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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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Uptick in household credit and mortgage balances growth

Outstanding credit balances in the South African household sector (R1 699,2 billion) increased by 6,7% year-on-year (y/y) up to the end of August 2019, with growth accelerating from 6,3% y/y at end-July. A cut of 25 basis points in prime lending and variable mortgage interest rates to a level of 10% per annum in July has most likely contributed to the uptick in the growth in household credit balances and most of its components.

Household secured credit balances (R1 283,6 billion and 75,5% of total household credit balances), which includes mortgage, leasing and instalment sales balances, showed growth of 5,3% y/y in the 8-month period up to end-August, up from 5,1% y/y at end-July. Mortgage balances growth was also higher at end-August from end-July but growth in instalment sales balances (R288,6 billion and 22,5% of total household secured credit balances) slowed down somewhat further to 6,8% y/y at end-August from a recent peak of 8,3% y/y at end-April this year.

Growth in household unsecured credit balances (R415,6 billion and 24,4% of total household credit balances) accelerated further to 11,1% y/y at end-August from 10,4% y/y at end-July. Growth in all three components of unsecured credit balances accelerated up to end-August, with general loans and advances balances rising to 12% y/y (11,2% at end-July), credit card balances growth increasing to 11,3% y/y (11,1% y/y at end-July) and overdraft balances growth rising to 6% y/y (4,6% y/y at end-July).

Outstanding private sector mortgage balances (R1 465,5 billion and 38,2% of total private sector credit balances of R3 839,4 billion), which include both corporate and household mortgage balances, increased at a rate of 6,7% y/y up to end-August (6,3% y/y at end-July). Growth in the value of outstanding household mortgage balances (R993,3 billion and 77,4% of total household secured credit balances and 67,8% of total private sector mortgage balances) came to 4,9% y/y at end-August (4,6% y/y at end-July). This was the highest year-on-year growth in mortgage balances since the end of November 2010. The value of 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.

Trends in and the outlook the macro economy, as well as household sector finances, consumer confidence and property market sentiment will continue to drive the demand for and growth in household credit and mortgage finance.

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 2018	3 613.3	6.3	1 599.6	5.1	44.3	1 393.1	4.4	949.6	3.9	68.2	59.4
Oct 2018	3 592.0	5.8	1 609.9	5.2	44.8	1 398.6	4.4	953.4	3.8	68.2	59.2
Nov 2018	3 623.3	5.6	1 622.9	5.5	44.8	1 407.4	4.5	958.8	3.9	68.1	59.1
Dec 2018	3 649.3	5.1	1 630.0	5.6	44.7	1 411.7	4.7	960.0	4.0	68.0	58.9
Jan 2019	3 683.5	6.5	1 643.5	6.1	44.6	1 414.8	4.6	964.9	4.3	68.2	58.7
Feb 2019	3 712.5	6.0	1 656.9	6.2	44.6	1 424.1	4.6	972.4	4.6	68.3	58.7
Mar 2019	3 743.6	6.0	1 662.3	6.2	44.4	1 427.3	4.6	973.2	4.7	68.2	58.5
Apr 2019	3 771.0	8.0	1 665.9	6.3	44.2	1 431.2	4.6	975.0	4.6	68.1	58.5
May 2019	3 772.3	7.7	1 674.5	6.4	44.4	1 439.3	4.7	980.1	4.8	68.1	58.5
Jun 2019	3 781.7	6.9	1 682.3	6.5	44.5	1 447.1	4.9	983.9	4.7	68.0	58.5
Jul 2019	3 787.8	7.2	1 687.8	6.3	44.6	1 456.6	5.2	987.5	4.6	67.8	58.5
Aug 2019	3 839.4	6.9	1 699.2	6.7	44.3	1 465.5	5.7	993.3	4.9	67.8	58.5

¹End of period

²Comprising corporate and household credit

³Comprising commercial and residential mortgages

Source: SARB





