

Indian Banks May Loose \$132 Million in Credit Crisis, Says Times

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State Bank of India, ICICI Bank Ltd., and seven other banks in the nation may suffer 6 billion rupees (\$132 million) in losses because of the global credit crisis, The Economic Times reported, quoting an unidentified finance ministry official.

The estimated losses are due to their ownership of securities sold by Fannie Mae, Freddie Mac, Merrill Lynch & Co., and Lehman Brothers Holdings Inc., which have declined in value leading to marked-to-market losses, the report said.

Total holdings of assets by Indian banks in struggling U.S. financial institutions are estimated at \$420 million, the report said. Lehman has filed for bankruptcy and the U.S. government had to rescue its largest insurance company American International Group Inc. this month after shares dived amid a credit crunch.

HDFC Bank Ltd., Union Bank of India, Punjab National Bank, Bank of India, Yes Bank Ltd, UCO Bank, and Bank of Baroda are the other banks that could suffer losses due to their overseas securities holdings, the report said.

State Bank holds \$170 million notes of Fannie Mae and Freddie Mac, and \$17 million in Lehman, the report said.

ICICI on Sept. 16 said it holds \$81.3 million of senior debt sold by Lehman and may have to set aside \$28 million for potential losses. State Bank on Sept. 19 said it holds \$5 million of Lehman bonds.

Source: Bloomberg