

Approved by
VTB Bank
Supervisory Council
Minutes No. ____
as of _____.____.2008

**VTB Bank (open joint stock company)
Code of Ethics**

Moscow 2008

1. Introduction

1.1. This Code is aimed at defining principles and rules of business conduct and ethics applicable in VTB Bank (hereinafter referred to as “VTB” or the “Bank”), which are also binding for VTB Supervisory Council members and VTB employees and designed to increase VTB capitalization, its financial stability and efficiency.

1.2. In performing its business, VTB shall take into consideration socially important aspects of its activities and commitments towards shareholders, customers, business partners, society and the state (hereinafter referred to as “the Interested parties”).

1.3. VTB shares core ethical norms and principles of the Russian Code of Business Ethics (the Chamber of Commerce and Industry of the RF, 1998), Charter of Corporate Business Ethics (the Russian Union of Industrialists and Entrepreneurs, 2003) and the Code of Banking Ethical Principles (the Association of Russian Banks, 2007).

1.4. In those cases when ethical considerations to be introduced by this Code are higher than those set by the applicable business practice and law, VTB shall adhere to the standards of this Code.

1.5. All VTB employees are bound to follow the standards set by this Code when acting on behalf of VTB, irrespective of their location and no matter whether their employment by VTB is full or only part-time.

2. Core Corporate Values and Principles

Among the core social values and principles guiding VTB activities and underlying this Code are the following:

2.1. Respect for the worth and dignity of the human person.

VTB shall respect the rights and freedoms of a human being irrespective of its race, nationality, social position, political beliefs and legal status; compliance with these rights and freedoms is a core value for VTB;

2.2. Fair play and mutual respect.

VTB shall build relationships with its customers, employees, business partners and representatives of state and municipal authorities on the principles of integrity and mutual respect. VTB shall respect their values, feelings and opinions;

2.3. Equity.

VTB shall always show respect and concern for people; shall try to exclude the slightest possibility to admit any unfair privilege or benefit when hiring people and developing their carrier, or when materially stimulating them;

2.4. Abidance by law and commitment.

VTB is striving to fully abide by well-recognized principles and norms of international law, legislation of the countries of VTB presence, provisions of this Code and other by-laws. VTB is responsible to shareholders for its performance, to customers – for the quality of banking products and services, to business partners – for due exercise of its commitments, to the society and the state – for respect of an individual, its rights and freedoms, for contribution to the Russian economy;

2.5. Profitability.

Gaining profit is a positive value since it does not only allow shareholders to exercise their rights to dividends, but also ensures VTB sustained growth and development;

2.6. Satisfaction of customer needs.

VTB is well aware of the fact that profit is only possible if customer needs are fully satisfied through offering them high-profile services;

2.7. High-profile services and professionalism.

VTB aspires to offer services meeting the highest quality standards and to set fair market prices. VTB tends to constant improvement and innovation, seeks better ways and means for more efficient performance;

2.8. Protection of employees' health.

VTB considers its employees as a key component of its long-term and sustained growth. In light of this, VTB provides for health protection activities envisaged by the Russian legislation; also the Bank offers a number of additional social programs in this sphere;

2.9. Loyalty.

VTB employees are loyal to common goals and seek to achieve the targets set.

2.10. Openness.

VTB shall adhere to the policy of maximum openness and transparency of its activities to shareholders, customers, business partners, state and municipal authorities, and employees; it builds its relationships with customers and business partners on the basis of equality and openness. VTB seeks to employ all communication channels possible, including press conferences, business meetings, publications, TV and radio broadcasting, as well as Internet to ensure free access of all interested parties to the information disclosed by VTB;

2.11. Work safety and efficiency.

VTB strives to prevent any unlawful actions by third parties towards VTB, its shareholders, customers, business partners, and employees. VTB places a special focus on improving working environment to ensure efficient and safe labor conditions for its employees, as well as due protection of their health.

3. Conflicts of Interests

3.1. A conflict of interests shall arise when personal, social, financial or political spheres of employees' activities lead and/or might lead to a potential loss of loyalty and objectivity towards VTB.

3.2. VTB recommends that its employees should inform their immediate manager, HR Department or Internal Control Division of any conflict of interest or a threat thereof.

3.3. VTB recommends that its employees should fully disclose information, which might lead, directly or indirectly, to a conflict of interests.

4. Relationships with Customers, Business Partners and State Authorities

4.1. VTB relations with its customers, business partners and representatives of state and municipal authorities are built on the principles of good faith, integrity, professionalism, mutual trust and respect, priority for customer interests, strict observance of commitments, full disclosure of information under the applicable law, and negotiations prevailing over proceedings.

4.2. Employees should do all their best to mitigate risks of any VTB customer or business partner and not at the expense of VTB growing risks.

4.3. VTB is set to always meet its contract obligations and values its business relationships. To this end:

- VTB holds negotiations to enter a contract on the principles of mutual respect and mutual benefit;
- business relations are aimed at attaining high professional standards and offering a wide spectrum of high-profile services; and
- in the event of a dispute VTB shall tend to a mutually accepted and fair solution.

4.4. VTB seeks to fully comply with the Russian anti-money laundering legislation and to have business with reliable customers and contracting partners engaged in legal activities with legally gained profits.

4.5. VTB employees will give their most careful consideration and timely response to all claims towards VTB by its customers, business partners and representatives of state or municipal authorities.

5. Relationships with Competitors

5.1. VTB shall build its relations with competitors on the principles of fair play and mutual respect. VTB views its competitors as another driving force of its development.

5.2. VTB strongly believes that any violation of internationally accepted rules of business practice and business conduct is inadmissible since it will interfere with attaining the targets set and has high reputation risks.

5.3. If there arises a dispute or controversy with its competitors, VTB will tend to favor negotiations and search for a compromise.

6. Relationships with Employees

6.1. VTB shall build its relations with employees on the principles of long-term cooperation, mutual respect and strict observance of mutual commitments.

6.2. VTB shall also prohibit any employment discrimination based on political affiliation, religion, nationality, gender or any other grounds when hiring, remunerating or developing their career.

6.3. VTB shall undertake any action to protect health through, among other things, introducing innovative technologies to improve employees' working environment and safety, and guaranteeing them equal rights and possibilities. VTB shall facilitate employees' professional development and ensure their social well-being.

6.4. VTB understands the importance for its employees to be engaged in social activities, teaching or research, as well as in entrepreneurial activities provided such activities do not have a negative effect on VTB and do not interfere with employees' functions.

6.5. Employees should prevent any situation, which might result in damage to business reputation or other material or non-material interests of the Bank.

6.6. VTB shall encourage further development of risk management culture. When performing their functions, employees should place a special focus on potential risks. They are advised to inform their direct managers or HR Department of a threat of such risks.

6.7. Employees treat classified information as confidential in full compliance with the applicable Russian law, this Code and other VTB by-laws; they shall neither disclose such information nor shall they disseminate in any other way confidential information about VTB or its subsidiaries. They are forbidden to use classified information in their own interest or in the interest of their affiliated persons, except when such disclosure is directly allowed or is mandatory under the applicable law.

7. Corporate Identity

7.1. VTB finds its image most instrumental in attaining the objectives and solving the tasks set. Therefore one of the most important professional duties of all employees, irrespective of their positions, is their day-to-day effort to comply with corporate culture and maintain their image of an employee.

7.2. Irrespective of a level or way of communication, an employee should be polite, amicable, responsive and tolerant to possible impoliteness by any customer or business partner.

7.3. Employees are expected to abide by labor discipline. When under certain circumstances an employee happens to violate labor discipline, they shall have to immediately report to their direct manager. The employee shall do its best to avoid such circumstances.

7.4. Employees are advised to stick to business dress code, which would match VTB image and is recommended by VTB. Employees should not look provocative or untidy.

8. VTB and Community

8.1. VTB views itself as an integral part of the community where it operates and where it strives to develop strong relations based on the principles of respect, trust, integrity and justice.

8.2. VTB is aware of nature protection as one of its major tasks. The Bank shall try to eliminate negative implications of its business for environment, including energy efficiency. VTB shall act in compliance with high standards of care and internationally recognized principles of environmental protection.

8.3. VTB is willing to offer assistance to citizens of communities where it operates through, among other things, charitable institutions, funds, educational and similar institutions.

9. Preservation of VTB Property

9.1. Employees should reasonably and efficiently use VTB property and prevent its use against its intended purpose or possible loss. VTB property is intended to assist employees in performing their functions.

9.2. In order to protect and properly use VTB property the Bank's employees are recommended:

- to handle the property with due care in order to prevent it from being stolen, damaged or misused;
- to immediately report to their direct manager of any actual or potential theft, damage or misuse of VTB property;
- to safeguard PC systems, databases, communication means and written materials from any inadvertent and unauthorized access by third parties; and
- to use VTB property, as well as its software and communication nets only for legal business purposes and within their functions.

10. Accounting and Financial Reporting

10.1. Complete, exact and true information quoted in financial accounting and reporting are key elements of VTB efficient and transparent performance. They are also a major resource for making strategic and business decisions in VTB activities.

10.2. Acting within their powers, employees should diligently make precise, full and timely records to prepare reports on VTB performance. It shall not

be admissible to disclose vague, incomplete or late financial statements to any interested parties.

10.3. A Bank employee, who becomes aware of any violation of financial accounting and reporting procedures, including any embezzlement or unrecorded property of the Bank, should immediately report to its direct manager and to Internal Control Division.

11. Information Disclosure

11.1. With a view to protect the interests of its shareholders and investors, VTB shall disclose information about its performance in strict compliance with the applicable Russian law and international standards on the principles of its authenticity, regularity, promptness, and a balance between the need to ensure VTB transparency and the need to safeguard their commercial interests.

11.2. The amount of information disclosed to customers and business partners shall be defined by the specifics of services offered to them in compliance with the applicable Russian law, this Code, and other VTB by-laws.

11.3. VTB customers and business partners may rest assured that information about them, their entrepreneurial and other activities, including a reference to them as VTB customers, shall be deemed confidential and not subject to disclosure except as required by the applicable Russian law or as agreed with the customer or business partner involved in compliance with a relative contract.

11.4. VTB employees shall disseminate any information about the Bank among mass media representatives in compliance with the applicable law and VTB by-laws.

12. Compliance with Legislation

12.1. Each employee should honor legislation of the country of its employment.

12.2. VTB shall ensure that employees can exercise rights pertaining to their functions.

13. Ways to Get Recommendations

13.1. When making any commercial decision, employees are advised to act with utmost responsibility and discuss any ethical problems involved with their direct managers. If such discussion fails to reach an acceptable solution, the employee can inform HR Department of such problem in order to get further explanation.

13.2. Any employee may get consulted by a representative of HR Department in charge of ethical issues. Such representatives are expected to give recommendations needed and to act in compliance with this Code.

14. Violation of this Code

14.1. Employees' unlawful acts, including any violation of this Code, may cause losses to VTB if the Bank is subject to penalties or indemnification claims; or there is a threat to VTB high image in business community, etc.

14.2. All issues related to actual or potential violations of law or of this Code, as well as relative reports of employees shall be given most careful and objective consideration.

14.3. Violations of this Code shall be considered on a case-by-case basis with due regard to be given to all circumstances involved. The employee who has violated this Code should be able to explain its reasons before any final decision as to its punishment is made.