

## EXECUTIVE SUMMARY

Latest statistics released by the Spark Cash Index (SCI)\*, which measures the average value of cash withdrawals across more than 2 000 Spark Automated Teller Machines (ATMs) throughout South Africa, showed a significant boost in ATM withdrawal levels for March 2013, fuelled by public, religious and school holidays during the month.

The SCI revealed a month-on-month increase of 4.84% in average cash withdrawal figures for March 2013 to R465.04. This represents an 11.28% year-on-year increase.

According to Ryan Tzamtzis, Operations Manager of Spark ATM Systems, this jump is significant as it is the second highest average withdrawal value ever recorded by the SCI since its inception in January 2007. "The combination of public holidays, major religious festivals - including Passover and Easter - and the beginning of school holidays all falling into the same month, resulted in consumers increasing their spending, especially on entertainment and travel."

In addition to this, March is also the beginning of the financial year for many companies, resulting in employees often receiving pay hikes and bonuses, which tends to boost spending on luxury goods and services, says Tzamtzis.

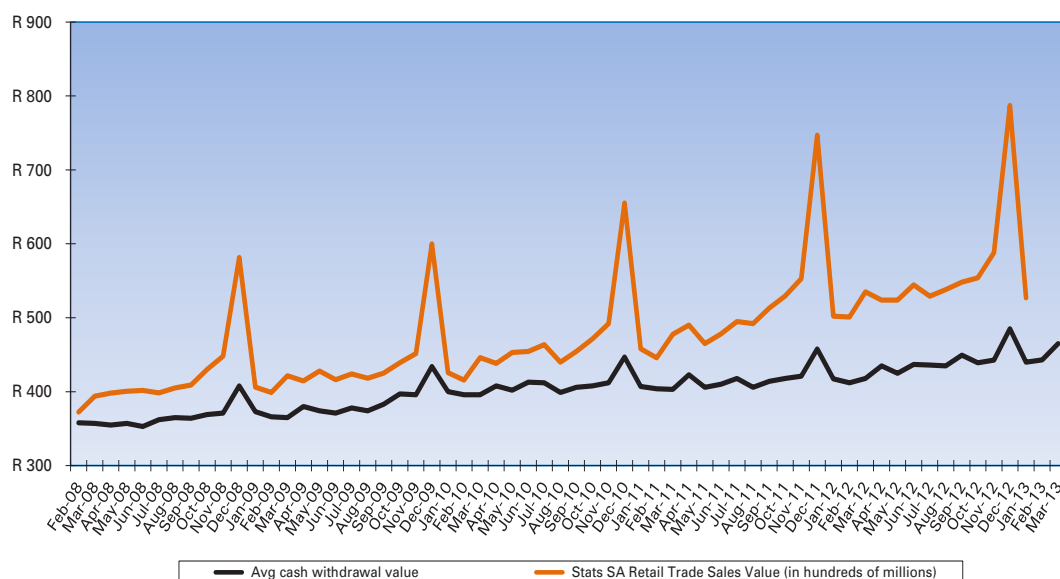
## AVERAGE CASH WITHDRAWAL VALUE

AVERAGE CASH WITHDRAWN MARCH 2013
R465.04

MONTH-ON-MONTH CHANGE FEB 2013 VS MAR 2013
↑ 4.84%

YEAR-ON-YEAR CHANGE MAR 2012 VS MAR 2013
↑ 11.28%

## AVERAGE CASH WITHDRAWAL VALUE VS STATS SA RETAIL TRADE SALES VALUE

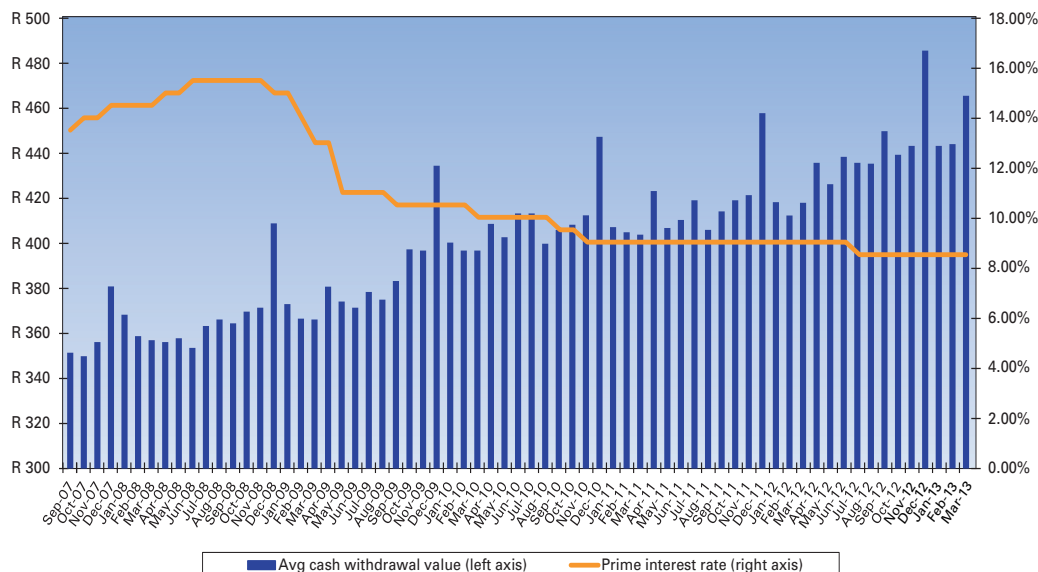


However, he says this boost does not necessarily point to consumers being financially better off, as an increase in the overall price level plays a role. "Prices are on their way up so the figure partly reflects higher prices or cost of living as well as spending."

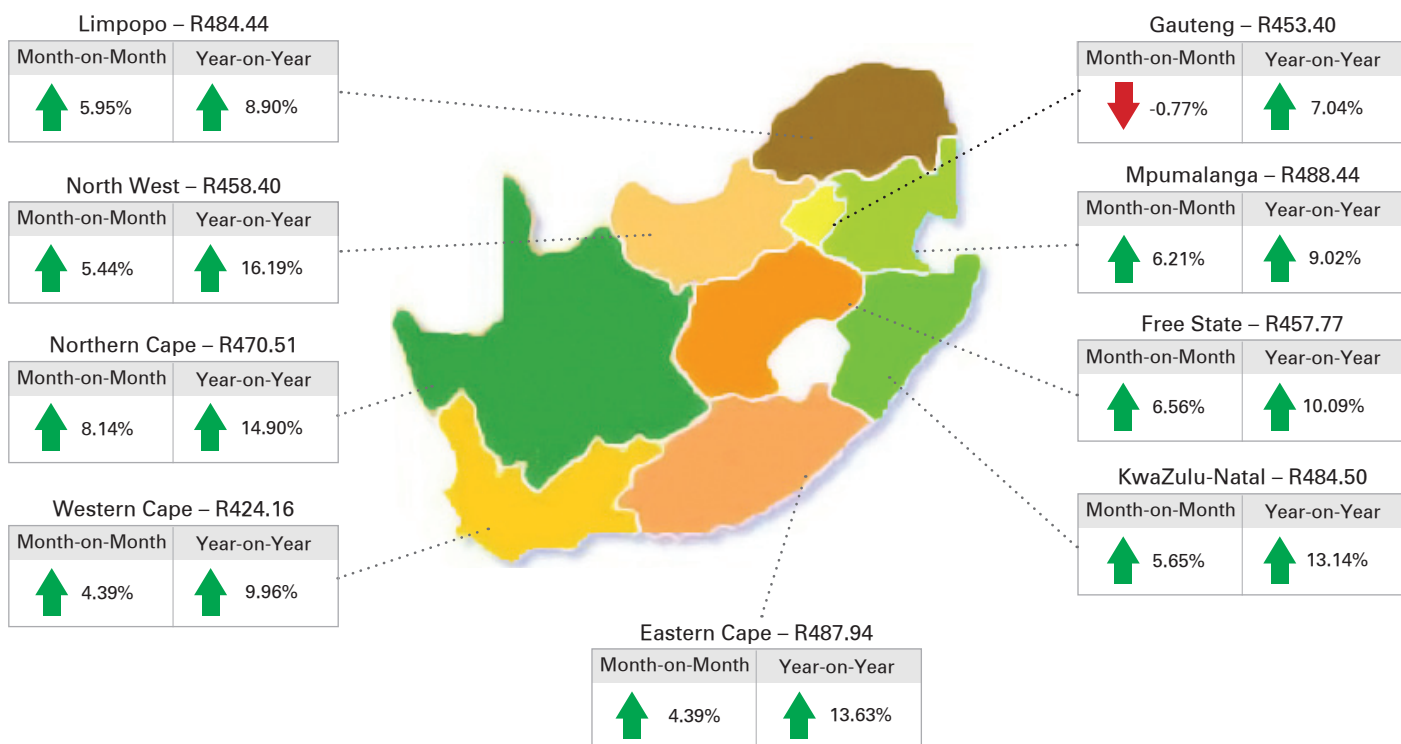
Ronel Oberholzer, Principal Economist at IHS Global Insights, says that while public holidays do provide a short term boost to the economy, they do not necessarily provide long term benefits. "Consumer spending is an extremely important driver of growth as it makes up 60% of the economy. However, to truly sustainably grow the economy's potential, production is needed. Therefore, a "break" in production as a result of public holidays is viewed as negative to the economy over the medium to longer term."

Historically, the SCI data typically reveals a boost in ATM withdrawal activity over the March/April period with the next major jump to be expected around the June-July school holidays, says Tzamtzis. "As a result, a decline in ATM withdrawals will most likely take place over the next two months with a likely bounce back in June."

## AVERAGE CASH WITHDRAWAL VS PRIME INTEREST RATE



## AVERAGE CASH WITHDRAWAL BY REGION



\*Month-on-Month = February 2012 vs. March 2013. Year-on-Year = March 2012 vs. March 2013

The Mpumalanga province recorded the highest average cash withdrawal value (R488.44) for March 2013, followed by the Eastern Cape (R487.94) and KwaZulu-Natal (R484.50) provinces.

The Eastern Cape, Mpumalanga and Limpopo typically have higher withdrawal amounts due to the remittance income that flows from the metro areas to the rural provinces, says Oberholzer. "People are simply withdrawing money that was transferred to them."

However, she says these types of rural regions often receive a different kind of boost over holiday periods because the same people that send remittance income home also visit their homes over the holidays. "Of all tourists that visited Eastern Cape in 2011, for example, 71% of them were visiting friends and family."

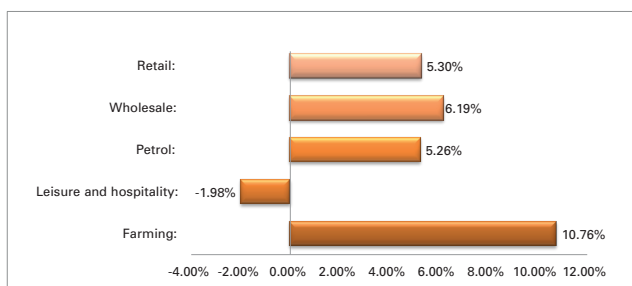
## REGIONAL AVERAGE CASH WITHDRAWAL DATA TABLE

Month	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	Limpopo	Mpumalanga	Northern Cape	North West	Western Cape	National
Mar-12	R 429.40	R 415.81	R 423.59	R 428.24	R 444.85	R 448.03	R 409.50	R 394.52	R 385.73	R 417.92
Apr-12	R 450.18	R 428.11	R 430.35	R 451.01	R 469.54	R 473.60	R 428.10	R 415.72	R 389.36	R 435.47
May-12	R 445.90	R 411.90	R 435.26	R 440.94	R 448.81	R 454.08	R 427.15	R 408.37	R 380.01	R 425.94
Jun-12	R 456.31	R 420.15	R 445.17	R 451.26	R 452.99	R 457.16	R 429.82	R 418.00	R 387.99	R 437.71
Jul-12	R 468.85	R 421.34	R 443.43	R 447.57	R 455.88	R 470.04	R 433.13	R 422.83	R 383.20	R 435.54
Aug-12	R 461.41	R 415.02	R 443.57	R 450.32	R 456.83	R 475.72	R 430.00	R 424.17	R 383.38	R 434.93
Sep-12	R 472.15	R 438.48	R 457.95	R 462.15	R 477.25	R 503.48	R 446.78	R 440.25	R 389.30	R 449.47
Oct-12	R 464.91	R 416.41	R 454.51	R 450.50	R 458.14	R 477.96	R 447.03	R 430.36	R 387.52	R 439.27
Nov-12	R 465.11	R 417.88	R 453.51	R 460.30	R 454.29	R 475.75	R 456.47	R 431.59	R 391.48	R 442.71
Dec-12	R 520.71	R 439.39	R 491.90	R 508.87	R 491.16	R 512.61	R 482.24	R 468.25	R 428.13	R 485.07
Jan-13	R 475.59	R 412.06	R 450.69	R 451.59	R 446.55	R 459.36	R 434.16	R 432.79	R 405.73	R 440.53
Feb-13	R 467.44	R 429.57	R 456.93	R 458.60	R 457.25	R 459.89	R 435.09	R 434.77	R 406.32	R 443.56
Mar-13	R 487.94	R 457.77	R 453.40	R 484.50	R 484.44	R 488.44	R 470.51	R 458.40	R 424.16	R 465.04

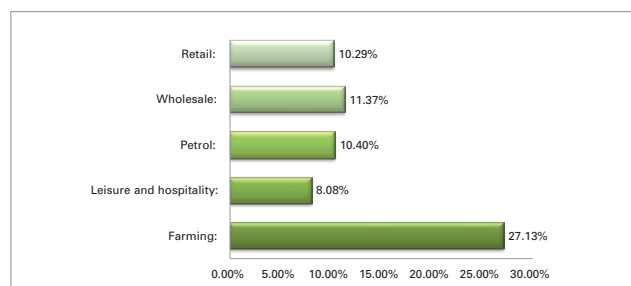
## AVERAGE CASH WITHDRAWAL BY SITE CATEGORY

Retail	Wholesale	Petrol	Leisure & hospitality	Farming
R 455.12	R 479.75	R 468.75	R 415.39	R 415.92

### MONTH-ON-MONTH CHANGE FEBRUARY 2013 – MARCH 2013



### YEAR-ON-YEAR CHANGE MARCH 2012 – MARCH 2013



Wholesale locations recorded the highest cash withdrawal value (R479.75) while petrol sites came in with the second highest average cash withdrawal value (R468.75) followed by retail sites (R455.12).

The increase in ATM activity noted at wholesale sites could reveal that shop owners, who source their goods from wholesalers, stocked up on supplies ahead of the long weekends in anticipation of the increase in consumer spending, says Tzamtzis.

He says a combination of the petrol price increase and more people travelling over the school holiday season could have contributed to the growth in ATM withdrawals at petrol sites. "It is interesting to note that the increase in withdrawals is higher than the increase in petrol prices, which indicates that people were probably withdrawing money for spending on things other than petrol when they stopped at petrol stations. It could also mean they were putting more petrol in their cars in anticipation of holiday journeys."

\*\*Retail sites includes supermarkets, convenience stores, fast food outlets, pharmacies, hardware stores, liquor stores and butcheries.

## SITE CATEGORY AVERAGE CASH WITHDRAWAL DATA TABLE

Month	Retail	Wholesale	Petrol	Leisure & hospitality	Farming
Mar-12	R 412.66	R 430.78	R 424.58	R 384.34	R 327.15
Apr-12	R 428.33	R 453.76	R 441.03	R 390.45	R 334.61
May-12	R 419.45	R 439.65	R 434.65	R 386.55	R 355.93
Jun-12	R 428.95	R 446.41	R 442.79	R 391.91	R 396.81
Jul-12	R 426.95	R 451.66	R 439.81	R 393.77	R 401.95
Aug-12	R 430.82	R 449.47	R 435.25	R 393.52	R 343.61
Sep-12	R 445.66	R 468.46	R 448.54	R 395.41	R 401.90
Oct-12	R 432.95	R 450.16	R 440.05	R 401.28	R 454.68
Nov-12	R 434.28	R 456.30	R 439.38	R 402.21	R 442.39
Dec-12	R 476.78	R 509.51	R 476.52	R 427.70	R 455.99
Jan-13	R 427.44	R 445.77	R 448.11	R 429.40	R 410.91
Feb-13	R 432.20	R 451.79	R 445.31	R 423.82	R 375.51
Mar-13	R 455.12	R 479.75	R 468.75	R 415.39	R 415.92

## DATA TABLE

Below is the data table including all relevant statistics from March 2010 to March 2013. The table demonstrates the average cash withdrawal value across South Africa, the changes in withdrawal values from month-to-month and year-to-year as well as the Stats SA retail trade sales value.

Month	Average Cash Withdrawal	Month-on-Month Change	Year-on-Year Change	Stats SA retail TradeSales Value
Mar-10	R 396.14	0.02%	8.45%	R 446
Apr-10	R 407.88	2.96%	7.32%	R 438
May-10	R 402.33	-1.36%	7.53%	R 453
Jun-10	R 411.04	2.16%	10.84%	R 454
Jul-10	R 411.92	0.21%	9.12%	R 464
Aug-10	R 401.46	-2.54%	7.2%	R 440
Sep-10	R 405.47	1.00%	5.93%	R 454
Oct-10	R 407.58	0.52%	2.78%	R 471
Nov-10	R 411.98	1.08%	3.96%	R 492
Dec-10	R 446.56	8.39%	3.04%	R 655
Jan-11	R 407.06	-8.85%	1.66%	R 458
Feb-11	R 404.28	-0.68%	2.08%	R 446
Mar-11	R 403.11	-0.29%	1.76%	R 478
Apr-11	R 422.30	4.76%	3.54%	R 490
May-11	R 406.41	-3.76%	1.01%	R 465
Jun-11	R 409.95	0.87%	-0.26%	R 478
Jul-11	R 418.40	2.06%	1.57%	R 495
Aug-11	R 405.69	-3.04%	1.05%	R 492
Sep-11	R 413.88	2.02%	2.07%	R 513
Oct-11	R 418.79	1.19%	2.75%	R 530
Nov-11	R 420.84	0.49%	2.15%	R 553
Dec-11	R 457.67	8.75%	2.49%	R 747
Jan-12	R 417.85	-8.70%	2.65%	R 502
Feb-12	R 411.82	-1.44%	1.87%	R 503
Mar-12	R 417.92	1.48%	3.67%	R 535
Apr-12	R 435.47	4.20%	3.12%	R 524
May-12	R 425.94	-2.19%	4.81%	R 524
Jun-12	R 437.71	2.76%	6.77%	R 544
Jul-12	R 435.54	-0.50%	4.10%	R 529
Aug-12	R 434.93	-0.14%	7.21%	R 538
Sep-12	R 449.47	3.34%	8.60%	R 548
Oct-12	R 439.27	-2.27%	4.89%	R 554
Nov-12	R 442.71	0.78%	5.20%	R 588
Dec-12	R 485.07	9.57%	5.99%	R 787
Jan-13	R 440.53	-9.18%	5.43%	R 527
Feb-13	R 443.56	0.69%	7.71%	Not yet released
Mar-13	R 465.04	4.84%	11.28%	Not yet released

## ABOUT THE SPARK CASH INDEX (SCI)

The amount of cash withdrawn at ATMs is a real-time indicator of cash availability and consumer spending in the economy. From Spark ATM Systems' records the company has noticed that over time the average amount of cash withdrawn at its network of ATMs corresponds with general economic conditions in South Africa. The SCI also points to consumer trends such as the variations in cash withdrawn based on prevailing economic conditions, particularly variations in the prime interest rate and seasonal peaks and dips.

## EXPLANATORY NOTES

The value for the Spark Cash Index is obtained using the following formula: Cash dispensed for the month divided by the number of cash withdrawals for the month across a selection of our ATM network. The sample size is very large and spans urban and rural areas across all nine provinces of South Africa, therefore representing a very good cross section of South African consumers. The data presented is raw data and has not been adjusted for seasonality or for the effects of inflation.

## ABOUT SPARK ATM SYSTEMS

Spark ATM Systems is the premier independent ATM deployer in South Africa importing, installing and maintaining world-leading Automated Teller Machines (ATMs) for the South African convenience ATM market.

Convenience ATMs have taken the world and South Africa by storm and today are found in every conceivable type of retail, hospitality, leisure and convenience location for one simple reason - consumers expect them wherever they need cash and merchants recognise their many benefits.

Established in 2005, Spark ATM Systems has grown into a national organisation with sales and technical capabilities across South Africa. From our headquarters in Cape Town, our Head Office team coordinates the sales, installation, maintenance, processing, settlement, reconciliation, monitoring, reporting, customer relationship and contact centre requirements for our ever-growing national network of ATMs. We boast a national list of independent and corporate customers across all major retail, convenience, wholesale, leisure and hospitality operators. Visit [www.sparkatm.co.za](http://www.sparkatm.co.za) for more information.

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