

# Private Sector Credit Extension (PSCE)

April 2026

## 1. Executive summary

In April 2026, Private Sector Credit Extension (PSCE) recorded year-on-year growth of **4.77%**, equivalent to an increase of **N\$5.7 billion**, while month-on-month growth accelerated to 0.59%, representing an expansion of N\$722.5 million. The increase reflected renewed momentum in both business and household credit, with business lending recovering from the contraction recorded in March and household credit continuing to expand. During the month, the Bank of Namibia maintained the repo rate at 6.50% (Prime Rate: 10.25%), citing the need to safeguard the currency peg while supporting domestic economic activity amid emerging inflationary pressures.

Claims by businesses **increased by 1.05% month-on-month (N\$542.7 million)** and **5.50% year-on-year (N\$2.7 billion)**, reversing the 1.47% month-on-month contraction recorded in March. The recovery was mainly supported by stronger use of overdraft facilities and continued growth in instalment and leasing finance. Despite ongoing economic uncertainty and rising fuel costs, business credit remained resilient and contributed positively to overall PSCE growth.

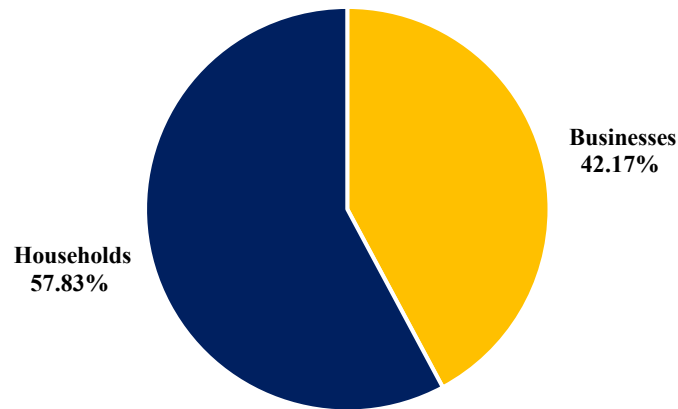
Household credit **expanded by 0.25% month-on-month (N\$179.8 million)** and **4.25% year-on-year (N\$2.9 billion)**. Although the pace of monthly growth moderated compared to March, household borrowing remained supported by sustained demand for mortgage finance, consumer credit and asset-backed lending. As a result, households continued to account for the larger share of total private sector credit growth during the month under review.

**Table 1: PSCE Overview, April 2026**

Category	Outstanding (N\$ m)	MoM change (N\$ m)	MoM (%)	YoY change (N\$ m)	YoY (%)
<b>Claims by businesses</b>	<b>52,313.8</b>	<b>+542.7 ▲</b>	<b>+1.05% ▲</b>	<b>+2,722.3 ▲</b>	<b>+5.49% ▲</b>
Loans & advances (business)	43,842.4	+414.0 ▲	+0.95% ▲	+506.9 ▲	+1.17% ▲
Instalment & leasing (business)	8,471.4	+128.7 ▲	+1.54% ▲	+2,215.4 ▲	+35.43% ▲
<b>Claims by households</b>	<b>71,750.6</b>	<b>+179.8 ▲</b>	<b>+0.25% ▲</b>	<b>+2,925.5 ▲</b>	<b>+4.25% ▲</b>
Loans & advances (households)	62,348.1	+125.7 ▲	+0.20% ▲	+1,674.0 ▲	+2.76% ▲
Instalment & leasing (households)	9,402.5	+54.1 ▲	+0.58% ▲	+1,251.5 ▲	+15.36% ▲
<b>Private sector claims (local)</b>	<b>124,064.44</b>	<b>+722.60 ▲</b>	<b>+0.59% ▲</b>	<b>+5,647.78 ▲</b>	<b>+4.77% ▲</b>

Source: Bank of Namibia

**Figure 1: Share of Local PSCE by Entity, April 2026**

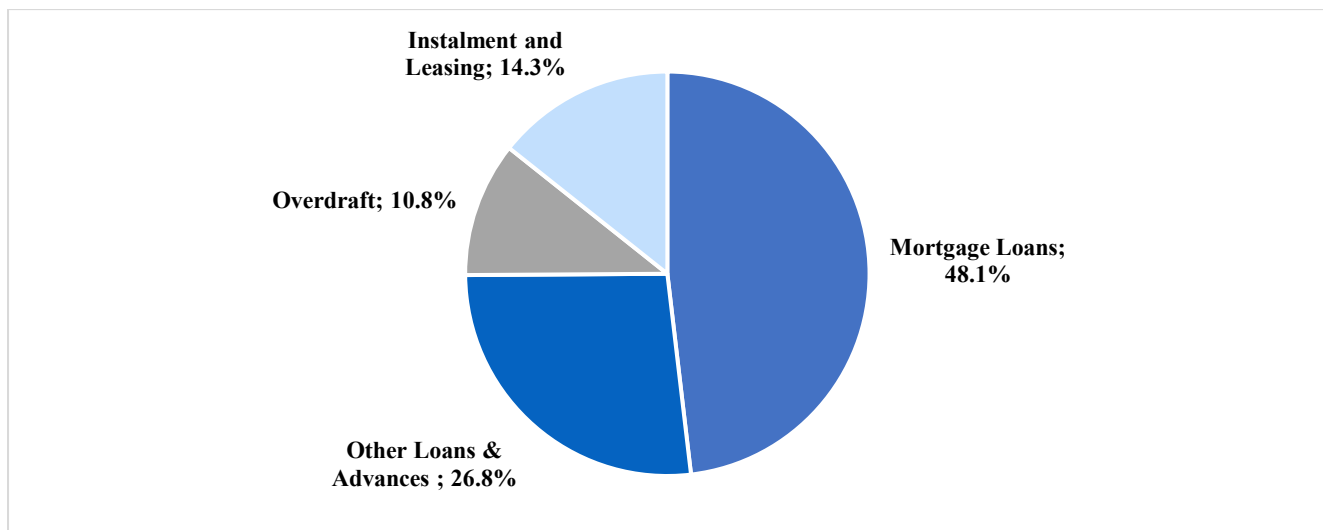


Source: Bank of Namibia

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## CREDIT TYPE

**Figure 2: Share of Local PSCE by Credit Type, April 2026**



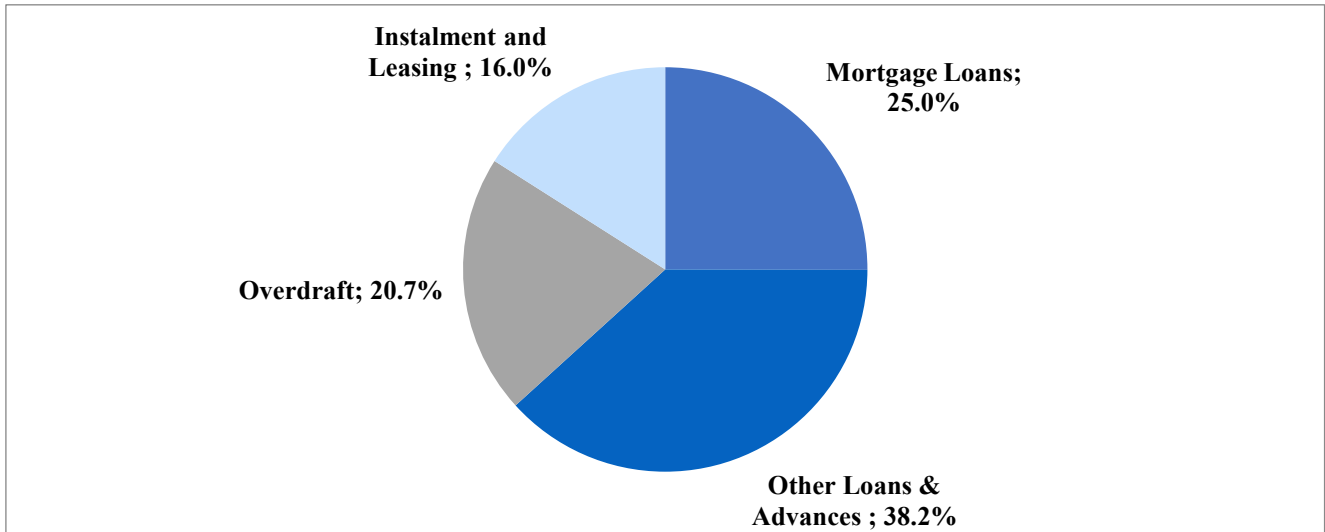
Source: Bank of Namibia

In April 2026, the distribution of local private sector credit remained broadly stable, with mortgage lending continuing to dominate the overall credit structure, while overdraft facilities recorded a modest increase in share.

- **Mortgage loans** remained the largest component, accounting for **48.1%** of total private sector credit, equivalent to approximately **N\$59.7 billion**. The majority of this exposure remained concentrated in household housing finance, while business mortgage lending continued to represent a smaller share of total mortgage credit.
- **Other loans and advances** represented **26.8%** of total credit, amounting to approximately **N\$33.2 billion**, reflecting the continued importance of general-purpose financing for both households and businesses.
- **Overdrafts** accounted for **10.8%** of total private sector credit, equivalent to roughly **N\$13.4 billion**. The increase in share from the previous month suggests somewhat stronger reliance on short-term liquidity and working capital facilities, particularly within the business sector.
- **Instalment and leasing finance** comprised **14.3%** of total credit, amounting to approximately **N\$17.8 billion**. This category maintained its elevated share, reflecting sustained demand for asset-backed financing across both households and businesses, particularly for vehicles, equipment and other durable assets.

CORPORATE CREDIT

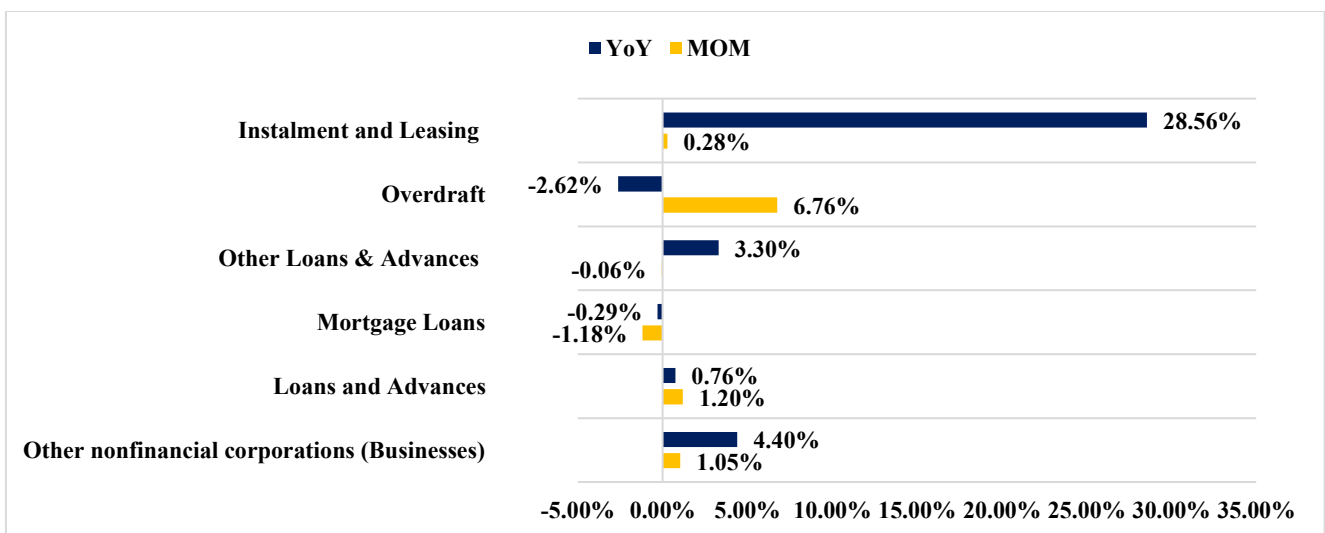
Figure 3: Corporate Credit by Type, April 2026



Source: Bank of Namibia

Business sector credit remained concentrated in loans and advances, which accounted for **84.0%** of total corporate credit in April 2026. In terms of composition, other loans and advances represented the largest share at **38.2%** of total corporate credit, followed by mortgage loans at **25.0%** and overdraft facilities at **20.7%**. Instalment and leasing finance accounted for the remaining **16.0%**. Compared to March, the share of overdrafts increased, while mortgage lending declined slightly as a proportion of total business credit. The overall composition suggests that corporates continued to rely primarily on general-purpose financing and working capital facilities, while instalment and leasing finance maintained its elevated share, reflecting sustained demand for asset-backed financing.

Figure 4: Corporate Credit Growth Drivers, April 2026



Source: Bank of Namibia

Corporate credit growth recovered in April 2026, with claims on businesses increasing by **1.05% month-on-month**, reversing the contraction recorded in March. The expansion was primarily driven by a sharp increase in **overdraft facilities (+6.76%)**, suggesting greater utilisation of short-term working capital and liquidity facilities by businesses. **Loans and advances** also returned to growth, rising **1.20% month-on-month**, while **instalment**

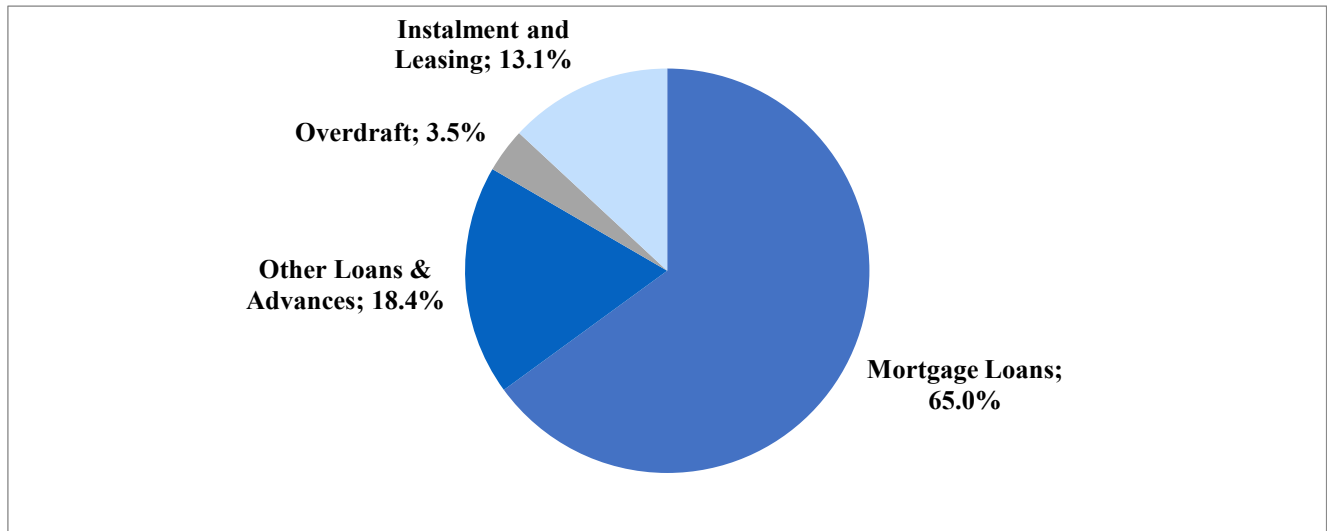
**and leasing finance** continued to expand, albeit at a more moderate pace of **0.28%**. These gains more than offset declines in **mortgage lending (-1.18%)** and **other loans and advances (-0.06%)**.

On an annual basis, corporate credit growth strengthened to **5.50%**, up from **4.40%** in March. The improvement was largely driven by **overdraft credit (+12.94% YoY)** and **instalment and leasing finance (+27.73% YoY)**, highlighting continued demand for working capital facilities and asset-backed financing. **Loans and advances** also recorded stronger growth at **2.12% YoY**, while **mortgage lending (-0.98% YoY)** and **other loans and advances (-0.99% YoY)** remained in contraction. Overall, business credit dynamics suggest that firms continued to favour shorter-term and asset-backed financing instruments amid a still-cautious investment environment.

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## HOUSEHOLD CREDIT

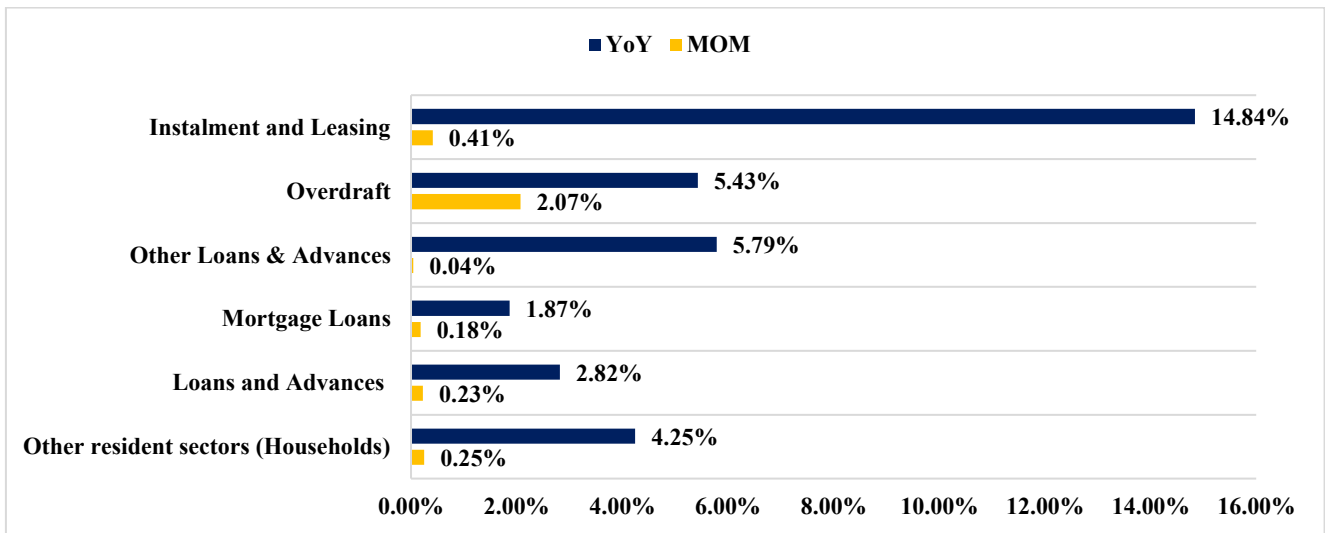
**Figure 5: Household Credit by Type, April 2026**



*Source: Bank of Namibia*

Household credit remained concentrated in loans and advances in April 2026, which accounted for **86.9%** of total household credit. In terms of composition, **mortgage lending** remained the dominant category at **65.0%** of total household credit, underscoring the continued importance of housing finance in household borrowing. **Other loans and advances** accounted for **18.4%**, reflecting ongoing demand for general-purpose consumer credit, while **overdraft facilities** represented **3.5%**, indicating a relatively modest reliance on short-term borrowing. **Instalment and leasing finance** comprised the remaining **13.1%**, highlighting sustained demand for asset-backed consumer financing, particularly for vehicles and other durable goods

**Figure 6: Household Credit Growth Drivers, April 2026**



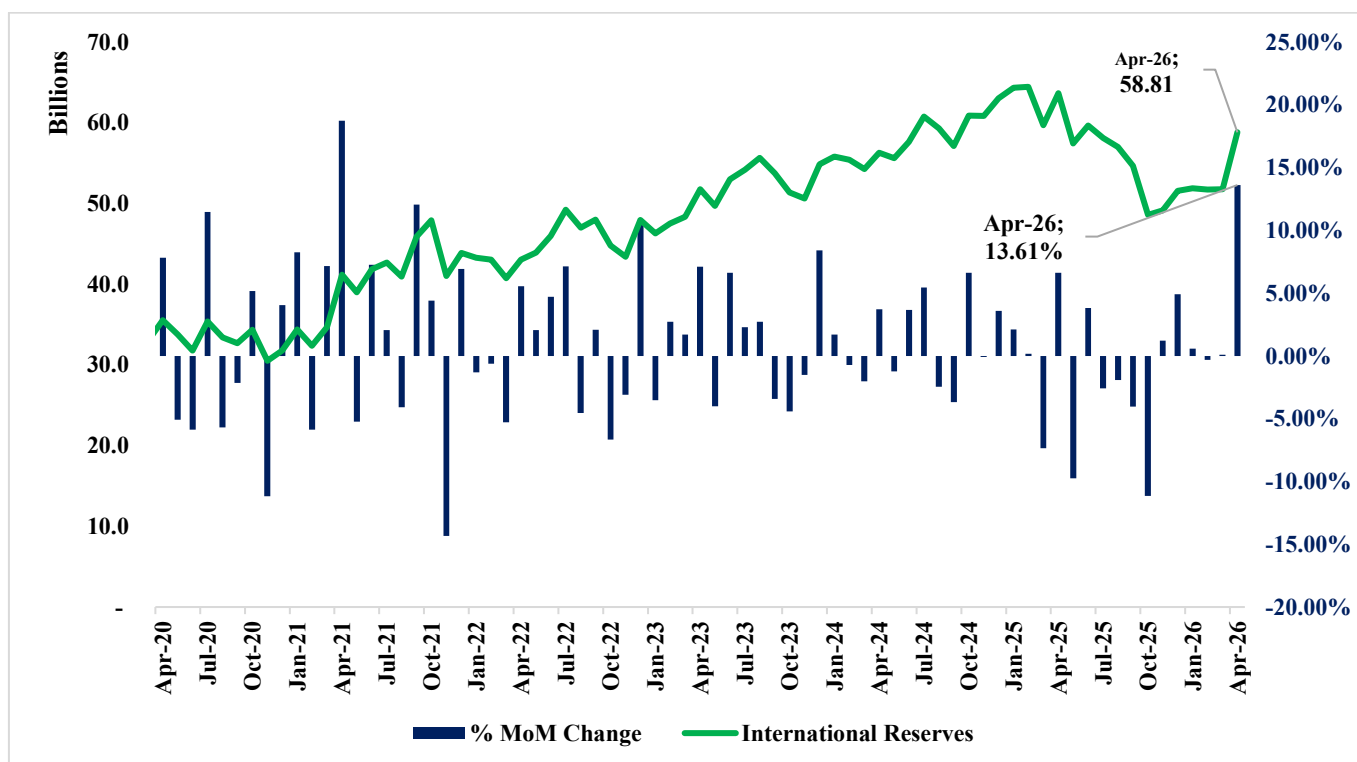
Source: Bank of Namibia

Household credit expanded by **0.25% month-on-month** in April 2026, extending the positive momentum observed in recent months. Growth was broad-based, led by **overdraft facilities (+2.07%)**, followed by **instalment and leasing finance (+0.41%)**, **loans and advances (+0.23%)**, and **mortgage lending (+0.18%)**. The modest increase in mortgage credit indicates continued resilience in housing-related borrowing, while stronger overdraft utilisation may reflect households drawing on short-term credit facilities to manage rising living costs.

On an annual basis, household credit growth edged higher to **4.25%**, from **4.15%** in March. Growth remained supported by **instalment and leasing finance (+14.84% YoY)**, **other loans and advances (+5.79% YoY)** and **overdraft credit (+5.43% YoY)**, while **mortgage lending (+1.87% YoY)** continued to contribute steadily to overall expansion. The sustained growth in household borrowing likely reflects the lagged effects of relatively low inflation during the first quarter of 2026, although the significant fuel price increases implemented in April may begin to place pressure on disposable incomes and household credit demand in the months ahead.

### 3. International Reserves

Figure 7: Levels of International Reserves, April 2020 – April 2026



Source: Bank of Namibia

At the end of April 2026, Namibia’s official international reserves stood at **N\$58.8 billion**, representing a substantial month-on-month increase of **13.61% (N\$7.0 billion)**. Despite the strong monthly recovery, reserves remained 7.61% lower than a year earlier, equivalent to a decline of approximately N\$4.8 billion. The annual decline largely reflects significant external outflows over the past year, including the repayment of Namibia’s Eurobond and the final settlement of the IMF emergency financing facility. However, the sharp increase recorded during April was primarily supported by *SACU inflows* and *Customer Foreign Currency (CFC)* placements, which strengthened the country’s external reserve position.

The reserve position translated into an estimated import cover of 3.7 months, or 4.1 months when excluding oil and gas exploration and appraisal-related imports, comfortably above the commonly accepted adequacy benchmark of 3 months. At this level, reserves were estimated to be approximately 10.5 times the value of currency in circulation, indicating that Namibia’s external buffers remain sufficient to support the Namibia Dollar-Rand currency peg and meet the country’s short-term international obligations.

### 4. Outlook

Private sector credit growth is expected to remain moderate over the coming months, supported by the recovery in business and household lending observed in April. At its 28 April 2026 Monetary Policy Announcement, the Bank of Namibia maintained the repo rate at 6.50%, reflecting its mandate to safeguard the Namibia Dollar-Rand peg while continuing to support domestic economic activity.

However, the credit outlook is becoming more constrained by inflation risks. Fuel price increases in April and May are expected to continue filtering through transport, logistics, food and broader consumer prices during May and June. Although fuel prices were maintained in June, the earlier increases may still weigh on household disposable income, raise business operating costs and place pressure on repayment capacity.

South Africa's 25 basis point rate increase in May further reinforces the shift toward a more cautious regional monetary environment. While Namibia does not have to mirror every SARB adjustment, the combination of fuel-driven inflation risks and tighter regional policy conditions may increase the likelihood of a more cautious stance at the Bank of Namibia's next Monetary Policy Announcement on 17 June 2026.

At the same time, Namibia's external position provides an important buffer. International reserves increased to N\$58.8 billion in April, providing 3.7 months of import cover and remaining comfortably above the 3-month adequacy benchmark. This supports confidence in the currency peg and reduces immediate external vulnerability.

Overall, PSCE is expected to remain on a moderate but uneven growth path. Borrowing activity is likely to remain concentrated in overdrafts, working-capital financing and instalment and leasing finance, while broader credit demand may soften if inflation and debt-servicing pressures intensify.