

Pricing Supplement dated 26 April 2004

JSC VNESHTORGBANK

Issue of Series 2 U.S.\$325,000,000 Floating Rate Loan Participation Notes due 2005
by VTB Capital S.A.
for the purpose of financing a deposit with Deutsche Bank Luxembourg S.A.
for the purpose of financing a Loan to JSC Vneshtorgbank ("**VTB**")
under a U.S.\$2,000,000,000 Programme for the Issuance of Loan Participation Notes (the
"Programme")

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 8 December 2003. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular.

1	(i) Issuer:	VTB Capital S.A.
	(ii) Fiduciary	Deutsche Bank Luxembourg S.A.
2	Series Number:	2
3	Specified Currency:	U.S. Dollars
4	Aggregate Principal Amount:	U.S.\$325,000,000
5	(i) Issue Price:	100 per cent. of the Aggregate Principal Amount
	(ii) Proceeds:	U.S.\$325,000,000
	(iii) Arrangement Fee	U.S.\$750,716.05
6	Specified Denominations:	U.S.\$2,000 and integral multiples of U.S.\$2,000 thereafter
7	(i) Issue Date:	28 April 2004
	(ii) Interest Commencement Date:	28 April 2004
8	Maturity Date:	28 April 2005
9	Interest Basis:	Floating Rate (further particulars specified below)
10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest or Redemption/Payment Basis:	N/A
12	Status and Form of the Notes:	Senior, Registered
13	Listing:	Luxembourg
14	Method of distribution:	Syndicated

15	Financial Centres (Condition 7):	London and Luxembourg
16	Deposit:	U.S.\$325,000,000

**PROVISIONS RELATING TO INTEREST PAYABLE
UNDER THE DEPOSIT AND THE LOAN**

17	Fixed Rate Note Provisions:	Not Applicable
18	Floating Rate Note Provisions:	Applicable
(i)	Interest Period(s):	Not Applicable
(ii)	Specified Interest Payment Dates:	28 July 2004, 28 October 2004, 28 January 2005 and 28 April 2005
(iii)	Business Day Convention:	Modified Following Business Day Convention
(iv)	Business Centre(s):	London, Luxembourg and Moscow
(v)	Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
(vi)	Interest Period Date(s):	Not Applicable
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	Not Applicable
(viii)	Screen Rate Determination:	As set out in the attached Fiduciary Deposit Supplement and Loan Supplement
(ix)	ISDA Determination:	N/A
(x)	Margin(s):	Plus 2 per cent. per annum
(xi)	Minimum Rate of Interest:	Not Applicable
(xii)	Maximum Rate of Interest:	Not Applicable
(xiii)	Day Count Fraction (Condition 5):	Actual/360
(xiv)	Rate Multiplier:	Not Applicable
(xv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Loans, if different from those set out in the Conditions:	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19	Final Redemption Amount of each Note:	U.S.\$2,000 per U.S.\$2,000 in principal amount
20	Early Redemption Amount(s) of each Note payable if the Loan should become repayable under the Loan Agreement prior to the Maturity Date:	Principal amount plus accrued interest and additional amounts, if any

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21	Other terms or special conditions:	Not Applicable
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DISTRIBUTION

22	(i) If syndicated, names of Managers:	Alpha Bank A.E., Banco Finantia, S.A., Emporiki Investment Bank SA, ING Bank N.V., London Branch, Piraeus Bank S.A. and UBS Limited
	(ii) Stabilising Agent (if any):	Barclays Bank PLC
	(iii) Dealer's Commission:	0.15 per cent. of the Aggregate Principal Amount
23	If non-syndicated, name of Dealer:	Not Applicable
24	Additional selling restrictions:	Hong Kong, Italy, Singapore and Switzerland (as set out below)

OPERATIONAL INFORMATION

25	ISIN Code:	XS0191260057
26	Common Code:	019126005
27	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
28	The Agents appointed in respect of the Notes are:	Citibank N.A., London Branch and Deutsche Bank Luxembourg S.A.

GENERAL

29	Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 10:	Not Applicable
30	The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of [•], producing a sum of (for Notes not denominated in U.S. dollars):	Not Applicable

LISTING APPLICATION

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.\$2,000,000,000 Programme for the Issuance of Loan Participation Notes of VTB Capital S.A. for the purpose of financing fiduciary deposits with Deutsche Bank Luxembourg S.A. for the purpose of financing loans to VTB.

STABILISING

In connection with this issue, Barclays Bank PLC (the "Stabilising Agent") or any person acting for him may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Agent or any agent of his to do this. Such stabilising, if commenced, may be discontinued at any time, and must be brought to an end after a limited period.

RECENT DEVELOPMENTS

VTB's strategic plan continues to include an investment by the European Bank for Reconstruction and Development ("**EBRD**") and the International Finance Corporation ("**IFC**") in VTB's capital structure and VTB remains engaged with the EBRD and the IFC to work out mutually acceptable terms of their respective investments, including their timing.

VTB is also considering the feasibility of participation of private international investors in its capital.

Prior to 2003, VTB obtained almost all its funding in the domestic markets. Its funding sources primarily consisted of short-term bank (including the Central Bank of Russia) and corporate deposits and domestic debt securities and promissory notes. Use of such funding combined with relatively high interest rates in the Russian lending market resulted in a high net interest margin for VTB that significantly contributed to net profit. Since 2002, borrowing conditions for Russian borrowers in the international capital markets have become more favourable and, in an effort to lengthen and diversify its liability profile and obtain longer-term funding, VTB has accessed the international capital markets, which has also had the consequence of increasing its borrowing costs.

In 2003, VTB continued to optimise its asset and liability profile and, as part of the expansion of its business, its medium- and long-term assets and liabilities significantly increased. At the same time, interest rates in the Russian lending market declined. As a result, VTB's net interest margin and its overall profitability have declined to a level reflecting current market conditions.

The increase in liabilities was in part due to the issue on 11 December 2003 of U.S.\$300 million 6.875 per cent. Notes due 2008 as Series 1 under the Programme. On 12 March 2004, Series 1 was increased by means of a fungible issue of a further U.S.\$250 million, bringing the total principal amount of Series 1 Notes issued to U.S.\$550 million. The proceeds of Series 1 (including the fungible issue) were placed on deposit with Deutsche Bank Luxembourg S.A. and were used to finance advances to VTB.

On 12 March 2004, VTB's controlling shareholder, the Ministry of Property Relations of the Russian Federation was abolished by decree of President Putin and succeeded by The Federal Service for the Management of Federal Property. While the functions and property of the Ministry of Property Relations of the Russian Federation are currently being transferred to The Federal Service for the Management of Federal Property, this will not affect the Russian Government's (as ultimate beneficial owner) ability to vote such controlling shareholding in VTB.

On 25 March 2004, VTB acquired a 70 per cent stake in Armsavingsbank, Armenia's second-largest universal bank for non-material consideration. The acquisition of Armsavingsbank will allow VTB to engage in a full range of banking activities in Armenia and to consolidate its position as the primary bank servicing trade flows between Russia and Armenia. Armsavingsbank provides a full range of banking services and has 101 branches throughout Armenia.

On 25 March 2004, VTB placed its 4th series rouble denominated bonds (the "**Bonds**") through MICEX. The Bonds have a total par value of RUR5,000,000,000 (U.S.\$175.5 million at the exchange rate of RUR28.49 per U.S.\$1.00) and are due on 19 March 2009. The Bonds pay interest semi-annually in arrear. The first two interest payments will be 5.43 per cent. per annum as determined by the results of the placement auction, while the other interest payments will be determined by VTB based upon prevailing market conditions. The Bonds will be redeemed at par. VTB has also published an irrevocable offer to purchase the Bonds at par on 25 March 2005.

MATERIAL ADVERSE CHANGE STATEMENT

Except as disclosed in the Offering Circular and this Pricing Supplement, there has been no significant change in the financial or trading position of the Issuer, VTB or of the Group since 30 June 2003 and no material adverse change in the financial position or prospects of the Issuer, VTB or of the Group since 30 June 2003.

RESPONSIBILITY

VTB accepts responsibility for the information contained in this Pricing Supplement other than in respect of the Issuer and the Fiduciary, for which the Issuer and the Fiduciary accept responsibility respectively, which, when read together with the Offering Circular referred to above, contains all information that is material in the context of the issue of the Notes.

SELLING RESTRICTIONS

HONG KONG

Each Manager has represented, warranted and undertaken that:

- (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than to persons whose ordinary business is to buy or sell shares or debentures, whether as principal or agent, or in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32) of Hong Kong; and
- (ii) it has not issued and will not issue any advertisement, invitation or document relating to the Notes, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap.571) of Hong Kong and any rules made thereunder.

ITALY

Each Manager has represented to and agreed with the Issuer, VTB and each other Manager that offers of the Notes in the Republic of Italy (“Italy”) have not been and will not be registered with the Commissione Nazionale per le Società e la Borsa (“CONSOB”) pursuant to Italian securities legislation and, accordingly, that it has not offered, and will not offer, any Notes in Italy in a solicitation to the public at large (*sollecitazione all’investimento*) within the meaning of Article 1, paragraph 1, letter (t) of Legislative Decree no. 58 of 24 February 1998, that such Notes shall not be placed, sold and/or offered, either in the primary or in the secondary market, to individuals resident in Italy and that sales of Notes in Italy will only be:

- (a) negotiated on an individual basis with “Professional Investors” (*operatori qualificati*), as defined under Article 31, paragraph 2, of CONSOB Regulation no. 11522 of 1 July 1998, as amended;
- (b) effected in compliance with Article 129 of the Legislative Decree no. 385 of 1 September 1993 and the implementing instructions of the Bank of Italy, pursuant to which the issue or offer of securities in Italy is subject to prior notification to the Bank of Italy, unless an exemption, depending inter alia on the amount of the issue and the characteristics of the securities, applies;
- (c) effected in accordance with any other Italian securities, tax and exchange control and other applicable laws and regulations and any other applicable requirement or limitation which

may be imposed by CONSOB or the Bank of Italy; and

- (d) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the relevant provisions of Italian law.

SINGAPORE

The Offering Circular and this Pricing Supplement have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager has represented, warranted and agreed that it has not circulated or distributed nor will it circulate or distribute the Offering Circular or this Pricing Supplement and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes, nor has it offered or sold such Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor specified in Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a sophisticated investor, and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

SWITZERLAND

The Notes will not be offered, directly or indirectly, to the public in Switzerland and neither the Offering Circular nor this Pricing Supplement constitute a public offering prospectus as that term is understood pursuant to article 652a or art. 1156 of the Swiss Federal Code of Obligations. The Issuer has not applied for a listing of the Notes pursuant to the Offering Circular and this Pricing Supplement on the SWX Swiss Exchange or on any other regulated securities market in Switzerland, and consequently, the information presented in the Offering Circular and this Pricing Supplement does not necessarily comply with the information standards set out in the listing rules of the SWX Swiss Exchange.

Signed on behalf of the Issuer:

By: _____
Duly authorised

By: _____
Duly authorised

Signed on behalf of the Fiduciary:

By: _____
Duly authorised

By: _____
Duly authorised

Signed on behalf of VTB:

By: _____
Duly authorised

By: _____
Duly authorised

26 April 2004

VTB CAPITAL S.A.

and

DEUTSCHE BANK LUXEMBOURG S.A.

FIDUCIARY DEPOSIT SUPPLEMENT

to be read in conjunction with a Deposit Agreement
dated 8 December 2003

in respect of
a Deposit of U.S.\$325,000,000

Series 2

This Fiduciary Deposit Supplement is made on 26 April 2004 **between:**

- (1) VTB Capital S.A., a société anonyme incorporated in Luxembourg with limited liability, whose registered office is at 2, Boulevard Konrad Adenauer, L-1115 Luxembourg, registered with the Register of Commerce and Companies of Luxembourg under number B-97,053 acting as fiduciant in accordance with the Trust and Fiduciary Contracts Act 2003 (hereafter called the "**Client**"); and
- (2) Deutsche Bank Luxembourg S.A., a société anonyme incorporated in Luxembourg with limited liability, whose registered office is at 2, Boulevard Konrad Adenauer, L-1115 Luxembourg acting as fiduciary in accordance with the trust and Fiduciary Contracts Act 2003 (hereafter called the "**Fiduciary**").

Whereas:

- (A) the Client has entered into a deposit agreement dated 8 December 2003 (the "**Deposit Agreement**") with the Fiduciary; and
- (B) the Client proposes to make a deposit of U.S.\$325,000,000 (the "**Deposit**") and the Fiduciary wishes to accept such Deposit on the terms set out in the Deposit Agreement and this Fiduciary Deposit Supplement.

It is agreed as follows:

1 Definitions

Capitalised terms used but not defined in this Fiduciary Deposit Supplement shall have the meaning given to them in the Deposit Agreement save to the extent supplemented or modified herein.

2 Additional Definitions

For the purpose of this Fiduciary Deposit Supplement, the following expressions used in the Deposit Agreement shall have the following meanings:

"**Account**" means the account in the name of the Client with the Principal Paying Agent (account number 10142999);

"**Closing Date**" means 28 April 2004;

"**Fiduciary Deposit Agreement**" means the Deposit Agreement as amended and supplemented by this Fiduciary Deposit Supplement;

"**Loan Agreement**" means the Facility Agreement dated 8 December 2003 and the Loan Supplement dated 26 April 2004.

"**Notes**" means U.S.\$325,000,000 Floating Rate Loan Participation Notes due 2005 issued by the Client as Series 2 under the Programme; and

"**Specified Currency**" means U.S. Dollars.

3 Incorporation by Reference

Except as otherwise provided, the terms of the Deposit Agreement shall apply to this Fiduciary Deposit Supplement as if they were set out herein and the Deposit Agreement

shall be read and construed, only in relation to the Deposit constituted hereby, as one document with this Fiduciary Deposit Supplement.

4 The Deposit

Subject to the terms and conditions of the Deposit Agreement, the Client agrees to make the Deposit on the Closing Date with the Fiduciary and the Fiduciary shall accept such amount as the full amount of the Deposit.

5 Fees and Expenses

Pursuant to Clause 5 of the Deposit Agreement and in consideration of the Client making the Deposit with the Fiduciary, the Fiduciary hereby agrees that it shall, subject to and to the extent that an equivalent amount is received from VTB pursuant to the relevant Loan Agreement, two Business Days before the Closing Date, pay to the Client, in Same-Day Funds, the amount of U.S.\$ 750,716.05 (which represents, *inter alia*, the full amount of the Fees, referred to in Clause 5 of the Deposit Agreement, that are payable on the Closing Date, though not in respect of any subsequent date), less the amount in respect of the Fiduciary Fees pursuant to Clause 5 of the Deposit Agreement.

6 Governing Law

This Fiduciary Deposit Supplement shall be governed by and construed in accordance with the laws of the Grand Duchy of Luxembourg and in particular the Trust and Fiduciary Contracts Act 2003.

This Fiduciary Deposit Supplement has been entered into on the date stated at the beginning.

VTB CAPITAL S.A.

By:

By:

DEUTSCHE BANK LUXEMBOURG S.A.

By:

By:

26 April 2004

JSC VNESHTORGBANK
and
DEUTSCHE BANK LUXEMBOURG S.A.

LOAN SUPPLEMENT

to be read in conjunction with a Facility Agreement
dated 8 December 2003

in respect of
a Loan of U.S.\$325,000,000

Series 2

Linklaters CIS

115054 Москва
Павелецкая площадь, 2, стр. 2

Телефон (7-095) 797 9797
Факс (7-095) 797 9798

Исх

This Loan Supplement is made on 26 April 2004 **between:**

- (1) **DEUTSCHE BANK LUXEMBOURG S.A.**, a société anonyme incorporated in Luxembourg with limited liability, whose registered office is at 2, Boulevard Konrad Adenauer, L-1115 Luxembourg (the “**Lender**”); and
- (2) **JSC VNESHTORGBANK**, a company established under the laws of the Russian Federation whose registered office is at 16 Kuznetsky Most Street, Moscow 103031, Russian Federation (“**VTB**”).

Whereas:

- (A) VTB has entered into a facility agreement dated 8 December 2003 (the “**Facility Agreement**”) with the Lender in respect of VTB’s U.S.\$2,000,000,000 Programme for the Issuance of Loan Participation Notes (the “**Programme**”).
- (B) VTB proposes to borrow U.S.\$ 325,000,000 (the “**Loan**”) and the Lender wishes to make such Loan on the terms set out in the Facility Agreement and this Loan Supplement.

It is agreed as follows:

1 Definitions

Capitalised terms used but not defined in this Loan Supplement shall have the meaning given to them in the Facility Agreement save to the extent supplemented or modified herein.

2 Additional Definitions

For the purpose of this Loan Supplement, the following expressions used in the Facility Agreement shall have the following meanings:

“**Account**” means the account in the name of the Lender (account number 04-410-672 in the name of the Lender at Deutsche Bank Trust Company Americas);

“**Calculation Agent**” means Deutsche Bank Luxembourg S.A.;

“**Closing Date**” means 28 April 2004 or such later date as agreed between the parties;

“**Fiduciary Deposit Supplement**” means a supplement dated 26 April 2004 to the deposit agreement dated 8 December 2003 between the Issuer and the Lender relating to the Deposit;

“**Loan Agreement**” means the Facility Agreement as amended and supplemented by this Loan Supplement;

“**Notes**” means U.S.\$325,000,000 Floating Rate Loan Participation Notes due 2005 issued by the Issuer as Series 2 under the Programme;

“**Repayment Date**” means 28 April 2005;

“**Specified Currency**” means U.S. Dollars;

“**Subscription Agreement**” means an agreement between the Lender, the Fiduciary, VTB and the Managers named in it dated 26 April 2004 relating to the Notes;

“Trust Deed” means the Principal Trust Deed between the Issuer and the Trustee dated 8 December 2003 as amended and supplemented by a Supplemental Trust Deed dated 28 April 2004 constituting and securing the Notes; and

“VTB Account” means the account in the name of VTB (account number 001-1-907557 in the name of VTB at JPMorgan Chase Bank, New York).

3 Incorporation by Reference

Except as otherwise provided, the terms of the Facility Agreement shall apply to this Loan Supplement as if they were set out herein and the Facility Agreement shall be read and construed, only in relation to the Loan constituted hereby, as one document with this Loan Supplement.

4 The Loan

4.1 Drawdown

Subject to the terms and conditions of the Loan Agreement, the Lender agrees to make the Loan on the Closing Date to VTB and VTB shall make a single drawing in the full amount of the Loan.

4.2 Interest

The Loan is a Floating Rate Loan. Interest shall be calculated, and the following terms used in the Facility Agreement shall have the meanings, as set out below:

4.2.1 Fixed Rate Loan Provisions	Not Applicable
4.2.2 Floating Rate Loan Provisions	Applicable
(i) Interest Commencement Date	28 April 2004
(ii) Interest Period(s):	Not Applicable
(iii) Specified Interest Payment Dates:	28 July 2004, 28 October 2004, 28 January 2005 and 28 April 2005
(iv) Business Day Convention:	Modified Following Business Day Convention
(v) Business Centre(s) (Clause 4.9):	London, Luxembourg and Moscow
(vi) Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
(vii) Interest Period Date(s):	Not Applicable
(viii) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	Not Applicable
(ix) Screen Rate Determination (Clause 4.3.3):	
– Relevant Time:	11am London time

–	Interest Determination Date:	2 Business Days in London prior to the first day in each Interest Accrual Period
–	Primary Source for Floating Rate:	“Official BBA LIBOR Fixings” of the British Bankers’ Association Page on Bloomberg (BBAM)
–	Reference Banks (if Primary Source is “Reference Banks”):	Not Applicable
–	Relevant Financial Centre:	London
–	Benchmark:	3 month USD LIBOR
–	Representative Amount:	Not Applicable
–	Effective Date:	Not Applicable
–	Specified Duration:	Not Applicable
(x)	ISDA Determination (Clause 4.3):	Not Applicable
(xi)	Margin(s):	Plus 2 per cent. per annum
(xii)	Minimum Rate of Interest:	Not Applicable
(xiii)	Maximum Rate of Interest:	Not Applicable
(xiv)	Day Count Fraction (Clause 4.9):	Actual/360
(xv)	Rate Multiplier:	Not Applicable
(xvi)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Loans, if different from those set out in the Facility Agreement:	Not Applicable

5 Fees and Expenses

Pursuant to Clause 3.2 of the Facility Agreement and in consideration of the Lender making the Loan to VTB, VTB hereby agrees that it shall, two Business Days before the Closing Date, pay to the Lender, in Same-Day Funds, the arrangement fee as increased by the front-end fees, commissions and expenses incurred by the Lender in connection with financing the Loan, pursuant to an invoice submitted by the Lender to VTB in the total amount of U.S.\$ 750,716.05.

6 Governing Law

This Loan Supplement shall be governed by and construed in accordance with English law.

This Loan Supplement has been entered into on the date stated at the beginning.

JSC VNESHTORGBANK

By:

By:

DEUTSCHE BANK LUXEMBOURG S.A.

By:

By: