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# Ukraine Banks Seek Compensation From Russia for Crimean Losses

By The Moscow Times

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Prior to the annexation, Ukrainian banks operated over 1,000 branches in Crimea with assets and liabilities worth around 20 billion hryvna.

Two of Ukraine's largest banks — Privatbank and state-owned Oschadbank — have asked Moscow to compensate them for losses resulting from Russia's annexation of the Crimea Peninsula from Ukraine last year, they said in statements on Wednesday.

Already under pressure from an economic crisis in Ukraine, banks with significant assets in Crimea faced substantial write-downs after Russia seized the territory in March 2014 in a move condemned by Ukraine and the West.

Prime Minister Arseniy Yatsenyuk said Oschadbank, Ukraine's third-largest bank in terms of assets, plans to sue Russia for 15 billion hryvna ($700 million) in compensation.

The bank has not confirmed this figure, but in a statement it said it had "sent

to representatives of Russia a formal notification in writing of claims arising from the unlawful treatment of Oschadbank's investments in Crimea."

It said it hoped to settle the case through a 1998 Russia-Ukraine intergovernmental agreement, according to which the sides seek to settle the dispute through negotiations within a six-month period.

"If a settlement is not reached in the given timeframe, Oschadbank reserves the right to pursue the matter through the protection of the international courts," the bank said.

Oschadbank and Privatbank, Ukraine's largest lender, had the most extensive network of bank branches in Crimea.

Privatbank also said on Wednesday it was seeking international arbitration to make up for its losses on the peninsula and would pursue its case though courts in the Hague.

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