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EBRD's Megabank Ukraine Looted

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On 17 May 2024, pictured, European Commission Executive Vice President and former Prime Minister of Latvia Valdis Dombrovskis spoke at the annual meeting of the European Bank for Reconstruction and Development about how they are supporting Ukraine.

This is highly ironic, since in 2009 Dombrovskis signed a fraudulent deal on behalf of Latvia whereby the EBRD was secretly paid to make a fake investment to protect the money launderers and looters from Parex Bank and ABLV Bank. Those bankers helped former Ukrainian President Viktor Yanukovich steal billions of dollars from Ukraine. The heist precipitated the Russian invasion of Ukraine which started in 2014 and continues to worsen now in 2024. I'm knowledgeable about the situation because I was whistleblower when Parex was looted, so the EBRD covered-up my whistleblowing.

Now in 2024, pro-Ukraine announcements at the EBRD meeting have become even more ironic because of EBRD actions with its subsidiary Megabank in Ukraine.

The EBRD has reported billions of euros of profit since Russia invaded Ukraine, which at first seems impossible since their investments are mostly in and around that area. The EBRD is supposedly profitable because their equity investments keep increasing in value, even when the companies are being bombed and looted. From my knowledge of the EBRD gathered from many sources, I understand that the reason the

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to invest in two banks (Parex and its successor Citadele) thus covering-up corrupt pay-offs and embezzlement. These transactions, whereby the EBRD 'sells its name' to a mafia bank to give it false credibility, helps the bank to open and maintain correspondent accounts in different currencies to move money across borders. This was useful for Vladimir Putin's Tambovskaya Mafia where the two top money launderers, according to Spanish law enforcement, both used platform money-laundering accounts at Parex. The EBRD deals in Latvia caused Latvia's real national debt to skyrocket while making reported national debt appear lower. Thus Latvia was able to join the Eurozone and sell billions of euros of bonds to the European Central Bank while also paying intransparently to protect Putin.

For some reason the EBRD's auditors (previously Deloitte and now PWC) don't care. The looting of EBRD subsidiary Parex which was costly to Latvia but beneficial to the EBRD, and later the looting of EBRD subsidiary Megabank which was costly to Ukraine but apparently beneficial to the EBRD, aren't mentioned in EBRD annual reports. Secretly reversible 'investments' in fake assets go against accounting standards implying the gains on equity investments reported by the EBRD are fake. Ratings agencies S&P, Fitch, and Moody's, similar to the auditors, continue to give triple-A ratings to the EBRD even though they also know the EBRD's accounting is deceptive. What the ratings agencies should do is calculate the full damages that the EBRD owes to Ukraine, Latvia, and other victim countries and reduce the EBRD's reported capital by the damages amount. If that means the EBRD's capital is negative, then so be it because that's the truth. Eventually one victim country will get brave enough to sue the EBRD for damages then all the rest will follow. EBRD bond investors should know to expect this.

I've researched the Megabank situation as best I could given that some information has been taken offline or never was online in the first place. Links to source articles for my research are below. Megabank's English annual reports are no longer online and therefore I could not use these as a source. EBRD annual reports are on the EBRD website in English, but you don't have to waste your time reading those because Megabank isn't mentioned.

In June 2022, the National Bank of Ukraine (the Ukrainian central bank) declared that Megabank was insolvent and cancelled its banking license. In July 2022, the Deposit Guarantee Fund of Ukraine began accepting applications from depositors who want their money back. This means Ukrainians have lost a lot of money. This is bad for Americans, British, and Europeans since most of us are trying to help Ukrainians. This is also bad for Americans, British, and Europeans since we are investors in the EBRD and the World Bank's International Finance Corporation 'IFC' which both own shares in Megabank which logically have become worthless if Megabank is insolvent. I'm going to focus on the EBRD rather than the World Bank because I'm more knowledgeable about the EBRD.

At first I expected that Megabank, located in Kharkiv near the Russian border, collapsed because of the Russian military assault against Ukraine. Probably home mortgage customers stopped making payments and the value of the collateral plunged. However, the war was not mentioned by the National Bank of Ukraine which instead said Megabank was insolvent because of 'insider lending' or 'systematic lending to related persons' which is the polite way of saying it got looted. One implication is that the EBRD failed completely at a basic objective of ensuring its bank had proper corporate governance.

I saw this at Latvia's Parex Bank where the EBRD bought a stake after the bank was already insolvent but before the government admitted it was insolvent. Then I saw this again when the EBRD bought a stake in Parex spin-off Citadele Bank while I remained in exile receiving slander and terror threats. An offshore banker who originally worked at Parex and later worked at Citadele was found to control a Marshall Islands company while he worked at Citadele. This company was at the center of the largest money laundering racket in history: 800 billion euros run through the Danske Bank branch in Estonia, with the money connected to Putin. Plus, after ABLV got sanctioned by the United States for helping Yanukovich loot Ukraine, it partly liquidated by selling a loan portfolio to Citadele. Not sure if those loans are the same quality (i.e. fake) as the old Parex loan assets, but this is a possibility. Now in Ukraine with Megabank, it turns out that the EBRD was blindly standing by again while obvious looting was taking place.

The main Megabank shareholders are Victor Subotin (61%), the EBRD (15%), German state bank KfW (15%), and the World Bank's IFC (6%) (percentages from UkraNews). I'm mostly concerned about the EBRD since they are battling me already in Latvia. However, it's interesting to note that KfW and IFC partnered with the EBRD in fraudulent bank investments which were already reversed in Slovenia (NLB Group) and Serbia (Kombank) causing large losses to Slovenians and Serbians, showing that KfW and IFC are systematically doing the same thing the EBRD is doing.

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and United Kingdom in 2023 and is known for providing services to oligarchs close to the Kremlin.

Subotin is General Director of state-owned JSC Ukrainian Energy Machines (formerly called JSC TurboAtom) which manufactures turbines for thermal, nuclear, and hydraulic power plants. Some turbine contracts are funded by the EBRD and there were big problems when clients failed to pay, even before the war.

Subotin is accused of having this state-owned company deposit money into his own bank 'Megabank' and then embezzling the money by making 'insider loans' to himself. This was a normal practice in all of the former Soviet states in the 1990s. Heads of state-owned companies were transferring state money to themselves. For larger companies where more money could be embezzled, the head would need to control his own bank for this purpose. Subotin says he did not do this (his 2023 letter is in a link below) however he does (or did) control Megabank which is suspicious because he must have gotten millions of euros from somewhere in order to buy the bank and if the purpose of the bank wasn't to make transactions with the state-owned company he controlled then it would be unclear what its purpose was. Also, normally doing something like this in the former Soviet states wasn't possible without protection from a mafia 'roof' so it would have been necessary to pay some of the embezzled money to violent criminals.

When Subotin convinced the EBRD to buy a stake in Megabank in 2009, which may have also included convincing the Ukrainian government to extend a secret guarantee to the EBRD as I will discuss below, presumably the motivation was to give the appearance of legitimacy to Megabank.

Efforts by Subotin to deny any wrongdoing were undermined in March 2023 when the National Bank of Ukraine announced another embezzlement attempt, whereby properties that were supposed to be under the management of the Deposit Guarantee Fund and used for the purpose of repayment of Megabank creditors were being quietly re-registered to new owners. This was organised by Russian citizen Sergey Kondratenko whose company Royal Pay Europe, registered in Latvia, was sanctioned by Ukraine in January 2023. This company ran money for Internet gambling brand 1xBet which Kondratenko had established years earlier when he was in the Russian Police together with two police colleagues. It had annual turnover of $2 billion, which was not all necessarily related to gambling.

But then comes the final piece of the mystery: did the EBRD really invest in Megabank or is it acting as 'straw' or 'front' owner as I observed in Latvia where the EBRD 'investments' in Putin's Parex Bank and Citadele Bank were confirmed fake by Eurostat documents? In Latvia, the secret reversions of the public investments are designated 'state secrets' which means journalists cannot write about them or else they will go to prison even though the secret reversions do appear on the Eurostat website and even in the Dutch Parliament and Latvian Parliament archives if you look carefully.

My insider sources tell me that the EBRD-Megabank deal is the same as the EBRD-Parex and EBRD-Citadele deals, and the Ukrainian government does have a secret obligation to reverse back the EBRD-Megabank investment by paying Ukrainian taxpayer money to the EBRD. Confirmation should be on government website www.smida.gov.ua however this website is currently closed so the public cannot see what the government is doing.

I wish someone with authority to demand an answer from the EBRD would ask about this. I can't do this myself since the EBRD has blocked all communication with me ever since I warned that Parex was looted in 2009 before the EBRD 'invested' in it. While I continue writing and speaking about the EBRD fraud in many forums for years, EBRD policy has been to pretend to be unaware of the accusations and evidence. Since Megabank was declared insolvent in June 2022, there has been no mention of this insolvency on the EBRD website, including in its 2022 and 2023 annual reports, where one can read instead about how the EBRD is fostering democracy and transparency while championing whistleblowers. There should have been a statement in the EBRD 2022 and 2023 annual reports that subsidiary Megabank was looted, including an explanation of whether this means the EBRD lost 100% of its investment or made a huge profit by selling the worthless investment to the Ukrainian state in accordance with a secret guarantee.

My goal is to build public awareness of what the EBRD is doing. Hopefully this latest action by the EBRD to rip off Ukrainians while they are fighting a war of self-defence will finally motivate EBRD member countries to cut off funding. It makes no sense that taxpayers from 74 countries spend money helping Ukrainians while at the same time funding the EBRD which is robbing Ukrainians. Hopefully 2024 will be the year when our governments wake up and figure out what is going on. Then we can stop pouring public money into the black hole of fraud and corruption which is the EBRD.

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