

VTB Group 9M'2015 Results

Herbert Moos
CFO and Deputy Chairman of VTB Bank Management Board

Dmitry Pyanov
Senior Vice President, Head of Finance Department

Leonid Vakeyev
Managing Director, Head of Investor Relations

November 17, 2015



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 9M'2015 Highlights

Key selected items (in RUB bn)	9M'2015	9M'2014	Change	3Q'2015	3Q'2014	Change
Net interest income	202.5	268.2	-24.5%	88.4	92.2	-4.1%
Net fee and commission income	54.0	44.8	20.5%	21.4	14.8	44.6%
Other income	48.8	35.7	36.7%	17.5	23.3	-24.9%
Operating income before provisions	305.3	348.7	-12.4%	127.3	130.3	-2.4%
Provision charge for impairment ⁽¹⁾	(136.9)	(166.3)	-17.7%	(57.0)	(69.6)	-18.1%
Staff costs and administrative expenses	(172.9)	(161.3)	7.2%	(59.9)	(54.0)	10.9%
Net profit	(10.9)	5.4	-201.9%	6.2	0.4	1450.0%
ROE, %	-1.3%	0.8%	-210 bps	2.0%	0.2%	180 bps

Gradual recovery of net interest margin (3.2%) and net interest income (-4.1% YoY) in 3Q'2015 due to normalisation of funding costs

Operating income supported by robust fees and commissions growth

Cost of risk reflects challenging economic environment and tight risk policies

Costs growth below inflation due to consistent implementation of cost-cutting strategies

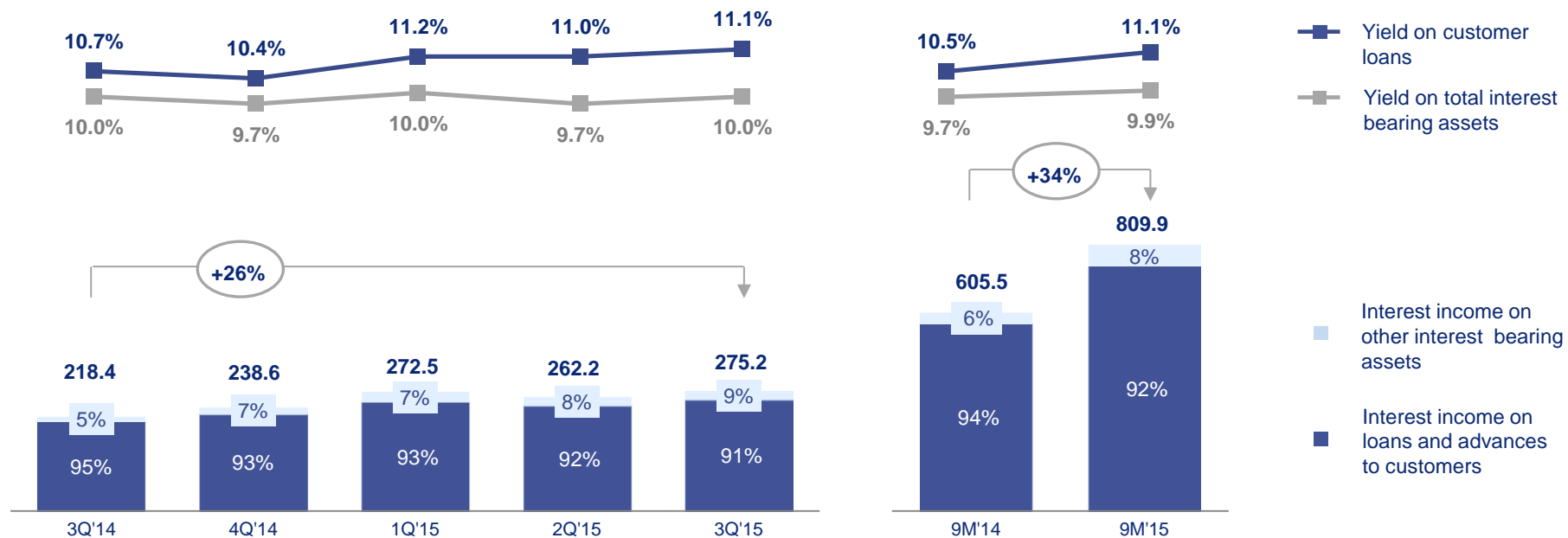
Loan book resumed growth in 3Q'2015, up 4% in 9M'2015

Strong capital base: 15.2% total CAR, 12.9% Tier 1 CAR

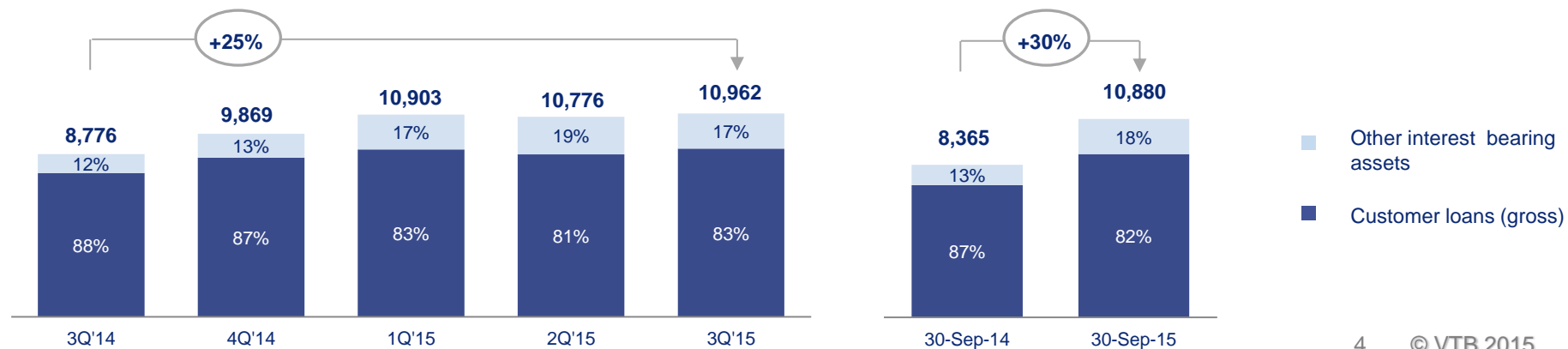
(1) Including provision charge for impairment of debt financial assets and provision charge for impairment of other assets, credit related commitments and legal claims.

Interest Income and Average Yields

Interest income and average yields RUB bn

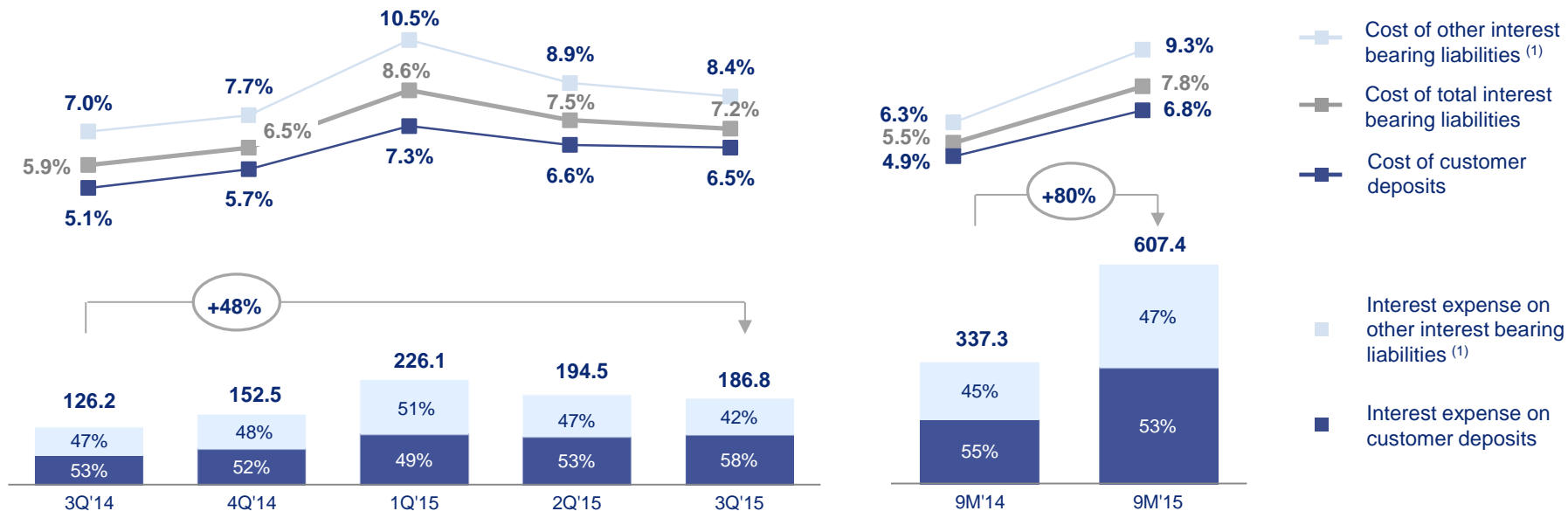


Average interest bearing assets RUB bn

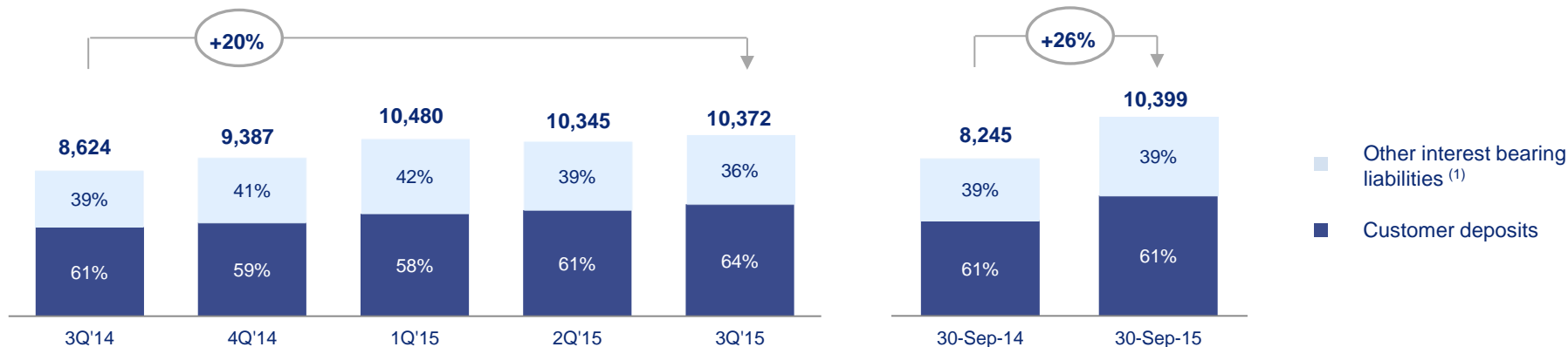


Interest Expense and Cost of Funds

Interest expense and cost of interest bearing liabilities RUB bn



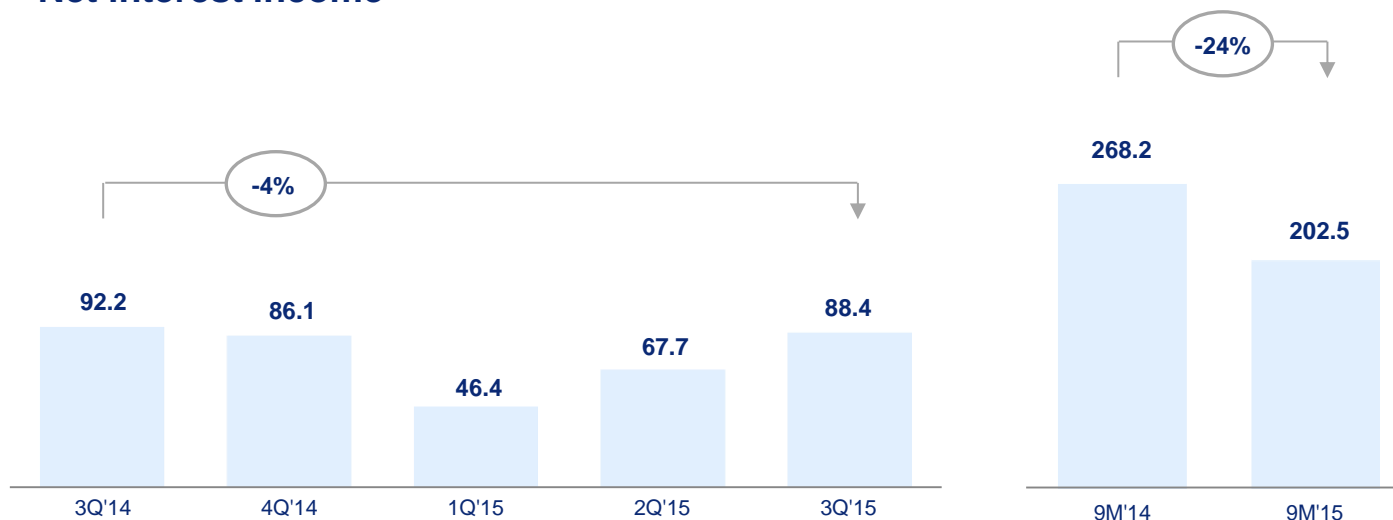
Average interest bearing liabilities RUB bn



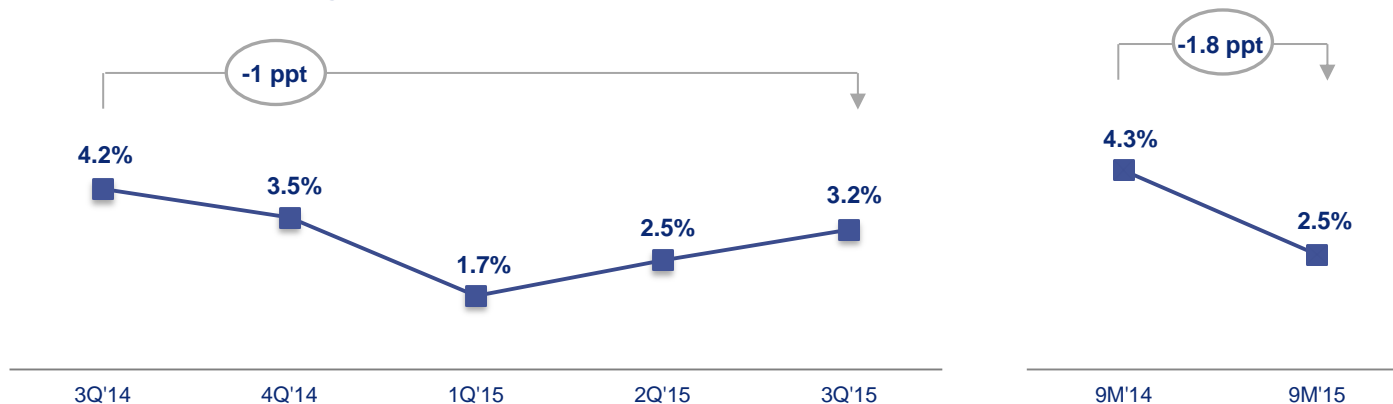
(1) Including debt securities in issue, subordinated debt, interbank (incl. LORO and other borrowed funds).

Net Interest Income and NIM (1)

Net interest income RUB bn



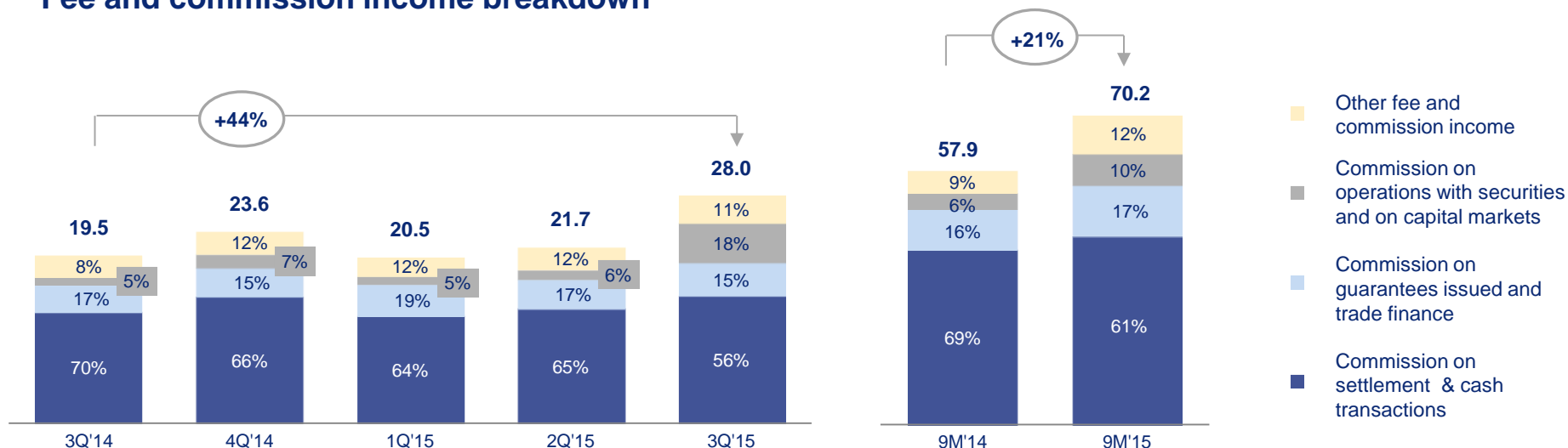
Net interest margin %



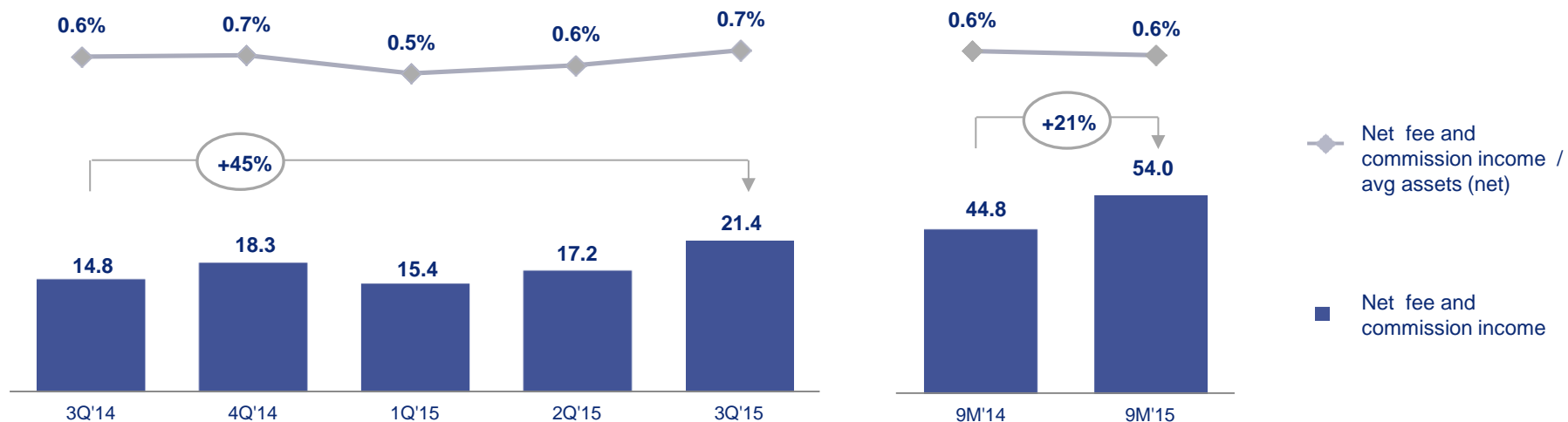
(1) Net interest income divided by average interest earning assets, which include gross loans and advances to customers, due from other banks (gross), debt securities and correspondent accounts with other banks.

Fee and Commission Income

Fee and commission income breakdown RUB bn

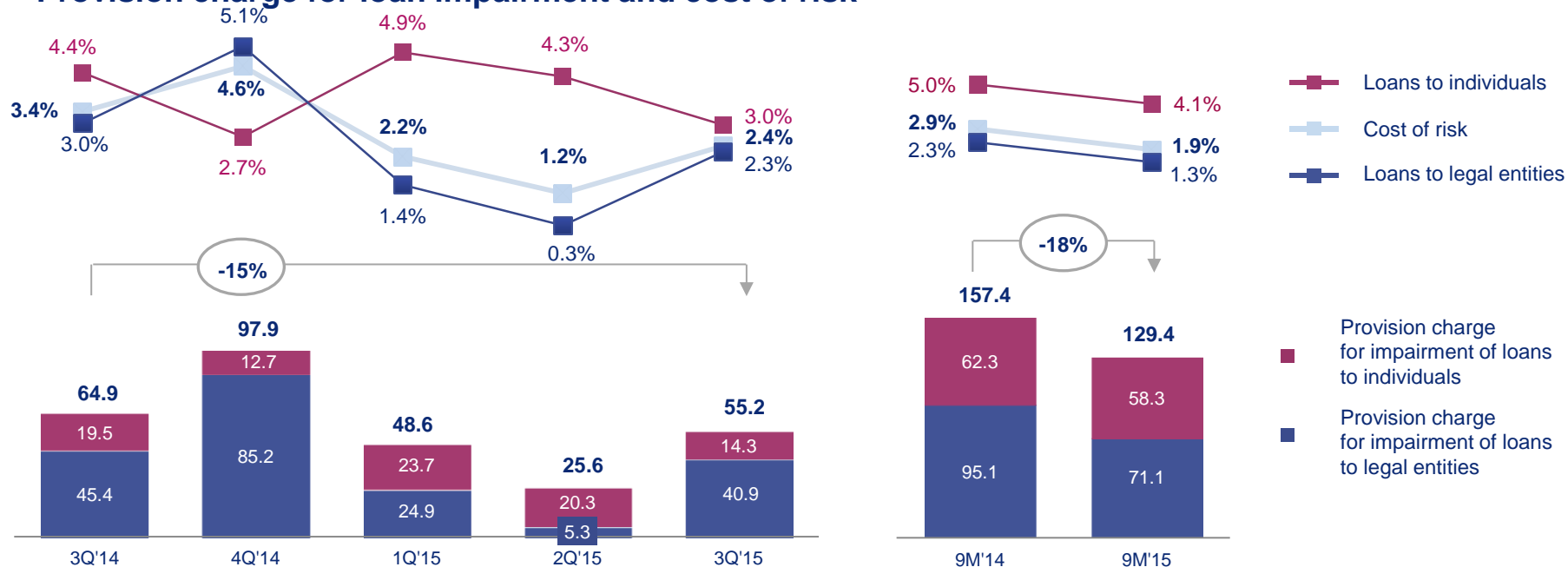


Net fee and commission income RUB bn

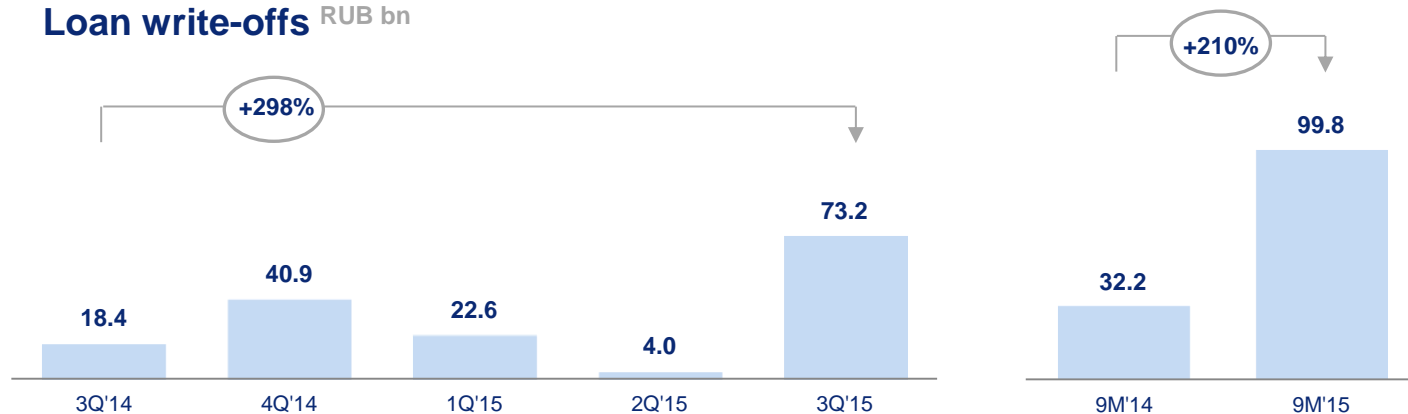


Provision Charge for Loan Impairment and Cost of Risk

Provision charge for loan impairment and cost of risk ^{RUB bn}

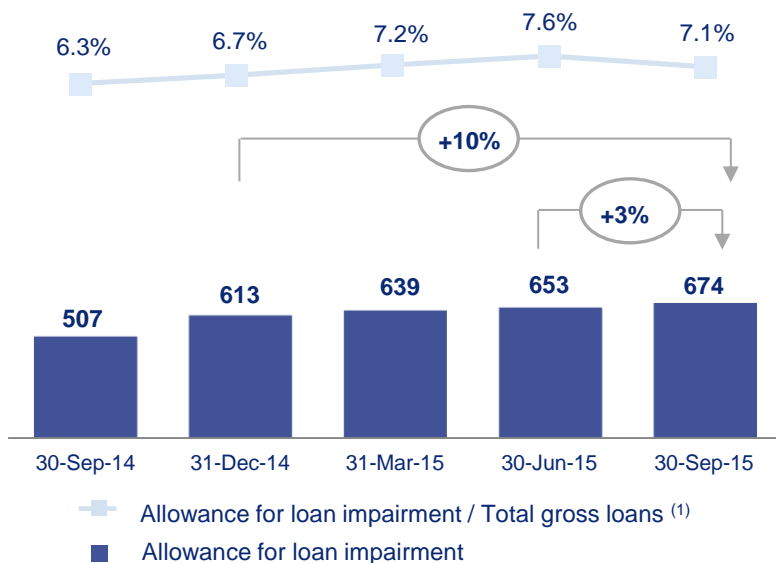


Loan write-offs ^{RUB bn}

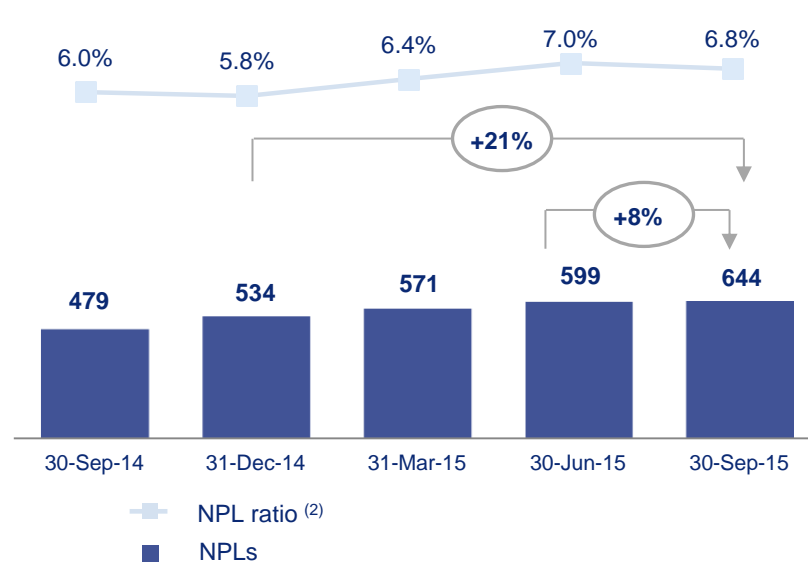


Loan Book Quality

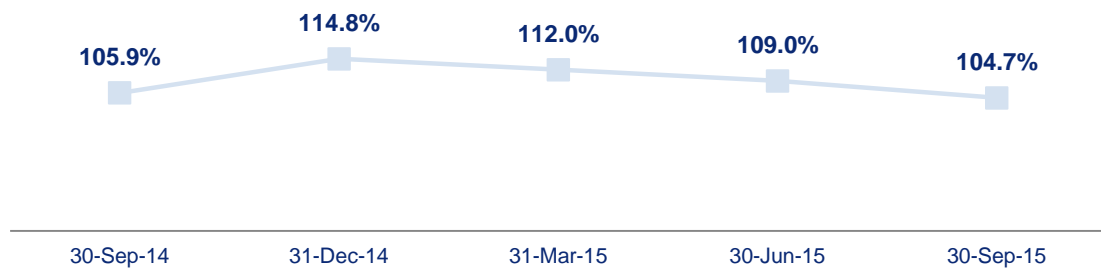
Provision for loan impairment ^{RUB bn}



NPLs (90+) ^{RUB bn}



Coverage ratio %

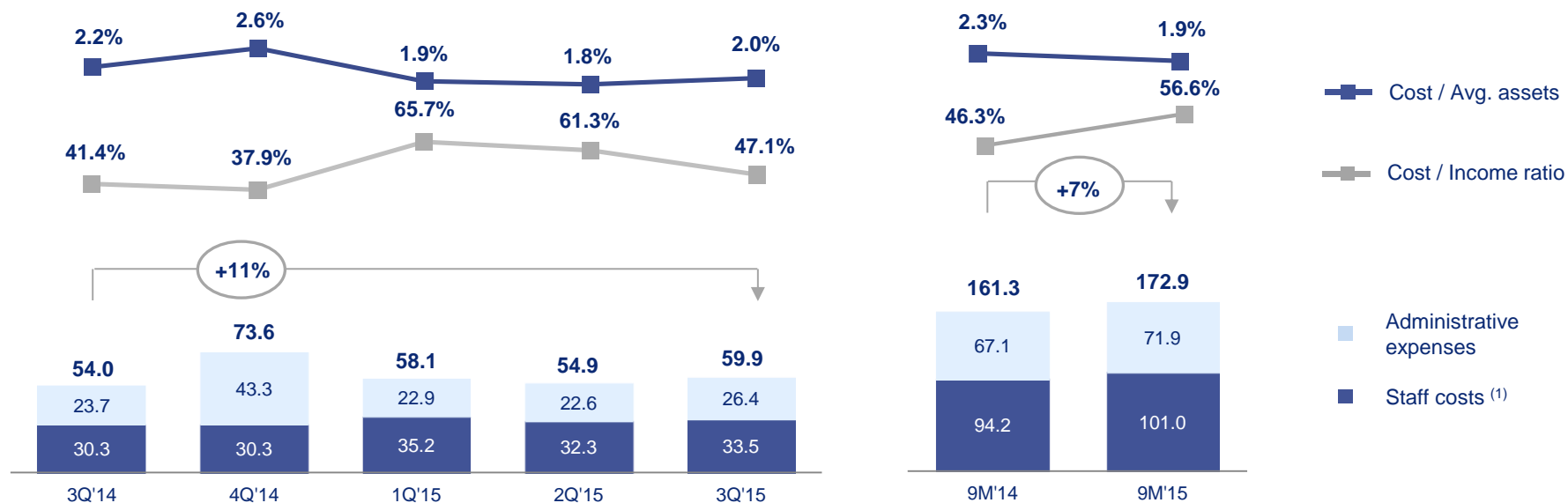


(1) Ratio is calculated to total gross loans including financial assets classified as loans and advances to customers pledged under repurchase agreements.

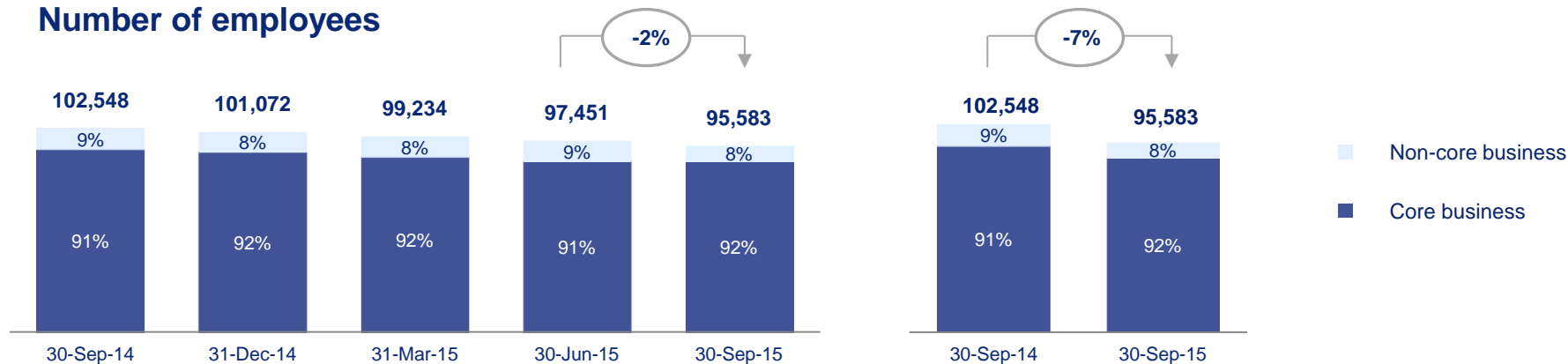
(2) Non-performing loans (NPLs) represent impaired loans with repayments overdue by over 90 days. NPLs are calculated including the entire principal and interest payments. Ratio is calculated to total gross loans including financial assets classified as loans and advances to customers pledged under repurchase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

Staff and Administrative Expenses

Staff costs and administrative expense RUB bn



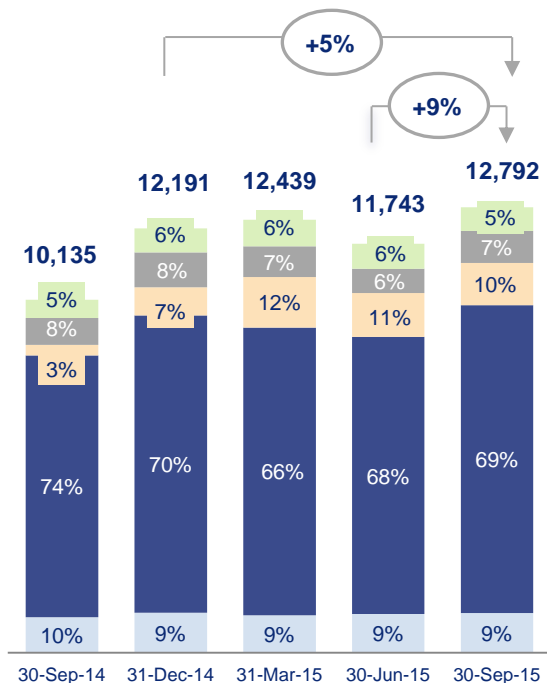
Number of employees



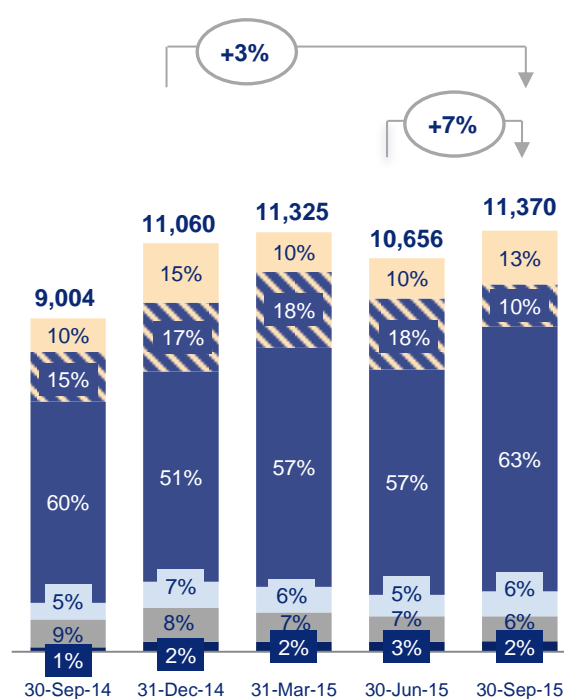
(1) Including pensions.

Balance Sheet Structure and BIS Capital

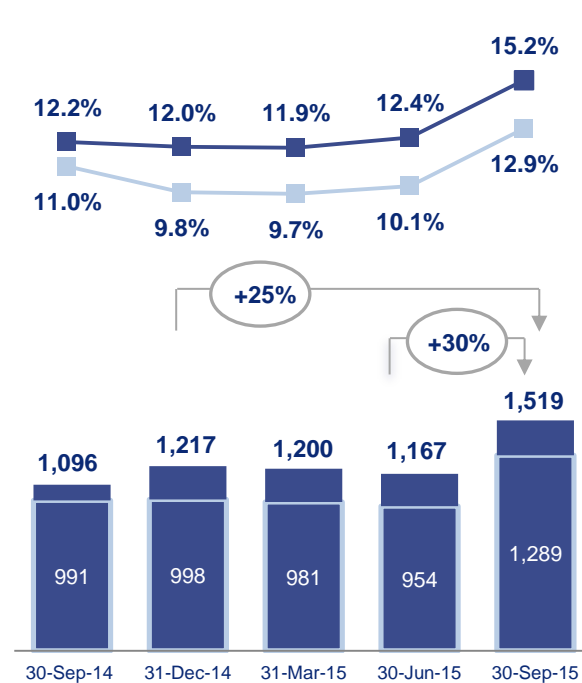
Assets structure RUB bn



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)

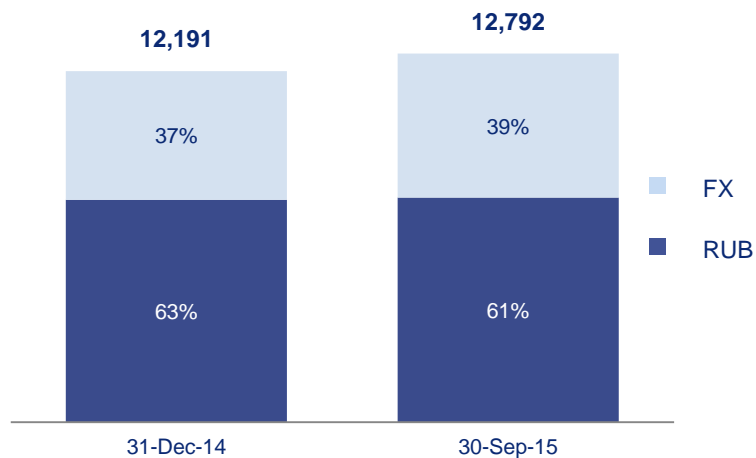
- Due to banks and other borrowed funds
- Collateralised funding from the CBR
- Customer deposits
- Other liabilities
- Debt securities issued
- Subordinated debt

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

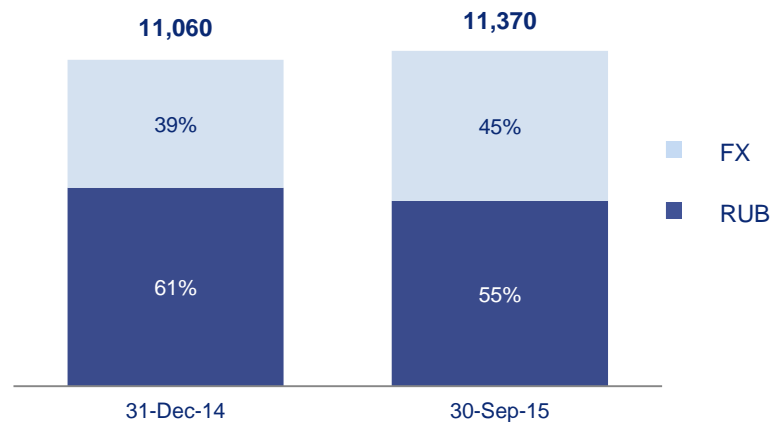
(1) Includes loans and advances to customers, pledged under REPO.
 (2) Includes investment in associates, premises and equipment, investment property, intangible assets and goodwill, deferred tax assets and others.

Assets and Liabilities by Currency

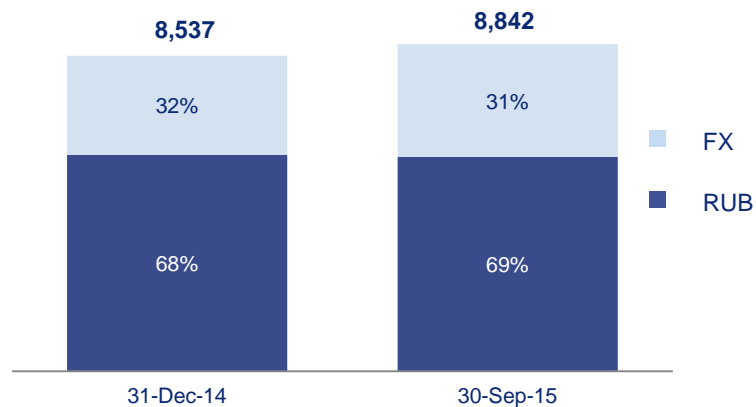
Total assets RUB bn



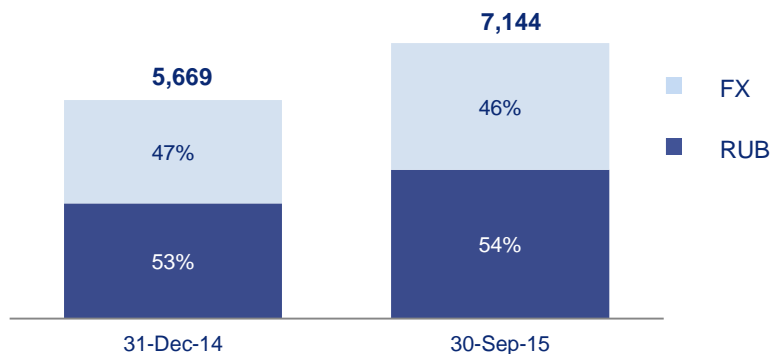
Total liabilities RUB bn



Net loans and advances to customers RUB bn

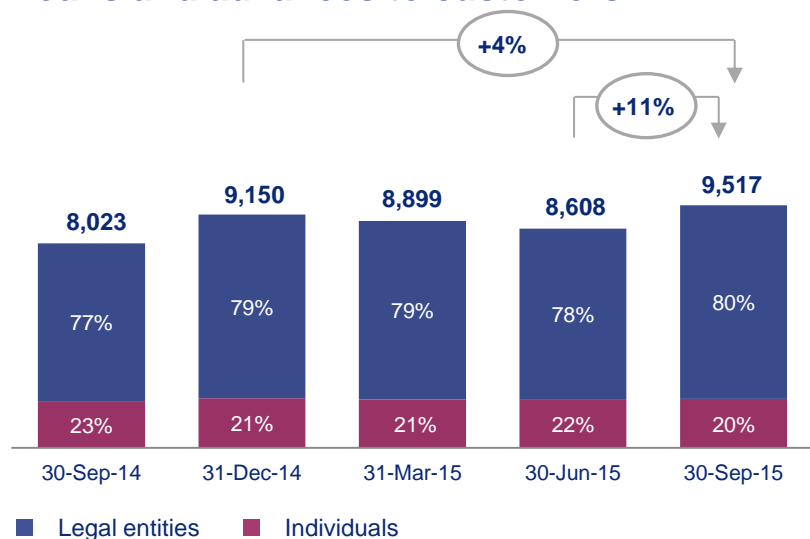


Customer deposits RUB bn

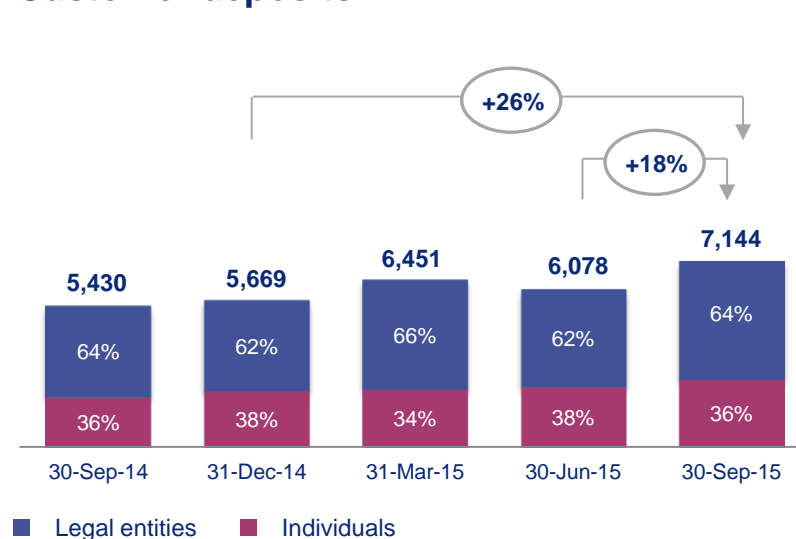


Loan Portfolio and Customer Deposits

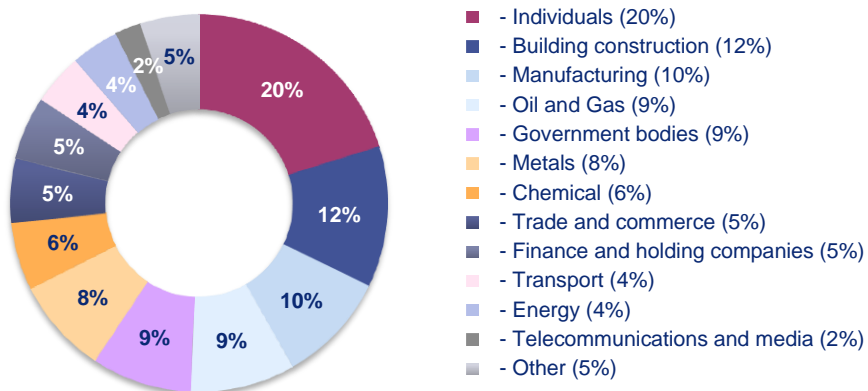
Loans and advances to customers RUB bn



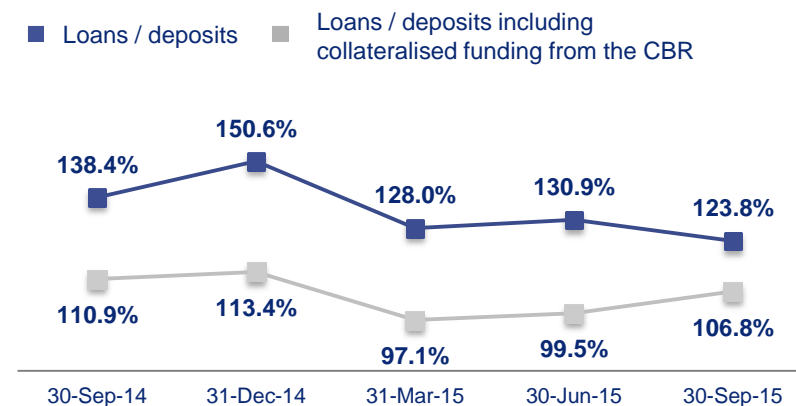
Customer deposits RUB bn



Loans and advances to customers by industry % as of September 30, 2015

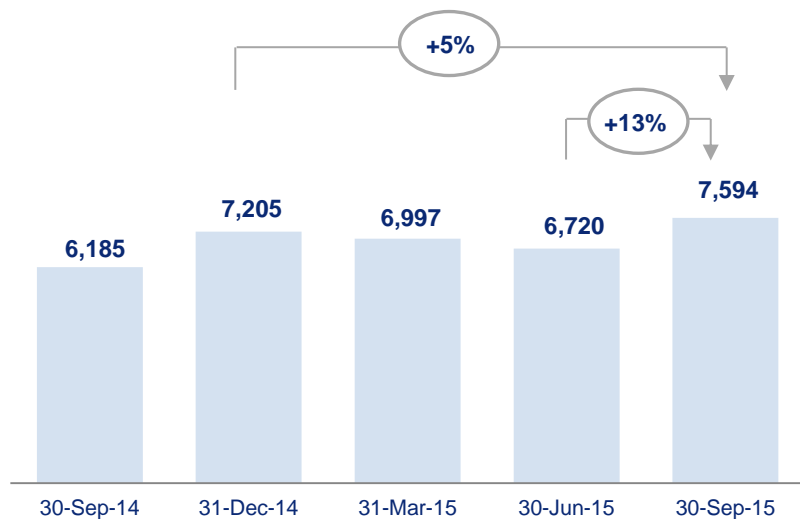


Customer loans / customer deposits %

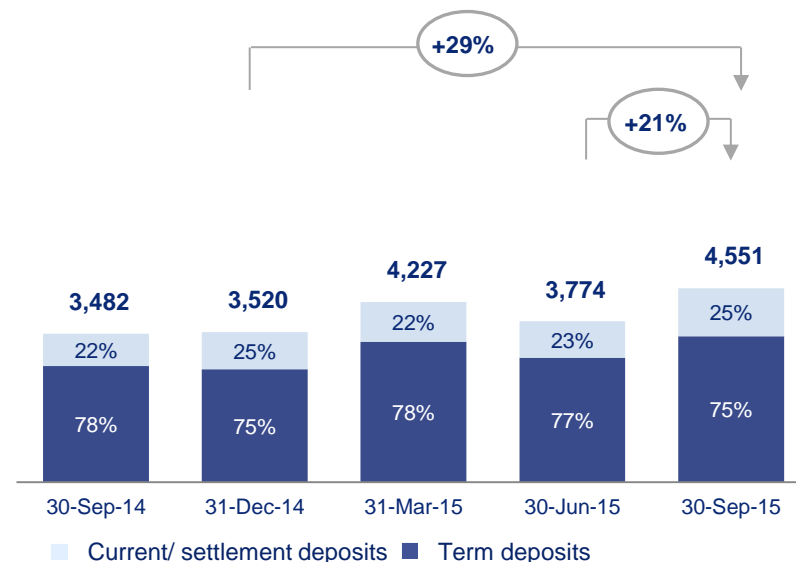


Business with Legal Entities

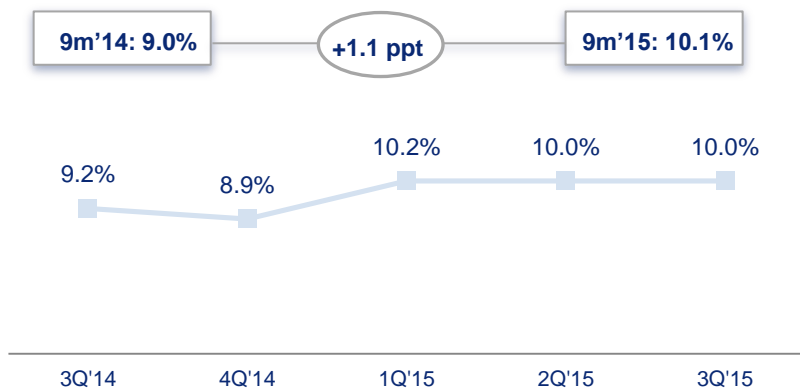
Loans to legal entities RUB bn



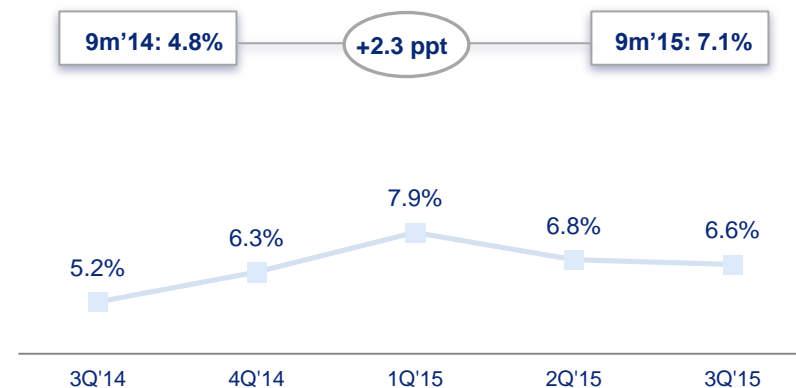
Deposits of legal entities RUB bn



Yield on loans to legal entities %

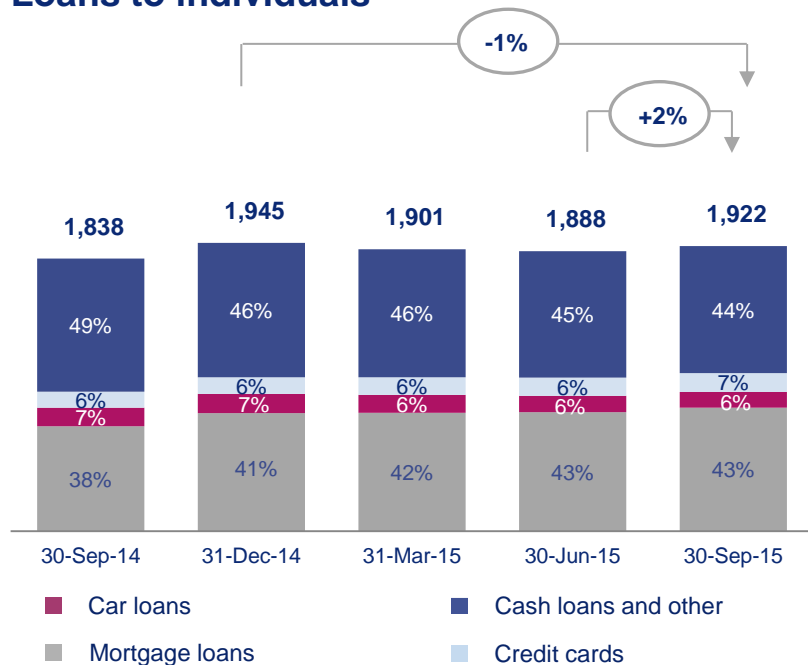


Cost of deposits of legal entities %

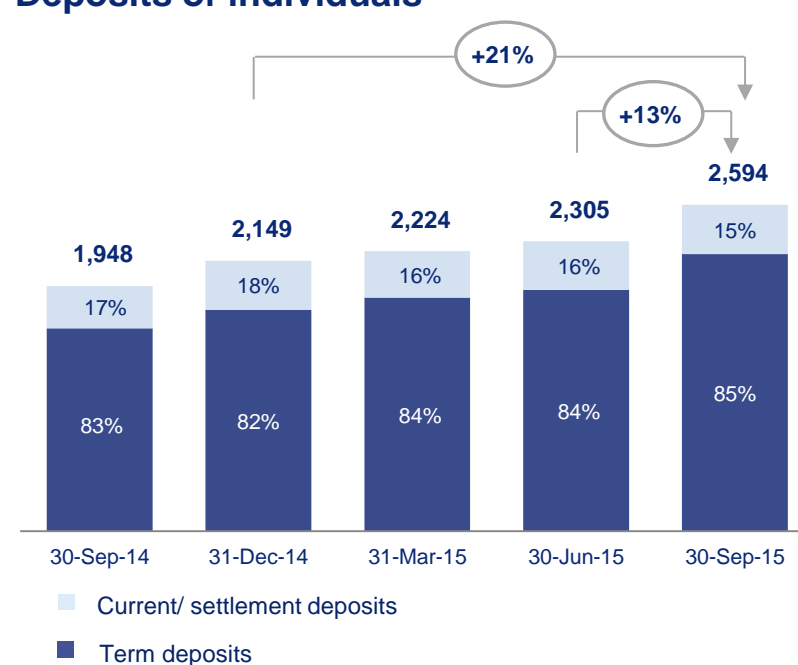


Business with Individuals

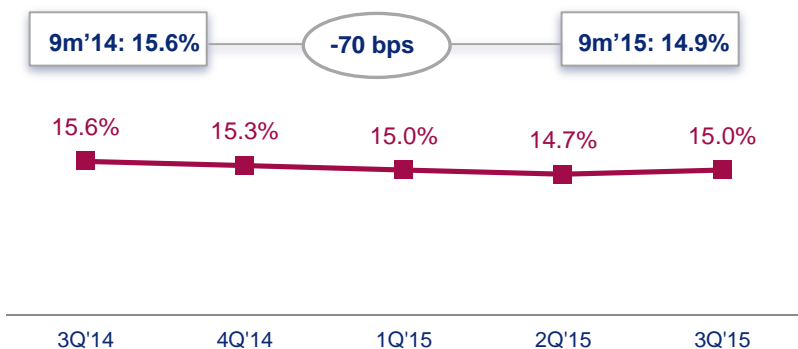
Loans to individuals RUB bn



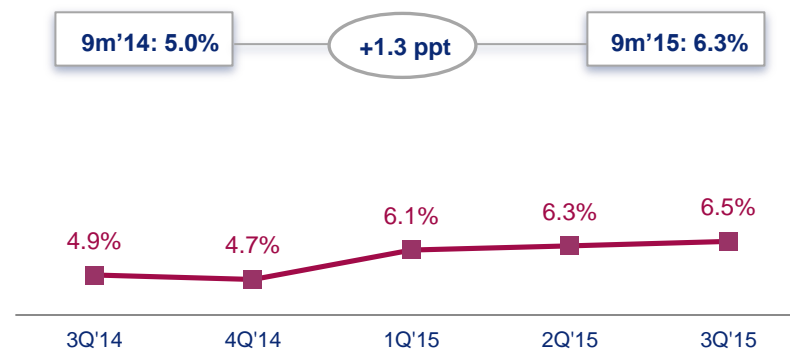
Deposits of individuals RUB bn



Yield on loans to individuals %



Cost of deposits of individuals %



2015-2016 Management Expectations

Macro and banking sector

Indicator	Measurement	FY'2015	FY'2016
GDP, nominal	% YoY	-3.8	0.5
CPI inflation	% YoY	12.5	7.0
Oil price (Urals), average	USD/bbl	53	50
CBR key rate, average	%	12.6	9.1
Loan growth			
- Loans to legal entities	% YoY	9.8	5-10%
- Loans to individuals	% YoY	-5.0	5-10%

VTB Group

Indicator	Measurement	FY'2015	FY'2016
Loan growth			
- Loans to legal entities	% YoY	In line with the market	In line with the market
- Loans to individuals	% YoY	Flat / Above the market	Above the market
NIM	%	2.7	≈4.0
CoR	%	≈2.0	≈2.0
Cost growth	% YoY	Flat	In line with inflation
Net profit	RUB bn	Around 0	50
NPL coverage ratio	%	Above 100	Above 100



Investor Relations

Tel: +7 (495) 775-71-39

e-mail: investorrelations@vtb.ru