

**Latvia** backs bigger first payment to **Parex** lenders

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RIGA, March 10 (Reuters) - **Latvia**'s government backed on Tuesday raising the first delayed instalment in the repayment of a total of 775 million euros to creditors of nationalised bank **Parex** to 30 percent from 20 percent.

A spokesman for the government said the decision was made during a meeting of the cabinet of ministers. The first instalment of 232.5 million euros will be paid this month.

The decision to increase the amount was made at the demand of the creditors.

The spokesman said the new plan was to repay in instalments of 30 percent, 40 percent and 30 percent a year, rather than 20 percent, 50 percent and 30 percent.

Latvia nationalised **Parex** in December after a run on deposits and as it faced the repayment of the syndicated debt.

The bank rescue was one of the reasons the Baltic state was forced to take a 7.5 billion euro IMF-led rescue.

Under the original schedule, **Parex** should have repaid a syndicated credit of 275 million euros last month and then 500 million in June.

The bank syndicate includes HSBC , Mizuho Corporate Bank Ltd [MZFGAI.UL], Raiffeisen , Sumitomo Mitsui Banking Corp [SUMSYD.UL] and Commerzbank . (Reporting by Patrick Lannin, editing by Will Waterman)

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