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EBRD 2024 RESULTS: MORE FRAUD FOR PUTIN

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INTRODUCTION

The audited European Bank for Reconstruction and Development 'EBRD' 2024 Financial Report 'the Report' was released last month when the EBRD held its annual meeting in London. I was hoping at least one member of the Board of Governors, the Finance Ministers of the 76 countries funding the EBRD, would ask a public question about evidence from Eurostat, the Dutch Parliament, and Latvian Parliament showing the EBRD is using false accounting to support Russian President Vladimir Putin's money-laundering system. Specifically, the EBRD gets secretly paid by corrupt governments to act as 'front' or 'straw' investor in Mafia banks. The EBRD announces an amount paid to invest in a bank however keeps silent about a pre-negotiated secret reversion which is a liability to taxpayers.

The EBRD fraud I know the most about is the cover-up of the embezzlement of the assets of Parex Bank of Latvia because I was the whistleblower. Parex was the main money launderer for Putin's Tambovskaya Mafia according to the Spanish government. The EBRD-Parex cover-up fraud ran from 2009 to 2014. There are two more Parex-related EBRD cover-up frauds running now in 2025: protecting Citadele (former Parex) Bank in Latvia and Siauliu (former Ukio) Bank of Lithuania. Like Parex, both of those are also closely connected with Putin. And, there are more. For example the EBRD protects Bank of Cyprus which connects Putin's oligarchs with Donald Trump.

The Report starts off with a series of false claims:

'The EBRD is a multilateral bank that promotes the development of the private sector and entrepreneurial initiative in 36 economies across three continents. The Bank is owned by 75 countries as well as the EU and

'Banking activities represent investments in projects that, in accordance with the Agreement Establishing the EBRD, are made for the purpose of assisting the countries in which the Bank invests in their transition to open market economies while fostering sustainable and inclusive growth and applying sound banking principles.'

'Transparency and accountability are integral elements of its corporate governance framework.'

The EBRD's fraud deals with Parex and Citadele were both designated as 'state secrets' in Latvia because corrupt forces in the government consider it a matter of national security to protect Putin's money launderers. There has been no transparency or accountability whatsoever. Still now in 2025, agents from the State Security Service use intimidation tactics to keep journalists and activists quiet about the fraud evidence.

Even worse, the EBRD negotiated the secret reversions with one political party and didn't inform the others, thus helping that political party win many elections by fraud. That same party still controls Latvia today with billions of euros lost every year to their unprosecuted corruption scams.

The Report gives a false description of the EBRD's Office of the Chief Compliance Officer, *'The OCCO mission is to protect the integrity and reputation of the EBRD and promote ethical standards of behaviour.'*

The OCCO strategy regarding my whistleblowing, and evidence from Eurostat, the Dutch Parliament, and Latvian Parliament that backs up my allegations, isn't to confront the evidence but instead to pretend to be unaware of the evidence. The OCCO refuses to reply to communication attempts, from me and from journalists.

The OCCO is supposed to keep EBRD staff informed to *'promote integrity and prevent fraud and corruption'* however the OCCO never informed staff of the EBRD's largest scams. All staff should know that the EBRD has been fighting an exiled and terrorized whistleblower (me) from 2009 to 2025 to protect Putin's Parex-Citadele-Ukio-Siauli money-laundering group. All staff should know that the EBRD employed the top offshore banker from Parex at EBRD subsidiary Citadele for a decade while he controlled the Marshall Islands shell company at the center of the Danske Bank Estonia 200-billion-euro money laundering. That was the largest in the world and connected with Putin. All staff should know that the EBRD helped cover-up looting at Putin's ABLV Bank by having Citadele purchase a loan portfolio from ABLV. And, all staff should know generally that EBRD investments are often fake 'front' or 'straw' investments designed to falsify earnings and debts while protecting criminals.

The Report states that the financial statements are prepared in accordance with International Financial Reporting Standards 'IFRS' however this isn't true. The deals where the EBRD says it made an equity investment in or loan to a private company when really it made a secret high-interest loan to a corrupt government must be reported correctly, as loans to those governments. The European Commission's Eurostat knows about the false accounting and is allowing it to continue. In one letter, Eurostat wrote that it was allowing Latvia to keep its national debt 'confidential.' But just because Eurostat is refusing to perform its mission of integrity doesn't mean the EBRD is using IFRS.

INCOME STATEMENT

The EBRD reported net profit of 1.7 billion euros for 2024, compared with 2.1 billion euros for 2023.

The extreme net profits the EBRD achieves year-after-year are an obvious red flag for fraud however few people seem to notice. The EBRD invests in the most dangerous markets in the world: war-torn, impoverished, and corrupted countries where the EBRD increases the problems by supporting the local dictators and oligarchs. Investors and lenders in these countries typically lose their money, so how does the EBRD achieve amazing levels of profitability? The EBRD can do this because Eurostat, financial regulators, and law enforcement in many countries have chosen to allow the EBRD to use fraud.

In 2024, the EBRD earned interest of 4.4 billion euros and paid interest of 1.5 billion euros. This wide spread can be explained by the fact the EBRD makes loans in corrupt dictatorial countries with no rule of law, where market rates are high. The rates are particularly high on the loans to governments which are disguised as investments in private companies. Since these loans are fraudulent, normal commercial banks can't make them. The EBRD has a monopoly on this illegal activity. Note that these loans are irrational from the perspective of the recipient countries which could do normal borrowing, for example by issuing bonds, at lower interest rates. The recipient countries are only interested in the EBRD loans because their corrupt leaders want to keep the liabilities secret from voters and creditors.

give the appearance it was not looted. More about that equity investment later. Simultaneously with the equity investment, the EBRD made a high-interest subordinated loan to Parex.

The subordinated loan was fraudulent in the sense that it wasn't really a loan to Parex. The Latvian government had secretly guaranteed that loan and therefore when the loan matured, the government paid it back. That loan was a liability for the Latvian government for several years while the Latvian government omitted it from the national debt. Latvia's citizens and creditors only found out about the guarantee when Latvia paid back the loan and a few politicians admitted what happened. Even now, years later, few Latvian citizens understand what happened.

And, while that is going on, the EBRD borrows money by issuing Triple-A rated bonds at low interest rates which are listed on the London Stock Exchange. More about the bond ratings is below.

Besides net interest income, the EBRD also reported a large gain from revaluing its stock investments upward. In 2024, this gain was 0.7 billion euros.

Again using Parex as the example, the EBRD paid the Latvian government 80 million euros for a stake in Parex which was worthless since Parex had been looted. Presumably the EBRD booked this asset at a value of 80 million euros on its balance sheet. Then at some point, the EBRD must have recognized a gain on the investment which was revalued up to 190 million euros, the price of the secret reversion which was discovered later, even though the stake was still worthless.

BALANCE SHEET

The EBRD claimed to have assets worth 86 billion euros at the end of 2024. This is a big increase from 74 billion euros at the end of 2023. These assets are mostly loans, bonds, and shares.

Some assets are definitely fake, in cases where corrupt governments are making secret payments to the EBRD to act as a straw shareholder. Known current examples are Citadele Bank of Latvia and Siauliu Bank of Lithuania. The EBRD should be forced to fully disclose all of its fake investments. However there is fierce resistance against telling the truth, not only from the EBRD but also governments and auditors where short-sighted people allow the fraud bubble to keep growing.

The EBRD reported 5.8 billion euros of exposure in Ukraine and made a provision of 400 million euros for possible losses because of the war. The way things are going with the EBRD still using fraud to support Putin's money launderers during the war, the EBRD should take a 100% loss provision against its loans to Ukraine. In fact losses are more than 100% because the EBRD has liability for corrupt deals where the EBRD helped organize crime groups steal larger amounts. These cases could go to civil court or criminal court in the future. One example was the EBRD's fake investment in Megabank. Megabank was owned by a corrupt oligarch. The EBRD made a deal with the Ukrainian government and Megabank to pretend to be a Megabank shareholder, which helped Megabank to attract more equity and debt financing from other people and organizations. During this time, the EBRD was supposedly watching governance at Megabank. However, the Megabank oligarch embezzled the money. Then, the Ukrainian government quietly reversed back the EBRD's investment so that the EBRD got a profit and the Ukrainian people lost not only the amount stolen from Megabank but also more because of the undisclosed payment to the EBRD.

The EBRD claimed to have liabilities of 61 billion euros at the end of 2024. This is a big increase from 52 billion euros at the end of 2023. The biggest change was in bonds issued which is now 55 billion and previously was 45 billion. All EBRD bonds are in default at the moment of issuance since clear evidence shows the EBRD financial reports are false, however for now the institutions (EBRD, auditors, ratings agencies, governments) are pretending to be unaware of this. Since these bonds have been issued in United States dollars, euros, British pounds, and currencies of at least twelve more countries, many governments have the ability to shut down the fraud. Any one of these governments any day could suspend trading in the bonds and force the EBRD to correct its financial reports.

And a final comment about the balance sheet is that it doesn't show the full scale of the EBRD problem. The overall size of the EBRD's activity is much larger than what is included in the annual report. The EBRD sets up many funds and extra investments in ways that keep the debt off-balance-sheet to dupe investors regarding the true extent of EBRD leverage.

CASH FLOW STATEMENT

In the 2024 Cash Flow Statement, the picture is the same as in previous years except worse. Net cash flow from operations was negative. The reason the EBRD was able to keep operating and expanding all year is

expense of paying coupons on the older bonds plus refinancing the older bonds as they mature. This strategy is called a 'pyramid fraud' or 'Ponzi scheme.'

The money left over after servicing older debt is used for paying salaries to 3,000 unnecessary employees, paying rent on a prestigious office tower in London, and paying generous consulting fees and donations to many influential people and groups which enhances the perceived reputation of the EBRD.

The ratings agencies assign Triple-A ratings to EBRD bonds on the theory that repayment is guaranteed by the member countries, or at least that's what is written in the ratings reports. This theory isn't true because the member countries didn't contractually agree to repay this debt and don't recognize this as a liability on their financial statements. Having said that, since I've been sending the fraud evidence to the member countries repeatedly for years and the member countries are ignoring the information, it can be argued that they are complicit in this fraud against themselves and therefore they are liable.

EQUITY

The EBRD reported equity of 25 billion euros at the end of 2024 compared with 22 billion euros at the end of 2023. From the 25 billion, 18 billion represents retained earnings which is fake since EBRD earnings are fake. 7 billion is 'paid-in' capital from shareholders which is also fake as I will discuss below. The increase during 2024 came from the net profit and also from new paid-in capital of 1 billion.

Looking deeper into the report, there is a section called 'Capital Subscriptions' which openly explains that the shareholders are fake although it doesn't use that word.

The EBRD reported subscribed capital of 31 billion euros at the end of 2024. Of that, paid-in capital was 7 billion. The other 24 billion is what the EBRD terms 'callable' capital. The subscriber countries made binding pledges to contribute, so the EBRD can demand the money. However there is a big problem. The callable capital can never be called because the most likely way that the EBRD will collapse will be when a government or major media website will finally announce that it is aware of the Eurostat evidence proving the EBRD accounts are false. When this happens, it's unlikely any of the pledgers will pay up because they will say they subscribed on the understanding that the EBRD was an honest bank helping with development. They will pretend they had no idea the EBRD was running frauds for Putin.

For now, while the fraud is openly known to thousands of professionals who are pretending not to know about it, the EBRD keeps adding new countries as shareholders which supposedly validates the EBRD's safety and integrity. However most of the new subscribers aren't paying anything. They are subscribing for free. And, for the occasions when a country actually does pay in capital, there is another trick going on. The EBRD is guaranteeing to reverse back the paid-in investments. This means that the EBRD's true capital cushion is zero. Normal corporations cannot attract shareholders by guaranteeing to reverse back the investments because this is illegal.

At the point of issuance, and at subsequent reporting dates, there was no significant likelihood that members would exercise their right to request repurchase of their shares by the Bank within the foreseeable future. This is due to the fact that the terms of this option are not financially advantageous, and also because the EBRD benefits from very strong support for its mandate from shareholders, whose backing is not primarily driven by the financial returns associated with their membership of the Bank. Consequently the future redemption amount associated with this option had no material present value at issuance and at subsequent reporting dates, and no separate liability representing the option has therefore been recognised.

AUDITORS

The auditor for the Report is PWC. Deloitte used to be auditor and in 2025 the EBRD will switch back to Deloitte. It's interesting to note that looted Parex had EY as auditor and successor Citadele has PWC as auditor. Also, EY accompanied Eurostat on a country visit to Latvia where their final report stated that Latvia was keeping its obligations to the EBRD secret. I have notified all of these auditors repeatedly for years of the evidence of fake accounting at the EBRD, Parex, and Citadele. PWC wrote to me years ago that they put my information in the shredder, 'As this letter is of a sensitive nature we have destroyed it and taken no copies.'

The EBRD, Deloitte, PWC, EY, and Eurostat created a way for corrupt countries to understate their national debts by using the term 'option' for liabilities to the EBRD. That's what they call the secret reversions. For example, when the EBRD paid 80 million euros for a stake in worthless Parex, the EBRD had a 'put option' to reverse the transaction for 190 million euros. They use the word 'option' to make it seem like the EBRD might

million liability secret. However this excuse is absurd. Debtors could delete all of their debts from their balance sheets by saying that it wasn't 100% certain that the creditors would ask for the debtors to pay back the debts. How PWC wrote this in the annual report seems innocent at first glance however accountants should understand this is fake accounting. PWC didn't mention that these 'options' are state secrets and voters and creditors aren't permitted to know. Journalists and activists spreading information about the 'options' are threatened with criminal prosecution for telling the truth. However there is also a sad reality that even when the existence of the Parex option was leaked into the Latvian media a few times, nothing happened anyway because not only are the authorities corrupt but also most voters aren't accountants and don't understand the fraud.

Put and call options which are used to facilitate exit routes for certain unlisted equity investments held by the Bank. The valuations of these instruments are driven by the underlying unlisted equity investments

The EBRD, PWC, Deloitte, and EY deserve prosecution not only for fraud and hundreds of billions of euros of money laundering, but also for war crimes since this is about Putin. Regarding Eurostat's failure to stop the fraud, I don't know if this is because of corruption or incompetence.

CONCLUSION

Even though clear fraud evidence has been openly available since 2010, the EBRD fraud pyramid keeps growing larger. The EBRD keeps using false financials to sell more shares to governments and more bonds to pension funds. Putin's money launderers continue to get access to USD correspondent accounts for laundering hundreds of billions of dollars thanks to the EBRD acting as straw shareholder of their banks.

What will be the trigger that causes the EBRD fraud bubble to collapse? When Putin attacked Ukraine, I expected that some of the 3,000 employees at the EBRD would become so disgusted that they would turn whistleblower. Or that some governments, auditors, or ratings agencies would decide to cut their losses and exit from the fraud. However so far the frauds, lies, corruption, and delusionment keep continuing. Thank you to EU Bubble as one of the few media websites with the integrity to cover this still-developing crime saga.

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