

Inaugural Infrastructure Project Finance Securitisation in Asia

- Significant milestone with creation of new asset class to facilitate institutional investor access to infrastructure debt in Asia-Pacific and the Middle East
- Pre-assembled US\$458 million portfolio of marquee project and infrastructure loans diversified across 16 countries of project and 8 industry sub-sectors
- Clifford Capital acts as Sponsor, Manager and Subordinated Note Investor, creating alignment of interests with investors
- Strong demand from a wide range of institutional investors
- Class A, B and C notes will be listed on SGX-ST

Singapore, 25 July 2018 – The first infrastructure project finance securitisation in Asia was successfully priced today. Four classes of Notes were issued by Bayfront Infrastructure Capital Pte. Ltd. (“**BIC**”), which is sponsored by Clifford Capital Pte. Ltd. (“**Clifford Capital**”), a Singapore-based specialist arranger and provider of project and structured finance solutions.

Three classes of investment grade rated notes (Class A, B and C Notes) were offered to institutional investors and will be listed on SGX-ST. Strong demand was seen from a variety of institutional investors including insurance companies, pension funds, endowment funds, family offices, specialised asset managers as well as individual sophisticated investors.

Mr. Clive Kerner, Chief Executive Officer of Clifford Capital, said: *“This is an important milestone for Clifford Capital, and we are delighted to have received strong support from institutional investors in this landmark transaction. Leveraging on Clifford Capital’s experience and expertise in project finance and loan portfolio management, we are committed to developing this asset class as a long-term sustainable solution to encourage institutional participation for Asia’s fast growing infrastructure funding needs.”*

Mr. Alan Yeo, Executive Director and Head of Financial Markets Development at the Monetary Authority of Singapore, said: *“This transaction is a good example of how infrastructure can be developed as a mainstream, investible asset class to help crowd in institutional capital. It also showcases the role that Singapore can play as a full-service Asian infrastructure financing hub, by bringing together the right mix of industry expertise and networks.”*

Citigroup and Standard Chartered are Joint Global Coordinators, while DBS Bank, Hongkong and Shanghai Banking Corporation, SMBC Nikko Capital Markets, and MUFG Securities are Joint Bookrunners and Lead Managers.

Overview of the Issuance

| Class | Amount (US\$ million) | Ratings (Moody's) | Spread ² | Legal Date | Maturity |
|---------------------------|--------------------------|----------------------|---------------------|---------------|----------|
| A | 320.6 | Aaa (sf) | 145 bps | 11- Jan-2038 | |
| B | 72.6 | Aa3 (sf) | 195 bps | 11- Jan-2038 | |
| C | 19.0 | Baa3 (sf) | 315 bps | 11- Jan-2038 | |
| Subordinated ¹ | 45.8 | Not rated | N.A. | 11- Jan-2038 | |

¹ Retained and not offered

² Spread is applied over 6 months LIBOR

Overview of the Infrastructure Take-Out Facility

The Infrastructure Take-Out Facility (“TOF”) has been designed and structured by Clifford Capital with a view to mobilising institutional capital for infrastructure debt in Asia-Pacific and the Middle East by facilitating the transfer of exposure in long-term project and infrastructure loans from banks to institutional investors. Clifford Capital believes that the TOF presents a significant opportunity for institutional investors, who have historically had limited access to high-quality infrastructure debt through the capital markets in the Asia-Pacific and the Middle East regions.

The TOF has been designed to provide investors with exposure to a diversified portfolio of project and infrastructure loans across multiple geographies and sectors. In developing the TOF structure, Clifford Capital has sought to fulfil several strategic objectives, including (a) addressing Asia-Pacific’s infrastructure financing gap by mobilising a new pool of institutional capital, (b) unlocking additional capital for Asia-Pacific infrastructure financing through facilitating capital recycling by banks, (c) creating a new asset class for institutional investors to access project and infrastructure loans in the Asia-Pacific and the Middle East regions in a credit-enhanced structure, and (d) addressing existing market frictions that prevent large scale mobilisation of institutional capital for infrastructure financings, thereby facilitating institutional participation in the project finance asset class in a readily accessible manner.

Clifford Capital is the Sponsor and Manager for the TOF. As Sponsor, Clifford Capital is responsible for the sourcing of the portfolio, including initial screening, credit analysis, due diligence and documentation. As Manager, Clifford Capital will be providing certain investment management, administrative and advisory functions on behalf of BIC.

About Clifford Capital Pte. Ltd. (www.cliffordcap.sg)

Clifford Capital is a specialist arranger and provider of project and structured finance solutions, in support of Singapore-based companies in the infrastructure and maritime sectors and established with support from the Government of Singapore.

Since its inception in 2012, Clifford Capital has committed more than US\$2 billion to various projects globally, across Asia, the Middle East, Africa, Europe and South America.

The principal shareholder of Clifford Capital is Kovan Investments Pte. Ltd. (40.5%) , a wholly owned subsidiary of Temasek Holdings (Private) Limited. Other shareholders include Prudential Assurance Company Singapore (Pte) Limited (19.9%), DBS Bank Ltd (9.9%), Sumitomo Mitsui Banking Corporation (9.9%), Standard Chartered Bank (9.9%) and John Hancock Life Insurance Company (U.S.A.) (9.9%).

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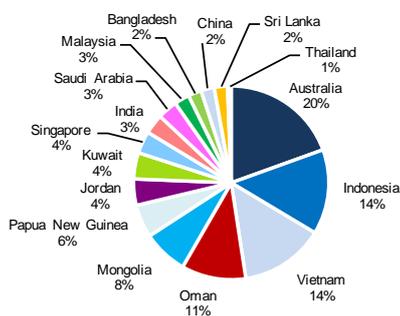
APPENDIX

Overview of the Portfolio

The Portfolio is diversified across 37 project finance and infrastructure loans, spread among 8 industry sub-sectors, and located in 16 countries across the rapidly-growing Asia-Pacific and Middle East regions. The Portfolio is backed by 30 projects with stable and predictable long-term cash flows, including through offtake agreements entered into with reputable and creditworthy counterparties including major global corporates, state-owned enterprises and government or government-linked sponsors. The underlying debt service cash flows from the Portfolio are generally denominated in U.S. Dollars, which match the debt service cash flows with respect to the Notes.

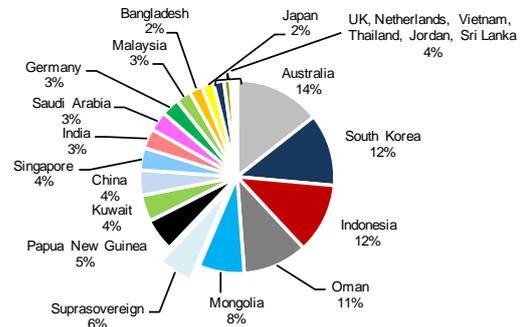
By Country of Project

Based on geographical project location



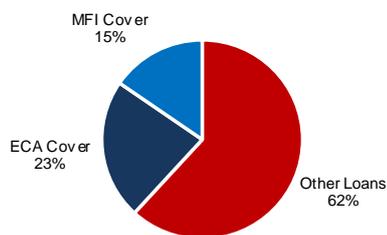
By Country of Risk

Based on ultimate source of payment risk



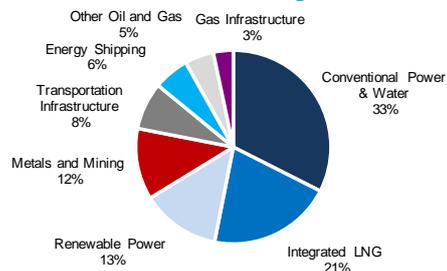
By Credit Enhancement

Based on type of Credit Enhancement



By Sector

Based on indicative sector categorisation



The Portfolio has been sourced from leading international and regional banks including DBS Bank Ltd, The Hongkong and Shanghai Banking Corporation Limited, MUFG Bank, Ltd., Sumitomo Mitsui Banking Corporation, and Standard Chartered Bank (together the “**Contributing Banks**”), as well as Clifford Capital.

As of the Issue Date, 75.6% of assets relate to operational projects with stable and predictable cash flows, while the remaining 24.4% are in advanced stages of construction and benefit from sovereign or parent guarantees. In addition, approximately 38.2% of the loans within the portfolio benefit from external credit support provided by export credit agencies, insurers, or multilateral financial institutions.

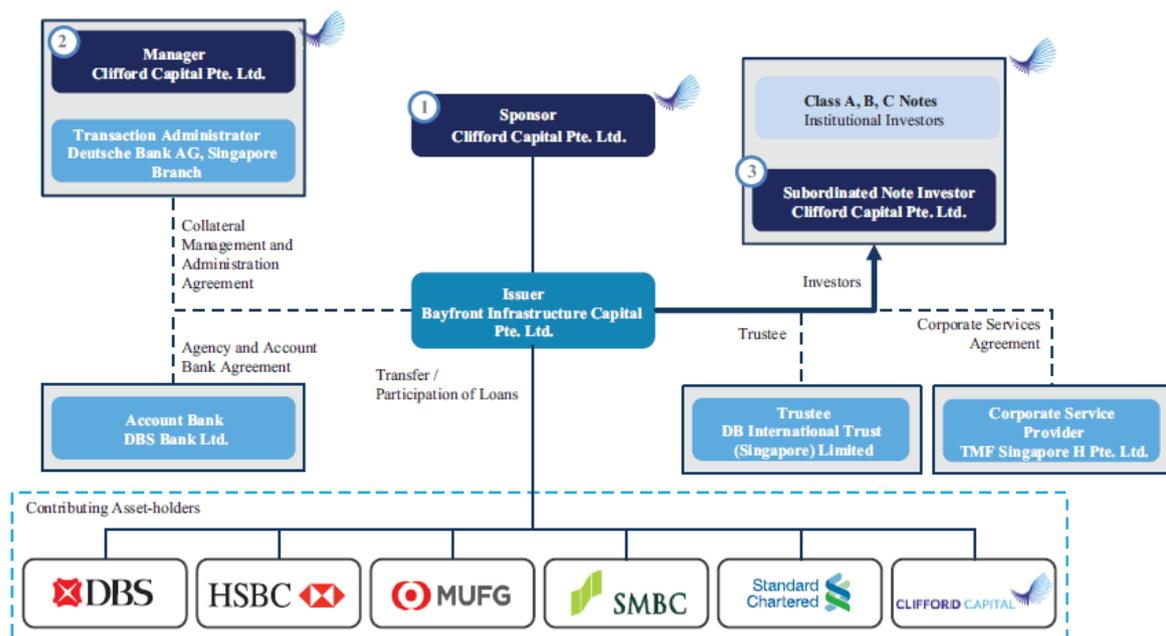
Prior to being selected for inclusion in the Portfolio, each of the projects has undergone a review and credit approval process by each of the Contributing Banks, Clifford Capital and, where applicable, the export credit agencies and multilateral financial institutions that provide credit support for relevant Collateral Obligations. Clifford Capital's review and credit approval process includes detailed financial, industry, technical, insurance, environment and social and legal due diligence to understand the technical, legal, commercial and financial considerations for each of the underlying projects, as well as the current operating or construction status of each project.

Transaction Structure

BIC will issue four classes of Notes (the Class A Notes, Class B Notes, Class C Notes and the Subordinated Notes). Approval in-principle has been received for the listing and quotation of the Class A Notes, the Class B Notes and the Class C Notes on the SGX-ST.

The Subordinated Notes will not be rated or listed. Clifford Capital as sponsor of the transaction will acquire the Subordinated Notes and intends to retain the Subordinated Notes

A diagrammatic representation of the transaction structure is set out below:



Transaction Details

| | |
|-------------------------------------|---|
| Issuer | : Bayfront Infrastructure Capital Pte. Ltd. |
| Collateral Manager | : Clifford Capital Pte. Ltd. |
| Transaction Administrator | : Deutsche Bank AG, Singapore Branch |
| Format | : Reg S |
| Issue size | : Class A: US\$320.6m Class B: US\$72.6m Class C: US\$19.0m Subordinated: US\$45.8m Total: US\$458.0m |
| Status | : Class A, B, and C Notes are USD-denominated senior unsecured floating rate |
| Rating | : Class A: Aaa (sf) Class B: Aa3 (sf) Class C: Baa3 (sf) Subordinated: Not rated |
| Weighted Average Spread | : 2.5% |
| Expected Weighted Average Life | : 5.4 years |
| Spread (over 6 months LIBOR) | : Class A: 145 bps Class B: 195 bps Class C: 315 bps Subordinated: N.A. |
| Reinvestment Period | : From Issue Date to July 11th, 2020 (exclusive) |
| Non-Call Period | : From Issue Date to July 11th, 2022 (exclusive) |
| Legal Final Maturity | : January 11th, 2038 |
| Listing | : Class A, B, and C Notes to be listed on SGX-ST |
| Joint Global Coordinators | : Citigroup; Standard Chartered |
| Joint Bookrunners and Lead Managers | : DBS; HSBC; SMBC Nikko; MUFG |