

# BAYFRONT INFRASTRUCTURE

## **Bayfront prices US\$401 million infrastructure asset-backed securities; spearheads significant milestone in the securitisation of project and infrastructure debt in Asia**

- Repeat IABS issuance by Bayfront, following the inaugural transaction in July 2018 through Bayfront Infrastructure Capital Pte. Ltd. (“**BIC**”)
- First ever publicly issued securitised sustainability notes leveraging on Bayfront’s Sustainable Finance Framework
- Affirms strong investor demand and desire of partner banks to unlock and recycle capital
- Builds on Bayfront’s mission to crowd in private capital to address the large infrastructure financing gap in Asia-Pacific

**Singapore, 11 June 2021** – Bayfront Infrastructure Management Pte. Ltd. (“**Bayfront**”), a platform designed for institutional investors to access Asia-Pacific infrastructure debt, is pleased to announce the successful pricing of its infrastructure asset-backed securities (“**IABS**”) issuance through Bayfront Infrastructure Capital II Pte. Ltd. (“**BIC II**”), a wholly owned and newly incorporated distribution vehicle. This builds on the successful issuance of Asia’s first securitisation of project and infrastructure loans by BIC. Since inception in November 2019, Bayfront has executed Memoranda of Understanding with 22 partner banks active in the Asia-Pacific region relating to collaboration on the takeout mechanism for project and infrastructure loans. Bayfront’s shareholders are Clifford Capital Holdings and the Asian Infrastructure Investment Bank.

Five classes of investment grade rated notes (Class A1, Class A1-SU, Class B, Class C and Class D) of US\$361.1 million in aggregate principal amount were offered to institutional investors and will be listed on the Singapore Exchange. Specifically, a dedicated US\$120.0 million senior sustainability tranche (the “**Class A1-SU Notes**”), representing 33.2% of the aggregate principal amount of the Notes, was offered to investors. The proceeds from the Class A1-SU Notes will be fully allocated to a portfolio of eligible Green and Social assets that meets the eligibility criteria stated in Bayfront’s Sustainable Finance Framework.

The transaction offers investors exposure to a US\$401.2 million portfolio of 27 project and infrastructure loans, diversified across 13 countries and 8 industry sub-sectors. Approximately US\$184.8 million or 46% of the portfolio are considered eligible sustainable (green or social) assets in accordance with Bayfront’s Sustainable Finance Framework.

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Strong demand was seen from a variety of institutional investors including insurance companies, pension funds, multilateral financial institutions, banks, family offices as well as specialised asset managers. The Asian Infrastructure Investment Bank participated in the transaction as an anchor investor.

Bayfront intends to retain the preference shares in its capacity as sponsor and retention holder to demonstrate alignment of interest with investors. BIM Asset Management Pte. Ltd., a wholly owned subsidiary of Bayfront, will act as the collateral manager.

Citi, ING and Standard Chartered are Joint Global Coordinators, with ING as Sole Sustainability Structuring Advisor and Citi as Sole Structuring Advisor.

## Overview of the Issuance

Class	Amount (US\$ million)	Ratings (Moody's)	Spread	Legal Maturity Date
A1	176.9	Aaa (sf)	125 bps	11 Jan 2044
A1-SU	120.0	Aaa (sf)	120 bps	11 Jan 2044
B	33.3	Aa2 (sf)	185 bps	11 Jan 2044
C	22.1	A3 (sf)	235 bps	11 Jan 2044
D	8.8	Baa3 (sf)	340 bps	11 Jan 2044
Preference Shares	40.1	N/A	N/A	N/A
<b>TOTAL</b>	<b>401.2</b>			

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**Mr. Premod Thomas, Chief Executive Officer of Bayfront,** said: *“Bayfront is committed to the mobilisation of institutional investment in infrastructure financing and intends to be a frequent issuer of IABS transactions going forward. We aim to grow our network of 22 partner banks and gain greater access to infrastructure loans, especially in relation to sustainable assets. Reaching a wider network of institutional investors through our IABS issuances and other potential distribution channels is a key part of our strategy to develop a new asset class to help address the large infrastructure financing gap in Asia Pacific.”*

**Mr. Clive Kerner, Group Chief Executive Officer at Clifford Capital Holdings,** said: *“This transaction attests to the Group’s ongoing focus on developing innovative and sustainable financing solutions to complement mainstream markets. We will continue to support these efforts in private capital mobilisation, as part of accelerating industry trends and our aim to assist with the development of a vibrant Asian infrastructure financing hub.”*

**Mr. Najeeb Haider, Director General at the Asian Infrastructure Investment Bank,** said: *“This milestone demonstrates AIIB’s commitment to scale up its sustainable and inclusive investments to meet clients’ needs for low-carbon and climate-resilient infrastructure. It will also help us move forward in achieving our objective to develop Asian infrastructure as an asset class. The demand for more investment in Asia is huge and we will continue to work with partners, like Bayfront, who are developing innovative products to attract private investment into emerging market infrastructure.”*

**Mr. Lim Cheng Khai, Executive Director, Financial Markets Development at the Monetary Authority of Singapore,** said: *“Demand for infrastructure financing is growing faster than countries’ funding capacity. The successful pricing of this issuance reflects Singapore’s role as a full-service Asian infrastructure financing hub in connecting a diverse mix of sophisticated investors to infrastructure projects in the region. The sustainability tranche is also a good showcase of how we can direct more private capital towards sustainable projects, and recycle capital to support a transition pathway for economies in Asia.”*

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## About [Bayfront Infrastructure Management Pte. Ltd.](#)

Launched in November 2019, Bayfront Infrastructure Management Pte. Ltd. (“**Bayfront**”) is a platform designed for institutional investors to access Asia Pacific infrastructure debt. It seeks to address the infrastructure financing gap in the Asia Pacific region by facilitating the mobilisation of private institutional capital into the infrastructure financing market.

Bayfront will acquire predominantly brownfield project and infrastructure loans from financial institutions, warehouse and manage them, with the objective of distributing securitised notes to institutional investors in the public markets.

Bayfront is capitalised at US\$1.98 billion, comprising US\$180 million in equity and US\$1.8 billion in debt issuance capacity. The equity capital is committed by [Clifford Capital Holdings](#) and the [Asian Infrastructure Investment Bank](#) on a 70/30 basis respectively. Debt instruments issued by Bayfront to acquire and warehouse loans from banks benefits from a guarantee provided by the Government of Singapore.

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