

# Sberbank Outlines Five-Year Plan to Improve Efficiency

By [The Moscow Times](#)

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Russia's largest bank, Sberbank, outlined last week a plan to investors under which it aims to increase efficiency while sustaining profits over five years, according to a senior executive and a company presentation.

Under its 2014-18 plan, Sberbank will cut costs by methods such as upgrading its technology and boosting back-office efficiency, as well as moving its branches to areas with higher numbers of clients, senior vice president Anton Karamzin said Friday after meeting investors in London and New York.

The bank had a cost-to-income ratio of 49 percent last year. The cost-income ratio will reduce to 40-45 percent in the years from 2015-18, the bank predicted in a presentation.

"In the past five years, we have done the obvious cost efficiency measures: investing in technologies, processes and people," said Karamzin, who said the bank now would look

to extract deeper cost efficiencies.

It still aims to sustain "very high returns on equity", he said. Its return-on-equity is expected to be about 20 percent, compared with 24.2 percent last year, its presentation said.

Sberbank, which accounts for a third of overall lending in Russia, reiterated forecasts for this year that it expects net income of between 370 billion and 390 billion rubles (\$11.7 billion to \$12.4 billion), compared with net profit of 347.9 billion rubles last year. It expects loan growth of 15 to 17 percent, a slowing from the 32 percent growth seen in 2012.

"It is very unlikely, that for our growth, we will need new capital from the market in the nearest year or two," Karamzin said. "We can generate, through our profitability, enough capital to fuel our growth."

Sberbank is controlled by the Central Bank, which holds a stake of 50 percent plus one voting share. Sberbank CEO German Gref reiterated at the investor days that it would be good if the government decreased its share to 25 percent over the coming decade, in comments which were reported by an analyst and confirmed by Karamzin. The investor day was not open to media.

Russia in September sold a 7.6 percent stake in Sberbank, reviving its stalled privatization program.

Sberbank Leasing, a unit of the state-owned bank, has announced a \$1 billion order for Boeing jets as it looks to start financing and leasing foreign aircraft in Russia.

Sberbank Leasing said it is buying 12 Boeing Next Generation 737-800 planes to lease to Transaero, Russia's second-largest airline after state-owned Aeroflot, according to passenger numbers.

The order is worth \$1 billion at catalog prices, the company said Thursday in a statement carried by Interfax.

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