

Bayfront prices \$401 million PF securitisation

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Singapore-headquartered Bayfront Infrastructure Management today (11 June 2021) priced \$401 million infrastructure asset-backed securities (IABS).

Bayfront Infrastructure Management – a 70/30 platform between Clifford Capital and Asian Infrastructure Investment Bank – issued 5 classes of notes through Bayfront Infrastructure Capital II.

Investor demand was strong. The entire book across all classes was 1.4x oversubscribed and the dedicated sustainability tranche was 1.6x oversubscribed.

The investor breakdown was as follows:

Investor type	By value	By number of investors
MDB	17%	6%
Bank	48%	25%
Insurance and pension	21%	31%
Asset manager	14%	38%
Allocation by geography	By value	By number of investors
Singapore	11%	38%
Hong Kong	12%	19%
Japan	12%	6%
Philippines	17%	6%
Bahrain	11%	6%
Denmark	2%	6%
Suprasovereign	17%	6%
Netherlands	8%	6%
Switzerland	10%	6%

Earlier this month, *IJGlobal* had exclusively revealed the pricing thoughts of the 5 classes of notes – all due in 2044 except the preference shares – of 6-month USD Libor + spread as follows:

Class	Amount (\$ million)	Type	Moody's provisional rating	WAL - Early call (years)	WAL - Non-call (years)	Indicative price thoughts (bp)
A1	176.9	senior secured floating	Aaa (sf)	3.9	3.9	120-125
A1-SU	120	senior secured floating	Aaa (sf)	3.9	3.9	120 area

B	33.3	senior secured floating	Aa2 (sf)	8.0	8.6	170-185
C	22.1	senior secured deferrable floating	A3 (sf)	8.0	10.3	215-235
D	8.8	senior secured deferrable floating	Baa3 (sf)	8.0	11.8	340 area
Preference shares	40.1	Retained and not offered or listed				
Total	401.2					

The early call figures assume that the Class B, C and D notes are redeemed early in year 8, following the expected maturity of Class A notes.

The interest payment is semi-annual.

As opposed to a synthetic securitisation, Bayfront Infrastructure Capital II conducted a project finance collateralised loans obligation (CLO) cash flow securitisation.

The notes are backed by cash flows from a diversified portfolio of 27 bank-syndicated project finance and infrastructure loans for 25 projects in Asia-Pacific, the Middle East and South America.

“Bayfront is committed to the mobilisation of institutional investment in infrastructure financing and intends to be a frequent issuer of IABS transactions going forward,” Bayfront’s Thomas said.

“We aim to grow our network of 22 partner banks and gain greater access to infrastructure loans, especially in relation to sustainable assets. Reaching a wider network of institutional investors through our IABS issuances and other potential distribution channels is a key part of our strategy to develop a new asset class to help address the large infrastructure financing gap in Asia Pacific.”

The dedicated sustainability tranche – class A1-SU notes – were issued under the Bayfront Sustainable Finance Framework. The proceeds from these notes will be used to finance or refinance project and infrastructure loans for eligible green, including renewable energy, and social, including affordable basic infrastructure, assets.

Bayfront's sustainability framework aligns with a host of standards, including the International Capital Market Association (ICMA) Green Bond Principles and Asean Capital Markets Forum Green Bond Standards, DNV confirmed.

Companies and their roles were as follows:

- [Bayfront Infrastructure Management](#), a 70/30 platform between Clifford Capital and Asian Infrastructure Investment Bank – sponsor and retention holder
- Bayfront Infrastructure Capital II – issuer
- BIM Asset Management – collateral manager

Bank roles comprised:

- Citi – joint global coordinators, joint bookrunners, joint lead managers and sole structuring
- ING – joint global coordinators, joint bookrunners, joint lead managers and sole sustainability structuring
- Standard Chartered Bank – joint global coordinators, joint bookrunners and joint lead managers

Issuer’s counsels were:

- Latham & Watkins – English law
- Allen & Gledhill – Singapore law

Bayfront is leveraging the learning gained during the marketing and issuance of [Asia's first securitisation of project finance and infrastructure loans](#), which Clifford Capital affiliate Bayfront Infrastructure Capital launched in July 2018.

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