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MARKET NOTICE

Number: 408/2025

Relates to:

- ☐ Equity Market
- ☐ Equity Derivatives Market
- ☐ Commodity Derivatives Market
- ☐ Currency Derivatives Market
- ☒ Interest Rate Derivatives Market
- ☐ Bond Market
- ☐ Bond ETP Market

Date: 03 December 2025

Subject: MARGIN UPDATE - LARGE EXPOSURE ADD-ON DECREASE 8 DECEMBER 2025

Name and Surname: Alex Comninos

Designation: JSE Clear - Chief Risk Officer

Dear Client,

As the central counterparty in the South African listed derivatives market, JSE Clear monitors the sufficiency of the prefunded resources - initial margin and the default fund - that would be required to manage a default and safeguard the market. This is done through daily stress testing. Large Exposure Add-on (LEAO) is levied on very large portfolios which under stress scenarios would expose a significant proportion of the default fund were the participant to default.

During the first half of 2025, high and persistent stressed exposures observed in the Interest Rate Derivatives (IRD) market prompted successive adjustments to the LEAO threshold to ensure adequate prefunded resources held to manage the impact of a potential participant default. Refer to Market Notices [110/2025](#), [131/2025](#) and [140/2025](#).

In the latter half of the year, default fund exposures have consistently been below the current R600mn default fund. Accordingly, JSE Clear will be increasing the LEAO threshold in the IRD market which will result in a decrease in the LEAO levied on large portfolios in this market.

Non-Executive Directors: Dr HA Nelson[†] (Chairman), LE Currie, Dr RM Lee[†], I Monale, FJ Oosthuizen[†], GE Raine[†], VJ Reddy, TW Spanner[†], K van Rensburg

Executive Directors: Dr A. Greenwood (CEO)

Company Secretary: GA Brookes

[†] Independent

IRD LEAO threshold to increase from R60m to R100m

- JSE Clear will **increase the LEAO threshold from R60mn to R100mn** in the **Interest Rate Derivative markets only**.
- The threshold change will be affected in the EOD margin run for **Monday, 8 December 2025**, for settlement on **Tuesday, 9 December 2025**.

Indicative impact:

- Participants currently being levied an LEAO margin **greater than or equal to R40mn** will see a decrease in this add-on of **R40mn**.
- Participants with an LEAO margin **below R40mn** will see a decrease **equal to their current IRD LEAO margin**.

JSE Clear will closely monitor the sufficiency of prefunded resources to assess whether any further changes are required.

For any queries regarding the location of the files containing these parameters, please contact the Client Service Centre (CSC) on +27 11 520 7777 or CustomerSupport@jse.co.za

Should you have any queries regarding this Market Notice, please contact risk@jse.co.za

This Market Notice is available on the JSE website at: [JSE Market Notices](#)