The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

CEO of Top Lender Sberbank Says Worst Not Over for Russian Banks

By The Moscow Times

March 21, 2015



Customers choose chickens for sale at a food market, which operates once a week on Saturday, in the Russian southern city of Stavropol March 14, 2015

Russia's banking system has not yet reached its most painful point, German Gref, chief executive officer of top lender Sberbank and a former economy minister, said late last week.

Russian Finance Minister Anton Siluanov said this week that the worst was over for the Russian economy, which is suffering a sharp slowdown due to fallen oil prices and sanctions over the Ukraine conflict.

The slowdown has hurt profits at Russian banks, many of which, including Sberbank and No. 2 lender VTB, are subject to Western sanctions.

Gref said the Russian economy could contract by more than 4 percent in 2015, worse than official forecasts.

"I can't say that we have passed the peak of the pain in the banking sector. That is still ahead," he told reporters.

He praised the Central Bank for conducting a "rational" and "predictable" monetary policy. The bank has cut its key interest rate by 3 percentage points this year, easing pressure on banks.

Sberbank Chief Financial Officer Alexander Morozov told reporters that the Bank's dividend payout on its 2014 results would be based on Russia's economic situation as well as the bank's capital position.

If Sberbank's Tier 1 capital falls below 10 percent, then the Central Bank will likely pay out less than 20 percent of net income, Morozov said.

Original url:
https://www.themoscowtimes.com/2015/03/21/ceo-of-top-lender-sberbank-says-worst-not-over-for-russian-banks-a44991