

Private Sector Credit Extension

January 2026

0.0005	4.85%
1.003	13.04%
0.0001	50.00%
0.0003	14.29%
0.0005	12.50%

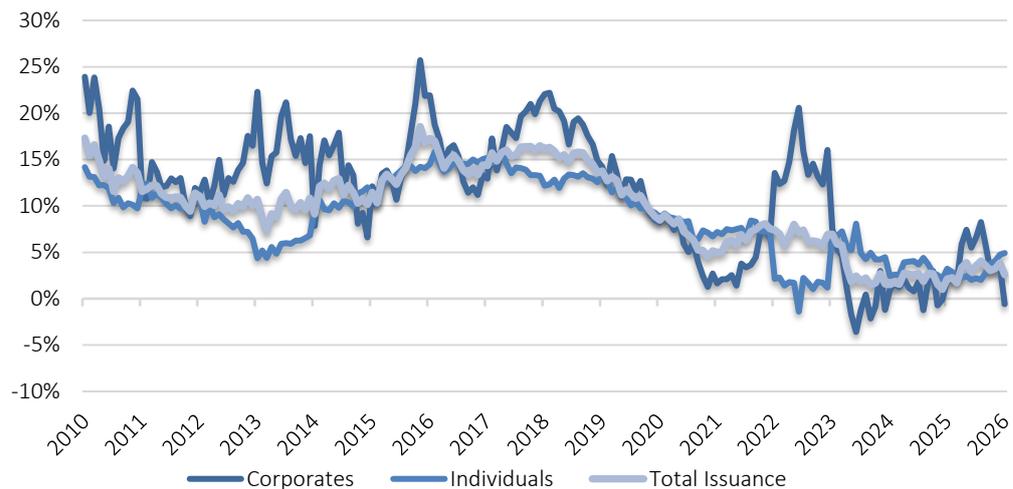
Overview

Category	N\$ Millions Outstanding	Change in N\$ Millions		% Change	
		One Month	One Year	m/m	y/y
Corporates	52,203.3	455.7	2,874.0	0.88%	5.83%
Individuals	70,649.2	78.9	2,083.2	0.11%	3.04%
Mortgage Loans	59,535.6	(15.1)	80.0	-0.03%	0.13%
Other Loans & Advances	33,473.3	(128.6)	1,511.9	-0.38%	4.73%
Overdrafts	13,068.8	666.0	873.9	5.37%	7.17%
Instalment Credit	16,774.8	12.3	2,491.4	0.07%	17.44%
Total PSCE	122,852.6	534.6	4,605.8	0.44%	3.90%

Source: Bank of Namibia, IIG Securities

Private sector credit expanded modestly in January, rising by N\$534.7m or 0.4% from the previous month. As a result, total credit outstanding reached N\$122.85bn. Despite the monthly increase, year-on-year growth slowed to 3.9%, from 4.4% in December. As per the Bank of Namibia (BoN), the slowdown in PSCE growth emanated from a lower uptake and net repayments by the corporate sector during the period under review. Meanwhile, growth in credit extended to households increased.

PSCE Issuance Growth (% y/y)



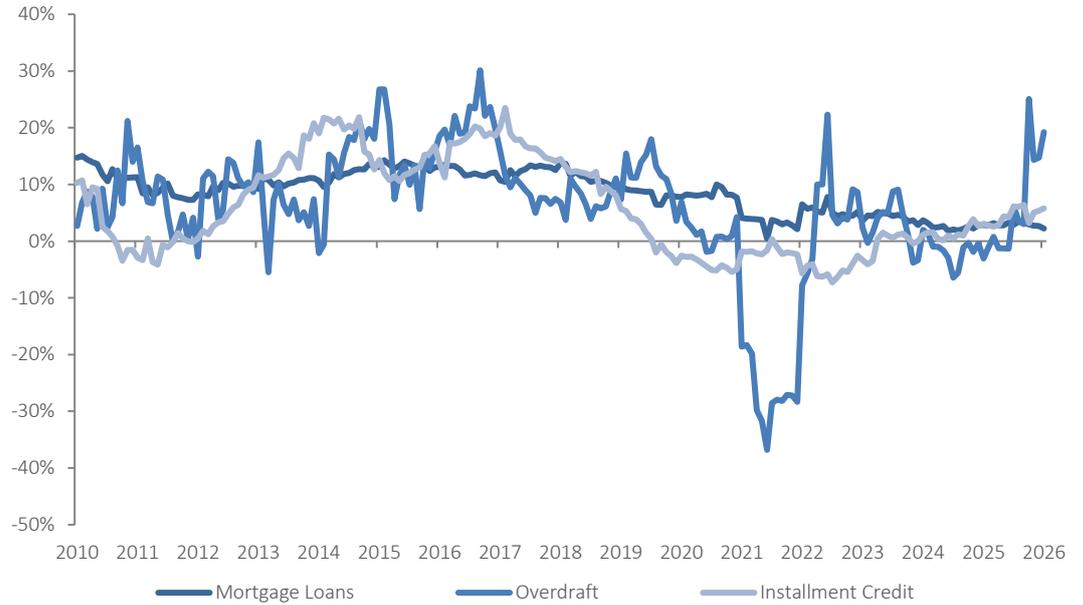
Source: Bank of Namibia, IIG Securities

Credit Extension to Individuals

Credit extended to individuals rose marginally by 0.1% m/m in January, with annual growth accelerating slightly to 3.0% y/y from 2.7% in December. The monthly expansion was largely driven by overdrafts, which increased by 2.0% m/m and 1.4% y/y — marking the strongest annual growth in this category since September 2024. Growth in the “other loans and advances” category, which includes term loans, personal loans and credit card debt, remained relatively firm at 6.9% y/y. Meanwhile, mortgage lending declined by 0.1% m/m, but grew by 0.3% y/y, up from 0.2% y/y recorded in December.

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Annual Credit Growth (Individuals)

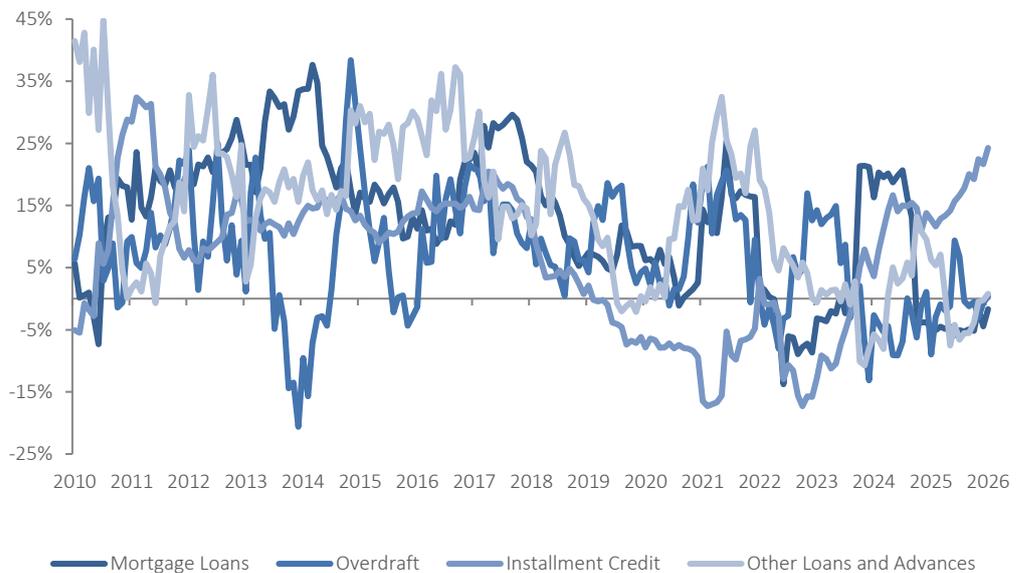


Source: Bank of Namibia, IIG Securities

Credit Extension to Corporates

Credit extended to corporates grew by 0.9% m/m. On an annual basis, credit extended to corporates rose by 5.8% y/y, the lowest growth recorded in the past 12 months. The BoN attributes this to lower demand and net repayments by corporates in the manufacturing, financial and telecommunications sectors. On an annual basis, mortgage loans contracted by 0.3% y/y, while both 'other loans and advances' and overdraft facilities recorded growth, increasing by 3.4% y/y and 8.6% y/y, respectively. Instalment credit extended to corporates has increased by 22.3% y/y.

Annual Credit Growth (Corporates)



Source: Bank of Namibia, IIG Securities

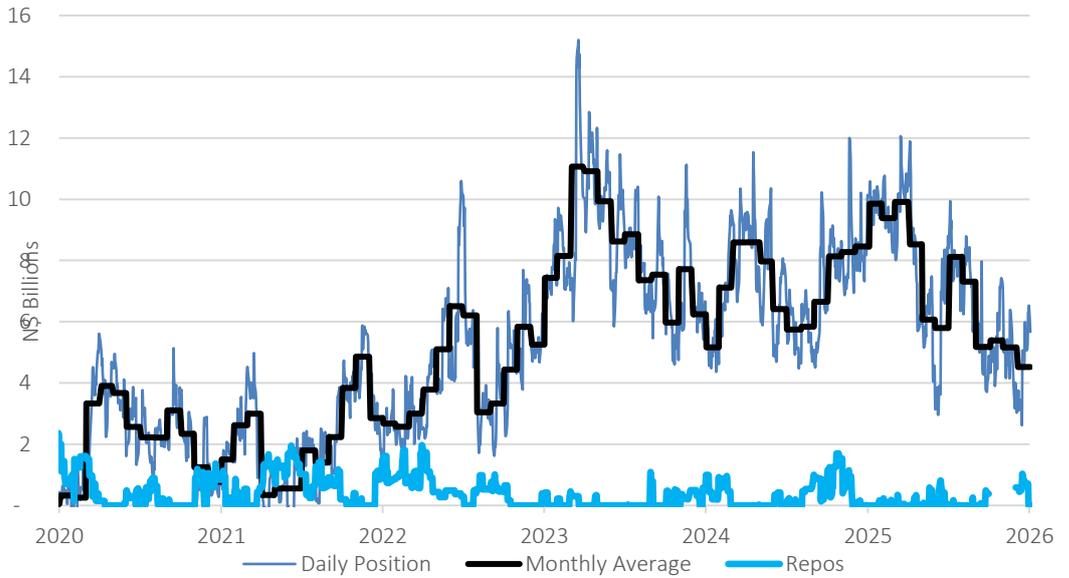


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Banking Sector Liquidity

The overall liquidity position of commercial banks declined to an average of N\$4.5bn in January. This decline in the overall liquidity level represents a 12.4% m/m decrease relative to December's average liquidity of N\$5.2bn. According to the BoN, the decrease in cash balances is in line with historical trends, as cash balances usually fall from January to mid-March. They tend to rebound, driven by higher government spending ahead of the fiscal year-end.

Namibian Banking Liquidity



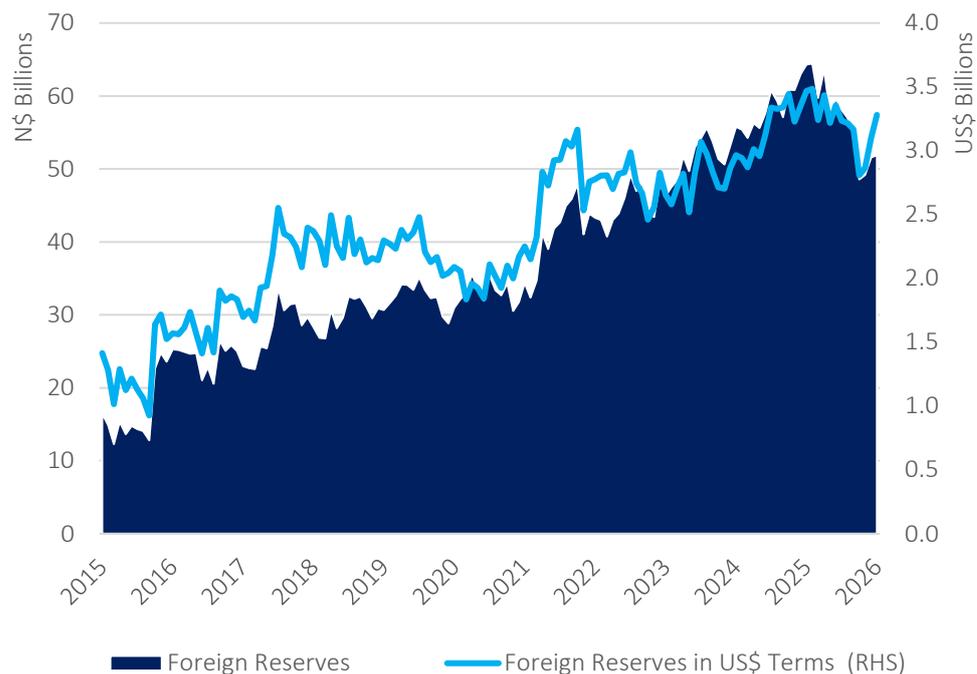
Source: Bank of Namibia, IJG Securities

Money Supply and Reserves

International foreign reserves rose to N\$51.9bn in January. This is a 0.6% m/m increase from the N\$51.6bn reserves that were available at the end of December. According to the BoN, the rise was predominantly supported by SACU inflows. This level of reserves translated to an estimated import cover of 3.3 months and 3.8 months, when excluding oil and gas exploration and appraisal related imports. Including financing requirements related to oil and gas exploration activities, reserves cover 9.6 times the currency in circulation, remaining sufficient to support the Namibian Dollar's peg to the South African Rand and meet short-term external obligations.

1.0018	0,0005	4,85%
1.0022	0,0003	13,04%
1.0025	0,001	50,00%
1.0024	0,0003	14,29%
1.0015	0,0005	12,50%

Foreign Reserves



Source: Bank of Namibia, IJG Securities

Conclusion

Private sector credit extension (PSCE) continues to expand, but momentum is moderating. The slowdown from 4.4% to 3.9% y/y suggests that credit demand remains positive yet constrained. The rise in overdrafts may indicate short-term liquidity pressures among households rather than confidence-driven borrowing. Despite relatively low interest rates, credit growth remains subdued, suggesting that monetary conditions alone are not sufficient to stimulate borrowing. This may reflect weak credit demand or a cautious lending stance from banks. Looking ahead, credit growth is expected to trend at around 4.0% – 4.5% in 2026.

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