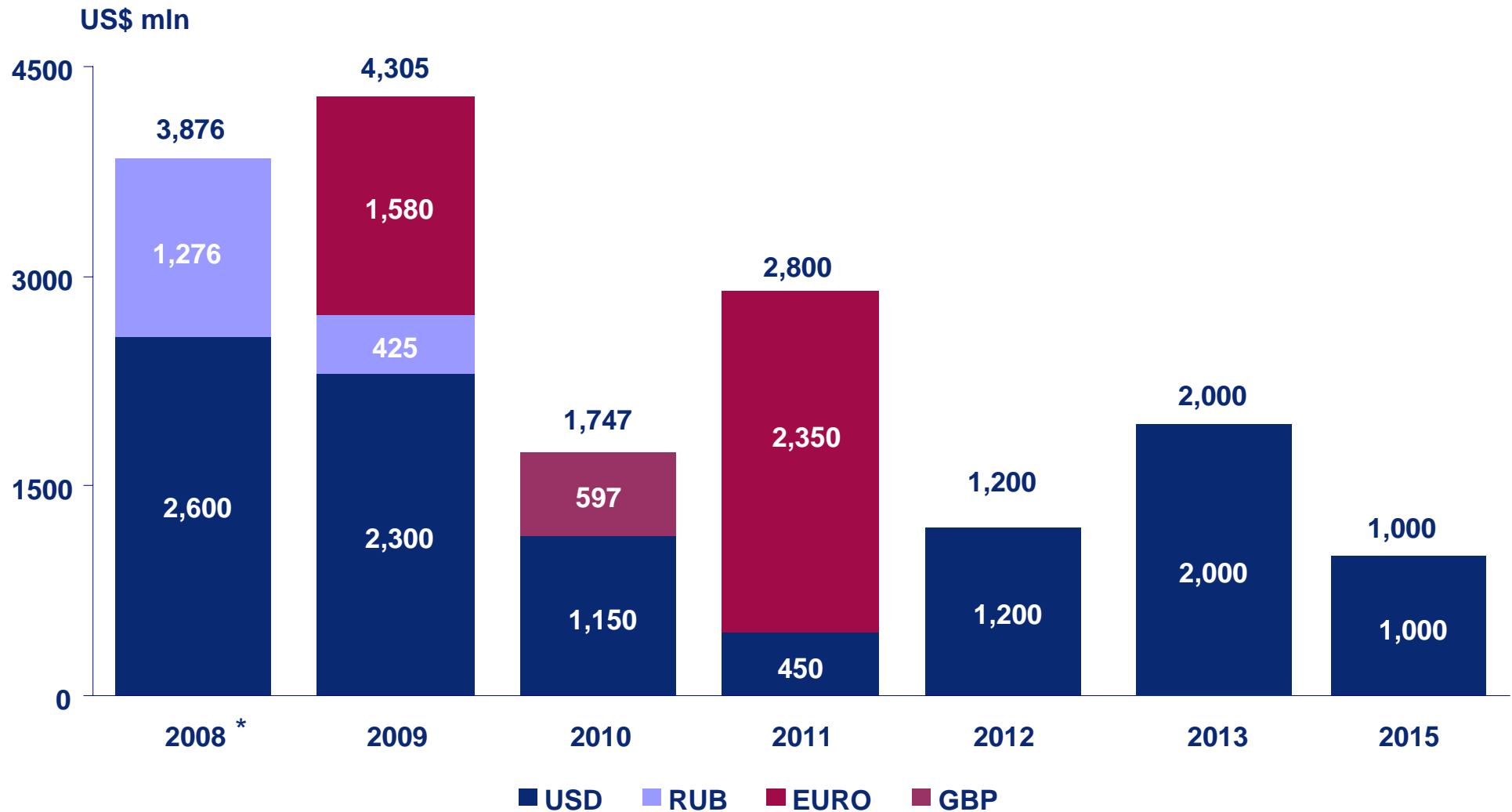
Unaudited figures

Borrower	Amount (US\$, mln)	Instrument	Maturity Date/Put or Call Option	Coupon
2008*				
VTB N-W	300	Debt Instruments	July 2008	6.875%
VTB	1,750	Series 10 EMTN 1	August 2008	L+0.6%
VTB	1,276	Series 3 RUB EMTN 2	November 2008	7.25%
VTB	550	Series 1 EMTN 1	December 2008	6.875%
Subtotal	3,876			
2009				
VTB	1,580	Series 11 EUR EMTN 1	March 2009	E+0.6%
VTB	425	Dali RUB Debt Instruments	April 2009	7.000%
VTB Europe	500	Debt Instruments	April 2009	L+0.625%
VTB Europe	500	Debt Instruments	October 2009	L+0.8%
VTB	800	Series 2 EMTN 2	November 2009	L+1.70%
VTB 24	500	Debt Instruments	December 2009	L+0.820%
Subtotal	4,305			
2010				
VTB	750	Subordinated Debt Instruments (call option)	February 2010	6.315%
VTB	597	Series 12 GBP EMTN 1	March 2010	6.332%
VTB N-W	400	Subordinated Debt Instruments (call option)	September 2010	6.2%
Subtotal	1,747			
2011				
VTB	790	Series 9 EUR EMTN 1 (put option)	February 2011	4.25%
VTB	1,560	Series 5 EUR EMTN 2	June 2011	8.25%
VTB	450	Series 4 EMTN 1	October 2011	7.5%
Subtotal	2,800			
2012				
VTB	1,200	Series 1 EMTN 2	October 2012	6.609%
2013				
VTB	2,000	Series 4 EMTN 2 (put option)	May 2013	6.875%
2015				
VTB	1,000	Series 6 EMTN 1 (put option)	June 2015	6.25%
Total	16,928			

* Excluding debt instruments repaid in 2008 so far

VTB Group public debt instruments maturity schedule

Unaudited figures



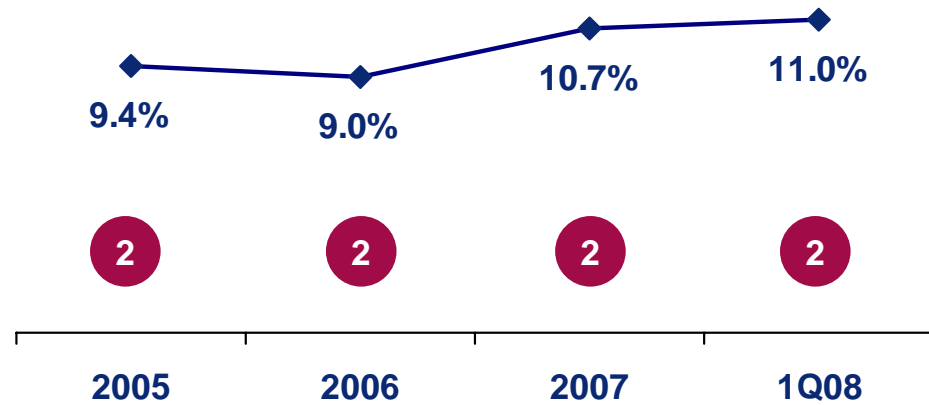
* Excluding debt instruments repaid in 2008 so far

VTB public debt instruments issued in 2008 so far

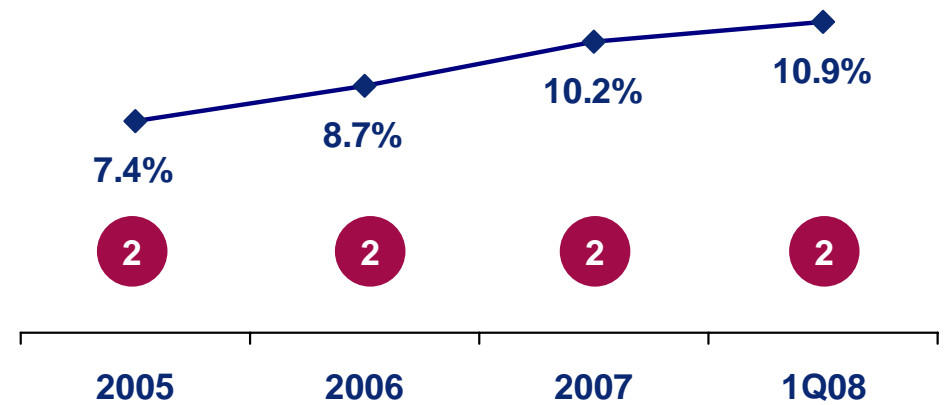
Unaudited figures

Borrower	Date of Issue	Amount (million)	Instrument	Maturity Date/ Put or Call Option	Coupon
VTB24	February 2008	RUR 10,000	Bond	February 2013	7.70%
VTB	May 2008	USD 2,000	Series 4 EMTN 2	May 2018/ May 2013 – put option	6.875%
VTB	June 2008	EUR 1,000	Series 5 EMTN 2	January 2011	8.25%
VTB	June 2008	USD 1,400	Syndicated loan	December 2009	L+0.60%
				June 2011	L+0.65%
VTB24	June 2008	RUR 6,000	Bond	May 2013	8.18%

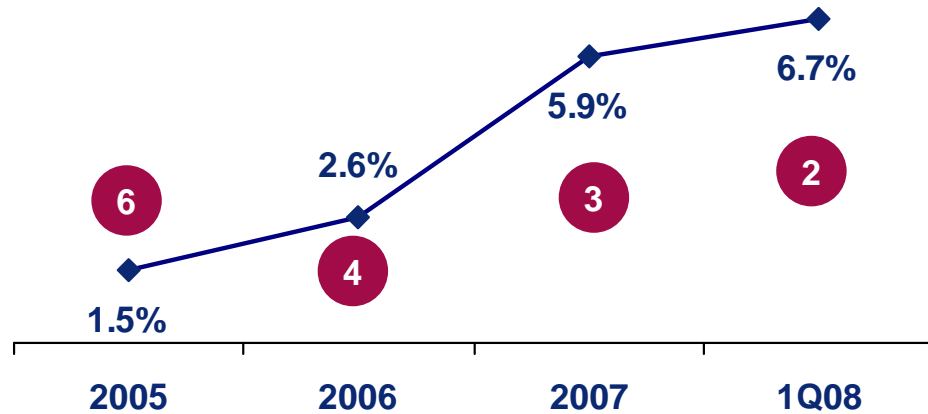
VTB corporate loans market share and market position



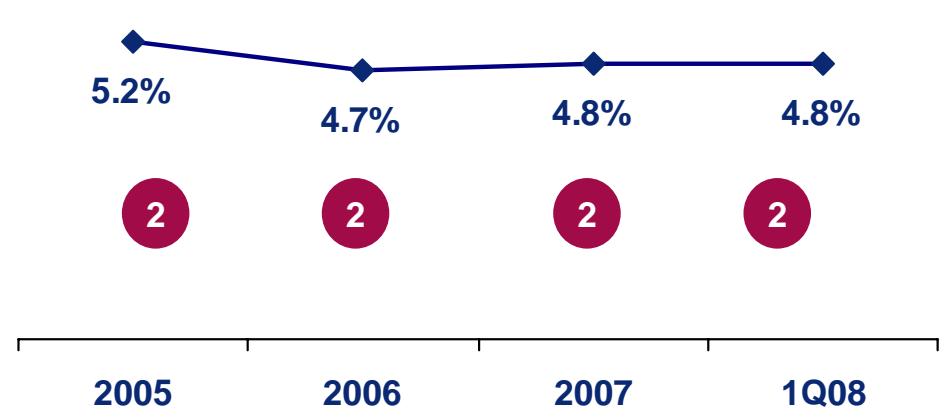
VTB corporate deposits market share and market position



VTB retail loans market share and market position



VTB retail deposits market share and market position



VTB Group branch network

	31/03/08	31/12/07	D,q-o-q	31/12/2006
Branches	980	932	48	778
- Russia	626	583	43	506
of which VTB24	378	328	50	163
- CIS & Europe	354	349	5	272

VTB Group headcount

	31/03/08	31/12/07	D,q-o-q	31/12/06
Employees	38,151	35,945	2,206	28,466
Russia	31,428	29,976	1,452	24,163
Europe	603	573	30	613
CIS and other	6,120	5,396	724	3.690



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