



# ***VTB Group 6M'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.

## *1H'2010 Highlights*

- **Record net profit in 1H'2010 – RUB 25.1 bn**
- **Corporate Banking posts a solid 1H'2010 – RUB 18.3 bn pre-tax profit as compared to RUB 23.8 bn loss in 1H'2009**
- **Substantial contribution from Retail and Investment Banking – 1H'2010 pre-tax profit of RUB 11.1 bn and RUB 9.7 bn, respectively**
- **Double digit growth of operating income before provisions – 12% y-o-y to RUB 105.4 bn**
- **Strong net interest margin at 5.3% in 1H'2010**
- **Net fee and commission income up 22% y-o-y to RUB 11.8 bn**
- **Declining cost of risk – provision charge at 2.1%, down from 6.9% in 1H'2009**
- **Solid capital position with BIS ratio at 19.3%**

# 1H'2010 Financial Highlights

(in RUB bn)	1H'10	1H'09	y-o-y	2Q'10	1Q'10	q-o-q
Net interest income before provisions	86.4	70.3	22.9%	44.4	42.0	5.7%
Net fee and commission income	11.8	9.7	21.6%	6.7	5.1	31.4%
Net result from financial instruments	2.8	(14.5)	n/a	(5.6)	8.4	n/a
<b>Operating income before provisions</b>	<b>105.4</b>	<b>93.8</b>	<b>12.4%</b>	<b>47.3</b>	<b>58.1</b>	<b>(18.6%)</b>
Provision charge for loan impairment	(27.2)	(96.6)	(71.8%)	(11.7)	(15.5)	(24.5%)
Staff costs and administrative expenses	(43.9)	(35.7)	23.0%	(21.7)	(22.2)	(2.3%)
<b>Net profit / (loss)</b>	<b>25.1</b>	<b>(31.5)</b>	<b>n/a</b>	<b>9.8</b>	<b>15.3</b>	<b>(35.9%)</b>
Net interest margin	5.3%	4.2%	110 bps	5.5%	5.2%	30 bps
Provision charge for loan impairment / Average gross loan portfolio	2.1%	6.9%	(480 bps)	1.7%	2.5%	(80 bps)
Cost / Income ratio <sup>(1)</sup>	41.7%	38.1%	360 bps	45.9%	38.2%	770 bps
ROE	9.7%	(16.6%)	n/a	7.5%	11.9%	(440 bps)
EPS (in kopeks)	0.26	(0.50)	n/a	0.11	0.15	(26.7%)

(in RUB bn)	30-Jun-10	31-Dec-09	YTD	31-Mar-10	q-o-q
Customer loans (gross)	2,815.5	2,544.8	10.6%	2,540.0	10.8%
Total assets	3,627.8	3,610.8	0.5%	3,362.0	7.9%
Customer deposits	1,688.8	1,568.8	7.6%	1,554.5	8.6%
Total equity	524.1	504.9	3.8%	520.5	0.7%
Allowance for loan impairment / Total gross loans	9.3%	9.2%	10 bps	9.8%	(50 bps)
NPL ratio <sup>(2)</sup>	9.5%	9.8%	(30 bps)	10.2%	(70 bps)
Total BIS ratio	19.3%	20.7%	(140 bps)	22.2%	(290 bps)

(1) Calculated before provision charge for impairment and recovery of / (provision charge for) impairment of other assets and credit related commitments

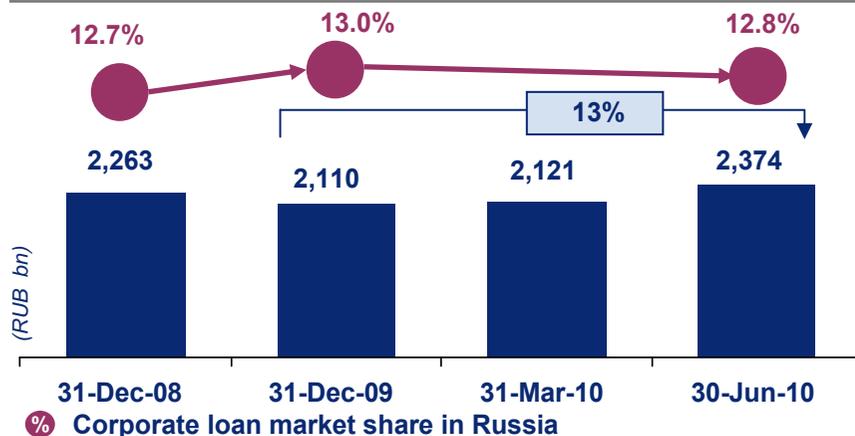
(2) Non-performing loans (NPLs) represent impaired loans with repayments overdue by over 90 days. NPLs are calculated including the entire principal and interest payments. Ratio is calculated to total gross loans



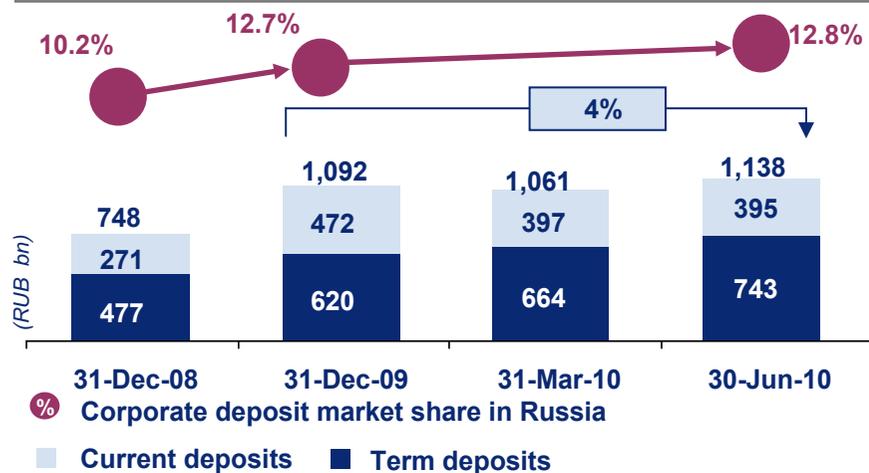
***Business Update***

# Corporate Banking: Continued Focus on Profitable Growth

## Corporate Loans (Gross)



## Corporate Deposits



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

(in RUB bn)	1H'10	1H'09	y-o-y
Net interest income	57.0	46.6	22.3%
Net fee and commission income	5.1	5.6	(8.9%)
Operating income before provisions	55.5	61.8	(10.2%)
Profit / (loss) before tax	18.3	(23.8)	n/a

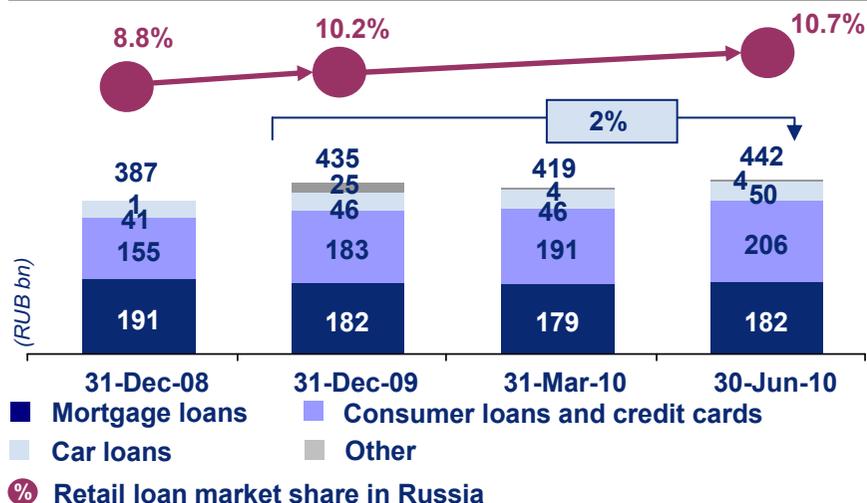
## Key Developments

- New strategy implementation update:
  - CIB business co-heads appointed: Yuri Soloviev and Vladimir Tatarchuk
  - Reorganization to improve customer coverage, strengthen efficiency of sales and product development underway

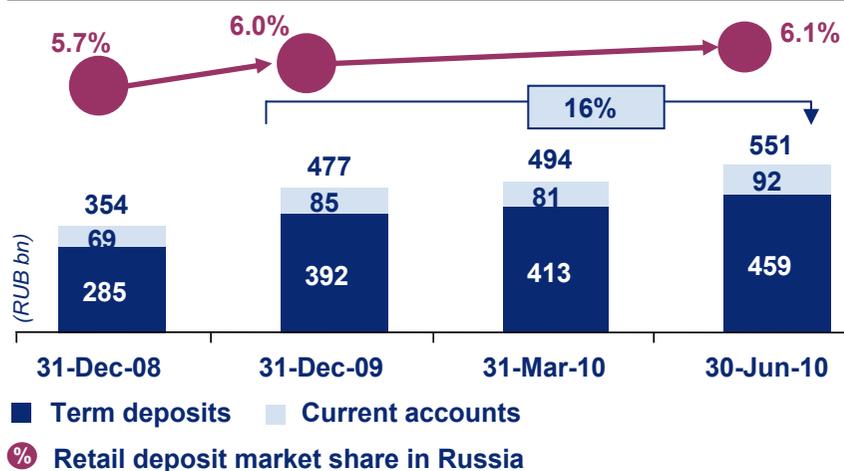
(1) Data presented as reported in VTB 6M'10 financial statements for the segment Corporate Business

# Retail Banking: Strong Fee and Commission Growth

## Loans to Individuals (Gross)



## Retail Deposits



## Financial Highlights (1)

(in RUB bn)	1H'10	1H'09	y-o-y
Net interest income	25.5	20.6	23.8%
Net fee and commission income	4.5	2.9	55.2%
Operating income before provisions	31.1	23.8	30.7%
Profit / (loss) before tax	11.1	(4.0)	n/a

## Key Developments

- Strong growth in fees and commissions due to increased customer settlements and credit card transactions
- Loan growth returned in Q2'2010 – 5.4% increase q-o-q
- Share of higher margin products continues to increase

(1) Data presented as reported in VTB 6M'10 financial statements for the segment Retail Business

# Investment Banking: Profitable Despite Market Volatility

## Global Banking

Russian Eurobond DCM		Bloomberg	
Lead # Manager	Amount, USD mln	# of issues	Share, %
1 VTB Capital	4,603	23	17
2 Citi	2,982	9	11
3 Credit Suisse	2,579	8	9.5
4 Barclays Capital	2,458	6	9.1
5 Troika Dialog	1,927	13	7.1



### Russian ECM

#	Lead Manager	Amount, USD mln	# of issues	Share, %
1	Renaissance Capital	709	6	14.7
2	VTB Capital	595	4	12.3
3	Bank of Moscow	465	1	9.6
4	UBS	421	3	8.7
5	Sberbank	280	1	5.81

Domestic DCM		BLOOMBERG		
#	Lead manager	Amount RUR m	No. of issues	# of clients
1	VTB Capital	58,500	17	9
2	Troika Dialog	57,500	13	10
3	MosFinAgency	40,834	2	1
4	Raiffeisenbank	27,982	6	5
5	TransCreditBank	24,667	13	9

Best Russian Equity House and Best Russian Debt House award by the Euromoney Awards for Excellence 2010 <sup>(2)</sup>

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

(in RUB bn)	1H'10	1H'09	y-o-y
Net fee and commission income	1.7	0.8	112.5%
Operating income before provisions	17.9	11.1	61.3%
Profit before tax	9.7	1.8	5.4x

## Global Markets

### ► Stock market

- Unfavorable market developments in 2Q'2010 (RTS: -15%)
- Increased volatility resulted in lower than expected client flows and transactions

### ► Major deals

- Notional amount of derivative deals closed in Q2 reached \$2,6 bn which is 6.5 times higher than in Q2 2009
- Face amount of structured deposit deals closed in Q2 reached \$745 mln which is 7.5 times higher than in Q2 2009
- Hedging of over 11 mln barrels of oil and 265k tons of oil products for leading Russian companies in 1H'2010

- Bookrunner of the largest "Russian" IPO in 2010 – UC Rusal offering on HKEx (\$2.2 bn)
- The only Russian IB bookrunner in US\$5.5 bn Russia sovereign Eurobond issue and placement
- Appointed as Arranger for Ukraine sovereign Eurobond issue

## Investment Management

- Arranger of the IPO of the venture portfolio company "Russian Navigation Technologies" on MICEX
- Awarded mandate to manage Russian-Kazakh venture capital fund involving Rosnano and Kazyna Capital Management

(1) Data presented as reported in VTB 6M'10 financial statements for the segment Investment Business

(2) as of July, 2010

A low-angle, upward-looking photograph of a modern skyscraper with a glass facade. The building's grid-like structure of windows and dark frames is prominent, creating a strong sense of height and architectural scale. The sky is a clear, vibrant blue. The text "Financial Update" is overlaid in the upper left quadrant in a bold, italicized, dark blue font.

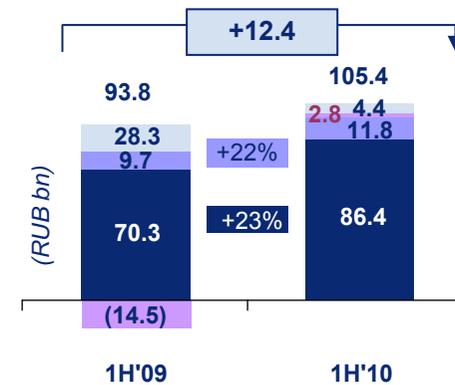
# ***Financial Update***

# Double-Digit Operating Income Growth Driven by Strong Margin

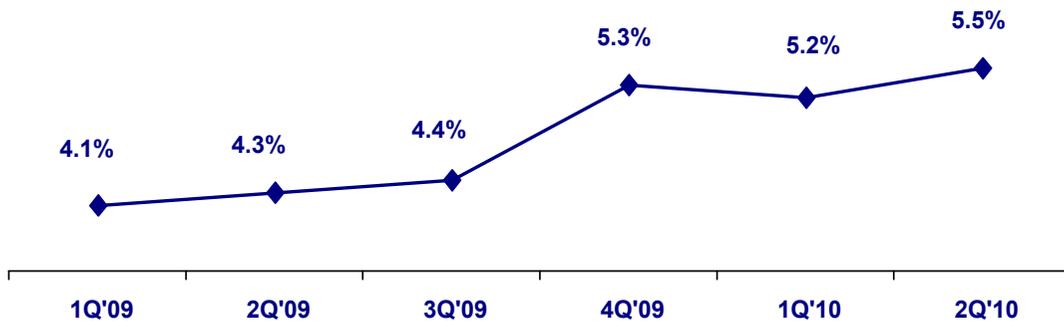
## Operating Income before Provisions



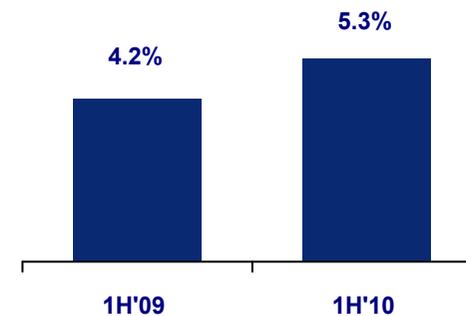
## Operating Income before Provisions, y-o-y



## Quarterly NIM (1)



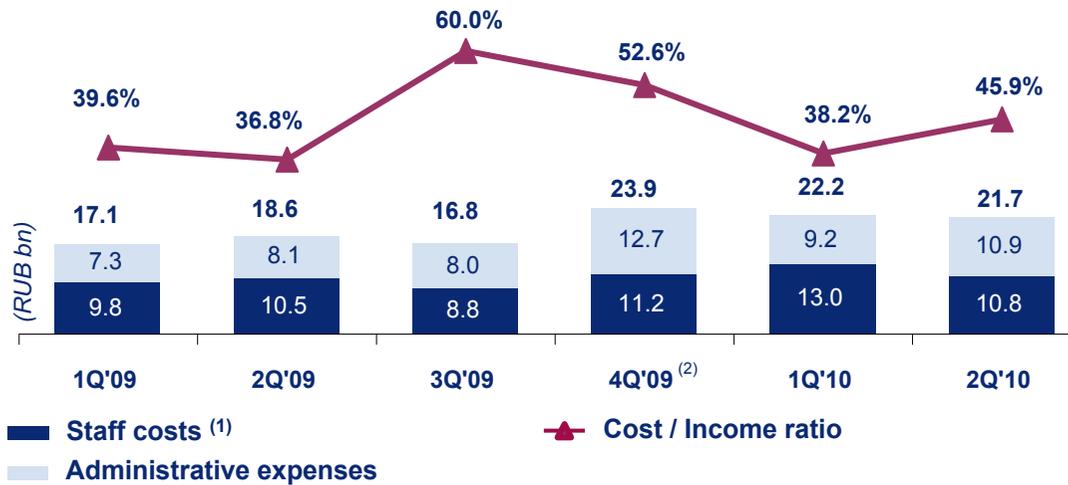
## NIM, y-o-y



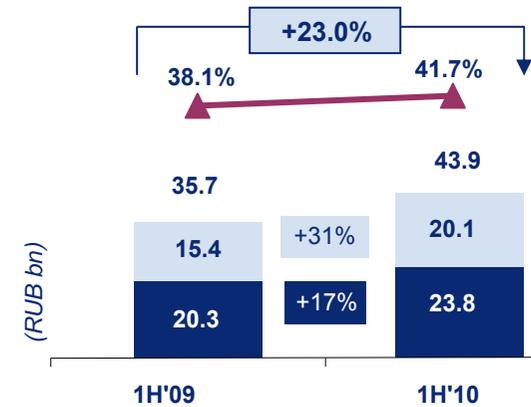
(1) Net interest income divided by average interest earning assets, which include gross loans and advances to customers, due from other banks (gross), debt securities and correspondent accounts with other banks

# Costs Remain Under Control

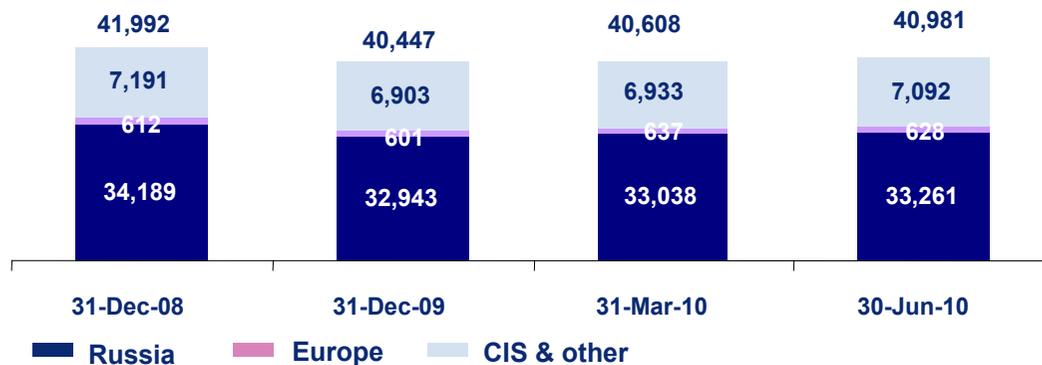
## Staff and Administrative Expenses



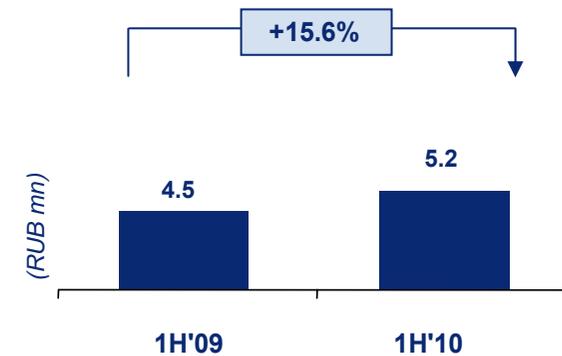
## Staff and Adm. Expenses, y-o-y



## Number of Employees (Period End)



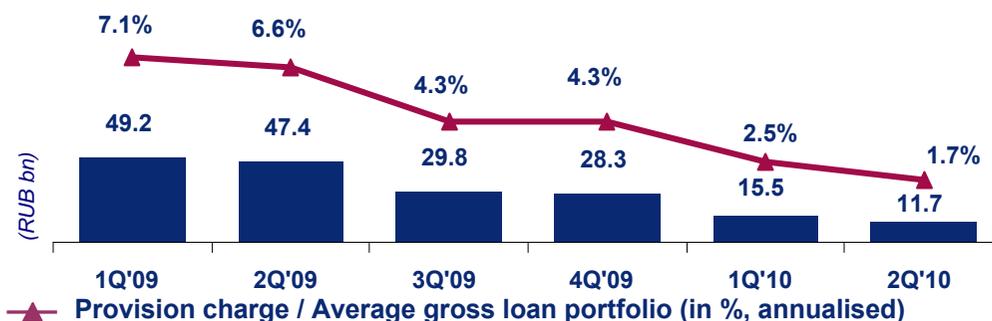
## Operating Income per Employee<sup>(3)</sup>



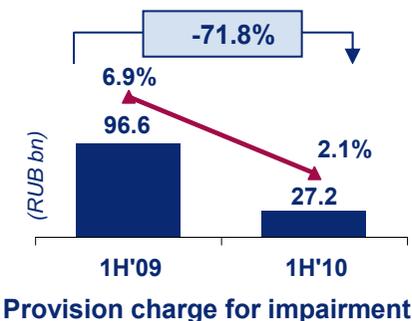
- (1) Including pensions  
 (2) Including effect of negative revaluation of premises of RUB 1.9 bn  
 (3) Operating income calculated before provisions. Operating income per employee is annualised

## Cost of Risk – Declining Trend Continues

### Quarterly P&L Provision Charge



### Provision Charge, y-o-y



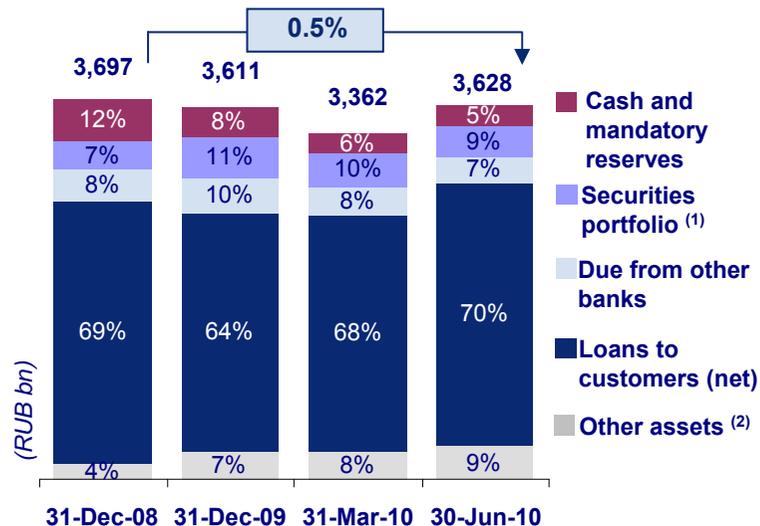
Asset Quality	30-Jun-10	31-Mar-10	31-Dec-09	Change YTD	31-Dec-08
<b>NPL ratio (90+ days) <sup>(1)</sup></b>	<b>9.5%</b>	<b>10.2%</b>	<b>9.8%</b>	<b>(30 bps)</b>	<b>1.9%</b>
– corporate	9.5%	10.5%	10.3%	(80 bps)	1.6%
– individuals	9.2%	8.6%	7.4%	180 bps	3.7%
<b>Allowance for loan impairment ratio</b>	<b>9.3%</b>	<b>9.8%</b>	<b>9.2%</b>	<b>10 bps</b>	<b>3.6%</b>
– corporate	9.7%	10.2%	9.7%	0 bps	3.6%
– individuals	7.4%	7.7%	6.8%	60 bps	3.7%
<b>Allowance for loan impairment / NPLs</b>	<b>98.3%</b>	<b>96.1%</b>	<b>94.5%</b>	<b>380 bps</b>	<b>183.9%</b>
– corporate	101.3%	97.2%	94.8%	650 bps	215.7%
– individuals	81.1%	89.0%	92.5%	(1,140 bps)	100.6%

Renegotiated Loans (in RUB bn)	30-Jun-10	31-Mar-10	31-Dec-09	Change YTD	31-Dec-08
<b>Renegotiated loans</b>	<b>302.1</b>	<b>327.1</b>	<b>300.5</b>	<b>0.5 %</b>	<b>16.3</b>
– corporate	285.3	309.0	283.7	0.6%	14.8
– individuals	16.8	18.1	16.8	0%	1.5
<b>Renegotiated loans / Total gross loans</b>	<b>10.7%</b>	<b>12.9%</b>	<b>11.8%</b>	<b>(110 bps)</b>	<b>0.6%</b>
– corporate	12.0%	14.6%	13.4%	(140 bps)	0.7%
– individuals	3.8%	4.3%	3.9%	(10 bps)	0.4%

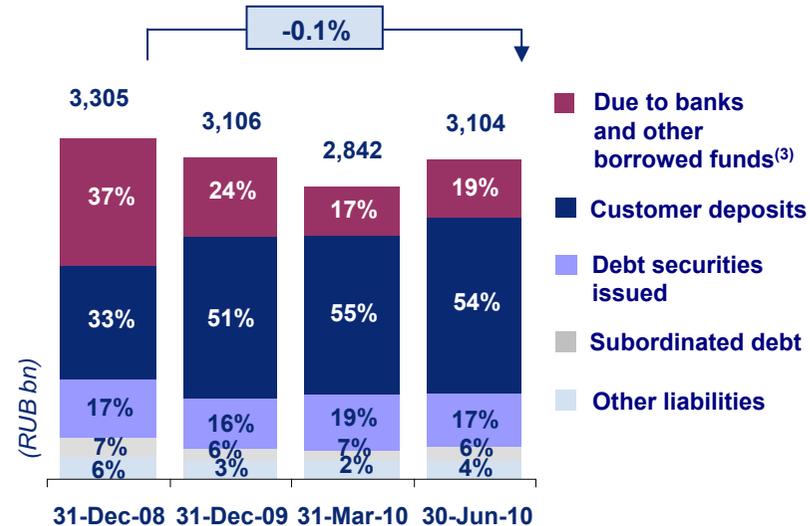
(1) Non-performing loans (NPLs) represent impaired loans with repayments overdue by over 90 days. NPLs are calculated including the entire principal and interest payments. Ratio is calculated to total gross loans

# Improved Balance Sheet Structure and Strong Capital Base

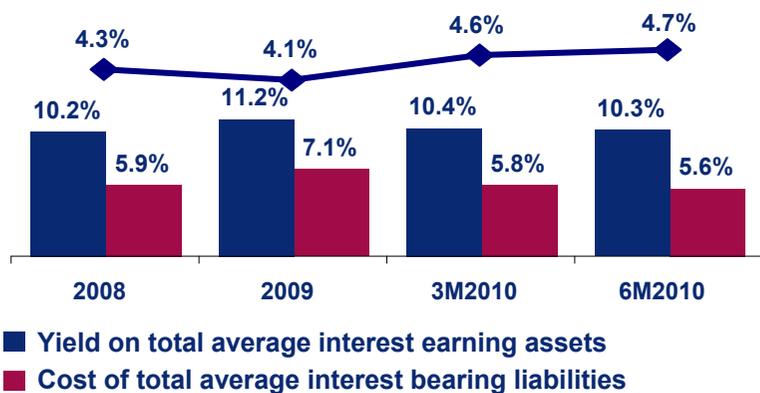
## Assets Structure



## Liabilities Structure



## Net Interest Spread (◆)



## BIS Group Capital



- (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



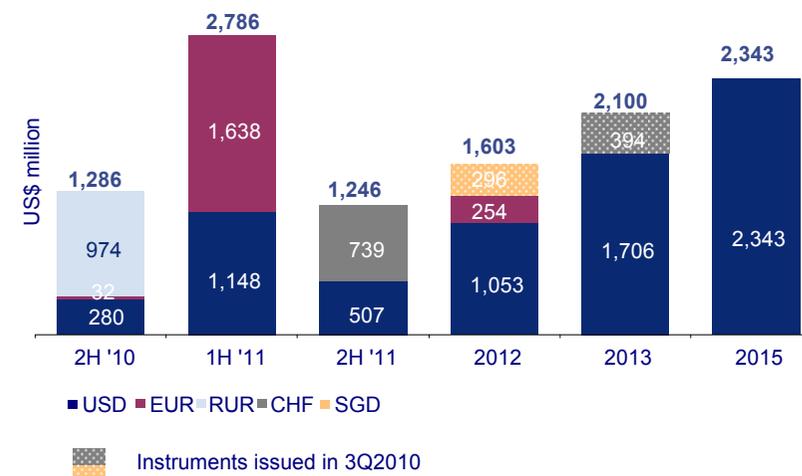
# ***Appendix***

# VTB Group public debt instruments

## VTB Group Public Debt Instruments Outstanding

Borrower	Equivalent amount (US\$, mln) <sup>(1)</sup>	Instrument	Maturity Date/Put or Call Option	Coupon
<b>2010</b>				
VTB	974	Series 3 RUB EMTN 2 (put option)	November 2010	8.75%
Members of VTB Group	312	Loans repayment/amortization	During 2010	
<b>Subtotal</b>	<b>1,286</b>			
<b>2011</b>				
VTB	493	Series 9 EUR EMTN 1 (put option)	February 2011	4.25%
VTB	1,144	Series 5 EUR EMTN 2	June 2011	8.25%
VTB	739	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/amortization	During 2011	
<b>Subtotal</b>	<b>4,032</b>			
<b>2012</b>				
VTB	296	Series 8 SGD EMTN 2	August 2012	4.2%
VTB	1,053	Series 1 EMTN 2	October 2012	6.609%
Members of VTB Group	254	Loans repayment/amortization	During 2012	
<b>Subtotal</b>	<b>1,603</b>			
<b>2013</b>				
VTB	1,706	Series 4 EMTN 2 (put option)	May 2013	6.875%
VTB	394	Series 9 CHF EMTN 2	August 2013	4.0%
<b>Subtotal</b>	<b>2,100</b>			
<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%
VTB N-W	400	Subordinated Debt	September 2015	6.2 % <sup>(2)</sup>
<b>Subtotal</b>	<b>2,343</b>			
<b>Total</b>	<b>11,364</b>			

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



## Public Debt Repaid in 2010 <sup>(1)</sup>

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 230	Loans repayment / amortisation	January - September 2010	
<b>Subtotal</b>	<b>USD 1,340</b>			

(1) Exchange rates are as of September 2, 2010, CBR data

(2) Interest rate reset in October 2010

Note: In addition to international debt, VTB Group has RUB 138 bn outstanding domestic long-term bonds with put options

## VTB Group public debt instruments issued in 2010 overview

Borrower	Date of issue	Amount (million)	Instrument	Maturity date	Coupon
VTB	March 2010	USD 1,250	Series 7 EMTN 2	March 2015	6.465%
VTB	March 2010	RUB 5,000 RUB 5,000 RUB 10,000	Domestic Stock Exchange Bonds	March 2013	7.6%
VTB	August 2010	SGD 400	Series 8 EMTN 2	August 2012	4.2%
VTB	August 2010	CHF 400	Series 9 EMTN 2	August 2013	4%
VTB-Leasing	August 2010	RUB 5000	Amortizing domestic bond	August 2017 (1.5 year put option)	7.05%
VTB-Leasing	August 2010	RUB 5000	Amortizing domestic bond	August 2017 (1 year put option)	6.65%
<b>Total (USD equivalent)<sup>(1)</sup></b>		<b>USD 2,914</b>			

<sup>(1)</sup> Exchange rates are as of September 2, 2010, CBR data