NTU issues $350m in bonds for sustainability research, education and building upgrades

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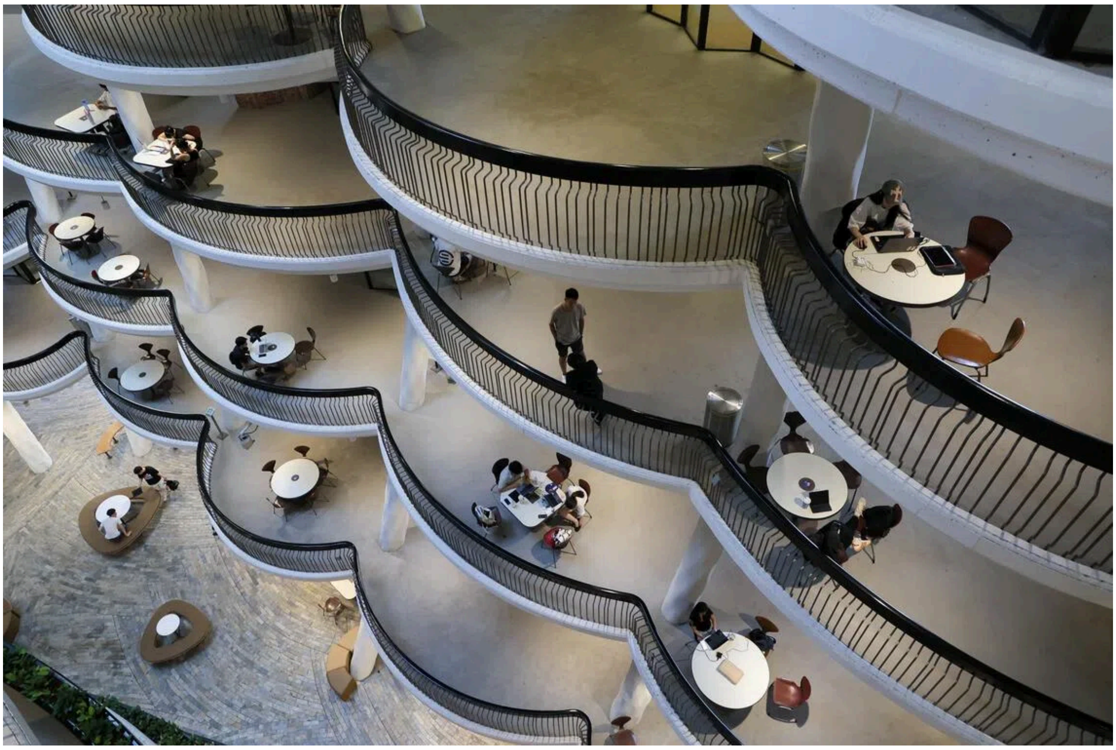

The $350 million will fund NTU's sustainability research and initiatives, education, and upgrades under its $1 billion medium-term note programme. PHOTO: LIANHE ZAOBAO

Sue-Ann Tan

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Summarise

SINGAPORE – The second series of bonds issued by Nanyang Technological University (NTU) under its $1 billion medium-term note (MTN) programme on June 30 was more than 1.4 times oversubscribed.

NTU said on July 1 that its order book stood in excess of $500 million from banks, fund managers, insurance companies, government agencies and private banks in Singapore.

The second series of bonds, after a successful maiden issuance in 2021, will fund activities such as sustainability research and initiatives, educational programmes, upgrades to teaching and research infrastructure, and talent development.

In a statement on July 1, NTU said the $350 million Singapore-dollar-denominated bonds have a 15-year tenor and a coupon rate of 2.42 per cent per annum.

The medium-term note framework allows an organisation to issue debt securities from time to time to raise funds. NTU's first issuance in 2021 raised $650 million, comprising 15-year notes with a coupon rate of 2.185 per cent per annum.

OCBC and UOB were appointed as joint lead managers and bookrunners for the latest bond issuance.

NTU senior vice-president of administration Tan Aik Na said: "NTU's $350 million bond issuance will go towards advancing our NTU2030 strategic goals where leaders and talent create societal impact through education, research and innovation."

NTU2030 refers to the university's five-year strategic roadmap, which includes attracting talent to the school, getting students to be AI-ready and future-ready, and pursuing breakthrough discoveries.

Tan added that the success of NTU's maiden bonds issued in October 2021 demonstrated investors' trust and confidence in the university.

That issuance, the world's first publicly offered sustainability-linked bonds by a university, was at least 1.3 times oversubscribed, with orders exceeding $850 million.

The proceeds went towards the university's sustainability efforts, such as achieving Green Mark Platinum certification for all eligible buildings on the main NTU campus and establishing a new NTU Sustainability Office to coordinate and drive sustainability efforts.

NTU aims to at least halve its gross carbon emissions intensity by 2035 from its 2019 baseline, and achieve carbon neutrality by 2035.

Interest rates for its second issuance are higher than in 2021 due to the significantly higher global interest rate environment, Tan said.

NTU has a credit rating of Aaa, the highest available, by Moody's Investors Service. The global ratings agency has also issued a "stable" rating outlook for NTU.

NTU is one of only four universities outside the United States with a Moody's Aaa rating, alongside the National University of Singapore (NUS), Singapore Management University (SMU), and the University of Sydney.

NUS was the first university in Asia to issue a green bond, in 2020. The university issued its third green bond in 2023, raising $340 million for green projects and energy-related initiatives.

In 2025, SMU issued its inaugural sustainability bond, which raised $150 million to advance environmental and social initiatives.

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Sue-Ann Tan is a business correspondent at The Straits Times, covering capital markets and sustainable finance.

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