

Details of banks' foreign investment sought

Financial regulators have asked domestic financial institutions to submit detailed records of their investments in US and European financial assets to ascertain the full extent of their exposure to the US financial crisis.

The China Banking Regulatory Commission, China Insurance Regulatory Commission and the China Securities Regulatory Commission reportedly made the request to financial institutions under their supervision.

At least six Chinese commercial banks have reportedly disclosed their holdings of bonds issued by US investment bank Lehman Brothers, which has filed for bankruptcy protection.

Industrial and Commercial Bank of China has said it holds \$151 million in bonds issued by or linked to Lehman. China's largest State-controlled commercial bank in terms of assets is known to have the highest exposure to securities associated with Lehman.

On Tuesday, China Merchants Bank said in a statement to the Shanghai stock exchange that it holds \$70 million worth of Lehman bonds, out of which \$60 million is senior debt and the rest subordinate bonds.

A day later, Bank of China said it holds Lehman bonds worth \$75.62 million, and has lent out \$53.2 million to Lehman and its subsidiaries.

The three other commercial banks that have reportedly invested in Lehman-related assets are China Construction Bank, Bank of Communications, and Industrial Bank Co.

The only known Chinese insurer holding substantial foreign assets is Ping An, which has a 4.18 percent stake in Fortis, one of the largest European insurance conglomerates.

Source: China Daily