

Private Sector Credit Extension (PSCE)

April 2025

Overview

In April 2025, total Private Sector Credit Extension (PSCE) stood at **N\$118.41 billion**, reflecting a year-on-year growth of 4.5% and a modest month-on-month increase of **0.09%** from March 2025. The increase was primarily driven by continued demand in the household sector and steady credit uptake among businesses.

The credit sector distribution shows that households account for **58.1%**, while businesses comprise the remaining **41.9%**. Claims by households increased by **0.2%** month-on-month and stood at **2.7%** year-on-year. Claims by businesses stood at **0.0%** month-on-month and **7.1%** year-on-year, lower than the annual **8.2%** recorded in March.

TABLE 1: PSCE OVERVIEW, APRIL 2025

| <u>Category</u> | <u>Outstanding</u> (N\$ m) | <u>MoM Growth</u> (N\$ m) | <u>MoM Growth</u> (%) | <u>YoY Growth</u> (N\$ m) | <u>YoY Growth</u> (%) |
|--------------------------------------|-------------------------------|------------------------------|--------------------------|------------------------------|--------------------------|
| <u>Claims by Businesses</u> | <u>49,584.3</u> | <u>-7.1 ▼</u> | <u>-0.01% ▼</u> | <u>+3,280.7 ▲</u> | <u>+7.1% ▲</u> |
| <i>Loans & Advances</i> | 43,034.4 | <u>-67.9 ▼</u> | <u>-0.2% ▼</u> | +2,259.9 ▲ | +5.5% ▲ |
| <i>Instalments & Leasing</i> | 6, 549.9 | <u>+60.8 ▲</u> | <u>+0.9% ▲</u> | +1,020.8 ▲ | +18.5% ▲ |
| <u>Claims by Households</u> | <u>68,828.59</u> | <u>+109.3 ▲</u> | <u>+0.2%</u> | <u>+1,825.7 ▲</u> | <u>+2.7% ▲</u> |
| <i>Loans & Advances</i> | 60,654.8 | <u>+42.0 ▲</u> | <u>+0.1% ▲</u> | +768.5 ▲ | +1.3% ▲ |
| <i>Instalments & Leasing</i> | 8,173.8 | <u>+67.4 ▲</u> | <u>+0.8% ▲</u> | +1,057.2 ▲ | +14.51% ▲ |
| Private Sector Claims (Local) | <u>118, 412.9</u> | <u>+102.2 ▲</u> | <u>+0.1% ▲</u> | <u>+5,106.4 ▲</u> | <u>+4.5% ▲</u> |

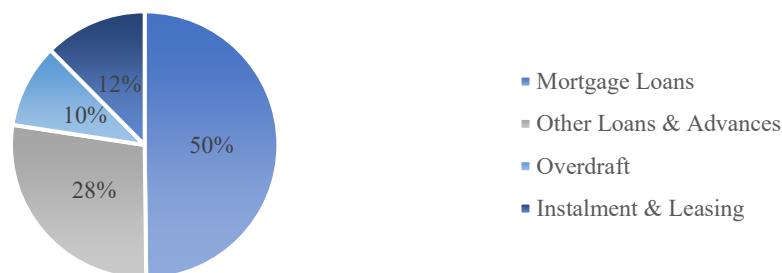
Source: Bank of Namibia

Figure 1: PSCE by Sector, April 2025



Source: Bank of Namibia

Figure 2: PSCE by Credit Type, April 2025

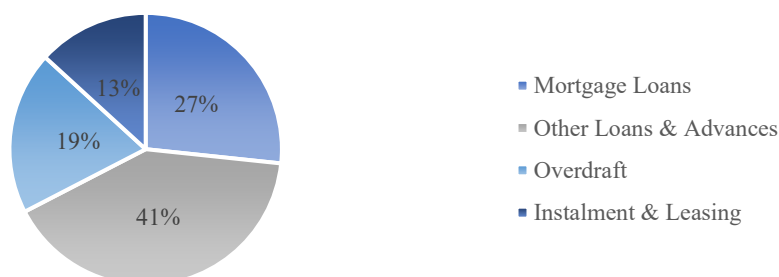


Source: Bank of Namibia

PRIVATE SECTOR CREDIT COMPOSITION BY TYPE

- **Mortgage Loans (49.81% of PSCE):** Mortgage loans remained the largest credit category within PSCE, accounting for **49.81% of total credit extended** in April 2025, with a total outstanding mortgage loan amount of **N\$58.99 billion**. On a **year-on-year basis**, mortgage credit declined by **0.06%**, reflecting ongoing weakness in property market credit demand. Month-on-month, mortgage loans increased slightly by **0.05%**, reflecting subdued but steady uptake within both household and business mortgage segments.
- **Other Loans and Advances (27.60% of PSCE):** Other loans and advances contributed **27.60%** to total PSCE in April 2025, with total loans amounting to **N\$32.69 billion**. Year-on-year, credit in this category expanded by a solid **9.47%**, highlighting positive demand for flexible credit facilities such as personal loans and unsecured business advances. Month-on-month, other loans and advances increased by **2.65%**, reflecting a strong short-term credit appetite.
- **Instalment and Leasing (12.43% of PSCE):** Instalment and leasing credit accounted for **12.43%** of total PSCE, amounting to **N\$14.72 billion** in April 2025. Year-on-year, this credit type registered a robust growth of **10.71%**, reflecting rising demand for vehicle and equipment financing. On a month-on-month basis, instalment and leasing credit increased by **0.88%**, a slight improvement compared to March 2025.
- **Overdraft (10.15% of PSCE):** Overdraft credit stood at **10.15%** of total PSCE in April 2025, with a total value of **N\$12.02 billion**. On a year-on-year basis, overdraft credit grew by **1.99%**, though this was slower than the **3.8%** annual growth recorded in March 2025. Notably, month-on-month, overdrafts declined sharply by **6.95%**, driven by reduced reliance on short-term financing by both businesses and households.

Figure 3: Business Credit Extension by Credit Type, April 2025

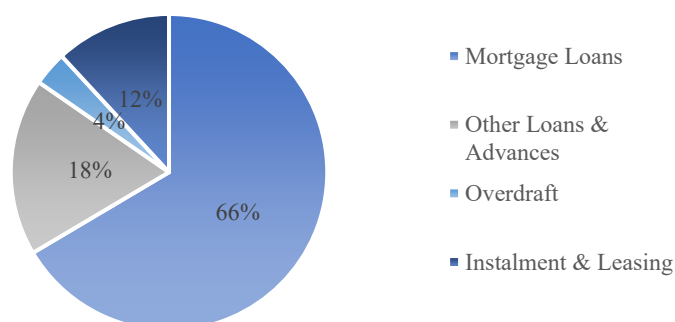


Source: Bank of Namibia

BUSINESS CREDIT COMPOSITION BY TYPE

- Other loans and advances (40.74% of Business Credit):** Other loans and advances made up the largest share of business credit at **40.74%**, with the outstanding amount standing at **N\$20.20 billion**. This credit category registered a strong year-on-year growth of **10.72%**, pointing to increased demand for working capital and general-purpose financing. Month-on-month, this segment expanded by **4.27%**.
- Mortgage Loans (26.67% of Business Credit):** Mortgage loans to businesses contributed **26.67%** of total business credit, amounting to **N\$13.22 billion** in April 2025. Year-on-year, business mortgage credit declined by **3.15%**, indicating sustained weakness in corporate property investment. Month-on-month, business mortgage loans decreased marginally by **0.49%** compared to March 2025.
- Overdraft (19.38% of Business Credit):** Overdraft facilities contributed **19.38%** to total business credit, with a total balance of **N\$9.61 billion** in April 2025. Year-on-year, overdraft credit increased by **8.27%**, signaling a reduction in businesses' short-term liquidity needs. Month-on-month, overdrafts declined sharply by **7.95%**, reflecting improved cash flow positions or reduced credit reliance.
- Instalment and Leasing (13.21% of Business Credit):** Instalment and leasing credit to businesses accounted for **13.21%** of total business credit, amounting to **N\$6.55 billion**. Year-on-year growth was recorded at a solid **18.46%**, driven by continued corporate investment in equipment and vehicles. Month-on-month, instalment and leasing credit grew by **0.94%**.

**Figure 4: Household Credit Extension
by Credit Type, April 2025**



Source: Bank of Namibia

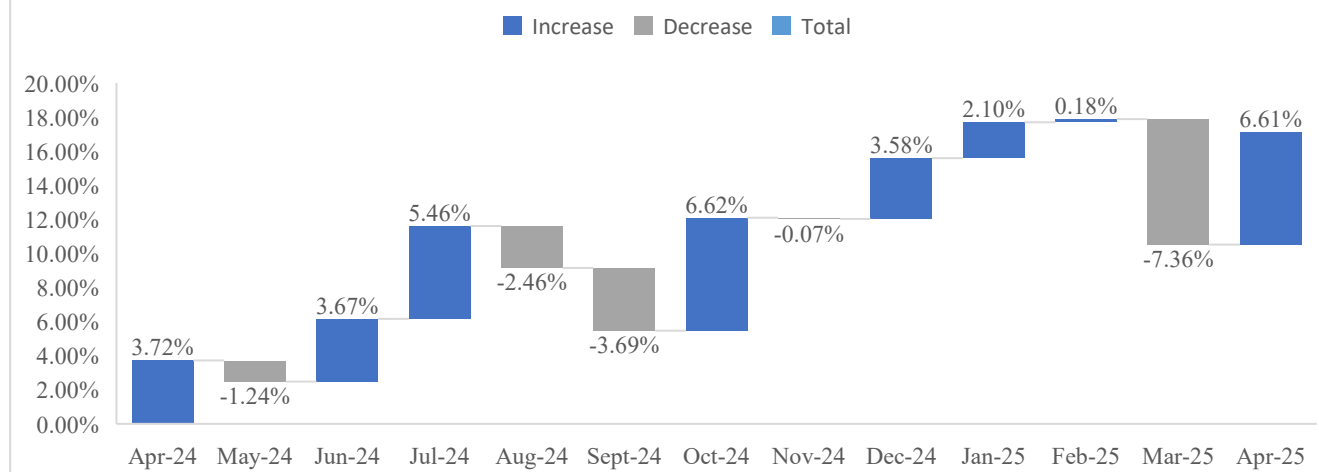
HOUSEHOLD CREDIT COMPOSITION BY TYPE

- Mortgage Loans (66.49% of Household Credit):** Mortgage loans extended to households represented **66.49%** of total household credit, with balances amounting to **N\$45.76 billion** in April 2025. Year-on-year, this segment recorded modest growth of **0.87%**. Month-on-month, mortgage credit increased by **0.20%**, improving slightly, representing stable residential property financing demand.
- Other Loans and Advances (18.14% of Household Credit):** This category made up **18.14%** of household credit, with outstanding loans totalling **N\$12.49 billion**. Year-on-year growth stood at **7.52%**, showing steady demand for unsecured personal loans. Month-on-month, other loans and advances edged up by **0.13%** compared to March 2025.
- Instalment and Leasing (11.88% of Household Credit):** Instalment and leasing credit to households represented **11.88%** of total household credit, with a value of **N\$8.17 billion**. Year-on-year growth rates rose to **14.86%**, driven by higher demand for consumer durables and vehicles. Month-on-month, this category increased by **0.83%** compared to March 2025.
- Overdraft (3.50% of Household Credit):** Household overdraft facilities accounted for **3.50%** of total household credit, with balances at **N\$2.41 billion** in April 2025. Year-on-year, overdrafts contracted sharply by **17.18%**, reflecting consumers' reduced appetite or qualification for revolving credit. Month-on-month, household overdrafts declined by **2.74%** compared to March.

International Reserves

International reserves stood at **N\$63.65 billion** in April 2025, reflecting a **6.61%** increase from the **N\$59.70 billion** observed in March 2025. This implies a stronger import cover position for Namibia, enhancing the country's ability to finance its import requirements and meet external obligations in the short term.

**Figure 5: Level of International Reserves,
April 2024 - April 2025**



Source: Bank of Namibia

PSCE Outlook

Private Sector Credit Extension (PSCE) is expected to maintain a moderate growth trajectory in May 2025, driven by sustained demand for other loans and advances as well as instalment and leasing credit, particularly within the household sector. Business credit is likely to remain steady, with growth concentrated in short- to medium-term facilities, while appetite for long-term property financing stays weak.

Mortgage lending is anticipated to remain subdued in the current high-interest rate environment, following the Bank of Namibia's decision to keep the repo rate unchanged at **6.75%**. Overdraft facility demand is expected to fluctuate as businesses and households manage short-term liquidity needs cautiously. Overall, PSCE growth is projected to remain modest, with household credit continuing to underpin overall sector performance.