

Bayfront prices US\$410.3 million infrastructure asset-backed securities

- Fourth IABS issuance by Bayfront, demonstrating its track record of being a repeat, programmatic issuer
- The United Kingdom's Foreign Commonwealth & Development Office, as part of its MOBILIST programme, has committed an anchor investment in the equity tranche of the capital structure to help mobilise capital at scale to support the climate transition in developing countries.
- Affirms strong investor demand for IABS and Bayfront's ability to recycle capital into more infrastructure financing transactions, while introducing new innovative features to its IABS product suite, including a dedicated sustainability tranche for the third consecutive issuance reiterates Bayfront's commitment towards sustainable financing
- The AIIB participated in the transaction as an anchor investor for the third time

Singapore, 13 September 2023 – 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 fourth infrastructure asset-backed securities ("**IABS**") transaction through Bayfront Infrastructure Capital IV Pte. Ltd. ("**BIC IV**"), a wholly owned and newly incorporated distribution vehicle. Bayfront's shareholders are Clifford Capital Holdings ("**CCH**") and the Asian Infrastructure Investment Bank ("**AIIB**").

Bayfront has made a commitment to be a frequent issuer of IABS transactions, providing investors access to a diversified portfolio of project and infrastructure debt across the region, in addition to green and social assets, to help address the infrastructure financing gap in Asia Pacific. Bayfront previously structured and placed three transactions – Bayfront Infrastructure Capital ("**BIC**") in July 2018, Bayfront Infrastructure Capital II ("**BIC II**") in June 2021, and Bayfront Infrastructure Capital III ("**BIC III**") in September 2022.

BIC IV features a portfolio size of approximately US\$410.3 million spread across 40 individual loans/bonds, 33 projects, 15 countries and 10 industry sub-sectors. Five classes of notes (Class A1, Class A1-SU, Class B, Class C and Class D) were offered to institutional investors. The Class A1-SU Notes, being the dedicated sustainability tranche, will be issued under the Bayfront Sustainable Finance Framework dated August 2023 (the "**Framework**"). Net proceeds from the Class A1-SU Notes will be used to finance or refinance projects and infrastructure debt for eligible green and social assets meeting the eligibility criteria specified in the Framework. The Class A1, Class A1-SU, Class B and Class C Notes (the "**Rated Notes**") are rated investment grade by Moody's and would be listed on the Singapore Exchange.

Bayfront, as Sponsor of the transaction has acquired the Retention Preference Shares (equivalent to 20.6 million Preference Shares, comprising 5.0% of the capital structure) prior to the Issue Date and to retain them throughout the life of the transaction. The UK Foreign Commonwealth & Development Office ("**FCDO**"), as part of its Mobilising Institutional Capital Through Listed Product Structures ("**MOBILIST**") programme, committed an anchor investment of up to US\$20.4m in the Preference Shares and received a final allocation of US\$5.0m (equivalent to 5.0 million Preference Shares), given investors' robust demand which resulted in strong oversubscription for the Notes.

These materials do not constitute an offer of securities for sale in the United States or any other jurisdiction where such offer or sale is not permitted. The securities will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state or local securities laws.

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The MOBILIST programme, developed by the UK Government and delivered in partnership with the Government of Norway, was created to harness the unparalleled potential of public markets to help deliver the climate transition and the United Nations Sustainable Development Goals (SDGs) in developing economies. By providing direct investment, technical assistance, advisory services, and/or enhanced visibility through the UK Government's platforms, MOBILIST supports new scalable and replicable financial products to list on public markets. In March 2022, MOBILIST and Singapore Exchange (“**SGX**”) Group signed a partnership agreement to mobilise public capital markets for sustainable finance in Asia.

The Class D Notes, which are unrated and unlisted, benefit from a guarantee from GuarantCo Ltd (“**GuarantCo**”), which is rated A1 by Moody's and AA- by Fitch as of June 2023, for principal and interest amounts payable. The provision of the guarantee by GuarantCo (a contingent credit solutions provider that is part of the Private Infrastructure Development Group (“**PIDG**”)) in relation to the Class D Notes delivers an innovative guaranteed structure for the Class D Notes, helping to support the financing or refinancing of sustainable infrastructure projects and infrastructure debt, as permitted by PIDG's investment policy. The Class D Notes were pre-placed and taken up in full by funds managed by Apollo Global Management, a global asset manager.

Overview of the Issuance

Class	Amount (US\$ million)	Ratings (Moody's)	Spread (over SOFR)	Issue Price
A1	170.6	Aaa (sf)	150 bps	100.0%
A1-SU	115.0	Aaa (sf)	142.5 bps	100.0%
B	54.5	Aa1 (sf)	225 bps	100.0%
C	31.6	Baa1 (sf)	490 bps	100.0%
D	13.0	Unrated	N/A	100.0%
Preference Shares	25.6	N/A	N/A	N/A
Total	410.3			

The issuance saw demand from a variety of investors including insurance companies, pension funds, bank treasuries, sovereign and supranational agencies, private banks, asset managers and corporates. The AIIB also participated in the transaction as an anchor investor. The orderbook for the Rated Notes closed at approximately US\$700 million, which represents an oversubscription rate of approximately 1.9x over the US\$371.7 million of Rated Notes issued.

Citi and Standard Chartered Bank are the Joint Global Coordinators, Joint Bookrunners, and Joint Lead Managers, as well as ING, OCBC, Société Générale and SMBC Nikko as Joint Bookrunners and Joint Lead Managers.

Mr. Nicholas Tan, Chief Executive Officer of Bayfront, said: *“The BIC IV issuance reinforced Bayfront’s unparalleled track record and leadership in delivering high quality IABS transactions to the market. We are very proud to attract new partners in the UK FCDO and GuarantCo / PIDG to help enhance the IABS programme, working with us to deliver innovative structures to catalyse incremental institutional participation. We are also very grateful for the continued support of the AIIB and our bank partners, who are instrumental in our ability to deliver the IABS product on a consistent basis.”*

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Mr. Najeeb Haider, Director General, Banking Department (Region 2), at the AIB, said: *“The mobilisation of private capital and development of Asian infrastructure as an asset class through Bayfront’s platforms promote sustainable growth in a challenging world. The third IABS investment by AIB reiterates the Bank’s commitment to working with partners that have an excellent track record and its confidence in Bayfront’s domain knowledge. There remains continued strong demand for innovative products in Asian infrastructure and BIC IV’s sustainable feature aligns with AIB’s environmental and social development objectives to finance sustainable solutions for the Asia’s infrastructure of tomorrow.”*

Kara Owen, British High Commissioner to Singapore, said: *“MOBILIST’s investment is an important milestone in the UK’s new Strategic Partnership with Singapore recently launched by Prime Ministers Sunak and Lee, and delivers on MOBILIST’s partnership with the Singapore Exchange (SGX). It is a concrete result of work between the UK and Singapore to establish innovative financing solutions to accelerate the region’s energy transition. Greater infrastructure investment is crucial for Asia’s maintenance of high economic growth, but also to enable the region to reach its own climate ambitions. This transaction will be catalytic – it removes a significant obstacle for finance institutions committed to the net-zero transition by providing them with means to free up capital for immediate investment.”*

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

Bayfront Infrastructure Management is a Singapore-based platform with a mandate to invest in and distribute project and infrastructure loans in Asia Pacific and Middle East regions.

It was established in 2019 in connection with the Infrastructure Take-Out Facility initiative sponsored by the Government of Singapore, which was 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's business model is to acquire infrastructure debt, as well as structure, execute and manage securitisations (through its Infrastructure Asset Backed Securities product) or other forms of distribution to institutional investors.

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.

About [MOBILIST](#)

Mobilising Institutional Capital Through Listed Product Structures (MOBILIST), is a flagship programme of the UK government's Foreign Commonwealth & Development Office (FCDO) that targets public listed markets to mobilise large scale investment flows.

MOBILIST mobilises institutional capital at scale through the medium of public markets in international capital markets and/or local exchanges. All MOBILIST products support the achievement of the UN Global Goals (or UN Sustainable Development Goals – SDGs) and respond to the UK Government's commitment to support developing countries to meet the challenges and opportunities of climate change.

MOBILIST has been endorsed as a 'Market-Making Initiative' by Glasgow Financial Alliance for Net Zero (GFANZ), a practitioner-led, global coalition of financial sector institutions and their industry alliances working together to enable the world's transition to a net-zero economy.

About [GuarantCo](#)

GuarantCo mobilises private sector local currency investment for infrastructure projects and supports the development of financial markets in lower-income countries across Africa and Asia.

GuarantCo is part of the Private Infrastructure Development Group (PIDG) and is funded by the governments of the United Kingdom, Switzerland, Australia, and Sweden, through the PIDG Trust, the Netherlands, through FMO and the PIDG Trust, France through a stand-by facility and Global Affairs Canada through a repayable facility. GuarantCo is rated AA- by Fitch and A1 by Moody's.

Since 2005, GuarantCo has enabled USD 6.2 billion of total investment and USD 5.2 billion of private sector investment, giving 45.2 million people improved access to infrastructure and creating around 229,000 jobs.

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