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Recovery Puts EBRD in the Black

By The Moscow Times

February 16, 2011



LONDON — The European Bank for Reconstruction and Development returned to profit last year, helped by the recovery in emerging Europe and Central Asia, where it invests to promote the catch-up with developed economies.

Net income at the lender, owned by 61 countries and two intergovernmental institutions, was 1.4 billion euros ($1.9 billion), compared with a loss of 746 million euros in the previous year, the bank said in a statement Wednesday.

"The bank's financial results reflect the underlying quality of its portfolio, with nonperforming loans of only 3 percent of the total loan book," Manfred Schepers, EBRD vice president for finance, said in the release. "Our region remains fundamentally attractive, and in 2011 we will further strengthen our efforts to finance local companies and support foreign direct investment into the region."

The EBRD's region is "finally recovering across the board," and the challenge is to make the growth sustainable, Erik Berglof, EBRD chief economist, said last week. The region needs

"a new growth agenda" with removal of obstacles to export growth, development of capital markets to build local-currency financing and improvement of the business environment, Berglof said.

The EBRD invested a record 9 billion euros last year to further the recover from the worst recession since the fall of communist regimes two decades earlier. That compares with 7.9 billion euros the bank invested a year earlier.

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