

Your story matters



JIBAR vs. ZARONIA

Changes are significant as there are key differences in determining JIBAR vs. ZARONIA:

- *ZARONIA is risk-free and is generally lower than JIBAR (JIBAR includes a term and credit premium)*
- *ZARONIA is only known towards the end of an interest period (JIBAR was known at the start)*

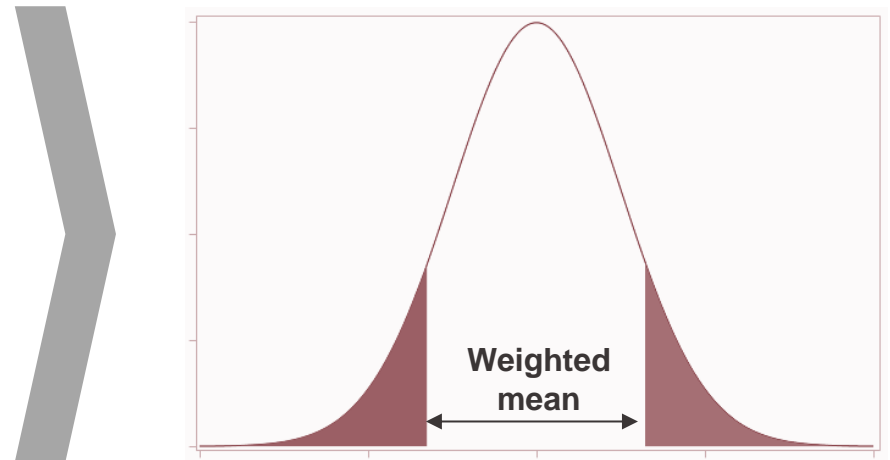


How is ZARONIA constructed?

ZARONIA is a market-wide rate calculated by the SARB using actual transaction data

Construction

- **Overnight, wholesale** transactions reported daily to SARB
- Minimum Size: **ZAR 20m**
- References **ZAR 350 - 450bn**
- Published **t+1** of effective date
- Weighted mean of central 80% of distribution



How is ZARONIA published?

ZARONIA is published on the SARB's website daily

ZARONIA INTEREST RATE BENCHMARK

Screenshot from SARB website

The South African Rand Overnight Index Average (ZARONIA) reflects the interest rate at which rand-denominated overnight wholesale funds are obtained by commercial banks. It is based on actual transactions and calculated as a trimmed, volume-weighted mean of interest rates paid on eligible unsecured overnight deposits.

On 2 November 2022, the SARB commenced publishing ZARONIA primarily to allow market participants to observe its performance and consider the implications of adopting it as a replacement for the Johannesburg Interbank Average Rate (Jibar). The observation period ended on 3 November 2023. Certain observation period statistics have been restated to reflect revisions that were processed post their publication. Market participants may use ZARONIA as a reference rate in financial contracts.

The Market Practitioners Group has designated ZARONIA as the successor rate to replace Jibar.

ZARONIA is published every South African business day at 10:00. The benchmark rate may be republished at any time before 12:00 in the event that an error is discovered after the standard publication of the benchmark at 10:00. The calculation methodology and policies governing ZARONIA are prescribed in the [Technical Specification Paper](#).

Interest rate benchmark data

Select date range

From: 2025-02-19 To: 2025-03-19

Select benchmarks

ZARONIA

- Represents the rate of remuneration on funds from 17 Mar to 18 Mar
- Published 18 Mar

Date	Benchmark Name	Rate	10th Percentile	25th Percentile	75th Percentile	90th Percentile	Volume	Publication Type	Calculation Method
2025-03-17	ZARONIA	7.359	5.915	6.438	7.658	8.185	461,975,704,062	Standard	Normal
2025-03-14	ZARONIA	7.373	5.915	6.438	7.613	8.155	462,839,662,220	Standard	Normal
2025-03-13	ZARONIA	7.360	5.820	6.350	7.625	8.170	452,431,456,781	Standard	Normal
2025-03-12	ZARONIA	7.354	5.890	6.438	7.658	8.203	455,612,359,463	Standard	Normal
2025-03-11	ZARONIA	7.357	5.755	6.288	7.638	8.185	460,438,493,043	Standard	Normal
2025-03-10	ZARONIA	7.357	5.900	6.400	7.650	8.200	458,505,576,379	Standard	Normal

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Source: <https://www.resbank.co.za/en/home/what-we-do/financial-markets/south-african-overnight-index-average>

How does ZARONIA compare to JIBAR?

Illustrated in
subsequent
slides

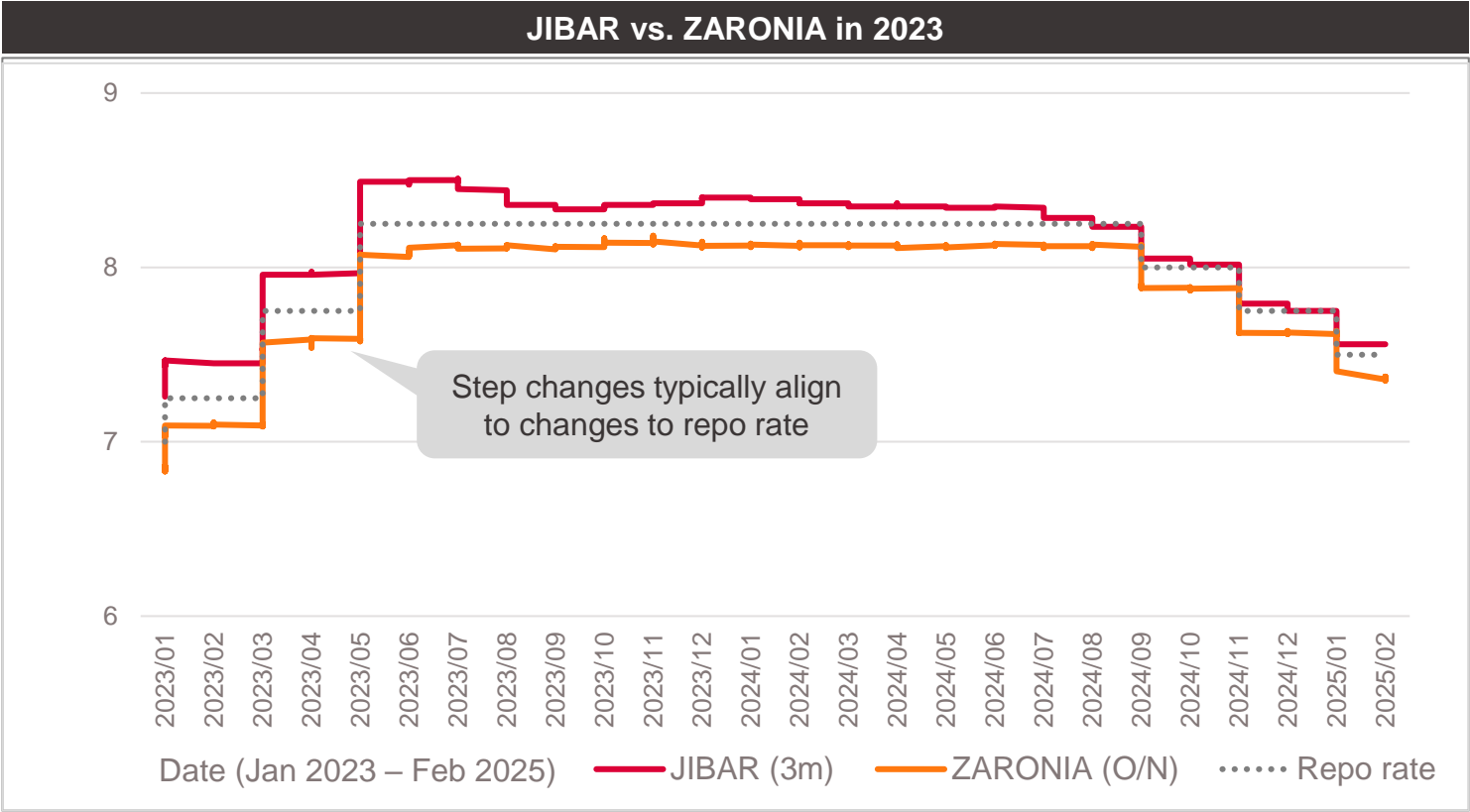
	JIBAR	ZARONIA
Credit premium	Built-in credit premium (interbank lending rate)	Near risk-free
Term premium	Various tenors (one-, three-, six- and 12-month), which attract a premium	Overnight rate
Reference	Interest is known at the start of the period	Interest is known towards the end of the period
Contributors	Only five banks contribute	Commercial banks with transactions greater than ZAR 20m
Source data	3m JIBAR is derived from transactions that amount to less than ZAR 10bn per month across the industry	Underlying transactions used to calculate ZARONIA are reported daily to the SARB (c. ZAR 350 - 450bn underlying transactions)

Illustrative view of the differences in JIBAR and ZARONIA

Credit premium

Term premium

ZARONIA as a near risk-free rate is consistently lower than 3m JIBAR which contains bank credit as well as a term premium



JIBAR

- Embeds credit spread (includes the implied credit risk of counterparties)
- 3m JIBAR embeds a term premium

ZARONIA

- Rates nearly ‘risk free’, not including credit or liquidity premium

The historical 3m JIBAR rates are available here: [Downloadable Files | JSE Client Portal](#)

The historical ZARONIA rates are available here: <https://www.resbank.co.za/en/home/what-we-do/financial-markets/south-african-overnight-index-average>

How is ZARONIA used compared to JIBAR?

Reference

There is a shift in approach from interest known at start to interest known towards the end of the interest period. This leaves less time to calculate interest payments / settlements

