

FTSE Term ZARONIA Prototype Methodology

The prototype is published for review and assessment purposes only.
The prototype methodology may be amended without notice.

The prototype is not a benchmark that is administered in compliance with the UK or EU benchmark regulations or the IOSCO Principles for Financial Benchmarks.

The prototype may not be used as a reference in any financial products.

Effective Date: 09 June 2026

Last Review Date: 09 June 2026

Document Classification: Public

Contents

Section 1 Introduction	3
Section 2 Input data	5
Section 3 Determination of the Prototype	6
Section 4 Publication	8
Section 5 Further information	9

Section 1

Introduction

1. Introduction

1.1 Overview

- 1.1.1 The FTSE Term ZARONIA prototype (the “Prototype”) is a forward-looking rate setting for nearly risk-free interest term rates for the South African rand (ZAR). Input data comprises fixed rates for Overnight Index Swaps (“OIS”) with floating legs that reference overnight ZARONIA as published by the South African Reserve Bank (“SARB”).
- 1.1.2 This document is the methodology (“Methodology”) of the FTSE Term ZARONIA prototype. The Methodology was first introduced on 09 June 2026.
- 1.1.3 On 22 April 2026, the SARB announced that the Market Practitioners Group (MPG) had selected FTSE Russell to serve as the administrator of the forward looking term rate based on ZARONIA-linked derivatives¹. The Prototype is one step towards the introduction of a Term ZARONIA benchmark.

1.2 Description of the Prototype

- 1.2.1 The Prototype comprises four forward-looking tenors: 1-month, 3-month, 6-month and 12-months. The Prototype’s waterfall Methodology includes a forward-looking level (“Level 1”) which uses ZARONIA OIS rates and a backward-looking integrated fallback to enable a rate to be published in a wide range of market conditions, when Level 1 is unavailable.
- 1.2.2 Input data for Level 1 of the waterfall are committed (i.e. executable) quotes for spot starting ZARONIA OIS contracts cleared at LCH Ltd taken from a dealer-to-client trading platform (Tradeweb) together with indicative rates for spot starting ZARONIA OIS contracts (with input data supplied by Tradition, GFI Group, Latium Capital (a trading division of GFI Group) and Tradeweb). Input data for the integrated fallback level are compounded overnight ZARONIA and historical FTSE Term ZARONIA Prototype values.
- 1.2.3 The Prototype is published at or around 10:30SAST² on every business day that banks are open for business in South Africa.
- 1.2.4 The published Prototype includes a history of settings dating from 1 September 2025.
- 1.2.5 It is anticipated that the Prototype Methodology may evolve in line with the proposal outlined in the consultation paper (available at https://www.lseg.com/content/dam/ftse-russell/en_us/documents/consultation/ftse-term-zaronia-consultation-april-2026.pdf)

¹ <https://www.resbank.co.za/content/dam/sarb/publications/media-releases/2026/jibar-tax.pdf>

² South Africa Standard Time

1.3 Use of the Prototype

- 1.3.1 The Prototype is published for review and assessment purposes only. The Prototype methodology may be amended without notice. It is not a benchmark that is administered in compliance with the UK or EU benchmark regulations or the IOSCO Principles for Financial Benchmarks.
- 1.3.2 **The Prototype may not be used as a reference in any financial products.**

Section 2

Input data

2. Input data

2.1 Level 1 input data

- 2.1.1 Input data for the Prototype are committed (i.e. executable) quotes for spot starting ZARONIA OIS contracts taken from a dealer-to-client trading platform (Tradeweb) together with indicative rates for spot starting ZARONIA OIS contracts (with input data supplied by Tradition, GFI Group, Latium Capital (a trading division of GFI Group) and Tradeweb).
- 2.1.2 Input data from the dealer-to-client trading platform comprises quotes from each dealer captured every 30 minutes over a collection window from 09:00 to 18:00SAST on the business day prior to the Prototype publication date.
- 2.1.3 Indicative input data comprises rates captured every 30 minutes between 09:00 and 18:00SAST on the previous business day. If any source of indicative data, other than Tradeweb, has not updated its indicative rates for a tenor or tenors such that at least one valid rate is captured for such tenor or tenors on the previous business day, rates for that source(s) and such tenor(s) are captured from the preceding business day. This process of looking back continues until a rate can be calculated or a maximum of four business days prior to the Prototype publication date has been reached.
- 2.1.4 All input data are the fixed interest rates in respect of spot starting ZARONIA OIS contracts for the relevant tenors for the Prototype. The spot starting ZARONIA OIS contracts used as input data have effective dates that are the same as their quote or transaction dates (i.e. "T+0").

2.2 Integrated fallback input data

- 2.2.1 Input data for the integrated fallback level are compounded overnight ZARONIA and historical FTSE Term ZARONIA Prototype values.

Section 3

Determination of the Prototype

3. Determination of the Prototype

3.1 Waterfall methodology

- 3.1.1 The FTSE Term ZARONIA Prototype is calculated using Level 1 of the Methodology subject to a threshold. If the threshold is not reached, the Prototype is calculated using the integrated fallback level. The Level 1 threshold has been calibrated to ensure a minimum quantity of eligible input data. Any use of the integrated fallback level is indicated when the resulting Prototype value is published.
- 3.1.2 The waterfall is applied individually to each tenor of the Prototype. Consequently, it is possible that different tenors are determined using different levels of the waterfall on the same day.

3.2 Level 1 determination

- 3.2.1 Once every 30 minutes between 09:00 to 18:00SAST on the business day prior to the Prototype publication date, the dealer quotes from the dealer-to-client trading platform (Tradeweb) are captured. In order to be valid, each bid rate to offer rate must be less than or equal to a maximum spread that is specified for each tenor, and the volume on the bid and offer rate must be greater than or equal to a minimum notional amount specific to that tenor. The mid-rate is calculated for each valid quote.
- 3.2.2 Once every 30 minutes between 09:00 to 18:00SAST on the business day prior to the Prototype publication date, indicative rates from indicative data sources are captured. If any source of indicative data, other than Tradeweb, has not updated its indicative rates for a tenor or tenors such that at least one valid rate is captured for such tenor or tenors on the previous business day, rates for that source(s) and such tenor(s) are captured in the same manner from the preceding business day over the same data collection window. This process of looking back continues until a rate can be calculated or a maximum of four business days prior to Prototype determination and publication date has been reached. In order to be valid, each bid rate to offer rate must be less than or equal to a maximum spread that is specified for each tenor. The mid-rate is calculated for each valid quote.
- 3.2.3 For each tenor, all valid mid-rates (as detailed in 3.2.1 and 3.2.2 above) are collected and sorted, and a percentage is trimmed from the highest rates and lowest rates. The rate for each tenor is then calculated as the mean of the remaining rates.
- 3.2.4 The Level 1 threshold for the determination of a tenor is that a minimum number of valid mid-rates are available. If the Level 1 threshold is not satisfied for a tenor, the integrated fallback for that tenor is used.

3.3 Integrated fallback determination

- 3.3.1 Under the Integrated Fallback level, the spread between the Term ZARONIA on the previous business day and overnight ZARONIA compounded to the previous business day is applied to ZARONIA compounded to the day of the rate determination.

3.3.2 On each day t , the spread for Prototype tenor f , denoted $S(t, f)$ is calculated as

$$S(t, f) = FTZ(t - 1, f) - \frac{365}{d(t_0, t - 1)} \cdot \left[\prod_{\tau=t_0}^{t-2} \left(1 + \frac{d(\tau, \tau + 1) \cdot R(\tau)}{365} \right) - 1 \right]$$

where $FTZ(t - 1, f)$ is the Term ZARONIA Prototype published on the preceding business day $(t - 1)$ for tenor f , $R(\tau)$ is the ZARONIA rate published by SARB in respect of the day τ , $d(\tau, \tau + 1)$ is the number of calendar days from τ to $\tau + 1$ and $d(t_0, t - 1)$ is the number of calendar days from t_0 to $t - 1$. The product is over all business days from t_0 to $t - 2$ where t_0 is 9 business days before $t - 2$, resulting in 10 overnight ZARONIA compounds.

3.3.3 The Integrated Fallback for the Prototype with tenor f on day t , denoted $IF(t, f)$ is then calculated as

$$IF(t, f) = S(t, f) + \frac{365}{d(t_1, t)} \cdot \left[\prod_{\tau=t_1}^{t-1} \left(1 + \frac{d(\tau, \tau + 1) \cdot R(\tau)}{365} \right) - 1 \right]$$

The product is over all business days from t_1 to $t - 1$ where t_1 is 9 business days before $t - 1$, resulting in 10 overnight ZARONIA compounds.

3.3.4 Any use of the integrated fallback level in a Prototype determination will be flagged when the relevant tenor or tenors are published.

3.4 Exercise of expert judgment

3.4.1 Expert judgment is not used in the determination of the Prototype.

3.5 Refix Policy

3.5.1 Following publication, if an error is identified in the input data or the determination of the Prototype, FTSE shall endeavour to refix the affected tenor or tenors of the Prototype.

Section 4

Publication

4. Publication

4.1 Publication

4.1.1 The Prototype is published at or around 10:30SAST on every business day that banks are open for business in South Africa and is dated as of the business day prior to the publication date. The Prototype is published to 3 decimal places.

4.1.2 The Prototype is available on the LSEG Workspace tile ZARTRR=RFTB and the following RICs:

- 1-month: ZARTRR1M=RFTB
- 3-months: ZARTRR3M=RFTB
- 6-months: ZARTRR6M=RFTB
- 12-months: ZARTRR1Y=RFTB

4.1.3 The Prototype is available via LSEG D&A products including LSEG Real Time, DataScope and Workspace.

4.2 Delayed publication

4.2.1 Publication of the Prototype may be delayed in the event that technical difficulties are preventing receipt of input data or there is reason to believe that either the input data or the determination of the Prototype includes a potential error.

Section 5

Further information

5. Further information

5.1 Further information

- 5.1.1 For further information regarding the Prototype, please contact FTSE Russell at index_queries@lseg.com and include “FTSE Term ZARONIA” in the email subject line.

Disclaimer

© [2026] London Stock Exchange Group plc and its applicable group undertakings ("LSEG"). LSEG includes (1) FTSE International Limited ("FTSE"), (2) Frank Russell Company ("Russell"), (3) FTSE Global Debt Capital Markets Inc. "FTSE Canada", (4) FTSE Fixed Income LLC ("FTSE FI"), (5) FTSE (Beijing) Consulting Limited ("WOFE"), (6) FTSE EU SAS ("FTSE EU"). All rights reserved.

FTSE Russell® is a trading name of FTSE, Russell, FTSE Canada, FTSE FI, WOFE, FTSE EU and other LSEG entities providing LSEG Benchmark and Index services. "FTSE®", "Russell®", "FTSE Russell®", "FTSE4Good®", "ICB®", "Refinitiv", "WMR™", "FR™" and all other trademarks and service marks used herein (whether registered or unregistered) are trademarks and/or service marks owned or licensed by the applicable member of LSEG or their respective licensors.

FTSE International Limited is authorised as a Benchmark Administrator and regulated in the United Kingdom (UK) by the Financial Conduct Authority ("FCA") according to the UK Benchmark Regulation, FCA Reference Number 796803. FTSE EU SAS is authorised as Benchmark Administrator and regulated in the European Union (EU) by the Autorité des Marchés Financiers ("AMF") according to the EU Benchmark Regulation.

All information is provided for information purposes only. All information and data contained in this publication is obtained by LSEG, from sources believed by it to be accurate and reliable. Because of the possibility of human and mechanical inaccuracy as well as other factors, however, such information and data is provided "as is" without warranty of any kind. No member of LSEG nor their respective directors, officers, employees, partners or licensors make any claim, prediction, warranty or representation whatsoever, expressly or impliedly, either as to the accuracy, timeliness, completeness, merchantability of any information or LSEG Products, or of results to be obtained from the use of LSEG products, including but not limited to indices, rates, data and analytics, or the fitness or suitability of the LSEG products for any particular purpose to which they might be put. The user of the information assumes the entire risk of any use it may make or permit to be made of the information.

No responsibility or liability can be accepted by any member of LSEG nor their respective directors, officers, employees, partners or licensors for (a) any loss or damage in whole or in part caused by, resulting from, or relating to any inaccuracy (negligent or otherwise) or other circumstance involved in procuring, collecting, compiling, interpreting, analysing, editing, transcribing, transmitting, communicating or delivering any such information or data or from use of this document or links to this document or (b) any direct, indirect, special, consequential or incidental damages whatsoever, even if any member of LSEG is advised in advance of the possibility of such damages, resulting from the use of, or inability to use, such information.

No member of LSEG nor their respective directors, officers, employees, partners or licensors provide investment advice and nothing in this document should be taken as constituting financial or investment advice. No member of LSEG nor their respective directors, officers, employees, partners or licensors make any representation regarding the advisability of investing in any asset or whether such investment creates any legal or compliance risks for the investor. A decision to invest in any such asset should not be made in reliance on any information herein. Indices and rates cannot be invested in directly. Inclusion of an asset in an index or rate is not a recommendation to buy, sell or hold that asset nor confirmation that any particular investor may lawfully buy, sell or hold the asset or an index or rate containing the asset. The general information contained in this publication should not be acted upon without obtaining specific legal, tax, and investment advice from a licensed professional.

Past performance is no guarantee of future results. Charts and graphs are provided for illustrative purposes only. Index and/or rate returns shown may not represent the results of the actual trading of investable assets. Certain returns shown may reflect back-tested performance. All performance presented prior to the index or rate inception date is back-tested performance. Back-tested performance is not actual performance, but is hypothetical. The back-test calculations are based on the same methodology that was in effect when the index or rate was officially launched. However, back-tested data may reflect the application of the index or rate methodology with the benefit of hindsight, and the historic calculations of an index or rate may change from month to month based on revisions to the underlying economic data used in the calculation of the index or rate.

This document may contain forward-looking assessments. These are based upon a number of assumptions concerning future conditions that ultimately may prove to be inaccurate. Such forward-looking assessments are subject to risks and uncertainties and may be affected by various factors that may cause actual results to differ materially. No member of LSEG nor their licensors assume any duty to and do not undertake to update forward-looking assessments.

No part of this information may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without prior written permission of the applicable member of LSEG. Use and distribution of LSEG data requires a licence from LSEG and/or its licensors.

About FTSE Russell

FTSE Russell is a leading global provider of benchmarks, analytics and data solutions with multi-asset capabilities, offering a precise view of the markets relevant to any investment process. For over 30 years, leading asset owners, asset managers, ETF providers and investment banks have chosen FTSE Russell indexes to benchmark their investment performance and create investment funds, ETFs, structured products and index-based derivatives. FTSE Russell indexes also provide clients with tools for performance benchmarking, asset allocation, investment strategy analysis and risk management.

To learn more, visit [lseg.com/en/ftse-russell](https://www.lseg.com/en/ftse-russell); email info@ftserussell.com; or call your regional Client Service team office:

EMEA +44 (0) 20 7866 1810

North America +1 877 503 6437

Asia-Pacific

Hong Kong +852 2164 3333

Tokyo +81 3 6441 1430

Sydney +61 (0)2 7228 5659