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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

29 April 2019

Marginal uptick in household credit and mortgage balances growth

Growth in the value of outstanding credit balances in the South African household sector (R1 658,2 billion) was marginally higher at 6% year-on-year (y/y) at the end of March 2019 compared with 5,9% y/y at end-February this year.

Household secured credit balances (R1 254,2 billion and 75,6% of total household credit balances), which includes mortgage, leasing and instalment sales balances, showed growth of 4,9% y/y up to end-March. Mortgage balances growth was slightly higher at end-March (see below), with growth in instalment sales balances (R283,9 billion and 22,6% of total household secured credit balances) at 7,5% y/y at end-March.

Growth in household unsecured credit balances (R404 billion and 24,4% of total household credit balances) came to 9,5% y/y at end-March. General loans and advances growth was 10,5% y/y at the end of March, with credit card balances rising by 9,5% y/y and overdraft balances increasing by 6,5% y/y.

Outstanding private sector mortgage balances (R1 428 billion and 38,1% of total private sector credit balances of R3 745,8 billion), which include both corporate and household mortgage balances, increased by 4,7% y/y up to end-March. Growth in the value of outstanding household mortgage balances (R968,7 billion and 77,2% of total household secured credit balances and 67,8% of total private sector mortgage balances) came to 4,2% y/y at end-March, marginally up from 4,1% y/y at end-February. 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.

Based on trends in the outlook for the economy, household sector finances, consumer confidence and banks' risk appetites and lending criteria, growth in total household credit balances and mortgage balances is forecast at 5,5% y/y and 4,5% y/y respectively at the end of 2019. Real economic growth of 1,3% is expected this year, with consumer price inflation to average around 4,5% and banks' prime lending and variable mortgage interest rates projected to remain unchanged at 10,25% per annum in the rest of the year.

Credit and mortgage balances¹

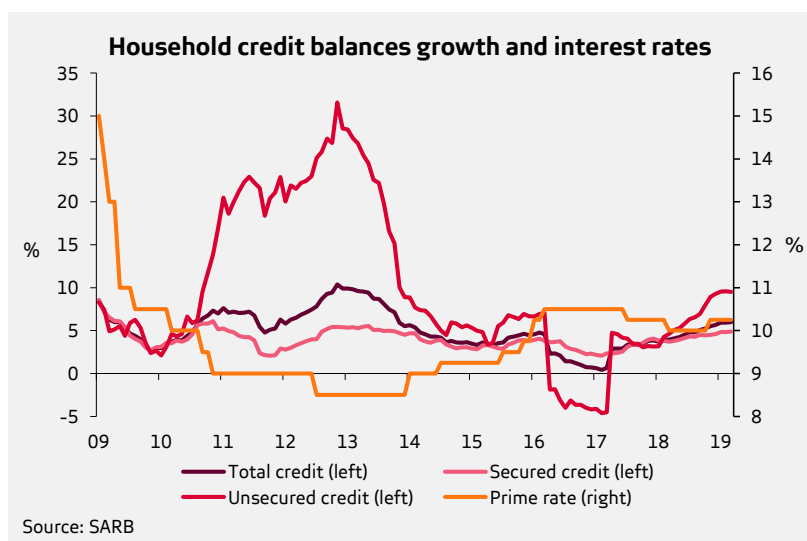
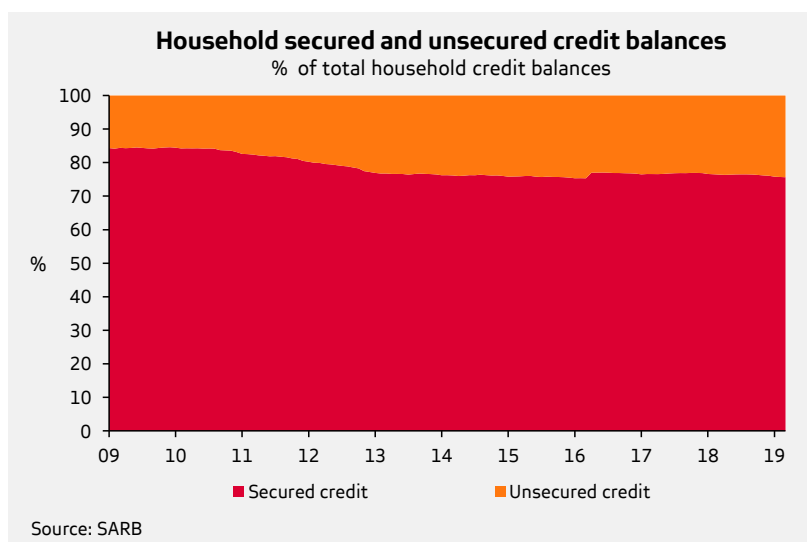
Period	Private sector credit balances ²		Household credit balances			Total mortgage balances ³		Household mortgage balances			
	R billion	y/y % change	R billion	y/y % change	% of private sector credit balances	R billion	y/y % change	R billion	y/y % change	% of total mortgage balances	% of total household credit balances
Apr 2018	3 493.2	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	3 533.8	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	3 613.3	6.3	1 599.9	5.1	44.3	1 393.1	4.4	949.6	3.9	68.2	59.4
Oct 2018	3 592.0	5.8	1 610.2	5.2	44.8	1 398.6	4.4	953.4	3.8	68.2	59.2
Nov 2018	3 623.3	5.6	1 623.2	5.5	44.8	1 407.4	4.5	958.8	3.9	68.1	59.1
Dec 2018	3 649.3	5.1	1 630.3	5.7	44.7	1 411.7	4.7	960.0	4.0	68.0	58.9
Jan 2019	3 683.5	6.5	1 641.5	5.9	44.6	1 414.8	4.6	962.6	4.1	68.0	58.6
Feb 2019	3 712.6	6.0	1 653.3	5.9	44.5	1 424.1	4.6	968.1	4.1	68.0	58.6
Mar 2019	3 745.8	6.1	1 658.2	6.0	44.3	1 428.0	4.7	968.7	4.2	67.8	58.4

¹End of period

²Comprising corporate and household credit

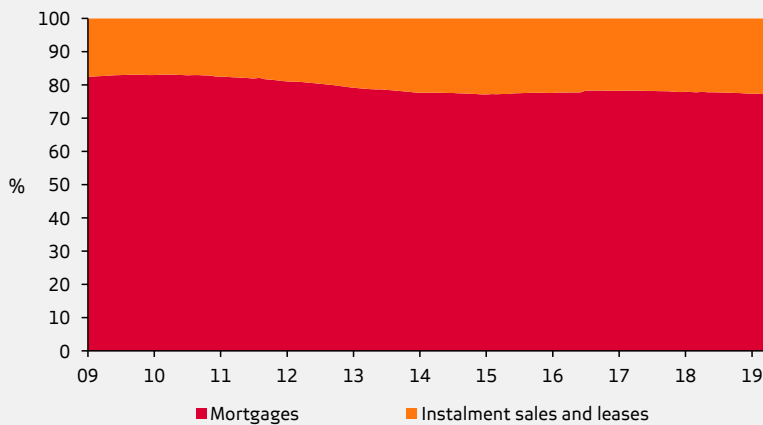
³Comprising commercial and residential mortgages

Source: SARB



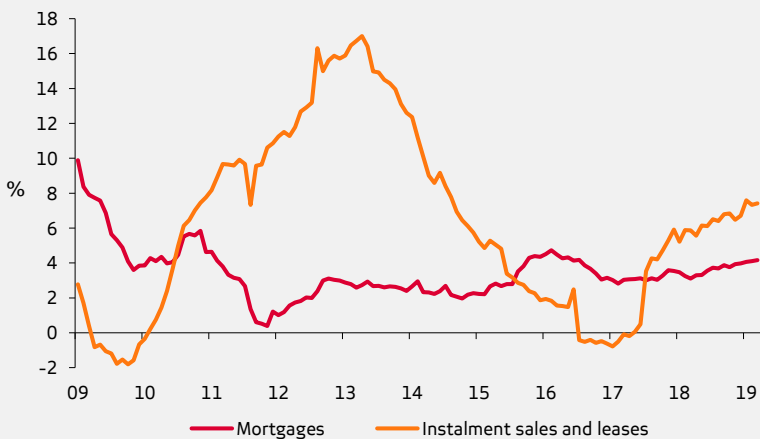
Household secured credit components

% of total household secured credit



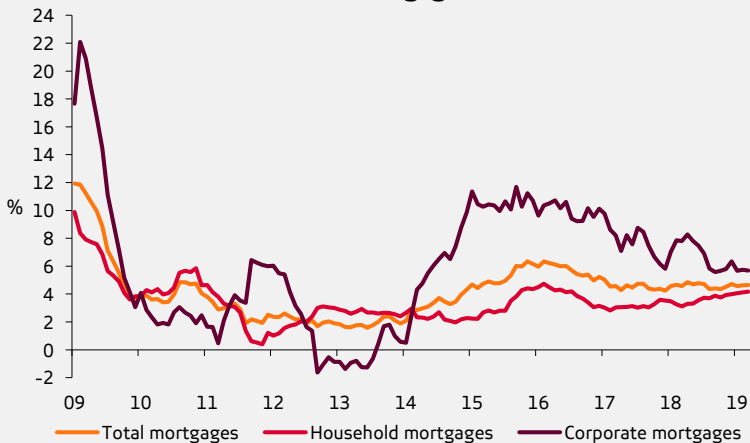
Source: SARB

Growth in household secured credit balances



Source: SARB

Growth in mortgage balances



Source: SARB

