

VTB Group FY'2016 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 VTB Bank (PJSC) ("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 FY'2016 Performance Highlights

| Key selected items (in RUB bn) | FY'16 | FY'15 | Change | 4Q'16 | 4Q'15 | Change |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Net interest income | 415.0 | 289.1 | 43.5% | 104.6 | 93.1 | 12.4% |
| Net fee and commission income | 81.8 | 76.2 | 7.3% | 25.9 | 22.2 | 16.7% |
| Operating income before provisions | 510.6 | 412.3 | 23.8% | 149.5 | 118.5 | 26.2% |
| Provision charge for impairment ⁽¹⁾ | (211.2) | (178.1) | 18.6% | (64.5) | (41.2) | 56.6% |
| Staff costs and administrative expenses | (233.9) | (221.9) | 5.4% | (62.3) | (60.5) | 3.0% |
| Net profit | 51.6 | 1.7 | x30 | 17.5 | 12.6 | 38.9% |

Strong growth of NII driven by repricing of assets and liabilities, as well as renewed growth in higher-margin retail lending

Cost efficiency improved (CIR down 8pp to 45.8%), full year costs target met

Retail loans grew significantly above the sector; corporate loans below the sector due to large FX loan repayments in 1Q'16

Balance sheet improved with increased proportion of customer deposits (66% vs 60% at YE'15) and reduced FX portion

Strong capital base: Tier 1 CAR 12.9%, up 50 bps ytd

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

FY'2016 Targets Met

| | | VTB guidance (March 17, 2016) | | VTB guidance (November 14, 2016) | Actual |
|--------------|----------------------------|-------------------------------|--------------|----------------------------------|--------------|
| | | Optimistic | Conservative | | |
| Macro | GDP growth | 0.5% | -1.2% | -0.5% | -0.2% |
| | CPI | 7.0% | 7.6% | close to Optimistic | 5.4% |
| | Oil price (Urals), average | 50\$ | 40\$ | close to Conservative | 42\$ |
| | CBR key rate, average | 9.1% | 10.0% | 10.0% (eop) | 10.6% |

| | | | | | |
|-----------------------|-------------------------|-------|------|---------------------------|------------|
| Banking sector | Loans to legal entities | 5-10% | 0-5% | below Conservative | -6% |
| | Loans to individuals | 5-10% | 0-5% | in line with Conservative | +1% |

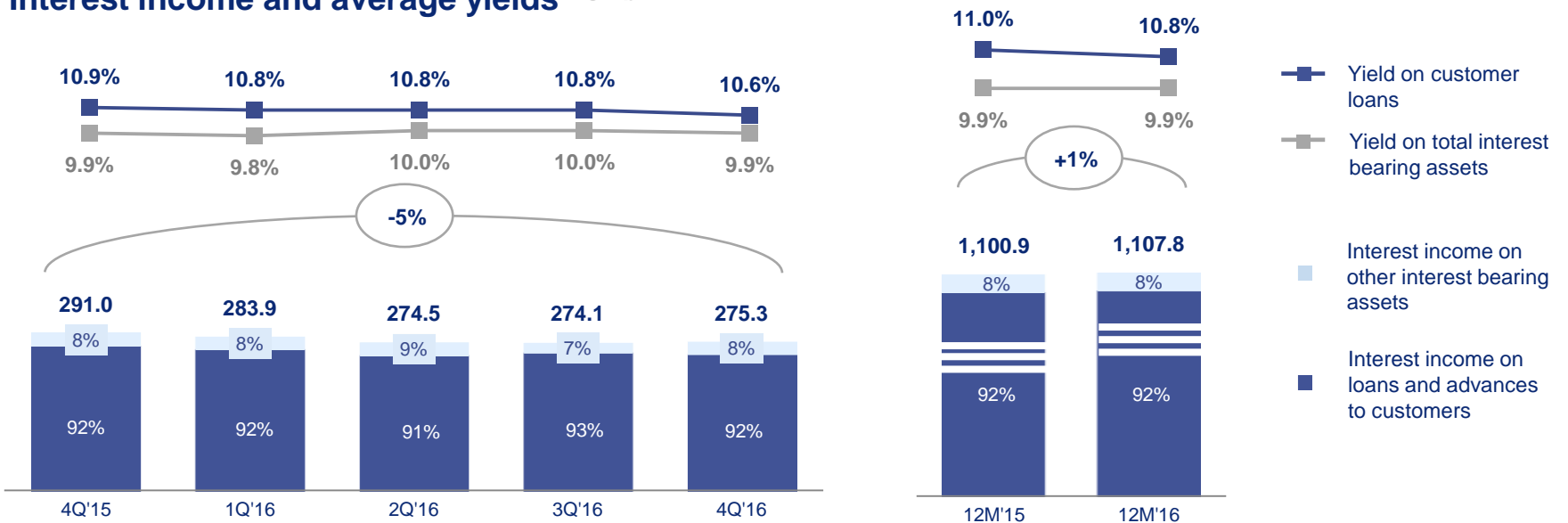
| | | Optimistic | Conservative | | | |
|---------------------------------------|-------------------------|-------------------------|-------------------------|--------------------------------|-------------|---|
| Balance sheet | Loans to legal entities | in line with the market | in line with the market | below the market | -10% | ✓ |
| | Loans to individuals | above the market | above the market | significantly above the market | +11% | ✓ |
| Efficiency & profitability | NIM | ≈4.0% | >3.0% | close to Optimistic | 3.7% | ✓ |
| | CoR ⁽¹⁾ | ≈2.0% | >2.0% | ≈2.0% | 2.0% | ✓ |
| | Cost growth | in line with inflation | in line with inflation | in line with inflation | 5.4% | ✓ |
| | Net profit (RUB bn) | ≈50 | > 0 | ≈50 | 51.6 | ✓ |
| | NPL coverage ratio | above 100% | above 100% | above 100% | 105% | ✓ |



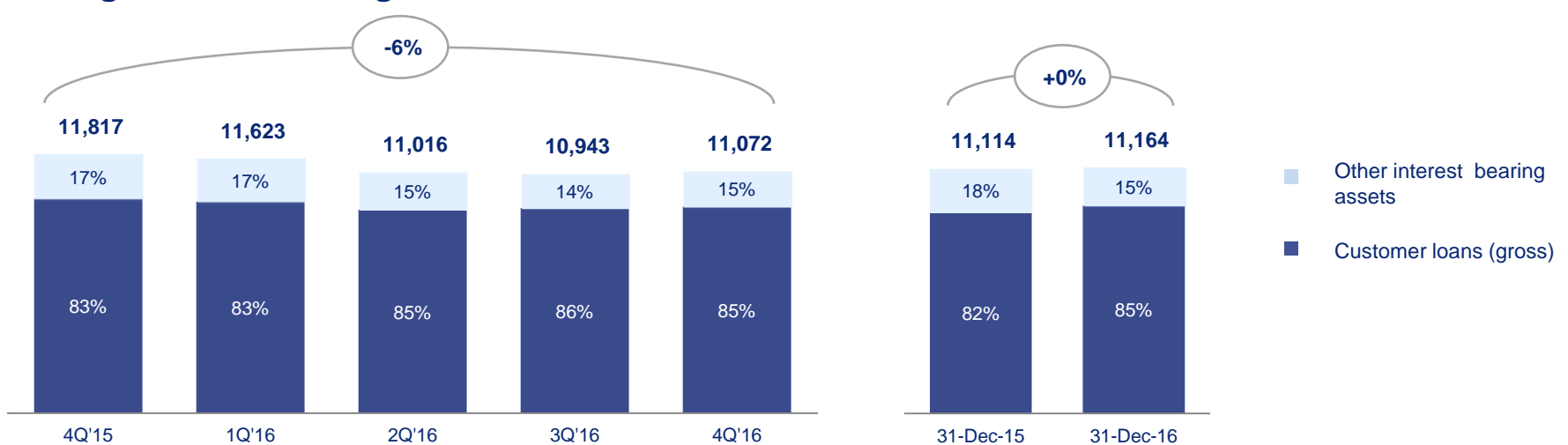
(1) Including credit related commitments.

Interest Income and Average Yields

Interest income and average yields RUB bn

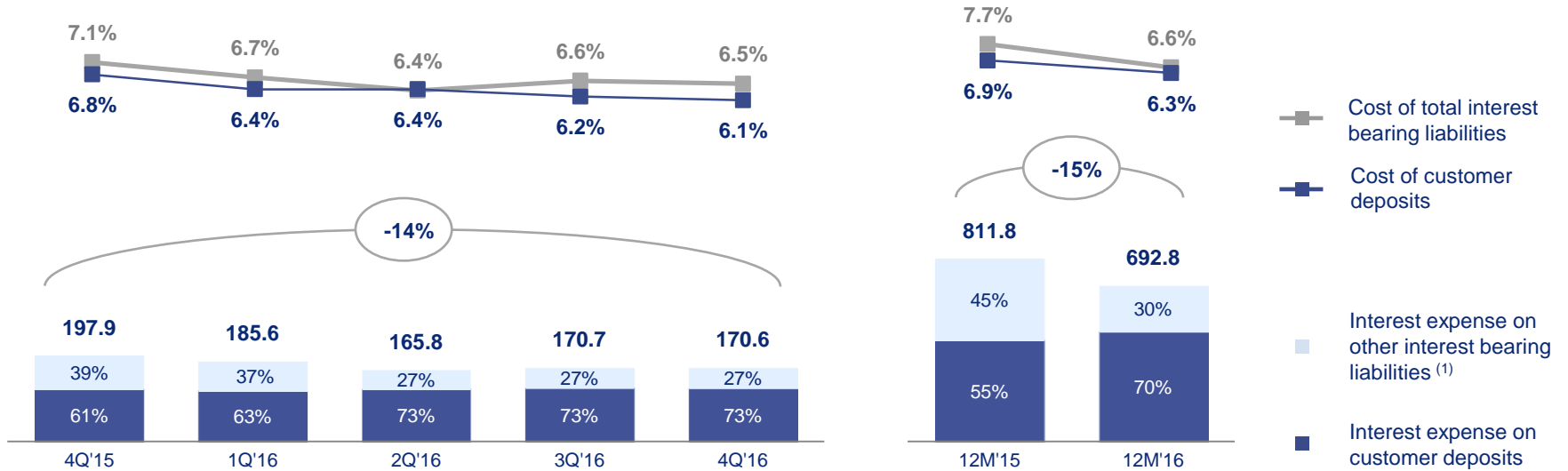


Average interest bearing assets RUB bn

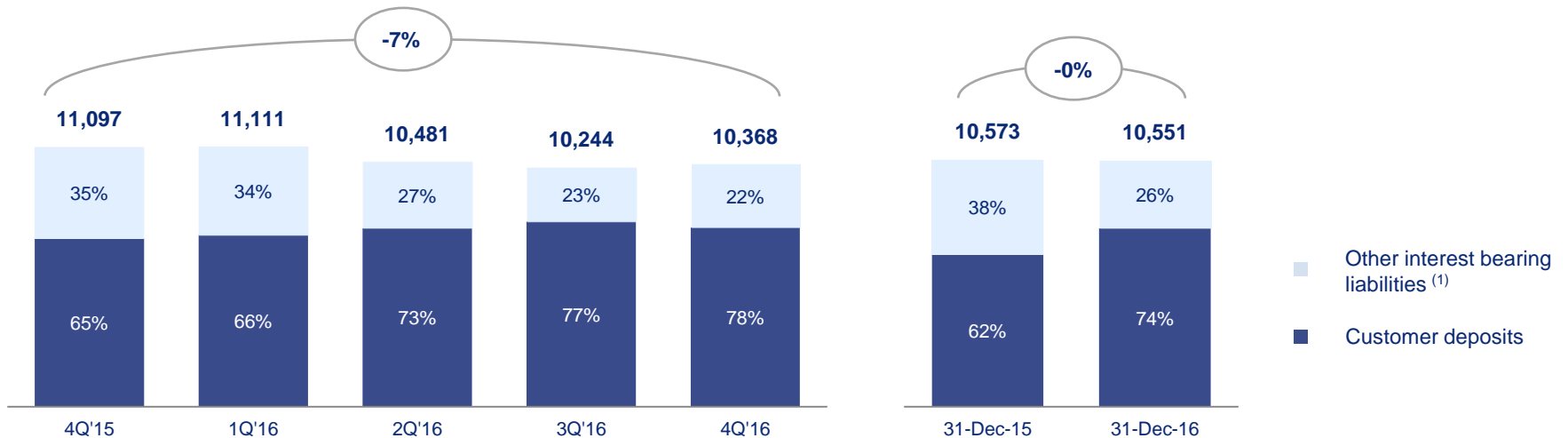


Interest Expense and Cost of Funds

Interest expense and cost of interest bearing liabilities RUB bn



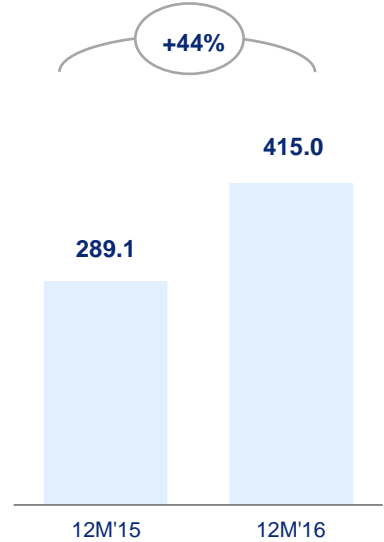
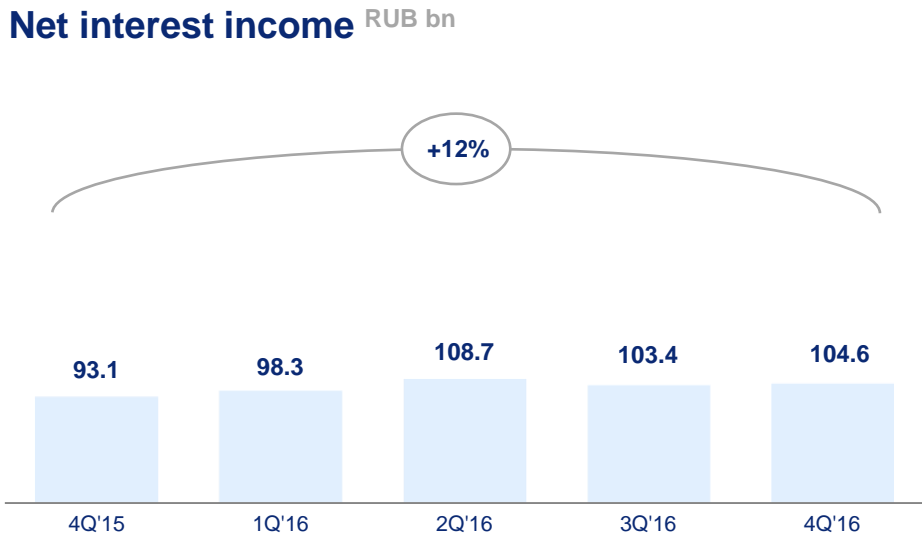
Average interest bearing liabilities RUB bn



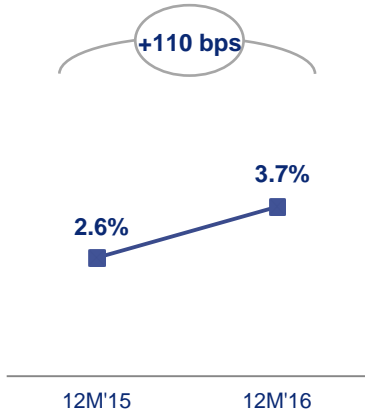
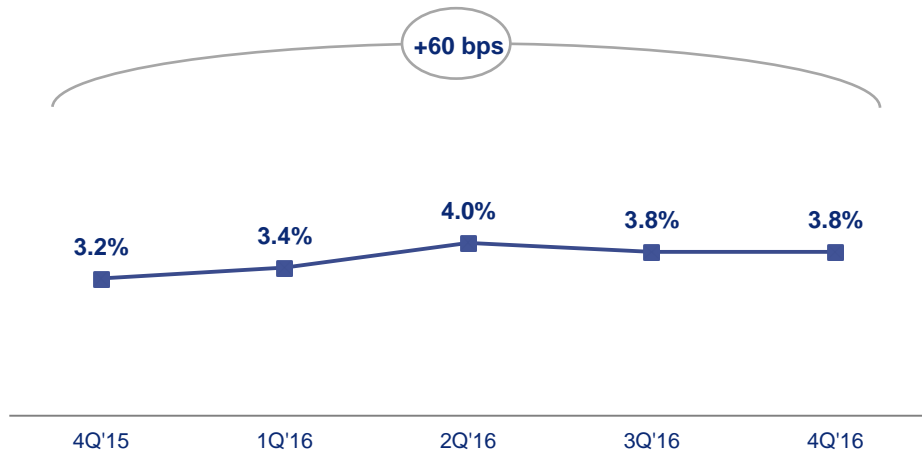
(1) Including debt securities in issue, subordinated debt, interbank (incl. LORO and other borrowed funds).

Net Interest Income and NIM

Net interest income RUB bn



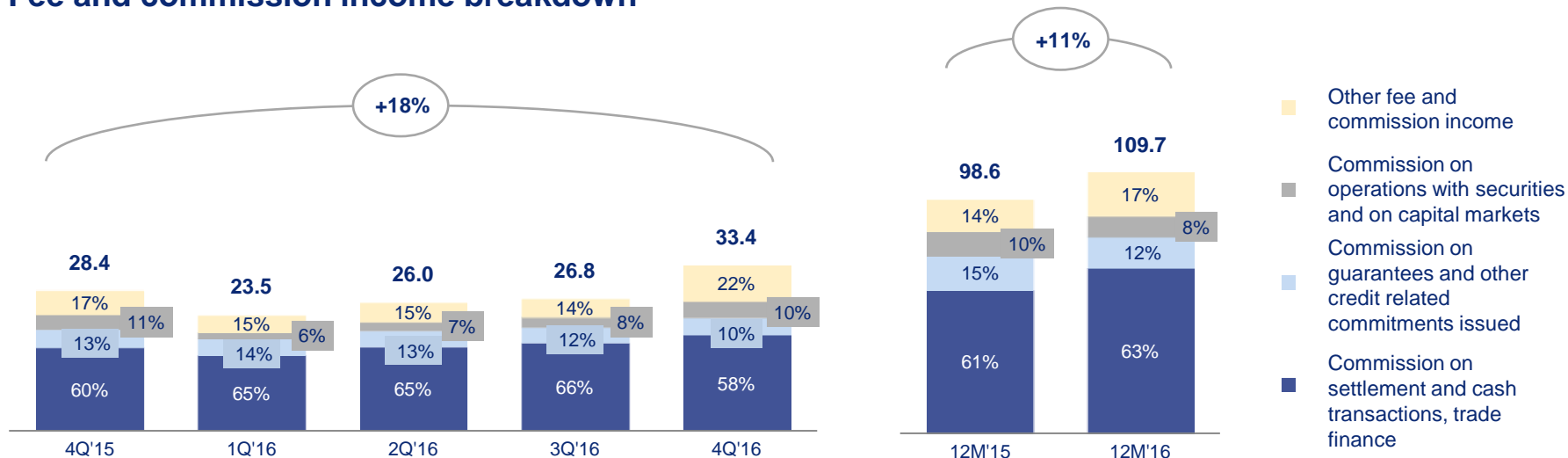
Net interest margin⁽¹⁾ %



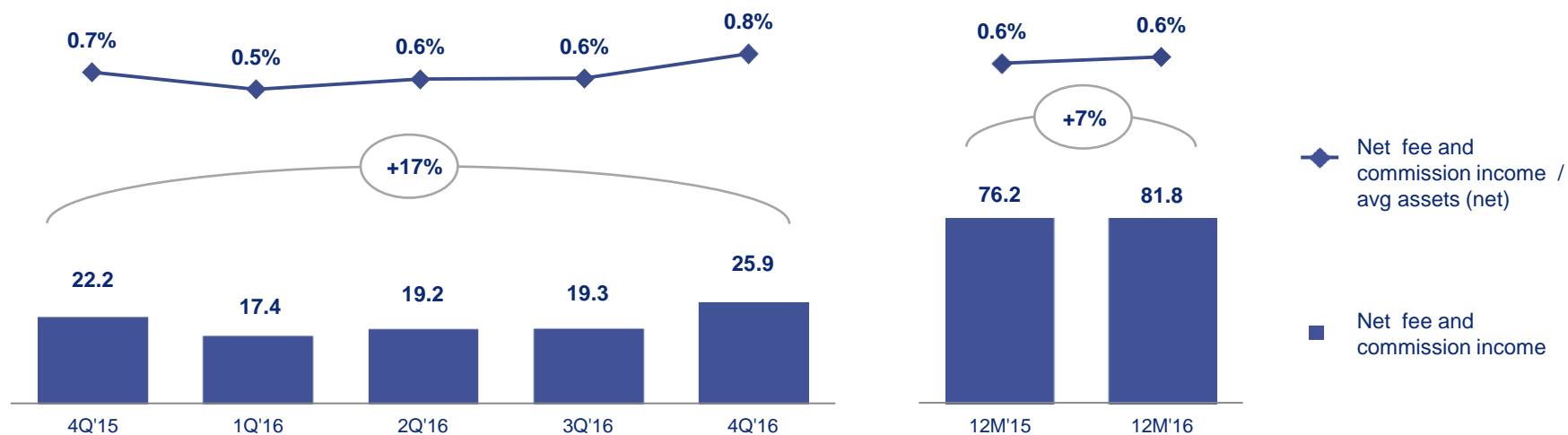
(1) Calculated as net interest income (adjusted for payments to deposit insurance system) divided by average interest earning assets, which include gross loans and advances to customers, due from other banks (gross), debt securities and correspondent accounts with other banks.

Fee and Commission Income

Fee and commission income breakdown RUB bn

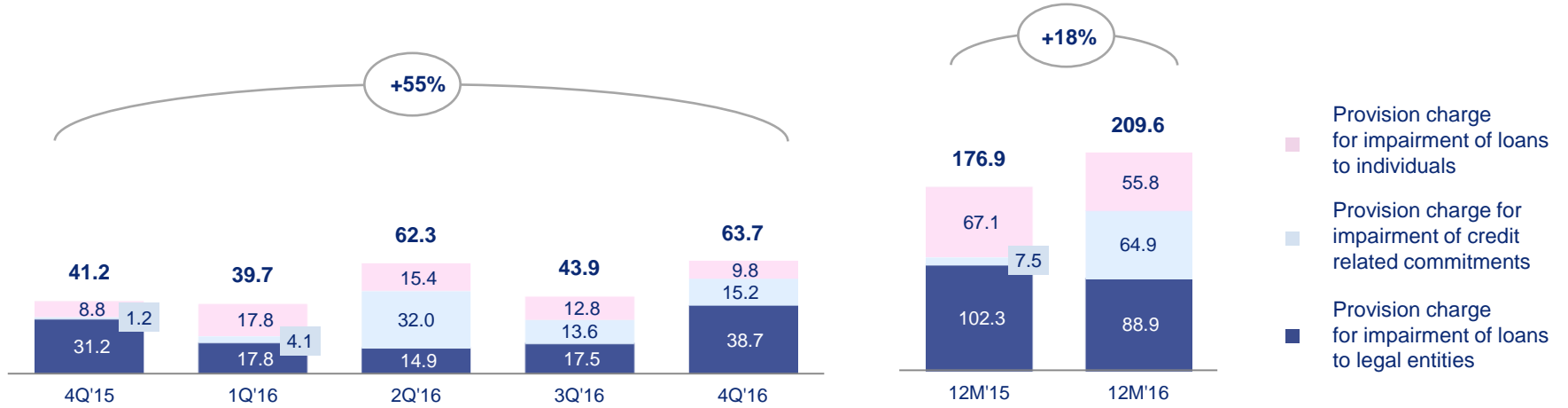


Net fee and commission income RUB bn



Provision Charge for Loan Impairment and Cost of Risk

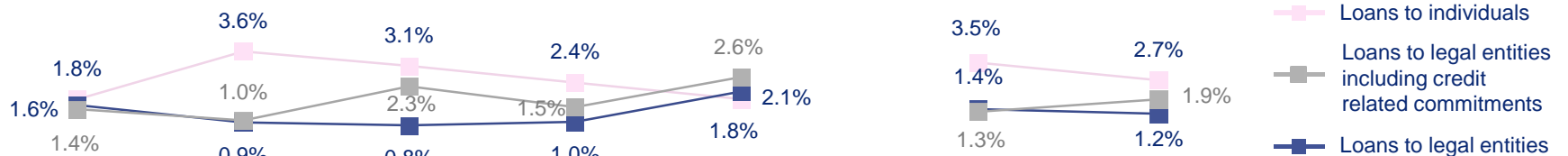
Provision charge for impairment of loans and credit related commitments RUB bn



Cost of risk %



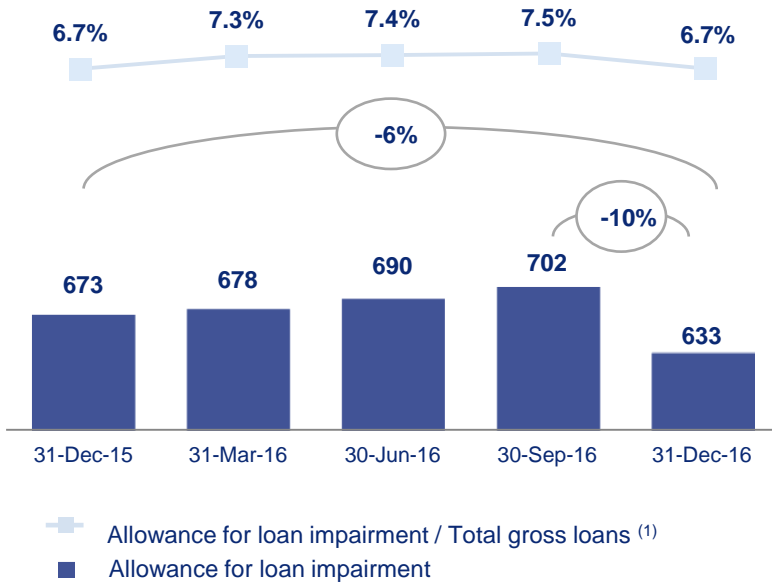
Cost of risk breakdown %



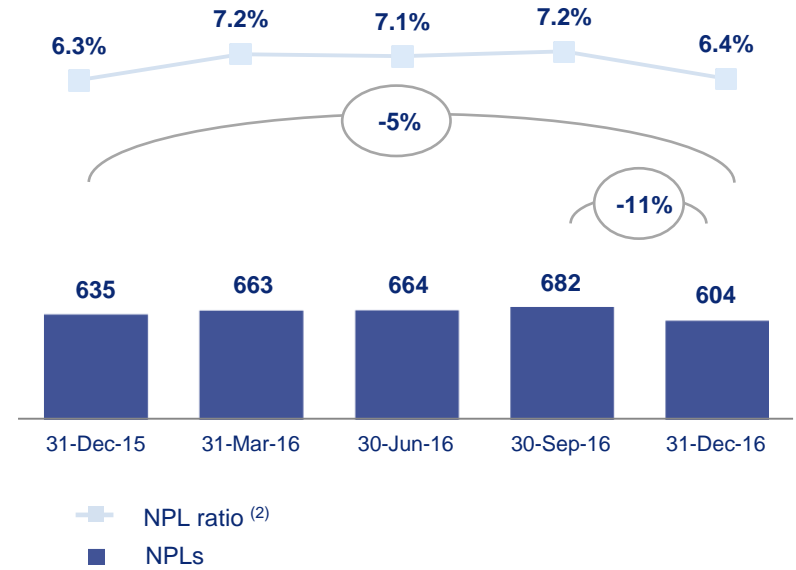
(1) Provision charge for loan impairment and provision charge for impairment of credit related commitments divided by average gross loans and advances to customers and average credit related commitments.
 (2) Provision charge for loan impairment divided by average gross loans and advances to customers.

Loan Book Quality

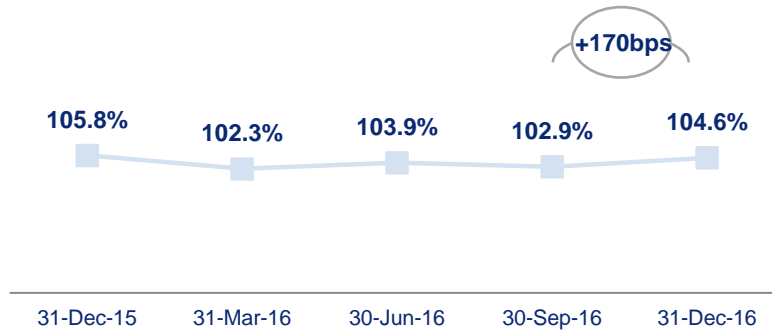
Provision for loan impairment ^{RUB bn}



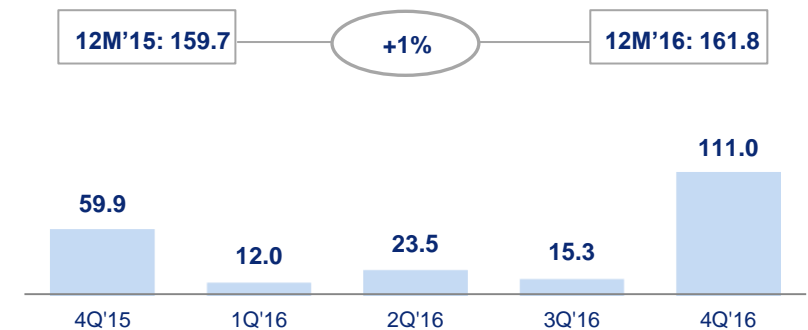
NPLs (90+) ^{RUB bn}



Coverage ratio %



Loan write-offs ^{RUB bn}

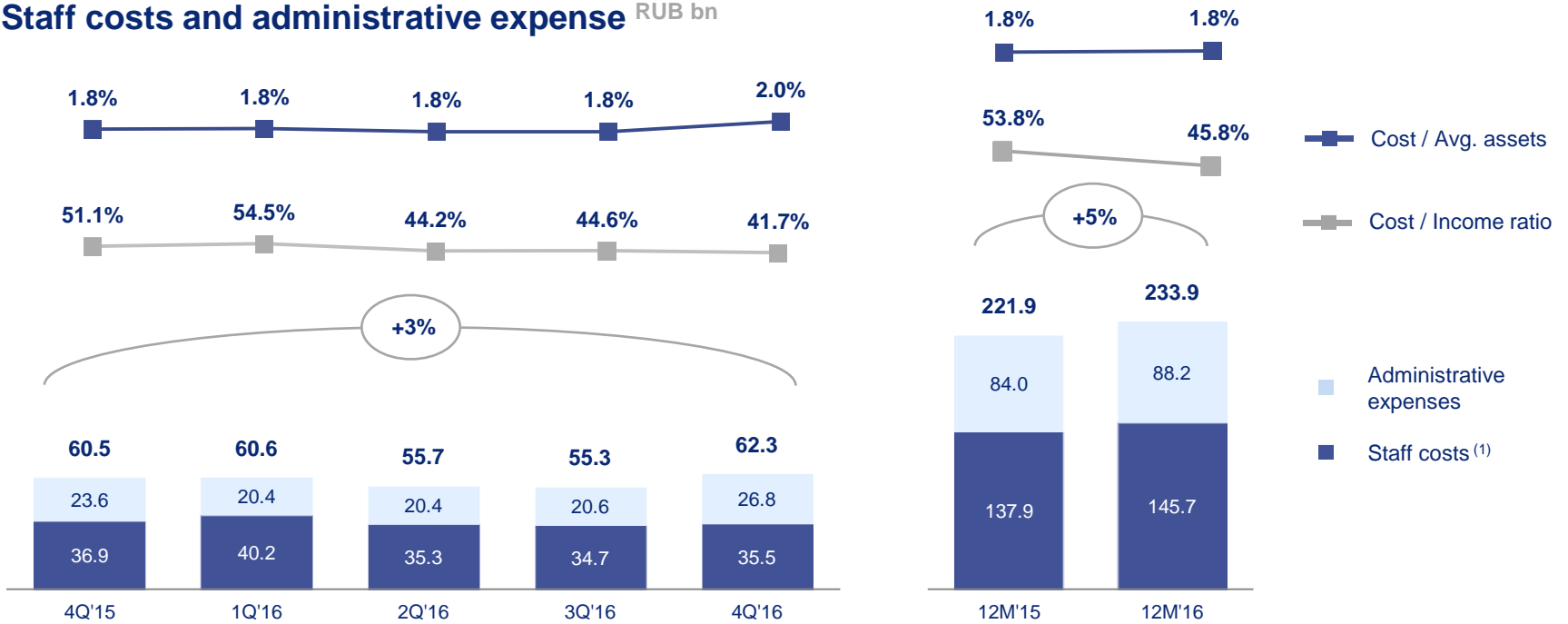


(1) Ratio is calculated to total gross loans including financial assets classified as loans and advances to customers pledged under repurchase agreements.

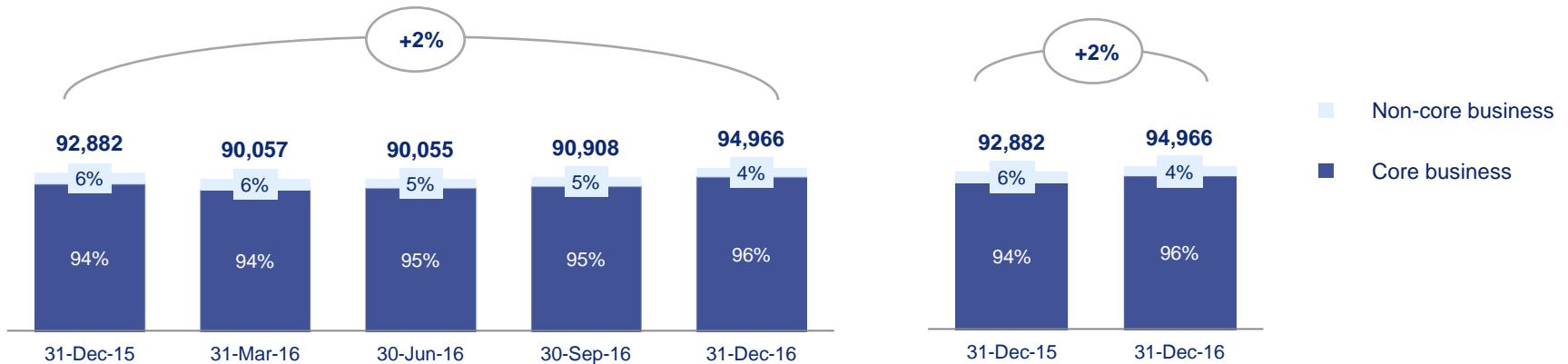
(2) Non-performing loans (NPLs) represent impaired loans with repayments overdue by over 90 days. NPLs are calculated including the entire principal and interest payments. Ratio is calculated to total gross loans including financial assets classified as loans and advances to customers pledged under repurchase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

Staff and Administrative Expenses

Staff costs and administrative expense RUB bn



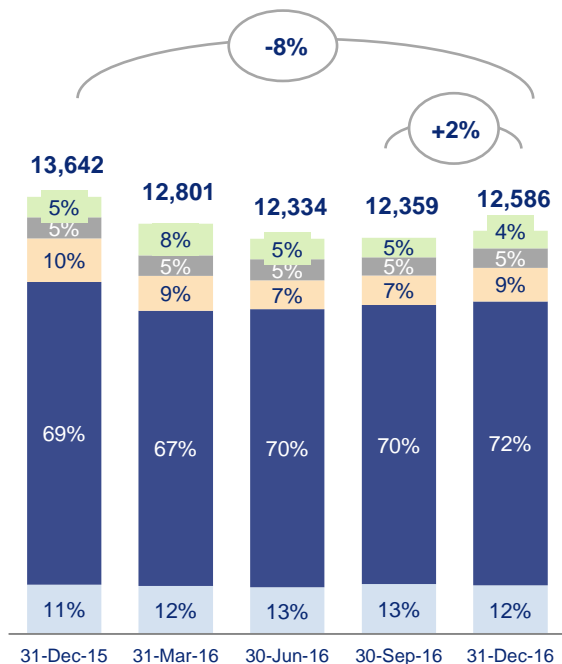
Number of employees



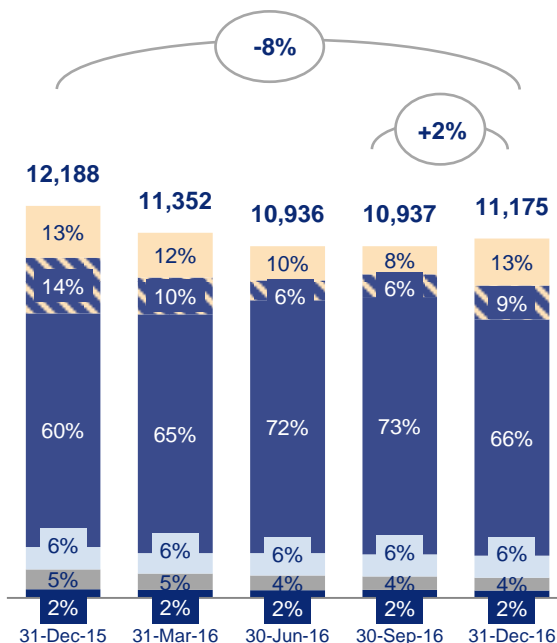
(1) Including pensions.

Balance Sheet Structure and BIS Capital

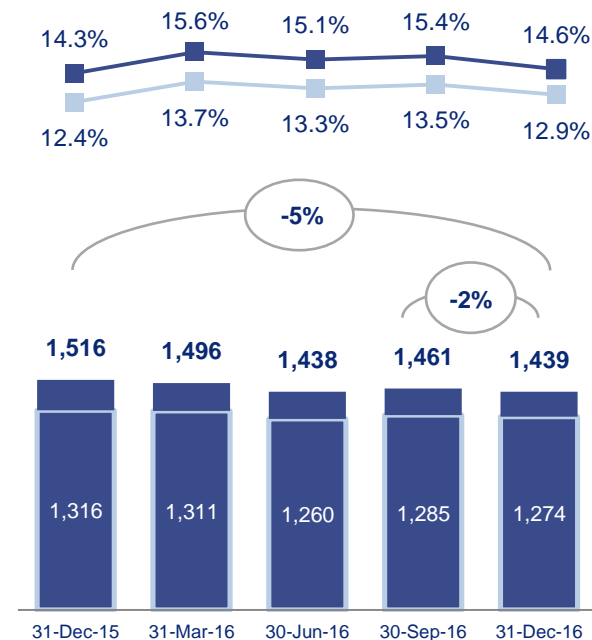
Assets structure RUB bn



Liabilities structure RUB bn



BIS Group capital RUB bn



- Cash and mandatory reserves
- Securities portfolio
- Due from other banks
- Loans to customers (1)
- Other assets (2)

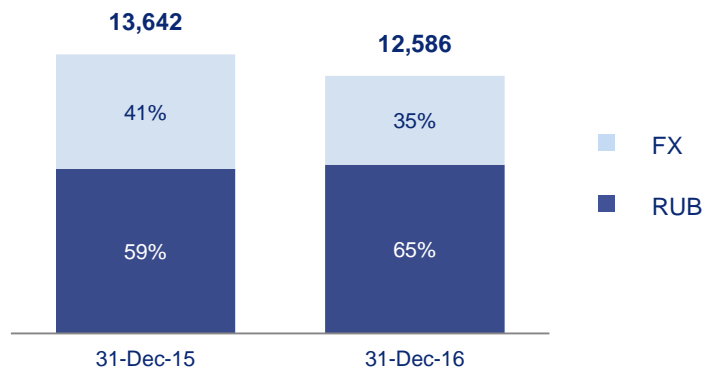
- Due to banks and other borrowed funds
- Collateralised funding from the CBR
- Customer deposits
- Other liabilities
- Debt securities issued
- Subordinated debt

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

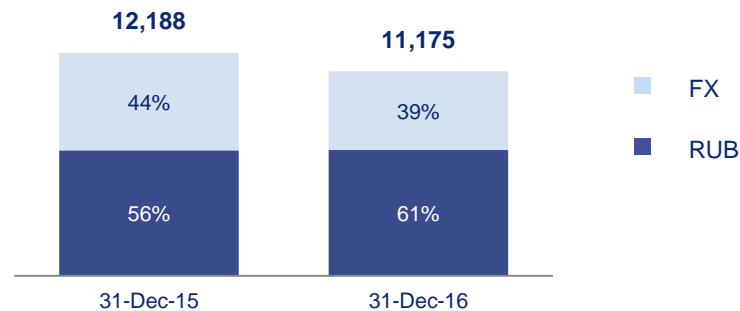
(1) Includes loans and advances to customers, pledged under REPO.
 (2) Includes investment in associates, premises and equipment, investment property, intangible assets and goodwill, deferred tax assets and others.

Assets and Liabilities by Currency

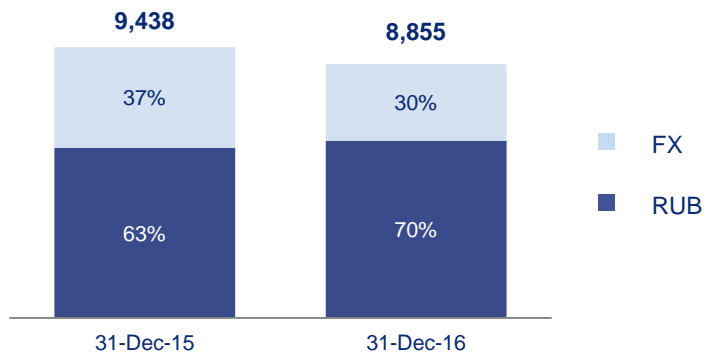
Total assets RUB bn



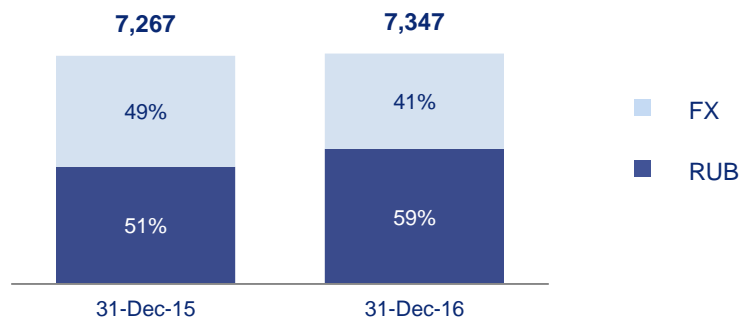
Total liabilities RUB bn



Net loans and advances to customers RUB bn

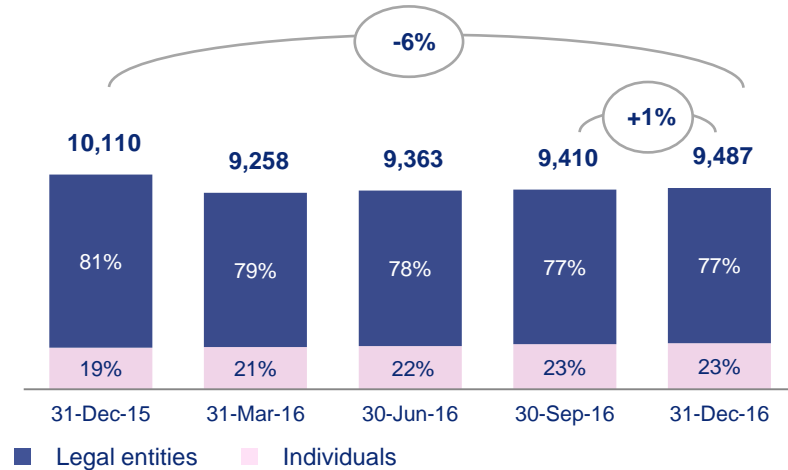


Customer deposits RUB bn

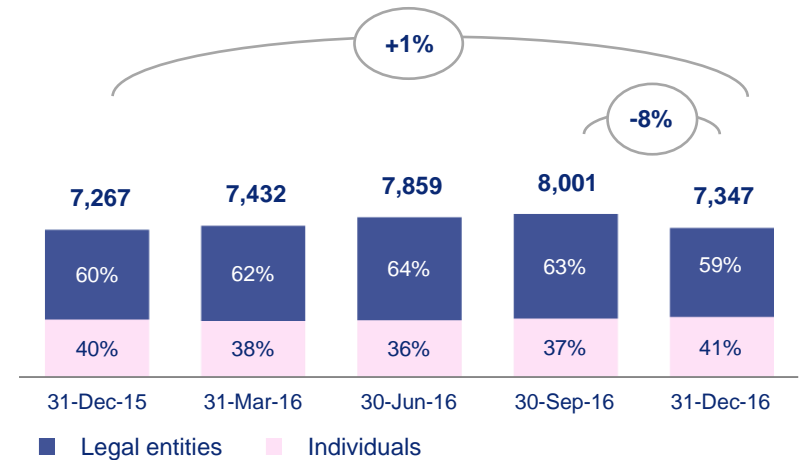


Loan Portfolio and Customer Deposits

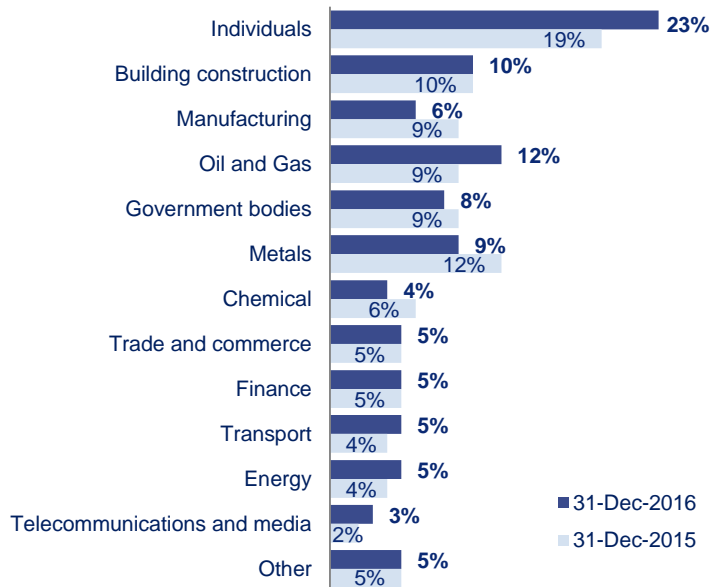
Loans and advances to customers RUB bn



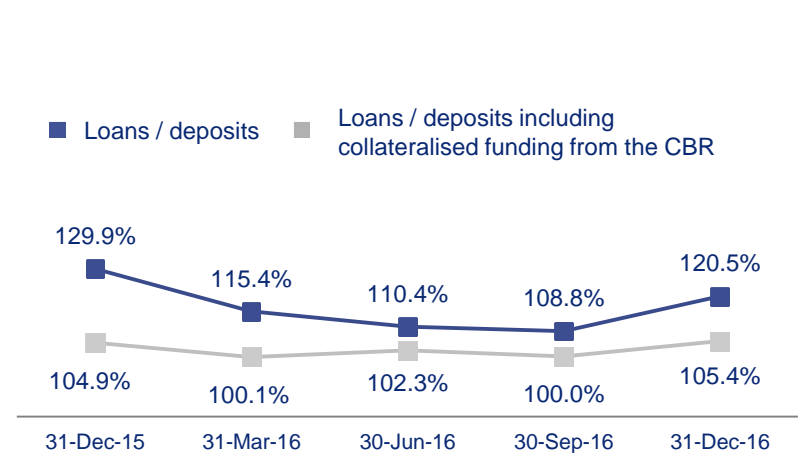
Customer deposits RUB bn



Loans and advances to customers by industry %

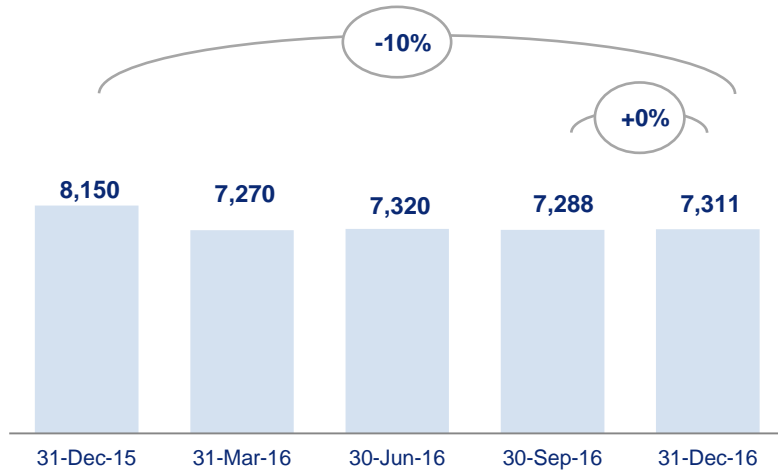


Customer loans / customer deposits %

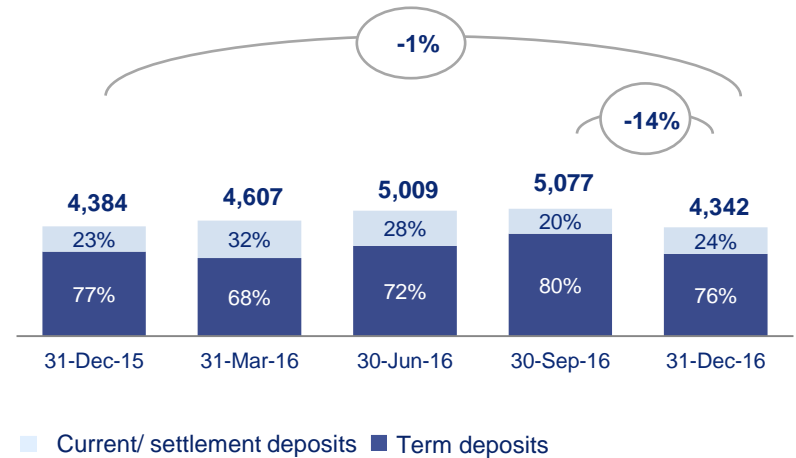


Business with Legal Entities

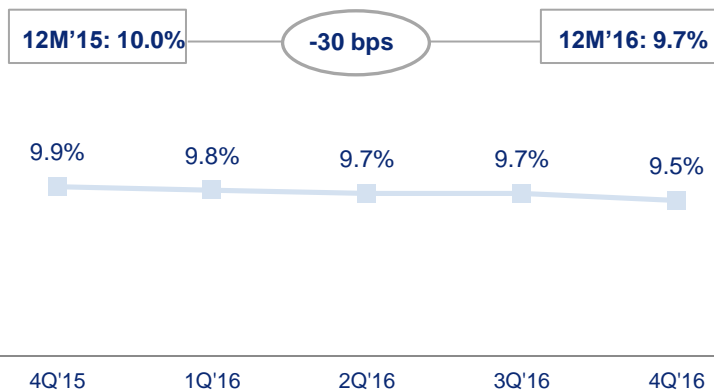
Loans to legal entities RUB bn



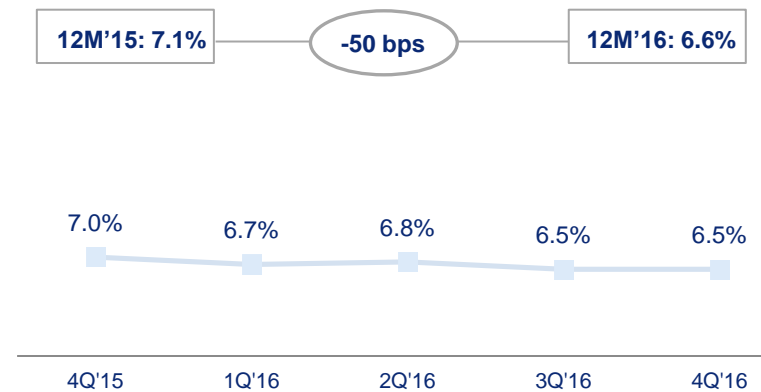
Deposits of legal entities RUB bn



Yield on loans to legal entities %

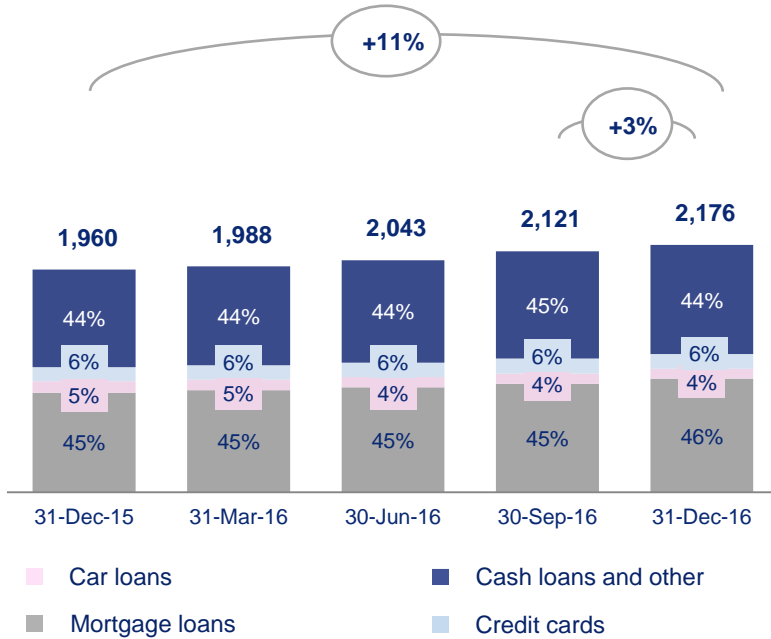


Cost of deposits of legal entities %

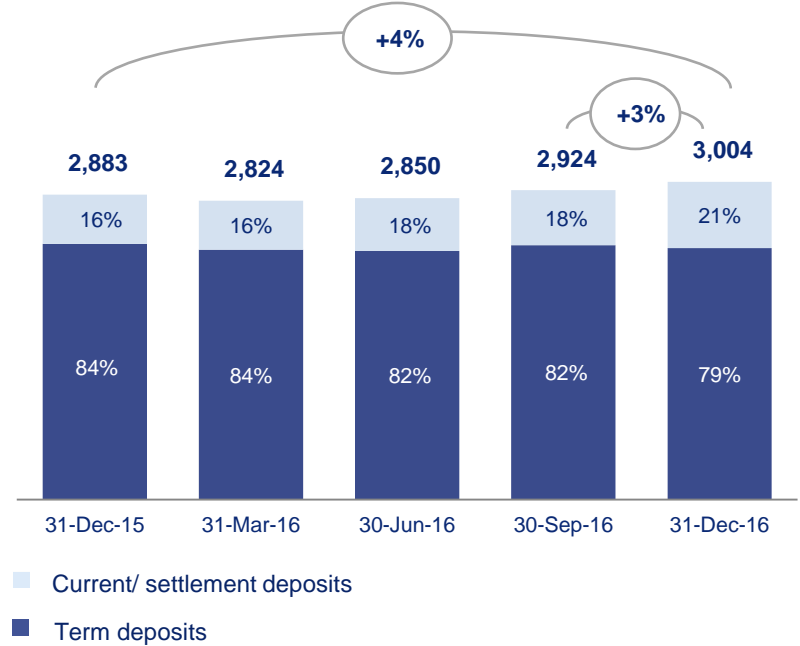


Business with Individuals

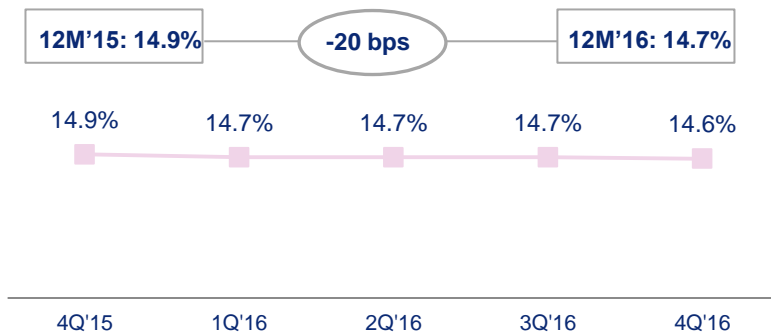
Loans to individuals RUB bn



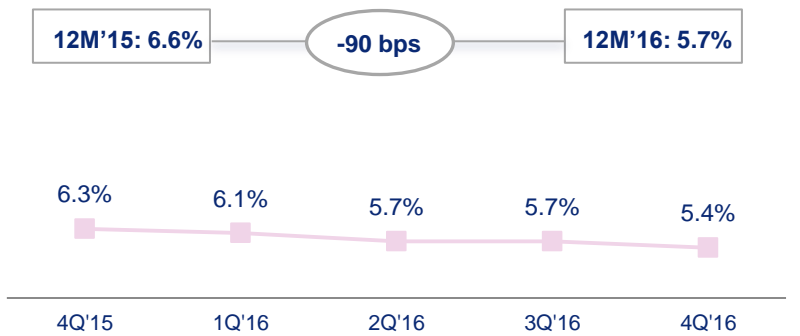
Deposits of individuals RUB bn



Yield on loans to individuals %



Cost of deposits of individuals %



2017 Guidance

| | | RUSSIA |
|--------------|----------------------------|--------|
| Macro | GDP growth | 1.5% |
| | CPI | 5.2% |
| | Oil price (Urals), average | USD 54 |
| | CBR key rate, average | 9.0% |

| | | RUSSIA |
|-----------------------|----------------------------|--------|
| Banking sector | Loans to legal entities | 6% |
| | Loans to individuals | 10% |
| | Deposits of legal entities | 6% |
| | Deposits of individuals | 10% |



| | | |
|----------------------|----------------------------|-------------------------|
| Balance sheet | Loans to legal entities | in line with the market |
| | Loans to individuals | above the market |
| | Deposits of legal entities | above the market |
| | Deposits of individuals | above the market |

| | | |
|---------------------------------------|------------|--------------|
| Efficiency & profitability | CoR | below 2% |
| | NIM | stable y-o-y |
| | CiR | below 45% |
| | Net profit | ≈ RUB 100 bn |



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