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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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Household credit and mortgage balances growth low in early 2018

The value of outstanding credit balances in the South African household sector, amounting to R1 548,9 billion at the end of January 2018, showed growth of 3,7% year-on-year (y/y) over the 12-month period. Year-on-year growth in both secured and unsecured credit balances was in January marginally down on that of December 2017.

Household secured credit balances, consisting of mortgage and instalment sales balances, increased by 3,9% y/y to R1 187 billion (76,6% of total household secured credit balances) up to the end of January, with growth of 4,1% y/y recorded up to the end of last year. Mortgage balances growth was on a year-on-year basis unchanged in January from December (see below), whereas growth in instalment sales balances slowed down to 5,4% y/y up to January from 6,5% y/y at the end of last year.

Household unsecured credit balances (R361,9 billion and 23,4% of total household credit balances) increased by 3% y/y up to end-January 2018 (3,1% y/y up to end-December 2017). General loans and advances balances (mainly consisting of personal loans and micro finance and with a dominating share of 58,5% in unsecured balances), increased by 3,3% y/y to R211,8 billion up to the end of January this year (2,7% y/y at end-December).

The value of outstanding private sector mortgage balances (R1 353 billion and 39,1% of total private sector credit balances of R3 457,2 billion), which includes both corporate and household mortgage balances, increased by 4,6% y/y up to the end of January (4,2% at the end of December last year). Corporate mortgage balances (R428 billion and 31,6% of total private sector mortgage balances) showed growth of 7% y/y up to January (5,8% y/y at end-December). Growth in outstanding household mortgage balances (R925,1 billion, with a share of 77,9% in total household secured credit balances and 68,4% in total private sector mortgage balances) was unchanged at 3,5% y/y up to end-January from end-December. 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, is forecast to remain in single-digit territory in 2018 on the back of trends in and the outlook 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 |
| 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 | 3 394.5 | 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 | 3 470.8 | 6.7 | 1 542.8 | 3.8 | 44.5 | 1 348.1 | 4.2 | 923.2 | 3.5 | 68.5 | 59.8 |
| Jan 2018 | 3 457.2 | 5.5 | 1 548.9 | 3.7 | 44.8 | 1 353.0 | 4.6 | 925.1 | 3.5 | 68.4 | 59.7 |

¹End of period

²Comprising corporate and household credit

³Comprising commercial and residential mortgages

Source: SARB



