Private Sector Credit Extension

July 2026

Overview

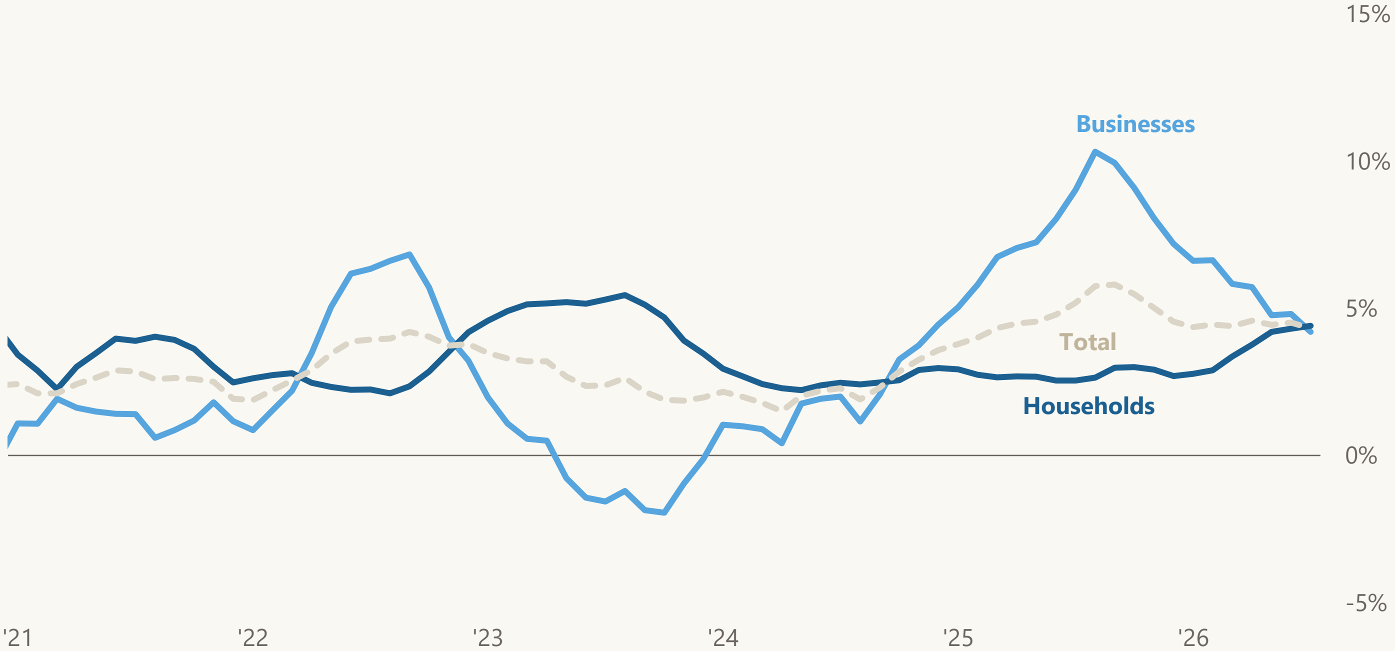
Private sector credit extension (PSCE) growth moderated in July, with annual growth easing to 4.2% YoY from 4.5% YoY in June. Total claims on the private sector declined by N$340.0m (0.3% MoM) to N$125.14bn, the first monthly contraction since October 2025.

Category	Outstanding amount (N$ Millions)	Change in N$ Millions		Change in %	
		MoM	YoY	MoM	YoY
Total Claims on the Private Sector	**125,145**	**-340.0**	**5059.6**	**-0.3**	**4.2**
Other financial corporations	4,474	346.1	735.6	8.4	19.7
Businesses	**52,407**	**-778.7**	**1861.0**	**-1.5**	**3.7**
Loans and Advances	43,718	-799.1	211.7	-1.8	0.5
Mortgage Loans	14,225	1200.4	871.0	9.2	6.5
Other Loans & Advances	19,249	-1787.1	-739.0	-8.5	-3.7
Overdraft	10,243	-212.4	79.7	-2.0	0.8
Instalment and Leasing	8,689	20.4	1649.3	0.2	23.4
Households	**72,739**	**438.1**	**3198.5**	**0.6**	**4.6**
Loans and Advances	63,048	350.5	1964.0	0.6	3.2
Mortgage Loans	47,117	238.5	1123.1	0.5	2.4
Other Loans & Advances	13,388	108.1	634.01	0.8	5.0
Overdraft	2,544	4.0	206.9	0.2	8.9
Instalment and Leasing	9,690	88.2	1234.5	0.9	14.6
Claims on non-residents	**408**	**74.6**	**199.2**	**22.4**	**95.5**

Source: Bank of Namibia; IJG Securities

Growth in Private Sector Credit Extension

Annual Growth in Outstanding Amounts, %



Source: Bank of Namibia; IJG Securities

Credit Extension to Individuals

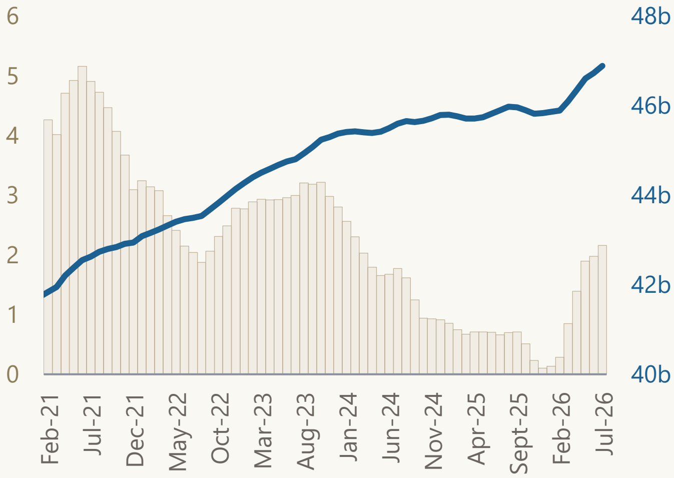
Credit extended to individuals increased by N$438.7m (0.6% MoM) in July, bringing the total stock of household credit to N$72.74bn. Annual household credit growth accelerated further to 4.6% YoY from 4.5% YoY in June, extending the strongest run of annual expansion since August 2023. Household mortgage lending continued to gain momentum, with the outstanding balance increasing by N$238.5m (0.5% MoM) to N$47.12bn and annual growth quickening to 2.4% YoY, the fastest pace since December 2023. Other loans and advances rose by N$108.1m (0.8% MoM) to N$13.39bn, with annual growth edging up to 5.0% YoY from 4.9% YoY, interrupting the gradual moderation observed since October 2025. Instalment sale and leasing credit increased by N$88.2m (0.9% MoM) to N$9.69bn, although annual growth eased marginally to 14.6% YoY from 14.8% YoY in June, continuing to indicate resilient demand for vehicle and asset finance. Household overdraft balances were broadly unchanged, rising by N$4.0m (0.2% MoM) to N$2.54bn following the net repayments recorded in June. Annual overdraft growth moderated to 8.9% YoY from 12.5% YoY, but remains well ahead of overall household credit growth, suggesting households continue to rely on short-term credit facilities.

Credit extension by category

3-Month Moving Average

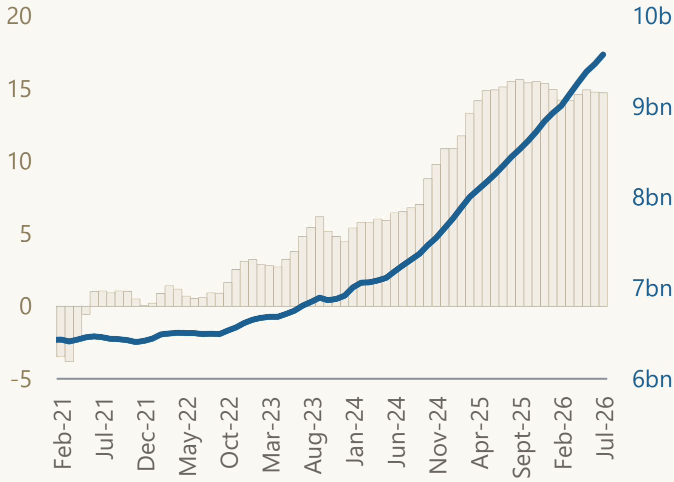
Mortgage Loans

Annual Growth Rate | N$



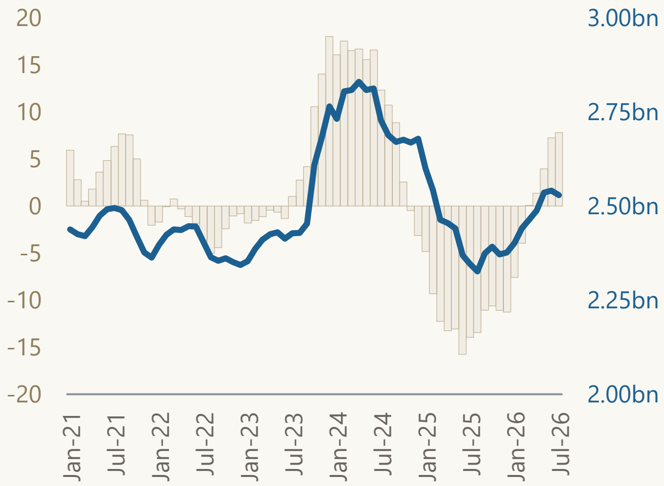
Instalment & Leasing

Annual Growth Rate | N$



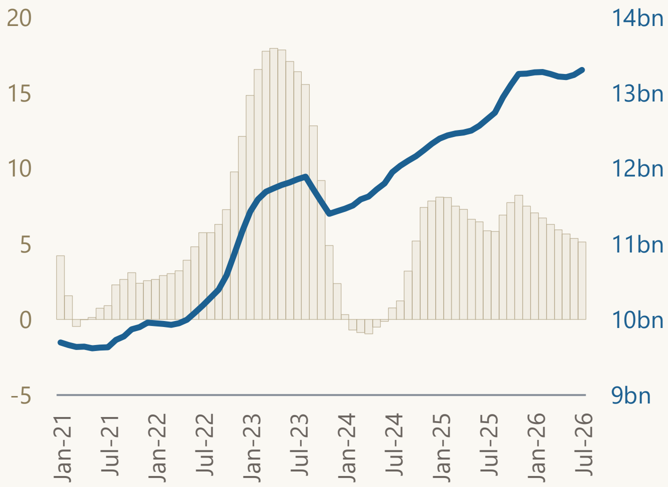
Overdrafts

Annual Growth Rate | N$



Other Loans and Advances

Annual Growth Rate | N$



Source: Bank of Namibia; IJG Securities

Credit Extension to Businesses

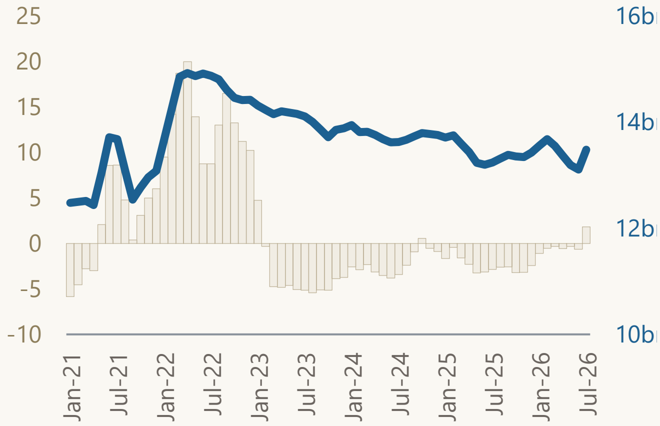
Credit extended to corporates declined by N$778.7m (1.5% MoM) in July, reducing the outstanding corporate credit balance to N$52.41bn. Consequently, annual corporate credit growth eased to 3.7% YoY from 4.5% YoY in June. According to the Bank of Namibia (BoN), the moderation was on account of lower uptake and net repayments in overdrafts, mortgages, instalment and leasing, as well as other loans and advances by corporates in the manufacturing, fishing, agriculture, wholesale and retail trade, financial services, and energy, oil and petroleum sectors. Other loans and advances accounted for the bulk of the monthly decline, falling by N$1.79bn (8.5% MoM) to N$19.25bn and fully reversing the previous month's rebound, with annual growth swinging to a contraction of 3.7% YoY from growth of 2.5% YoY in June. Corporate overdraft balances declined by N$212.4m (2.0% MoM) to N$10.24bn, with annual growth easing to 0.8% YoY from 2.2% YoY. Instalment and leasing credit was little changed, rising by N$20.4m (0.2% MoM) to N$8.69bn, while annual growth moderated to 23.4% YoY from 24.4% YoY, remaining comfortably the fastest-growing corporate credit category. Corporate mortgage lending was the exception to the broader softening, with the outstanding balance increasing by N$1.20bn (9.2% MoM) to N$14.23bn and annual growth returning to 6.5% YoY from a contraction of 1.1% YoY in June, the strongest pace since September 2022.

Credit extension by category

3-Month Moving Average

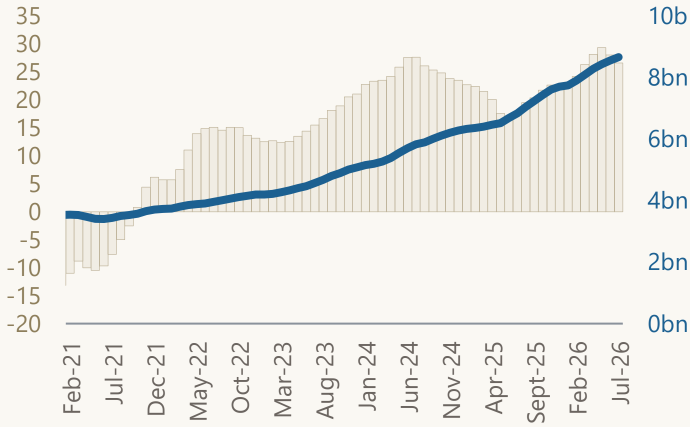
Mortgage Loans

Annual Growth Rate | N$



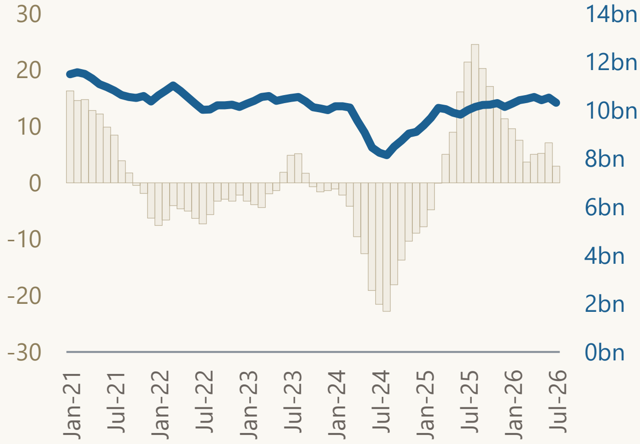
Instalment & Leasing

Annual Growth Rate | N$



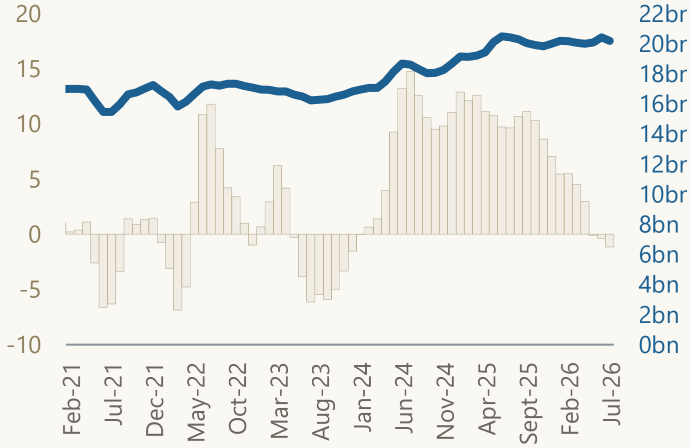
Overdrafts

Annual Growth Rate | N$



Other Loans & Advances

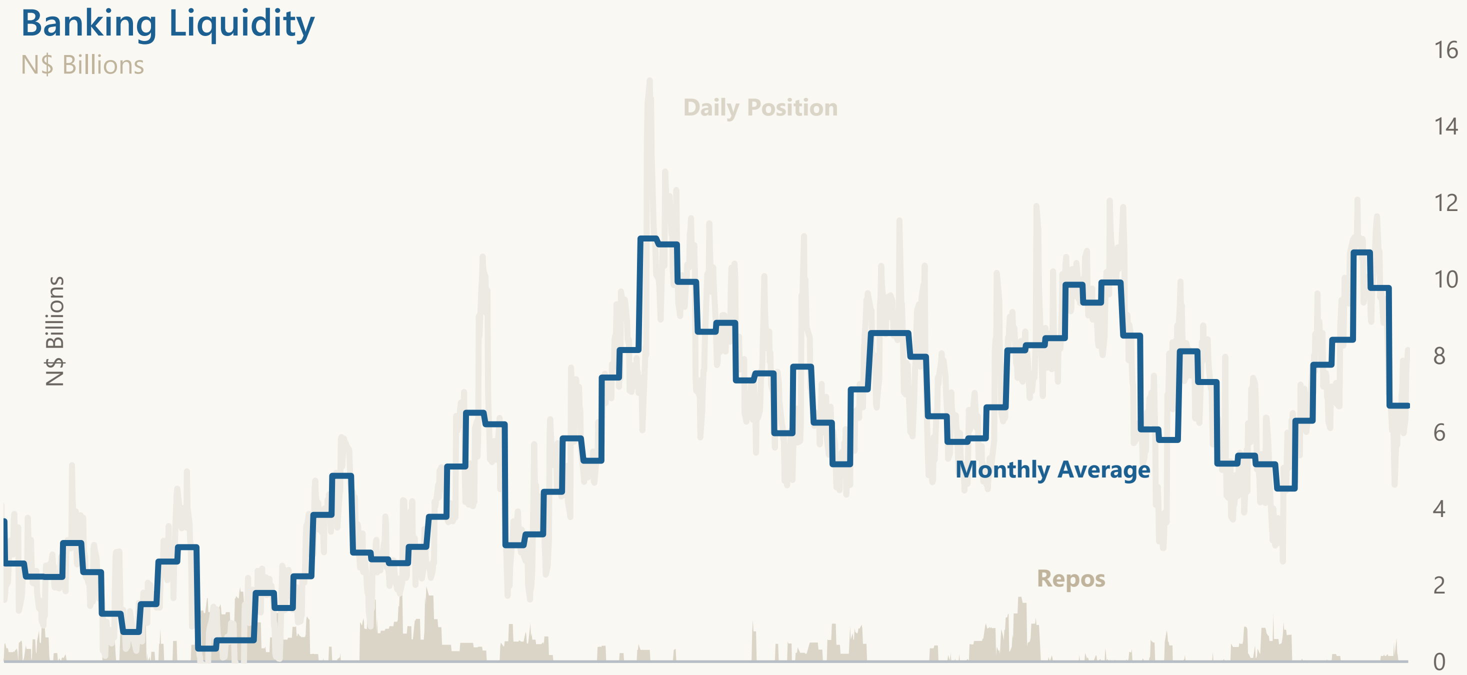
Annual Growth Rate | N$



Source: Bank of Namibia; IJG Securities

Banking Liquidity & International Reserves

The overall liquidity position of commercial banks declined to an average of N$6.69bn in July, a 32.5% MoM decrease from June's average of N$9.77bn. According to the BoN, the decline was mainly due to investment-related outflows, although banks' cash balances remain comfortably above prudential requirements.

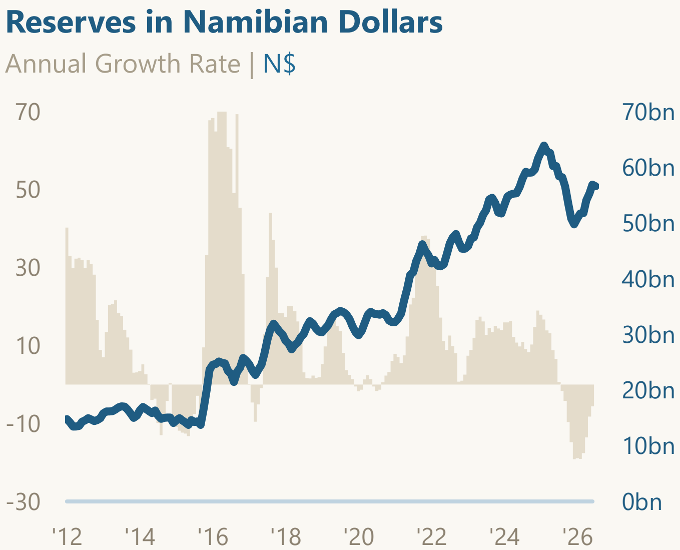


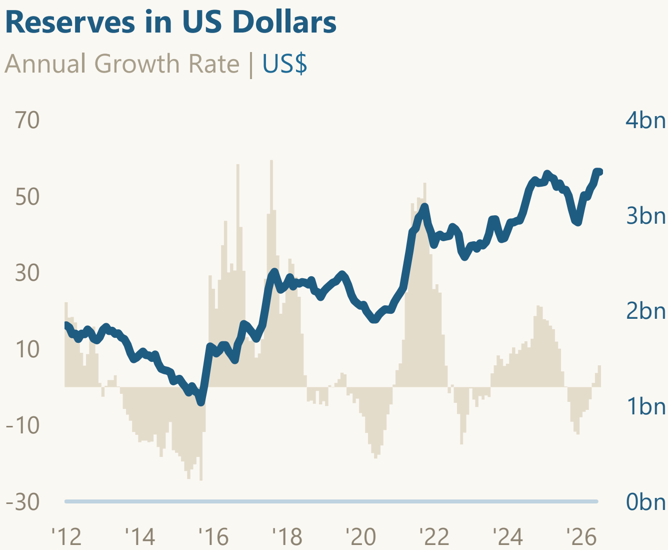
Source: Bank of Namibia; IJG Securities

The stock of international reserves increased by N$1.62bn (2.9% MoM) to N$58.04bn at the end of July, up from N$56.42bn in June. According to the BoN, the increase was driven by higher SACU receipts and strong Customer Foreign Currency (CFC) placements by commercial banks, with further support from currency depreciation and increased gold monetisation. Reserves rose to provide an estimated 3.6 months of import cover (4.0 months excluding oil and gas-related imports) and were equivalent to 10.1 times currency in circulation, supporting the Namibia Dollar–Rand peg and the country's short-term external obligations.

International Reserves

3-Month Moving Average





Source: Bank of Namibia; IJG Securities

Conclusion

PSCE growth moderated in July, with annual growth easing to 4.2% YoY from 4.5% YoY in June, as total claims on the private sector recorded their first monthly contraction since October 2025. The slowdown was driven entirely by corporates, where annual credit growth eased to 3.7% YoY on the back of a sharp decline in other loans and advances, while household credit growth continued to accelerate, reaching 4.6% YoY, its strongest pace since August 2023. Banking sector liquidity tightened materially over the month, with the average daily position falling 31.5% MoM to N$6.69bn, its lowest level in recent months, even as international reserves rose 2.9% MoM to N$58.04bn. The softening in corporate credit comes against a backdrop of a firmer policy rate, with the BoN having raised the repo rate by 25 basis points to 6.75% in June before holding it steady at its 12 August meeting, citing support for international reserves and the currency peg.

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