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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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Continued steady growth in household credit and mortgage balances

Steady growth of 6,7% year-on-year (y/y) was recorded in outstanding credit balances (R1 717,9 billion at end-October) in the South African household sector since August this year up to the end of October. Growth in both secured and unsecured household credit balances was on a gradual upward trend in recent months.

Household secured credit balances (R1 294,7 billion and 75,4% of total household credit balances), which includes mortgage, leasing and instalment sales balances, increased by 5,4% y/y in the 10-month period up to end-October, up from 5,2% y/y at end-September. Mortgage balances growth increased marginally from end-September (see below), with growth in instalment sales balances (R290,7 billion and 22,4% of total household secured credit balances) also somewhat higher at 6,1% y/y at end-October from end-September.

Growth in household unsecured credit balances (R423,1 billion and 24,6% of total household credit balances) came in at 11,1% y/y at end-October, which was much in line with growth of just above the 11% level since August. At the end of October growth in general loans and advances balances was 11,8% y/y, with growth in credit card balances at 12,5% y/y and growth in overdraft balances recorded at 4,1% y/y.

Outstanding private sector mortgage balances (R1 482,7 billion and 38,5% of total private sector credit balances of R3 853,5 billion), which include both corporate and household mortgage balances, increased at a rate of 6% y/y up to end-October. Growth in the value of outstanding household mortgage balances (R1 002,4 billion and 77,4% of total household secured credit balances and 67,6% of total private sector mortgage balances) increased somewhat further to 5,1% y/y at end-October from 5% y/y at end-September. 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.

Macroeconomic trends, the state of household finances, consumer confidence and property market sentiment in general will remain the key drivers of household credit and mortgage balances growth, which is forecast at around 7% and 5% respectively by the end of 2019.

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
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	1 706.4	6.7	44.5	1 473.9	5.8	997.2	5.0	67.7	58.4
Oct 2019	3 853.5	7.3	1 717.9	6.7	44.6	1 482.7	6.0	1002.4	5.1	67.6	58.4

¹End of period

²Comprising corporate and household credit

³Comprising commercial and residential mortgages

Source: SARB





