



Compiled by  
Jacques du Toit  
Property Analyst  
Absa Home Loans

15 Troye Street  
Johannesburg | 2001

PO Box 7735  
Johannesburg | 2000  
South Africa

Tel +27 (0)11 350 7246  
jacques@absa.co.za  
www.absa.co.za

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

29 June 2018

### Stable household credit and mortgage balances growth up to May

Growth in the value of outstanding credit balances in the South African household sector (R1 574,0 billion) was relatively stable at 4,2% year-on-year (y/y) up to the end of May 2018 compared with 4,1% y/y at end-April as a result of little change in both secured and unsecured credit balances growth.

Household secured credit balances growth, which includes mortgage, leasing and instalment sales balances, was only marginally higher at 3,9% y/y to reach a total value of R1 202,5 billion (76,4% of total household credit balances) in the first five months of the year from growth of 3,8% y/y up to end-April. Mortgage balances growth was unchanged (see below), with growth in instalment sales balances (R265,3 billion and 22,1% of total household secured credit balances) that increased to 6,2% y/y up to end-May from at 5,7% y/y at end-April.

Growth in the value of household unsecured credit balances (R371,5 billion and 23,6% of total household credit balances) increased to 5,3% y/y at the end of May from 5,1% y/y up to end-April. General loans and advances balances (mainly comprising personal loans and micro finance and with a share of 58,7% in unsecured balances), increased by 5,7% y/y to R218,0 billion up to the end of May, with growth in this component of unsecured credit balances remaining on an upward trend since bottoming at 2,7% y/y in December last year.

Outstanding private sector mortgage balances (R1 374,4 billion and 39,2% of total private sector credit balances of R3 504,5 billion), which include both corporate and household mortgage balances, increased by 4,7% y/y up to the end of May this year. Corporate mortgage balances (R438,9 billion and 31,9% of total private sector mortgage balances) increased by 7,8% y/y up to end-May. Growth in outstanding household mortgage balances (R935,5 billion, with a share of 77,8% in total household secured credit balances and 68,1% in total private sector mortgage balances) remained unchanged at 3,3% y/y up to end-May. 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 both household credit and mortgage balances is forecast at around 4% for the full year, driven by trends in and prospects for the economy, household sector finances and consumer confidence.

## 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
Jun 2017	3 348.4	6.2	1 512.0	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	3 471.0	6.7	1 542.8	3.8	44.4	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	3 504.5	4.6	1 574.0	4.2	44.9	1 374.4	4.7	935.5	3.3	68.1	59.4

<sup>1</sup>End of period

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

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

Source: SARB



