

Sberbank Falls Short on Earnings

By [The Moscow Times](#)

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Sberbank, which is preparing for a \$6 billion stake sale by the government, posted record yearly earnings Wednesday, but both its annual and fourth-quarter results came in below market expectations.

The state-controlled bank posted a 16.5 percent year-on-year drop in quarterly earnings after setting aside provisions to cover a growing loan book.

Fourth-quarter net income reached 60.1 billion rubles (\$2 billion), slightly below the average 63.3 billion ruble forecast from 12 analysts polled by Reuters. The bank also said it had revised down the value of its real estate portfolio.

The fourth-quarter decrease reflects a more robust economic backdrop for the bank, which was liquidating reserves against bad loans in late 2010 and is ramping up lending.

Sberbank increased its loan book by 8.8 percent in the fourth quarter, according to VTB Capital.

Full-year earnings rose 74 percent to 315.9 billion rubles, the highest ever but also slightly below an average analyst forecast of 319.1 billion rubles — though the outcome surpassed a management forecast for 300 billion rubles to 310 billion rubles.

The government had hoped to place a 7.6 percent stake in the bank on the stock market last September, reducing the state's holding to a bare majority, but the deal was shelved after a slump in global equity markets.

The placement is expected to proceed in the first half of this year, with a share price of more than 100 rubles widely agreed to be the trigger.

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