

Sberbank Q3 Net Up 10-Fold

By [The Moscow Times](#)

December 06, 2010

The  Moscow Times

Sberbank said Monday that it increased third-quarter profit more than 10-fold as it boosted lending and decreased the share of bad loans.

Net income attributable to shareholders rose to 45.8 billion rubles (\$1.46 billion) from 4.25 billion a year earlier, Russia's biggest lender said on its web site. That beat an average estimate of 36.3 billion rubles from 10 analysts.

Russian bank lending to individuals has increased for eight straight months, while loans to companies have climbed for seven, according to Central Bank data. Demand for financing began to recover this year, after the economy shrank 7.9 percent in 2009, the most on record since the Soviet Union collapsed.

"We believe that the results suggest positive earnings trends in the medium term," Jason Hurwitz and Leyla Sharifullina, analysts at Alfa Bank in Moscow, said in a note.

The share of bad loans fell to 8.6 percent from 9.1 percent in the second quarter, the bank said.

That allowed the lender to decrease reserves as a proportion of outstanding loans to 12.2 percent from 12.5 percent.

Sberbank set aside 150 billion rubles as provisions for bad loans in the first nine months, a 50 percent decrease from the same period last year, the lender said. Nine-month profit was 109.9 billion rubles.

Corporate loans jumped 8.9 percent in the third quarter from the previous three months to 4.6 trillion rubles, Sberbank said. Loans to individuals increased 3.9 percent to 1.26 trillion rubles in the same period.

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