



QUARTERLY SNAPSHOT ON RECENT MONETARY, CURRENCY, PRICE, AND FINANCIAL DEVELOPMENTS

MONETARY AND FINANCIAL CONDITIONS AS AT 31 DECEMBER 2025

“Monetary policy during 2025 demonstrated clear effectiveness, restored discipline, and measurable macroeconomic gains, particularly in inflation control and exchange rate stability. Sustaining this trajectory in 2026 will require continuing to walk the talk in prudent money supply management, foreign currency reserve accumulation and strong fiscal and monetary policy complementarity” - Dr. J. Mushayavanhu

1

MAJOR HIGHLIGHTS & ACHIEVEMENTS IN 2025

This Quarterly Snapshot outlines major highlights of monetary and financial conditions for the fourth quarter (Q4) of 2025. Reflecting the Reserve Bank's commitment to transparency, it serves as a vital resource for providing the public with regular updates and high-frequency indicators that support its monetary policy stance. The current price and exchange rate stability being experienced in the economy demonstrates the effectiveness of prudent monetary policy anchored on optimal money supply management, greater exchange rate flexibility based on the Willing-Buying Willing-Seller arrangement, consistent accumulation of foreign reserves backing ZiG as well as enhanced monetary and fiscal policy coordination.

The sustained macroeconomic stability has resulted in the monetary policy regaining trust, confidence and credibility marking a decisive break from past.

Notable achievements realised in 2025 include the following:

- ✓ Sustained dissipation of ZiG annual inflation ending 2025 at 15% a against target of 30%
- ✓ Stability in month-on-month inflation averaging 0.4% from February to December 2025.
- ✓ Exchange rate stability, with the interbank exchange rate oscillating around ZiG 26 per US dollar, with the parallel market premium contained below 20% for the greater part of 2025.
- ✓ Reserve money growth kept under check amounting to ZiG 5.3 billion as at end December 2025.
- ✓ Zero central bank financing of Government expenditure.
- ✓ Sustained increase in foreign currency receipts amounting to US\$ 16.2 billion in 2025 up from US\$ 13.3 billion in 2024.
- ✓ Consistent accumulation of foreign currency reserves reaching US\$ 1.2 billion representing 1.5 months of import cover as at 31 December 2025.
- ✓ Foreign currency reserves backing the local currency, equivalent to around 6 times cover of ZiG reserve money and almost double the total ZiG deposits.
- ✓ Increased use of the ZiG in the economy to around 30-40% of total national payment system transactions with currency in circulation increasing to ZiG 510 million, representing 3% of broad money.
- ✓ Continued soundness, resilience and stability in the financial sector and the national payment system.

The above achievements have gone a long way in satisfying the Conditions Precedents for the road map to mono-currency as enunciated in the National Development Strategy 2 (NDS 2) which prioritises Macro-economic Stability and Financial Sector Deepening as a key pillar for the realization of Vision 2030.

This Quarterly Snapshot report, therefore, represents the RBZ's official communication on monetary policy management and its impact on inflation and output.

The data included in this Quarterly Snapshot is sourced from Official data providers, the Reserve Bank of Zimbabwe for monetary and financial statistics and the Zimbabwe National Statistics Agency (ZIMSTAT) for inflation and international trade statistics. *Note: Hence some data for the respective quarter may be provisional and subject to minor revisions.*

2

KEY MACROECONOMIC AND FINANCIAL INDICATORS

Bank Policy Rate 35%	Minimum Time Deposit Rate (90-Day) ZiG = 7.5% US\$ = 4%	Minimum Savings Deposit Rate ZiG = 5% US\$ = 2.5%	Interbank Exchange Rate (ZiG/US\$) End-period December 2025 25.9807
ZiG Inflation (December 2025) Month-on-Month 0.2% Year-on-year 15%	Month-on-Month Growth in ZiG Deposits 3.31%	ZiG Currency in Circulation 3% of ZiG Bank Deposits	RBZ Total Intervention (FX supply) since April 2024 US\$1.34 Billion
Foreign-currency ZiG Reserve Money Cover 5.88 times	Total Reserves Covering ZiG US\$ 1.2 Billion - Import Cover Equivalent: 1.5 Months	Total Foreign Currency Receipts US\$16.2 billion	Trade Balance (US\$ million) 2025 Oct: 28.7 2025 Nov: 90.4
Current Account Surplus 2025 over US\$ 1 Billion (proj.)	Lending to Government Nil		

3

CONDITIONS PRECEDENT FOR MONO-CURRENCY

National Development Strategy (NDS) 2 outlines the following conditions precedent to foster a sustainable transition to mono-currency system:

- ✓ Durable macro-economic stability, characterised by low and stable inflation at single-digit levels.
- ✓ Adequate foreign currency reserves of at least 3-6 months of imports cover, in the medium to long-term.
- ✓ Efficient foreign exchange management system that eliminates foreign exchange market segmentation and promotes ease of access to foreign currency by importers and for other bona fide requirements.
- ✓ Stable exchange rate dynamics, with minimum over or under valuation of the ZiG.
- ✓ Increased demand for ZiG through recalibration of the percentage of Government taxes and broadening payment of public sector goods and services in local currency.
- ✓ Financial sector stability.
- ✓ Efficient and secure National Payments System, to promote ease of payment in ZiG locally.
- ✓ Fiscal and monetary policy cohesion, with low and sustainable National Budget deficits.

In this regard, under NDS 2 the Reserve Bank will remain steadfast in ensuring durable and lasting macro-economic stability through the calibration of its monetary policy stance to achieve low and stable inflation, maintenance of positive real interest rates, growing national savings, accumulating foreign reserves and the deepening and broadening of Zimbabwe's financial markets.

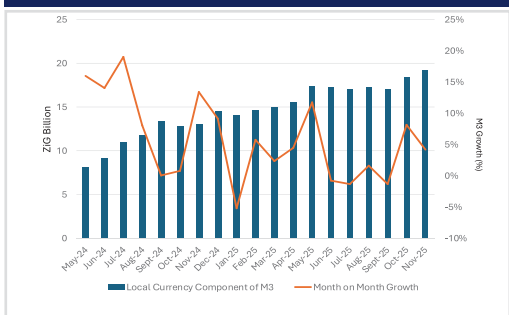
4

KEY MACROECONOMIC AND FINANCIAL INDICATORS

	Apr-24	Sep-24	Dec-24	Mar-25	June-25	July-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
ZiG Month-on-Month Inflation (%)	--	5.78	3.67	-0.06	0.28	1.57	0.40	-0.25	-0.36	0.20	0.20
ZiG Annual Inflation (%)	--	--	--	--	92.5	95.8	93.8	82.7	32.7	19	15
Total ZiG Deposits (million)	4,098	11,788	11,958	14,593	16,387	16,377	16,696	16,763	17,539	17,723	18,310
Non-performing Loans (%)	--	3.19	3.37	3.34	2.90	--	--	3.07	--	--	na
Reserve Money (ZiG million)	1,239	2,248	3,516	3,785	4,658	4,564	4,590	4,732	4,931	5,218	5,337
Reserve Money Cover (ZiG million)	2,203	9,034	12,164	16,871	19,697	19,580	21,991	23,175	24,829	27,348	31,408
Market Position - NNCDs (ZiG million)	1,597	497	1,445	2,401	1,877	924	2,042	1,721	2,399	2,220	3,824
Cash and Nostro (USD million)	151	196	192	296	309	301	374	359	410	440	574
Gold Holdings (Kgs)	1,500	1,948	2,626	2,779	3,439	3,449	3,449	3,577	3,594	3,982	4,030
Gold Holdings Value (USD Million)	113	167	220	275	361	366	383	440	462	532	566
Total Reserve Covering ZiG (USD Million)	276	419	472	630	731	731	822	870	941	1,044	1,209
Uncovered Demand for Foreign Currency	--	11.68	12.27	14.84	17.52	3.64	13.79	10.22	19.02	2.53	29.74
WBWS Exchange Rate	13.43	24.8831	25.7985	26.7654	26.9457	26.7863	26.7548	26.6439	26.3865	26.1901	25.9807
Implied Exchange Rate	--	25.5489	24.7374	22.5598	22.6416	22.4041	20.3127	19.2724	18.6397	16.9731	15.1464

5

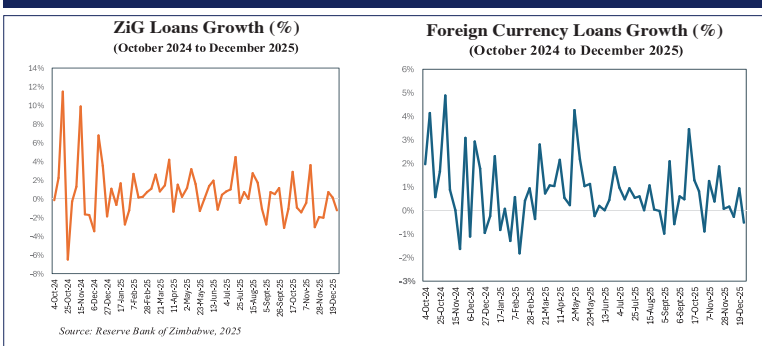
MONEY SUPPLY (M3) DEVELOPMENTS



- The month-on-month growth in the local currency component of broad money (M3) fell from above 10% to an average of about 2% in 2025, largely reflecting the Reserve Bank's prudent monetary policy stance.
- The Reserve Bank continued to keep money supply growth under check, to ensure durably low and stable inflation in the economy.

6

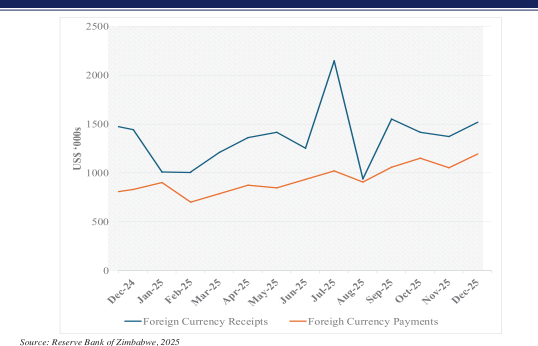
DEVELOPMENTS IN WEEKLY BANK LOANS



- The Reserve Bank's monetary policy stance has supported the stability of both ZiG and US dollar-denominated loans growth.
- Weekly average ZiG loan growth for 2025 was 0.40% while the foreign currency-denominated loans grew by a weekly average growth of 0.64%.
- The share of ZiG loans to total loans stood at 15.55% in December 2025.
- ZiG loan-to-deposit ratio increases from below 30% in April 2024 to 38% in December 2025.

7

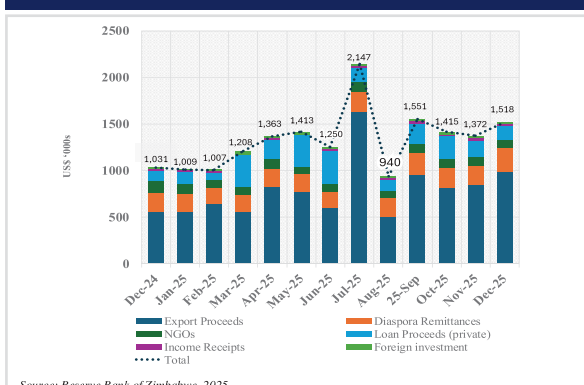
FOREIGN CURRENCY RECEIPTS AND PAYMENTS



- The country has continued to receive foreign currency inflows enough to cover its external payment obligations leaving a sizeable surplus.
- The surplus averaged around US\$400 million in 2025, which has been crucial in supporting domestic transactions.
- Foreign currency receipts averaged US\$1.3 billion per month in 2025.
- The country's external payments obligations averaged US\$951.31 million per month during the same period.

8

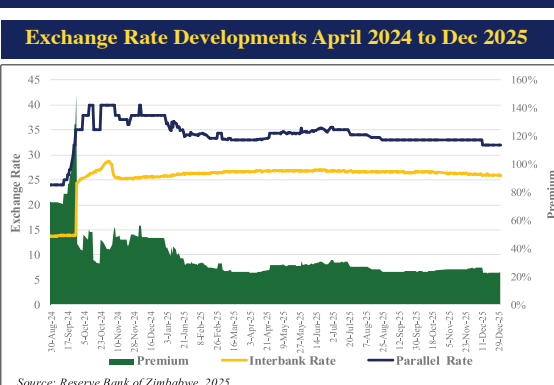
FOREIGN CURRENCY RECEIPTS



- The resilience in the country's foreign currency generation capacity has seen a notable increase of 21.8% to US\$ 16.2 billion recorded in 2025 from US\$ 13.3 billion in 2024.
- Export earnings dominated the basket of foreign currency receipts, averaging 59.7% of total foreign currency receipts in 2025, followed by loan proceeds at 14.8%, and Diaspora Remittances at 13.5%.
- A significant growth in foreign currency receipts is expected in 2026 on account of the improvement in prices of key export minerals and the growth in remittances.

9

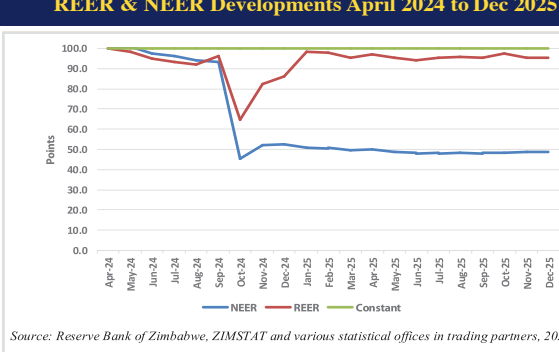
EXCHANGE RATE DEVELOPMENTS



- The exchange rate remained stable against the US dollar averaging ZIG26.61 and closing the year at ZIG25.98 per dollar.
- The parallel market exchange premium was contained at levels below 20% for the greater part of 2025.
- Foreign exchange market interventions amounting to \$1.34bn since April 2024 have contributed to the smooth functioning of the foreign exchange market under the Willing-Buyer Willing-Seller (WBWS) arrangement.

11

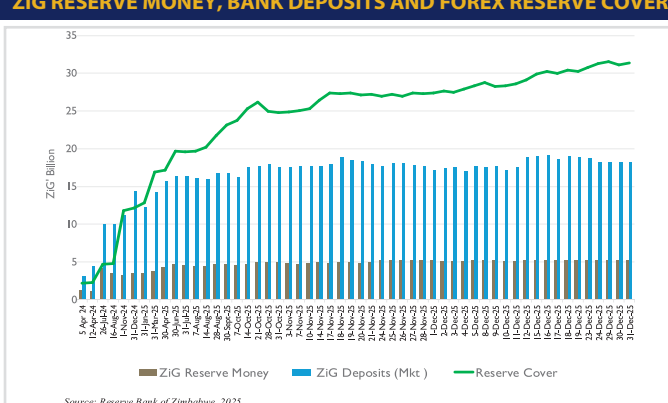
REER & NEER Developments April 2024 to Dec 2025



- The Real Effective Exchange Rate (REER) remained stable and close to the base averaging around 96 throughout 2025.
- The stability in the REER shows that the exchange rate was broadly aligned in 2025.

10

ZiG RESERVE MONEY, BANK DEPOSITS AND FOREX RESERVE COVER

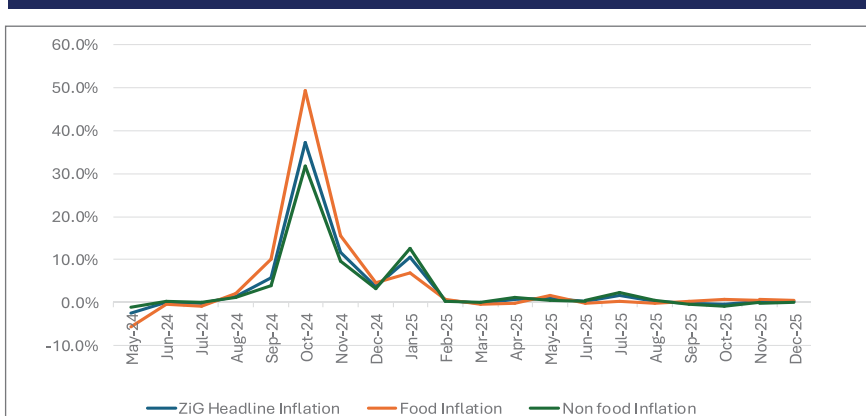


- The Reserve Bank continued the accumulation of foreign currency reserves backing the ZiG during the fourth quarter of 2025.
- Foreign currency reserves have increased to US\$1.2 billion in December 2025, sufficient to cover about 6 times the stock of ZiG reserve money and about double the ZiG deposits.
- The build-up of foreign currency reserves is critical for the lasting stability of ZiG.

12

BROAD-BASED DISINFLATION: A RETURN TO ENDURING STABILITY

ZiG Month-on-month inflation



- Month-on-month ZiG inflation averaged around 0.4% since February 2025, reflecting enduring price stability.
- Annual ZiG inflation declined from a peak of 95.8% in July 2025 to 15.0% in December 2025 against an end of year target of 30%, with the disinflation path expected to continue to single-digit levels in the first quarter of 2026.
- The sustained disinflation is supporting the maintenance of positive real interest rates, which are essential for value preservation, investment growth, and financial stability.

13

ECONOMIC AND INFLATION OUTLOOK

The prevailing macroeconomic stability during 2025 has been critical in supporting the robust growth estimated at 6.6%. In 2026, monetary and financial conditions will be calibrated to underpin the envisaged growth of upwards of 5%.

ZiG inflation is projected to remain low and stable, with the disinflationary path expected to continue stabilising and reach single digit in the first quarter of 2026.

The Reserve Bank remains vigilant and responsive, calibrating its monetary policy stance to balance price stability and economic growth imperatives.

The Reserve Bank will continue to pursue a prudent, data-driven monetary policy stance supported by an effective communication through regular updates to foster certainty and predictability.

Overall, the Reserve Bank will aim entrench macroeconomic stability in the short to medium term critical to achieve the Conditions Precedent for roadmap to mono-currency and attain the NDS 2 targets and objectives toward the realization of *Prosperous and Empowered and Upper Middle-Income Society*.

Dr. John Mushayavanhu
GOVERNOR
11 JANUARY 2026

14

DEFINITIONS AND EXPLANATORY NOTES

Monthly Inflation: Measures the rate of change in the Consumer Price Index (CPI) from one month to the other.

Disinflation: Refers to a deceleration in the rate of inflation and occurs when the general price level is still increasing but at a slower pace than before.

Reserve Money: Measures the stock of the Central Bank's most liquid liabilities, which include currency issued, statutory reserves and banks' excess reserves at RBZ.

Broad Money: Known as money supply, measures the total stock of banking sector liabilities including all deposits and banknotes and coins (currency) in circulation.

Total Deposits: Measures the amount of all deposits in the banking sector, inclusive of foreign currency denominated deposits.

Total Foreign Reserves in ZiG Backing the Local Currency: Measures the value of cash, foreign exchange reserves including gold and other precious minerals, backing the stock of ZiG reserve money or ZiG deposits in the banking sector.

Non-Performing Loans: Measures the value of loans that have not met scheduled (re)payments for 90 days compared to total loans in the banking sector.

Market Liquidity Position: Refers to the amount of liquidity in the market comprising of excess reserves (banks' deposits at Reserve Bank) and the total holding of non-negotiable certificates of deposits (NNCDs), which is available for banks to effect transactions through the national payment system platforms. A positive position signifies market surpluses while a negative position would imply shortages.

Cash and Nostro Balances: Refers to the amount of foreign currency held by the Reserve Bank in cash and balances held with other banks outside Zimbabwe.

Gold Holdings (kgs): Refers to the total volume in kilograms of gold that the Reserve Bank of Zimbabwe holds.

Gold Holdings Value: Measures the value of the total volume of gold held by the Reserve Bank expressed in US\$ millions.

Other Reserves (in kind royalties): refers to the value of other minerals excluding gold that are received by the Reserve Bank as royalties.

Nominal Effective Exchange Rate (NEER): is the ratio of an index of a currency's average exchange rate for a month to a weighted average of exchange rates for currencies of selected countries normally the country's main trading partners.

Real Effective Exchange Rate (REER): is a measure of the NEER adjusted to an index of consumer price indices (CPIs) of a country's main trading partners.

Equilibrium Exchange Rate: Refers to the level of the exchange rate that is consistent with fundamental factors where the economy experiences both internal (price stability and sustained growth) and external balance (sustainable current account position).

Uncovered Foreign Currency Demand: Refers to the total demand for foreign exchange reported by authorized dealers to the Reserve Bank, which could not be met by the supply of foreign exchange in the willing buyer - willing seller (WBWS) market.

Willing-Buyer Willing-Seller (WBWS) Exchange Rate: Refers to the average ZiG to US\$ exchange rate set in the FX market by authorized dealers.

Implied Exchange Rate: Is the ratio of ZiG bank deposits to FX reserves

Stable. Secure. Sustainable.

ZiG MEANS BUSINESS

Delivering on the stability promise where the ZiG works for the people of Zimbabwe, now and into the future.

Our Currency Our Future Our Progress

