

VTB Group 1H'2011 Results



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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 Bank ("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.

VTB Group 1H'2011 Highlights

- **Record net profit in 1H'2011 – RUB 53.6 bn with ROE at 18.1%**
- **Corporate Investment Banking and Retail Banking post a solid 1H'2011 pre-tax profit of RUB 51.2 bn and RUB 20.2 bn, respectively**
- **Operating income before provisions up 45% y-o-y to RUB 153.0 bn**
- **Strong growth of net fee and commission income – up 52% y-o-y to RUB 17.9 bn**
- **Net interest margin stable at 4.8% in 1H'2011 with 4.9% in 2Q'11**
- **Improving asset quality with NPL ratio down 90 bps YTD followed by declining provision charge: down from 2.1% in 1H'2010 to 1.1% in 1H'2011**
- **BIS ratio remains solid at 14.1% with Tier I ratio at 12.0%**

Segment Analysis

(in RUB bn)	Corporate and Investment Banking									Retail Banking			Other ⁽²⁾		
	Investment Banking		Loans and Deposits		Transaction Banking		Total CIB ⁽¹⁾			1H'11	1H'10	y-o-y	1H'11	1H'10	y-o-y
	1H'11	1H'10	1H'11	1H'10	1H'11	1H'10	1H'11	1H'10	y-o-y						
Net interest income ⁽³⁾	6.2	4.1	53.8	48.7	5.8	4.2	65.9	57.0	15.6%	34.0	25.4	33.9%	5.1	4.1	24.4%
Net fee & commission income	3.4	1.6	0.9	0.6	5.1	3.9	9.2	6.1	50.8%	8.1	4.8	68.8%	0.4	0.8	-50.0%
Net result from financial instruments ⁽⁴⁾	15.7	7.4	4.0	(4.2)	-	-	19.5	3.3	490.9%	1.0	1.0	0.0%	0.6	0.9	-33.3%
Operating income before provisions	26.9	14.2	65.0	46.1	10.9	8.1	102.3	68.4	49.6%	43.7	31.5	38.7%	8.2	5.7	43.9%
Provisions for impairment ⁽⁵⁾	0.1	-	(13.3)	(17.7)	-	-	(13.2)	(17.7)	-25.4%	(2.8)	(7.0)	-60.0%	(1.7)	(4.8)	-64.6%
Staff costs & administrative expenses	(11.9)	(7.1)	(25.3)	(16.9)	(2.4)	(1.3)	(39.4)	(25.2)	56.3%	(20.7)	(13.3)	55.6%	(8.2)	(5.8)	41.4%
Profit before taxation	15.1	7.2	27.9	11.5	8.5	6.8	51.2	25.6	100.0%	20.2	11.2	80.4%	(1.7)	(6.0)	-71.7%

(1) Data presented after intersegment eliminations and adjustments.

(2) Including the following segments: CIS & Georgia, Europe and other.

(3) Including income arising from loan restructuring.

(4) Calculated including gains less losses arising from other financial instruments, gains less losses / (losses net of gains) arising from dealing in foreign currencies and foreign exchange translation (losses net of gains) / gains less losses.

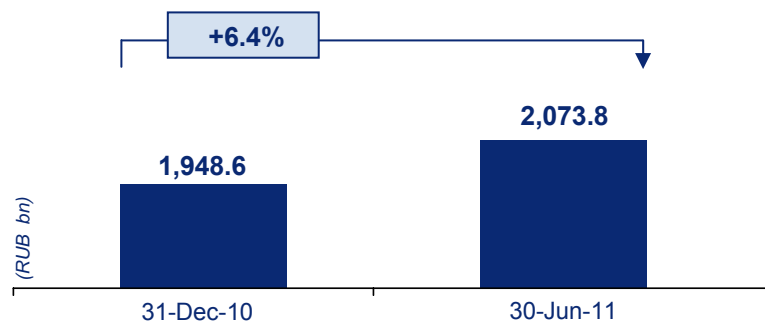
(5) Calculated including provision charge for impairment of debt financial assets and provision charge for impairment of other assets and credit related commitments.

A low-angle, upward-looking photograph of modern glass skyscrapers against a clear blue sky. The perspective creates a sense of height and architectural scale. The grid pattern of the window frames is prominent, and the sky is a uniform, bright blue. The text 'Segment Update' is overlaid on the left side of the image.

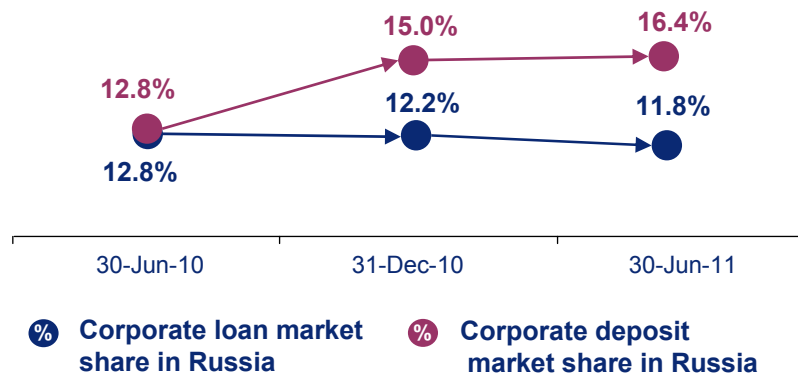
Segment Update

CIB Subsegment – Loans and Deposits

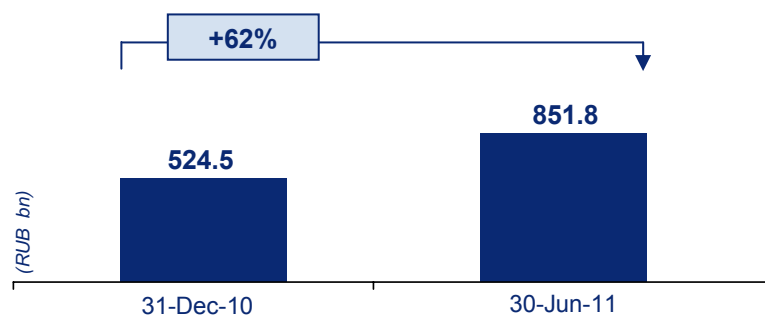
Customer Loans



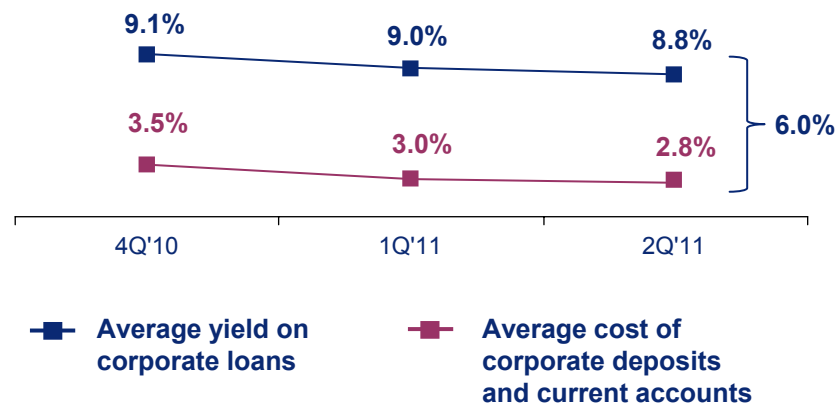
Market Shares in Russia



Customer Deposits



Average Yield & Cost of Funds



CIB Subsegment – Investment Banking

VTB Capital League Tables June 2011



Russia-related international DCM

#	Lead Manager	Amount, USD mln	# of deals	Share, %
1	VTB Capital	4,087	17	14.9%
2	JP Morgan	3,598	12	13.1%
3	Deutsche Bank	2,457	11	9.0 %
4	RBS	1,950	12	7.1%
5	Citigroup	1,855	12	6.8%



Domestic DCM

#	Lead Manager	Amount, RUB mln	# of deals	Share, %
1	VTB Capital	138,338	31	24.5%
2	Troika Dialog	125,280	40	22.2%
3	Raiffeisenbank	48,000	22	8.5%
4	Gazprombank	40,393	13	7.1%
5	Uralsib	30,100	8	5.3%



Russian ECM

#	Lead Manager	Amount, USD mln	# of deals	Share, %
1	VTB Capital	2,466	7	24.2%
2	Deutsche Bank	1,910	4	18.7%
3	BoA Merrill Lynch	1,090	1	10.7%
4	Morgan Stanley	1,014	5	9.9%
5	Goldman Sachs	838	4	8.2%

Key Developments in 1H'11

- Four simultaneous IPO/SPO deals were successfully completed in early 2Q'11 (Bank Nomos, Armada, Etalon, Mechel) – a unique number of deals on the Russian market for an Investment Bank
- Equities have received membership on Warsaw Stock Exchange; first live trades on the Polish market are planned for 3Q'11
- VTB Capital ranked #1 in M&A deals completed, according to Mergermarket's 6M'2011 ranking
 - In 2Q'11 VTBC was financial advisor in MISEX and RTS merger and in acquisition of internet provider Net-by-Net Holding by the Megafon
- VTBC Open-end funds showed a strong performance, all outperformed the benchmarks. Total AuM – RUB 35 bn (up 71% vs FY'2010).

 AuM in Portfolio management exceeded RUB 22.4 bn (2Q inflow RUB 7.7 bn). AM continue attracting non-state pension funds, 3 new agreements signed in 2Q'11 (one of them with NPF Blagosostoyanie, the 2nd biggest NPF in the pension market).

CIB Subsegment – Transaction Banking

Target

To be a market leader in Transaction Services businesses in terms of market share of clients, volumes, deposits, commissions and fees

Product

Market share⁽¹⁾

Market position⁽¹⁾

Product offer

Current accounts

8.8%

3



Documentary operations

15.6%

2





Cash and settlement transactions

4.0%

2

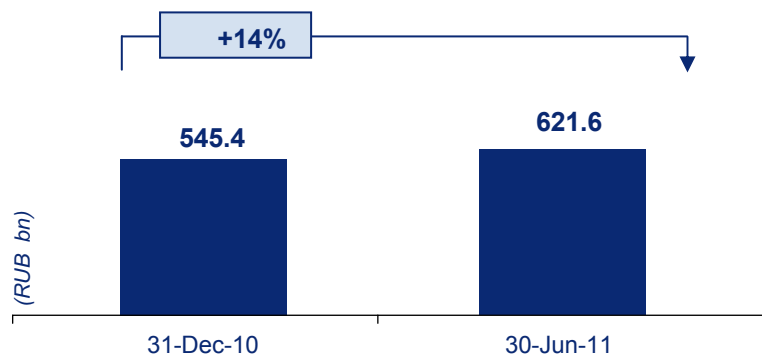


-  In accordance with market practice
-  Some gaps exist

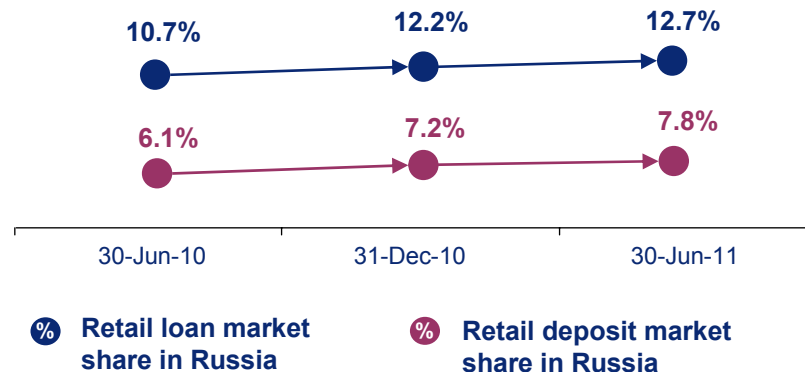
(1) Including TCB. As of 30-June-2011.

Retail Banking in Russia

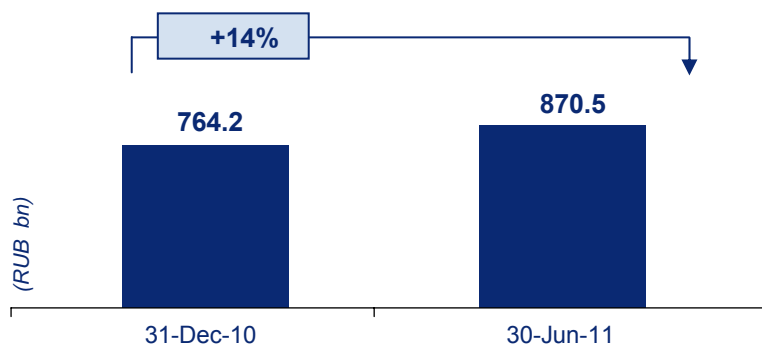
Segment Data - Loans to Individuals (Gross)



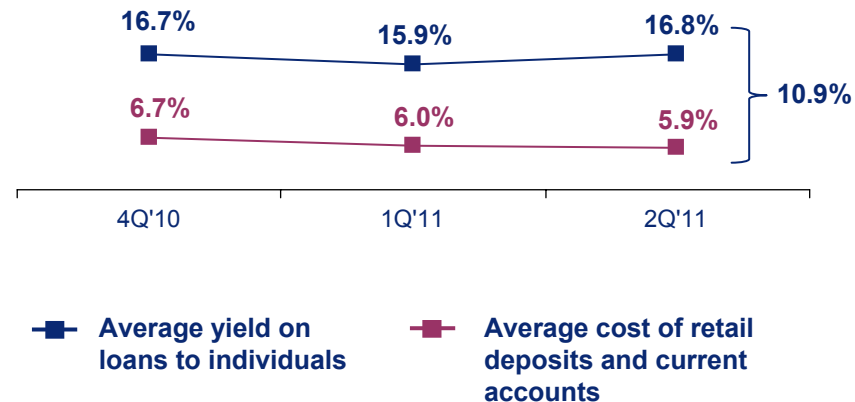
Market Shares in Russia



Segment Data - Retail Deposits



Average Yield & Cost of Funds



(1) Data presented as reported in VTB 1H'11 financial statements for the segment Retail Banking.
 (2) Calculated excluding the effect of TCB consolidation.

A low-angle, upward-looking photograph of a modern skyscraper with a glass facade. The building's grid-like structure of windows and dark frames is prominent, creating a strong sense of height and architectural scale. The sky is a clear, vibrant blue, providing a high-contrast background for the building. The perspective is from below, looking up at the building's exterior.

Financial Update

VTB Group 1H'2011 Financial Highlights

<i>(in RUB bn)</i>	1H'11	1H'10	y-o-y	2Q'11	2Q'10	y-o-y	1Q'11	q-o-q
Net interest income before provisions ⁽¹⁾	105.0	86.5	21.4%	59.4	44.5	33.5%	45.6	30.3%
Net fee and commission income	17.9	11.8	51.7%	9.9	6.7	47.8%	8.0	23.8%
Net result from financial instruments ⁽²⁾	20.9	5.3	294.3%	5.3	(4.6)	n/a	15.6	-66.0%
Operating income before provisions	153.0	105.4	45.2%	80.1	47.3	69.3%	72.9	9.9%
Provisions for impairment ⁽³⁾	(18.8)	(28.9)	-34.9%	(11.0)	(11.5)	-4.3%	(7.8)	41.0%
Staff costs and administrative expenses	(67.3)	(43.9)	53.3%	(34.3)	(21.7)	58.1%	(33.0)	3.9%
Net profit	53.6	25.1	113.5%	27.5	9.8	180.6%	26.1	5.4%
Net interest margin	4.8%	5.3%	-50 bps	4.9%	5.5%	-60 bps	4.8%	10 bps
Provision charge for loan impairment / Average gross loan portfolio	1.1%	2.1%	-100 bps	1.2%	1.7%	-50 bps	1.1%	10 bps
Cost / Income ratio ⁽⁴⁾	44.0%	41.7%	230 bps	42.8%	45.9%	-310 bps	45.3%	-250 bps
ROE	18.1%	9.7%	840 bps	18.4%	7.5%	1090 bps	17.7%	70 bps
EPS (in kopecks)	0.51	0.26	96%	0.26	0.11	136.4%	0.25	4%

<i>(in RUB bn)</i>	30-Jun-11	31-Mar-11	q-o-q	31-Dec-10	YTD
Total assets	4,720.0	4,448.4	6.1%	4,290.9	10.0%
Customer loans (gross)	3,277.0	3,063.5	7.0%	3,059.6	7.1%
Customer deposits	2,634.7	2,373.2	11.0%	2,212.9	19.1%
Total equity	597.5	600.7	-0.5%	578.2	3.3%
Allowance for loan impairment / Total gross loans	8.6%	8.9%	-30 bps	9.0%	-40 bps
NPL ratio ⁽⁵⁾	7.7%	8.2%	-50 bps	8.6%	-90 bps
Total BIS ratio	14.1%	15.5%	-140 bps	16.8%	-270 bps

(1) Including income arising from loan restructuring.

(2) Calculated including gains less losses arising from other financial instruments, gains less losses / (losses net of gains) arising from dealing in foreign currencies and foreign exchange translation (losses net of gains) / gains less losses.

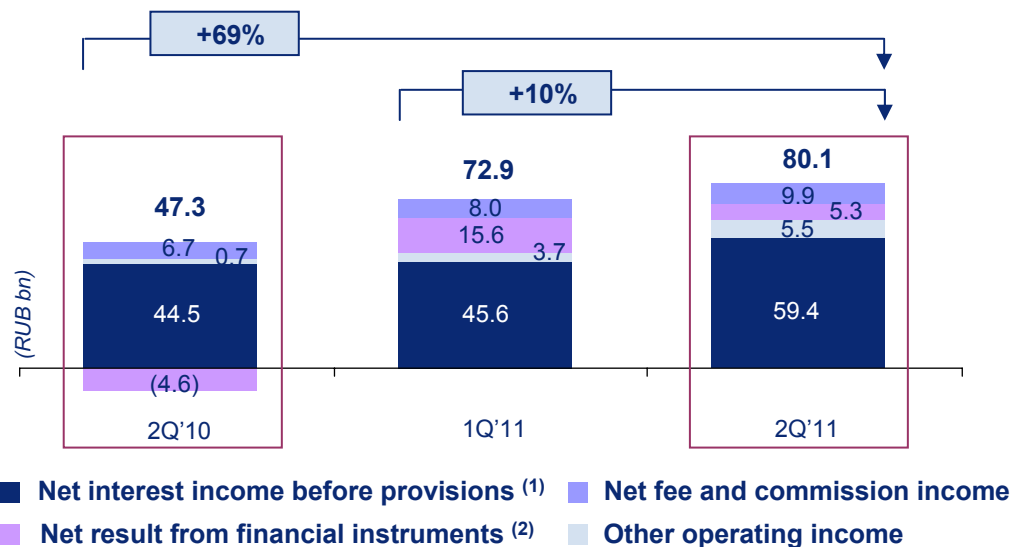
(3) Calculated including provision charge for impairment of debt financial assets and provision charge for impairment of other assets and credit related commitments.

(4) Calculated before provision charge for impairment and recovery of / (provision charge for) impairment of other assets and credit related commitments.

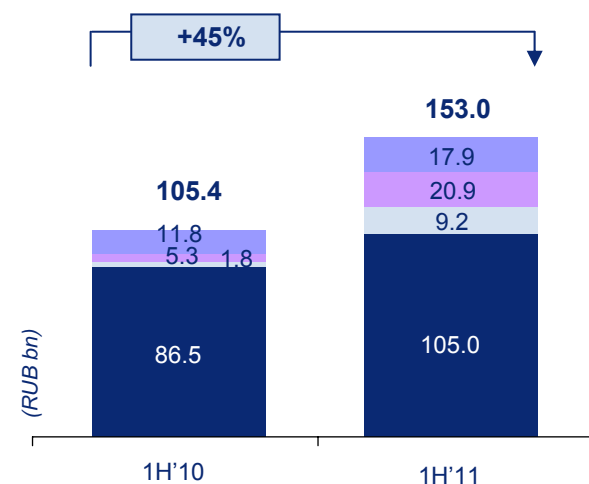
(5) Non-performing loans (NPLs) represent impaired loans with repayments overdue by over 90 days. NPLs are calculated including the entire principal and interest payments. Ratio is calculated to total gross loans.

Solid Operating Income Growth

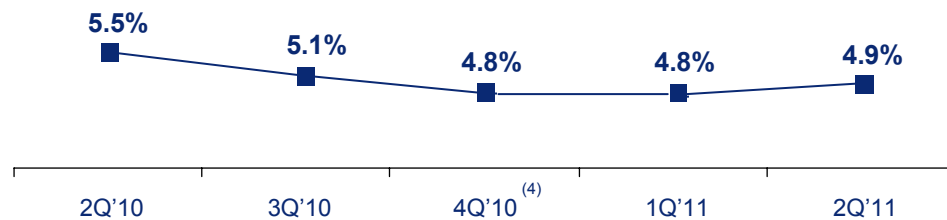
Operating Income before Provisions, q-o-q



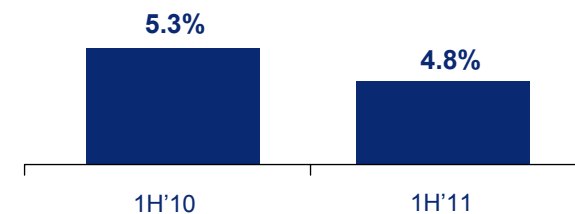
y-o-y



Quarterly NIM (3)



NIM, y-o-y



(1) Including income arising from loan restructuring.

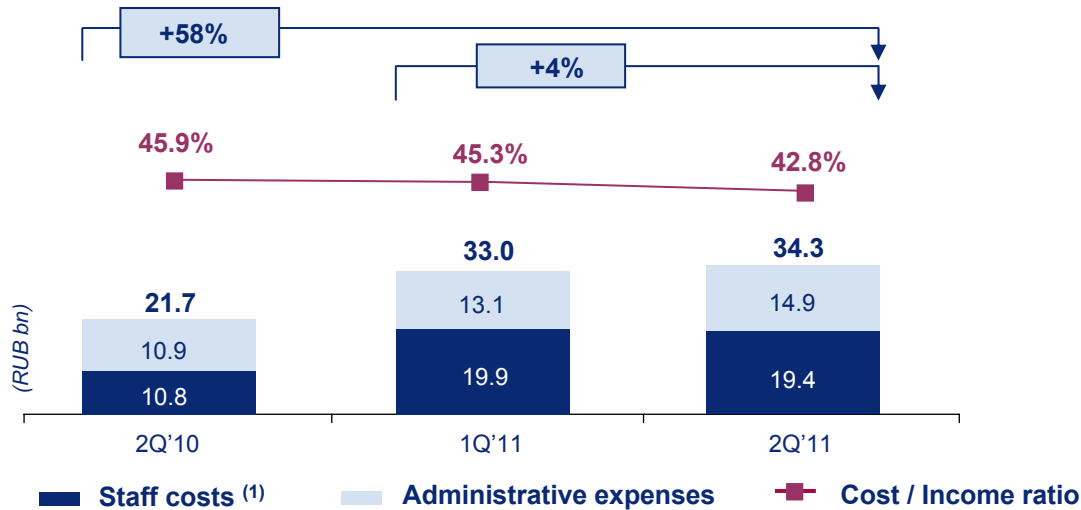
(2) Calculated including gains less losses arising from other financial instruments, gains less losses / (losses net of gains) arising from dealing in foreign currencies and foreign exchange translation (losses net of gains) / gains less losses.

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

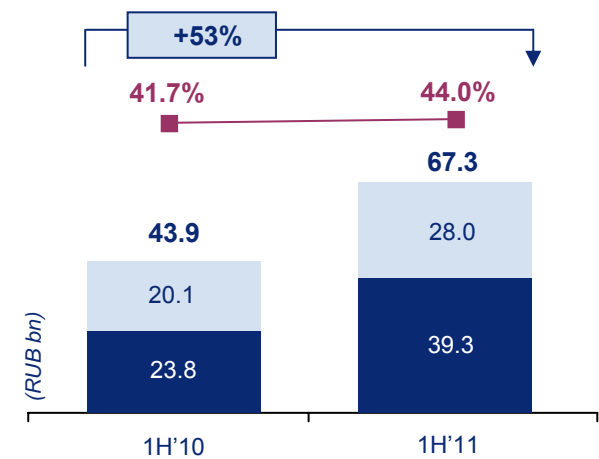
(4) Calculated excluding the effect of TCB consolidation.

Costs Remain under Control but Impacted by TCB Consolidation

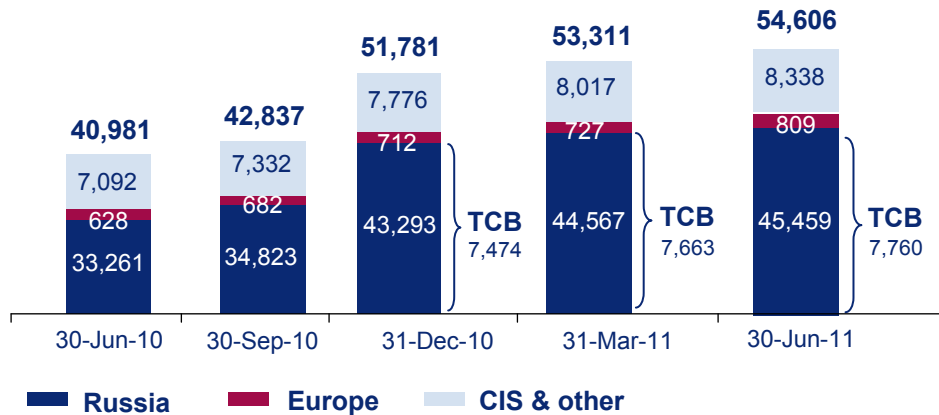
Staff and Administrative Expenses, q-o-q



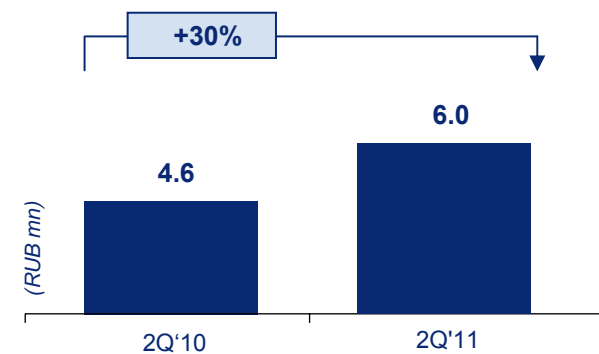
y-o-y



Number of Employees



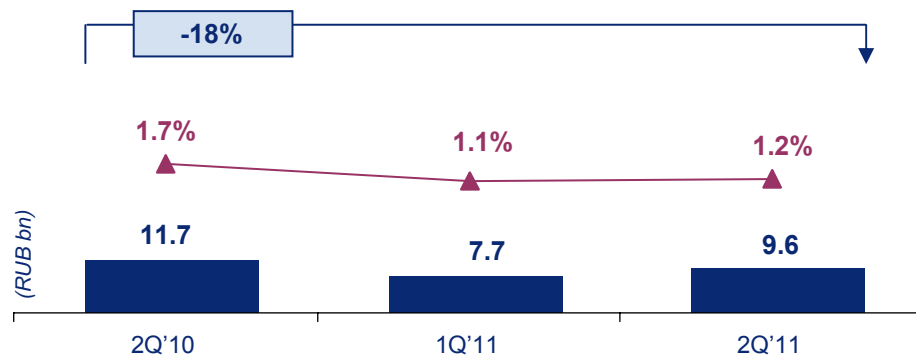
Operating Income per Employee (2)



(1) Including pensions.
 (2) Operating income calculated before provisions.

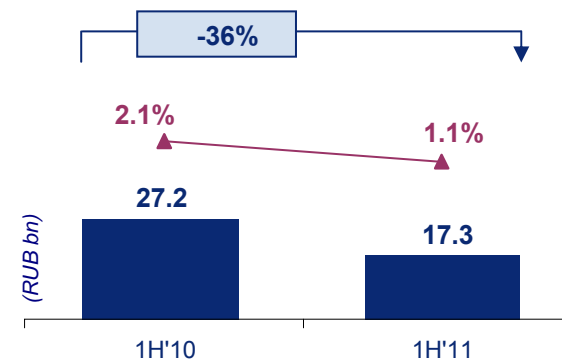
Asset Quality Improving

Quarterly P&L Provision Charge ⁽¹⁾ (y-o-y)



▲ Provision charge for loan impairment/ Average gross loan portfolio (in %, annualised)

y-o-y



■ Provision charge for impairment of debt financial assets

Asset quality	30-Jun-11	31-Mar-11	q-o-q	31-Dec-10	YTD
NPL ratio (90+ days) ⁽²⁾	7.7%	8.2%	-50 bps	8.6%	-90 bps
- corporate	7.7%	8.3%	-60 bps	8.8%	-110 bps
- individuals	7.3%	7.7%	-40 bps	7.8%	-50 bps
Allowance for loan impairment / Total gross loans	8.6%	8.9%	-30 bps	9.0%	-40 bps
- corporate	9.0%	9.4%	-40 bps	9.4%	-40 bps
- individuals	6.6%	7.0%	-40 bps	7.0%	-40 bps
Allowance for loan impairment / NPLs	111.8%	109.2%	260 bps	103.7%	810 bps
- corporate	116.2%	112.8%	340 bps	106.4%	980 bps
- individuals	90.9%	91.4%	-50 bps	89.7%	120 bps
Renegotiated loans (in RUB bn)	30-Jun-11	31-Mar-11	q-o-q	31-Dec-10	YTD
Renegotiated loans	256.4	260.6	-1.6%	270.4	-5.2%
- corporate	244.4	247.5	-1.3%	254.7	-4.0%
- individuals	12.0	13.1	-8.4%	15.7	-23.6%
Renegotiated loans / Total gross loans	7.8%	8.5%	-70 bps	8.8%	-100 bps
- corporate	9.2%	9.9%	-70 bps	10.1%	-90 bps
- individuals	2.0%	2.4%	-40 bps	2.9%	-90 bps

(1) Provision charge for impairment of debt financial assets.

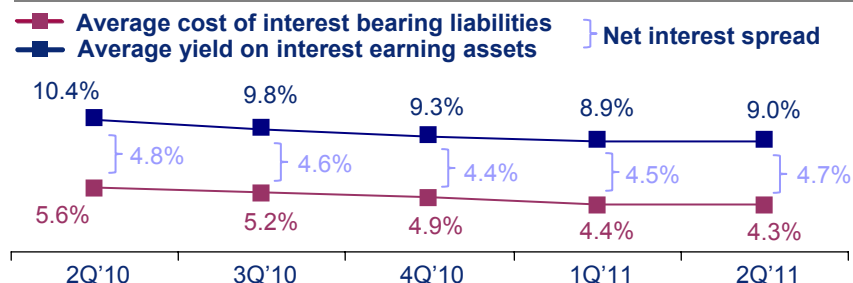
(2) Non-performing loans (NPLs) represent impaired loans with repayments overdue by over 90 days. NPLs are calculated including the entire principal and interest payments. Ratio is calculated to total gross loans.

Healthy Balance Sheet Structure and Strong Capital Base

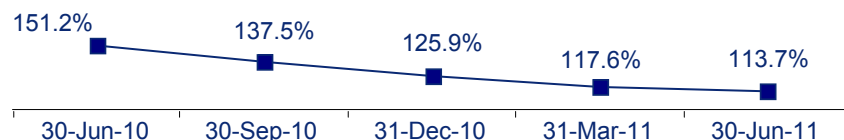
Assets Structure



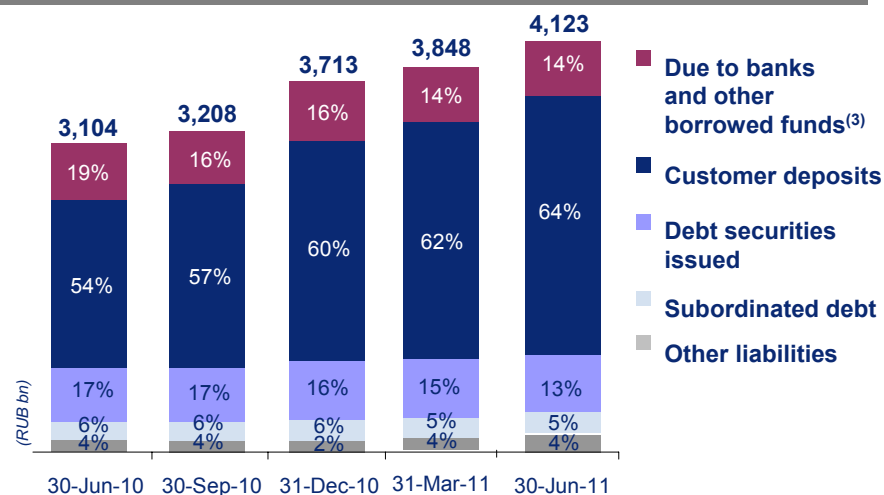
Net Interest Spread, y-o-y



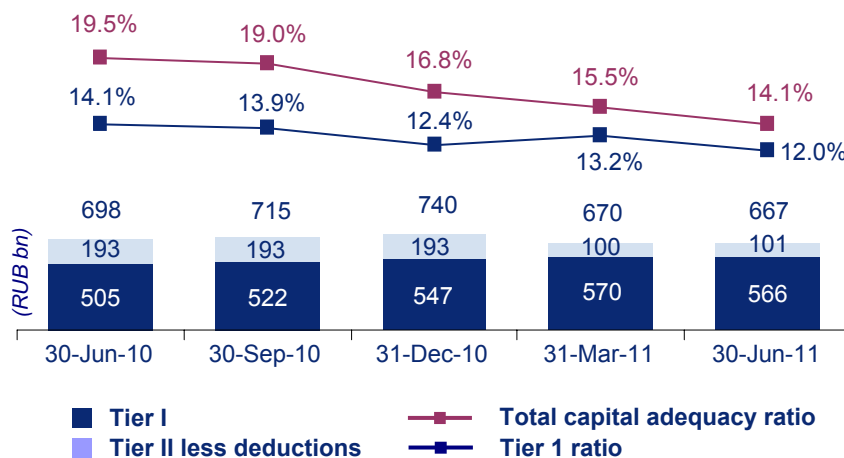
Customer Loans / Customer Deposits



Liabilities Structure



BIS Group Capital



(1) Includes debt and equity securities, assets pledged under REPO, securities classified as due from other banks and loans to customers, and derivatives.
 (2) Includes investment in associates, premises and equipment, investment property, intangible assets and goodwill, deferred tax assets and others.
 (3) Other borrowed funds include bilateral and syndicated bank loans, secured and unsecured financing from central banks.

A low-angle, upward-looking photograph of modern glass skyscrapers against a clear blue sky. The perspective creates a sense of height and architectural scale. The grid pattern of the window panes is prominent, and the buildings appear to converge towards the top of the frame.

Update on TCB and Bank of Moscow

Update on TCB and BoM Integration Process

TCB Integration Milestones

- **TCB integration plan was approved in August 2011**
- **TCB will be integrated into VTB Group by 2013:**
 - Functional integration of both corporate and retail banking into relevant segment managements
- **Corporate business:**
 - Product specialisation for servicing Russian Railways
 - Assignment of key client managers in the Group to service top 50 largest TCB clients
 - Product range and pricing unification
 - Consolidated risk management
- **Retail business:**
 - Product range unification (3Q'11)
 - Branch network audit and decisions on its optimisation (3Q-4Q'11)
 - Increasing network efficiency and implementation of VTB24 standards (2012)

TCB Acquisition Price (for 74.48% stake)

Total price paid	RUB 38.3 bn
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BV (as of Dec 31, 10)	RUB 20.9 bn
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P/BV	1.8x
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BoM Integration Milestones

- **Consolidation process is going according to the previously announced plan:**
 - VTB Supervisory Council approved the sale of 46.48% stake in BoM to VTB Debt Center and providing additional capital to VTB Pension Administrator in the amount of RUB 102 bn
 - VTB will acquire key minorities stakes in BoM and subsequently receive the DIA loan by the end of September
 - In VTB Group accounting BoM will switch from equity associate to consolidated subsidiary starting from 3Q'11
- **BoM integration plan will be finalised by the end of 3Q'11**

BoM Acquisition Price ⁽¹⁾

Total price paid	RUB 258 bn
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BV after recapitalisation	RUB 170 bn
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P/BV	≈ 1.5x
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(1) Management forecast.

A low-angle, upward-looking photograph of modern glass skyscrapers against a clear blue sky. The perspective creates a sense of height and architectural scale. The grid pattern of the window panes is prominent, and the buildings appear to converge towards the top of the frame. The overall color palette is dominated by the blue of the sky and the grey and white of the building facades.

Appendix

VTB Group Public Debt Instruments

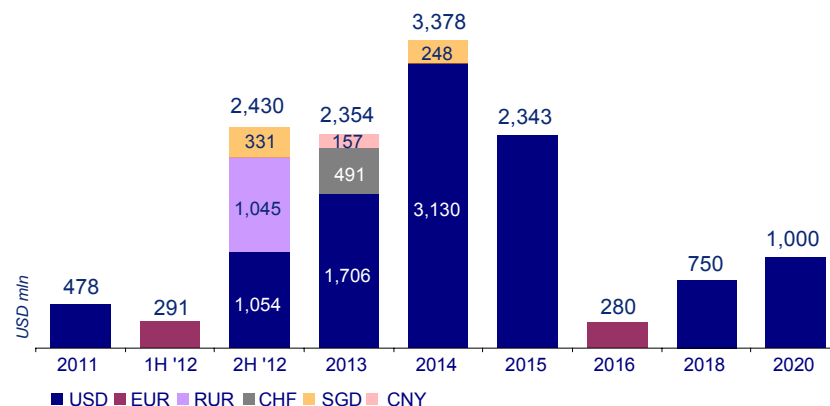
VTB Group Public Debt Instruments Outstanding

Borrower	Equivalent amount (USD, mln) ⁽¹⁾	Instrument	Maturity Date/Put or Call Option	Coupon
2011				
VTB	450	Series 4 EMTN 1	October 2011	7.5%
Members of VTB Group	28	Loans repayment / amortisation	During 2011	
Subtotal	478			
2012				
VTB	331	Series 8 SGD EMTN 2	August 2012	4.2%
VTB	1,054	Series 1 EMTN 2	October 2012	6.609%
VTB	1,045	Series 3 RUB EMTN 2	November 2012	6.85%
Members of VTB Group	291	Loans repayment / amortisation	During 2012	
Subtotal	2,721			
2013				
VTB	1,706	Series 4 EMTN 2 (put option)	May 2013	6.875%
VTB	491	Series 9 CHF EMTN 2	August 2013	4.0%
VTB	157	Series 11 CNY EMTN 2	December 2013	2.95%
Subtotal	2,354			
2014				
VTB	248	Series 13 SGD EMTN 2	June 2014	3.4%
VTB	3,130	Loan repayment	July 2014	
Subtotal	3,378			
2015				
VTB	1,250	Series 7 EMTN 2	March 2015	6.465%
VTB	693	Series 6 EMTN 1 (put option)	June 2015	6.25%
VTB ⁽²⁾	400	Subordinated Debt	September 2015	5.01%
Subtotal	2,343			
2016				
VTB	280	Series 9 EUR EMTN 1	February 2016	4.25%
Subtotal	280			
2018				
VTB	750	Series 12 EMTN 2	February 2018	6.315%
Subtotal	750			
2020				
VTB	1,000	Series 10 EMTN 2	October 2020	6.551%
Subtotal	1,000			
Total	13,304			

Public Debt Repaid in 2011 ⁽¹⁾

Borrower	Amount (mln) ⁽¹⁾	Instrument	Repayment Date	Coupon
Members of VTB Group	USD 1,178	Loans repayment / amortisation	January – July 2011	
VTB	EUR 195	Series 9 under EMTN programme No.1(put option)	February 2011	4.25%
TCB	USD 350	Eurobond	June 2011	9%
VTB	EUR 900	Series 5 under EMTN programme No. 2	June 2011	8.25%
VTB	CHF 750	Series 6 under EMTN programme No. 2	August 2011	7.5%
Total	USD 4,040			

VTB Group Debt Maturity Profile ⁽¹⁾



(1) Exchange rates are as of August 30, 2011. CBR data. Note: In addition to international debt, VTB Group currently has RUB 147 bn outstanding domestic bonds.

(2) As the result of the reorganisation of JSC Bank VTB North-West and its merger with JSC VTB Bank, March 18, 2011, JSC VTB Bank has assumed the rights and obligations of JSC Bank VTB North-West as the Borrower.

VTB Group International Public Debt Instruments Issued in 2010-2011

Borrower	Date of issue	Amount (mln)	Instrument	Maturity date	Coupon/rate
VTB	March 2010	USD 1,250	Series 7 EMTN 2	March 2015	6.465%
VTB	August 2010	SGD 400	Series 8 EMTN 2	August 2012	4.2%
VTB	August 2010	CHF 400	Series 9 EMTN 2	August 2013	4%
VTB	October 2010	USD 1,000	Series 10 EMTN 2	October 2020	6.551%
VTB	December 2010	CNY 1,000	Series 11 EMTN 2	December 2013	2.95%
VTB	February 2011	USD 750	Series 12 EMTN 2	February 2018	6.315%
VTB	June 2011	SGD 300	Series 13 EMTN 2	June 2014	3.4%
VTB	July 2011	USD 3,130	Syndicated loan	July 2014	LIBOR+1.3%
Total (USD equivalent)⁽¹⁾		USD 7,357			

(1) Exchange rates are as of August 30, 2011, CBR data.