

# ***VTB Group 1Q'2011 Results and Update on TransCreditBank & Bank of Moscow***



***Herbert Moos  
CFO, Deputy Chairman of the Management Board***

***July 18, 2011***



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.

## *Agenda*

<b>1. Bank of Moscow – Update</b>	<b>4</b>
<b>2. Delivering on TransCreditBank</b>	<b>10</b>
<b>3. 1Q'2011 Results</b>	<b>15</b>
<b>4. Progress on VTB Group's Strategy</b>	<b>29</b>
<b>5. Summary and Outlook</b>	<b>31</b>
<b>6. Appendix</b>	<b>33</b>

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## *Bank of Moscow – Acquisition with Compelling Rationale*

### ■ **Solid franchise despite recent turmoil**

- Over 100,000 corporate clients and over 6.5 mln active retail customers
- Strong branch network totaling 381 across Russia and over 1,900 ATMs
- Strong brand in Moscow and Moscow region

### ■ **Access to Moscow City government as a major customer**

- 962 municipal entities as clients
- Overall City budget (2011) over USD 50 bn
- Major infrastructure projects planned, including significant expansion of City territory

### ■ **Provides scale entry into the most demographically attractive Russian market**

- 139 branches and c. 500 mini-offices in post office branches in Moscow and Moscow region

### ■ **Sound deposit base**

- 5 largest bank by corporate deposits in Russia (as of 1Q'2011)
- 6 largest bank by retail deposits in Russia (as of 1Q'2011)

### ■ **Metropolitan Insurance Group adds scale to VTB Insurance business, combined GWP ranks 5th in Russia**

## Bank of Moscow – Acquisition milestones

### Timeline

Feb 2011

Due diligence based on information provided by the major shareholder the City of Moscow and audited financial accounts

46.48% stake in BoM acquired from the City of Moscow (for RUB 92.8 bn) and 25%+1 share stake in Metropolitan Insurance Group (for RUB 10.2 bn)

Mar 2011

Due diligence including top 400 borrowers

21 Apr 2011

Mikhail Kuzovlev elected as BoM President, VTB Group gained full access to BoM

Jun 2011

Previously hidden related party loan book uncovered

7 VTB representatives appointed to the BoM Board of Directors (out of 15)

The CBR and the Deposit Insurance Agency (DIA) agreed on a set of measures for BoM support in accordance with Federal Law # 175-FZ 'On Additional Measures to Strengthen the Stability of the Banking System Through December 31, 2011'

3Q'2011

BoM will announce 2010 IFRS accounts by the end of July

VTB Group expects to acquire minimum 75% stake in BoM

In VTB Group accounting BoM will switch from equity associate to consolidated subsidiary

by YE'2012

VTB Group expects to provide BoM with capital of RUB 100 bn taking VTB share in BoM to close to 100%

## *Bank of Moscow – Sound Support Plan in Place*



Chosen support plan optimal in current situation for BoM, VTB Group and the Russian Government

VTB Group expects to buy minimum 75% stake in BoM

The Deposit Insurance Agency expected to issue up to RUB 295 bn 10-year loan to BoM at an annual rate of 0.51%, which is expected to be invested into Russian government securities

The Deposit Insurance Agency loan expected to be recognised at fair market value in BoM 2011 IFRS accounts and BoM will book a positive P&L effect from the revaluation on initial recognition equal to RUB 150 bn (IAS 20 and IAS 39)

This P&L effect expected to be used as a source to absorb losses resulting from additional provisions from loan impairment

VTB Group expects to provide BoM with additional capital in the amount of RUB 100 bn by YE'2012

At the time of consolidation of BoM into VTB Group BoM is expected to be in compliance with all CBR requirements

## Bank of Moscow Loan Portfolio Quality <sup>(1)</sup>

<i>(in RUB bn)</i>	30-Sep-2010			31-Dec-2010			31-Dec-2011		
	Gross loans	Allowance for loan impairment	Provisioning ratio	Gross loans	Allowance for loan impairment	Provisioning ratio	Gross loans	Allowance for loan impairment	Provisioning ratio
<b>Corporate loan portfolio</b>	<b>587</b>	<b>44</b>	<b>7%</b>	<b>567</b>	<b>134</b>	<b>24%</b>	<b>663</b>	<b>273</b>	<b>41%</b>
Loans issued by new management	0	0	-	0	0	-	198	4	2%
<b>Legacy portfolio:</b>	<b>587</b>	<b>44</b>	<b>7%</b>	<b>567</b>	<b>134</b>	<b>24%</b>	<b>465</b>	<b>269</b>	<b>58%</b>
Market portfolio	290	20	7%	260	23	9%	130	19	15%
Related parties portfolio	297	24	8%	307	111	36%	335	250	75%
- Lending to SPV	132	13	10%	138	81	59%	150	150	100%
- Lending to operating companies	165	11	7%	169	30	18%	185	100	54%
<b>Retail loan portfolio</b>	<b>82</b>	<b>14</b>	<b>17%</b>	<b>79</b>	<b>14</b>	<b>18%</b>	<b>99</b>	<b>15</b>	<b>15%</b>
Loans issued by new management	0	0	-	0	0	-	27	1	4%
<b>Legacy portfolio</b>	<b>82</b>	<b>14</b>	<b>17%</b>	<b>79</b>	<b>14</b>	<b>18%</b>	<b>72</b>	<b>14</b>	<b>19%</b>

(1) Management estimates and forecasts.

# Bank of Moscow – Key Financial Details and Expected Synergies <sup>(1)</sup>

## Acquisition Price

Total price paid RUB 258 bn

BV after recapitalisation RUB 170 bn

P/BV ≈ 1.5x

## BoM FY'11 Outlook

Loan book growth 18%

Net profit RUB 3 bn

ROE 4%

## Expected Cost Synergies

<i>(in RUB bn)</i>	3 years
Regional network	2.5
BoM subsidiaries	1.0
Advertising expenses	0.5
Operations, IT and call center	0.5
<b>Total</b>	<b>4.5</b>
<i>as % of BoM staff &amp; admin costs in 2011</i>	<b>26</b>

**ROE by 2013 > 20%**

(1) Management estimates and forecasts.

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## *TransCreditBank – Acquisition with Strategic Fit*

- **Fits strategic model; brings strong client base and is ROE accretive**

- **Corporate Banking opportunities**

- financing of Russian Railways Group and other clients
- funding from increased deposits and account balances
- transaction banking services including cash management

- **Retail Banking opportunities**

- over 2 million retail customers, majority of whom Russian Railways Group employees

- **Investment Banking opportunities**

- debt and equity deals for new corporate clients
- structured products
- treasury products

## TransCreditBank – Description of the Deal

### Timeline

**Dec 2010**

43.18% stake acquired from minority shareholders at RUB 21 per share  
VTB Group consolidated TCB in its FY'10 IFRS statements based on potential voting rights

**2Q'2011**

0.31% stake acquired from minority shareholders through a mandatory offer to TCB shareholders at a price of RUB 21 per share

**15 Jul 2011**

29.39% stake acquired from Russian Railways at RUB 24.40 per share  
VTB consolidated 72.88% stake in TCB

**by YE'2013**

VTB Group will buy remaining stake of 25%+1 share from Russian Railways by 31 December 2013  
Formula for purchase price agreed, final price will depend on TCB financial performance

# TransCreditBank – Key Operational and Financial Details

## Top-11 by Geographic Coverage <sup>(1)</sup>

- 290 offices in 197 cities across Russia
- c. 2,400 ATMs and c. 4,000 POS terminals
- TCB market share in 2010:
  - 1.0% in corporate loans, 1.5% in retail loans
  - 2.2% in corporate deposits, 0.6% in retail deposits
- Russian Railways and its affiliated companies represent a significant share of TCB's business

## Key Financial Indicators

<i>(in RUB bn)</i>	2008	2009	2010
Total assets	244.4	258.6	<b>390.9</b>
Net loans to customers	141.6	143.3	<b>203.9</b>
Equity	16.3	20.1	<b>28.2</b>
Net profit	3.5	4.1	<b>7.5</b>
ROA, %	2.0	1.7	<b>2.3</b>
ROE, %	29.9	22.8	<b>31.9</b>

## Rankings <sup>(1)</sup>

<b>No. 14</b>	<b>No. 12</b>	<b>No. 4</b>	<b>No. 5</b>
<b>By assets among Russian banks</b>	<b>By profit among Russian banks</b>	<b>Mortgage lender in Russia</b>	<b>By number of ATMs in Russia</b>

(1) Rankings are based on RAS figures, as of 31-Dec-2010. Source: RBC.

(2) Data presented as of 31-Dec-2010

# TransCreditBank – Integration Plan and Expected Synergies

## Integration Milestones

- **TCB will be integrated into VTB Group by 2013:**
  - Functional integration of both corporate and retail banking into relevant segment managements
  
- **Corporate business:**
  - Product specialisation for servicing Russian Railways
  - Assignment of key client managers in the Group to service top 50 largest TCB clients
  - Product range and pricing unification
  - Consolidated risk management
  
- **Retail business:**
  - Product range unification (3Q'11)
  - Branch network audit and decisions on its optimisation (3Q-4Q'11)
  - Increasing network efficiency and implementation of VTB24 standards (2012)

## Expected Cost Synergies

<i>(in RUB bn)</i>	<b>3 years</b>
Regional network	2.0
Administrative costs	0.7
Sponsorship and charity	0.1
Operations, IT and business development	0.2
<b>Total</b>	<b>3.0</b>
<b>as % of TCB staff &amp; admin costs in FY'11</b>	<b>22</b>

- **ROE accretion to VTB Group = 1.4% (in 2011)**

## TCB FY'11 Outlook

<b>Loan book growth</b>	<b>&gt; 35%</b>
<b>Net profit</b>	<b>RUB 9 bn</b>
<b>ROE</b>	<b>&gt; 25%</b>

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## *VTB Group 1Q'2011 Highlights*

- Record quarterly net profit in 1Q'2011 – RUB 26.1 bn
- Corporate Investment Banking and Retail Banking post a solid 1Q'2011 pre-tax profit of RUB 23.2 bn and RUB 8.2 bn, respectively
- Operating income before provisions up 26% y-o-y to RUB 72.9 bn
- Solid growth of net fee and commission income – 57% y-o-y to RUB 8.0 bn
- Net interest margin stable at 4.8% in 1Q'2011
- Improving asset quality with NPL ratio down 40 bps followed by declining provision charge: down from 1.4% in 4Q'2010 to 1.1% in 1Q'2011
- BIS ratio remains strong at 15.5% with Tier I ratio at 13.2%

## VTB Group 1Q'2011 Financial Highlights

<i>(in RUB bn)</i>	1Q'11	4Q'10	q-o-q	1Q'10	y-o-y
Net interest income before provisions	46.0	41.6	10.6%	42.0	9.5%
Net fee and commission income	8.0	6.9	15.9%	5.1	56.9%
Net result from financial instruments	9.7	6.8	42.6%	8.4	15.5%
<b>Operating income before provisions</b>	<b>72.9</b>	<b>60.4</b>	<b>20.7%</b>	<b>58.1</b>	<b>25.5%</b>
Provision charge for loan impairment	(7.7)	(11.3)	-31.9%	(15.5)	-50.3%
Staff costs and administrative expenses	(33.0)	(27.1)	21.8%	(22.2)	48.6%
<b>Net profit</b>	<b>26.1</b>	<b>16.0</b>	<b>63.1%</b>	<b>15.3</b>	<b>70.6%</b>
Net interest margin <sup>(1)</sup>	4.8%	4.8%	0 bps	5.2%	-40 bps
Provision charge for loan impairment / Average gross loan portfolio	1.1%	1.4%	-30 bps	2.5%	-140 bps
Cost / Income ratio <sup>(2)</sup>	45.3%	44.9%	40 bps	38.2%	710 bps
ROE	17.7%	11.4%	630 bps	11.9%	580 bps
EPS (in kopecks)	0.25	0.16	56.3%	0.15	66.7%

<i>(in RUB bn)</i>	31-Mar-11	31-Dec-10	q-o-q
Customer loans (gross)	3,063.5	3,059.6	0.1%
Total assets	4,448.4	4,290.9	3.7%
Customer deposits	2,373.2	2,212.9	7.2%
Total equity	600.7	578.2	3.9%
Allowance for loan impairment / Total gross loans	8.9%	9.0%	-10 bps
NPL ratio <sup>(3)</sup>	8.2%	8.6%	-40 bps
Total BIS ratio	15.5%	16.8%	-130 bps

(1) In 4Q'11 NIM is calculated excluding the effect of TCB consolidation.

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

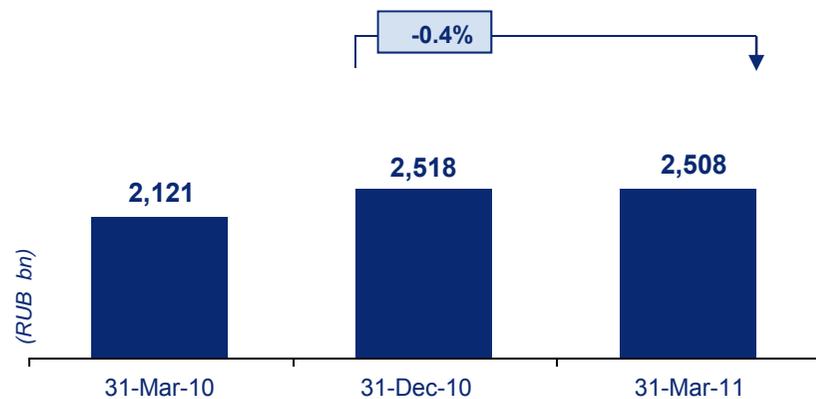
(3) Non-performing loans (NPLs) represent impaired loans with repayments overdue by over 90 days. NPLs are calculated including the entire principal and interest payments. Ratio is calculated to total gross loans.



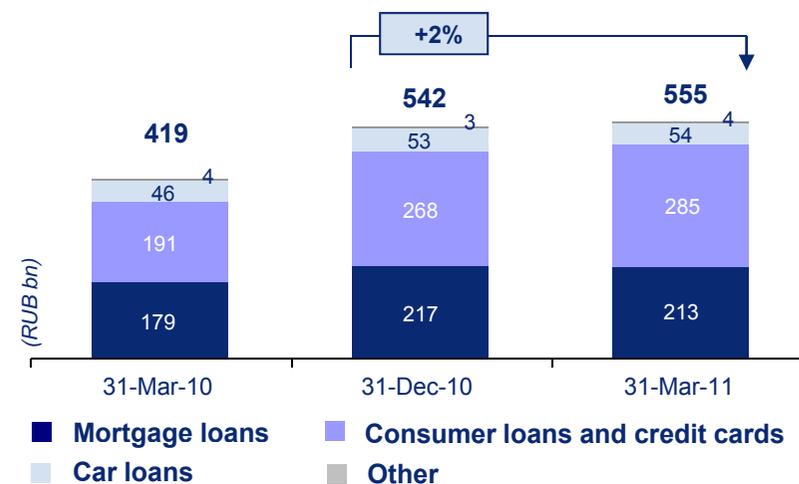
# ***Segment Update***

# Consolidated Loan Portfolio

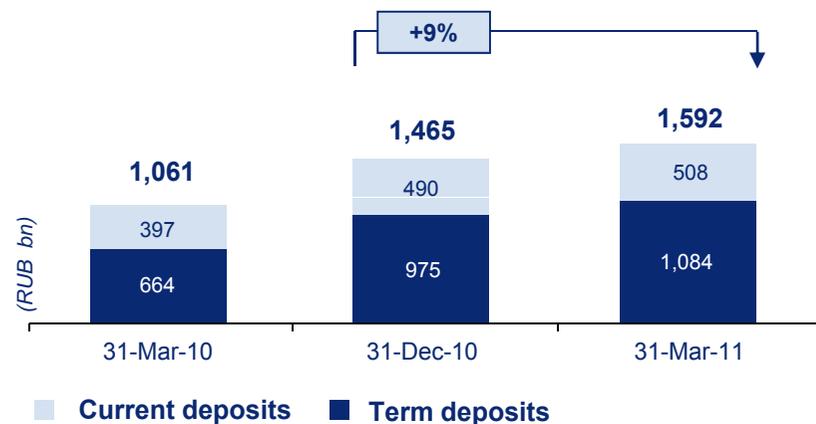
## Corporate Loans (Gross)



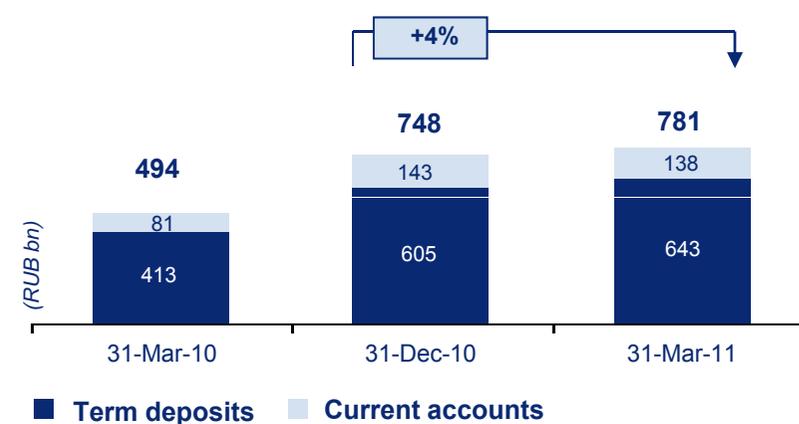
## Loans to Individuals (Gross)



## Corporate Deposits



## Retail Deposits



## Segment Analysis

(in RUB bn)	CIB <sup>(1)</sup>			Retail Banking			TCB			Other <sup>(2)</sup>		
	1Q'11	1Q'10	y-o-y	1Q'11	1Q'10	y-o-y	1Q'11	1Q'10	y-o-y	1Q'11	1Q'10	y-o-y
Net interest income	23.0	26.7	-13.9%	15.1	12.8	18.0%	5.6	-	n/a	2.3	2.5	-8.0%
Net fee & commission income	3.3	2.6	26.9%	3.2	2.2	45.5%	1.1	-	n/a	0.3	0.3	0%
Net result from financial instruments	9.3	6.9	34.8%	0.1	0.5	-80.0%	0.2	-	n/a	0.1	1.0	-90.0%
Net result from FX	5.5	0.9	511%	0.5	0.2	150.0%	(0.4)	-	n/a	0.3	0.4	-25.0%
<b>Operating income before provisions</b>	<b>43.6</b>	<b>37.9</b>	<b>15.0%</b>	<b>19.0</b>	<b>15.7</b>	<b>21.0%</b>	<b>6.7</b>	<b>-</b>	<b>n/a</b>	<b>4.2</b>	<b>4.7</b>	<b>-10.6%</b>
Provisions for impairment	(4.3)	(12.4)	-65.3%	(1.8)	(2.9)	-37.9%	(1.4)	-	n/a	(0.8)	(2.1)	-61.9%
Staff costs & administrative costs	(17.0)	(13.6)	25.0%	(9.0)	(6.1)	47.5%	(3.8)	-	n/a	(3.8)	(2.7)	40.7%
<b>Profit before taxation</b>	<b>23.2</b>	<b>11.9</b>	<b>95.0%</b>	<b>8.2</b>	<b>6.7</b>	<b>22.4%</b>	<b>1.5</b>	<b>-</b>	<b>n/a</b>	<b>(0.4)</b>	<b>(0.1)</b>	<b>300%</b>

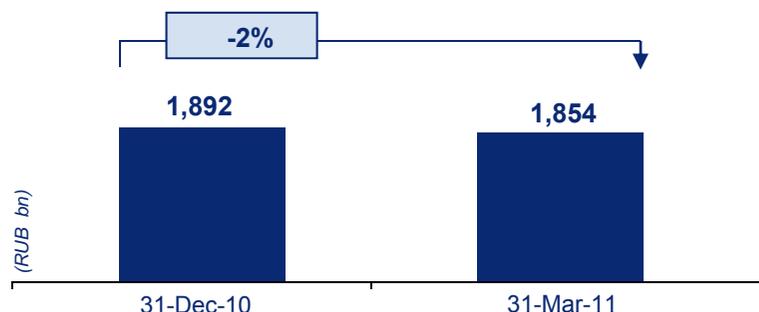
(1) Data presented after intersegment eliminations and adjustments.

(2) Including the following segments: CIS & Georgia, Europe and other.

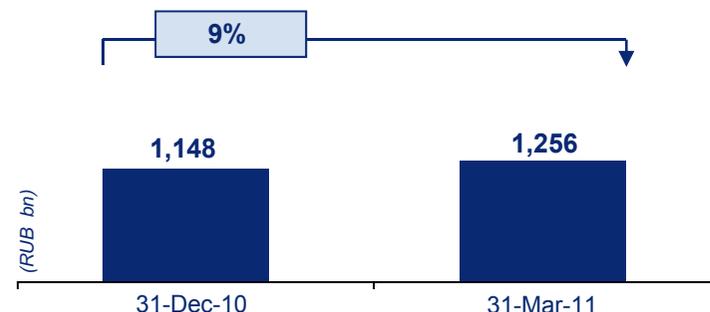
(3) Including provision charge for impairment of debt financial assets and provision charge for impairment of other assets and credit related commitments.

# Corporate Investment Banking

## Segment Data <sup>(1)</sup> - Total CIB Loans (Gross)



## Segment Data <sup>(1)</sup> - Total CIB Deposits



## VTB Capital League Tables

### CIS DCM



#	Lead Manager	Amount, USD mln	Share, %
1	VTB Capital	1,597	11.9
2	JP Morgan	1,517	11.3
3	Citigroup	1,401	10.5
4	Deutsche Bank	1,384	10.3
5	BNP Paribas	1,379	10.3

### Domestic DCM



#	Lead Manager	Amount, RUR mln	Share, %
1	VTB Capital	35,117	19.1
2	Sberbank	24,864	13.5
3	Troika Dialog	17,750	9.6
4	Raiffeisenbank	14,250	7.7
5	Gazprombank	13,750	7.5

### Russian ECM



#	Lead Manager	Amount, USD mln	Share, %
1	VTB Capital	1,492	24.5
2	Deutsche Bank	1,269	20.9
3	BoA ML	1,090	17.9
4	Credit Suisse	601	9.9
5	RenCap	422	6.9

### M&A Financial Advisors Russia



#	Lead Manager	Amount, USD mln	Share, %
1	VTB Capital	12,077	24.6
2	Lambert Energy	7,860	16.0
3	Credit Suisse	6,551	13.3
4	Credit Agricole	4,616	9.4
5	BoA ML	4,117	8.4

## Key Developments

- Loan demand started slowly recovering. Strong corporate demand for debt capital markets products, hedging instruments and derivatives in 1Q'11
- Several deals (IPO/SPO - Bank Nomos, Armada, Etalon, Mechel) were launched in 1Q'11 and successfully completed in 2Q'11
- New lending procedure introduced aimed at shortening time-to-decision and time-to-money for corporate clients to less than one month (loan approval period reduced by 30-40% for mid-sized customers, and by 50-70% for large customers)
- Cash Equities started to set up business in Ukraine and Cyprus, start of the project of receipt of membership on Warsaw Stock Exchange
- Yuri Soloviev appointed as Head of CIB
- Gurinder Nihal appointed Head of the Corporate Products Department to focus on transaction banking

(1) Data presented as reported in VTB 1Q'11 financial statements for the segment CIB.

## Corporate Investment Banking: Financial Highlights <sup>(1)</sup>

<i>(in RUB bn)</i>	Investment Banking			Loans and Deposits			Transaction Banking			Total <sup>(2)</sup>		
	1Q'11	1Q'10	y-o-y	1Q'11	1Q'10	y-o-y	1Q'11	1Q'10	y-o-y	1Q'11	1Q'10	y-o-y
Net interest income	2.4	2.1	14.3%	19.0	22.8	-16.7%	1.6	1.8	-11.1%	23.0	26.7	-13.9%
Net fee and commission income	1.2	0.5	140.0%	0.2	0.2	0%	1.9	1.9	0%	3.3	2.6	26.9%
Net result from financial instruments	10.4	8.7	19.5%	(1.1)	(1.6)	-31.3%	-	-	-	9.3	6.9	34.8%
Net result from FX	1.4	0.9	55.6%	4.1	0.0	n/a	-	-	-	5.5	0.9	511.1%
<b>Operating income before provisions</b>	<b>15.3</b>	<b>12.2</b>	<b>25.4%</b>	<b>24.9</b>	<b>22.2</b>	<b>12.2%</b>	<b>3.5</b>	<b>3.7</b>	<b>-5.4%</b>	<b>43.6</b>	<b>37.9</b>	<b>15.0%</b>
Provisions for impairment <sup>(3)</sup>	-	-	n/a	(4.3)	(12.4)	-65.3%	-	-	n/a	(4.3)	(12.4)	-65.3%
Staff costs & administrative costs	(6.4)	(5.2)	23.1%	(10.0)	(7.8)	28.2%	(0.7)	(0.6)	16.7%	(17.0)	(13.6)	25.0%
<b>Profit before taxation</b>	<b>8.9</b>	<b>7.0</b>	<b>27.1%</b>	<b>11.5</b>	<b>2.0</b>	<b>475.0%</b>	<b>2.8</b>	<b>3.1</b>	<b>-9.7%</b>	<b>23.2</b>	<b>11.9</b>	<b>95.0%</b>

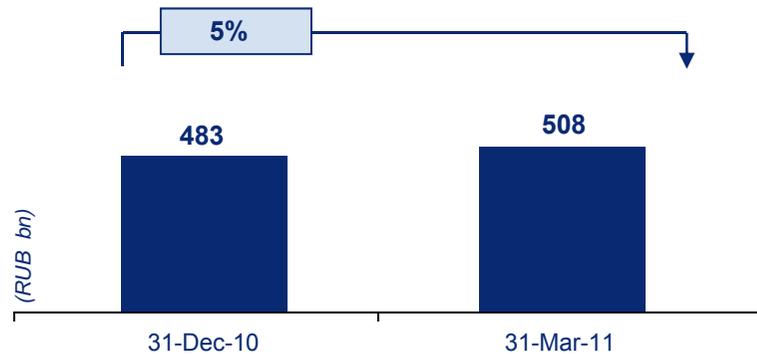
(1) Data presented as reported in VTB 1Q'11 financial statements for the segment CIB.

(2) Data presented after intersegment eliminations and adjustments.

(3) Including provision charge for impairment of debt financial assets and provision charge for impairment of other assets and credit related commitments.

# Retail Banking in Russia

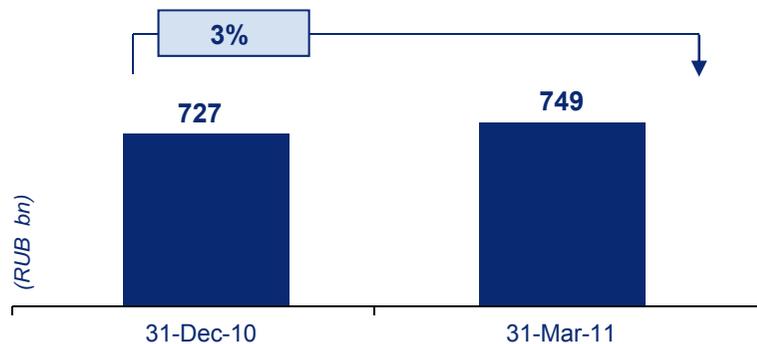
## Segment Data <sup>(1)</sup> - Loans to Individuals (Gross)



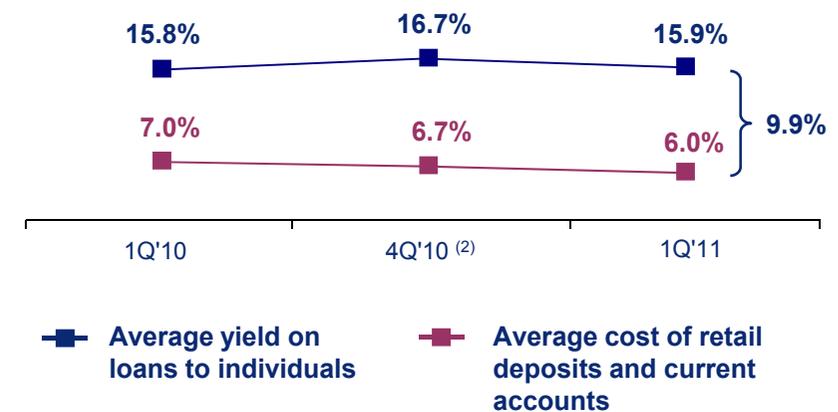
## Market Shares in Russia



## Segment Data <sup>(1)</sup> - Retail Deposits



## Average Yield & Cost of Funds



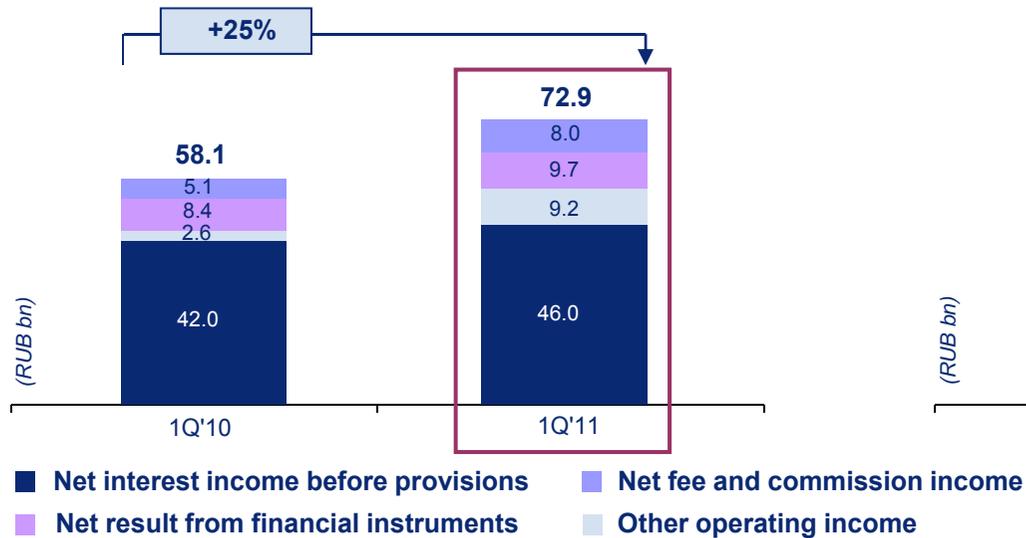
(1) Data presented as reported in VTB 1Q'11 financial statements for the segment Retail Banking.  
 (2) Calculated excluding the effect of TCB consolidation.

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 on the upper portion of the image.

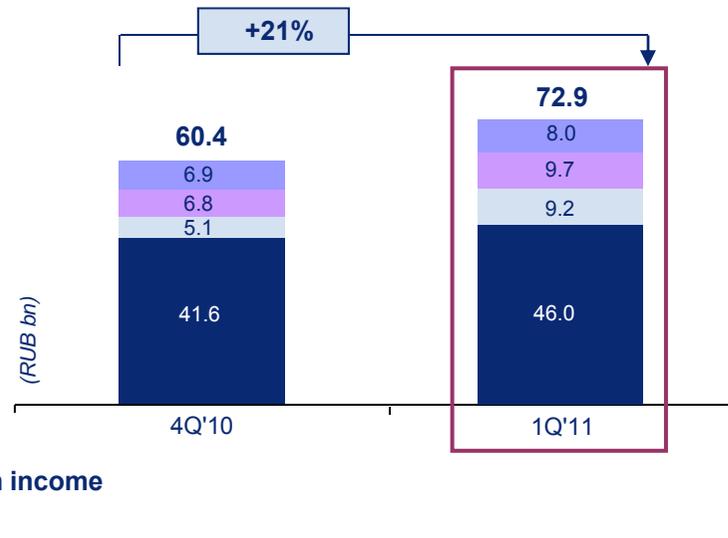
# ***Financial Update***

# Solid Operating Income Growth

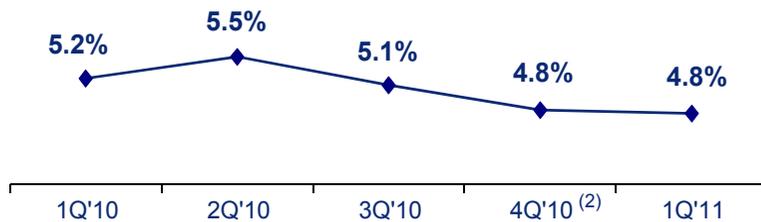
## Operating Income before Provisions (y-o-y)



## Operating Income before Provisions (q-o-q)



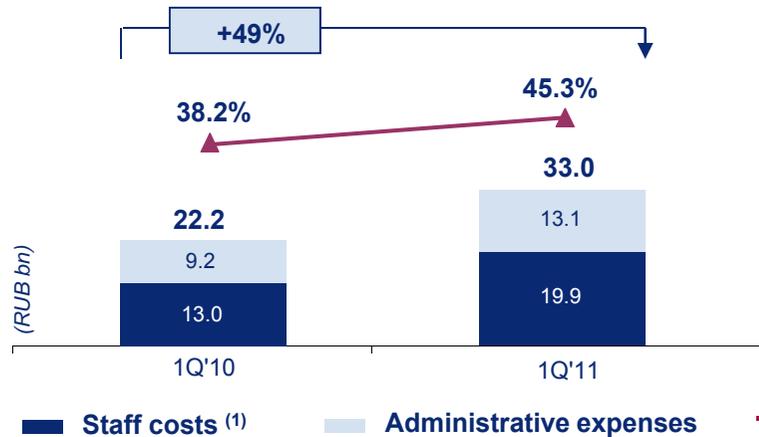
## Quarterly NIM <sup>(1)</sup>



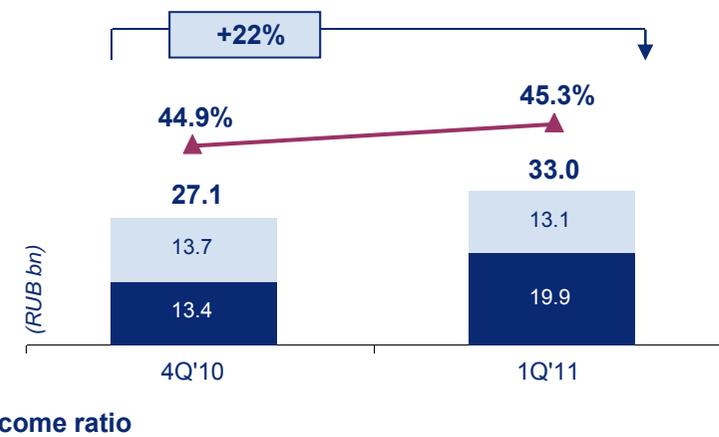
(1) Net interest income divided by average interest earning assets, which include gross loans and advances to customers, due from other banks (gross), debt securities and correspondent accounts with other banks.  
 (2) Calculated excluding the effect of TCB consolidation.

# Costs Remain under Control

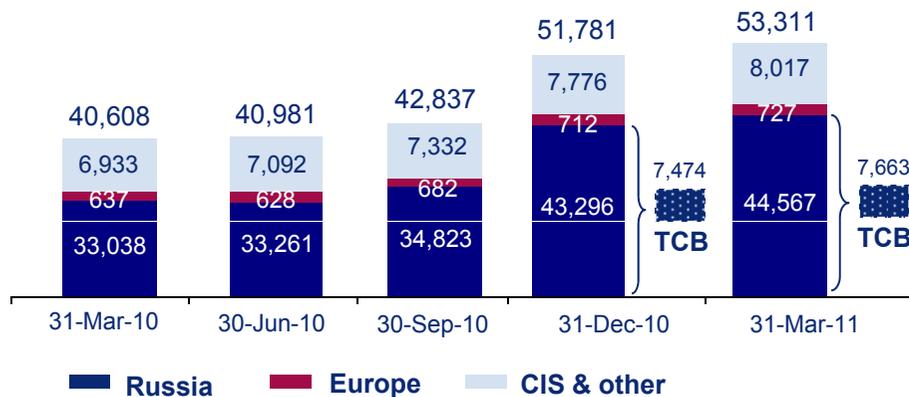
## Staff and Administrative Expenses (y-o-y)



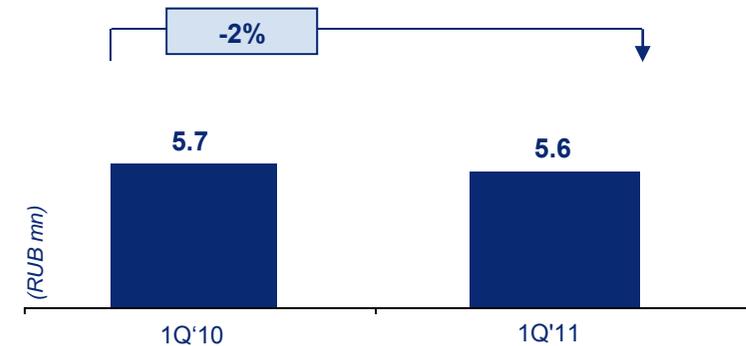
## Staff and Administrative Expenses (q-o-q)



## Number of Employees



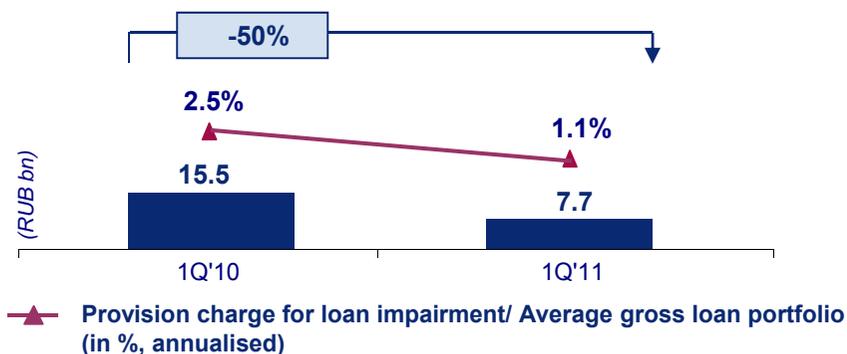
## Operating Income per Employee (2)



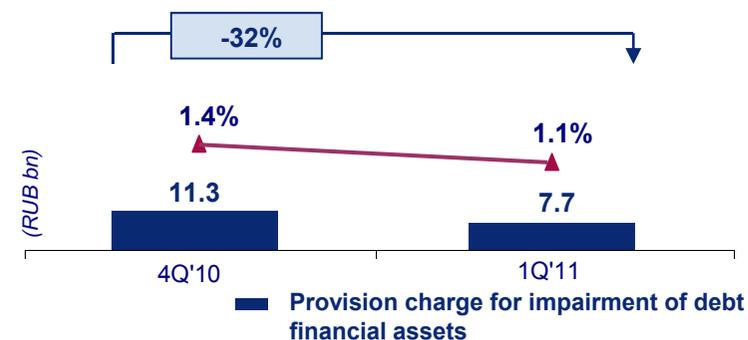
(1) Including pensions.  
 (2) Operating income calculated before provisions.

# Asset Quality Improving

## Quarterly P&L Provision Charge <sup>(2)</sup> (y-o-y)



## Quarterly P&L Provision Charge <sup>(2)</sup> (q-o-q)



Asset Quality	31-Mar-11	31-Dec-10	31-Mar-10	Change q-o-q
<b>NPL ratio (90+ days) <sup>(1)</sup></b>	<b>8.2%</b>	<b>8.6%</b>	<b>10.2%</b>	<b>-40 bps</b>
– corporate	8.3%	8.8%	10.5%	-50 bps
– individuals	7.7%	7.8%	8.6%	-10 bps
<b>Allowance for loan impairment ratio</b>	<b>8.9%</b>	<b>9.0%</b>	<b>9.8%</b>	<b>-10 bps</b>
– corporate	9.4%	9.4%	10.2%	-
– individuals	7.0%	7.0%	7.7%	-
<b>Allowance for loan impairment / NPLs</b>	<b>109.2%</b>	<b>103.7%</b>	<b>96.1%</b>	<b>550 bps</b>
– corporate	112.8%	106.4%	97.2%	640 bps
– individuals	91.4%	89.7%	89.0%	170 bps

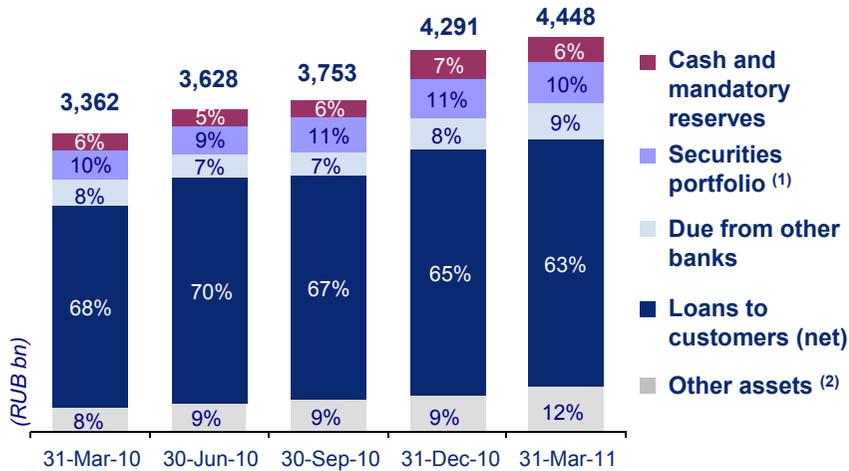
Renegotiated Loans (in RUB bn)	31-Mar-11	31-Dec-10	31-Mar-10	Change q-o-q
<b>Renegotiated loans</b>	<b>260.6</b>	<b>270.4</b>	<b>327.1</b>	<b>-3.6%</b>
– corporate	247.5	254.7	309.0	-2.8%
– individuals	13.1	15.7	18.1	-16.6%
<b>Renegotiated loans / Total gross loans</b>	<b>8.5%</b>	<b>8.8%</b>	<b>12.9%</b>	<b>-30 bps</b>
– corporate	9.9%	10.1%	14.6%	-20 bps
– individuals	2.4%	2.9%	4.3%	-50 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.

(2) Provision charge for impairment of debt financial assets.

# Healthy Balance Sheet Structure and Strong Capital Base

## Assets Structure



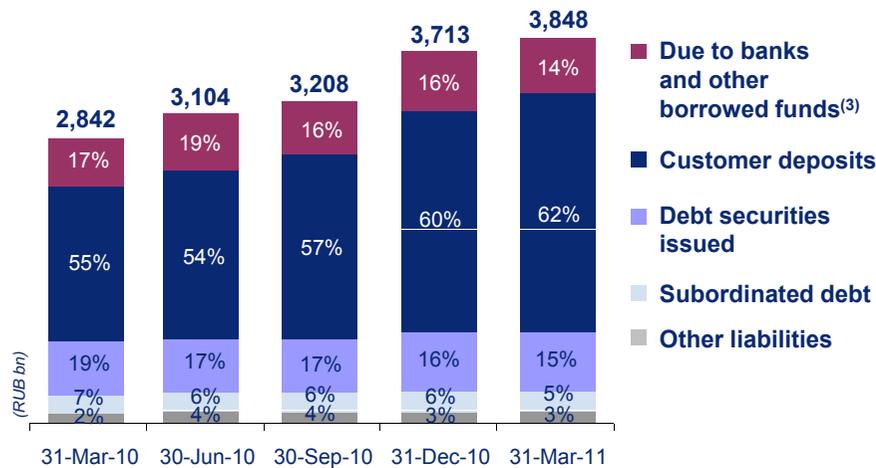
## Net Interest Spread, y-o-y



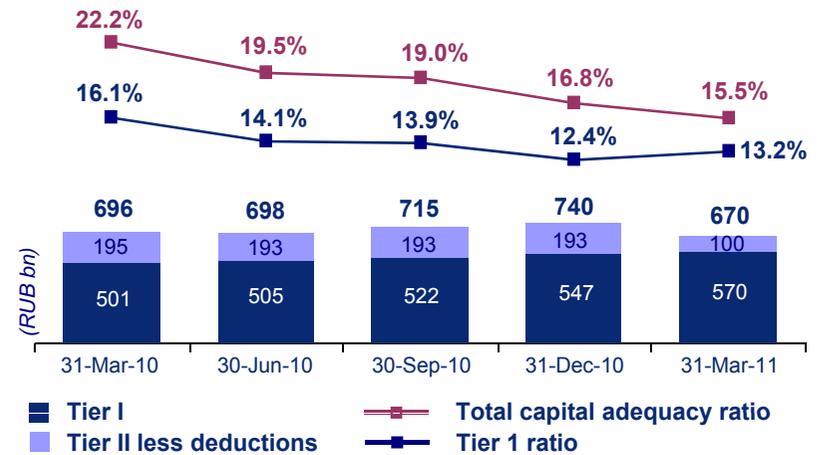
## Customer Loans / Customer Deposits



## Liabilities Structure



## BIS Group Capital



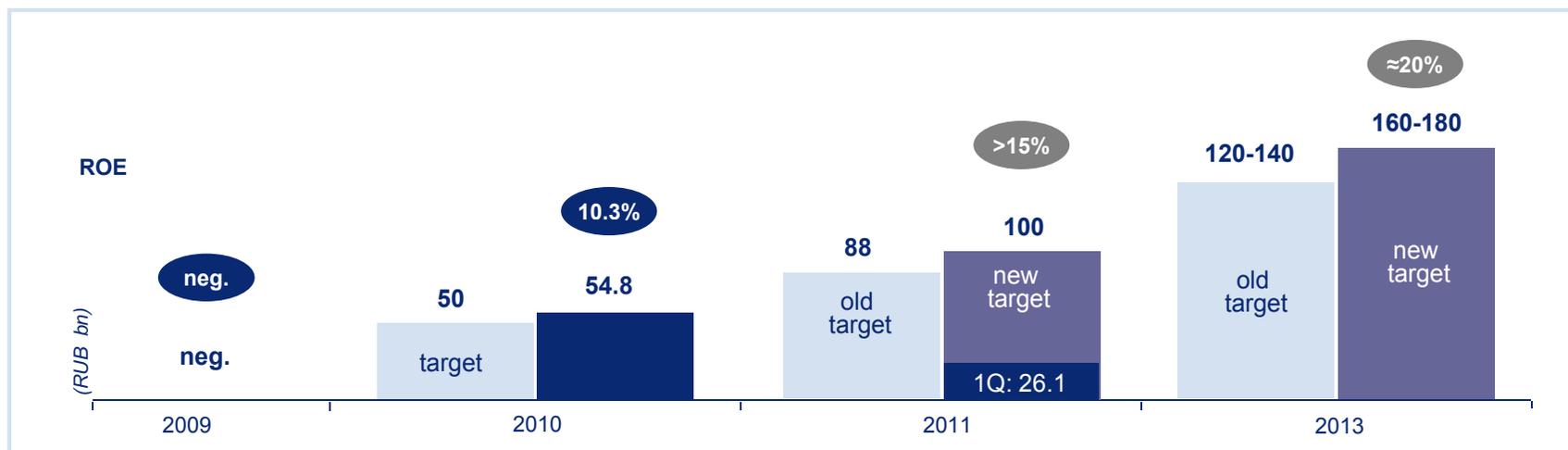
(1) Includes debt and equity securities, assets pledged under REPO, securities classified as due from other banks and loans to customers, and derivatives.  
 (2) Includes investment in associates, premises and equipment, investment property, intangible assets and goodwill, deferred tax assets and others.  
 (3) Other borrowed funds include bilateral and syndicated bank loans, secured and unsecured financing from central banks.

## *Agenda*

<b>1. Bank of Moscow – Update</b>	<b>4</b>
<b>2. Delivering on TransCreditBank</b>	<b>10</b>
<b>3. 1Q'2011 Results</b>	<b>15</b>
<b>4. Progress on VTB Group's Strategy</b>	<b>29</b>
<b>5. Summary and Outlook</b>	<b>31</b>
<b>6. Appendix</b>	<b>33</b>

# VTB's 'Road to 15' Strategy: Delivered as Promised so far, Targets Upgraded

## VTB Group Net Profit and ROE Targets 2013



### Large-scale Transformations

- **Transaction banking:** updated cash management and packaged products, new sales motivation schemes implemented
- **Lending procedure:** credit process streamlined, time to decision cut by 50-70% for top-clients, by 30-40% for mid-cap clients
- **Operational efficiency projects:** new global service model for top clients developed, new SME service model implemented

### New Group Governance Model

- CIB responsible for large clients across all geographies and Retail responsible for business with individuals and SME clients across all geographies
- Strong Corporate Center with integrated risks and finance functions across VTB Group
- VTB, TCB and BoM Supervisory Board changes

### Integration of New Assets

- Successful integration of VTB North-West in March 2011
- TCB integration plan to be finalised by August 2011
- On 1 July 2011, VTB24, BoM and TCB combined their ATM networks
- BoM integration process started

## *Agenda*

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## Summary & Outlook

- Bank of Moscow clean up and strong market position in Moscow position the Bank for effective growth, profit of RUB 3 bn already in 2011
- TransCreditBank performing better than planned – improved net profit target 2011 from RUB 8 bn to RUB 9 bn
- Transformation under strategic plan delivering as promised – organic net profit target 2011 improved from RUB 80 bn to RUB 88 bn
- Capital used more efficiently; total CAR expectation over 13% with Tier I approx. 10% at YE'2011 assuming net profit FY'11 RUB 100 bn and RWA YE'11 +26.6% from 1Q'11
- Improved guidance for 2011

Net profit  
RUB 100 bn

ROE  
>15%

NIM  
> 4.5%

Loan growth  
>15%

## *Agenda*

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<b>6. Appendix</b>	<b>33</b>

# VTB Group Public Debt Instruments

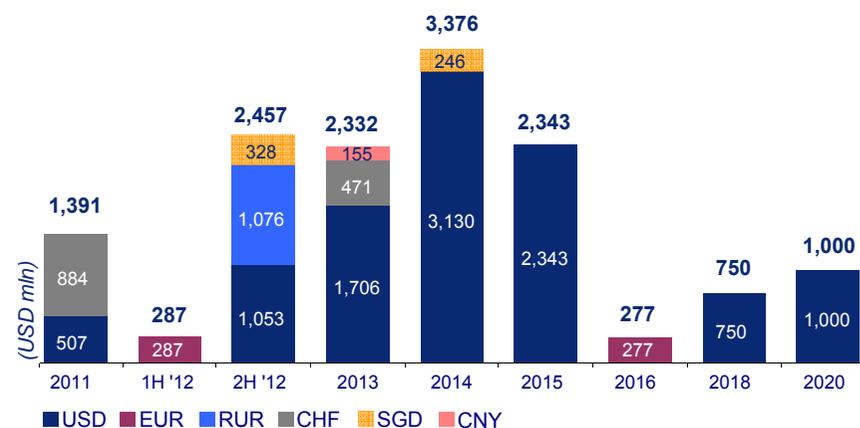
## VTB Group Public Debt Instruments Outstanding

Borrower	Equivalent amount (USD, mln) <sup>(1)</sup>	Instrument	Maturity Date/Put or Call Option	Coupon
<b>2011</b>				
VTB	884	Series 6 EMTN 2 CHF	August 2011	7.5%
VTB	450	Series 4 EMTN 1	October 2011	7.5%
Members of VTB Group	57	Loans repayment / amortisation	During 2011	
<b>Subtotal</b>	<b>1,391</b>			
<b>2012</b>				
VTB	328	Series 8 SGD EMTN 2	August 2012	4.2%
VTB	1,053	Series 1 EMTN 2	October 2012	6.609%
VTB	1,076	Series 3 RUB EMTN 2	November 2012	6.85%
Members of VTB Group	287	Loans repayment / amortisation	During 2012	
<b>Subtotal</b>	<b>2,744</b>			
<b>2013</b>				
VTB	1,706	Series 4 EMTN 2 (put option)	May 2013	6.875%
VTB	471	Series 9 CHF EMTN 2	August 2013	4.0%
VTB	155	Series 11 CNY EMTN 2	December 2013	2.95%
<b>Subtotal</b>	<b>2,332</b>			
<b>2014</b>				
VTB	246	Series 13 SGD EMTN 2	June 2014	3.4%
VTB	3,130	Loan repayment	July 2014	
<b>Subtotal</b>	<b>3,376</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 <sup>(2)</sup>	400	Subordinated Debt	September 2015	5.01 %
<b>Subtotal</b>	<b>2,343</b>			
<b>2016</b>				
VTB	277	Series 9 EUR EMTN 1	February 2016	4.25%
<b>Subtotal</b>	<b>277</b>			
<b>2018</b>				
VTB	750	Series 12 EMTN 2	February 2018	6.315%
<b>Subtotal</b>	<b>750</b>			
<b>2020</b>				
VTB	1,000	Series 10 EMTN 2	October 2020	6.551%
<b>Subtotal</b>	<b>1,000</b>			
<b>Total</b>	<b>14,213</b>			

## Public Debt Repaid in 2011 <sup>(1)</sup>

Borrower	Amount (mln) <sup>(1)</sup>	Instrument	Repayment Date	Coupon
Members of VTB Group	USD 1,149	Loans repayment / amortisation	January – June 2011	
VTB	EUR 195	Series 9 under EMTN programme No.1 (put option)	February 2011	4.25%
TCB	USD 350	Eurobond	June 2011	9%
VTB	EUR 900	Series 5 under EMTN programme No. 2	June 2011	8.25%
<b>Total</b>	<b>USD 3,070</b>			

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



(1) Exchange rates are as of 11-July-2011. CBR data.

Note: In addition to international debt, VTB Group currently has RUB 159 bn outstanding domestic bonds.

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

## VTB Group International Public Debt Instruments Issued in 2010-2011

Borrower	Date of issue	Amount (mln)	Instrument	Maturity date	Coupon/rate
VTB	March 2010	USD 1,250	Series 7 EMTN 2	March 2015	6.465%
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	October 2010	USD 1,000	Series 10 EMTN 2	October 2020	6.551%
VTB	December 2010	CNY 1,000	Series 11 EMTN 2	December 2013	2.95%
VTB	February 2011	USD 750	Series 12 EMTN 2	February 2018	6.315%
VTB	June 2011	SGD 300	Series 13 EMTN 2	June 2014	3.4%
VTB	July 2011	USD 3,130	Syndicated loan	July 2014	LIBOR+1.3%
<b>Total (USD equivalent)<sup>(1)</sup></b>		<b>USD 7,330</b>			

(1) Exchange rates are as of 11-July-2011, CBR data.