



NMBZ HOLDINGS LIMITED

Holding Company of NMB BANK LIMITED
(Registered Commercial Bank)

Dually listed on the London Stock Exchange (LSE) and Zimbabwe Stock Exchange (ZSE)

2021 FIRST QUARTER TRADING UPDATE

NMBZ Holdings Limited ("The Group") hereby issues the following Trading Update for the First Quarter ended 31 March 2021 ("Q1 2021"). The Zimbabwe Stock Exchange ("ZSE") has authorised the issue of this Trading Update in line with compliance with rule 35(5) of the ZSE Listing Requirements, set out in Statutory Instrument 134 of 2019, read in conjunction with the ZSE Practice Note entitled "Publication of Interim Financial Public Reports for the First and Third Quarters in terms of section 35(5)" ("Practice Note 9").

Trading environment

The quarter under review commenced with the country experiencing a second and more intense wave of the COVID-19 infections largely arising out of the relaxation of COVID-19 restrictions during the December 2020 festive period. The incessant rise in infections and fatalities experienced at the start of the quarter resulted in the Government enforcing more stringent lockdown conditions which came into effect on 5 January 2021 and this inevitably brought most businesses to a standstill, leading to a slowdown in economic activity. However, the restrictions were relaxed at the end of February 2021 following the containment of local transmissions and significant reductions in the COVID-19 induced fatalities. During the quarter under review, the Government of Zimbabwe started rolling out the COVID-19 vaccination programme. The roll-out of vaccination programmes both locally and internationally remains a key milestone towards the containment of the COVID-19 pandemic.

The economy has remained relatively stable following the stability of the exchange rate in the second half of 2020 after the introduction of the RBZ administered Foreign Exchange Auction system on 23 June 2020. The exchange rate stability has largely resulted in the significant easing of the country's inflation, which stood at a year-on-year rate of 240.6% in March 2021 from a peak of 837.5% recorded in July 2020. We are hopeful that the Monetary Authorities will continue in their efforts to maintain the prevailing exchange rate stability which largely underpins the country's economic stability and provides the required impetus for economic growth.

Corporate developments

The Banking subsidiary has continued with its digitalisation drive which has resulted in the rolling out of more customer centric products. During the quarter under review, the Bank launched 5 disruptive digital products namely:

1. A Virtual Branch that allows customers to conduct cash transactions on their phone and simply walk into the branch to either drop or pick cash;
2. An automated loan application that allows customers to apply for personal loans on shortcode *241# and access near instant disbursements without the need to complete any paperwork;
3. Instant NMBLite account opening via shortcode *241#;
4. Digital account opening for the normal KYC accounts on NMBConnect allowing the customer to upload KYC documents without the need to visit the Bank; and
5. A Virtual Service Excellence Representative Assistant, named Sera.

We have continued to transform NMB Bank Limited into a Digital Bank, without losing the excellent customer service we are known for. We therefore continue to serve businesses, high net worth customers, SMEs and the broader market segments through digitally enabled products and platforms.

The Bank is at an advanced stage to rolling out the zero-rated mobile banking facility which will enable our customers to access the Bank's mobile banking platforms without using their own mobile data. This, together with other initiatives being pursued by the Bank, will further enhance the Bank's customer experience as well as continue to reduce the cost of transacting for our valued customers.

Enquiries:

NMBZ HOLDINGS LIMITED

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NMB Bank Zimbabwe



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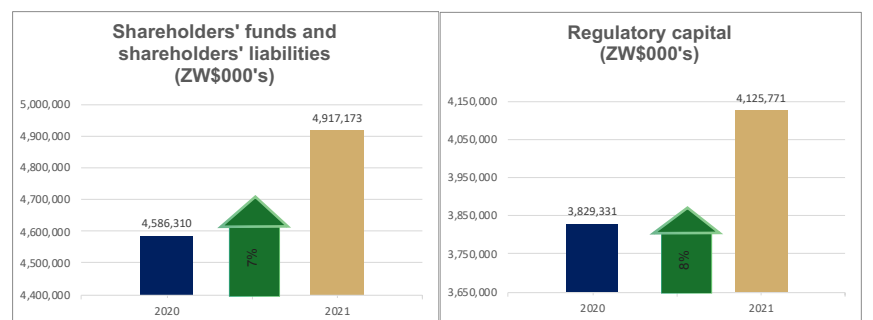
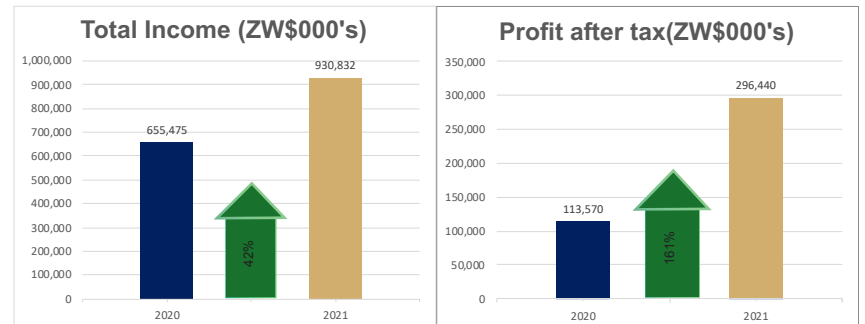


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Q1 2021 Trading Performance

The Group recorded a 42% growth in inflation adjusted total income for the 3 months ended 31 March 2021 compared to the corresponding period in 2020.

The major inflation adjusted financial performance highlights for the Group are as depicted below:



Regulatory capital requirements

The Bank's inflation adjusted regulatory capital as at 31 March 2021 was ZWL\$4.1 billion (Historical cost – ZWL\$2.5 billion) and is above the minimum required regulatory capital of ZWL\$25 million. This translated to a Capital Adequacy Ratio of 31.59% as at 31 March 2021 (31 December 2020 – 39.51%) and this was significantly above the prescribed regulatory minimum ratio of 12%.

All things being equal, the Bank is confident that it will achieve the required minimum regulatory capital level for Tier 1 banks of USD30 million equivalent by the set deadline of 31 December 2021.

Outlook

The Group is confident that the COVID-19 containment measures adopted by the Government of Zimbabwe will result in the curbing of the COVID-19 pandemic. We are encouraged by the commendable progress made by the global economies, including Zimbabwe, to secure some COVID-19 vaccines that are currently being rolled out and remain hopeful that these will achieve the desired results. As a Group, we are optimistic that no adverse effects will significantly impact the Group's performance on account of the COVID-19 pandemic.

We are hopeful that the exchange rate stability achieved so far will continue to prevail in order to create a conducive operating environment for businesses and the attraction of local and international capital in order to propel the much needed economic growth for the country.

We are optimistic that the projected good 2020/2021 agricultural season will positively impact the country's economic growth prospects.

The Group's banking subsidiary will continue to strategically focus on the enhancement of its digital channels in order to further improve the customer experience as well as contribute to the financial inclusion agenda.

The Group will publish its half year-end results for the six months ending 30 June 2021 by 30 September 2021 as required by the ZSE Regulations.

By Order of the Board

Shumirai Pashapa
Company Secretary

13 May 2021