

# Russia Loans Cyprus \$3.3Bln

By [The Moscow Times](#)

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NICOSIA, Cyprus — Cyprus said it would get a 2.5 billion euro (\$3.33 billion) loan from Russia on Wednesday, with an interest rate of 4.5 percent, less than half the market rate.

The deal, due to come into effect in January, will be valid for 4 1/2 years, without a penalty if it is repaid sooner, Cypriot government spokesman Stefanos Stefanou said.

Although a rare international borrower, Cyprus has seen yields on its bonds traded in secondary markets spike in recent months as markets take fright at the debt crisis that has hammered bigger neighbour Greece. Cyprus' foreign creditors are predominantly European. The island has been a long-time Russian ally. Its incumbent president, Demetris Christofias, was educated in Soviet-era Moscow and is a fluent Russian speaker.

*(Reuters)*

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