

Philippine Banks Have \$386 Million Exposure in Lehman-Paper

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MANILA - Seven Philippine banks have a total exposure of \$386 million to bankrupt U.S. investment bank Lehman Brothers, according to a newspaper report on Friday.

Even assuming the banks won't be able to recover any of their exposure to Lehman, the amount is not expected to exceed 1 percent of their total assets, the Philippine Daily Inquirer said, citing documents from the central bank.

Banco de Oro Unibank (BDO.PS), the country's second-largest lender in terms of assets, has the biggest exposure at \$134 million, followed by state-owned Development Bank of the Philippines at \$90 million.

The other banks include industry leader Metropolitan Bank and Trust Co (MBT.PS) which has an exposure of \$71 million, Rizal Commercial Banking Corp (RCB.PS) with \$40 million and the Manila branch of Standard Chartered Bank with \$26 million.

As a percentage of total assets, the exposure accounted for as low as 0.5 percent to up to 1.7 percent for each bank, according to the paper.

The Philippine central bank said on Tuesday it was ready to provide cash to local banks that may need funds in the aftermath of the collapse of Lehman as authorities all over the world injected cash into money markets to stave off the growing global financial crisis.

Source: Reuters