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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

30 August 2018

### Further uptick in household credit and mortgage balances growth

Growth in the value of outstanding credit balances in the South African household sector was on a rising trend in the first seven months of 2018, with these balances amounting to a total of R1 587,5 billion at the end of this period. Both secured and unsecured credit balances growth accelerated further up to July, which contributed total household credit balances growth rising to 4,8% year-on-year (y/y) in the 7-month period, from 3,7% y/y at end-January.

The value of household secured credit balances (R1 214,3 billion and 76,5% of total household credit balances), which includes mortgage, leasing and instalment sales balances, increased by 4,3% y/y up to end-July. Mortgage balances growth increased somewhat further up to July (see below), with growth in instalment sales balances (R268,3 billion and 22,1% of total household secured credit balances) rising to 6,6% y/y in the seven months to July from 5,4% y/y at end-January.

The value of household unsecured credit balances (R373,2 billion and 23,5% of total household credit balances) increased by 6,3% y/y up to the end of July from 5,8% y/y up to end-June and 3,2% y/y at the end of January this year. The largest component of household unsecured credit balances, namely general loans and advances (mainly personal loans and micro finance and with a share of 58,8%), increased by 6,1% y/y to R219,4 billion up to the end of July.

Outstanding private sector mortgage balances (R1 384,8 billion and 39,2% of total private sector credit balances of R3 534,9 billion), which include both corporate and household mortgage balances, showed growth of 4,7% y/y in the 7-month period up to end-July. Growth in corporate mortgage balances (R440,6 billion and 31,8% of total private sector mortgage balances) was on a gradual slowing trend from 8,3% y/y at end-April this year to 6,9% y/y by end-July.

Growth in outstanding household mortgage balances (R944,2 billion, with a share of 77,8% in total household secured credit balances and 68,2% in total private sector mortgage balances) came to 3,7% y/y at end-July from 3,6% y/y at end-June and a recent low of 3,1% y/y at end-March this year. 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.

Against the background of trends in and prospects for the economy, household finances and consumer confidence, household credit balances are forecast to show growth of around 4,5% for the full year of 2018, with household mortgage balances growth projected at about 3,5% for the 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 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	3 470.6	6.7	1 542.8	3.8	44.5	1 348.1	4.2	923.2	3.5	68.5	59.8
Jan 2018	3 457.8	5.6	1 549.5	3.7	44.8	1 353.0	4.6	925.1	3.5	68.4	59.7
Feb 2018	3 501.0	5.8	1 560.6	3.9	44.6	1 361.1	4.7	929.9	3.3	68.3	59.6
Mar 2018	3 530.0	6.0	1 564.6	3.9	44.3	1 364.6	4.6	929.9	3.1	68.1	59.4
Apr 2018	3 492.6	5.1	1 566.8	4.1	44.9	1 368.7	4.8	932.1	3.3	68.1	59.5
May 2018	3 503.9	4.5	1 574.0	4.2	44.9	1 374.4	4.7	935.5	3.3	68.1	59.4
Jun 2018	3 538.4	5.7	1 580.3	4.5	44.7	1 379.3	4.8	940.0	3.6	68.1	59.5
Jul 2018	3 534.9	5.4	1 587.5	4.8	44.9	1 384.8	4.7	944.2	3.7	68.2	59.5

<sup>1</sup>End of period

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

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

Source: SARB





