Private Sector Credit Extension
October 2024

Overview

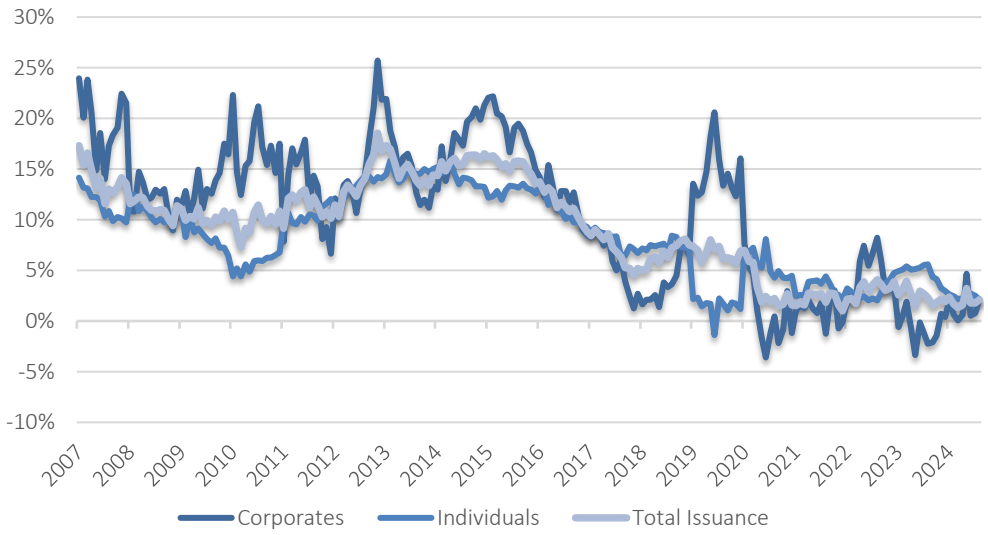
Category	N$ Millions Outstanding	Change in N$ Millions One Month	Change in N$ Millions One Year	% Change m/m	% Change y/y
Corporates	**47,165.9**	**410.4**	**1,983.3**	**0.88%**	**4.39%**
Individuals	**68,245.6**	**381.3**	**1,818.5**	**0.56%**	**2.74%**
Mortgage Loans	59,577.9	160.5	614.2	0.27%	1.04%
Other Loans & Advances	30,373.0	392.7	2,411.4	1.31%	8.62%
Overdrafts	11,636.1	(1.5)	(1,308.1)	-0.01%	-10.11%
Instalment Credit	13,824.5	239.9	2,084.3	1.77%	17.75%
Total PSCE*	**115,411.4**	**791.7**	**3,801.8**	**0.69%**	**3.41%**

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

Source: Bank of Namibia, IJG Securities

Private sector credit extension (PSCE) increased by 0.7% m/m, equivalent to N$791.7 million, bringing the annual growth rate to 3.4% as of the end of October 2024. After adjusting for interbank swaps recorded by the Bank of Namibia (BoN) in non-resident private sector claims, the normalised cumulative credit outstanding reached N$115.41 billion. Over the last twelve months, the private sector received N$3.80 billion in credit, nearly double the amount extended during the same period the previous year. Of this, individuals accounted for N$1.82 billion, while corporations absorbed N$1.98 billion.

PSCE Issuance Growth (% y/y)

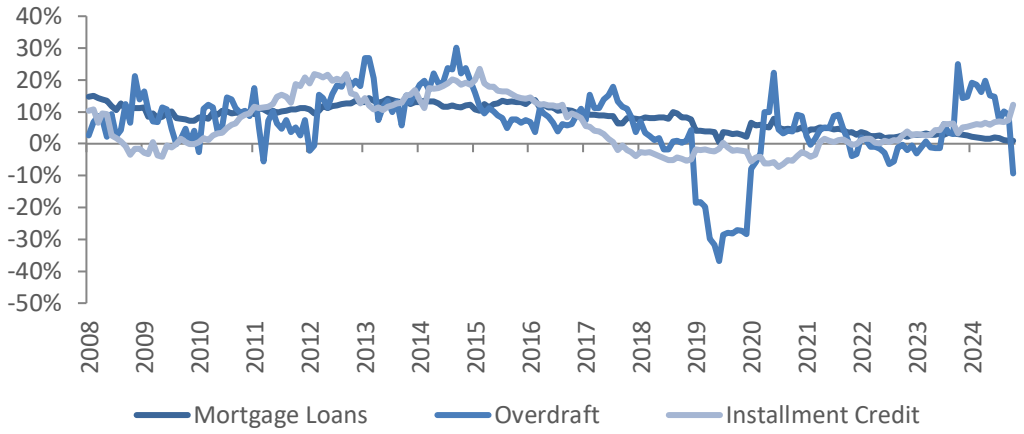


Source: Bank of Namibia, IJG Securities

Credit Extension to Individuals

Credit extended to individuals increased by 2.7% y/y in October. Overdraft facilities for individuals saw a 9.3% y/y decline, marking the first annual decrease in this category since June 2023. Mortgage loans to individuals grew modestly by 0.9% y/y. Meanwhile, other loans and advances—including credit cards, personal loans, and term loans—rose by 7.3% y/y, and instalment credit expanded significantly by 12.3% y/y.

Annual Credit Growth
(Individuals)

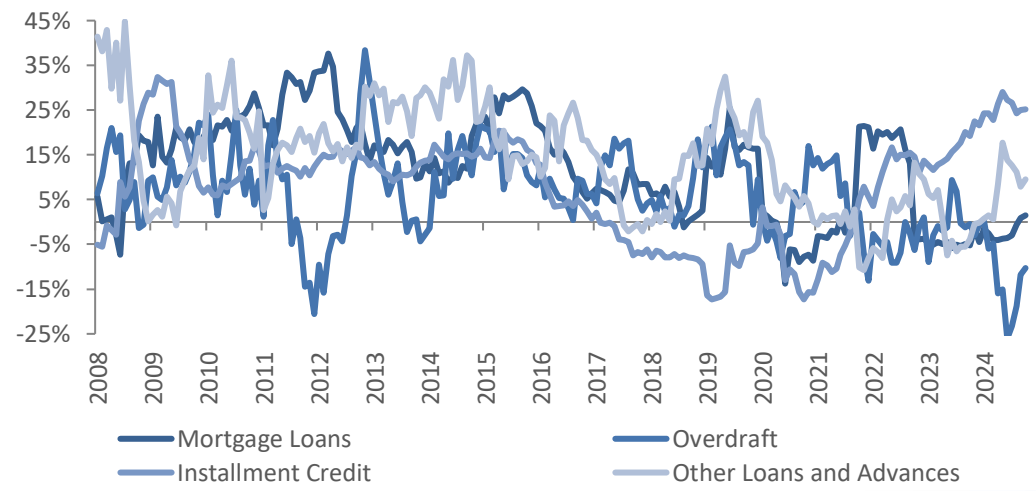


Source: Bank of Namibia, IJG Securities

Credit Extension to Corporates

Credit extended to corporates grew by 4.4% y/y in October, driven primarily by increased demand from companies in the manufacturing, real estate, and tourism sectors, according to the BoN. Corporate overdrafts continued to decline, registering a 10.4% y/y decrease. In contrast, other loans and advances rose by 9.5% y/y, while instalment credit saw a significant surge of 25.2% y/y. Mortgage loans to corporates recorded a modest annual growth of 1.4%. Despite the gradual increase in corporate credit demand, it remains relatively muted.

Annual Credit Growth
(Corporates)

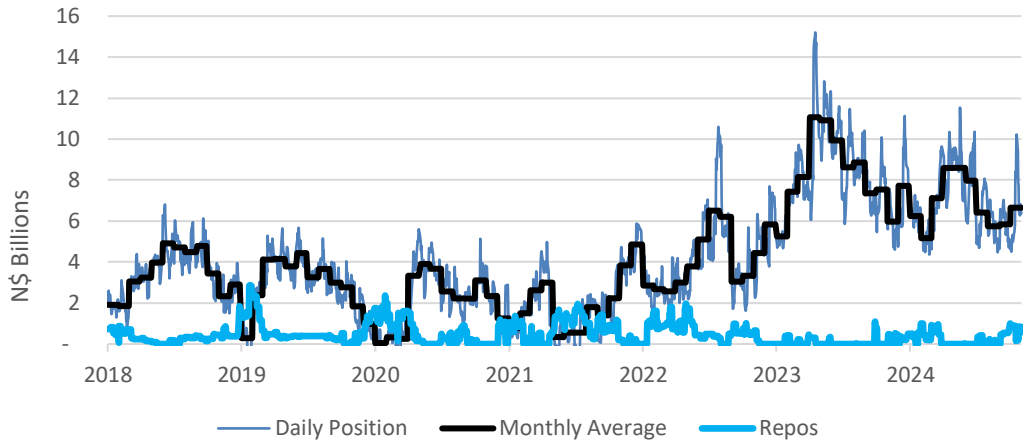


Source: Bank of Namibia, IJG Securities

Banking Sector Liquidity

The overall liquidity of commercial banks increased by N$813.4 million in October, averaging N$6.65 billion compared to N$5.84 billion in September. This increase was mainly driven by cash inflows from coupon payments, the GC24 bond redemption, and diamond sales.

Namibian Banking Liquidity

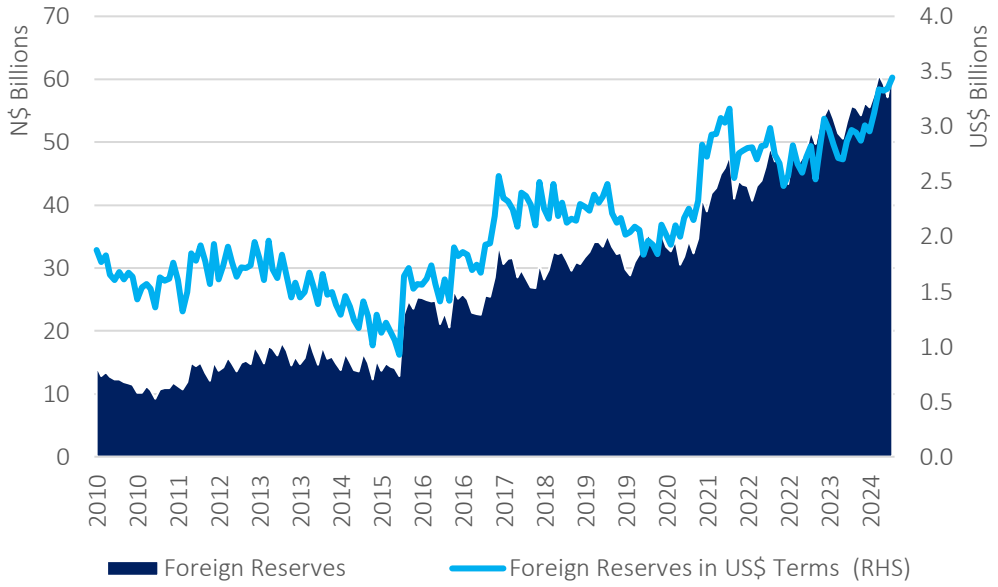


Source: Bank of Namibia, IJG Securities

Money Supply and Reserves

In October, international reserves rose by N$3.78 billion, or 6.6% m/m, reaching N$60.88 billion. This level provides 4.1 months of import cover, well above the international benchmark of 3.0 months. The BoN attributed the increase primarily to inflows from the Southern African Customs Union (SACU).

Foreign Reserves



Source: Bank of Namibia, IJG Securities

Outlook

Namibia's PSCE is poised for gradual improvement in the coming months, supported by the ongoing interest rate cutting cycle, which is likely to stimulate borrowing demand. Individuals may drive growth, particularly through instalment credit and personal loans, while corporates could see a steady recovery in sectors such as manufacturing, real estate, and tourism. However, challenges remain, including subdued corporate credit appetite and declining overdrafts. Rising liquidity levels and robust international reserves provide a stable financial backdrop to support credit expansion. Overall, PSCE growth is expected to gain momentum as borrowing conditions ease.

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