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Sberbank Sees Q2 Profits Climb to $3.1Bln

By The Moscow Times

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Sberbank said second-quarter profit more than quadrupled as it released reserves set aside for bad loans for the second time.

Net income climbed to 89.3 billion rubles ($3.1 billion) under international accounting standards, from 20.8 billion rubles a year earlier, the bank said Tuesday.

The lender released 8 billion rubles of reserves set aside for bad loans in the second quarter, while in the same period of 2010 it allocated 56 billion rubles against bad debts, according to the statement.

"The improving Russian economy and ongoing implementation of new risk-management and recovery procedures have positively affected loan quality," the bank wrote in the statement.

The proportion of nonperforming loans in Sberbank's portfolio fell to 6.6 percent from 7.3 percent at the end of 2010. Assets rose 5.2 percent to 9.08 trillion rubles as of June 30 from the end of last year.

The shares closed up 0.55 percent at 82.15 rubles at the close of trading in Moscow on Tuesday, after climbing 5.2 percent Monday, the most in 10 months. The yield on the lender's $1.5 billion of dollar-denominated bonds due 2015 fell 22 basis points to 4.03 percent, the biggest daily drop since June 8 based on closing prices.

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