

Rating Action: Moody's affirms Clifford Capital's P-1 commercial paper program rating

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Singapore, December 12, 2018 -- Moody's Investors Service has affirmed the Prime-1 (P-1) foreign currency short-term debt rating of Singapore-based Clifford Capital Pte Ltd's USD500 million guaranteed euro-commercial paper program (CP program).

The P-1 rating reflects the: (1) the full, unconditional and irrevocable guarantee (Guarantee) from the Government of Singapore (Guarantor, Aaa stable), and (2) Clifford Capital's indirect 40.5% ownership by the Government of Singapore, and (3) the company's policy role.

RATINGS RATIONALE

The rating of CP program is based on the Aaa credit strength of Singapore. In Moody's opinion, the terms and conditions of the Guarantee are sufficient for credit substitution, given Clifford Capital's indirect 40.5% ownership by the government, and the company's public policy mandate.

The Guarantee covers Clifford Capital's debt obligations of up to USD2.3 billion in respect to the principal amount on a revolving basis, and an additional USD1.6 billion in respect of interest. The guarantee also covers Clifford Capital's repayments under the CP program.

PUBLIC POLICY MANDATE

Clifford Capital has a public policy mandate requiring it to perform the functions of an export facilitator for Singapore companies.

Clifford Capital was established in 2012 as a finance company aimed at supporting Singapore exports and bridging the long-term financing gaps for Singapore-based firms in sectors such as infrastructure, transportation, oil and gas, and offshore marine.

The company is 40.5% - the single largest share - owned by Singapore's sovereign wealth fund, Temasek Holdings (Private) Limited (Aaa stable), while the remainder of the shareholding is held by five institutional investors with minority participations. Its Board of Directors include representatives of the company's shareholders and independent directors.

WHAT COULD MOVE RATINGS UP/DOWN

Because the P-1 short term rating of the CP program are the highest possible under Moody's short-term rating scale, there is no possibility of a rating upgrade.

The guaranteed short-term debt rating is linked to the Moody's-assigned rating for the Singapore government. Only a multi-notch downgrade of the sovereign's rating would lead to a downgrade of the rating on the CP program.

Headquartered in Singapore, Clifford Capital reported total assets of USD1.5 billion and net income of USD25 million at the end of 2017.

The following rating of Clifford Capital Pte Ltd was affirmed:

- Short-term foreign currency commercial paper program debt rating: P-1

The principal methodology used in this rating was Rating Transactions Based on the Credit Substitution Approach: Letter of Credit-backed, Insured and Guaranteed Debts published in May 2017. Please see the Rating Methodologies page on www.moody's.com for a copy of this methodology.

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