

Rosneft Getting Bank Commitments

By [The Moscow Times](#)

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Rosneft is receiving banks' initial commitments to a \$32.5 billion loan that it is arranging to back its \$55 billion acquisition of TNK-BP, bankers said.

The state-owned oil giant is arranging the massive loan to avoid paying banks' underwriting fees. The deal is the largest-ever loan issued to a Russian company and Europe's ninth-largest loan.

The initial commitments from the banks mean they have agreed in principle to the loan ahead of a final signing of the deal later. Lenders will still earn large fees from the loan but will not be able to book them until next year at the earliest after the loan agreement is signed.

Signing of the loan agreement is expected in the first quarter of 2013 in January or February after Rosneft's acquisition receives approval from shareholders and the Russian government, several bankers said.

The size of the jumbo loan and the time that it will take to refinance the bridge loan in the

bond market means that the loan will make a big contribution to banks' bottom lines.

The loan is structured as a \$24.5 billion bridge loan that will be refinanced with bonds, and an \$8 billion five-year term loan.

Contributions from Russian banks and cash from the company are still being finalized but Russia's top banks are expected to commit significantly more than \$1 billion each, a banker close to the deal said.

"Rosneft's loan is a tough ask with no underwriting but there's still plenty of revenue around it," the banker said.

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