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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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Uptick in household credit and mortgage balances growth

The value of outstanding credit balances in the South African household sector increased by 5,1% year-on-year (y/y) to R1 599,9 billion up to the end of September 2018 from growth of 4,8% y/y at end-August. Year-on-year growth in both secured and unsecured credit balances were higher at end-September compared with end-August.

The value of household secured credit balances (R1 223,1 billion and 76,4% of total household credit balances), which includes mortgage, leasing and instalment sales balances, increased by 4,5% y/y up to end-September compared with growth of 4,3% y/y at end-August. Growth in mortgage balances was up to almost 4% y/y at end -September (see below), with growth in instalment sales balances (R271,8 billion and 22,2% of total household secured credit balances) rising by 6,9% y/y in the 9-month period up to the end of September.

Growth in household unsecured credit balances (R376,8 billion and 23,6% of total household credit balances) accelerated further to 6,9% y/y in the period January to September, with growth in these credit balances that remained on a rising trend from 3,2% y/y in January this year. Growth in both general loans and credit card balances (together 88,2% of unsecured credit balances) was on an upward trend in the first nine months of the year, whereas growth in overdraft balances was down at end-August and end-September after being on a rising trend up to end-July.

Outstanding private sector mortgage balances (R1 393,1 billion and 38,6% of total private sector credit balances of R3 612,6 billion), which include both corporate and household mortgage balances, was unchanged 4,4% y/y in the 9-month period up to end-September. Growth in corporate mortgage balances (R443,5 billion and 31,8% of total private sector mortgage balances) slowed down further to 5,6% y/y after a recent high of 8,3% y/y at the end of April this year.

Growth in outstanding household mortgage balances (R949,6 billion, with a share of 77,6% in total household secured credit balances and 68,2% in total private sector mortgage balances) increased to 3,9% y/y from 3,7% y/y at end-August. 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, are forecast to remain much in line with current growth up to the end of the year and into 2019 on the back of trends in trends in and prospects 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
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	3 538.5	5.7	1 579.8	4.5	44.6	1 379.0	4.8	939.7	3.6	68.1	59.5
Jul 2018	3 534.8	5.4	1 587.5	4.8	44.9	1 384.8	4.7	944.2	3.7	68.2	59.5
Aug 2018	3 593.0	6.7	1 593.2	4.8	44.3	1 385.9	4.4	946.7	3.7	68.3	59.4
Sep 2018	3 612.6	6.3	1 599.9	5.1	44.3	1 393.1	4.4	949.6	3.9	68.2	59.4

¹End of period

²Comprising corporate and household credit

³Comprising commercial and residential mortgages

Source: SARB





