

Private Sector Credit Extension

May 2026

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

Overview

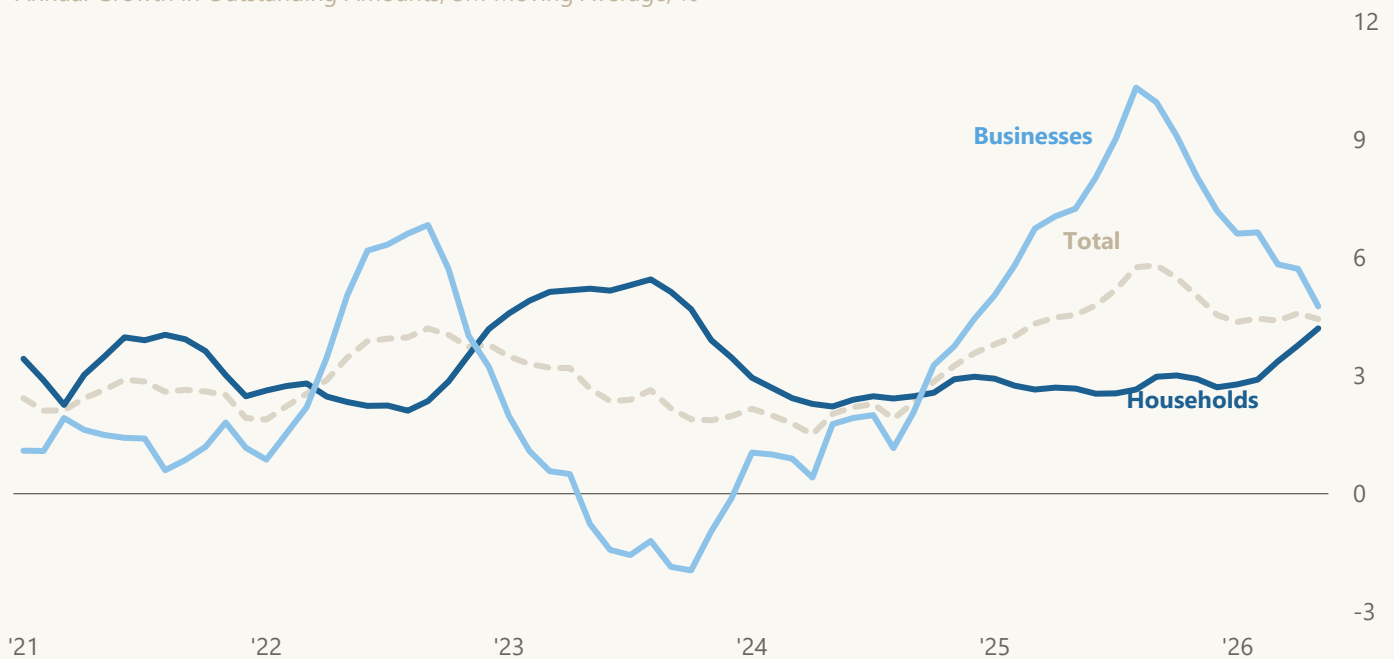
Private sector credit extension (PSCE) growth moderated slightly in May, with annual growth easing to 4.3% YoY from 4.8% YoY in April. Over the past 12 months, PSCE expansion remained balanced between corporates and individuals, with both segments recording growth of just over 4% YoY.

Category	Outstanding amount (N\$ Millions)	Change in N\$ Millions		Change in %	
		MoM	YoY	MoM	YoY
Total Claims on the Private Sector	124,505	209.9	6,568.8	0.2	4.3
Other financial corporations	4,333	20.4	110.2	0.5	2.6
Businesses	52,282	-31.5	2,195.9	-0.1	4.4
Loans and Advances	43,693	-254.5	127.0	-0.6	0.3
Mortgage Loans	13,234	139.9	43.9	1.1	0.3
Other Loans & Advances	20,238	237.3	-500.0	1.2	-2.4
Overdraft	10,221	-631.7	583.1	-5.8	6.0
Instalment and Leasing	8,589	223.0	2,068.9	2.7	31.7
Households	71,890	139.8	2,895.1	0.2	4.2
Loans and Advances	62,466	101.9	1,691.3	0.2	2.8
Mortgage Loans	46,661	42.4	881.1	0.1	1.9
Other Loans & Advances	13,220	10.8	668.9	0.1	5.3
Overdraft	2,585	48.6	141.3	1.9	5.8
Instalment and Leasing	9,425	37.9	1,203.8	0.4	14.6
Claims on non-residents	333	101.6	1,477.9	6.3	33.6

Source: Bank of Namibia; IJG Securities

Growth in Private Sector Credit Extension

Annual Growth in Outstanding Amounts, 3M Moving Average, %



Source: Bank of Namibia; IJG Securities

Credit Extension to Individuals

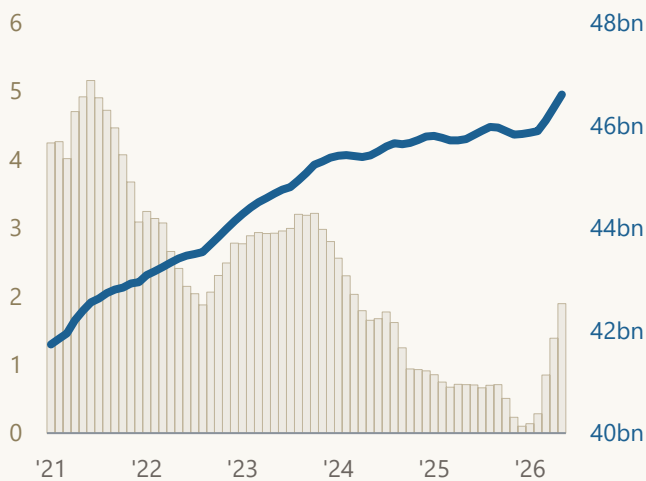
Credit extended to individuals increased by 0.2% MoM, or N\$139.79m, in May, bringing the total stock of household credit to N\$71.89bn. On an annual basis, household credit growth held steady at 4.2%, similar to the rate recorded in April. Household overdraft growth ticked up to 5.8% YoY from 5.4% YoY in April, with the outstanding balance rising by N\$48.63m to N\$2.59bn. This was offset by softer growth in other loans and advances, which slowed to 5.3% YoY from 5.8% YoY in April, and instalment sale and leasing credit, which eased to 14.6% YoY from 14.8% YoY, resulting in largely stagnant growth for overall household credit. Household mortgage lending remained steady at 1.9% YoY, with the outstanding balance up N\$42.45m, or 0.1% MoM, to N\$46.66bn.

Credit extension by category

3-Month Moving Average

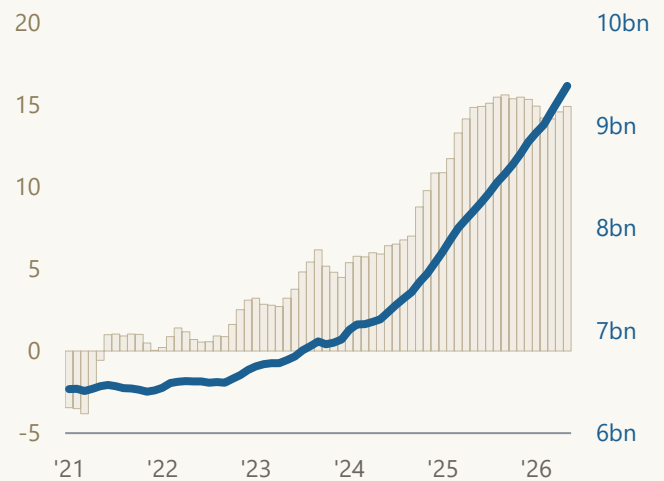
Mortgage Loans

Annual Growth Rate | N\$



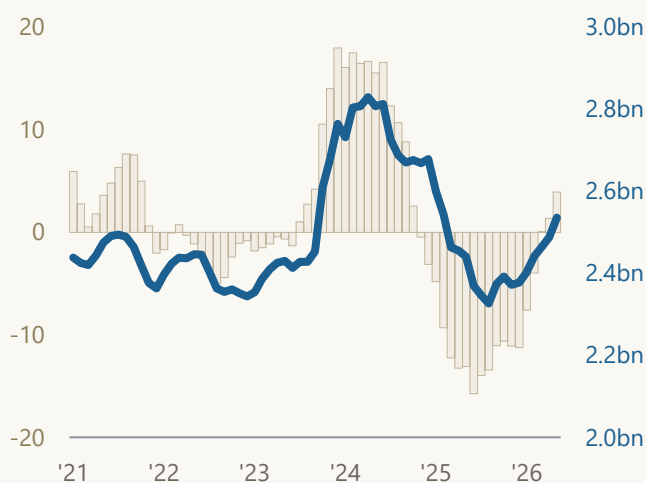
Instalment & Leasing

Annual Growth Rate | N\$



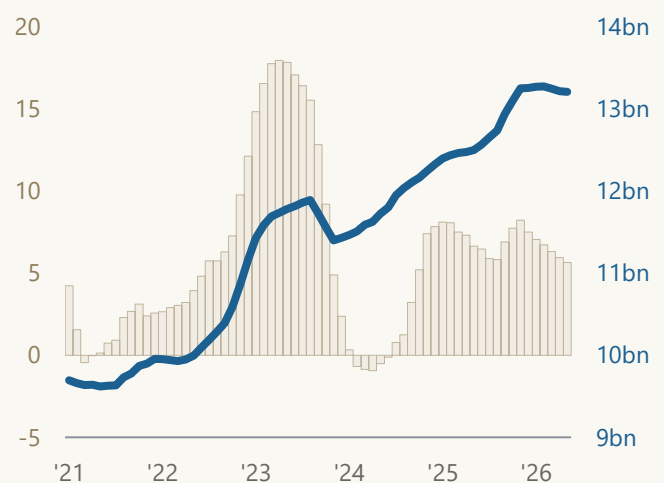
Overdrafts

Annual Growth Rate | N\$



Other Loans & Advances

Annual Growth Rate | N\$



Credit Extension to Businesses

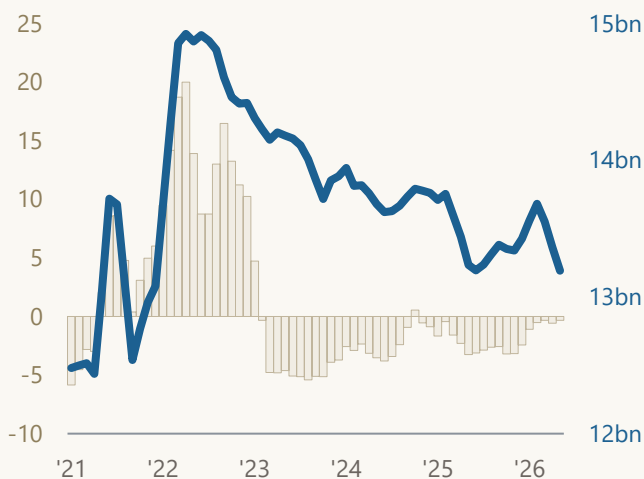
Credit extended to corporates decreased by 0.1% MoM, or N\$31.50m, in May, bringing the outstanding corporate credit balance to N\$52.28bn. Annual corporate credit growth eased to 4.4% YoY from 5.5% YoY in April. As per the Bank of Namibia (BoN), the slowdown was primarily on account of net repayments in overdrafts and other loans and advances from corporates in the mining, manufacturing and telecommunications sectors. Corporate overdrafts fell by 5.8% MoM (N\$631.68 m) in May, with annual growth easing to 6.1% from 12.9% in April. Corporate other loans and advances also softened, contracting 2.4% YoY versus a 1.0% YoY contraction in April, though the category grew 1.2% MoM. Corporate mortgage lending emerged from a prolonged contraction, recording growth of 0.3% YoY compared to a 1.0% YoY contraction in April, with the outstanding balance up N\$139.90m, or 1.1% MoM, to N\$13,233.90m.

Credit extension by category

3-Month Moving Average

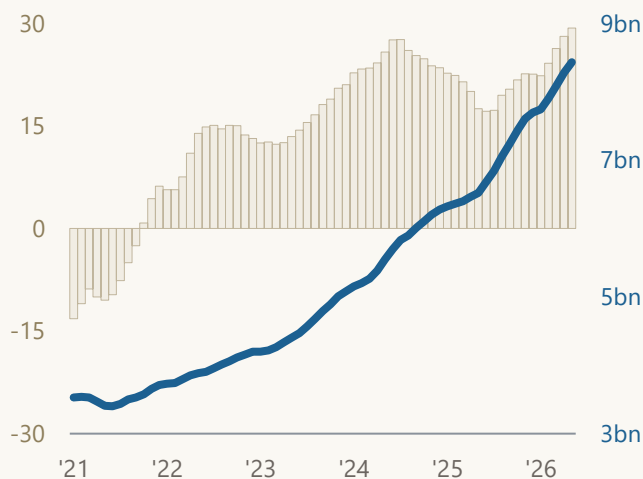
Mortgage Loans

Annual Growth Rate | N\$



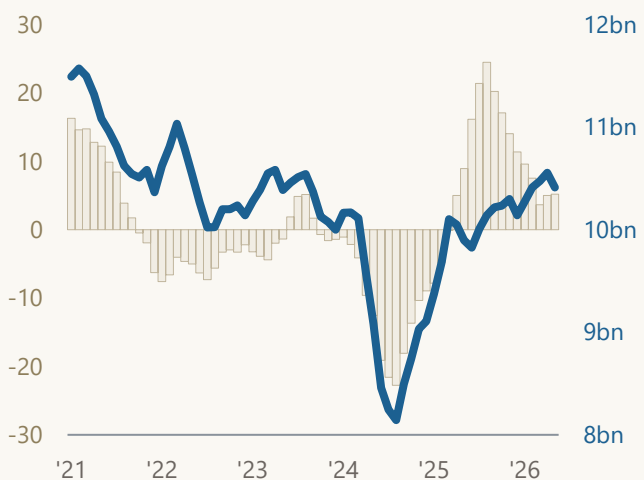
Instalment & Leasing

Annual Growth Rate | N\$



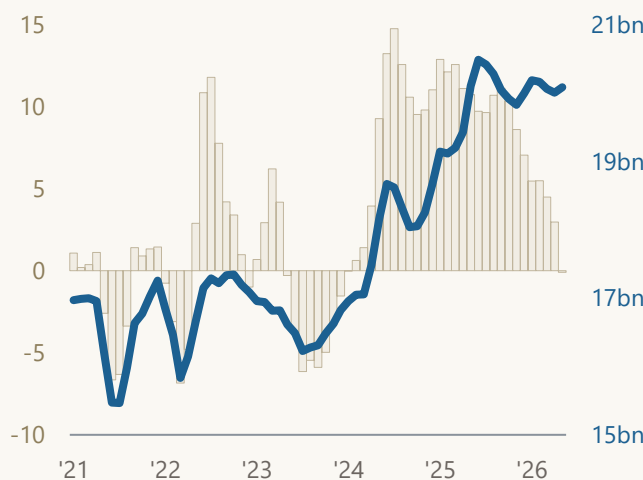
Overdrafts

Annual Growth Rate | N\$



Other Loans & Advances

Annual Growth Rate | N\$

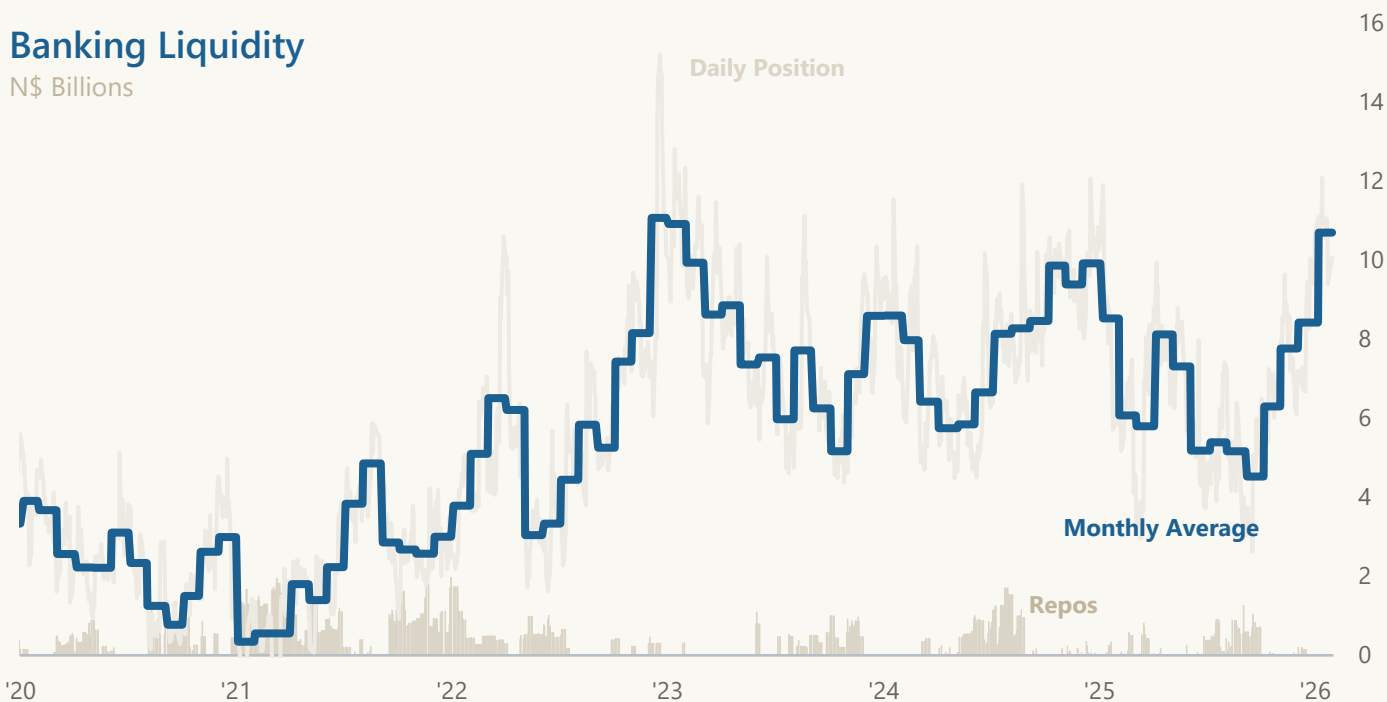


Banking Liquidity & International Reserves

The overall liquidity position of commercial banks surged to an average of N\$10.70bn in May, a 27.0% MoM increase from April's average of N\$8.42bn. According to the BoN, the increase was mainly attributed to diamond sales proceeds, government expenditure and investment flows.

Banking Liquidity

N\$ Billions



Source: Bank of Namibia; IJG Securities

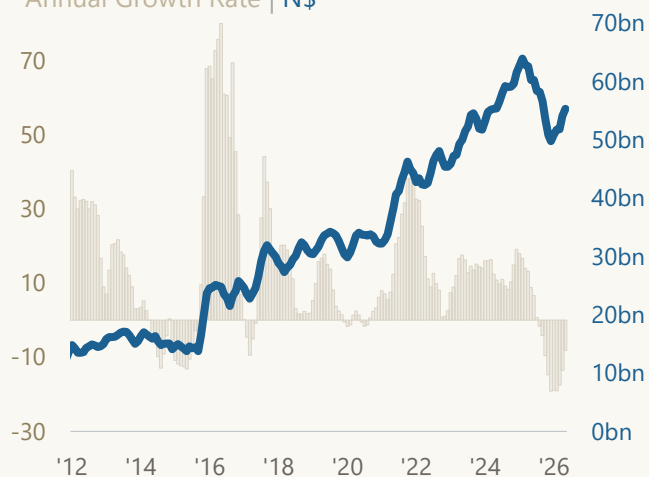
The stock of international reserves declined by 5.8% MoM to N\$55.42bn at the end of May, down from N\$58.81bn in April (-N\$3.38bn). The decline was predominantly due to net ZAR outflows through commercial banks, exacerbated by Customer Foreign Currency (CFC) withdrawals and foreign payments by government. At end of May, reserves were sufficient to cover ~3.5 months of imports, rising to 3.8 months when oil and gas exploration and appraisal related imports are excluded. Reserves were equivalent to 9.5x the value of currency in circulation, down from 10.5x in April.

International Reserves

3-Month Moving Average

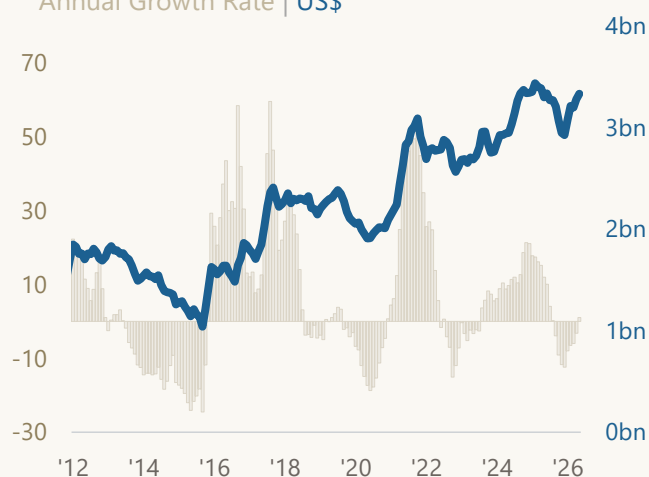
Reserves in Namibian Dollars

Annual Growth Rate | N\$



Reserves in US Dollars

Annual Growth Rate | US\$



Source: Bank of Namibia; IJG Securities

Conclusion

PSCE growth slowed in May, with annual growth easing to 4.3% from 4.8% in April. The deceleration was concentrated almost entirely on the corporate side, where credit growth fell to 4.4% YoY from 5.5% YoY, while household credit growth was essentially unchanged at 4.2% YoY. The strength in instalment sale and leasing credit across both the household and corporate segments points to continued demand for asset-backed financing. While this may indicate ongoing investment and durable goods purchases, it does not necessarily imply broad-based strength in overall credit demand, particularly if growth in other lending categories remains subdued.

Looking ahead, the BoN raised the repo rate by 25 basis points to 6.75% on 17 June 2026, following the SARB's rate hike at the end of May, in order to maintain the currency peg. This comes against a backdrop of rising inflationary pressure, with headline inflation accelerating to 4.1% YoY in May from 3.1% YoY in April, driven by a surge in transport inflation to 11.5% YoY on higher fuel prices. Higher borrowing costs, combined with already subdued corporate credit demand, are likely to weigh further on overall PSCE growth in the coming months.

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