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SC Parex banka Decided to repay 10% more to the syndicate

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Latvian Government decides to repay 10% more to the syndicated lenders of Parex banka. Latvian Government has made a decision to repay 30% of Parex banka's total outstanding syndicated loan by the end of March 2009, exceeding the initial offer by 10 %. The decision has been made in order to conclude the negotiation process in the previously accepted terms.

Nils Melngailis, Chairman of Parex banka's Management Board, comments: "The amendments to the proposal include the preconditions, including a larger first payment, suggested by the lenders. These changes were necessary in order to conclude the negotiation process with the syndicated lenders in the previously approved terms. After conclusion of the negotiation process the Bank will continue negotiations with local regulator to lift the restrictions and resume Bank's operations in full at the closest possible time."

The amendments made by the Cabinet of Ministers anticipate that 30% of the total outstanding loan will be repaid in March 2009, 40% of the loan due in 2010 and the remaining 30% in 2011.

As previously announced Parex banka submitted a proposal to its syndicated lenders with an offer to change the terms of their existing loan agreements on 5

February 2009. The particular terms of the proposal involve a 20% or EUR 155 million cumulative interest payment by the end of March 2009, a EUR 387 million payment in February 2010 and the remaining EUR 232.5 million payment in January 2012.

Parex banka has two outstanding syndicated loan agreements: the EUR 275 million credit agreement dated 21 February 2008 and the EUR 500 million credit agreement dated 29 June 2007.

About **Parex** banka:

Founded in 1992, **Parex** banka offers universal banking services throughout the Baltic region, the CIS and other European nations such as Germany, Switzerland and Sweden. **Parex** Group companies operate across the banking, finance, leasing, asset management and life insurance sectors. **Parex** banka is the only partner of American Express in **Latvia** and Lithuania, allowed to issue American Express credit cards. Since 27 February 2008, the **Latvian** Privatisation Agency is the majority shareholder of **Parex** banka.

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