

Private Sector Credit Extension

July 2025

Overview

Category	N\$ Millions Outstanding	Change in N\$ Millions		% Change	
		One Month	One Year	m/m	y/y
Corporates	50,545.9	(343.1)	4,624.2	-0.67%	10.07%
Individuals	69,539.3	338.2	1,853.2	0.49%	2.74%
Mortgage Loans	59,347.9	262.1	23.6	0.44%	0.04%
Other Loans & Advances	32,742.3	(443.5)	2,590.6	-1.34%	8.59%
Overdrafts	12,500.1	14.4	1,616.7	0.12%	14.85%
Instalment Credit	15,494.9	162.1	2,246.5	1.06%	16.96%
Total PSCE	120,293.7	(1.1)	6,685.8	0.00%	5.88%

Source: Bank of Namibia, IJG Securities

Total credit extended to the private sector (PSCE) fell by N\$1.1 million in July, bringing the total credit outstanding to N\$120.29 billion. On a year-on-year basis, PSCE grew by 5.9% y/y in July – a minute decrease from June. Despite the slowdown, this figure marks the second highest annual growth rate since January 2020. On a rolling 12-month basis, N\$6.69 billion worth of credit was extended to the private sector, of which individuals took up N\$1.85 billion and corporates making up the remaining N\$4.62 billion.

PSCE Issuance
Growth (% y/y)



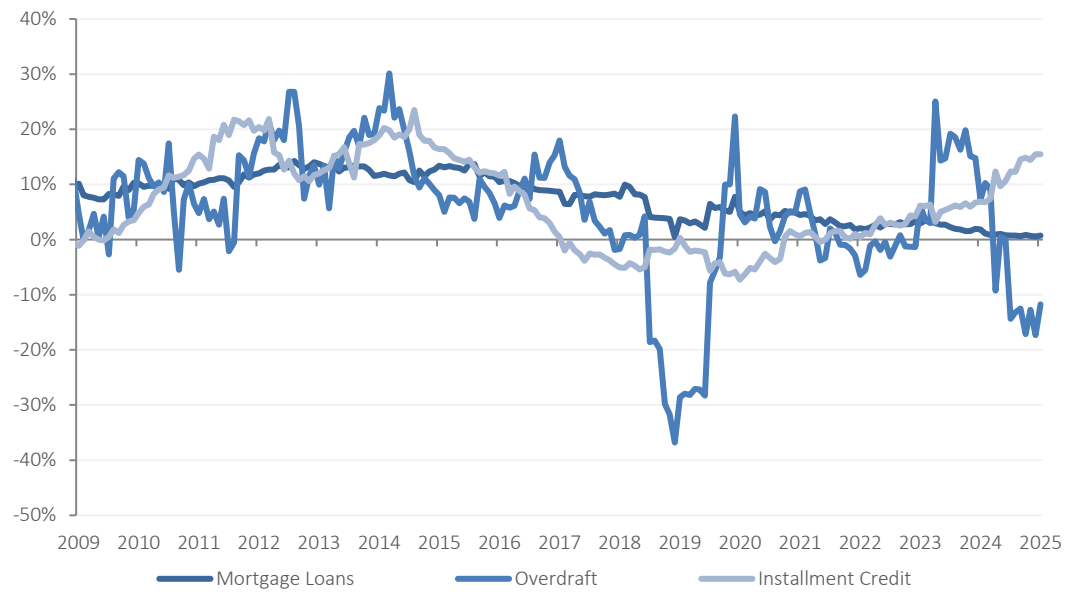
Source: Bank of Namibia, IJG Securities

Credit Extension to Individuals

Credit extended to individuals increased by 0.5% m/m and 2.7% y/y in July. The growth was largely attributable to a month-on-month increase in overdrafts outstanding, which grew by 3.5%, the highest month-on-month growth rate in this category since January 2024. In contrast, mortgage loans declined from 0.3% m/m in June to 0.2% m/m in July, but was up 0.8% y/y. 'Other loans and advances' grew by 0.7% m/m, although a decline from the previous month, it continues to be a major driver of growth on an annual basis, increasing by 5.7%.

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

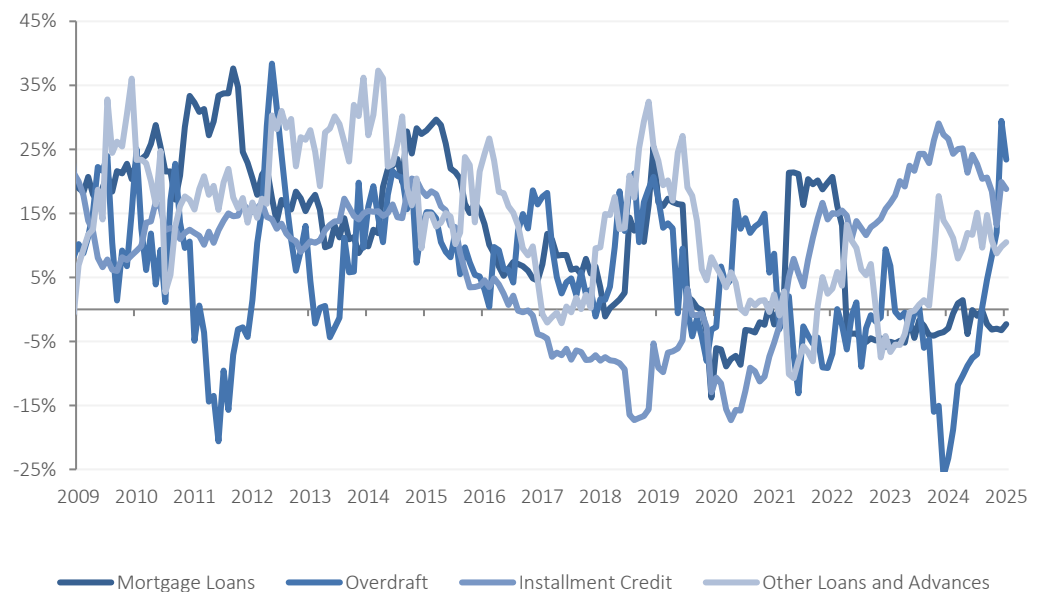
Annual Credit Growth (Individuals)



Credit Extension to Corporates

Growth in credit extended to corporations was flat month-on-month but was up 10.07% y/y in July. Although this is a slight decline from the 10.6% recorded in June, it is still the second highest growth since December 2019. Mortgage loans showed growth of 1.4% m/m after being in the negative territory for the past four months, however, the category was still down by 2.3% y/y. 'Other loans and advances' to corporations also recorded robust growth of 10.5% y/y. Growth in instalment credit declined in July to 18.8% y/y, while growth in overdrafts declined to 23.4% y/y.

Annual Credit Growth (Corporates)

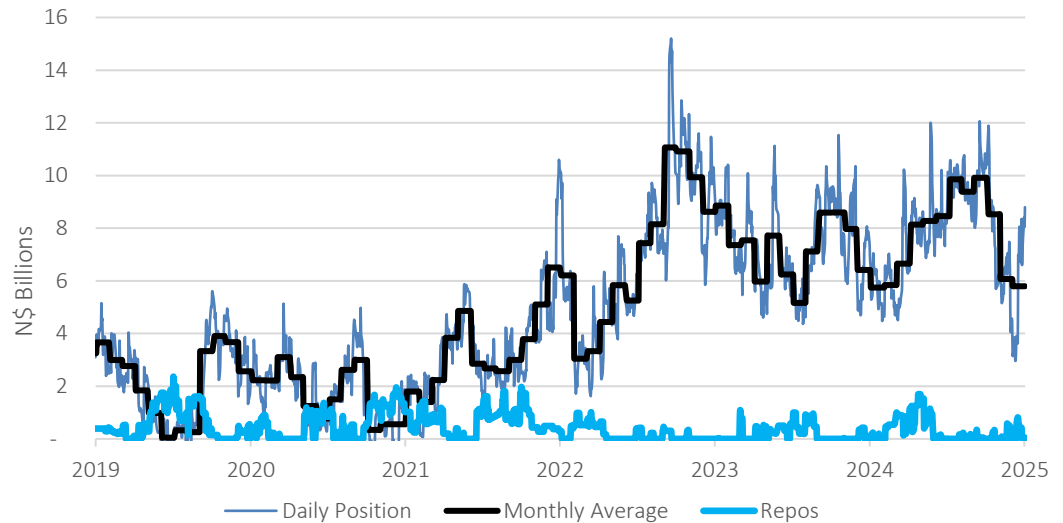


0.0005	4.85%
0.0003	13.04%
0.001	50.00%
0.0003	14.29%
0.0005	12.50%

Banking Sector Liquidity

The overall liquidity position of commercial banks declined by N\$274.98 million in July, dropping from an average of N\$6.07 billion in June to N\$5.80 billion in July. This marks the lowest liquidity position since September 2024. According to the Bank of Namibia (BoN), the month-on-month reduction in July was primarily driven by the latent effects of corporate tax payments that were due at the end of June 2025.

Namibian Banking Liquidity

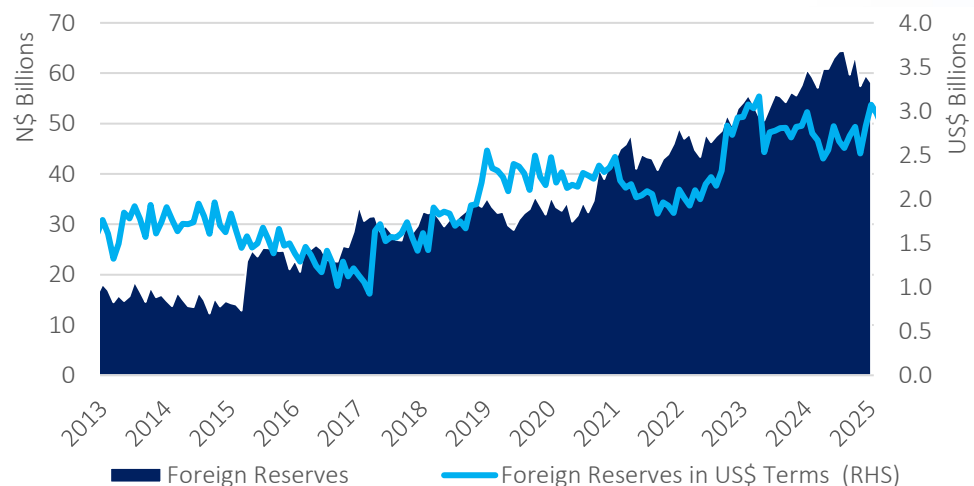


Source: Bank of Namibia, IJG Securities

Money Supply and Reserves

International foreign reserves declined by N\$1.54 billion to N\$58.1 billion at the end of July. This is a 2.6% m/m decrease from the N\$59.6 billion reserves that were available at the end of June. According to the BoN, the decline was largely driven by higher net ZAR outflows from commercial banks for portfolio investment abroad. This level of international reserves translates into 3.8 months of import cover, whereas the import cover excluding oil exploration and appraisal activities, stood at 4.3 months.

Foreign Reserves



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%

Conclusion

PSCE growth held steady month-on-month, recording 5.88% y/y, broadly unchanged from June and continuing to trend at levels last seen in February 2020. Corporates have been the primary driver of PSCE growth over the past twelve months, accounting for 69% of the N\$6.69 billion issued over the period. By contrast, credit extension to individuals remains subdued at 2.74%, trailing inflation. Mortgage lending by individuals is particularly weak, with growth of just 0.8% y/y.

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