

HSBC Compounded SORA Home Loan

The Singapore Overnight Rate Average ("SORA") is the volume-weighted average rate of borrowing transactions in the unsecured overnight interbank SGD cash markets in Singapore between 8am and 6.15pm. It has been identified as a more suitable and robust interest rate benchmark in Singapore*.

Key Points about SORA



Fairness:

SORA is determined by actual transactions and is underpinned by a deep and liquid overnight interbank funding market



Transparency:

SORA is published on every business day by the Monetary Authority of Singapore ("MAS")



Certainty:

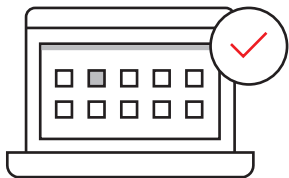
SORA is the selected interest rate benchmark to replace SGD Swap Offer Rate ("SOR") and eventually SGD Singapore Interbank Offered Rate ("SIBOR")



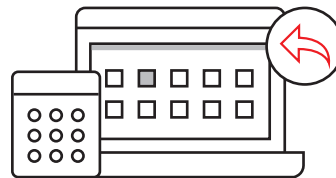
Stability:

Home loans offered by HSBC will be pegged to 1-month or 3-month Compounded SORA. 1-month and 3-month Compounded SORA provide greater stability than SORA, as they are derived based on SORA values in the past one month and three months.

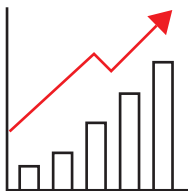
How does a 1-month Compounded SORA work?



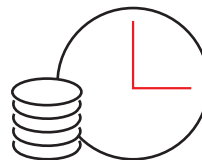
The 1-month Compounded SORA is published by MAS on every business day in Singapore[†]



The 1-month Compounded SORA is computed by compounding the SORA rates published in the past one month



Your interest rate will be pegged to 1-month Compounded SORA published by MAS on the first business day of the calendar month



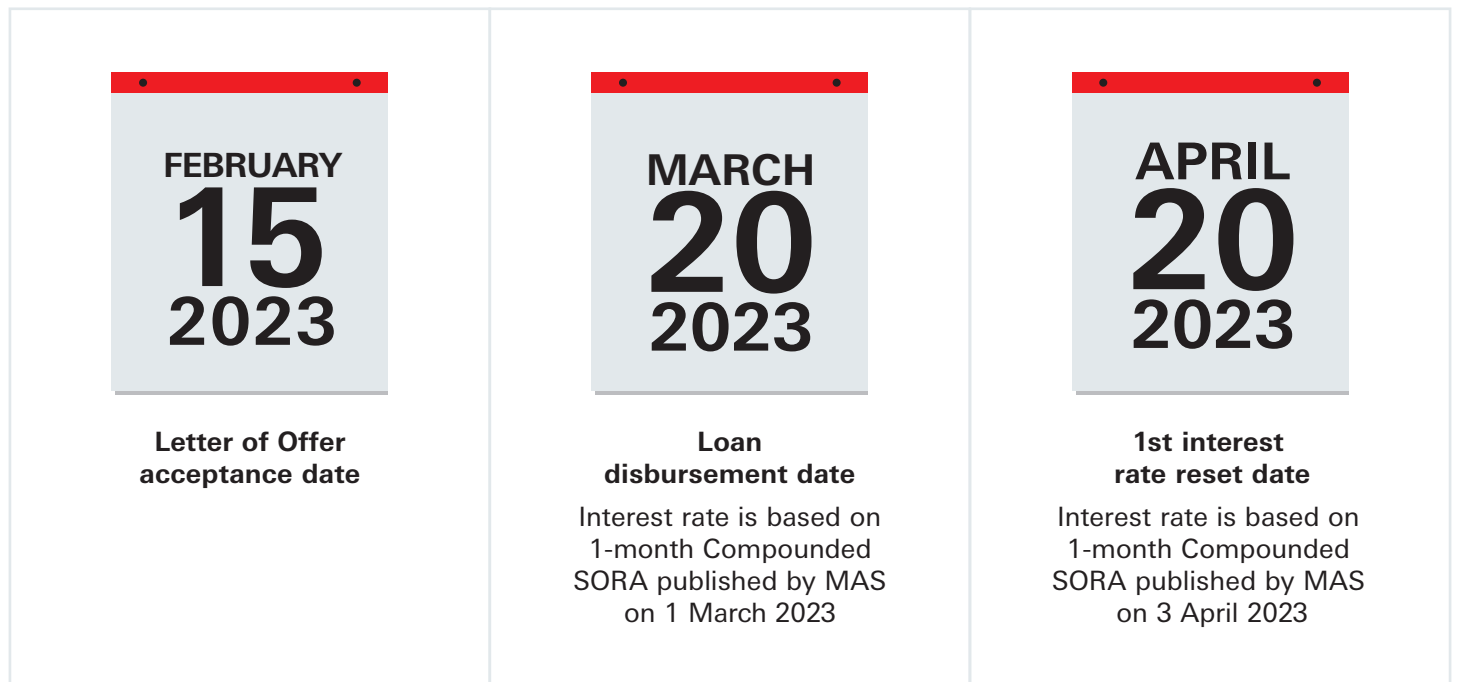
Your interest rate will reset every month on the Reset Date as defined in your facility letter

*For more information, please visit <https://www.abs.org.sg/benchmark-rates/sibor-enhancements>

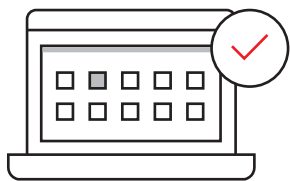
[†] Rates can be found on the MAS website at <https://eservices.mas.gov.sg/statistics/dir/DomesticInterestRates.aspx>

Illustration of 1-month Compounded SORA

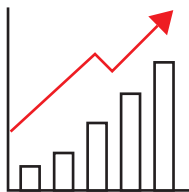
For loans that are pegged to the 1-month Compounded SORA, the interest rate will reset every month on the Reset Date as defined in your facility letter.



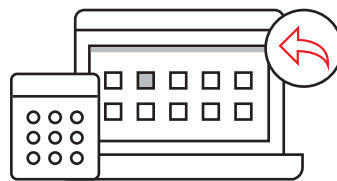
How does a 3-month Compounded SORA work?



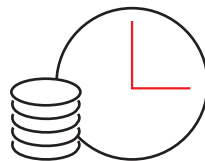
The 3-month Compounded SORA is published by MAS on every business day in Singapore[†]



Your interest rate will be pegged to 3-month Compounded SORA published by MAS on the first business day of the calendar month



The 3-month Compounded SORA is computed by compounding the SORA rates published in the past three months






Your interest rate will reset every three months on the Reset Date as defined in your facility letter

[†] Rates can be found on the MAS website at <https://eservices.mas.gov.sg/statistics/dir/DomesticInterestRates.aspx>

Illustration of 3-month Compounded SORA

For loans that are pegged to the 3-month Compounded SORA, the interest rate will reset every three months on the Reset Date as defined in your facility letter.

 <p>FEBRUARY 15 2023</p>	 <p>MARCH 20 2023</p>	 <p>JUNE 20 2023</p>
<p>Letter of Offer acceptance date</p>	<p>Loan disbursement date</p> <p>Interest rate is based on 3-month Compounded SORA published by MAS on 1 March 2023</p>	<p>1st interest rate reset date</p> <p>Interest rate is based on 3-month Compounded SORA published by MAS on 1 June 2023</p>



To find out more about HSBC Home Loans, leave us your contact details and we will be in touch shortly.

[Contact me](#)

Disclaimer:

- The information provided in this document is for illustration purposes only. You are advised to consult our mortgage specialists on your eligibility and terms and conditions governing SORA-pegged packages before taking up this product.
- This document does not constitute an actual application, approval or an offer of any home loan facility by us. Credit facilities are granted at the sole discretion of HSBC after we review your application.
- Before you commit to a loan, please read the consumer guide 'About Home Loans – Key Questions to Ask the Bank Before Taking a Home Loan' produced by MoneySENSE and the Association of Banks in Singapore. You can ask your FI for a copy of the guide or you can download a copy at MoneySENSE's website at www.moneysense.gov.sg