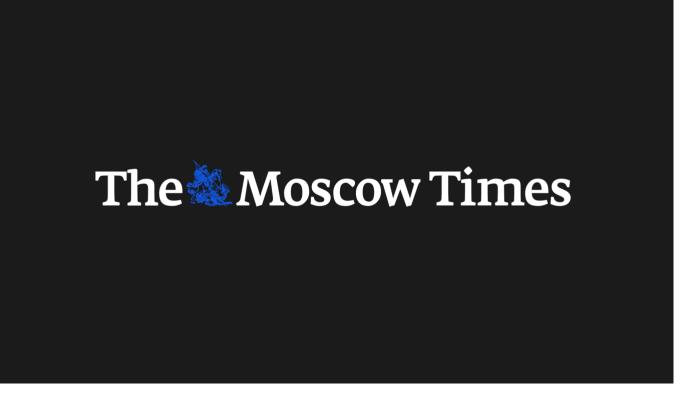


Sberbank Posts \$9.42Bln Profit and Announces Restructuring

By The Moscow Times

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Sberbank posted a 297 billion ruble (\$9.42 billion) net profit for the first 10 months of 2012 after announcing a restructuring, staff changes and layoffs.

The profit rose 8 percent from the same period last year, boosted by strong lending.

State-controlled Sberbank, which placed a \$5 billion stake with investors in September, said its corporate lending was up 2.4 percent while its retail portfolio increased by 2 percent in October month on month.

Net interest income was up 25.4 percent on the back of lending, while its non-performing loan ratio stood at 3 percent, with provisions for possible bad loans at 42 billion rubles in the first 10 months.

Sberbank's local accounting results are seen as an indicator to its performance under

international results. It expects this year's net profit to be at over \$10 billion.

Meanwhile, Sberbank CEO German Gref said in a conference call Wednesday that the bank would change its organizational structure and reshuffle top executives, Interfax reported.

"We have changed our structure in order to achieve better coordination between different subdivisions and to be more efficient," Gref said.

The head of Sberbank's risk division, Vadim Kulik, is expected to join the management board, "as risk management functions will become very important for the entire group, including our foreign subsidiaries," Gref said.

A functional-risks division will be set up with two key focuses: risk control and risk taking. In addition, an underwriting center will be established.

Alexander Morozov, head of the finance department, will become a deputy CEO and will lead the entire financial division, Gref said.

Deputy chief executive Anton Karamzin will continue to lead the investor relations department and will also be put in charge of energy efficiency and several subsidiaries. However, Karamzin will no longer be the chief financial officer, a post he has held for the last five years, Gref said.

Sergei Gorkov will head the international division and keep his position as a member of the management board, while Gor Nakhapetyan, head of the corporate and investment banking division, will become a vice president and lead the newly created human resources division.

Deputy CEO Alexander Torbakhov will continue to lead the retail division, and Deputy CEO Andrei Donsky will remain in charge of the corporate division. Vice president Alexander Bazarov will become senior vice president and continue to work as co-head of the corporate and investment banking division.

The bank also said it would cut around 3,000 jobs at the head office. Sherbank management board member Denis Bugrov said during the conference call that 3,000 employees from the head office would be moved to service organizations.

(Reuters, MT)

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