

**Latvia says EBRD still interested in Parex**

287 words

24 February 2009

12:34 PM

Reuters News

LBA

English

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RIGA, Feb 24 (Reuters) - The European Bank for Reconstruction and Development (EBRD) is still interested in investing in **Latvian** bank **Parex**, which the state had to rescue and nationalise last year, the finance ministry said on Tuesday.

In a statement after a government meeting on **Parex**, the ministry also said it had formed a group to work with Nomura, which has been appointed to lead a sell-off process, though it saw no quick sale of the bank to private investors.

"The EBRD's initial interest in investing into **Parex** has not decreased. Discussions are now taking place on the most suitable solutions," the ministry said. The EBRD this week postponed talks with officials after the government collapsed last week.

The EBRD usually buys up to 25 percent of a company's equity and **Latvia** is looking for an investor for the rest of **Parex**.

"Talks with potential investors have shown that the sale of shares in **Parex** Bank in the current economic circumstances might not take place in the next 12 months," it added.

This meant the government decided to hand control of the shares in **Parex** to the state privatisation agency, away from the state-owned Mortgage and Leasing Bank, which carried out the nationalisation.

A working group would be formed by the finance ministry to talk with Nomura about investors for **Parex**, including the EBRD, it added.

Latvia nationalised **Parex** after a run on deposits and in anticipation of a possible failure to repay 775 million euros of syndicated credits which come due this year. (Reporting by Patrick Lannin; Editing by David Cowell)

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