

MEDIA RELEASE

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Banks Successfully Complete Interest Rate Benchmark Transition from SOR and SIBOR to SORA

1 **Singapore – The Steering Committee for SOR & SIBOR Transition to SORA (“SC-STS”) announced the successful completion of the transition from the Singapore Dollar Swap Offer Rate (“SOR”) and Singapore Interbank Offered Rate (“SIBOR”) to the Singapore Overnight Rate Average (“SORA”).** This comes after banks successfully completed the SIBOR to SORA transition on 31 December 2024, which involved the transition of about 87,000¹ retail loans out of SIBOR.

2 The SIBOR transition involved mainly banks’ retail customers, as SIBOR was largely used in retail mortgage loans. The SC-STS had conducted a public education campaign to provide retail customers with information on the SIBOR transition and options that would best meet their needs. This led to more than half of the SIBOR retail loans being actively transitioned out of SIBOR, with the remaining 40,000 loans undergoing automatic conversion in October 2024 to reference SORA.

3 **The completion of the SIBOR to SORA transition, following the completion of the SOR to SORA transition on 30 June 2023, marks the conclusion of the overall SOR and SIBOR interest rate benchmark transition exercise which began since 2019.** This was part of the global benchmarks reforms to transition away Interbank Offered Rate (“IBOR”) benchmarks, which were based on the non-binding quotes by banks, to more robust overnight interest rate benchmarks based on actual transactions. Since the establishment of the SC-STS in 2019, the SC-STS has worked closely with industry stakeholders and implemented initiatives to standardise and deepen interest rate markets based on SORA and facilitate the smooth conversion from legacy SOR and SIBOR contracts to SORA.

4 **SORA is now the de facto standard for Singapore Dollar loan products,** as envisaged by the SC-STS at the start of the transition process. SORA, derived from actual overnight interbank lending transactions in Singapore, is a more robust and transparent benchmark than SOR and SIBOR. SORA is widely adopted by financial institutions and borrowers, and the SORA market has since grown to more than S\$3 trillion in outstanding derivatives, bonds, and loans, comparable to the size of the SOR and SIBOR market before the start of the transition exercise.

5 Mr Han Kwee Juan, Co-Chair of SC-STS said “The transition from SOR and SIBOR to SORA was a challenging one, especially given the number of outstanding legacy contracts. I am heartened to see that the SC-STS and the industry was able to come together and play an instrumental role to complete the transition. SORA has been well-adopted by market participants, and is widely used across derivatives, loans, and bonds. Customers are also now more familiar with and have confidence in SORA-based products.”

¹ Number of loans as of 31 December 2022

6 Mr Leong Sing Chiong, MAS Deputy Managing Director and SC-STS Co-Chair, said, “The successful completion of the transition is the result of close collaboration across the financial industry. The shift towards a more transparent and robust benchmark will enhance trust and confidence for everyone that uses Singapore Dollar interest rates, and strengthen the resilience of the Singapore Dollar market.”

7 **With the successful completion of the interest rate benchmark transition to SORA, the work of the SC-STS will draw to a close.** The SC-STS would like to thank all industry participants who have provided valuable support and feedback over the years, through the public consultations and other channels.

8 For further queries, please email ABS Co. at sibor@abs.org.sg.

Note to Editors:

The Association of Banks in Singapore (ABS)

ABS plays an active role in promoting and representing the interests of the banking community in Singapore. In doing so, ABS works closely with the relevant government authorities towards the development of a sound financial system in Singapore. Since its establishment in 1973, ABS has promoted common understanding among its members and projected a unifying voice on banking issues. It has brought its members closer together through various guidelines and banking practices as well as the support of projects of mutual benefit to face the challenges of the financial and banking community in Singapore. Today ABS has a membership of over 150 local and foreign banks.

ABS Benchmarks Administration Co. Pte Ltd (ABS Co) is an independent locally incorporated company fully owned by ABS. It was established in June 2013 specifically to own and administer the ABS Benchmarks in Singapore - the Singapore Interbank Offered Rate (SIBOR), the Swap Offer Rate (SOR), the Singapore Dollar Spot FX and the Thai Baht Spot FX. ABS Co also administers the Fallback Rate (SOR).

More information on ABS is available at www.abs.org.sg.

Steering Committee for SOR & SIBOR Transition to SORA (SC-STS)

The Committee was established by the Monetary Authority of Singapore (MAS) to oversee the industry-wide interest rate benchmark transition from SOR to SORA in August 2019. The MAS subsequently expanded the Committee's mandate in December 2020, to include the SIBOR-to-SORA transition as well, and renamed the Committee as the Steering Committee for SOR & SIBOR Transition to SORA². As the transition from SOR and SIBOR involves many industry participants, as well as commercial and retail customers, the SC-STS seeks to ensure adequate stakeholder engagement and a well-managed transition.

The SC-STS is co-chaired by Mr Han Kwee Juan, Group Executive and Country Head of DBS Singapore, together with Mr Leong Sing Chiong, MAS Deputy Managing Director (Markets and Development). The Committee is responsible for providing strategic direction on industry proposals to develop new products and markets based on SORA. The Committee will also engage stakeholders to seek feedback and raise awareness on issues related to the transition from SOR and SIBOR to SORA. The Committee comprises senior representatives from key banks in Singapore and relevant industry associations.

Click [here](#) for the list of SC-STS members.

² The previous name of the Committee was the Steering Committee for SOR Transition to SORA.