However, whereas American banking faltered due to unrealistic loans to low income home buyers, Parex was seemingly exposed due to the actions of its owners. It would subsequently emerge that the two men with a majority stake in the bank, Valery Kargins and Viktors Krasovickis, had been given loans on terms that were extraordinarily generous. Grigory Rabinovics, a key figure in the Tambov mafia who was also an associate of Torshin, the handler of informal Russian asset Maria Butina, also had a stake in Parex. He too appears to have benefited from the largesse of the bank and provided a conduit for bleeding its assets as it collapsed. The bank's loan policy appeared to be based on lending funds to Tambov mafia figures such as Khudainatov and Rabinovics. These loans were occasionally issued to businesses which went conveniently bankrupt ...

The Latvian government's pursuit of the men behind the Parex collapse was little more than a token affair. Kargins and Krasovickis were only compelled to leave the bank at the insistence of the IMF and the majority of the funds taken from the bank do not appear to have been recuperated.

The corruption that infested Parex reached to the heart of the administration. Indeed Arnis Lagzdins, the bank's compliance officer, subsequently occupied the same role at Lithuania's Ukio bank which was used as a conduit by to Putin's bagman Roldugin and, similarly, collapsed in 2013 having been apparently looted by its owner. Amazingly Lagzdins would subsequently be appointed by the Latvian government's financial regulator, the FCMC and tasked with assuring the US of the credibility of the country's banking sector.

Ilmars Rimsevics the country's top banking official at the time of Parex's collapse was arrested in 2018 in connection with charges of bribery and links to Russian money laundering schemes. He was a close associate of Valdis Dombrovskis, Latvian Prime Minister from 2009 to 2014 who, along with him, ultimately managed the aftermath of Parex's collapse. A key element in their programme was a curious privatisation deal. They persuaded the EBRD to purchase shares in Parex bank which the Latvian privatisation agency had to buy back "under certain conditions." In addition the Latvian government would pay the EBRD, via a rather curious guarantee for its "investment" in the bank. This arguably allowed the aftermath of the looting of the bank to be managed without securing the return of much of the money pillaged from the bank. The transaction, Christmas argues, was 'deceptive' since it covered up a multi-billion-euro loss over a five year period. Ukio bank was bailed out by the EBRD in a transaction which bore similarities to the curious chicanery of their Parex bail out. A 2018 report by the EU's statistical agency Eurostat indicates that the privatisation of Citadele, the successor to Parex, was undertaken in a similar manner. Latvian officials persuaded the EBRD to invest €35m in Citadele shares by guaranteeing to buy them back for €88m. This reversal was effectively secret and was not covered in the bank's annual reports and the value of the guarantee concealed from the Latvian media.

One might have expected Lucas to tackle the EBRD's role in the aftermath of the Parex collapse with the controlled forensic rage which characterises much of his writing on Putin. Indeed in his 2008 book The New Cold War he wrote that 'at the EBRD, Russia is blocking projects in pro-Western countries, while insisting on extensive support for Russian companies and infrastructure projects, and the lending of respectability to Kremlin-backed banks that want to approach international capital markets.' Christmas similarly argues that the EBRD was supporting Parex and Ukio thereby propping up Russian mafia linked structures in 2009 to 2013. Many Parex staff and clients migrated to both ABLV and Citadele which was also propped up by the EBRD.

Yet Lucas's actions in the period following the collapse of Parex were a strange contrast to his words in that long lunchtime conversation. On 2 November 2010

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