

Important changes to your Jibar-linked loan:

WHAT YOU NEED TO KNOW ABOUT THE TRANSITION FROM JIBAR

South Africa is in the process of phasing out the Johannesburg Interbank Average Rate (Jibar), a commonly used benchmark interest rate in loans like home mortgages. This change is part of a global move to more transparent, reliable interest rate benchmarks.

If you have a loan that references Jibar, it will soon move to a new rate. This guide outlines the current status of the reform process, its implications for retail customers and any other steps that may be required by you during the transition.

This document has been prepared by the Market Practitioners Group (MPG), a joint public and private sector group that was established by the South African Reserve Bank (SARB) in 2018 to drive the reference rate reform programme in South Africa.

The MPG aims to inform retail clients about the proposed transition and request their input.

Why is Jibar being replaced?

Jibar refers to the rate at which banks in South Africa lend to each other, usually for three-month loans. It serves as a key benchmark for interest rates on many loans and bonds, similar to the London Interbank Offered Rate (Libor) in other countries. However, global regulators have been moving away from these interbank offered rates to newer benchmarks that are more transparent and reliable.

Jibar's publication will stop by the end of 2026, when it will be replaced by a new set of benchmarks that support the financial system and enhance transparency.

Importantly, Jibar's phasing out does not mean interest rates are going up unfairly or that your loan will become more expensive. The change is about what reference is used, not an extra charge to you. All loans transitioned away from Jibar will be done in compliance with the National Credit Act (NCA) and the South African Reserve Bank (SARB). Regulators are ensuring that the switchover is fair and that consumers are not adversely affected.

What rates are replacing Jibar?

When Jibar is discontinued, your loan may be switched to one of the following alternate benchmarks:

- **ZARONIA (South African Rand Overnight Index Average) forward-looking term rate**
 - A forward-looking version of ZARONIA, based on overnight rates, is under investigation and, if feasible, will be endorsed by the MPG as a reliable long-term benchmark.
 - Would serve as a transparent alternative to Jibar, given that its rate is known in advance.
 - The calculation method is more technical yet fair and reliable.
- **Prime rate or SARB policy rate**
 - The interest rate most South African banks use when lending to customers.
 - Commonly used for home and personal loans.
 - Easy to understand – it moves when the SARB changes the policy rate.
 - Familiar and forward-looking: you will know your rate in advance.
- **Synthetic Jibar (temporary)**
 - A transitional option that mimics Jibar.
 - Would maintain consistency while longer-term changes take place.
 - Only used when necessary and only until an endorsed alternative, like ZARONIA forward-looking term rate, becomes available.

Again, the only change to your loan is the reference rate. However, while the interest will now be calculated differently, **the payment amounts and the structure of your instalments are expected to remain similar to those under Jibar.**

Will my repayments change?

Fairness and cost neutrality are key goals. Consumers will experience a smooth transition with minimal financial impact. If your loan changes from Jibar to another rate, a credit adjustment spread will be applied to keep your repayments similar. This ensures that you are neither overcharged nor undercharged interest because of the transition.

[new benchmark rate e.g. Prime or ZARONIA] + [credit adjustment spread] ≈ Jibar

The credit adjustment spread is added to the new benchmark rate to maintain your repayments near the previous Jibar level. It uses five years of data, calculating the median difference between the original and new reference rates. **This ensures any adjustments are based on changes to the reference rate rather than resulting in increased payments for unrelated reasons.**

Importantly, different lenders may choose different replacement rates (i.e. whether they switch to ZARONIA, Prime or Synthetic Jibar). There is no one-size-fits-all replacement, because banks and non-bank lenders have different funding models embedded in their businesses. Each lender will make the best choice to continue to serve you without increasing costs, with **no option being 'better' or 'worse' for consumers in terms of interest charged.**

How will I know what is changing?

You do not need to do anything immediately. Your bank or credit provider may contact you voluntarily in advance to explain:

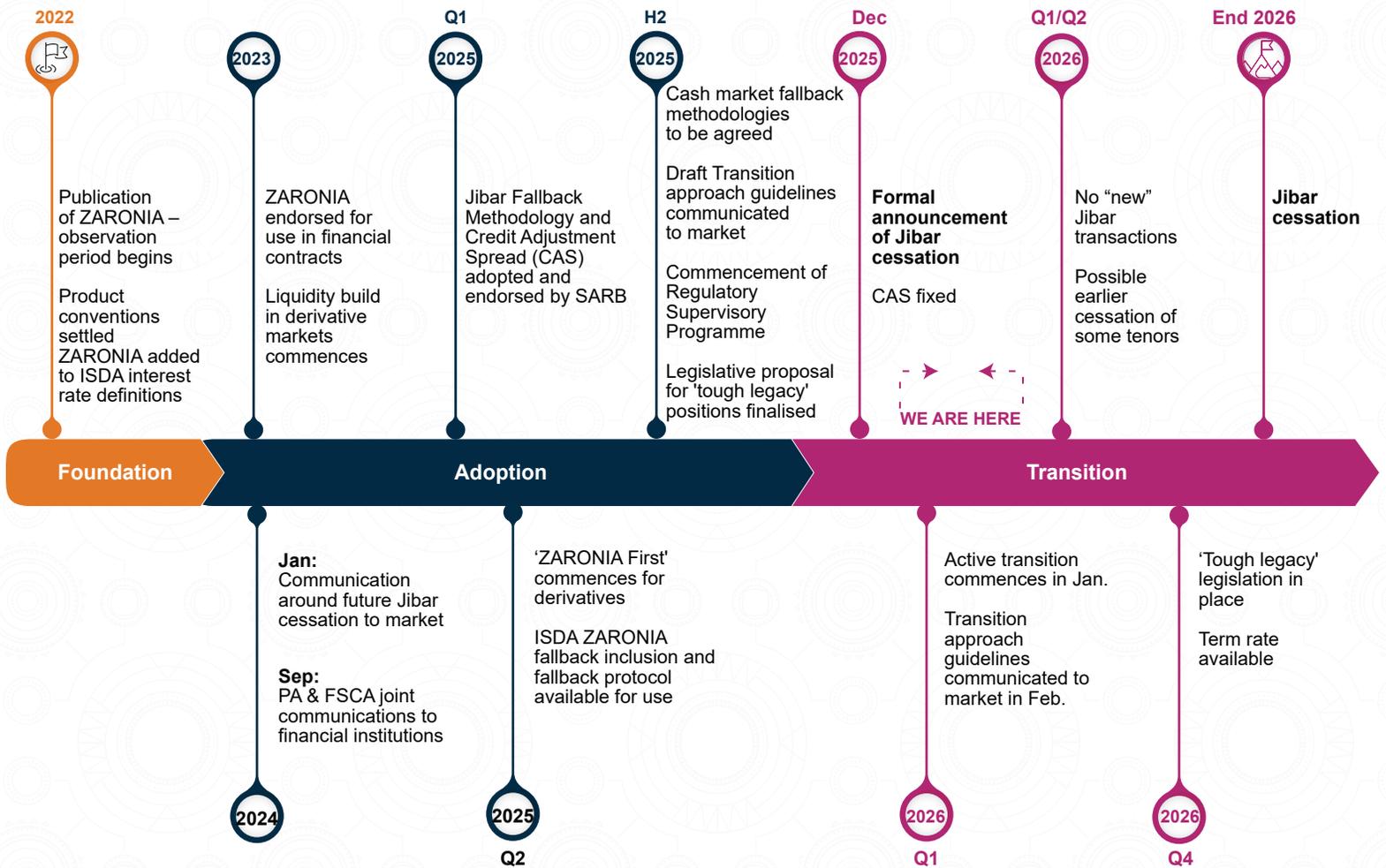
- what replacement rate your loan will transition to;
- when it will happen; and
- whether you need to agree to anything.

When will this happen?

The conversion of a contract can happen before cessation of Jibar if both the lender and borrower agree to an alternate rate. Alternatively, the rate will automatically convert post the discontinuation of Jibar to the fallback rate.



Below is the latest estimated timeline:



Need to know: You are not alone in this change

This is part of a global shift in how interest rates are set. The SARB and your lender are working together to make this transition as smooth as possible. You will not be left behind – and you will not be worse off because of it.

Whether your loan switches to Prime, ZARONIA or a transitional rate like Synthetic Jibar, the goal is clear: **fairness, simplicity and no disruption to your payments.**

The MPG invites borrowers and the public to submit feedback on this document.

Please submit feedback **before 31 March 2026** to
mpgsecretariat@resbank.co.za.

All feedback will be considered as part of the finalisation of market-wide recommendations.

Disclaimer: This update serves as an informational resource only. It is not a formal announcement of the Jibar cessation date. It does not constitute legal, accounting, or financial advice, nor is it an exhaustive account of the reference rate reform programme.