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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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Further uptick in household credit and mortgage balances growth

Growth in outstanding credit balances in the South African household sector (R1 708 billion) was marginally higher at 6,8% year-on-year (y/y) up to the end of September 2019 from 6,7% y/y at end-August. Both secured and unsecured household credit balances showed somewhat higher growth in the first nine months of the year compared with growth as at the end of August.

Household secured credit balances (R1 288,8 billion and 75,5% of total household credit balances), which includes mortgage, leasing and instalment sales balances, increased by 5,4% y/y in the 9-month period up to end-September, up from 5,3% y/y at end-August. Mortgage balances growth was up at end-September from end-August (see below) but growth in instalment sales balances (R289,8 billion and 22,5% of total household secured credit balances) slowed down further to 6,6% y/y at end-September after peaking at 8,3% y/y at the end of April this year.

Growth in household unsecured credit balances (R419,3 billion and 24,5% of total household credit balances) continued its rising trend to reach a level of 11,4% y/y at end-September. Growth in general loans and advances balances increased to 12,2% y/y (12% at end-August) and growth in credit card balances accelerated to 12% y/y (11,3% y/y at end-August), whereas growth in overdraft balances was slightly lower at 5,7% y/y from 6% y/y at end-August.

Outstanding private sector mortgage balances (R1 473,9 billion and 38,4% of total private sector credit balances of R3 837 billion), which include both corporate and household mortgage balances, increased at a rate of 5,8% y/y up to end-September (5,7% y/y at end-August). Growth in the value of outstanding household mortgage balances (R997,2 billion and 77,4% of total household secured credit balances and 67,7% of total private sector mortgage balances) increased to 5% y/y at end-September from 4,9% y/y at end-August. 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.

The demand for and growth in household credit and mortgage balances will continue to be driven by macroeconomic trends, the state of household finances, consumer confidence and property market sentiment in general. Household credit balances growth is forecast at 7,1% by end-2019, with mortgage balances growth projected to end the year at a level of 5%.

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
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	3 781.8	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	3 839.5	6.9	1 699.2	6.7	44.3	1 465.5	5.7	993.3	4.9	67.8	58.5
Sep 2019	3 837.0	6.2	1 708.0	6.8	44.5	1 473.9	5.8	997.2	5.0	67.7	58.4

¹End of period

²Comprising corporate and household credit

³Comprising commercial and residential mortgages

Source: SARB





