

Private Sector Credit Extension (PSCE)

June 2025

Overview

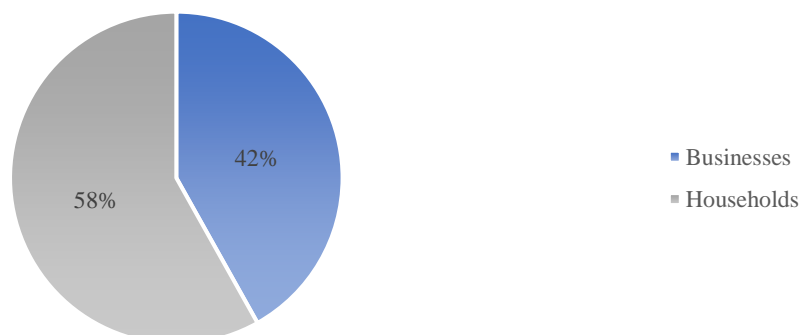
In June 2025, Private Sector Credit Extension (PSCE) continued a moderate upward trend. Total claims on the local private sector stood at **N\$120.09 billion**, up **0.8%** from May 2025 and up **5.7%** year-on-year. The month-on-month increase was driven by stronger business credit, largely due to loans & advances, overdrafts, and instalment & leasing, as well as modest growth in household instalment credit and mortgage advances. Household overdraft positions eased in the month.

TABLE 1: PSCE OVERVIEW, JUNE 2025

Category	Outstanding (N\$ m)	MoM change (N\$ m)	MoM (%)	YoY change (N\$ m)	YoY (%)
Claims by businesses	<u>50,889.0</u>	<u>+802.6 ▲</u>	<u>+1.6% ▲</u>	<u>+4,869.6 ▲</u>	<u>+10.6% ▲</u>
Loans & advances (business)	43,919.0	+352.8 ▲	+0.8% ▲	+3,713.1 ▲	+9.2% ▲
Instalment & leasing	6,969.9	+449.6 ▲	+6.9% ▲	+1,156.5 ▲	+19.9% ▲
Claims by households	<u>69,201.1</u>	<u>+205.8 ▲</u>	<u>+0.3% ▲</u>	<u>+1,615.8 ▲</u>	<u>+2.4% ▲</u>
Loans & advances	60,838.3	+64.1 ▲	+0.1% ▲	+497.0 ▲	+0.8% ▲
Instalment & leasing	8,362.8	+141.8 ▲	+1.7% ▲	+1,118.8 ▲	+15.4% ▲
Private sector claims (Local)	<u>120,090.1</u>	<u>+1,008.4 ▲</u>	<u>+0.8% ▲</u>	<u>+6,485.4</u>	<u>+5.7% ▲</u>

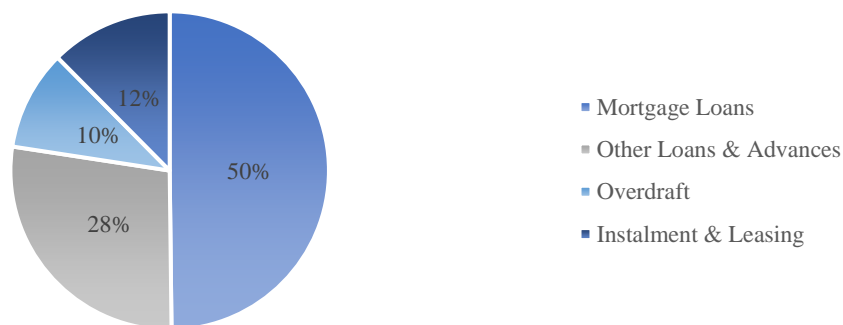
Source: Bank of Namibia

Figure 1: PSCE by Sector (% share), June 2025



Source: Bank of Namibia

Figure 2: PSCE by Credit Type (% share), June 2025



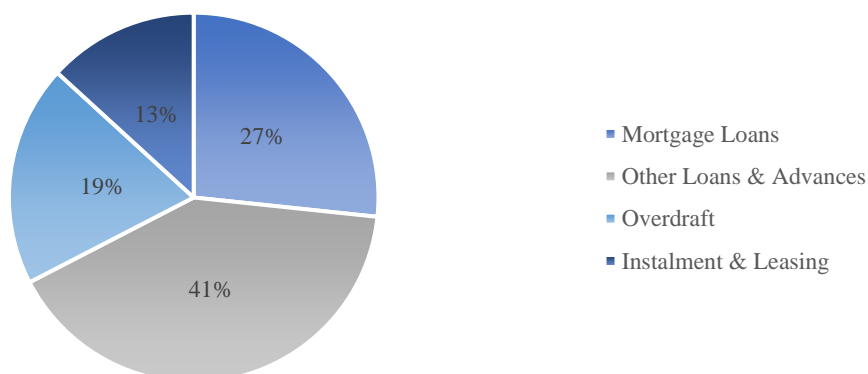
Source: Bank of Namibia

PRIVATE SECTOR CREDIT COMPOSITION BY TYPE

In June 2025 total local private sector claims increased by **0.8%** month-on-month to N\$120.09 billion in June. On an annual basis, the local private loan book expanded by **5.7%** compared to June 2024. Business credit accounted for most of the monthly expansion, with instalment & leasing and overdraft facilities registering strong month-on-month gains. Household credit growth remained positive but modest, supported by instalment lending and a small uptick in mortgage advances.

Business Credit Extension

Figure 3: Business Credit Extension by Credit Type (% share), June 2025



Source: Bank of Namibia

BUSINESS CREDIT COMPOSITION BY TYPE

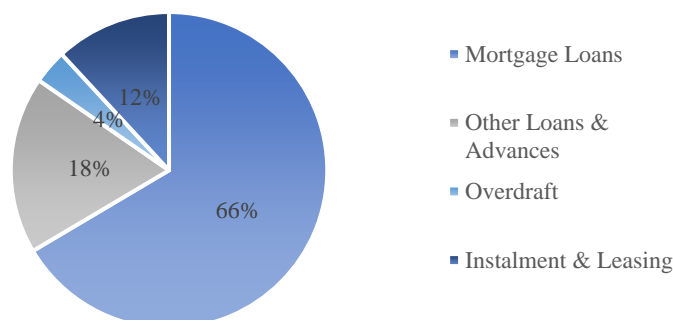
Credit extended to businesses rose to **N\$50.89 billion** in June, a month-on-month increase of **N\$802.6 million**, representing **1.6%** and up **10.6%** compared to June 2024. The increase reflects stronger short-term borrowing needs and higher asset-backed financings to businesses increased by **1.24%** to **N\$43.57 billion**, from **N\$43.03 billion** in April, and were up **5.6%** year-on-year.

- Loans & advances for businesses increased to **N\$43.91 billion**, representing **0.8%** month-on-month and **9.2%** annually. This points to renewed demand for working capital and trade finance.

- Instalment & leasing for businesses rose to **N\$6.97 billion**, a strong increase of **N\$449.6 million**, representing a **6.9%** increase month-on-month and **19.9%** year on year, indicating higher investment in vehicles and equipment finance.
- Mortgage lending to businesses eased slightly month-on-month by **N\$21.4 million**, representing a decline of **0.2%** to **N\$13,17 billion**, and remains below its year-earlier level.
- Overdraft facilities recorded a notable gain of **N\$590.3 million**, representing **6.1%** monthly to **N\$10.23 billion** and are substantially higher year-on-year at **29.5%**, signalling improved short-term liquidity use by firms.
- Other loans & advances to businesses were **N\$20.5 billion**, down **1.0%** monthly, but still significantly higher on an annual basis at **9.8%**.

Household Credit Extension

Figure 4: Household Credit Extension by Credit Type (% share), June 2025



Source: Bank of Namibia

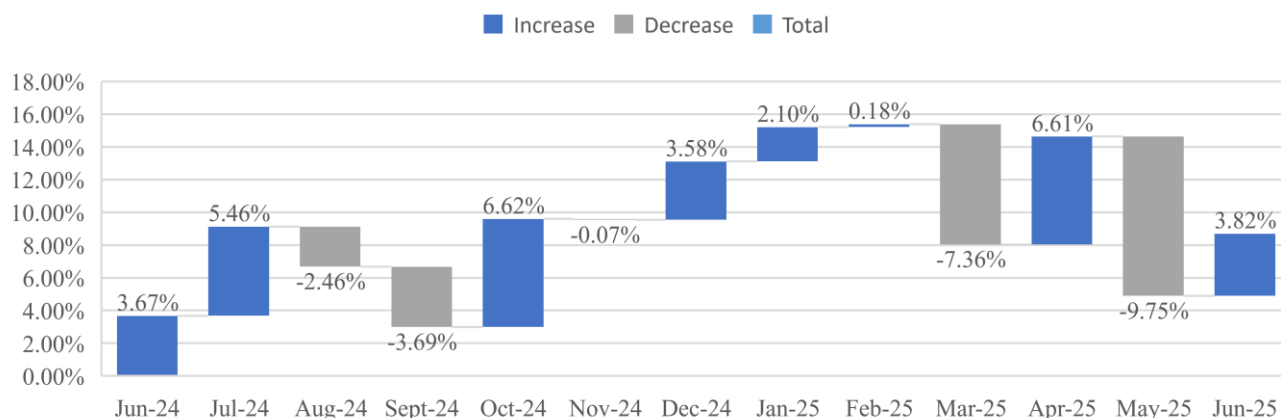
HOUSEHOLD CREDIT COMPOSITION BY TYPE

- Household credit stood at N\$69.2 billion in June, up **0.3%** month-on-month and **2.4%** year-on-year.
- Loans & advances for households increased marginally to **N\$60.8 billion** increasing by **0.1%** monthly and **0.8%** year-on-year.
- Mortgage loans for households rose to **N\$45.9 billion**, a slight monthly gain of **0.3%** and **0.5%** year-on-year, indicating mortgage demand is broadly subdued but edging up slightly.
- Other loans & advances increased by **N\$113.0 million** at **0.9%** monthly to **N\$12.7 billion**, and up about **6.0%** year-on-year.
- Household overdrafts declined by **N\$186.6 million** by **7.6%** month-on-month to **N\$2.3 billion**, declining by **17.3%** year-on-year, consistent with households reducing short-term credit lines.
- Instalment & leasing for households grew to **N\$8.4 billion**, increasing by **1.7%** monthly and **15.4%** yearly, showing continued appetite for asset-backed consumer finance, notably vehicle purchases.

International Reserves

At the end of June 2025, Namibia's stock of international reserves stood at **N\$59.6 billion**, reflecting an increase of **3.82%** month-on-month from the **N\$57.4 billion** recorded in May 2025. The improvement in reserves follows the sharp drawdown observed in May and was mainly supported by increased foreign currency inflows, likely from mineral export receipts and other external transactions. The higher reserve position strengthens the country's import cover and reinforces the capacity to maintain external sector stability over the short term.

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



Source: Bank of Namibia

PSCE Outlook

Private Sector Credit Extension (PSCE) is expected to grow modestly into July 2025, driven mainly by instalment and leasing credit and short-term business borrowing.

For businesses, steady growth in instalment and leasing credit, along with higher overdraft use, shows ongoing investment in vehicles, machinery, and operational needs.

For households, credit growth should stay steady, led by demand for instalment sales. Mortgage lending rose slightly in June, but the high repo rate of 6.75% will keep long-term housing finance weak. Most consumers are choosing shorter-term credit, like instalment loans and personal loans, instead of large housing commitments.

Overall, PSCE growth will remain positive but limited by high borrowing costs and cautious sentiment. Risks include slower business investment and seasonal dips in credit demand later in the year.