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NTU prices \$650 mil worth of notes with 2.185% p.a. coupon

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[Nanyang Technological University \(NTU\)](#) has priced \$650 million 15-year notes, the first series under its \$1 billion medium-term note (MTN) programme.

With a coupon of 2.185% per annum, the inaugural issuance marks the world's first publicly-offered sustainability-linked bond (SLB) by a university. The 15-year tenor is also the longest in the Asia Pacific region.

The final order book on Oct 13 exceeded \$850 million, says NTU in a press release. Among the 33 investors — all local — a quarter were insurance companies and fund managers, while 72% were banks and corporates and 3% were private banks.

DBS and UOB have been appointed as joint lead managers and bookrunners for the first drawdown of the MTN programme.

Tan Aik Na, senior vice president of administration at NTU Singapore, says: "We have consistently built on our sustainability commitments and are excited by the prospect of leveraging the capital markets to propel our wide-ranging sustainability efforts over the next 15 years towards a climate-aligned future."

See: [NTU unveils sustainability manifesto with \\$1 bil multicurrency bond facility](#)

Clifford Lee, global head of fixed income at DBS, says: "We are honoured to work with NTU on their inaugural sustainability-linked bond, the first to be issued by a university globally, to build on the breadth and depth of the ESG financing landscape and cement Singapore's position as a leading international green finance hub."

The issuance also sets an important precedent in the global education industry, adds Lee, "paving the way for more universities to efficiently broaden their access to include ESG bond investors for their financing needs".



“This, in turn, enables universities to provide affordable education for our future generations amid a green and climate-friendly environment, ticking off both the environmental and social aspects in the ESG equation,” says Lee.

Edmund Leong, head of group investment banking at UOB, says: “Going forward, we expect more organisations to follow NTU's lead in issuing such bonds to raise funds as well as to meet their sustainability goals.”

Earlier this week, NTU unveiled its 15-year sustainability plan, aiming to halve the campus' carbon emissions by 2035.

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Along with its sustainability manifesto, NTU announced on Oct 11 a \$1 billion medium-term note, with OCBC Bank as sole arranger. The bank will also serve as the university's ratings and sustainability structuring advisor.

NTU has a credit rating of 'Aaa', the highest available, along with a baseline credit assessment of 'aaa' by Moody's Investors Service. The global ratings agency has also issued a “stable” rating outlook for NTU. NTU is one of 22 universities in the world, and one of only 2 universities outside the United States with Moody's 'Aaa' rating.

Photo: Nanyang Technological University