



Rating Action: Moody's Ratings upgrades Class C Notes issued by Bayfront Infrastructure Capital III Pte. Ltd.

28 May 2025

Singapore, May 28, 2025 -- Moody's Ratings (Moody's) has today upgraded the rating on the Class C Notes issued by Bayfront Infrastructure Capital III Pte. Ltd.

The affected rating is as follows:

Issuer: Bayfront Infrastructure Capital III Pte. Ltd.

....US\$43.0 million Class C Senior Secured Floating Rate Notes due 2044, Upgraded to A3 (sf); previously on June 28, 2024 Upgraded to Baa1 (sf)

A comprehensive review of all credit ratings for the transaction has been conducted during a rating committee.

Bayfront Infrastructure Capital III Pte. Ltd. is a project finance collateralized loan obligation (CLO) cash flow securitization. As of the end of April 2025, the CLO was backed by a US\$259 million portfolio, encompassing 24 bank-syndicated senior project finance and infrastructure loans to 22 projects across Asia Pacific, the Middle East, and South America.

RATINGS RATIONALE

The rating upgrade on the Class C Notes is mainly prompted by an increase in the credit enhancement available to the notes and the broadly stable credit quality of the portfolio of project finance loans since last rating action in June 2024.

No action was taken on the remaining rated classes in the deal as credit enhancement for these classes remain commensurate with the current ratings.

After the payment date in April 2025, the effective subordination available to the Class C Notes has increased to 11.0% from 9.1% during the last rating action in June 2024.

The pool credit quality has remained stable. The current weighted average rating factor (WARF) of the portfolio after applying the credit estimate notching adjustments is 929, and without adjustments is 835. At the last rating action in June 2024, the WARF with notching adjustments was 1038, and without adjustments was 873.

We use a loan-by-loan Monte Carlo simulation framework in our CDOROM™ to model the portfolio loss distribution for this CLO.

The key model inputs we use in our analysis, such as par, rating factor, and the recovery rate assumptions, are based on our published methodology and could differ from the trustee's reported numbers. In our base case, the underlying loan portfolio has a performing par of US\$259 million, a WARF of 929 after applying the credit estimate notching adjustments over a weighted average life of 5.2 years and a weighted average recovery rate upon default of 72% (inclusive of external credit support for covered loans).

RATING METHODOLOGY

The principal methodology used in this rating was "Project Finance and Infrastructure Asset CLOs" published in July 2024 and available at <https://ratings.moody.com/rmc-documents/425583>. Alternatively, please see the Rating Methodologies page on <https://ratings.moody.com> for a copy of this methodology.

Factors that would lead to an upgrade or downgrade of the rating:

This transaction is subject to the performance of the underlying portfolio and the credit quality of the external credit support providers and counterparties of the participation agreements, which in turn is subject to a high level of macroeconomic uncertainty. The CLO manager's investment decisions and management of the transaction will also affect the performance of the rated securities.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moody.com/rating-definitions>.

The analysis relies on an assessment of collateral characteristics to determine the collateral loss distribution, that is, the function that correlates to an assumption about the likelihood of occurrence to each level of possible losses in the collateral. As a second step, Moody's evaluates each possible collateral loss scenario using a model that replicates the relevant structural features to derive payments and therefore the ultimate potential losses for each rated instrument. The loss a rated instrument incurs in each collateral loss scenario, weighted by assumptions about the likelihood of events in that scenario occurring, results in the expected loss of the rated instrument.

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This rating is solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website <https://ratings.moody.com>.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

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