



DBS and Standard Chartered execute Singapore's first SORA-referenced interbank option trade

Singapore, 28 May 2021 – DBS and Standard Chartered announced today the successful execution of the industry's first interbank option trade referencing the Singapore Overnight Rate Average (SORA).

This interbank trade was done on behalf of a global real estate group to manage the potential market risk arising from a SORA interest rate option. The SORA interest rate option¹, another industry first, is designed to help clients which have loan facilities referencing SORA mitigate their downside risk in the event the compounded daily SORA rate turns negative.

The execution of these innovative facilities marks a significant milestone in Singapore's transition towards SORA as its main interest rate benchmark, with corporate clients now able to tap on a wider range of instruments to ease their adoption of SORA-based financing solutions. This also signifies the continued maturity of Singapore's SORA markets as industry adoption grows and liquidity deepens. Furthermore, the development of an active interest rate option market enables the creation of structured products to better serve wealth and institutional investors.

Andrew Ng, Group Head of Treasury & Markets at DBS, said, "What we achieved today marks a significant milestone in widening the breadth of SORA derivatives necessary for a robust and liquid benchmark. As more companies make the shift towards SORA-based markets, clients are increasingly looking towards DBS for inventive ways to ease the transition to the new benchmark. By progressively offering more types of SORA derivatives, DBS is committed to ensuring a successful industry transition to SORA."

Daniel Koh, Global Head of Treasury Markets at Standard Chartered, said, "With this execution of Singapore's first SORA interbank option trade, Standard Chartered has taken yet another major step in progressing the market's adoption of SORA products. We are proud to deliver the various industry firsts and contribute to a more vibrant and active SORA derivatives market. We will continue to collaborate with our peers to develop more innovative financial products that can support our clients' smooth transition to SORA and meet the industry's guided timelines."

With the impending discontinuation of interest rate benchmarks such as the London Interbank Offered Rate (LIBOR), DBS has been partnering its clients to achieve a smooth and seamless transition to alternative Risk-Free Benchmark Rates² (RFRs), including SORA for the Singapore cash and derivatives market. In Singapore, all financial institutions have ceased to offer new loan products referencing the existing SOR since the end of April 2021. Additionally, the Singapore Interbank Offered Rate (SIBOR) will cease to be used in new loan products by the end of September 2021.

Since 2020, DBS has broken new ground such as pricing Singapore's first SORA-referenced floating rate note, closing the first SORA club loan coupled with a cross currency swap, and launching

¹ Interest rate options, in the form of caps and floors, enable corporates to better hedge their risks.

² Risk-Free Benchmark Rates are typically derived from overnight deposit rates, based on a large number of observable transactions.

Singapore's first business property mortgage loan referencing SORA. SORA-pegged loans now account for one-third of all new SME loans issued by DBS.

Standard Chartered offers a full range of SORA-linked products across its businesses and is actively engaging with its clients to encourage RFRs adoption. It is one of the pioneers launching industry-first solutions based on SORA. In November 2019, Standard Chartered completed Singapore's first Overnight Indexed Swap (OIS) derivatives transaction using SORA as the interest rate benchmark with OCBC. In February 2020, it booked the market's first SGD SORA and USD Secured Overnight Financing Rate (SOFR) Cross-Currency Swaps with OCBC. In May 2020 when LCH launched the central clearing of over-the-counter SORA instruments, it cleared the first SORA swaps between Standard Chartered and OCBC, helping to catalyse interdealer activity in SORA derivatives products. Standard Chartered was also among the firsts to book bilateral SORA Interest Rate Swaps (IRS) trade on MarkitWire when the platform began supporting SORA derivatives in May 2020.

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For more information, please contact:

Jean Khong
Group Strategic Marketing and Communications
DBS

Sheena Yu
Corporate Affairs
Standard Chartered

Mobile: (65) 97912300
Email: jeankhong@db.com

Mobile: +65 9723 9238
Email: sheena.yu@sc.com

About DBS

DBS is a leading financial services group in Asia with a presence in 18 markets. Headquartered and listed in Singapore, DBS is in the three key Asian axes of growth: Greater China, Southeast Asia and South Asia. The bank's "AA-" and "Aa1" credit ratings are among the highest in the world.

Recognised for its global leadership, DBS has been named "[World's Best Bank](#)" by Euromoney, "[Global Bank of the Year](#)" by The Banker and "[Best Bank in the World](#)" by Global Finance. The bank is at the forefront of leveraging digital technology to shape the future of banking, having been named "[World's Best Digital Bank](#)" by Euromoney. In addition, DBS has been accorded the "[Safest Bank in Asia](#)" award by Global Finance for 12 consecutive years from 2009 to 2020.

DBS provides a full range of services in consumer, SME and corporate banking. As a bank born and bred in Asia, DBS understands the intricacies of doing business in the region's most dynamic markets. DBS is committed to building lasting relationships with customers, and positively impacting communities through supporting social enterprises, as it banks the Asian way. It has also established a SGD 50 million foundation to strengthen its corporate social responsibility efforts in Singapore and across Asia.

With its extensive network of operations in Asia and emphasis on engaging and empowering its staff, DBS presents exciting career opportunities.

For more information, please visit www.dbs.com.

About Standard Chartered Singapore

Standard Chartered Bank in Singapore is part of an international banking group, with more than 150 years of history in some of the world's most dynamic markets. Our purpose is to drive commerce and prosperity through our unique diversity, and our heritage and values are expressed in our brand promise, here for good.

The Bank has a history of 162 years in Singapore, where we opened our first branch in 1859. In October 1999, we were among the first international banks to receive a Qualifying Full Bank (QFB) licence, an endorsement of the Group's long-standing commitment to our business in the country.

Singapore is home to the majority of our global business leadership, our technology operations, as well as SC Ventures, our innovation hub. In 2013, the Bank transferred our Singapore Retail and SME businesses to a locally-incorporated subsidiary, Standard Chartered Bank (Singapore) Limited ("SCBSL"). And in May 2019, we fully consolidated our business operations in Singapore through the transfer of our Commercial Banking, Corporate & Institutional Banking and Private Banking businesses to SCBSL. SCBSL is one of the highest-rated banks globally: A1/Stable by Moody's Investor Services, A/Stable by Standard & Poor's and A/Stable by Fitch Ratings. In August 2020, we were the first and only bank to be awarded the "Significantly Rooted Foreign Bank" (SRFB) status by the Monetary Authority of Singapore. In December 2020, we were granted enhanced SRFB privileges, in recognition of the significantly higher degree of rootedness exceeding the SRFB baseline criteria.

In Singapore, we support both individual and corporate needs to build wealth and drive commerce at every step of their journey. We do this by offering an entire range of financial services across personal, priority and private banking as well as our business, and corporate, commercial & institutional banking teams. The Bank has a network of 13 branches, 5 Priority Banking centres, 1 International Banking and Priority Private Centre and 24 ATMs.

For more information please visit www.sc.com/sg.