

Bank of Cyprus Reports 256M Euro Loss on Russia Exposure in 2014

By [The Moscow Times](#)

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NICOSIA — Bank of Cyprus on Wednesday reported a 256 million euro (\$290.64 million) loss for the whole of 2014, mainly because of higher provisions in the fourth quarter for its exposure to Russia.

The bank, Cyprus's largest, said it had recognized 309 million euros for the full year in one-off impairment losses from discontinued operations in Russia and Ukraine.

Excluding these restructuring costs and discontinued operations, the bank made a full-year net profit of 42 million euros.

The bank's chief executive John Hourican said that for the first time since Cyprus's financial crisis in March 2013 its deposits were growing.

In early 2013, Bank of Cyprus became the first bank in the euro zone compelled to seize

investors' deposits to stay afloat as a condition for a 10 billion euro bailout Cyprus received from the European Union and International Monetary Fund. It had racked up billions in losses on exposure to Greece.

Yet by mid-2014, the bank successfully raised 1 billion euros in capital from private investors, including U.S. financier Wilbur Ross and the European Bank for Reconstruction and Development.

Its fourth-quarter results were affected by increased provisions related to the bank having to align accounting policies to those adopted in European Union-wide bank stress tests last year, as well as classification of Russian operations as held for sale, he said.

Most of those losses concerned Uniastrum, a Russian entity Bank of Cyprus has said it wants to sell as part of its strategy on shifting focus back to its core Cypriot market.

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