IFR ASIA LOANS BRIEFING

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ASIA PAC (INC-JAPAN)
BOOKRUNNERS: 1/1/2013 TO 26/7/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	Mizuho Fin Group	298	61,448.61	22.3
2	Sumitomo Mitsui Finl Grp	299	40,153.59	14.6
3	Mitsubishi UFJ Fin Grp	329	37,221.87	13.5
4	State Bank of India	32	16,410.43	6.0
5	Citigroup	20	8,500.53	3.1
	Total	1,378	275,725.87	

Source: Thomson Reuters (SDC code: S3a)

ASIA PAC (EX-JAPAN, EX-AUSTRALASIA)
BOOKRUNNERS: 1/1/2013 TO 25/7/2013

	Managing bank or group	No. of issues	Total US$(m)	Share (%)
1	State Bank of India	39	16,666.4	10.3
2	Bank of China Ltd	91	11,053.6	6.8
3	DBS Group Holdings	65	8,831.0	5.5
4	United Overseas Bank	33	6,322.3	3.9
5	Standard Chartered	71	5,991.2	3.7
	Total	508	162,130.6	

Source: Thomson Reuters (SDC code: S3f)

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State-owned oil firm PETRONAS will start up the refinery within its US$19bn petrochemicals complex in Malaysia at the end of 2017, the company told Reuters on Tuesday, signalling a further delay in the country's largest ever infrastructure project.

A delay to the project in southern Johor state could deal a potential blow to the South-East Asia economy as well as local oil and gas services firms hoping for work on the massive complex.

A source familiar with Petronas's business strategy told Reuters the project had been complicated by a need to secure water supplies as well as cater for proposed international partners.

Petronas had already put back the project from late 2016 to early 2017 in June and revised the final investment decision to the first quarter next year, citing state government problems in relocating villages and graves from the 2,000-hectare site, five times the size of New York's Central Park.

"As a result of the revised FID date, the RAPID refinery is scheduled to be ready for start-up in Q4 2017 and the remaining plants within the complex is scheduled to be commissioned in 2018," Petronas said in a statement to Reuters on Tuesday.

This is about six months later than market expectations after local media had cited Petronas CEO Shamsul Azhar Abbas in June as saying the start date for phase one of the RAPID project had been pushed back to early 2017.

Delays in the project – a cornerstone of Prime Minister Najib Razak's Economic Transformation Programme aimed at doubling Malaysians' incomes by 2020 – could slow an economy whose oil and gas sector makes up a fifth of GDP.

The complex is the largest single investment in Malaysia, and aims to grab a chunk of the US$400bn global market for speciality chemicals used in products from LCD televisions to diapers.

Its location at the southernmost tip of the peninsula, just 10 km (six miles) from Singapore's east coast, is part of a vision for a "Greater Singapore" energy trading hub that would rival competitors such as China.

"We will need to spend to secure the water supply and now parts of the project may need to be redesigned to cater for incoming project partners," the source added.

Petronas, Malaysia's only Fortune 500 company, has signed heads of agreements with Italy's Versalis, Japan's Itochu and Bangkok-listed PTT Global Chemical to build speciality chemical plants.

Germany's Evonik Industries also stepped in to the project after rival BASF – the world's top chemicals group – pulled out after differences in business strategy.

After nearly three months of considering an offshore borrowing, India's RELIANCE INDUSTRIES has finally pulled the trigger and sent out requests for proposals on a US$1.75bn dual-tranche loan.

RIL is seeking indicative proposals from banks on the financing, which will comprise a US$1.2bn five-year piece and a US$550m six-year tranche.

The US$1.2bn five-year tranche will refinance two loans signed in August 2008, while the US$550m six-year piece will be for new-money purposes.

The 2008 loans totalled US$1.2bn and had five-year bullet tenors. Initially, RIL completed a US$1bn borrowing, but following heavy oversubscription it added a US$200m facility on the same terms. The top-level all-in on both loans was 151bp via a margin of 130bp over Libor. Thirty-two lenders, including 19 MLAs, participated in the US$1bn loan, while 17 of the MLAs on the US$1bn piece also featured on the US$200m additional piece.

Deadline for responses to the RFPs for this latest borrowing is August 2. A bank group will be formed next week, after which a formal mandate will be awarded.

This latest loan is RIL's first syndicated borrowing in nearly a year, although it has raised funds through other club and bilateral facilities in the interim.

In September RIL completed a US$1.5bn-equivalent facility in which 28 lenders participated, including 16 MLAs and bookrunners. That deal comprised a US$1bn tranche A with an average life of 5.5 years and a US$500m tranche B with an average life of 6.75 years.

Tranche A paid a top-level all-in of 245bp (175bp for yen commitments), while tranche B paid 265bp (195bp for yen commitments).

State-run RURAL ELECTRIFICATION CORP received approval from the Reserve Bank of India to raise US$1bn in external commercial borrowings in the financial year ending March 2014.

The external commercial borrowings target of the company is US$250m more this year than it was last year as part of the increase in its overall borrowing programme. The company on-lends to the state electricity boards.

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In the last financial year ending March 2013, REC raised US$750m from offshore loans. Its last borrowing was a US$250m three-year loan in January which was clubbed by Bank of America Merrill Lynch and State Bank of India. This loan pays all-in of around 200bp over Libor.

Sources familiar with the situation told IFR that REC will be sending a request for quotations shortly for an offshore term loan.

In 2013–14, REC plans to raise Rs370bn (US$6.2bn) of funds via a combination of onshore and offshore bonds and loans. Last year, REC's borrowings stood at Rs360bn.

Credit card firm AMERICAN EXPRESS CREDIT CORP has completed a one-year amendment and extension of an A$2bn (US$1.82bn) revolving tranche, pushing the maturity of the loan to August 2015, the company said in a filing to the US Securities and Exchange Commission earlier this month.

The tranche of debt in question is part of an existing A$4.5bn three-tranche revolver signed in August 2011. According to the filing, all existing lenders recommitted to the extension except for Taiwan Cooperative Bank, Bank of Taiwan and Shanghai Commercial & Savings Bank. Those three banks picked up the debt in the secondary market at a discount.

The four MLABs, *Citigroup*, *Commonwealth Bank of Australia*, *National Australia Bank* and *Westpac*, stepped up their commitments to make up the shortfall, Amex said.

The other lenders in the rest of the syndicate include commercial and investment banks such as *ANZ*, *Bank of America Merrill Lynch*, *Goldman Sachs*, *HSBC*, *Mizuho Bank*, *Toronto Dominion* and *Standard Chartered*, as well as fund investor *Northern Trust Company*, Amex said.

The Taiwanese banks continue to have exposure to the other tranches. The syndicate currently stands at 25, up from the 21 lenders that joined in August 2011, as some of the debt has changed hands in the secondary market.

The new margin is 115bp with an extension fee of 10bp, while commitment fee is 50% of the drawn margin. The remaining A$2bn five-year tranche and an A$500m five-year tranche are unchanged and also mature in August 2015.

Rio Tinto put on hold an underground expansion of more than US$5bn at its giant OYU TOLGOI copper mine in Mongolia, after the government said parliament would need to approve financing for the project.

The delay marks the latest bump on the road for the global miner at one of its biggest projects, which started exporting copper from an open-pit mine at the site this month, after two last-minute hiccups in securing government approval.

Rio already needed Mongolian government approval for the financing for Oyu Tolgoi's second phase. It did not give a reason on Monday for the request for approval also from the country's parliament.

Mongolia has raised concerns about the costs of the Oyu Tolgoi expansion and the potential that rising expenses will delay when it starts receiving its share of profits.

The Mongolian Parliament will sit again from October.

"The Mongolian Parliament is currently in summer recess and the parliamentary approval process may take some time to work through," Rio Tinto said in a statement on Monday.

It said, given the current uncertainty, including continued discussions with the government on a range of other issues, all funding and work on the underground development would be delayed until these matters were concluded and a new timetable agreed.

"The decision to stall underground development appears to be a clear signal from Rio that it is not going to invest more risked capital until the country's issues are sorted," Investec analysts said in a note.

Rio had already lined up more than US$4bn of financing for the expansion – over US$2bn of that from commercial banks in one of the largest resource financing deals in Asia this year. That agreement expires in the coming weeks, but is expected to be extended.

Rio Tinto's Turquoise Hill unit owns 66% of Oyu Tolgoi, while the Mongolian government owns the remainder.

The expansion is designed to take production at the mine to 425,000 tonnes per annum of copper and 460,000 ounces of gold a year. Production at Oyu Tolgoi's open-pit mine and export of copper concentrate is continuing.