

# Private Sector Credit Extension

## November 2024



### Overview

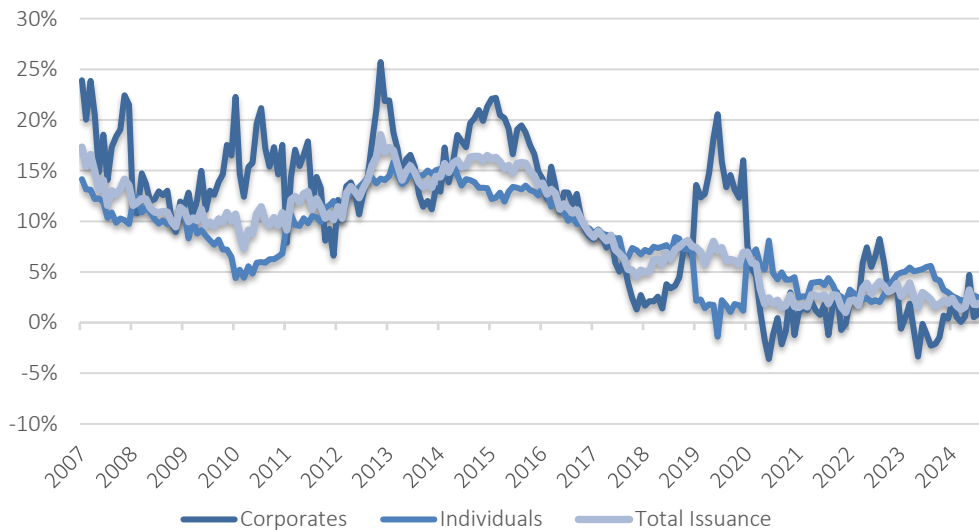
Category	N\$ Millions Outstanding	Change in N\$ Millions		% Change	
		One Month	One Year	m/m	y/y
<b>Corporates</b>	<b>47,875.3</b>	<b>709.4</b>	<b>1,662.9</b>	<b>1.50%</b>	<b>3.60%</b>
<b>Individuals</b>	<b>68,445.0</b>	<b>199.4</b>	<b>2,066.7</b>	<b>0.29%</b>	<b>3.11%</b>
Mortgage Loans	59,481.9	(96.0)	(84.5)	-0.16%	-0.14%
Other Loans & Advances	31,143.0	770.0	2,918.5	2.54%	10.34%
Overdrafts	11,829.4	193.3	(875.4)	1.66%	-6.89%
Instalment Credit	13,866.0	41.5	1,771.1	0.30%	14.64%
<b>Total PSCE*</b>	<b>116,320.3</b>	<b>908.8</b>	<b>3,729.7</b>	<b>0.79%</b>	<b>3.31%</b>

\*Normalised for claims on non-resident private sectors

Source: Bank of Namibia, IJG Securities

Private sector credit extension (PSCE) rose by 0.8% m/m in November 2024, equivalent to N\$908.8 million. This brought the annual growth rate down to 3.3%. After adjusting for interbank swaps recorded by the Bank of Namibia (BoN) under non-resident private sector claims, the normalised cumulative credit outstanding stood at N\$116.3 billion. Over the past twelve months, the private sector received N\$3.73 billion in credit, with individuals accounting for N\$2.07 billion and corporations absorbing N\$1.66 billion.

PSCE Issuance Growth (% y/y)



Source: Bank of Namibia, IJG Securities

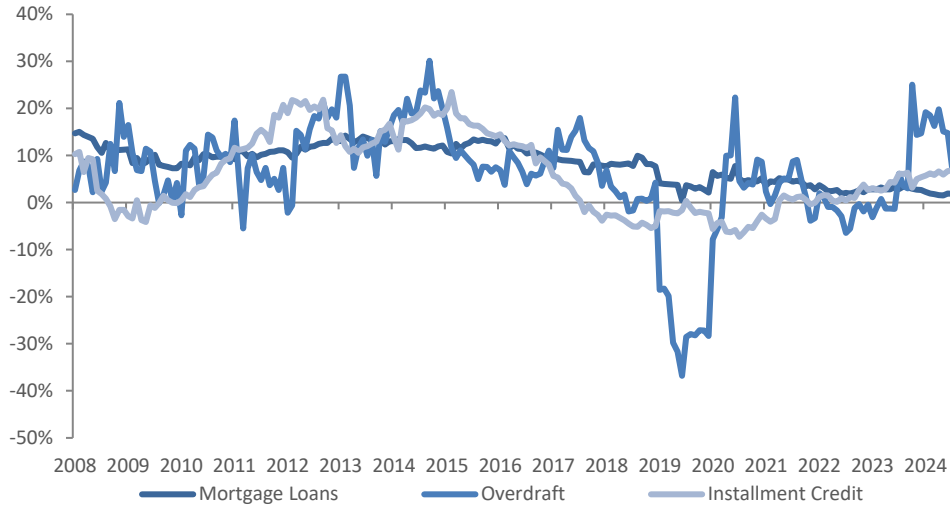
### Credit Extension to Individuals

Credit extended to individuals increased by 3.1% y/y in November. Overdraft facilities for individuals recorded a 0.4% y/y increase, while mortgage loans rose modestly by 1.0% y/y. Other loans and advances — including credit cards, personal loans, and term loans — saw an 8.0% y/y rise. However, the growth rate of instalment credit slowed to 9.7% 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)**

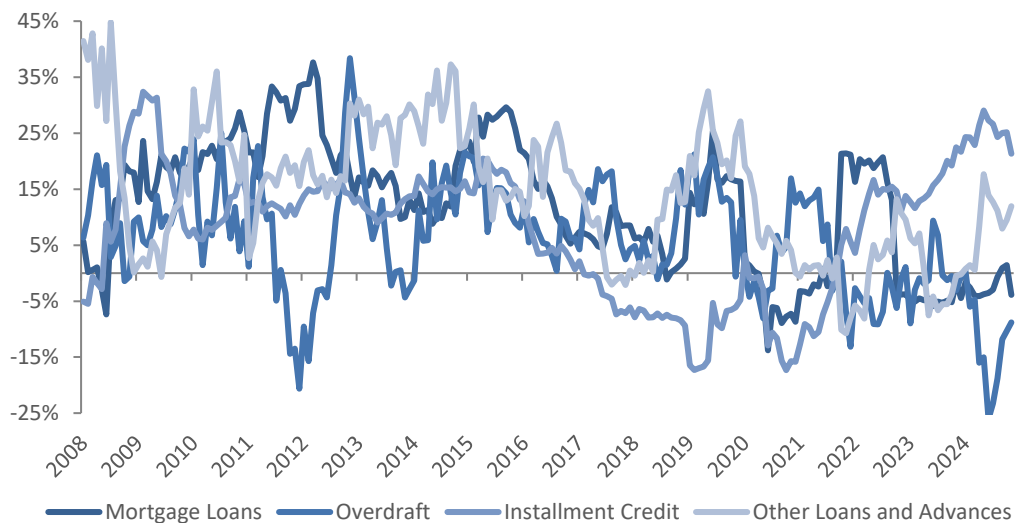


Source: Bank of Namibia, IJG Securities

## Credit Extension to Corporates

Credit extended to corporates slowed in November, with annual growth easing to 3.6% y/y compared to 4.4% y/y in October. The deceleration was primarily driven by reduced credit demand from companies in the real estate sector. Corporate overdrafts continued to contract, posting an 8.8% y/y decline, while mortgage loans fell by 3.9% y/y. In contrast, other loans and advances increased by 11.9% y/y, and instalment credit registered another substantial rise of 21.3% y/y. The subdued growth in corporate credit highlights the continued muted demand for credit within this sector.

**Annual Credit Growth (Corporates)**



Source: Bank of Namibia, IJG Securities

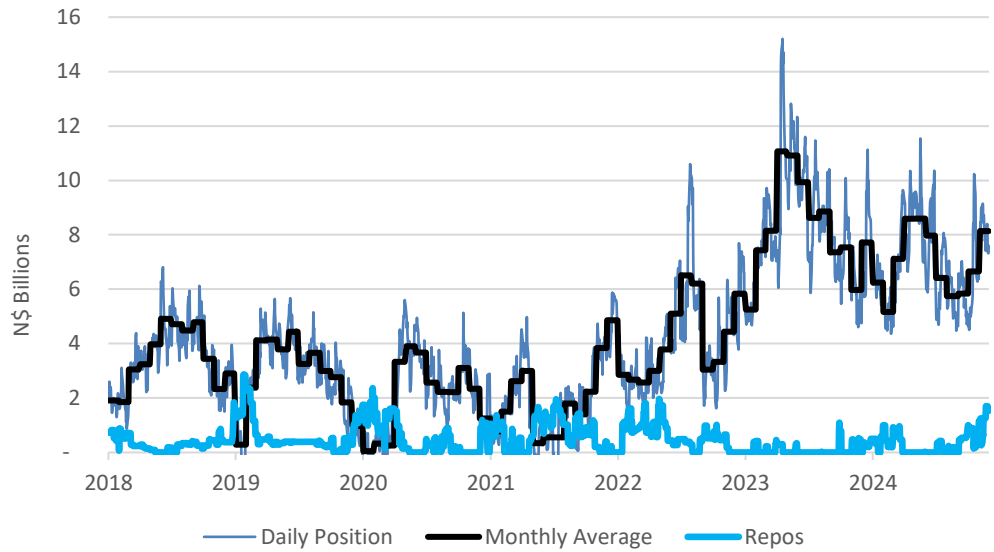
## Banking Sector Liquidity

The overall liquidity of commercial banks increased by N1.48 billion in November, averaging N\$8.14 billion compared to N\$6.65 billion in October. The increase was primarily driven by higher diamond sales during the month.



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

Namibian Banking Liquidity

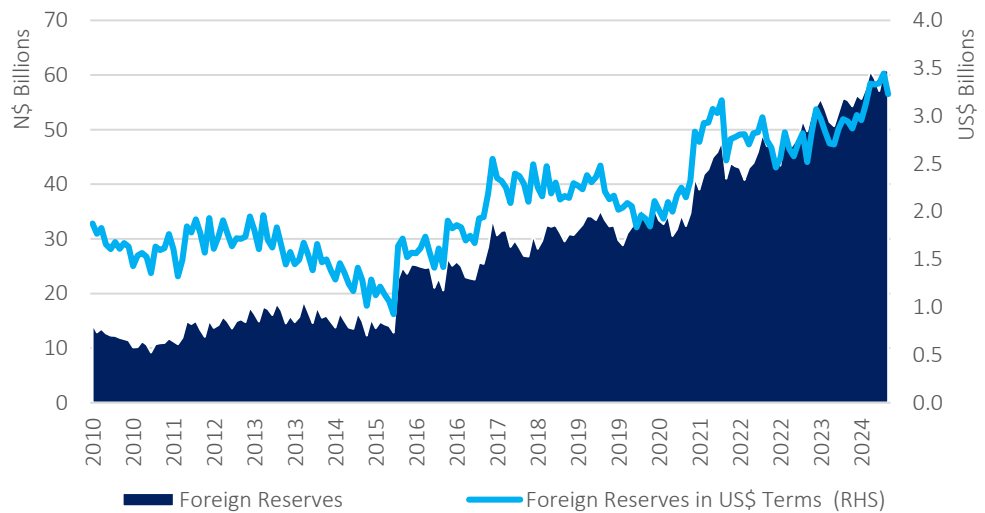


Source: Bank of Namibia, IJG Securities

## Money Supply and Reserves

International reserves fell by N\$45.0 million in November, reaching N\$60.83 billion. This level continues to provide 4.1 months of import cover, unchanged from the previous month. The BoN attributed the decline mainly to higher net outflows from commercial banks, partially offset by increased customer foreign currency placements, leading to the slight drop in the reserve stock.

Foreign Reserves



Source: Bank of Namibia, IJG Securities

## Outlook

PSCE growth remains subdued, reflecting weak demand for credit from both individuals and corporates, particularly in the real estate sector. Although liquidity conditions have improved, credit demand is likely to remain muted in the near term due to elevated debt levels and cautious spending. However, the ongoing interest rate cutting cycle should provide some relief, gradually boosting credit uptake and supporting economic recovery.



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