

# Private Sector Credit Extension

## April 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          |
| <b>Corporates</b>      | <b>49,584.3</b>          | <b>(7.1)</b>           | <b>3,280.7</b> | <b>-0.01%</b> | <b>7.09%</b> |
| <b>Individuals</b>     | <b>68,828.6</b>          | <b>109.3</b>           | <b>1,825.7</b> | <b>0.16%</b>  | <b>2.72%</b> |
| Mortgage Loans         | 58,986.9                 | 28.4                   | (35.3)         | 0.05%         | -0.06%       |
| Other Loans & Advances | 32,686.7                 | 843.1                  | 2,828.8        | 2.65%         | 9.47%        |
| Overdrafts             | 12,015.6                 | (897.4)                | 234.8          | -6.95%        | 1.99%        |
| Instalment Credit      | 14,723.7                 | 128.2                  | 2,078.1        | 0.88%         | 16.43%       |
| <b>Total PSCE</b>      | <b>118,689.7</b>         | <b>19.0</b>            | <b>5,383.2</b> | <b>0.02%</b>  | <b>4.75%</b> |

Source: Bank of Namibia, IJG Securities

Total credit extended to the private sector (PSCE) ticked up slightly in April, rising by N\$19.0 million, bringing the cumulative credit amount outstanding to N\$118.69 billion. On an annual basis, total PSCE grew by 4.8%, signalling a gradual return to pre-COVID levels, with the first quarter of 2025 reflecting strong momentum. Monthly growth was recorded across all credit categories except overdraft lending. On a monthly basis, credit extended to corporations declined marginally, while household increased by 0.2% m/m. Annually, credit extended to corporates and individuals rose by 7.1% y/y and 2.7% y/y, respectively. Meanwhile, claims on non-resident private sector rose by 0.9% m/m and 16.4% y/y.

PSCE Issuance  
Growth (% y/y)



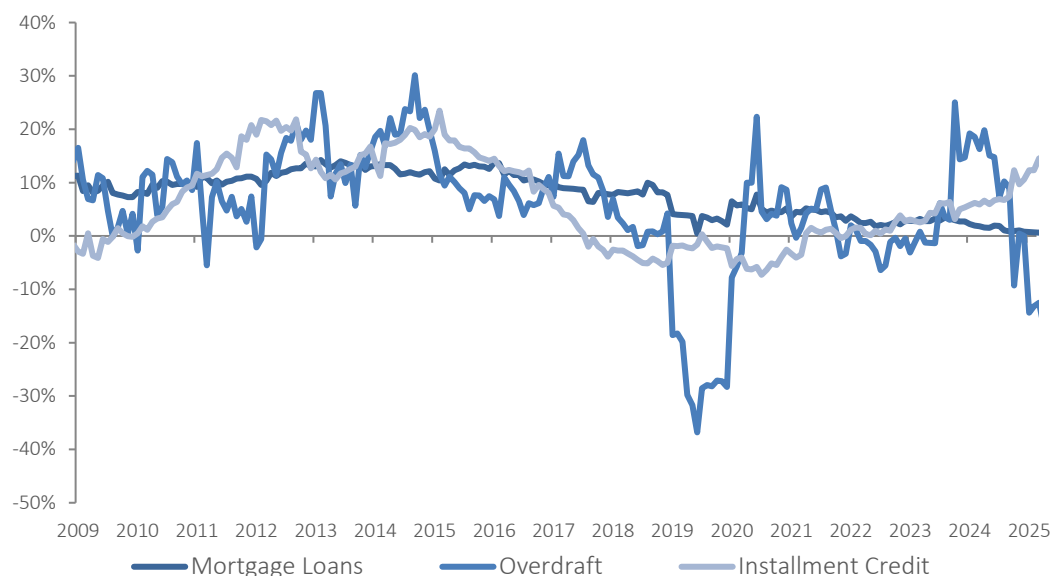
Source: Bank of Namibia, IJG Securities

## Credit Extension to Individuals

Growth in PSCE was primarily driven by increased credit uptake by individuals, with total credit outstanding rising to N\$68.83 billion reflecting a 0.2% m/m and 2.7% y/y increase, up from the 2.2% y/y recorded in April 2024. Mortgage loans grew by 0.2% m/m and 0.9% y/y, marking the highest monthly growth among the loan categories. 'Other loans and advances' increased by 0.1% m/m and 7.5% y/y, registering the strongest annual growth of the three major categories. In contrast, overdraft facilities declined by 2.7% m/m and 17.2% y/y, continuing the trend of individuals paying down their overdraft balances – a pattern consistent with negative overdraft growth throughout the first quarter of 2025. Instalment credit rose by 0.85 m/m and 14.95 y/y, posting its highest annual growth rate since October 2015.

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### Annual Credit Growth (Individuals)

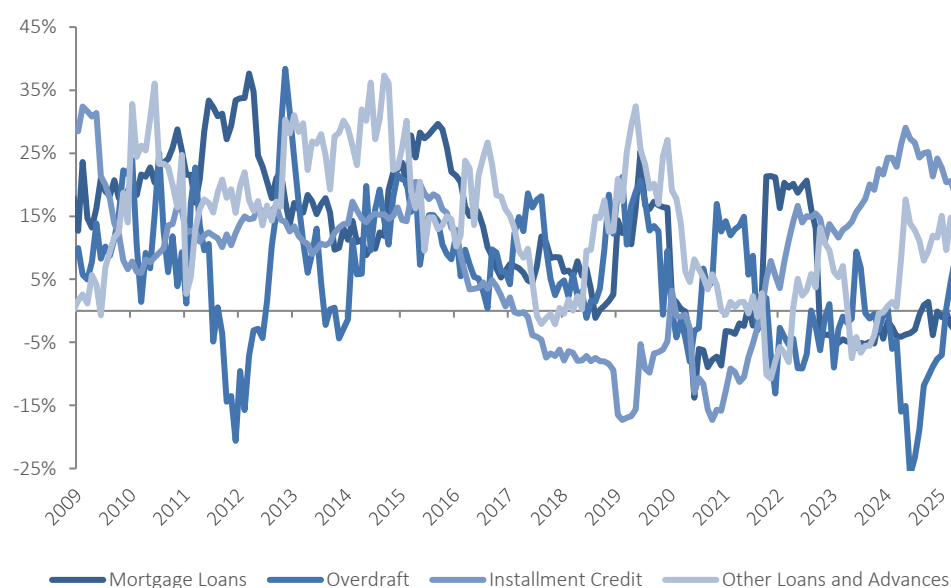


Source: Bank of Namibia, IJG Securities

## Credit Extension to Corporates

Credit extended to corporations grew by 7.1% y/y in April, moderating from the 8.2% y/y growth recorded in March. Despite the marginal slowdown, April's figure represents the second highest annual growth rate since August 2022. The first quarter of 2025 saw robust corporate credit demand, with average annual growth reaching 6.8%, a significant improvement compared to the 0.8% average recorded during the same period in 2024. Both the 'loans and advances' and instalment credit to corporations' categories experienced slightly lower growth on both a monthly and annual basis compared to March 2025. In the 'loans and advances' category, mortgage loans to corporates remained in negative territory, declining by 0.5% m/m and 3.2% y/y. Conversely, the 'other loans and advances' category recorded strong growth of 4.3% m/m – its highest monthly increase since May 2024 – and 10.7% y/y. Although overdraft lending contracted by 8.0% m/m, it still posted a notable annual growth rate of 8.3% y/y in April 2025, marking the highest year-on-year increase since June 2023.

### Annual Credit Growth (Corporates)



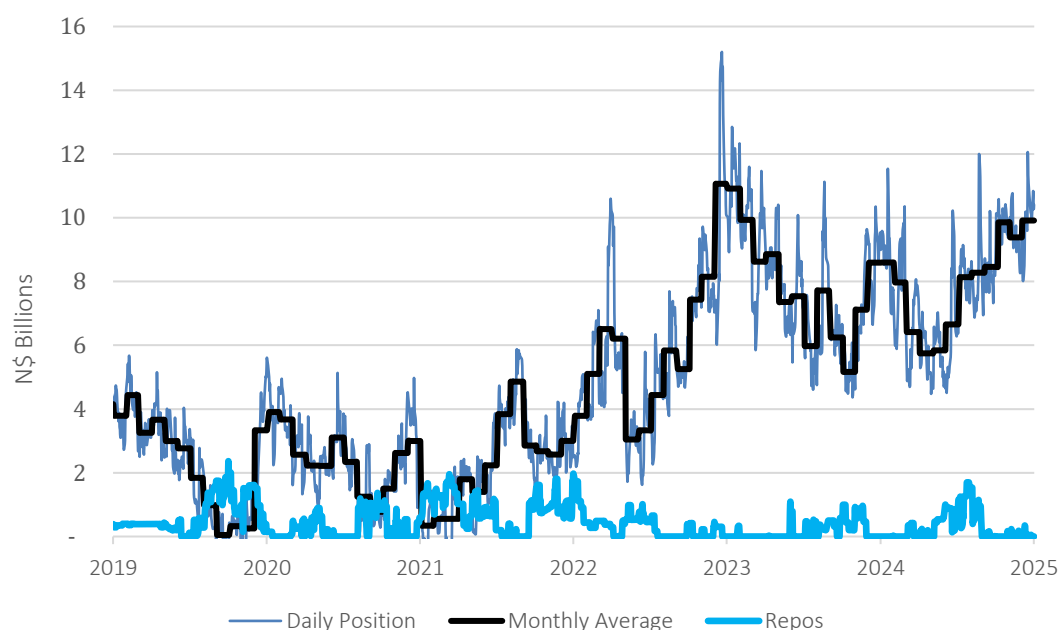
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## Banking Sector Liquidity

The overall liquidity position of the commercial banks rose by N\$529.8 million to an average of N\$9.91 billion in April. The Bank of Namibia (BoN) ascribes this increase in liquidity to bond redemptions, coupon payments and diamond sales proceeds. This also represents the highest liquidity position since June 2023.

### Namibian Banking Liquidity



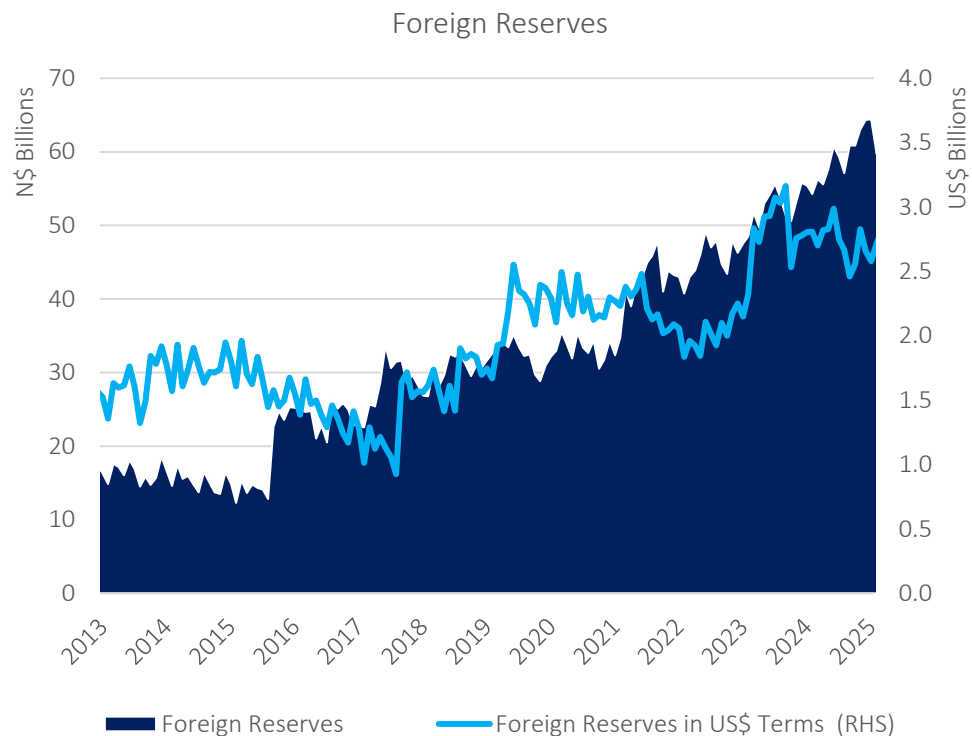
Source: Bank of Namibia, IJG Securities

## Money Supply and Reserves

International foreign reserves rose by 6.6% m/m or N\$3.95 billion to N\$63.65 billion at the end of April. This increase, according to the BoN, was primarily driven by SACU receipts. This level of international reserves equates to 4.2 months of import cover. When excluding oil exploration and appraisal activities, which are mainly financed from abroad, the import cover stood at 5.1 months.

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## Foreign Reserves



Source: Bank of Namibia, IJG Securities

## Conclusion

PSCE growth maintained its upward trajectory in April, albeit modestly, with total credit outstanding reaching N\$118.69 billion. The data points to a steady recovery in credit demand, with the annual growth rate gradually approaching pre-pandemic levels. Notably, the first quarter of 2025 recorded strong PSCE growth, surpassing the performance observed the same period in 2024. On the monetary front, both the banking sector's liquidity position and international reserves improved in April.

Overall, April reflects a cautiously optimistic credit environment supported by solid corporate and household demand and improved liquidity.

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