

# INVESTOR PRESENTATION

July 2021



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- Ownership Structure and Capital
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- Business Overview
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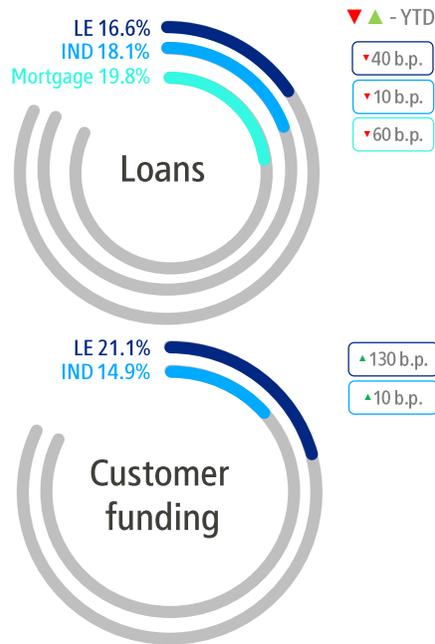
- Financial Results
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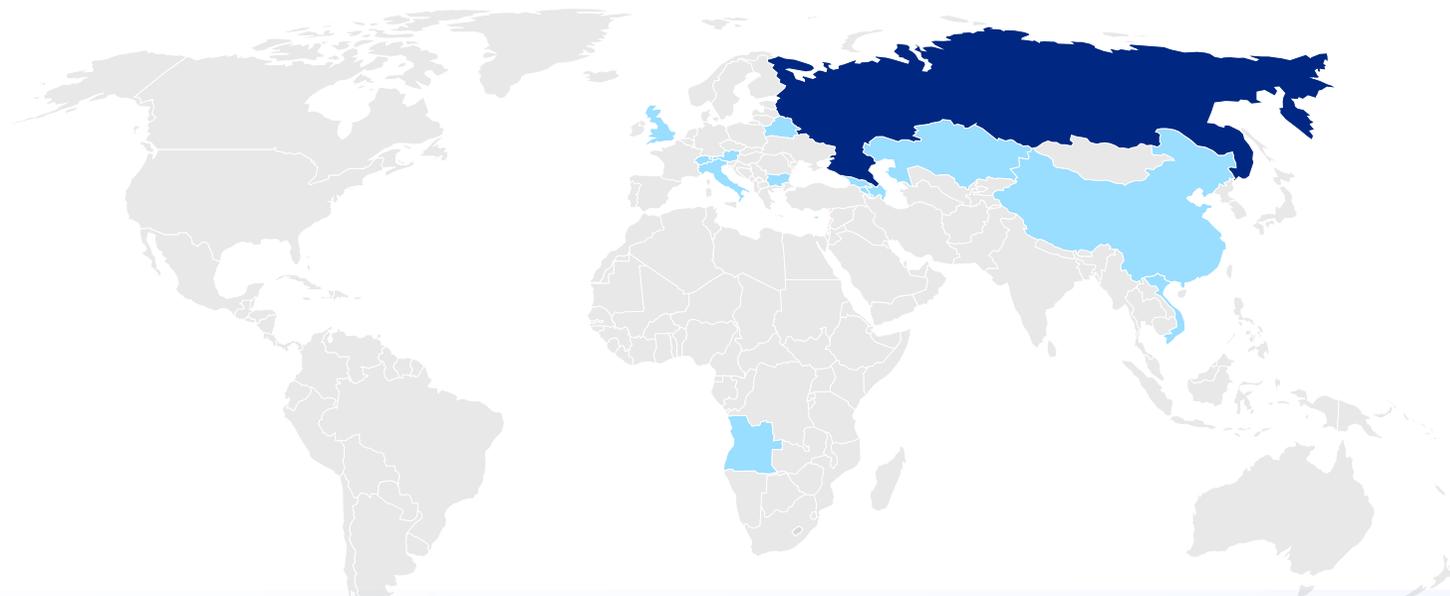
# VTB AT A GLANCE



## MARKET SHARES as of 31 May '21



# Overview of VTB Group



## WORLD

**Assets** as of 31 May '21

**19.5** RUB trln

**Global Presence**

**18** countries

**Credit Ratings**

BBB- Baa3 ruAAA

S&P Global Ratings | Moody's | RAEX

**Bank of the Year 2020 in Russia**

## RUSSIA

as of 31 Mar '21

**Client Base**

**15** mln banking clients

**ATMs**

**16** thsd

**Branch Network**

**1.5** thsd

**Employees**

**78** thsd

**VTB Capital**  
№1 IN THE CIS

**DCM**

**14%**

№1 IN RUSSIA

**Investment banking**

**23%**

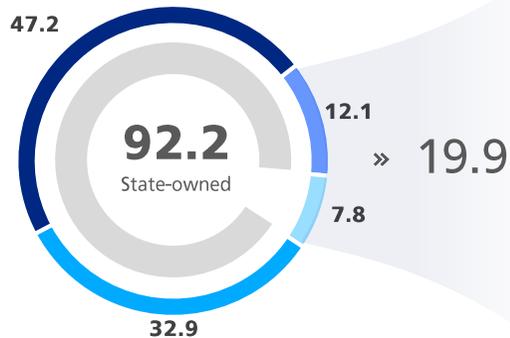
**DCM**

**36%**

# Structure of equity capital

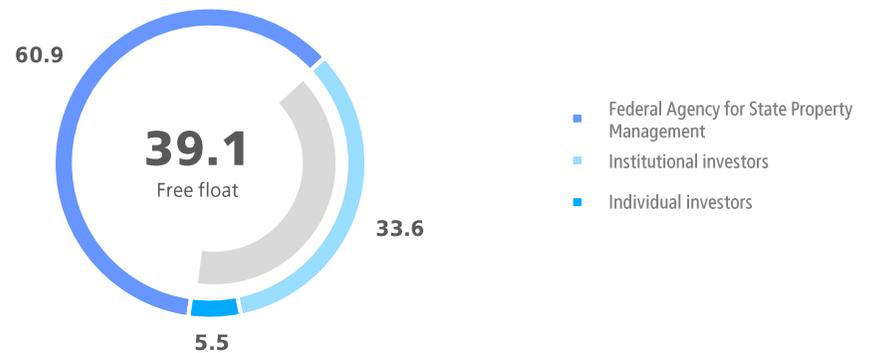
## Structure of equity capital, %

- Ordinary shares (held by Federal Agency for State Property Management)
- Ordinary shares in free float
- Preference type 1 shares (held by Ministry of Finance of the Russian Federation)
- Preference type 2 shares (held by State Corporation Deposit Insurance Agency)



## Structure of voting rights, %

as of 01 Jun'21

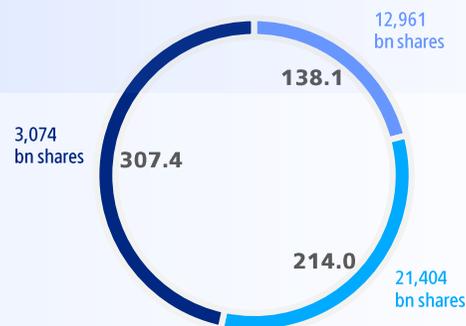


## Structure of share capital, RUB bn

659.5

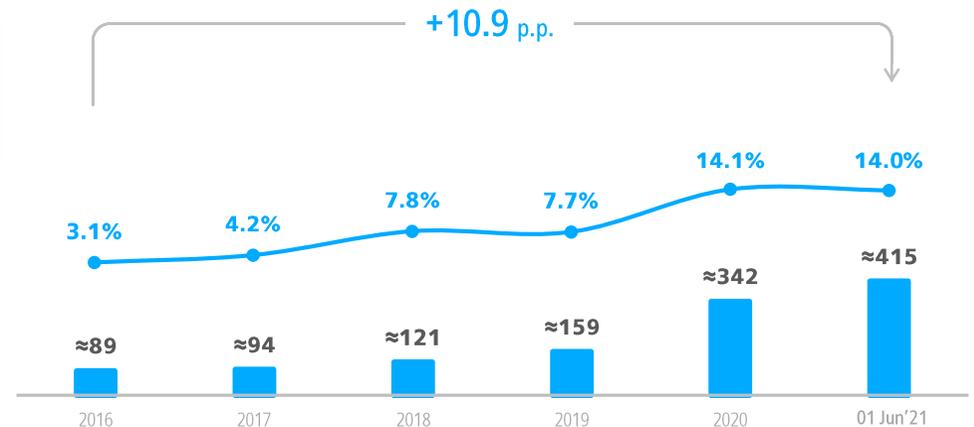
as of 31 Mar' 21

- Ordinary shares
- Type 1 preference shares
- Type 2 preference shares

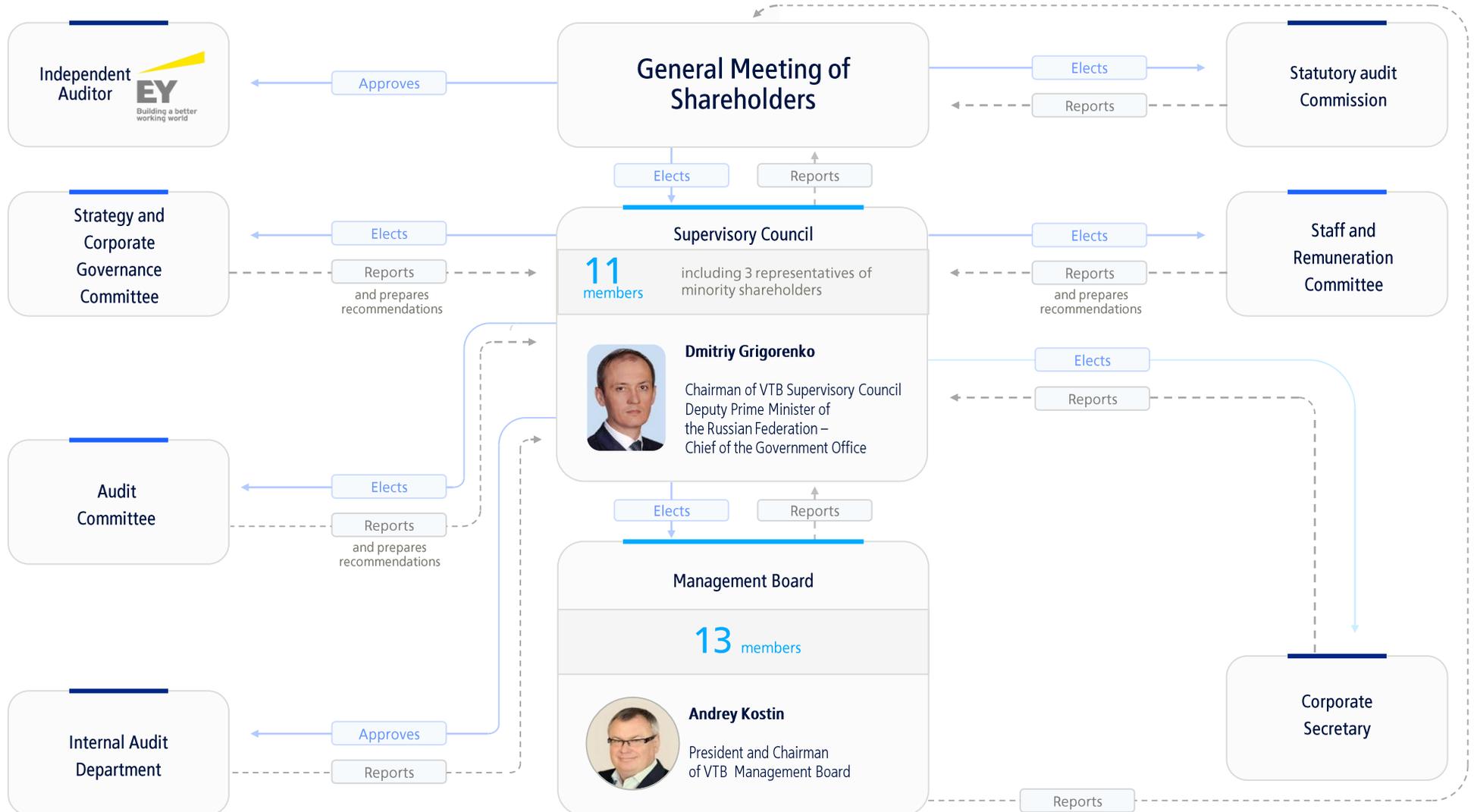


## VTB individual shareholder base is rapidly increasing, thsd

— % of free float



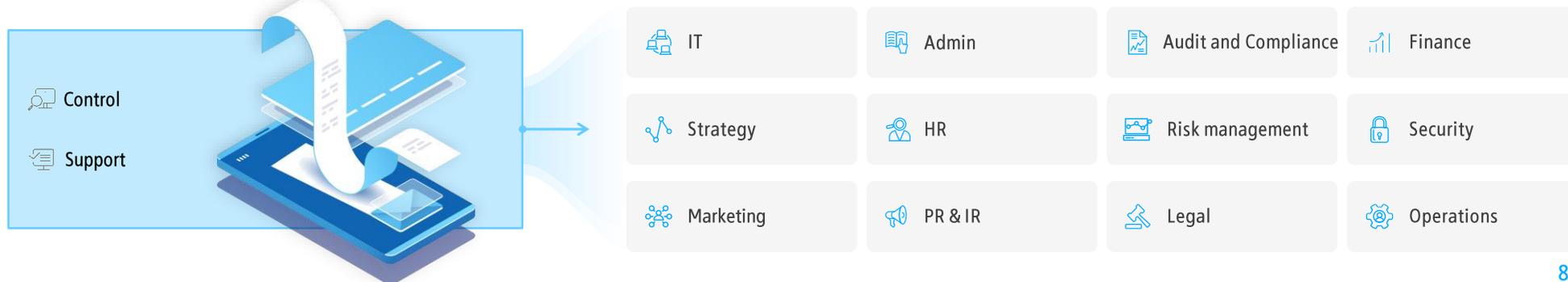
# VTB corporate governance system



# Global business lines

Business line	Assets as of 31 May '21	Clients	Overview
<p><b>Corporate Investment Business</b></p>	<p><b>9,841</b> RUB bn</p>	<p>Large corporate business</p>	<ul style="list-style-type: none"> <li>• №1 Investment bank in Russia</li> <li>• №2 Corporate bank in Russia</li> <li>• Broad corporate client base (coverage in Russia &gt;80%) with long-term relationships with leading Russian companies across all economic sectors</li> </ul>
<p><b>Medium and Small Business</b></p>	<p><b>2,171</b> RUB bn</p>	<p>Medium and small companies</p>	<ul style="list-style-type: none"> <li>• C. 697 thsd mid-corporate banking clients and small business clients</li> <li>• Wide regional franchise</li> </ul>
<p><b>Retail Business</b></p>	<p><b>6,046</b> RUB bn</p>	<p>Individuals</p>	<ul style="list-style-type: none"> <li>• Branch network (over 1.5 thsd) and 14.5 mln clients in Russia and c. 16 thsd ATMs</li> <li>• JV with the Russian Post:                             <ul style="list-style-type: none"> <li>1. №1 retail franchise in Russia</li> <li>2. C. 19,000 retail outlets</li> <li>3. C. 5,000 ATMs of Post Bank</li> </ul> </li> </ul>

## Corporate Center



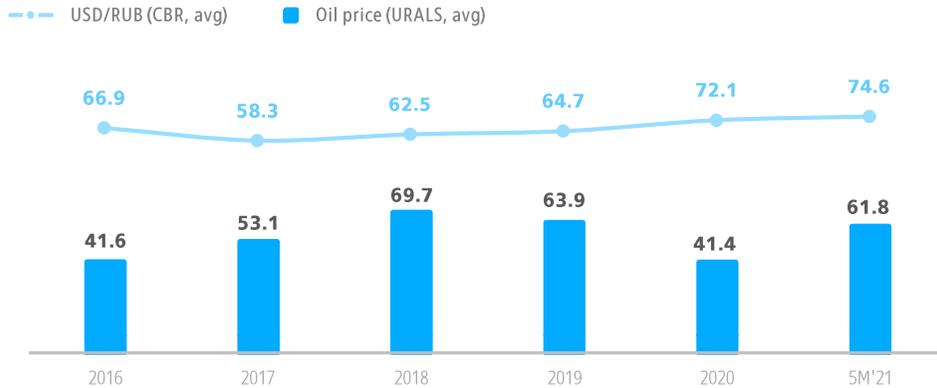


# RUSSIA

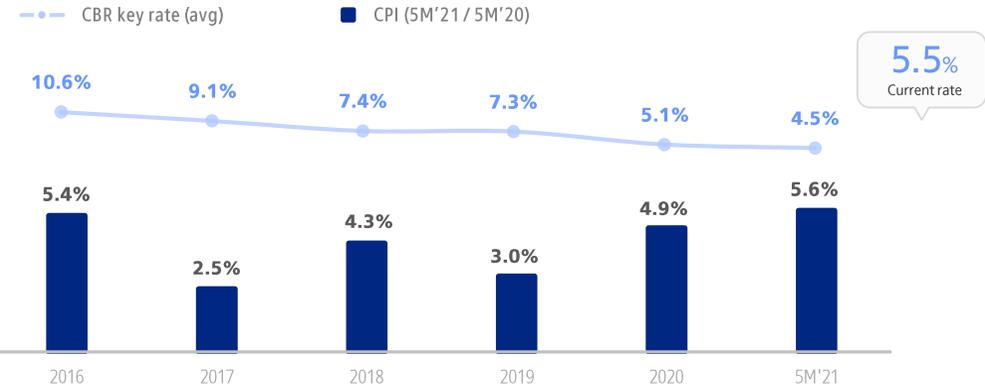
Macro Environment and Banking Sector

# Macro environment in Russia

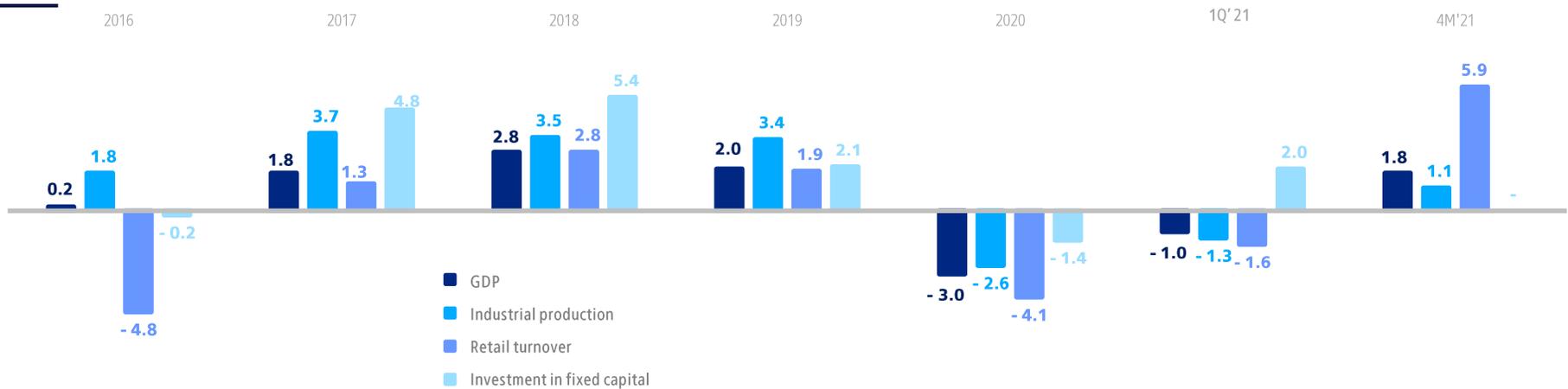
Oil price and exchange rate, USD / RUB



Inflation and Bank of Russia key rate, %



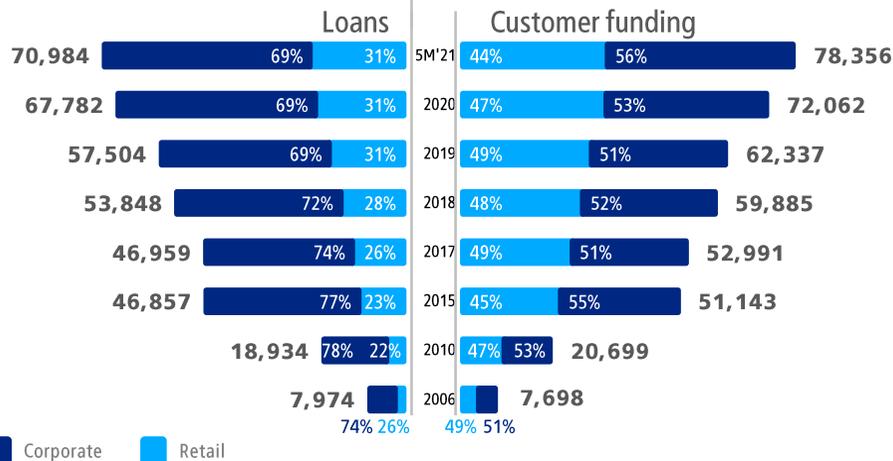
Russian macroeconomic indicators, %



# Banking sector in Russia

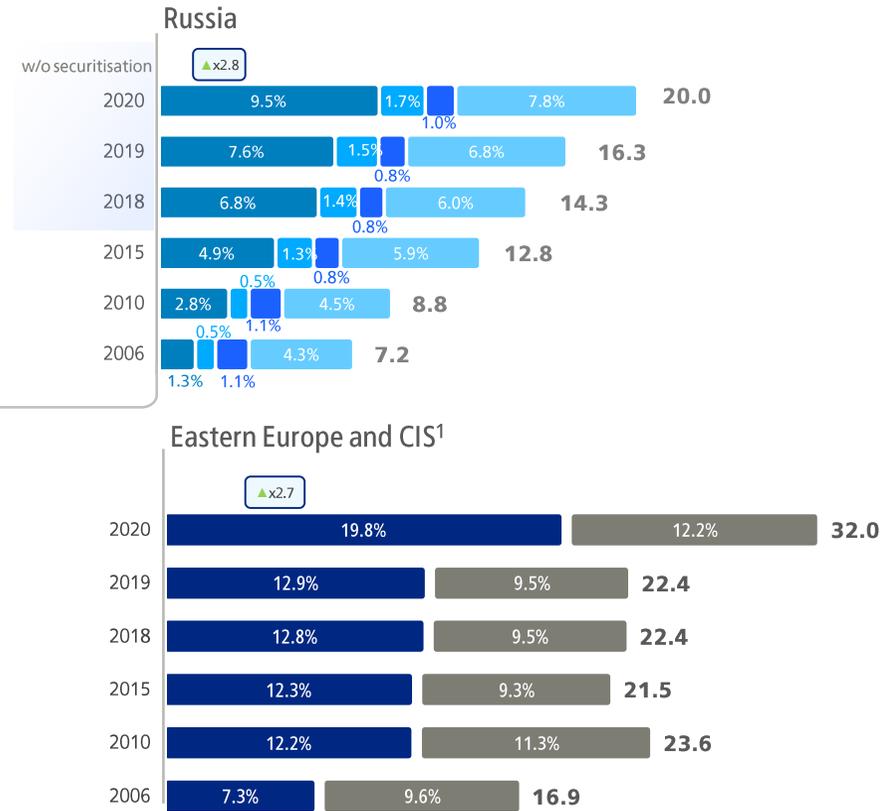
## Loans and customer funding, RUB bn

▲ Growth YTD	VTB Loans	5M'21	VTB Deposits	Market
<b>5.7%</b>	<b>4.4%</b>	Total	<b>14.1%</b>	<b>8.7%</b>
8.9%	9.2%	Retail	1.2%	1.0%
4.2%	2.4%	Corporate	24.4%	15.6%
<b>5Y CAGR</b>				
<b>9.3%</b>	<b>8.1%</b>	Total	<b>13.1%</b>	<b>9.2%</b>
16.0%	15.7%	Retail	15.3%	8.4%
6.9%	5.5%	Corporate	11.7%	9.8%



## Loans to individuals, % of GDP

■ Mortgage   
 ■ Cards   
 ■ Cars   
 ■ Consumer and other  
■ Cards, cars, consumer and other



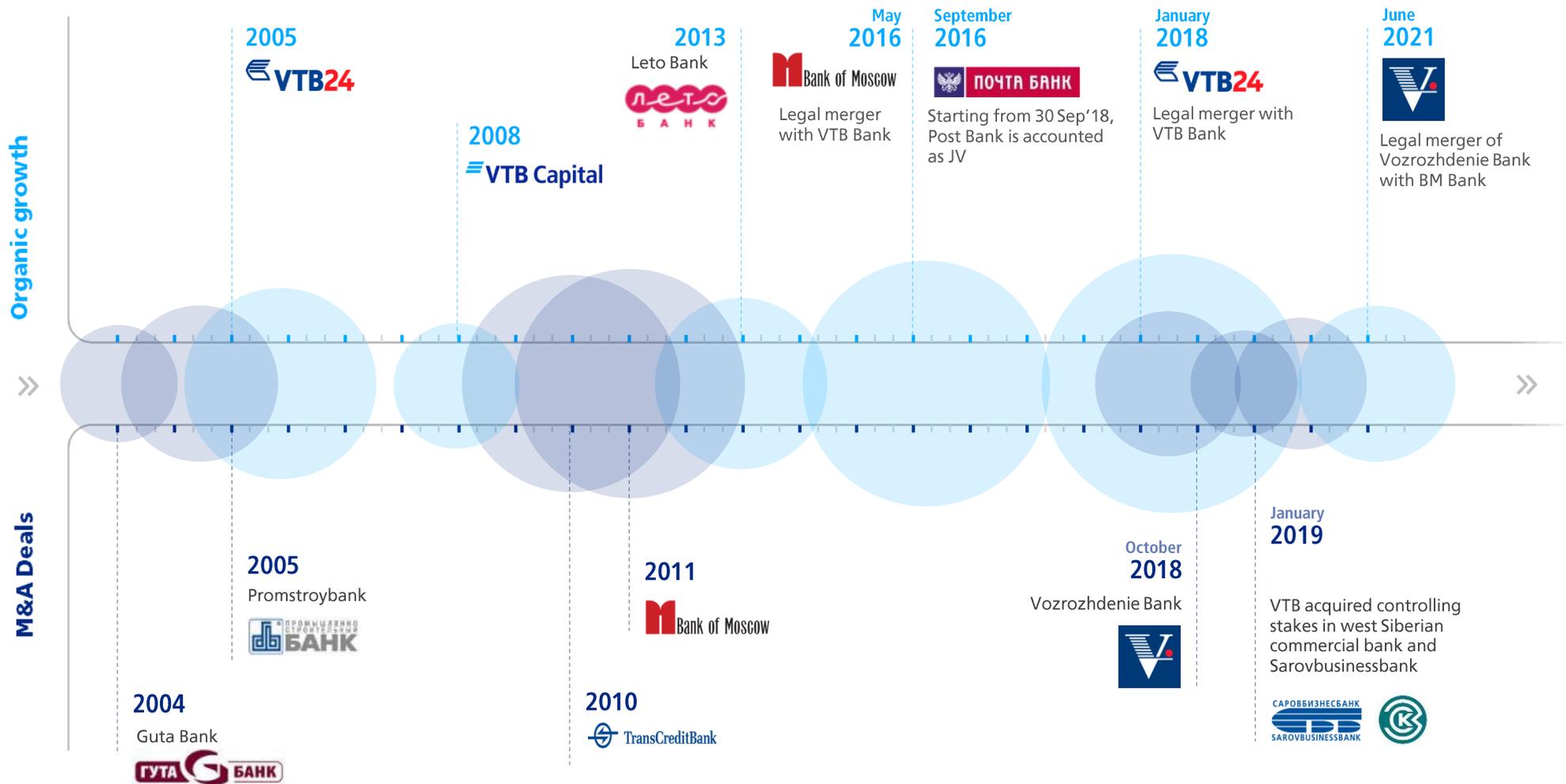
(1) Poland, Czech Republic, Slovakia, Hungary, Croatia, Bulgaria, Romania, Slovenia, Serbia, Ukraine, Georgia, Belarus, Kazakhstan  
 For 2020: Poland, Czech Republic, Slovakia, Hungary, Croatia, Bulgaria,



# STRATEGY AND TRANSFORMATION

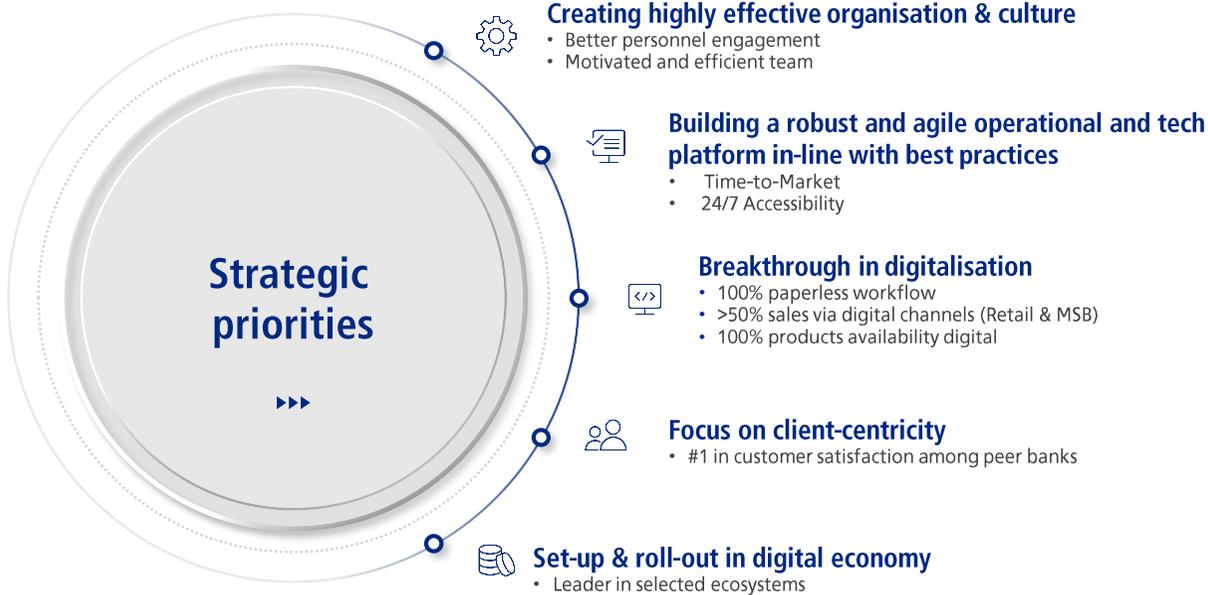


# Build-up of traditional banking platform: mix of mergers and organic growth



# Key VTB Group strategic priorities 2022

2022 >



## 2022

Financial targets

# 310

RUB  
bn

Net profit

# 15%

ROE

# 50%

Dividend payout



## 600 days

### Transformation programme

will contribute to the achievement of strategic goals 2022 in Retail Business and Medium and Small Business

Programme objectives >

1. Digitalisation of client experiences

2. Improvement of time to market

# 18

mln

Active Retail Business clients

# 1

mln

Active Medium and Small Business clients

# >50%

Digital sales in Retail Business

# Top 1

Customer loyalty and satisfaction

# Strategic partnerships

## Creating best-in-class financial products and integrating them into partner projects

### Maximum Coverage

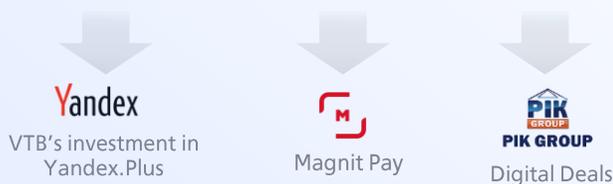


### Seamless financial services through partners' interfaces

- 1 Daily Banking and savings management
- 2 Always available credit
- 3 Online lending for the deal
- 4 Balances and savings management

Partnerships with industry leaders  
Potential access to 90 million clients

### VTB partnerships



## Collaboration models

**Equity**  
participation in strategic partnership

**JVs**  
to set up joint teams and share results

**CIB**  
Synergy with CIB top positions with serving partners

## Development areas

### 1 Marketing

- Access to partners' marketing channels – expanding the funnel
- Joint investment in promotion
- Integration of loyalty programmes

### 2 Onboarding

- Instant issue of a digital payment solution in partner app
- Joint O2O solutions for full onboarding to financial products (including with partner network and delivery)

### 3 Monetisation

- Cross-selling financial products (loans / savings / investments) – use of shared data, integration in customer journey, revenue sharing
- Margin earned from balances and savings from lower payment costs within the same payment system
- Improved customer loyalty and LTV

## Targets

**+ 8 million**  
New active clients for VTB end of 2025

**+ RUB 30 bn**  
Additional to profit for VTB by 2025

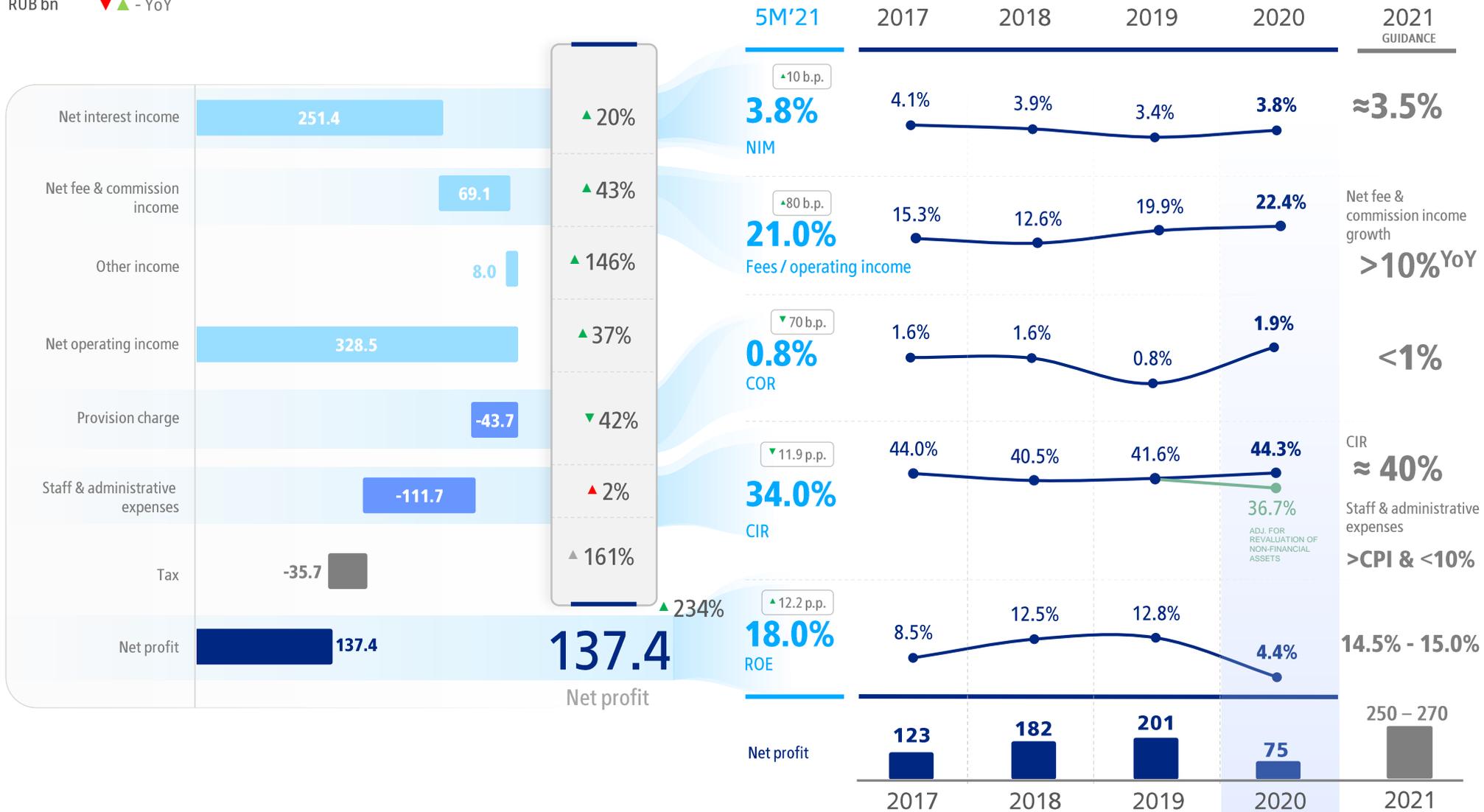


# BUSINESS OVERVIEW



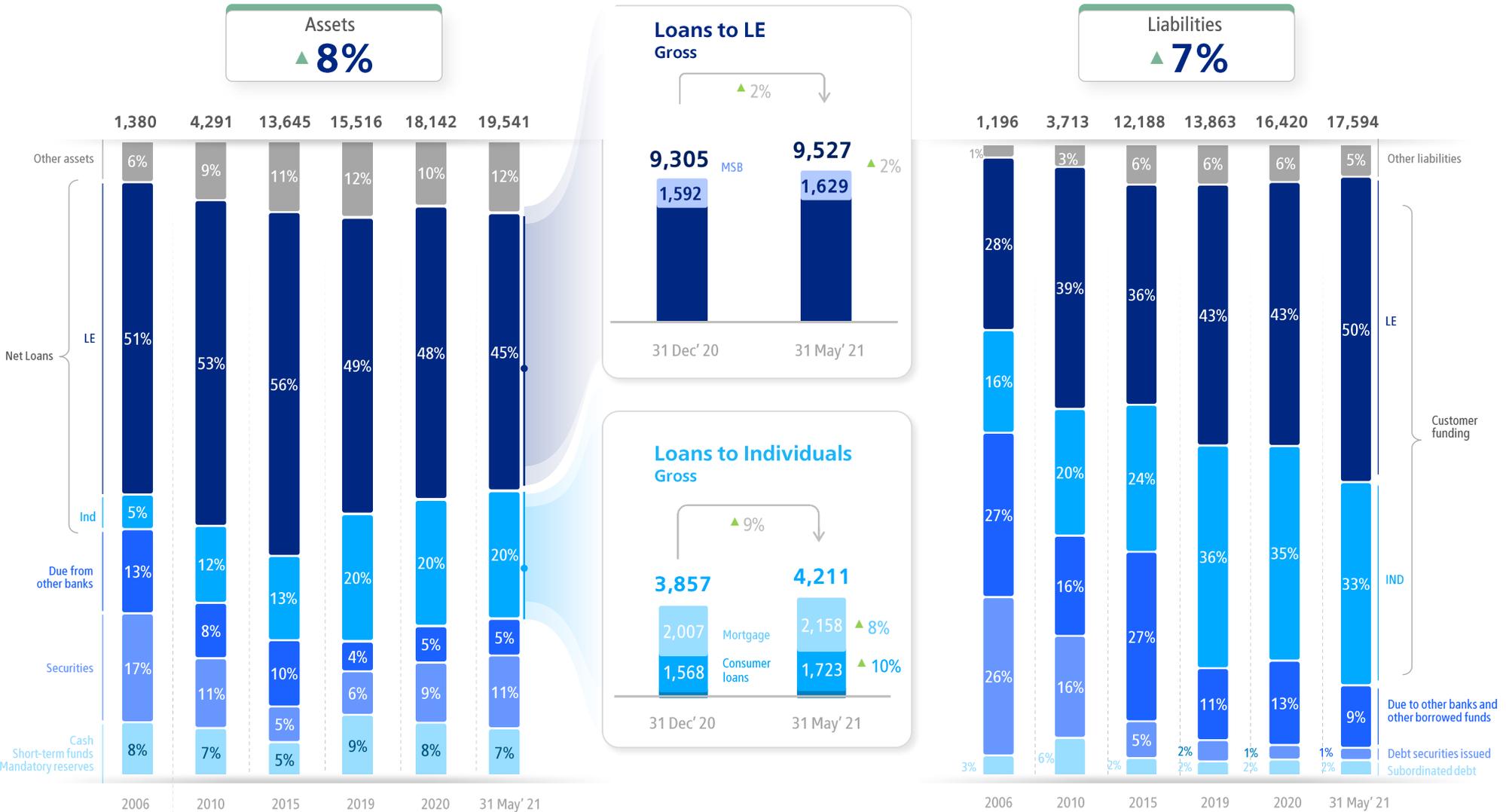
# Financial performance 5M'2021

RUB bn ▼▲ - YoY



# Measured business growth with focus on prioritised segments

RUB bn ▲ - YTD ▼



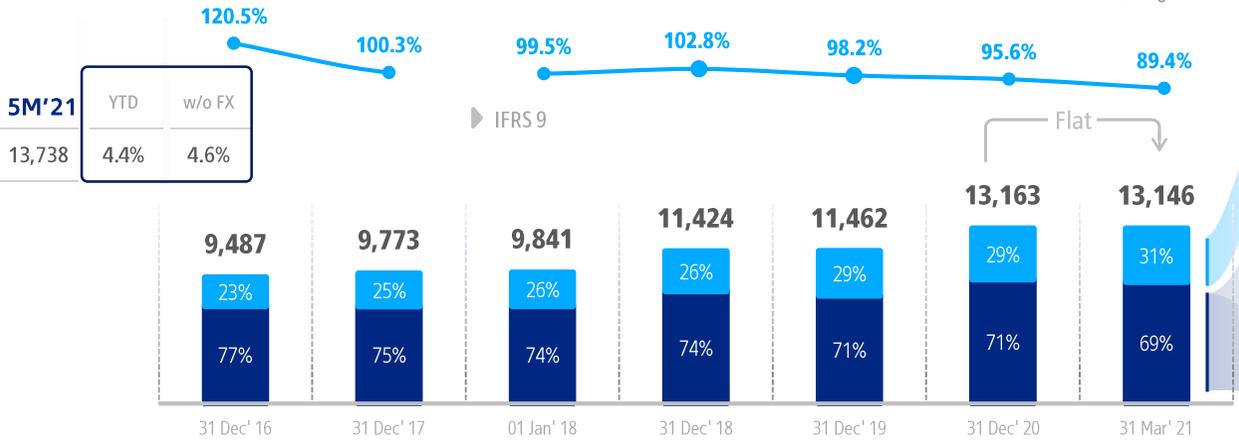
# Loan portfolio and customer funding

RUB bn ▼▲ - YTD

## Loans and advances to customers

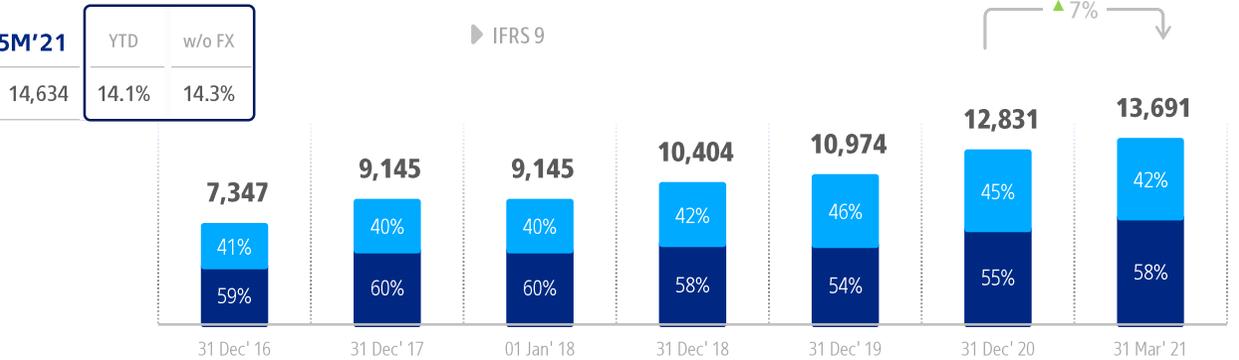
— Net customer loans / customer deposits (LDR)

■ Individuals ■ Legal entities



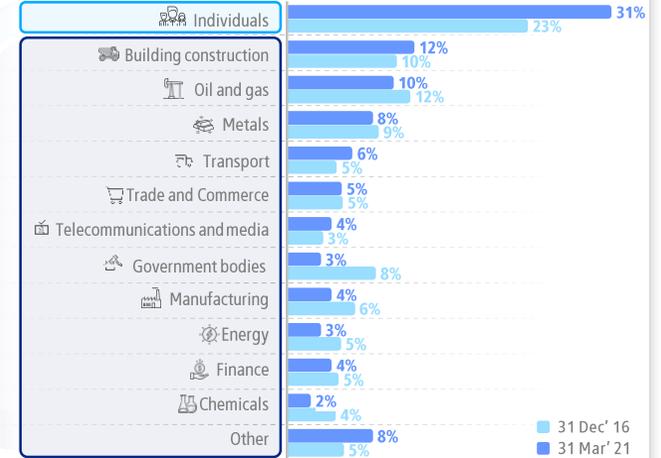
## Customer funding

■ Individuals ■ Legal entities



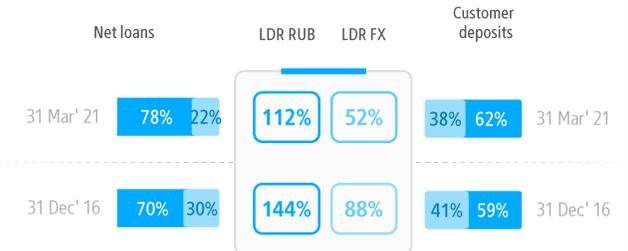
## By industry

Gross loans



## By currency

■ RUB ■ FX



# Corporate business

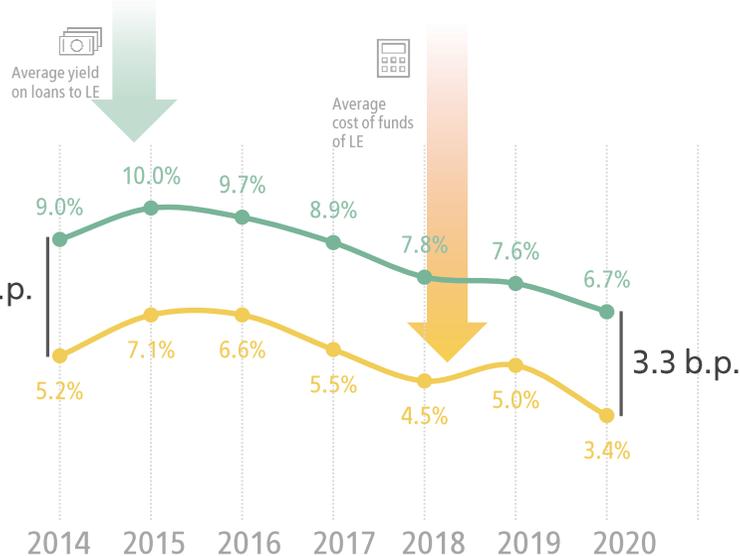
RUB bn ▼▲ - YTD



## Legal entities

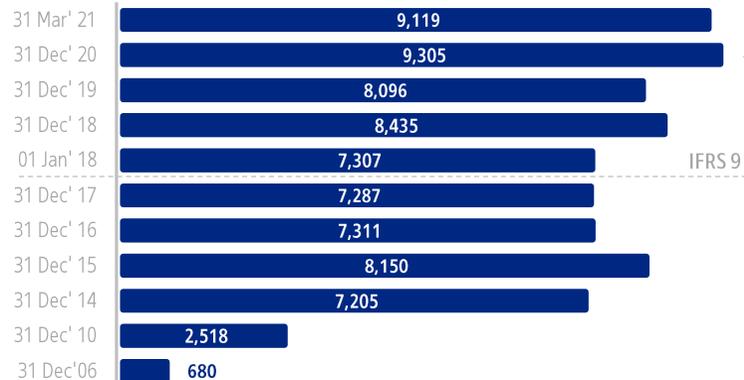


Loans		Share in total	Deposits	
Retail	Legal entities		Legal entities	Retail
	69%	31 Mar' 21	58%	
	71%	31 Dec' 20	55%	
	71%	31 Dec' 19	54%	
	74%	31 Dec' 18	58%	
	74%	01 Jan' 18	60%	
	75%	31 Dec' 17	60%	
	77%	31 Dec' 16	59%	
	81%	31 Dec' 15	60%	
	79%	31 Dec' 14	62%	
	82%	31 Dec' 10	66%	
	92%	31 Dec' 06	63%	



5M'21	YTD	without FX
9,527	2.4%	2.7%

## Loans

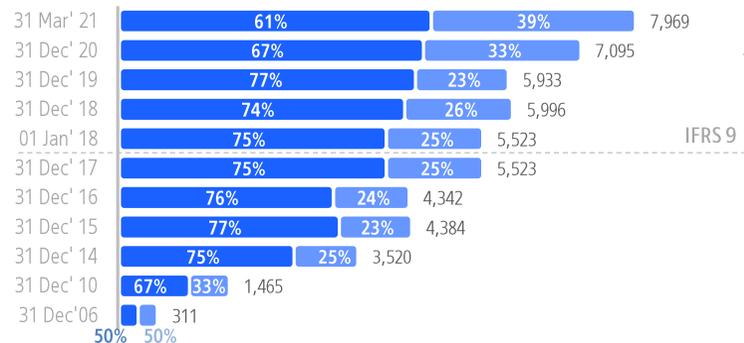


CAGR 20%

5M'21	YTD	without FX
8,828	24.4%	24.7%

## Customer funding

■ Term ■ Current



CAGR 26%

# Retail business

RUB bn ▼▲ - YTD

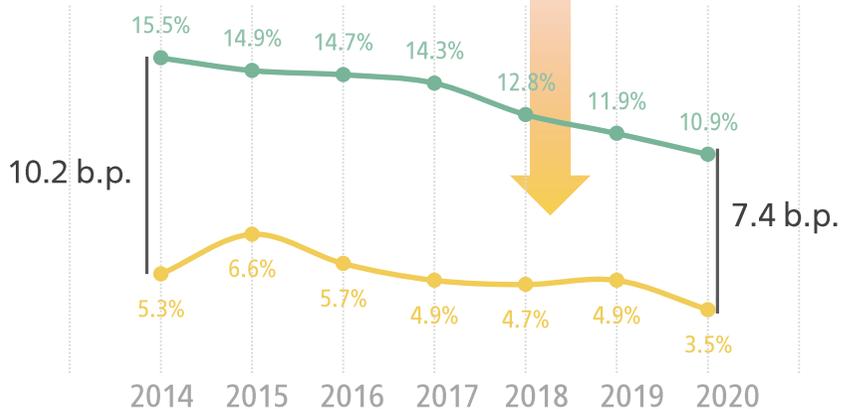
## Individuals

Loans		Share in total	Deposits	
Legal entities	Retail		Retail	Legal entities
	<b>31%</b>	31 Mar' 21	<b>42%</b>	
	<b>29%</b>	31 Dec' 20	<b>45%</b>	
	<b>29%</b>	31 Dec' 19	<b>46%</b>	
	<b>26%</b>	31 Dec' 18	<b>42%</b>	
	<b>26%</b>	01 Jan' 18	<b>40%</b>	
	<b>25%</b>	31 Dec' 17	<b>40%</b>	
	<b>23%</b>	31 Dec' 16	<b>41%</b>	
	<b>19%</b>	31 Dec' 15	<b>40%</b>	
	<b>21%</b>	31 Dec' 14	<b>38%</b>	
	<b>18%</b>	31 Dec' 10	<b>34%</b>	
	<b>8%</b>	31 Dec' 06	<b>37%</b>	

IFRS 9

Average yield on loans to IND

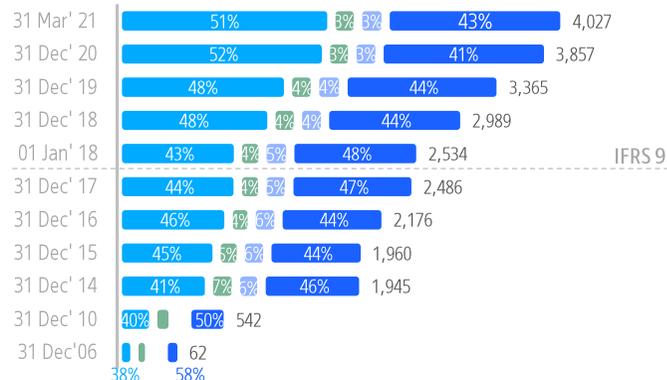
Average cost of funds of IND



5M'21	YTD	without FX
4,211	9.2%	9.2%

## Loans

■ Mortgage ■ Car loans  
■ Cash and other ■ Cards\*\*

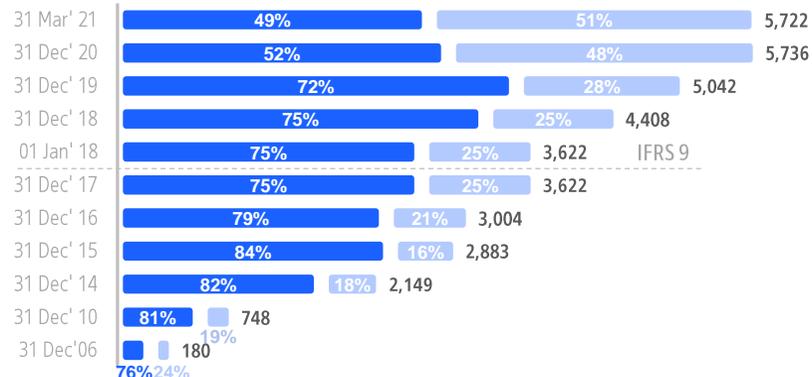


▲ 4%  
CAGR 34%

5M'21	YTD	without FX
5,806	1.2%	1.4%

## Customer funding

■ Term ■ Current



Flat  
CAGR 27%

\*\* In 2006 and 2010 "Cards" category is included in other loans.

# Assets supplementary to banking business

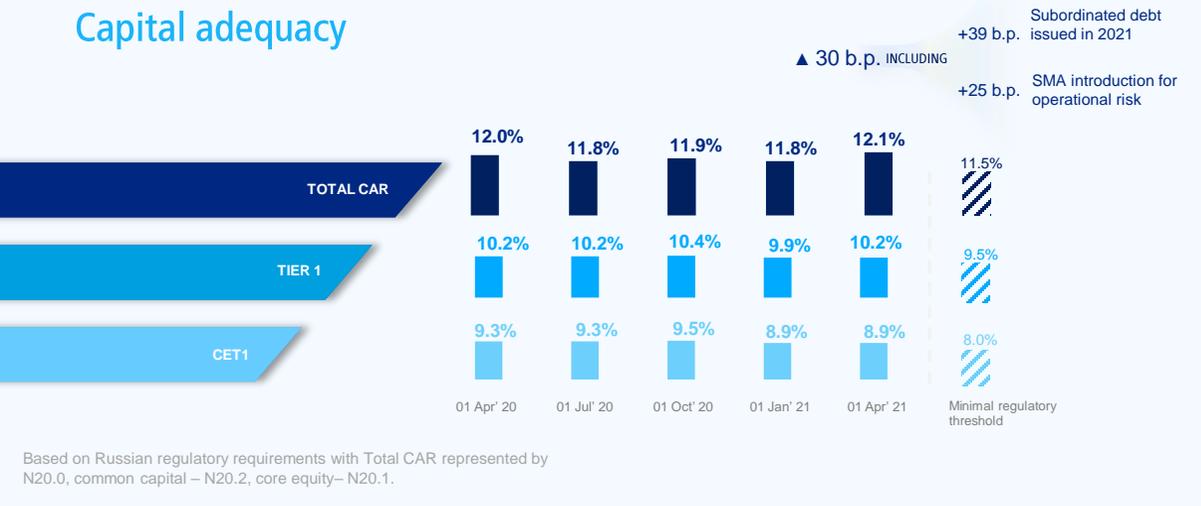
RUB bn  
▼▲ - YTD

RUB bn  
▼▲ - YTD



# Regulatory capital of VTB Group

## Capital adequacy



Based on Russian regulatory requirements with Total CAR represented by N20.0, common capital – N20.2, core equity– N20.1.

## Subordinated debt

Allocation	Currency	Current coupon	Coupon type	Volume
2019	RUB	8.4%	Fixed	5 bn accounted in T2 in 2020
2020	RUB	7.6%	Fixed	75.3 bn accounted in T2 in 2020 4.7 bn accounted in T2 in 2021
	RUB	CBR rate + 2.2%	Floating	
2021	USD	5.0%	Fixed	135.3 bn accounted in T1 in 2021
	USD	SOFR + 4.5%	Floating	
	EUR	3.75%	Fixed	
	EUR	EURIBOR 6M + 4.15%	Floating	
	RUB	10.0%	Fixed	
	RUB	CBR rate + 3.75%	Floating	

## Tangible equity VTB Group (IFRS)

Excluding preference shares, goodwill and other intangible assets, non-controlling interest and perpetual loan participation notes.



## Issued in 1H'21

## Included in capital as of 01 July 2021



Calculations based on the exchange rates of the Central Bank of Russia as of 06.07.2021.



# APPENDIX

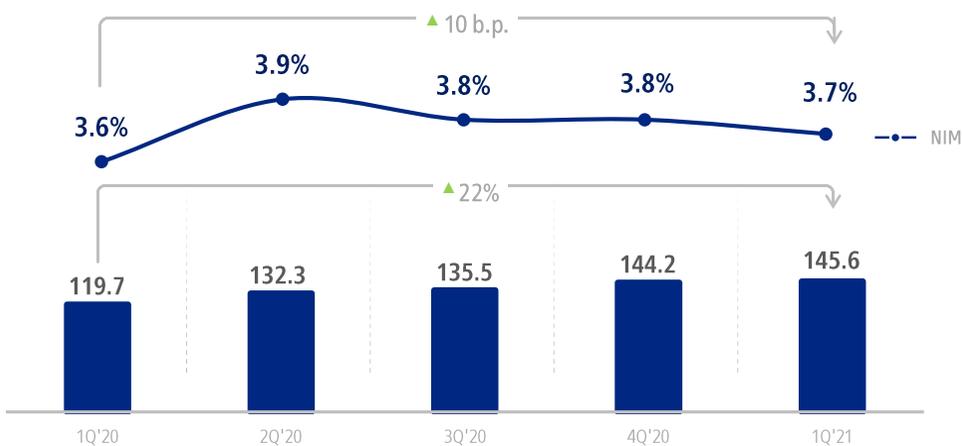
- Financial Results 2020 and 5M'2021
- Public Debt and Hybrid Capital Instruments

Financial Market

# Net interest income and margin

RUB bn ▼▲ - YoY

## Net interest income

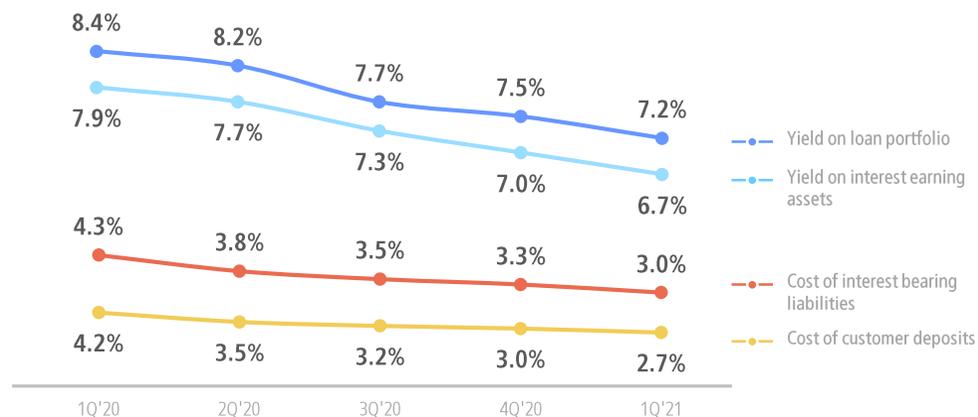
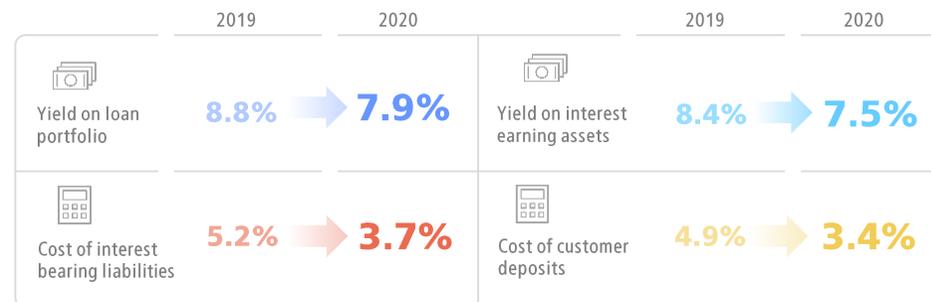


**5M'21**

**NII RUB 251.4 bn** 20.3% YoY

**NIM 3.8%** 10 b.p. YoY

## Average yield on earning assets and cost of funds

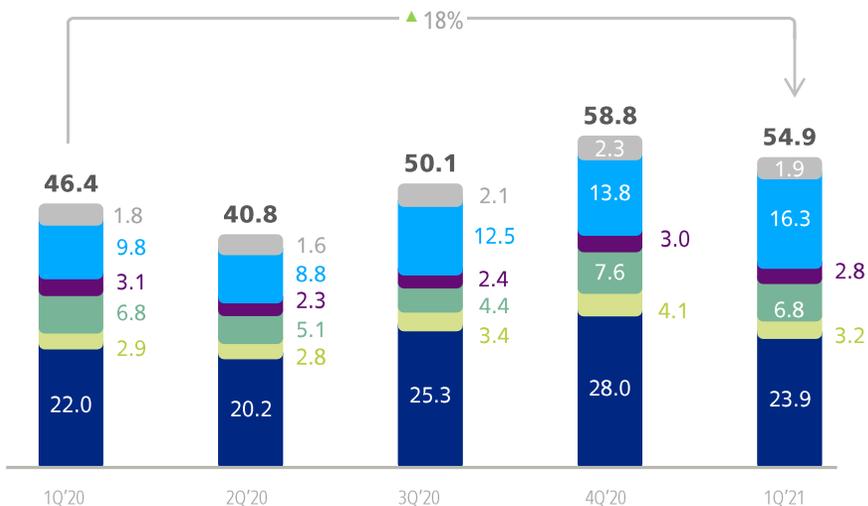


# Fee and commission income

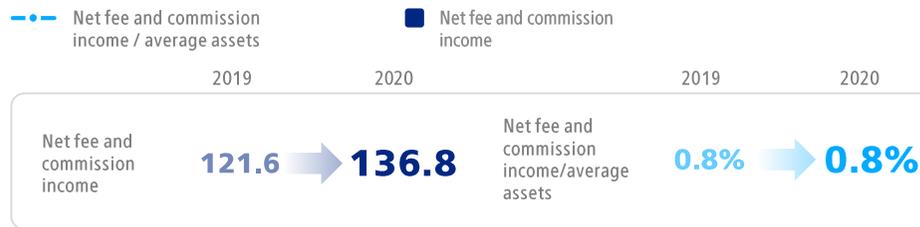
RUB bn ▼▲ - YoY

## Fee and commission income breakdown

- Settlement, trade finance and cash transactions
- Guarantees and other credit related commitments
- Operations with securities and on capital markets
- Insurance products distribution and other agency services
- Other
- Commission for client operations with foreign currency and precious metals



## Net fee and commission income (NFCI)



**5M'21**

**NFCI RUB 69.1 bn 42.8% YoY**

**NCM 0.9% 20 b.p. YoY**

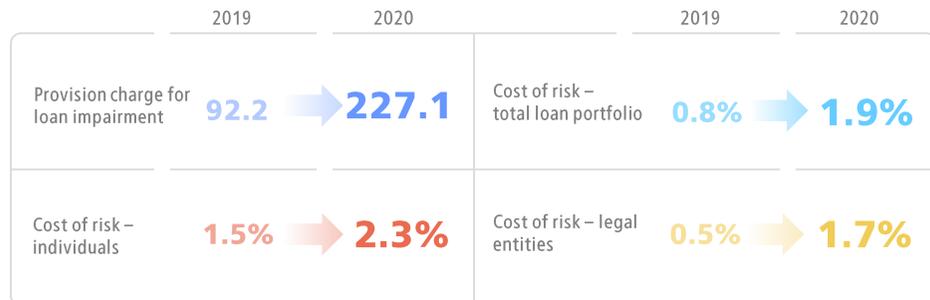
**Growth drivers**

- Insurance products distribution and other agency services
- Expansion of the Group's transactional business
- Brokerage commissions WIM

# Loan portfolio quality and provisions for loan impairment

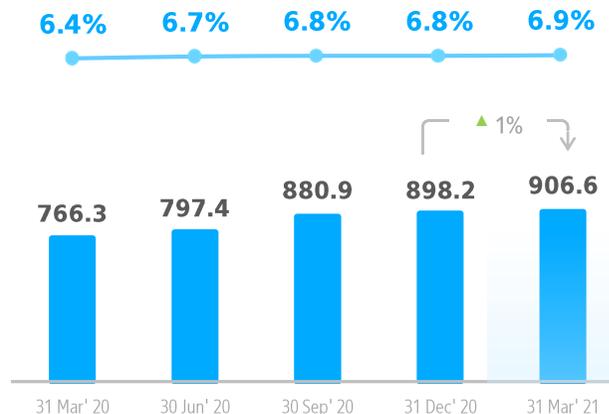
RUB bn

## Provision charge for loan impairment

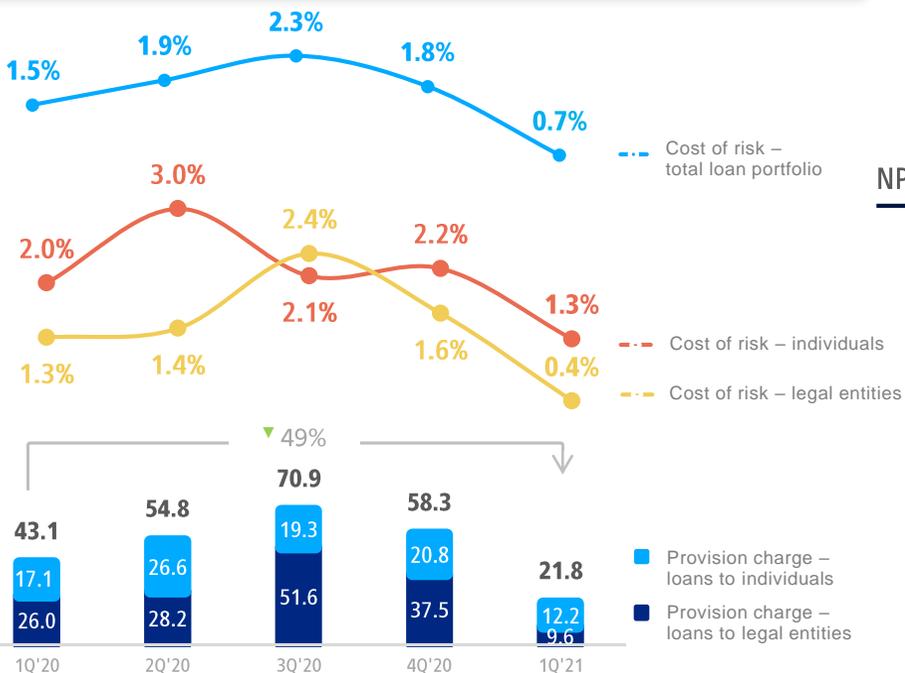


5M'21	Y0Y
0.8%	-70 b.p.
RUB 43.7 bn	-41.6%

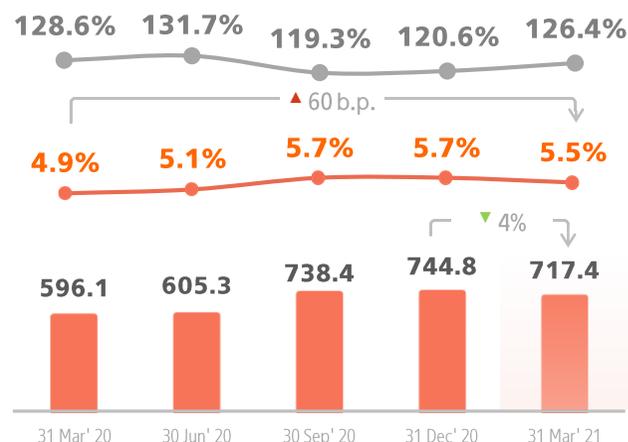
## Allowance for loan impairment



5M'21	YTD
6.7%	-10 b.p.
RUB 917.9 bn	2.2%

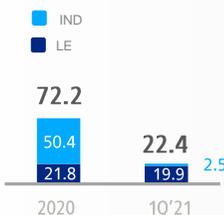


## NPLs (90+)



5M'21	YTD
5.0%	-70 b.p.
RUB 680.4 bn	-8.6%

## Write-offs

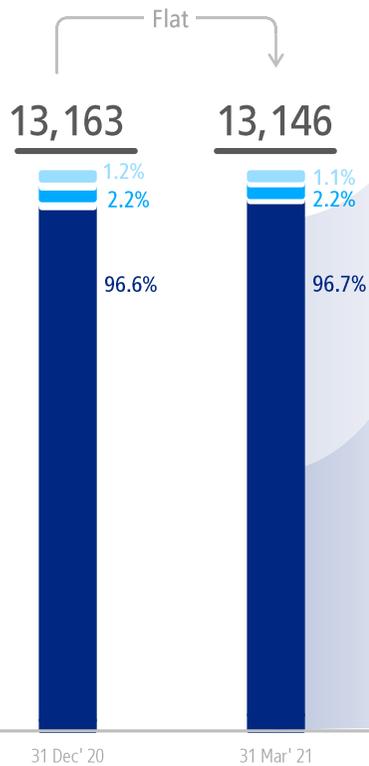


# Gross loan portfolio breakdown under IFRS 9

RUB bn

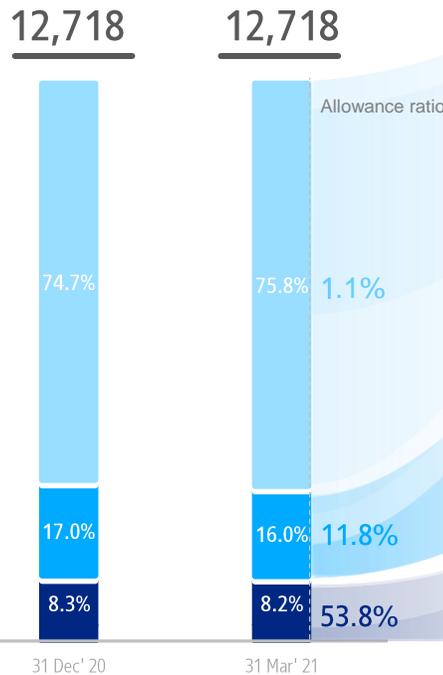
## Loan portfolio

- Fair value through P&L
- Fair value through OCI
- Fair value through amortisation

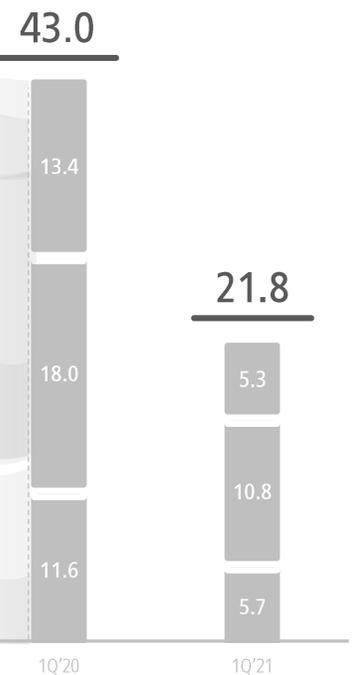
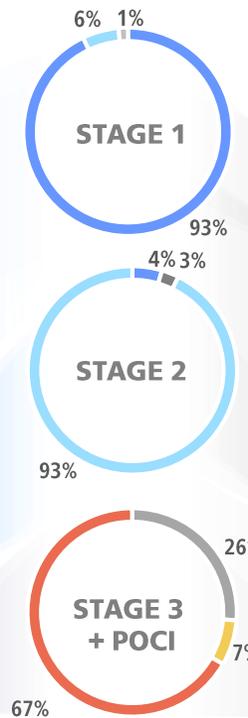


## Loans at amortised cost by ECL stages

- ECL for 12 months
- ECL for the whole period
- LECL credit-impaired and purchased or originated credit impaired



- Pass
- Watch
- Sub-Standard
- Doubtful
- NPL

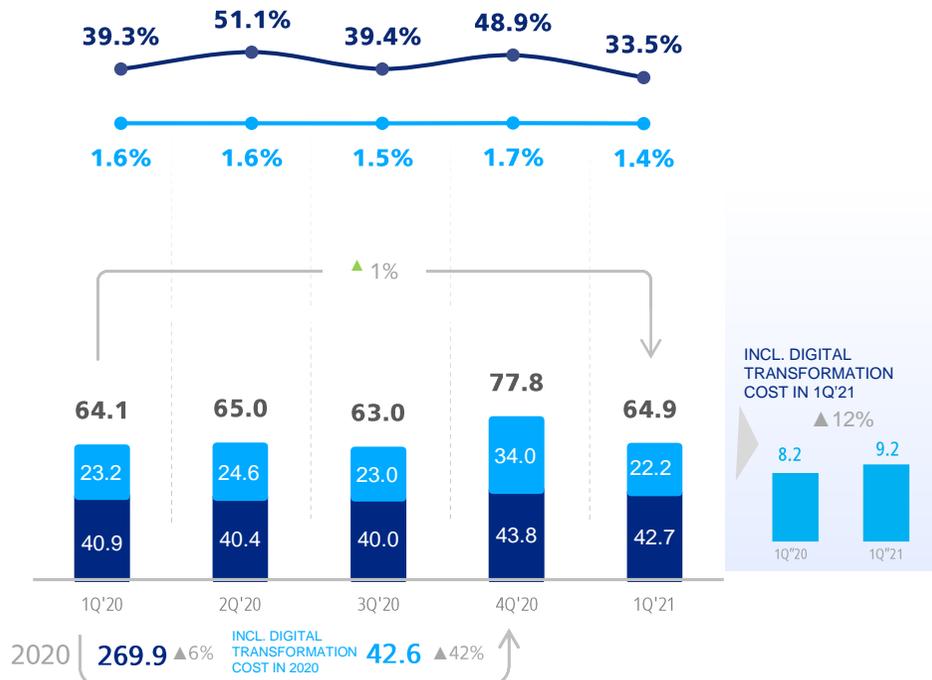


# Staff costs and administrative expenses

RUB bn ▼▲ - YoY

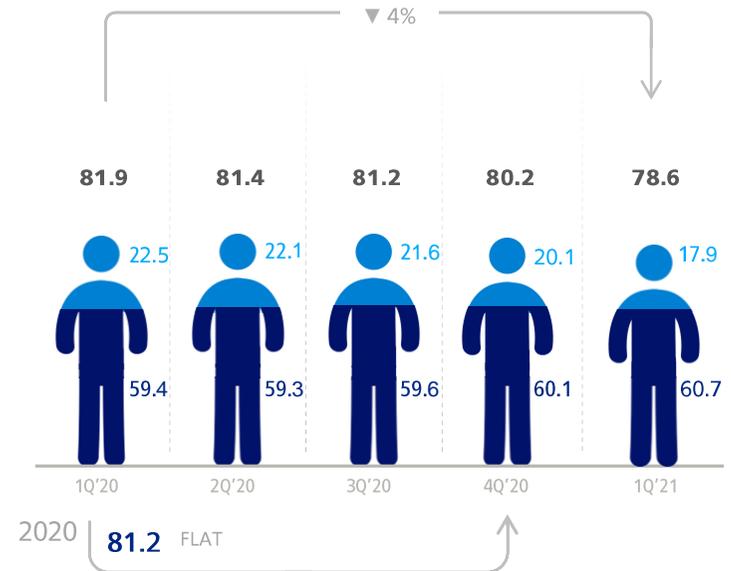
## Staff costs and administrative expenses

●●● CIR   
 ●●● Cost / avg. assets   
 ■ Administrative expenses   
 ■ Staff costs including pensions



## Average number of employees, thsd

■ VTB Bank   
 ■ Other companies of VTB Group



<p><b>5M'21</b></p>	CIR	Cost / Assets	Staff & admin. expenses
	34.0%	1.4%	RUB 111.7 bn
	-11.9 p.p. YoY	-20 b.p. YoY	1.5% YoY

# VTB Group financial highlights: P&L and key ratios

## Income statement key indicators RUB bn

	1Q'21	1Q'20	Change	2020
> Net interest income	145.6	119.7	21.6%	531.7
> Net fee and commission income	38.6	32.4	19.1%	136.8
> Other income	9.8	11.1	-11.7%	-59.1
> Operating income before provisions	194.0	163.2	18.9%	609.4
> Provision charge for credit losses	-22.6	-45.1	-49.9%	-249.8
> Staff costs and administrative expenses	-64.9	-64.1	1.2%	-269.9
> Profit before tax	106.5	54.0	97.2%	89.7
> Income tax expense	-21.4	-14.2	50.7%	-14.4
> Net profit	85.1	39.8	113.8%	75.3

## Key financial ratios

	1Q'21	1Q'20	Change	2020
> Net interest margin (NIM)	3.7%	3.6%	10 b.p.	3.8%
> Cost of risk (CoR)	0.7%	1.5%	-80 b.p.	1.9%
> Cost / assets	1.4%	1.6%	-20 b.p.	1.6%
> Cost to income ratio (CIR)	33.5%	39.3%	-580 b.p.	44.3%
> Return on equity (ROE)	19.2%	9.5%	970 b.p.	4.4%

	5M'21	5M'20	Change
> Net interest income	251.4	209.0	20.3%
> Net fee and commission income	69.1	48.4	42.8%
> Other income	8.0	-17.6	145.5%
> Operating income before provisions	328.5	239.8	37.0%
> Provision charge for credit losses	-43.7	-74.8	-41.6%
> Staff costs and administrative expenses	-111.7	-110.1	1.5%
> Profit before tax	173.1	54.9	215.3%
> Income tax expense	-35.7	-13.7	160.6%
> Net profit	137.4	41.2	233.5%

	5M'21	5M'20	Change
> Net interest margin (NIM)	3.8%	3.7%	10 b.p.
> Cost of risk (CoR)	0.8%	1.5%	-70 b.p.
> Cost / assets	1.4%	1.6%	-20 b.p.
> Cost to income ratio (CIR)	34.0%	45.9%	-11.9 p.p.
> Return on equity (ROE)	18.0%	5.8%	12.2 p.p.

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# VTB Group financial highlights: balance sheet and key loan portfolio quality ratios

**Balance sheet key indicators**  
RUB bn

	31 Mar' 21	30 Dec' 20	YTD	31 Dec' 19
> Gross loan portfolio	13,145.6	13,162.6	-0.1%	11,461.5
> Loans to legal entities	9,118.8	9,305.4	-2.0%	8,096.2
> Loans to individuals	4,026.8	3,857.2	4.4%	3,365.3
> Total assets	18,588.4	18,142.2	2.5%	15,516.1
> Customer deposits	13,690.8	12,831.0	6.7%	10,974.2
> Deposits of legal entities	7,969.0	7,095.1	12.3%	5,932.6
> Deposits of individuals	5,721.8	5,735.9	-0.2%	5,041.6
> Total liabilities	16,719.1	16,419.6	1.8%	13,862.8
> Total shareholders' equity	1,869.3	1,722.6	8.5%	1,653.3

**Key loan portfolio quality ratios**

	31 Mar' 21	31 Dec' 20	YTD	31 Dec' 19
> NPL ratio <sup>(1)</sup>	5.5%	5.7%	-20 b.p.	4.7%
> LLR ratio	6.9%	6.8%	10 b.p.	6.0%
> Coverage ratio	126.4%	120.6%	580 b.p.	128.7%

31 May' 21	YTD
13 738.0	4.4%
9 526.8	2.4%
4 211.2	9.2%
19 540.9	7.7%
14 634.3	14.1%
8 828.4	24.4%
5 805.9	1.2%
17 594.4	7.2%
1 946.5	13.0%

31 May'21	YTD
5.0%	-70 b.p.
6.7%	-10 b.p.
134.9%	14.3 p.p.

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(1) The Group defines non-performing loans (NPL) as lifetime expected credit losses (ECL) credit-impaired financial assets with contractual principal and (or) interest payments overdue more than 90 days and purchased or originated credit impaired (POCI) loans with principal and (or) interest payments becoming overdue more than 90 days after the date of initial recognition. Loans with no contractual payments until maturity, grace period on principal and or interest payments, as well as restructured loans are not considered NPL unless amounts due contractually become more than 90 days overdue

# VTB Group public debt and hybrid capital instruments

Denominated in following currencies:

RUB USD EUR CHF

## Domestic debt

## International debt

	RUB bn	Maturity / call option	USD mln	Maturity / call option	Coupon	ISIN
Tier 1	180.2	Perpetual call-option2026 	2,250	Perpetual call-option2022 	9.5% Rate reset on 06 Dec'22 and every 10 <sup>th</sup> year thereafter	XS0810596832
Tier 2	110.0	2031 2030 	1,880	2024 2022 	5.00% 6.95%	CH0248531110 XS0842078536
Senior	77.7	2024 2023 2022 2021 	31	2035 	6.25%	XS0223715920

Calculations based on the exchange rates of the Central Bank of Russia as of 06.07.2021.



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