

Bank Earnings May Break Record

By [The Moscow Times](#)

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Banks' earnings may surpass the pre-crisis record this year as lending increases, Troika Dialog said Monday.

"Banks earned almost \$3 billion in pre-provision revenues in June and over \$8 billion in net income in the first half, putting them on target to possibly top 2007's record earnings in ruble terms" of 508 billion rubles (\$16.82 billion), Troika said.

Bank lending expanded in June by the most this year, according to the Central Bank. Corporate loans grew 2.1 percent compared with 1.9 percent in May, the Central Bank said. Retail lending expanded 1.6 percent, after a 1.2 percent increase the previous month.

Average corporate loan rates, excluding those charged by Sberbank, rose in June, while rates paid on retail deposits continued to decline, Troika analysts Andrew Keeley and Olga Veselova said in a note. This, coupled with loan growth, means that "banks should have the worst of their margin concerns behind them," they said.

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