

Statement from Mr Maxim Reshetnikov
EBRD Governor for the Russian Federation

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Mr Chairman

On behalf of the Russian Federation, I would like to reaffirm the relevance of the point we have previously made about the need to preserve the status of international development institutions as a platform for constructive multilateral dialogue on economic issues and cooperation in compliance with the principles of impartiality, equality and respect for all participants' rights.

We watched with great concern as the EBRD completed its five-year strategic cycle in 2025, definitively confirming the new character of this institution, which has ceased to pursue the original founding objectives of its mandate, while focusing on advancing the geopolitical interests of particular shareholders. The implementation of the Strategic and Capital Framework 2021-2025 demonstrated that formally approved target indicators can be cancelled midstream to meet the objectives of the Bank's Western shareholders at any cost. The proportion of investments made in the priority region of operations ultimately failed to reach the threshold set by Governors, and the concept itself was dropped from Bank terminology. Furthermore, in the strategic documents for 2026-2030, support for only one of the shareholders – Ukraine – is singled out as the institution's primary task. This is clearly at variance with the EBRD's basic mandate as a neutral development institution, and with the principle of promoting the balanced and equitable development of all the regions of its operations.

We must state with serious concern that the EBRD's approved work plan does not indicate that the Bank is interested in ending the Ukrainian crisis as soon as possible, but, on the contrary, that it intends to support its continuation. We believe that the allocation of a significant proportion of the Bank's resources to financing "infrastructure" projects in Ukraine will only contribute to the further escalation of the conflict due to the strong likelihood that the recipient will use the allocated funds, both directly and indirectly, for military purposes.

The Bank's politicisation of all areas of its work, the revival of the "bloc" mentality and the unspoken division of the countries of operations into those "willing" and "unwilling" to follow a pro-Western path are becoming the defining aspects of the work of an institution, which is gradually turning into an instrument of discriminatory policy towards its own shareholders. For example, a dangerous precedent was set in 2022, when the lawful right of EBRD members to access the Bank's resources was used as geopolitical "leverage". Over recent years, this approach has only become more prevalent due to the

approval of new EBRD mechanisms, making it possible to apply unilateral national restrictions as a pretext for infringing business rights on national or regional grounds.

It is precisely from this perspective that we have considered the report and resolution, *The EBRD: Rising to the Challenge in Turbulent Times*, which has been put to us today. The Russian Federation cannot support decisions that, in effect, legitimise the Bank's role in actively implementing the geopolitical objectives of a limited group of countries, thereby entrenching the principle of shareholder inequality and forcing the Board of Governors to go beyond the EBRD's purely economic mandate, as well as its powers to ensure that the Bank's objectives and principles are achieved, as defined when the Bank was established.

Particular attention should be focused on the dwindling effectiveness of the EBRD's work. The Bank's profitability is declining, its dependence on donor funds is increasing, and administrative expenditure is growing rapidly, highlighting the erosion of its operational model. The share of non-performing loans continued to grow in 2025, significantly exceeding equivalent indicators at other multilateral development banks, with the Ukrainian portfolio remaining a major source of toxic assets. The record volumes of operations completed in the reporting year would not have been possible without recapitalisation, which has only delayed, but not resolved, the EBRD's fundamental problems. We can see that the Bank's management is endeavouring to compensate for structural imbalances mainly through purely commercial transactions in well-developed EU countries, and even through the direct financing of companies in G7 jurisdictions, which is contrary to the Bank's mandate to promote transition to an open market economy, and the development of private and entrepreneurial initiatives in shareholder countries.

As a founder and long-standing partner of the EBRD, the Russian Federation opposes the path that the institution is currently pursuing. We once again call on the Bank to return to its statutory objectives and functions as set out in the Agreement Establishing the Bank of 29 May 1990, to act consistently and neutrally, and to abandon discriminatorily dividing countries of operations by subjective criteria, introducing illegitimate unilateral restrictive measures into its working practices, and subordinating its activities to the geopolitics of the moment. The EBRD must remain a profitable institution based on the principle of self-sufficiency, and remain able to fulfil its countercyclical function during financial crises, rather than stretching its available capital to the limits in pursuit of positions requested by individual shareholders. The Bank must return to open, depoliticised, constructive and mutually respectful dialogue so that it can restore trust between all EBRD members and management.

Mr Maxim Reshetnikov

Translation from Russian