

Private Sector Credit Extension

February 2025

0.0005	4.85%
0.1003	13.04%
0.0001	50.00%
0.0003	14.29%
0.0005	12.50%

Overview

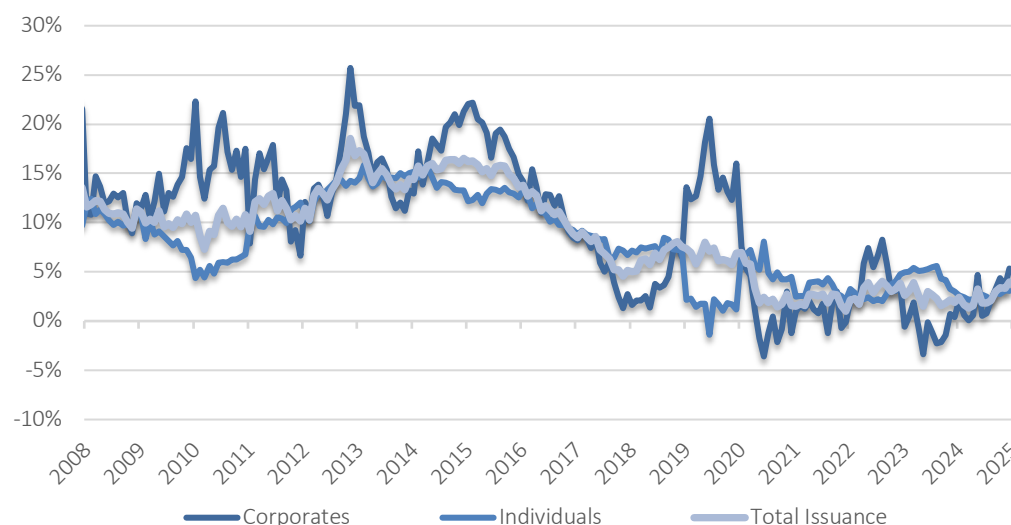
Category	N\$ Millions Outstanding	Change in N\$ Millions		% Change	
		One Month	One Year	m/m	y/y
Corporates	48,980.8	(348.5)	2,727.0	-0.71%	5.90%
Individuals	68,642.4	76.3	1,725.5	0.11%	2.58%
Mortgage Loans	59,507.6	52.0	290.2	0.09%	0.49%
Other Loans & Advances	31,192.1	(769.3)	2,556.5	-2.41%	8.93%
Overdrafts	12,592.9	398.0	(344.0)	3.26%	-2.66%
Instalment Credit	14,330.6	47.2	1,949.9	0.33%	15.75%
Total PSCE*	117,623.2	(272.1)	4,452.5	-0.23%	3.93%

**Normalised for claims on non-resident private sectors*

Source: Bank of Namibia, IJG Securities

Private sector credit extension (PSCE) declined by N\$272.2 million or 0.2% m/m in February. On an annual basis, PSCE growth moderated to 3.9% y/y, down from 4.1% y/y in January. Despite the marginal month-on-month decline, credit extended to both corporates and individuals continued to grow on a year-on-year basis. The slowdown in credit growth was primarily driven by a decline in corporate credit uptake, with the 'other loans and advances' category being the main contributor, declining by 2.4% m/m. Meanwhile, household credit saw a modest increase of 0.1% m/m. Non-resident private sector claims grew by 9.6% m/m.

PSCE Issuance
Growth (% y/y)



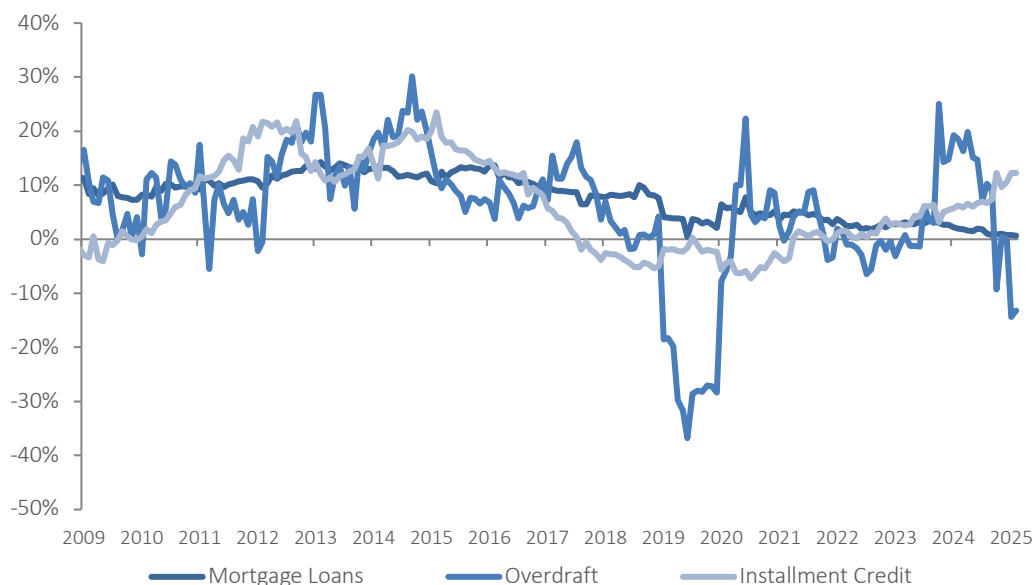
Source: Bank of Namibia, IJG Securities

Credit Extension to Individuals

Credit extended to individuals recorded a modest increase of 0.1% m/m, bringing the total amount outstanding to N\$68.64 billion in February. On an annual basis, PSCE to individuals grew by 2.6% y/y. The 'other loans and advances' category showed robust growth, rising by 7.9% y/y. Overdraft facilities rebounded in February with a 2.4% m/m increase but remained 13.2% lower year-on-year. Mortgage credit extended to individuals declined by 0.1% m/m, but recorded moderate annual growth of 0.7% y/y.

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

Annual Credit Growth (Individuals)

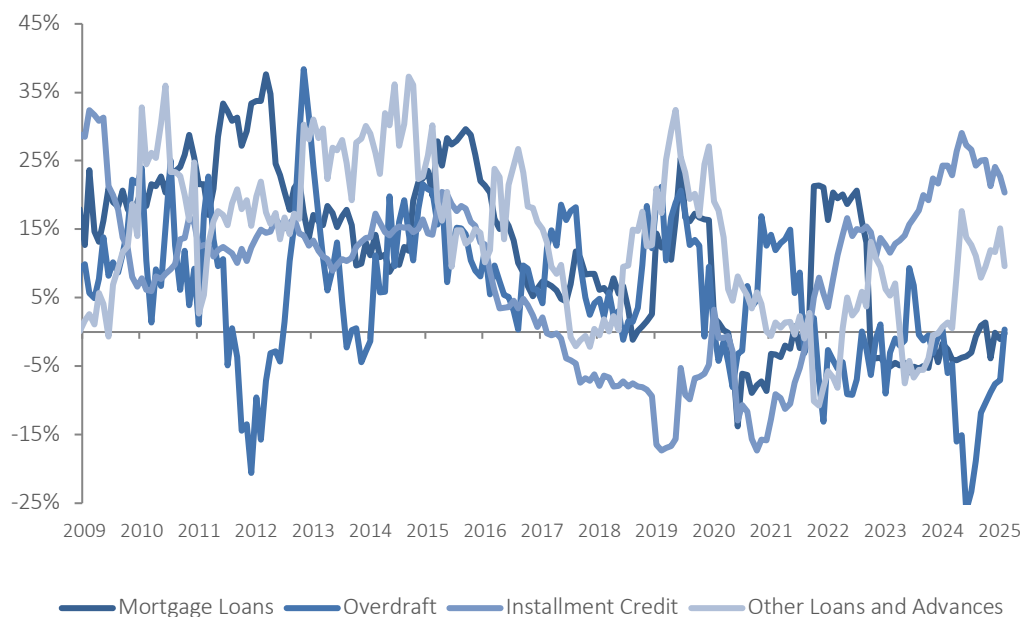


Source: Bank of Namibia, IJG Securities

Credit Extension to Corporates

Credit extended to corporations declined by 0.7% m/m, bringing the annual growth rate to 5.9% y/y. The slower growth was primarily due to net repayments by corporations in the 'other loans and advances' category. Instalment credit and loans and advances grew by 20.4% y/y and 4.0% y/y, respectively. However, monthly growth in both categories slowed in February, with loans and advances falling by 0.8% m/m and instalment credit decreasing slightly by 0.1% m/m. Mortgage credit extended to corporations rose 0.9% m/m but remained down 0.2% y/y. Meanwhile, overdraft lending in the corporate sector rose by 3.5% m/m, bringing its annual growth rate to 0.3% y/y.

Annual Credit Growth (Corporates)



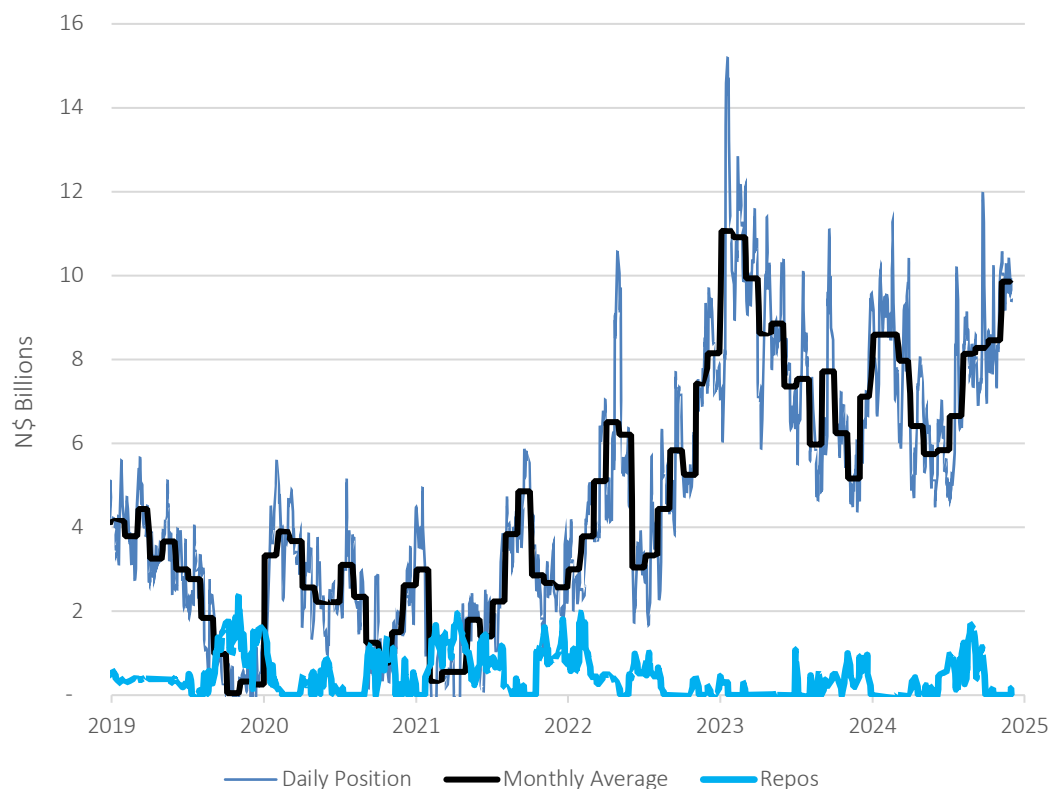
Source: Bank of Namibia, IJG Securities

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

Banking Sector Liquidity

The commercial banks' overall liquidity improved by N\$1.40 billion to an average of N\$9.86 billion in February. The Bank of Namibia (BoN) attributes the growth in liquidity to higher government expenditure, primarily the redemptions of short-term government securities and monthly social grant transfers.

Namibian Banking Liquidity



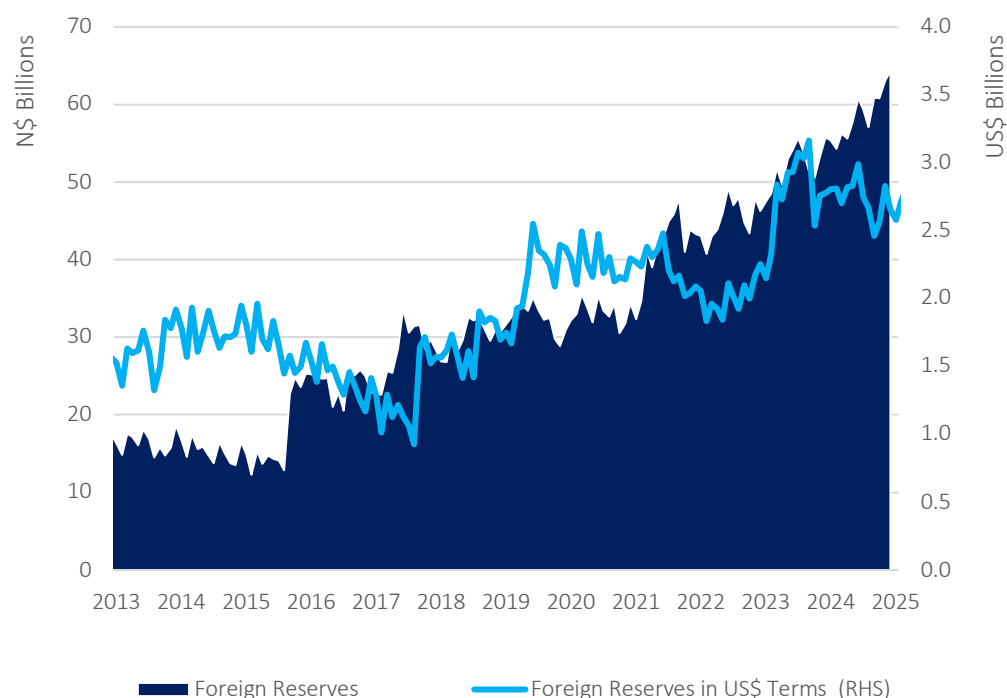
Source: Bank of Namibia, IJG Securities

Money Supply and Reserves

International foreign reserves rose to N\$64.45 billion in February, surpassing January's level of N\$64.33 billion. This marks a slight month-on-month increase of 0.2% m/m. According to the BoN, the rise was driven by higher CFC placements and lower net outflows from commercial banks. February's foreign reserves translate to an import cover of 4.2 months, including oil exploration and appraisal activities. When excluding these activities, the import cover improves to 5.2 months.

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

Foreign Reserves



Source: Bank of Namibia, IJG Securities

Outlook

Overall, credit demand was sluggish in February. While there was a slight increase in credit uptake by individuals, this was more than offset by corporate repayments, particularly in the 'other loans and advances' category. Despite this moderation, annual credit growth remained positive, and slightly quicker than inflation. Notably, overdraft facilities and non-resident private sector claims rebounded after an extended period of stagnation.

Meanwhile, banking sector liquidity documented robust growth primarily driven by increased government expenditure and social grant transfers. Namibia's international foreign reserves also increased marginally on a month-on-month basis, attributable to higher CFC placements and lower commercial bank outflows.

Overall, despite a moderation in the pace of monthly credit growth, the financial sector reported stable liquidity levels and foreign reserves which prove sufficient to support economic activity for the coming months.

IJG Holdings

Mathews Hamutenya	Group Chairman		Tel: +264 (81) 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

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
Kari Rossouw	Sales and Research	kari@ijg.net	Tel: +264 (81) 958 3530
Robin Sherbourne	Economist	robin@ijg.net	Tel: +264 (81) 958 3500

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 Thiar	Wealth Manager	aretha@ijg.net	Tel: +264 (81) 958 3540
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
Joshua Sithole	Junior Research Analyst	joshua@ijg.net	Tel: +264 (81) 958 3523

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

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 constructed 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.**

4th Floor, 1@Steps, C/O Grove & Chasie Streets, Kleine Kuppe
P O Box 186, Windhoek, Namibia, Tel: +264 81 958 3500, www.ijg.net

ADVISORY | BUSINESS BROKING | INVESTMENT MANAGEMENT | PRIVATE EQUITY | STOCKBROKING | UNIT TRUSTS | WEALTH MANAGEMENT