



Compiled by Jacques du Toit Property Analyst Absa Home Loans

15 Troye Street Johannesburg | 2001

PO Box 7735 Johannesburg | 2000 South Africa

Tel +27 (0)11 350 7246 jacques@absa.co.za www.absa.co.za

Note: The value of and growth in outstanding credit balances, especially unsecured credit, were affected by the inclusion of data related to African Bank as from April 2016. As a result, year-on-year growth in household credit balances and some of its unsecured components were distorted for a 12-month period from April 2016 to March 2017.

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## Credit and mortgage advances

## 29 November 2017

## Continued low-single digit growth in household credit balances

The first ten months of 2017 saw the value of outstanding credit balances in the South African household sector growing at a relatively subdued pace of 3,5% year-on-year (y/y) to an amount of R1 529.9 billion.

Household secured credit balances increased by 3,6 % y/y to R1 176,8 billion (76,9% of total household secured credit balances) in the 10-month period up to the end of October, which was the result of trends in household mortgage balances (see below) and instalment sales balances (21,8% of total household secured balances and largely related to vehicle finance), which showed growth 5,4% y/y up to end-October.

Unsecured credit balances in the household sector (R353,1 billion and 23,1% of total household credit balances) increased by 3,1 % y/y in the period January to October. Growth in general loans and advances balances (R206,9 billion and 58,6% of total household unsecured credit balances, while mainly consisting of personal loans and micro finance) slowed down further to only 2,9% y/y up to the end of October from a recent high of 5,4% y/y at the end of April this year.

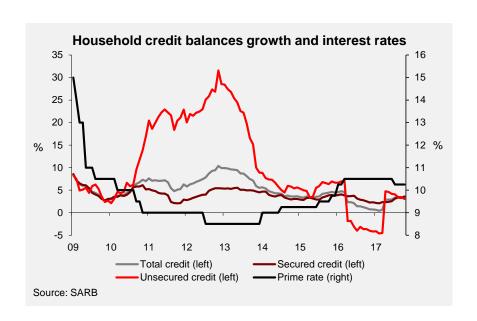
The value of outstanding private sector mortgage balances (R1 340,2 billion and 39,5% of total private sector credit balances of R3 394,4 billion), which includes both corporate and household mortgage balances, increased by 4,3% y/y in the first ten months of the year. Corporate mortgage balances (R421,3 billion and 31,4% of total private sector mortgage balances) increased by 6,7% y/y in the period January to October. Growth in outstanding household mortgage balances (R918,9 billion, with a share of 78,1% in total household secured credit balances and 68,6% in total private sector mortgage balances) was recorded at 3,3% y/y up to end-October. The value of outstanding mortgage balances is the net result of all property transactions related to mortgage loans, including additional capital amounts paid into mortgage accounts and extra monthly payments above normal mortgage repayments.

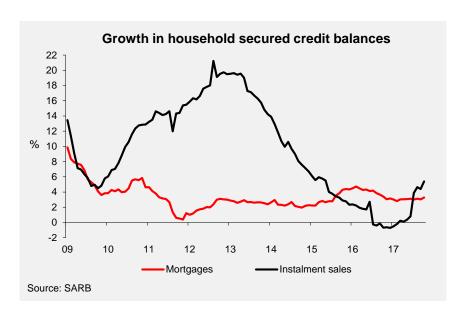
In view of current trends in and the outlook for the economy, the state of household finances and consumer confidence, growth in household credit balances, including mortgage balances, is forecast to remain well in single-digit territory up to the end of 2017 and in 2018.

Credit and mortgage balances <sup>1</sup>											
Period	Private sector		Household			Total mortgage		Household			
	credit balances <sup>2</sup>		credit balances			balances <sup>3</sup>		mortgage balances			
	R billion	y/y %	R billion	y/y %	% of private	R billion	y/y %	R billion	y/y %	% of total	% of total
		change		change	sector credit		change		change	mortgage	household
					balances					balances	credit balances
Nov 2016	3 223.5	4.6	1 482.4	0.7	46.0	1 290.1	5.0	890.6	3.1	69.0	60.1
Dec 2016	3 252.3	5.1	1 485.8	0.7	45.7	1 293.1	5.2	891.6	3.2	69.0	60.0
Jan 2017	3 275.7	5.5	1 494.3	0.6	45.6	1 293.9	5.0	894.1	3.0	69.1	59.8
Feb 2017	3 310.5	5.3	1 501.7	0.4	45.4	1 300.4	4.5	900.6	2.8	69.3	60.0
Mar 2017	3 331.0	5.0	1 505.4	0.7	45.2	1 305.0	4.6	901.9	3.0	69.1	59.9
Apr 2017	3 324.2	5.9	1 505.2	2.9	45.3	1 305.5	4.3	902.3	3.1	69.1	59.9
May 2017	3 351.6	6.7	1 509.9	2.9	45.1	1 312.6	4.6	905.5	3.1	69.0	60.0
Jun 2017	3 348.3	6.2	1 511.8	2.9	45.2	1 316.2	4.5	907.4	3.1	68.9	60.0
Jul 2017	3 353.4	5.7	1 514.8	3.3	45.2	1 322.4	4.7	910.3	3.0	68.8	60.1
Aug 2017	3 366.2	6.0	1 520.2	3.4	45.2	1 328.0	4.7	913.1	3.1	68.8	60.1
Sep 2017	3 399.8	5.5	1 522.6	3.3	44.8	1 334.3	4.4	914.2	3.0	68.5	60.0
Oct 2017	3 394.4	5.4	1 529.9	3.5	45.1	1 340.2	4.3	918.9	3.3	68.6	60.1

<sup>&</sup>lt;sup>1</sup>End of period

Source: SARB





<sup>&</sup>lt;sup>2</sup>Comprising corporate and household credit

<sup>&</sup>lt;sup>3</sup>Comprising commercial and residential mortgages

