
REGULATORY NEWS SERVICE (RNS)

SC Parex banka Parex banka accept cost optimization by 35%

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The Council of Parex banka accept the cost optimization by 35%
On Thursday, 12 February 2009, the Council of Parex banka accepted the proposal of the Bank's Management Board to optimize the total administrative costs by 35% in 2009. The Council was also informed on performed cost optimization by the Bank reaching 2.4 million lats in January 2009.

It is expected that the total administrative expenses of the Bank will be cut by 35%, including 30% reduction of personnel expenses, 31% - of phone communications and 67% reduction of transport expenses. The largest savings are planned on reducing costs by 80% on consultations, researches and surveys, and by 93% for business trips.

The Council of Parex banka reviewed the information on the financial situation of the Bank and the proposals for elimination of the shortcomings identified in due diligence report by PricewaterhouseCoopers. During the meeting the Council approved the risk management policy of the Bank, considered the current status of negotiations with syndicated lenders, as well as reviewed other issues.

About Parex banka:

Being founded in 1992, Parex banka offers universal banking services throughout the Baltic region, the CIS and other European countries 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 05 December 2008 the State owned Mortgage and Land Bank of Latvia is the majority shareholder of Parex banka.

Additional information:
Indra Zinkevica

Head of Corporate Communications and PR

Parex banka

Phone: +371 67778571

E-mail: pr@**parex**.lv

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