

Private Sector Credit Extension

March 2025

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

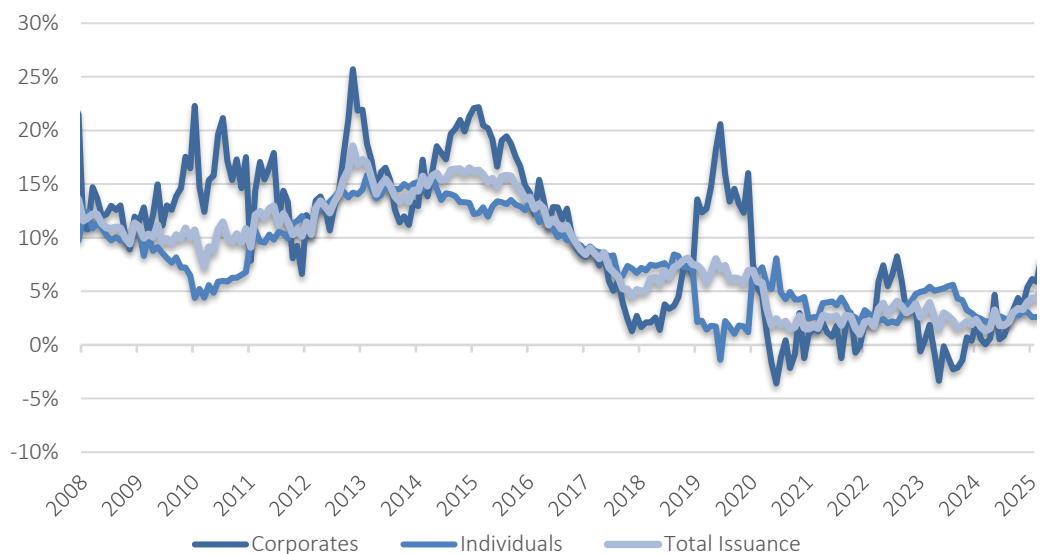
Overview

Category	N\$ Millions Outstanding	Change in N\$ Millions		% Change	
		One Month	One Year	m/m	y/y
Corporates	49 591.4	610.6	3 747.6	1.25%	8.17%
Individuals	68 719.2	76.9	1 870.9	0.11%	2.80%
Mortgage Loans	58 958.6	(549.0)	(23.6)	-0.92%	-0.04%
Other Loans & Advances	31 843.7	651.6	3 399.2	2.09%	11.95%
Overdrafts	12 912.9	320.0	107.7	2.54%	0.84%
Instalment Credit	14 595.5	264.9	2 135.1	1.85%	17.13%
Total PSCE	118 670.7	662.2	5 978.5	0.56%	5.31%

Source: Bank of Namibia, IJG Securities

Private sector credit (PSCE) rose by N\$662.2 million or 0.56% m/m in March, bringing the cumulative credit outstanding to N\$118.67 billion. This increase was also reflected on an annual basis, with PSCE growth accelerating to 5.3% y/y, up from 4.3% y/y in February, the highest since March 2020. All categories recorded monthly gains, except for mortgage loans. Credit extended to both corporations and individuals ticked up in March. Annually, credit to corporations grew by 8.2% y/y, while credit to individuals grew by 2.8% y/y. Growth in PSCE was partly tempered by the slowdown in mortgage lending, which contracted on a monthly basis for both corporates and households. Claims on the non-resident private sector fell by 6.6% m/m.

PSCE Issuance Growth (% y/y)



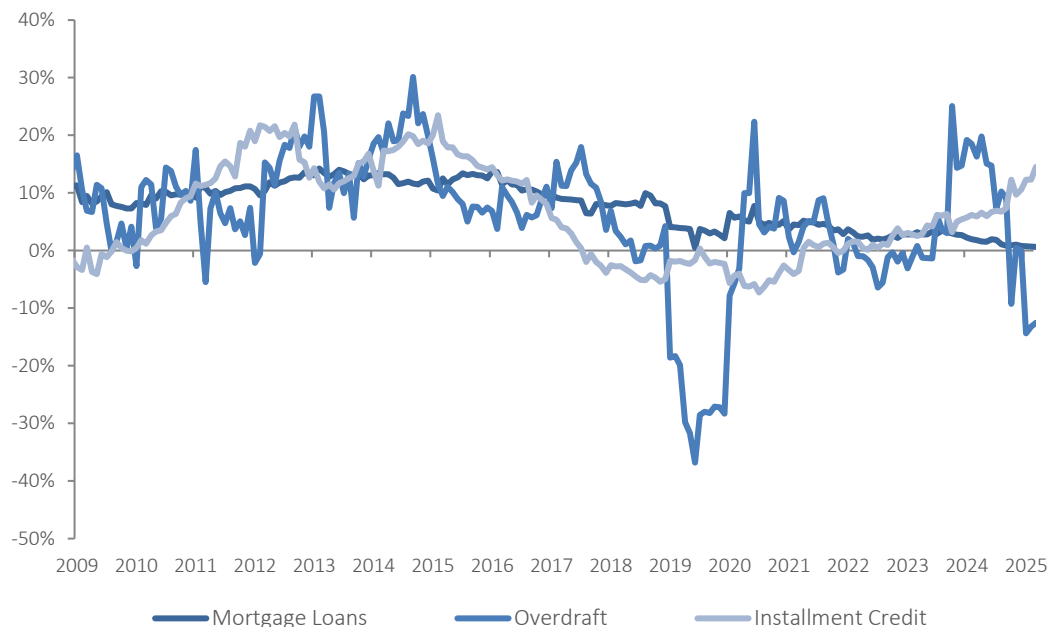
Source: Bank of Namibia, IJG Securities

Credit Extension to Individuals

Credit uptake by individuals edged up in March, rising by 0.1% m/m to bring the total amount outstanding to N\$68.72 billion. On an annual basis, PSCE to individuals grew by 2.8% y/y – an improvement from the 2.2% y/y growth seen in March last year. Among the different categories, instalment credit was the only category to record a monthly increase, rising by 1.6% m/m and 14.5% y/y. Conversely, 'loans and advances' fell by 0.1% m/m, mainly due to a 0.6% m/m drop in overdraft facilities. Both mortgage loans and 'other loans and advances' also slipped by 0.1% m/m. On an annual basis, overdraft facilities were the only category to show a decline, falling sharply by 12.5% y/y. Mortgage loans ticked up slightly by 0.6% y/y, while the 'other loans and advances' category rose significantly by 7.9% y/y.

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Annual Credit Growth (Individuals)

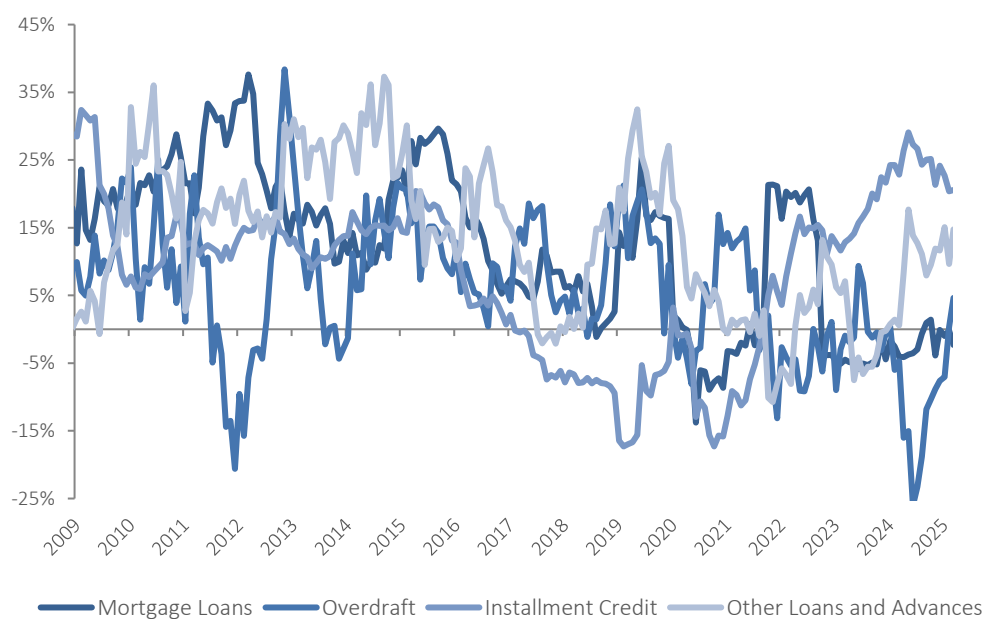


Source: Bank of Namibia, IJG Securities

Credit Extension to Corporates

Credit extended to corporations rose by 1.3% m/m and 8.2% y/y in March, which is well above the two-year average annual growth rate of 1.6% y/y and marking the strongest annual growth since September 2022. This robust growth was driven by increases across all major credit categories, bar corporate mortgage loans. Total loans and advances grew by 1.1% m/m and 6.5% y/y, supported mainly by a sharp rise in 'other loans and advances', which increased 3.5% m/m, and 14.8% y/y. Overdraft facilities also recorded strong growth, up by 3.3% m/m and 4.6% y/y - the highest annual growth in this category since July 2023. Instalment credit posted a notable uptick of 2.1% m/m and 20.6% y/y. Conversely, corporate mortgage loans declined by 2.8% m/m and 2.3% y/y.

Annual Credit Growth (Corporates)



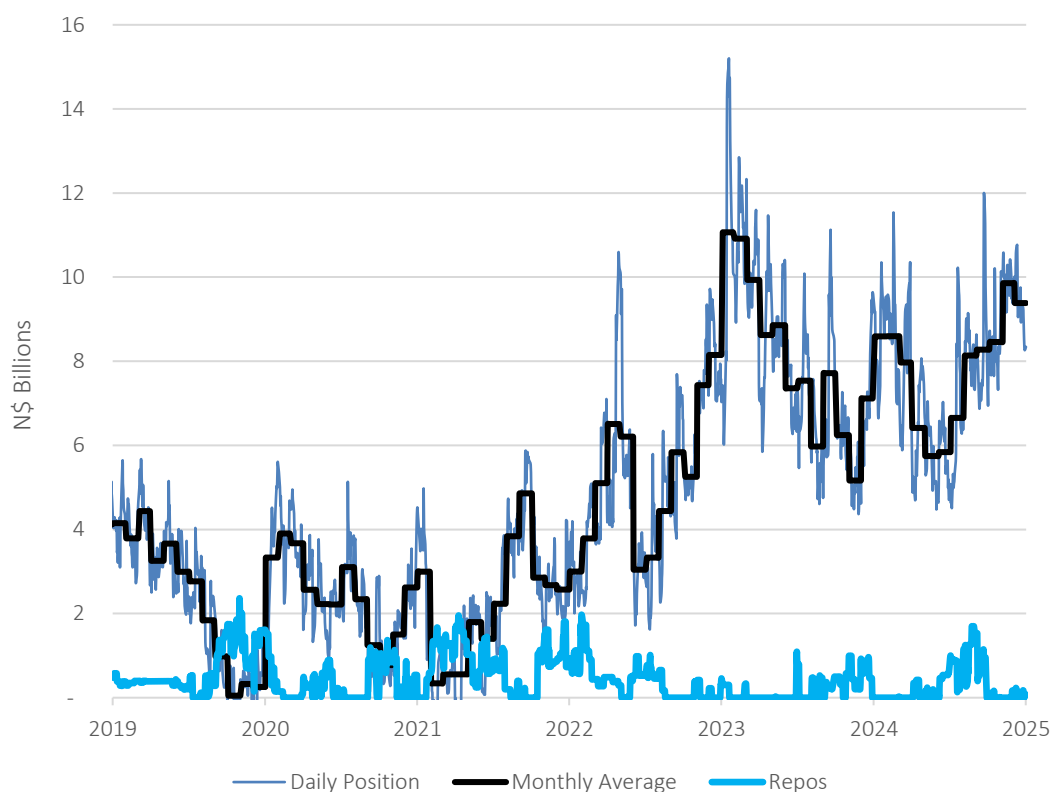
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Banking Sector Liquidity

The overall liquidity position of the commercial banks fell by N\$473.1 million to an average of N\$9.38 billion in March. The Bank of Namibia (BoN) attributes the decrease in liquidity to outflows for foreign payments.

Namibian Banking Liquidity

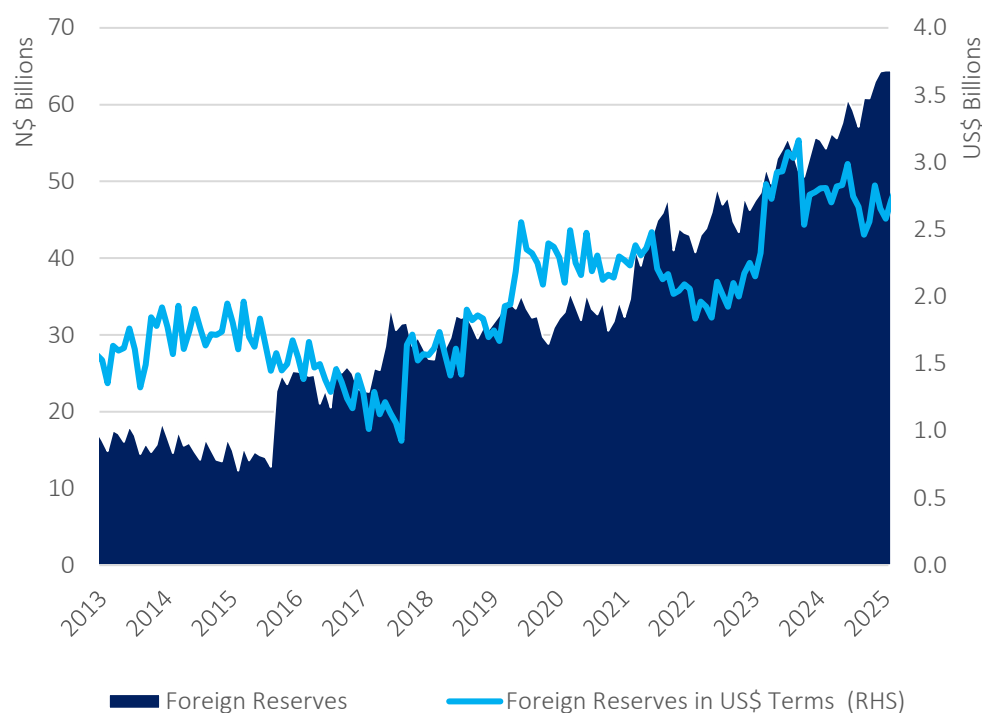


Source: Bank of Namibia, IJG Securities

Money Supply and Reserves

International foreign reserves stood at N\$59.70 billion at the end of March. This represents a decline of 7.4% m/m. According to the BoN, the monthly decrease in international foreign reserves was mainly attributable to rising imports and payments by government. This level of reserves translates into an import cover of 3.9 months, including oil exploration and appraisal activities. When excluding these activities, which are mainly financed from abroad, the import cover stood at 4.8 months.

Foreign Reserves



Source: Bank of Namibia, IJG Securities

Conclusion

The cumulative credit outstanding rose in March, attributable to higher credit uptake from both corporates and individuals. The annual PSCE growth of 5.3% y/y marks the highest level since March 2020, underpinned by broad-based gains across most credit categories. Corporate credit growth was particularly strong, recording robust monthly and annual growth and outpacing inflation. While individual credit uptake also strengthened, its growth remained more subdued and lagged behind inflation. Mortgage lending, on the other hand, continues to underperform, with weak demand from both households and corporates keeping growth in this category relatively sluggish.

Meanwhile, both banking sector liquidity and international foreign reserve declined during the month. According to the BoN, the dip in liquidity was mainly due to outflows for foreign payments, while the decline in reserves was attributed to increased imports and government-related foreign payments.

Overall, corporate PSCE growth is showing signs of returning to pre-pandemic levels, signalling a cautiously optimistic outlook for sustained credit momentum in the coming months.

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