

NUS raises S\$300m in its first green bond issuance

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THE National University of Singapore (NUS) has raised S\$300 million through its first green bond issuance, making it the first university in Asia to issue a green bond.

The 10-year notes have a fixed coupon rate of 1.565 per cent and are expected to be rated Aaa by Moody's, said sole lead manager and bookrunner DBS on Wednesday. The deal was done by way of a private placement and fully underwritten by the bank.

The bond proceeds will go into financing green projects. These green projects are aligned to five focus areas – green buildings or precincts; renewable energy and energy efficiency infrastructure; sustainable water and wastewater management; pollution prevention and control; as well as sustainable management of natural resource and land use.

NUS has also launched a new green finance framework to provide the overarching criteria and guidelines for it to enter into green finance transactions such as green bonds and loans. OCBC Bank had acted as the green finance adviser in preparing the framework.

Mike Ng, OCBC's head of structured finance and sustainable finance, said the bank expects to see healthy growth in this sector when it comes to green financing.

"We are pleased to partner NUS in

the development of its green finance framework. It not only paves the way for the university to carry out green transactions, but also serves as encouragement to other educational institutions across Asia to diversify their funding sources with green financing," said Mr Ng.

"Universities are often at the forefront of positive change and they have been integral to the development of low emission and resource efficient societies. NUS, for instance, has been very active in its research on green technologies."

The university added that the framework was conceptualised with input from the NUS University Campus Infrastructure cluster, which oversees sustainable planning, development and operations of campus infrastructure at the university's campuses.

NUS president Professor Tan Eng Chye said: "Tackling the climate change crisis is one of the biggest global challenges. This green bond, and our new green finance framework, will enable us to play an active role in addressing the growing crisis."

DBS Bank global head of fixed income Clifford Lee said that education is viewed globally as a sector that is resilient to economic cycles.

"We hope that this bond will be the first of many to come, and will heighten the focus on sustainability concerns, especially amid this period of pandemic-related societal and market stress," he added.