

Promsvyazbank Reports \$267M Profit for 2012

By [The Moscow Times](#)

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Alexandra Volchenko

Promsvyazbank boosted earnings 58 percent to 8.2 billion rubles (\$267 million) in 2012 and has not dropped plans for a share sale, a senior executive said in an interview.

The country's ninth-largest bank by assets pulled its stock market listing last year due to weak markets but still views this as its "strategic goal," first vice president Alexandra Volchenko said.

"You might only do an IPO once in a lifetime. The cost of a mistake is very high," Volchenko said. "We are not dropping our plans. We are looking at the market situation."

Last year, Promsvyazbank hired HSBC, JPMorgan and Renaissance Capital for a two-stage deal that could have raised about \$400 million from the sale of at least a 20 percent stake, followed by a private placement of new stock.

The bank, controlled by billionaire brothers Dmitry and Alexei Ananyev, is aiming for earnings growth in 2013 of 50 percent as it ramps up consumer lending, which turned profitable in the first quarter of this year.

The jump in profits last year came partly from higher interest and commission income.

“In retail lending, the bank showed significant growth ... and started to be self-sustaining in the fourth quarter. ... We expect retail lending alone will add at least 2 billion rubles to this year’s profit,” Volchenko said.

Private-sector banks here have curbed growth in lending to corporate clients, where margins have come under pressure from dominant state-owned banks led by Sberbank.

Corporate lending growth in Russia halved last year to 12.7 percent.

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