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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

In the first seven months of 2019 outstanding credit balances in the South African household sector (R1 687,8 billion) increased by 6,3% year-on-year (y/y), with growth slightly down from 6,5% y/y up to the end of June.

Household secured credit balances (R1 276,3 billion and 75,6% of total household credit balances), which includes mortgage, leasing and instalment sales balances, recorded growth of 5,1% y/y in the 7-month period up to end-July, which was marginally down from 5,3% y/y at end-June. Mortgage balances growth was also slightly lower at end-July from end-June (see below). Growth in instalment sales balances (R287,2 billion and 22,5% of total household secured credit balances) slowed down further to 7% y/y at end-July from a recent peak of 8,3% y/y at end-April.

Growth in household unsecured credit balances (R411,6 billion and 24,4% of total household credit balances) was unchanged at 10,4% y/y at end-July from end-June. Growth in general loans and advances growth came to 11,2% y/y at end-July, with credit card balances rising by 11,1% y/y. Overdraft balances growth slowed down further to 4,6% y/y at the end of July from a recent high of 7,6% y/y at end-May.

Outstanding private sector mortgage balances (R1 456,6 billion and 38,5% of total private sector credit balances of R3 787,8 billion), which include both corporate and household mortgage balances, increased at a rate of 5,2% y/y up to end-July. Growth in the value of outstanding household mortgage balances (R987,5 billion and 77,4% of total household secured credit balances and 67,8% of total private sector mortgage balances) came to 4,6% y/y at end-July (4,7% y/y at end-June). 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.

Developments on the front of the macro economy, as well as household sector finances, consumer confidence and property market sentiment will be the driving factors of growth in household credit and mortgage balances, which is forecast at 5,9% and 4,3% respectively for the full year.

## Credit and mortgage balances<sup>1</sup>

Period	Private sector credit balances <sup>2</sup>		Household credit balances			Total mortgage balances <sup>3</sup>		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
Aug 2018	3 593.0	6.7	1 592.9	4.8	44.3	1 385.9	4.4	946.7	3.7	68.3	59.4
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	3 649.2	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	1 641.2	5.9	44.6	1 414.8	4.6	962.6	4.1	68.0	58.7
Feb 2019	3 712.5	6.0	1 652.6	5.9	44.5	1 424.1	4.6	968.1	4.1	68.0	58.6
Mar 2019	3 743.6	6.0	1 657.4	5.9	44.3	1 427.3	4.6	968.3	4.1	67.8	58.4
Apr 2019	3 771.0	8.0	1 660.6	6.0	44.0	1 431.2	4.6	969.7	4.0	67.8	58.4
May 2019	3 772.3	7.7	1 669.3	6.1	44.3	1 439.3	4.7	974.9	4.2	67.7	58.4
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

<sup>1</sup>End of period

<sup>2</sup>Comprising corporate and household credit

<sup>3</sup>Comprising commercial and residential mortgages

Source: SARB





