Private Sector Credit Extension
October 2025

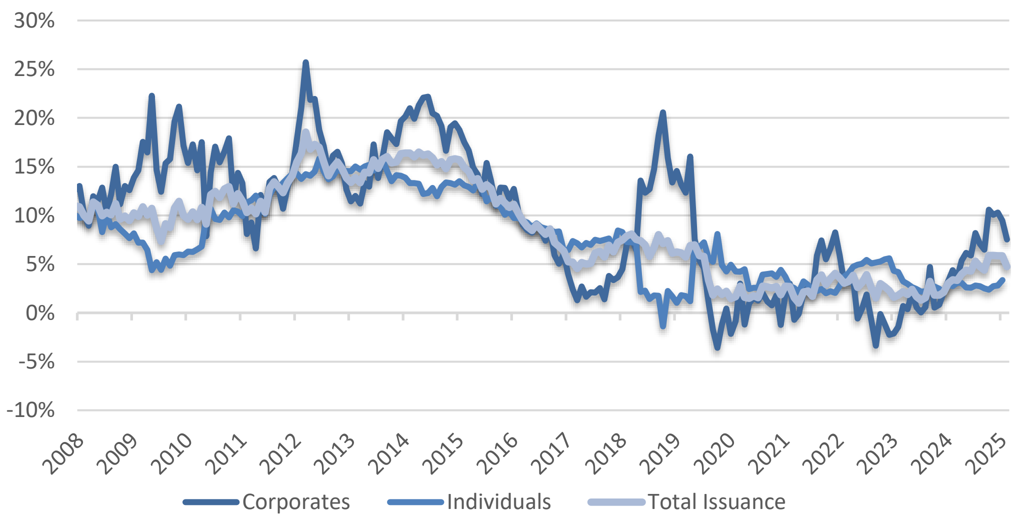
Overview

Category	N$ Millions Outstanding	Change in N$ Millions One Month	Change in N$ Millions One Year	% Change m/m	% Change y/y
Corporates	**50,721.0**	**(458.3)**	**3,555.2**	**-0.90%**	**7.54%**
Individuals	**70,169.6**	**14.7**	**1,924.0**	**0.02%**	**2.82%**
Mortgage Loans	59,061.1	(191.1)	(516.8)	-0.32%	-0.87%
Other Loans & Advances	32,850.9	(224.3)	2,477.9	-0.68%	8.16%
Overdrafts	12,605.8	(259.0)	969.7	-2.01%	8.33%
Instalment Credit	16,372.8	230.8	2,548.4	1.43%	18.43%
Total PSCE	**120,890.6**	**(443.5)**	**5,479.2**	**-0.37%**	**4.75%**

Source: Bank of Namibia, IJG Securities

Total credit extended to the private sector (PSCE) decreased by N$443.5 million or 0.4% m/m in October, bringing the cumulative credit outstanding to N$120.89 billion. On a year-on-year basis private sector credit extension increased by 4.8% y/y in October, slower than the 5.9% y/y growth rate recorded in September. As per the Bank of Namibia (BoN), this is due to lower credit uptake by businesses and households. Over the past twelve months, N$3.55 billion worth of credit has been extended to corporations, while N$1.92 billion has been extended to individuals.

PSCE Issuance Growth (% y/y)

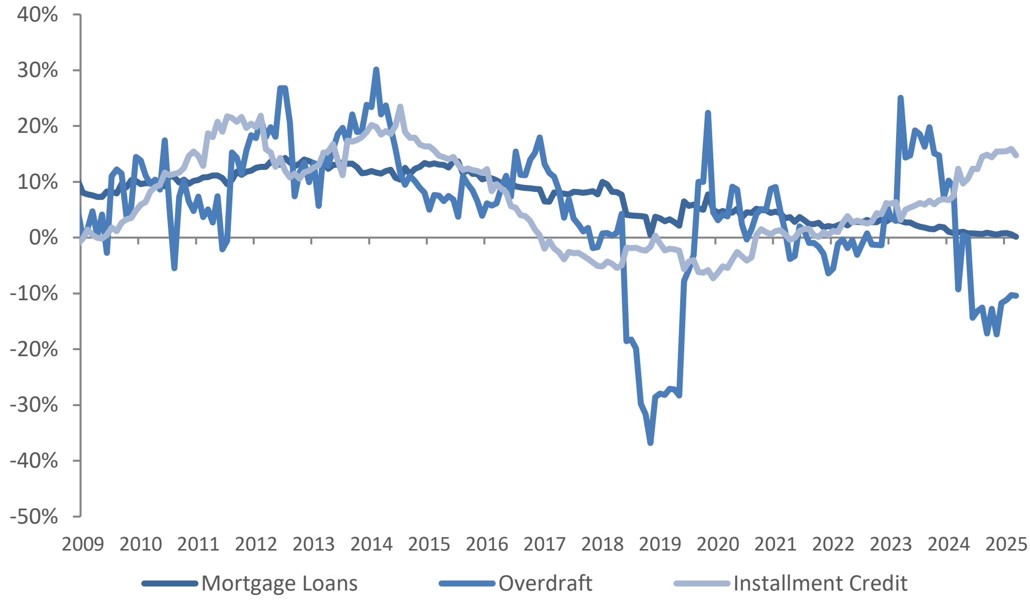


Source: Bank of Namibia, IJG Securities

Credit Extension to Individuals

Credit extended to individuals rose by only 2.8% y/y in October, compared to the 3.4% y/y growth recorded in the previous month. Month-on-month growth of 0.02% has mostly been driven by an increase in instalment credit which grew by 1.4% m/m. All three sub-categories under 'loans and advances' (Mortgage loans, Other Loans and Advances, Overdrafts) have contracted during the month. 'Other Loans and Advances', consisting of term and personal loans and credit card debt, contracted by 0.2% m/m but recorded positive growth of 8.2% y/y. 'Overdrafts' contracted 0.5% m/m and 10.4% y/y. Mortgage loans contracted by 0.9% m/m but rose 0.2% y/y.

Annual Credit Growth (Individuals)

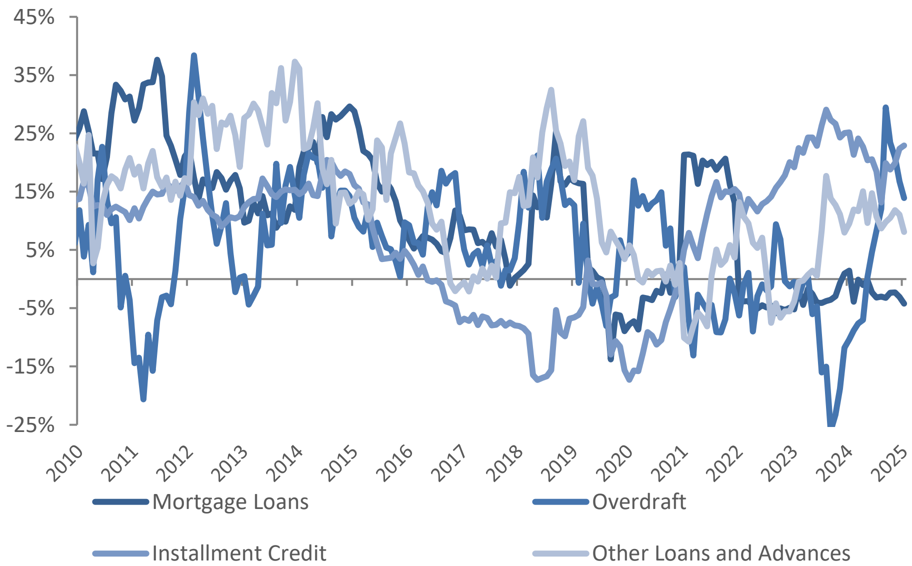


Source: Bank of Namibia, IJG Securities

Credit Extension to Corporates

Credit extended to corporates contracted by 0.9% m/m but rose 7.5% y/y in October. Similarly, all three sub-categories under 'loans and advances' contracted during October, while instalment credit rose. The BoN stated that the monthly decrease is due to repayments by corporates in the mining, manufacturing, and fishing sectors. On an annual basis, mortgage loans continued to slip, contracting by 4.2% y/y, while both 'other loans and advances' and overdraft facilities recorded robust growth, increasing by 8.1% y/y and 13.9% y/y, respectively. Instalment credit extended to corporates has increased by 22.9% y/y.

Annual Credit Growth (Corporates)

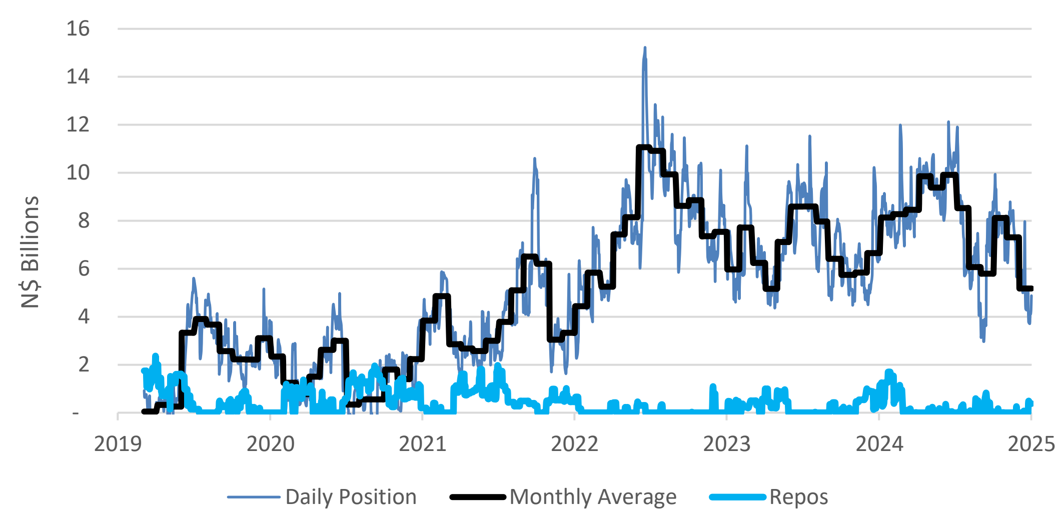


Source: Bank of Namibia, IJG Securities

Banking Sector Liquidity

The overall liquidity position of commercial banks deteriorated further in October, declining by N$2.13 billion to an average of N$5.18 billion. This illustrates a 29.2% m/m decline from September. According to the (BoN), the decrease in the overall cash balances was partly attributable to the redemption of the Eurobond on 29 October 2025.

Namibian Banking Liquidity

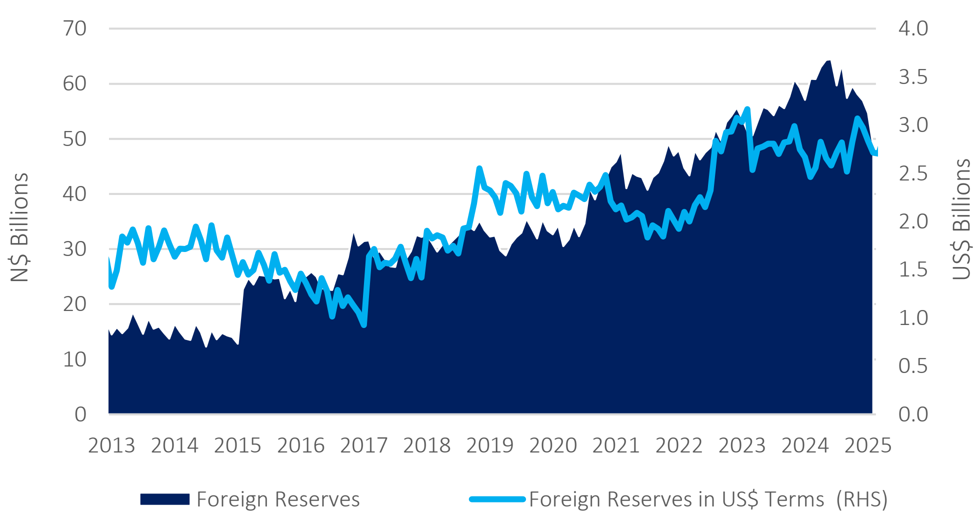


Source: Bank of Namibia, IJG Securities

Money Supply and Reserves

International foreign reserves further decreased in October to N$48.57 billion. This is a 11.2% m/m decrease from the N$54.67 billion reserves that were available at the end of September. According to the BoN, the reduction in foreign reserves was predominantly due to the repayment of the Eurobond, in addition to net ZAR outflows by commercial banks, government foreign payments, and the appreciation of the NAD/ZAR exchange rate against the US Dollar. This level of reserves translated to an estimated import cover of 3.2 months, and 3.5 months excluding oil and gas exploration and appraisal-related imports.

Foreign Reserves



Source: Bank of Namibia, IJG Securities

Conclusion

Private sector credit extension grew 4.8% at the end of October, slowing from 5.9% y/y during September. Businesses took up less credit during the month, while credit uptake for individuals remained steady. Over the past year, growth in credit uptake by businesses was mainly due growth in 'Other loans and advances', 'Overdrafts' and 'Instalment credit', while credit uptake by individuals was mainly due to 'Other loans and advances' and 'Instalment credit'. Despite the current lower interest rate environment, growth in credit extended to individuals rose by only 2.8% y/y, below the current inflation rate of 3.6%.

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