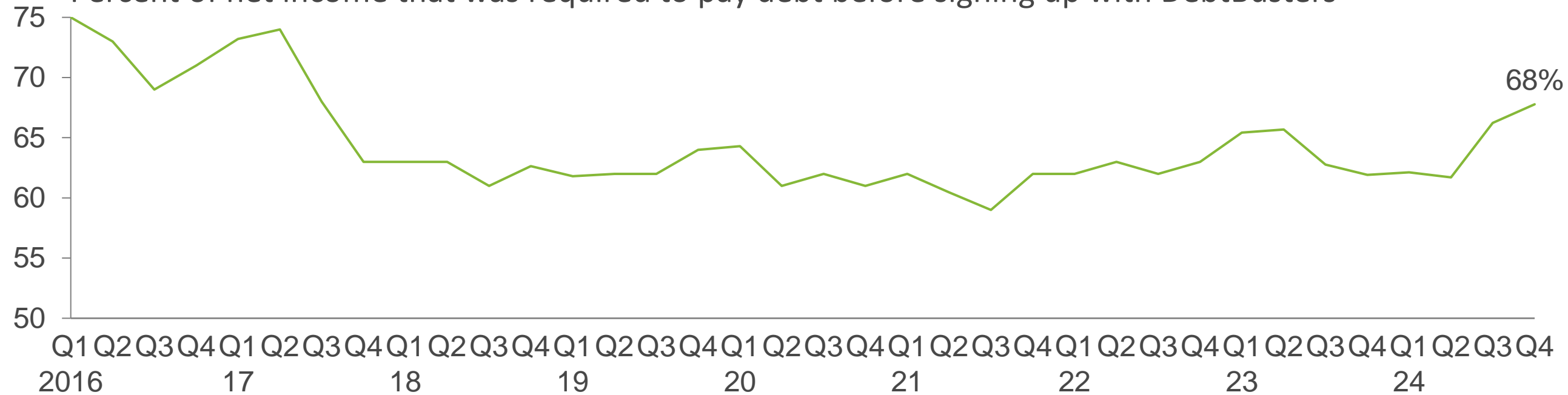


# Compared to previous quarters, debt service ratio is higher where consumers need 68% of their take home pay to service debt, which is a significant increase from previous quarters and is at the highest level since 2017...



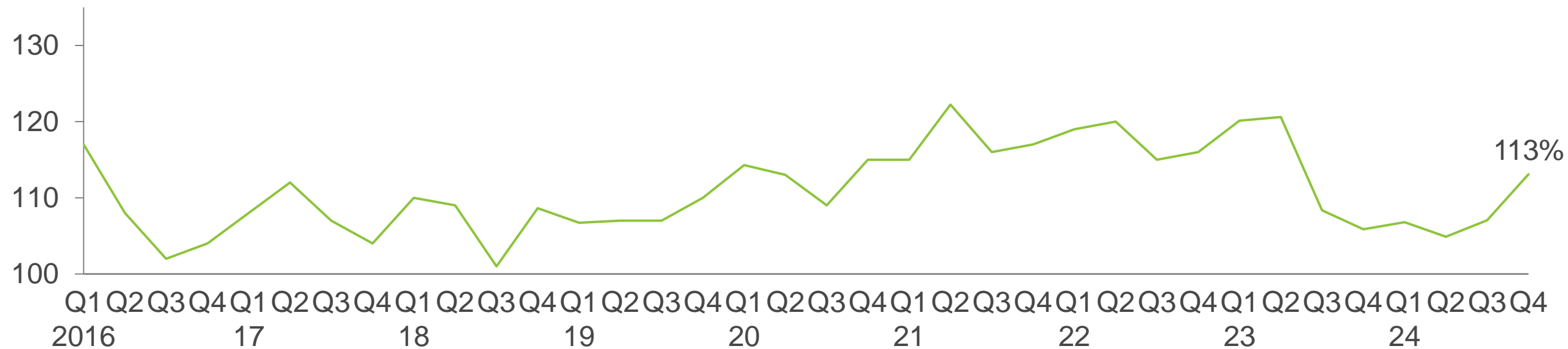
## Original (median) monthly debt repayment to net income ratio<sup>1</sup> has increased...

Percent of net income that was required to pay debt before signing up with DebtBusters



## ...even though quarter-on-quarter overall debt levels are slightly lower compared to previous years

Total debt exposure to annual net income ratio, when consumers sign up with DebtBusters



Comparable figure for other select countries (from OECD):

Mexico 27%	USA 110%
Poland 49%	UK 137%
Italy 82%	Korea 187%
Germany 90%	Australia 217%

In many countries, debt is mostly home loan debt at very low interest rates

<sup>1</sup> Median debt to net income ratio for all new consumers signed up in that quarter

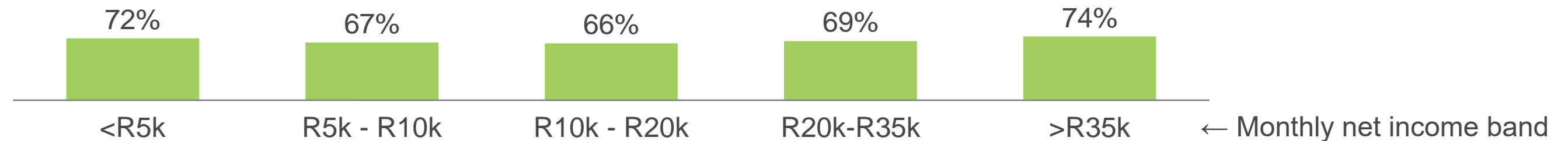
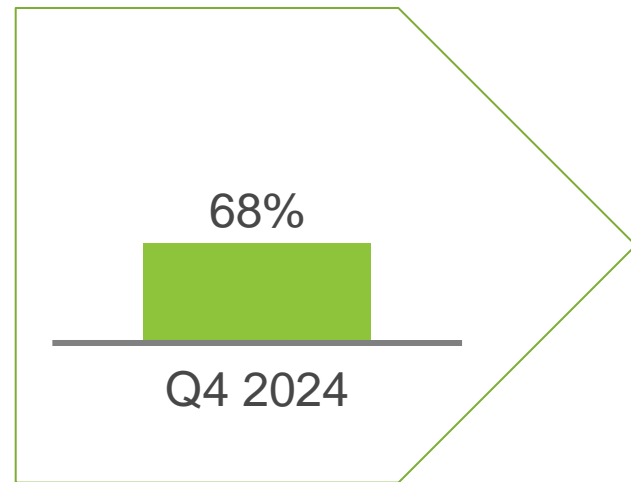
Source: DebtBusters

OECD (2024), "Household debt" (indicator), <https://doi.org/10.1787/f03b6469-en> (accessed on 2 February 2025). For USA, figures are for 2022 (most recent year of reporting). For other countries, the figures are for 2023.

...for those taking home more than R35k per month the total debt to annual net income ratio is 187% and they need 74% of their take home pay every month to service their debt repayments. Similarly, those taking home less than R5k per month need 72% of their take home pay to service debt repayments...

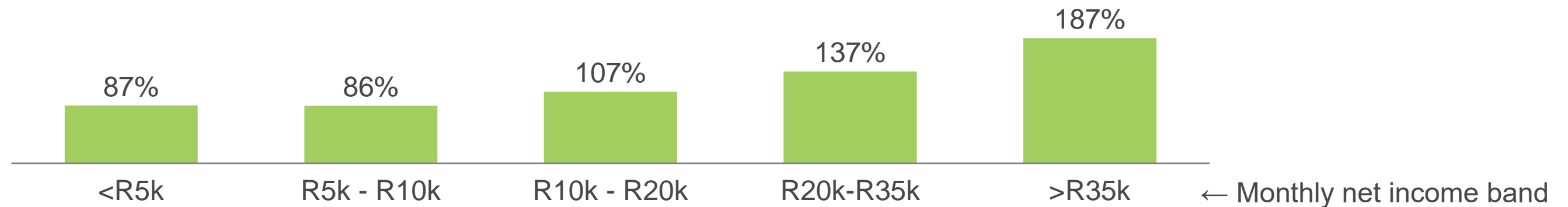
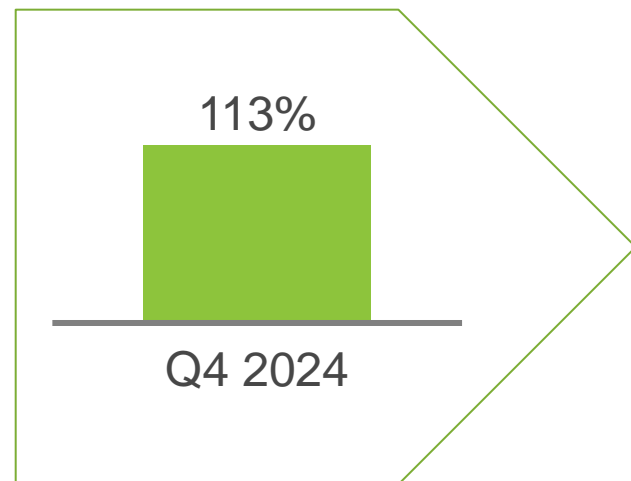
**Original monthly debt repayment to net income ratio<sup>1</sup>**

Percent of net income that was required to pay debt before signing up with DebtBusters



**Original overall debt to annual net income ratio<sup>1</sup>**

Debt exposure to net income ratio, when consumers sign up with DebtBusters



Highest monthly debt repayment ratio

Lower overall debt ratio at 87% but require 72% of net income to pay debt each month (highest monthly debt repayment ratio), which means interest rates charged are highest.

Highest debt to income ratio

<sup>1</sup> Debt to Income ratio is calculated by looking at the median in each quarter

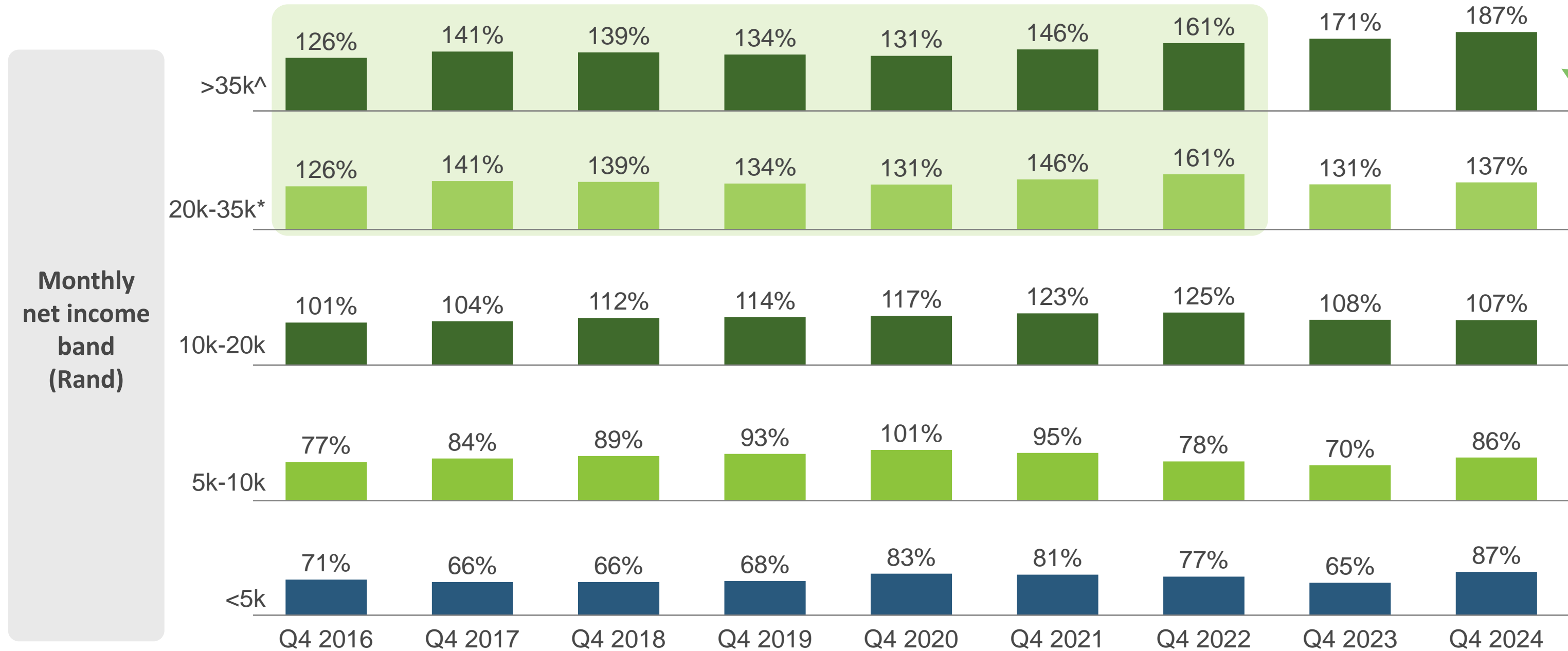
# ...the overall debt to annual net income ratio for most income bands appears to have worsened for many income bands; those taking home R35k or more have an overall debt-to-income ratio of 187%



Ratios are the same for this period because these two income groups were tracked together until 2023

## Original overall debt to annual net income ratio<sup>1</sup>

Debt exposure to net income ratio, when consumers sign up with DebtBusters



Highest ratio at 187% in the >R35k group. This is predominantly due to home loan and vehicle finance debt

<sup>1</sup> Debt to Income ratio is calculated by looking at the median in each quarter

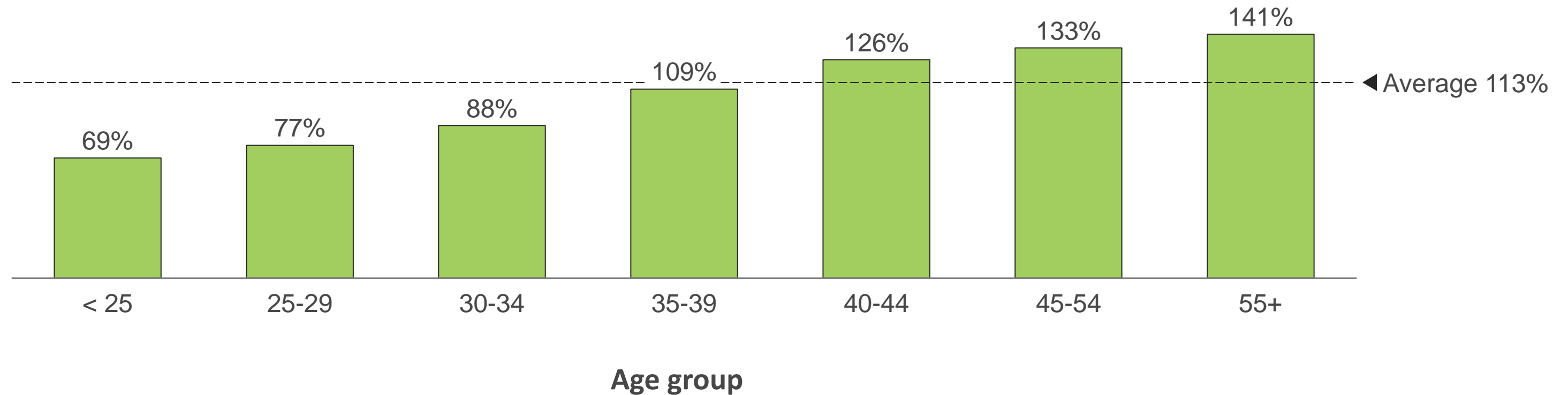
<sup>^</sup> New income band reported from Q1 2023 (Split from a broader group of >R20k); previously was part of the >20k income band. Previous quarters' ratios are attributed to this group as well as R20k-35k income band

<sup>\*</sup> New income band reported from Q1 2023 (Split from a broader group of >R20k); previously was part of the >20k income band. Previous quarters' ratios are attributed to this group as well as >R35k income band

# Debt-to-income ratio varies with age group; indicating there is an opportunity for younger consumers to address their debt earlier in their professional lives



Original overall debt to annual net income ratio for most recently completed quarter<sup>1</sup>  
Debt exposure to net income ratio, when consumers sign up with DebtBusters

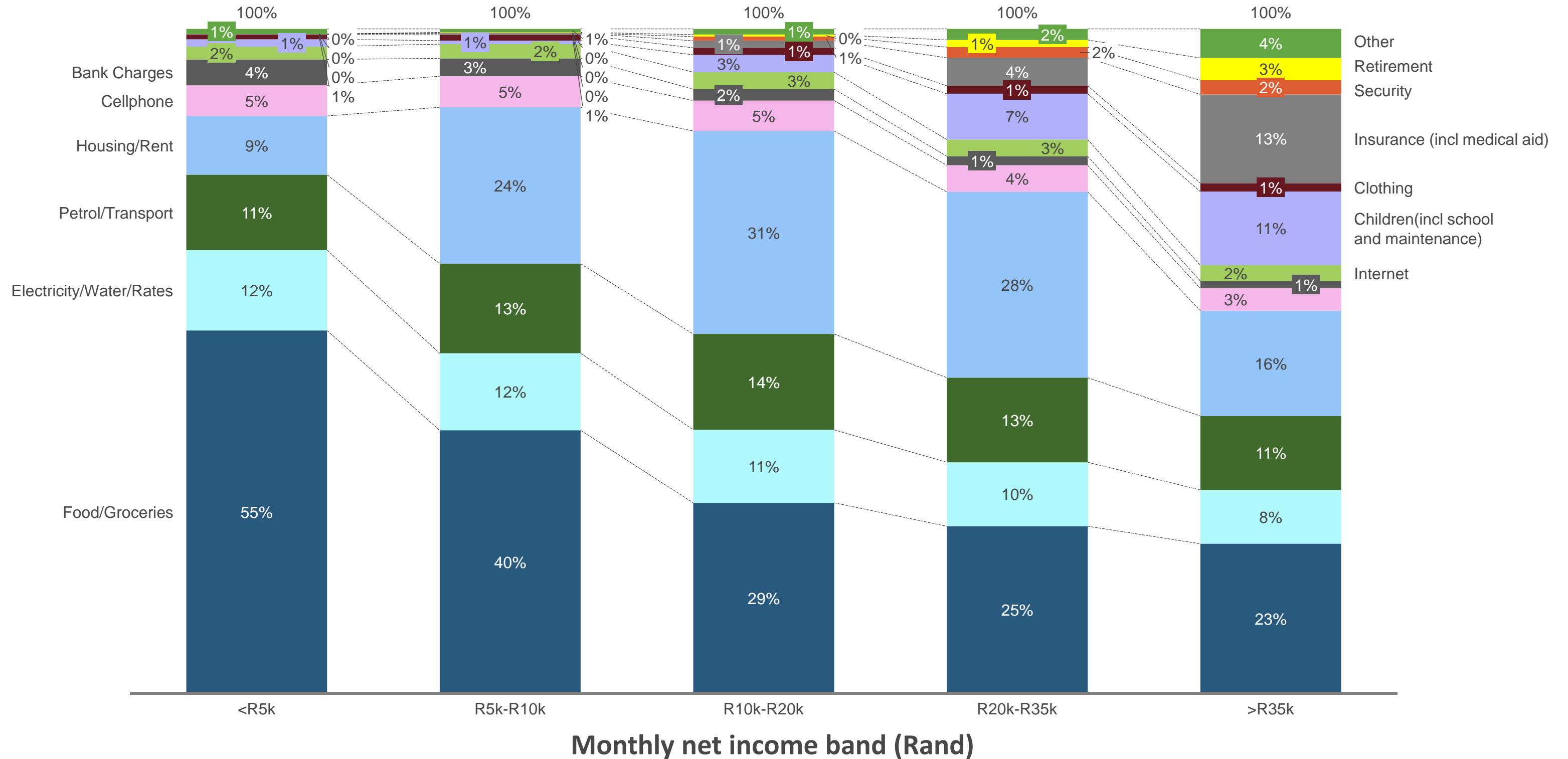


<sup>1</sup> Debt to Income ratio is calculated by looking at the median for each age group; for most recently completed quarter

# Debt repayments make up a sizeable portion of take home pay. But what does the rest of consumers' budgets look like? Predictably there are differences between income groups, particularly in food and housing expenditure. However, surprisingly, almost all consumers spend ~13% of their disposable income on transport, ~11% on utilities, and 5% on cellphone contracts...



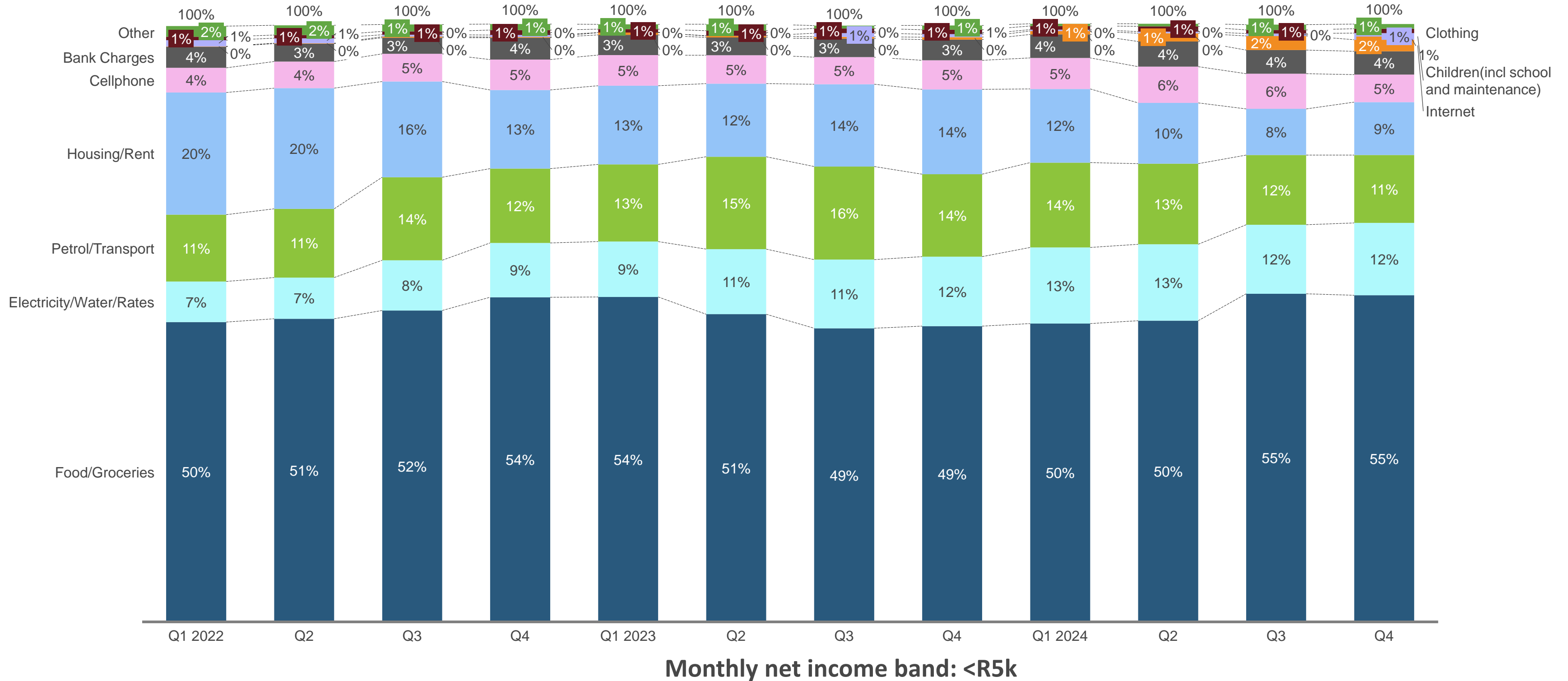
Share of disposable income (excluding debt repayments) spent on...  
 Clients who applied for debt counselling in most recently completed quarter



# Those taking home less than R5,000 per month are having to cut back on housing costs to accommodate for higher electricity prices and high food inflation...



Share of disposable income (excluding debt repayments) spent on...  
 Clients who applied for debt counselling in most recently completed quarter

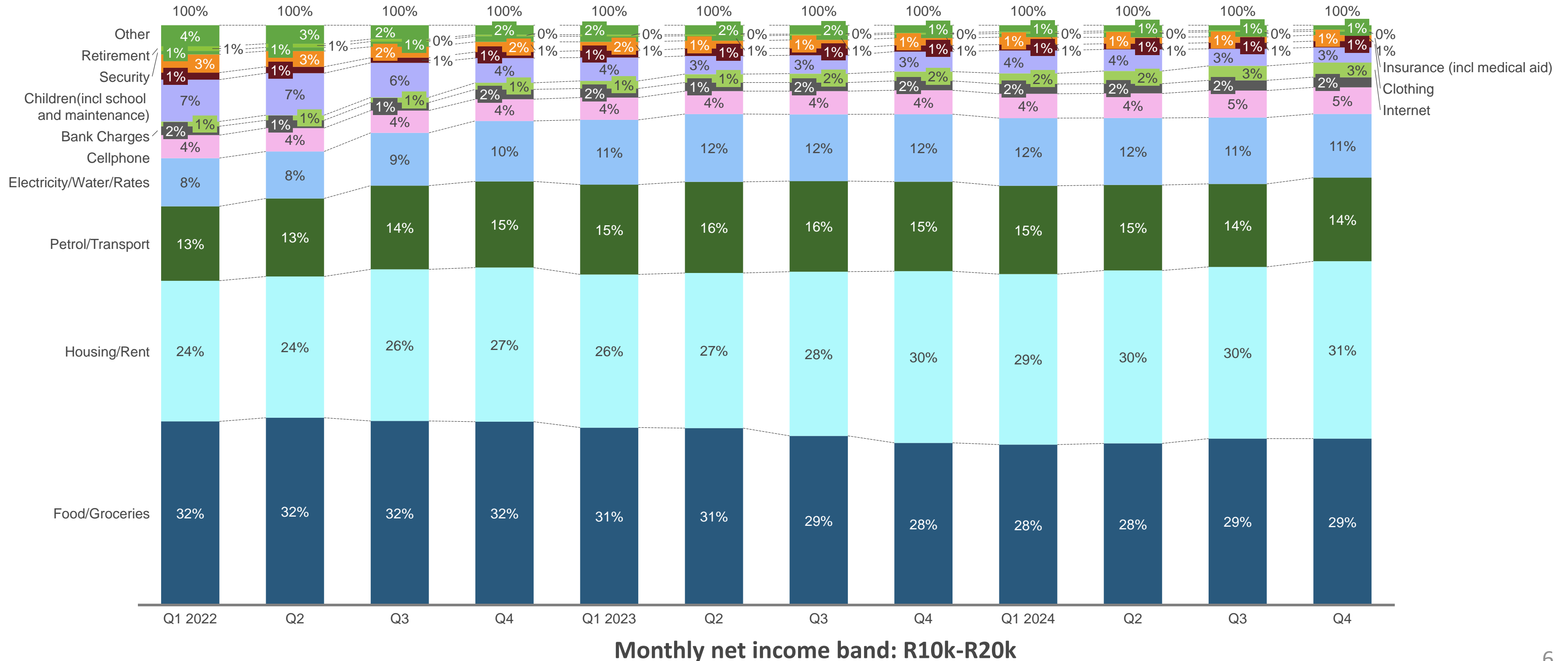


...Whereas those taking home between R10k and R20k p.m., the backbone of South Africa's working population, are under severe housing pressure, and have had to cut back on food expenditure as well as spend on their children...



Share of disposable income (excluding debt repayments) spent on...

Clients who applied for debt counselling in most recently completed quarter



# ...and those taking home more than R35k p.m., while under debt repayment pressure, have had more stable budgets



Share of disposable income (excluding debt repayments) spent on...  
 Clients who applied for debt counselling in most recently completed quarter

