

Alfa Bank's Ukraine unit says to stop banking in Crimea

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By Bloomberg

Alfa Bank Ukraine, part of Russian billionaire Mikhail Fridman's business empire, is to stop banking activities in Crimea as it no longer has the legal basis for operating in the Black Sea peninsula, it said in a statement on Monday.

Ukraine and the West do not recognise Russia's seizure of Crimea, and Ukrainian and Western banks have been closing there.

A subsidiary of Austria's Raiffeisen Bank International said this month it would close all its branches in Crimea by mid-April. First Ukrainian International Bank, owned by Ukrainian oligarch Rinat Akhmetov, and Ukrainian state-owned Ukrgasbank have also announced that they would stop operating there after April 17.

According to estimates by the National Bank of Ukraine, there were 1,022 branches of more than 20 Ukrainian banks working in Crimea before the annexation, with assets and liabilities worth 20-22 billion hryvnia (US\$1.7-US\$1.9 billion).

Alfa customers will be able to close their accounts and take deposit funds ahead of the closure, Alfa said, in the statement on its website.

Russian banks have been moving in to fill the gap left as Ukrainian and Western banks withdraw with Russian National Commercial Bank the first Russian bank to set up in Crimea after the region's annexation.

Russia's Just Bank also has plans to operate in Crimea, according to Russia's Central Bank's website and a representative at the bank.

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