

Sberbank Q3 Net Profit Up 10% to \$2.8Bln

By [The Moscow Times](#)

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No. 1 lender Sberbank reported a 10 percent rise in third-quarter net profit, beating analysts' expectations thanks to strong interest income, the bank said Wednesday.

The bank reported 87.5 billion rubles (\$2.84 billion) in third-quarter net profit. A Reuters poll of analysts expected the state-controlled lender to post 83.8 billion rubles in third-quarter net profit.

Sberbank also said its nine months bottom line was up 3 percent to 262.8 billion rubles.

Sberbank, which reported under international standards for the first time since it raised over \$5 billion in September's share sale, said it set aside 11.7 billion rubles in third-quarter loan loss provisions, doubling the amount year-on-year.

The bank said the increase in its loan loss provisions was due to its rising loan portfolio,

which should be properly covered by reserves for any possible shocks.

In a statement, Sberbank said its corporate lending rose 18.6 percent and its retail portfolio was up 48.9 percent in the first nine months of the year, taking into account its Turkish and European assets.

Setting aside the recently bought businesses of Turkey's Denizbank and VBI, now known as Sberbank Europe AG, corporate lending added 8.8 percent and retail lending rose 35.4 percent.

The increase in lending resulted in strong net interest income, which was up 26 percent in the third-quarter year-on-year to 179.6 billion rubles.

Sberbank's Tier 1 capital adequacy ratio stood at 10.2 percent as of Sep. 30, down from 11.6 percent at the beginning of the year, affected by these two deals.

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