

# NCR Consumer Credit Report out

The National Credit Regulator (NCR) has released its Consumer Credit Market Report, which is based on data submitted to it by registered credit providers. This edition covers credit market information from December 2010 to December 2011. It has also released its latest quarterly statistics for September - December 2011.

## Last quarter results

The Acting CEO, Nomsa Motshegare, announced that the latest statistics indicate an 8.8% increase in new credit granted to consumers when compared to September 2011 but 28.82% more than a year ago. This increase was also due to seasonal factors.

The NCR has also noted a continued increase in unsecured personal loans of 24.69% when comparing periods ended September 2011 to December 2011. The proportion of new mortgages granted however, has rapidly declined from 51.88% in December 2007 to 27.24% in December 2011 while unsecured personal loans have grown from 7.81% to 24.58% for the same period.

The total value of new credit granted increased from R98.90 billion for the quarter ended September 2011 to R107.60 billion for the quarter ended December 2011.

The number of applications received for credit increased by 1.4 million from 8.31 million in September 2011 to 9.72 million in December 2011 an increase of 16.98% (an increase of 44.65% when compared to the same period last year).

## Significant trends

- The value of new mortgages granted decreased by 3.19% quarter-on-quarter from R30.28 billion to R29.31 billion;
- Secured credit, which is dominated by vehicle finance, showed an increase from R30.78 billion for September 2011 to R33.39 billion for December 2011 (a quarter-on-quarter increase of 8.50%);
- Unsecured credit increased from R21.21 billion for September 2011 to R26.45 billion for December 2011 (a quarter-on-quarter increase of 24.69%);
- Credit facilities which mainly consist of credit cards, store cards and bank overdrafts increased by 11.52% quarter-on-quarter from R14.88 billion to R16.60 billion;
- Short term credit showed a quarter-on-quarter increase of 5.87% from R1.75 billion to R1.85 billion;
- Individuals with a gross monthly income of more than R15,000 received on average 82% of the number of mortgages granted over the period December 2010 to December 2011.

As at December 2011, the total outstanding consumer credit balances (or gross debtors' book) was R1.30 trillion representing a quarter-on-quarter growth of 2.35% and a year-on-year growth of 9.04%. The breakdown was as follows:

- Mortgages accounted for R791.11 billion (61.03%)
- Secured credit was R250.00 billion (19.29%)
- Credit facilities were R141.26 billion (10.90%)
- Unsecured credit was R112.99 billion (8.72%)
- Short-term credit was R927.37 million (0.07%)

Share of the total outstanding consumer credit was as follows:

- The banks' share as at December 2011 was R1.14 trillion (87.86%)
- retailers at R42.86 billion (3.31%)
- non-bank vehicle financiers at R43.32 billion (3.34%)
- other credit providers at R71.23 billion (5.49%) - these consist primarily of pension-backed lenders, insurers, non-bank

mortgage lenders and securitized debt.

The NCR has embarked on an extensive research regarding the rapid growth in the unsecured personal loans market.

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