

VTB Net Profit Up 39% in Q3

By [The Moscow Times](#)

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VTB posted a 19 billion ruble (\$607.3 million) net profit in the third quarter of 2011, the bank said Thursday, beating market expectations.

State-controlled VTB saw net profit of 13.7 billion rubles in the third quarter last year, but the lender, which floated a 10 percent stake in February, did not match a record net profit of 27.5 billion rubles seen in the second quarter this year, partly due to high market volatility.

"This turbulence affected the results of the group's market-related business in the third quarter 2011, although ... equity investments outperformed Russia-related indexes," the lender said.

VTB saw a net loss from financial instruments of 10.5 billion rubles in the quarter and 1.0 billion rubles for the first nine months of the year.

VTB, which reported for the first time under International Financial Reporting Standards after it consolidated an 81 percent stake in Bank of Moscow, said its total gross loans grew 45

percent in the first nine months.

The lender's net interest margin stood at 4.9 percent in the third quarter, outperforming privately-controlled Vozrozhdeniye's net interest margin of 4.6 percent but still far from top lender's Sberbank's 6.7 percent.

VTB expects to refinance around \$2.5 billion in 2012, using domestic and international debt markets, chief financial officer Herbert Moos said Thursday.

VTB secured a \$3.13 billion syndicated loan in July, also tapping international debt markets with dollar and Swiss francs bond issues earlier this year.

It is set to borrow about \$5 billion by the end of this year, with half of this likely to come from international markets.

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