



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

28 Aug 2023

Singapore, August 28, 2023 -- Moody's Investors Service has affirmed the Prime-1 (P-1) local and foreign currency short-term debt ratings assigned to Clifford Capital Pte. Ltd.'s \$700 million euro commercial paper (CP) program. There is no outlook on these short-term ratings.

RATINGS RATIONALE

The P-1 ratings is based on the Government of Singapore's (Aaa stable) guarantee on notes issued under Clifford Capital's CP program. The guarantee covers principal and interest amounts of up to \$700 million and \$35 million, respectively. Clifford Capital's outstanding CPs amounted to \$223 million as of 31 December 2022.

Key terms of the guarantee meet Moody's principles for applying credit substitution. Specifically, the guarantee is unconditional, irrevocable and covers payments that have been rescinded, repudiated or clawed back. It also extends until the term of the underlying obligations. Further, the guarantee is governed by laws in Singapore, a jurisdiction that Moody's deems as hospitable to guarantee enforcement.

However, the guarantee terms lack an explicit waiver on defenses and include a 15-day period for payment upon notice of demand, which are not ideal features under Moody's credit substitution methodology. Nevertheless, the agency expects the Government of Singapore to pay Clifford Capital's creditors without delay, considering its very strong credit standing and the contingency processes that are already in place.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

An upgrade of Clifford Capital's CP program ratings is not possible because they are already the highest under Moody's rating scale.

A downgrade of Clifford Capital's CP program ratings is unlikely, given the stable outlook on the Government of Singapore's sovereign rating. Moreover, a downgrade of the CP program ratings would require a multi-notch downgrade of the sovereign rating.

The principal methodology used in these ratings was Guarantees, Letters of Credit and Other Forms of Credit Substitution Methodology published in July 2022 and available at <https://ratings.moodys.com/rmc-documents/386295>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

Headquartered in Singapore, Clifford Capital reported total assets of \$2.4 billion as of 31 December 2022.

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.moodys.com/rating-definitions>.

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The ratings have been disclosed to the rated entity or its designated agent(s) and issued with no amendment resulting from that disclosure.

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Moody's general principles for assessing environmental, social and governance (ESG) risks in our credit analysis can be found at https://ratings.moodys.com/documents/PBC_1288235.

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