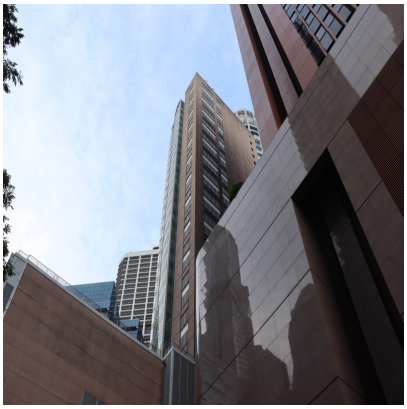


December 2026 Singapore Savings Bond averages 2.39 per cent as first-year rate rises

Description

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The December 2026 Singapore Savings Bond pays an average of 2.39 per cent a year if held for the full 10 years, down from 2.45 per cent on the November issue. The bond, SBDEC26 (code GX26120A), is open for applications until 9pm on Wednesday, 25 November, according to the Monetary Authority of Singapore.

The direction is split. The 10-year average has slipped, but the first-year coupon has gone up, to 1.83 per cent from 1.67 per cent on the November bond. The October issue paid 1.65 per cent in year one.


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The December issue is S$500 million, up from S$400 million. Photo: MAS

The step-up schedule

Every SSB starts low and climbs each year it is held. The December coupons are:

- Year 1: 1.83 per cent
- Year 2: 1.99 per cent
- Year 3: 2.17 per cent
- Year 4: 2.35 per cent
- Year 5: 2.47 per cent
- Year 6: 2.52 per cent
- Year 7: 2.57 per cent
- Year 8: 2.63 per cent
- Year 9: 2.71 per cent
- Year 10: 2.83 per cent

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The top coupon is lower than last monthâ??s. The November bond reached 3.08 per cent in year 10, against 2.83 per cent now. The curve is flatter: more is paid up front, less at the end.

What an early exit earns

The 2.39 per cent figure only applies to a holder who keeps the bond for all 10 years. The average return for shorter holds is lower: 1.91 per cent after two years, 2.16 per cent after five and 2.30 per cent after eight.

A bond can be redeemed in any month with no penalty, and the holder gets back the full principal plus interest earned to that point.



MASâ??s illustration of how SSB interest steps up each year; the figures are examples, not this issueâ??s rates. Image: MAS

Dates and size

MAS has raised the issue size to S$500 million, from S$400 million in November. The November bond was undersubscribed: applications came to S$310.7 million and S$293.2 million was allotted.

Allotment for the December bond takes place on 26 November. The bond is issued on 1 December and matures on 1 December 2036. Interest is paid every six months, in June and December, with the first payment on 1 June 2027.

How to apply

Applications start at S$500 and are open to individuals aged 18 and above with a bank account at DBS/POSB, OCBC or UOB and an individual CDP Securities account. They go through those banksâ?? ATMs, internet banking or mobile apps. SRS investors apply through their SRS operatorâ??s internet banking portal or DBSâ?? mobile banking app.

Holders who want to redeem an existing SSB this month have the same window, which runs until 25 November.

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Author
rachelng

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