

# VTB Group FY'2014 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

*March 13, 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 FY'2014 Highlights

Key selected items (in RUB bn)	FY'14	FY'13	Change	4Q'14	4Q'13	Change
Net interest income	354.3	323.0	9.7%	86.1	89.8	-4.3%
Net fee and commission income	63.1	55.4	13.9%	18.3	16.5	10.9%
Operating income before provisions	547.5	429.3	27.5%	196.2	148.0	32.6%
Provision charge for impairment <sup>(1)</sup>	(275.4)	(99.2)	177.6%	(109.1)	(24.5)	345.3%
Staff costs and administrative expenses	(239.3)	(210.9)	13.5%	(75.4)	(61.7)	22.2%
Net profit	0.8	100.5	-99.2%	(4.6)	54.5	-108.4%
ROE, %	0.1%	11.8%	-1170 bps	-1.6%	23.7%	-2530 bps

## ■ Performance on core income lines

- net interest income up 10% y-o-y
- net interest margin at 4.1%
- net fee and commission income up 14% y-o-y

## ■ Cost of risk up to 3.4% vs. 1.6% in 2013 on the backdrop of macroeconomic slowdown in Russia and situation in Ukraine

## ■ CIR down to 43.7% (-540 bps y-o-y)

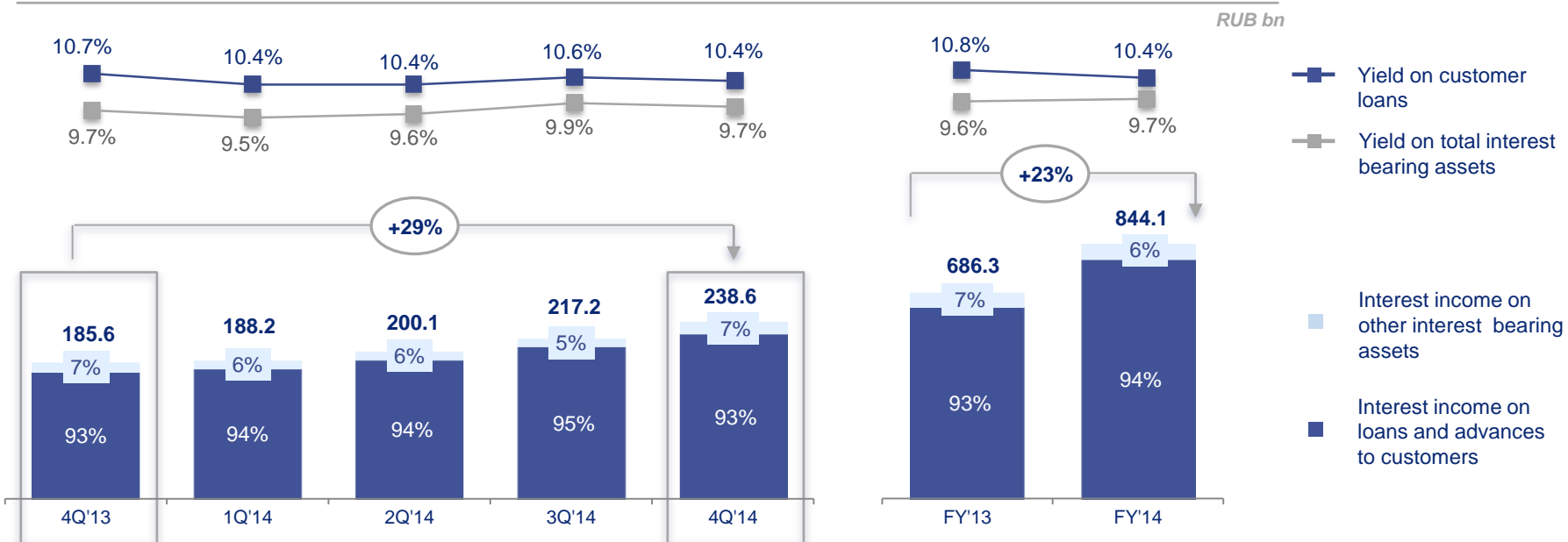
## ■ Solid balance sheet growth: loan growth at 38% YTD with loans to individuals up 28% and loans to legal entities up 41%

## ■ Total CAR at 12.0% with Tier I CAR at 9.8%

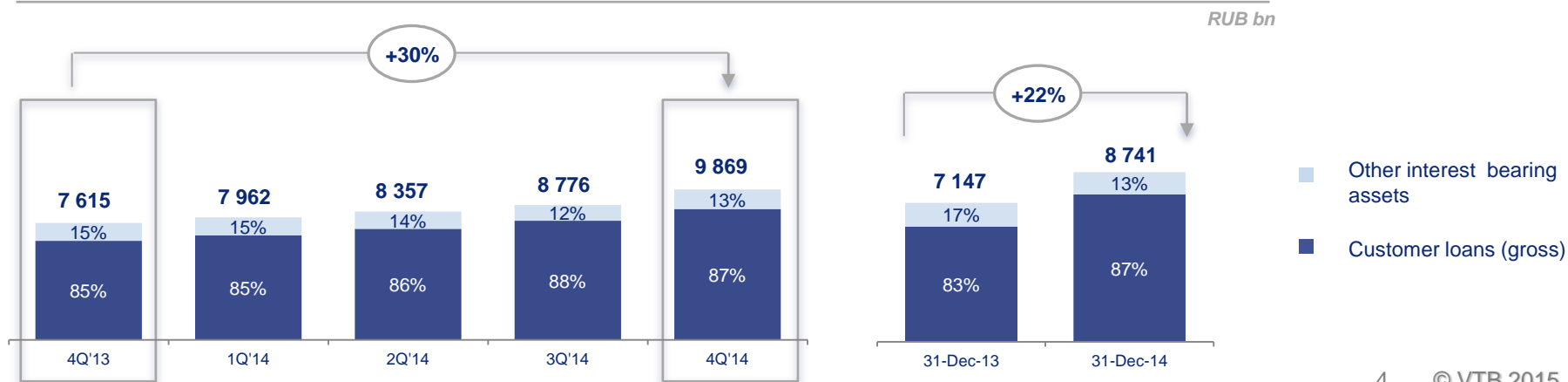
(1) Including provision charge for impairment of debt financial assets and provision charge for impairment of other assets, credit related commitments and legal claims.

# Interest Income and Average Yields

## Interest income and average yields

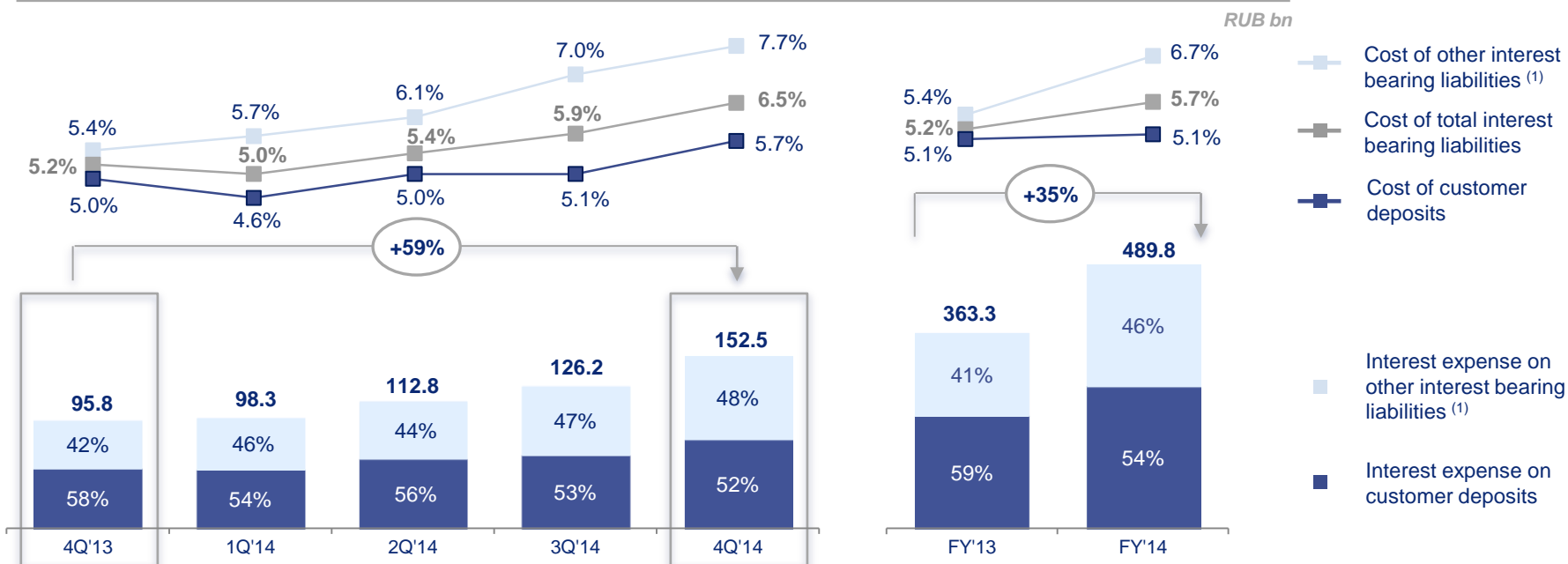


## Average interest bearing assets

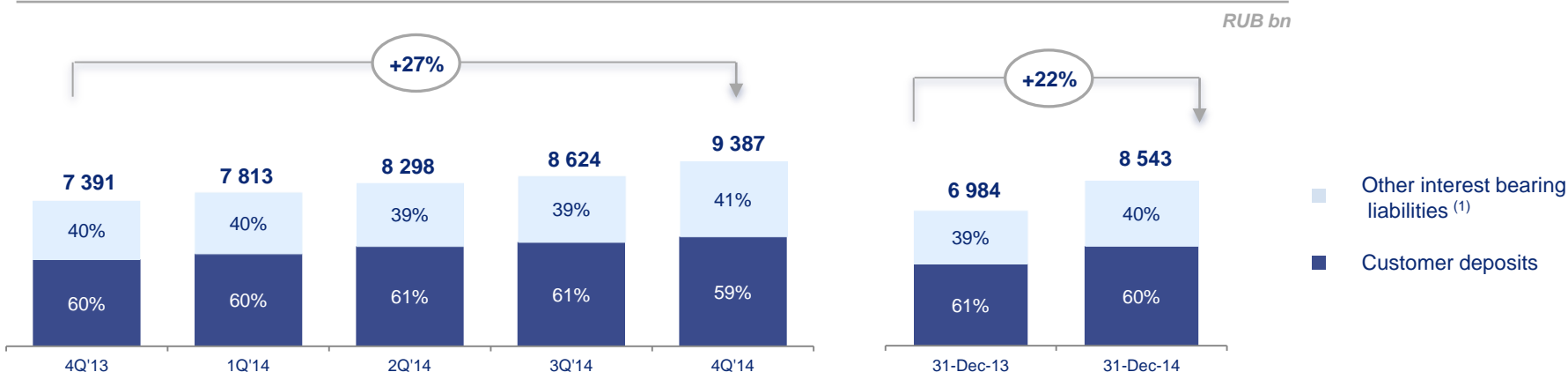


# Interest Expense and Cost of Funds

## Interest expense and cost of interest bearing liabilities



## Average interest bearing liabilities

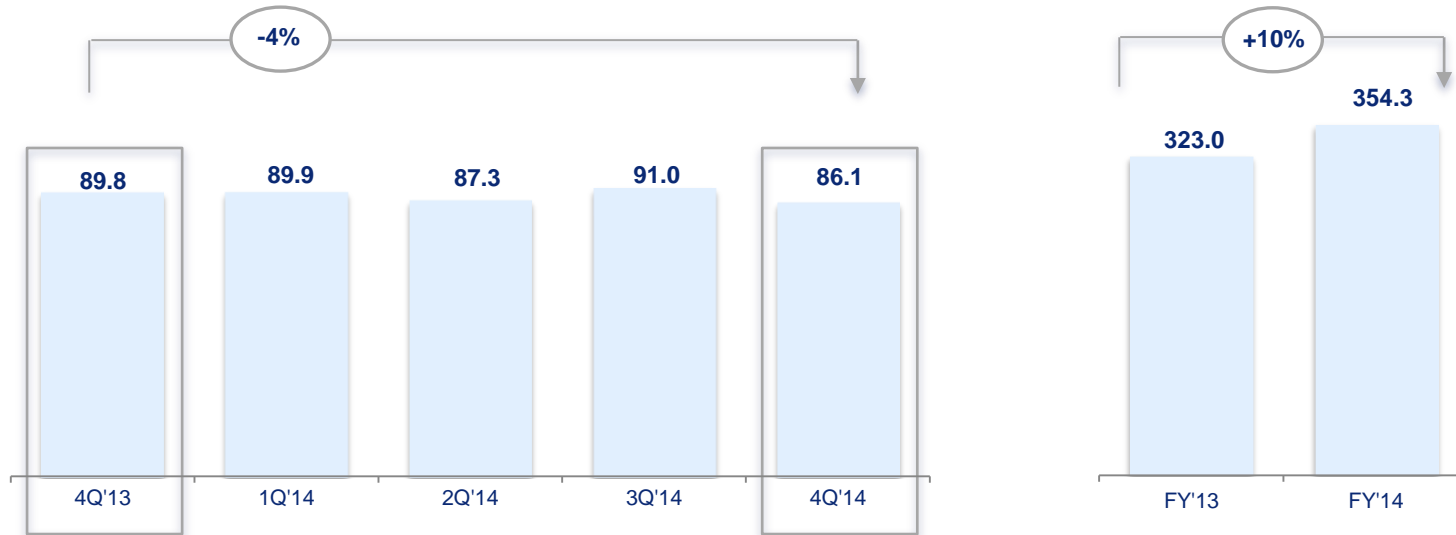


(1) Including debt securities in issue, subordinated debt, interbank (incl. LORO and other borrowed funds).

# Net Interest Income and NIM

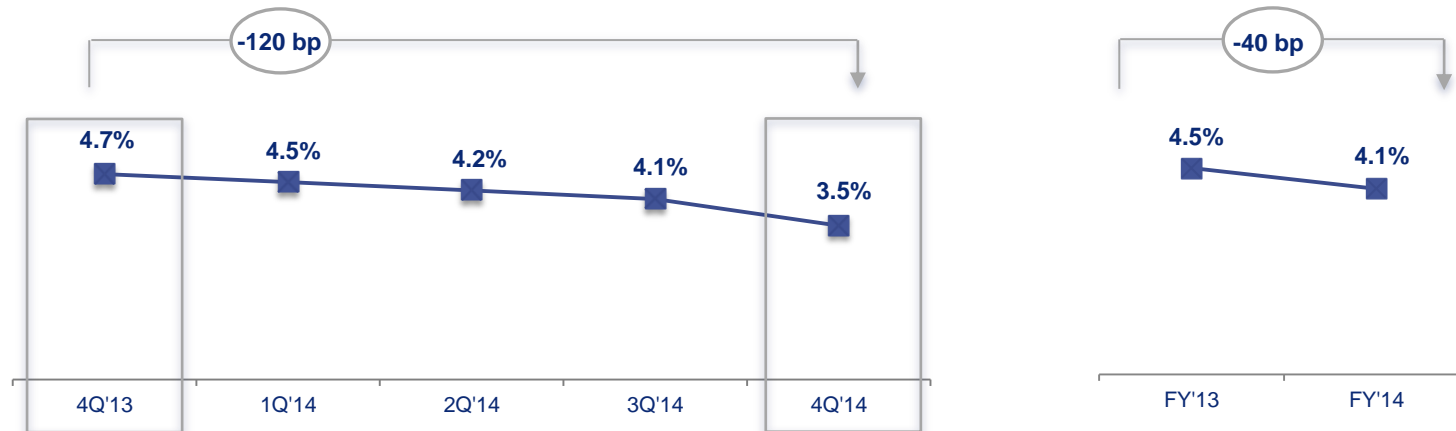
## Net interest income

RUB bn



## Net interest margin (1)

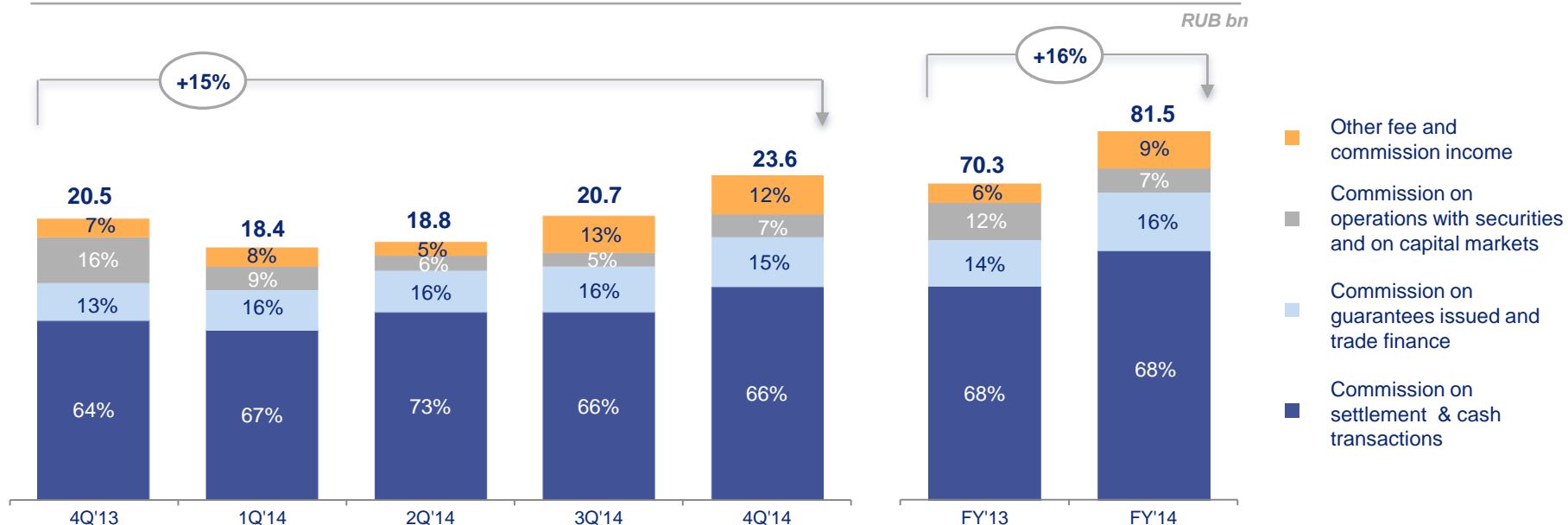
%



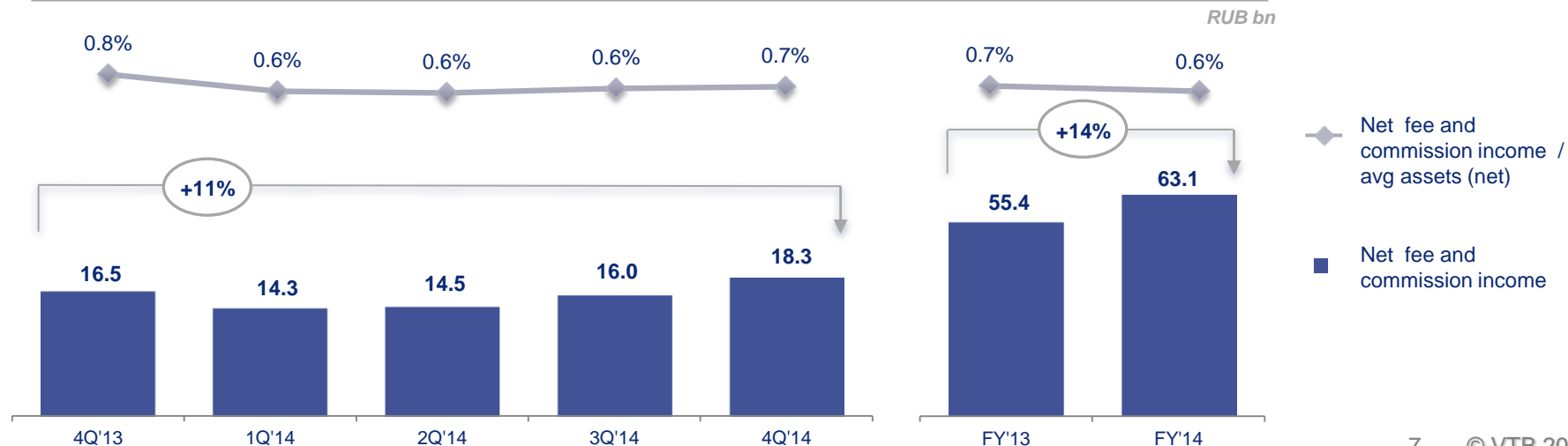
(1) Net interest income divided by average interest earning assets, which include gross loans and advances to customers, due from other banks (gross), debt securities and correspondent accounts with other banks.

# Fee and Commission Income

## Fee and commission income breakdown

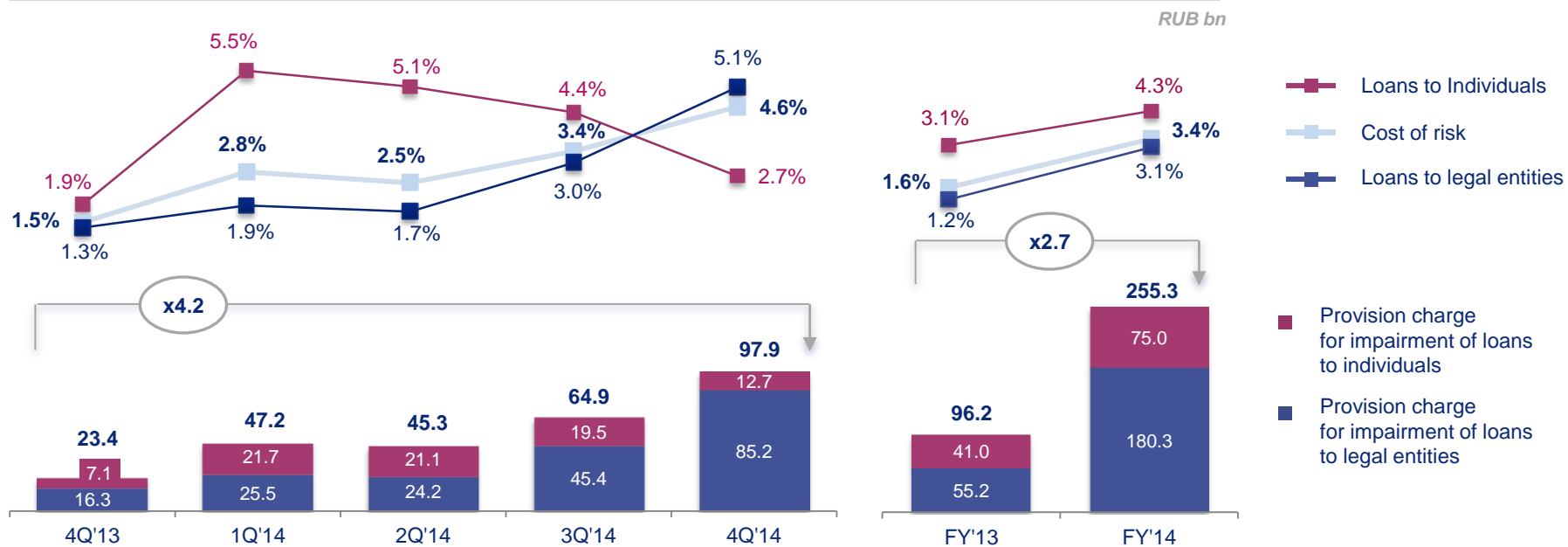


## Net fee and commission income



# Cost of Risk Reflects Macroeconomic Environment

## Provision charge for loan impairment and cost of risk



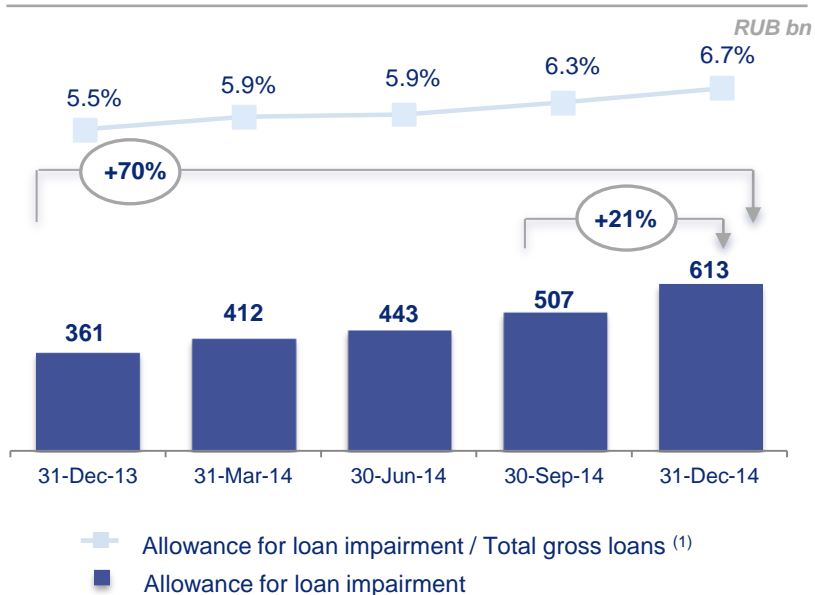
## Loan write-offs



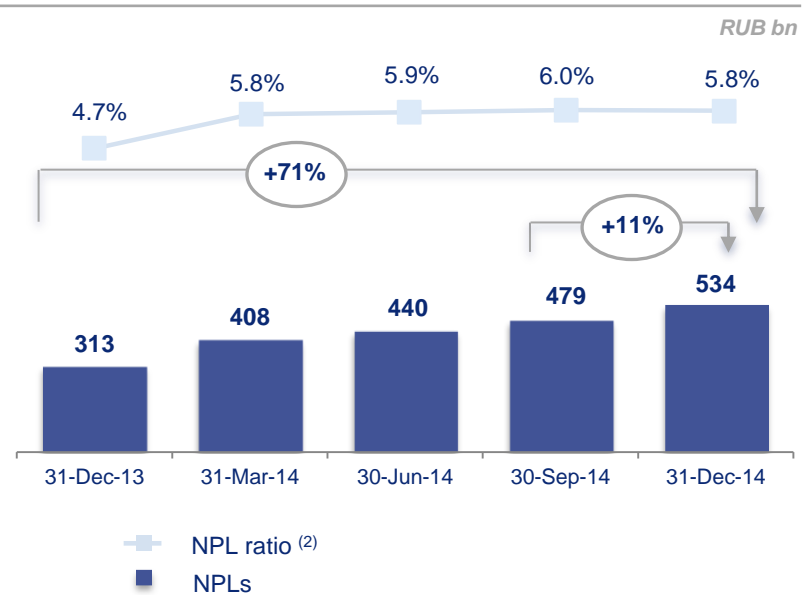


# Loan Book Quality

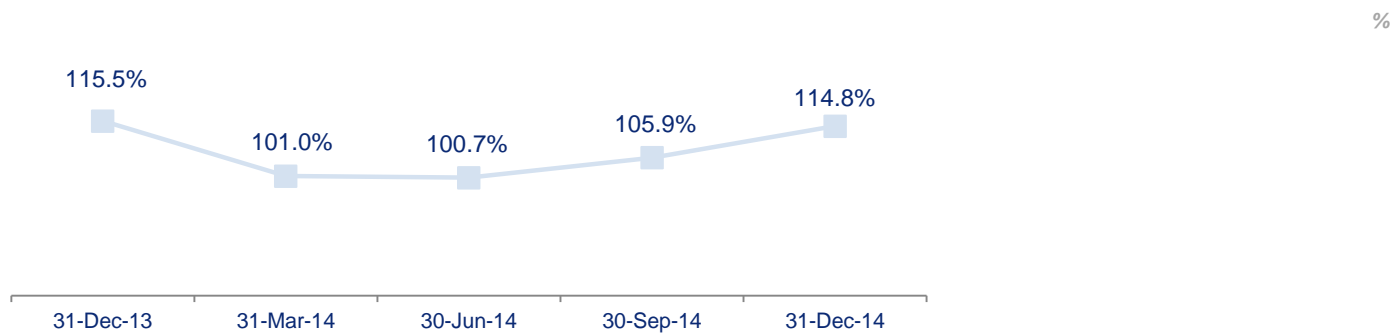
## Provision for loan impairment



## NPLs (90+)



## Coverage ratio

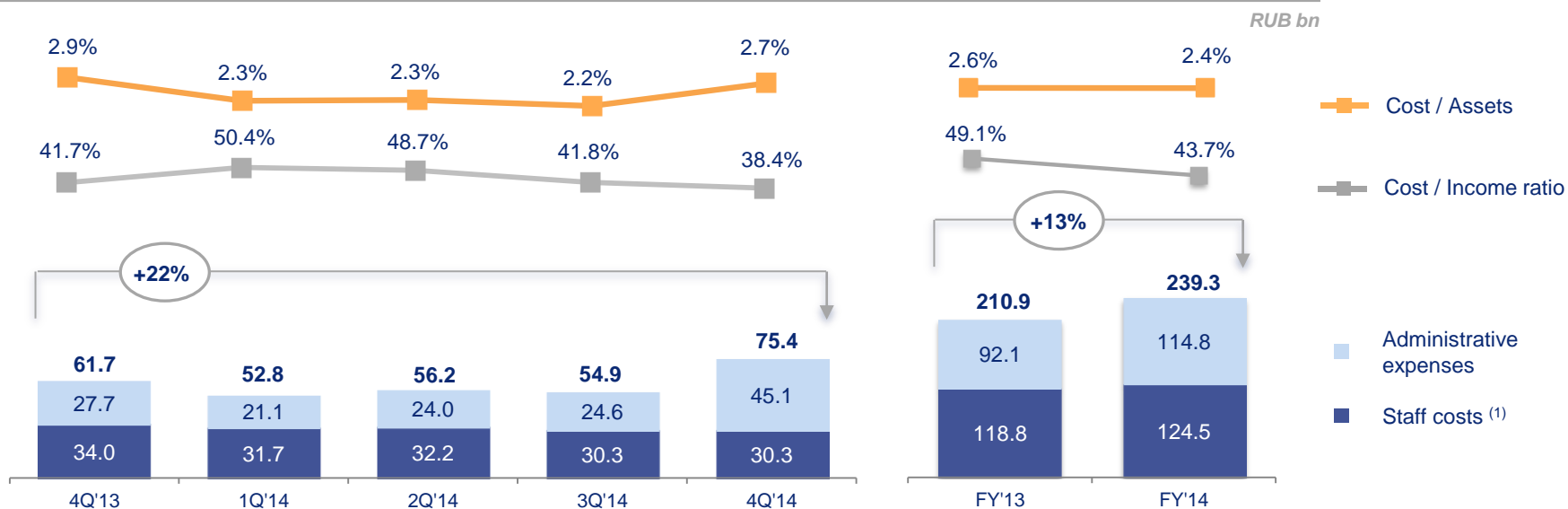


(1) Ratio is calculated to total gross loans including financial assets classified as loans and advances to customers pledged under repurchase agreements.

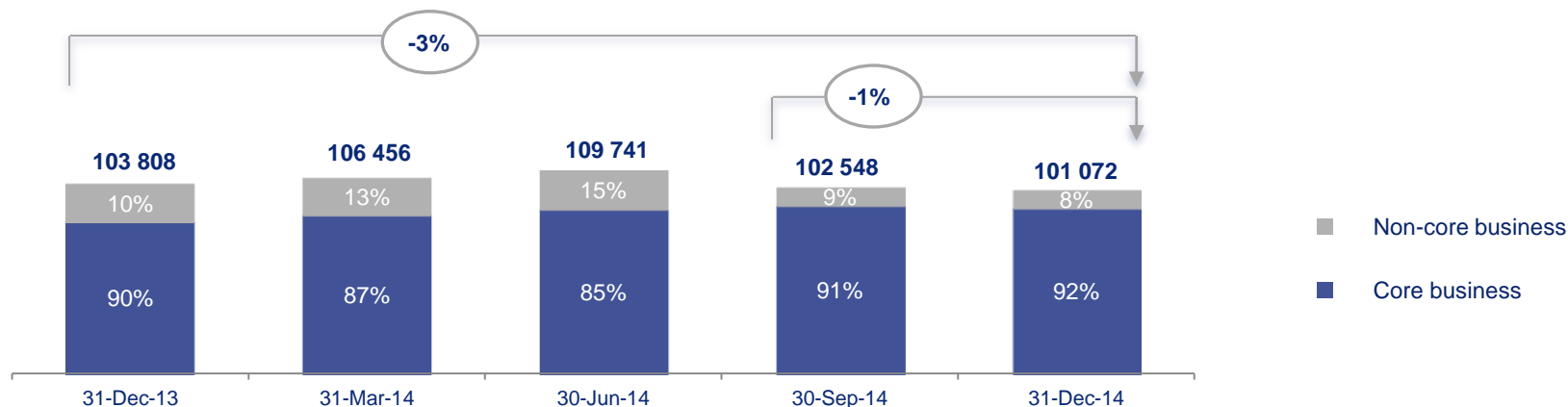
(2) Non-performing loans (NPLs) represent impaired loans with repayments overdue by over 90 days. NPLs are calculated including the entire principal and interest payments. Ratio is calculated to total gross loans including financial assets classified as loans and advances to customers pledged under repurchase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

# Staff and Administrative Expenses

## Staff costs and administrative expenses



## Number of employees

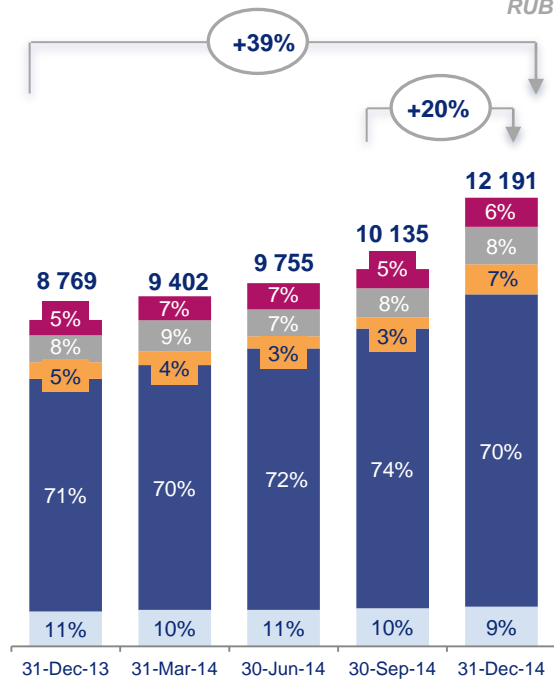


(1) Including pensions.

# Balance Sheet Structure and BIS Capital

## Assets structure

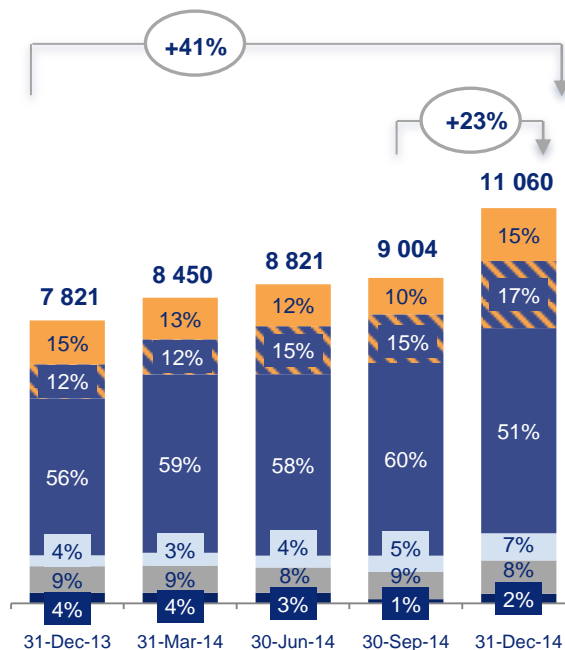
RUB bn



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

## Liabilities structure

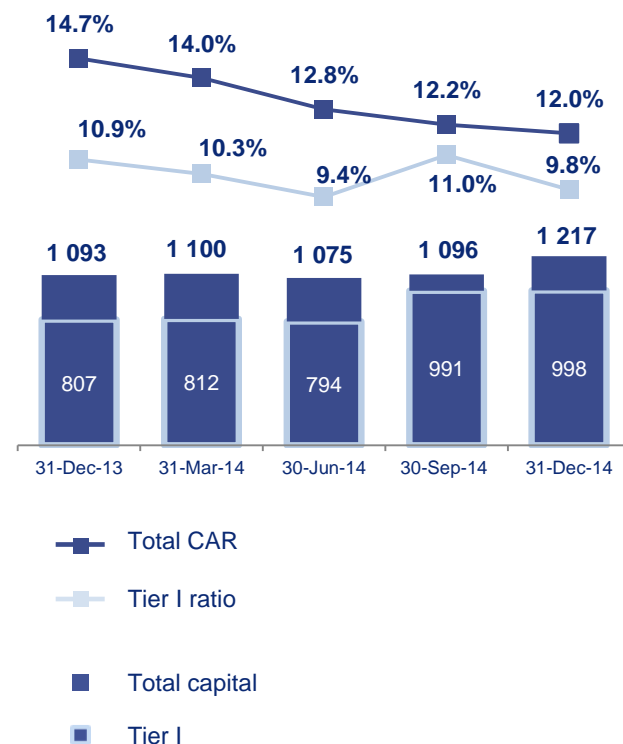
RUB bn



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

## BIS Group capital

RUB bn

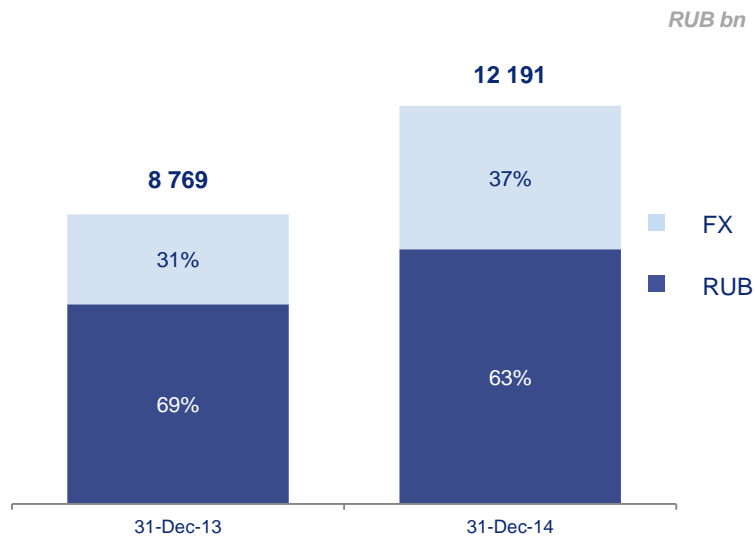


- Total CAR
- Tier I ratio
- Total capital
- Tier I

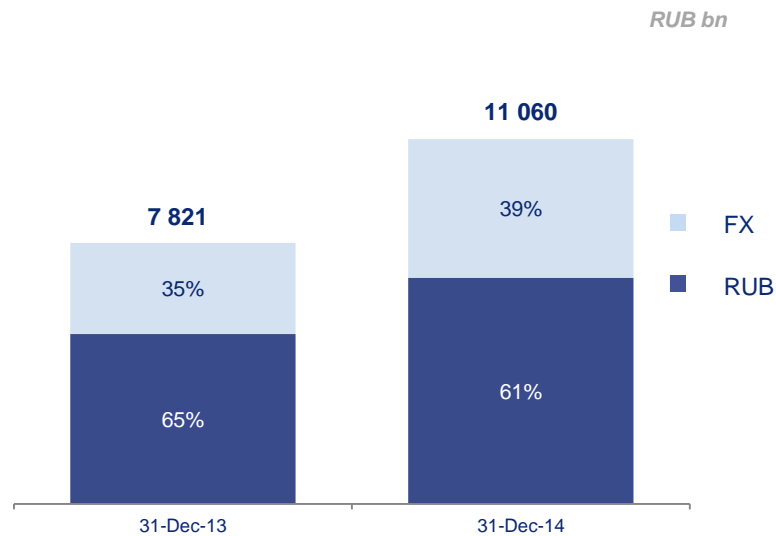
(1) Includes loans and advances to customers, pledged under REPO.  
 (2) Includes investment in associates, premises and equipment, investment property, intangible assets and goodwill, deferred tax assets and others.

# Assets and Liabilities by Currency

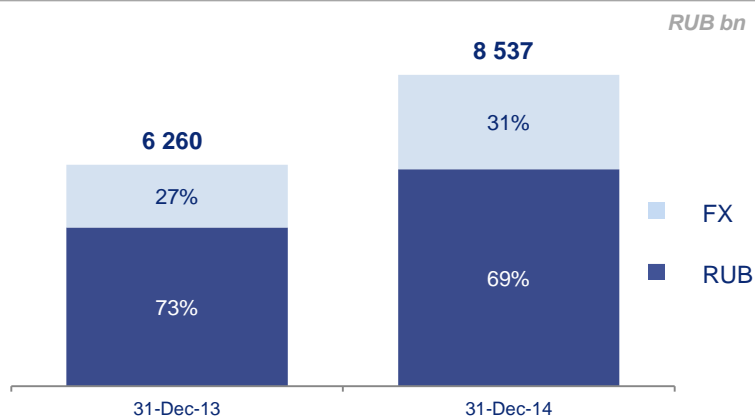
## Total assets by currency



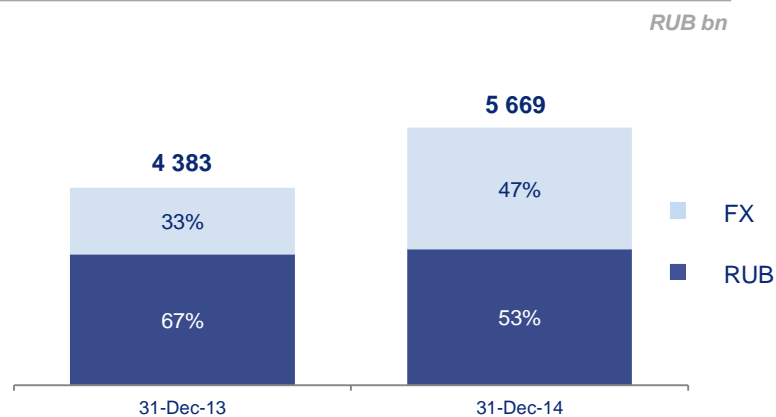
## Total liabilities by currency



## Net loans and advances to customers by currency

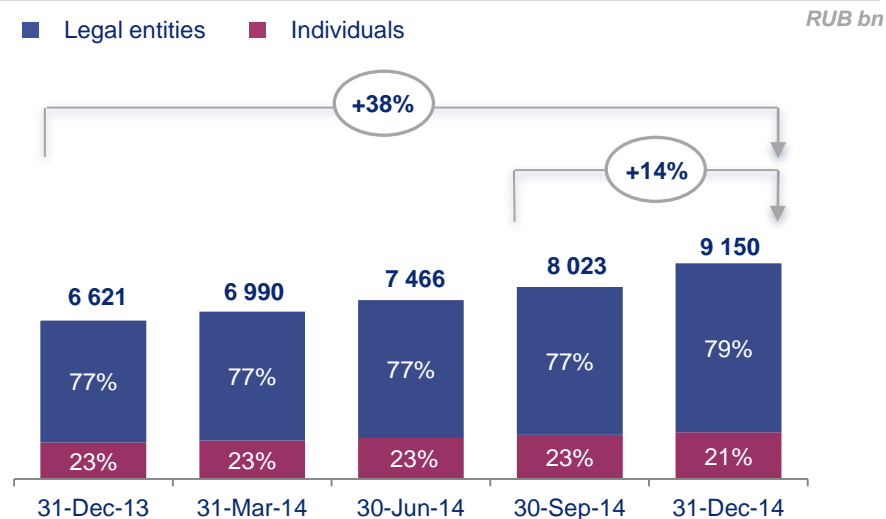


## Customer deposits

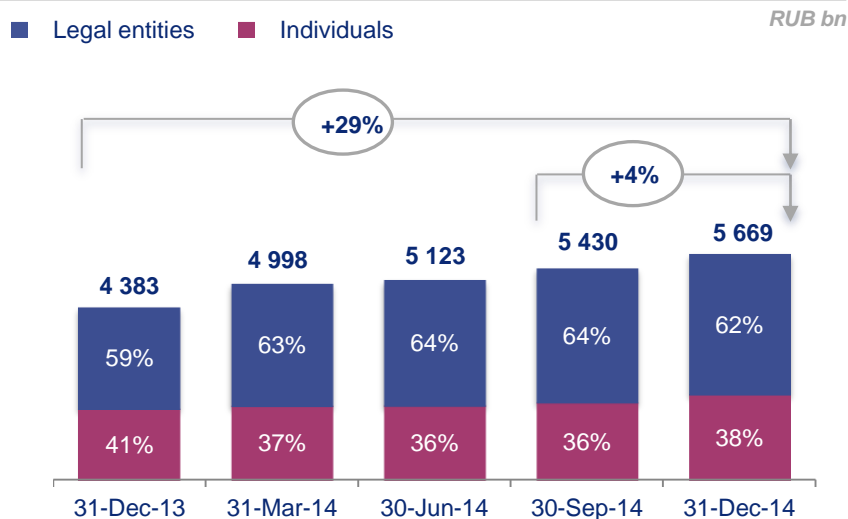


# Loan Portfolio and Customer Deposits

## Loans and advances to customers

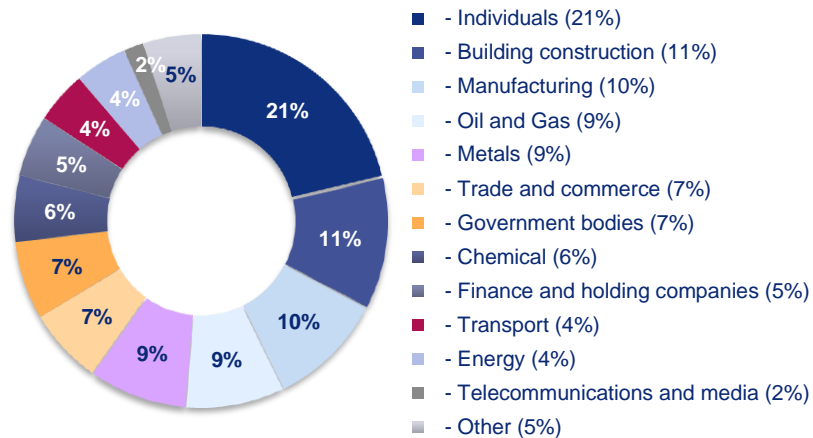


## Customer deposits

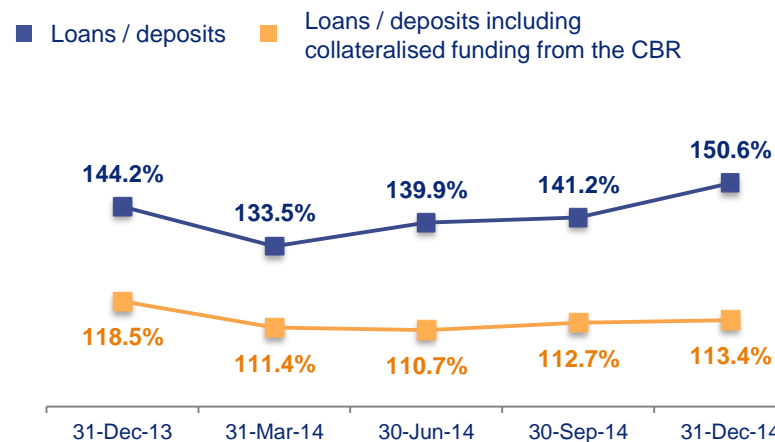


## Loans and advances to customers by industry

31-Dec-14



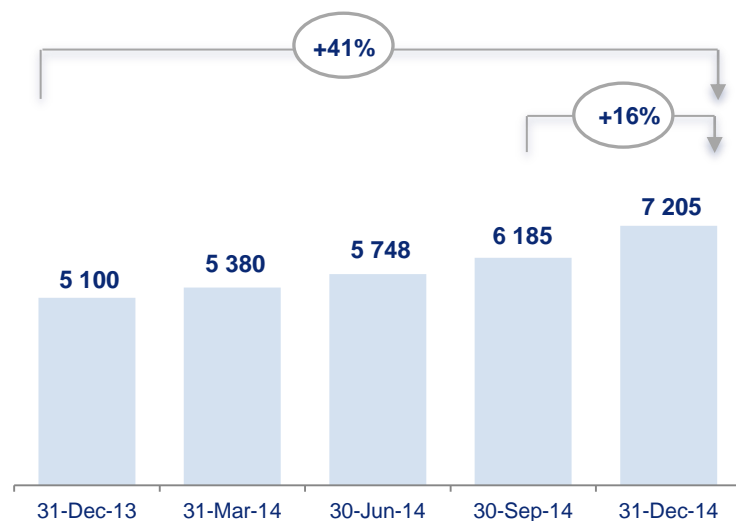
## Customer loans / customer deposits



# Business with Legal Entities

## Loans to legal entities

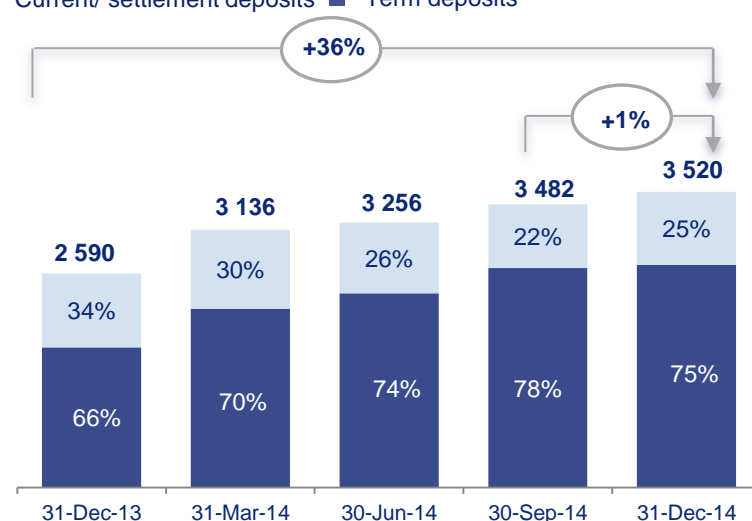
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## Deposits of legal entities

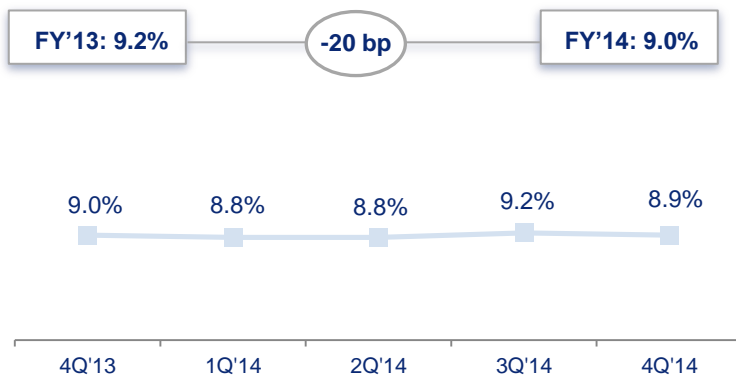
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■ Current/ settlement deposits ■ Term deposits



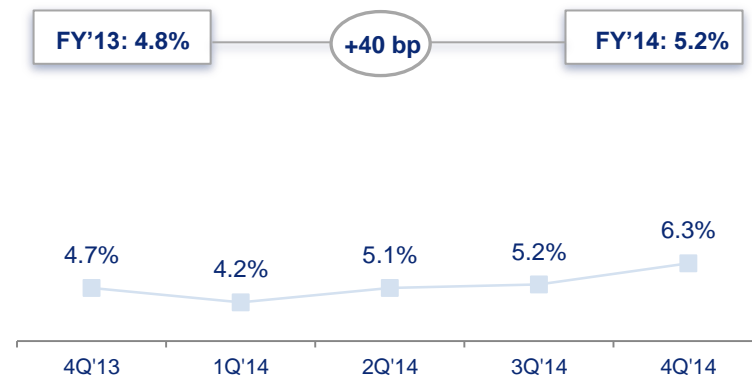
## Yield on loans to legal entities

%



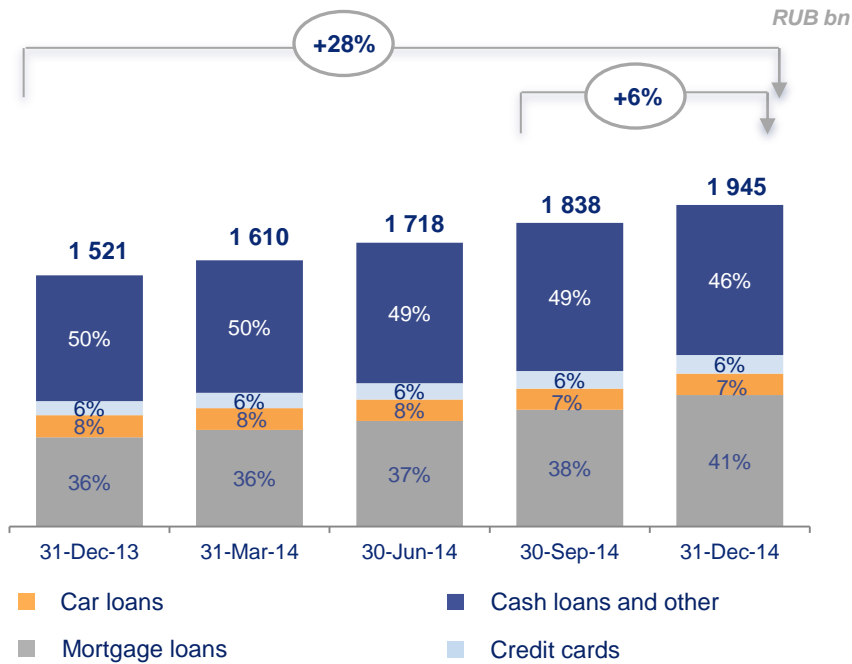
## Cost of deposits of legal entities

%

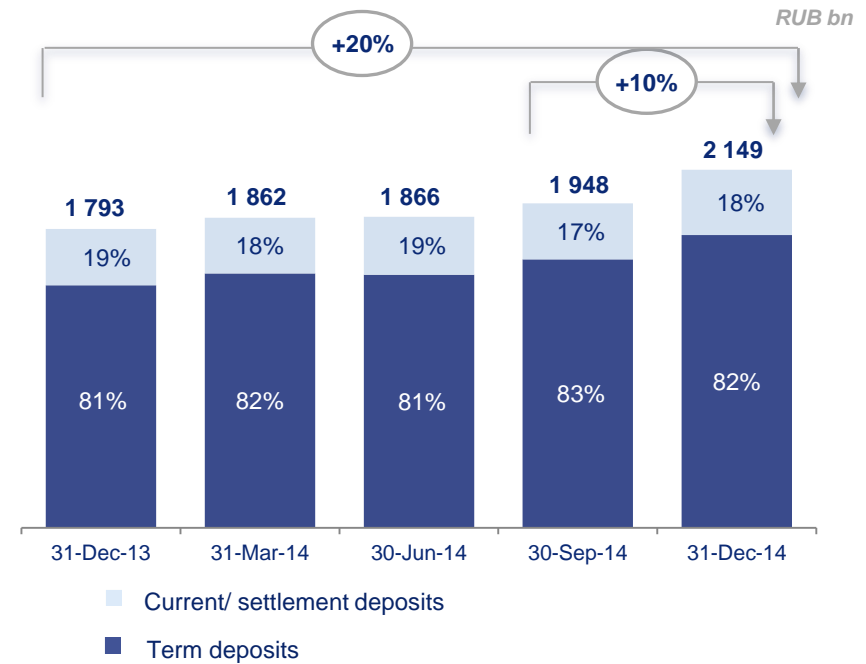


# Business with Individuals

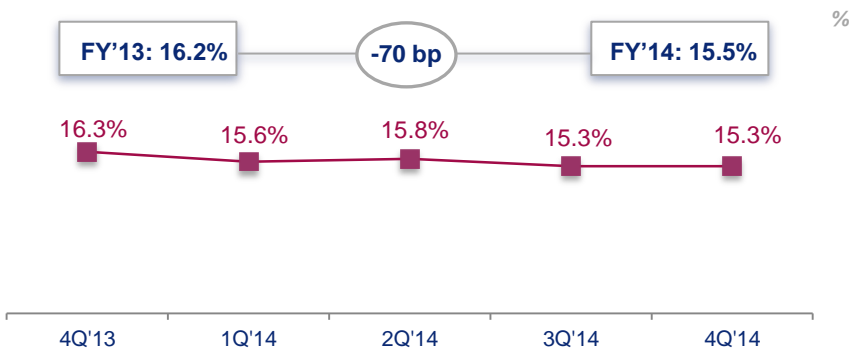
## Loans to individuals



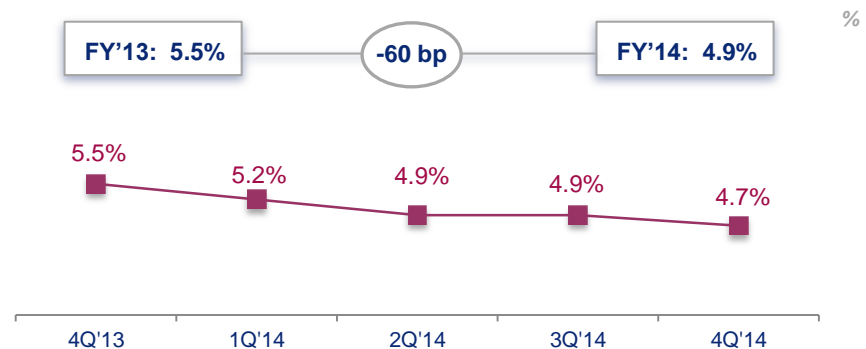
## Deposits of individuals



## Yield on loans to individuals



## Cost of deposits of individuals





## **Investor Relations**

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

e-mail: [investorrelations@vtb.ru](mailto:investorrelations@vtb.ru)