



# ***VTB Group 1Q'10 Results***

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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 ("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.

## *First Quarter 2010 Highlights*

- Record quarterly net profit in VTB Group's history – RUB 15.3 bn
- Corporate Banking benefited from lower cost of risk and enhanced focus on margins – pre-tax profit up to RUB 9.1 bn from a loss of RUB 18.2 bn in 1Q'09
- Retail and Investment Banking continuing to report a steady growth in earnings – pre-tax profit of RUB 6.7 bn and RUB 6.1 bn, respectively
- Double digit growth of operating income before provisions: +34% y-o-y to RUB 58.1 bn
- Strong margin improvement: 5.2% y-o-y in 1Q'10 compared to 4.1% in 1Q'09
- Credit risk under control – NPLs formation slowed down: +40 bps in 1Q'10 versus +200 bps in 4Q'09; provision charge at 2.5%, allowance for loan impairment at 9.8%
- Strengthened capital position with BIS ratio at 22.2% compared to 20.7% at the end of 2009

## First Quarter 2010 Financial Highlights

<i>(in RUB bn)</i>	1Q'10	1Q'09	y-o-y
Net interest income before provisions	42.0	34.3	22.4%
Net fee and commission income	5.1	4.3	18.6%
Net result from financial instruments	8.4	(11.3)	n/a
<b>Operating income before provisions</b>	<b>58.1</b>	<b>43.2</b>	<b>34.5%</b>
Provision charge for loan impairment	(15.5)	(49.2)	(68.5%)
Staff costs and administrative expenses	(22.2)	(17.1)	29.8%
<b>Net profit / (loss)</b>	<b>15.3</b>	<b>(20.5)</b>	<b>n/a</b>
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Net interest margin	5.2%	4.1%	110 bps
Provision charge for loan impairment / Average gross loan portfolio	2.5%	7.1%	(460) bps
Cost / Income ratio <sup>(1)</sup>	38.2%	39.6%	(140) bps
ROE	11.9%	(21.2%)	n/a
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<i>(in RUB bn)</i>	31-Mar-10	31-Dec-09	q-o-q
Customer loans (gross)	2,540.0	2,544.8	(0.2%)
Total assets	3,362.0	3,610.8	(6.9%)
Customer deposits	1,554.5	1,568.8	(0.9%)
Total equity	520.5	504.9	3.1%
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Allowance for loan impairment / Total gross loans	9.8%	9.2%	60 bps
NPL ratio	10.2%	9.8%	40 bps
Total BIS ratio	22.2%	20.7%	150 bps

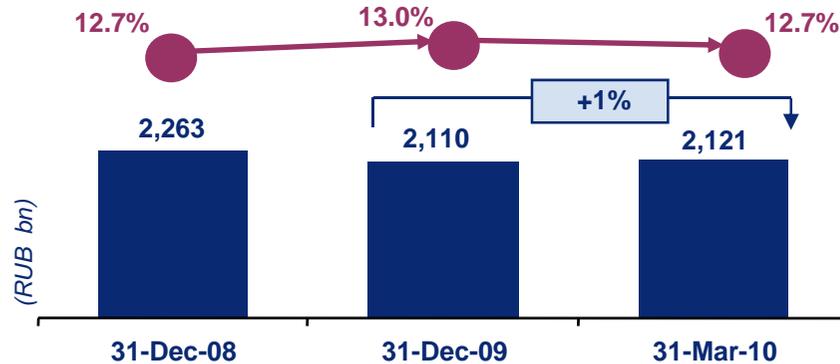
(1) Calculated before provisions for loan impairment

A low-angle, upward-looking photograph of modern glass skyscrapers against a clear blue sky. The perspective creates a sense of height and architectural scale. The grid pattern of the window panes is prominent, and the buildings appear to converge towards the top of the frame. The overall color palette is dominated by various shades of blue.

# ***Business Update***

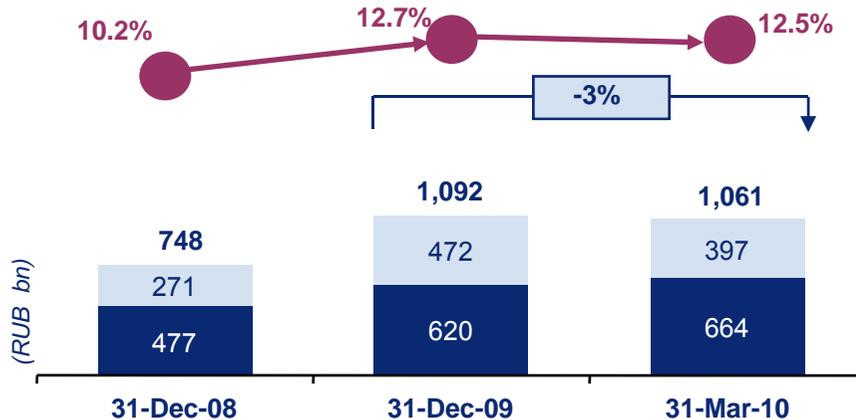
# Corporate Banking – Focus on Profitable Growth

## Corporate Loans (Gross)



⦿ Corporate loan market share in Russia

## Corporate Deposits



⦿ Corporate deposit market share in Russia

■ Term deposits ■ Current deposits

## Financial Highlights <sup>(1)</sup>

(in RUB bn)	1Q'10	1Q'09	y-o-y
Net interest income	27.1	24.0	13%
Operating income before provisions	29.6	21.7	36%
Profit / (loss) before tax	9.1	(18.2)	n/a

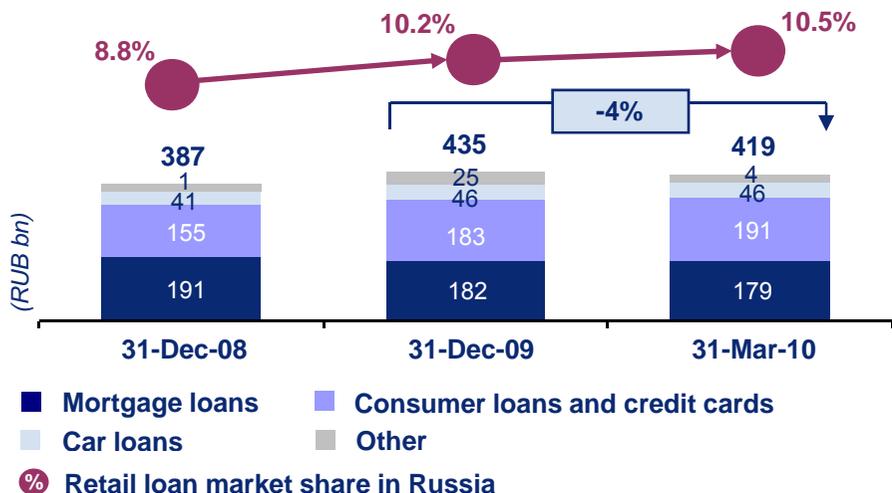
## Key Trends

- ▶ VTB's leadership in the Russian corporate market maintained in a highly competitive environment – focus on profitable growth
- ▶ VTB continued to support strategically important companies and strengthened its relationship with top customers operating in key industries, in particular, through cross-selling of investment banking products
- ▶ New client segmentation and new CIB concept implementation underway

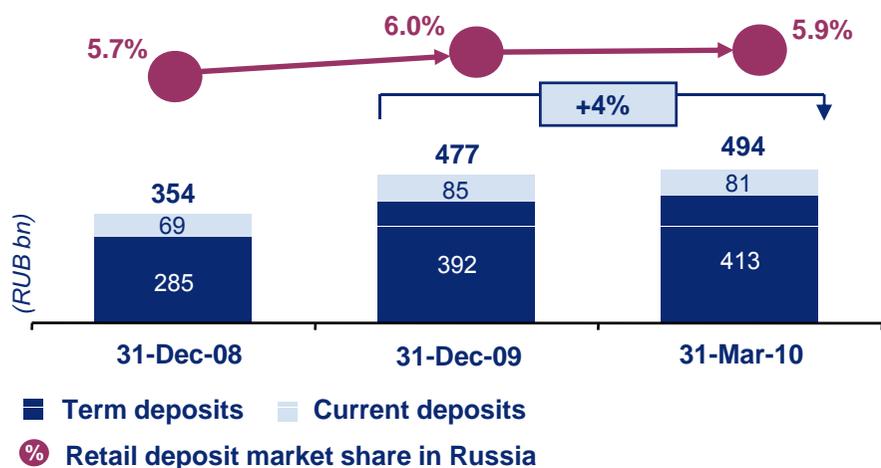
(1) Data presented as reported in VTB 1Q'10 interim consolidated financial statements

# Strong Performance in Retail Banking

## Loans to Individuals (Gross)



## Retail Deposits



## Financial Highlights <sup>(1)</sup>

(in RUB bn)	1Q'10	1Q'09	y-o-y
Net interest income	12.8	9.5	35%
Net fee and commission income	2.1	0.9	133%
Operating income before provisions	15.6	11.1	41%
Profit / (loss) before tax	6.7	(4.3)	n/a

## Key Trends

- ▶ Continued strong focus on shorter-term and higher margin products
- ▶ VTB stood back from more competitive areas of the market and focused on maintaining margins
- ▶ VTB24 branch network expansion program resumed - additional 48 branches to be opened in 2010

(1) Data presented as reported in VTB 1Q'10 interim consolidated financial statements

# Top Tier Performance in Investment Banking

## Global Banking (1)

Local DCM (Russia) <b>Bloomberg</b>				Russian ECM <b>dealogic</b>					
#	Underwriter	Amount, RUB mn	# of issues	Share, %	#	Bookrunner	Amount, USD mn	# of issues	Share, %
1	VTB Capital	41,500	9	30.3	1	VTB Capital	438	3	16.0
2	MosFinAgency	30,000	2	21.9	2	Renaissance Capital	307	2	11.2
3	Troika Dialog	17,000	5	12.4	3	Sberbank	280	1	10.2
4	Gazprombank	8,000	2	5.8		Nomura	280	1	10.2
5	Raiffeisen Bank	7,500	2	5.5		Credit Suisse	280	1	10.2
	Citigroup	7,500	2	5.5		Bank of China Ltd	280	1	10.2

International DCM (CIS, Eurobonds) <b>CBDONDS</b>				Eastern Europe ECM <b>Bloomberg</b>					
#	Bookrunner	Amount, USD mn	# of issues	Share, %	#	Bookrunner	Amount, EUR mn	# of issues	Share, %
1	JP Morgan	1,483	5	18.6	1	VTB Capital	313	3	8.8
2	VTB Capital	1,184	5	14.8	2	Credit Suisse	291	2	8.1
3	Citigroup	889	3	11.1	3	Citigroup	243	3	6.8
4	Credit Suisse	837	5	10.5	4	ING Group NV	222	3	6.2
5	Barclays Capital	833	3	10.5	5	Allied Irish Banks	222	3	6.2

- ▶ VTB Capital – the only Russian investment bank, participated in the placement of a USD 5.5 bn Russia sovereign Eurobond issue
- ▶ Tender for Ukraine sovereign Eurobond issue won

## Investment Management

- ▶ VTB Capital arranged the financing package for the public-private partnership (PPP) project to rebuild St Petersburg's Pulkovo airport. The PPP agreement was finalised and the operations of the airport were officially handed over to the Northern Capital Gateway consortium

## Financial Highlights (2)

(in RUB bn)	1Q'10	1Q'09	y-o-y
Operating income before provisions	12.3	7.5	64%
Profit before tax	6.1	3.0	103%

## Global Markets

### Fixed Income Market

- ▶ Strong P&L due to solid RUB bonds performance – RUB rates and credit spreads continued to tighten on the back of excess liquidity across banks, cheaper funding and low inflation rate
- ▶ Strong market position: VTB's current share of the Russian currency market exceeds 12% and continues to grow, backed by the high quality of client services

### Stock Market

- ▶ Solid returns in all segments, despite low market turnover

(1) Source: Dealogic

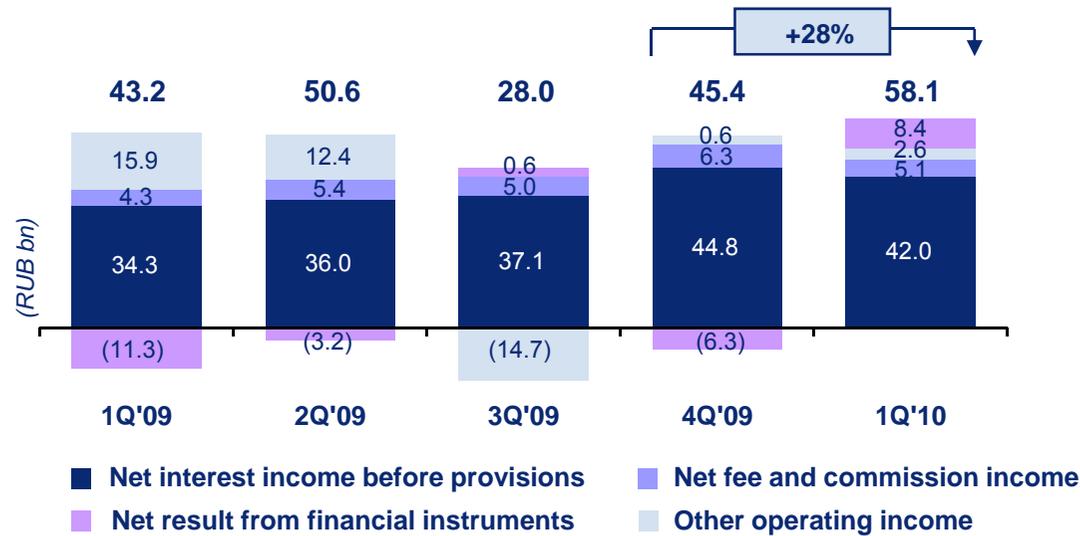
(2) Data presented as reported in VTB 1Q'10 interim consolidated financial statements

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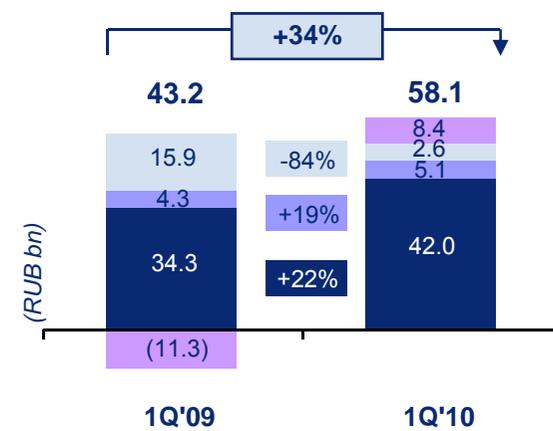
# ***Financial Update***

# Double Digit Operating Income Growth

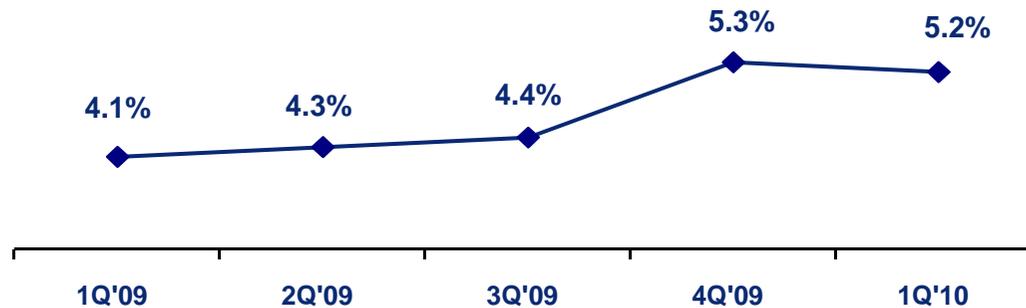
## Operating Income before Provisions



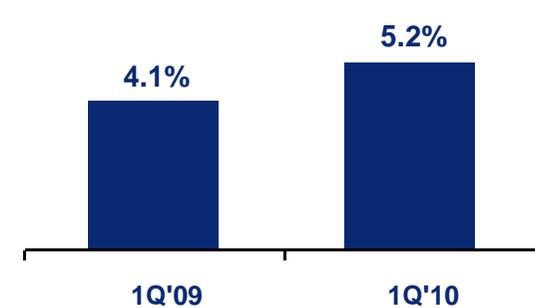
## Operating Income before Provisions, y-o-y



## Quarterly NIM <sup>(1)</sup>



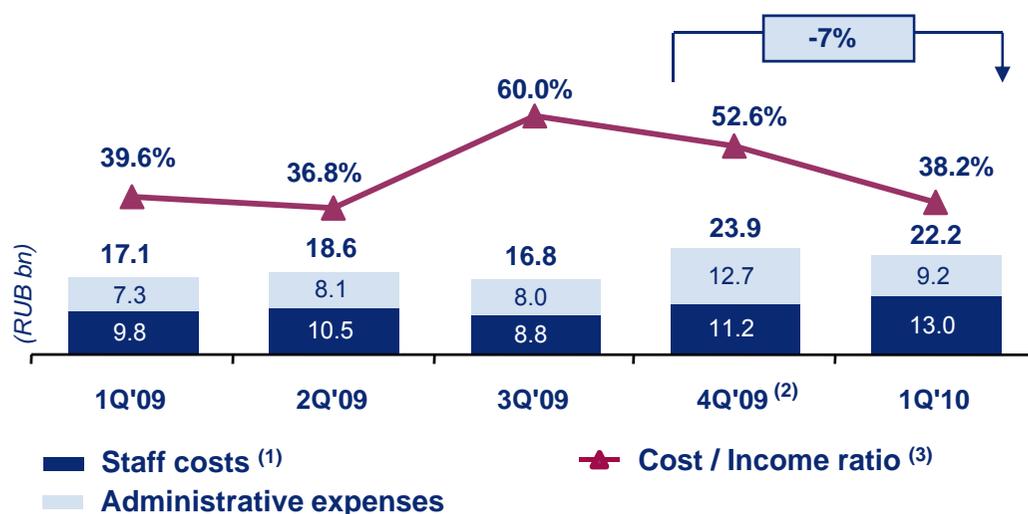
## NIM, y-o-y



(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

# Continuing to Deliver on Cost Control

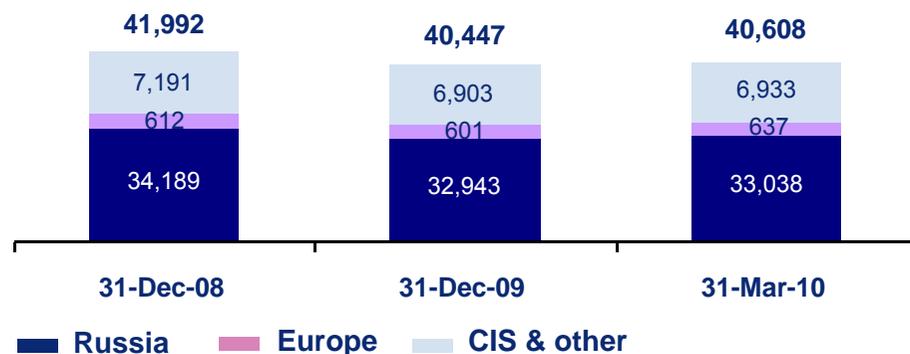
## Staff and Administrative Expenses



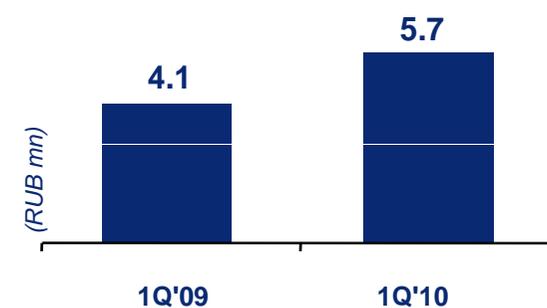
## Staff and Adm. Expenses, y-o-y



## Number of Employees (Period End)



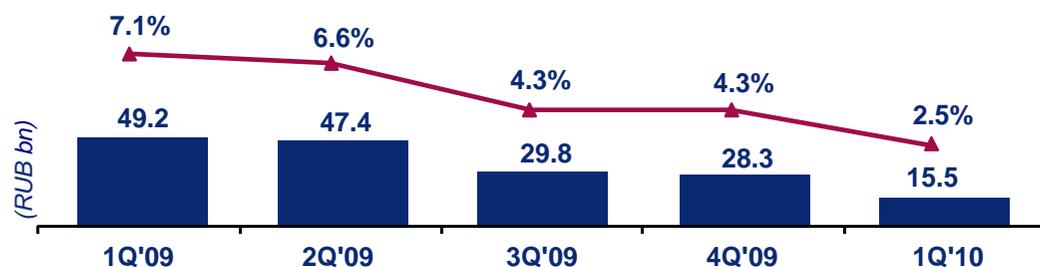
## Operating Income per Employee (3)



- (1) Including pensions
- (2) Including effect of negative revaluation of premises of RUB 1.9 bn
- (3) Operating income calculated before provisions. Operating income per employee is annualised

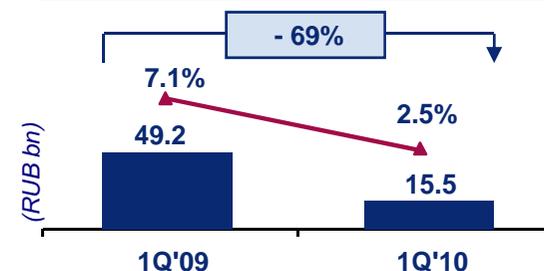
## Moving towards Pre-crisis Cost of Risk

### Quarterly P&L Provision Charge



▲ Provision charge / Average gross loan portfolio (in %, annualised)

### Provision Charge, y-o-y



■ Provision charge for loan impairment

Asset Quality	31-Mar-10	31-Dec-09	Change	31-Dec-08
NPL ratio (90+ days) <sup>(1)</sup>	10.2%	9.8%	+40 bps	1.9%
- corporate	10.5%	10.3%	+20 bps	1.6%
- individuals	8.6%	7.4%	+120 bps	3.7%
Allowance for loan impairment ratio	9.8%	9.2%	+60 bps	3.6%
- corporate	10.2%	9.7%	+50 bps	3.6%
- individuals	7.7%	6.8%	+90 bps	3.7%
Allowance for loan impairment / NPLs	96.1%	94.5%	-	183.9%
- corporate	97.2%	94.8%	-	215.7%
- individuals	89.0%	92.5%	-	100.6%

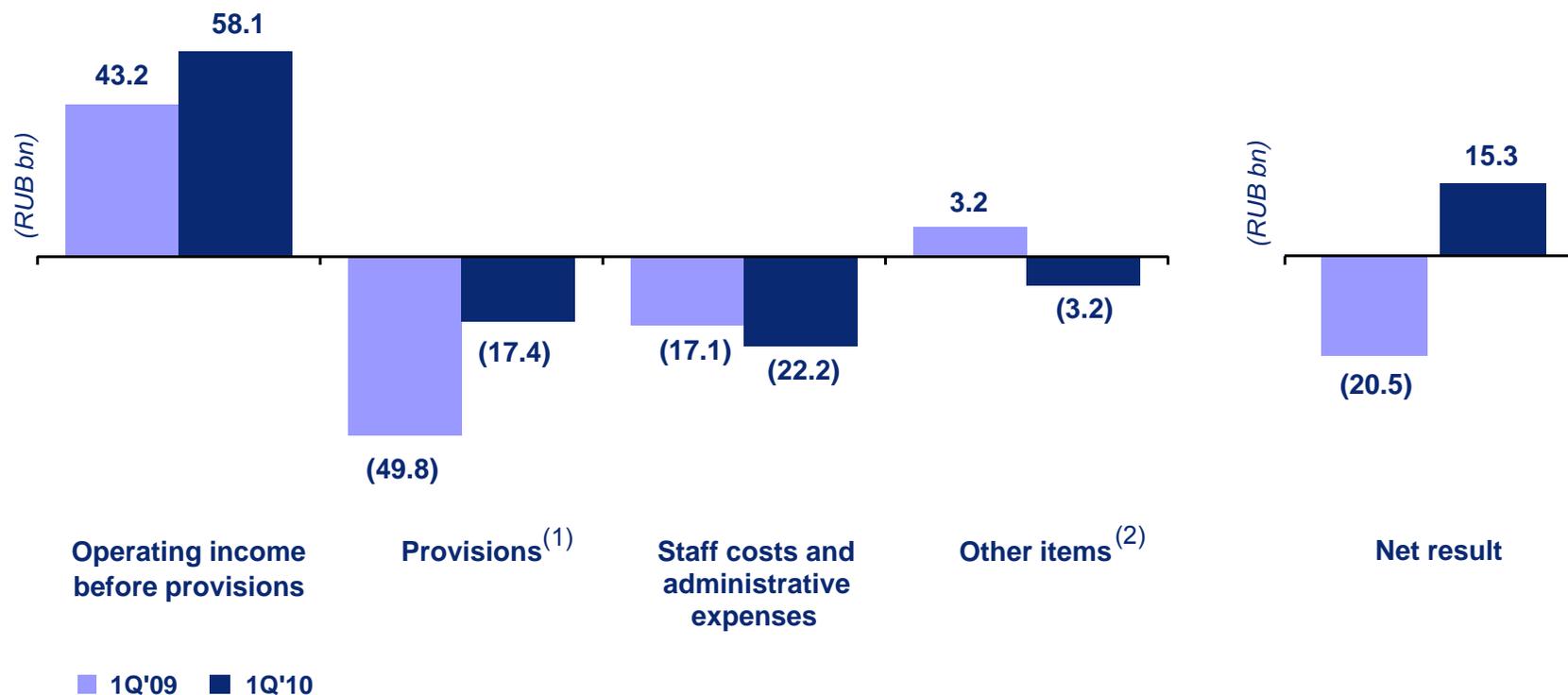
Renegotiated Loans (in RUB bn)	31-Mar-10	31-Dec-09	Change	31-Dec-08
Renegotiated loans	327.1	300.5	+26.6	16.3
- corporate	309.0	283.7	+25.3	14.8
- individuals	18.1	16.8	+1.3	1.5
Renegotiated loans / Total gross loans	12.9%	11.8%	+110 bps	0.6%
- corporate	14.6%	13.4%	+120 bps	0.7%
- individuals	4.3%	3.9%	+40 bps	0.4%

(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

# The Highest Level of Quarterly Net Profit in VTB's History

## VTB Group Performance

## Net Result

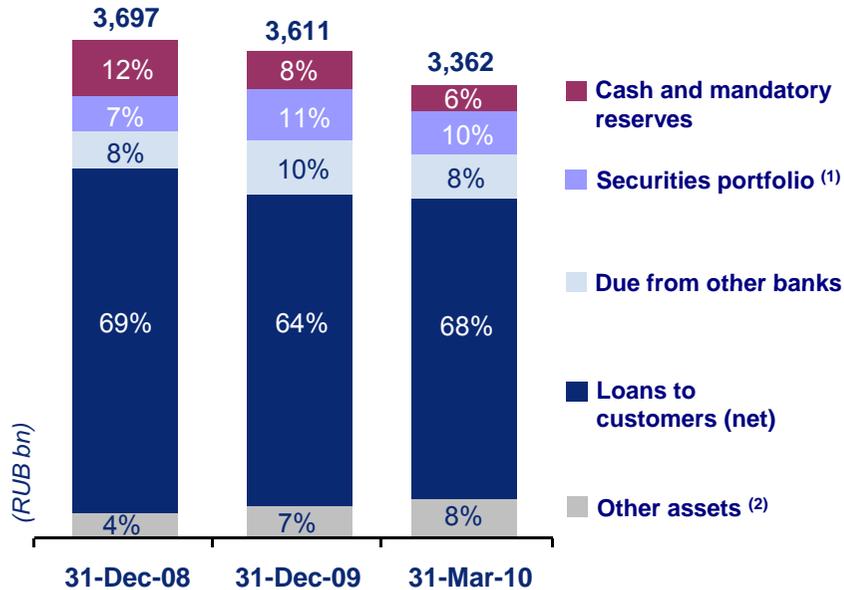


(1) Including provision charge for loan impairment and provision charge for impairment of other assets and credit related commitments

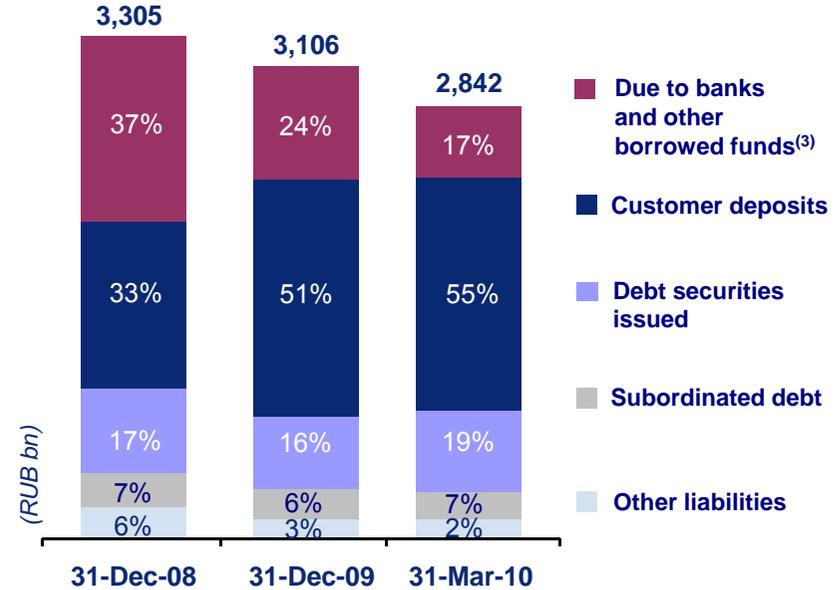
(2) Other items consist of impairment of goodwill and profit from disposal of subsidiaries and associates

# Improved Balance Sheet Structure

## Assets Structure



## Liabilities Structure



## Net Interest Spread ( -■ )

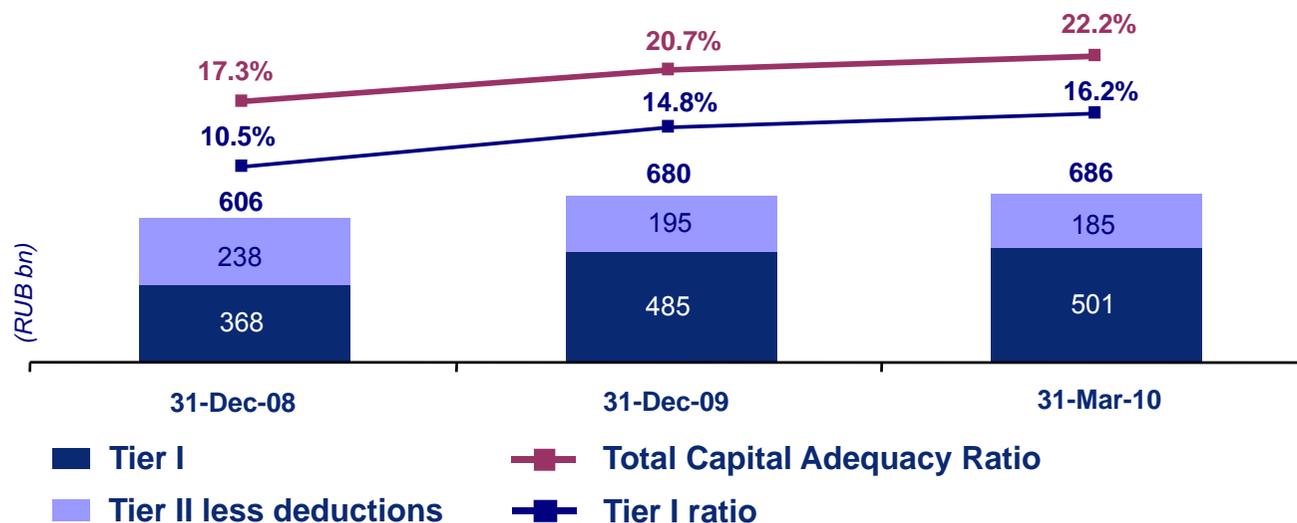


- ▶ Funding costs continue to be an important focus of management attention
- ▶ Liability structure improved via significant reduction of state funding and progressive reopening of wholesale markets
- ▶ Active management of balance sheet with further reduction of holdings of low yield assets

(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) Other borrowed funds include bilateral and syndicated bank loans, secured and unsecured financing from central banks

## Strong Capital Base and Liquidity

### BIS Group Capital



### Group's Estimated Short-Term Borrowing Availability

Funding Sources (in RUB bn)	Total Borrowing Availability	Utilised as of 31-Mar-10	Remaining
Interbank loans	82	0	82
REPO and secured loans from the CBR	505	32	473
<b>Uncollateralised loans from the CBR and MinFin <sup>(1)</sup></b>	<b>941</b>	<b>12</b>	<b>929</b>
– of which uncollateralised loans from MinFin	697	12	685
<b>Total</b>	<b>1,528</b>	<b>44</b>	<b>1,484</b>

(1) Utilisation of uncollateralised loan limit from MinFin automatically reduces uncollateralised loan limit from the CBR



# ***Appendix***

## VTB Group Public Debt Instruments Issued in 2009 and 2010

Borrower	Date of issue	Amount (mn)	Instrument	Maturity date / Put or Call option	Coupon
VTB24	February 2009	RUB 8,000	Domestic Ruble Bond	February 2014 (1.5 year put option)	11.85%
VTB-Leasing	June 2009	RUB 5,000 RUB 5,000	Domestic Ruble Bonds	June 2016 (annual put option)	14.00%
VTB24	June 2009	RUB 14,479 RUB 9,990 (senior tranche)	Domestic RMBS	February 2039	10.5% (senior tranche)
VTB	August 2009	CHF 750	Series 6 EMTN 2	August 2011	7.5%
VTB-Leasing	December 2009	RUB 5,000	Domestic Ruble Bonds	November 2016 (annual put option)	9.7%
VTB24	December 2009	RUB 15,000	Domestic RMBS	December 2014 (2 year put option)	9.7%
VTB	February 2010	USD 1,250	Series 7 EMTN 2	February 2015	6.465%
VTB	March 2010	RUB 5,000 RUB 5,000 RUB 10,000	Domestic Stock Exchange Ruble Bonds	March 2013	7.6%
<b>Total (USD equivalent)<sup>(1)</sup></b>		<b>USD 4,581</b>			

(1) Exchange rates are as of June 1, 2010, CBR data

## VTB Group Public Debt Instruments Outstanding

Borrower	Amount (USD, mn) <sup>(1)</sup>	Instrument	Maturity Date/Put or Call Option	Coupon
<b>2010</b>				
VTB N-W	400	Subordinated Debt (call option)	September 2010	6.2%
VTB	976	Series 3 RUB EMTN 2 (put option)	November 2010	8.75%
Members of VTB Group	549	Loans repayment / amortisation	During 2010	
<b>Subtotal</b>	<b>1,925</b>			
<b>2011</b>				
VTB	477	Series 9 EUR EMTN 1 (put option)	February 2011	4.25%
VTB	1,107	Series 5 EUR EMTN 2	June 2011	8.25%
VTB	648	Series 6 CHF EMTN 2	August 2011	7.5%
VTB	450	Series 4 EMTN 1	October 2011	7.5%
Members of VTB Group	1,206	Loans repayment / amortisation	During 2011	
<b>Subtotal</b>	<b>3,888</b>			
<b>2012</b>				
VTB	1,053	Series 1 EMTN 2	October 2012	6.609%
Members of VTB Group	246	Loans repayment / amortisation	During 2012	
<b>Subtotal</b>	<b>1,299</b>			
<b>2013</b>				
VTB	<b>1,706</b>	Series 4 EMTN 2 (put option)	May 2013	6.875%
<b>2015</b>				
VTB	1,250	Series 7 EMTN 2	March 2015	6.465%
VTB	693	Series 6 EMTN 1 (put option)	June 2015	6.25%
<b>Subtotal</b>	<b>1,943</b>			
<b>Total</b>	<b>10,761</b>			

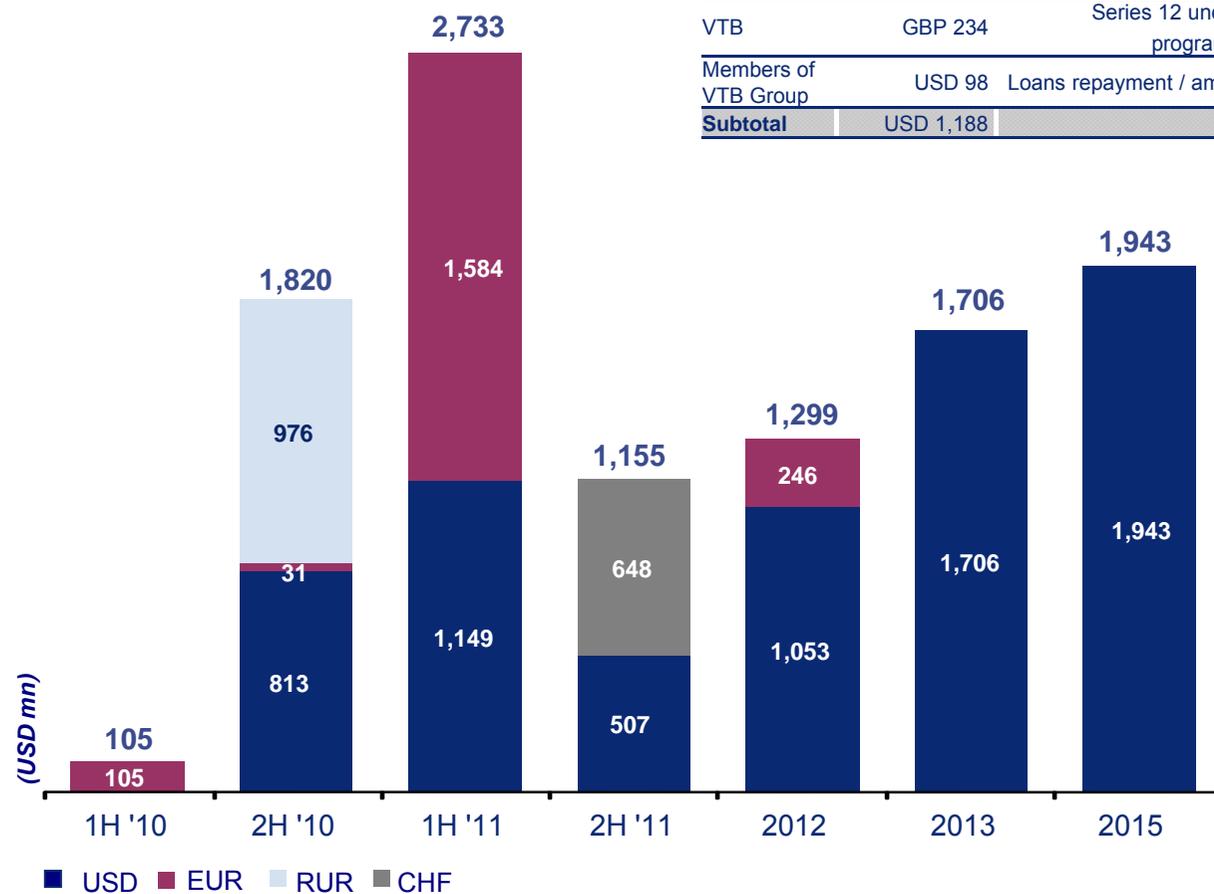
(1) Exchange rates are as of June 1, 2010, CBR data

Note: In addition to international debt, VTB Group has RUB 128 bn outstanding domestic long-term bonds with put options

# VTB Group Debt Maturity Profile <sup>(1)</sup>

## Public Debt Repayments in 2010

Borrower	Amount (mn) <sup>(1)</sup>	Instrument	Repayment Date	Coupon
VTB	USD 750	Subordinated debt instruments	February 2010 (call option)	6.315%
VTB	GBP 234	Series 12 under EMTN programme No.1	March 2010	6.332%
Members of VTB Group	USD 98	Loans repayment / amortisation	January - February 2010	
<b>Subtotal</b>	<b>USD 1,188</b>			



(1) Exchange rates are as of June 1, 2010, CBR data



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