

BAYFRONT INFRASTRUCTURE MANAGEMENT PTE. LTD.

Bayfront Infrastructure Capital II Pte. Ltd. (“BIC II”) Class A1-SU Notes

Inaugural securitisation tranche backed by sustainable assets

BAYFRONT INFRASTRUCTURE



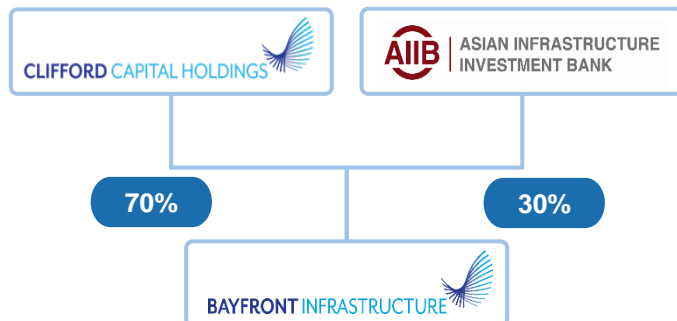
Bayfront Infrastructure Management

Singapore

Introduction

- Bayfront Infrastructure Management Pte. Ltd. (“**Bayfront**”) was established in 2019 in connection with the Infrastructure Take-Out Facility initiative sponsored by the Government of Singapore, as 70/30 partnership between Clifford Capital Holdings (“**CCH**”) and the Asian Infrastructure Investment Bank (“**AIIB**”)
- Bayfront is a Singapore based platform with a mandate to invest in and distribute infrastructure debt in Asia and the Middle East, which seeks to provide investors with exposure to a diversified portfolio of project and infrastructure loans across multiple geographies and sectors, through the issuance of Infrastructure Asset-Backed Securities (“**IABS**”)
- Bayfront’s business model is to acquire and warehouse infrastructure debt, as well as structure, execute and manage securitisations or other forms of distribution to institutional investors

Shareholders



BAYFRONT INFRASTRUCTURE



Key Highlights



Strategic partnership between **Clifford Capital Holdings** (whose shareholders include Temasek and Asian Development Bank) and the **Asian Infrastructure Investment Bank**



Seeks to **address the large infrastructure financing gap** in Asia and the Middle East **by mobilising institutional capital** for project and infrastructure debt **through IABS**



Structured and issued two transactions to date – **Bayfront Infrastructure Capital (BIC)** in July 2018 and **Bayfront Infrastructure Capital II (BIC II)** in June 2021, Asia’s first securitisations of project finance and infrastructure loans



Strong sponsorship by the **Government of Singapore**, where the Ministry of Finance provides a funding guarantee, and the **Monetary Authority of Singapore**



Strong balance sheet of ~US\$2bn to support asset acquisitions and distributions

BIC II Infrastructure Asset-Backed Securities

Singapore



Overview of BIC II Transaction

- In June 2021, BIC II issued US\$401.2 million of IABS, featuring five classes of investment-grade rated notes totalling US\$361.1 million, **including an inaugural US\$120.0 million sustainable tranche in the Class A1-SU Notes** (see next page for further details), and US\$40.1 million of preference shares that were fully retained by Bayfront as sponsor
- The IABS are backed by a US\$401.2 million portfolio of 27 project finance and infrastructure loans to borrowers located in Asia-Pacific, the Middle East and South America, offering institutional investors a diversified risk-return profile and exposure to EM infrastructure
- The portfolio was sourced from leading project finance lending banks with a presence in Singapore and from Bayfront's sister company Clifford Capital Pte. Ltd.
- The Notes were allocated to 16 different investors, with broad representation across Asia-Pacific, Europe and the Middle East

Bayfront's Involvement

- Bayfront acted as the sponsor for the transaction, sourcing the underlying loans before selling them to the issuer BIC II
- Bayfront structured the entire transaction, with assistance from Citi, ING and Standard Chartered as its bank advisers and Latham & Watkins and Allen & Gledhill as its legal advisers

Overview						
Sponsor	Bayfront Infrastructure Management Pte. Ltd. ("Bayfront")					
Collateral Manager	BIM Asset Management Pte Ltd. ("BIMAM")					
Issuance Size	US\$401.2 million					
Closing Date	18 June 2021					
Listing	Singapore Exchange (SGX)					
Capital Structure	Class A1	Class A1-SU	Class B	Class C	Class D	Pref Shares
Amount (US\$m)	176.9	120.0	33.3	22.1	8.8	40.1
Rating (Moody's)	Aaa (sf)	Aaa (sf)	Aa1 (sf)	A3 (sf)	Baa3 (sf)	NR
Margin over 6mLIBOR (bps)	125	120	185	235	340	-
Tranche %	74.0%		8.3%	5.5%	2.2%	10.0%
Subordination	26.0%		17.7%	12.2%	10.0%	-
Legal Maturity	11 January 2044 (~22 years)					

BIC II Offering Highlights

Singapore



Opportunity to Invest in a Diversified, Credit Enhanced Project & Infrastructure Loan Portfolio with Projects located in Asia Pacific, Middle East and South America

1	Diversified Portfolio of High-Quality Project & Infrastructure Loans	<ul style="list-style-type: none"> Backed by a diversified portfolio of 27 project and infrastructure loans across 25 projects in Asia Pacific, Middle East and South America Offers investors diversified portfolio across 13 countries and 8 industry sub-sectors that is a mitigant to geographical, industry or business-cycle risks Focus on availability-based infrastructure assets in the conventional power and water, renewable energy and transportation infrastructure sub-sectors Many of the projects involve assets are critical to their host countries and are supported by major corporate sponsors, state-owned enterprises (“SOEs”) and government or government-linked sponsor entities
2	Experienced and Dedicated Project Finance Specialist, with Appropriate Alignment of Interests with Noteholders	<ul style="list-style-type: none"> Bayfront, as sponsor of the transaction, has acquired the Preference Shares and intends to retain them in its capacity as the Retention Holder BIMAM, as collateral manager of the transaction, has been acting as sub-manager and effectively managing the BIC transaction that was issued in 2018 Offers deep project and infrastructure loans portfolio management expertise to institutional investors
3	High Quality Assets with Credit Enhancement Features	<ul style="list-style-type: none"> 83.8% of the aggregate par amount of the portfolio relate to operational projects, while the remaining 16.2% relates to projects in advanced stages of construction and which benefit from appropriate credit mitigants, such as sponsor completion guarantees or sponsor support 58.2% of the aggregate commitment amount in the Portfolio are investment-grade assets with a Moody’s Rating Factor of 610 (Baa3) or lower
4	Stable and Predictable Cash Flows	<ul style="list-style-type: none"> Static pool with limited replenishment rights within a 3-year reinvestment and 3-year non-call period Loans are supported by projects with stable and predictable long-term cash flows, including through offtake agreements entered into with reputable and creditworthy counterparties such as major global corporates, SOEs and government-linked sponsors The underlying debt service cash flows from the loans are generally USD denominated, which match the debt service cash flows with respect to the Notes
5	Multi-Layered Credit Approval Process	<ul style="list-style-type: none"> Entire portfolio is subject to stringent review and credit approval processes, (i) firstly by the originating banks and where applicable, any ECAs and MFIs providing credit support, and (ii) secondly by Bayfront as part of its due diligence process when acquiring the loans as sponsor of the transaction Detailed analysis also undertaken by Moody’s to assign credit estimates for each of the underlying loans in the portfolio

BIC II Class A1-SU Notes

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Description

- The Class A1-SU Notes are the world's first publicly issued securitisation sustainability tranche backed by sustainable assets
- The US\$120 million Class A1-SU Notes (representing c.30% of the total transaction size of US\$401.2 million) were fully allocated on closing to US\$185 million of eligible green and social assets that meet the eligibility criteria stated in Bayfront's Sustainable Finance Framework
- The Class A1-SU Notes were 60% oversubscribed, compared to 40% oversubscription for the BIC II transaction as a whole
- The Class A1-SU Notes achieved a "greenium" of 5bps, pricing at a margin of 120bps over 6-month LIBOR compared to 125bps for the 'vanilla' Class A1 Notes despite having the same seniority ranking, reflecting strong investor demand for high quality sustainability offerings

Bayfront's Involvement

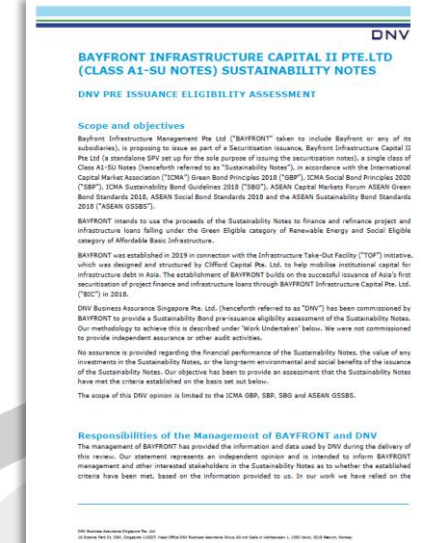
- Bayfront developed a proprietary Sustainable Finance Framework, which formed the bedrock for the issuance of the Class A1-SU Notes
- Bayfront engaged DNV Business Assurance Singapore Pte. Ltd. ("DNV") to provide a Second Party Opinion on the Sustainable Finance Framework and a sustainability bond pre-issuance eligibility assessment on the Class A1-SU Notes



Bayfront obtained from DNV a Second Party Opinion on its Sustainable Finance Framework and a pre-issuance eligibility assessment on the BIC II Class A1-SU Notes. DNV opined that the Class A1-SU Notes are aligned with the ICMA GBP, SBP, SBG¹ and the ACMF ASEAN GBS, SBS and SUS².

Eligible Sustainable Assets Breakdown

Green Asset Category	Use of Proceeds	US\$mm
Renewable Energy	Solar Energy	47.4
	Wind Energy	41.1
	Run-of-river Hydropower	14.0
Social Asset Category	Use of Proceeds (Social Benefits)	US\$mm
Affordable Basic Infrastructure	Desalination (climate resilient drinking water supply)	45.0
	Transmission and Distribution (access to electricity)	17.0
	Roadway Upgrades (road safety improvements; improved access to impoverished areas)	20.3
Total		184.8



¹ International Capital Market Association (ICMA) Green Bond Principles 2018, Social Bond Principles 2020, Sustainability Bond Guidelines 2018

² ASEAN Capital Markets Forum (ACMF) ASEAN Green Bond Standards 2018, ASEAN Social Bond Standards 2018, ASEAN Sustainability Bond Standards 2018

Bayfront's Sustainable Finance Framework

Singapore

Bayfront has developed a **Sustainable Finance Framework (SFF)** to demonstrate how it intends to issue green, social or sustainability notes, through infrastructure asset-backed securities (IABS). Sustainability notes are notes where the proceeds will be applied to **finance or re-finance a combination of both eligible green loans and eligible social loans** (as defined in the SFF).

The issuance of green, social or sustainability notes will help to **deliver positive environmental and/or social outcomes, which support Bayfront's sustainability strategy and vision.**

Alignment with Key Market Principles and Guidelines:

The SFF has been developed in alignment with the following sustainable finance principles and guidelines, which is in line with best market practices:

- International Capital Market Association Green Bond Principles 2018 (ICMA GBP)
- International Capital Market Association Social Bond Principles 2020 (ICMA SBP)
- International Capital Market Association Sustainability Bond Guidelines 2018 (ICMA SBG)
- ASEAN Capital Markets Forum ASEAN Green Bond Standards 2018 (ASEAN GBS)
- ASEAN Capital Markets Forum ASEAN Social Bond Standards 2018 (ASEAN SBS)
- ASEAN Capital Markets Forum ASEAN Sustainability Bond Standards 2018 (ASEAN SUS)

Bayfront's SFF has obtained a Second Party Opinion (SPO) from DNV.

The key pillars of Bayfront's Sustainable Finance Framework include:



USE OF PROCEEDS



PROJECT EVALUATION
AND SELECTION



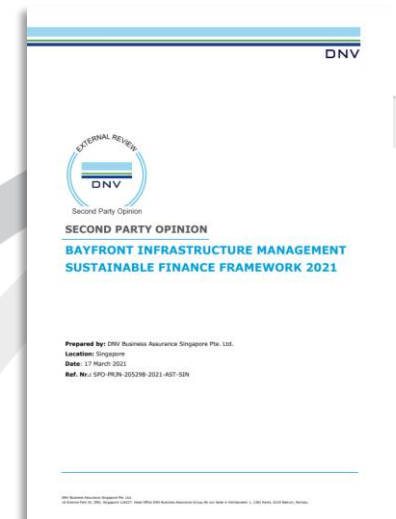
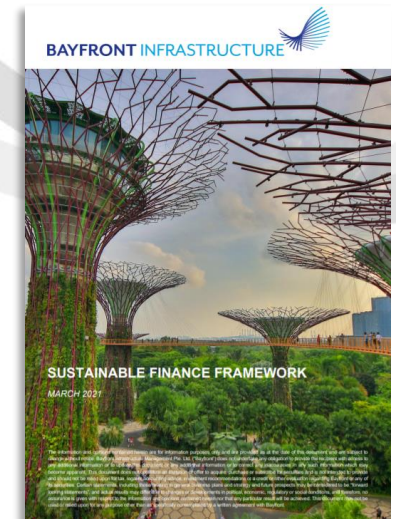
MANAGEMENT OF
PROCEEDS



REPORTING



EXTERNAL REVIEW



BIC II Portfolio Composition

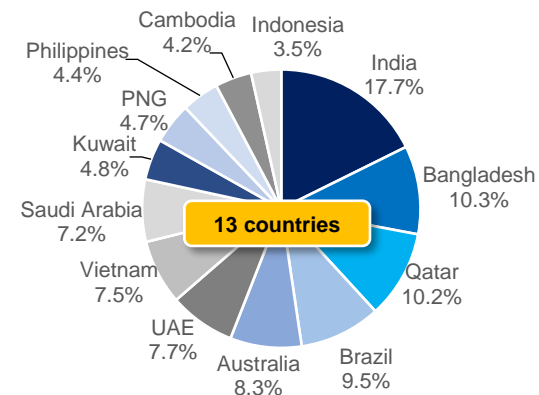
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- BIC II had a diversified asset portfolio of project and infrastructure loans across Asia Pacific, the Middle East and South America
- US\$401.2 million portfolio size, spread across 27 loans, 25 projects and 8 industry sectors
- Moody's Weighted Average Rating Factor (WARF) of 748, equivalent to Baa3/Ba1 and comparable to its predecessor BIC
- Weighted average spread of ~2.3%
- Weighted average life of 5.9 years
- **Sustainable assets (eligible green and social assets) made up 46% of the entire portfolio**

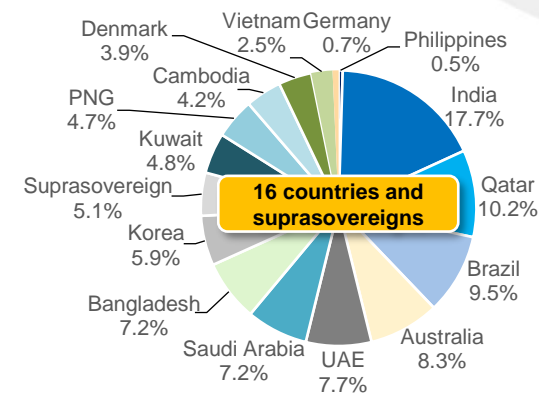
By Country of Project

Based on geographical project location

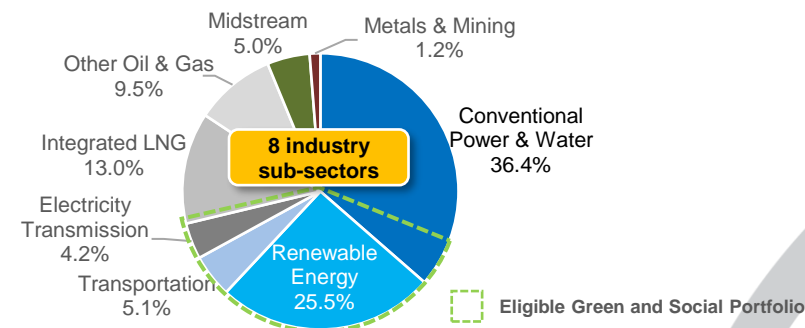


By Country of Risk

Based on ultimate source of payment risk



By Sector



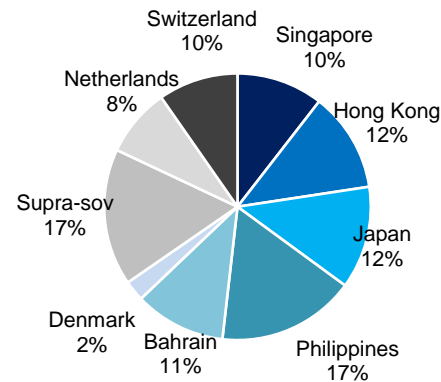
BIC II Investor Overview

Singapore



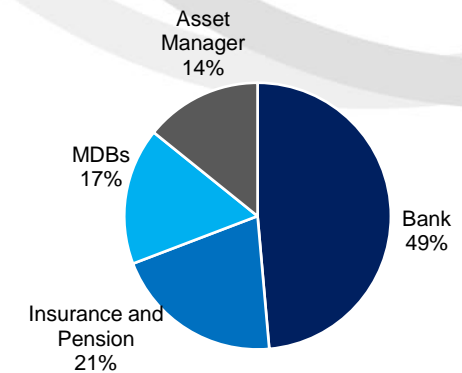
- BIC II attracted a total orderbook of US\$505m (vs. US\$361.1m of Notes issued)
- Total of 16 investors, **with 7 participating in the Class A1-SU Notes**
- The Notes were allocated to 16 different investors
 - Broad representation across Asia-Pacific, Europe and the Middle East
 - 8 were new investors who had not participated in BIC
 - **7 investors in the Class A1-SU Notes**
 - 9 of the investors provided orders pre-launch, including AIIB as an anchor investor, with the other 7 as follow-on investors

By Geography (%)

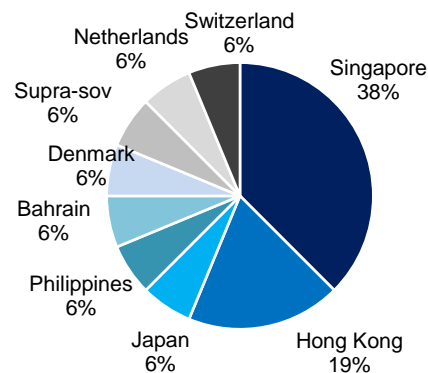


- Asia Pacific: 52%
- Europe: 20%
- Middle East: 11%
- Supra-sovereign: 17%

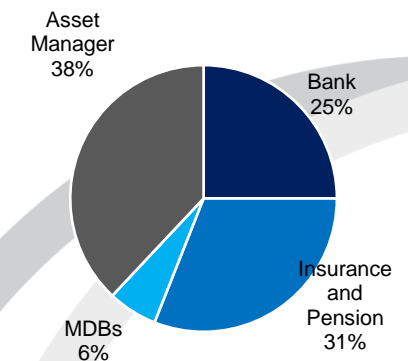
By Investor Type



By number of investors



- Asia Pacific: 11 / 69%
- Europe: 3 / 19%
- Middle East: 1 / 6%
- Supra-sovereign: 1 / 6%



Bayfront's Bank Partnerships

Singapore



- Bayfront has executed Memoranda of Understanding (“**MOUs**”) with 22 banks to date in relation to its Take-Out Eligibility Framework
- The execution of the MOUs is meant to align the understanding between each bank and Bayfront for future collaboration on the take-out mechanism for infrastructure debt, including the key principles and criteria for potential transfers of infrastructure debt from each bank to Bayfront
- Bayfront has acquired or agreed with over half of the MOU banks on asset acquisitions

European and American Banks



Asia Pacific Banks

