Private Sector Credit Extension

September 2026

Overview

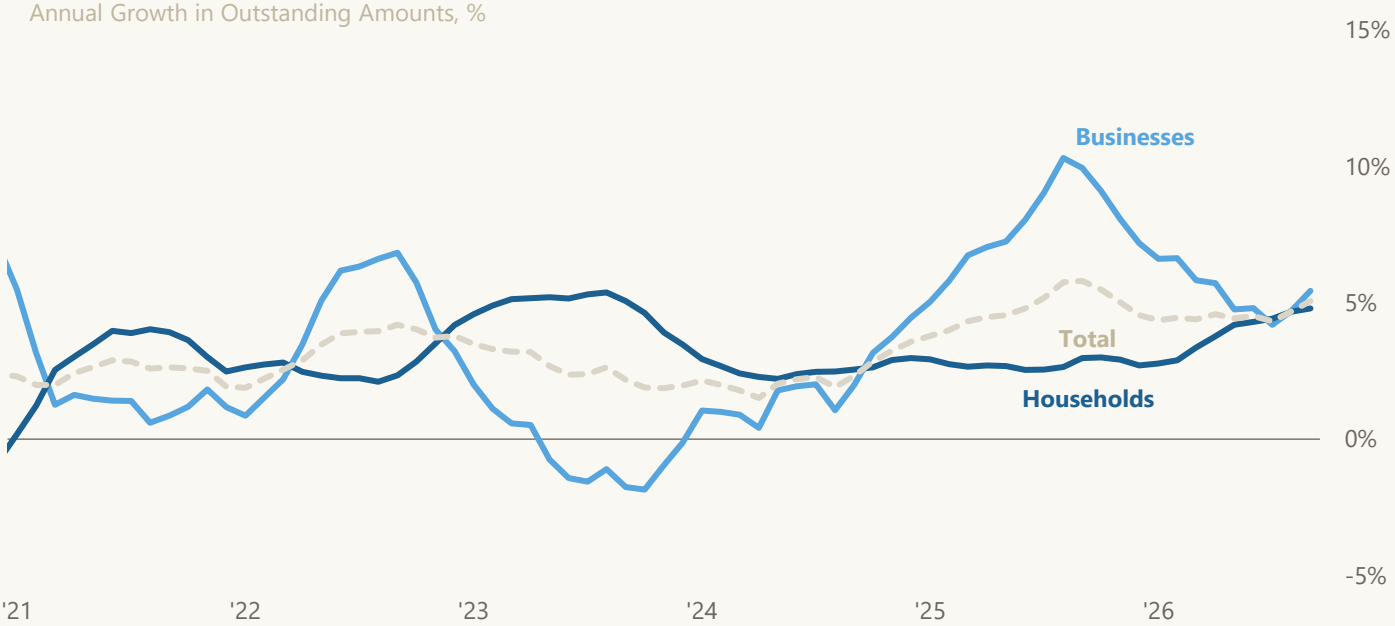
PSCE growth accelerated further in September, with annual growth rising to 5.6% YoY from 5.4% YoY in August, its fastest pace in twelve months. Total claims on the private sector rose by N$1.06bn (0.8% MoM) to N$128.16bn, a smaller gain than August's N$1.96bn increase. Businesses accounted for N$656.8m, or about 62%, of the monthly increase, with households adding N$403.5m. Over the past twelve months the stock of private sector credit has grown by N$6.83bn.

Category	Outstanding amount (N$ Millions)	Change in N$ Millions		Change in %	
		MoM	YoY	MoM	YoY
Total Claims on the Private Sector	**128,162**	**1,060.4**	**6,827.6**	**0.8**	**5.6**
Other financial corporations	3,953	-405.7	-22.3	-9.3	-0.6
Businesses	**54,597**	**656.8**	**3,417.7**	**1.2**	**6.7**
Loans and Advances	45,724	532.4	2,072.8	1.2	4.7
Mortgage Loans	13,490	235.8	108.3	1.8	0.8
Overdraft	10,743	4.2	279.0	0.0	2.7
Other Loans & Advances	21,491	292.4	1,685.5	1.4	8.5
Instalment and Leasing	8,873	124.5	1,344.9	1.4	17.9
Households	**73,565**	**403.5**	**3,409.8**	**0.6**	**4.9**
Loans and Advances	63,608	284.0	2,067.2	0.4	3.4
Mortgage Loans	47,501	199.3	1,630.3	0.4	3.6
Overdraft	2,559	31.7	157.7	1.3	6.6
Other Loans & Advances	13,549	53.0	279.3	0.4	2.1
Instalment and Leasing	9,957	119.5	1,342.6	1.2	15.6
Claims on non-residents	**372**	**18.5**	**159.2**	**5.2**	**74.7**

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

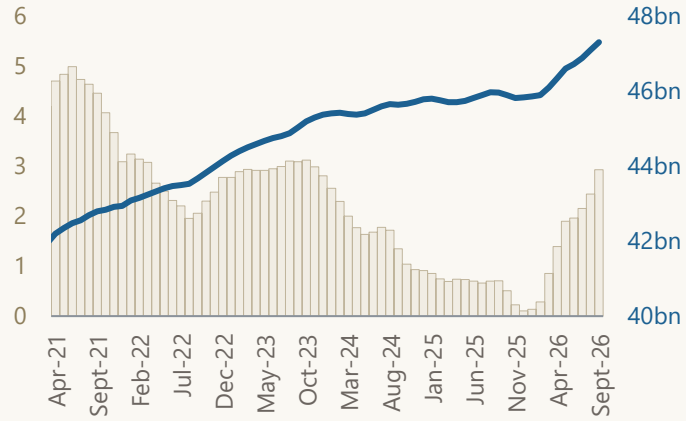
Credit extended to households rose by N$403.5m (0.6% MoM) in September to N$73.57bn, with annual household credit growth steady at 4.9% YoY. Mortgage lending strengthened further: the outstanding balance increased by N$199.3m (0.4% MoM) to N$47.50bn, and annual growth quickened to 3.6% YoY from 2.8% YoY, the fastest pace since January 2022. Instalment sale and leasing credit rose by N$119.5m (1.2% MoM) to N$9.96bn, with annual growth edging up to 15.6% YoY from 15.5% YoY, its highest since November 2025. Household overdrafts increased by N$31.7m (1.3% MoM) to N$2.56bn, reversing August's decline, and annual overdraft growth picked up to 6.6% YoY from 6.0% YoY. Other loans and advances rose by a modest N$53.0m (0.4% MoM) to N$13.55bn, but annual growth slowed sharply to 2.1% YoY from 5.4% YoY, the weakest since August 2024.

Credit extension by category

3-Month Moving Average

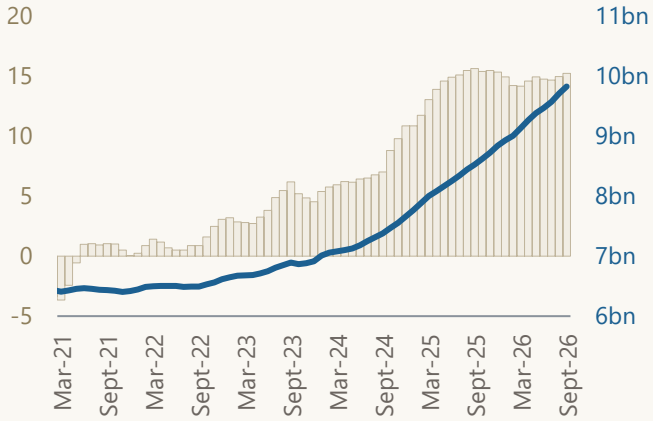
Mortgage Loans

Annual Growth Rate | N$



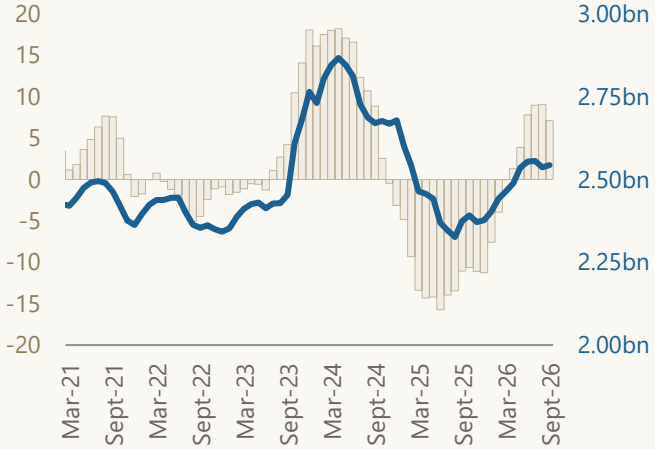
Instalment & Leasing

Annual Growth Rate | N$



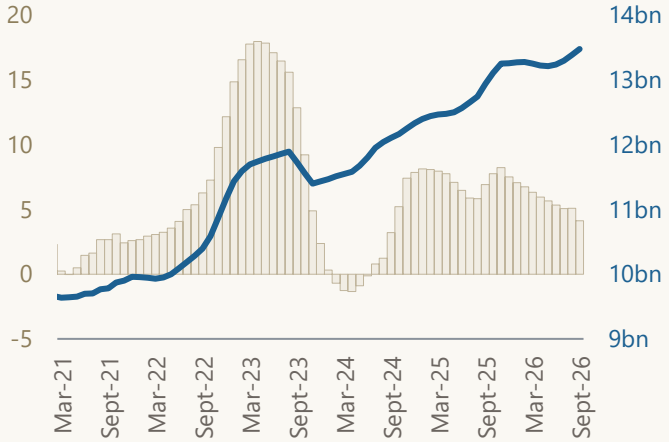
Overdrafts

Annual Growth Rate | N$



Other Loans and Advances

Annual Growth Rate | N$



Source: Bank of Namibia; IJG Securities

Credit Extension to Businesses

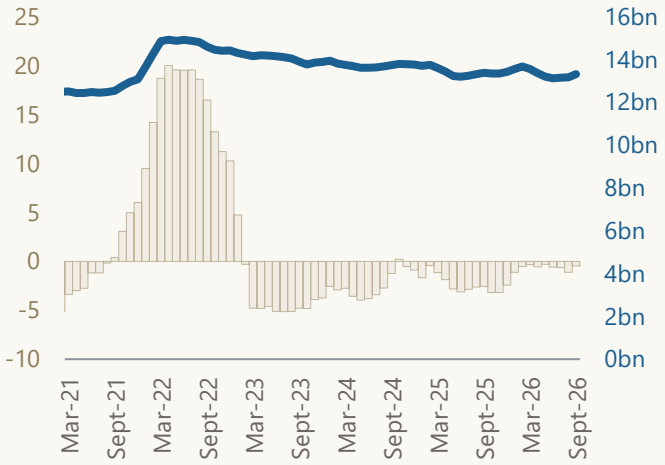
Credit extended to businesses rose by N$656.8m (1.2% MoM) in September to N$54.60bn, lifting annual corporate credit growth to 6.7% YoY from 5.9% YoY, the fastest since February 2026. Other loans and advances again led the monthly gain, rising by N$292.4m (1.4% MoM) to N$21.49bn, with annual growth accelerating to 8.5% YoY from 4.2% YoY, the highest since September 2025. Corporate mortgage lending rose by N$235.8m (1.8% MoM) to N$13.49bn, driven mainly by non-dwelling mortgages, and annual growth turned positive at 0.8% YoY from a 1.2% YoY contraction in August, the strongest since October 2024. Instalment and leasing credit increased by N$124.5m (1.4% MoM) to N$8.87bn; annual growth slowed to 17.9% YoY from 22.6% YoY, the lowest since May 2025. Corporate overdrafts were flat at N$10.74bn after August's N$496.5m jump, and annual growth eased to 2.7% YoY from 7.1% YoY. The moderation in both instalment and leasing and overdraft growth reflects high bases, as these categories rose by N$389.8m and N$437.2m respectively in September 2025.

Credit extension by category

3-Month Moving Average

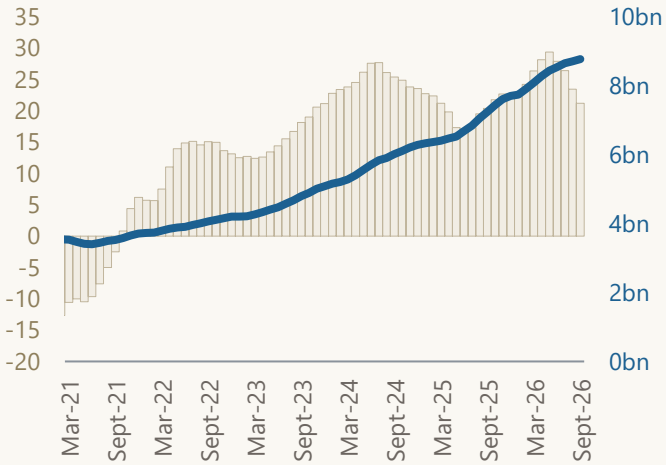
Mortgage Loans

Annual Growth Rate | N$



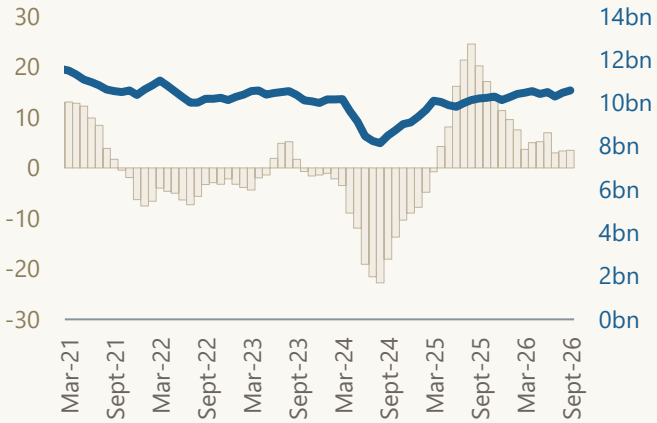
Instalment & Leasing

Annual Growth Rate | N$



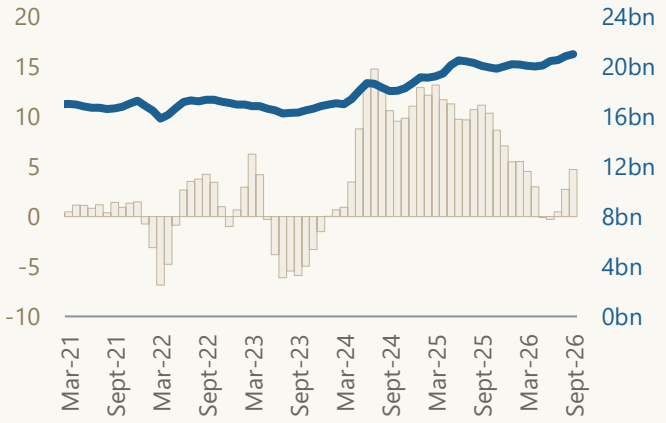
Overdrafts

Annual Growth Rate | N$



Other Loans & Advances

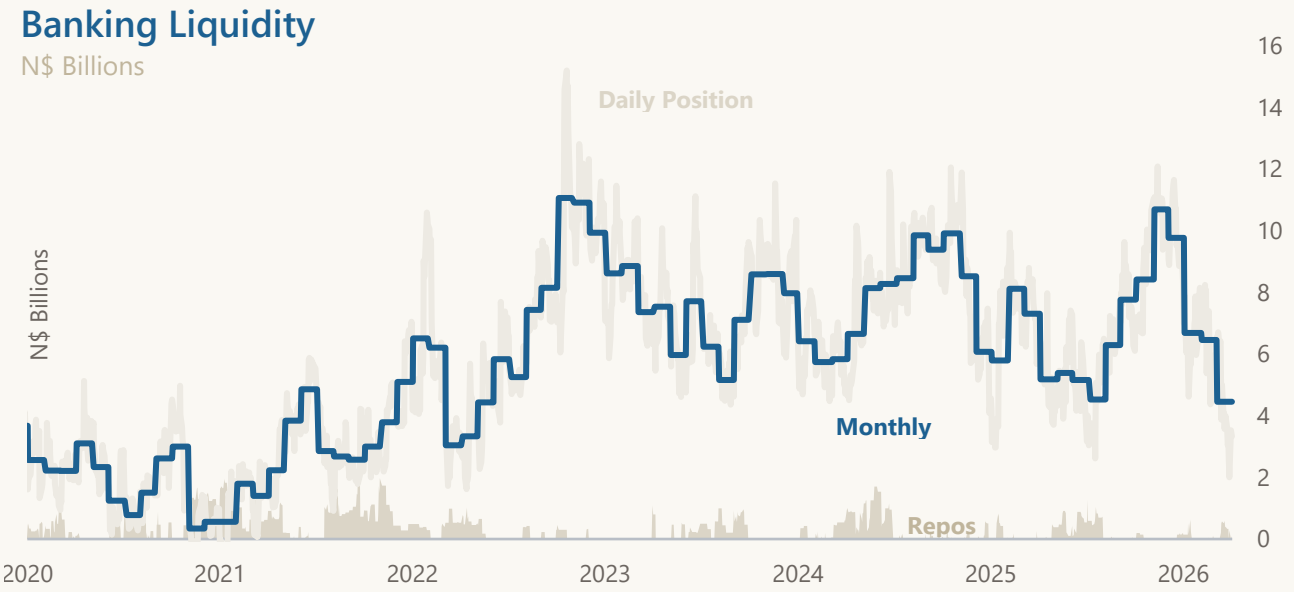
Annual Growth Rate | N$



Source: Bank of Namibia; IJG Securities

Banking Liquidity & International Reserves

The overall liquidity position of commercial banks averaged N$4.5bn in September, down 31.0% MoM from August's average of N$6.5bn. The BoN attributed the decline mainly to increased Government borrowing through the issuance of government securities, though it noted that liquidity remains adequate for the smooth functioning of the money market.



Source: Bank of Namibia; IJG Securities

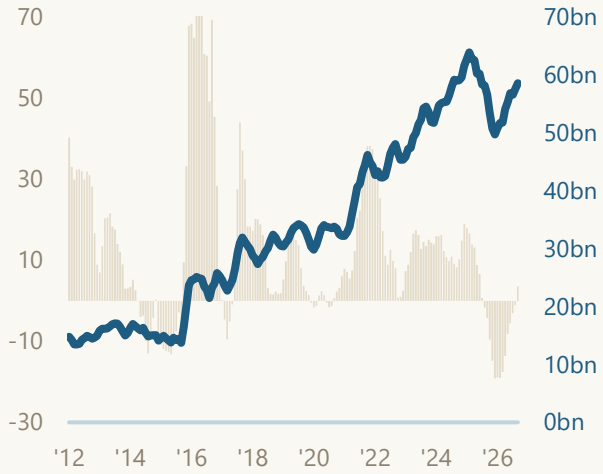
The stock of international reserves rose by 1.4% MoM to N$59.3bn at the end of September. The BoN attributed the increase mainly to net rand inflows from commercial banks and favourable price revaluations, with further support from Customer Foreign Currency (CFC) inflows and ongoing gold monetisation. Reserves covered an estimated 3.6 months of imports, or 4.0 months excluding oil and gas exploration and appraisal-related imports, and were equivalent to 10.1 times currency in circulation. The BoN considers this level adequate to maintain the Namibia Dollar–Rand peg and meet the country's short-term international obligations.

International Reserves

3-Month Moving Average

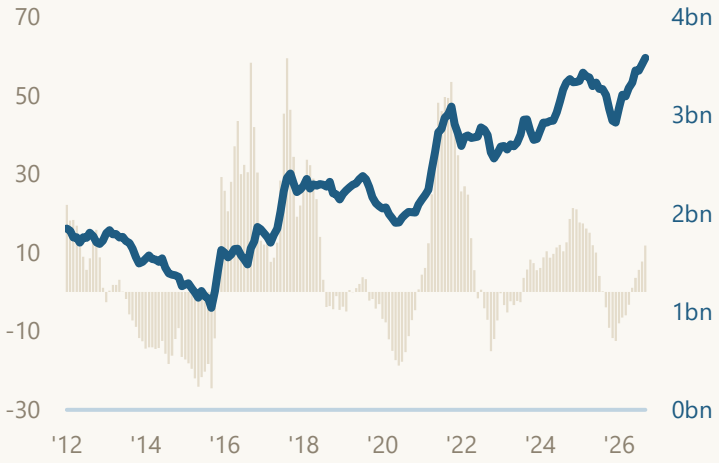
Reserves in Namibian Dollars

Annual Growth Rate | N$



Reserves in US Dollars

Annual Growth Rate | US$



Source: Bank of Namibia; IJG Securities

Conclusion

September's data show a credit recovery led increasingly by businesses, with the pickup in corporate other loans and advances and mortgages pointing to a firmer investment appetite. The household side is more uneven: mortgage and vehicle finance demand remains firm, but slowing growth in other loans and advances suggests some caution in unsecured borrowing. Inflation is the main constraint on this recovery. Headline inflation rose to 5.4% YoY in September from 5.0% YoY in August, its highest level since January 2024, as higher fuel prices fed through to transport and food costs. With price pressures still building, the BoN raised the repo rate by 25 basis points to 7.00% at its Monetary Policy Committee meeting on Wednesday, 28 October, its second hike this year after June's increase, lifting the prime lending rate to 10.50%. Higher borrowing costs are likely to dampen credit demand in the months ahead.



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