



## NMBZ HOLDINGS LIMITED

Holding Company of NMB BANK LIMITED  
(Registered Commercial Bank)

# 2021 THIRD QUARTER TRADING UPDATE

NMBZ Holdings Limited ("The Group") hereby issues the following Trading Update for the Third Quarter ended 30 September 2021 ("Q3 2021"). The Zimbabwe Stock Exchange ("ZSE") has authorised the issue of this Trading Update in 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 impact of Covid-19 related business restrictions was still being felt in the third quarter though most businesses have returned to normalcy. The US Dollar interbank foreign exchange rate has been relatively stable, depreciating slightly from 85.42 as at 30 June 2021 to 87.67 as at 30 September 2021.

Interest rates remained fairly stable during the third quarter, allowing the Banking unit to continue channelling credit facilities to the wider economy with a special focus on productive sectors.

Inflation stood at a year-on-year rate of 52% as at 30 September 2021. As always, 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.

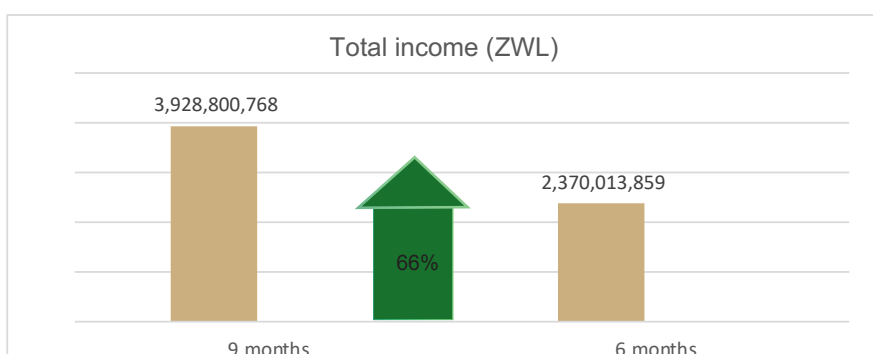
### CORPORATE DEVELOPMENTS

The Banking subsidiary has in the last quarter continued with its digitisation drive, largely focusing on the customer journey and ensuring that its processes and platforms make access to services as convenient and seamless as possible. In the period under review, three enhancements were made to our channels, namely;

1. Econet customers can now access NMBConnect, NMB Bank's Digital Branch, free of data costs. This ensures access to data or airtime will not be a barrier to safe and convenient banking. Similar arrangements with other telecommunication partners are underway.
2. New Visa Card with a fresh look and robust system from which these cards are run, to ensure convenience to customers. In one Card, customers can deposit four currencies namely USD, ZAR, GBP and Euro, allowing payment of obligations in the preferred currency.
3. Connect App Security Enhancements were implemented in order to enhance platform security.

### FINANCIAL PERFORMANCE REVIEW

The Group recorded a 66% growth in operating income from ZWL2.3 billion for the six months ended 30 June 2021 to ZWL 3.9 billion for the nine-month period to 30 September 2021 in inflation adjusted terms. This was on the back of growth in non-funded income driven, by an increase in transaction volumes on the Bank's digital platforms. The loan book grew by 39% to end the quarter at ZWL7.2 billion while customer deposits grew by 38% to ZWL9.1 billion. These key performance indicators are further highlighted below:



### Enquiries:

NMBZ HOLDINGS LIMITED

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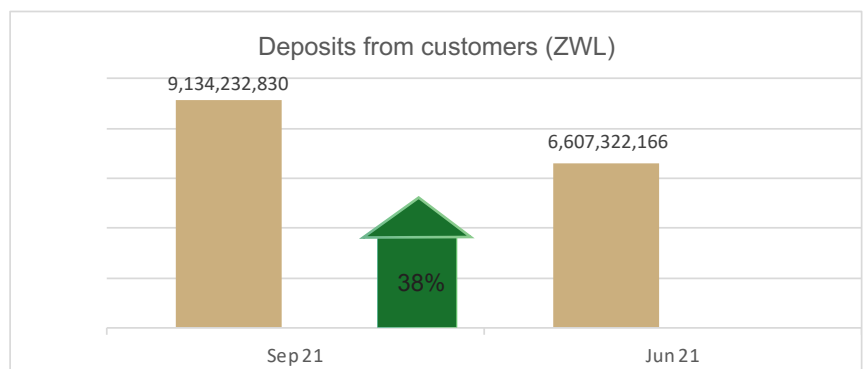
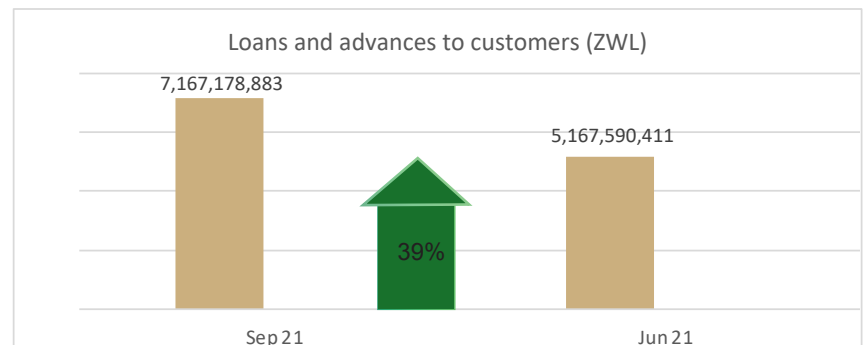
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### FINANCIAL PERFORMANCE REVIEW (CONTINUED)



### REGULATORY CAPITAL REQUIREMENTS

The Bank's inflation adjusted regulatory capital as at 30 September 2021 was ZWL5.02 billion (historical cost – ZWL4.22 billion) and was above the minimum required regulatory capital of ZWL25 million. This translated to a Capital Adequacy Ratio of 27.14% as at 30 September 2021 which is significantly above the prescribed regulatory minimum ratio of 12%.

The Bank is focused on making sure that it remains compliant with the required minimum regulatory capital level for Tier 1 banks of US\$30 million equivalent by the set deadline of 31 December 2021.

### OUTLOOK

The recent firm commitments and pledges by the Government, the Reserve Bank of Zimbabwe and the business community to maintain sound macroeconomic fundamentals which support exchange rate stability are encouraging and will assist in cost management. To this end, the banking sector has seen tightening of money supply, upward review of the bank policy rate to curb speculative borrowings, refinement and streamlining of the foreign exchange auction system so that it continues to play its price discovery role among other commitments.

We are optimistic of a good 2021/2022 agricultural season based on the forecast good rains and the prospects in the mining industry on the back of positive commodity price outlook, improved capacity utilisation and anticipated increased output which will positively impact the country's economic growth prospects.

### By order of the Board

Violet Mutandwa

Company Secretary

12 November 2021