

Private Sector Credit Extension

August 2025

Overview

Category	N\$ Millions Outstanding	Change in N\$ Millions		% Change	
		One Month	One Year	m/m	y/y
Corporates	50,912.3	366.4	4,756.1	0.72%	10.30%
Individuals	69,719.4	180.1	1,907.3	0.26%	2.81%
Mortgage Loans	59,424.5	76.6	57.0	0.13%	0.10%
Other Loans & Advances	33,141.4	399.1	2,845.8	1.22%	9.39%
Overdrafts	12,410.9	(89.2)	1,432.6	-0.71%	13.05%
Instalment Credit	15,654.8	159.9	2,328.0	1.03%	17.47%
Total PSCE	120,852.6	558.9	6,884.3	0.46%	6.04%

Source: Bank of Namibia, IJG Securities

Total credit extended to the private sector (PSCE) increased by N\$558.9 million in August, bringing the total credit outstanding to N\$120.85 billion. On a year-on-year basis, private sector credit extension increased by 6.04% y/y in August, compared to the 5.88% growth recorded in July. Monthly growth was recorded across all credit categories except overdraft lending. Over the past twelve months, N\$1.91 billion worth of credit has been extended to individuals, while N\$4.76 billion has been extended to corporates. Annually, credit extended to corporates and individuals rose by 10.3% y/y and 2.81% y/y, respectively.

PSCE Issuance Growth (% y/y)



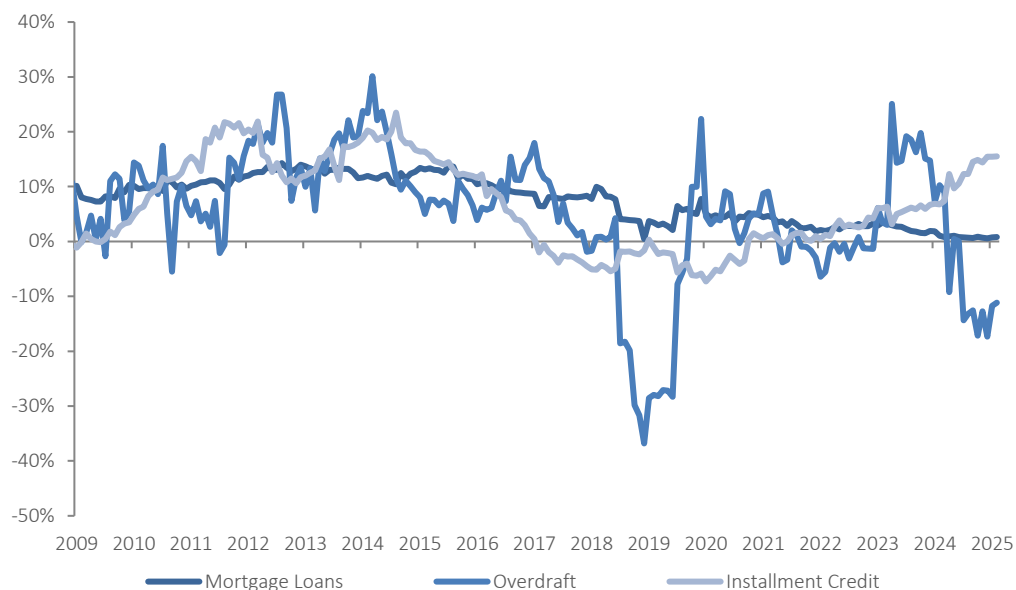
Source: Bank of Namibia, IJG Securities

Credit Extension to Individuals

Credit extended to individuals increased by 0.3% m/m and 2.8% y/y in August. The month-on-month growth has mostly been driven by an increase in instalment credit, which grew by 0.7% m/m and 15.5% y/y, as new vehicle sales continue to grow. 'Other loans and advances', consisting of term- and personal loans and credit card debt, grew by 0.4% m/m and 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)

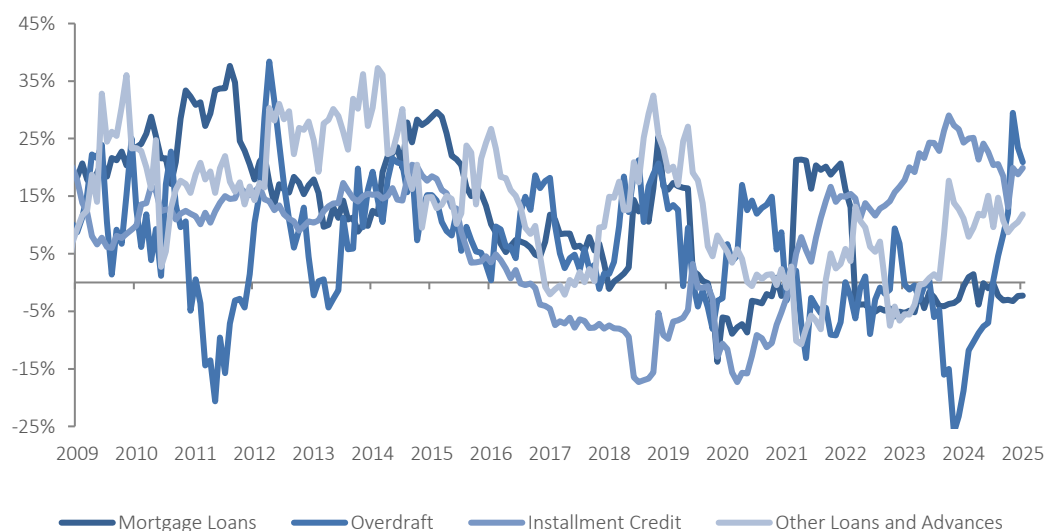


Source: Bank of Namibia, IJG Securities

Credit Extension to Corporates

Credit extended to corporations grew by 10.3% y/y in August, slightly quicker than the 10.1% recorded in July. This marks the second highest growth rate since December 2019. 'Other loans and advances' to corporations recorded growth of 1.7% m/m and 11.8% y/y, the highest year-on-year growth in the past four months. Mortgage loans to corporates, which has been contracting since November 2024, remained depressed, contracting by 2.3% y/y. Overdrafts to corporates declined by 1.4% m/m but increased by 20.9% y/y, while instalment credit extended to corporates recorded growth of 19.9% y/y.

Annual Credit Growth (Corporates)



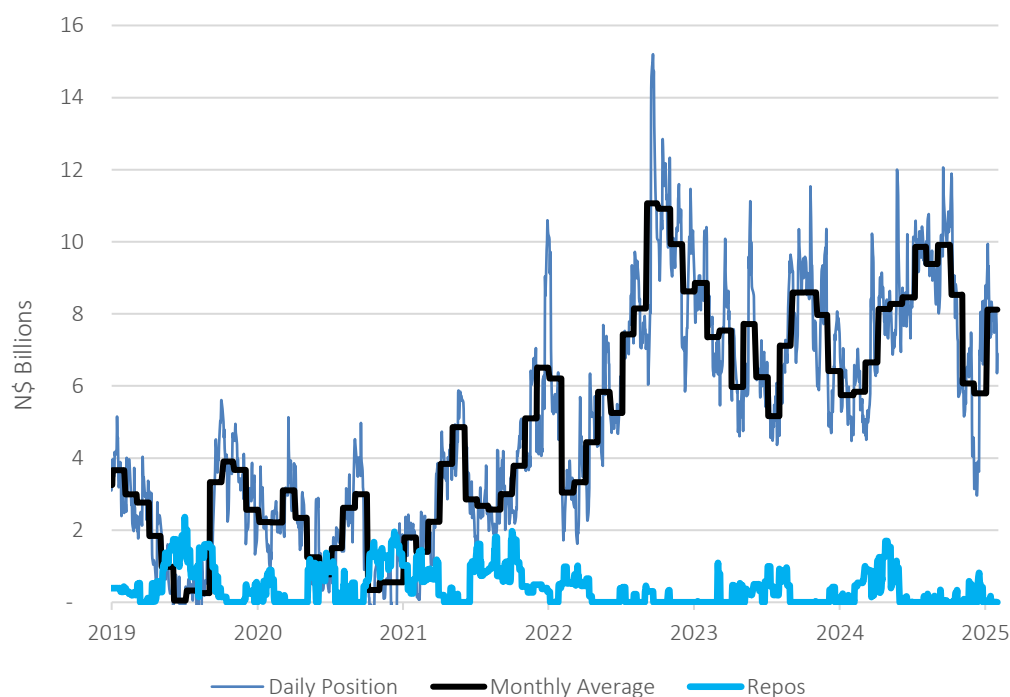
Source: Bank of Namibia, IJG Securities

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 improved significantly in August, increasing from an average of N\$5.8 billion in July to an average of N\$8.12 billion during the month. According to the Bank of Namibia (BoN), the surge in the cash levels was mainly attributable to proceeds from diamond sales.

Namibian Banking Liquidity

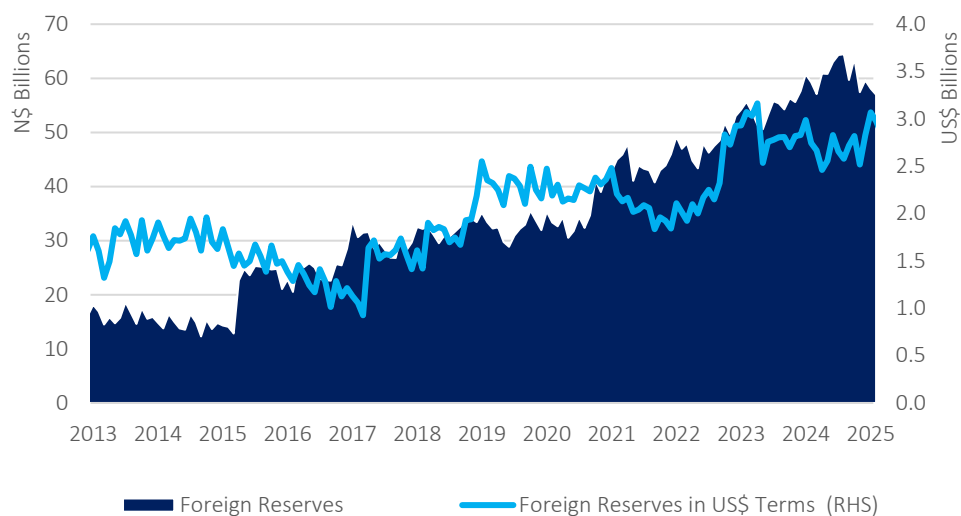


Source: Bank of Namibia, IJG Securities

Money Supply and Reserves

International foreign reserves further decreased in August to N\$57.0 billion. This is a 1.9% m/m decrease from the N\$58.1 billion reserves that were available at the end of July. According to the BoN, increased government foreign payments as well as commercial bank withdrawals of Customer Foreign Currency (CFC) contributed to the decrease in August 2025. This level of international reserves translates into 3.7 months of import cover, whereas the import cover excluding oil exploration and appraisal activities, stood at 4.2 months.

Foreign Reserves



Source: Bank of Namibia, IJG Securities

Conclusion

PSCE growth showed modest growth of 0.46% m/m and 6.04% y/y, with total credit outstanding reaching N\$120.9 billion. Mortgage borrowing by individuals remains weak, with growth of 0.8% y/y. For the eighth consecutive month, growth in household overdraft credit remained in negative territory attributed to lower uptake. On the monetary front, the banking sector's liquidity position has improved in August.

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