

Private Sector Credit Extension

February 2026

0.0005	4.85%
0.1003	13.04%
0.0001	50.00%
0.0003	14.29%
0.0005	12.50%

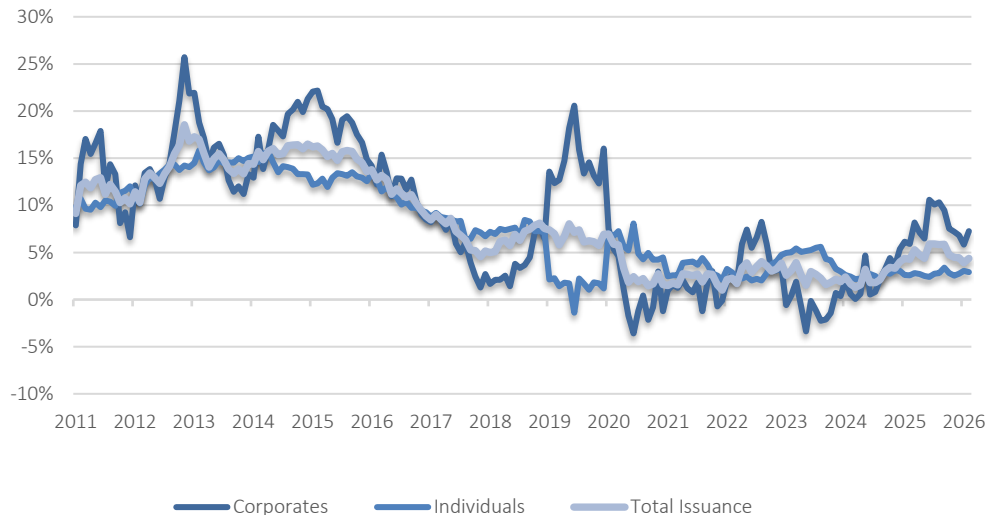
Overview

Category	N\$ Millions Outstanding	Change in N\$ Millions		% Change	
		One Month	One Year	m/m	y/y
Corporates	52,544.5	341.2	3,563.7	0.65%	7.28%
Individuals	70,638.9	(10.4)	1,996.5	-0.01%	2.91%
Mortgage Loans	59,633.6	98.0	126.0	0.16%	0.21%
Other Loans & Advances	33,254.8	(218.6)	2,062.7	-0.65%	6.61%
Overdrafts	13,093.7	24.9	500.8	0.19%	3.98%
Instalment Credit	17,201.3	426.5	2,870.7	2.54%	20.03%
Total PSCE	123,183.4	330.8	5,174.9	0.27%	4.39%

Source: Bank of Namibia, IJG Securities

Private sector credit expanded modestly in February, rising by N\$330.8m or 0.3% from the previous month. As a result, total credit outstanding reached N\$123.18bn. Year-on-year growth rose to 4.4%, from 3.9% in January. According to the Bank of Namibia (BoN), the stronger growth in PSCE was driven by an increase in demand for credit from businesses, while growth in household credit extension moderated.

PSCE Issuance
Growth (% y/y)



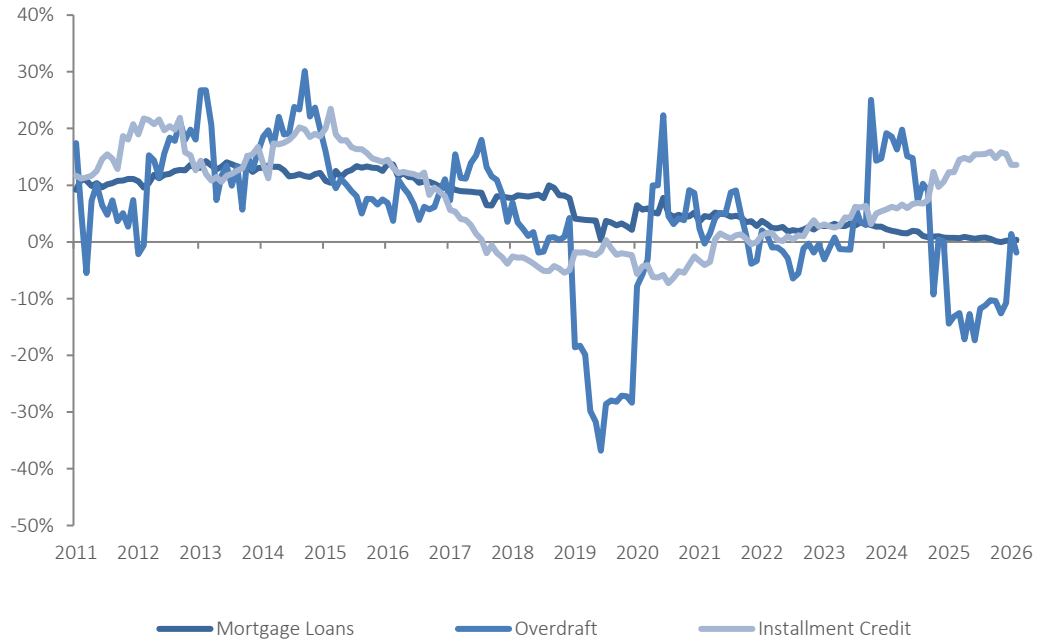
Source: Bank of Namibia, IJG Securities

Credit Extension to Individuals

Credit extended to individuals slightly declined in February compared to January, while annual growth moderated to 2.9% y/y from 3.0% y/y in January. The marginal monthly decline was mainly attributable to reduced demand for 'other loans and advances' and 'overdrafts', which fell by 0.4% and 0.9% m/m, respectively. Mortgage lending remained unchanged on a monthly basis, although it recorded a modest increase of 0.4% y/y. Meanwhile, growth in 'other loans and advances' slowed to 6.2% y/y, down from 6.9% y/y in the previous month.

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Annual Credit Growth (Individuals)

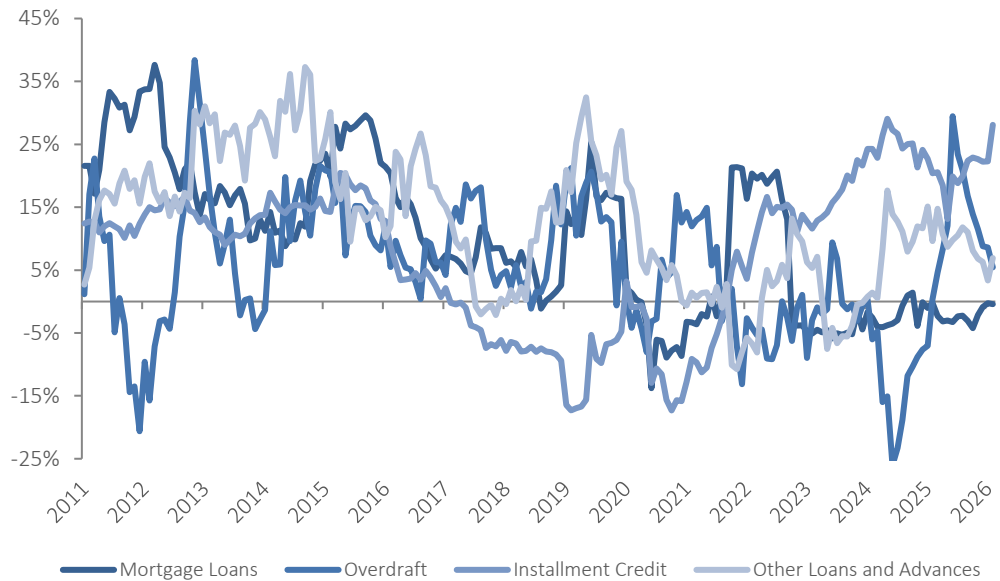


Source: Bank of Namibia, IIG Securities

Credit Extension to Corporates

Credit extended to corporates gained momentum in February, rising by 0.7% m/m. On an annual basis, growth accelerated to 7.3% y/y, up notably from 5.8% y/y in the previous month. The stronger performance was underpinned by a sharp expansion in instalment credit, which surged by 28.1% y/y, alongside solid growth of 6.9% y/y in ‘other loans and advances’. According to the BoN, the uptick was further supported by the increased use of corporate credit cards, particularly across the agricultural, construction, wholesale and retail trade, and professional services sectors, suggesting a broader pickup in business activity and short-term financing needs.

Annual Credit Growth (Corporates)



Source: Bank of Namibia, IIG Securities

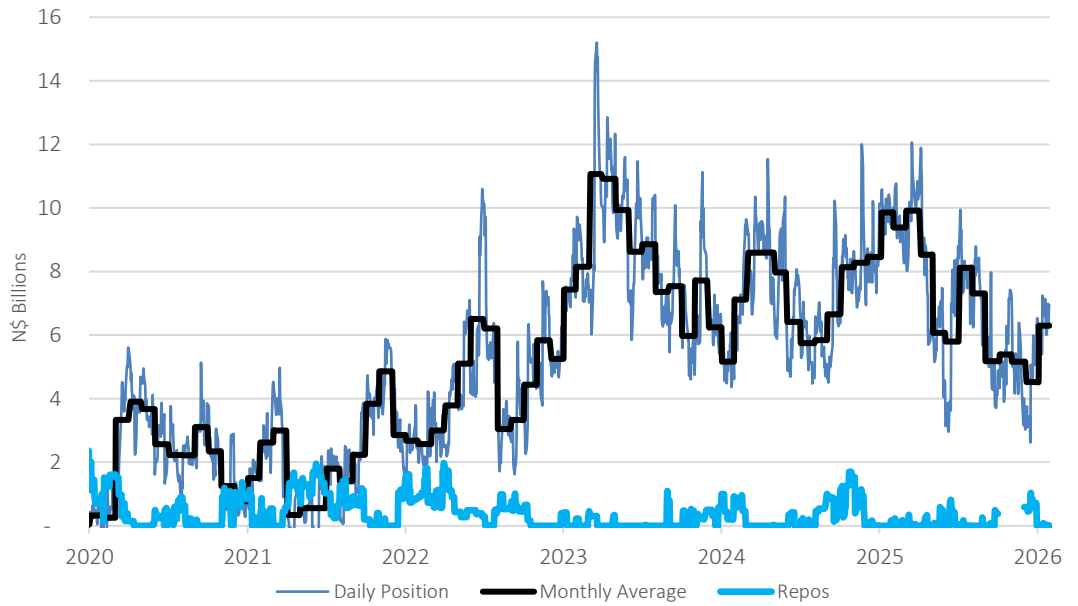


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Banking Sector Liquidity

The overall liquidity position of commercial banks increased to an average of N\$6.3bn in February. This increase in the overall liquidity level represents a 39.2% m/m increase relative to January's average liquidity of N\$4.5bn. According to the BoN, the increase in cash balances during the month was mainly attributed to receipts from investment proceeds, government expenditure, as well as diamond sale proceeds.

Namibian Banking Liquidity



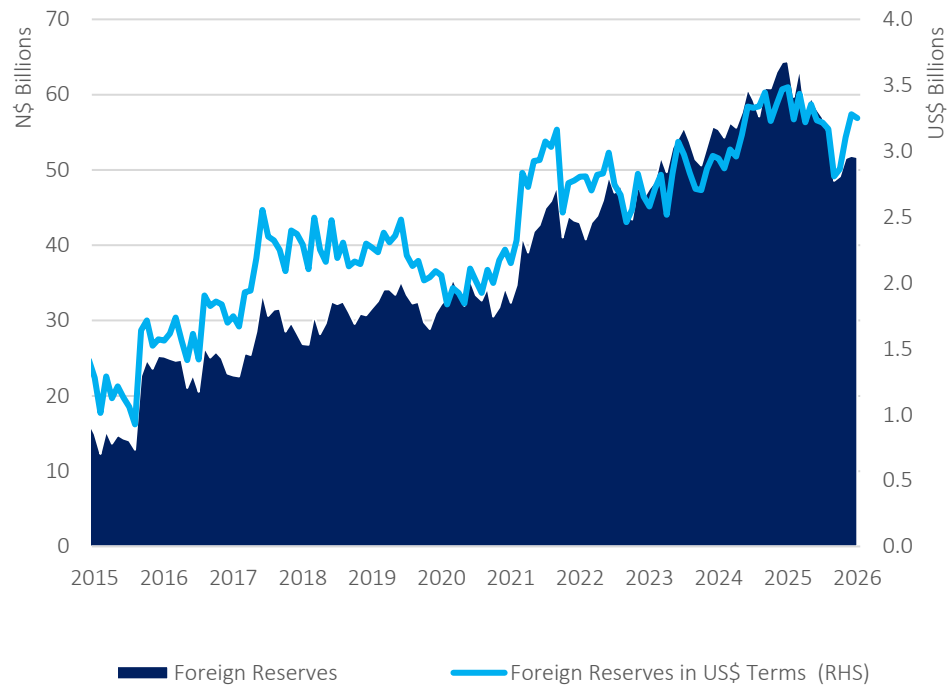
Source: Bank of Namibia, IJG Securities

Money Supply and Reserves

International foreign reserves declined to N\$51.7bn in February. This is a 0.3% m/m decline from the N\$51.9bn reserves that were available at the end of January. According to the BoN, the slight decline mainly stemmed from net ZAR outflows and Customer Foreign Currencies withdrawals. This level of reserves translated to an estimated import cover of 3.3 months, and 3.7 months when excluding oil and gas exploration and appraisal related imports.

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Foreign Reserves



Source: Bank of Namibia, IJG Securities

Conclusion

Recent monetary developments point to a gradually improving, yet uneven, domestic financial landscape. PSCE is expanding at a modest pace, with the uptick in overall growth largely driven by stronger corporate borrowing, while household credit demand remains subdued. The divergence between these segments highlights ongoing pressure on consumers, as reflected in declining short-term credit uptake and muted mortgage activity, suggesting that elevated costs and constrained incomes are still weighing on household balance sheets. In contrast, the corporate sector appears to be gaining traction, with robust growth in instalment credit and increased reliance on working capital facilities, particularly across key productive sectors, indicating a tentative recovery in business activity and confidence.

Looking ahead, the outlook is clouded by rising global uncertainties, including the ongoing US-Iran war and its implications for commodity prices and trade dynamics. Domestically, inflationary pressures may intensify following recent increases in fuel prices, which could further strain household finances and dampen consumption. In addition, shifting monetary policy expectations, where rate cuts are no longer priced in and the risk of a potential rate hike has emerged, may tighten financial conditions further. As a result, while corporate-led credit growth provides some optimism, the broader recovery remains fragile and highly dependent on both external developments and the trajectory of domestic inflation and interest rates.



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