

## Bayfront prices US\$402.7 million infrastructure asset-backed securities, as it continues executing on its mandate to help address the infrastructure financing gap in Asia Pacific

- Third IABS issuance by Bayfront, emphasising its commitment to be a repeat programme-based issuer of IABS.
- Demonstrates continued investor demand for IABS and Bayfront’s ability to help partner banks recycle capital into more infrastructure financing transactions.
- Executed in difficult markets – a testament to the value proposition that Bayfront brings to its stakeholders.
- Issuance continues to feature a sustainability tranche (Class A1-SU) backed by a portfolio of high quality eligible green and social assets.

**Singapore, 15 September 2022** – 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 third infrastructure asset-backed securities (“**IABS**”) transaction through Bayfront Infrastructure Capital III Pte. Ltd. (“**BIC III**”), a wholly owned and newly incorporated distribution vehicle. Bayfront’s shareholders are Clifford Capital Holdings (“**CCH**”) and the Asian Infrastructure Investment Bank (“**AIIB**”).

Bayfront previously structured and placed two transactions – Bayfront Infrastructure Capital (“**BIC**”) in July 2018 and Bayfront Infrastructure Capital II (“**BIC II**”) in June 2021.

Through the issuance of IABS, Bayfront offers investors exposure to a diversified portfolio of project and infrastructure loans across multiple geographies and sectors. In doing so, it seeks to address the infrastructure financing gap in Asia Pacific by mobilising institutional capital for project and infrastructure debt while helping banks recycle capital into new infrastructure financing transactions.

BIC III features a portfolio size of approximately US\$402.7 million spread across 28 individual loans, 26 projects, 13 countries and 8 industry sub-sectors.

Four classes of investment grade rated notes (Class A1, Class A1-SU, Class B and Class C) of US\$374.3 million in aggregate principal par amount were offered to institutional investors and will be listed on the Singapore Exchange. 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.

### Overview of the Issuance

Class	Amount (US\$ million)	Ratings (Moody’s)	Spread (over 6M Term SOFR)	Issue Price
<b>A1</b>	187.9	Aaa (sf)	155 bps	100.0%
<b>A1-SU</b>	110.0	Aaa (sf)	150 bps	100.0%
<b>B</b>	33.4	Aa1 (sf)	230 bps	100.0%
<b>C</b>	43.0	Baa3 (sf)	460 bps	95.8%
<b>Preference Shares</b>	30.2	N/A	N/A	N/A
<b>Total</b>	<b>402.7</b>			

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# BAYFRONT INFRASTRUCTURE

The Class A1-SU is a dedicated sustainability tranche, which is classified as a Secured Sustainability Standard Bond under the latest International Capital Market Association (“ICMA”) Green Bond Principles, Social Bond Principles and Sustainability Bond Guidelines. The Class A1-SU tranche priced 5bps tighter than the conventional Class A1 tranche, reflective of robust investor preference for sustainability-related investment products. This 5bps “greenium” has been a feature of both transactions (BIC II and BIC III) where this dedicated sustainability tranche was featured.

The issuance saw demand from a variety of investors including insurance companies, bank treasuries, multilateral financial institutions, private banks, asset managers and others. The Asian Infrastructure Investment Bank participated in the transaction as an anchor investor.

Citi is the Sole Global Coordinator, and Citi, ING, MUFG, Standard Chartered Bank and SMBC Nikko are the Joint Bookrunners and Joint Lead Managers.

Bayfront intends to be a frequent issuer of further IABS transactions, with an objective of growing its sustainability footprint through the proportion of green and/or social assets within each IABS portfolio, subject to the availability and pace of acquisitions of such loans. Since establishment, Bayfront has executed Memoranda of Understanding with 25 partner banks active in project and infrastructure financing. It aims to continue to capitalise on its strong relationship with banks to create liquidity for its issuances on the Singapore Exchange, thus spearheading a genuinely new asset class, anchored in Singapore.

**Mr. Premod Thomas, Chief Executive Officer of Bayfront**, said: *“Our aim with IABS is to facilitate institutional participation, mobilise private capital and to build an asset class that can provide institutional investors access to diversified risk-return opportunities in Asia Pacific infrastructure debt. Our third IABS issuance reiterates our commitment to create distribution channels to support such bankable projects. It also further validates the demand from institutional investors for access to infrastructure projects and the asset class as a sustainable way to address the infrastructure financing gap in this part of the world. We have continued to grow our network to 25 partner banks and with greater access to infrastructure loans, we can continue to recycle banks’ balance sheets to address the increasing need for long-term institutional capital. The repeat inclusion of a sustainability tranche is a testament to our focus on creating such investment opportunities for our investor clients.”*

**Mr. Clive Kerner, Group Chief Executive Officer of Clifford Capital Holdings**, said: *“CCH continues to grow and pioneer best-in-class financing solutions that can support investor demand in the infrastructure sector, particularly for sustainable projects. The successful pricing of Bayfront’s third IABS attests to banks’ confidence in Bayfront’s proficiency in delivering innovative financing solutions and in its distribution channels. This in turn continues to increase banks’ origination appetite and investor access to infrastructure debt as an asset class, catalysing the development of Singapore as a leading sustainable infrastructure financing hub.”*

**Mr. Najeeb Haider, Director General, Banking Department (Region 2), at the AIIB**, said: *“This is the second IABS investment by AIIB and third investment related to Bayfront, which demonstrates the Bank’s continued commitment to collaborating with partners like Bayfront who are creating new channels to mobilise institutional capital into the emerging Asian infrastructure asset class. A majority of the Bank’s investment will go towards anchoring the Class A1-SU sustainable tranche, which supports green and sustainable infrastructure assets, and is aligned with the Bank’s support for sustainable capital markets development in our members.”*

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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.

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