

Private Sector Credit Extension

September 2025

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

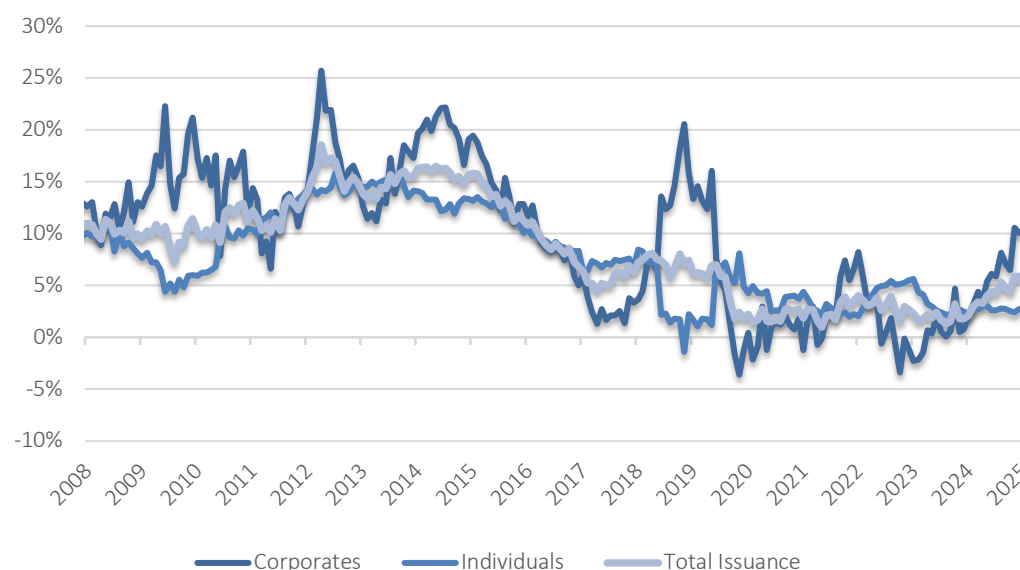
Overview

Category	N\$ Millions Outstanding	Change in N\$ Millions		% Change	
		One Month	One Year	m/m	y/y
Corporates	51,179.3	267.0	4,423.8	0.52%	9.46%
Individuals	70,154.9	435.5	2,290.6	0.62%	3.38%
Mortgage Loans	59,252.1	(172.4)	(165.2)	-0.29%	-0.28%
Other Loans & Advances	33,075.2	(66.2)	3,095.0	-0.20%	10.32%
Overdrafts	12,864.8	453.9	1,227.2	3.66%	10.54%
Instalment Credit	16,142.0	487.2	2,557.5	3.11%	18.83%
Total PSCE	121,334.2	702.4	6,714.4	0.58%	5.86%

Source: Bank of Namibia, IJG Securities

Total credit extended to the private sector (PSCE) ticked up by N\$702.4 million in September, reflecting a 0.6% m/m and 5.86% y/y increase. This brings the total outstanding credit balance to N\$121.3 billion. In addition, the past four months represent a very optimistic recovery in PSCE growth which indicates that credit growth is steadily approaching pre-pandemic levels. On a monthly basis, September's increase was driven by an increased uptake in overdraft credit by corporates and strong growth observed in 'other loans and advances' to individuals, while a contraction was observed across mortgage loans and 'other loans and advances' to corporates. Over the past twelve months, N\$4.42 billion worth of credit has been extended to corporations, while N\$2.29 billion has been extended to individuals.

PSCE Issuance Growth (% y/y)



Source: Bank of Namibia, IJG Securities

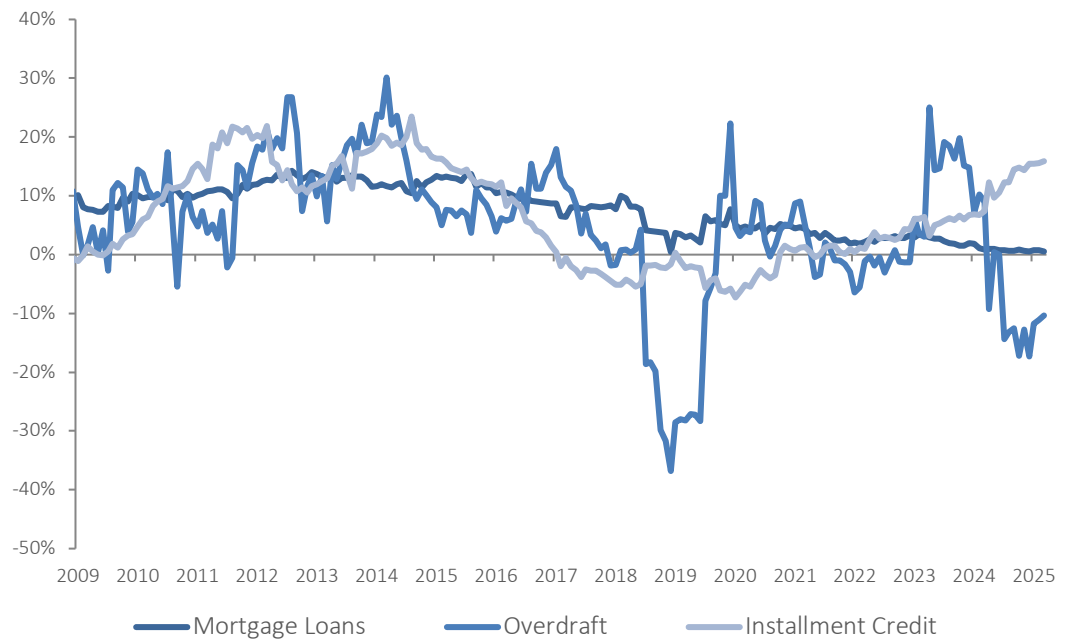
Credit Extension to Individuals

Credit extended to individuals rose by 0.6% m/m and 3.4% y/y in September. This marks the strongest annual growth rate since October 2023, reflecting a firming appetite for credit among households. This momentum is expected to build further following the 25bps repo rate cut at the end of October. Month-on-month growth was primarily supported by an increase in 'other loans and advances', which rose by 3.6% m/m and posted a solid 9.3% y/y increase. By contrast, overdraft facilities continued to contract on an annual basis, declining by 10.3% y/y, although the category did record positive growth of 0.7% m/m.



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Annual Credit Growth (Individuals)

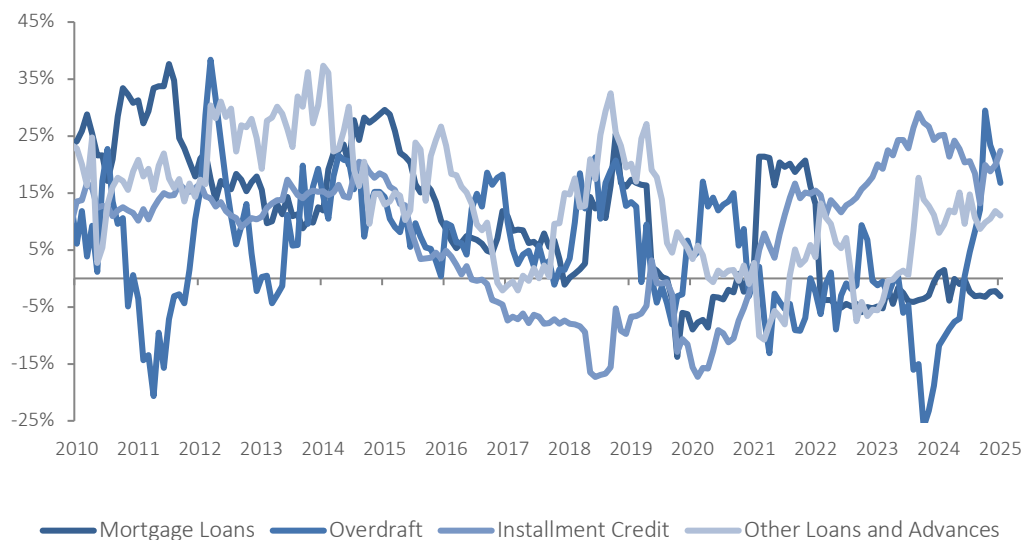


Source: Bank of Namibia, IJG Securities

Credit Extension to Corporates

Credit growth to corporations moderated slightly, rising by 0.5% m/m and 9.5% y/y in September, compared to 0.7% m/m and 10.3% y/y in August. On a monthly basis, the overdraft lending and instalment credit categories recorded an increase in credit uptake, while both mortgage loans and 'other loans and advances' contracted. On an annual basis, mortgage loans continued to slip, contracting by 3.1% y/y, while both 'other loans and advances' and overdraft facilities recorded robust growth, increasing by 11.0% y/y and 16.8% y/y, respectively. This indicated that corporations are increasingly relying on more flexible credit instruments to manage cash flow pressures. Despite the lower interest rate environment, the decline in mortgage lending may reflect either reduced demand for property-related credit from corporates or a more cautious lending stance from commercial banks at current interest rate levels.

Annual Credit Growth (Corporates)



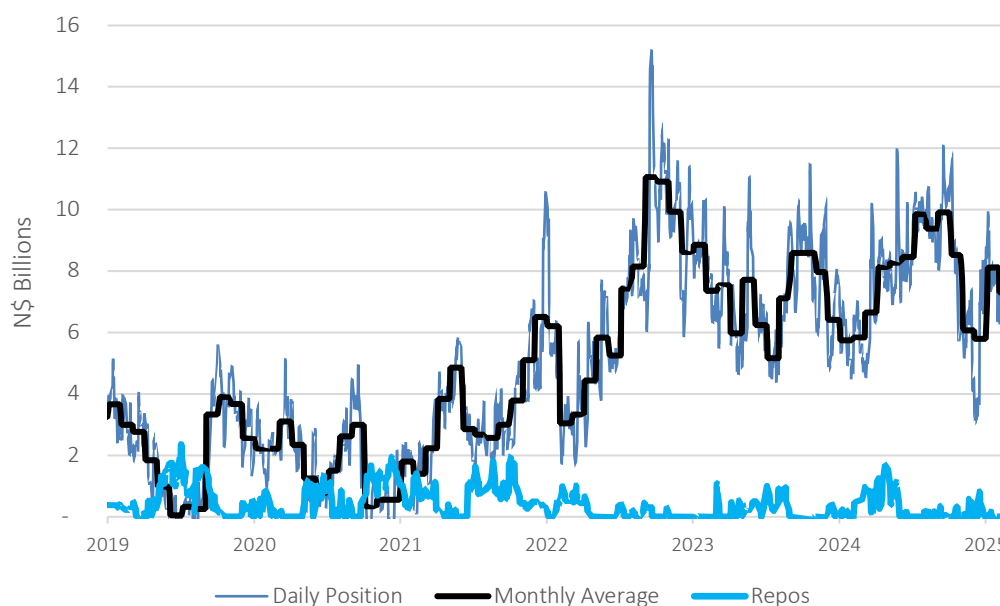
Source: Bank of Namibia, IJG Securities

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Banking Sector Liquidity

The overall liquidity position of commercial banks deteriorated in September, declining by N\$806.7 million from an average of N\$8.12 billion in August to an average of N\$7.31 billion during the month. According to the Bank of Namibia (BoN), the decrease in the overall cash balances was mainly attributable to cross border payments.

Namibian Banking Liquidity



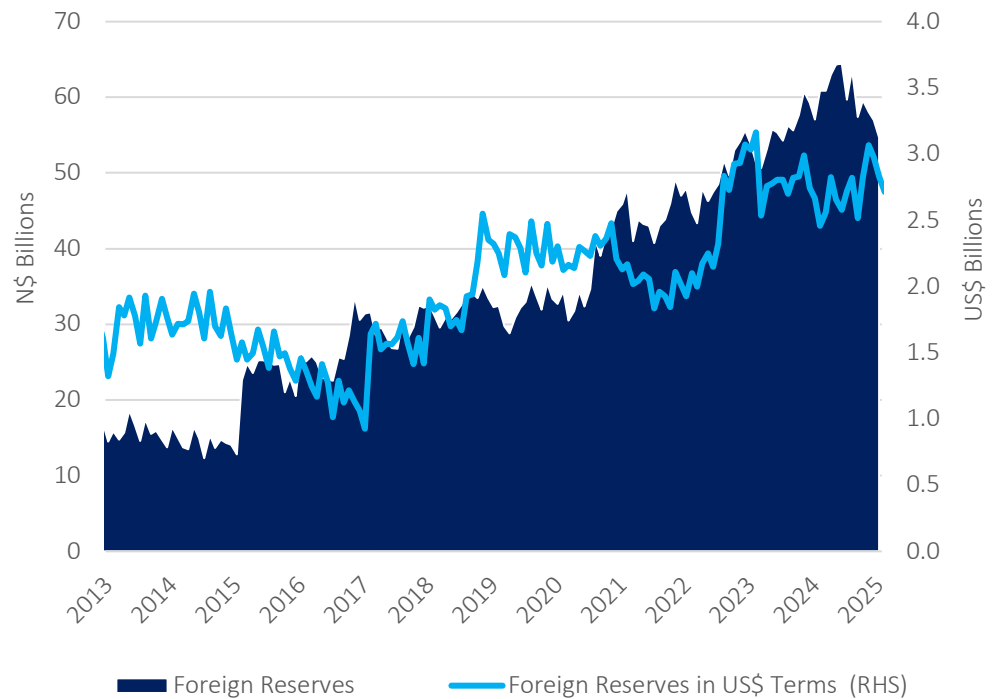
Source: Bank of Namibia, IJG Securities

Money Supply and Reserves

International foreign reserves further decreased in September to N\$54.67 billion. This is a 4.1% m/m decrease from the N\$56.98 billion reserves that were available at the end of August. According to the BoN, the reduction in foreign reserves was mainly ascribed to increased government foreign payments. This level of international reserves translates into 3.6 months of import cover, whereas the import cover excluding oil exploration and appraisal activities, stood at 4.0 months.

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Foreign Reserves



Source: Bank of Namibia, IJG Securities

Conclusion

PSCE growth accelerated on a month-to-month basis and recorded its third-highest annual growth rate in 2025 – a notable result as the year has already hit several post-COVID five-year highs. Moreover, average year-to-date credit expansion is running at its fastest pace since 2019. Total outstanding credit rose to N\$121.3 billion, and further growth is anticipated amid the current lower interest rate environment, supported by recent cuts to the repo and prime lending rates. Corporate demand for mortgage credit remains subdued, while household overdraft balances continue to contract on an annual basis; however, signs of recovery are emerging in this segment.

Contact Us

Department	Email Address
General	info@ijg.net
Compliance	compliance@ijg.net
Finance	finance@ijg.net
Corporate Finance & Advisory	advisory@ijg.net
Money Market Transactions	instructions.wealth@ijg.net
Wealth Management	wealth@ijg.net
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4th Floor, 1@Steps, C/O Grove & Chasie Streets, Kleine Kuppe
P O Box 186, Windhoek, Namibia, Tel: +264 81 958 3500, www.ijg.net

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