



NMBZ Holdings Limited (“The Group”) hereby issues the following Trading Update for the Third Quarter ended 30 September 2023 (“Q3 2023”). 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

During the period under review, the economy witnessed favourable inflation and exchange rate developments. The Bank policy rate was kept at 150% per annum, while the interest rate for lending to the productive sectors and individuals was maintained at 75% per annum. As of September 2023, month-on-month blended inflation rate was 1% compared to 74.5% in June 2023.

To enhance financial stability in the economy, the monetary authorities standardized the statutory reserve requirements for both foreign and local currency deposits at 15% and for savings and time deposits at 5%. This contributed to mopping out excess liquidity.

CORPORATE DEVELOPMENTS

NMB Bank Limited received the prestigious Best Digital Innovation Award at the Banks and Banking Survey Awards 2023. This accolade recognizes our dedication to innovation and commitment to providing seamless and diverse digital financial products and services to our valued clients.

Other key developments were as follows:

- **XPlug Technology Services Launch:** The Group set up a technology company, XPlug Solutions Limited which was launched in July 2023. The subsidiary was setup on the backdrop of the successful in-house development of technology solutions for the banking subsidiary. These solutions range from mobile apps, USSD, Internet banking solutions, digital customer on-boarding, agency banking, Robotics Processes Automation (RPA) solutions and cybersecurity management tools. The capacity within the Group is immense and in line with the group expansion drive, we are now offering technology solutions to organisations outside the Group, both in the financial and non-financial space. The subsidiary will also serve customers in the region and we have current engagements with financial institutions in Tanzania, Zambia and Mozambique who have signed up for our digital transformation solutions. With the success registered to date, Xplug Solutions is targeting to provide technology solutions to all the 54 African countries and beyond, hence our mantra – “54 and more”.
- **Strategic Partnership with Rabobank:** NMB Bank Limited forged a multi-year partnership with Rabobank, a financial institution in Netherlands. This strategic alliance is designed to enhance NMB Bank’s capacity to support enterprises in the Food and Agribusiness sector in the country.

PERFORMANCE REVIEW

The Group generated operating income (inflation adjusted) of ZWL 397 billion for the nine months ended 30 September 2023, signifying a 245% increase from the ZWL 115 billion recorded for the same period in the prior year. The significant increase is largely driven by non-interest income earned from the Bank’s digital channels. Property revaluations and exchange rate gains also contributed significantly.

Total assets amounted to ZWL 1.1 trillion as at 30 September 2023 signifying 151% increase from 31 December 2022, mainly driven by increase in customer deposits. The Bank’s customer deposits increased by 99% from ZWL 174 billion as at 31 December 2022 to ZWL 346.3 billion as at 30 September 2023.

The Bank continued to practice prudent lending focussing on quality assets, which has kept the NPL ratio at low levels of 1.45%.

REGULATORY CAPITAL REQUIREMENTS

The Group and the Bank (regulated subsidiary) are well capitalised and the Directors continue to ensure that the capital levels remain adequate as prescribed and in line with the business requirements. Capital adequacy ratio as at 30 September 2023 stood at 28.74% compared to a regulatory minimum of 12%.

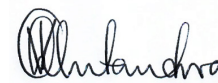
ECONOMIC OUTLOOK

The economy is projected to grow by 5.3% in 2023 anchored on tourism recovery as well as increased agricultural and mineral output. However, the global economy is set to slowdown in 2023 to 3% from 3.5% in 2022 due to low international commodity prices and tight financial conditions.

The Reserve Bank of Zimbabwe (RBZ) introduced ZiG (Gold-Backed Digital Tokens) on 5 October 2023. Introduction of ZiG is expected to serve as a value preserving instrument that will also support digitization and overall stability of the local currency.

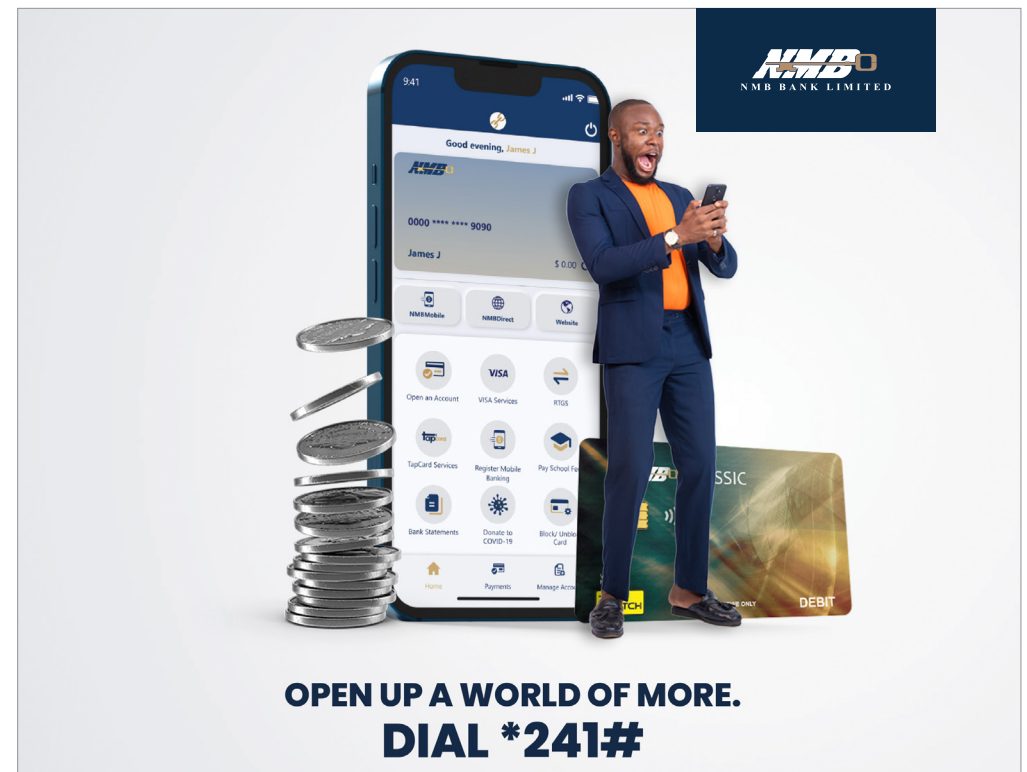
The use of multi-currencies in the economy for transactions settlement and payments for goods and services was extended to 31st of December 2030. This is expected to enable the opening up of foreign lines of credit with favorable tenures. To ensure continued availability of foreign currency for national use, the Central Bank standardized export retentions at 25% across all sectors.

By Order of the Board



Violet Mutandwa
Company Secretary

15 November 2023



**OPEN UP A WORLD OF MORE.
DIAL *241#**