



FY'2017 Results

February 26, 2018

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HIGHLIGHTS

**KEY TARGETS
ACHIEVED,
MAKING TANGIBLE
PROGRESS ON
3Y STRATEGIC PLAN**

**FURTHER
IMPROVED
MARKET
SHARES
IN
RETAIL**

**ROBUST
GROWTH
OF NET
FEE &
COMMISSION
INCOME**

**DEVELOPED
STRONGER FUNDING
STRUCTURE**

**BECAME
A LEANER
COMPANY
THROUGH
SUCCESSFUL
CORPORATE
REORGANISATION**

RESULTS IN BRIEF

RUB ^{bn}

Net profit 120.1 x 2.3 y-o-y	ROE 8.3% + 4.7 ppt y-o-y	Gross loans 9,773 + 3% y-o-y	NPL ratio 5.7% - 70 bp y-o-y
Net interest income 460.2 + 11% y-o-y	NIM 4.1% + 40 bp y-o-y	Loans to individuals +14% y-o-y	Loans to legal entities flat y-o-y
Net fee & commission income 95.3 + 17% y-o-y	CoR 1.6% + 10 bp y-o-y	Customer deposits 9,145 + 24% y-o-y	LDR 100.3% - 20.2 ppt y-o-y
Staff & administrative expenses 260.9 + 12% y-o-y	CIR 44.0% - 1.8 ppt y-o-y	Deposits of individuals +21% y-o-y	Deposits of legal entities +27% y-o-y
Basel T1 capital ratio 13.1% + 20 bp y-o-y	Basel total capital ratio 14.8% +20 y-o-y		

FY'2017 TARGETS MET

Russia



GDP growth forecast 1.7% actual 1.5%	Loan growth legal entities forecast <3% actual 2%	Loan growth vs market legal entities forecast In line actual Below flat vs 2% for the market	Net profit RUB bn forecast ≈100 actual 120
CPI forecast ≈3% actual 2.5%	Loan growth individuals forecast 10% actual 13%	Loan growth vs market individuals Above Above 14% vs 13% for the market	NIM forecast 4% actual 4.1%
Oil price Urals, avg forecast \$54 actual 53\$	Deposit growth legal entities forecast 6% actual 7%	Deposit growth vs market legal entities Above Above 27% vs 7% for the market	CIR forecast below 45% actual 44%
CBR key rate avg forecast 9.0% actual 9.1%	Deposit growth individuals forecast 5% actual 7%	Deposit growth vs market individuals Above Above 21% vs 7% for the market	CoR forecast below 2% actual 1.6%

FY'2018 GUIDANCE

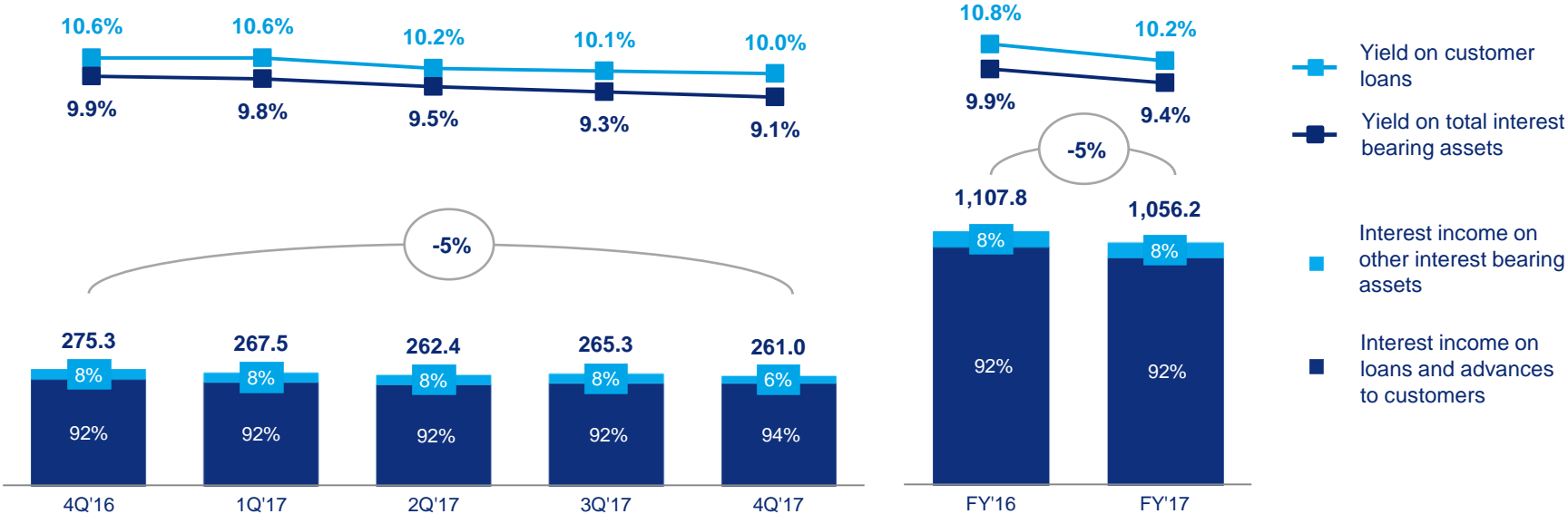
Russia



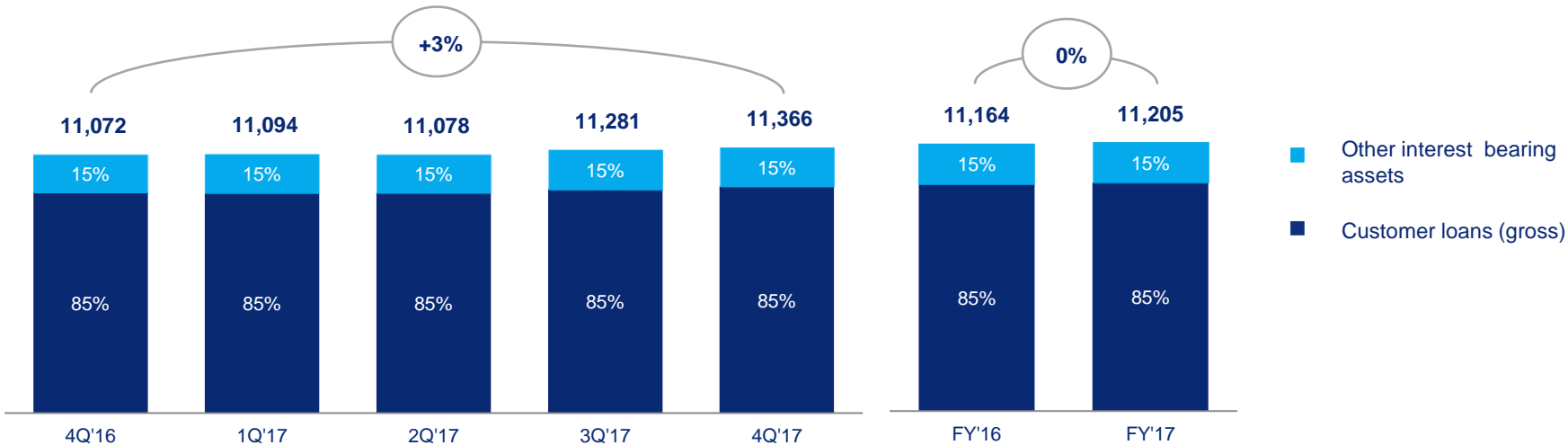
GDP growth	Loan growth legal entities	Loan growth vs market legal entities	Net profit RUB bn
2.0%	5%	In line	150
CPI	Loan growth individuals	Loan growth vs market individuals	NIM
4%	11%	Above	4%
Oil price Urals, avg	Deposit growth legal entities	Deposit growth vs market legal entities	CIR
60\$	5%	Above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

INTEREST INCOME AND AVERAGE YIELDS

Interest income and average yields RUB bn

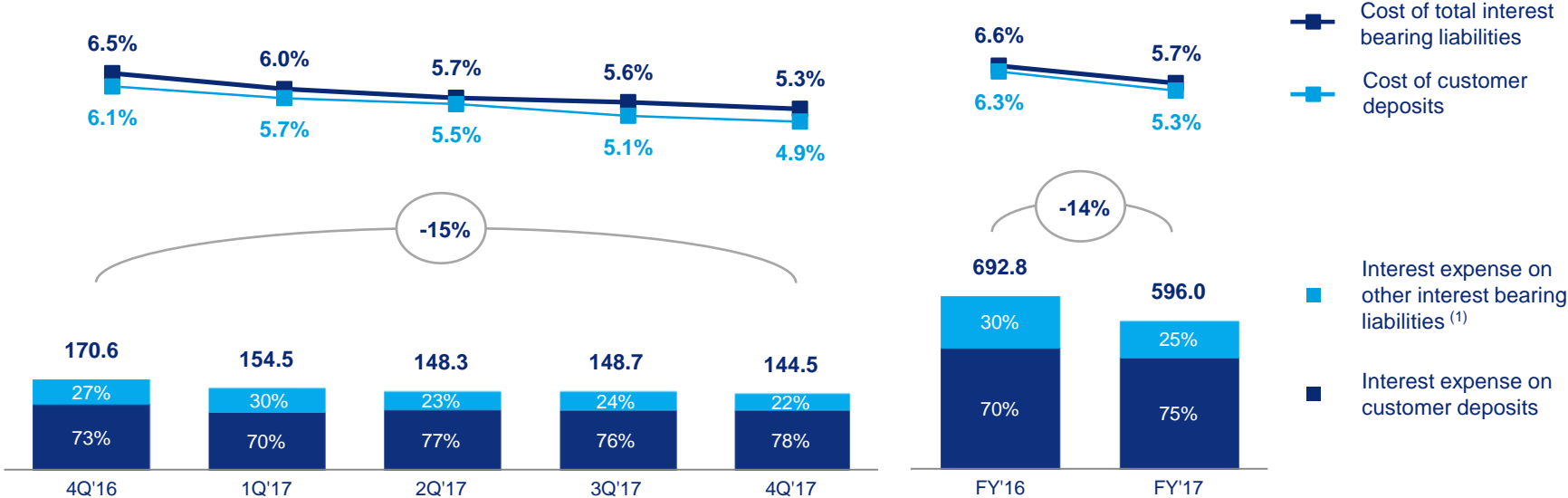


Average interest bearing assets RUB bn

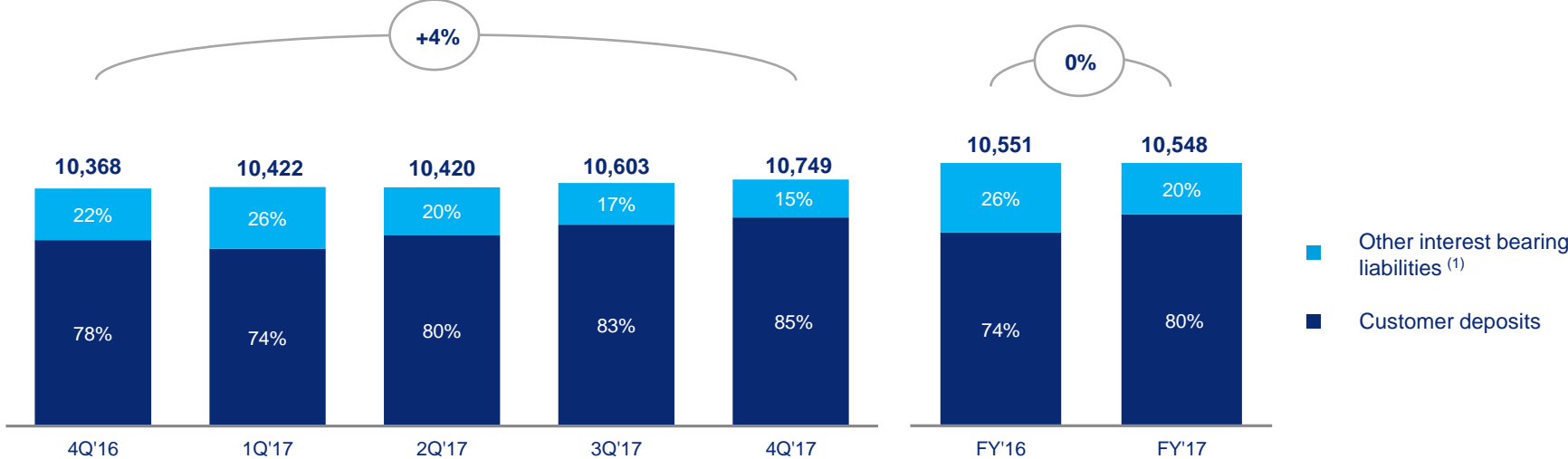


INTEREST EXPENSE AND COST OF FUNDS

Interest expense and cost of interest bearing liabilities RUB bn



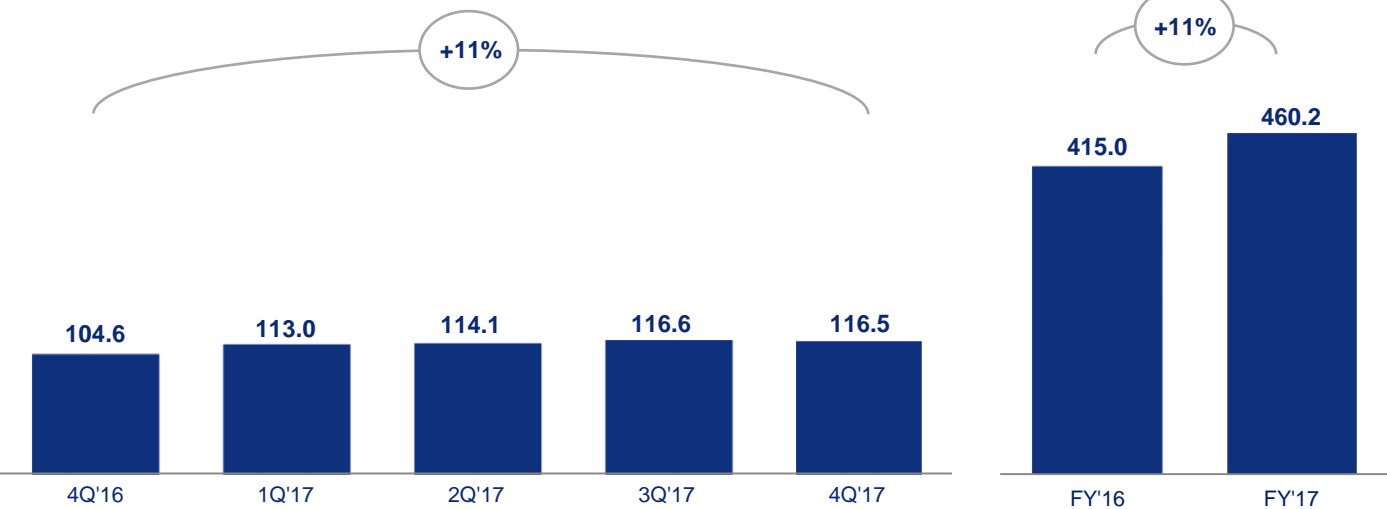
Average interest bearing liabilities RUB bn



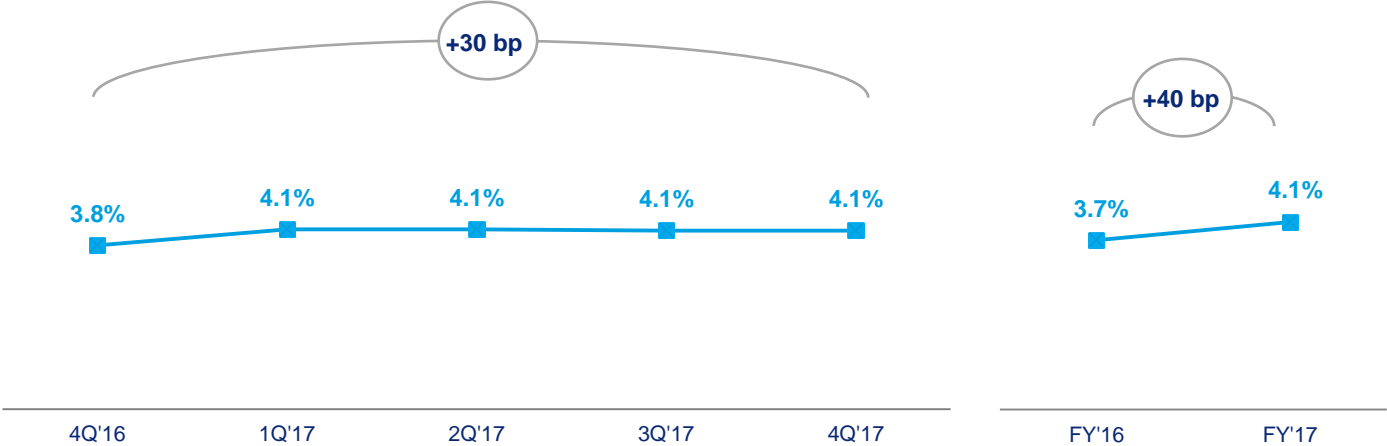
(1) Including debt securities in issue, subordinated debt, interbank (incl. LORO and other borrowed funds).

NET INTEREST INCOME AND NIM

Net interest income RUB bn



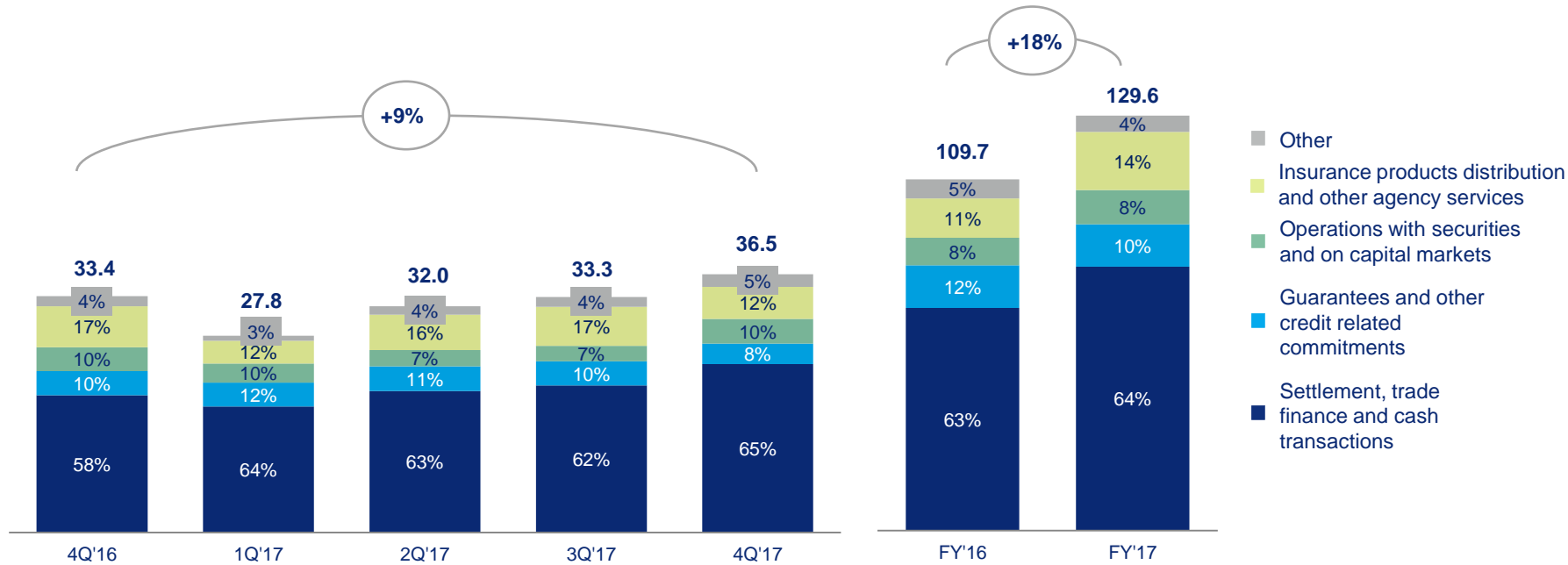
Net interest margin⁽¹⁾



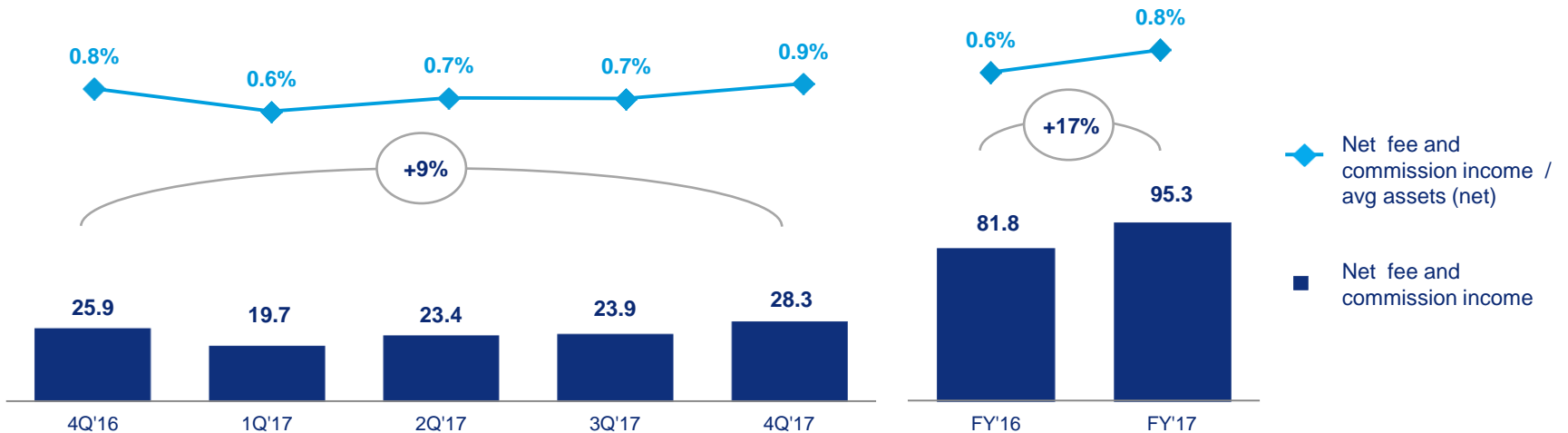
(1) Calculated as net interest income (adjusted for payments to deposit insurance system) divided by average interest earning assets, which include gross loans and advances to customers, due from other banks (gross), debt securities and correspondent accounts with other banks.

FEE AND COMMISSION INCOME

Fee and commission income breakdown RUB bn

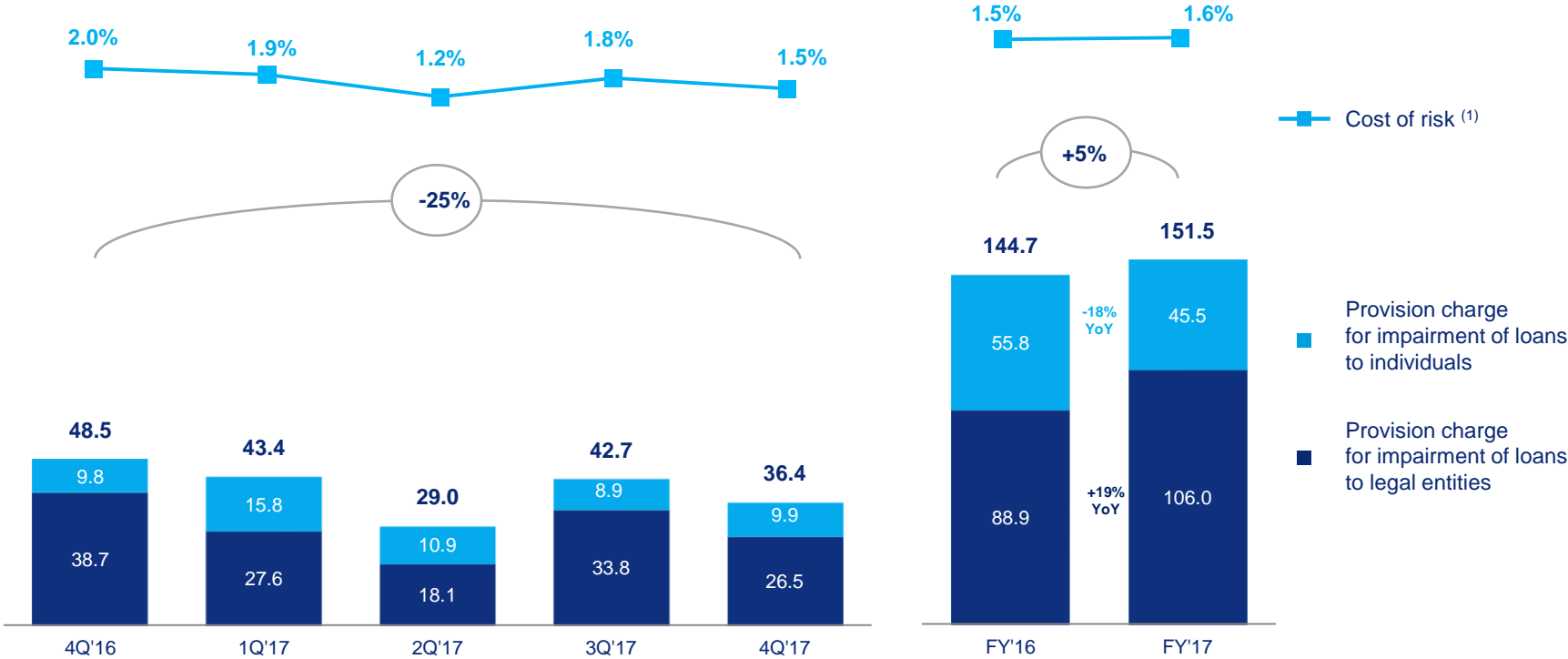


Net fee and commission income RUB bn

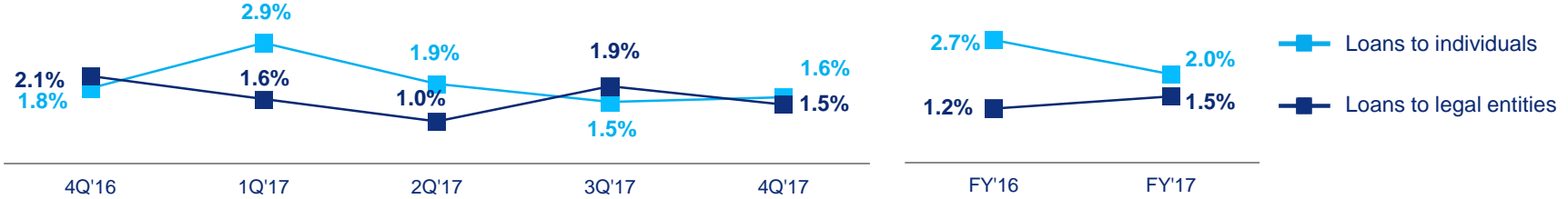


PROVISION CHARGE AND COST OF RISK

Provision charge for impairment of loans RUB bn



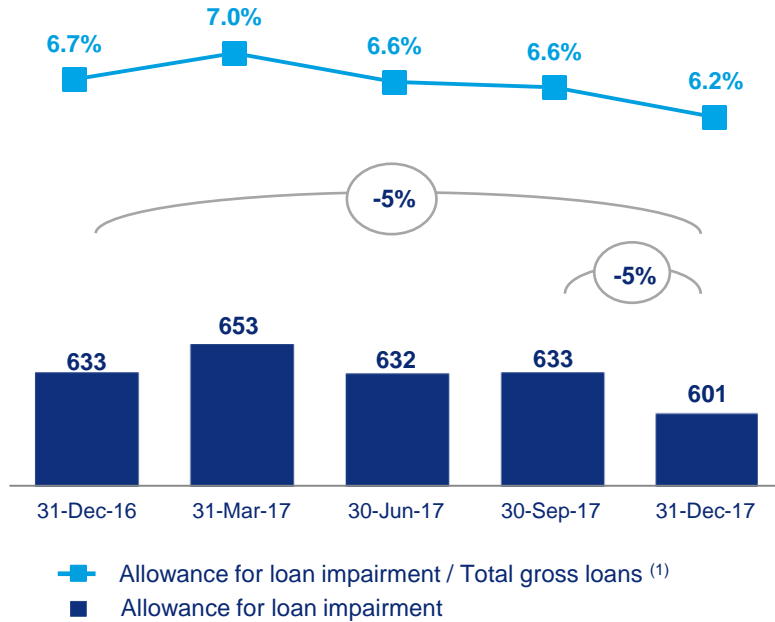
Cost of risk breakdown



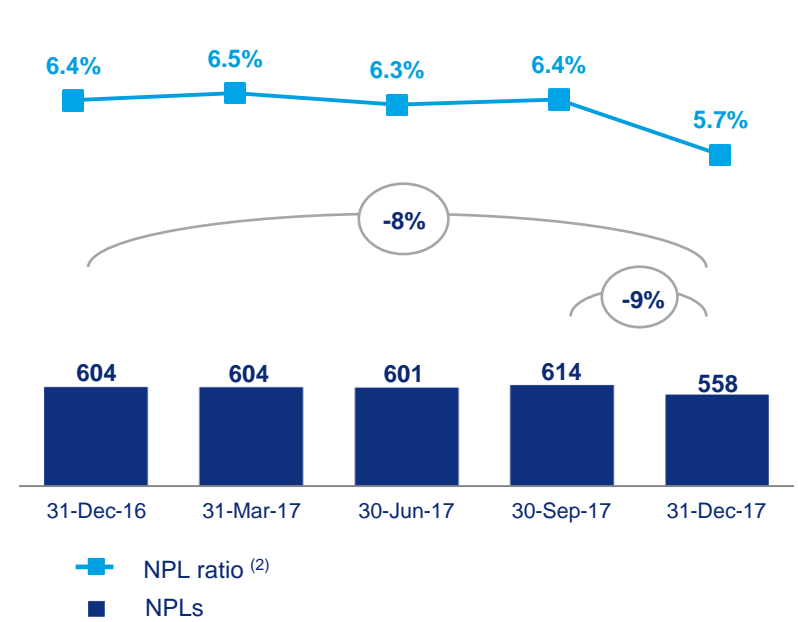
(1) Provision charge for loan impairment divided by average gross loans and advances to customers.

LOAN BOOK QUALITY

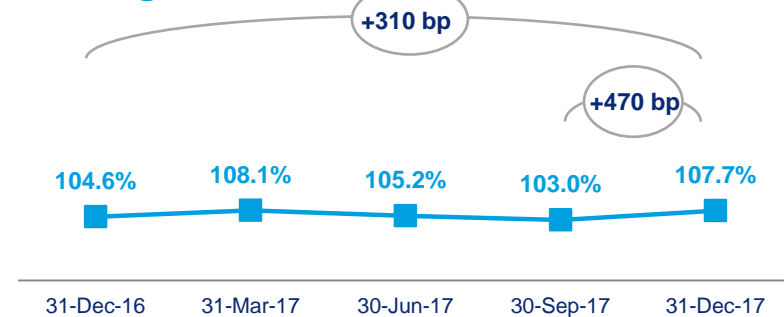
Provision for loan impairment RUB bn



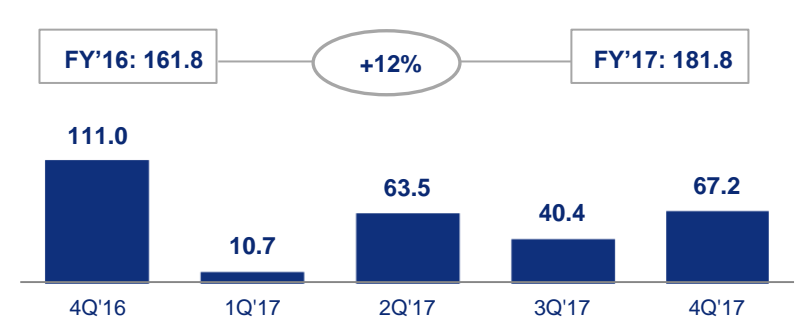
NPLs (90+) RUB bn



Coverage ratio



Loan write-offs RUB bn

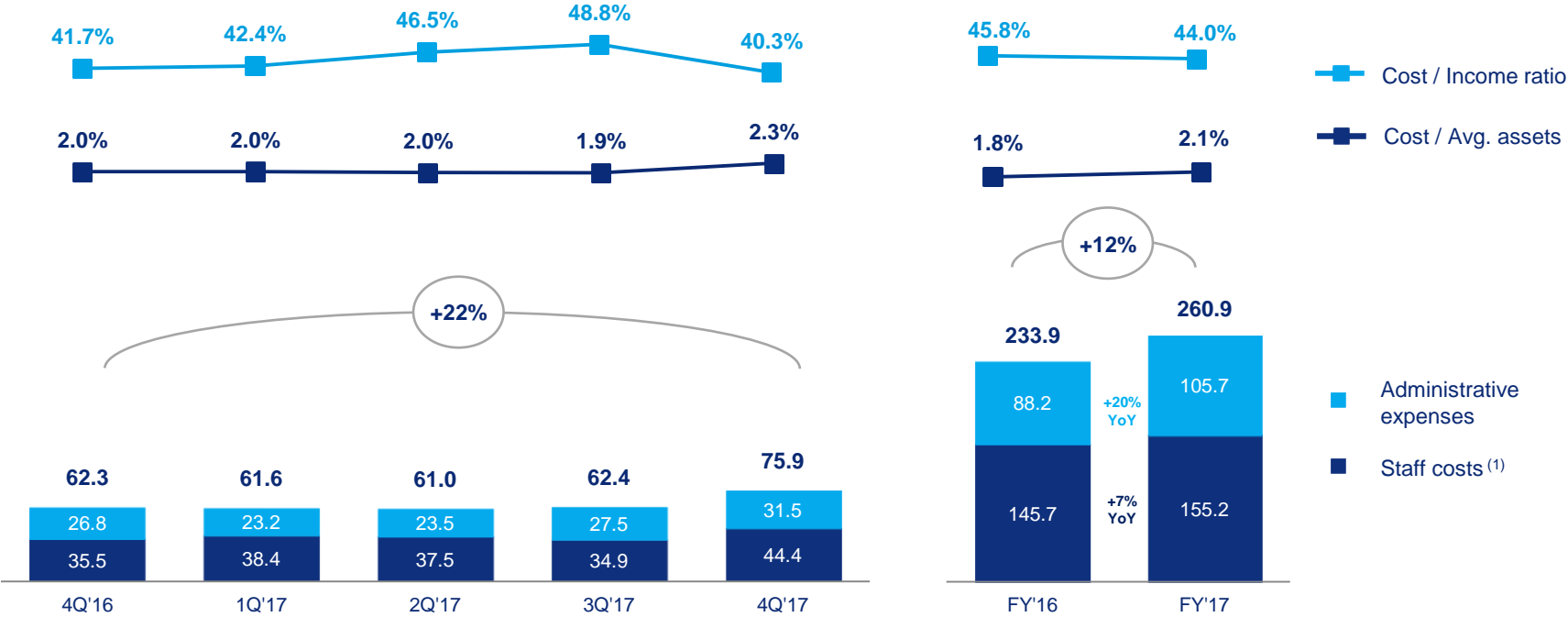


(1) Ratio is calculated to total gross loans including financial assets classified as loans and advances to customers pledged under repurchase agreements.

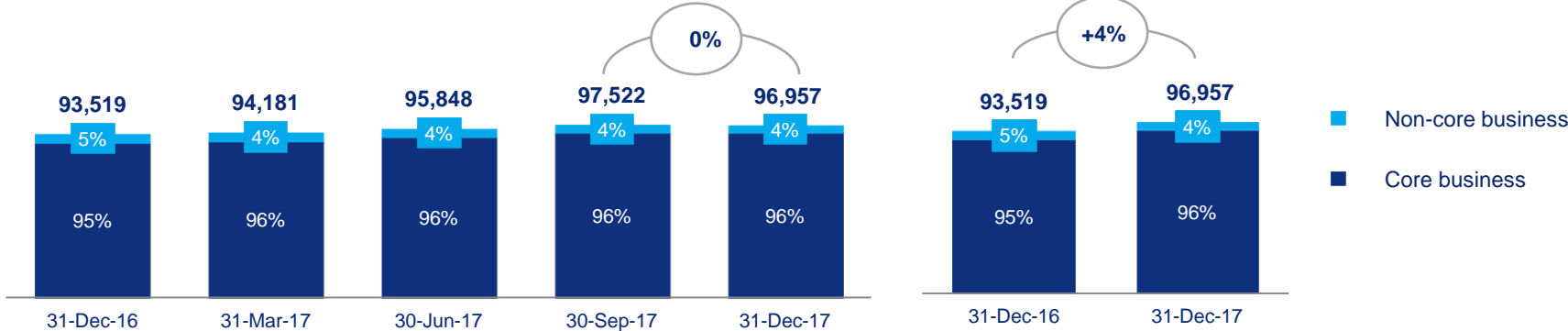
(2) Non-performing loans (NPLs) represent impaired loans with repayments overdue by over 90 days. NPLs are calculated including the entire principal and interest payments. Ratio is calculated to total gross loans including financial assets classified as loans and advances to customers pledged under repurchase agreements.

STAFF AND ADMINISTRATIVE EXPENSES

Staff costs and administrative expenses RUB bn

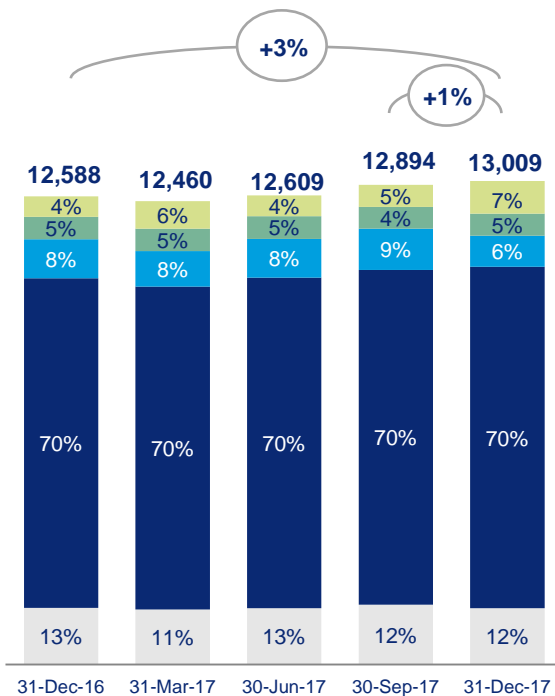


Number of employees

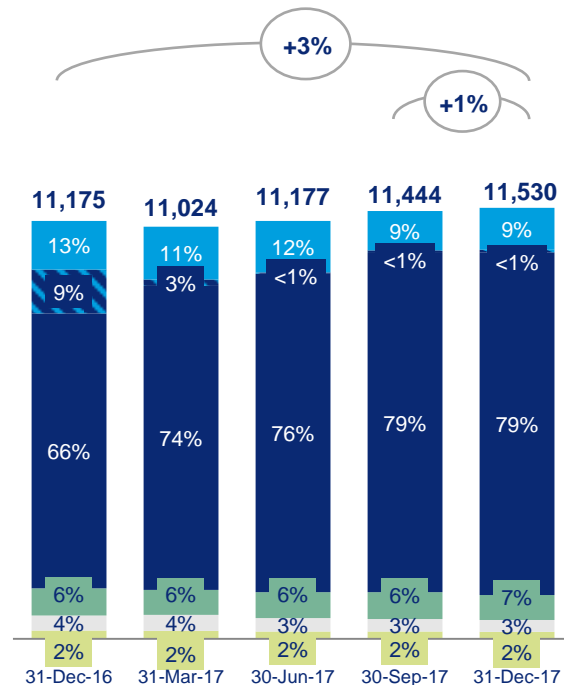


BALANCE SHEET STRUCTURE AND CAPITAL ADEQUACY

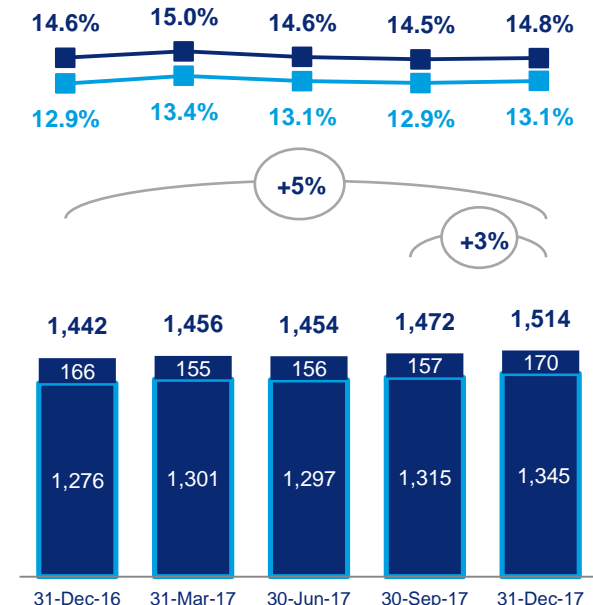
Assets structure RUB bn



Liabilities structure RUB bn



Basel capital RUB bn



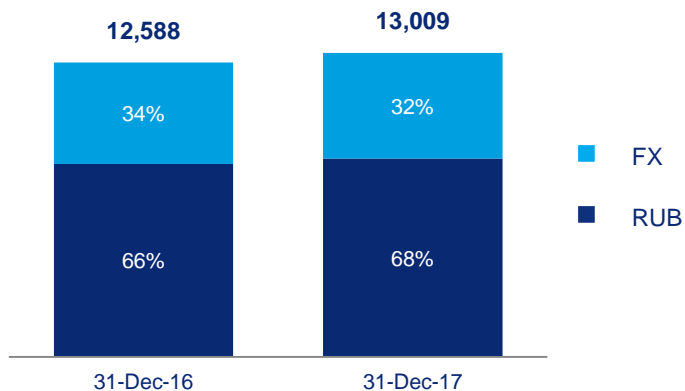
- Cash and mandatory reserves
- Securities portfolio
- Due from other banks
- Loans to customers
- Other assets

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

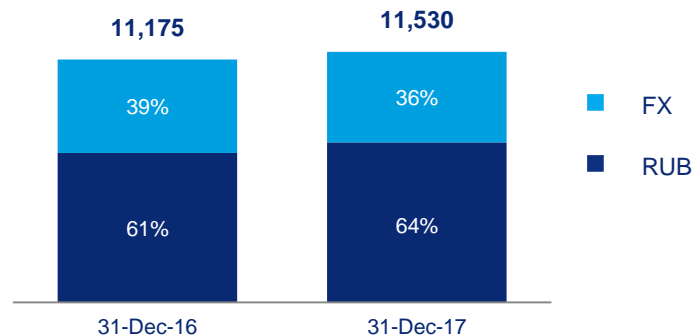
- Total CAR
- Tier I ratio
- Total capital
- Tier I

ASSETS AND LIABILITIES BY CURRENCY

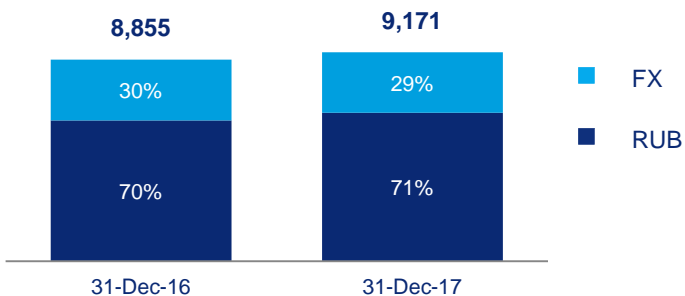
Total assets RUB bn



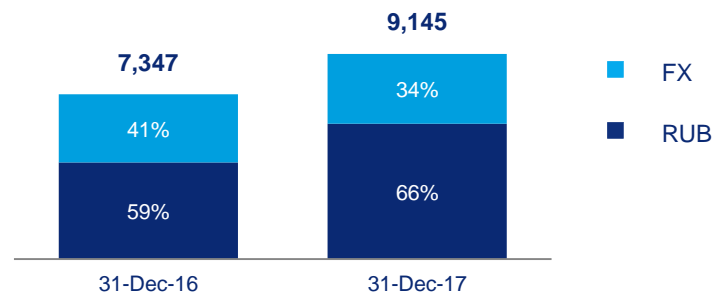
Total liabilities RUB bn



Net loans and advances to customers RUB bn

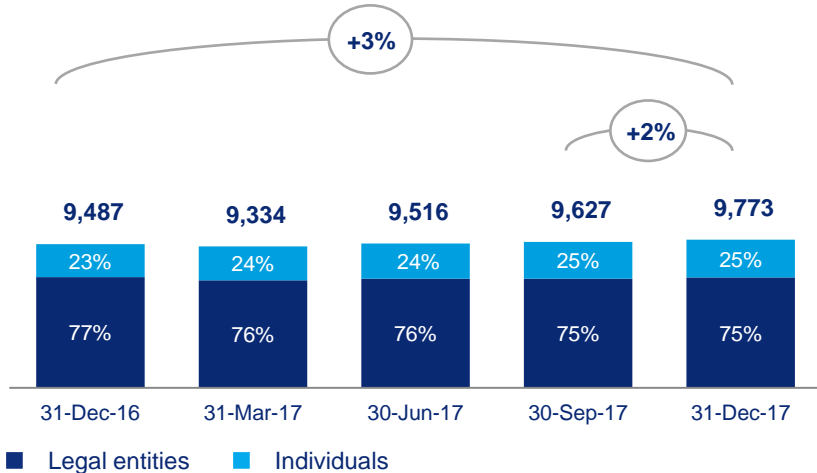


Customer deposits RUB bn

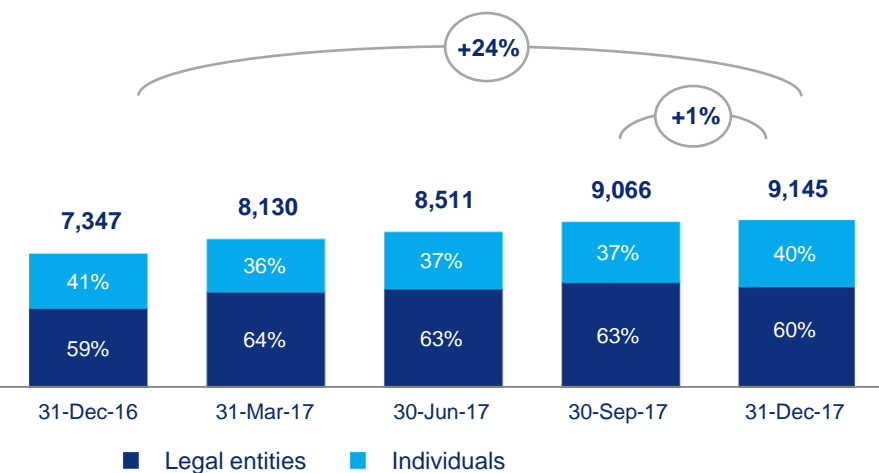


LOAN PORTFOLIO AND CUSTOMER DEPOSITS

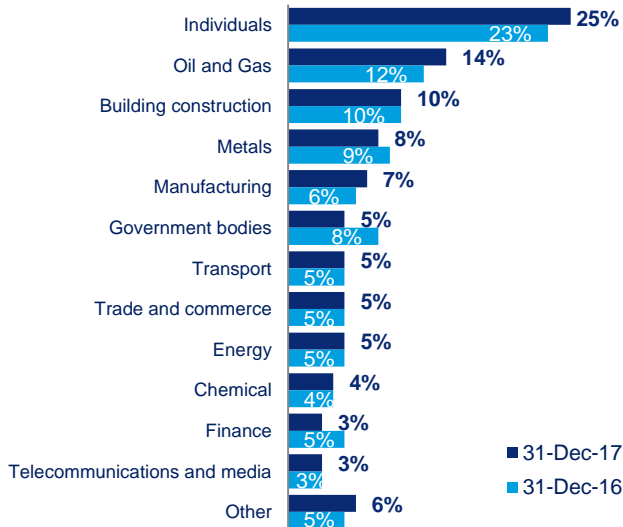
Loans and advances to customers RUB bn



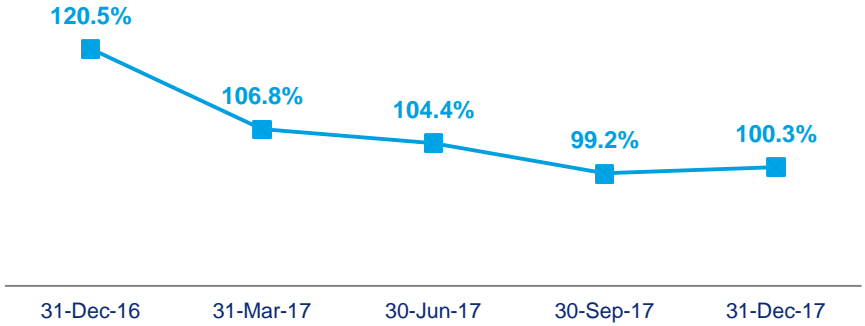
Customer deposits RUB bn



Loans and advances to customers by industry

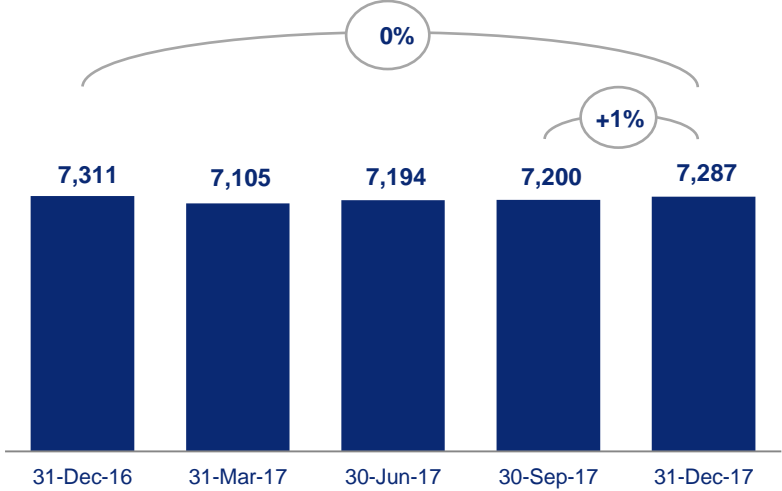


Customer loans / customer deposits

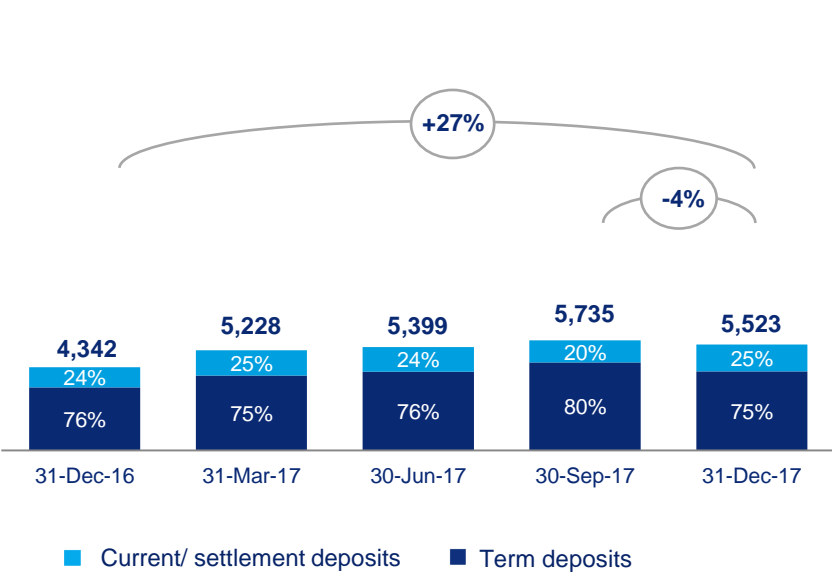


BUSINESS WITH LEGAL ENTITIES

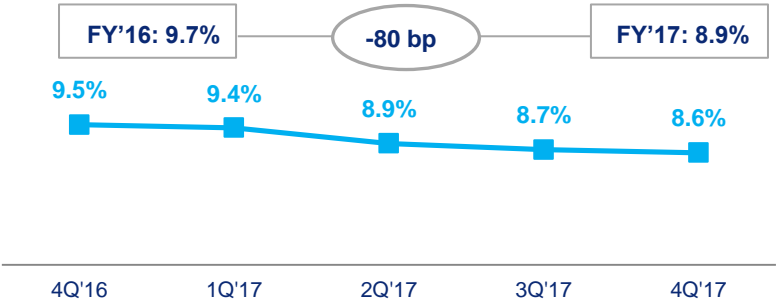
Loans to legal entities RUB bn



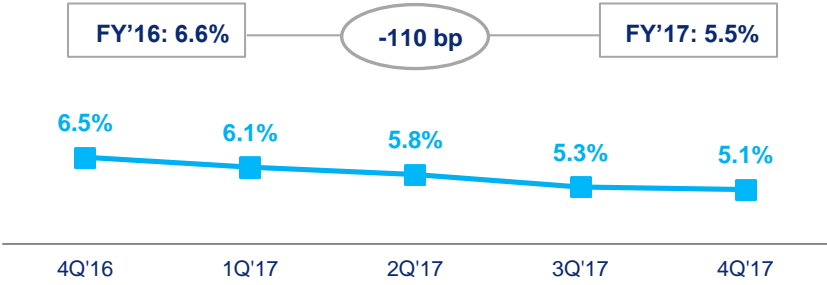
Deposits of legal entities RUB bn



Yield on loans to legal entities

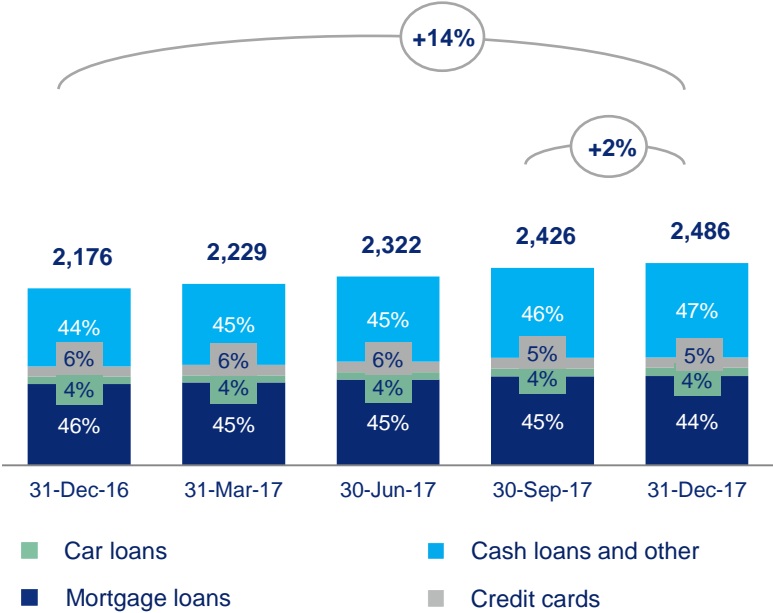


Cost of deposits of legal entities

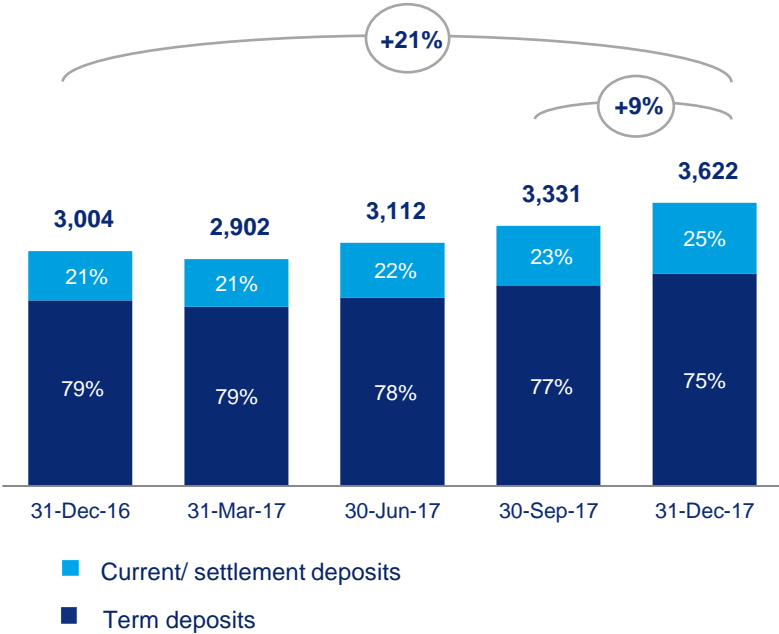


BUSINESS WITH INDIVIDUALS

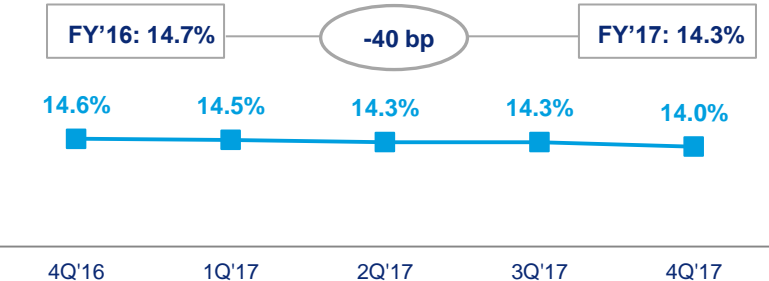
Loans to individuals RUB bn



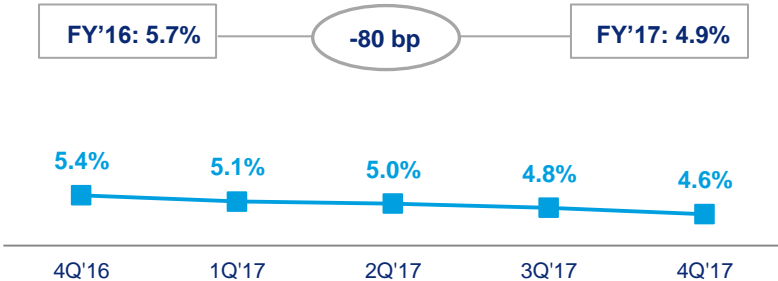
Deposits of individuals RUB bn



Yield on loans to individuals



Cost of deposits of individuals



VTB GROUP FINANCIAL HIGHLIGHTS: P&L AND KEY RATIOS

Income statement key indicators

Key selected items (in RUB bn)	FY'17	FY'16	Change	4Q'17	4Q'16	Change
Net interest income	460.2	415.0	10.9%	116.5	104.6	11.4%
Net fee and commission income	95.3	81.8	16.5%	28.3	25.9	9.3%
Net other income	37.0	13.8	168.1%	43.5	19.0	128.9%
Operating income before provisions	592.5	510.6	16.0%	188.3	149.5	26.0%
Provision charge for impairment ⁽¹⁾	(171.9)	(211.2)	-18.6%	(53.7)	(64.5)	-16.7%
Staff costs and administrative expenses	(260.9)	(233.9)	11.5%	(75.9)	(62.3)	21.8%
Profit before tax	159.7	65.5	143.8%	58.7	22.7	158.6%
Income tax expense	(39.7)	(21.6)	83.8%	(14.1)	(5.2)	171.2%
Net profit after tax	120.0	43.9	173.3%	44.6	17.5	154.9%
Profit after tax from subsidiaries acquired exclusively with a view to resale	0.1	7.7	-98.7%	0.2	-	-
Net profit	120.1	51.6	132.8%	44.8	17.5	156.0%

Key financial ratios

	FY'17	FY'16	Change	4Q'17	4Q'16	Change
NIM	4.1%	3.7%	0.4 pp	4.1%	3.8%	0.3 pp
CoR	1.6%	1.5%	0.1 pp	1.5%	2.0%	-0.5 pp
Cost / Assets	2.1%	1.8%	0.3 pp	2.3%	2.0%	0.3 pp
CIR	44.0%	45.8%	-1.8 pp	40.3%	41.7%	-1.4 pp
ROE	8.3%	3.6%	4.7 pp	12.1%	4.9%	7.2 pp

(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-Dec-2017	30-Sep-2017	QoQ	30-Jun-2017	31-Mar-17	31-Dec-2016	YoY
Gross loan portfolio	9,772.8	9,626.5	1.5%	9,515.8	9,333.8	9,487.0	3.0%
Loans to legal entities	7,286.5	7,200.4	1.2%	7,194.2	7,105.2	7,311.4	-0.3%
Loans to individuals	2,486.3	2,426.1	2.5%	2,321.6	2,228.6	2,175.6	14.3%
Total assets	13,009.3	12,893.7	0.9%	12,608.9	12,459.9	12,588.2	3.3%
Customer deposits	9,144.7	9,065.8	0.9%	8,510.5	8,130.1	7,346.6	24.5%
Deposits of legal entities	5,523.1	5,735.3	-3.7%	5,398.6	5,228.2	4,342.3	27.2%
Deposits of individuals	3,621.6	3,330.5	8.7%	3,111.9	2,901.9	3,004.3	20.5%
Total liabilities	11,529.6	11,443.7	0.8%	11,176.6	11,024.2	11,175.3	3.2%
Total shareholders' equity	1,479.7	1,450.0	2.0%	1,432.3	1,435.7	1,412.9	4.7%

Key asset quality & capital ratios

	31-Dec-2017	30-Sep-2017	QoQ	30-Jun-2017	31-Mar-17	31-Dec-2016	YoY
NPL ratio ⁽¹⁾	5.7%	6.4%	-0.7 pp	6.3%	6.5%	6.4%	-0.7 pp
LLR ratio ⁽²⁾	6.2%	6.6%	-0.4 pp	6.6%	7.0%	6.7%	-0.5 pp
Tier I	13.1%	12.9%	0.2 pp	13.1%	13.4%	12.9%	0.2 pp
Total Capital	14.8%	14.5%	0.3 pp	14.6%	15.0%	14.6%	0.2 pp

(1) 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 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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