

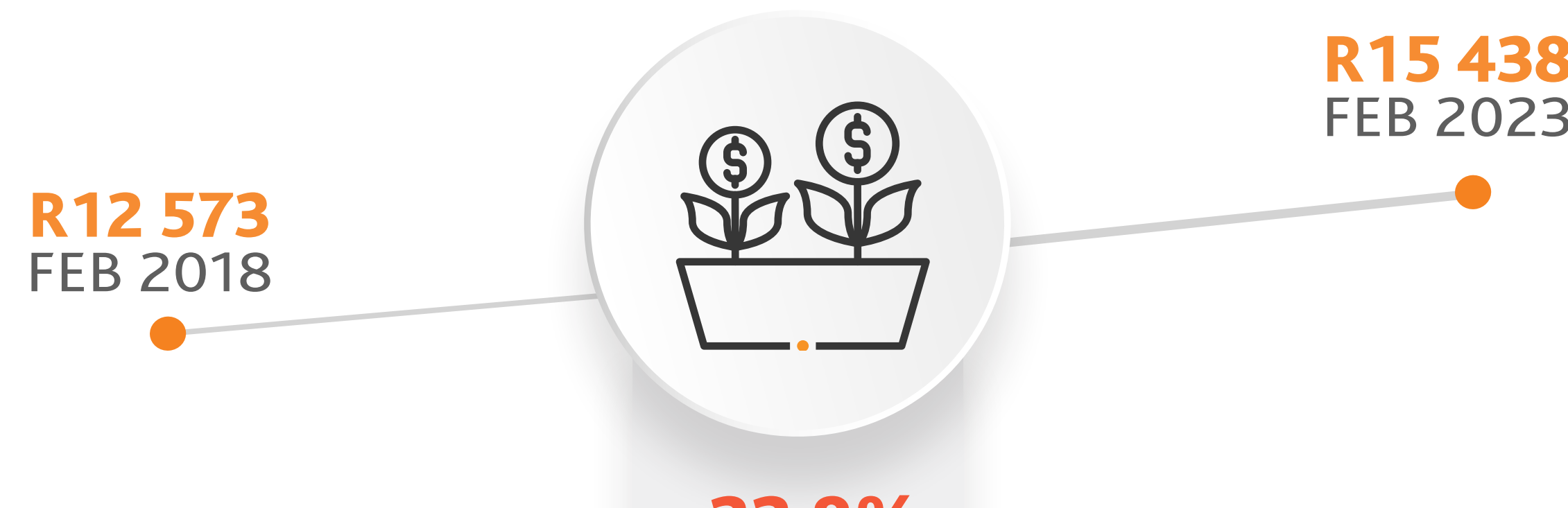
BANKSERVAFRICA

FIVE-YEAR REVIEW: TAKE-HOME PAY AND PRIVATE PENSIONS IN SOUTH AFRICA

February 2018 - February 2023

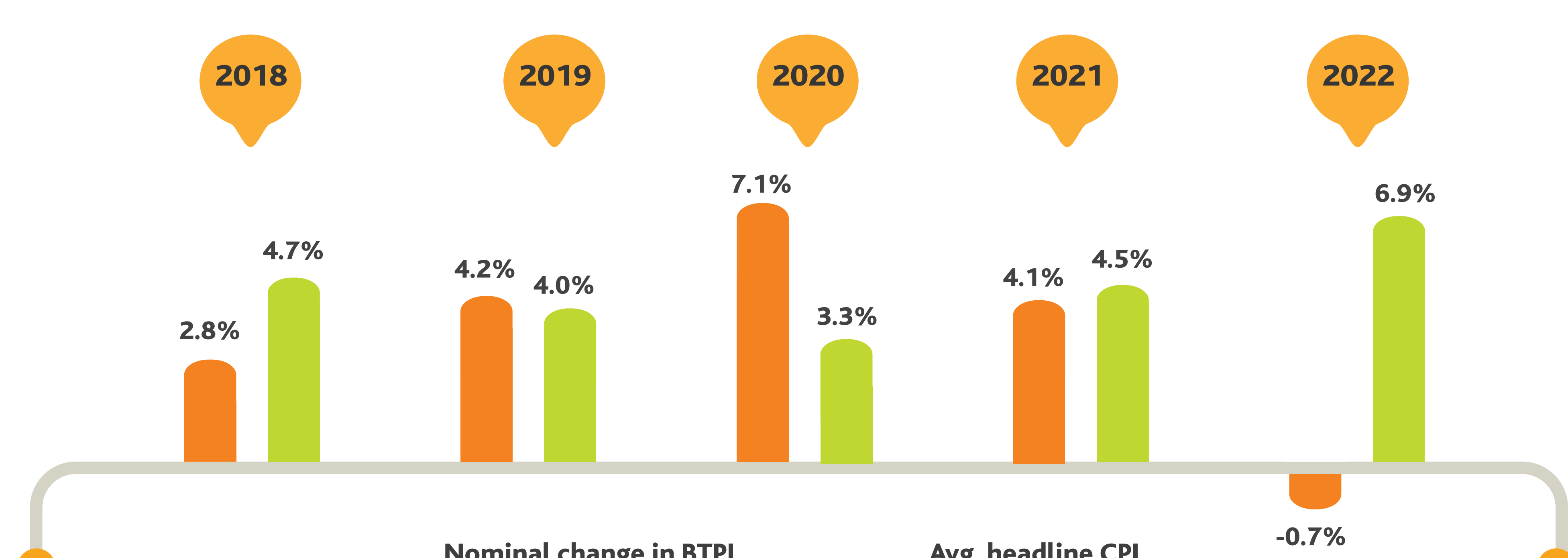


SALARIES HAVE NOT KEPT UP WITH INFLATION

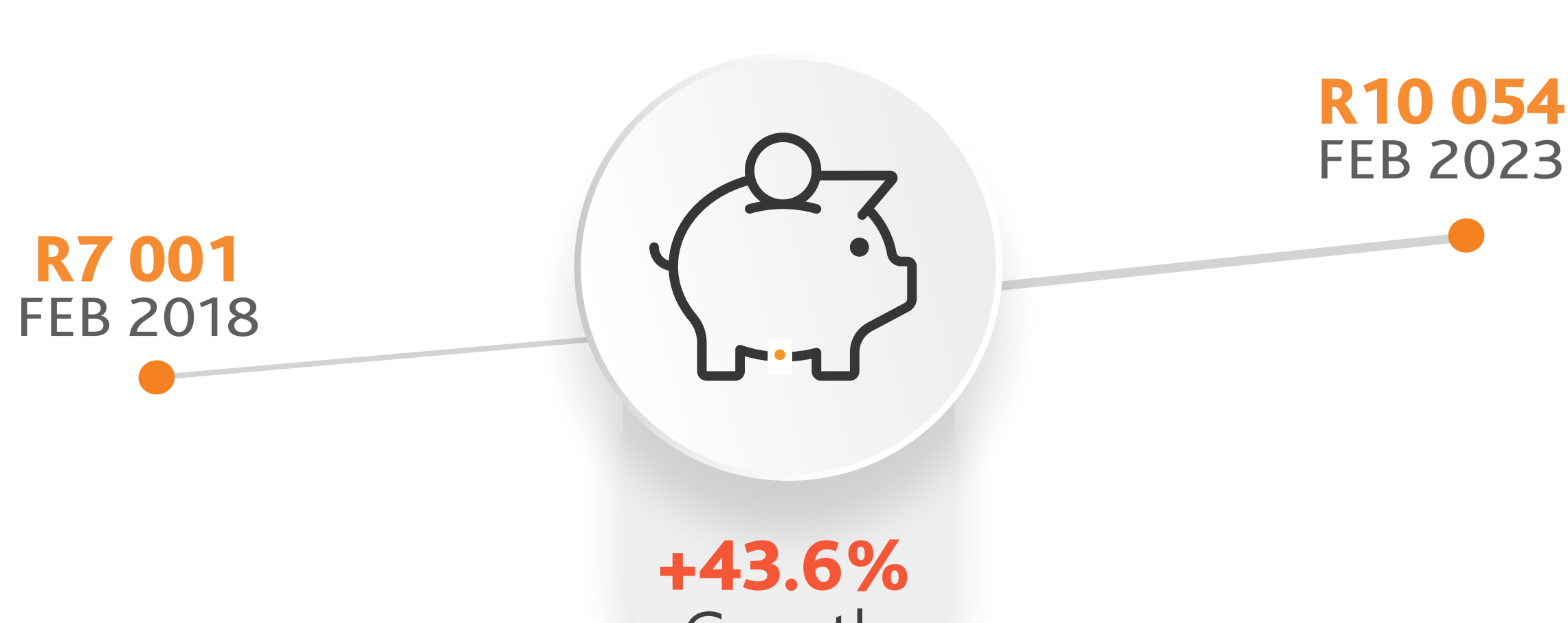


SALARIES INCREASED FROM R12 573 IN FEBRUARY 2018 TO R15 438 IN FEBRUARY 2023, GROWTH OF **22.8%** (lower than Stats SA CPI of 26.6% over the same period)

NOMINAL TAKE-HOME PAY VS. CONSUMER INFLATION

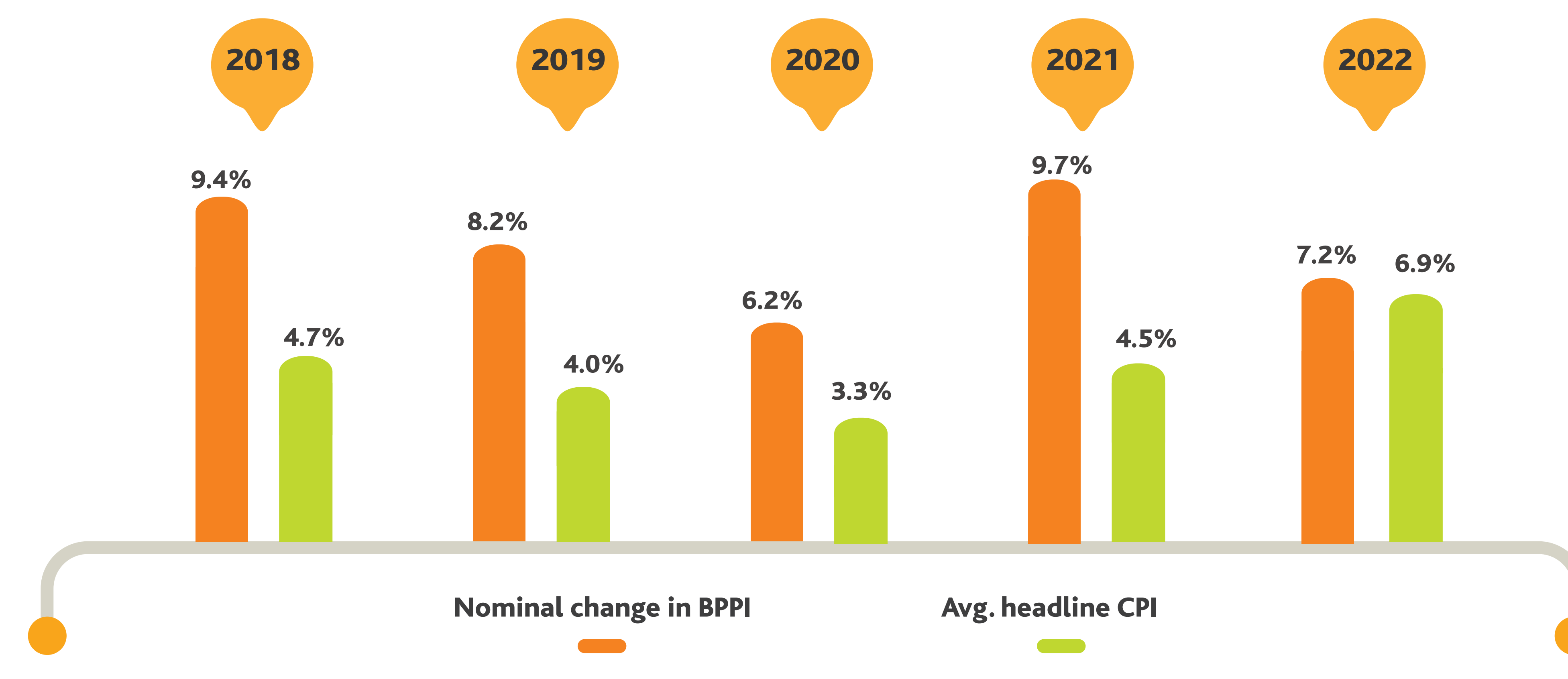


PRIVATE PENSIONS WERE ON A ROLL



PRIVATE PENSIONS WERE UP FROM R7 001 IN FEBRUARY 2018 TO R10 054 IN FEBRUARY 2023. WITH AN INCREASE OF **43.6%**, IT OUTPERFORMED THE AVERAGE TAKE-HOME PAY

THE NOMINAL BPPI OUTPACED INFLATION



SALARY PAYMENTS IN THE LAST FIVE YEARS

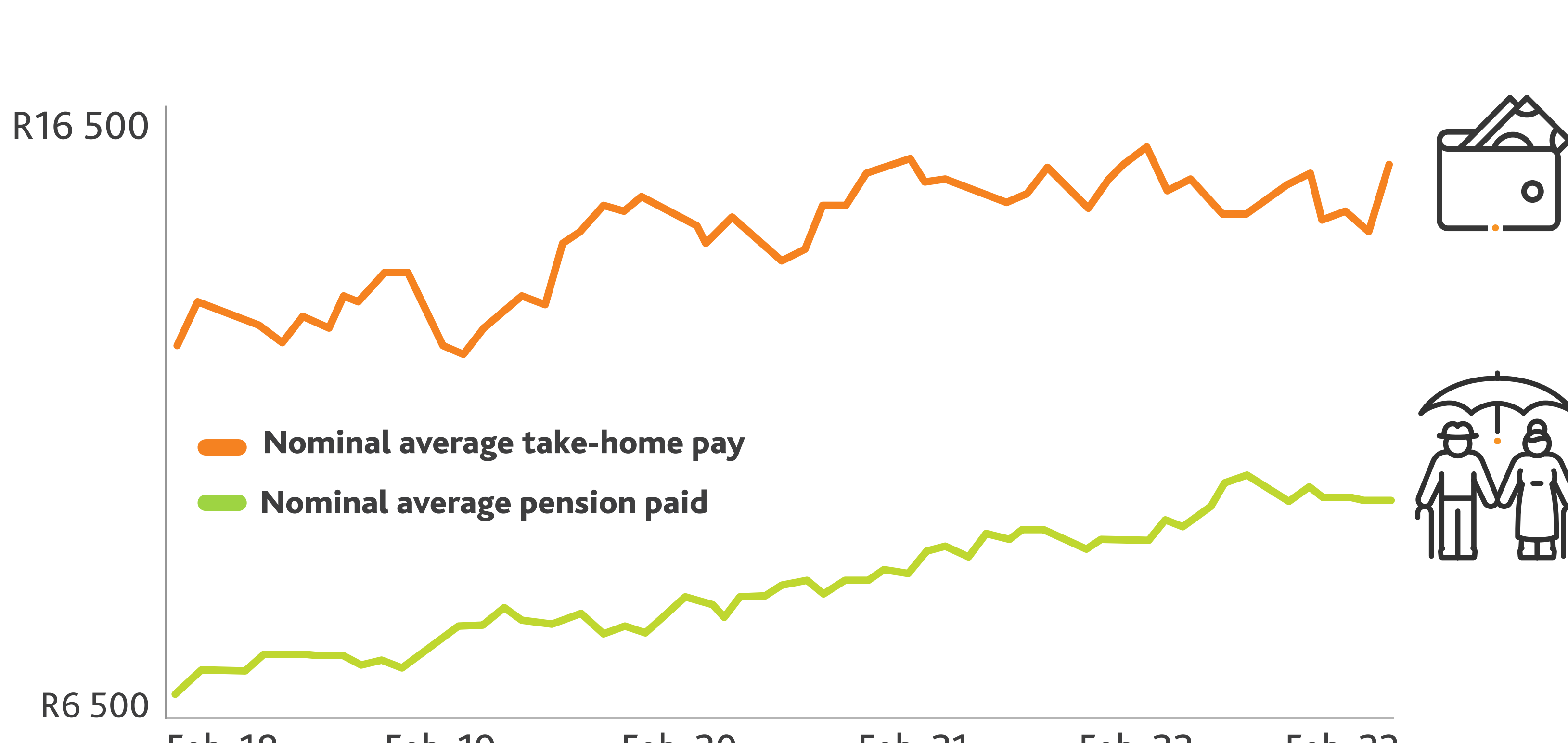


OVERALL, PRIVATE PENSIONS ARE FARING BETTER THAN SALARIES



THE RATIO OF PENSIONS TO TAKE-HOME PAY INCREASED FROM 0.56 IN FEBRUARY 2018 TO 0.65 IN FEBRUARY 2023

A FIVE-YEAR VIEW OF THE NOMINAL AVERAGE BTPI VS BPPI



NOMINAL TAKE-HOME PAY AND PRIVATE PENSIONS GREW OVER THE PAST FIVE YEARS. HOWEVER, REAL AVERAGE PRIVATE PENSIONS KEPT UP WITH INFLATION, UNLIKE AVERAGE TAKE-HOME PAY

KEY TAKE-OUTS

- In the past five years, private pensions have outperformed salaries.
- Private pensions had a strong run despite the rising consumer inflation and disappointing economic environment.
- With low prospects of a changed economic environment, the job market is expected to remain challenging as the impact of inflation affects salaries.

About BankservAfrica's Take-home Pay Index (BTPI)

The BTPI reflects the monthly trend in average take-home pay from the number of wages processed by BankservAfrica via the National Payment System (NPS). The sample size, on a monthly basis, has grown from 4.7 million in 2018 (average over 12 months) to 5.3 million in 2022.

Adjusting the data for weekly payments has reduced the sample in 2022 to an average of 4 million, reflecting a quarter of the employed people in South Africa.

Only interbank transactions cleared by BankservAfrica are reflected.

About BankservAfrica's Private Pensions Index (BPPI)

The BPPI is calculated on a monthly basis by dividing the total value of pensions paid into the bank accounts of retired employees (excluding pensions greater than R100K per month and excluding SASSA and SRD state grants) by the total number of pension payments. At present, the average number of monthly pension payments below R100 000 per month is around 650 000.

The BankservAfrica Private Pension Index is unique given that it is a monthly time series and the only indicator of trends in pension payments in South Africa.



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