



1Q'2019 Results

May 30, 2019

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Member of the Management Board

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1Q'19 KEY HIGHLIGHTS

1Q'19

ON TRACK TO DELIVER
ON 2019 GUIDANCE

NOI 137.0 RUB bn

Net profit 46.5 RUB bn

ROE 12.3%

1Q'19

MARGINS WERE
UNDER PRESSURE
DUE TO MARKET
HEADWINDS

NIM 3.2%

Cost of liabilities 5.3%

Yield on assets 8.3%

YTD

CONTINUING TO BUILD
STRONGER RETAIL

CORPORATE GROWTH
UNDER PRESSURE,
strong pipeline promotes
delivery of business plan

Loans **Customer
funding**

Individuals ▲ 6% ▲ 4%

Corporate ▼ 4% ▼ 7%

COR SUPPORTED BY
SEVERAL LARGE
PROVISIONS RELIESED IN
CORPORATE BUSINESS

COR 0.5%
-40 bp yoy

NPL ratio 5.8%
+10 bp ytd

NPL coverage 112.0%
flat ytd

YOY

COMBINATION OF
COST CONTROL AND
REALISED SYNERGIES
RESULTED IN LOWER
COST BASE

**Staff costs and
administrative expenses**

-4%

Costs/Assets 1.7%
-30 bp

CIR 44.3%
+300 bp

YTD

CAPITAL LEVELS
SUFFICIENT TO FUND
FURTHER GROWTH

IFRS CAR

Tier I 12.3%
+ 30 bp

Total 13.7%
+20 bp

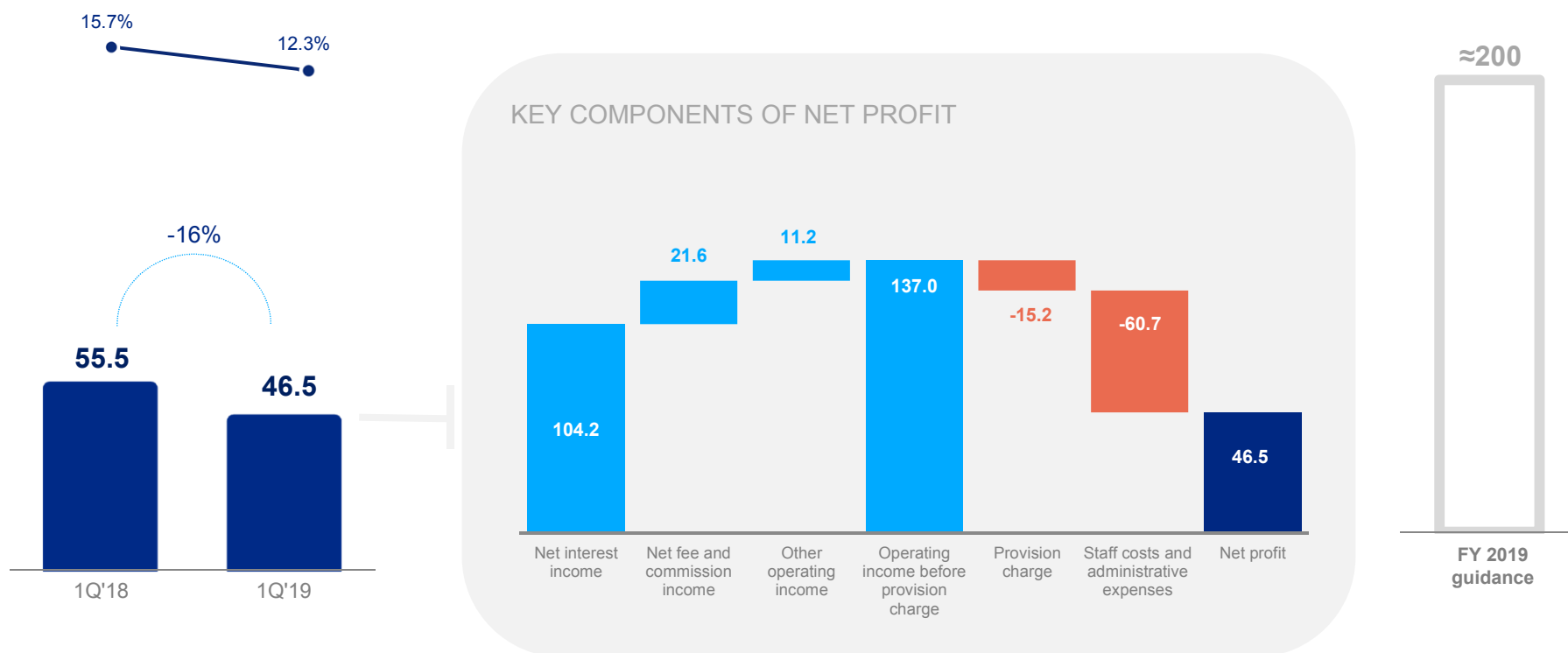
RAS CAR

N20 11.6%*
+20 bp

* Preliminary estimation

ON TRACK TO DELIVER 2019 GUIDANCE

Net profit RUB bn and ROE %

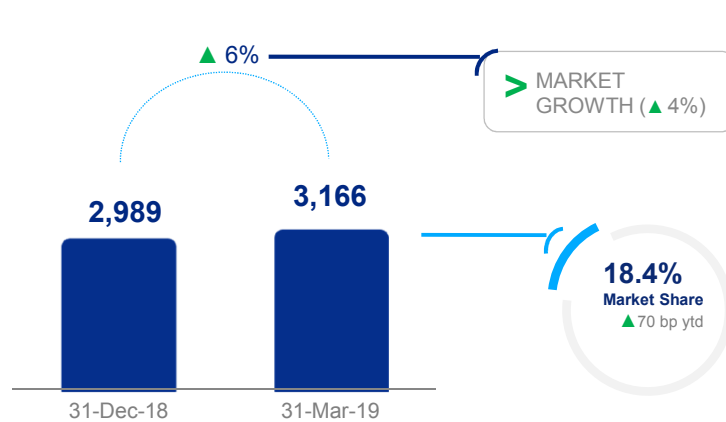


CONTINUING TO BUILD STRONGER RETAIL, CORPORATE GROWTH UNDER PRESSURE STRONG PIPELINE PROMOTES DELIVERY OF BUSINESS PLAN

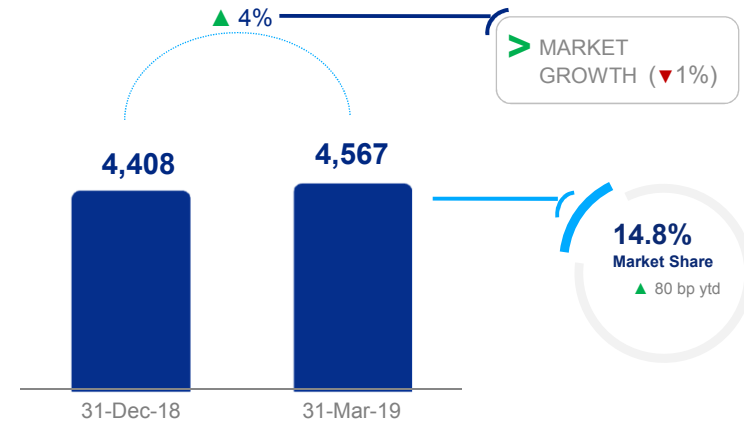
RETAIL

► In-line with strategic priorities

Loans RUB bn

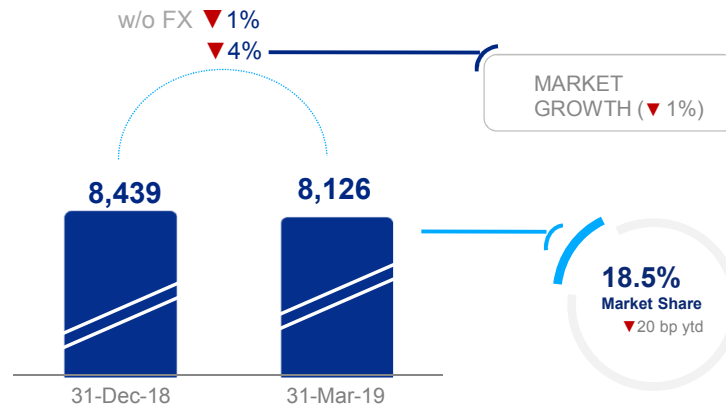


Deposits RUB bn

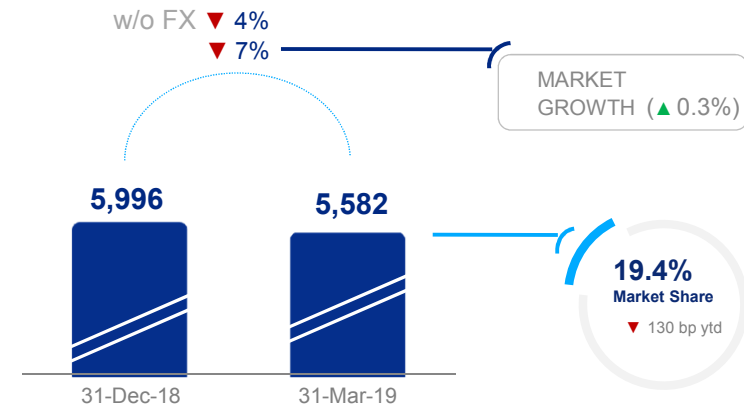


CORPORATE

Loans RUB bn

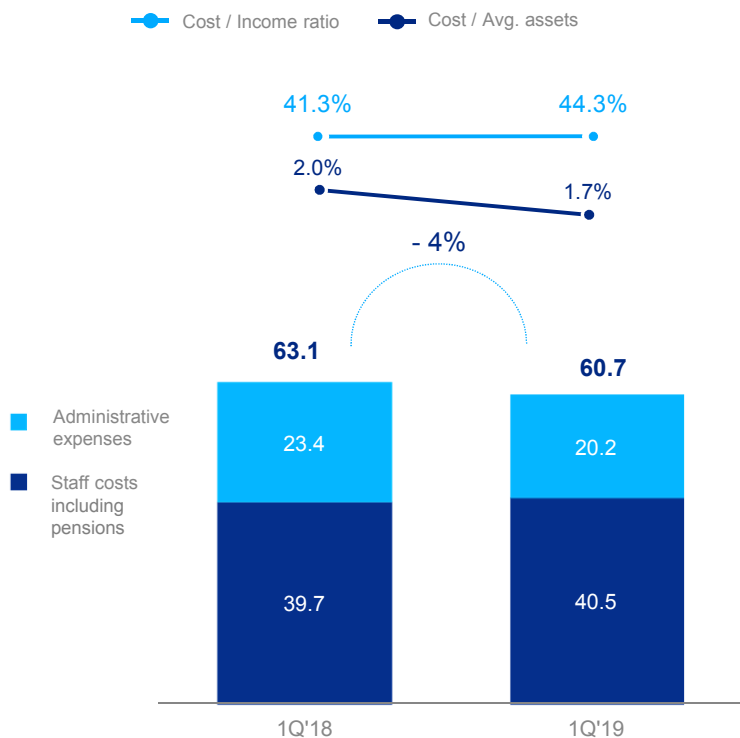


Deposits RUB bn

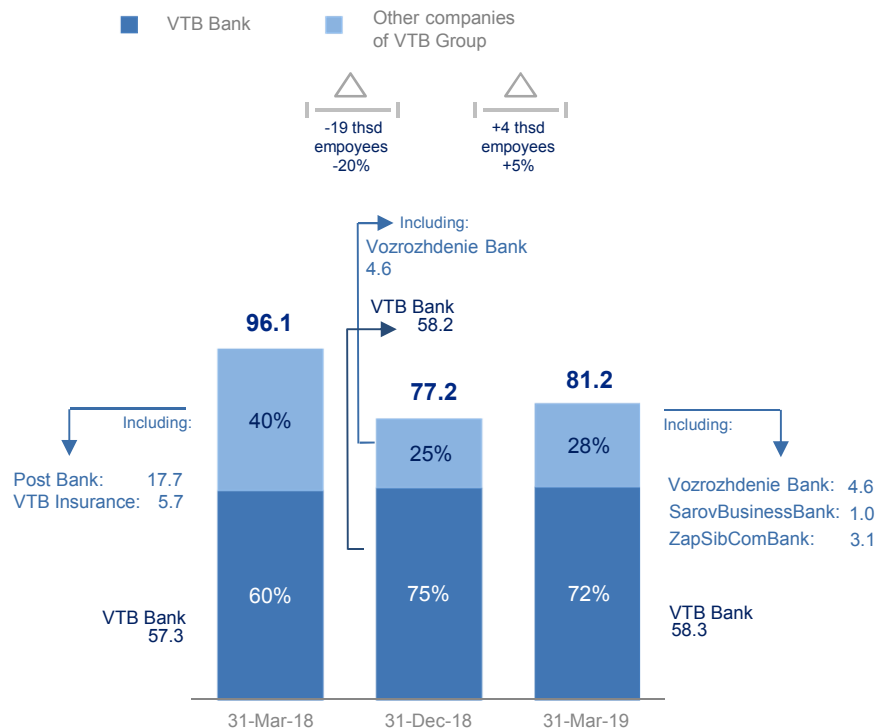


COMBINATION OF COST CONTROL AND REALISED SYNERGIES RESULTED IN LOWER COST BASE

Staff and administrative costs RUB bn

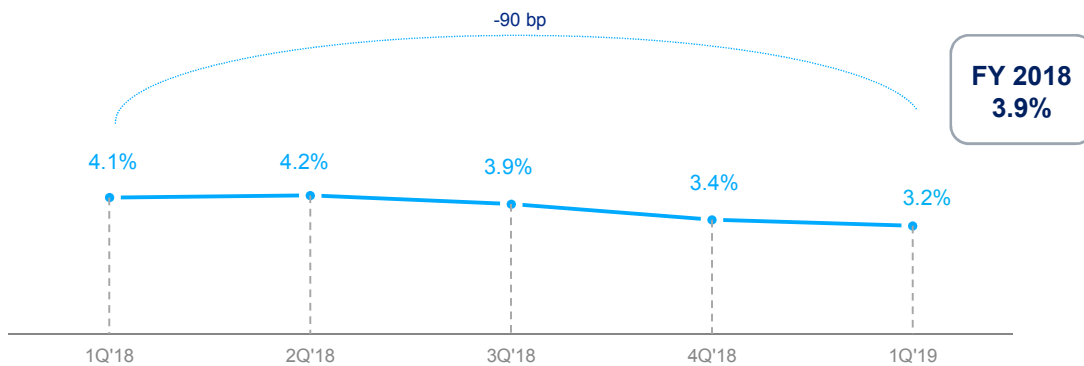


Number of employees thsd

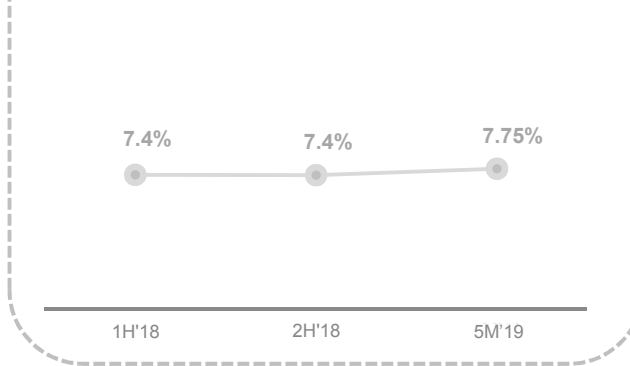


MARGINS WERE UNDER PRESSURE DUE TO MARKET HEADWINDS

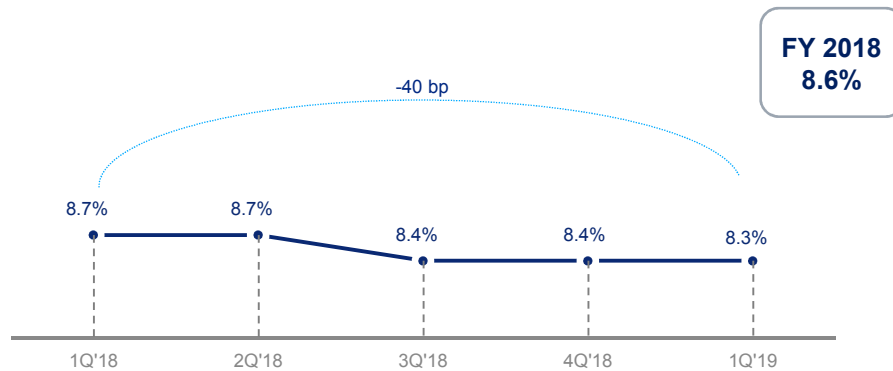
Net interest margin %



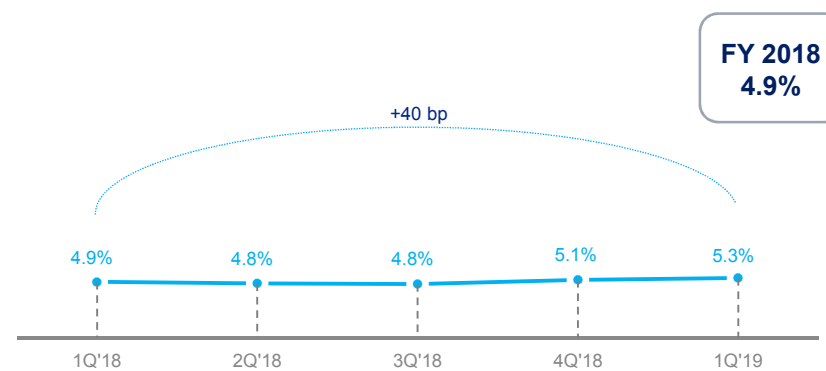
Average CBR rate %



Average yield on total interest bearing assets %



Cost of interest bearing liabilities %

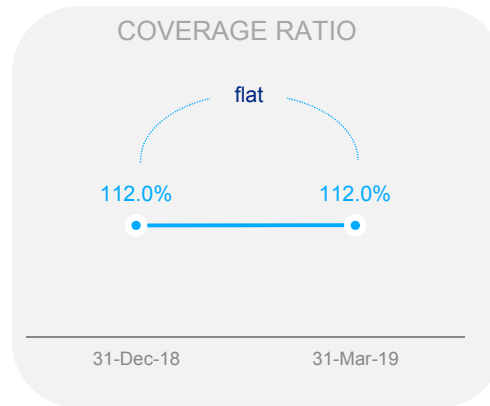
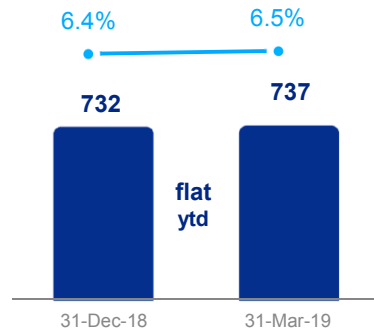


COR SUPPORTED BY SEVERAL LARGE PROVISIONS RELIESED IN CORPORATE BUSINESS

BS

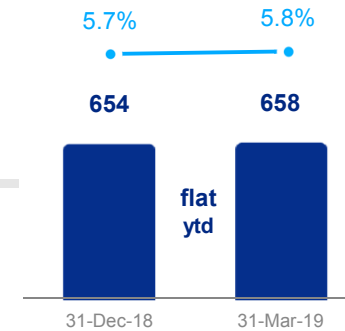
Provision for loan impairment RUB bn

● Allowance for loan impairment / Total gross loans



NPLs (90+) RUB bn

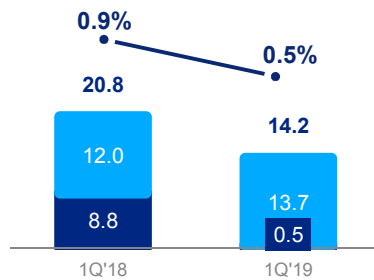
● NPL ratio ⁽¹⁾



P&L

Provision charge for impairment of loans RUB bn

● Cost of risk ⁽²⁾

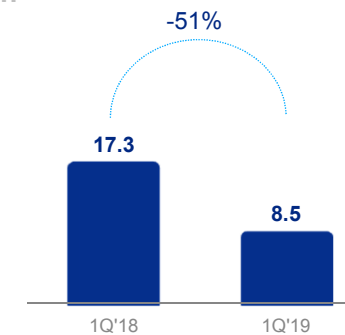


■ Provision charge for credit losses on loans to individuals

■ Provision charge for credit losses on loans to legal entities

WRITE-OFFS

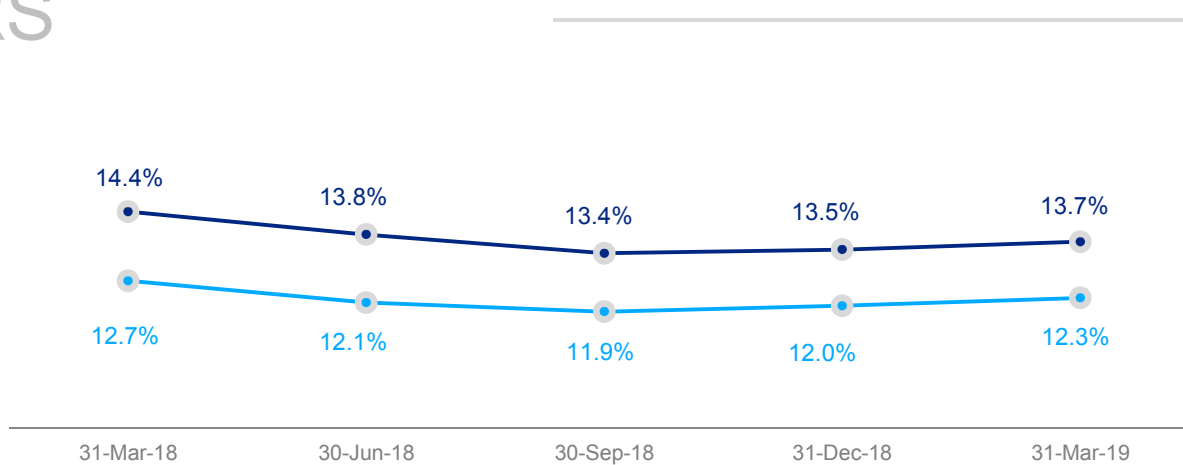
RUB bn



- (1) The Group defines non-performing loans (NPL) as lifetime expected credit losses (ECL) credit-impaired loans with contractual principal and or interest payments overdue more than 90 days and purchased or originated credit impaired (POCI) loans with principal and or interest payments becoming overdue more than 90 days after the date of initial recognition.
- (2) Provision charge for credit losses divided by average gross loans and advances to customers.

CAPITAL LEVELS SUFFICIENT TO FUND FURTHER GROWTH

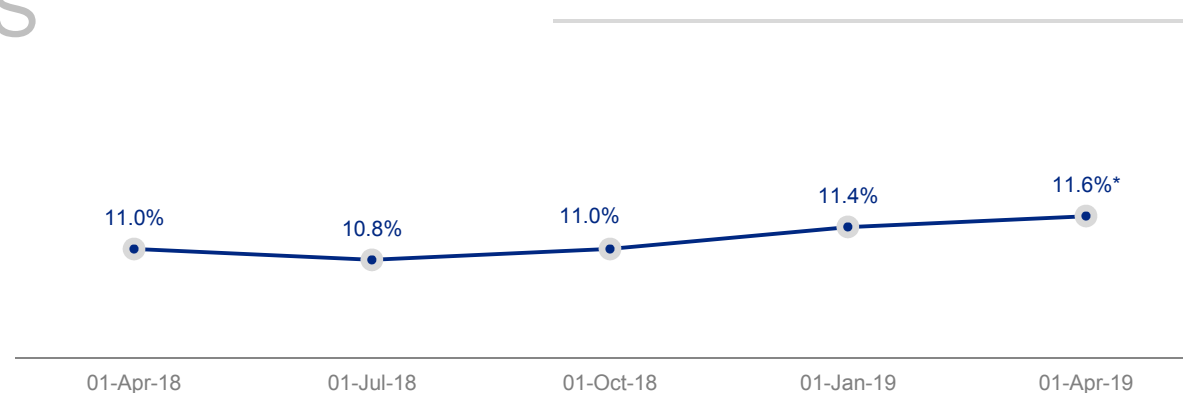
IFRS



BASEL

Total CAR ▲ 20 bp ytd
Tier I ratio ▲ 30 bp ytd

RAS



N20 (GROUP)

N20.0 ▲ 20 bp ytd

* Preliminary estimation

2019 GUIDANCE



Loan growth

Legal entities

In line vs. market

Market growth $\approx 5\%$

CIR

$\approx 40\%$

Loan growth

Individuals

Above the market

Market growth $\approx 15-17\%$

NIM

$\approx 3.5\% \blacktriangledown$

formerly "FY'2018 level"

CoR

$\approx 1.2\% \blacktriangledown$

formerly $<1.5\%$

Net profit

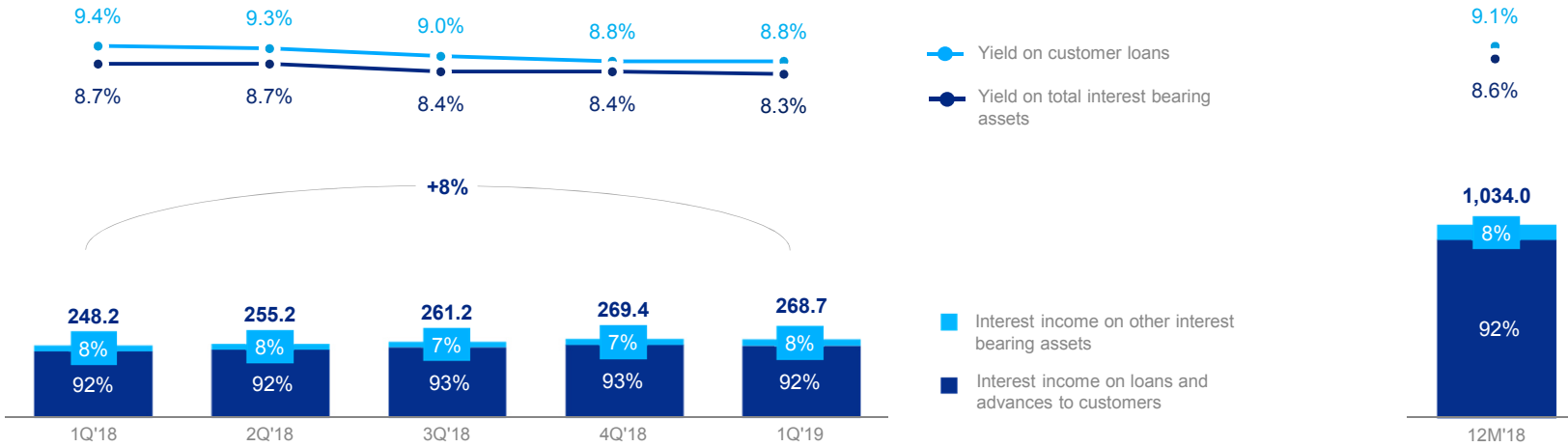
≈ 200
RUB bn



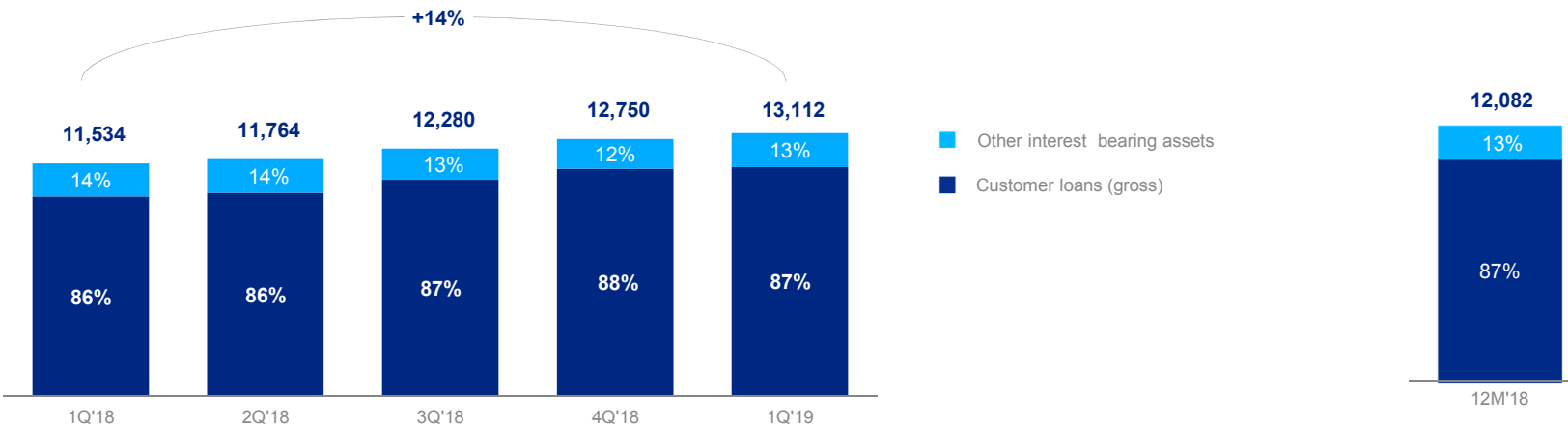
1Q'19 FINANCIAL APPENDIX

INTEREST INCOME AND AVERAGE YIELDS

Interest income and average yields RUB bn

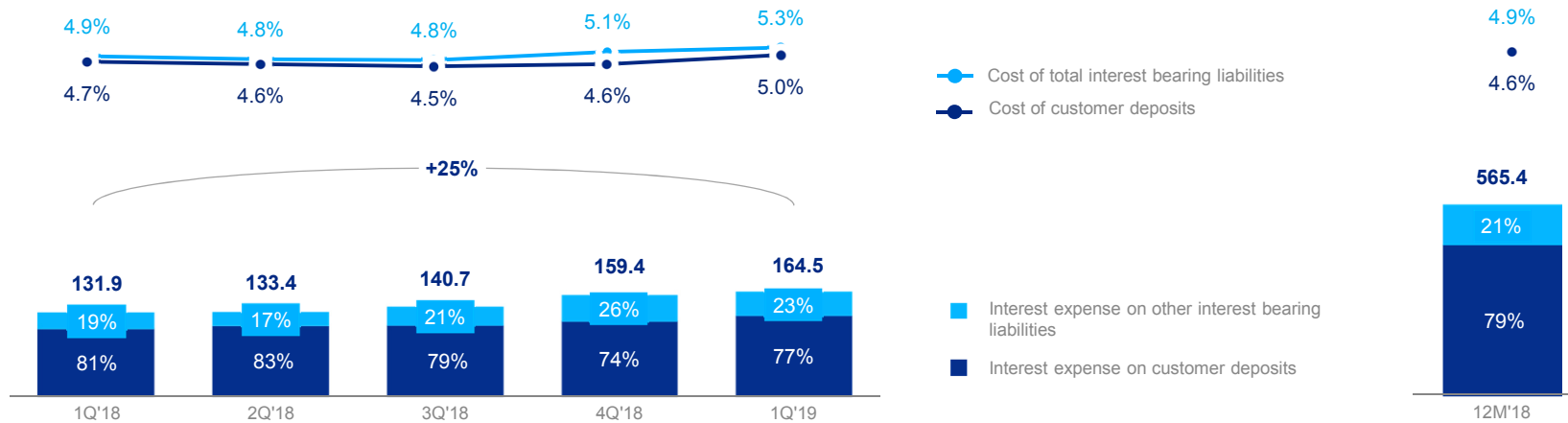


Average interest bearing assets RUB bn

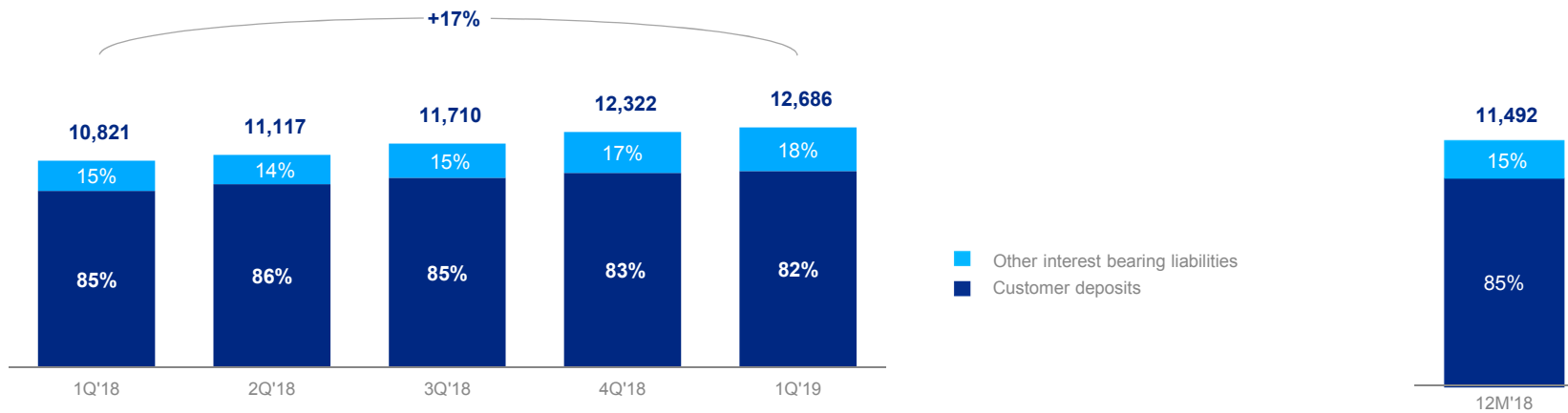


INTEREST EXPENSE AND COST OF FUNDS

Interest expense and cost of interest bearing liabilities RUB bn

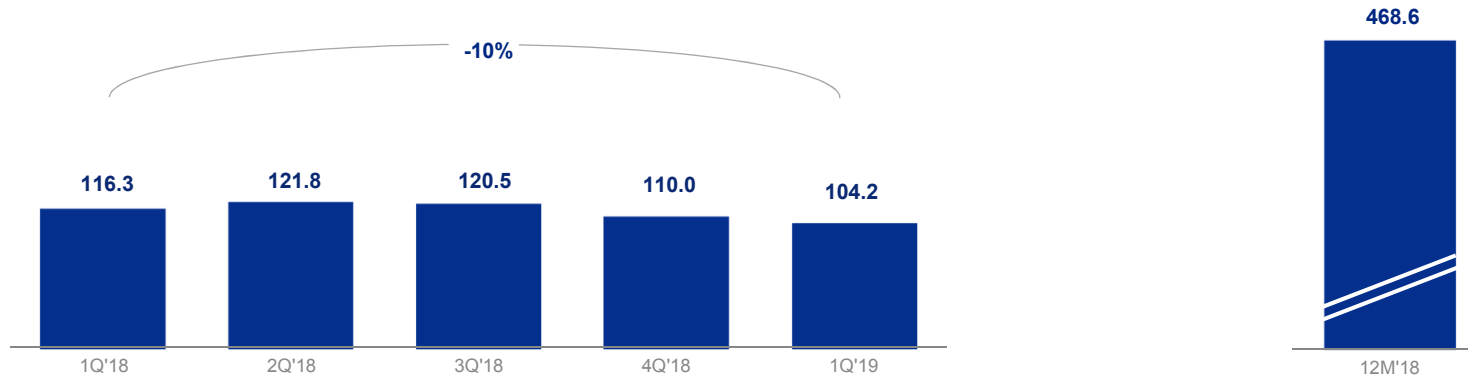


Average interest bearing liabilities RUB bn

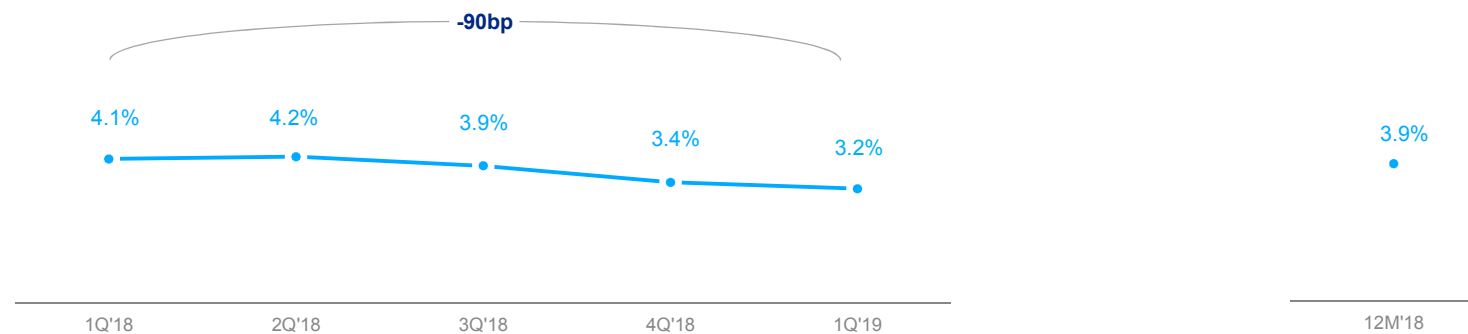


NET INTEREST INCOME AND NIM

Net interest income ^{RUB bn}



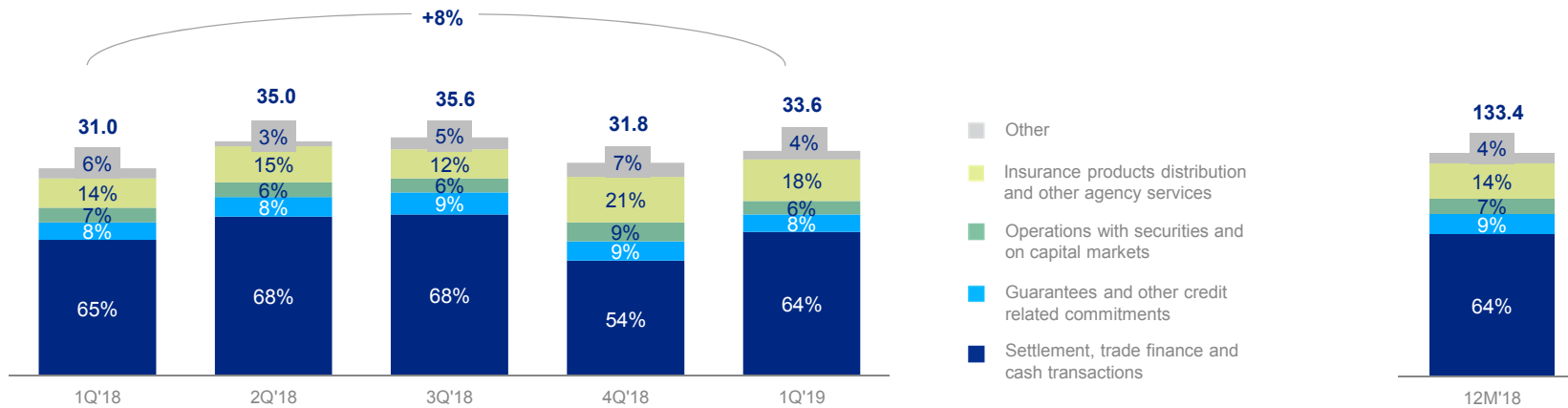
Net interest margin ⁽¹⁾



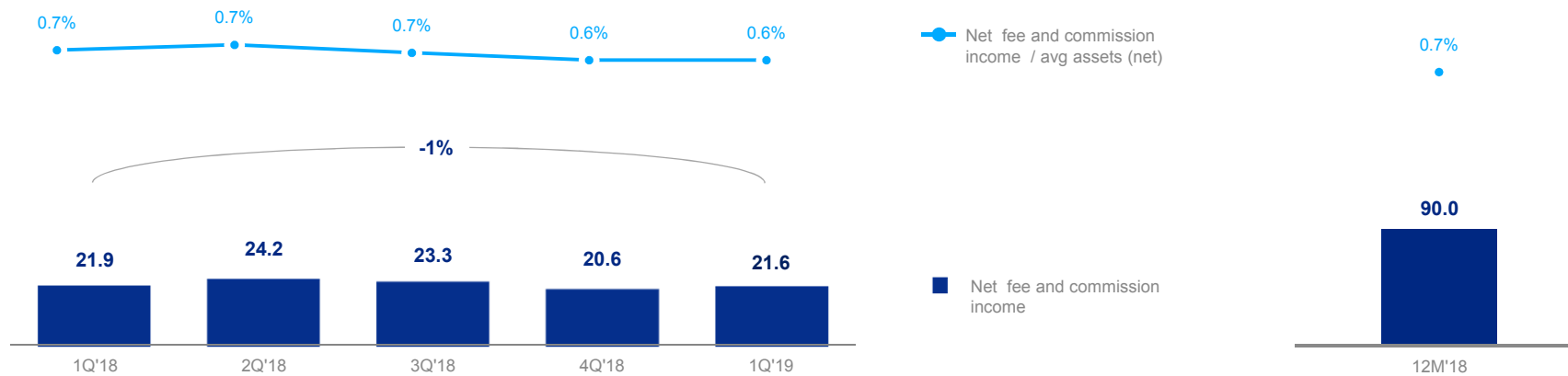
(1) Calculated as net interest income (adjusted for payments to deposit insurance system) divided by average interest earning assets, which include gross loans and advances to customers, due from other banks (gross), debt securities and correspondent accounts with other banks.

FEE AND COMMISSION INCOME

Fee and commission income breakdown RUB bn

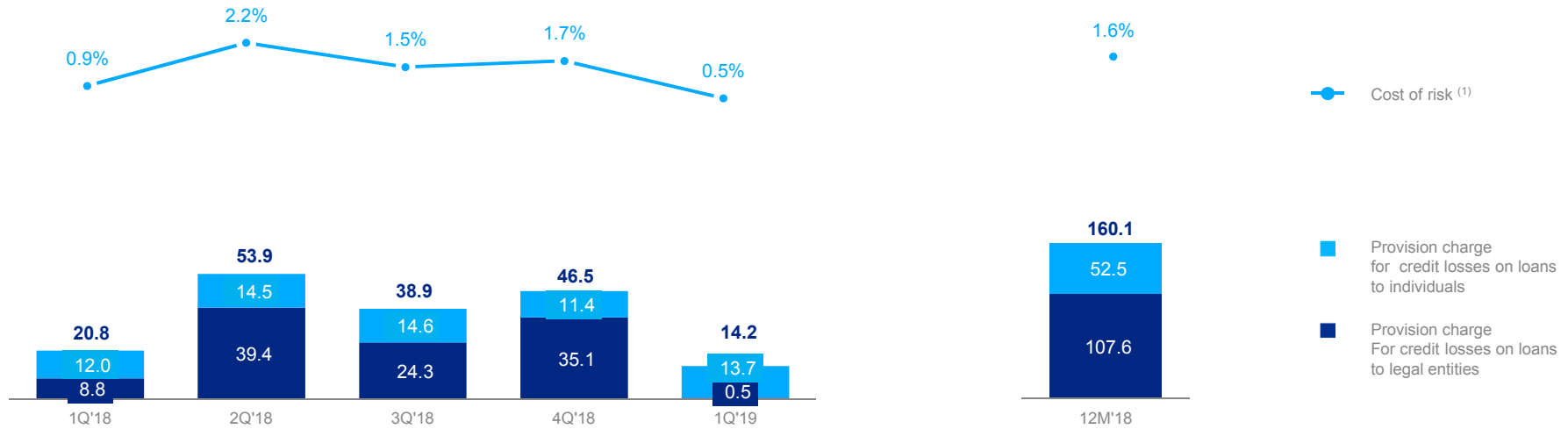


Net fee and commission income RUB bn

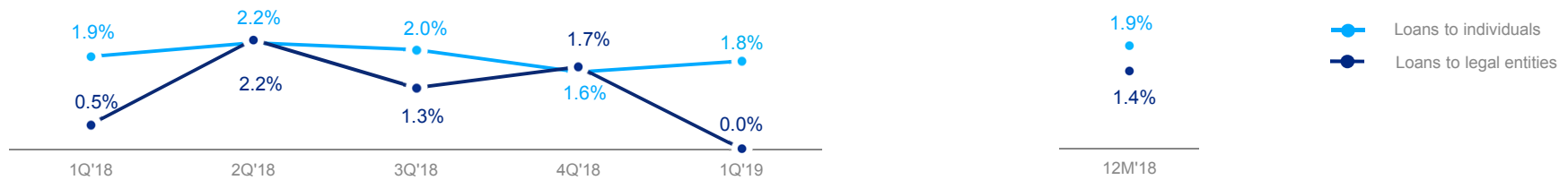


PROVISION CHARGE AND COST OF RISK

Provision charge for impairment of loans RUB bn



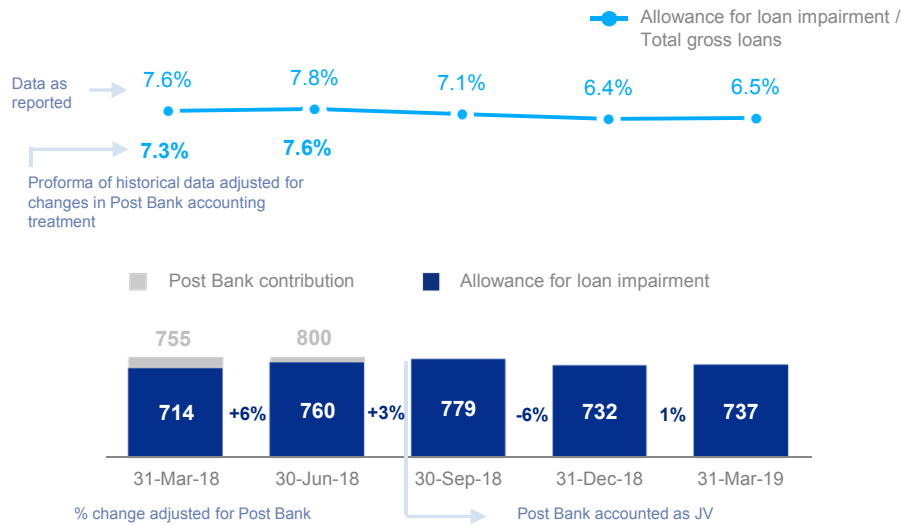
Cost of risk breakdown



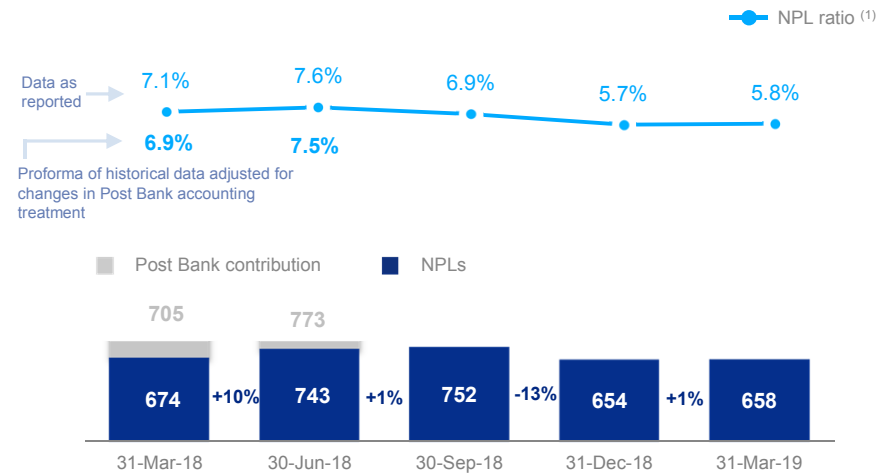
(1) Provision charge for credit losses divided by average gross loans and advances to customers.

LOAN BOOK QUALITY

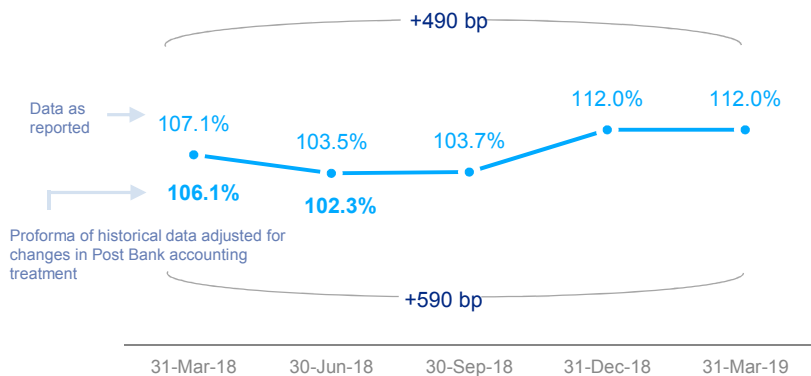
Provision for loan impairment RUB bn



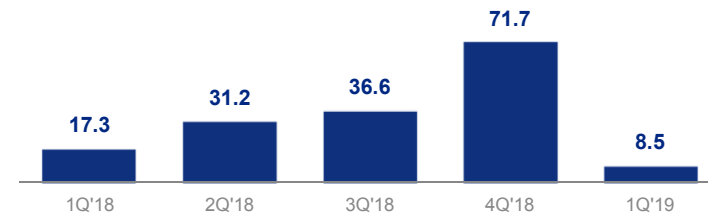
NPLs (90+) RUB bn



Coverage ratio



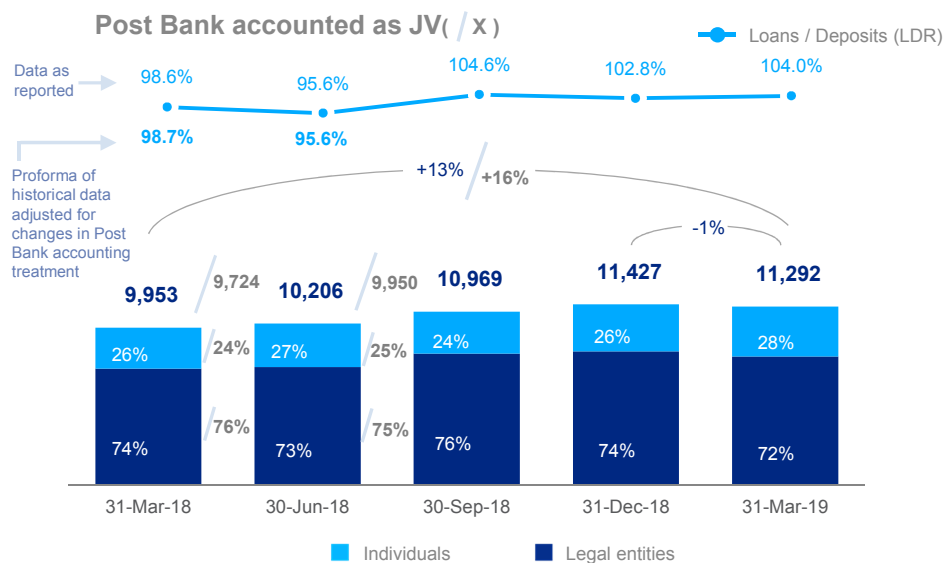
Loan write-offs RUB bn



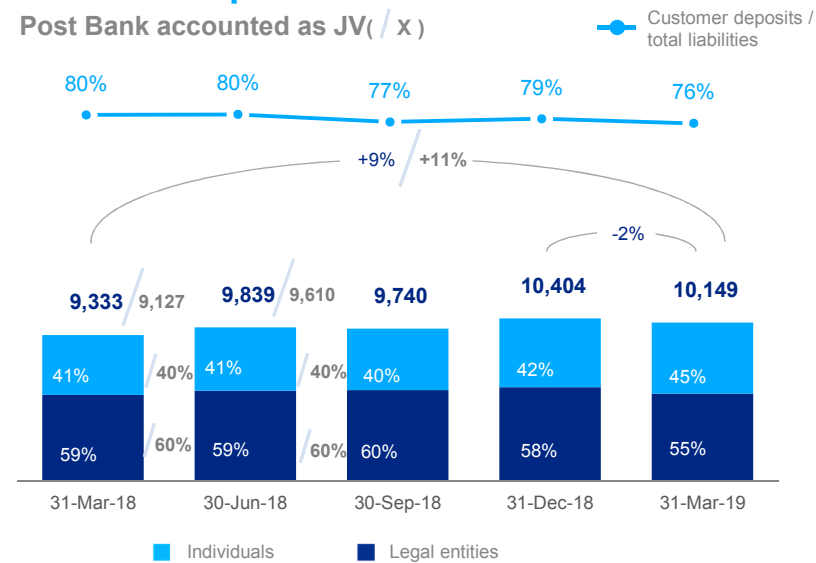
(1) The Group defines non-performing loans (NPL) as lifetime expected credit losses (ECL) credit-impaired loans with contractual principal and or interest payments overdue more than 90 days and purchased or originated credit impaired (POCI) loans with principal and or interest payments becoming overdue more than 90 days after the date of initial recognition.

LOAN PORTFOLIO AND CUSTOMER DEPOSITS

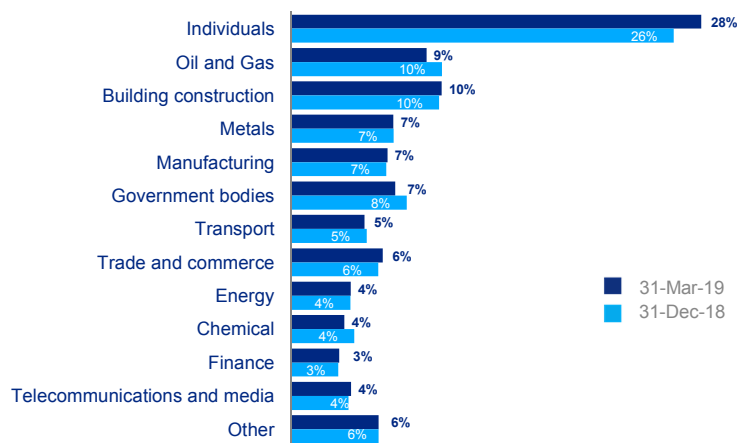
Loans and advances to customers RUB bn



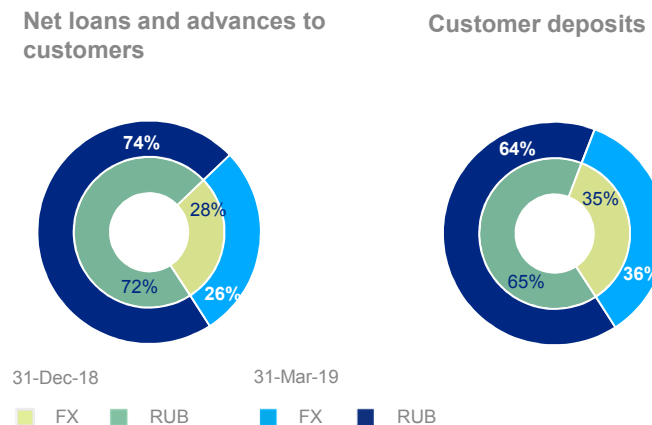
Customer deposits RUB bn



Loans and advances to customers by industry

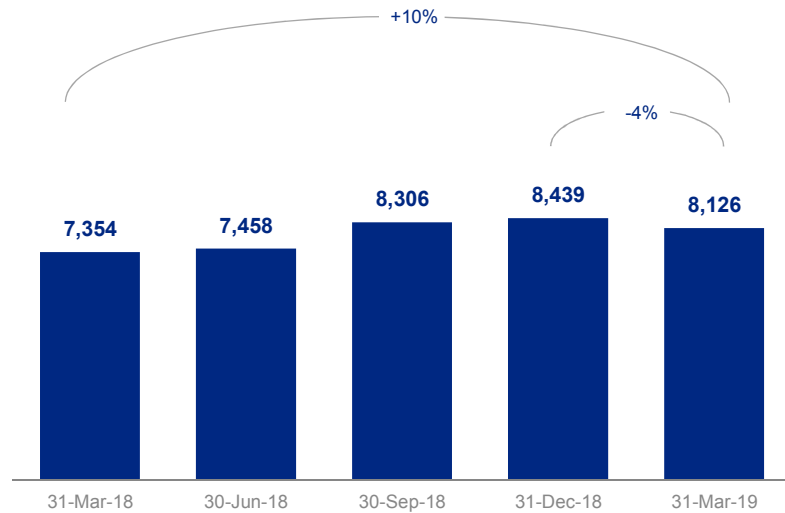


Loans and deposits by currency %

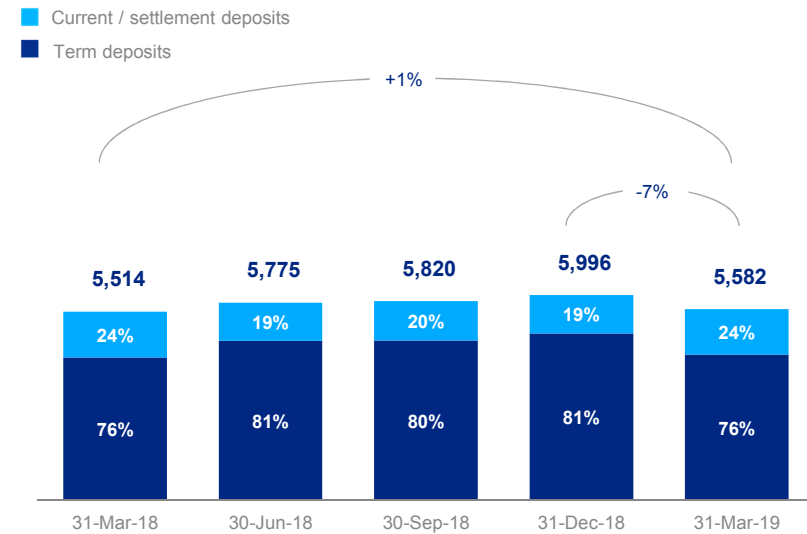


BUSINESS WITH LEGAL ENTITIES

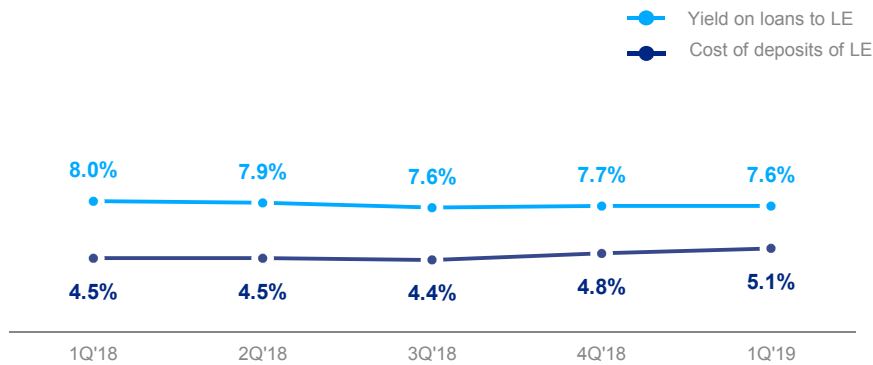
Loans to legal entities RUB bn



Deposits of legal entities RUB bn



Yield on loans and cost of deposits



Market shares⁽¹⁾

Data as of 31-Mar-19

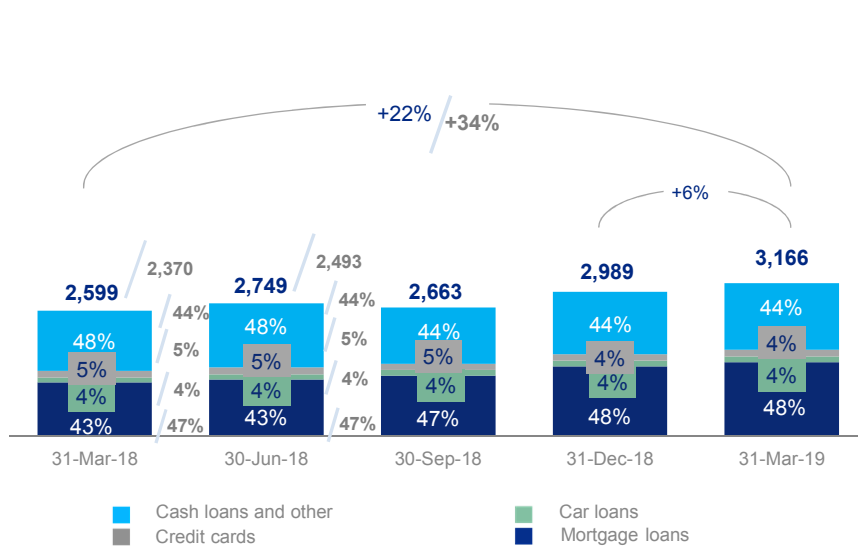


(1) The market share is calculated using VTB's methodology with data from the Bank of Russia based on RAS statements (including Vozrozhdenie Bank).

BUSINESS WITH INDIVIDUALS

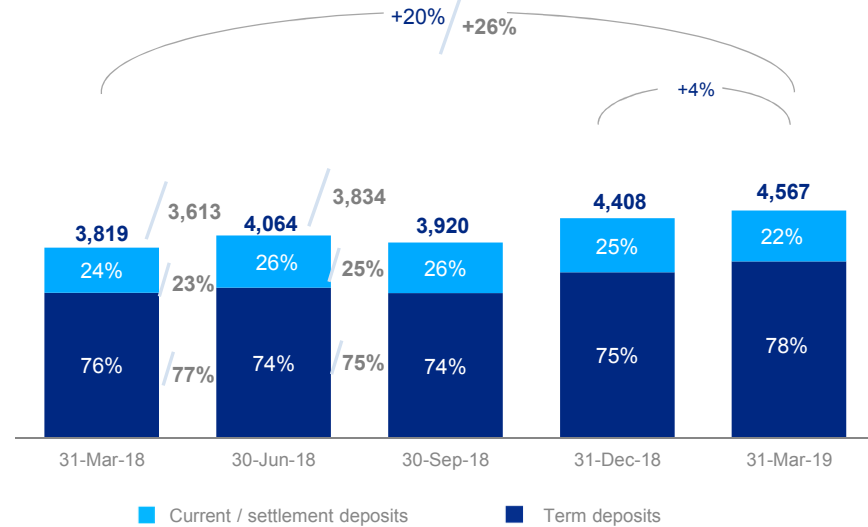
Loans to individuals RUB bn

Post Bank accounted as JV (/ X)

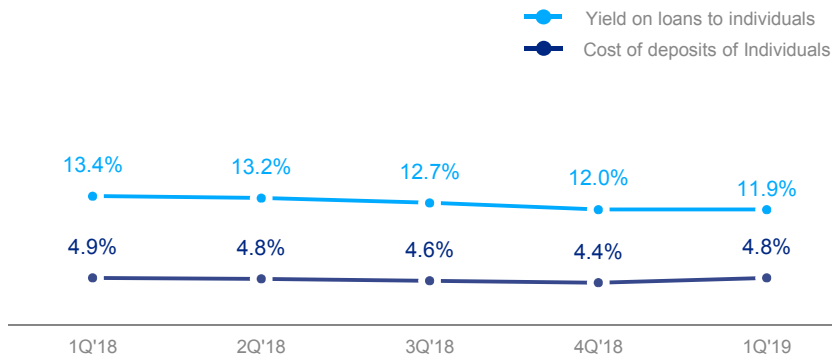


Deposits of individuals RUB bn

Post Bank accounted as JV (/ X)

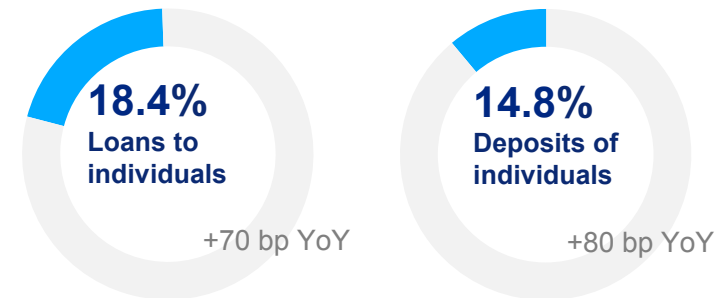


Yield on loans and cost of deposits



Market shares⁽¹⁾

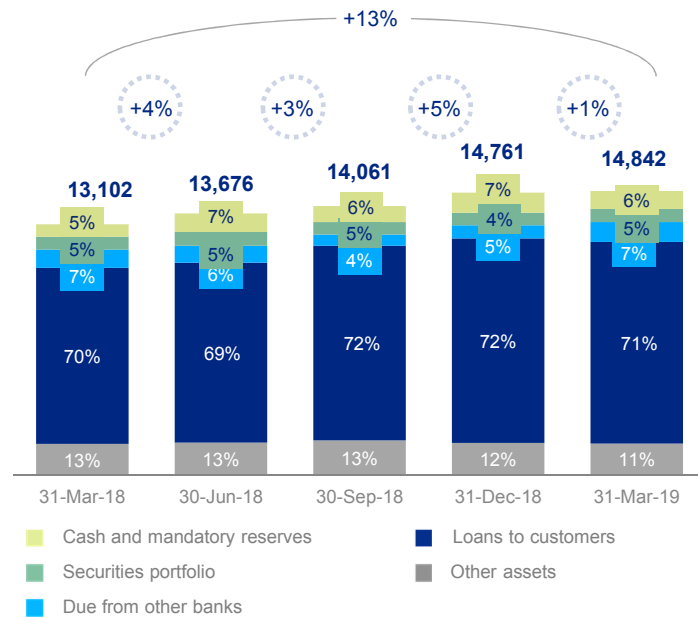
Data as of 31-Mar-19



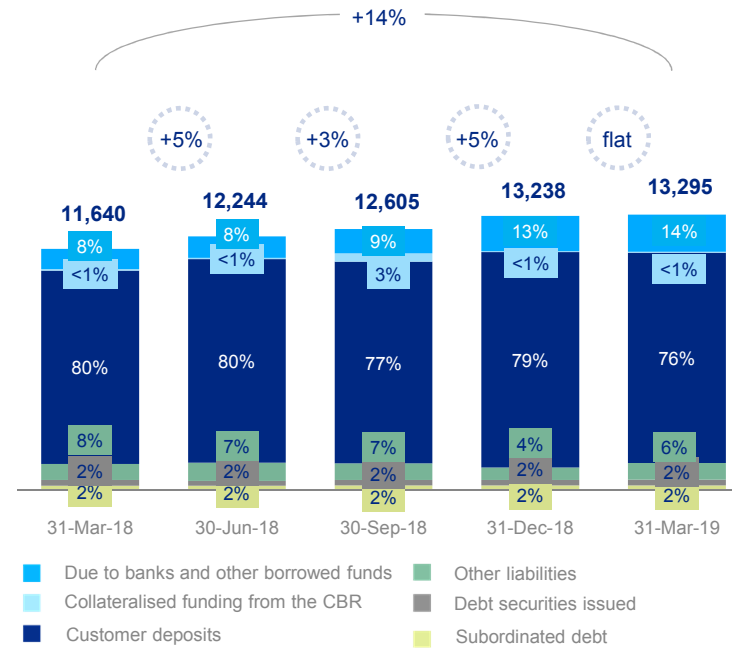
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BALANCE SHEET STRUCTURE AND CAPITAL

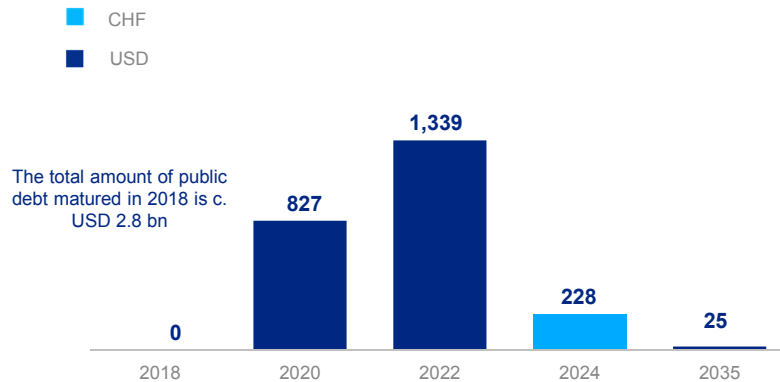
Assets structure RUB bn



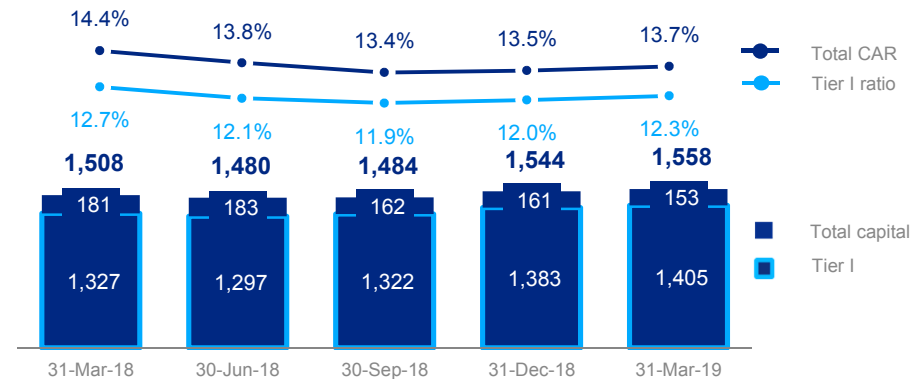
Liabilities structure RUB bn



International debt maturity profile USD mln



Basel capital RUB bn



VTB GROUP FINANCIAL HIGHLIGHTS: P&L AND KEY RATIOS

Income statement key indicators ^{RUB bn}

	1Q'19	1Q'18	Change	12M'18
Net interest income	104.2	116.3	-10.4%	468.6
Net fee and commission income	21.6	21.9	-1.4%	90.0
Net other income	11.2	14.4	-22.2%	82.7
Operating income before provisions	137.0	152.6	-10.2%	641.3
Provision charge for credit losses and other provisions	-15.2	-20.7	-26.6%	-167.1
Staff costs and administrative expenses	-60.7	-63.1	-3.8%	-259.8
Profit before tax	61.1	68.8	-11.2%	214.4
Income tax expense	-14.6	-13.3	9.8%	-35.6
Net profit	46.5	55.5	-16.2%	178.8

Key financial ratios

	1Q'19	1Q'18	Change	12M'18
NIM	3.2%	4.1%	-90 bp	3.9%
CoR	0.5%	0.9%	-40 bp	1.6%
Cost / Assets	1.7%	2.0%	-30 bp	1.9%
CIR	44.3%	41.3%	300 bp	40.5%
ROE	12.3%	15.7%	-340 bp	12.3%

VTB GROUP FINANCIAL HIGHLIGHTS: BALANCE SHEET

Balance sheet key indicators ^{RUB bn}

	31-Mar-19	31-Dec-18	Change	30-Sep-18	30-Jun-18	31-Mar-18	01-Jan-18 IFRS 9
Gross loan portfolio	11,291.5	11,427.1	-1.2%	10,968.8	10,206.2	9,952.8	9,841.1
Loans to legal entities	8,125.5	8,438.6	-3.7%	8,305.7	7,457.6	7,353.5	7,307.4
Loans to individuals	3,166.0	2,988.5	5.9%	2,663.1	2,748.6	2,599.3	2,533.7
Total assets	14,841.8	14,760.6	0.6%	14,060.6	13,675.9	13,102.0	12,940.0
Customer deposits	10,149.0	10,403.7	-2.4%	9,740.1	9,839.2	9,333.3	9,144.7
Deposits of legal entities	5,582.2	5,995.8	-6.9%	5,819.8	5,775.3	5,513.9	5,523.1
Deposits of individuals	4,566.8	4,407.9	3.6%	3,920.3	4,063.9	3,819.4	3,621.6
Total liabilities	13,295.2	13,237.6	0.4%	12,604.6	12,243.7	11,640.4	11,529.2
Total shareholders' equity	1,546.6	1,523.0	1.5%	1,456.0	1,432.2	1,461.6	1,410.8

Post Bank accounted as JV ←

Key asset quality & capital ratios

	31-Mar-19	31-Dec-18	Change	30-Sep-18	30-Jun-18	31-Mar-18	01-Jan-18 IFRS 9
NPL ratio ⁽¹⁾	5.8%	5.7%	10 bp	6.9%	7.6%	7.1%	6.9%
LLR ratio	6.5%	6.4%	10 bp	7.1%	7.8%	7.6%	7.5%
Tier I CAR	12.3%	12.0%	30 bp	11.9%	12.1%	12.7%	12.5%
Total CAR	13.7%	13.5%	20 bp	13.4%	13.8%	14.4%	14.3%

Post Bank accounted as JV ←

(1) The Group defines non-performing loans (NPL) as lifetime expected credit losses (ECL) credit-impaired loans with contractual principal and or interest payments overdue more than 90 days and purchased or originated credit impaired (POCI) loans with principal and or interest payments becoming overdue more than 90 days after the date of initial recognition.

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