



## EBRD BOARD APPROVES FINANCE PACKAGE FOR PAREX BANKA

The EBRD Board of Directors has approved a financial package for Parex banka.

Subject to the conclusion of legal documentation, the EBRD package would include the acquisition of 25 percent plus 1 of ordinary shares of Parex banka for LVL 59.5 million (€ 84.2 million) and a subordinated loan of € 22 million. Following its capital injection the EBRD will be represented at Parex banka's Council with a nominee director.

The Bank's investment would be an opportunity for the EBRD to contribute to the restructuring of Parex banka and through this support the real economy in Latvia.

EBRD First Vice President Varel Freeman said: "The EBRD intends to make this investment which would see Parex banka through the most difficult time in its history. Our involvement would contribute to a return in confidence in the bank and in Latvia's financial sector generally. As a shareholder the EBRD would be able to participate in the development and implementation of a strategic plan for the restructuring and refocusing of Parex banka's business activities."

EBRD has a great experience in the restructuring of the banking business. The entering of EBRD into a bank is being considered as a positive signal for vitality and development potential of the institution. As it was previously announced, in January and February 2009 EBRD performed a complete due diligence of Parex banka.

### 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.

### THE LATVIAN INSTITUTE

The Latvian Institute (Latvijas institūts) was established by the Latvian state to provide a wide range of information about Latvia, its society, culture and history.

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