

Sberbank 12 Month Net Profit Up 9%

By [The Moscow Times](#)

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State-owned Sberbank reported that net profit in January was up 9 percent year on year at 31.8 billion rubles (\$1.1 billion) according to Russian accounting standards, on the back of higher interest income.

Sberbank said Thursday that net interest income had risen 19 percent, Reuters reported.

The bank, which accounts for about a third of all lending in Russia, said it had set aside 11.5 billion rubles in provisions for possible bad loans, up from 5.5 billion rubles a year ago.

Its nonperforming-loan ratio was slightly up at 2.74 percent last month, from 2.69 percent in December.

Despite the improvement to the bottom line, lending was largely flat in January in both the corporate and retail sectors because of a general trend of weak lending at the start of the year.

Sberbank said that it issued 280 billion rubles in corporate loans in January but that its overall corporate portfolio was down 81 billion rubles, as some large borrowers repaid their debts. Its retail loan portfolio was up 11 billion rubles last month.

Natalya Berezina, an analyst at UralSib, said the slowdown in lending and increase in provisions were expected by the market.

The bank said its assets shrank by 300 billion rubles in January, influenced by a decrease in ending cash balance, including balances at ATMs, where Sberbank traditionally holds sufficient funds during the winter holiday season, Interfax reported.

The Central Bank expects total lending to slow this year, with corporate lending expected to increase about 15 percent and retail loans 25 to 30 percent because of a decline in banks' capital adequacy and lackluster economic growth.

Last year, corporate loans across Russia's 1,000 or so lenders added 13 percent, with retail lending rising 39 percent, prompting the Central Bank to consider tightening loan provision requirements to cool the retail lending market.

(Reuters, MT)

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