



South African Reserve Bank  
Prudential Authority

# Selected South African banking sector trends

## August 2018



## Number of banks in South Africa

Registered banks	19
Mutual banks	4
Co-operative banks	3
Local branches of foreign banks	15
Foreign banks with approved local representative offices	29

	Aug		
	2017	2018	%
	Rbn <sup>1</sup>	Rbn <sup>1</sup>	Growth <sup>1</sup>
<b>Balance sheet items</b>			
<b>Selected assets</b>			
Total assets	5 012	5 416	8.1
Gross loans and advances	3 786	4 016	6.1
Homeloans	940	975	3.8
Commercial mortgages	284	298	4.9
Credit cards	110	117	7.1
Lease and instalment debtors	380	402	5.9
Overdrafts	195	205	5.0
Term loans	880	938	6.5
Redeemable preference shares	105	119	13.3
Factoring accounts, trade and other bills and BA's	26	26	1.1
Loans granted/deposits placed under resale agreements	168	173	3.3
Bank intra-group balances	189	196	4.2
Other	511	567	10.9
Investment and trading positions	459	578	25.7
Derivative financial instruments	210	263	25.2
Short term negotiable securities	275	283	2.6
<b>Selected liabilities</b>			
Deposits, current accounts and other creditors	4 001	4 277	6.9
Current	781	817	4.7
Savings	233	251	7.5
Call	741	779	5.1
Fixed and notice	1 181	1 246	5.5
Negotiable certificates of deposit	500	562	12.4
Repurchase agreements	102	137	33.9
Other	462	485	5.0
Derivative financial instruments and other trading liabilities	274	356	30.1
<b>Equity</b>			
Total equity	435	453	4.2
<b>Off-balance sheet items</b>			
Total off-balance sheet activities	1 269	1 335	5.2

	Aug	
	2017	2018
	%	%
<b>Profitability<sup>2</sup></b>		
Return on equity	16.74	15.79
Return on assets	1.34	1.31
Cost-to-income ratio	55.63	57.40
Net interest income to interest-earning assets	3.95	3.99
Non-interest revenue to total assets	2.39	2.40
Operating expenses to total assets	3.09	3.18
Profit/Loss (12 months) (Rbn)	85.39	87.01
Net interest income (12 months) (Rbn)	155.60	162.99
Non-interest income (12 months) (Rbn)	117.56	124.75
Operating expenses (12 months) (Rbn)	151.96	165.16
<b>Liquidity</b>		
Liquid assets held to liquid-asset requirement	221.75	242.82
Short-term liabilities to total liabilities	54.60	53.68
Ten largest depositors to total funding	16.44	14.33
Liquidity coverage ratio (%)	116.67	131.50
<b>Credit risk</b>		
Impaired advances <sup>3</sup> (Rbn)	107.12	143.22
Impaired advances to gross loans and advances	2.83	3.57
Specific credit impairments to impaired advances	44.24	45.01
Specific credit impairments to gross loans and advances	1.25	1.61
<b>Capital adequacy</b>		
Total capital adequacy (%)	16.33	16.53
Tier 1 (T1) capital adequacy (%)	13.45	13.34
Common equity T1 capital adequacy (%)	13.00	12.84
<b>Basel III leverage ratio</b>		
Leverage ratio <sup>4</sup>	6.64	6.49

1. Differences may occur due to rounding.
2. All ratios based on income statement information are smoothed i.e. 12 month moving averages.
3. Advances in respect of which a specific impairment was raised.
4. Formula: Tier 1 capital divided by exposure measure.

Please note this information is subject to change without notice. The data in this report is as at the end of the reporting month.