

NMBZ Holdings Limited ("The Group") hereby issues the following Trading Update for the First Quarter ended 31 March 2025 ("Q1 2025"). 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").

OPERATING ENVIRONMENT

The period under review was characterised by a tight monetary environment aimed at maintaining a stable exchange rate and containing inflation. Consequently, there was very little movement on the interbank exchange rate, which declined by a marginal 3.7% during the quarter and the ZWG inflation rate for the quarter was 11%. The Central Bank released the monetary policy statement on 06 February 2025 that maintained statutory reserves at 30% for demand deposits and 15% for savings and fixed deposits and maintained the bank policy rate at 35% per annum. The authorities put in place a number of measures to guarantee the stability of the interbank foreign exchange market. The supply of foreign currency through the auction platform was increased, on the back of increased foreign currency surrender requirements for exporters from 25% to 30%. The Central Bank has also been building the critical foreign currency reserves needed to anchor the ZWG.

GLOBAL ECONOMIC DEVELOPMENTS

Global economic growth is projected by the International Monetary Fund to pick up slightly from the 3.2% achieved in 2024 to 3.3% in 2025, with the inflation rate also anticipated to decline from 5.7% in 2024 to 4.2% in 2025. However, escalating trade tensions and policy uncertainties arising from tariff wars pose a significant downside risk that could hinder global growth and stability.

CORPORATE DEVELOPMENTS

The Group, through its banking subsidiary NMB Bank, continues to focus on mobilising external lines of credit in order to fuel productive-sector lending and is expecting to finalise on raising funding in excess of US\$70million in the near-term. As the Group continues on its digital drive, there are a number of projects in the pipeline aimed at enhancing transactional platforms and elevating customer experience. To this end, the Bank is set to launch an enhanced mobile banking application for both corporate and individual customers in the coming quarter.

In line with its strategic thrust, all the Group's subsidiaries continue on a growth trajectory, with the fintech subsidiary, XPlug Solutions embarking on multiple projects relating to implementation of fintech operating systems, Robotic Process Automation (RPA), mobile banking solutions and various other custom software developments for medium to large financial institutions in multiple countries across the continent. The property subsidiary has completed another cluster home development which is now under sale.

PERFORMANCE REVIEW

The Group started the year strongly, generating operating income of ZWG 396 million for the three months ended 31 March 2025. Fee and commission income contributed 64% of the total income, mainly generated on the bank's digital platforms. Net interest income amounted to ZWG 141 million. The Group recorded a profit after tax figure of ZWG 56 million, reflecting a positive start to the year.

Total assets amounted to ZWG 7.5 billion, an increase of 5% from 31 December 2024. Management continues to focus on prudent lending practices and careful loan book management while pursuing growth in lending.

REGULATORY CAPITAL REQUIREMENTS

Capital adequacy ratio for the Bank as at 31 March 2025 stood at 28.25% compared to a regulatory minimum of 12%. 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.

ECONOMIC OUTLOOK

The domestic economy is expected to rebound and grow by 6% in 2025 from a low 2% growth witnessed in 2024. The growth is anticipated to be driven by an improved agricultural season following the El-Niño induced drought in 2024. Investments in mining, particularly in gold, lithium, iron, and steel, are also expected to boost industrial output.

The Group will continue to focus on strengthening its core banking business and establishing a wider regional presence with the technology subsidiary. The property company is also expected to drive balance sheet growth by embarking on key development projects.

By Order of the Board



Violet Mutandwa
Company Secretary
15 May 2025



PRESSURE ZERO NE
NMBCONNECT: PAY FOR YOUR ZESA AT ANYTIME.

DOWNLOAD THE NMBCONNECT APP OR DIAL *241#

GET IT ON Google play Available on the App Store




ZIMPOST DELIVERING POSSIBILITIES **AGENCY BANKING**
ENJOY NMB BANK SERVICES AT A ZIMPOST BRANCH NEAR YOU