

Private Sector Credit Extension

May 2025

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

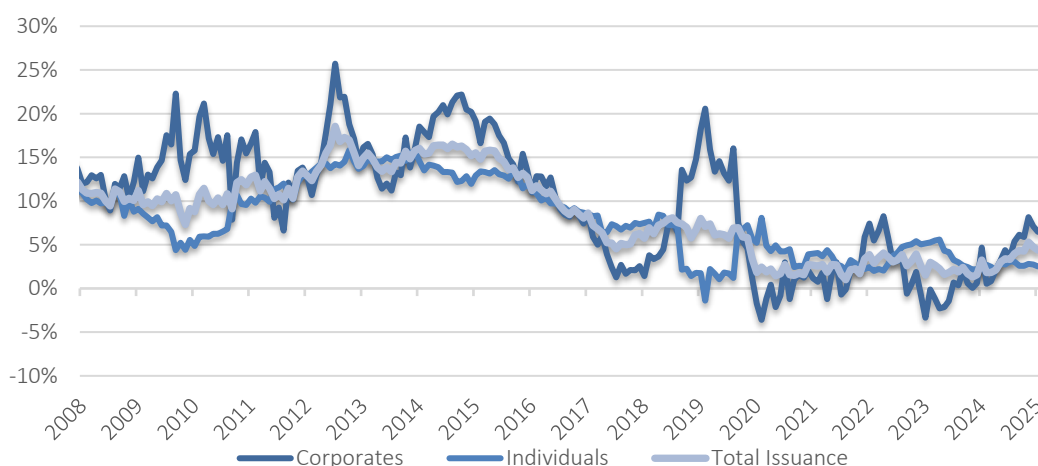
Overview

| Category | N\$ Millions Outstanding | Change in N\$ Millions | | % Change | |
|------------------------|--------------------------|------------------------|----------------|--------------|--------------|
| | | One Month | One Year | m/m | y/y |
| Corporates | 50,086.4 | 502.1 | 3,049.3 | 1.01% | 6.48% |
| Individuals | 68,995.3 | 166.7 | 1,695.2 | 0.24% | 2.52% |
| Mortgage Loans | 58,969.5 | (17.4) | (91.0) | -0.03% | -0.15% |
| Other Loans & Advances | 33,288.8 | 602.1 | 2,362.7 | 1.84% | 7.64% |
| Overdrafts | 12,082.1 | 66.5 | 680.3 | 0.55% | 5.97% |
| Instalment Credit | 14,741.3 | 17.6 | 1,792.4 | 0.12% | 13.84% |
| Total PSCE | 119,330.6 | 640.9 | 4,993.4 | 0.54% | 4.37% |

Source: Bank of Namibia, IJG Securities

Total credit extended to the private sector (PSCE) rose by N\$640.9 million in May, reflecting a 0.5% m/m and 4.4% y/y increase. The N\$640.9 million increase pushed the cumulative credit amount outstanding to N\$119.33 billion. On an annual basis, growth in overdraft facilities to corporations recorded the highest growth since May 2021, while overdraft facilities to individuals continue to trend in negative territory. For the corporate and individual categories grouped together, all categories, bar mortgage loans, recorded monthly and annual growth. Over the past 12 months, a total of N\$4.99 billion in credit was extended to the private sector, with individuals accounting for N\$1.70 billion and corporates for N\$3.05 billion.

PSCE Issuance Growth (% y/y)



Source: Bank of Namibia, IJG Securities

Credit Extension to Individuals

Credit extended to individuals increased by 0.2% m/m, or N\$166.7 million, in May, resulting in the cumulative amount outstanding increasing to N\$69.0 billion. While annual growth stood at 2.5% y/y. All sub-categories within the loans and advances category recorded monthly growth, with overdraft facilities showing the strongest growth, rising by 1.6% m/m. Instalment credit rose by 0.6% m/m. On an annual basis, growth in credit extended to individuals was supported by solid growth instalment credit and 'other loans and advances'. By contrast, overdraft facilities continued its downward trend for the fifth consecutive month, contracting by 12.7% y/y.

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Annual Credit Growth (Individuals)

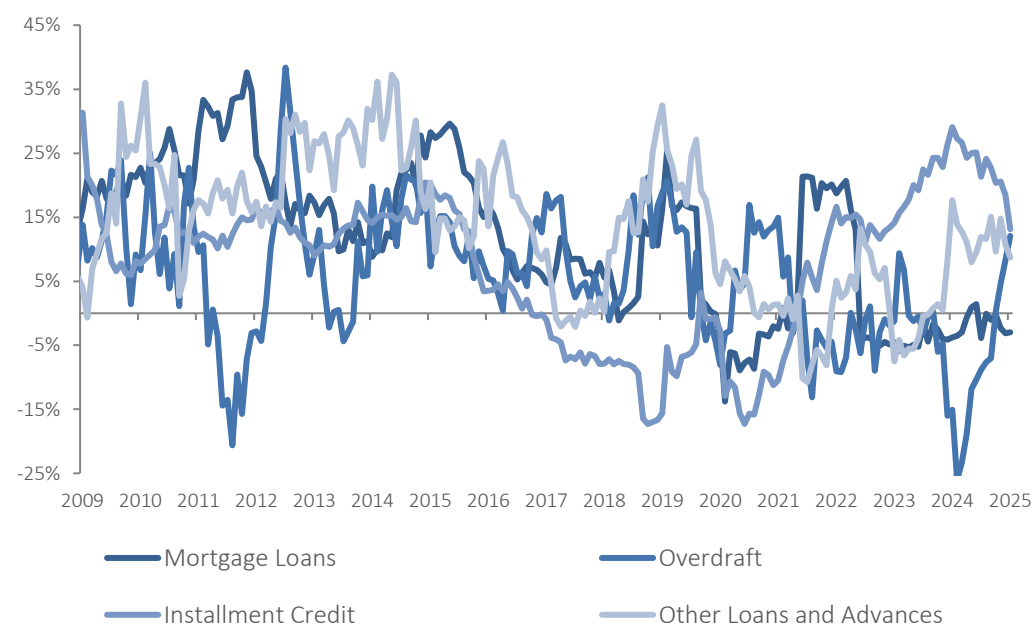


Source: Bank of Namibia, IJG Securities

Credit Extension to Corporates

Credit extended to corporates rose by a robust 1.0% m/m, or N\$502.1 million, in May. On an annual basis, credit extended to corporates increased by 6.5% y/y, exceeding the ten-year average of 5.9% y/y. Performance across the lending categories was mixed. Within the loans and advances category, both 'other loans and advances' and overdraft facilities registered positive monthly growth, while mortgage loans and instalment credit declined by 0.3% m/m and 0.5% m/m, respectively. Annually, 'other loans and advances' and overdraft facilities posted strong growth of 8.7% y/y and 12.1% y/y, respectively. Mortgage loans were the only category to contract, falling by 0.3% y/y. Although instalment credit rose by 13.1% y/y, this represents the slowest annual growth rate since March 2023.

Annual Credit Growth (Corporates)



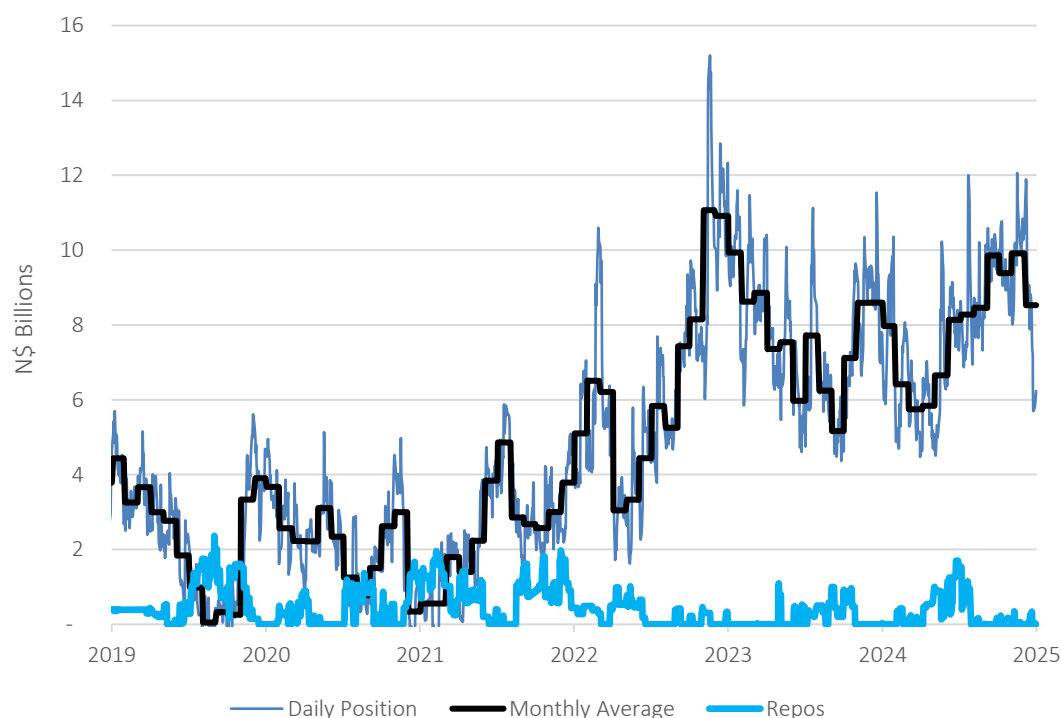
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Banking Sector Liquidity

The overall liquidity position of commercial banks declined by N\$1.39 billion in May, falling from an average of N\$9.91 billion in April to an average of N\$8.53 billion in May. This May level also marks the lowest liquidity position recorded so far this year but remains robust overall and elevated compared to historical levels. According to the Bank of Namibia (BoN), this decrease is attributed to net outflows stemming from trade-related activities.

Namibian Banking Liquidity

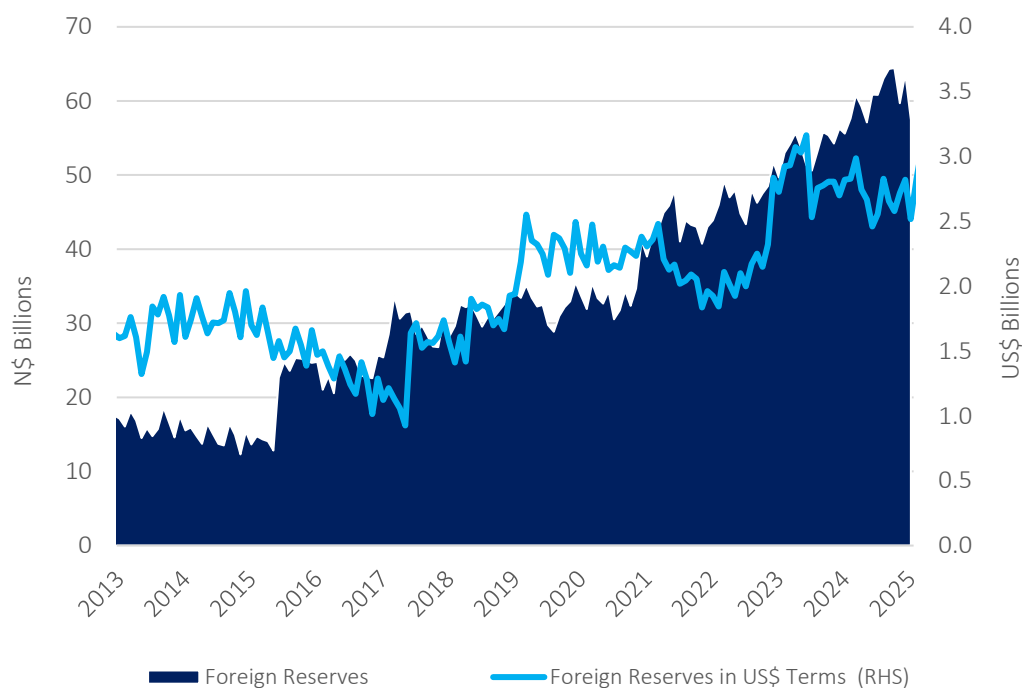


Source: Bank of Namibia, IJG Securities

Money Supply and Reserves

International foreign reserves fell by 9.8% m/m, or N\$6.20 billion, to N\$57.44 billion at the end of May. According to the BoN, the decrease was primarily driven by net outflows from commercial banks, withdrawals from Customer Foreign Currency (CFC) accounts and revaluation losses. At this level, international reserves provide 3.7 months of import cover. When excluding oil exploration and appraisal activities, which are mainly financed from abroad, the import cover ratio improves to 4.6 months.

Foreign Reserves



Source: Bank of Namibia, IJG Securities

Conclusion

Overall, PSCE growth has begun to moderate over the past two months, with credit uptake growth by individuals lagging behind that of corporates. Despite this recent slowdown, annual PSCE growth remains relatively robust at 4.4% y/y, which is well above the five-year historical average of 2.6% y/y. On the monetary front, however, the banking sector's liquidity position and international reserves weakened somewhat during the month.

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