



Transition Product Approaches

As the industry-wide transition from JIBAR to ZARONIA enters a critical phase, Standard Bank remains focused on two key priorities: supporting the adoption of ZARONIA-linked products and transitioning legacy JIBAR-linked products to ZARONIA. The adoption phase is progressing in line with the industry milestones established by the regulators, and Standard Bank currently offers ZARONIA-linked products across a comprehensive range of product types.

In parallel, Standard Bank has implemented the key building blocks required to support an orderly transition from JIBAR to ZARONIA. This includes ensuring system readiness, preparing the necessary contractual fallback language, engaging with clients, and maintaining the governance and oversight standards required by the Financial Sector Conduct Authority (FSCA) and the Prudential Authority (PA). We recognise that each client portfolio is unique and that the most appropriate transition pathway may differ depending on product structure, maturity and client readiness.

Three principal transition pathways exist, namely active transition, passive transition and legislative transition.

Transition Approaches:

Active Transition

Active transition refers to the voluntary and bilateral amendment of financial contracts to move them from JIBAR to ZARONIA before the formal cessation date of 31 December 2026.

Passive Transition

Passive transition occurs where an existing financial contract already contains appropriate fallback language and therefore transitions automatically from JIBAR to ZARONIA on the cessation date. This includes, for example, derivatives that have adhered to the April 2025 Benchmark Module of the ISDA 2021 Fallbacks Protocol (the "Protocol").

Legislative Transition

Legislative transition applies to all contracts that have not transitioned through the active or passive pathway prior to or at the cessation date. Under the legislative transition pathway, parties will rely on amendments to the Financial Sector Regulation Act (FSRA) being promulgated into law. The draft Bill to amend the FSRA is expected to enter the parliamentary approval process by the end of Q2 2026. The Bill is available on [National Treasury's Website](#). Under the proposed amendments to the FSRA, as contained in the Bill, the SARB will be empowered to issue notices relating to various categories of legacy contracts. These notices will allow the SARB to determine the replacement rate and transition

terms applicable to various categories of instruments: for example, it may prescribe that compounded overnight ZARONIA, including an applicable Credit Adjustment Spread (“CAS”), will apply for a specified category of contracts. For products not expressly identified in a specific notice, a general “catch-all” notice is expected to apply.

Credit Adjustment Spread

A CAS is generally expected to apply across transition pathways. The CAS was fixed following the official JIBAR cessation announcement on 3 December 2025 and is available via Bloomberg and on our dedicated [ZARONIA page](#) which sets out the applicable spread for each tenor.

The most suitable transition approach may vary by product type. In general, Standard Bank will adopt the recommendations of the SARB.

Product Guidance

Derivatives

- Cleared OTC derivatives are expected to transition in line with the LCH timetable during November and early December 2026.
- Non-cleared OTC derivatives that have adhered to the Protocol are expected to transition automatically on cessation under the passive pathway.
- Where the Protocol is not suitable, an active transition may be required.

Loans

Standard Bank is proactively engaging clients to incorporate updated South African Loan Market Association (LMA) Rate Switch Agreement language, supporting active transition through 2026.

Bonds and Money Market Instruments

- Instruments such as Negotiable Certificates of Deposit (NCDs) and Deposits are expected to transition through an active pathway during Q3 2026.
- Bonds issued by Standard Bank Treasury are expected to transition via the legislative pathway, subject to the issuance and effective date of the legislation and the publication of the relevant notices.
- Structured notes issued by Standard Bank Global Markets are expected to transition via the legislative pathway, on cessation.

Next Steps

Given the differing nature and complexity of client portfolios, bespoke pathways may be required for different products. For an overview of the various transition pathways and key considerations, please watch a short message from our Treasurer, Paul Burgoyne, a legal perspective from Kim Oliver, and regulatory insights from Gizelle Boyce via our ZARONIA page. Our client-facing teams will engage directly with you to discuss the most appropriate transition approach for the products in your portfolio and to ensure that the necessary contractual amendments are in place to support this, where required.

For more information, please visit our ZARONIA page including a comprehensive FAQ and use our [ZARONIA Interest Rate Calculator](#) to familiarise yourself with the new benchmark.

If you have any questions or would like to discuss your portfolio, please contact your relationship manager.