

# 5Bln Euro Cyprus Bailout Approved

By [The Moscow Times](#)

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Cypriot President Demetris Christofias, right, with then-President Dmitry Medvedev in October 2010.

NICOSIA — Cyprus declined on Tuesday to confirm a newspaper report that Russia has approved a 5-billion euro lifeline to the island, which sought a bailout from its EU partners in June.

The normally authoritative Politis daily reported that Russia had approved a bilateral loan application from Cyprus some days ago. It would be disbursed to Nicosia in consultation with the International Monetary Fund, it reported. It did not provide a source for the report.

Asked to comment on the report, Finance Minister Vassos Shiarly told Reuters: "I am not aware of any developments with regards to the loan application from the Russian Federation."

In Moscow, a Finance Ministry spokesman said negotiations were still continuing, but did not elaborate.

Cyprus sought a financial lifeline from international lenders in July to buffer its two largest

banks, which were hammered by their exposure to Greek debt earlier in the year.

Although it is in talks with international lenders from the European Union, the IMF and the European Central Bank, Cyprus had also previously applied to Moscow, a close business and political ally, for aid.

Cypriot President Demetris Christofias, a Soviet-educated communist, was thought to be personally involved in efforts to secure a loan and had discussed it on one occasion with Russian President Vladimir Putin.

Russia granted Cyprus a 2.5 billion euro loan in late 2011, after Nicosia's access to international capital markets was cut off because of high yields on its traded debt.

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