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Explanatory 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

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Stable growth in household credit and mortgage balances

Growth in the value of outstanding credit balances in the South African household sector was unchanged at 4,8% year-on-year (y/y) at the end of August 2018 compared with end-July, with these balances amounting to a total of R1 593,2 billion at the end of the first eight months of the year. Year-on-year growth in secured credit balances was unchanged from end-July, whereas growth in unsecured credit balances growth increased somewhat further up to August.

The value of household secured credit balances (R1 218,7 billion and 76,5% of total household credit balances), which includes mortgage, leasing and instalment sales balances, increased by 4,3% y/y up to end-August, unchanged compared with end-July. Year-on-year mortgage balances growth was also unchanged from July to August (see below), whereas growth in instalment sales balances (R270,2 billion and 22,2% of total household secured credit balances) was marginally lower at 6,5% y/y at end-August from end-July.

Household unsecured credit balances (R374,6 billion and 23,5% of total household credit balances) increased by 6,6% y/y up to the end of August compared with 6,3% y/y up to end-July. General loans and advances (mainly personal loans and micro finance and with a share of 58,8% in household unsecured credit balances), showed growth of 6,4% y/y to R220,1 billion up to the end of August, after rising by 6,1% y/y up to end-July.

Growth in outstanding private sector mortgage balances (R1 385,9 billion and 38,6% of total private sector credit balances of R3 593,1 billion), which include both corporate and household mortgage balances, slowed down somewhat further to 4,4% y/y in the 8-month period up to end-August. Growth in corporate mortgage balances (R439,1 billion and 31,7% of total private sector mortgage balances) remained on a declining trend from 8,3% y/y at end-April this year to 5,8% y/y by end-August.

Growth in outstanding household mortgage balances (R946,7 billion, with a share of 77,8% in total household secured credit balances and 68,3% in total private sector mortgage balances) was unchanged at 3,7% y/y at end-August compared with end-July. 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.

Growth in household credit balances, including mortgage balances, are forecast to remain much in line with the current level of growth up to the end of 2018, driven by trends in and prospects for the economy, household finances and consumer confidence.

Credit and mortgage balances¹

Period	Private sector credit balances ²		Household credit balances			Total mortgage balances ³		Household mortgage balances			
	R billion	y/y % change	R billion	y/y % change	% of private sector credit balances	R billion	y/y % change	R billion	y/y % change	% of total mortgage balances	% of total household credit balances
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	3 394.5	5.4	1 529.9	3.5	45.1	1 340.2	4.3	918.9	3.3	68.6	60.1
Nov 2017	3 432.5	6.5	1 538.4	3.8	44.8	1 346.6	4.4	922.4	3.6	68.5	60.0
Dec 2017	3 470.6	6.7	1 542.8	3.8	44.5	1 348.1	4.2	923.2	3.5	68.5	59.8
Jan 2018	3 457.8	5.6	1 549.5	3.7	44.8	1 353.0	4.6	925.1	3.5	68.4	59.7
Feb 2018	3 501.0	5.8	1 560.6	3.9	44.6	1 361.1	4.7	929.9	3.3	68.3	59.6
Mar 2018	3 530.0	6.0	1 564.6	3.9	44.3	1 364.6	4.6	929.9	3.1	68.1	59.4
Apr 2018	3 492.6	5.1	1 566.8	4.1	44.9	1 368.7	4.8	932.1	3.3	68.1	59.5
May 2018	3 503.9	4.5	1 574.0	4.2	44.9	1 374.4	4.7	935.5	3.3	68.1	59.4
Jun 2018	3 538.5	5.7	1 579.8	4.5	44.6	1 379.3	4.8	939.7	3.6	68.1	59.5
Jul 2018	3 534.9	5.4	1 587.5	4.8	44.9	1 384.8	4.7	944.2	3.7	68.2	59.5
Aug 2018	3 593.1	6.7	1 593.2	4.8	44.3	1 385.9	4.4	946.7	3.7	68.3	59.4

¹End of period

²Comprising corporate and household credit

³Comprising commercial and residential mortgages

Source: SARB





