

Private Sector Credit Extension

August 2026

Overview

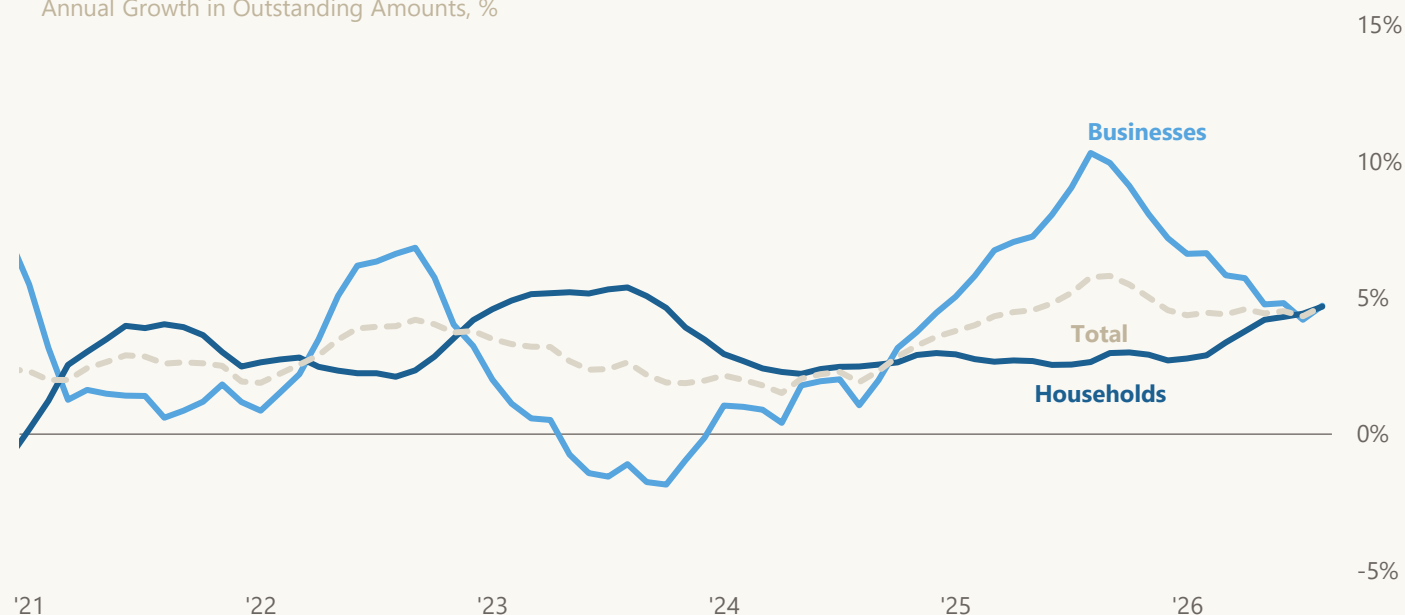
PSCE growth picked up sharply in August, with annual growth rising to 5.4% YoY from 4.2% YoY in July, the highest rate since September 2025. Total claims on the private sector rose by N\$1.96bn (1.6% MoM) to N\$127.10bn, more than reversing July's N\$340.0m decline. Businesses accounted for N\$1.53bn, or about 78%, of the monthly increase, with households adding N\$423.4m. Over the past twelve months the stock of private sector credit has grown by N\$6.47bn, and N\$4.78bn has been added since December 2025.

Category	Outstanding amount (N\$ Millions)	Change in N\$ Millions		Change in %	
		MoM	YoY	MoM	YoY
Total Claims on the Private Sector	127,101	1,956.6	6,469.6	1.6	5.4
Other financial corporations	4,360	-113.6	460.1	-2.5	11.8
Businesses	53,940	1,533.2	3,027.9	2.9	5.9
Loans and Advances	45,192	1,474.3	1,417.6	3.4	3.2
Mortgage Loans	13,254	44.3	-156.2	0.3	-1.2
Overdraft	10,739	496.5	712.0	4.8	7.1
Other Loans & Advances	21,199	933.5	861.8	4.6	4.2
Instalment and Leasing	8,748	58.9	1,610.3	0.7	22.6
Households	73,161	423.4	3,441.8	0.6	4.9
Loans and Advances	63,324	275.4	2,121.3	0.4	3.5
Mortgage Loans	47,301	184.4	1,287.3	0.4	2.8
Overdraft	2,527	-16.7	142.7	-0.7	6.0
Other Loans & Advances	13,496	107.7	691.4	0.8	5.4
Instalment and Leasing	9,837	147.9	1,320.5	1.5	15.5
Claims on non-residents	354	-53.7	133.0	-13.2	60.2

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

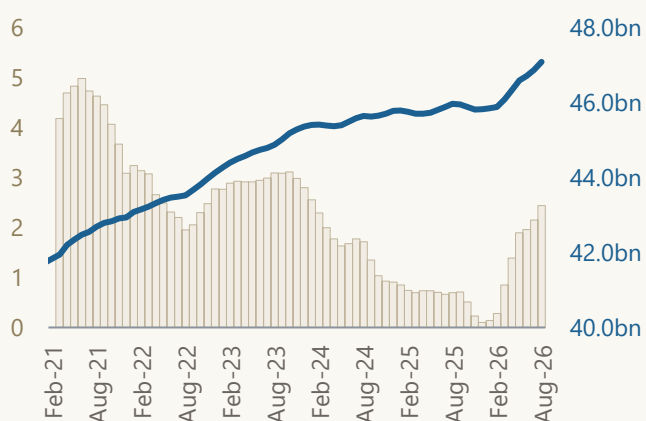
Credit extended to households rose by N\$423.4m (0.6% MoM) in August to N\$73.16bn, lifting annual household credit growth to 4.9% YoY from 4.6% YoY in July, its fastest pace since August 2023. Mortgage lending, which accounts for almost two-thirds of household credit, continued to recover: the outstanding balance rose by N\$184.4m (0.4% MoM) to N\$47.30bn and annual growth quickened to 2.8% YoY from 2.4% YoY, the strongest since October 2023. Instalment sale and leasing credit increased by N\$147.9m (1.5% MoM) to N\$9.84bn, with annual growth picking up to 15.5% YoY from 14.6% YoY, the highest since November 2025, pointing to sustained demand for vehicle and asset finance. Other loans and advances rose by N\$107.7m (0.8% MoM) to N\$13.50bn, with annual growth edging up to 5.4% YoY from 5.0% YoY. Household overdraft balances, by contrast, fell by N\$16.7m (0.7% MoM) to N\$2.53bn, and annual overdraft growth slowed to 6.0% YoY from 8.9% YoY, which the Bank of Namibia (BoN) attributed to lower demand.

Credit extension by category

3-Month Moving Average

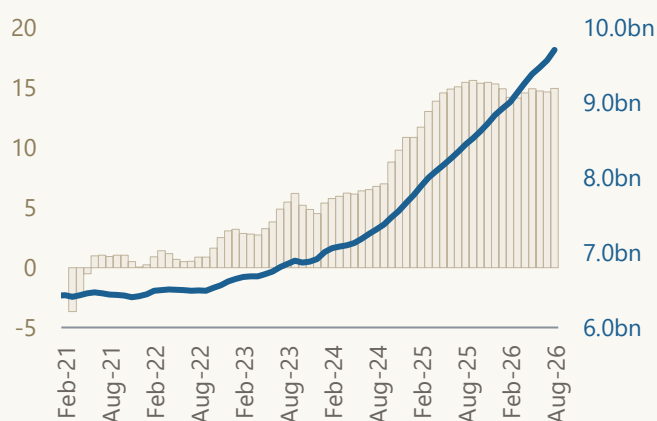
Mortgage Loans

Annual Growth Rate | N\$



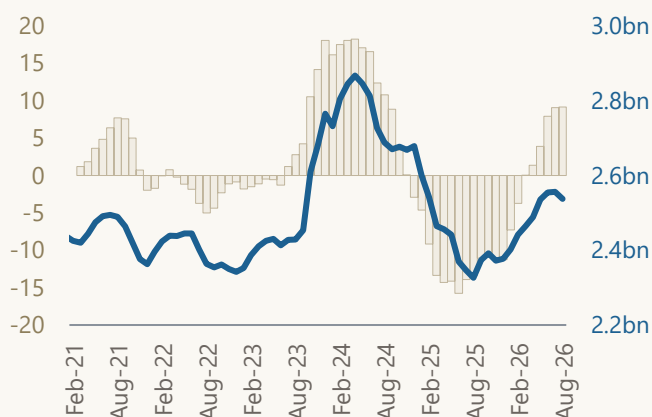
Instalment & Leasing

Annual Growth Rate | N\$



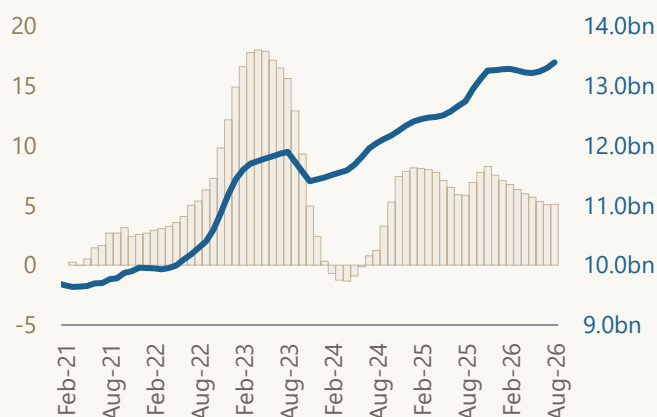
Overdrafts

Annual Growth Rate | N\$



Other Loans & Advances

Annual Growth Rate | N\$



Credit Extension to Businesses

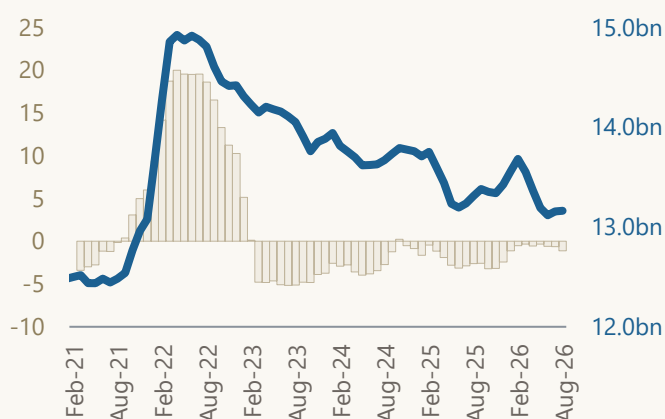
Credit extended to businesses rose by N\$1.53bn (2.9% MoM) in August to N\$53.94bn, more than recovering July's N\$778.7m contraction. Annual corporate credit growth accelerated to 5.9% YoY from 3.7% YoY, its fastest pace since February 2026. BoN attributed the increase to higher uptake of overdrafts and other loans and advances by corporates in the real estate, mining, retail, fishing, transport and logistics, manufacturing, and business services sectors. Other loans and advances drove most of the monthly gain, rising by N\$933.5m (4.6% MoM) to N\$21.20bn, with annual growth strengthening to 4.2% YoY from 1.4% YoY. Corporate overdrafts rose by N\$496.5m (4.8% MoM) to N\$10.74bn, lifting annual growth to 7.1% YoY from 0.8% YoY. Instalment and leasing credit increased by N\$58.9m (0.7% MoM) to N\$8.75bn; annual growth eased to 22.6% YoY from 23.4% YoY, but this remains the fastest-growing corporate credit category. Corporate mortgage lending was broadly flat, rising by N\$44.3m (0.3% MoM) to N\$13.25bn, while the annual contraction widened marginally to 1.2% YoY from 1.1% YoY. Note that BoN revised July's corporate data, reclassifying about N\$1.02bn from mortgage loans to other loans and advances; the July comparisons above are based on the revised figures.

Credit extension by category

3-Month Moving Average

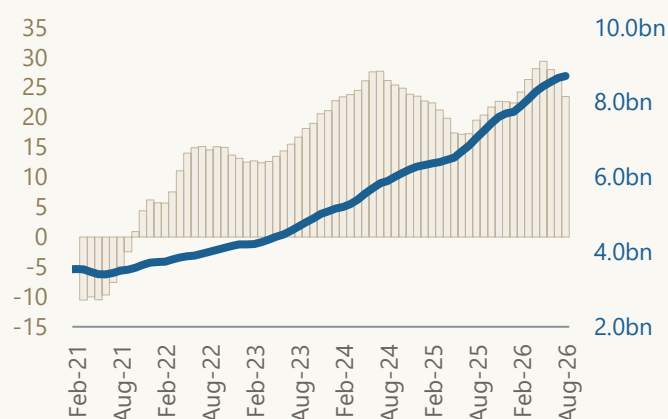
Mortgage Loans

Annual Growth Rate | N\$



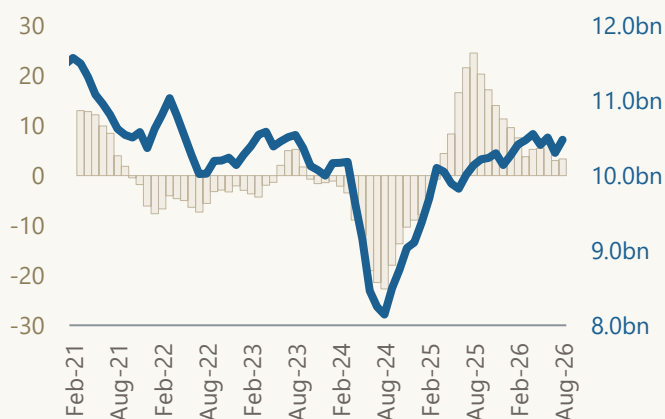
Instalment & Leasing

Annual Growth Rate | N\$



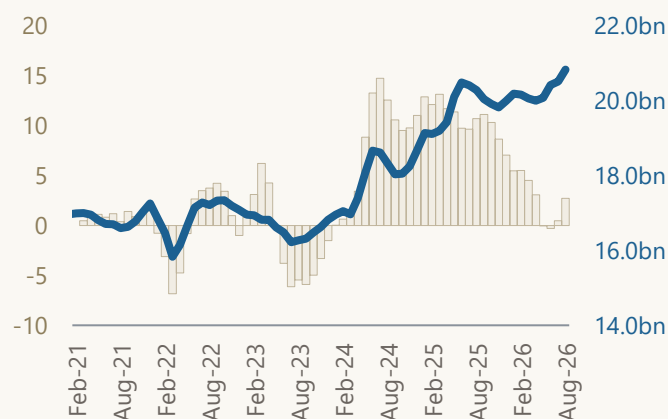
Overdrafts

Annual Growth Rate | N\$



Other Loans & Advances

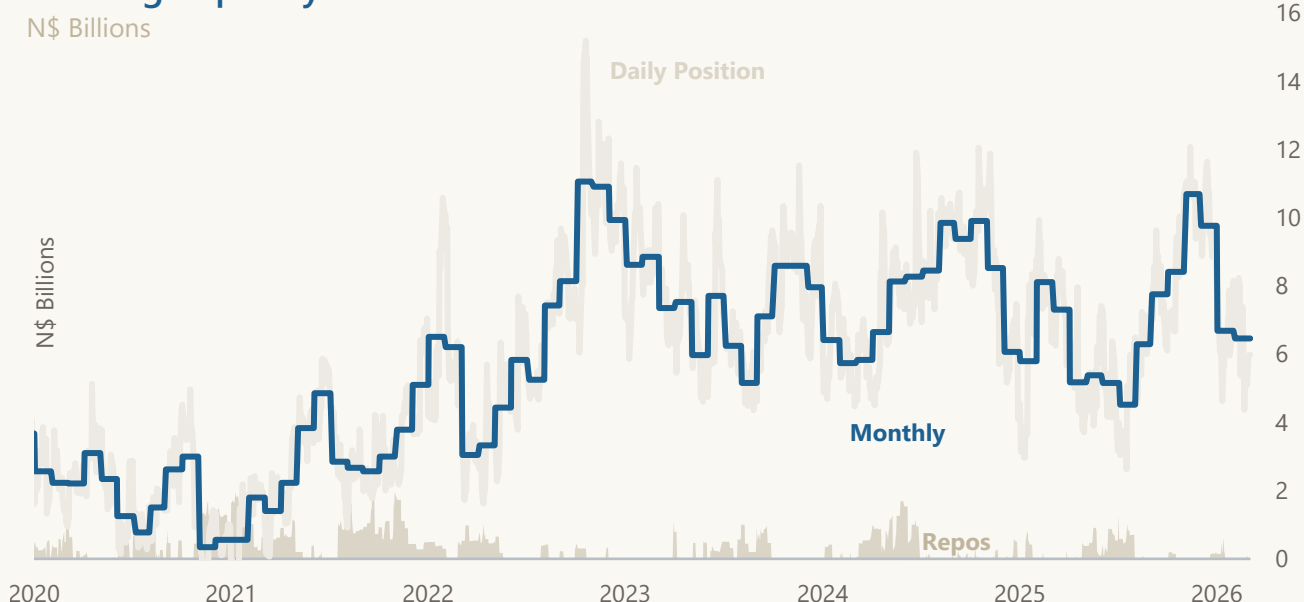
Annual Growth Rate | N\$



Banking Liquidity & International Reserves

The overall liquidity position of commercial banks averaged N\$6.46bn in August, down 3.4% MoM from July's average of N\$6.69bn. According to the BoN, the decline was mainly due to outflows associated with increased Government borrowing.

Banking Liquidity



Source: Bank of Namibia; IJG Securities

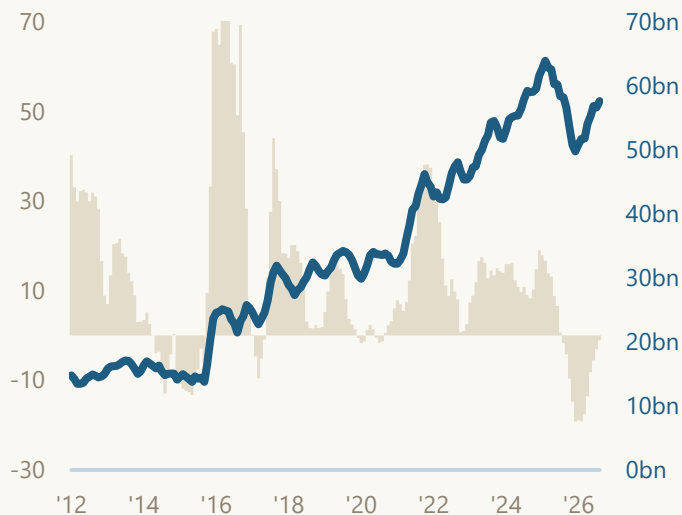
The stock of international reserves rose by N\$419.4m (0.7% MoM) to N\$58.46bn at the end of August, from N\$58.04bn in July. The BoN attributed the increase mainly to net commercial bank transfers and strong Customer Foreign Currency (CFC) placements by commercial banks, supported by positive changes in the market value of asset swaps, interest received and gold purchases. These inflows were partially offset by government payments, negative foreign exchange revaluation effects and lower external manager valuations. At this level, reserves provided an estimated 3.6 months of import cover (4.0 months excluding oil and gas exploration-related imports) and were equivalent to 10.0 times currency in circulation, sufficient to support the Namibia Dollar–Rand peg and the country's short-term external obligations.

International Reserves

3-Month Moving Average

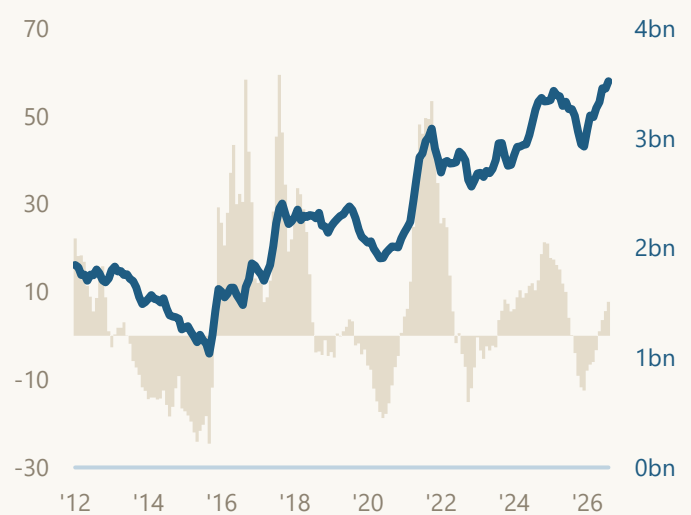
Reserves in Namibian Dollars

Annual Growth Rate | N\$



Reserves in US Dollars

Annual Growth Rate | US\$



Source: Bank of Namibia; IJG Securities

Conclusion

PSCE growth accelerated to 5.4% YoY in August from 4.2% YoY in July, its fastest pace since September 2025, as total claims on the private sector increased by N\$1.96bn over the month. Businesses led the rebound, with annual corporate credit growth climbing to 5.9% YoY on the back of higher uptake of overdrafts and other loans and advances, while household credit growth strengthened further to 4.9% YoY, its fastest pace since August 2023, supported by mortgage and vehicle finance. Banking sector liquidity declined further, with the average daily position falling 3.4% MoM to N\$6.46bn amid outflows linked to increased Government borrowing, while international reserves rose 0.7% MoM to N\$58.46bn. The pick-up in credit demand comes despite a tighter policy stance, with the BoN keeping the repo rate unchanged at 6.75% at its 12 August meeting following the 25 basis point hike in June. With headline inflation rising to 5.0% YoY in August, its highest level since January 2024, real PSCE growth remains modest at around 0.4%, and the inflation outlook will be a key consideration for the BoN's Monetary Policy Committee when it next meets in October.

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