

NTU issues maiden sustainability-linked bond

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NANYANG Technological University (NTU) has priced S\$650 million in 15-year notes with a coupon of 2.185 per cent per annum.

The notes are the world's first publicly-offered, sustainability-linked bond by a university, and one with the longest tenor in the Asia-Pacific, said joint lead manager and book runner DBS in a statement.

They fall under the university's first series of its S\$1 billion medium-term note (MTN) programme. The programme received a provisional Aaa rating, while the latest bond offering received an Aaa rating by Moody's Investors Service. The global ratings agency has also issued a "stable" rating outlook for the issuer, with a rating of Aaa.

"NTU's Aaa issuer rating and aaa baseline credit assessment reflect its relatively large scale and a strong market profile, a track record of healthy financial performance, ample liquidity and low leverage against the back-

drop of a favourable operating environment for higher education in Singapore, as well as strong financial governance," Moody's said.

The final order book for the sustainability-linked bond stood in excess of S\$850 million from 33 accounts; 72 per cent of the issuance was allocated to banks and corporates, 25 per cent to insurance and fund managers, and 3 per cent to private banks.

The sustainability-linked bond issuance gels with NTU's effort to achieve carbon neutrality by 2035 and reduce gross carbon emissions by at least half from its 2019 baseline. Net proceeds will go towards NTU's corporate and sustainability goals, and activities aligned with its sustainability manifesto.

NTU Singapore senior vice-president for administration Tan Aik Na said: "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."

DBS and UOB are the joint lead managers and book runners for the bond.