



### Rescued Latvia bank seeks credits repayment delay

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RIGA, Feb 6 (Reuters) - Parex Bank, rescued by the state and part of the reason Latvia needed a 7.5 billion euro (\$9.61 billion) IMF-led bailout, said on Friday it had made proposals to issuers of syndicated credits for a delayed repayment scheme.

Parex is the largest locally-owned bank in a market where Swedbank and SEB are leaders. The state rescued it last year after a run on deposits and due to 775 million euros of syndicated credits Parex must pay this year.

"The particular terms of the proposal involve a payment of 155 million euros, including cumulative interest, on February 18 2009, a 387 million payment in February 2010, with the remaining 232.5 million due in January 2012," Parex said in a statement.

Under the current schedule, Parex should repay 275 million euros in February and 500 million in June.

Parex chairman Nils Melngailis, a Latvian-American appointed by the state to replace the two Russian-speaking owners after the takeover, said Parex needed quickly to get back to the business of lending.

"In light of the global financial crisis and the difficult circumstances in Latvia in particular we believe the proposal is fair," he added in the statement.

Melngailis has previously said that in theory the creditors could demand full repayment of the debt after the change in the bank's ownership but did not expect them to push for a default.

The dozens of lenders include HSBC , Mizuho Corporate Bank Ltd [MZFGAI.UL], Raiffeisen , Sumitomo Mitsui Banking Corp [SUMSYD.UL] and Commerzbank . (Reporting by Patrick Lannin; Editing by Greg Mahlich)

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