

# Bayfront Infrastructure sets FPG for project CLO, including first sustainability tranche

## ■ EMERGING MARKETS, ASIA

Bayfront Infrastructure Capital II is marketing a US\$401.2m securitisation of project finance and infrastructure loans that includes its first sustainability tranche.

The Reg S transaction comprises multiple classes of US dollar senior secured notes backed by cashflows from a portfolio of 27 project finance and infrastructure loans to 25 projects in Asia Pacific, the Middle East and South America.

A US\$176.9m Class A1 tranche is shown at a final price guidance of six-month Libor plus 125bp, a US\$120m Class A1-SU sustainability tranche at 120bp, a US\$33.3m Class B tranche at 185bp, a US\$22.1m Class C tranche at 235bp and a US\$8.8m Class D tranche at 340bp. A US\$40.1m preference share tranche will be retained.

Bayfront Infrastructure Management is the sponsor and retention holder of the bonds, while wholly owned subsidiary BIM Asset Management is the collateral manager.

About 25.5% of the portfolio is in renewable energy generation projects, 36.4% in other power generation projects, and 22.5% in oil and gas. Four projects, accounting for around 16% of the portfolio, are still under construction, but are either nearing completion or benefit from completion guarantees or sponsor support.

The Class A1-SU notes, the dedicated sustainability tranche, will be issued under Bayfront's sustainable finance framework. Proceeds will be used to finance or refinance project and infrastructure loans for eligible green and social assets such as renewable energy and affordable basic infrastructure. DNV has provided a second party opinion.

Bayfront completed its inaugural project loan securitisation in 2018.

Citigroup, ING and Standard Chartered Bank are joint global coordinators, joint bookrunners and joint lead managers. Citi is the structuring adviser and ING is the sustainability structuring adviser.

Bayfront is 70% owned by Clifford Capital and 30% by the Asian Infrastructure Investment Bank. The company was established to help mobilise institutional capital for infrastructure debt in Asia.

Singapore state investment holding company Temasek Holdings owns a 45.7% stake in Clifford Capital Holdings, which wholly owns Clifford Capital. The holding company's other shareholders include Prudential Assurance, the Asian Development Bank, Standard Chartered Bank and Sumitomo Mitsui Banking Corp.