

Private Sector Credit Extension

December 2025

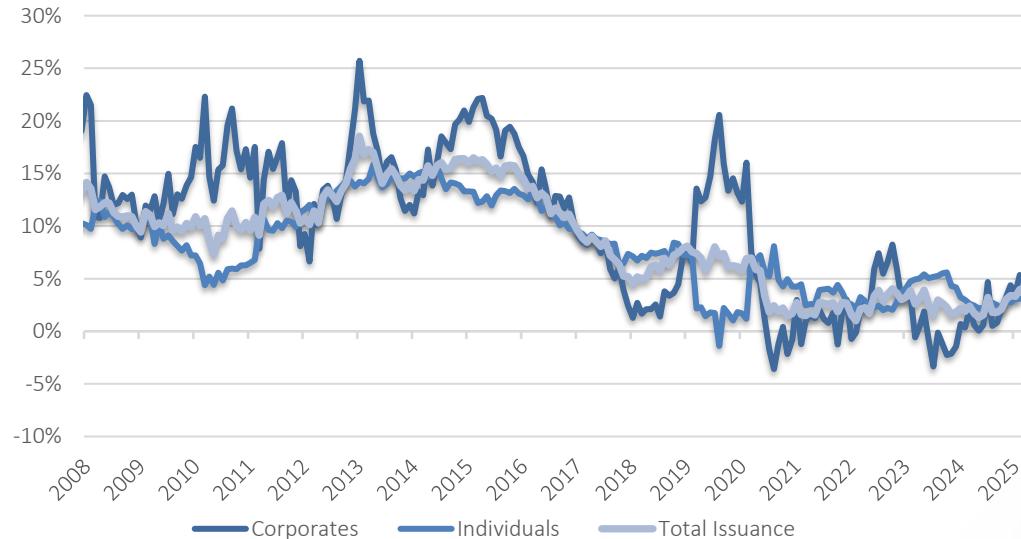
Overview

Category	N\$ Millions Outstanding	Change in N\$ Millions		% Change	
		One Month	One Year	m/m	y/y
Corporates	51,747.6	423.7	3,305.5	0.83%	6.82%
Individuals	70,570.3	384.5	1,882.0	0.55%	2.74%
Mortgage Loans	59,550.7	380.2	(33.6)	0.64%	-0.06%
Other Loans & Advances	33,602.0	292.7	2,086.4	0.88%	6.62%
Overdrafts	12,402.8	(142.7)	514.8	-1.14%	4.33%
Instalment Credit	16,762.5	278.1	2,619.9	1.69%	18.52%
Total PSCE	122,317.9	808.2	5,187.4	0.67%	4.43%

Source: Bank of Namibia, IJG Securities

Total credit extended to the private sector (PSCE) increased by N\$808.2 million or 0.7% m/m in December, bringing the cumulative credit outstanding to N\$122.3 billion. On a year-on-year basis private sector credit extension edged lower to 4.4% y/y in December, relative to the 4.5% y/y growth rate recorded in November. As per the Bank of Namibia (BoN), the moderation in PSCE growth stemmed from lower demand and net repayments from businesses.

PSCE Issuance Growth (% y/y)



Source: Bank of Namibia, IJG Securities

Credit Extension to Individuals

Credit extended to individuals increased by 0.6% m/m and 2.7% y/y in December, growing at a slightly faster pace than the 2.5% y/y increase recorded in November. On a monthly basis, this marks the second highest growth rate for 2025. The month-on-month growth has mostly been driven by an increase in mortgage loans which grew by 0.3% m/m, following a 0.02% m/m contraction during November. On an annual basis, mortgage loans grew by a subdued 0.2%. The 'other loans and advances' category, consisting of term and personal loans and credit card debt, recorded moderate annual growth of 7.1% y/y, mostly in-line with the 7.2% growth recorded during the prior month. Overdraft credit increased by 4.0% m/m in December, following a 2.8% contraction recorded in November. On an annual basis, overdrafts remained subdued, contracting by 10.7% y/y. Growth in credit extended to individuals of 2.7% remains below the current inflation rate of 3.2% y/y.



Annual Credit Growth (Individuals)

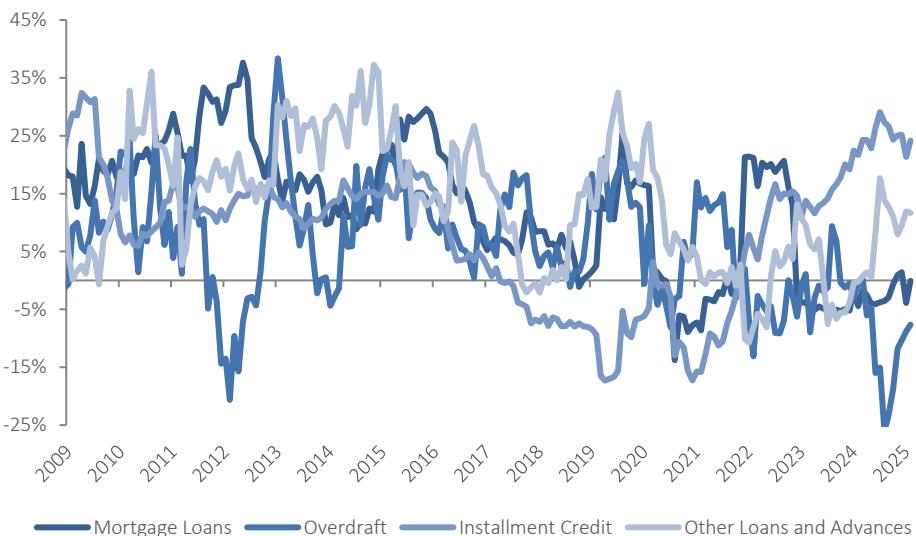


Source: Bank of Namibia, IJG Securities

Credit Extension to Corporates

Annual growth in credit extended to corporates moderated at the end of December 2025. Corporate credit growth slowed to 6.8% y/y, down from 7.2% recorded in November 2025. On a monthly basis, credit extended to corporates rose by 0.8%, down from the 1.2% m/m growth recorded in the prior month. The BoN attributes this to lower demand and repayments by corporates in the financial, fishing, and wholesale and retail trade sectors. On an annual basis, mortgage loans contracted by 0.9% y/y, while both 'other loans and advances' and overdraft facilities recorded growth, increasing by 6.3% y/y and 8.9% y/y, respectively.

Annual Credit Growth (Corporates)



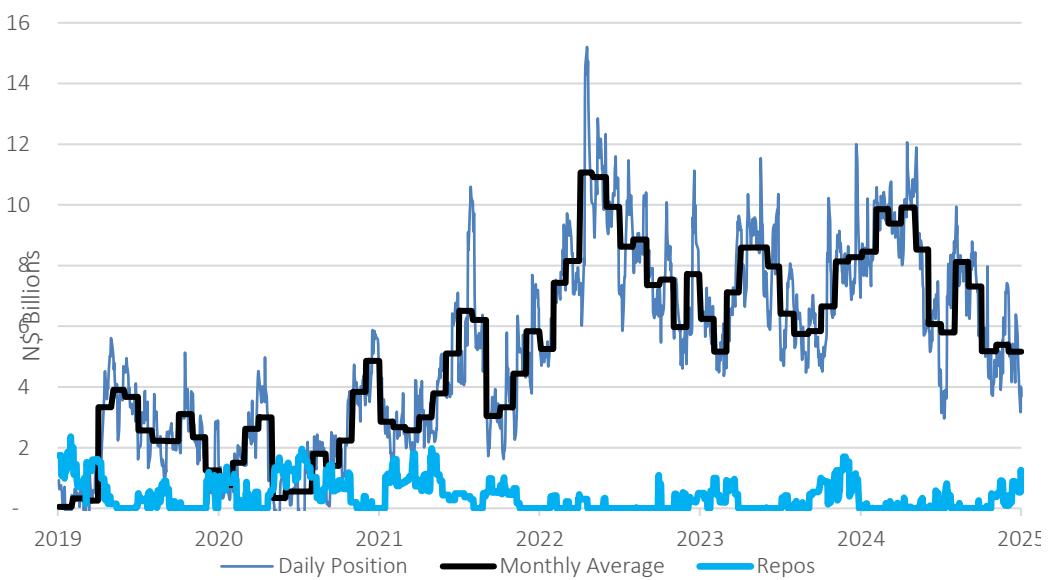
Source: Bank of Namibia, IJG Securities



Banking Sector Liquidity

The overall liquidity position of commercial banks declined to an average of N\$5.16 billion in December, reflecting a 4.2% m/m contraction from the November average of N\$5.39 billion. According to the BoN, this was attributable to a decline in diamond sales proceeds during the month under review.

Namibian Banking Liquidity



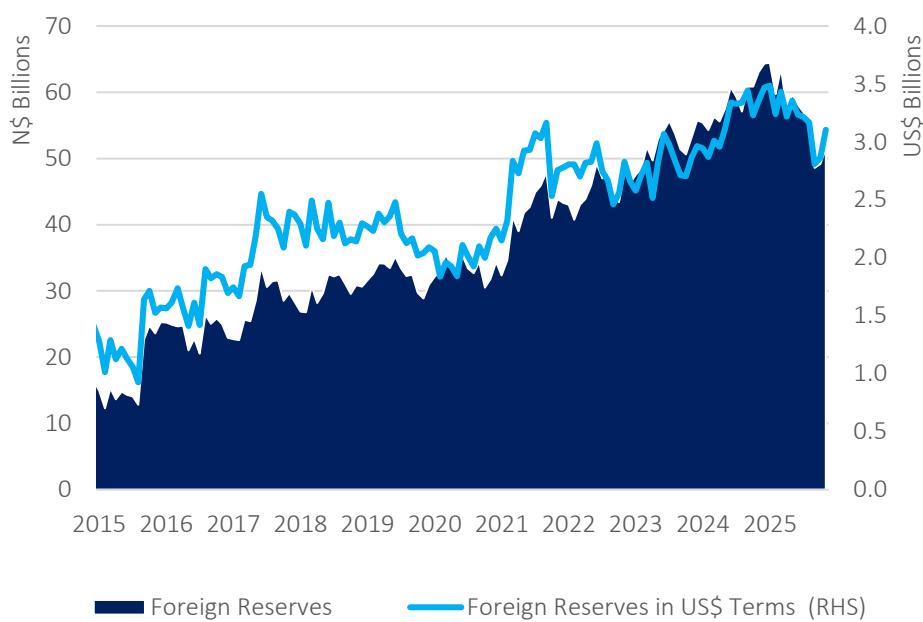
Source: Bank of Namibia, IJG Securities

Money Supply and Reserves

International reserves increased further to N\$51.6 billion in December, representing a 4.9% m/m rise from the N\$49.2 billion recorded at the end of November. According to the BoN, the increase was predominantly ascribed to strong net ZAR inflows due to inflows in portfolio investment, alongside revaluation gains arising from favourable price movements of some fixed income securities. This level of reserves translated to an estimated 3.3 months of import cover, and 3.8 months when excluding oil and gas exploration and appraisal related imports.



Foreign Reserves



Source: Bank of Namibia, IJG Securities

Conclusion

Private sector credit extension (PSCE) growth remained broadly stable throughout 2025, with year-on-year growth averaging around 4.4%, and largely in line with that recorded at the beginning of the year. The continued weakness in overall mortgage lending was primarily driven by the business segment, where mortgage credit growth has trended in the negative territory since November 2024. In contrast, mortgage credit extended to households recorded a marginal increase of 0.2% in December 2025, compared to flat growth in the preceding month. PSCE growth during the year was predominantly driven by credit uptake by corporates, who took up N\$3.31 billion of the N\$5.19 billion issued during the year, while individuals took up the remaining N\$1.88 billion.

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