

VTB Group Investor Presentation

November 2014



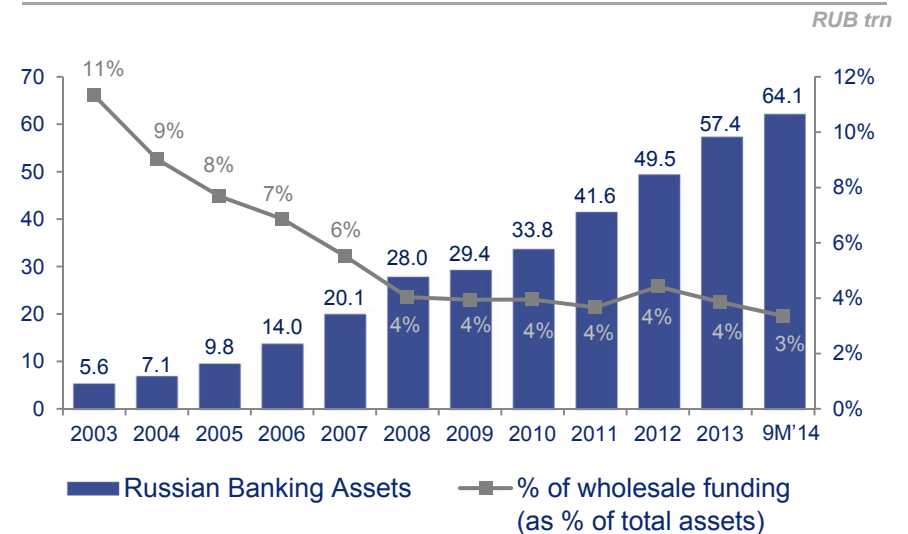
Some of the information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of JSC VTB Bank ("VTB") and its subsidiaries (together with VTB, the "Group"). Such forward-looking statements are based on numerous assumptions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

Russian Banking Sector Overview

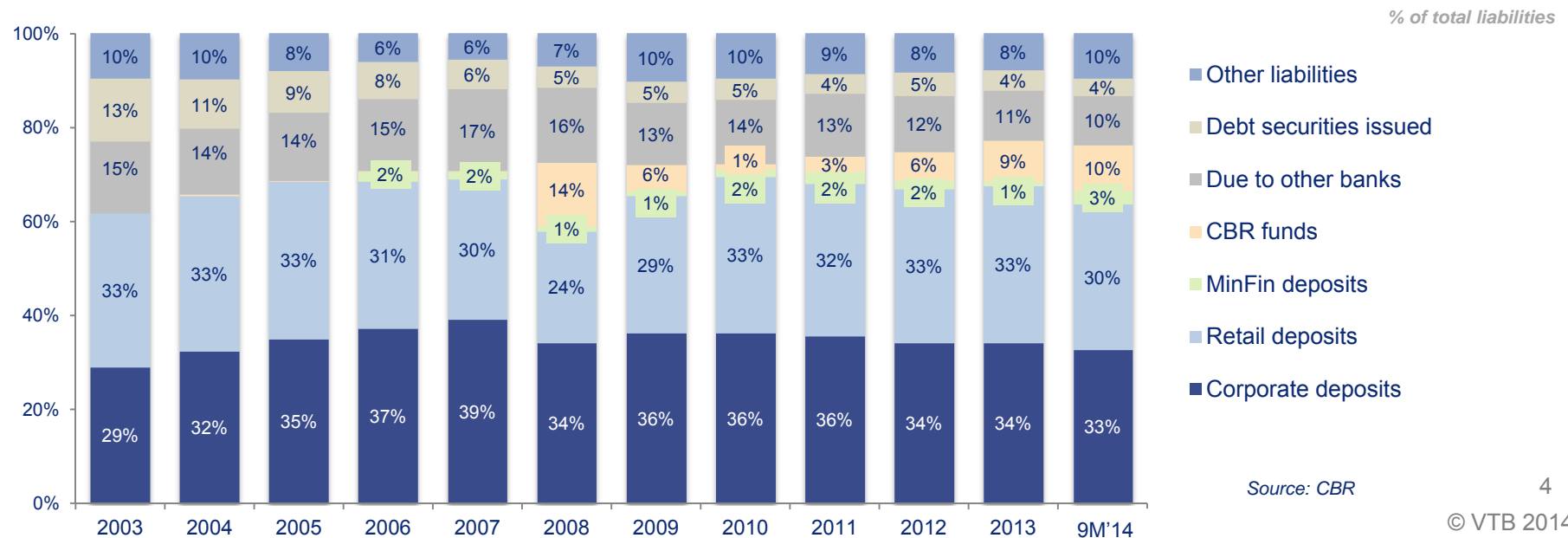
Russian Banking Sector Reliance on International Debt Capital Markets Has Been Substantially Reduced in the Past 10 Years

- Russian banking sector reliance on wholesale funding has been substantially reduced in the past 10 years. The total share of Eurobonds in Russian banks' total funding is well below 5%.
- Russian banks continue to rely on deposit funding: average loan-to-deposit ratio (excluding MinFin deposits) is at 1.0x.
- Given that the US and EU capital markets are effectively closed for Russian state banks, reliance on the CBR funding (REPO, lending through Regulation # 312-P) is growing.

Decreasing reliance on wholesale funding



Russian banking sector liabilities structure



Source: CBR

Russian Banks' Funding Sources

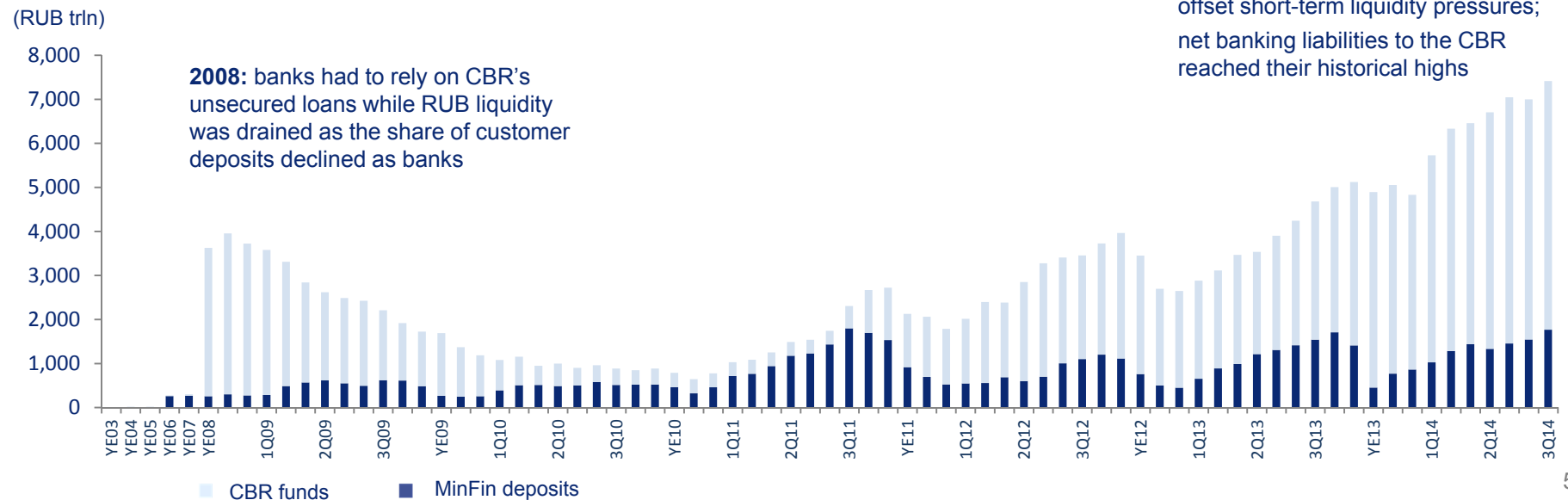
Regular funding sources

- **Deposits and current accounts:** retail, corporate, government-related, municipal
- **Interbank:** money market, bilateral, trade finance
- **CBR:** repo, 312-P, MTRO auctions
- **Capital markets:** syndicated loans, domestic and international bonds, incl. Eurobonds in local currencies (SGD, CHF, CNY, GBP)

Liquidity support by monetary authorities

- **CBR:** enhanced repo facilities, FX swap, MTRO, **Minfin:** regular deposit auctions
- **Additional sources:** unsterilised interventions in the FX market, bond purchases, “extraordinary” unsecured loans (only as an anti-crisis measure)
- **SWF/Pension Fund:** liquidity injections by the sovereign wealth fund via VEB and/or State Pension Fund manager

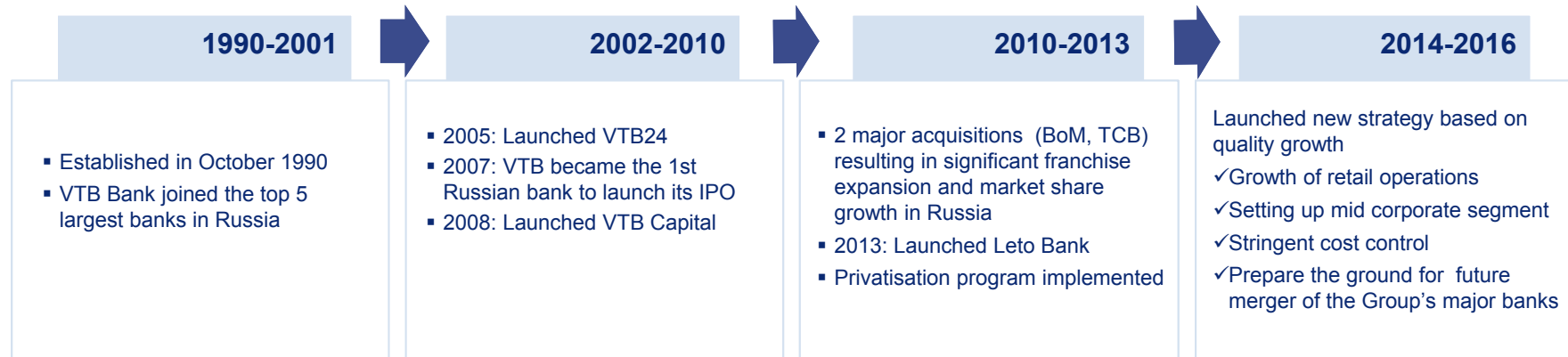
Domestic liquidity: CBR acting as a backstop



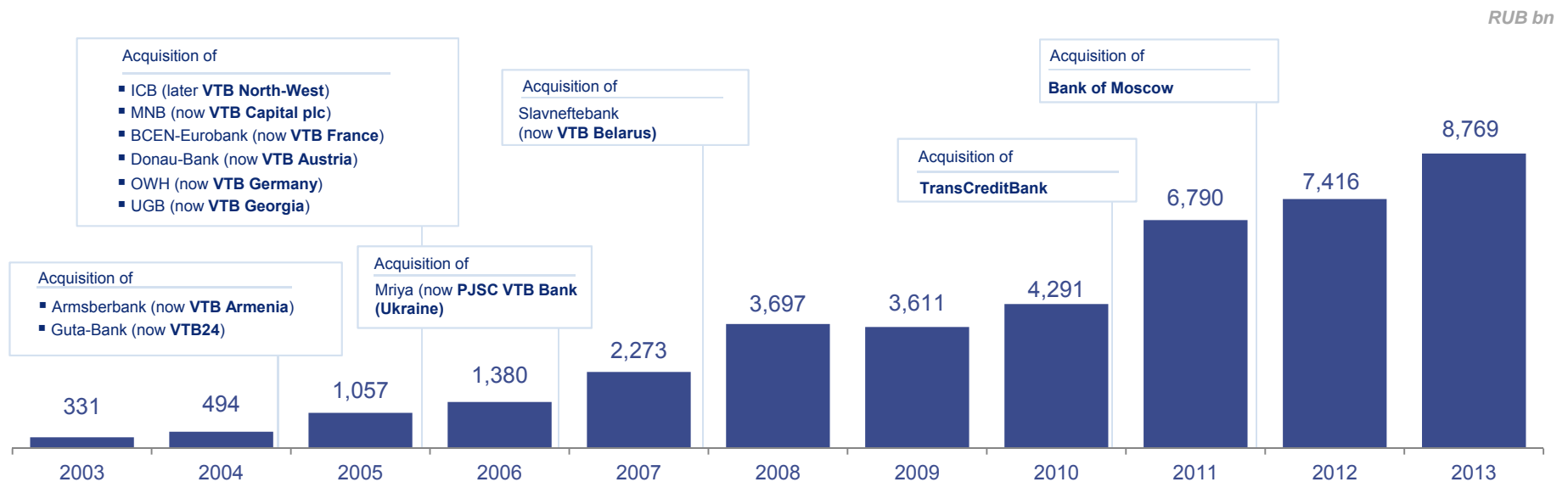
VTB Group at a Glance

VTB: Successful Growth Story – through Organic Growth and M&A

VTB corporate history



In the past 10 years, VTB Group demonstrated over 25 times increase in total assets



2014 – 2016 Strategy of Quality Growth: Strategic Goals Remain Intact, Tactics Is To Adapt

Key initiatives



VTB: Unique Business Model – Universal Banking Platform Incorporating CIB, Retail Banking and Other Financial Services

Corporate and investment banking



Corporate banking

- Significant scale and strong market position
- Broad corporate client base
- Well established relationships with leading Russian companies across all economic sectors

Transaction banking

A separate transaction banking unit established to grow the Group's commission-based income by increasing sales of existing transaction-related products and services

Investment banking

- Strong franchise
- Full range of investment banking services
- VTB Capital, the Group's investment bank – the leader in the Russian Investment banking industry

Mid-corporate banking



As at 31 March 2014, the Group introduced a new reportable segment MCB previously combined in CIB following introduction of a new global business line of MCB and subsequent client segmentation on the base of the clients' revenue and global business line geographical scope.

Retail banking



- The Group is the second-largest Russian retail bank by loans and deposits as of 9M'2014
- Extensive distribution network, with broad coverage throughout the Russian Federation

Non-banking financial businesses



VTB Leasing is today one of the leading Russian leasing companies, offering a broad range of services, with regional offices across Russia and subsidiaries in the CIS and Europe



VTB Insurance provides individuals and institutions with a full range of services: property insurance, civil and professional liability insurance, and personal insurance (excluding life insurance)



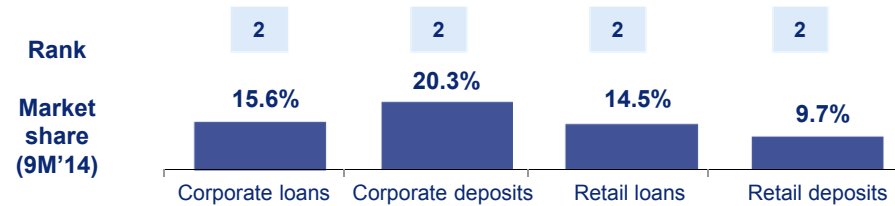
The Group offers factoring and ancillary services, incl. the management and collection of receivables and credit management, to corporate clients through its factoring company VTB Factoring

VTB at a Glance

Leading player in Russia

- Leading Russian bank with strong and consolidated positioning in all key segments
 - #2 by assets and all key banking metrics
 - Russia represents c. 75% of total assets

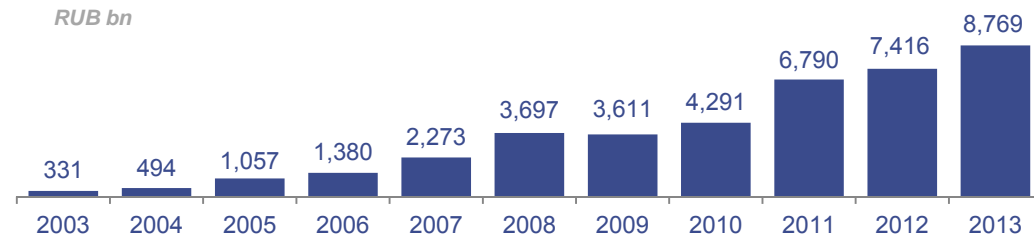
National champion



Successful growth story

- Strong and rapidly expanding, competitive positioning
- Supported by acquisitions
 - VTB24, Promstroybank, TransCreditBank, Bank of Moscow

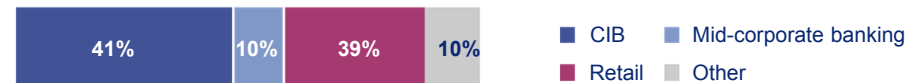
Strong asset growth



Well established universal banking model

- Diversified business model
 - Successful expansion of retail franchise: VTB Group retail loans grew 21% in 9M'14 and comprise 23% of total book
 - VTB is the leading investment bank in Russia

Well diversified revenue mix⁽¹⁾



With focused international presence

- Operating in 23 countries
- Well positioned to support Russian businesses abroad

Globally connected to significant trade flows / interests with Russia

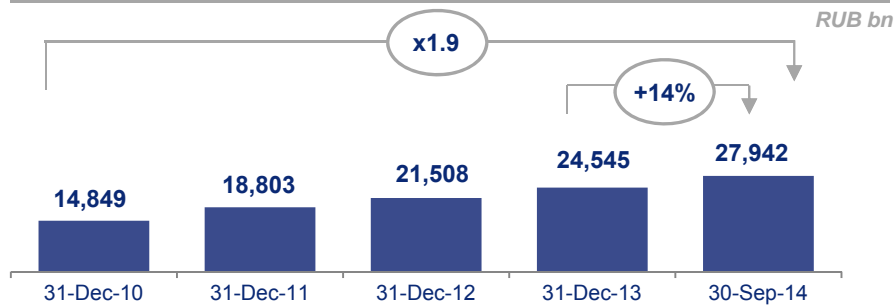


■ Solid client base: c.17 mln active retail and corporate customers

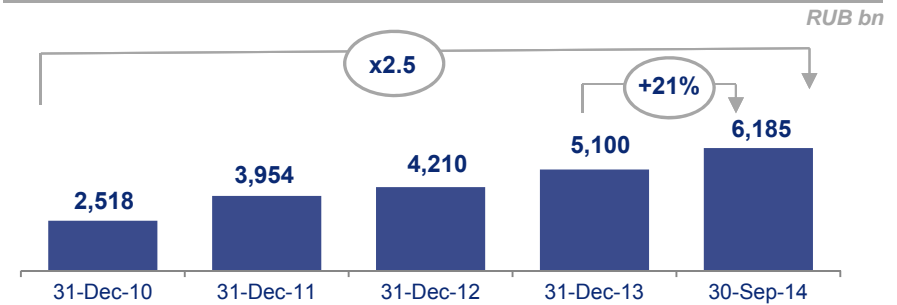
(1) Calculated based on 9M'14 revenues from external customers.

Corporate Banking: VTB Business Volumes Doubled since 2010

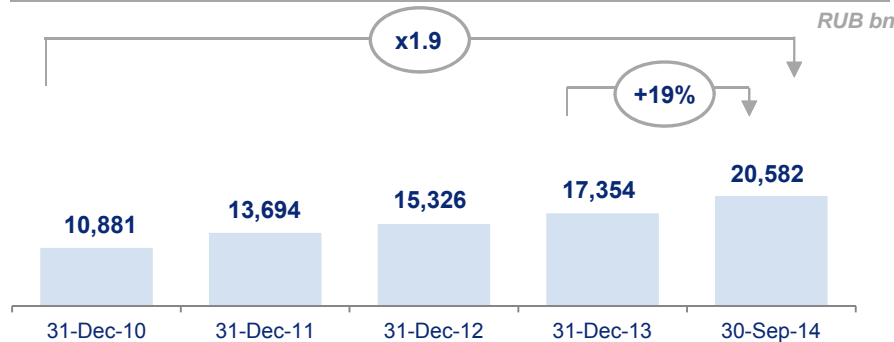
Corporate loan market in Russia



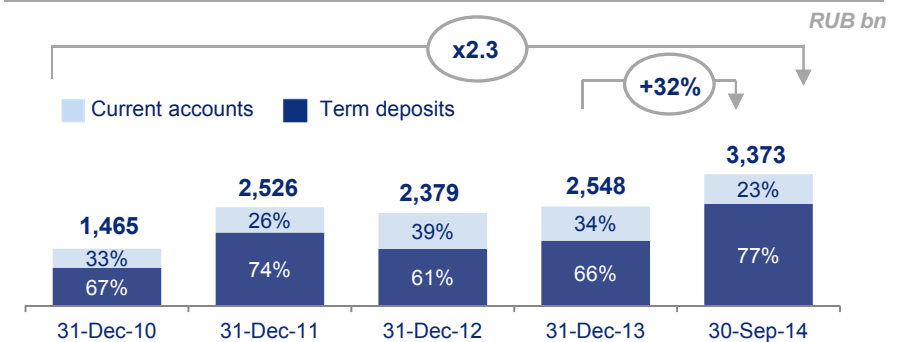
VTB Group corporate loan portfolio



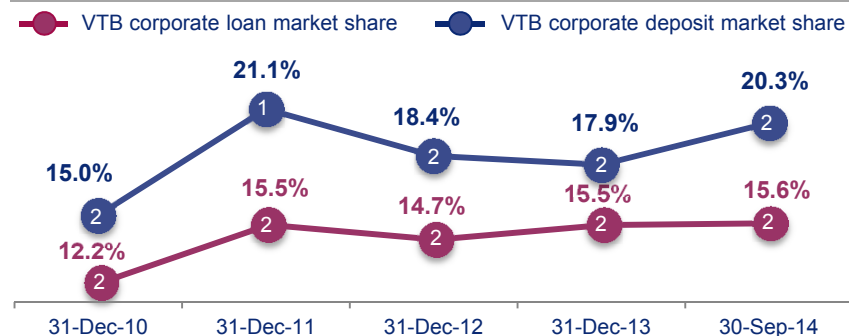
Corporate deposit market in Russia



VTB Group corporate liabilities

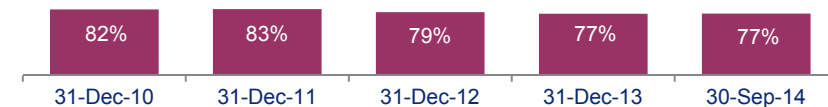


VTB corporate market share in Russia

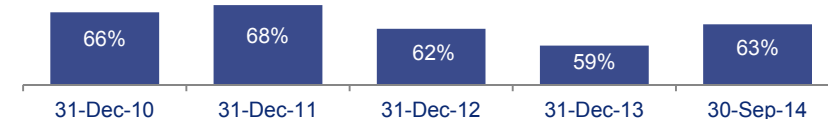


Share of corporate business in loans and deposits

Share in total loan book

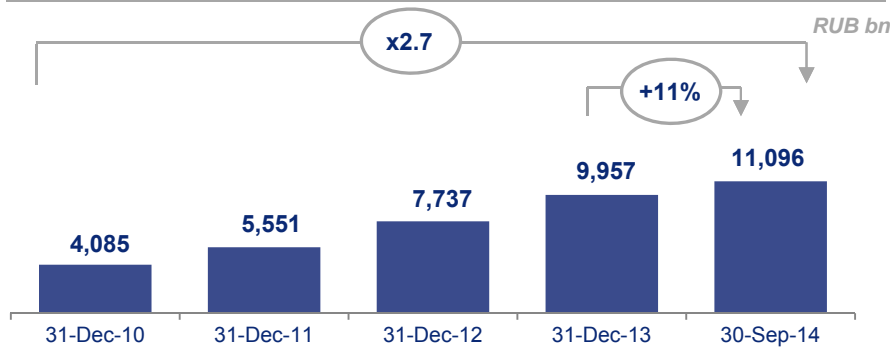


Share in total customer deposits

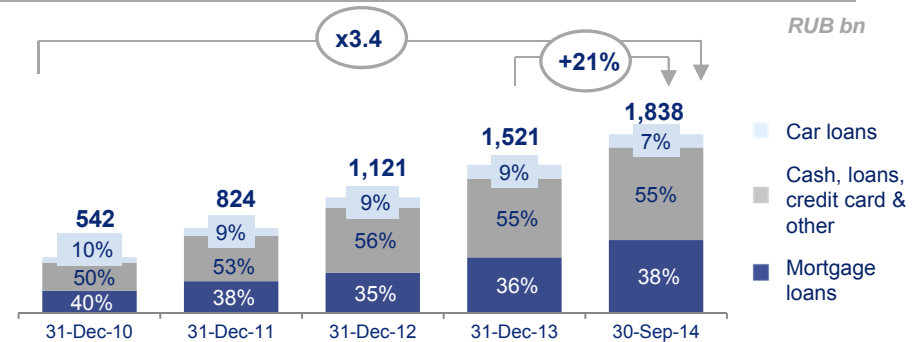


Retail Banking: VTB Business Volumes Tripled since 2010

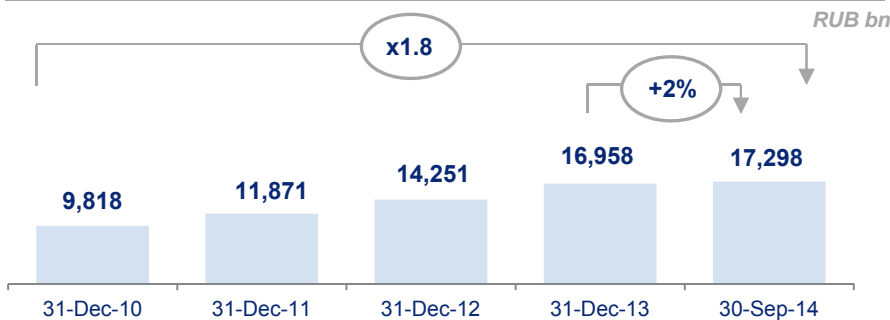
Retail loan market in Russia



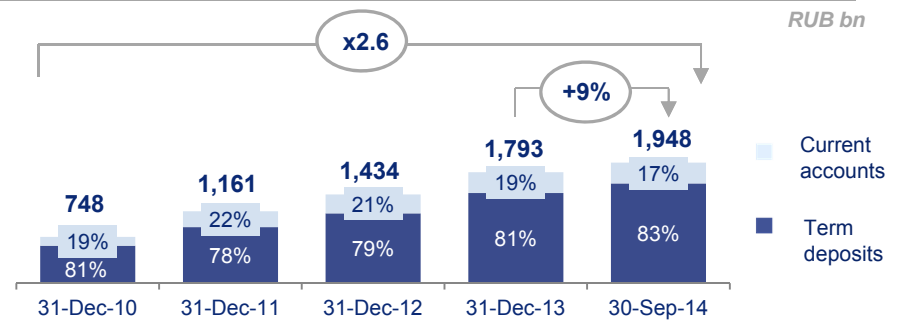
VTB Group retail loan portfolio



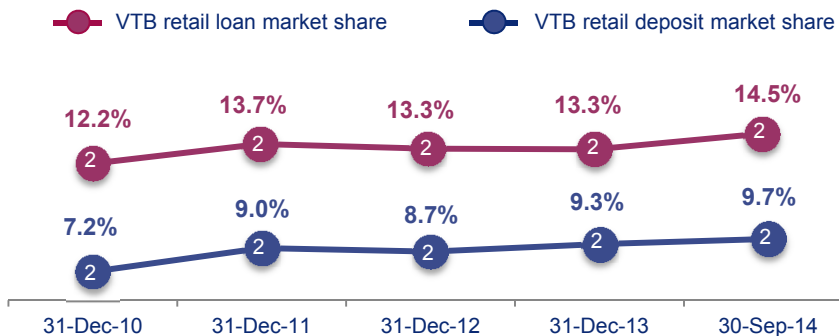
Retail deposit market in Russia



VTB Group retail deposits



VTB retail market share in Russia



Share of retail in loans and deposits

Share in total loan book

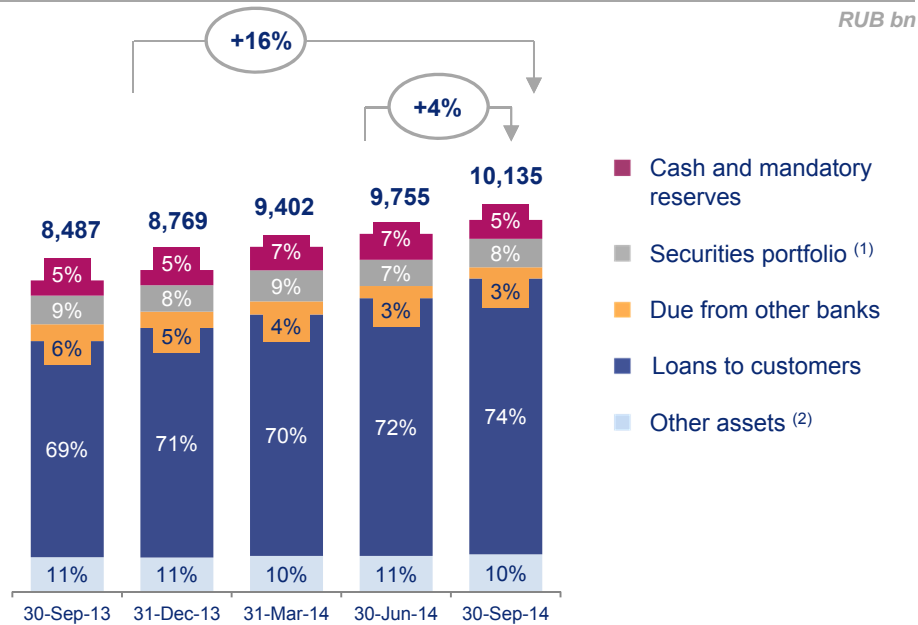


Share in total customer deposits

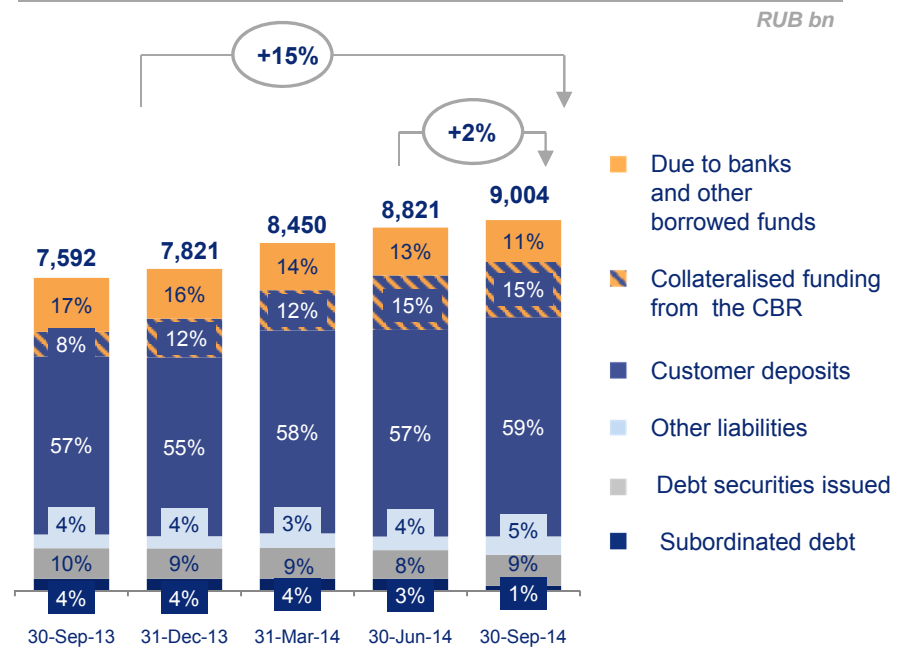


Balance Sheet and Maturity Profile

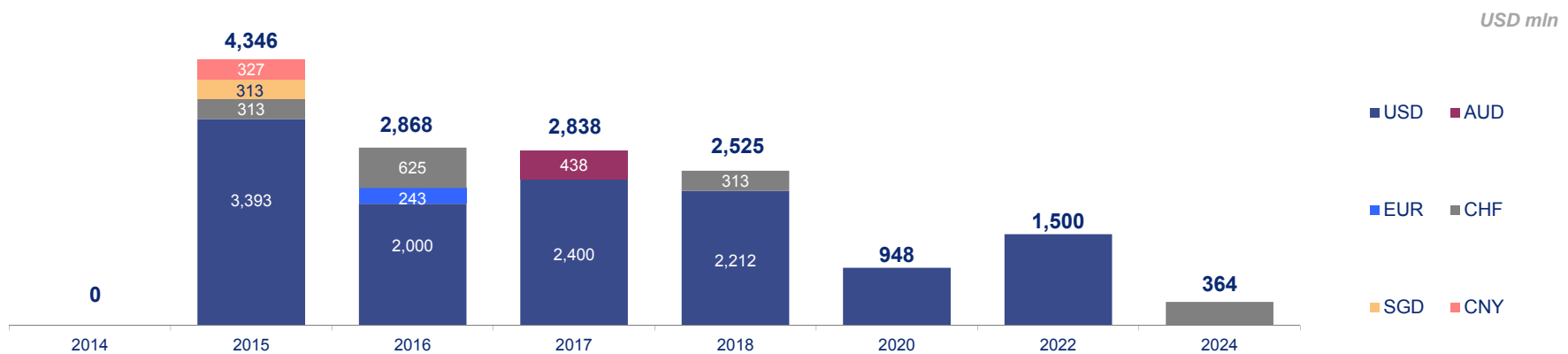
Assets structure



Liabilities structure



VTB Group international debt maturity profile (3)

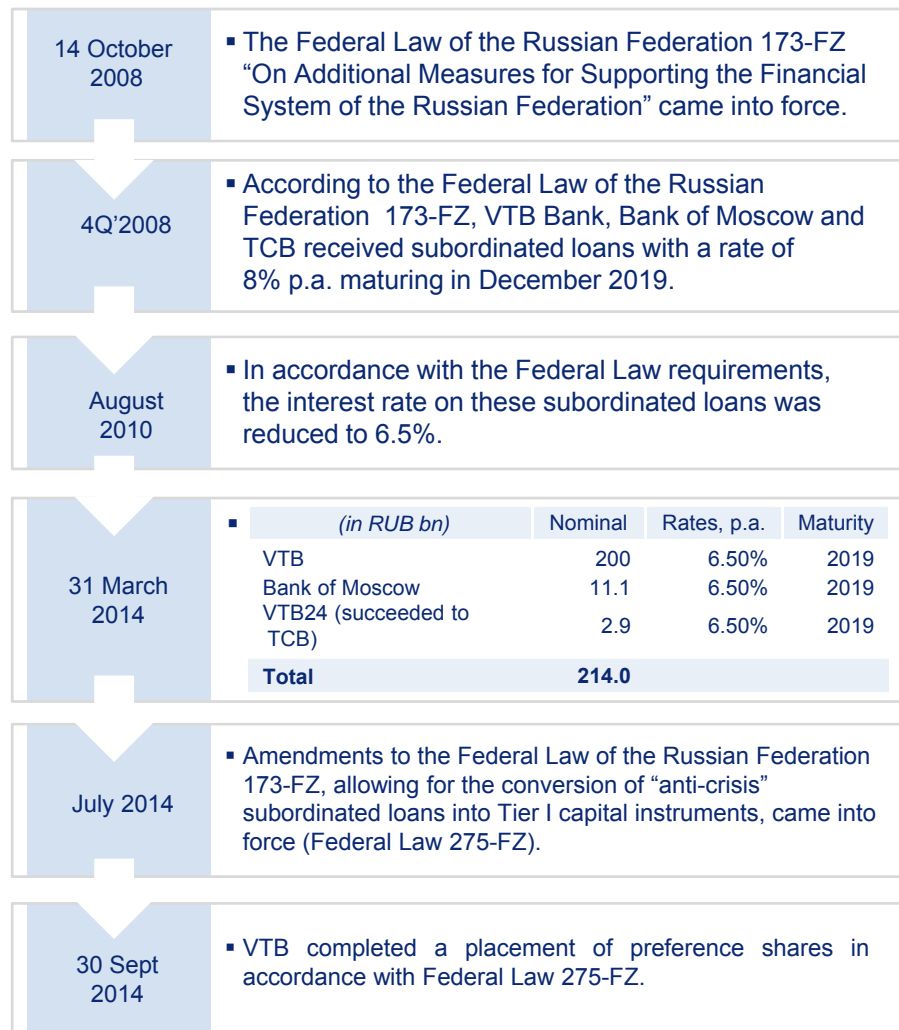


(1) Includes debt and equity securities, assets pledged under REPO, securities classified as due from other banks and loans to customers, and derivatives.

(2) Includes investment in associates, premises and equipment, investment property, intangible assets and goodwill, deferred tax assets and others.

(3) Exchange rates published by the CBR are as of October 31, 2014. In addition to international debt, VTB Group currently has RUB 244 bn domestic bonds and USD 220 mln Euro Commercial Paper outstanding.

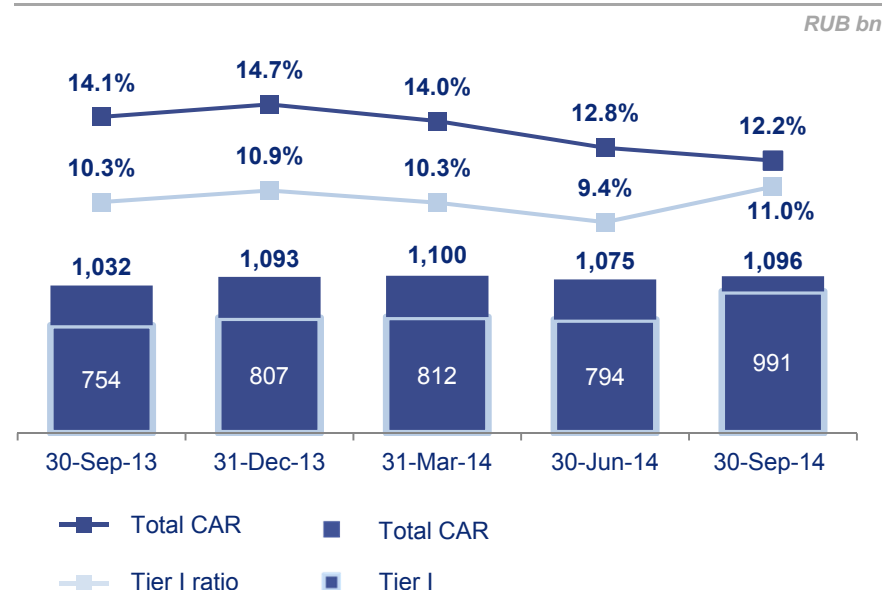
Preference Shares Issuance and Subordinated Loan Conversion: Legal Framework and Timeline



Preference shares terms and conditions

Number of shares issued / nominal value / total issuance amount	21.4 trillion / RUB 0.01 per 1 share / RUB 214 bn
Dividend	Not fixed, non-cumulative, each year to be approved by the AGM
Placement	The issuance was purchased by the Russian Federation Ministry of Finance, shares are not listed or traded
Regulatory treatment	CET1 treatment (under the CBR and Basel III standards)
Voting rights	No voting rights
Subordination (in the event of issuer liquidation)	Pari-passu to common shares, claim on book value is not fixed
Maturity date	No maturity date

BIS Group capital



(1) Pro forma calculation based on RUB 214 bn subordinated debt conversion assumption.

Attachments

1. VTB Group Financials

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2. VTB Group Public Debt Instruments

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VTB Group Financials



VTB Group 3Q'2014: P&L and Key Ratios

Income Statement – Key Indicators

<i>(in RUB bn)</i>	3q'2014	2q'2014	1q'2014	4q'2013	3q'2013	y-o-y
Net interest income before provisions	91.0	87.3	89.9	89.8	82.9	9.8%
Net fee and commission income	16.0	14.5	14.3	16.5	13.3	20.3%
Other operating income	24.2	13.6	0.5	1.1	1.1	2100.0%
Operating income before provisions ⁽¹⁾	131.2	115.4	104.7	148.0	97.3	34.8%
Provision charge for impairment ⁽²⁾	(69.6)	(48.7)	(48.0)	(24.5)	(22.0)	216.4%
Staff costs and administrative expenses	(54.9)	(56.2)	(52.8)	(61.7)	(51.9)	5.8%
Net profit	0.4	4.6	0.4	54.5	18.4	-97.8%

Key Financial Ratios

	3q'2014	2q'2014	1q'2014	4q'2013	3q'2013	y-o-y
Net interest margin ⁽³⁾	4.1%	4.3%	4.5%	4.7%	4.5%	-40 bps
Cost of risk ⁽⁴⁾	2.9%	2.5%	2.8%	1.5%	1.5%	140 bps
Cost / Assets	2.2%	2.3%	2.3%	2.9%	2.5%	-30 bps
ROE	0.2%	2.0%	0.2%	23.7%	8.3%	-810 bps
ROA	0.0%	0.2%	0.0%	2.5%	0.9%	-90 bps

- (1) Operating income before provisions is calculated before provision charge for impairment of debt financial assets and provision charge for impairment of other assets, credit-related commitments and legal claims.
(2) Calculated including provisions for impairment of debt financial assets and provisions for impairment of other assets, credit-related commitments and legal claims.
(3) 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.
(4) Represents provision charge for impairment of debt financial assets to the average gross loan portfolio.

VTB Group 3Q'2014 Financial Highlights: Balance Sheet

Balance Sheet – Key Indicators

<i>(in RUB bn)</i>	30-Sep-2014	30-Jun-2014	31-Mar-2014	31-Dec-2013	30-Sep-2013	YTD
Gross loan portfolio	8,022.9	7,465.5	6,989.8	6,620.7	6,277.0	21.2%
- corporate	6,184.8	5,748.0	5,379.7	5,099.9	4,860.3	21.3%
- retail	1,838.1	1,717.5	1,610.1	1,520.8	1,416.7	20.9%
Total assets	10,135.3	9,755.3	9,402.3	8,768.5	8,486.5	15.6%
Customer deposits	5,321.4	5,020.4	4,928.6	4,341.4	4,323.5	22.6%
- corporate	3,373.0	3,154.0	3,066.3	2,548.0	2,657.6	32.4%
- retail	1,948.4	1,866.4	1,862.3	1,793.4	1,665.9	8.6%
Total liabilities	9,004.3	8,821.3	8,449.9	7,821.4	7,591.5	15.1%
Total shareholders' equity	1,131.0	934.0	952.4	947.1	895.0	26.4%

Key Asset Quality Ratios

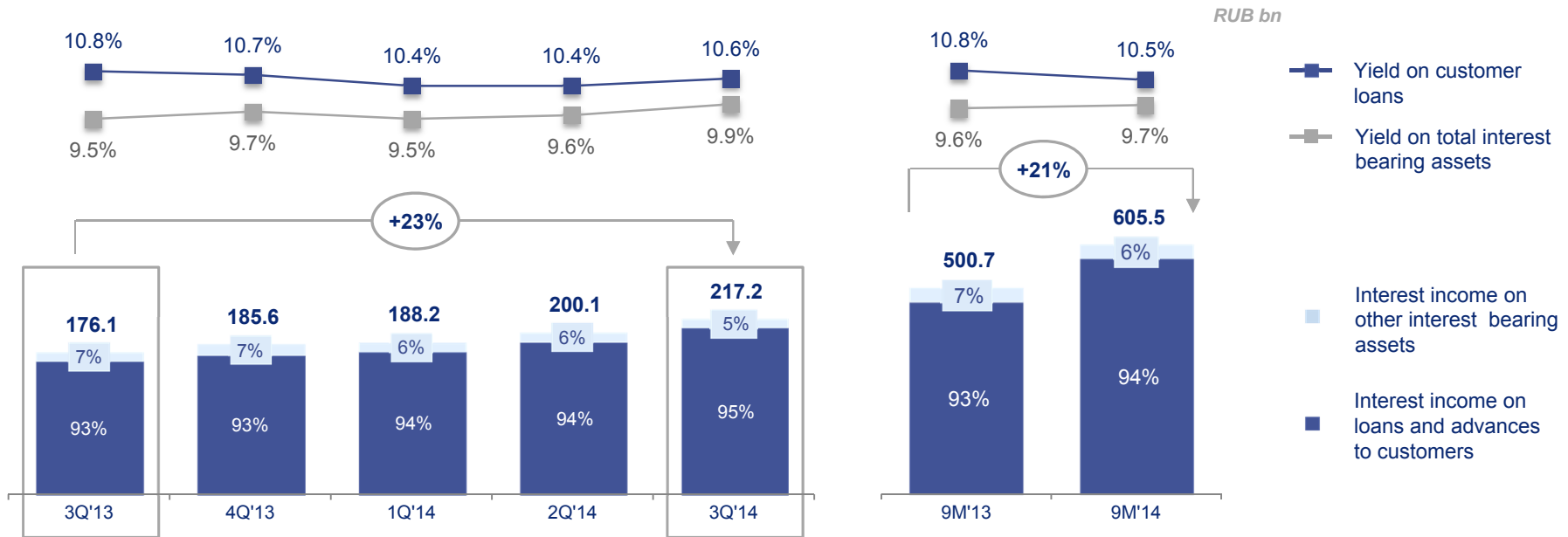
	30-Sep-2014	30-Jun-2014	31-Mar-2014	31-Dec-2013	30-Sep-2013	YTD
NPL ratio ⁽¹⁾	5.9%	5.9%	5.8%	4.7%	5.4%	120 bps
LLR ratio ⁽²⁾	6.3%	5.9%	5.9%	5.5%	6.2%	80 bps

(1) 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.

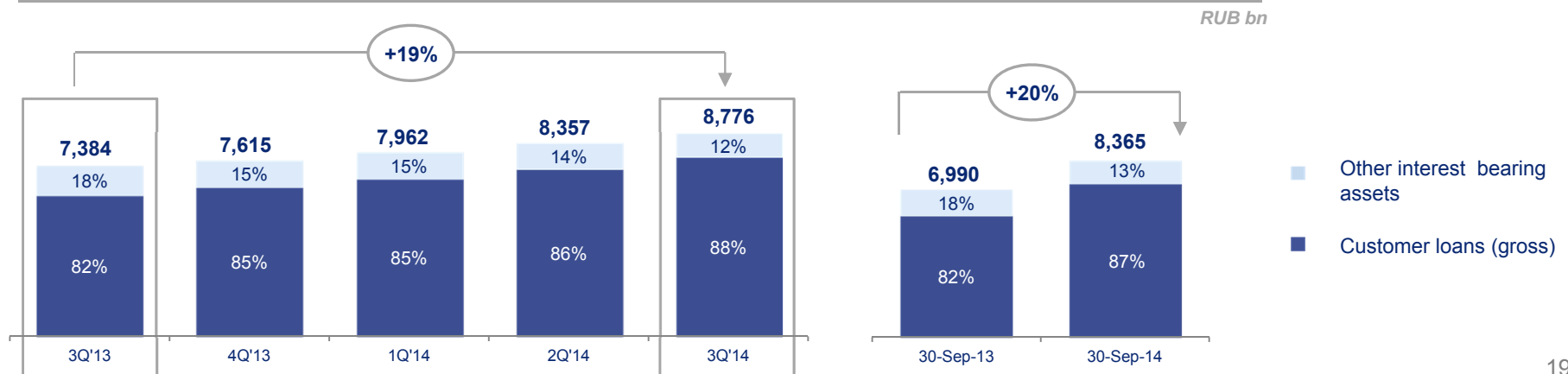
(2) Loan-loss reserve ratio represents allowance for loan impairment to total gross loan portfolio including financial assets classified as loans and advances to customers pledged under repurchase agreements.

Interest Income and Average Yields

Interest income and average yields

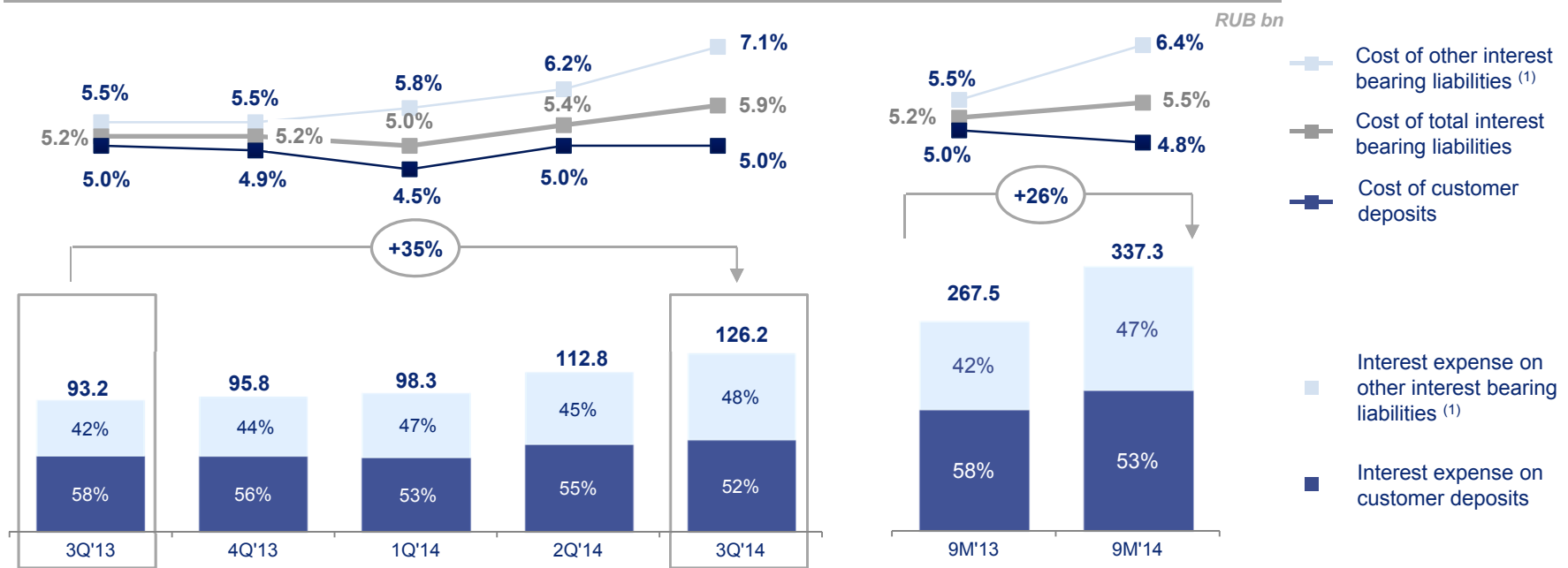


Average interest bearing assets

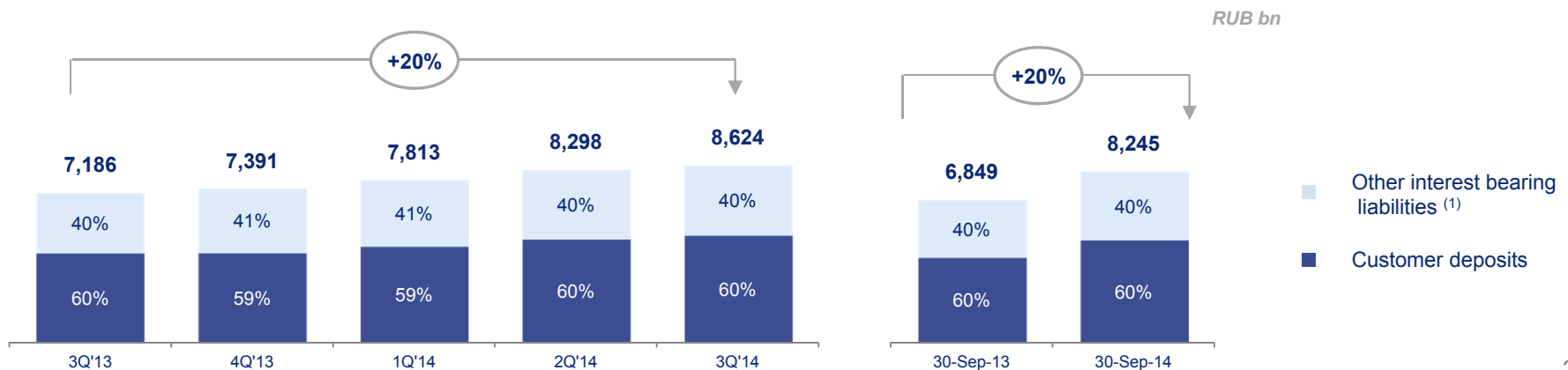


Interest Expense and Cost of Funds

Interest expense and cost of interest bearing liabilities



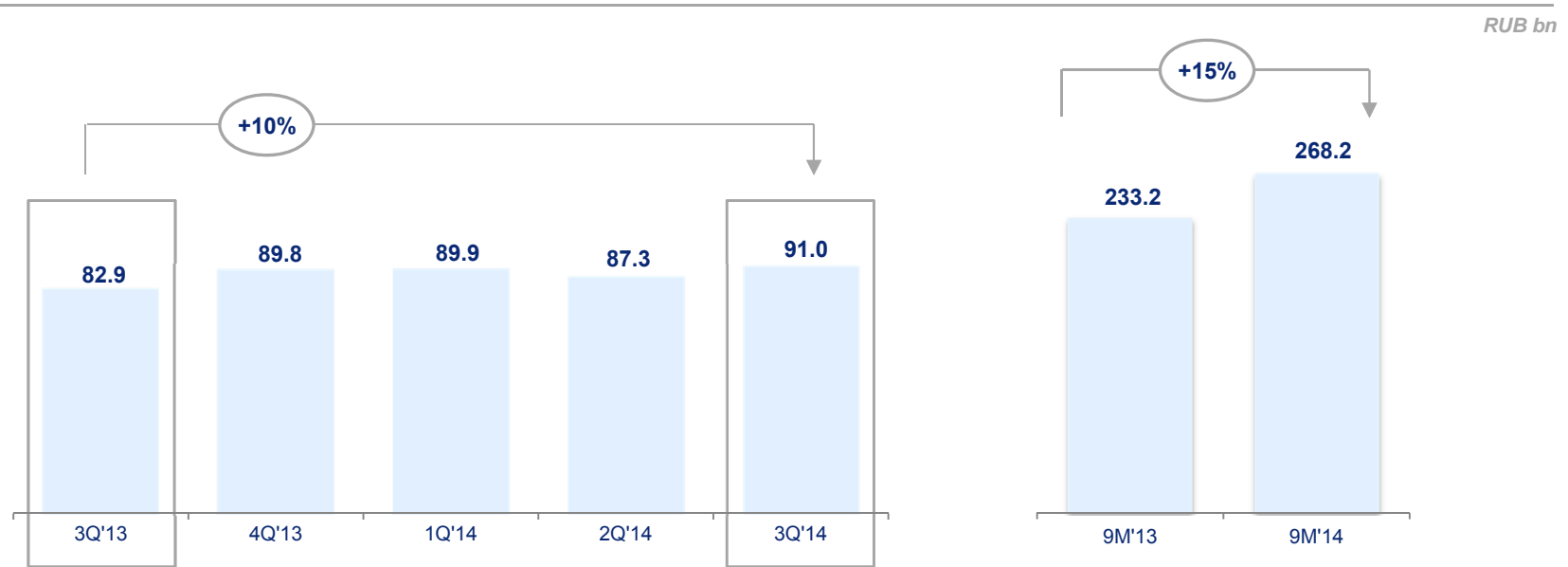
Average interest bearing liabilities



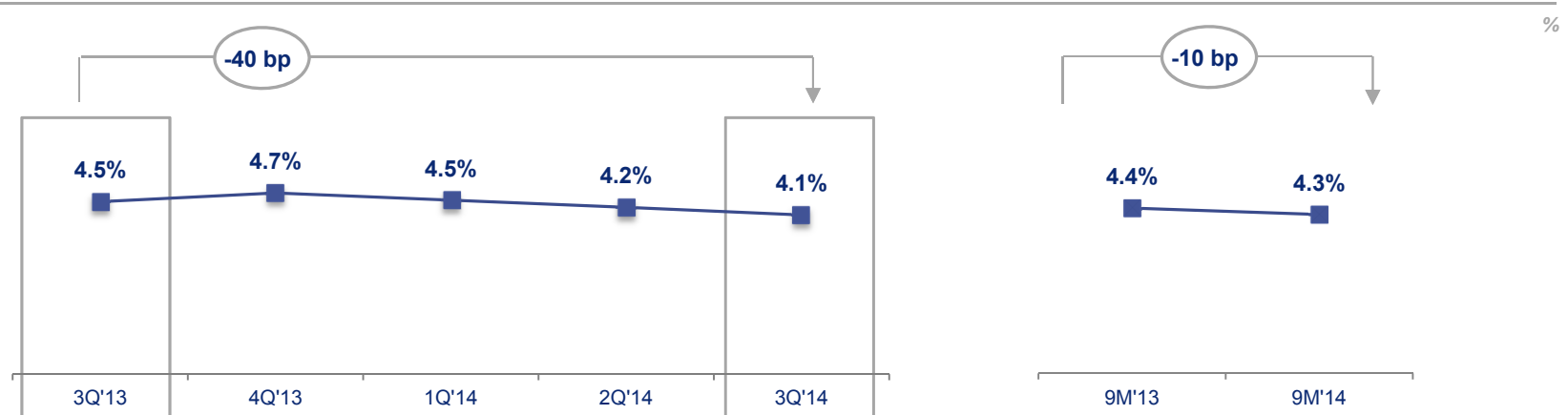
(1) Including debt securities in issue, subordinated debt, interbank (incl. LORO and other borrowed funds).

Net Interest Income and NIM

Net interest income



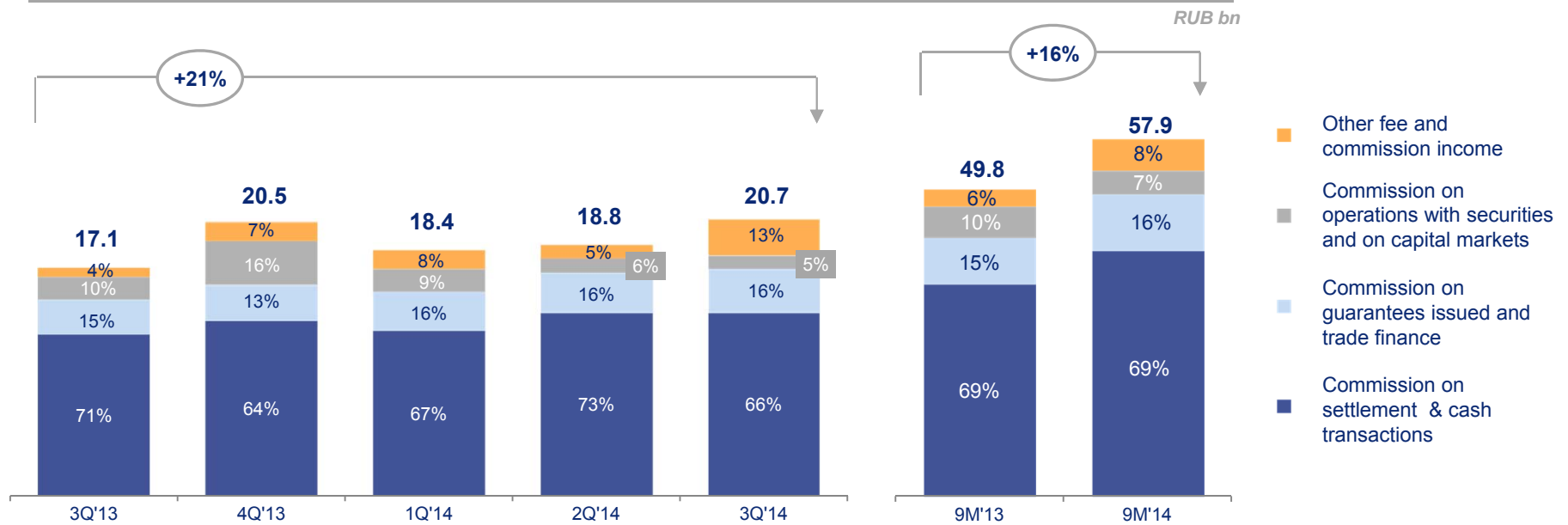
Net interest margin (1)



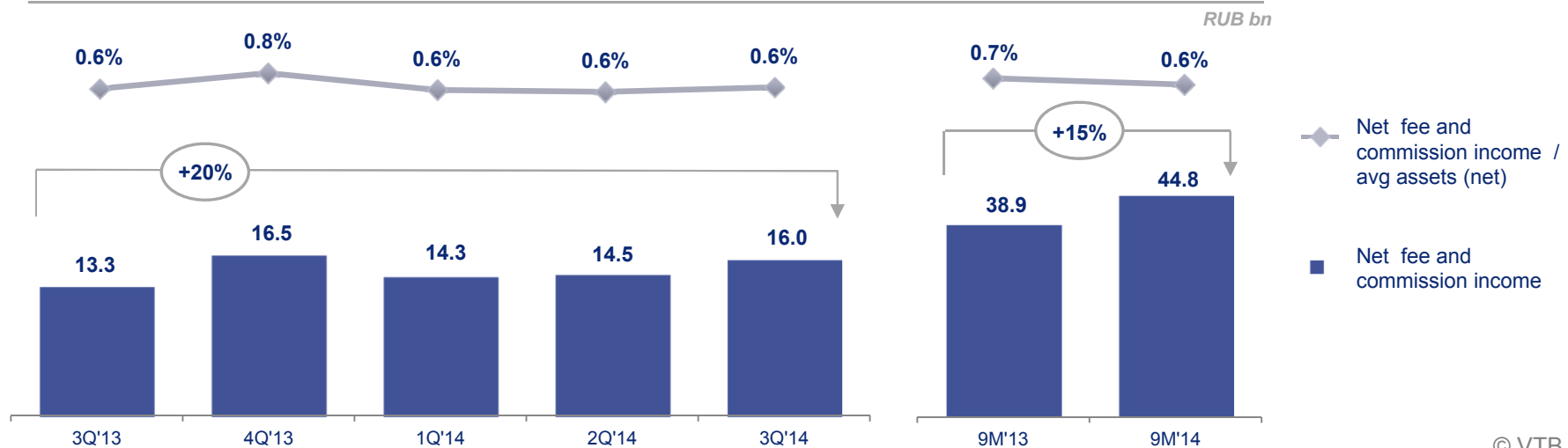
(1) Net interest income divided by average interest earning assets, which include gross loans and advances to customers, due from other banks (gross), debt securities and correspondent accounts with other banks.

Solid Fee and Commission Income Growth

Fee and commission income breakdown

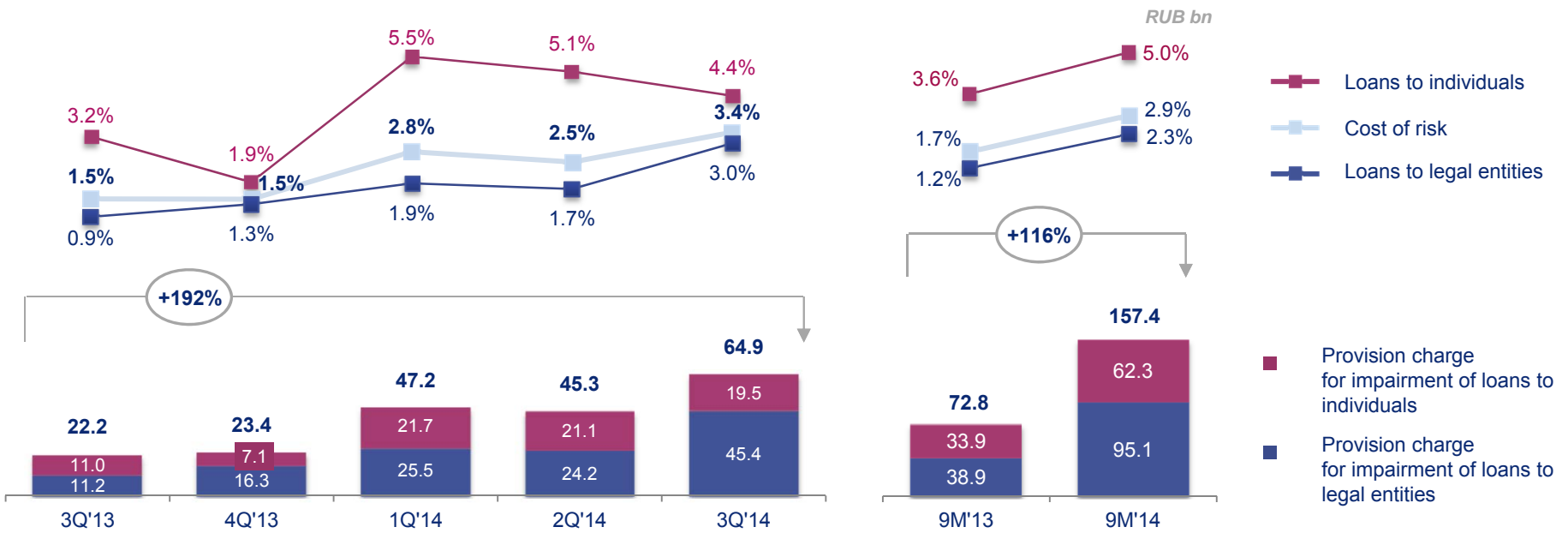


Net fee and commission income

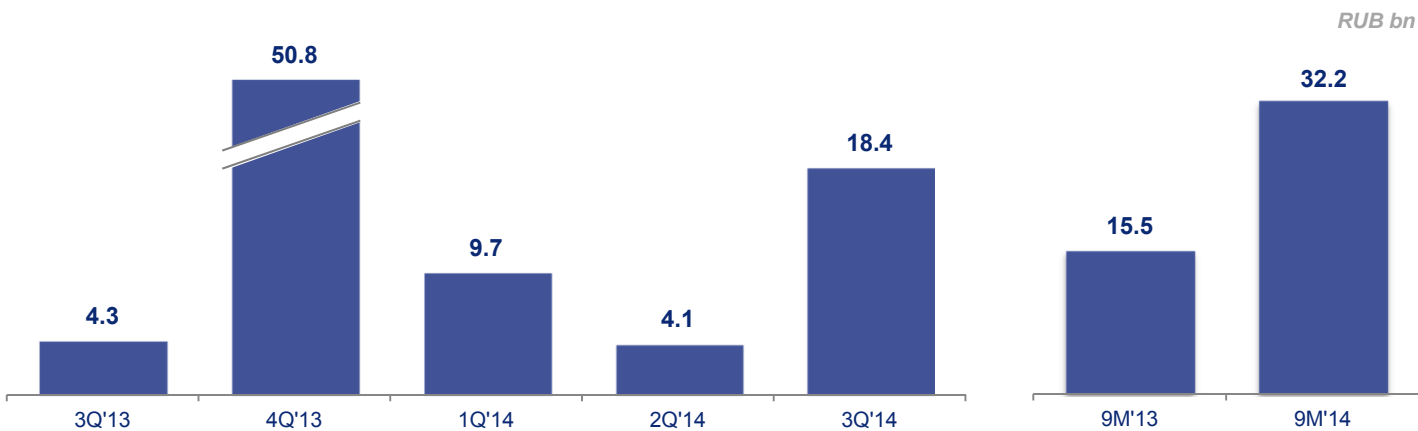


Cost of Risk Reflects Macroeconomic Environment

Provision charge for loan impairment and cost of risk

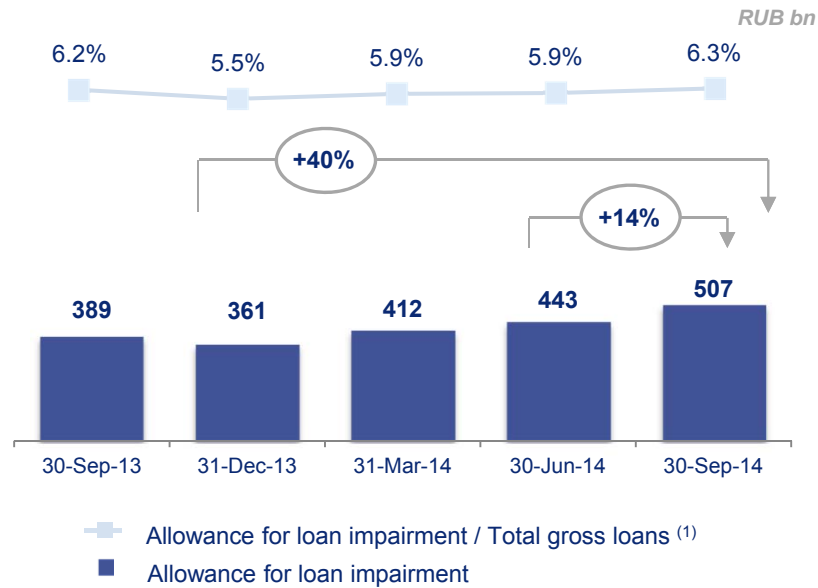


Loan write-offs

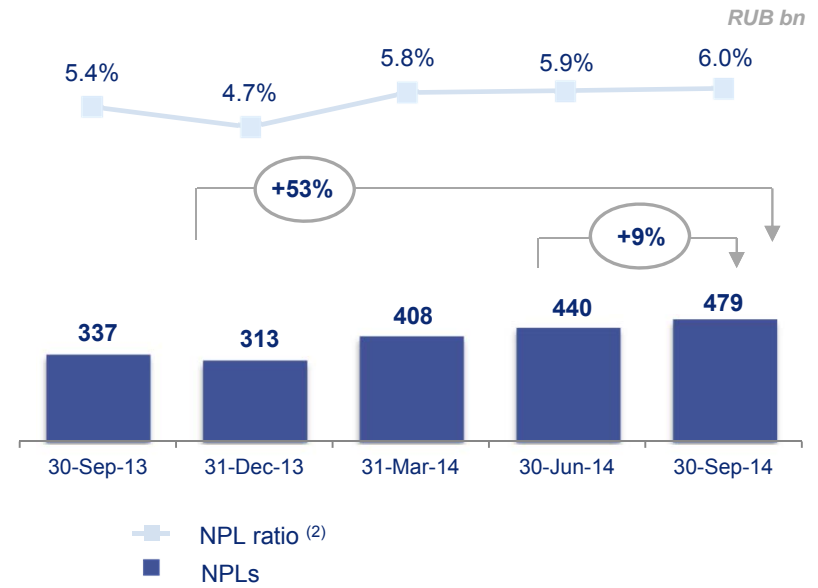


Loan Book Quality

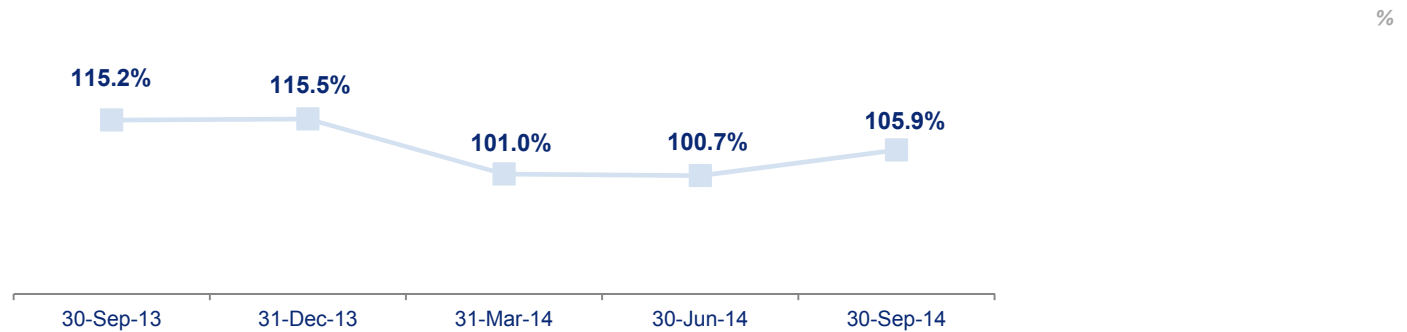
Provision for loan impairment



NPLs (90+)



Coverage ratio

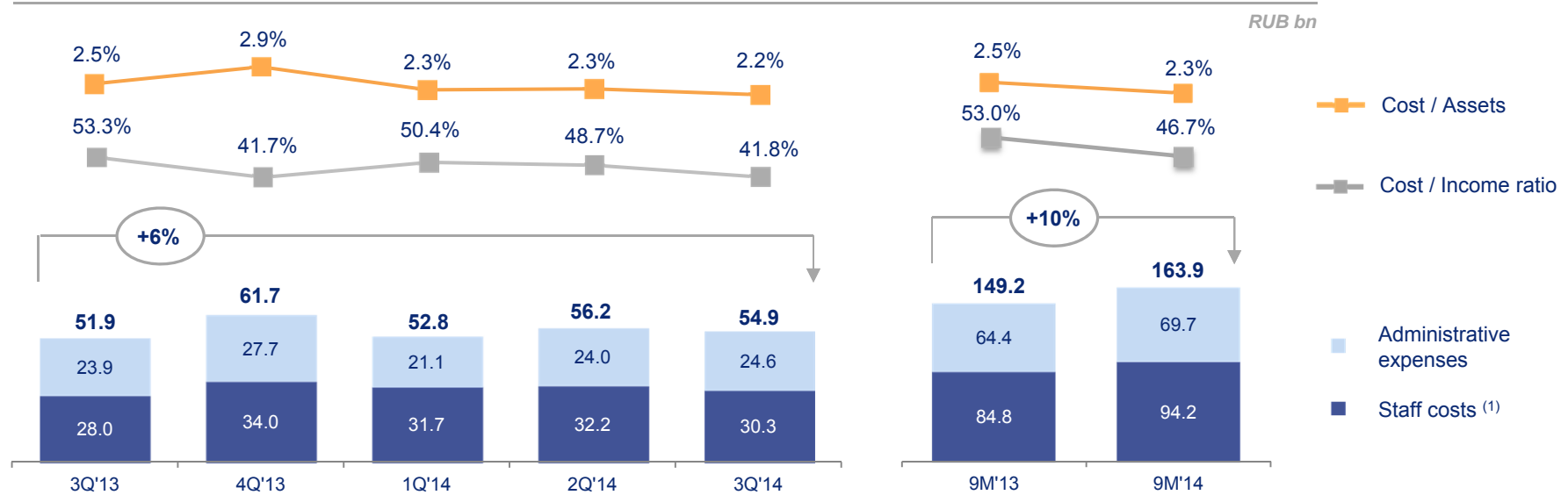


(1) Ratio is calculated to total gross loans including financial assets classified as loans and advances to customers pledged under repurchase agreements.

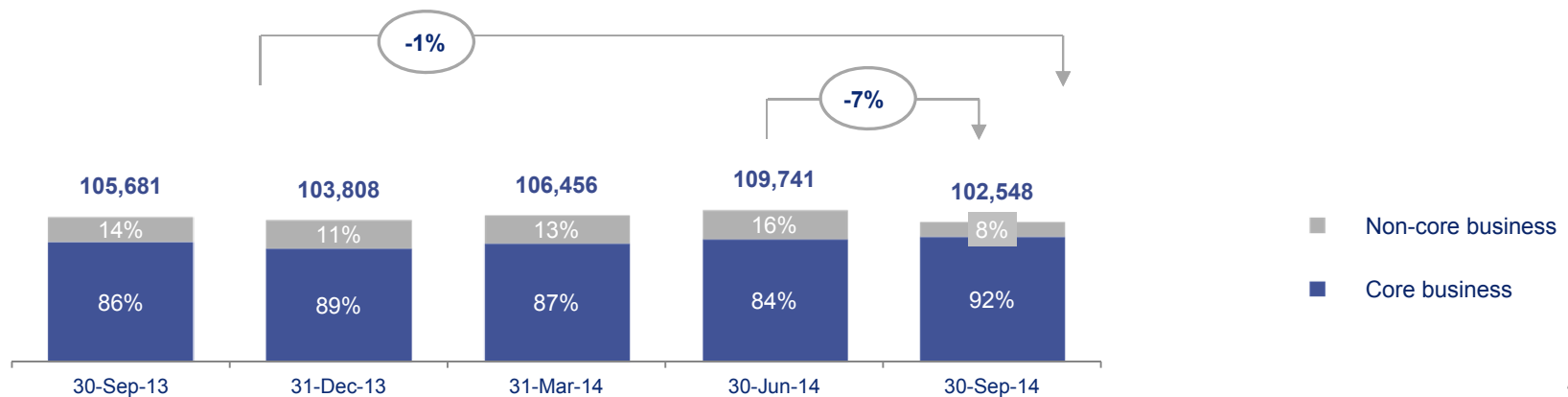
(2) Non-performing loans (NPLs) represent impaired loans with repayments overdue by over 90 days. NPLs are calculated including the entire principal and interest payments. Ratio is calculated to total gross loans including financial assets classified as loans and advances to customers pledged under repurchase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

Staff and Administrative Expenses

Staff costs and administrative expenses



Number of employees

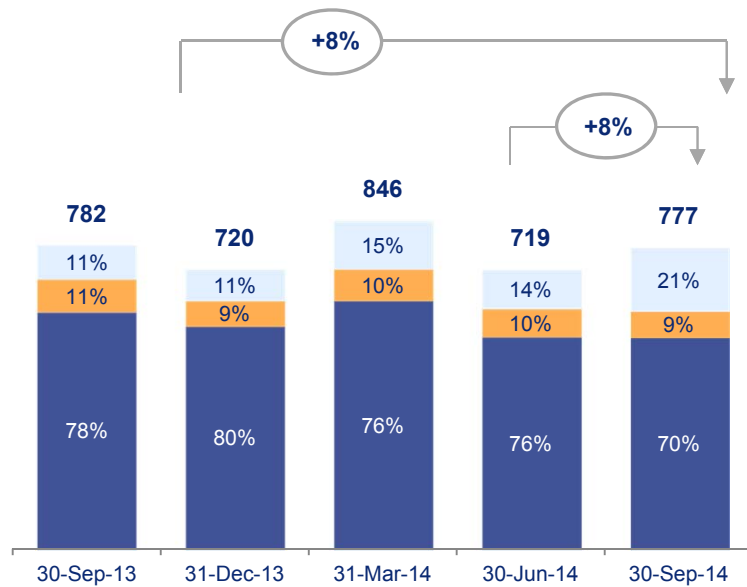


(1) Including pensions.

Financial Instruments

Breakdown by type

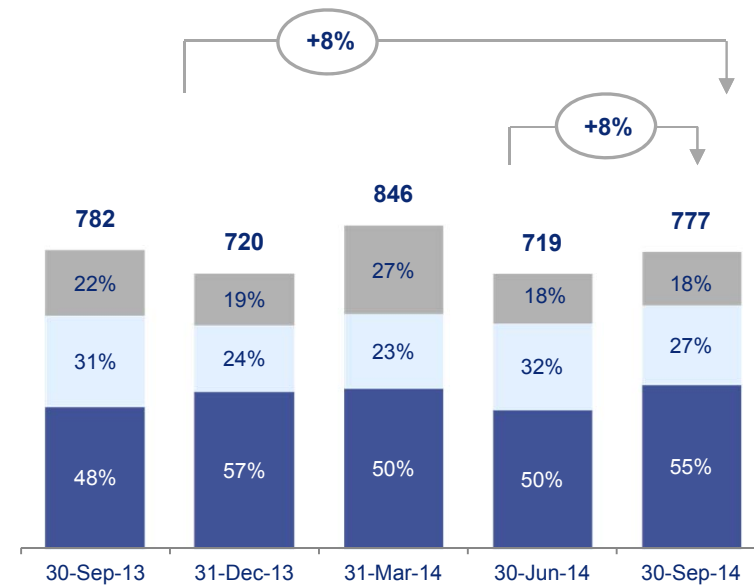
RUB bn



- Derivative assets
- Equity securities
- Debt securities

Breakdown by classification

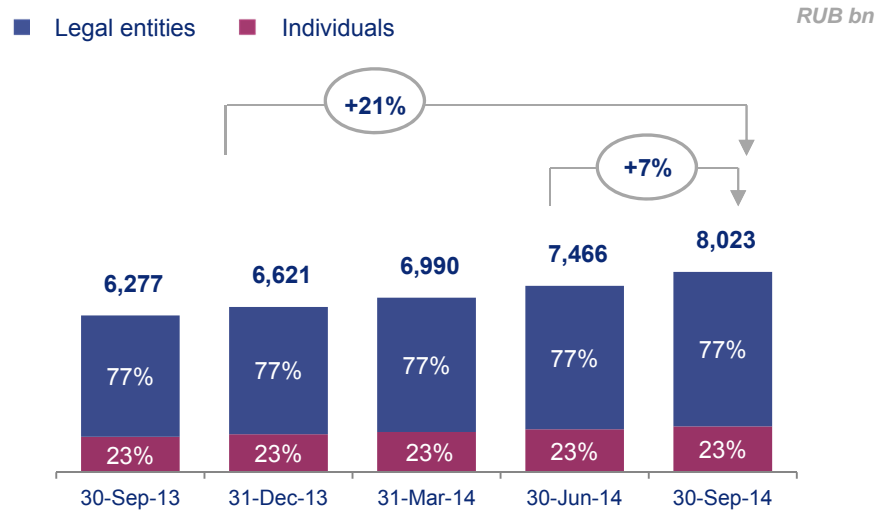
RUB bn



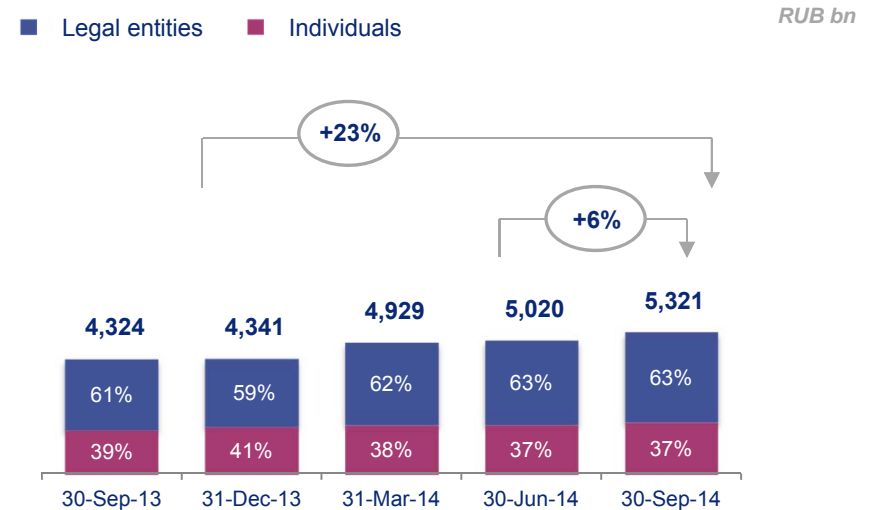
- Investment financial assets (AFS & HTM)
- Financial assets, other than loans and advances and due from other banks, pledged under repurchase agreements
- Financial assets at fair value through profit or loss

Loan Portfolio and Customer Deposits

Loans and advances to customers

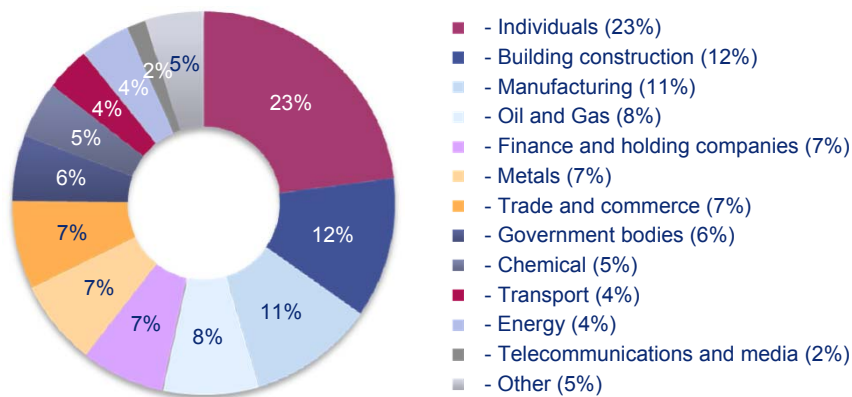


Customer deposits

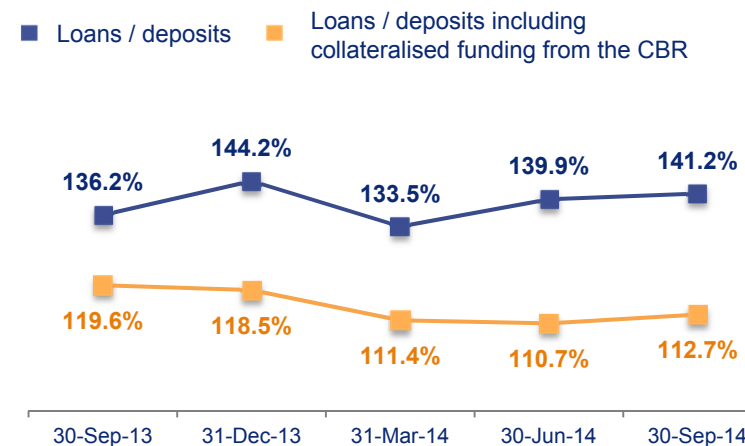


Loans and advances to customers by industry

30-Sep-14

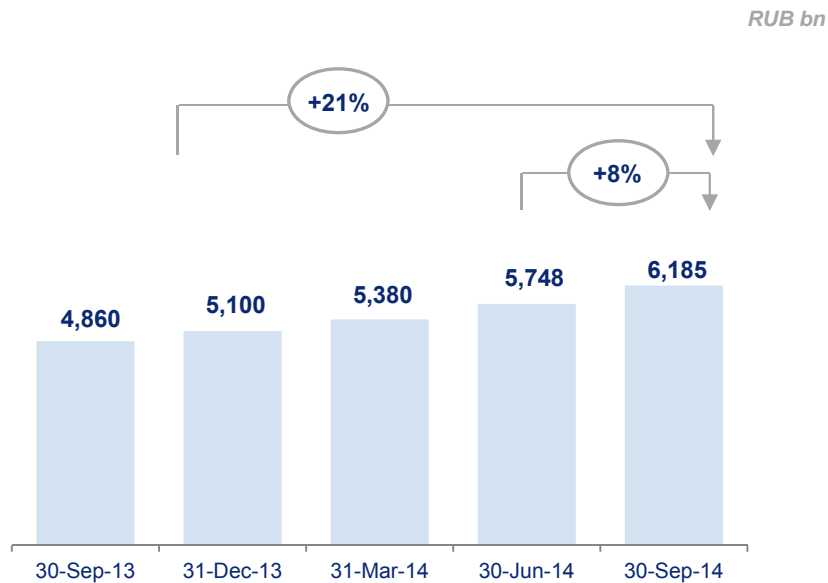


Customer loans / customer deposits

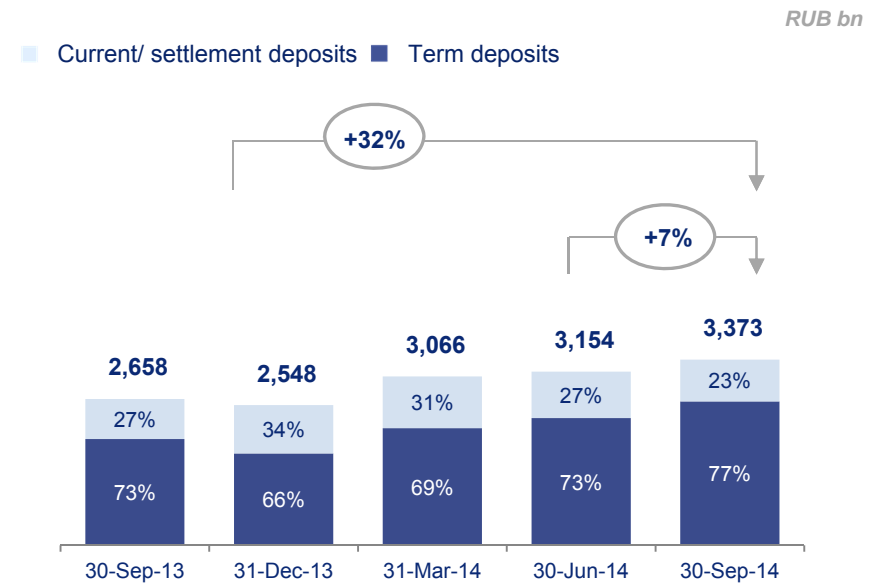


Performance of Corporate Banking

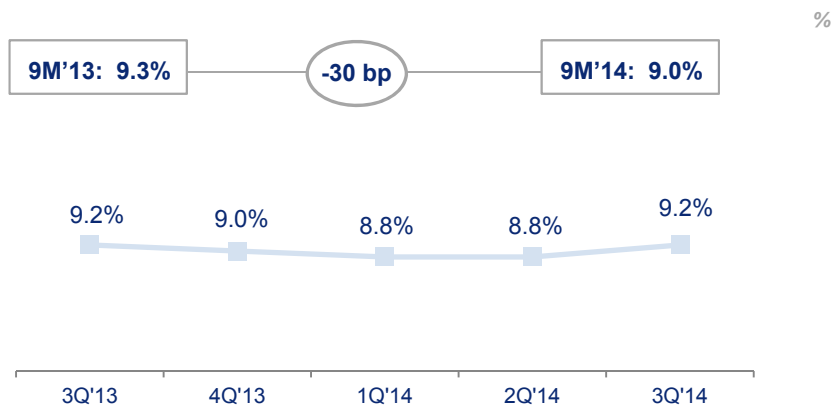
Loans to legal entities



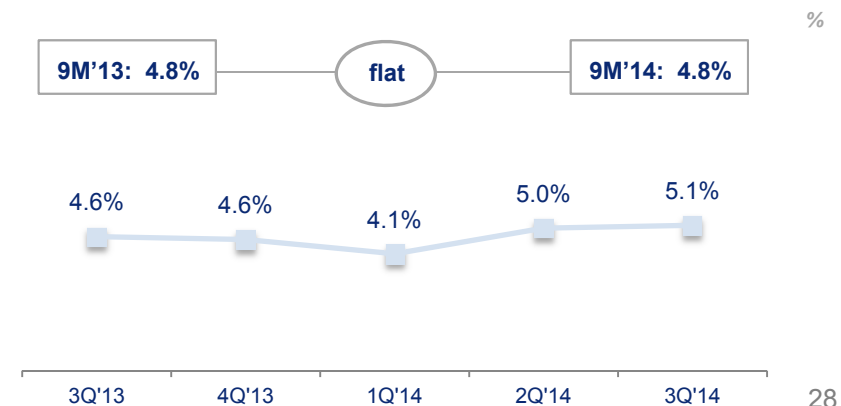
Deposits of legal entities



Yield on loans to legal entities

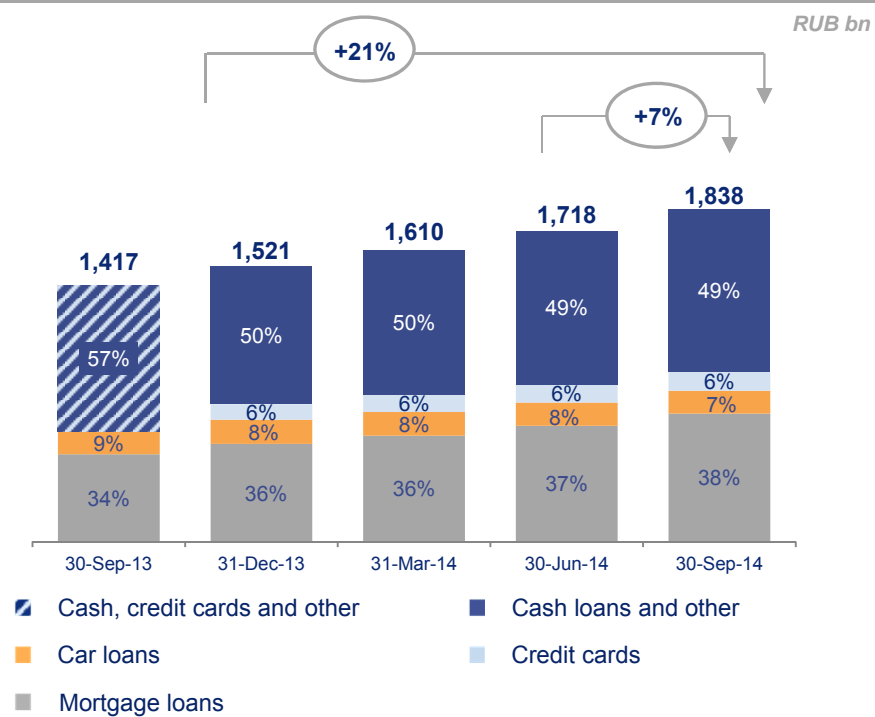


Cost of deposits of legal entities

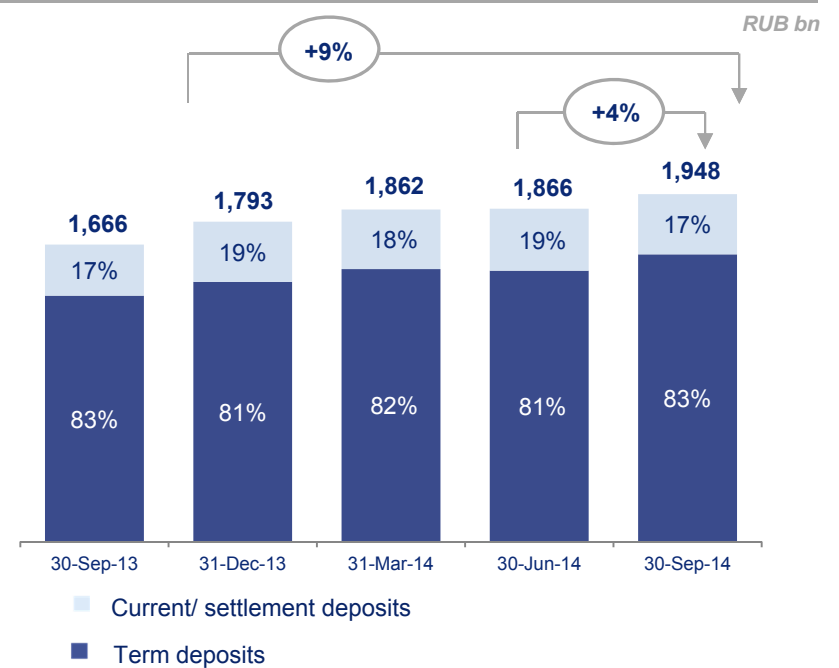


Performance of Retail Banking

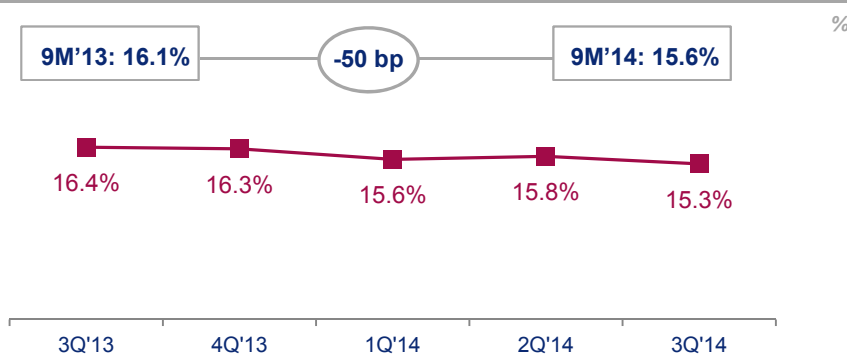
Loans to individuals



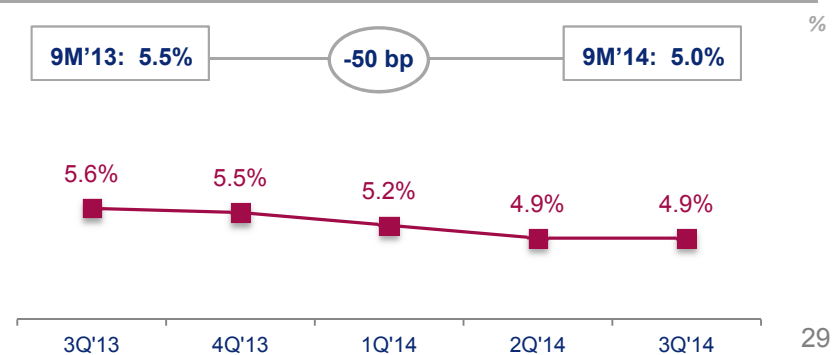
Deposits of individuals



Yield on loans to individuals



Cost of deposits of individuals



VTB Group Public Debt Instruments

VTB Group Public Debt and Hybrid Capital Instruments

Borrower	Equivalent amount (USD, mln) ⁽¹⁾	Instrument	Maturity Date/Put or Call Option	Coupon
2015				
VTB	1,250	Series 7 EMTN 2	March 2015	6.465%
Bank of Moscow	750	Public debt instrument	March 2015	6.699%
VTB	693	Series 6 EMTN 1 (put option)	June 2015	6.25%
VTB	313	Series 17 SGD EMTN 2	July 2015	4%
VTB	400	Subordinated Debt	September 2015	5.01%
VTB	327	Series 22 CNY EMTN 2	October 2015	4.5%
VTB	313	Series 14 CHF EMTN 2	November 2015	5%
Bank of Moscow	300	Public debt instrument	November 2015	5.967%
Subtotal	4,346			
2016				
VTB	243	Series 9 EUR EMTN 1	February 2016	4.25%
VTB	2,000	Loan repayment	April 2016	
VTB	625	Series 19 CHF EMTN 2	September 2016	3.15%
Subtotal	2,868			
2017				
VTB	2,000	Series 15 EMTN 2	April 2017	6%
Bank of Moscow	400	Public debt instrument (call option)	May 2017	6.8075%
VTB	438	Series 23 AUD EMTN 2	December 2017	7.5%
Subtotal	2,838			
2018				
VTB	698	Series 12 EMTN 2	February 2018	6.32%
VTB	313	Series 3 CHF EMTN 3	May 2018	2.9%
VTB	1,514	Series 4 EMTN 2	May 2018	6.875%
Subtotal	2,525			
2020				
VTB	948	Series 10 EMTN 2	October 2020	6.551%
Subtotal	948			
2022				
VTB	1,500	Series 21 EMTN 2 Subordinated Debt	October 2022	6.95%
Subtotal	1,500			
2024				
VTB	364	Series 4 CHF EMTN 3 Subordinated Debt	October 2024 (call option)	5%
Subtotal	364			
Perpetual				
VTB	2,250	Tier 1 Perpetual Eurobond (call option)	Dec 2022 (call option)	9.5%
Subtotal	2,250			
Total	17,639			

Exchange rates published by the CBR are as of October 31, 2014. In addition to international debt, VTB Group currently has RUB 244 bn domestic bonds outstanding

(1) As the result of the reorganisation of JSC Bank VTB North-West and its merger with JSC VTB Bank, March 18, 2011. JSC VTB Bank has assumed the rights and obligations of JSC Bank VTB North-West as the Borrower.

(2) Fixed until the first call date, then reset on 6th Dec 2022 and every 10th year thereafter.

VTB Group International Public Debt Instruments Issued in 2012 – 2014

Borrower	Date of issue	Amount (mln)	Instrument	Maturity date	Coupon/rate
VTB	April 2012	USD 2,000	Series 15 EMTN 2	April 2017	6.0%
VTB	July 2012	SGD 400	Series 17 EMTN 2	July 2015	4.0%
VTB	August 2012	USD 2,250	Tier 1 Perpetual Loan Participation Notes	December 2022 (call option)	9.5%
VTB	September 2012	CHF 600	Series 19 EMTN 2	September 2016	3.15%
VTB	October 2012	USD 1,500	Series 21 EMTN 2 LT2 Subordinated Debt	October 2022	6.95%
VTB	October 2012	CNY 2,000	Series 22 EMTN 2	October 2015	4.5%
VTB	December 2012	AUD 500	Series 23 EMTN 2	December 2017	7.5%
VTB	April 2013	USD 2,000	Syndicated loan	April 2016	LIBOR+1.5%
VTB	November 2013	CHF 300	Series 3 EMTN 3	May 2018	2.9%
VTB	July 2014	CHF 350	Series 4 EMTN 3 Subordinated debt	October 2024 (call option)	5%
Total (USD equivalent) ⁽¹⁾		USD 10,130.4			

(1) Exchange rates published by the CBR are as of October 31, 2014.



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