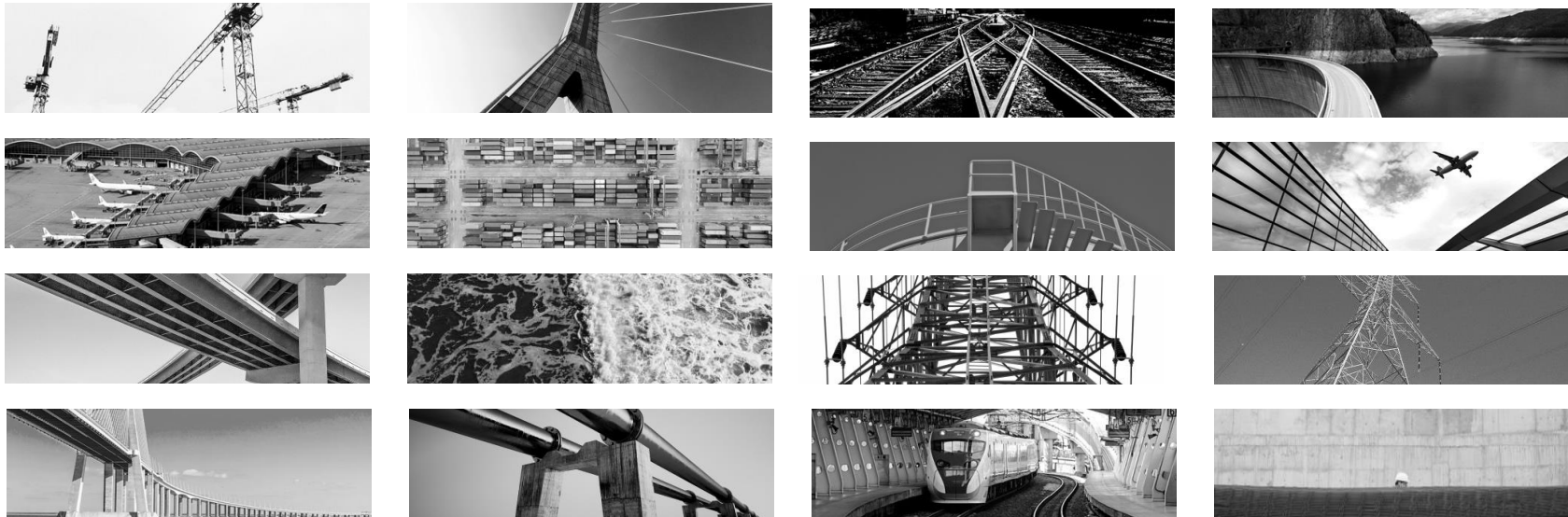


# S&P Global Infrastructure Ratings

Yann Le Pallec  
Executive Managing Director  
Head of Global Ratings Services

1. Search for Yield and Quality in a Low Interest Environment
2. Green/ESG: Climate change factors for LT investments

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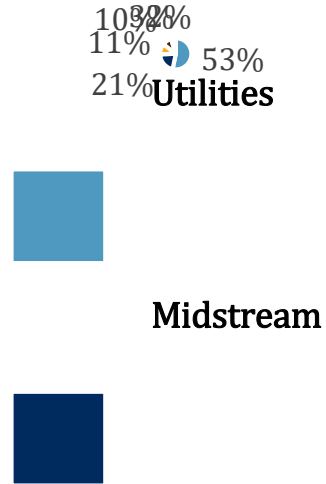
# S&P Global Established A Dedicated Infra Practice

**120+**  
Ratings analysts

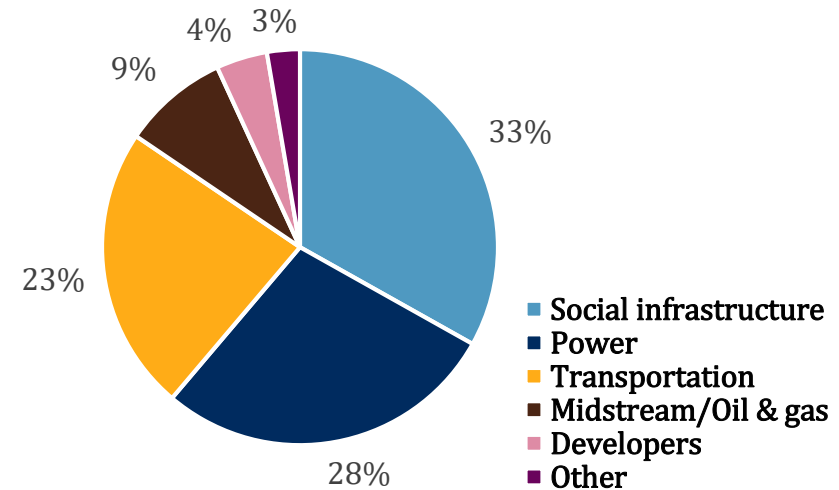
**24** Offices  
The global presence of our infrastructure team

Our Infrastructure database comprises >1,100 ratings of Infrastructure Corporates (77%) and ~350 Infrastructure Project Finance (23%) ratings

## Infrastructure Corporates

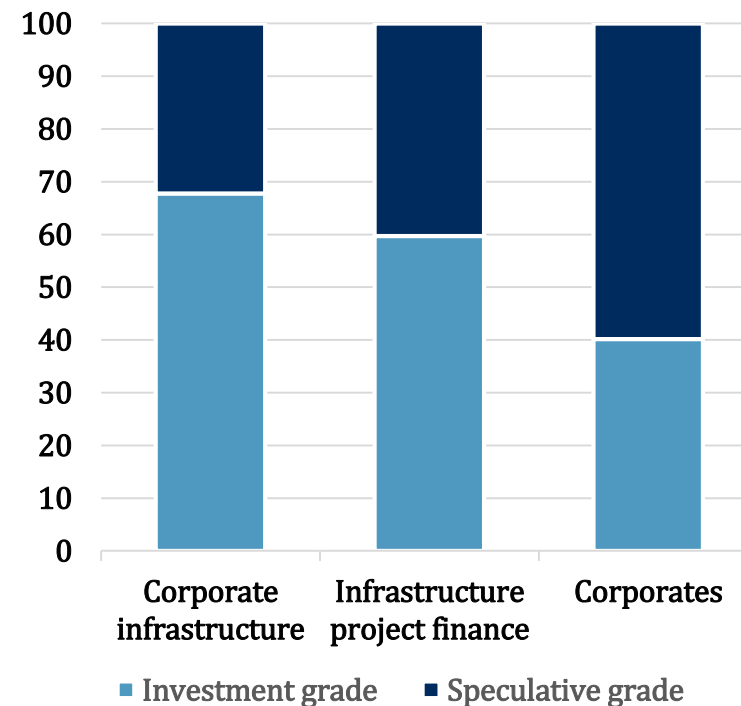


## Project Finance



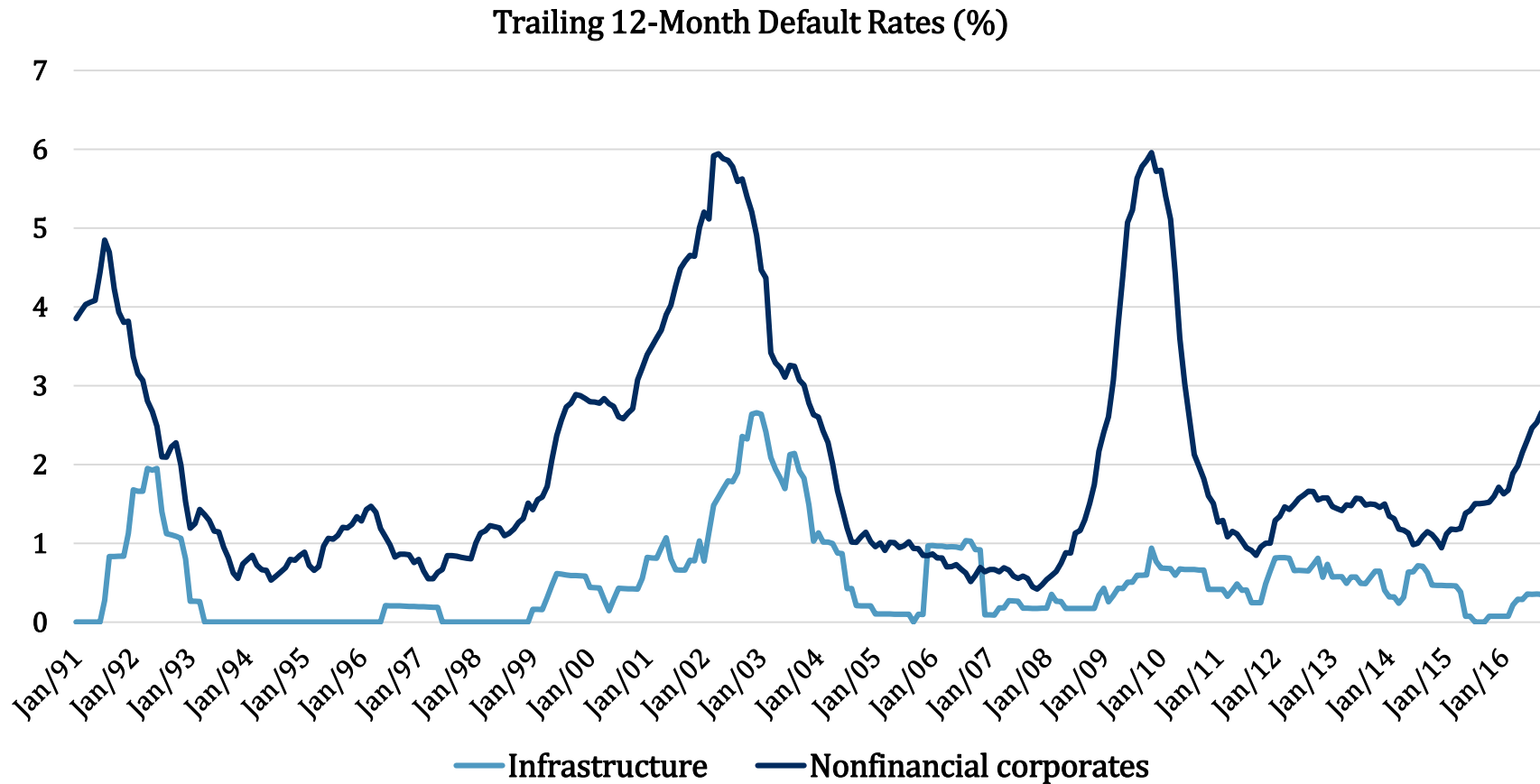
# The Infrastructure Sector is Overwhelmingly Investment Grade

At the end of 2016, approximately two-thirds of active credits were rated Investment Grade (68% of Infrastructure Corporate ratings and 60% of Project Finance ratings)



# Higher Resilience of Infrastructure than Corporates

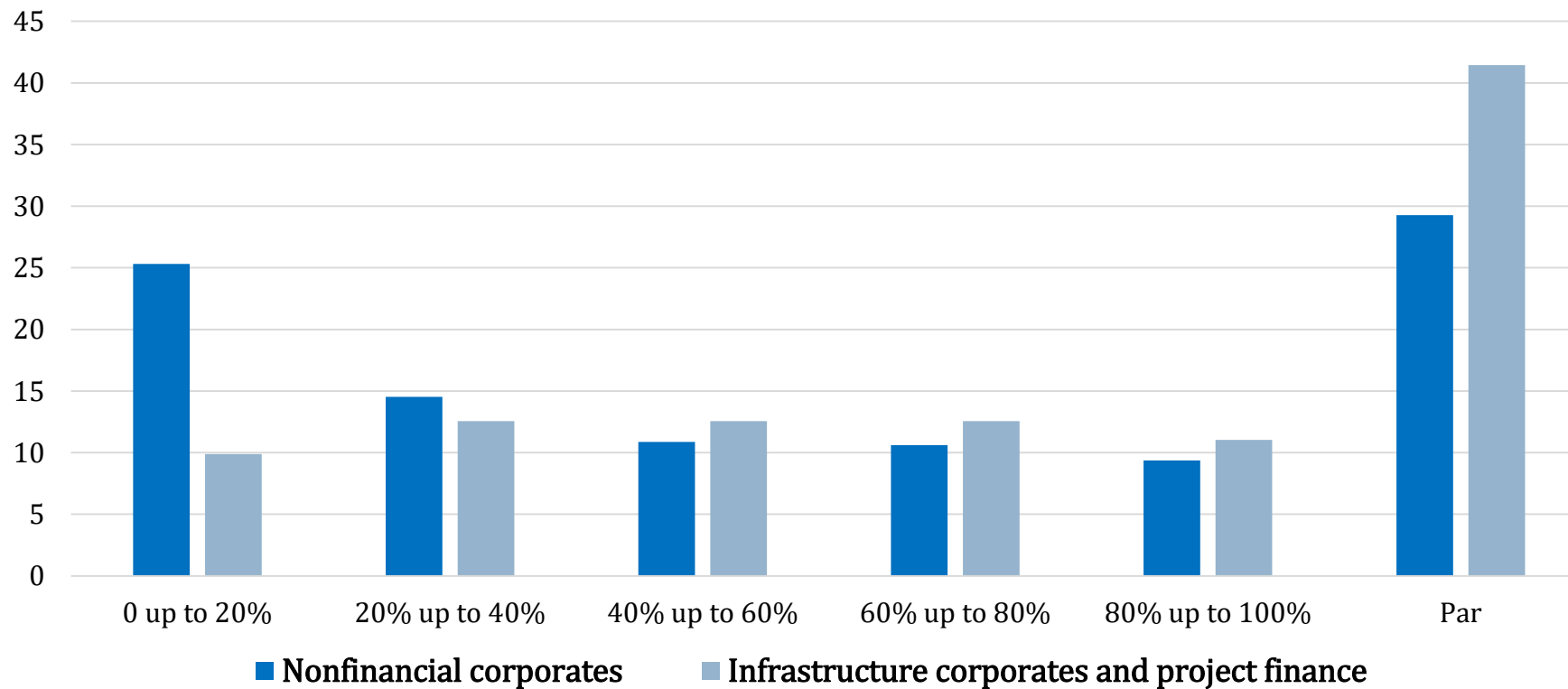
The Infrastructure default rate was under 1% compared to just under 6% for Corporates.



# Stronger Recovery for Infrastructure than Corporates

Overall, 41% of defaulted debt instruments recovered par, compared with 29.3% of NFCs

### Distribution of Recovery Rates by Instrument



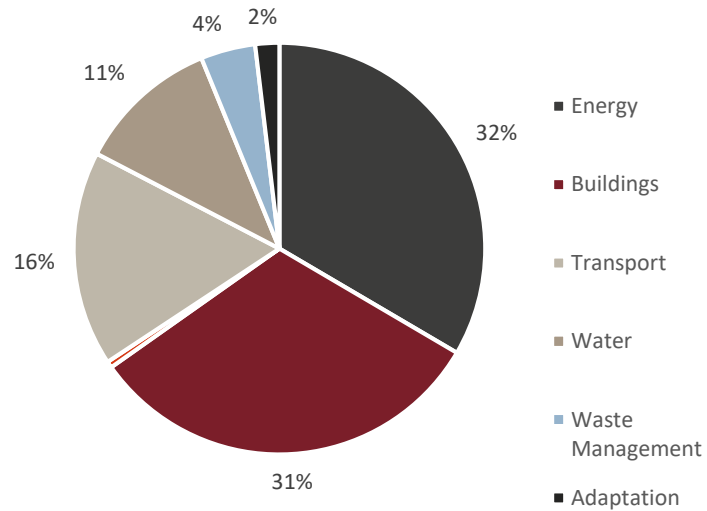
# Infrastructure Challenges

**A wall of private capital is available to invest in infrastructure but it's holding back due to (i) lack of sufficient investment opportunities and/or (ii) credit risk profile not being attractive for institutional investors.**

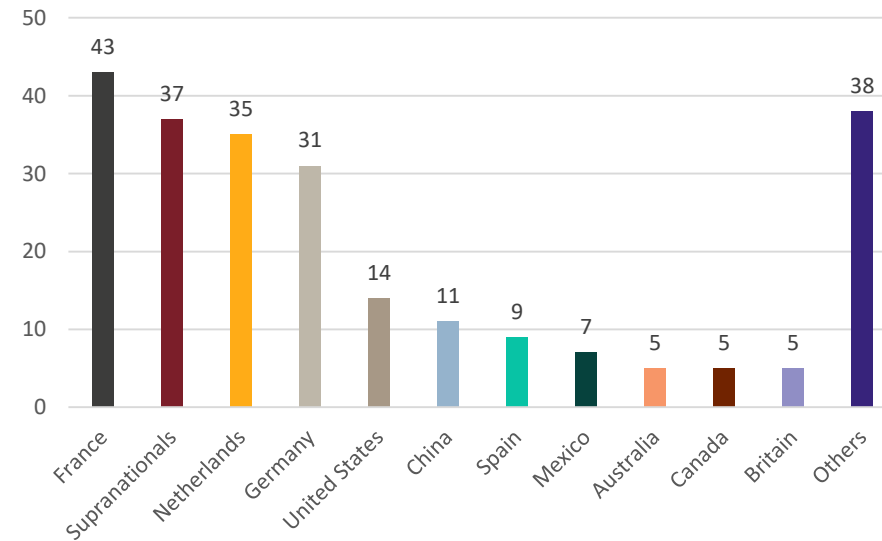
- 1. New Asset classes: CORE+ (fibre networks, elderly care, ...) –**
- 2. Merchant power for Renewables**
- 3. Budgetary constraints for Governments to implement Infra Investment Needs**
- 4. Political, Sovereign and other Risks in Developing Markets → Credit Enhancements from Multilateral Institutions (MLIs)**

# Growth in Issuance of Green Bonds: +85% to \$160bn in '17 [\$100bn YTD]

Split By Project Categories



By Country Of The Issuer (\$BN)



Source: Climate Bonds Initiative, Natixis

# S&Ps Involvement in Green Evaluations

Broad range of sectors and issuers globally

**23** Green Evaluations  
made public to date  
By S&P Global

**US\$29bn**

Total financing value  
evaluated

## Public Evaluations by technology type



Green Energy

**13**



Green Buildings

**5**



Water

**3**



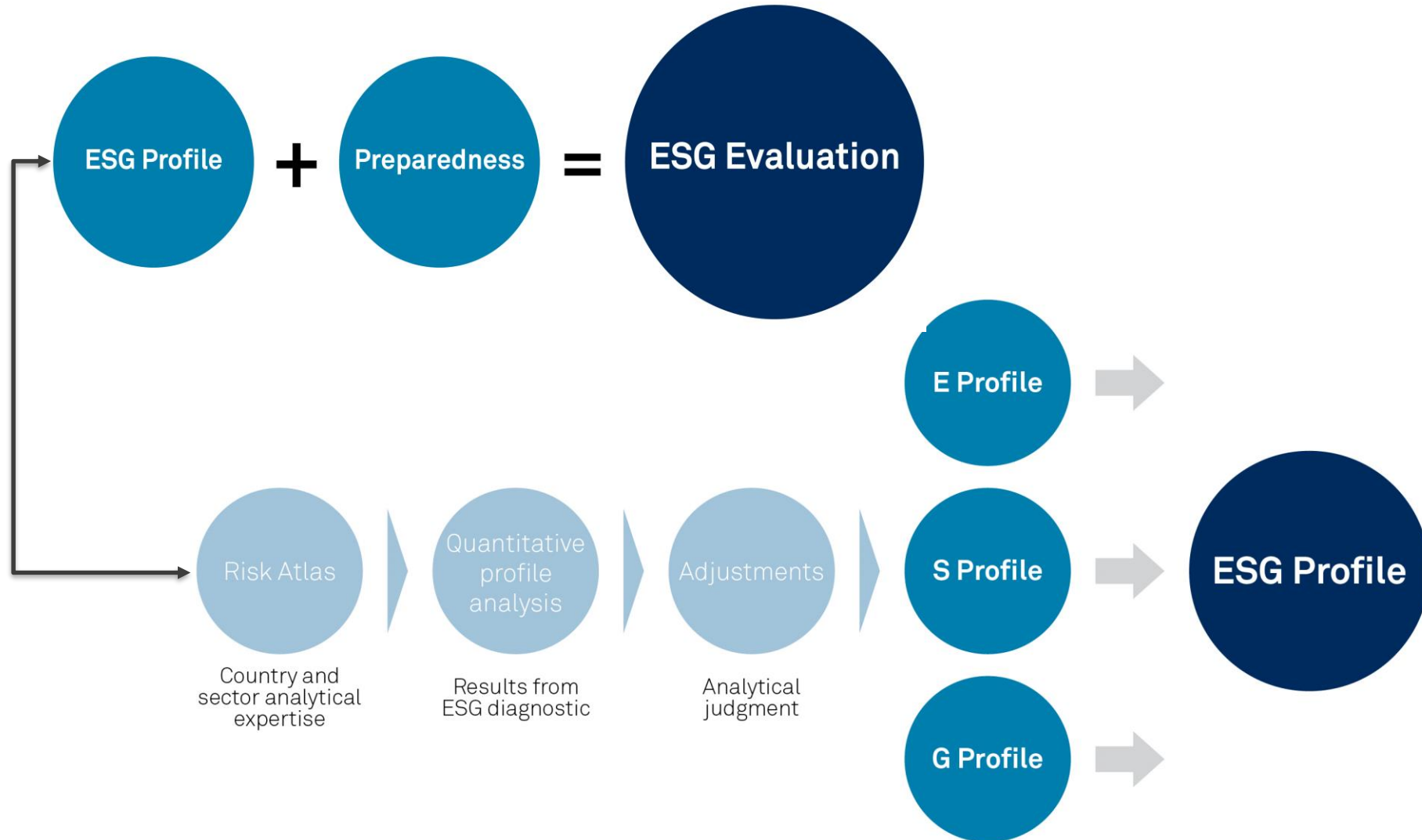
Multi-sector

**2**

(as of August 14, 2018)



# Beyond ESG in Ratings, S&P's ESG Evaluation Proposal



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