



9M'2018 Results

November 8, 2018

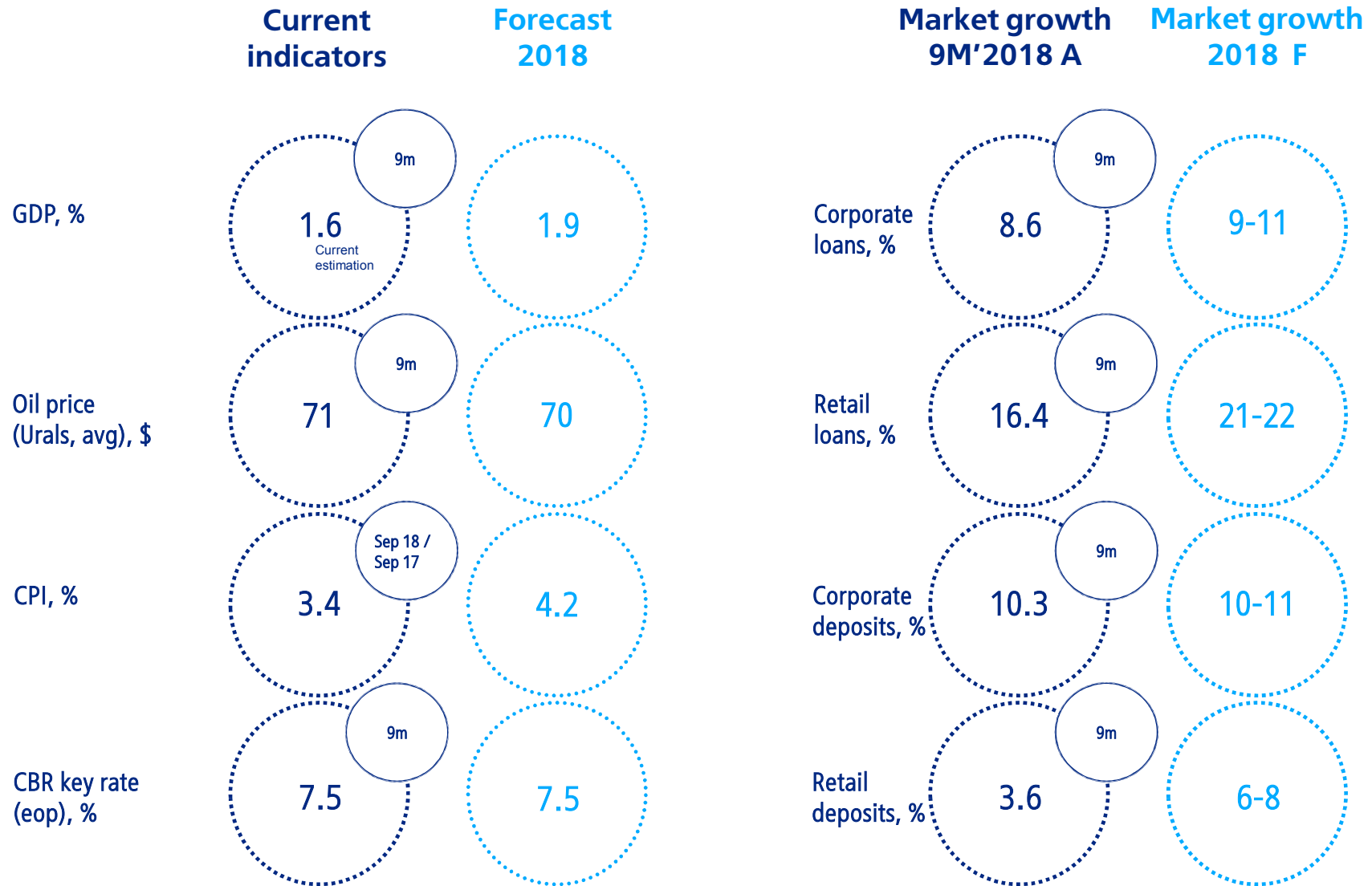
Dmitry Pyanov

Senior Vice President, Head of Finance Department

Leonid Vakeyev

Head of Investor Relations

MACRO & MARKET ENVIRONMENT



(1) Source: GDP, oil price - Ministry of Economic Development, CPI - Rosstat, market growth - the Bank of Russia.

GOOD PROGRESS IN DELIVERING FY 2018 RESULTS

Tangible improvement of profitability

9M'18

Net profit 139.7 RUB bn

+86% YoY

ROE 12.9%

+5.9 ppt YoY

3Q'18

Net profit 41.2 RUB bn

+137% YoY

ROE 11.2%

+6.4 ppt YoY

Enhanced cost efficiency

9M'18

Cost / Income ratio 39.1%

-6.7 ppt YoY

Costs growth

+1.2% YoY

3Q'18

Cost / Income ratio 38.5%

-10.3 ppt YoY

Costs growth

+0.3% YoY

Robust business growth

Starting from 3Q'18, Post Bank is accounted as JV

9M'18

+13.7% YTD

Corporate loans **8,306** RUB bn

+14.7% YTD

Retail loans **2,663** RUB bn

+5.4% YTD

Corporate deposits **5,820** RUB bn

+13.6% YTD

Retail deposits **3,920** RUB bn

3Q'18

+11.4% QoQ

Corporate loans **8,306** RUB bn

+6.8% QoQ

Retail loans **2,663** RUB bn

+0.8% QoQ

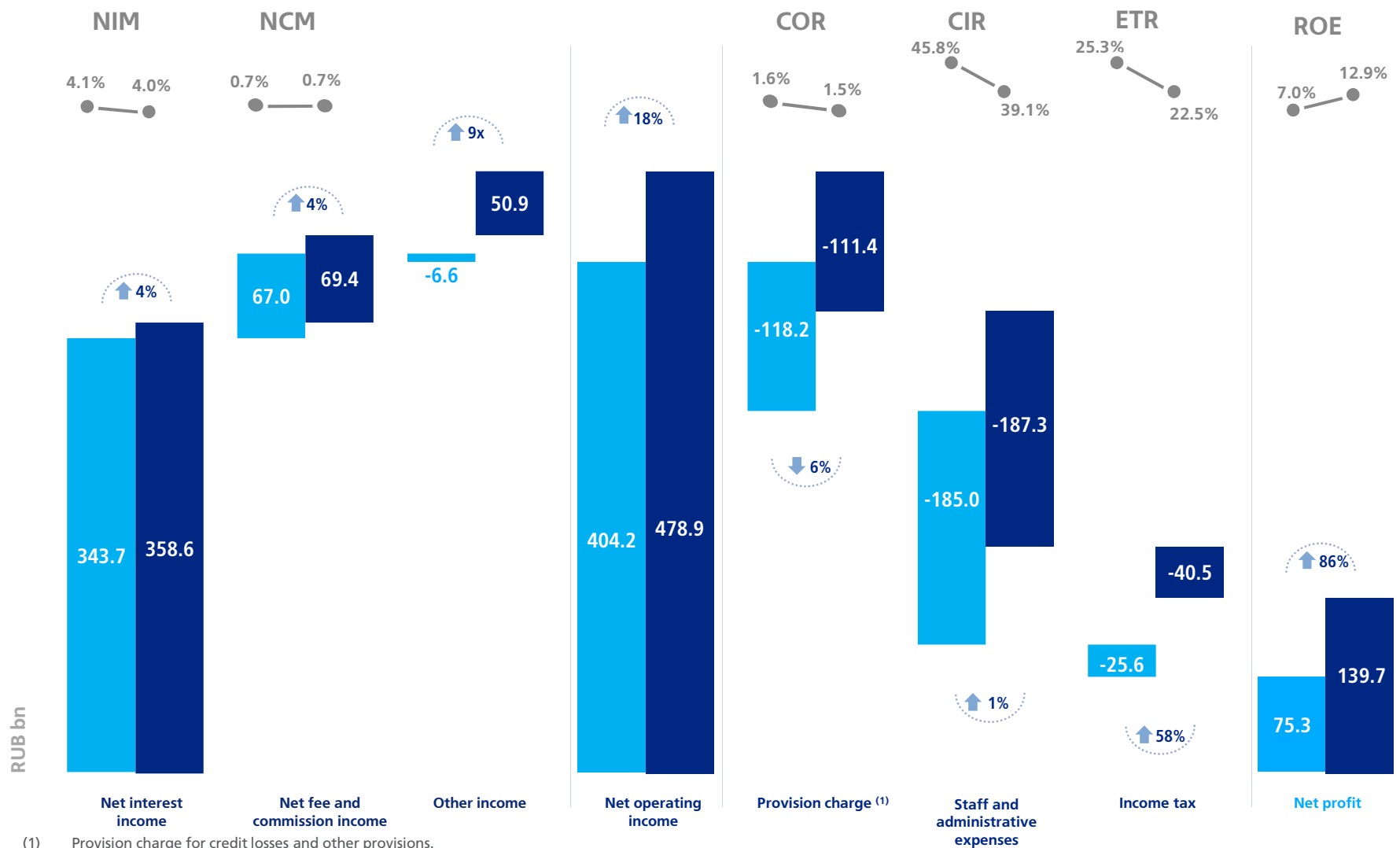
Corporate deposits **5,820** RUB bn

+2.2% QoQ

Retail deposits **3,920** RUB bn

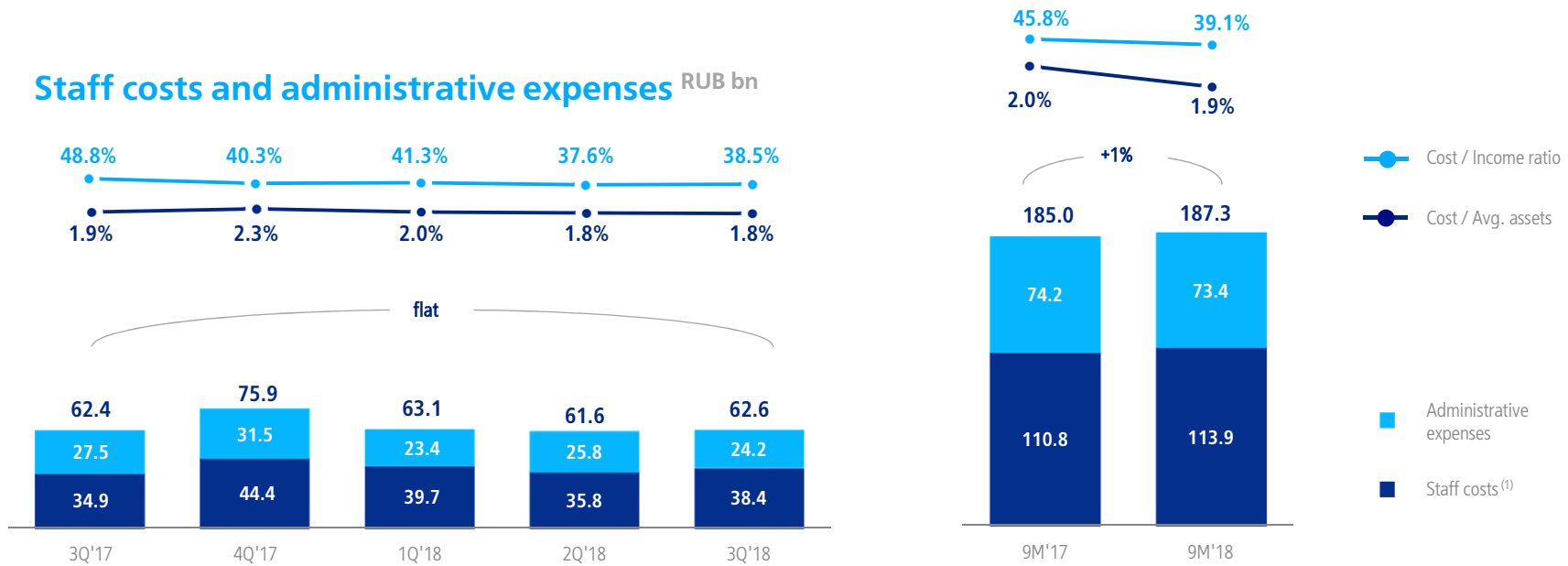
9M'18 KEY DRIVERS OF NET PROFIT GROWTH

■ 9M'17 ■ 9M'18

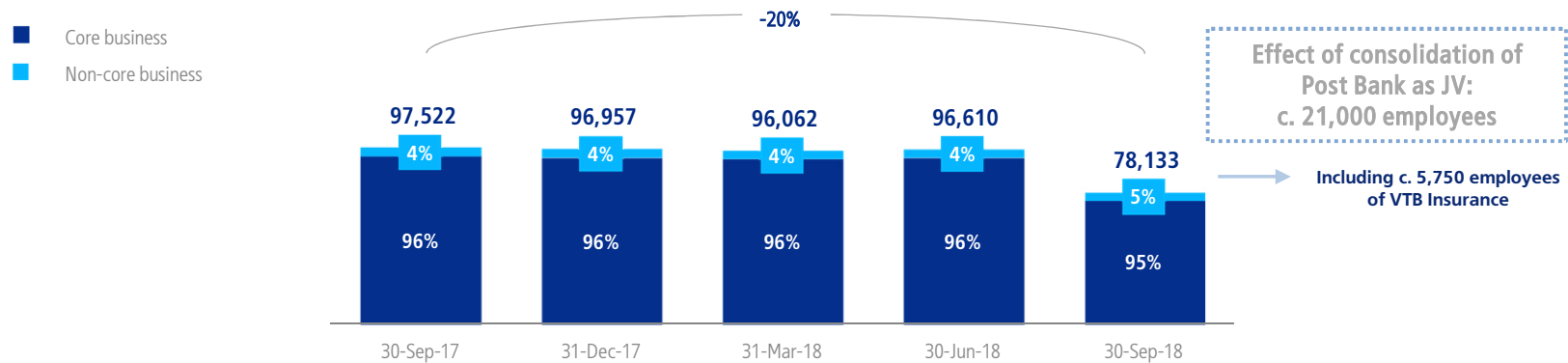


ENHANCED COST EFFICIENCY

Staff costs and administrative expenses RUB bn



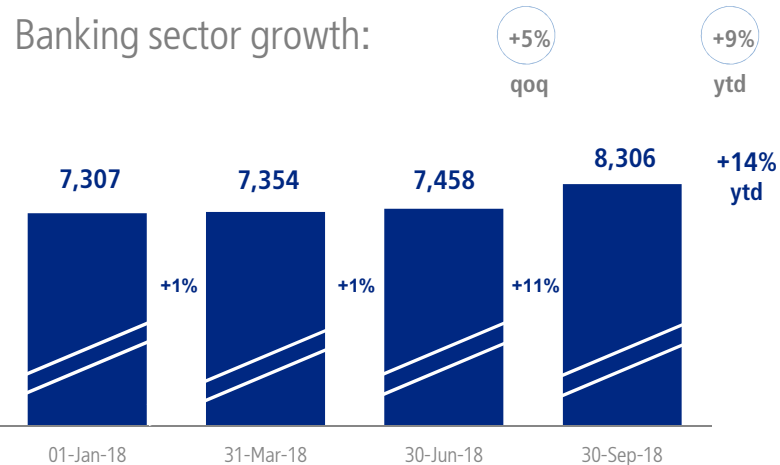
Number of employees



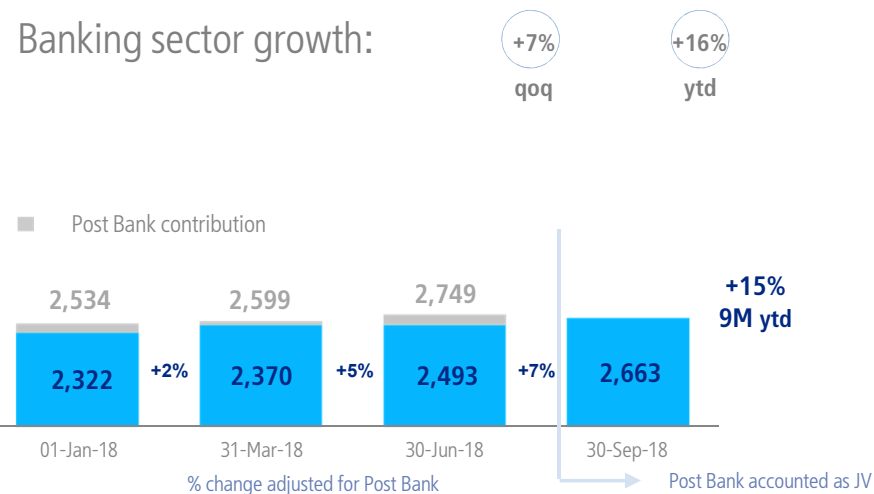
(1) Including pensions.

BUSINESS GROWTH

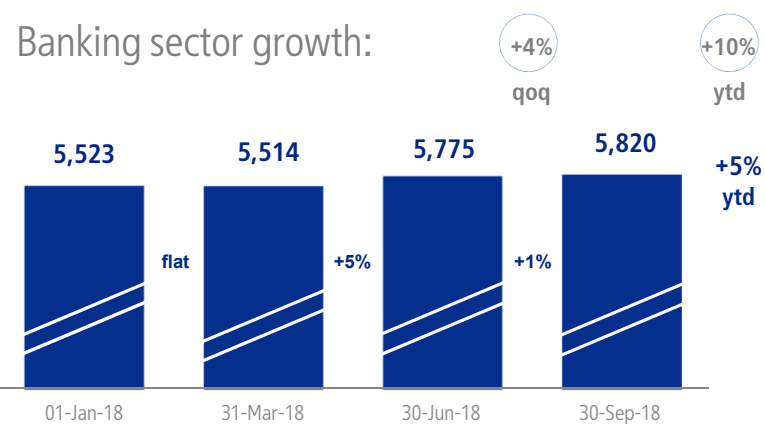
Loans to legal entities RUB bn



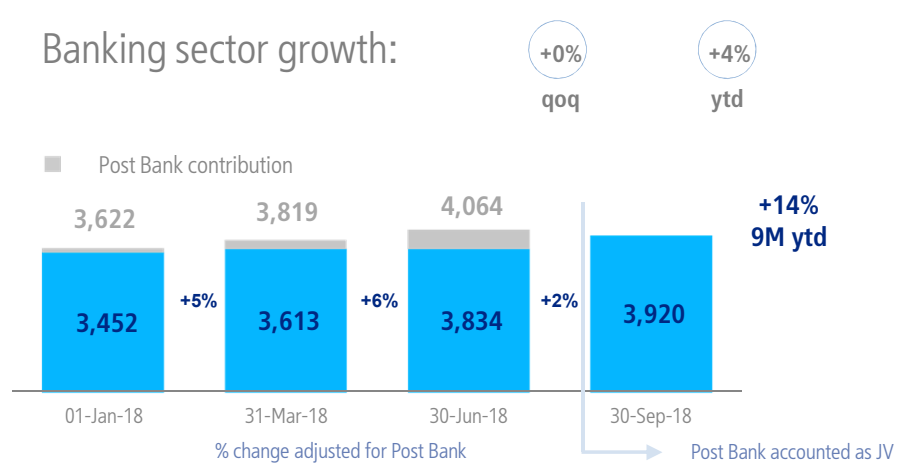
Loans to individuals RUB bn



Deposits of legal entities RUB bn



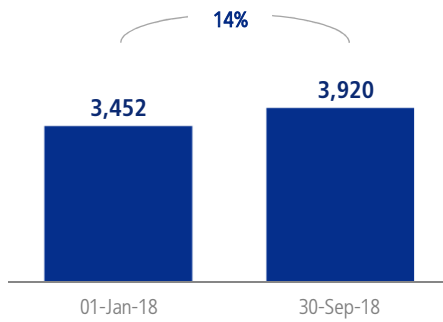
Deposits of individuals RUB bn



PROFORMA EFFECT OF POST BANK DECONSOLIDATION

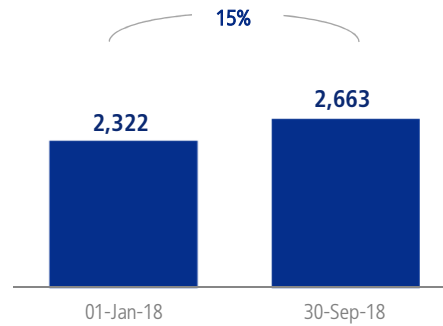
Deposits of individuals RUB bn

Post Bank accounted as JV

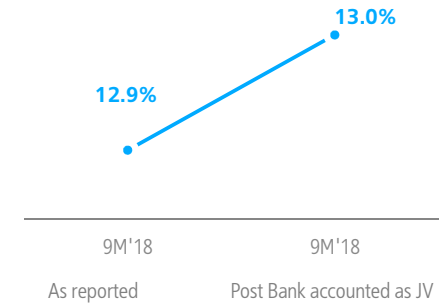


Loans to individuals RUB bn

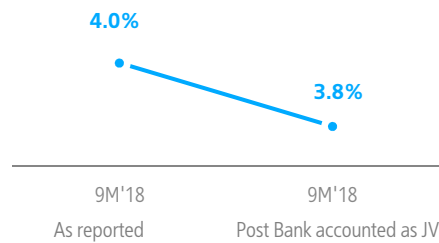
Post Bank accounted as JV



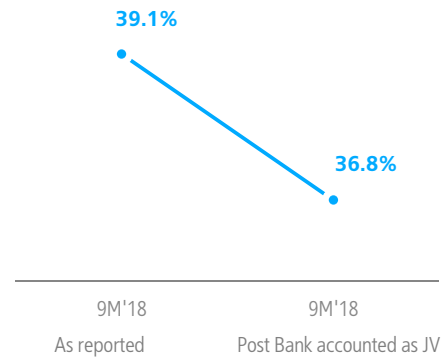
ROE %



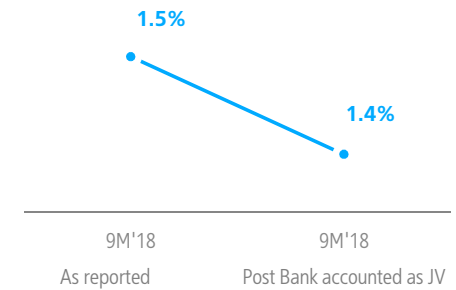
NIM %



CIR %



CoR %



FY'2018 GUIDANCE

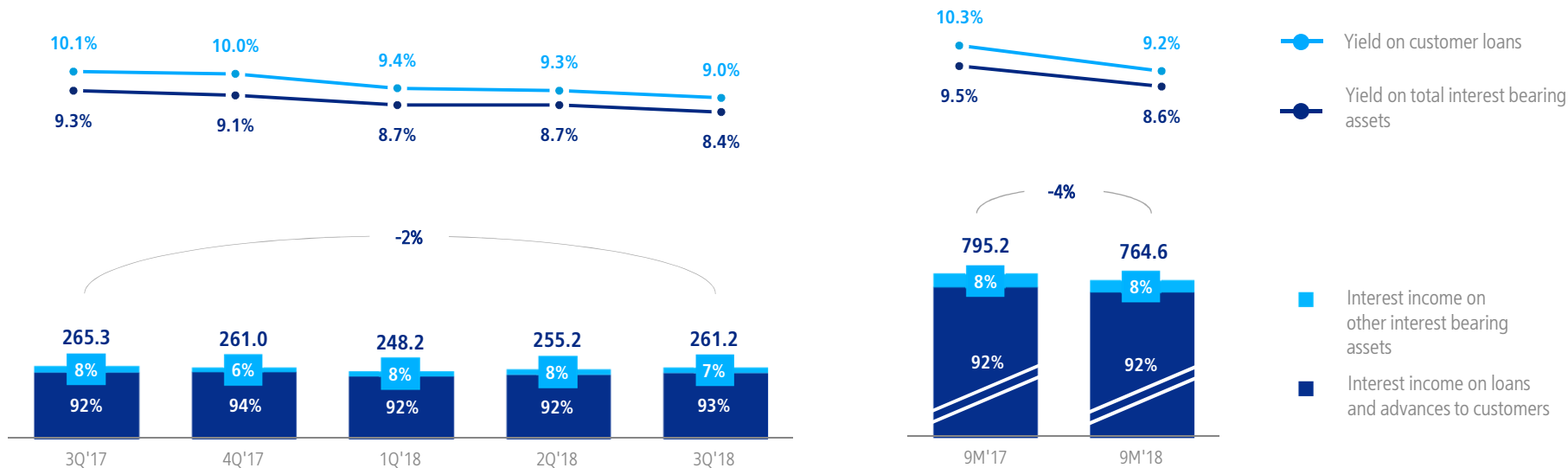
2018	Loans to legal entities	Loans to individuals	CIR	CoR	NIM	Net profit
Initial guidance	VTB growth = market growth	VTB growth > market growth	≈ 40 %	> 1.5 %	≥ 4 %	≈ 170 RUB bn
Actual 9M'18	 VTB 14% market 9%	 VTB 15%* market 16%	39.1 %	1.5 %	4.0 %	140 RUB bn
	* Post Bank accounted as JV.					
Updated guidance	VTB growth > market growth	VTB growth > market growth	≈ 40 %	> 1.5 %	≈ 4 %	≈ 170 RUB bn



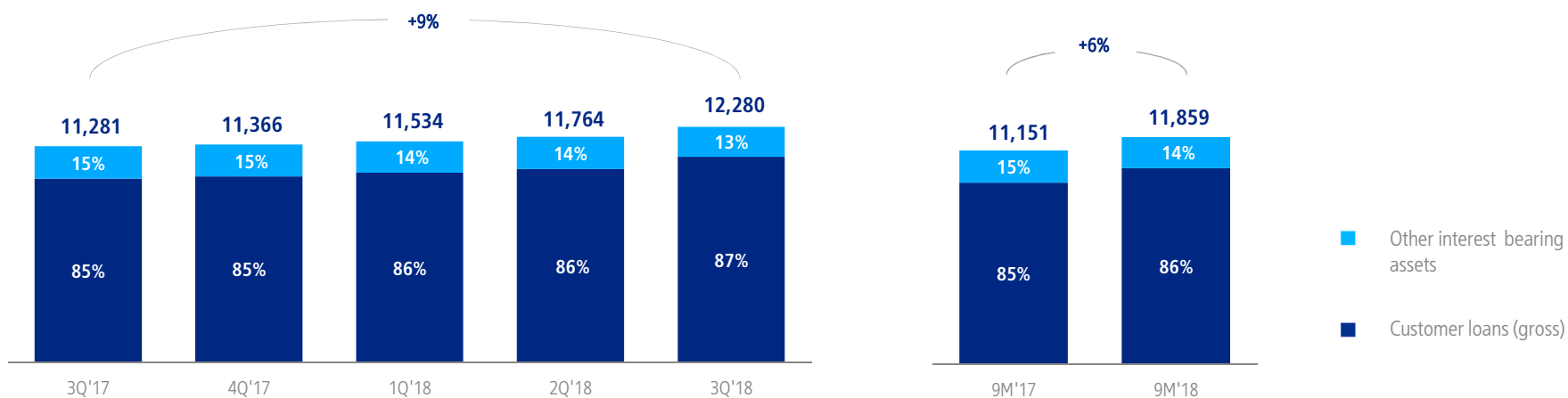
9M'2018 FINANCIAL APPENDIX

INTEREST INCOME AND AVERAGE YIELDS

Interest income and average yields RUB bn

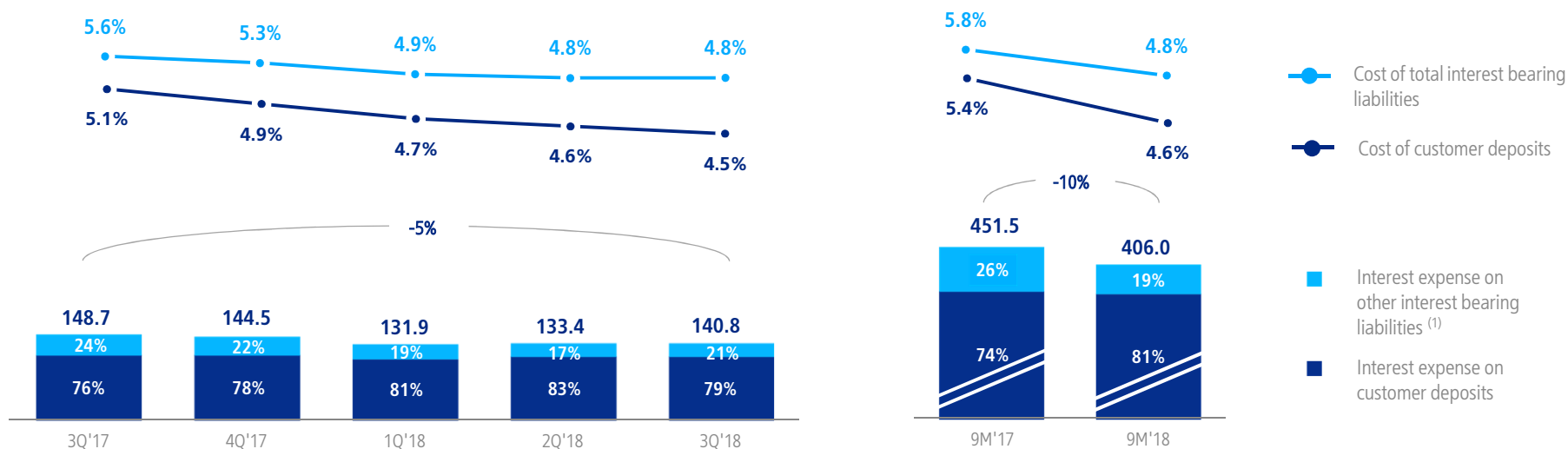


Average interest bearing assets RUB bn

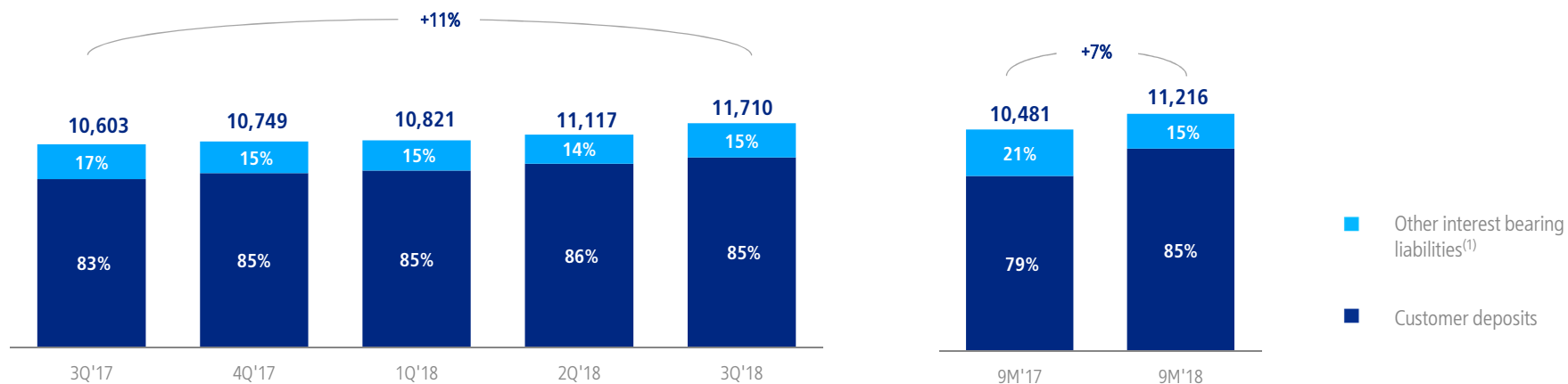


INTEREST EXPENSE AND COST OF FUNDS

Interest expense and cost of interest bearing liabilities RUB bn



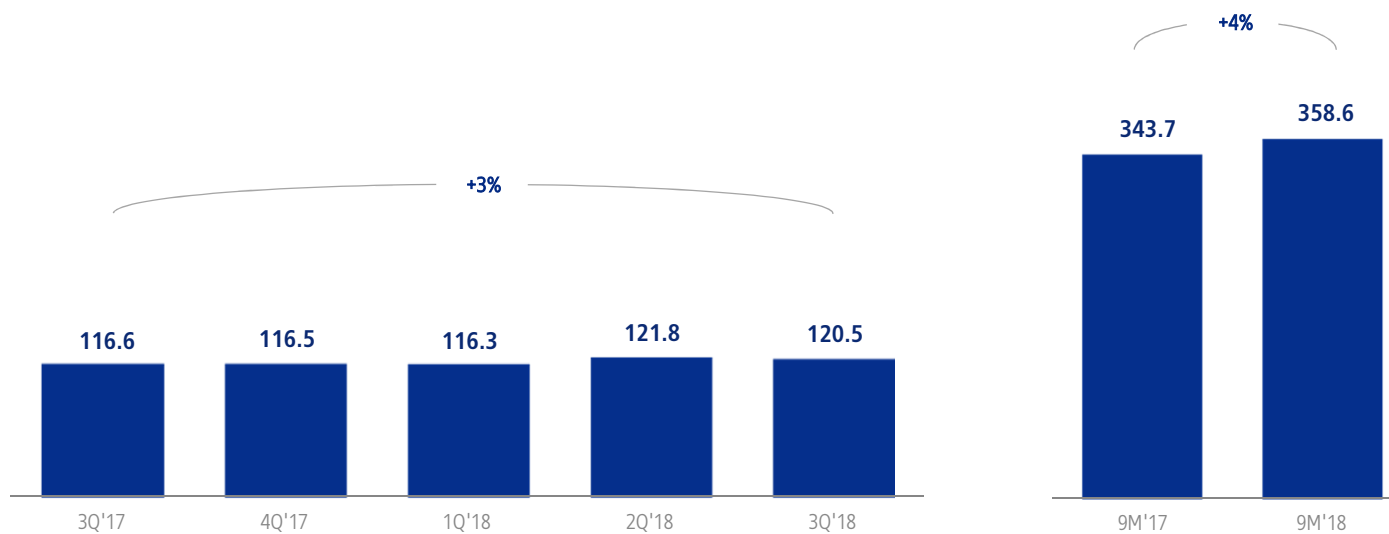
Average interest bearing liabilities RUB bn



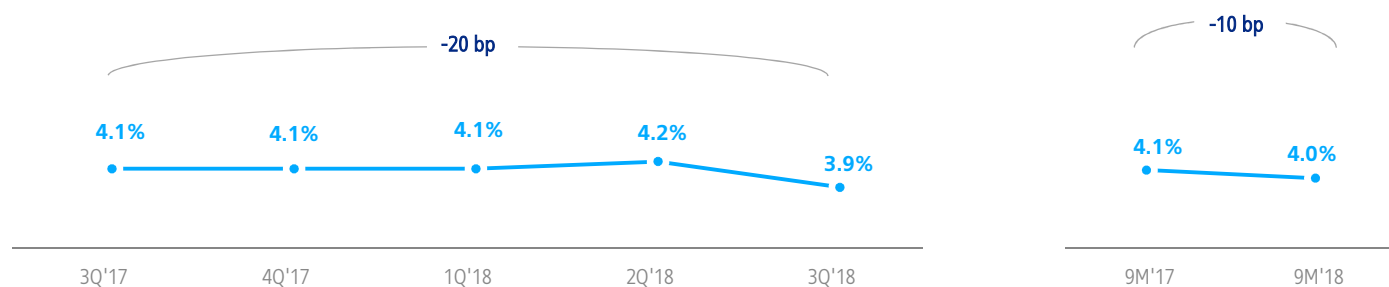
(1) Including debt securities in issue, subordinated debt, interbank (incl. LORO and other borrowed funds).

NET INTEREST INCOME AND NIM

Net interest income ^{RUB bn}



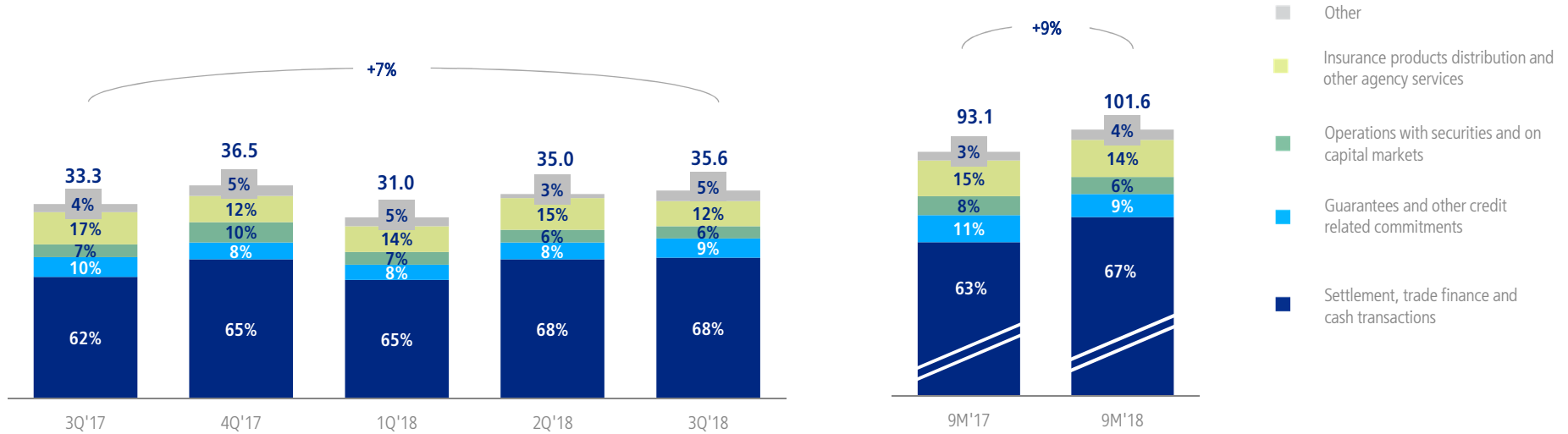
Net interest margin⁽¹⁾



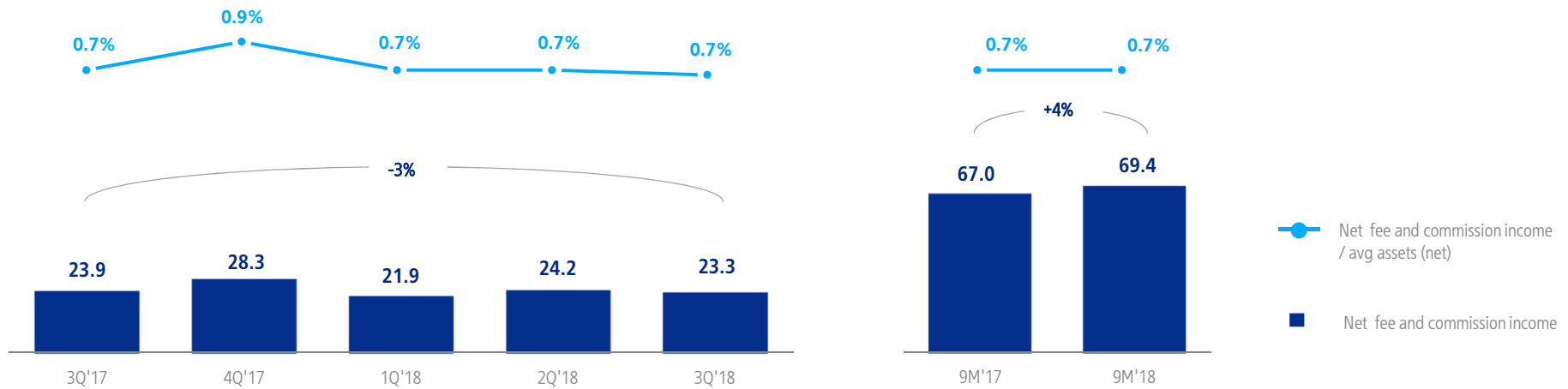
(1) Calculated as net interest income (adjusted for payments to deposit insurance system) divided by average interest earning assets, which include gross loans and advances to customers, due from other banks (gross), debt securities and correspondent accounts with other banks.

FEE AND COMMISSION INCOME

Fee and commission income breakdown RUB bn

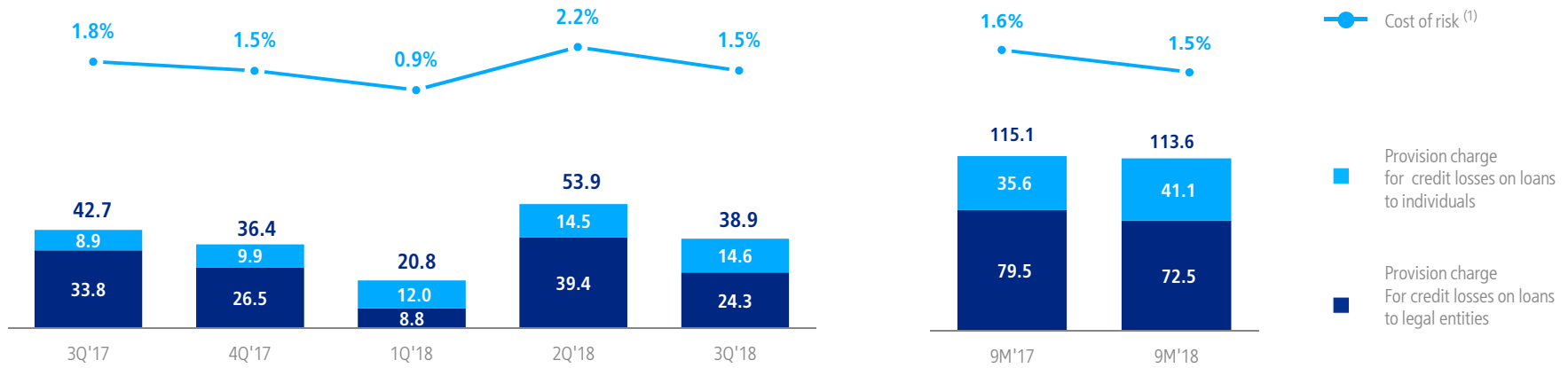


Net fee and commission income RUB bn

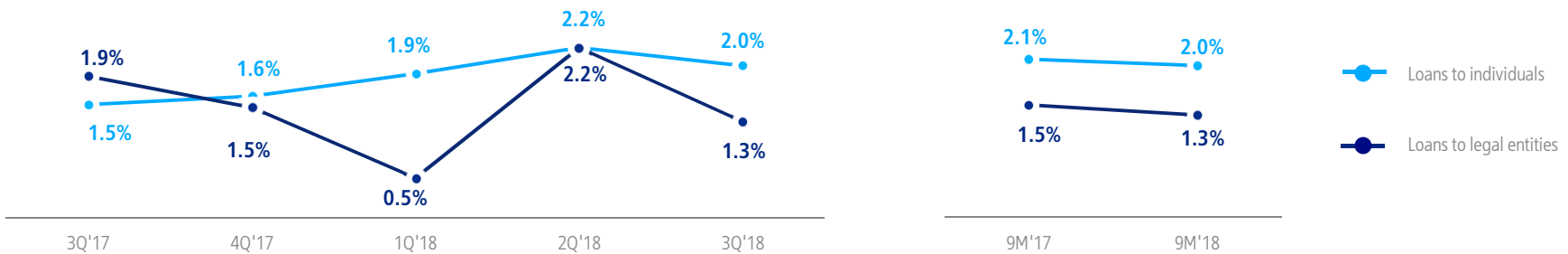


PROVISION CHARGE AND COST OF RISK

Provision charge for impairment of loans RUB bn



Cost of risk breakdown



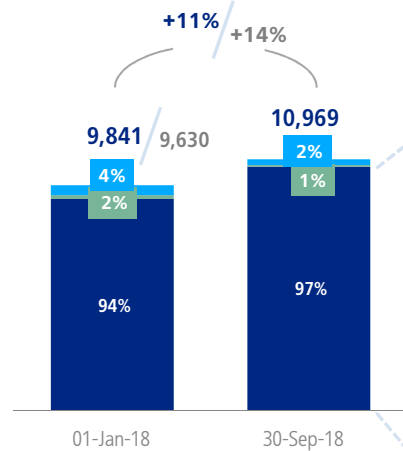
(1) Provision charge for credit losses divided by average gross loans and advances to customers.

GROSS LOAN PORTFOLIO BREAKDOWN UNDER IFRS 9

By measurement approach RUB bn

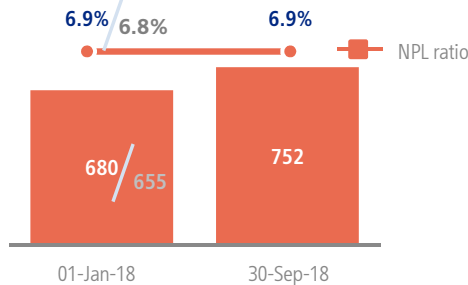
Post Bank accounted as JV (/ x)

- Loans at amortised cost
- Loans at fair value through P&L
- Loans at fair value through OCI

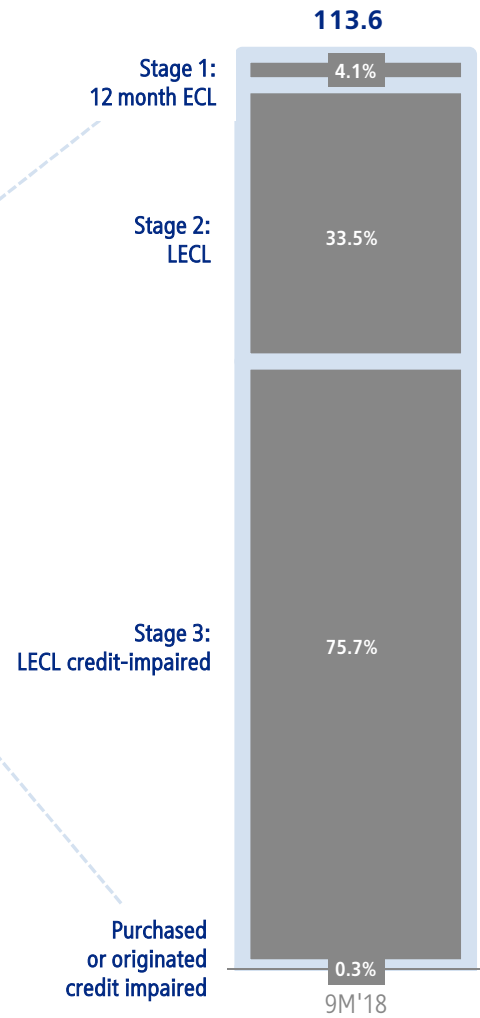


NPLs RUB bn

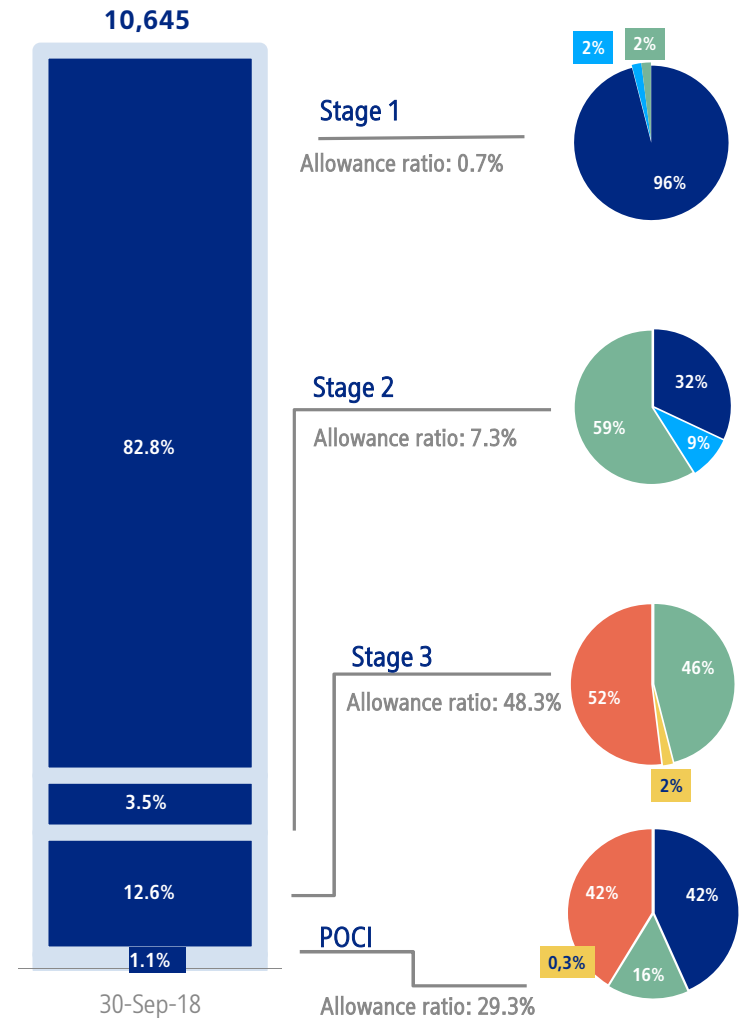
Post Bank accounted as JV (/ x)



Provision charge by ECL stages



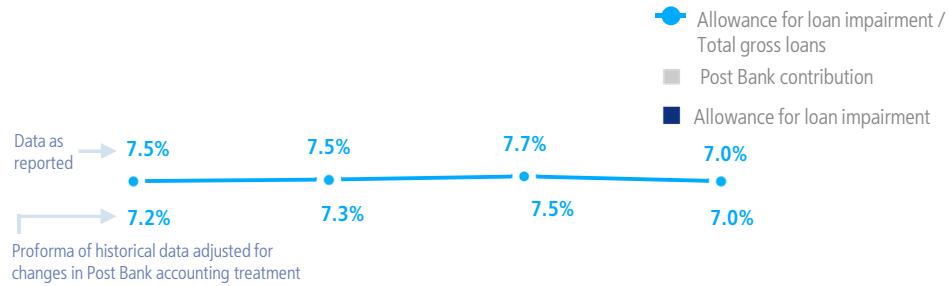
Loans at amortised cost RUB bn by ECL stages



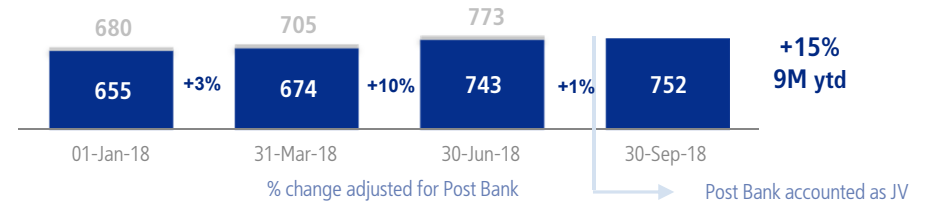
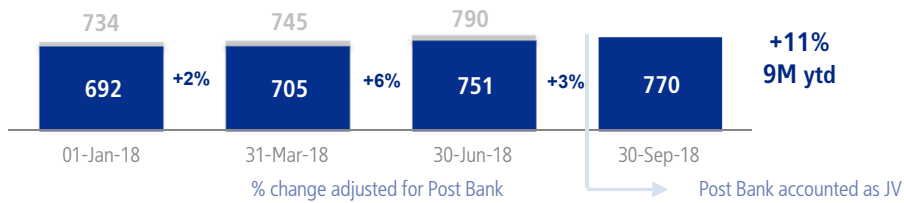
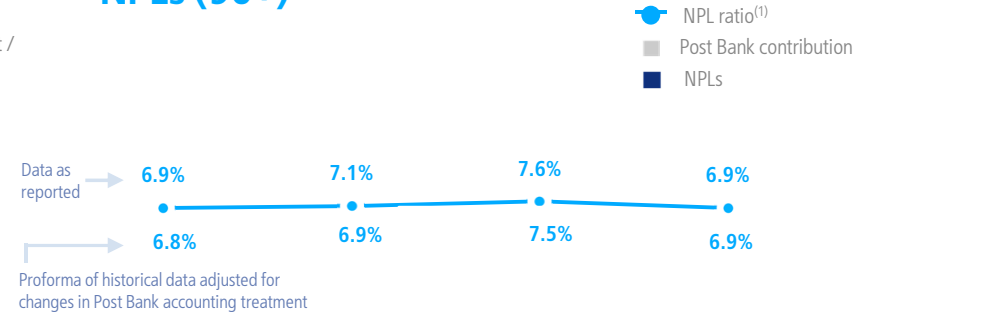
- Pass
- Watch
- Sub-standard
- Doubtful
- NPLs

LOAN BOOK QUALITY

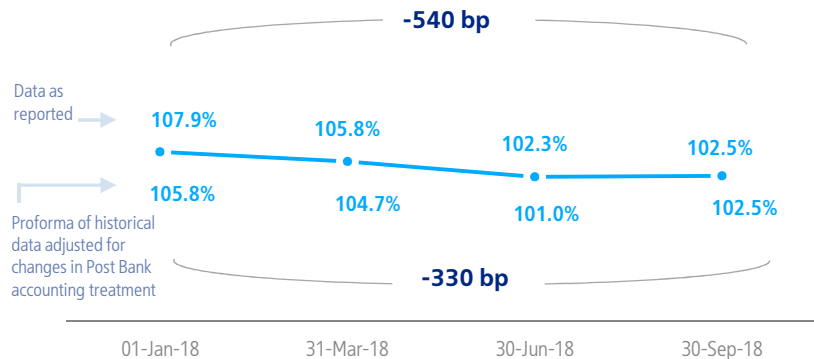
Provision for loan impairment RUB bn



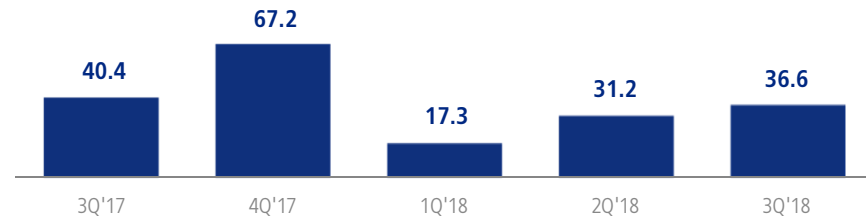
NPLs (90+) RUB bn



Coverage ratio



Loan write-offs RUB bn

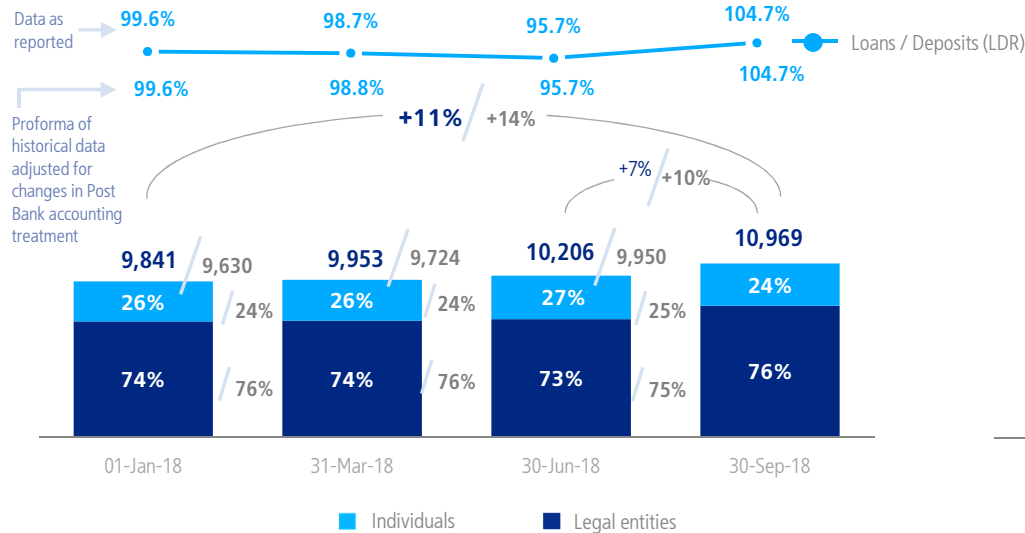


(1) The Group defines non-performing loans (NPL) as lifetime expected credit losses (ECL) credit-impaired loans with contractual principal and or interest payments overdue more than 90 days and purchased or originated credit impaired (POCI) loans with principal and or interest payments becoming overdue more than 90 days after the date of initial recognition.

LOAN PORTFOLIO AND CUSTOMER DEPOSITS

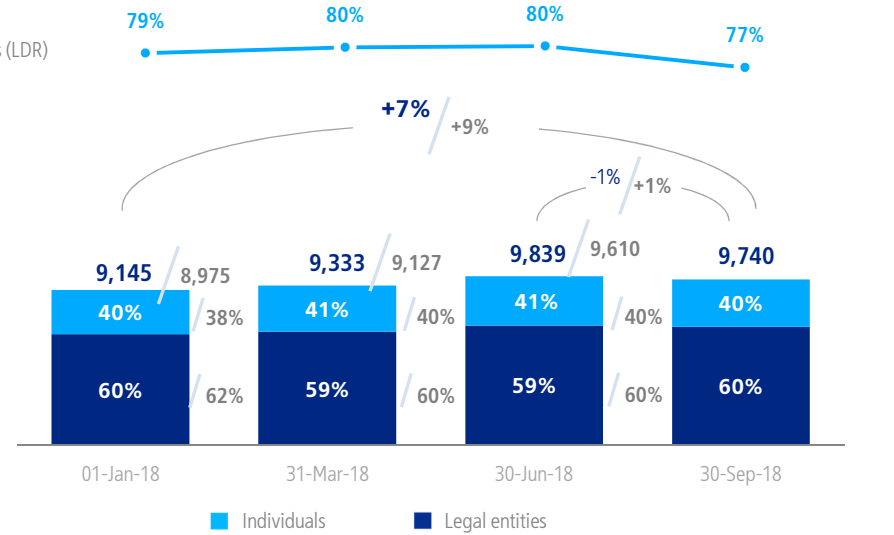
Loans and advances to customers RUB bn

Post Bank accounted as JV(/ x)

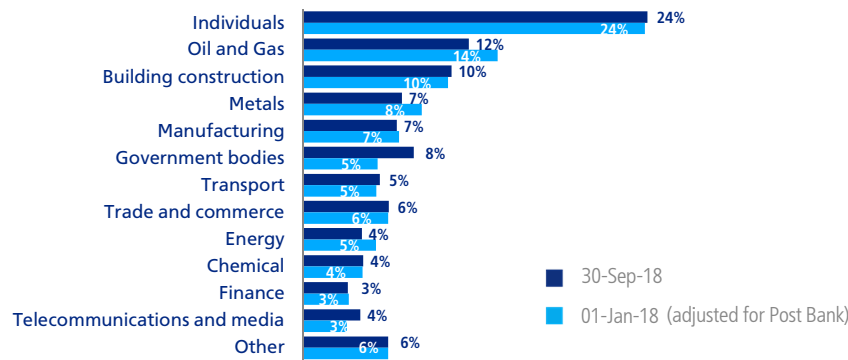


Customer deposits RUB bn

Post Bank accounted as JV(/ x)



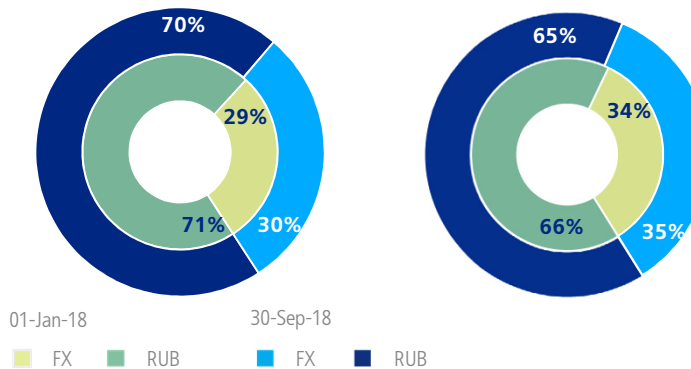
Loans and advances to customers by industry



Loans and deposits by currency %

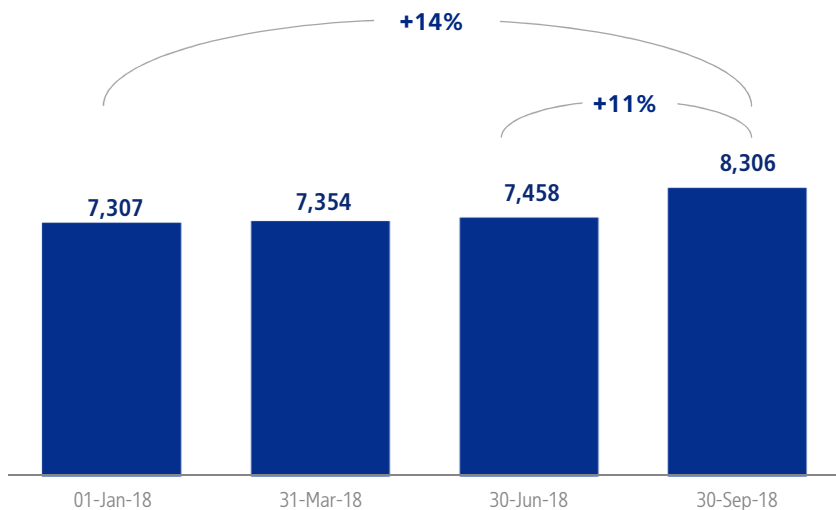
Net loans and advances to customers

Customer deposits

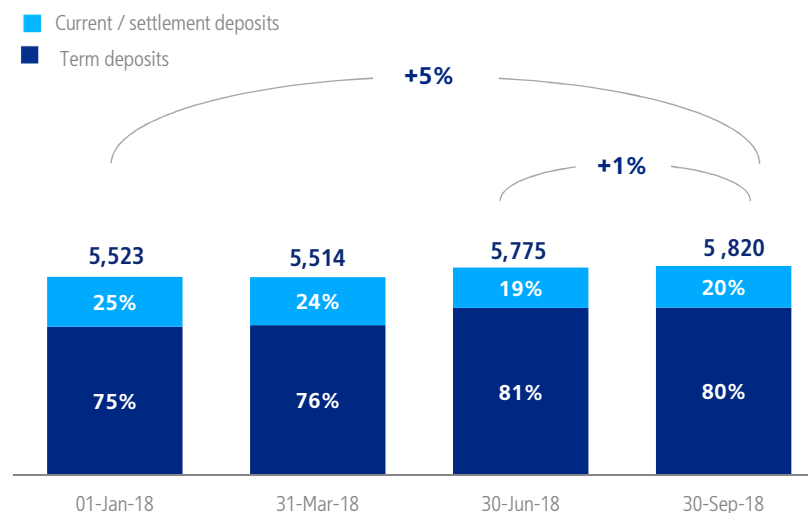


BUSINESS WITH LEGAL ENTITIES

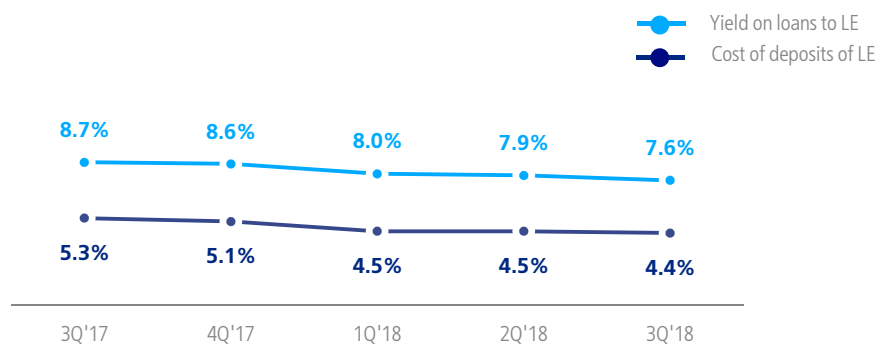
Loans to legal entities RUB bn



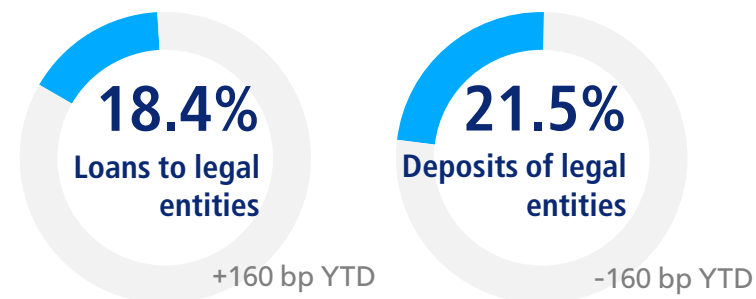
Deposits of legal entities RUB bn



Yield on loans and cost of deposits



Market shares⁽¹⁾

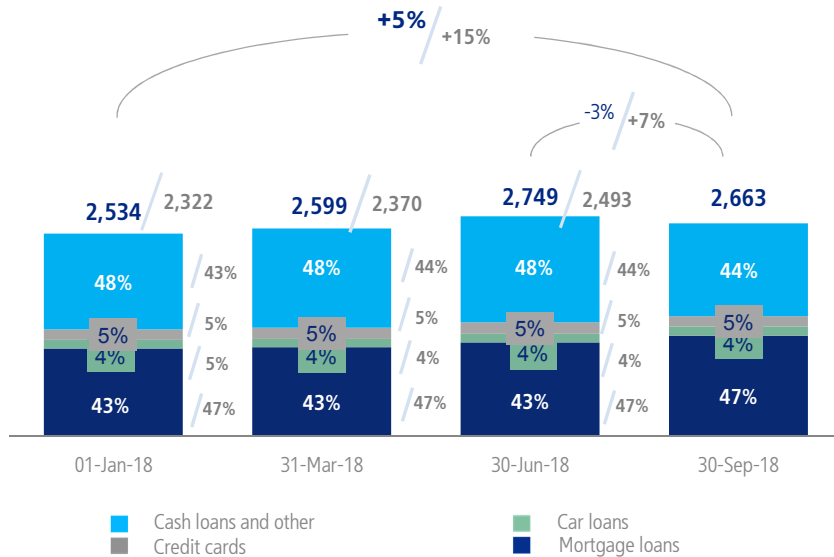


(1) The market share is calculated using VTB's methodology with data from the Bank of Russia based on RAS statements.

BUSINESS WITH INDIVIDUALS

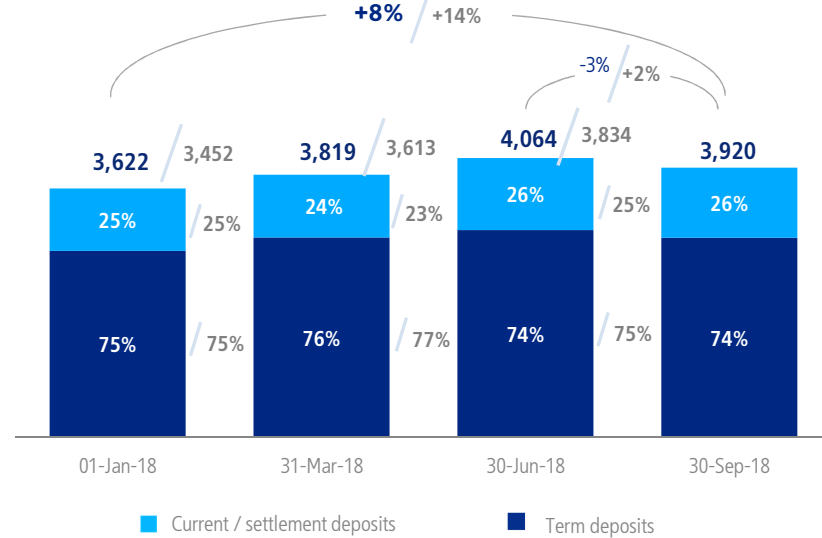
Loans to individuals RUB bn

Post Bank accounted as JV (/ x)

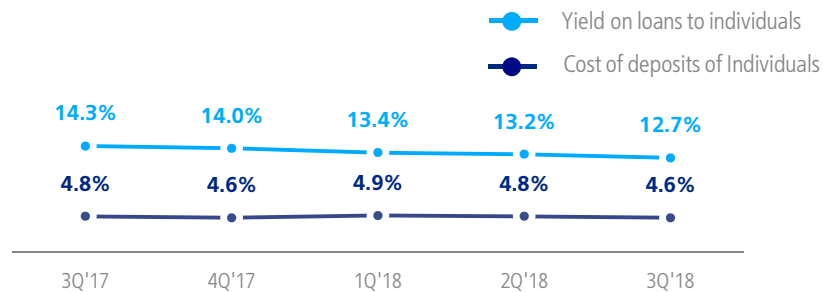


Deposits of individuals RUB bn

Post Bank accounted as JV (/ x)

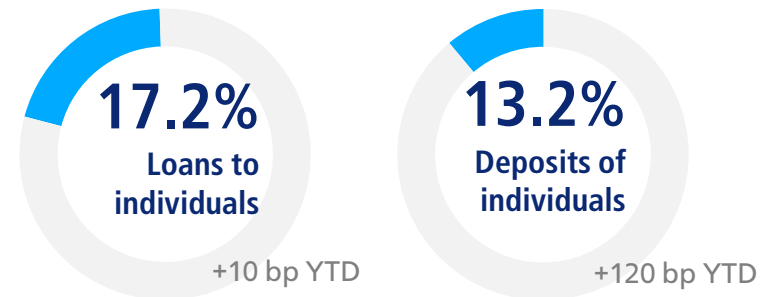


Yield on loans and cost of deposits



Market shares⁽¹⁾

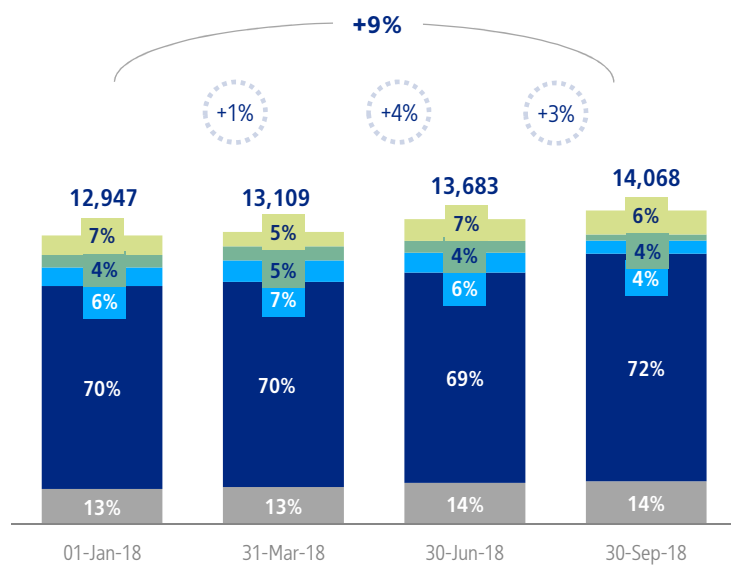
Post Bank accounted as JV



(1) The market share is calculated using VTB's methodology with data from the Bank of Russia based on RAS statements.

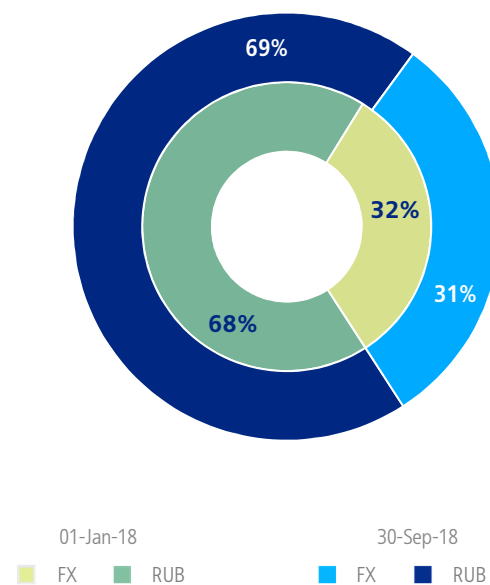
ASSET STRUCTURE

Assets structure RUB bn



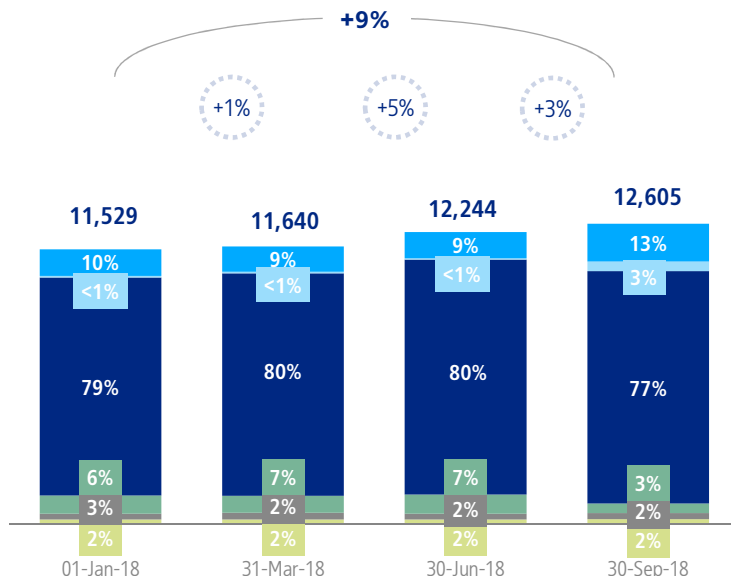
- Cash and mandatory reserves
- Loans to customers
- Securities portfolio
- Other assets
- Due from other banks

Assets by currency %



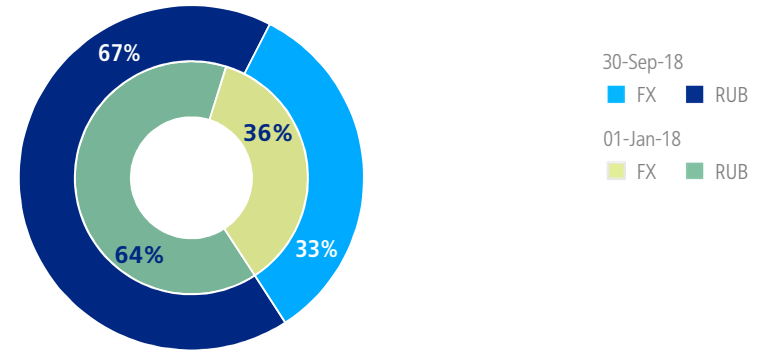
LIABILITIES AND CAPITAL STRUCTURE

Liabilities structure RUB bn

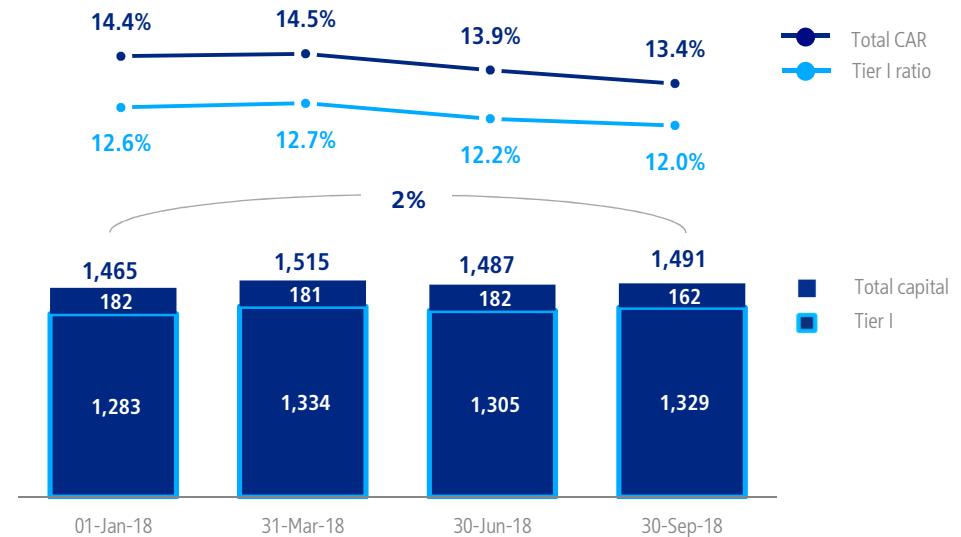


- Due to banks and other borrowed funds
- Collateralised funding from the CBR
- Customer deposits
- Other liabilities
- Debt securities issued
- Subordinated debt

Liabilities by currency %



Basel capital RUB bn



VTB GROUP FINANCIAL HIGHLIGHTS: P&L AND KEY RATIOS

Income statement key indicators ^{RUB bn}

	9M'18	9M'17	Change	3Q'18	3Q'17	Change
Net interest income	358.6	343.7	4.3%	120.5	116.6	3.3%
Net fee and commission income	69.4	67.0	3.6%	23.3	23.9	-2.5%
Net other income	50.9	(6.5)	-883.1%	18.8	(12.7)	-248.0%
Operating income before provisions	478.9	404.2	18.5%	162.6	127.8	27.2%
Provision charge for credit losses and other provisions	(111.4)	(118.2)	-5.8%	(42.4)	(42.2)	0.5%
Staff costs and administrative expenses	(187.3)	(185.0)	1.2%	(62.6)	(62.4)	0.3%
Profit before tax	180.2	101.0	78.4%	57.6	23.2	148.3%
Income tax expense	(40.5)	(25.6)	58.2%	(16.4)	(5.7)	-187.7%
Profit after tax from subsidiaries acquired exclusively with a view to resale	-	(0.1)	-	-	(0.1)	-
Net profit	139.7	75.3	85.5%	41.2	17.4	136.8%

Key financial ratios

	9M'18	9M'17	Change	3Q'18	3Q'17	Change
NIM	4.0%	4.1%	-10 bp	3.9%	4.1%	-20 bp
CoR	1.5%	1.6%	-10 bp	1.5%	1.8%	-30 bp
Cost / Assets	1.9%	2.0%	-10 bp	1.8%	1.9%	-10 bp
CIR	39.1%	45.8%	-670 bp	38.5%	48.8%	-1030 bp
ROE	12.9%	7.0%	+590 bp	11.2%	4.8%	+640 bp

VTB GROUP FINANCIAL HIGHLIGHTS: BALANCE SHEET

Balance sheet key indicators RUB bn

	30-Sep-18	30-Jun-18	QoQ	01-Jan-18 IFRS 9	YTD
Gross loan portfolio	10,968.8	10,206.2	7.5%	9,841.1	11.5%
Loans to legal entities	8,305.7	7,457.6	11.4%	7,307.4	13.7%
Loans to individuals	2,663.1	2,748.6	-3.1%	2,533.7	5.1%
Total assets	14,068.0	13,683.3	2.8%	12,947.4	8.7%
Customer deposits	9,740.1	9,839.2	-1.0%	9,144.7	6.5%
Deposits of legal entities	5,819.8	5,775.3	0.8%	5,523.1	5.4%
Deposits of individuals	3,920.3	4,063.9	-3.5%	3,621.6	8.2%
Total liabilities	12,604.6	12,243.7	2.9%	11,529.2	9.3%
Total shareholders' equity	1,463.4	1,439.6	1.7%	1,418.2	3.2%

Post Bank accounted as JV ←

Key asset quality & capital ratios

	30-Sep-18	30-Jun-18	QoQ	01-Jan-18 IFRS 9	YTD
NPL ratio ⁽¹⁾	6.9%	7.6%	-70 bp	6.9%	0 bp
LLR ratio	7.0%	7.7%	-70 bp	7.5%	-50 bp
Tier I CAR	12.0%	12.2%	-20 bp	12.6%	-60 bp
Total CAR	13.4%	13.9%	-50 bp	14.4%	-100 bp

Post Bank accounted as JV ←

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