

VTB Group 1Q'2016 Results

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May 16, 2016



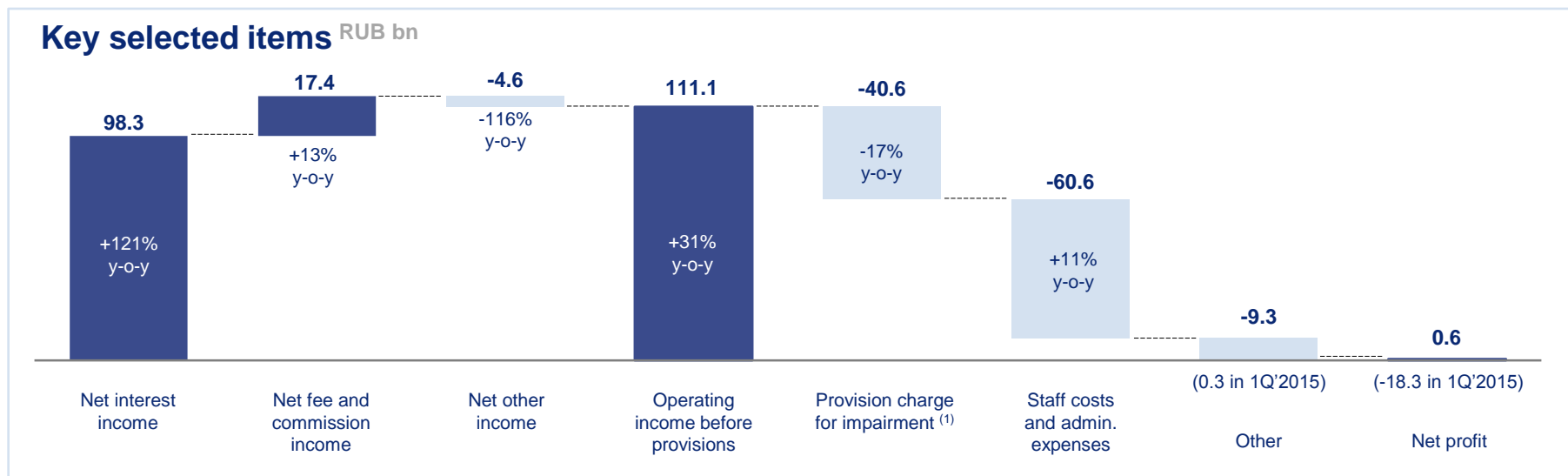
Some of the information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of JSC VTB Bank ("VTB") and its subsidiaries (together with VTB, the "Group").

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 1Q'2016 Highlights

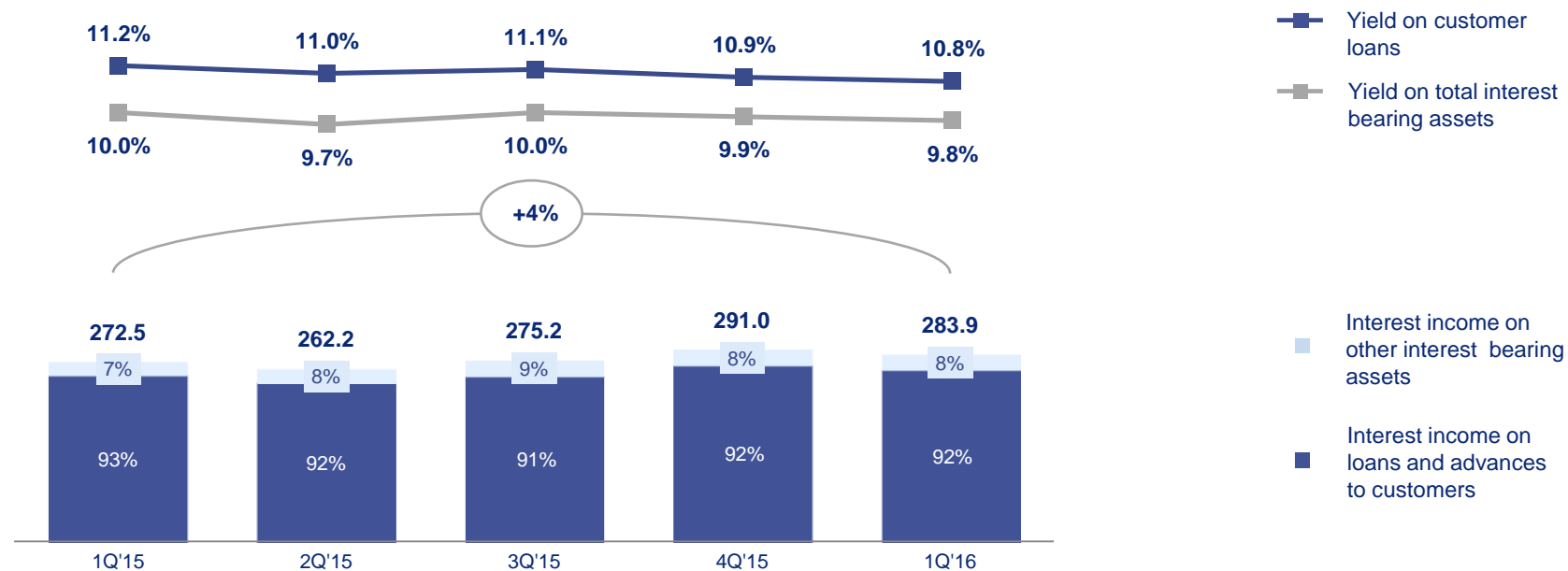


- **Net interest income up 121% y-o-y supported by decline in funding costs**
- **The strong fee generating capabilities of Retail business and Transaction banking enabled the Group to deliver 13.0% y-o-y growth in net fee and commission income**
- **Provision charges decreased 17% y-o-y, which led to a decrease in the Group's cost of risk to 1.5% in 1Q'2016, from 2.2% in 1Q'2015**
- **Costs grew 11% y-o-y primarily driven by one-off effect of BoM reorganisation**
- **Operating income before provisions grew 31% y-o-y supported by solid core income lines**
- **Decline in loans to legal entities reflects tight risk appetite, and partly driven by RUB strengthening, growing retail portfolio remains a priority**
- **Growth in customer deposits contributed to a significant reduction of LDR to 115%/100%**
- **Strong capital base: 15.6% total CAR, 13.7% Tier 1 CAR**

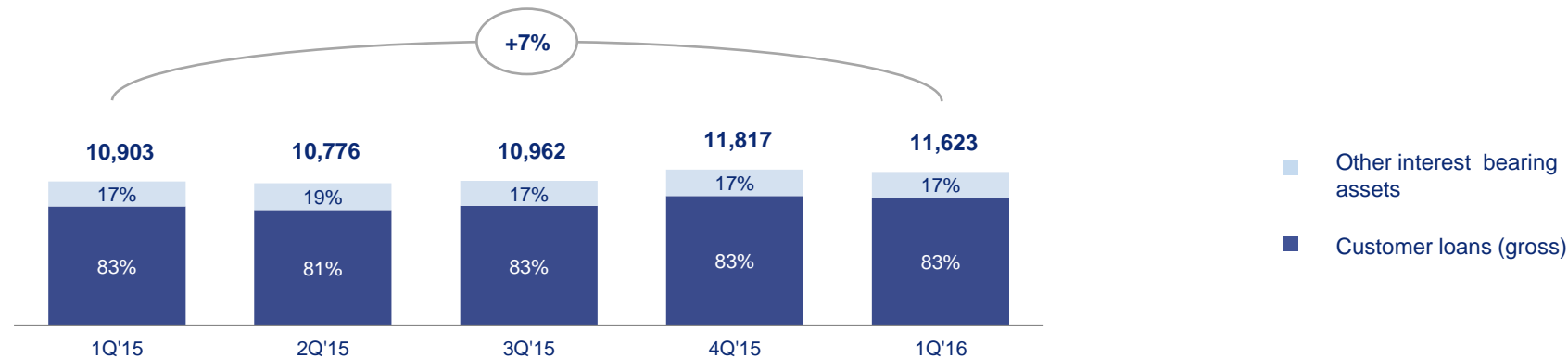
(1) Including provision charge for impairment of debt financial assets and provision charge for impairment of other assets, credit related commitments and legal claims.

Interest Income and Average Yields

Interest income and average yields RUB bn

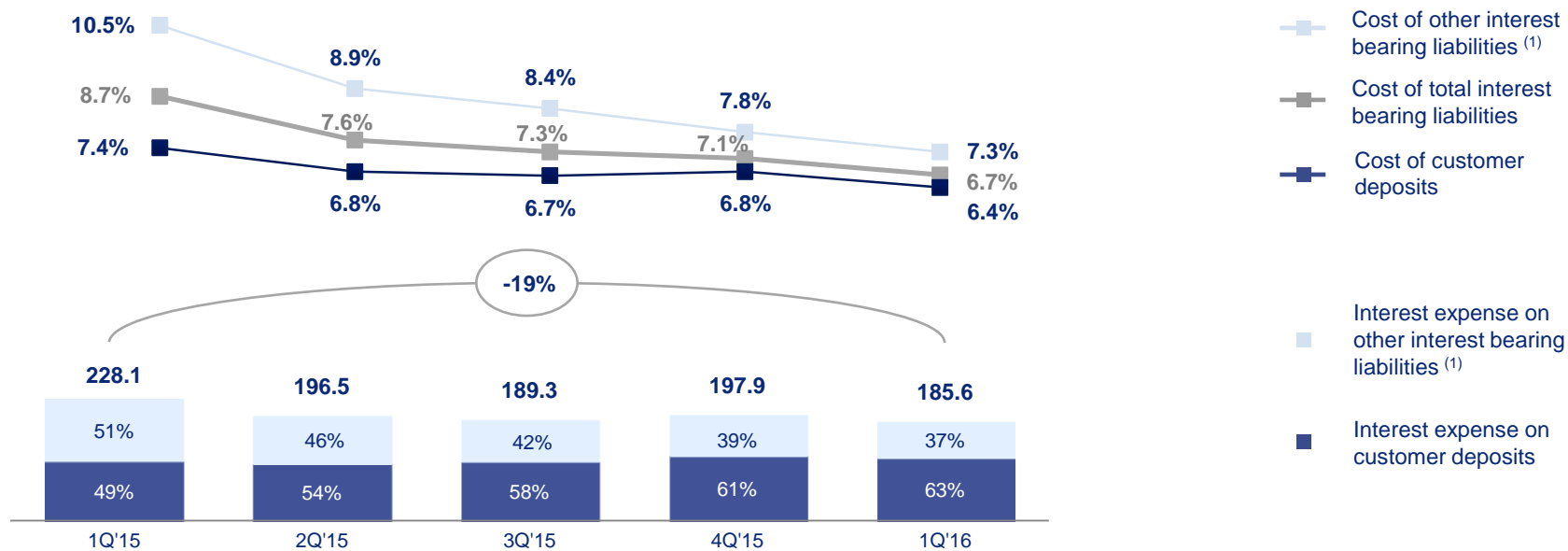


Average interest bearing assets RUB bn

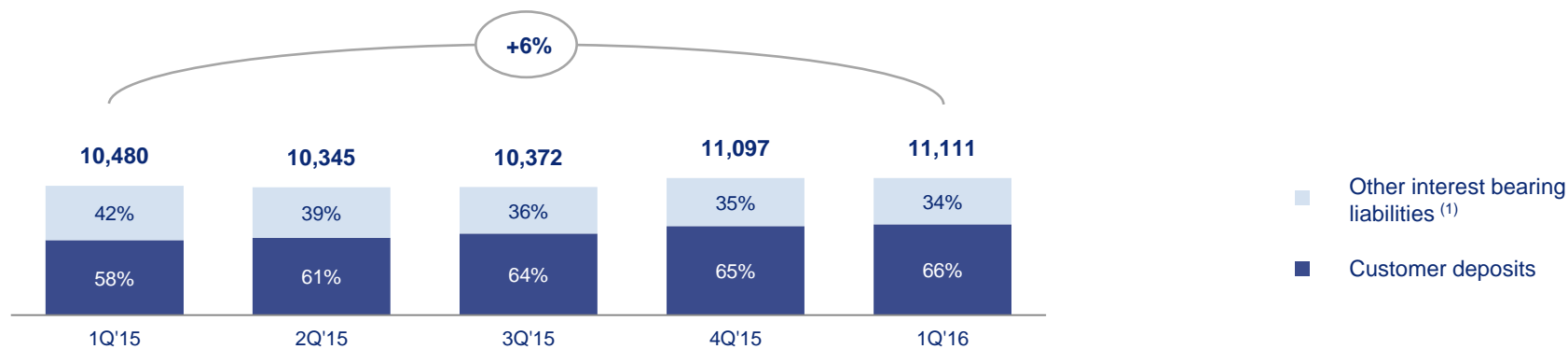


Interest Expense and Cost of Funds

Interest expense and cost of interest bearing liabilities RUB bn



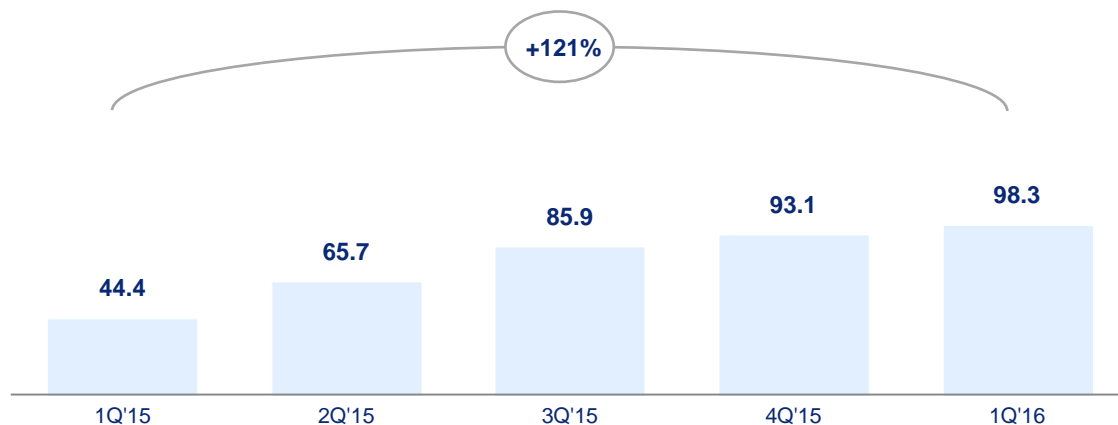
Average interest bearing liabilities RUB bn



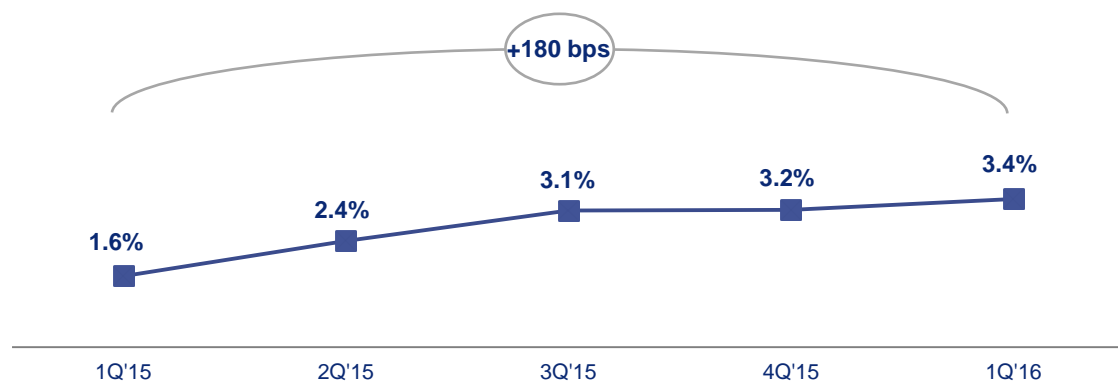
(1) Including debt securities in issue, subordinated debt, interbank (incl. LORO and other borrowed funds).

Net Interest Income and NIM (1)

Net interest income RUB bn



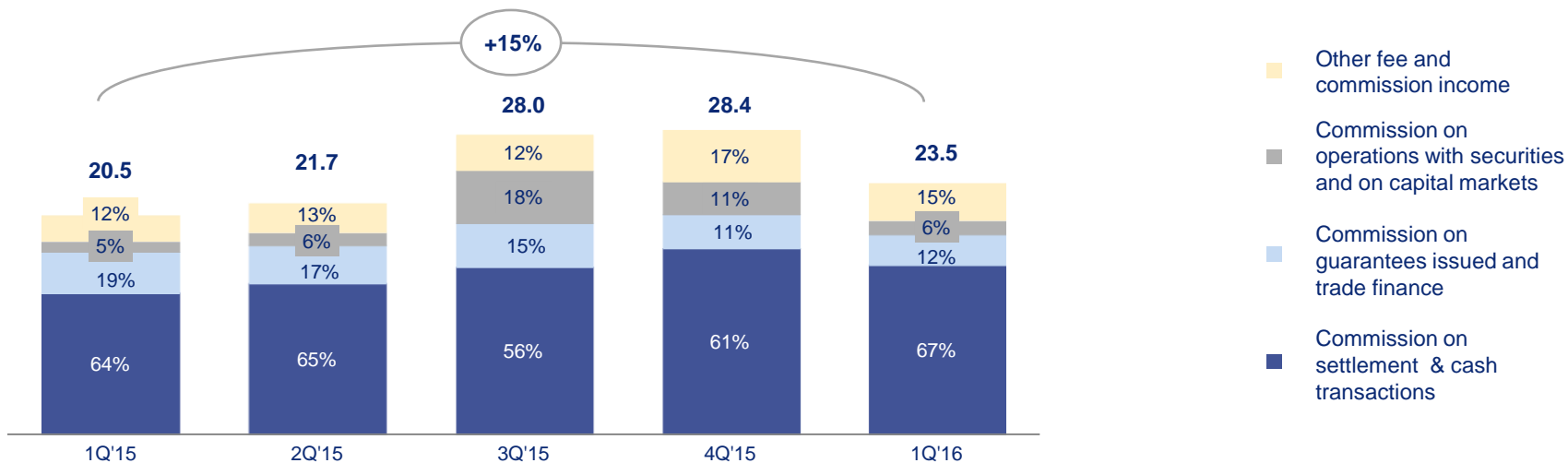
Net interest margin %



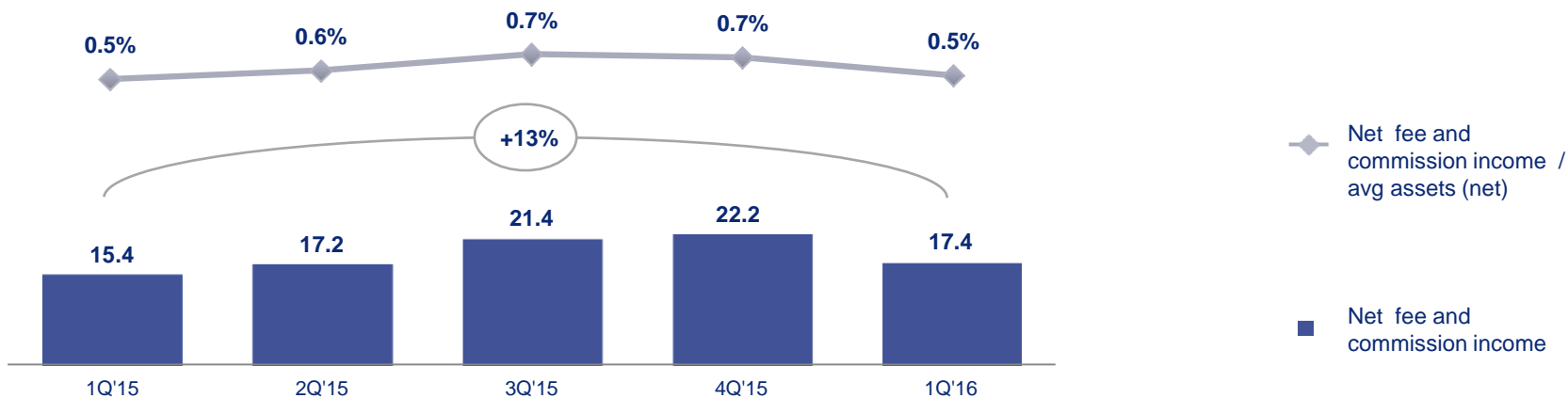
(1) Calculated as net interest income (adjusted for payments to deposit insurance system) divided by average interest earning assets, which include gross loans and advances to customers, due from other banks (gross), debt securities and correspondent accounts with other banks.

Fee and Commission Income

Fee and commission income breakdown RUB bn

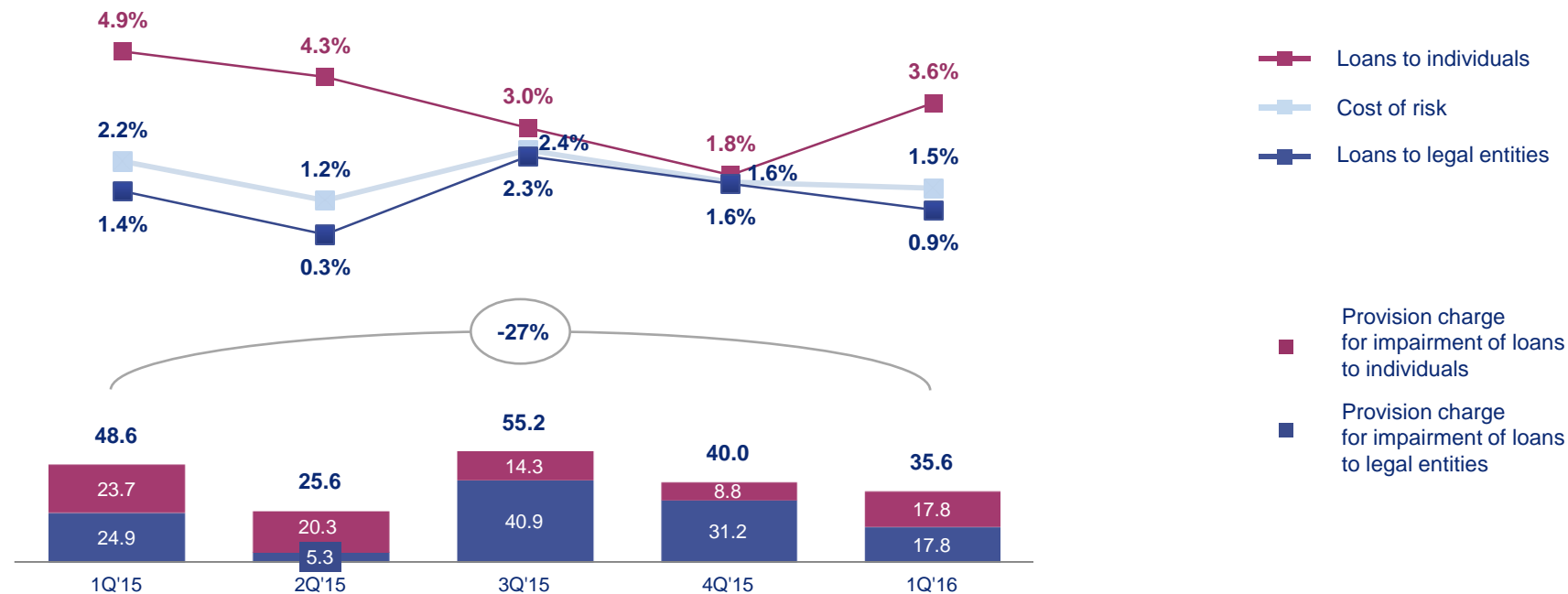


Net fee and commission income RUB bn

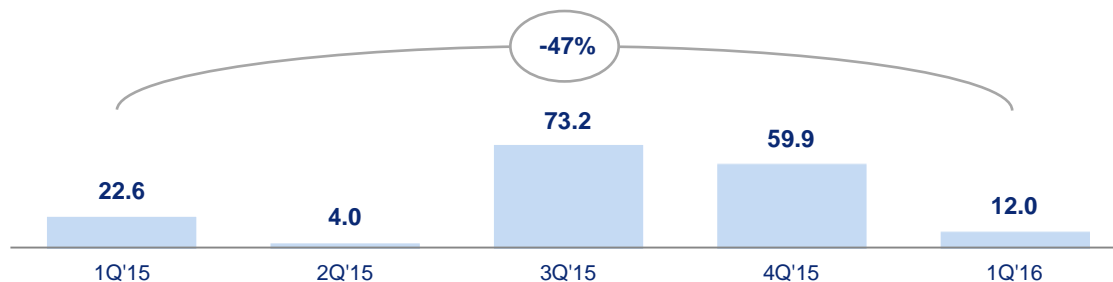


Provision Charge for Loan Impairment and Cost of Risk

Provision charge for loan impairment and cost of risk RUB bn

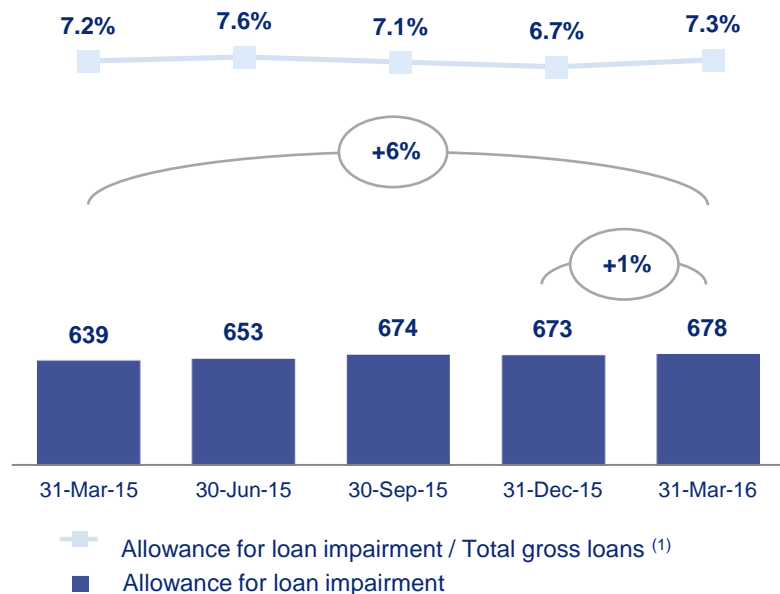


Loan write-offs RUB bn

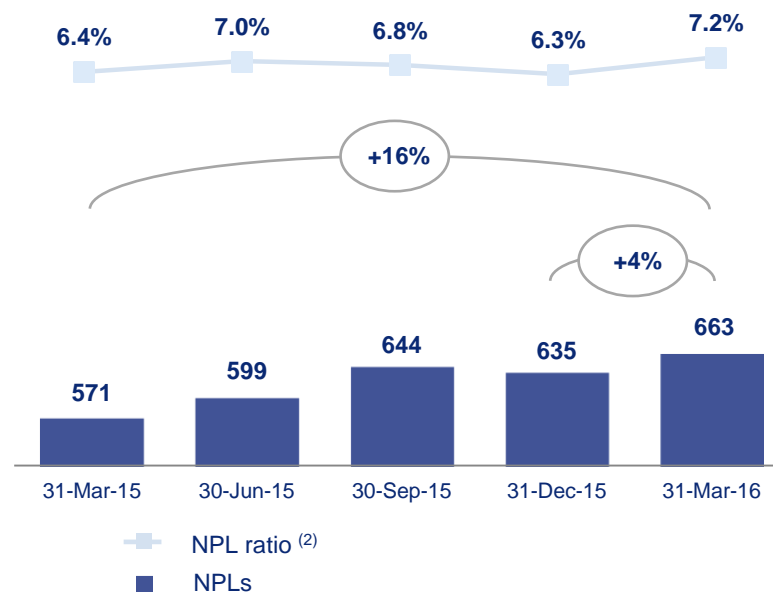


Loan Book Quality

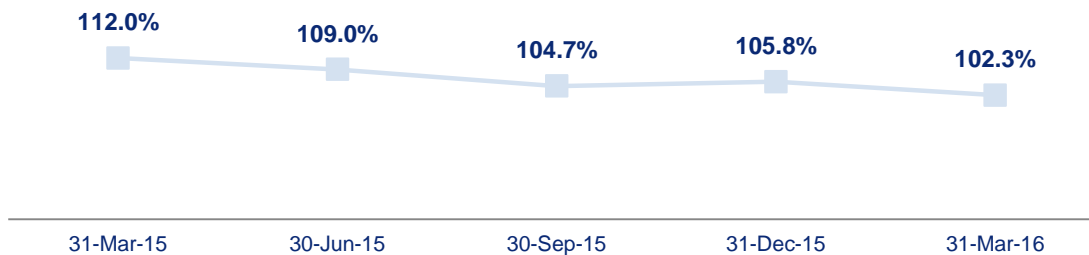
Provision for loan impairment RUB bn



NPLs (90+) RUB bn



Coverage ratio %

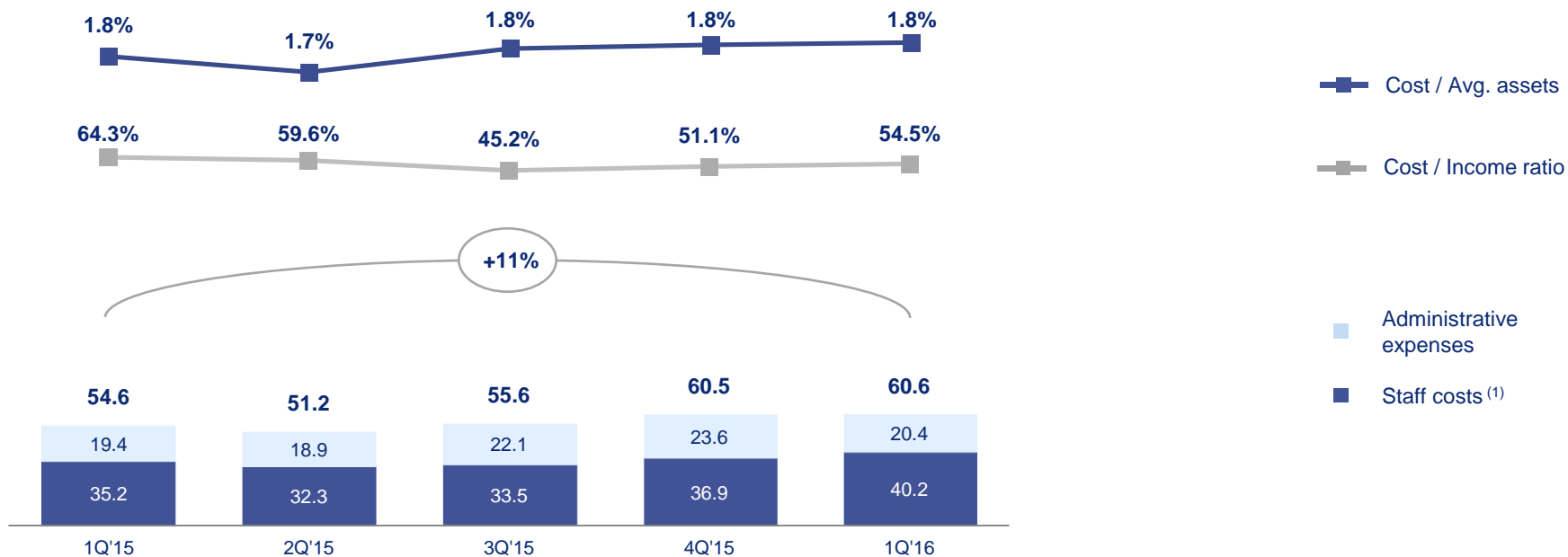


(1) Ratio is calculated to total gross loans including financial assets classified as loans and advances to customers pledged under repurchase agreements.

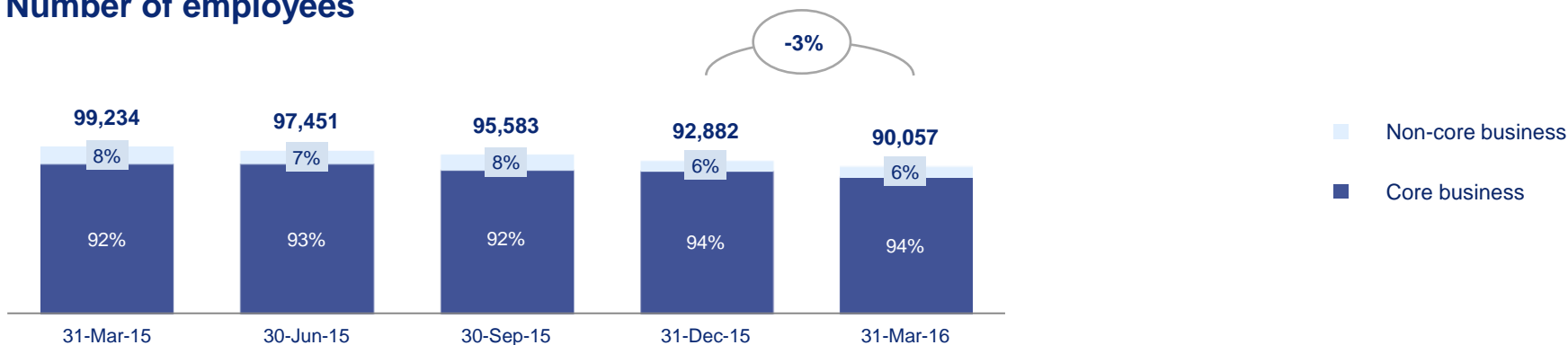
(2) Non-performing loans (NPLs) represent impaired loans with repayments overdue by over 90 days. NPLs are calculated including the entire principal and interest payments. Ratio is calculated to total gross loans including financial assets classified as loans and advances to customers pledged under repurchase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

Staff and Administrative Expenses

Staff costs and administrative expense RUB bn



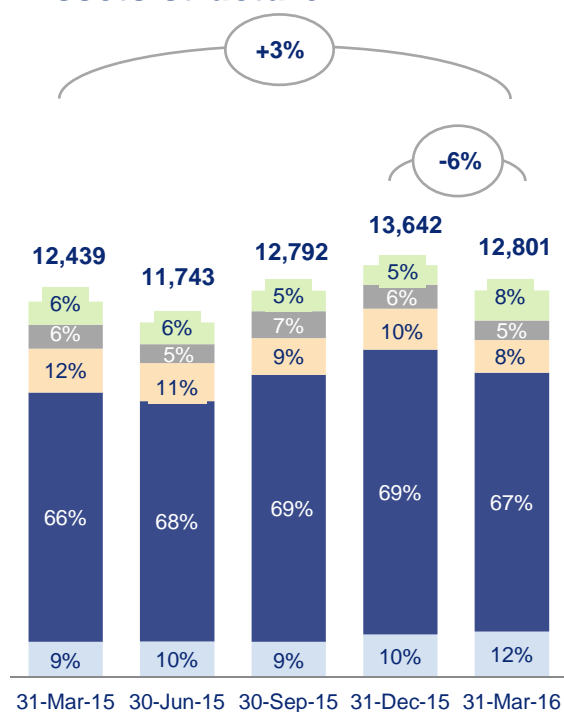
Number of employees



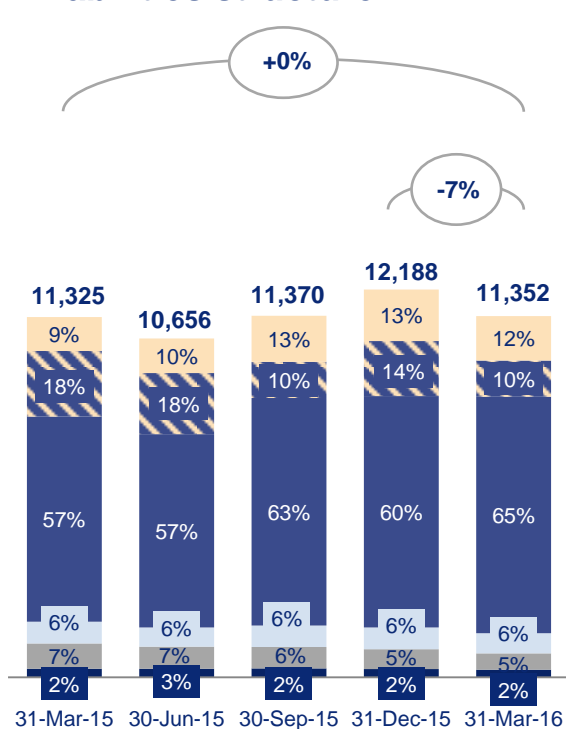
(1) Including pensions.

Balance Sheet Structure and BIS Capital

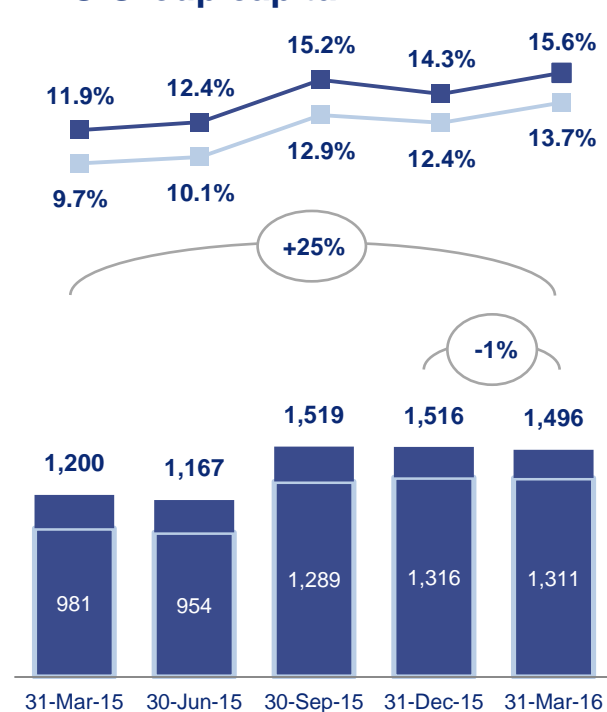
Assets structure RUB bn



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⁾

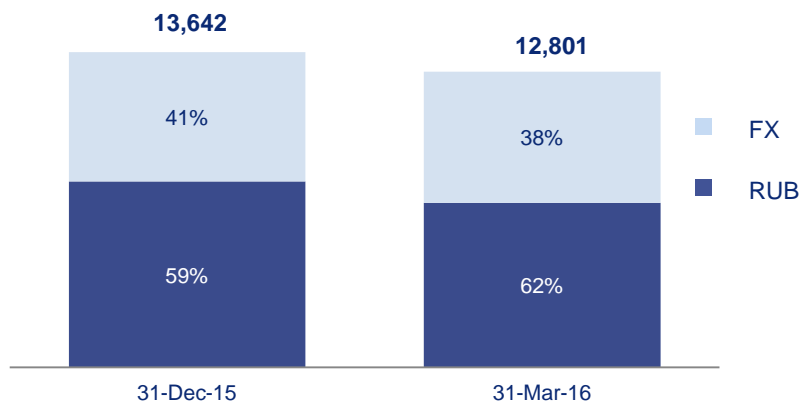
- Due to banks and other borrowed funds
- Collateralised funding from the CBR
- Customer deposits
- Other liabilities
- Debt securities issued
- Subordinated debt

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

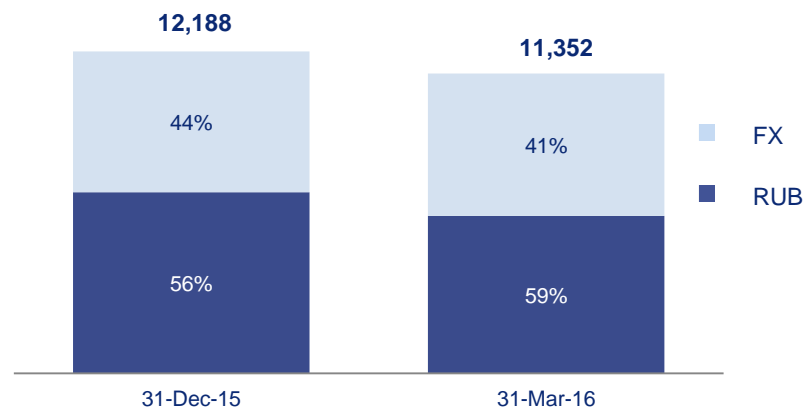
(1) Includes loans and advances to customers, pledged under REPO.
 (2) Includes investment in associates, premises and equipment, investment property, intangible assets and goodwill, deferred tax assets and others.

Assets and Liabilities by Currency

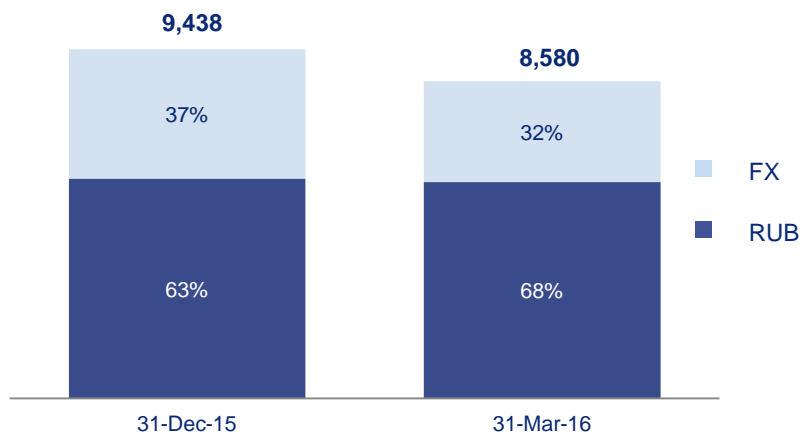
Total assets RUB bn



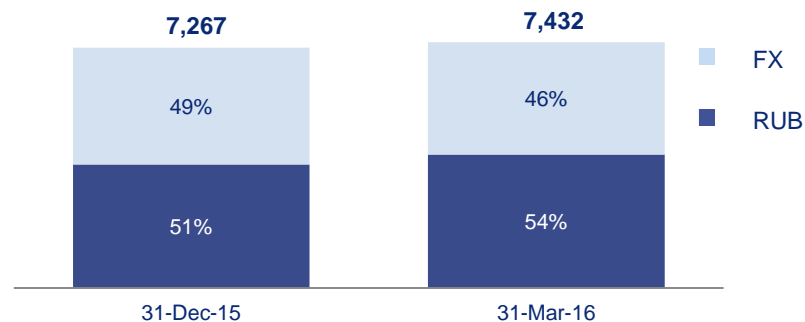
Total liabilities RUB bn



Net loans and advances to customers RUB bn

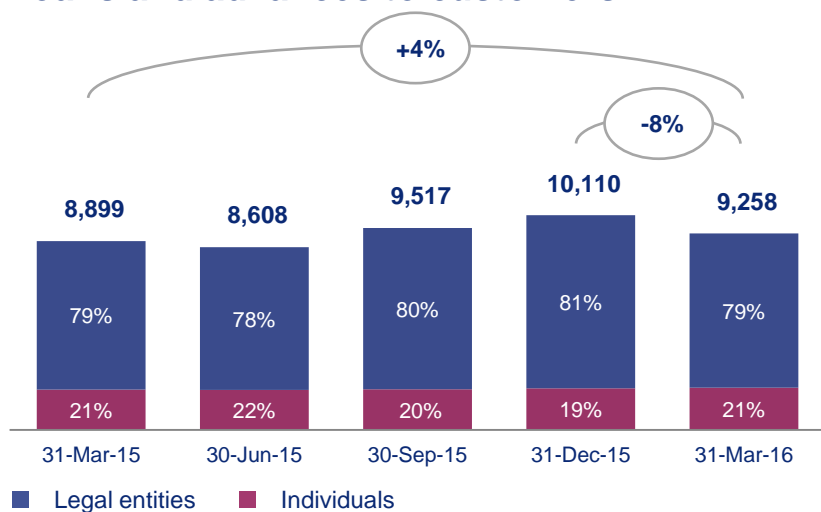


Customer deposits RUB bn

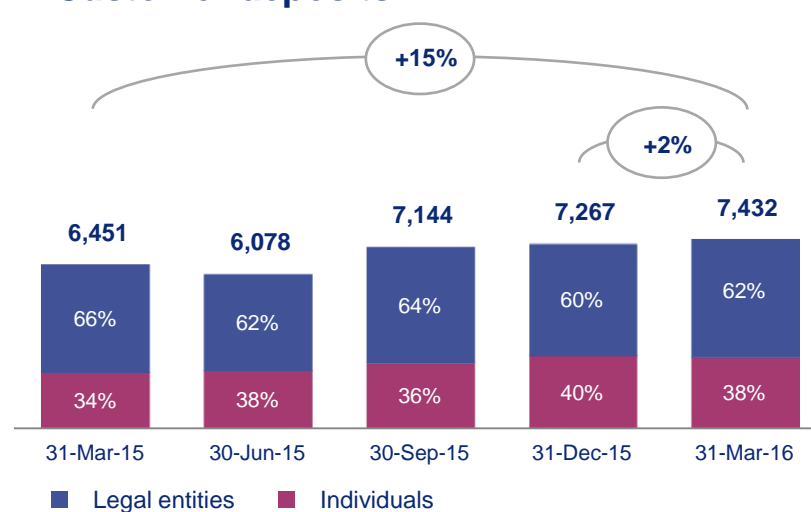


Loan Portfolio and Customer Deposits

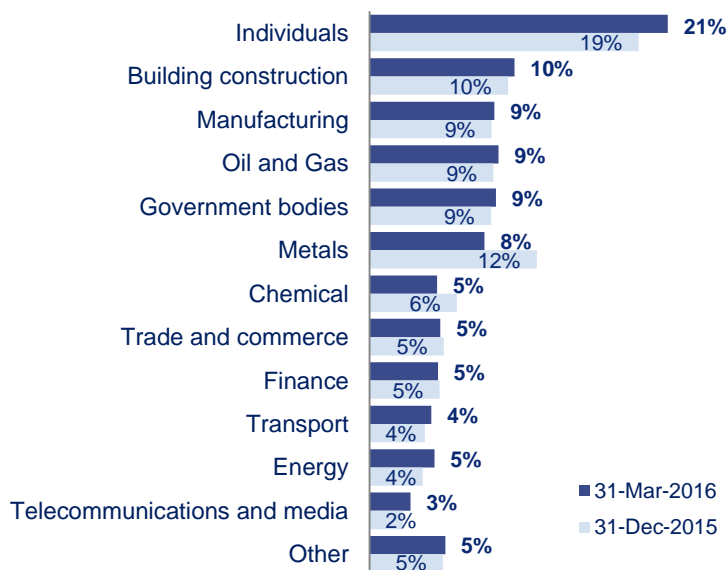
Loans and advances to customers RUB bn



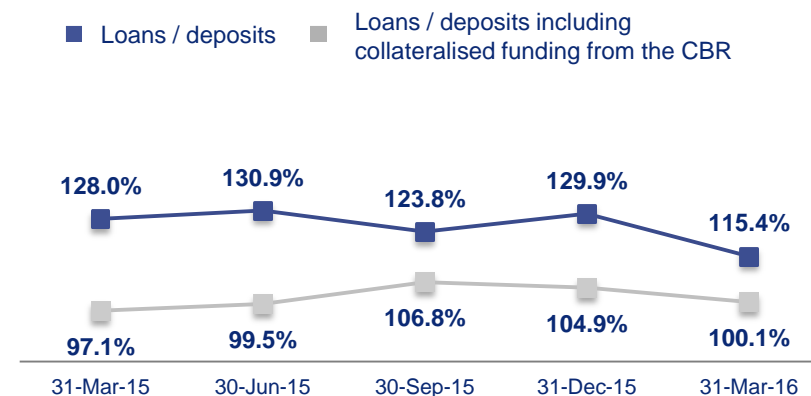
Customer deposits RUB bn



Loans and advances to customers by industry %

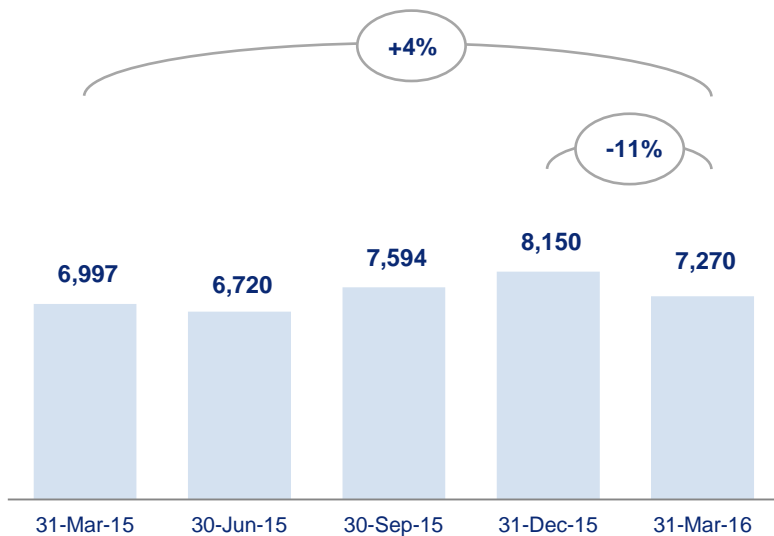


Customer loans / customer deposits %

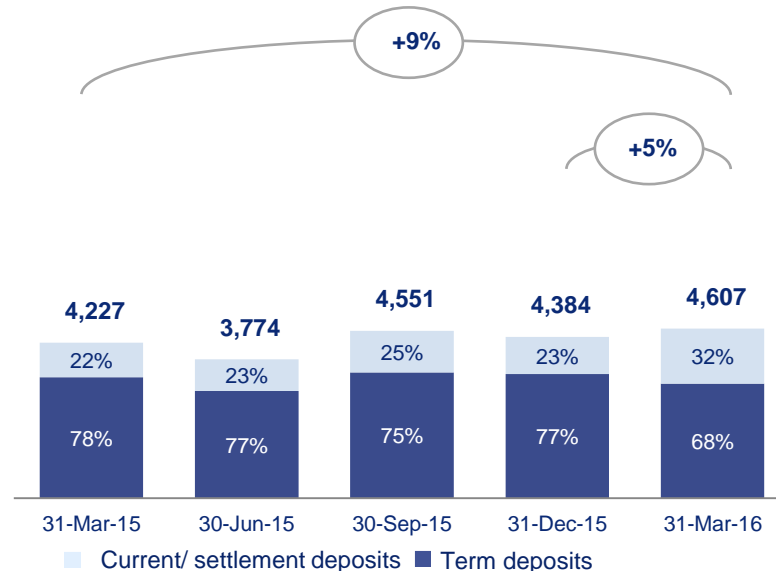


Business with Legal Entities

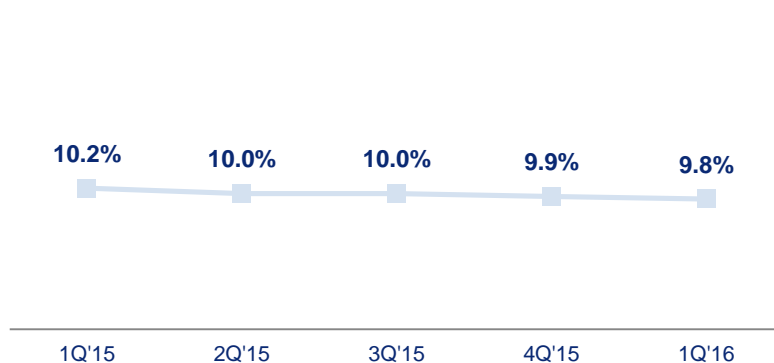
Loans to legal entities RUB bn



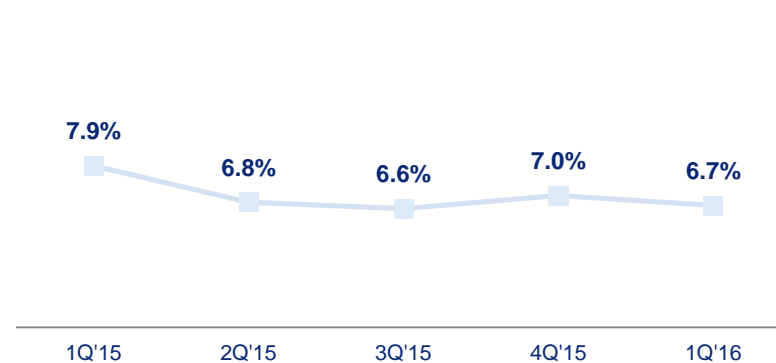
Deposits of legal entities RUB bn



Yield on loans to legal entities %

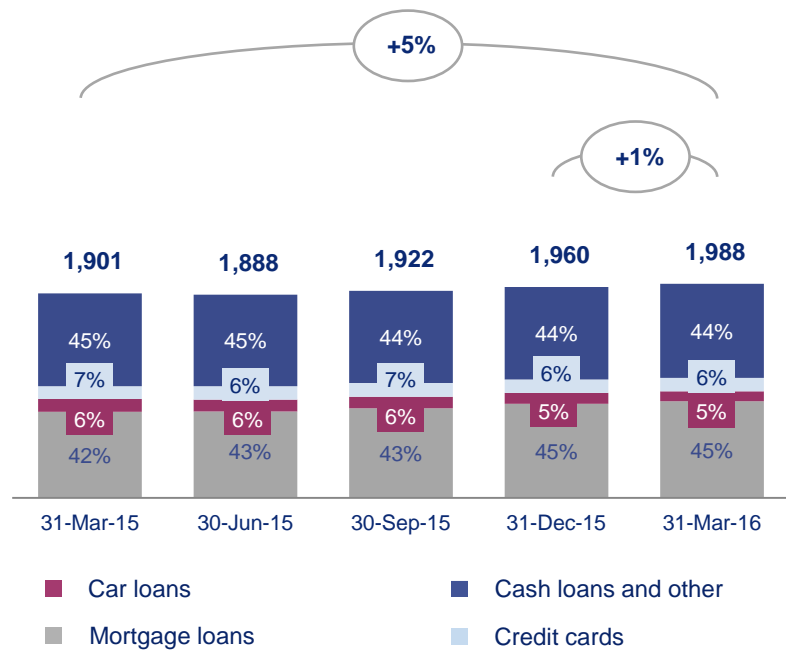


Cost of deposits of legal entities %

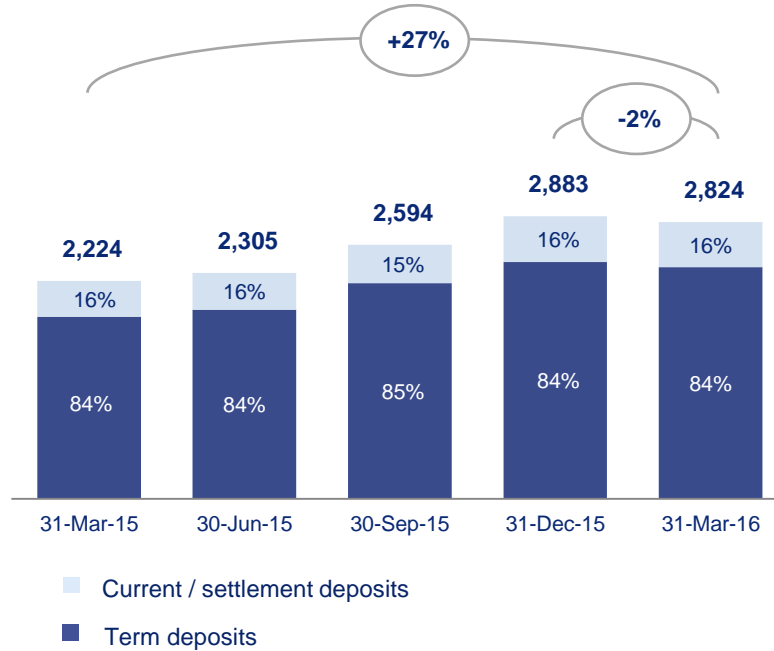


Business with Individuals

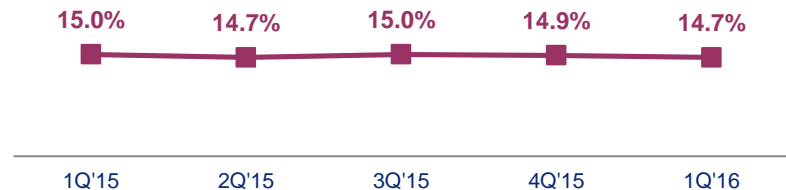
Loans to individuals RUB bn



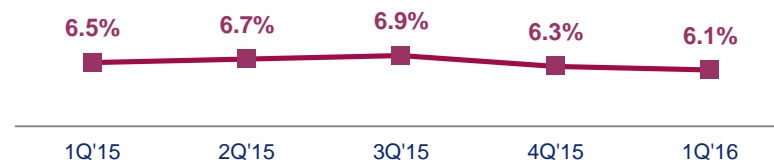
Deposits of individuals RUB bn



Yield on loans to individuals %



Cost of deposits of individuals %



2016 Management Expectations

Indicator	Measurement	Optimistic scenario	Conservative scenario
Macro			
GDP, nominal	% YoY	0.5	-1.2
CPI inflation	% YoY	7.0	7.6
Oil price (Urals), average	USD/bbl	50	40
CBR key rate, average	%	9.1	10.0
Banking sector			
Loan growth			
- Loans to legal entities	% YoY	5-10	0-5
- Loans to individuals	% YoY	5-10	0-5
VTB Group			
Loan growth			
- Loans to legal entities	% YoY	In line with the market	In line with the market
- Loans to individuals	% YoY	Above the market	Above the market
NIM	%	≈4.0	>3.0
CoR	%	≈2.0	>2.0
Cost growth	% YoY	In line with inflation	In line with inflation
Net profit	RUB bn	≈50	>0
NPL coverage ratio	%	Above 100	Above 100



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