Private Sector Credit Extension
December 2024

Overview

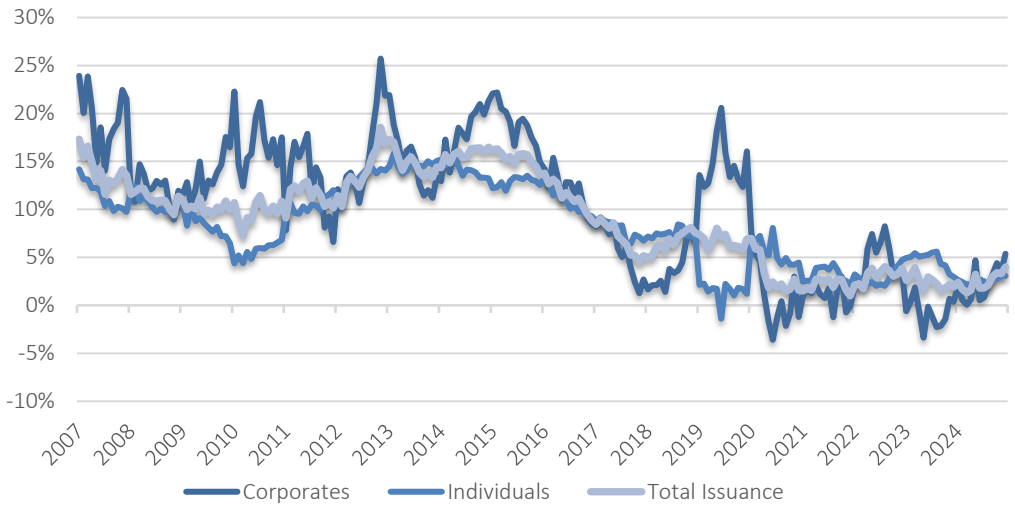
Category	N$ Millions Outstanding	Change in N$ Millions One Month	Change in N$ Millions One Year	% Change m/m	% Change y/y
Corporates	**48,442.2**	**566.9**	**2,463.6**	**1.18%**	**5.36%**
Individuals	**68,688.3**	**243.3**	**2,040.2**	**0.36%**	**3.06%**
Mortgage Loans	59,584.3	102.4	344.8	0.17%	0.58%
Other Loans & Advances	31,515.5	372.6	2,932.7	1.20%	10.26%
Overdrafts	11,888.1	58.6	(757.0)	0.50%	-5.99%
Instalment Credit	14,142.6	276.6	1,983.3	2.00%	16.31%
Total PSCE*	**117,130.5**	**810.2**	**4,503.8**	**0.70%**	**4.00%**

**Normalised for claims on non-resident private sectors*

Source: Bank of Namibia, IJG Securities

In December 2024, private sector credit extension (PSCE) rose by N$810.2 million, which translates to a 0.7% m/m increase. Growth in PSCE for December 2024 rose to 4.0% y/y relative to a 3.3% y/y growth in November 2024. After accounting for the interbank swaps documented by the Bank of Namibia (BoN), the post-adjustment cumulative credit outstanding amounted to N$117.13 billion. Over the twelve-month period, the private sector, consisting of corporations and individuals, received a total amount of N$4.50 billion in credit. Segregating these two components results in corporations absorbing an amount of N$2.46 billion in credit, whereas individuals received N$2.04 billion in credit. Negative overdraft lending continued to decline on an annual basis in December 2024, recording a year-on-year decrease of 6.0%.

PSCE Issuance Growth (% y/y)



Source: Bank of Namibia, IJG Securities

Credit Extension to Individuals

Credit extensions to individuals increased by 3.06% y/y in December 2024, slightly lower than the 3.11% y/y increase in November 2024. Overdraft facilities for individuals remained unchanged in December 2024, while mortgage loans slightly rose by 0.8% y/y. Furthermore, credit instalment rose by 10.6% y/y and other loans and advances increased by 8.2% y/y.

Annual Credit Growth
(Individuals)

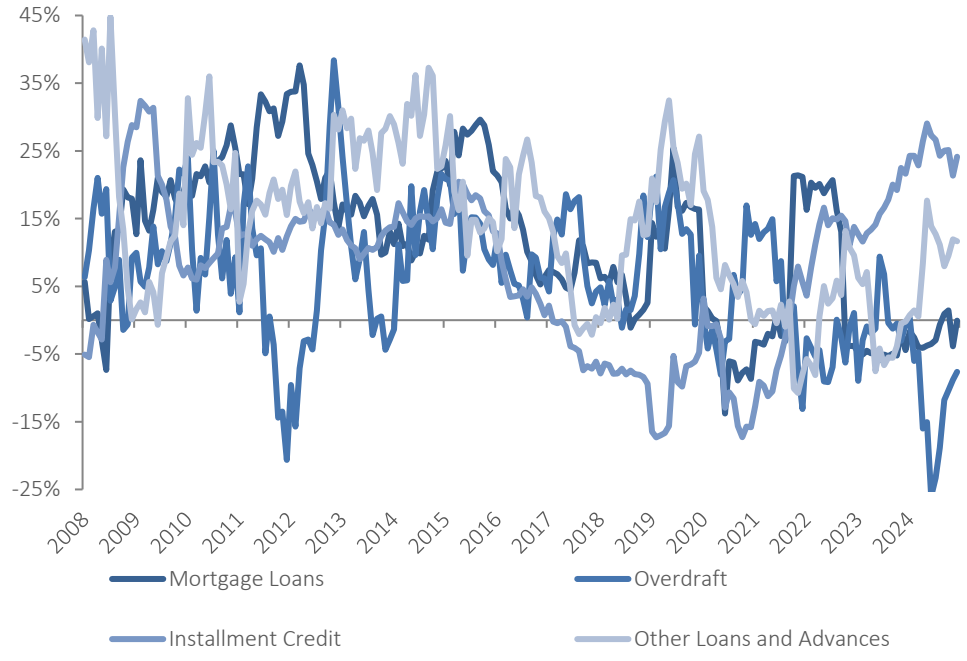


Source: Bank of Namibia, IJG Securities

Credit Extension to Corporates

Growth in credit extended to corporations peaked in December 2024 at 5.4% y/y, the highest annual growth recorded in 2024. This substantial growth can be attributed to the outperformance of two segments, the instalment credit segment which rose by 24.1% y/y and the loans and advances segment which rose by 3.0% y/y. Furthermore, mortgage loans and overdraft lending remain in the negatives, with an annual decline of 0.1% and 7.6% respectively.

Annual Credit Growth
(Corporates)

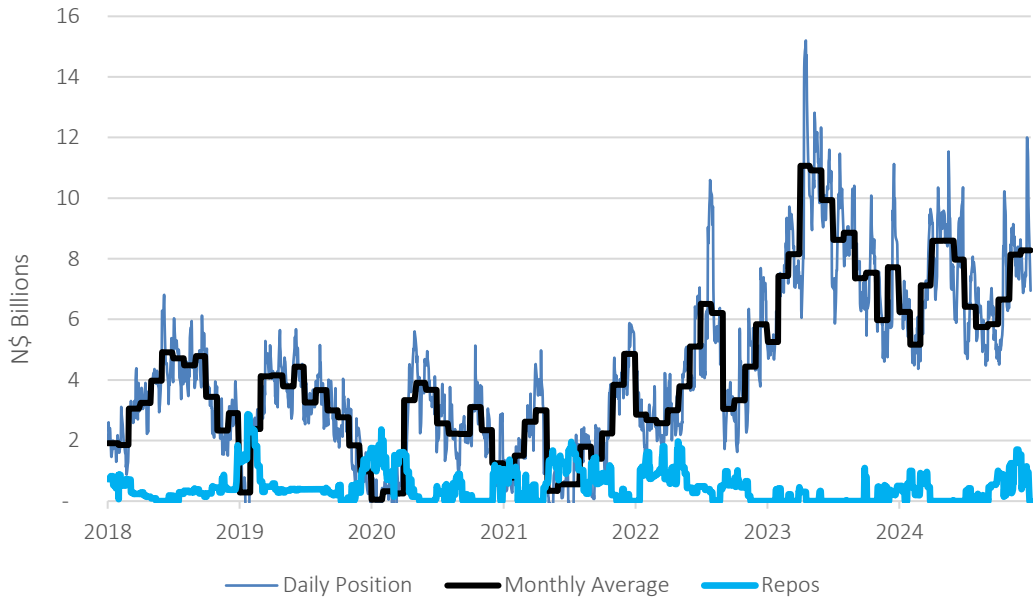


Source: Bank of Namibia, IJG Securities

Banking Sector Liquidity

The banking industry saw a slight uptick in liquidity levels, with the overall liquidity position averaging N$8.28 billion in December 2024, compared to the N$8.14 billion in November 2024. This modest increase was primarily driven by higher diamond sales.

Namibian Banking Liquidity

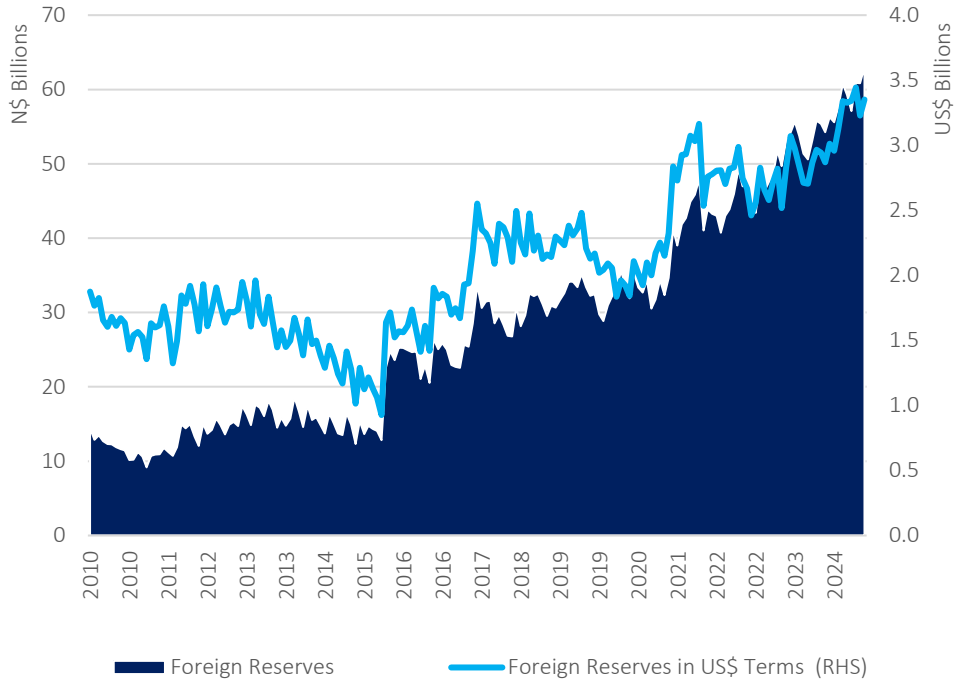


Source: Bank of Namibia, IJG Securities

Money Supply and Reserves

International reserves increased by 3.6% from N$60.8 billion in November 2024 to N$63.0 billion in December 2024. According to the BoN, this increase is mainly attributable to increases in commercial bank inflows and revaluation gains. Furthermore, this level of international reserves translates into 4.1 months of import cover, while import cover excluding oil and appraisal activities translates to 5.1 months of imports.

Foreign Reserves



Source: Bank of Namibia, IJG Securities

Outlook

Annual growth in PSCE, reached a high of 4.0% y/y, the highest since August 2022. This growth was primarily driven by increased credit uptake by businesses. Notably, instalment sales and leasing credit continued to increase due to demand from both corporations and individuals. Liquidity levels in the banking industry have shown persistent incremental increases, further supporting credit growth. Although overdraft lending remained negative, the modest improvement from November 2024, suggests that businesses are gradually settling their overdraft balances. These trends indicate a cautiously optimistic outlook, with business credit demand and stable liquidity levels supporting economic activity.



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