



1Q'2018 Results

May 17, 2018

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RESULTS IN BRIEF

RUB ^{bn}

Net profit 55.5 2.0x y-o-y	ROE 15.6% + 7.7 ppt y-o-y	Gross loans 9,953 + 1% YTD	NPL ratio 7.1% +20 bp YTD
Net interest income 116.3 + 3% y-o-y	NIM 4.1% flat y-o-y	Loans to individuals +3% YTD	Loans to legal entities +1% YTD
Net fee & commission income 21.9 + 11% y-o-y	CoR 0.9% -100 bp y-o-y	Customer deposits 9,333 + 2% YTD	LDR 98.7% -90 bp YTD
Staff & administrative expenses 63.1 + 2% y-o-y	CIR 41.3% - 110 bp y-o-y	Deposits of individuals +6% YTD	Deposits of legal entities FLAT YTD
Basel T1 capital ratio 12.7% +10 bp YTD		Basel total capital ratio 14.5% +10 bp YTD	

SUMMARY OF KEY IMPACTS FROM ADOPTION OF IFRS 9

Forward-looking expected credit loss (ECL) approach introduced with the adoption of IFRS 9, effective January 1st, 2018, which is intended to result in an earlier recognition of credit losses based on an ECL impairment approach compared with the incurred-loss impairment approach for financial instruments under IAS 39

1Q'2018 results are based on IFRS 9, prior periods are based on IAS 39. Therefore, the relevant information for prior periods is not comparable to the information presented starting from January 1st, 2018

Total equity

Initial management estimate of IFRS 9 impact:

Below (RUB 95 bn), before tax
Below (RUB 76 bn), after tax

IFRS 9 impact

- 62.6
RUB bn

Tier I CAR

- 50
bps

Initial management estimate of IFRS 9 impact: (50 bps)

Provisioning under IFRS 9

- 79.4
RUB bn

Classification and measurement under IFRS 9

+ 0.6
RUB bn

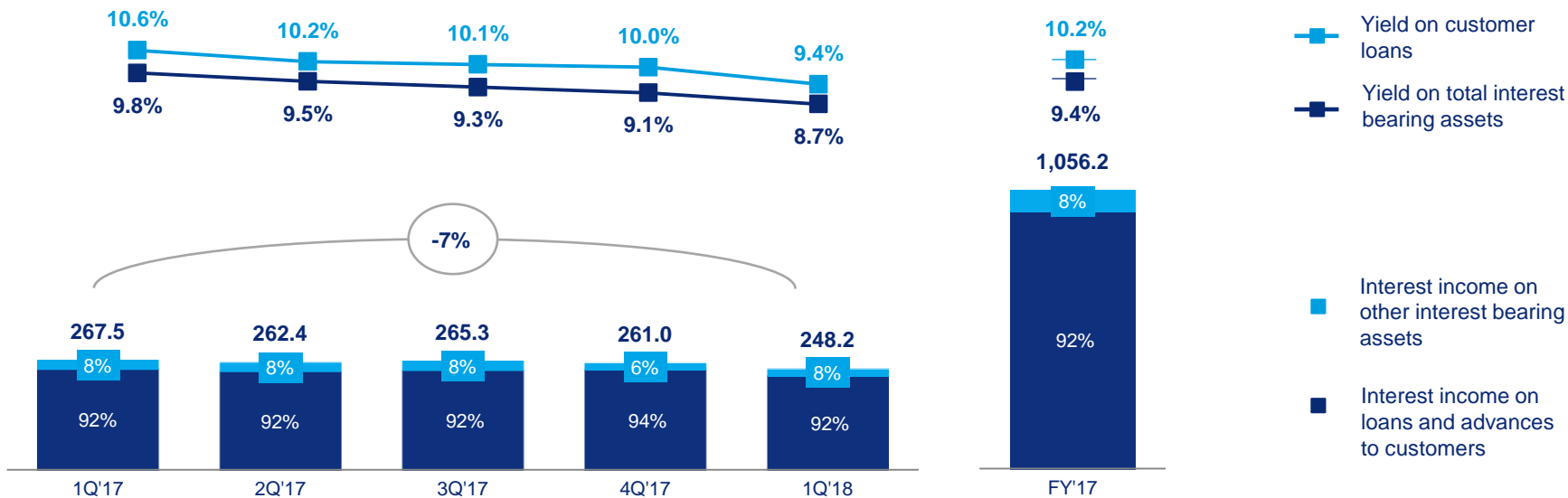
Deferred tax under IFRS 9

+16.2
RUB bn

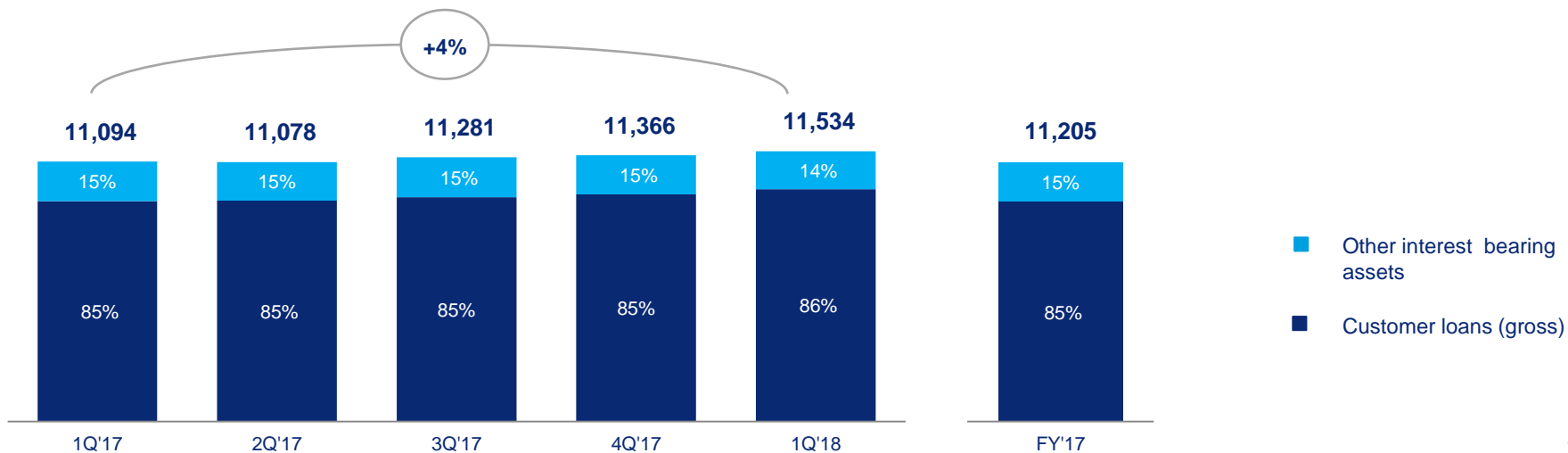
For detailed information on initial application of IFRS 9, please refer to Note 3 of VTB Group's 1Q'2018 interim condensed consolidated financial statements

INTEREST INCOME AND AVERAGE YIELDS

Interest income and average yields RUB bn

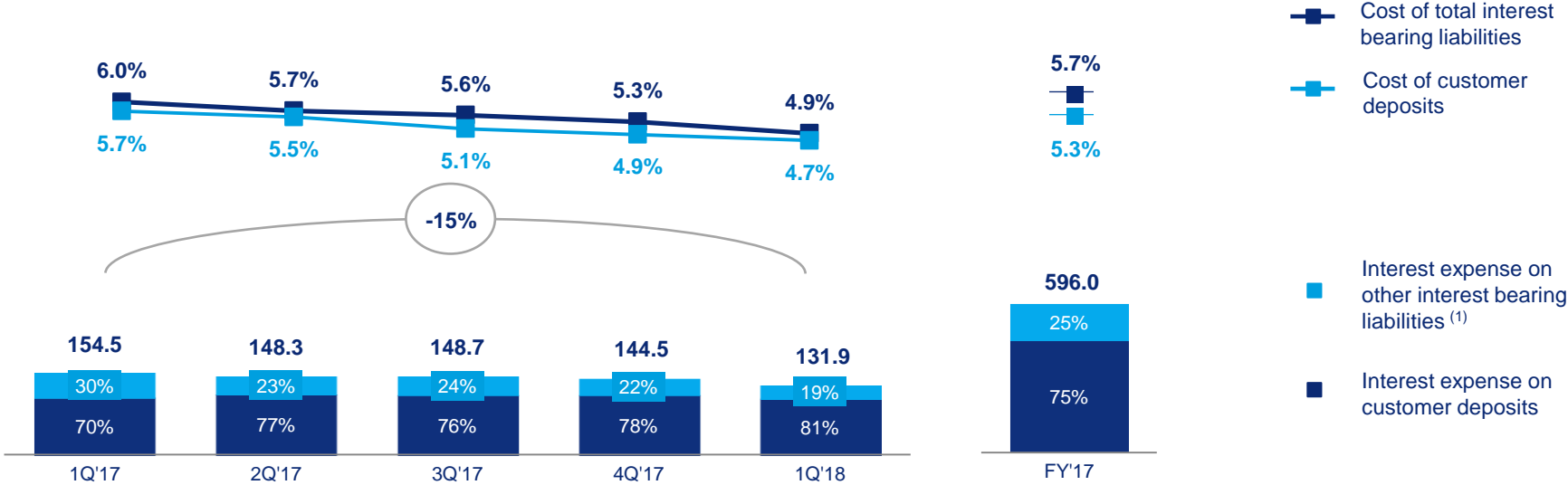


Average interest bearing assets RUB bn

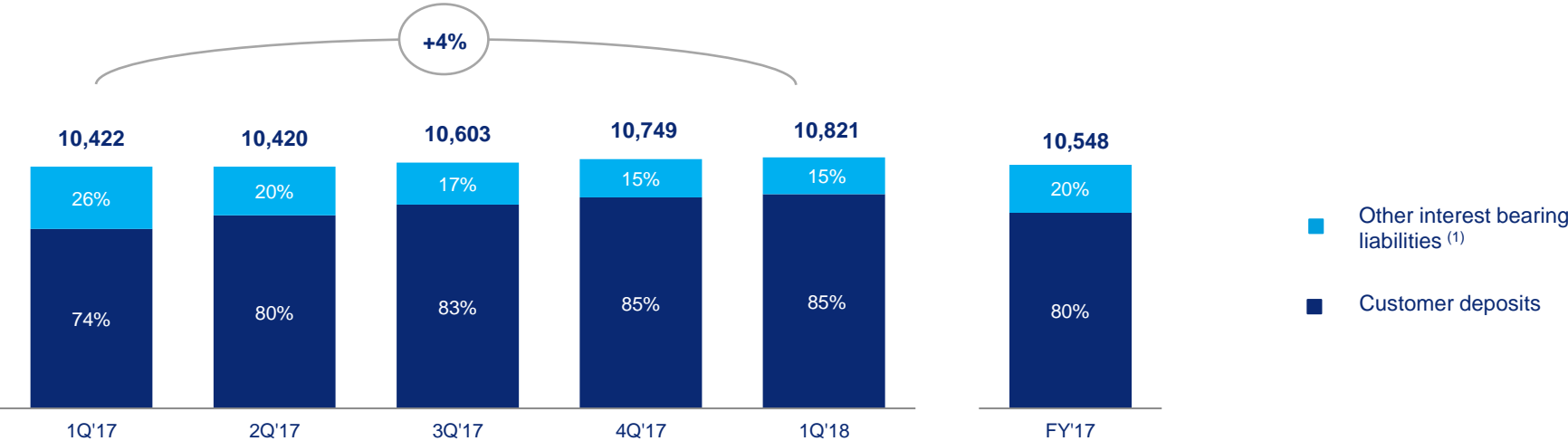


INTEREST EXPENSE AND COST OF FUNDS

Interest expense and cost of interest bearing liabilities RUB bn



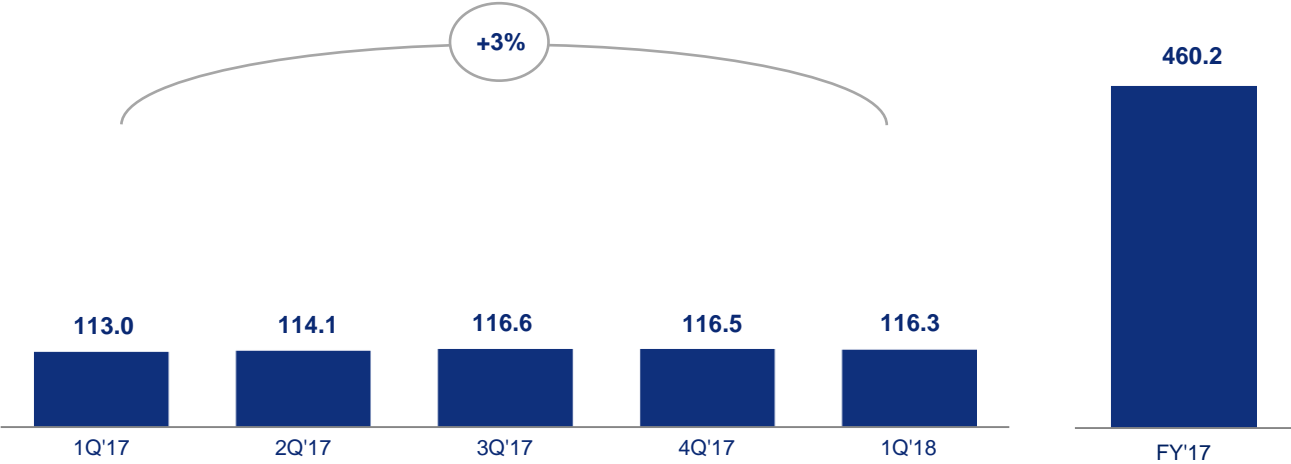
Average interest bearing liabilities RUB bn



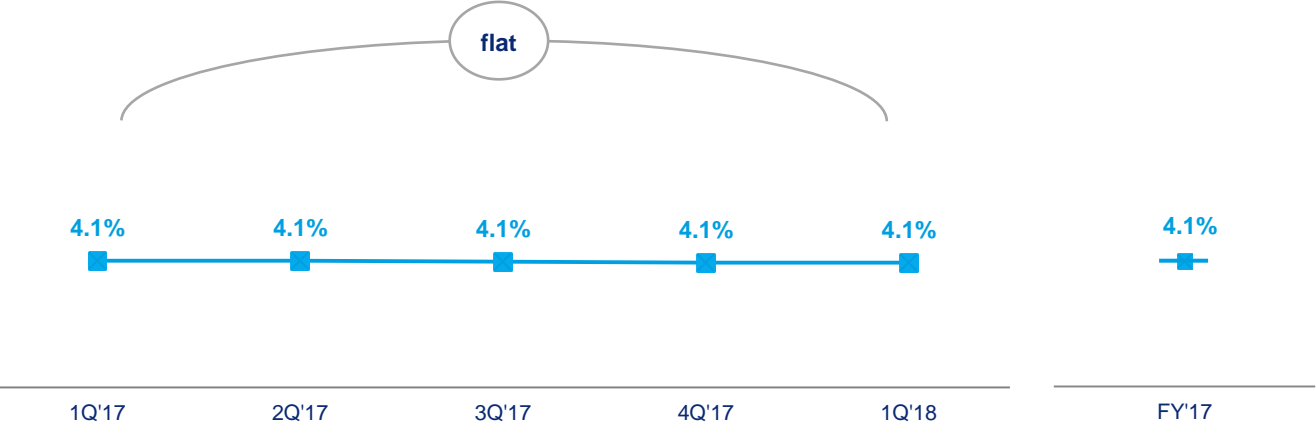
(1) Including debt securities in issue, subordinated debt, interbank (incl. LORO and other borrowed funds).

NET INTEREST INCOME AND NIM

Net interest income RUB bn



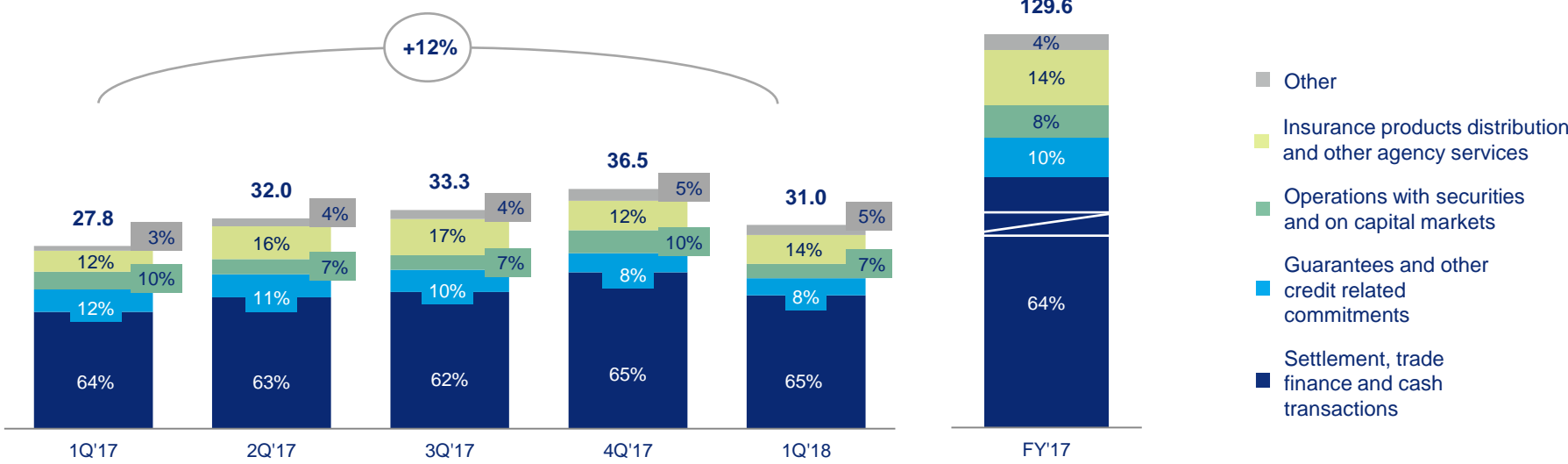
Net interest margin⁽¹⁾



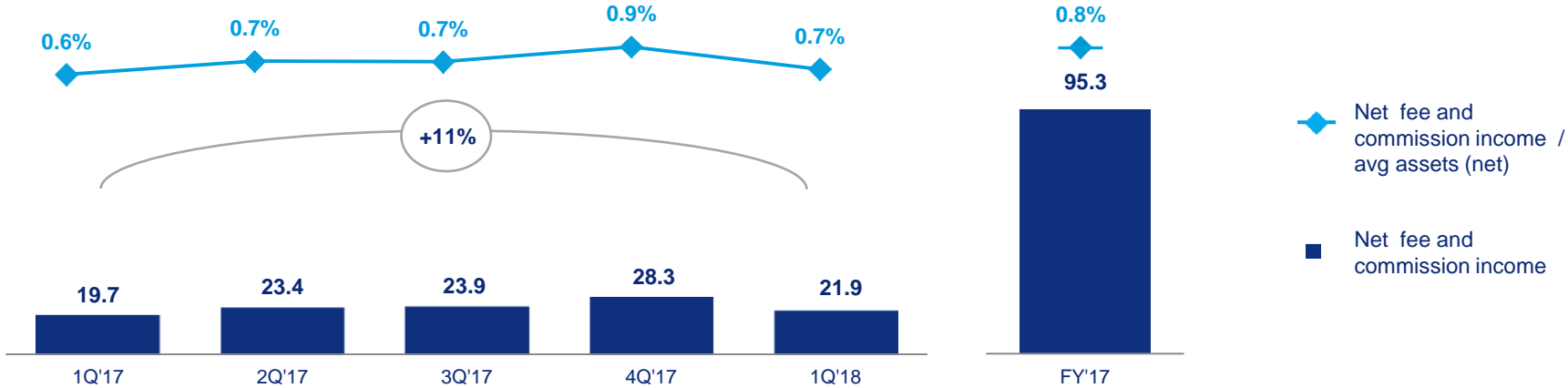
(1) Calculated as net interest income (adjusted for payments to deposit insurance system) divided by average interest earning assets, which include gross loans and advances to customers, due from other banks (gross), debt securities and correspondent accounts with other banks.

FEE AND COMMISSION INCOME

Fee and commission income breakdown RUB bn

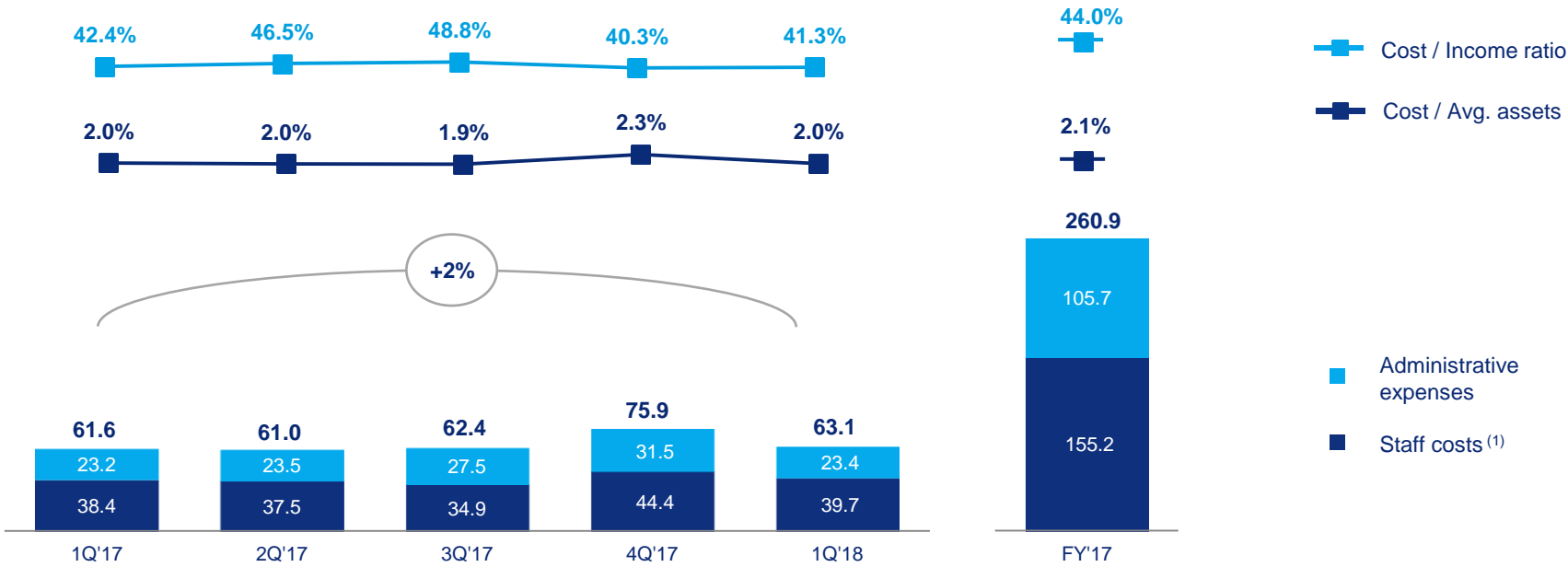


Net fee and commission income RUB bn

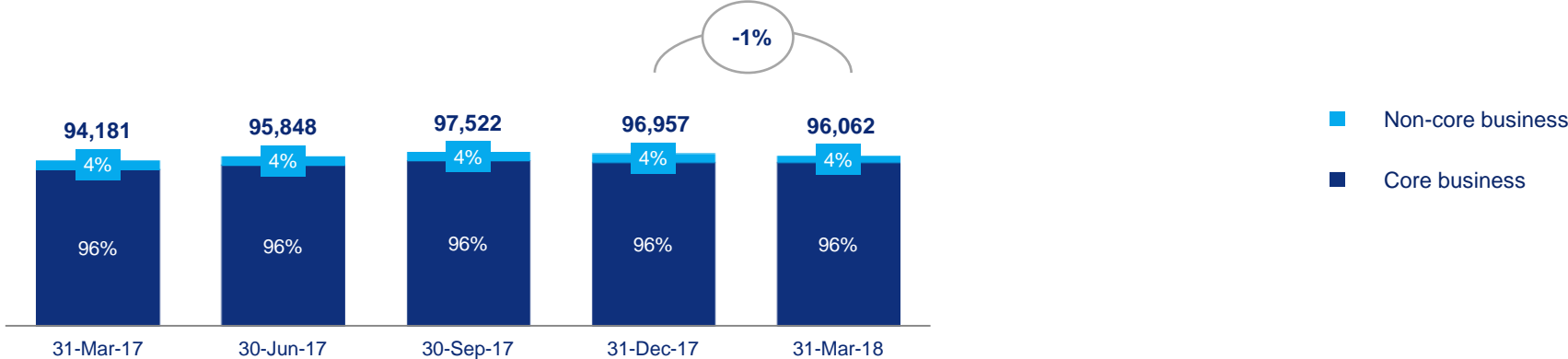


STAFF AND ADMINISTRATIVE EXPENSES

Staff costs and administrative expenses RUB bn

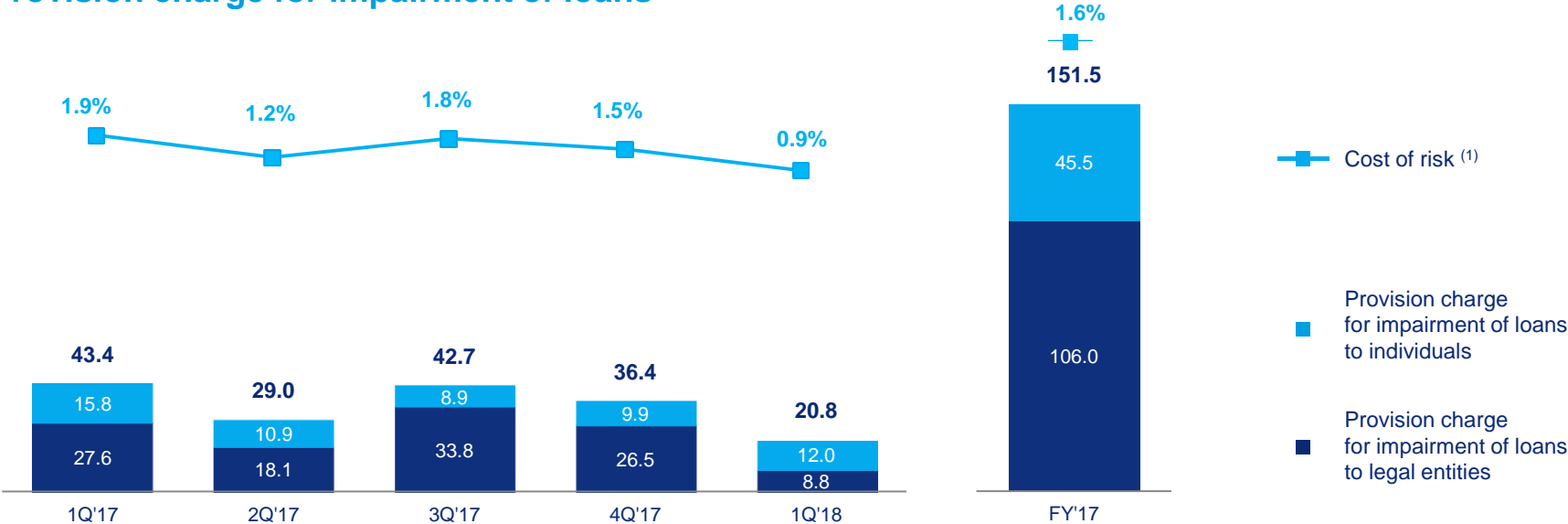


Number of employees

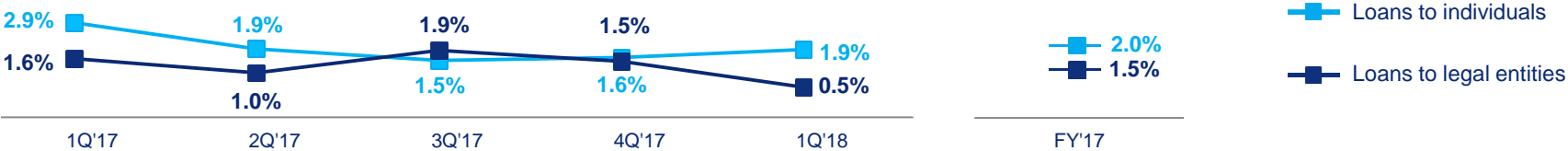


PROVISION CHARGE AND COST OF RISK

Provision charge for impairment of loans RUB bn



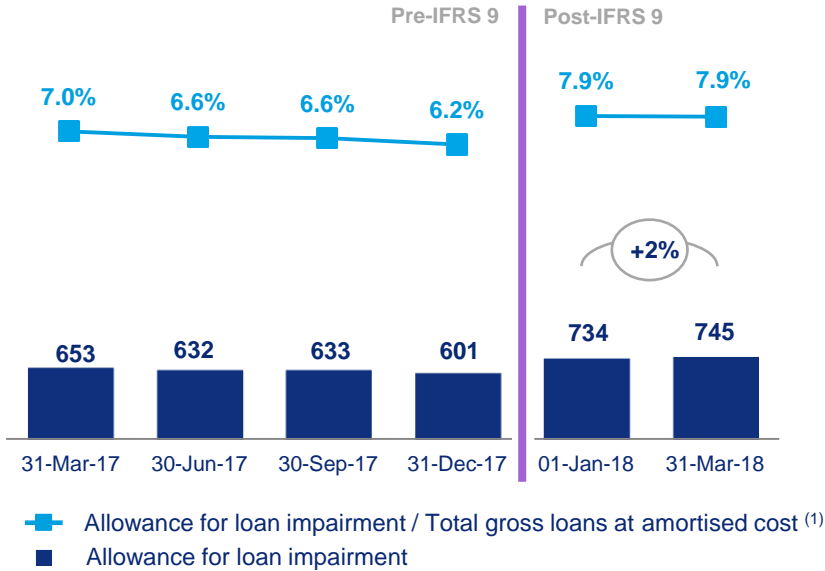
Cost of risk breakdown



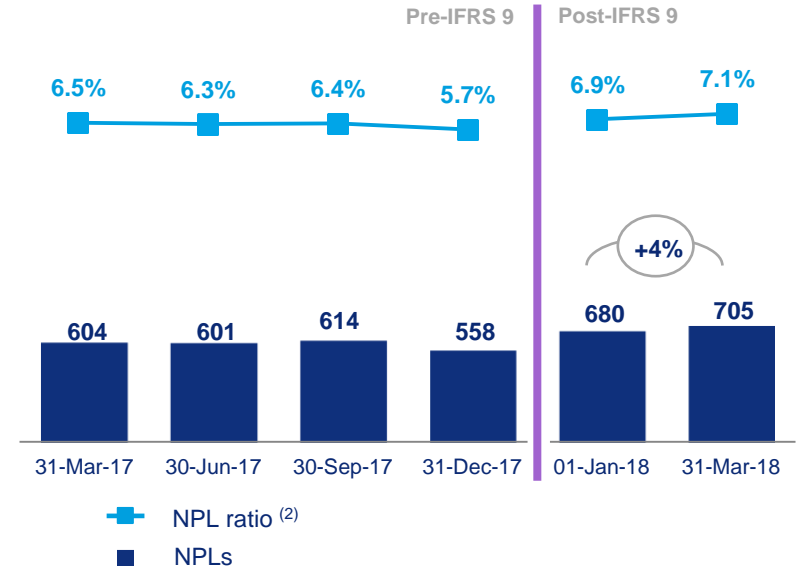
(1) Provision charge for loan impairment divided by average gross loans and advances to customers.

LOAN BOOK QUALITY

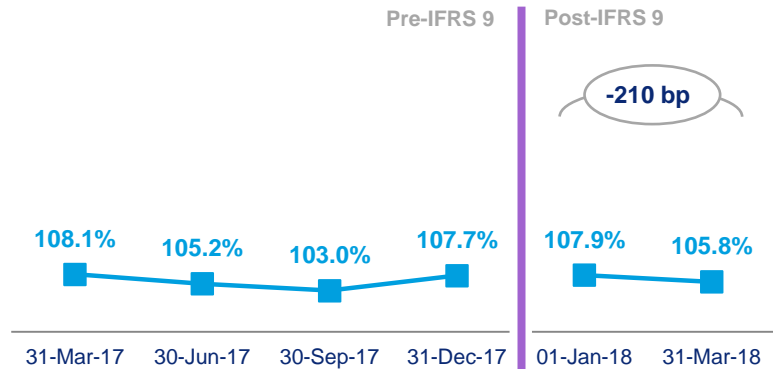
Provision for loan impairment RUB bn



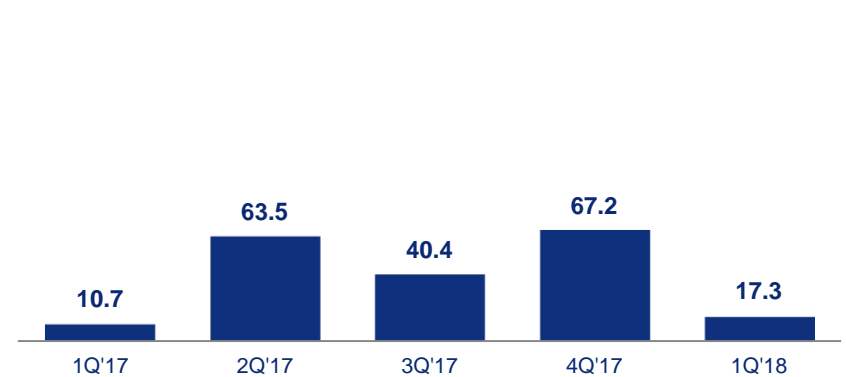
NPLs (90+) RUB bn



Coverage ratio



Loan write-offs RUB bn

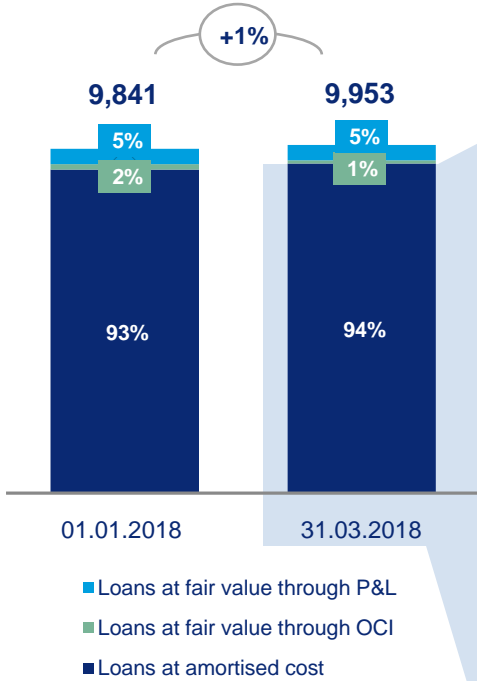


(1) Ratio is calculated to total gross loans including financial assets classified as loans and advances to customers pledged under repurchase agreements.

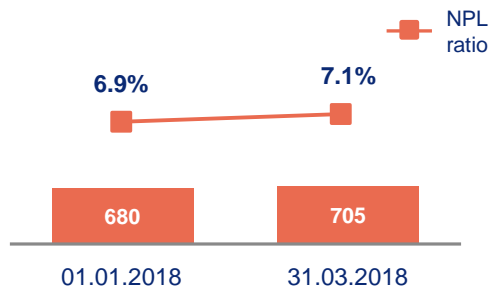
(2) The Group defines non-performing loans (NPL) as overdue loans other than POCI with principal or / and interests overdue more than 90 days and POCI loans with principal or /and interests overdue more than 90 days from the date of acquisition or from the date of overdue extension (for POCI loans originated as a result of restructuring).

GROSS LOAN PORTFOLIO BREAKDOWN UNDER IFRS 9

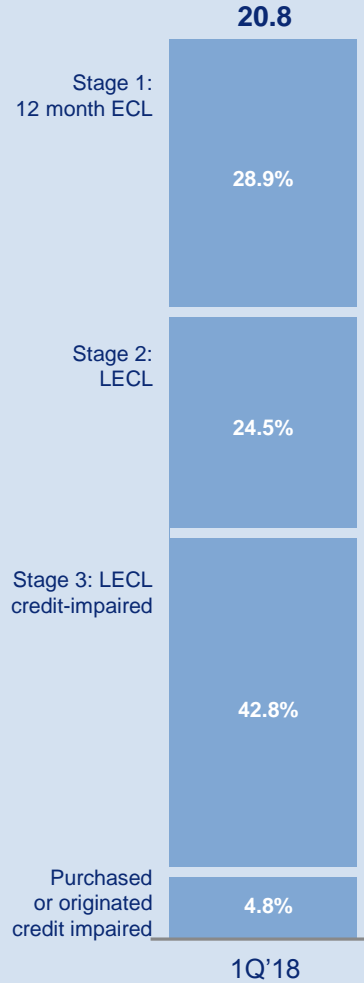
By measurement approach



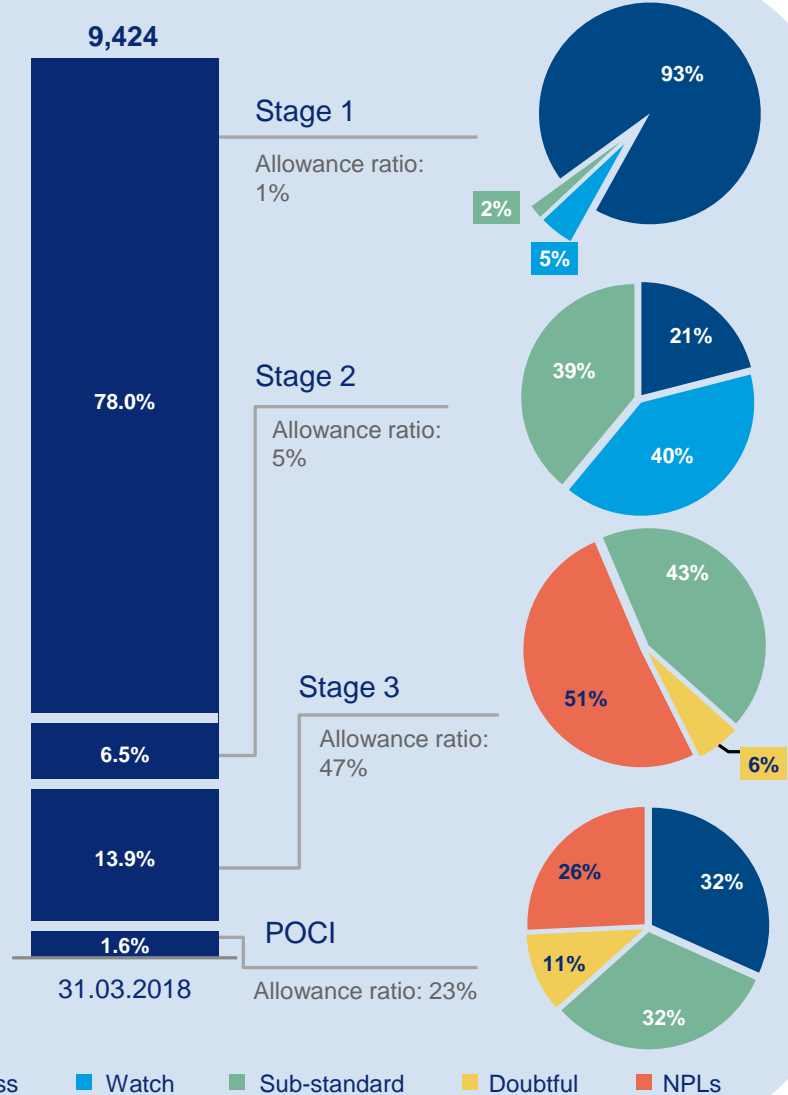
NPLs



Provision charge by ELC stages



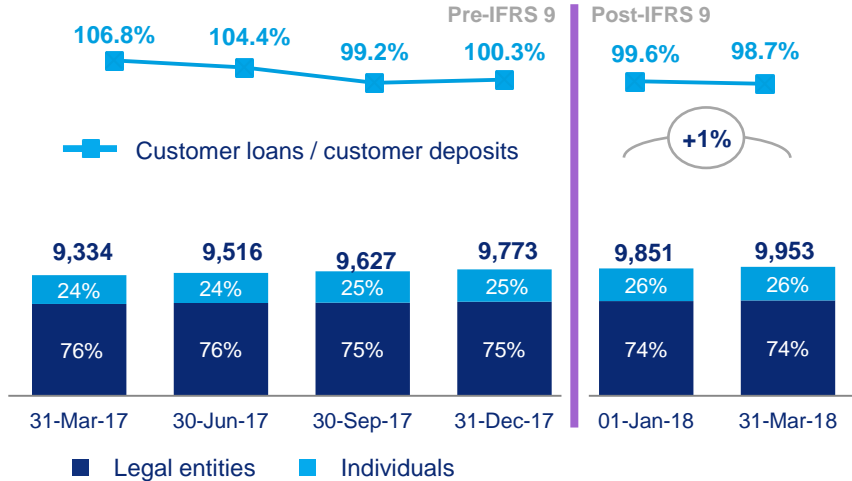
Loans at amortised cost by ECL stages



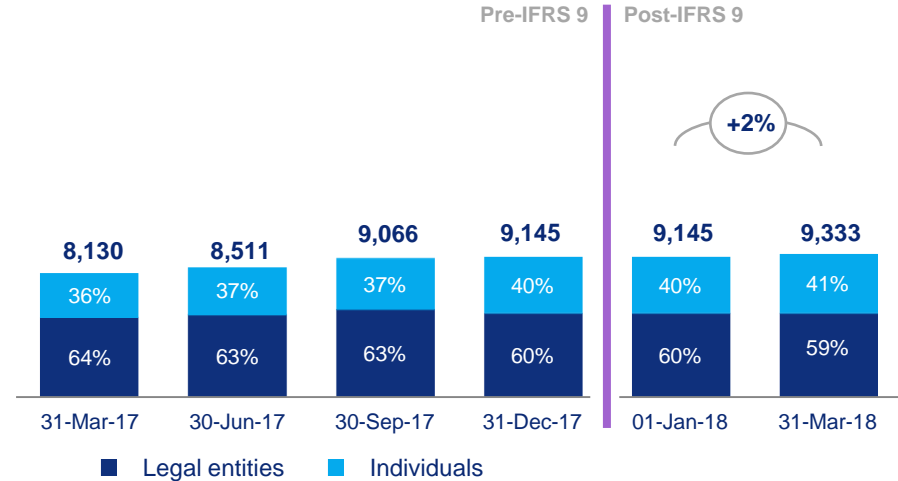
■ Pass ■ Watch ■ Sub-standard ■ Doubtful ■ NPLs

LOAN PORTFOLIO AND CUSTOMER DEPOSITS

Loans and advances to customers RUB bn

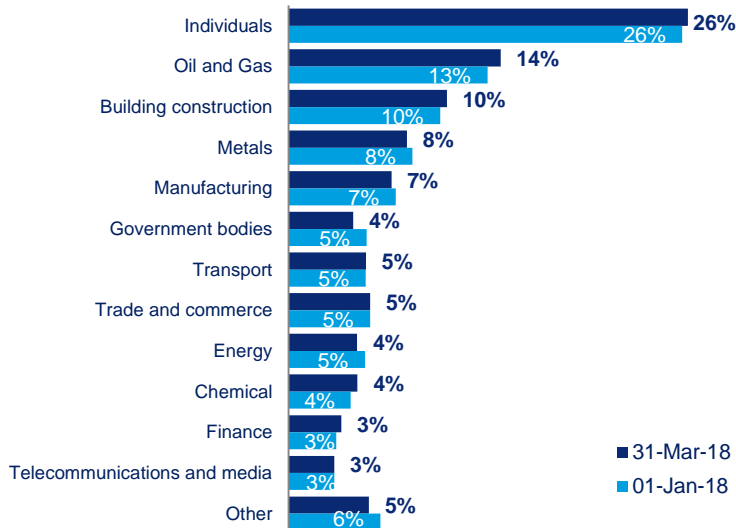


Customer deposits RUB bn

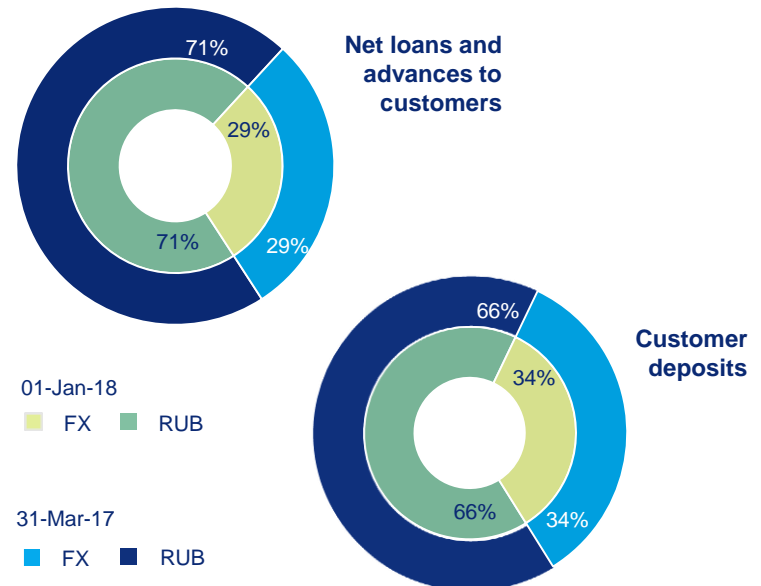


Loans and advances to customers by industry

Post-IFRS 9

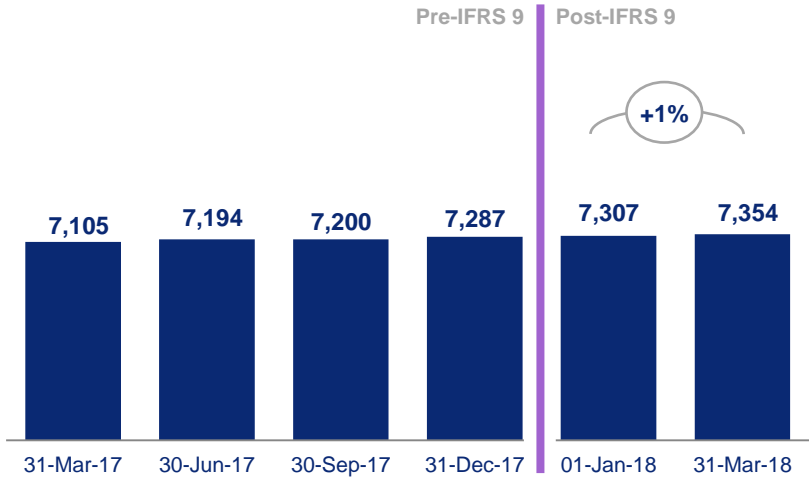


Loans and deposits by currency %

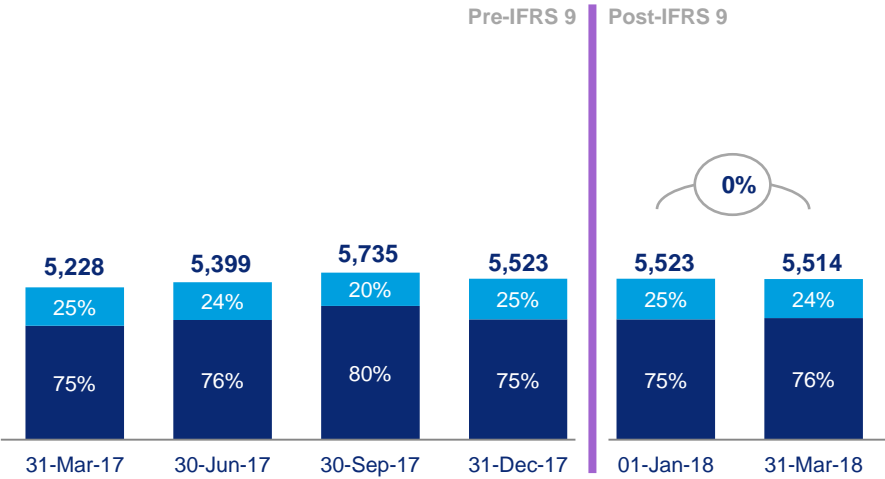


BUSINESS WITH LEGAL ENTITIES

Loans to legal entities RUB bn

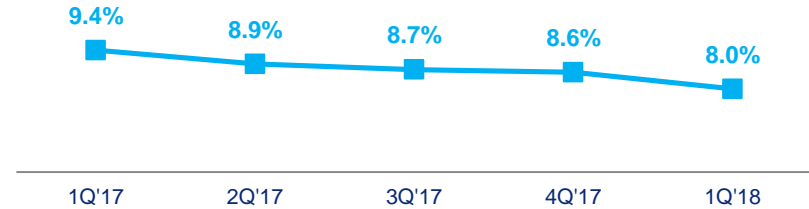


Deposits of legal entities RUB bn

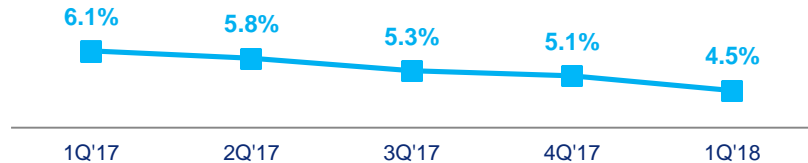


■ Current/ settlement deposits ■ Term deposits

Yield on loans to legal entities

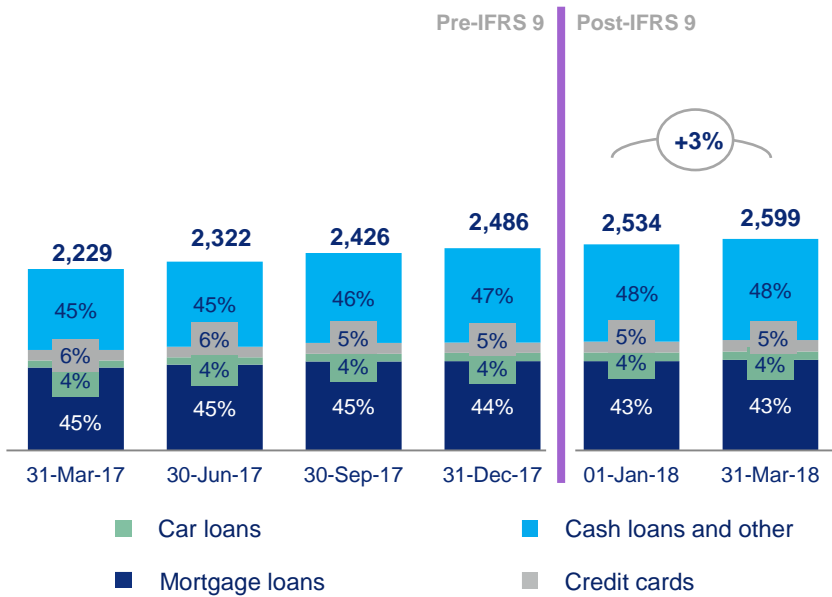


Cost of deposits of legal entities

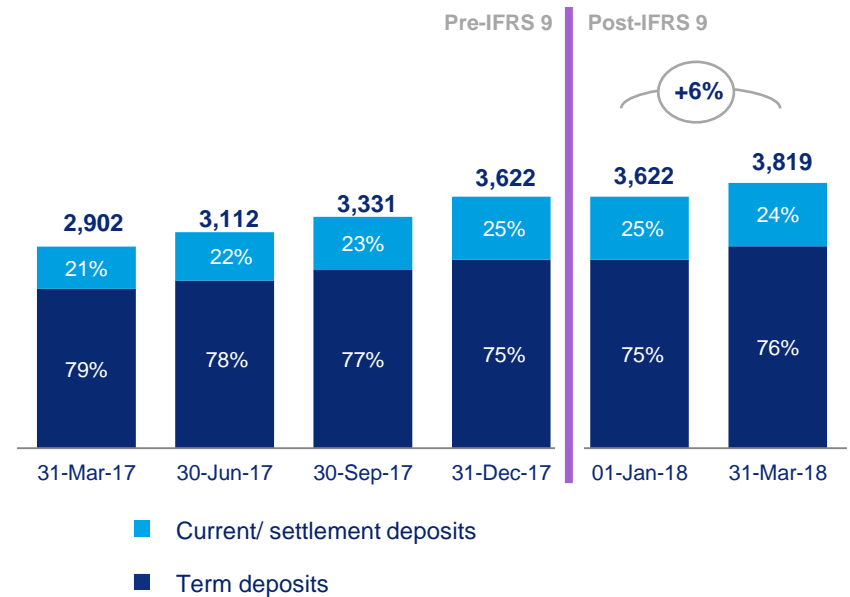


BUSINESS WITH INDIVIDUALS

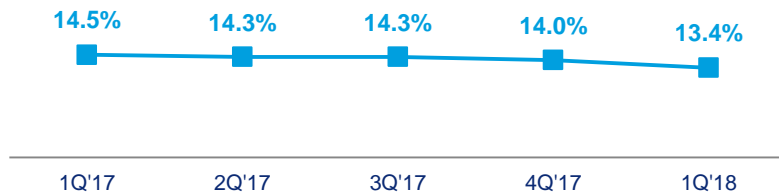
Loans to individuals RUB bn



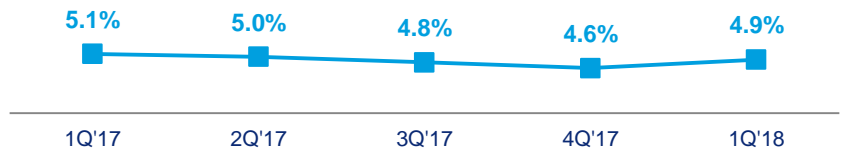
Deposits of individuals RUB bn



Yield on loans to individuals

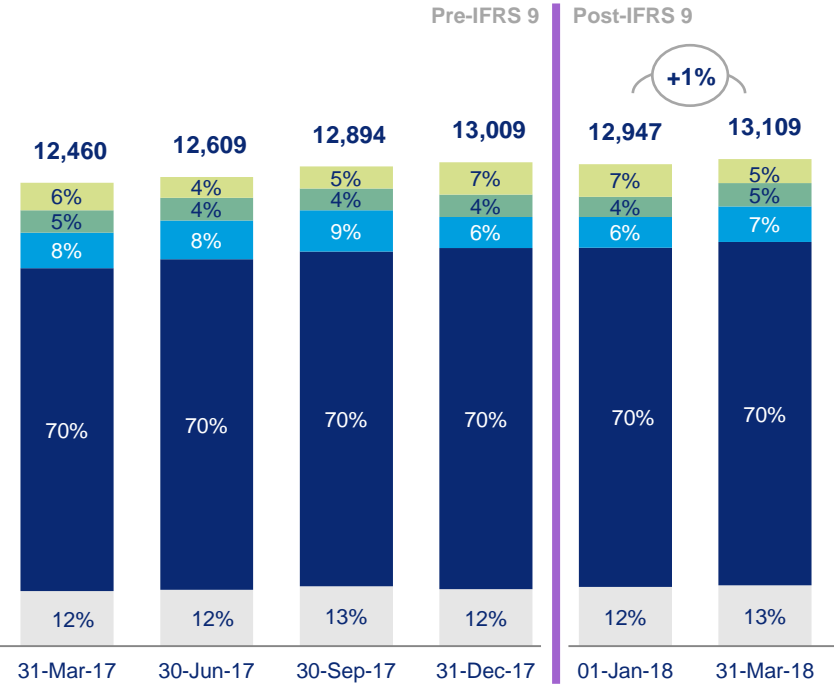


Cost of deposits of individuals

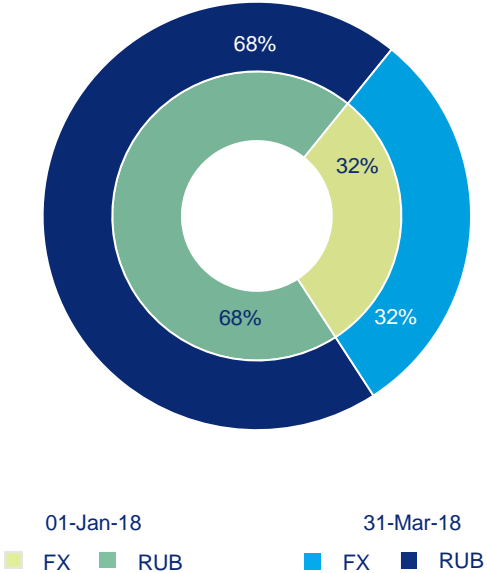


ASSET STRUCTURE

Assets structure RUB bn



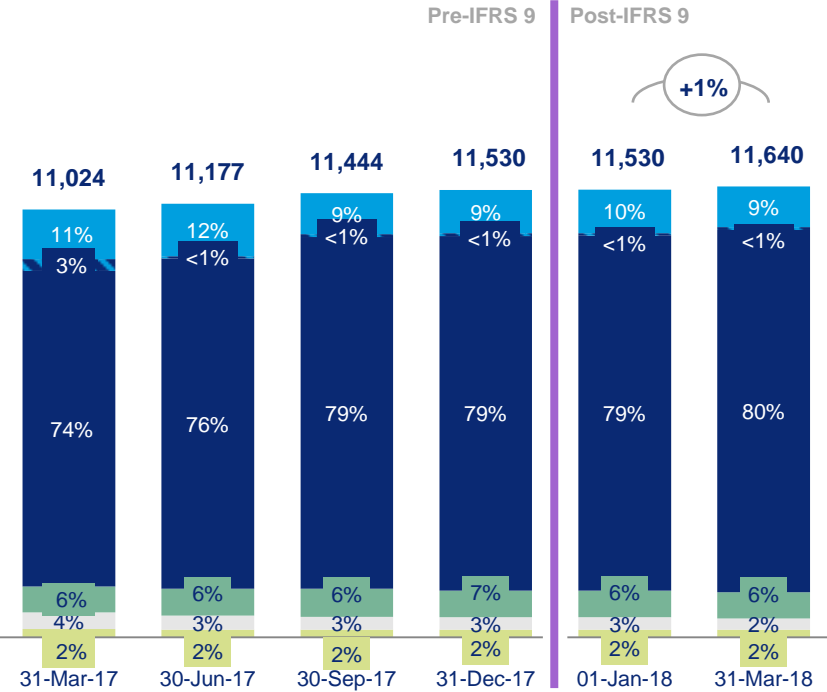
Assets by currency %



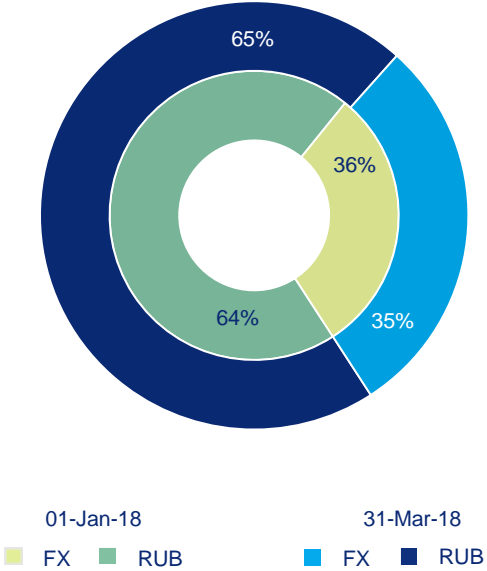
- Cash and mandatory reserves
- Loans to customers
- Securities portfolio
- Other assets
- Due from other banks

LIABILITIES STRUCTURE

Liabilities structure RUB bn



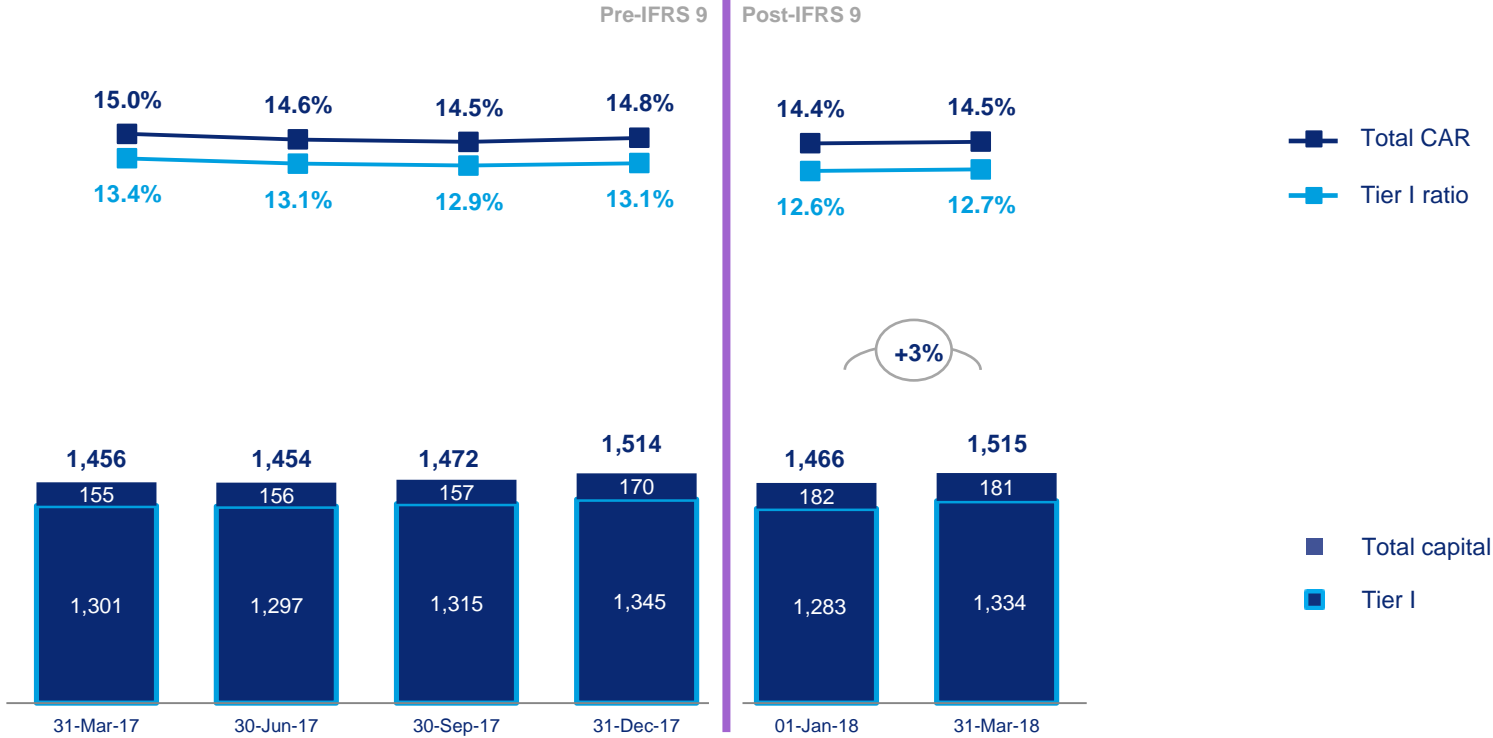
Liabilities by currency %



- Due to banks and other borrowed funds
- Collateralised funding from the CBR
- Customer deposits
- Other liabilities
- Debt securities issued
- Subordinated debt

CAPITAL STRUCTURE

Basel capital RUB bn



Russia



GDP growth <p>2.0%</p>	Loan growth legal entities <p>5%</p>	Loan growth vs market legal entities <p>In line</p>	Net profit RUB bn <p>≥150</p>
CPI <p>4%</p>	Loan growth individuals <p>11%</p>	Loan growth vs market individuals <p>Above</p>	NIM <p>4%</p>
Oil price Urals, avg <p>60\$</p>	Deposit growth legal entities <p>5%</p>	Deposit growth vs market legal entities <p>Above</p>	CIR <p>low 40's%</p>
CBR key rate eop <p>7%</p>	Deposit growth individuals <p>8%</p>	Deposit growth vs market individuals <p>Above</p>	CoR <p>≤1.5%</p>

VTB GROUP FINANCIAL HIGHLIGHTS: P&L AND KEY RATIOS

Income statement key indicators

Key selected items (in RUB bn)	1Q'18	1Q'17	Change	FY'17
Net interest income	116.3	113.0	2.9%	460.2
Net fee and commission income	21.9	19.7	11.2%	95.3
Net other income	14.4	12.5	15.2%	37.0
Operating income before provisions	152.6	145.2	5.1%	592.5
Provision charge for impairment ⁽¹⁾	(20.7)	(45.9)	-54.9%	(171.9)
Staff costs and administrative expenses	(63.1)	(61.6)	2.4%	(260.9)
Profit before tax	68.8	37.7	82.5%	159.7
Income tax expense	(13.3)	(10.1)	31.7%	(39.7)
Net profit after tax	55.5	27.6	101.1%	120.0
Profit after tax from subsidiaries acquired exclusively with a view to resale	-			0.1
Net profit	55.5	27.6	101.8%	120.1

Key financial ratios

	1Q'18	1Q'17	Change	FY'17
NIM	4.1%	4.1%	0 b.p.	4.1%
CoR	0.9%	1.9%	-100 b.p.	1.6%
Cost / Assets	2.0%	2.1%	-10 b.p.	2.1%
CIR	43.1%	42.4%	-110 b.p.	44.0%
ROE	15.6%	7.9%	+770 b.p.	8.3%

(1) Including provision charge for impairment of debt financial assets and provision charge for impairment of other assets, credit related commitments and legal claims.

VTB GROUP FINANCIAL HIGHLIGHTS: BALANCE SHEET

Balance sheet key indicators

Key selected items (in RUB bn)	31-Mar-2018	01-Jan-18	Change	31-Dec-2017	30-Sep-2017	30-Jun-17	31-Mar-2017
Gross loan portfolio	9,952.8	9,841.1	1.1%	9,772.8	9,626.5	9,515.8	9,333.8
<i>Loans to legal entities</i>	7,353.5	7,307.4	0.6%	7,286.5	7,200.4	7,194.2	7,105.2
<i>Loans to individuals</i>	2,599.3	2,533.7	2.6%	2,486.3	2,426.1	2,321.6	2,228.6
Total assets	13,109.4	12,947.4	1.1%	13,009.3	12,893.7	12,608.9	12,459.9
Customer deposits	9,333.3	9,144.7	2.1%	9,144.7	9,065.8	8,510.5	8,130.1
Deposits of legal entities	5,513.9	5,523.1	-0.2%	5,523.1	5,735.3	5,398.6	5,228.2
Deposits of individuals	3,819.4	3,621.6	5.5%	3,621.6	3,330.5	3,111.9	2,901.9
Total liabilities	11,640.4	11,529.2	0.8%	11,529.6	11,443.7	11,176.6	11,024.2
Total shareholders' equity	1,469.0	1,418.2	3.6%	1,479.7	1,450.0	1,432.3	1,435.7

Key asset quality & capital ratios

	31-Mar-2018	01-Jan-18	Change	31-Dec-2017	30-Sep-2017	30-Jun-17	31-Mar-2017
NPL ratio ⁽¹⁾	7.1%	6.9%	+20 b.p.	5.7%	6.4%	6.3%	6.5%
LLR ratio ⁽²⁾	7.9%	7.9%	0 b.p.	6.2%	6.6%	6.6%	7.0%
Tier I CAR	12.7%	12.6%	+10 b.p.	13.1%	12.9%	13.1%	13.4%
Total CAR	14.5%	14.4%	+10 b.p.	14.8%	14.5%	14.6%	15.0%

(1) The Group defines non-performing loans (NPL) as overdue loans other than POCI with principal or / and interests overdue more than 90 days and POCI loans with principal or /and interests overdue more than 90 days from the date of acquisition or from the date of overdue extension (for POCI loans originated as a result of restructuring). Ratio is calculated to total gross loans including financial assets classified as loans and advances to customers pledged under repurchase agreements.

(2) Loan-loss reserve ratio represents allowance for loan impairment to total gross loan portfolio including financial assets classified as loans and advances to customers pledged under repurchase agreements.

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