

Establishment of Bayfront Infrastructure Management as a new platform to provide institutional capital access to infrastructure debt financing in Asia

- BIM, a first-of-its-kind distribution platform, supported by a 70/30 partnership between Clifford Capital and AIIB
- Addresses the US\$455 billion^[1] infrastructure financing gap in Asia by mobilising institutional capital for project and infrastructure loans
- Expected capitalisation at US\$1.98 billion
- Builds on the successful Singapore launch of Bayfront Infrastructure Capital in 2018, Asia's first securitisation of infrastructure loans

Singapore, 28 November 2019 – Clifford Capital Pte. Ltd. (“**Clifford Capital**”) and the Asian Infrastructure Investment Bank (“**AIIB**”) have announced the establishment of Bayfront Infrastructure Management Pte. Ltd. (“**BIM**”), a first-of-its-kind innovative platform designed to mobilise a new pool of institutional capital for infrastructure debt in Asia. Clifford Capital and AIIB will be taking a 70% and 30% equity stake in BIM respectively. The establishment of BIM builds on the successful issuance of Asia's first securitisation of project finance and infrastructure loans through Bayfront Infrastructure Capital (“**BIC**”), launched in Singapore in 2018.

The BIC transaction demonstrated the viability of the Infrastructure Take-Out Facility (“**TOF**”) concept. With BIC progressing to a new phase, all future issuances in relation to the TOF will now be undertaken by BIM.

BIM's objective is to address the infrastructure financing gap in the Asia-Pacific region. This will be achieved by facilitating the mobilisation of private institutional capital into the infrastructure financing market. It will unlock capital for infrastructure financing by facilitating the recycling of capital and liquidity by banks, who have traditionally been the largest lenders in this sector.

BIM 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. BIM will also sponsor, structure, and manage such distribution issuances, as well as invest in the equity tranches or vertical slices of its securitisation issuances to demonstrate alignment of interest with investors.

The platform will benefit existing bank lenders as it relieves their capital constraints by purchasing on-balance sheet exposures. It also provides global institutional investors with unique access to a diversified project and infrastructure loan portfolio through a new investable asset class that is more accessible.

Debt instruments issued by BIM to acquire and warehouse loans from banks are expected to benefit from a guarantee provided by the Government of Singapore (“**Government Guarantee**”). This Government Guarantee will not cover the securitised products that BIM will structure and distribute to investors.

¹ “Meeting Asia's Infrastructure Needs”, Asian Development Bank 2017

Mr. Clive Kerner, Chief Executive Officer (“CEO”) of Clifford Capital, said: *“This is an important milestone for Clifford Capital as we progress from the successful launch of the Infrastructure Takeout Facility with BIC to the establishment of BIM. We also welcome the participation of AIIB as a strategic partner in this landmark platform that addresses market gaps for infrastructure financing in Asia.”*

Mr. Premod Thomas, CEO-designate of BIM, said: *“Leveraging on the success of BIC, we are now committed to developing BIM as a long-term sustainable platform to encourage institutional investor participation in the fast-growing infrastructure funding needs in Asia-Pacific and the Middle East. We look forward to working with AIIB and our bank partners as we leverage our platform to create sustainable investment products for institutional investors.”*

Dr. D. J. Pandian, Vice President and Chief Investment Officer at AIIB, said: *“AIIB’s investment in BIM is closely aligned with our objectives of developing Asian infrastructure as an asset class and supporting private capital mobilisation. Through robust environmental, social and governance criteria, the platform provides institutional investors with a unique opportunity to support sustainable infrastructure projects in Asia. We are delighted to work with a highly experienced senior management team that has deep domain knowledge in infrastructure finance.”*

Ms. Gillian Tan, Executive Director and Head of Financial Markets Development at the Monetary Authority of Singapore, said: *“Singapore has attracted a diverse mix of industry expertise and networks as part of its ambition to be a full-service Asia infrastructure financing hub. This first-of-its-kind platform demonstrates how infrastructure can be developed as a mainstream, investible asset class for mobilising institutional capital.”*

BIM is expected to be capitalised at US\$1.98 billion, comprising US\$180 million in equity and US\$1.8 billion in debt issuance capacity. AIIB will invest US\$54 million, representing 30% of BIM’s equity capital, with the remaining US\$126 million contributed by a new holding company to be established by Clifford Capital.

The equity commitments from its shareholders and the proposed Government Guarantee are subject to the execution of final documentation. BIM is expected to be operational from the first quarter of 2020.

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About [Clifford Capital](#)

[Clifford Capital](#) is a specialist provider of project and structured finance solutions established with support from the Government of Singapore to address gaps in project financing markets, assisting the internationalisation of Singapore-based companies in the infrastructure and maritime sectors. It also seeks to catalyse further development of a capital market in Singapore focused on the infrastructure sector. Clifford Capital's shareholders comprise DBS Bank, John Hancock Life Insurance Company (Manulife), Prudential Assurance Company Singapore, Standard Chartered Bank, Sumitomo Mitsui Banking Corporation and Temasek Holdings.

About [Asian Infrastructure Investment Bank](#)

[AIIB](#) is a multilateral development bank with a mission to improve social and economic outcomes in Asia. Headquartered in Beijing, AIIB began operations in January 2016 and has now grown to 100 approved members worldwide. By investing in sustainable infrastructure and other productive sectors in Asia and beyond, AIIB will better connect people, services and markets that over time will impact the lives of billions and build a better future.

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