Private Sector Credit Extension

June 2026

Overview

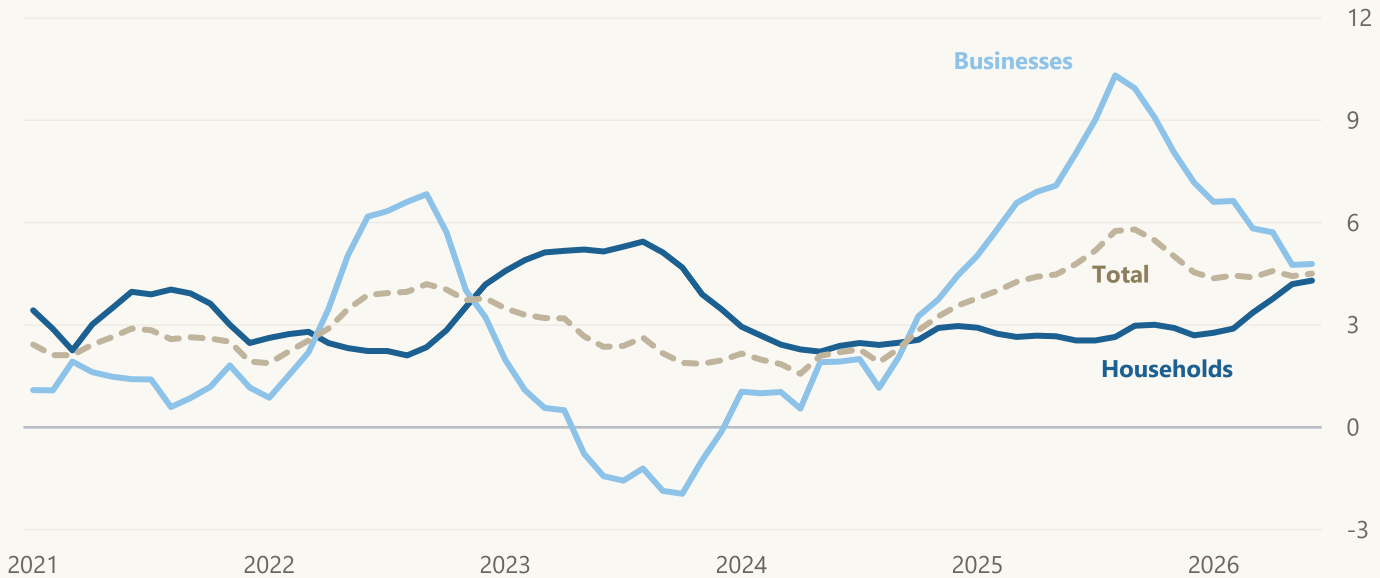
Private sector credit extension (PSCE) growth expanded slightly in June, with annual growth rising to 4.5% YoY from 4.3% YoY in May. Year-to-date, total claims on the private sector have grown by an average of 4.5%, marginally lower than the 4.6% average growth recorded over the corresponding period last year.

Category	Outstanding amount (N$ Millions)	Change in N$ Millions		Change in %	
		MoM	YoY	MoM	YoY
Total Claims on the Private Sector	**125,485**	**1,312.1**	**5,394.7**	**1.1**	**4.5**
Other financial corporations	4,128	-205.0	279.6	-4.7	7.3
Businesses	**53,186**	**903.4**	**2,296.7**	**1.7**	**4.5**
Loans and Advances	44,517	823.7	597.8	1.9	1.4
Mortgage Loans	13,025	-209.1	-143.8	-1.6	-1.1
Other Loans & Advances	21,036	798.4	514.4	3.9	2.5
Overdraft	10,455	234.4	227.2	2.3	2.2
Instalment and Leasing	8,669	79.7	1,698.9	0.9	24.4
Households	**72,299**	**408.8**	**3,098.0**	**0.6**	**4.5**
Loans and Advances	62,698	232.3	1,859.5	0.4	3.1
Mortgage Loans	46,878	217.7	961.2	0.5	2.1
Other Loans & Advances	13,280	60.3	616.2	0.5	4.9
Overdraft	2,540	-45.7	282.2	-1.8	12.5
Instalment and Leasing	9,601	176.5	1,238.5	1.9	14.8
Claims on non-residents	**376**	**43.8**	**171.6**	**13.2**	**83.8**

Source: Bank of Namibia; IJG Securities

Growth in Private Sector Credit Extension

Annual growth in oustanding amount, 3m MA, %



Source: Bank of Namibia; IJG Securities

Credit Extension to Individuals

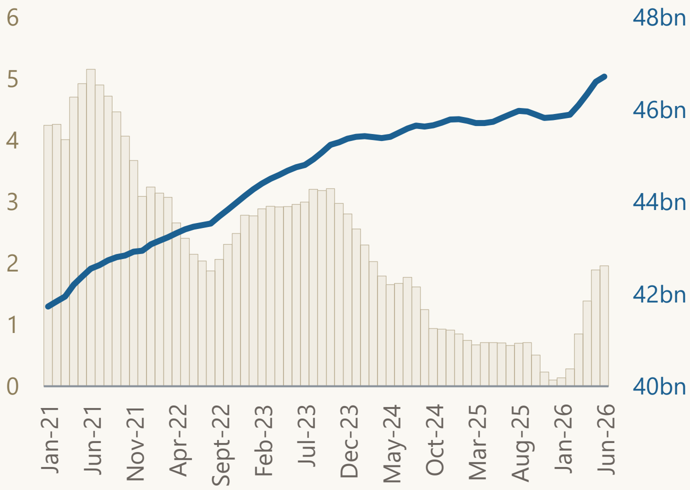
Credit extended to individuals increased by N$408.8m (0.6% MoM) in June, bringing the total stock of household credit to N$72.30bn. Annual household credit growth accelerated to 4.5% YoY, marking the strongest annual expansion since August 2023. The improvement was underpinned by broad-based growth across most lending categories, with mortgage lending and instalment and leasing credit remaining the primary contributors. Household mortgage lending gained momentum, with the outstanding balance increasing by N$217.7m (0.5% MoM) to N$46.88bn. Annual mortgage growth accelerated to 2.1% YoY, the strongest pace since January 2024. Instalment sale and leasing credit also remained robust, with annual growth edging up to 14.8% YoY from 14.6% YoY in May, indicating continued demand for vehicle and asset finance. Other loans and advances recorded modest monthly growth of 0.5% MoM, although annual growth continued to moderate, easing to 4.9% YoY from 5.3% YoY in May and extending the gradual slowdown observed since October 2025. Annual household credit growth was offset by overdraft balances which declined by N$45.7m (1.8% MoM) during the month. However, annual overdraft growth accelerated sharply to 12.5% YoY from 5.8% YoY in May, with the outstanding balance increasing by N$48.6m over the past year to N$2.59bn. Overdraft uptake has remained elevated for most of 2026, with February and June the only months to record net repayments, suggesting that households continue to rely on short-term credit facilities despite the monthly decline.

Credit extension by category

3-Month Moving Average

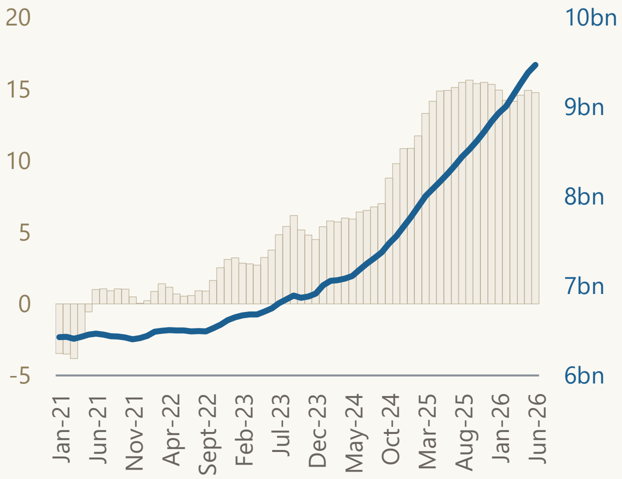
Mortgage Loans

Annual Growth Rate | N$



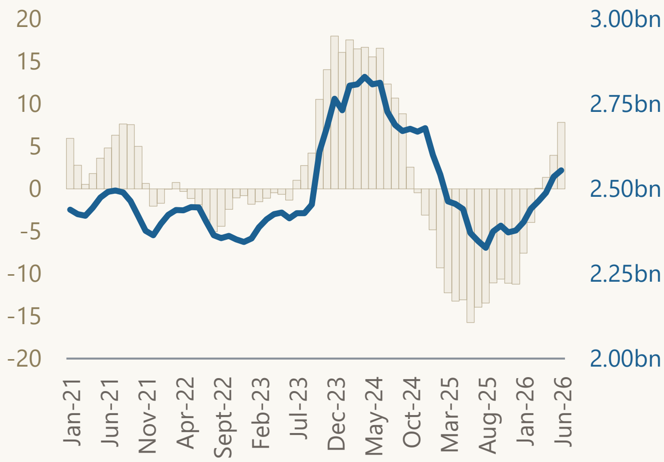
Instalment & Leasing

Annual Growth Rate | N$



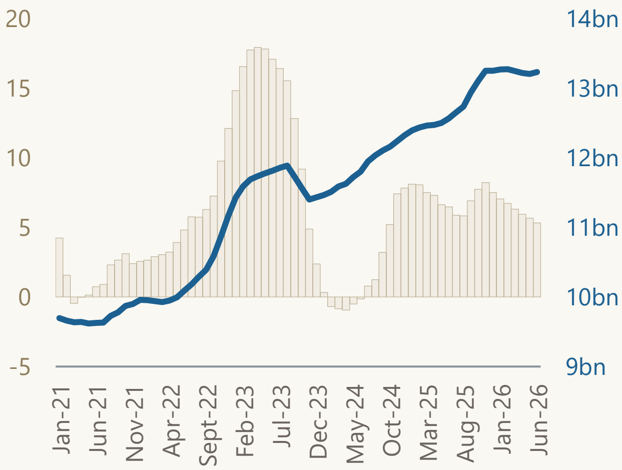
Overdrafts

Annual Growth Rate | N$



Other Loans and Advances

Annual Growth Rate | N$



Private Sector Credit Extension May 2026

Source: Bank of Namibia; IJG Securities

Credit Extension to Businesses

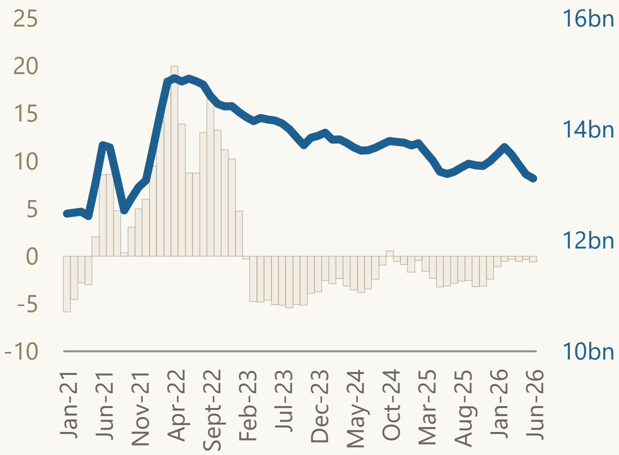
Credit extended to corporates increased by N$903.4m (1.7% MoM) in June, lifting the outstanding corporate credit balance to N$53.19bn. Consequently, annual corporate credit growth edged up to 4.5% YoY from 4.4% YoY in May. According to the Bank of Namibia (BoN), the improvement was primarily driven by increased demand for other loans and advances from corporates operating in the mining, wholesale and retail trade, financial services, and energy, oil and petroleum sectors. The uptick in corporate credit growth was primarily driven by a rebound in other loans and advances, which increased to 2.5% YoY in June from -2.4% YoY in May, reversing two consecutive months of annual contraction. As a result, the outstanding balance of other loans and advances rose by N$798.4m (3.9% MoM) to N$21.04bn. Corporate overdraft balances also increased during the month, rising by N$234.4m (2.3% MoM). However, annual growth eased to 2.2% YoY from 6.1% YoY in May, suggesting that the monthly increase was insufficient to offset the stronger growth recorded a year earlier. In contrast, the recovery in corporate mortgage lending proved short-lived, with the outstanding balance declining by N$196.8m (1.6% MoM) from N$13.23bn in May to N$13.03bn in June. Consequently, annual corporate mortgage lending returned to contractionary territory, declining by 1.1% YoY after recording growth of 0.3% YoY in May.

Credit extension by category

3-Month Moving Average

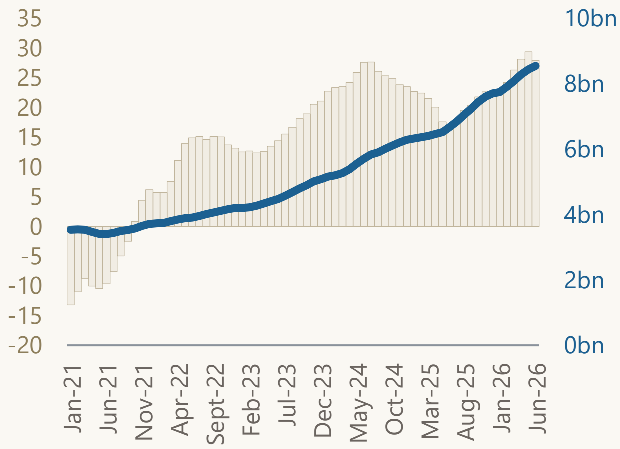
Mortgage Loans

Annual Growth Rate | N$



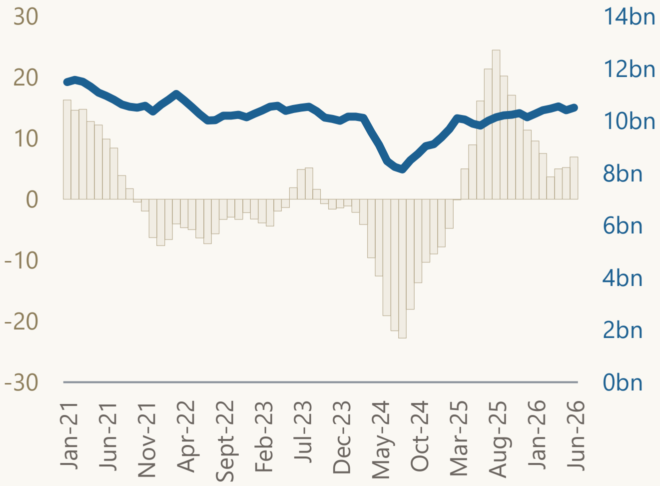
Instalment & Leasing

Annual Growth Rate | N$



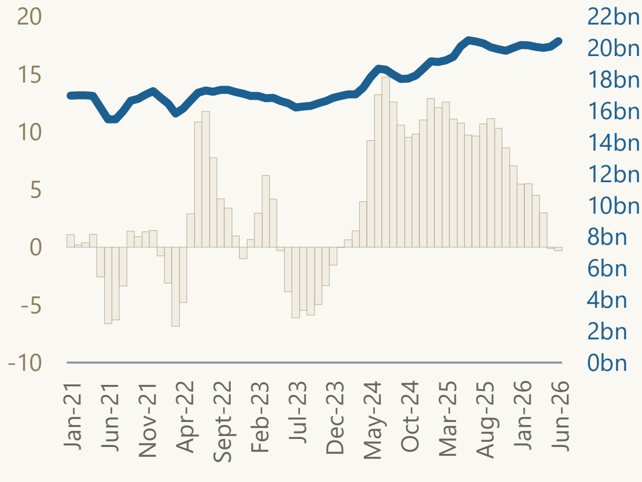
Overdrafts

Annual Growth Rate | N$



Other Loans & Advances

Annual Growth Rate | N$



Private Sector Credit Extension May 2026

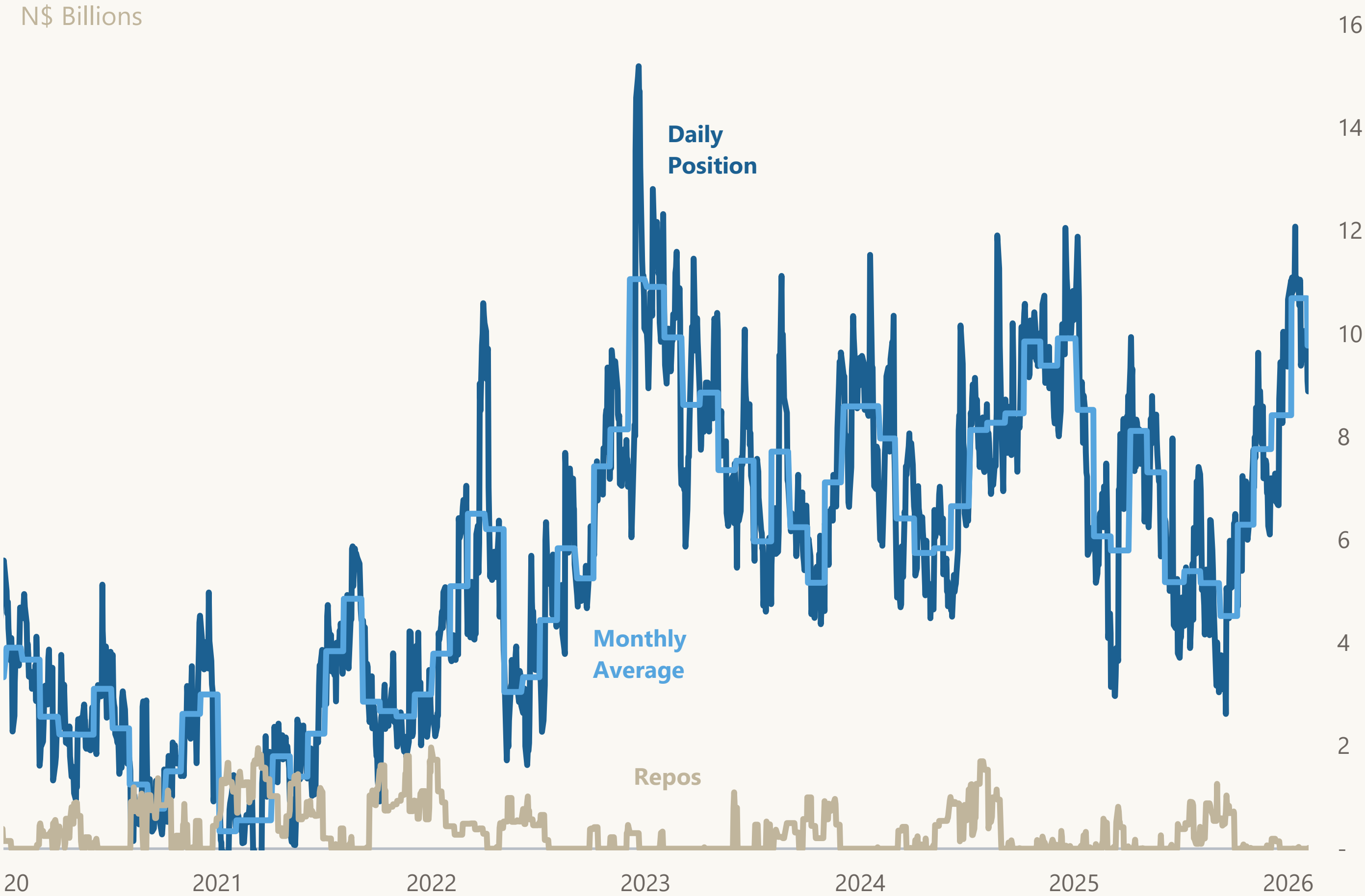
Source: Bank of Namibia; IJG Securities

Banking Liquidity & International Reserves

The overall liquidity position of commercial banks declined to an average of N$9.77bn in June, an 8.6% MoM decrease from May's average of N$10.70bn. According to the BoN, the decrease was mainly attributed to corporate tax payments.

Banking Liquidity

N$ Billions

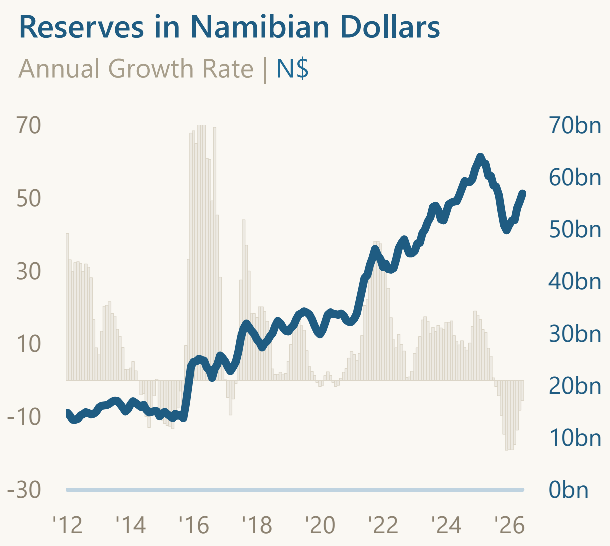


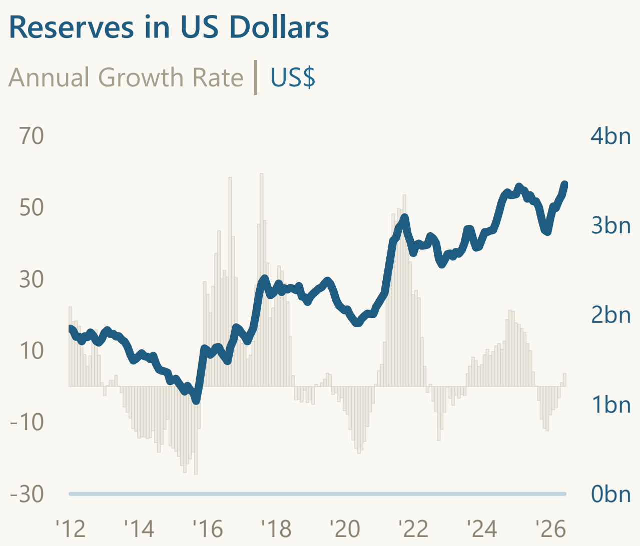
Source: Bank of Namibia; IJG Securities

The stock of international reserves increased by N$993.2m (1.8% MoM) to N$56.42bn at the end of June, up from N$55.42bn in May. According to the BoN, the increase was primarily driven by net ZAR inflows through commercial banks, supported by revaluation gains on certain fixed income securities, the depreciation of the domestic currency, and the additional monetisation of gold during the month. At the end of June, international reserves were sufficient to cover approximately ~3.5 months of imports, increasing to 3.9 months when oil and gas exploration and appraisal-related imports are excluded. Reserves were equivalent to 10.1x the value of currency in circulation, up from 9.5x in May.

International Reserves

3-Month Moving Average





Source: Bank of Namibia; IJG Securities

Conclusion

PSCE growth strengthened modestly in June, with annual growth for both households and corporates accelerating to 4.5% YoY. The improvement was primarily driven by stronger corporate credit uptake, supported by robust growth in other loans and advances, as well as instalment and leasing finance. Household credit growth was similarly underpinned by solid growth in instalment and leasing finance, while renewed momentum in mortgage lending provided additional support. These trends suggest a relatively resilient domestic economy; however, credit growth remains subdued compared to South Africa, where PSCE growth remained in the high single digits at 7.8% YoY in June and 8.6% YoY in May.

Looking ahead, the BoN's bi-monthly MPC rate announcement on 12 August will be key in determining the trajectory of PSCE growth, particularly amid renewed inflationary pressures driven by elevated transport inflation. The SARB's decision to keep interest rates unchanged provides the BoN with some flexibility to delay a potential rate hike, while maintaining the existing interest rate differential between Namibia and South Africa.

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