

**EBRD postpones talks on Latvia's Parex bank**

231 words

23 February 2009

06:41 AM

Reuters News

LBA

English

(c) 2009 Reuters Limited

RIGA, Feb 23 (Reuters) - The European Bank for Reconstruction and Development (EBRD) has postponed talks on investing in Latvian bank Parex after the country's government fell last week, the EBRD said on Monday.

The bank has been in talks on taking a stake in Parex, which the government last year had to nationalise in the face of a run on deposits and problems repaying 775 million euros (\$1 billion) of syndicated credits this year.

"We had to postpone our mission, which was planned for this Monday. Otherwise, there is no change in our position and we remain in talks," said a spokesman for the London-based EBRD.

Latvia's prime minister resigned on Friday after the two largest parties in his four-party coalition said they were leaving the government.

The problems at Parex Bank were one of the reasons Latvia was forced last year to take a rescue loan of 7.5 billion euros led by the International Monetary Fund and European Union.

The government has agreed to guarantee repayments to the issuers of the syndicated credits under a delayed repayment scheme which Parex has presented to the dozens of banks which lent it the 775 million euros. (\$1=.7738 euros) (Reporting by Patrick Lannin; Editing by Greg Mahlich)

EBRD-LATVIA|LANGEN|ABN|E|RBN|M|D|RNP

Document LBA0000020090223e52n000ry