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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 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 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 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

¹End of period

²Comprising corporate and household credit

³Comprising commercial and residential mortgages

Source: SARB



