

Private Sector Credit Extension

July 2024



Overview

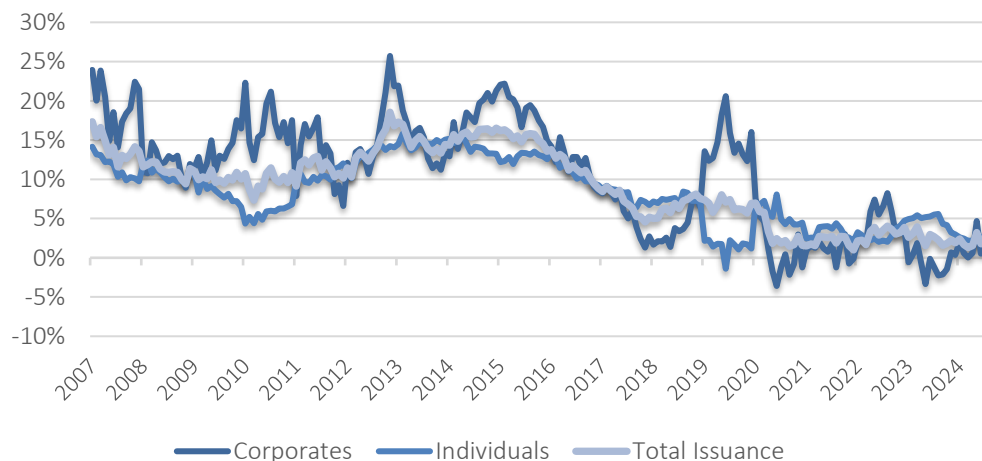
| Category | N\$ Millions Outstanding | Change in N\$ Millions | | % Change | |
|------------------------|--------------------------|------------------------|----------------|---------------|--------------|
| | | One Month | One Year | m/m | y/y |
| Corporates | 45,921.8 | (97.6) | 371.8 | -0.21% | 0.82% |
| Individuals | 67,686.1 | 100.8 | 1,643.2 | 0.15% | 2.49% |
| Mortgage Loans | 59,324.3 | 46.4 | 412.0 | 0.08% | 0.70% |
| Other Loans & Advances | 30,151.7 | (485.8) | 2,201.7 | -1.59% | 7.88% |
| Overdrafts | 10,883.4 | 251.8 | (2,318.4) | 2.37% | -17.56% |
| Instalment Credit | 13,248.4 | 190.9 | 1,719.7 | 1.46% | 14.92% |
| Total PSCE* | 113,607.9 | 3.2 | 2,015.0 | 0.00% | 1.81% |

*Normalised for claims on non-resident private sectors

Source: Bank of Namibia, IJG Securities

Private sector credit (PSCE) remained relatively steady in July, rising by just N\$3.22 million, bringing the normalised cumulative credit outstanding to N\$113.61 billion (removing the interbank swaps the Bank of Namibia (BoN) accounts for in non-resident private sector claims). The year-on-year growth rate also remained relatively steady at 1.81%. Over the past twelve months, N\$2.01 billion worth of credit was extended to the private sector, 30.5% less than the N\$2.90 billion issued over the same period a year ago. Individuals took up N\$1.64 billion worth of credit over this period, while corporates increased their borrowings by N\$371.8 million.

PSCE Issuance Growth (% y/y)



Source: Bank of Namibia, IJG Securities

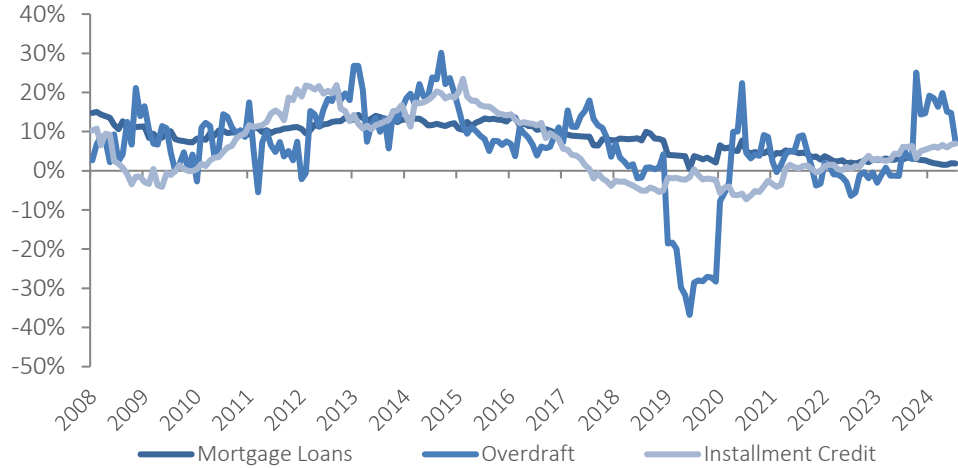
Credit Extension to Individuals

Credit extended to individuals rose by 0.15% m/m and 2.49% y/y in July. 'Other loans and advances', primarily made up of credit card debt and personal- and term loans attributed to most of the growth in credit extension to individuals during the month, with the sub-category growing by 1.0% m/m and 1.4% y/y. Instalment credit to individuals rose by 1.09% m/m and 6.9% y/y. Overdraft facilities notably declined by 3.0% m/m but rose 7.2% y/y. Mortgage loans remained relatively steady month-on-month and grew by 1.9% y/y.



| | |
|--------|--------|
| 0,0005 | 4,85% |
| 0,0003 | 13,04% |
| 0,001 | 50,00% |
| 0,0003 | 14,29% |
| 0,0005 | 12,50% |

Annual Credit Growth (Individuals)

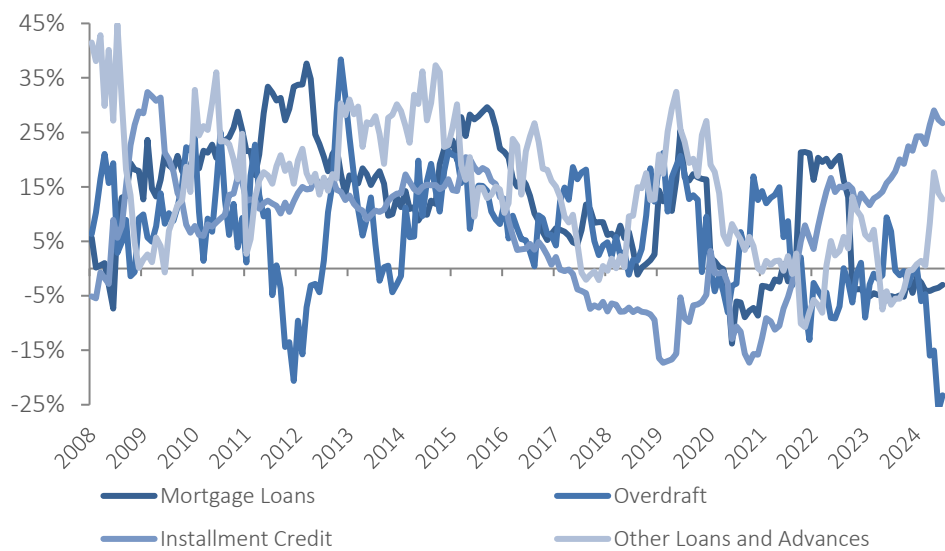


Source: Bank of Namibia, IJG Securities

Credit Extension to Corporates

Credit extension to corporates fell 0.2% m/m but rose 0.8% y/y. The month-on-month contraction was primarily driven by a 3.2% m/m decrease in other loans and advances and a 0.5% m/m decrease in loans and advances. Mortgage loans increased by 0.5% m/m but contracted by 3.0% y/y. Mortgage loans have notably been declining on a year-on-year basis since October 2022. Instalment credit grew by 1.9% m/m and 26.7% y/y, the highest in our records. Overall credit demand from corporates in Namibia however remains weak.

Annual Credit Growth (Corporates)



Source: Bank of Namibia, IJG Securities

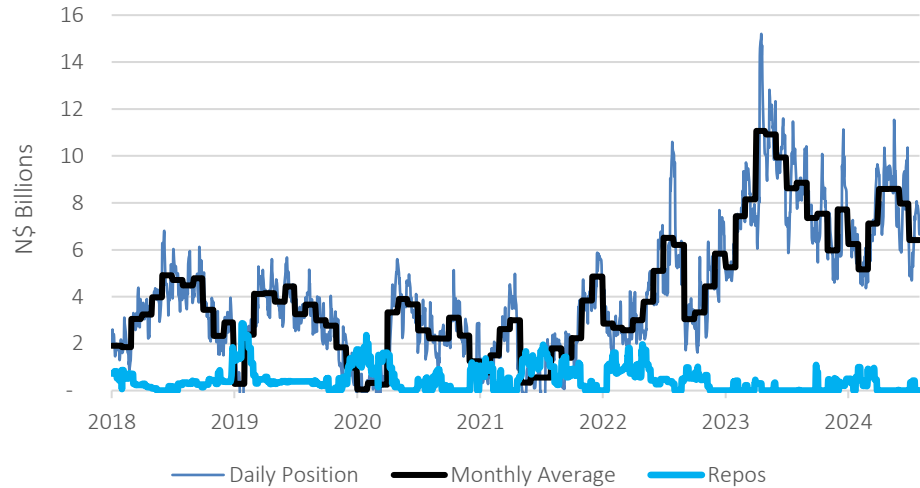
Banking Sector Liquidity

The commercial banks' overall liquidity decreased by N\$1.56 billion to an average of N\$6.41 billion in July, relative to the N\$7.97 billion recorded in June. The central bank ascribed the decrease to lower inflows, fuelled by lower diamond sales during the month. Despite the slight drop, liquidity remains at healthy levels.



| | |
|--------|--------|
| 0.0005 | 4.85% |
| 0.0003 | 13.04% |
| 0.0001 | 50.00% |
| 0.0003 | 14.29% |
| 0.0005 | 12.50% |

Namibian Banking Liquidity

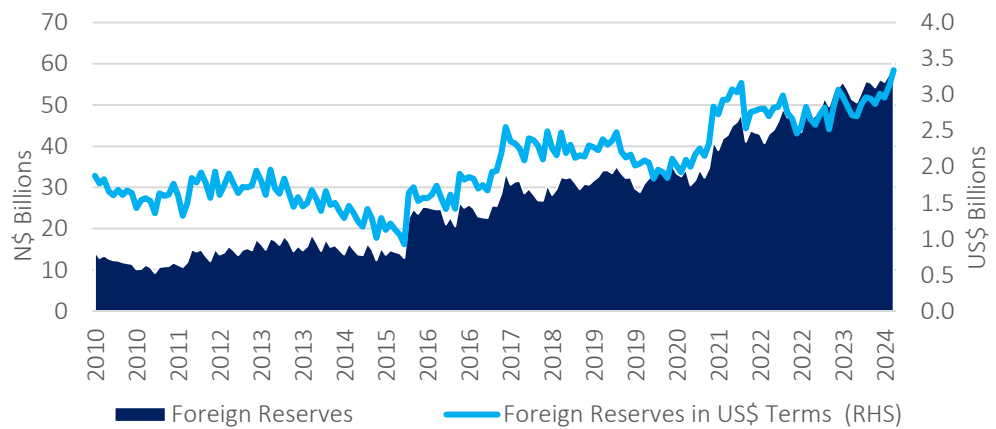


Source: Bank of Namibia, IJG Securities

Money Supply and Reserves

The stock of international reserves rose by N\$3.14 billion or 5.5% m/m to N\$60.78 billion in July, translating to 4.1 months of import cover, well above the international benchmark of 3.0 months. This monthly increase is on the back of SACU receipts and Customer Foreign Currency (CFC) placements.

Foreign Reserves



Source: Bank of Namibia, IJG Securities

Outlook

The recent 25bps repo rate cut, along with anticipated further reductions in interest rates, may lead to a modest improvement in private sector credit growth in Namibia. Lower borrowing costs could stimulate both individual and corporate demand for credit, particularly in categories like mortgage loans and other consumer credit. While corporate credit demand has been weak, the interest rate reduction might encourage more business investment and borrowing in the coming months. For the time being, low credit extension continues to point to a lacklustre rebound in domestic economic conditions for many sectors.





IJG Holdings

| | | | |
|-------------------|--------------------------|-------------------|-------------------------|
| Mathews Hamutenya | Group Chairman | | Tel: +264 (61) 256 699 |
| Mark Späth | Group Managing Director | mark@ijg.net | Tel: +264 (81) 958 3510 |
| Helena Amutenya | Group Financial Director | helena@ijg.net | Tel: +264 (81) 958 3528 |
| Leonie De Klerk | Group Compliance Officer | leonie@ijg.net | Tel: +264 (81) 958 3533 |
| Tashiya Josua | Financial Manager | tashiya@ijg.net | Tel: +264 (81) 958 3511 |
| Benita Windisch | Financial Manager | benita@ijg.net | Tel: +264 (81) 958 3539 |
| Lynnet Sasele | Financial Accountant | lynnet@ijg.net | Tel: +264 (81) 958 3536 |
| Counney Kemp | Group PA | reception@ijg.net | Tel: +264 (81) 958 3500 |

IJG Securities

| | | | |
|----------------|-------------------------------|---------------|-------------------------|
| Eric van Zyl | Managing Director Designate | eric@ijg.net | Tel: +264 (81) 958 3530 |
| Leon Maloney | Equity & Fixed Income Dealing | leon@ijg.net | Tel: +264 (81) 958 3512 |
| Maria Amutenya | Settlements & Administration | maria@ijg.net | Tel: +264 (81) 958 3515 |
| Zane Feris | Sales and Research | zane@ijg.net | Tel: +264 (81) 958 3543 |

IJG Wealth Management

| | | | |
|--------------------|-----------------------|-------------------|-------------------------|
| Andri Ntema | Managing Director | andri@ijg.net | Tel: +264 (81) 958 3518 |
| Wim Boshoff | Head Wealth Manager | wim@ijg.net | Tel: +264 (81) 958 3537 |
| Aretha Thiert | Wealth Manager | aretha@ijg.net | Tel: +264 (81) 958 3540 |
| Katja Greeff | Wealth Manager | katja@ijg.net | Tel: +264 (81) 958 3538 |
| Maunda Rautenbach | Head of Operations | maunda@ijg.net | Tel: +264 (81) 958 3529 |
| Lorein Kazombaruru | Wealth Administration | lorein@ijg.net | Tel: +264 (81) 958 3521 |
| Francoise Van Wyk | Wealth Administration | francoise@ijg.net | Tel: +264 (81) 958 3513 |
| Calvin Mwinga | Wealth Administration | calvin@ijg.net | Tel: +264 (81) 958 3514 |

IJG Capital

| | | | |
|-----------------|-----------------------------|------------------|-------------------------|
| Jakob de Klerk | Managing Director | jakob@ijg.net | Tel: +264 (81) 958 3517 |
| Mirko Maier | Senior Manager: Investments | mirko@ijg.net | Tel: +264 (81) 958 3531 |
| Fares Amunkete | Senior Manager: Investments | fares@ijg.net | Tel: +264 (81) 958 3527 |
| Peterson Mbise | Manager: Investments | peterson@ijg.net | Tel: +264 (81) 958 3532 |
| Veripi Ngapurue | Senior Associate | veripi@ijg.net | Tel: +264 (81) 958 3500 |
| Jacinda Lima | Associate | jacinda@ijg.net | Tel: +264 (81) 958 3500 |

IJG Investment Managers & IJG Unit Trusts

| | | | |
|-------------------|-------------------|-----------------|-------------------------|
| Chidera Onwudinjo | Portfolio Manager | chidera@ijg.net | Tel: +264 (81) 958 3523 |
| Danie van Wyk | Portfolio Manager | danie@ijg.net | Tel: +264 (81) 958 3534 |

IJG Advisory

| | | | |
|---------------------|------------------------------|-----------------|-------------------------|
| Herbert Maier | Managing Director | herbert@ijg.net | Tel: +264 (81) 958 3522 |
| Jolyon Irwin | Director | jolyon@ijg.net | Tel: +264 (81) 958 3500 |
| Hugo van den Heever | Corporate Advisor | hugo@ijg.net | Tel: +264 (81) 958 3542 |
| Lucas Martin | Corporate Advisory Associate | lucas@ijg.net | Tel: +264 (81) 958 3541 |

No representation is given about, and no responsibility is accepted, for the accuracy or completeness of this document. Any views reflect the current views of IJG Holdings (Pty) Ltd. The views reflected herein may change without notice. IJG Holdings (Pty) Ltd provides this document to you for information purposes only and should not be construed as and shall not form part of an offer or solicitation to buy or sell securities or derivatives. It may not be reproduced, distributed or published by any recipient for any purposes.



**Independent. Focused.
Personalised.**