



**Material**

**for the 21<sup>st</sup> Annual General Meeting of Shareholders of NLB d.d.  
on 29/12/2012**



## **PUBLICATION OF THE AGENDA AND PROPOSED RESOLUTIONS TO BE PASSED AT THE 21<sup>st</sup> GENERAL MEETING OF SHAREHOLDERS OF NLB D.D.**

Pursuant to Article 295 of the Companies Act (ZGD-1) and Article 13 of the Articles of Association of NLB d.d., the Management Board of NLB d.d. hereby convenes the

**21<sup>st</sup> General Meeting of Shareholders of NLB d.d., Trg republike 2, 1520 Ljubljana,**

scheduled for Saturday, 29/12/2012, at 9 a.m. in the Conference Hall on the ground floor of the Bank's office building at Trg republike 3 in Ljubljana

### **Agenda:**

#### **1. Opening, establishment of quorum and election of the bodies of the General Meeting of Shareholders of NLB d.d.**

*The Management and Supervisory Boards of NLB d.d. propose that the following resolution be adopted:*

The working bodies of the General Meeting of Shareholders of NLB d.d. shall be elected as follows:

- Laura Delphina Senica, member of the Credentials Committee;
- Jure Košar, member of the Credentials Committee.

#### **2. Increasing the share capital through cash contributions**

*The Management and Supervisory Boards of NLB d.d. propose that the following resolution be adopted:*

The share capital of NLB d.d. shall be increased by EUR 208,646,300.77 through cash contributions, by way of issue of new ordinary, registered, freely transferable, no-par value shares with voting rights, comprising the same class as the already issued shares.

The increase shall be made by issue of 25,000,000 ordinary, registered, freely transferable, no-par value shares with voting rights.

The issue value of a new share shall be EUR 15.00. The total issue value of all new shares shall be EUR 375,000,000.00.

All newly issued shares shall grant their holders the same entitlements and rights as the previously issued shares of the same class. The new shares shall be issued in book-entry form and entered in the register kept by KDD d.d. following the entry of the increase in Tier 1 capital into the Companies Register.

The existing shareholders shall not have the pre-emptive right to subscribe the new shares. Subscription and payment of new shares pursuant to this resolution shall be carried out without the publication of a prospectus, in accordance with the exceptions stipulated by the applicable legislation.

The deadline for subscribing and paying new shares shall be 90 days of the adoption of this resolution on the increase of Tier 1 capital by the General Meeting of Shareholders. The subscribers of new shares shall pay the entire issue price of each subscribed new share upon such subscription.



The increase in Tier 1 capital pursuant to this resolution shall be deemed successful if all new shares are subscribed and paid in full no later than 90 days of the adoption of this resolution on the increase of Tier 1 capital by the General Meeting of Shareholders. If the increase in share capital hereunder is not entered in the companies register by 31/12/2013 at the latest, the subscription shall become non-binding.

The Supervisory Board of NLB d.d. Ljubljana is authorised to adopt the amendments and supplements to the Articles of Association of NLB d.d. with the aim of aligning its text with the implemented increase in share capital.

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In compliance with the provisions of the Companies Act (ZGD-1), both resolutions on the agenda are proposed by the Management Board and the Supervisory Board.

Material:

The proposed resolutions and other material for the General Meeting of Shareholders are available to the shareholders for inspection at the Bank's registered office at Trg republike 2, 1520 Ljubljana, Secretariat, every working day from 9 a.m. to 12 noon, and are also published in the electronic notification system of the Ljubljana Stock Exchange, Ljubljana, SEOnet and on the website [www.nlb.si](http://www.nlb.si) with all explanations.

Conditions for participation:

Those shareholders who are registered in the central register of dematerialised securities kept by KDD d.d., as at the end of the fourth day prior to the General Meeting of Shareholders (hereinafter: the cross-section date), i.e. at the end of 25/12/2012, or their legal representatives or proxies who shall present a written power of attorney can attend the General Meeting of Shareholders and vote. The attendance must be notified to the Bank's Management Board using an application form which must be submitted to the Bank's registered office at least by the end of the fourth day prior to the General Meeting of Shareholders. The applications shall be accepted as timely if they are sent to the Bank's registered office (at Trg republike 2, Ljubljana), addressed to Secretariat, by the end of the fourth day prior to the General Meeting of Shareholders. The legal representatives of natural persons or legal entities must, on the day of the General Meeting of Shareholders, present a public document wherefrom it is evident that they have the right to act as a shareholder's representative; the document in question must not be older than 3 (three) days.

Supplements to the agenda:

The shareholders whose total interest accounts for at least one-twentieth of the share capital can, after the publication of the notice of convocation, make a written request to add an item to the agenda. The request must be enclosed with a written proposed resolution to be decided upon by the General Meeting of Shareholders or an explanation to the item on the agenda if no resolution is adopted in relation to such item by the General Meeting of Shareholders. The shareholders who meet the conditions for making a request to add an item to the agenda must send the respective request to the Bank within seven days after the publication of the notice to convene the meeting at the latest, i.e. by 05/12/2012.

Shareholders' proposals:

The shareholders may submit written proposals for resolutions to each item on the agenda, in compliance with Article 300 of the Companies Act (ZGD-1) (hereinafter: counterproposal). The counter proposal shall be published and notified in the manner laid down in Article 296 of the Companies Act (ZGD-1), but only if the shareholder sends to the Bank a proposal for publication in compliance with Article 300 of ZGD-1 within seven days after the publication of the notice to convene the General Meeting of Shareholders, i.e. by 05/12/2012 at the latest.

Shareholders' right to be informed:

During the General Meeting of Shareholders the shareholders can exercise their right to be informed in compliance with the first paragraph of Article 305 of the ZGD-1.



Information on the procedure for exercising the right through a proxy:

The shareholders may exercise their voting right also through a proxy after they have signed and submitted a written form which is available on the website [www.nlb.si](http://www.nlb.si) and sent it to the Bank's registered office by the end of the fourth day prior to the General Meeting of Shareholders. They may submit the power of attorney to the Bank via electronic mail by the same deadline as applicable for the written form, namely by sending a scan of the power of attorney to the following e-mail: [Skupscina2012@nlb.si](mailto:Skupscina2012@nlb.si). The Bank shall reserve the right to verify the authenticity of the shareholder or the person who has authorised another person and submitted the power of attorney by electronic mail.

Use of electronic media for sending additional items on the agenda and counterproposals:

The shareholders may submit additional items on the agenda and counter proposals to the Bank via electronic mail by the same deadline and with the same contents as applicable to the written form, namely by sending a scan as an attachment to the following e-mail: [Skupscina2012@nlb.si](mailto:Skupscina2012@nlb.si). The Bank shall reserve the right to verify the authenticity of the shareholder or the person who has sent additional items on the agenda and counter proposals by electronic mail.

Ljubljana, 28/11/2012

Management Board of NLB d.d.

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**FOUNDATIONS FOR THE PROPOSED RESOLUTIONS  
FOR THE 21<sup>st</sup> ANNUAL GENERAL MEETING OF SHAREHOLDERS OF NLB D.D.**

**Item 1 on the agenda: Opening, establishment of quorum and election of the working bodies of the General Meeting of Shareholders of NLB d.d.**

**The Management Board and the Supervisory Board of NLB d.d.**

hereby propose to the

General Meeting of Shareholders of NLB d.d.  
to discuss and pass the following

**proposed resolution under Item 1**

*1. The working bodies of the General Meeting of Shareholders of NLB d.d. shall be elected as follows:*

- *Laura Delphina Senica, member of the Credentials Committee;*
- *Jure Košar, member of the Credentials Committee.*

**Statement of grounds**

Pursuant to the Companies Act (ZGD-1), the Articles of Association of NLB d.d. (Articles of Association) and the Rules of Procedure of the General Meeting of Shareholders of NLB d.d. (Rules of Procedure), the Management Board is the convenor of the General Meeting of Shareholders. The Management Board and the Supervisory Board must propose to the General Meeting of Shareholders the adoption of resolutions according to the Companies Act (ZGD-1), including, according to the Rules of Procedure, the election of the working bodies of the General Meeting of Shareholders, i.e. members of the Credentials Committee. The Management Board and the Supervisory Board propose Ms. Laura Delphina Senica and Mr. Jure Košar from the Legal Affairs Centre, as members of the Credentials Committee of the 21<sup>st</sup> General Meeting of Shareholders.

In line with the Articles of Association and the Rules of Procedure, the Management Board is, as the convenor, competent to appoint the Chairperson of the General Meeting of Shareholders and ensure that a notary public is present. The Management Board appointed Ms. Aleksandra Hrovatin, Director of the Legal Affairs Centre, Chair of the General Meeting of Shareholders and invited Miro Košak, a notary public from Ljubljana, to attend the General Meeting of Shareholders. He accepted the invitation and confirmed his attendance.

Supervisory Board of NLB d.d.

Management Board of NLB d.d.

**Item 2 on the agenda: Increasing the share capital through cash contributions**

**The Management Board and the Supervisory Board of NLB d.d.**

hereby propose to the

General Meeting of Shareholders of NLB d.d.  
to discuss and pass the following

**proposed resolution under Item 2**

2. *The share capital of NLB d.d. shall be increased by EUR 208,646,300.77 through cash contributions, by way of issue of new ordinary, registered, freely transferable, no-par value shares with voting rights, comprising the same class as the already issued shares.*

*The increase shall be made by issue of 25,000,000 ordinary, registered, freely transferable, no-par value shares with voting rights.*

*The issue value of a new share shall be EUR 15.00. The total issue value of all new shares shall be EUR 375,000,000.00.*

*All newly issued shares shall grant their holders the same entitlements and rights as the previously issued shares of the same class. The new shares shall be issued in book-entry form and entered in the register kept by KDD d.d. following the entry of the increase in Tier 1 capital into the Companies Register.*

*The existing shareholders shall not have the pre-emptive right to subscribe the new shares. Subscription and payment of new shares pursuant to this resolution shall be carried out without the publication of a prospectus, in accordance with the exceptions stipulated by the applicable legislation.*

*The deadline for subscribing and paying new shares shall be 90 days of the adoption of this resolution on the increase of Tier 1 capital by the General Meeting of Shareholders. The subscribers of new shares shall pay the entire issue price of each subscribed new share upon such subscription.*

*The increase in Tier 1 capital pursuant to this resolution shall be deemed successful if all new shares are subscribed and paid in full no later than 90 days of the adoption of this resolution on the increase of Tier 1 capital by the General Meeting of Shareholders. If the increase in share capital hereunder is not entered in the companies register by 31/12/2013 at the latest, the subscription shall become non-binding.*

*The Supervisory Board of NLB d.d. Ljubljana is authorised to adopt the amendments and supplements to the Articles of Association of NLB d.d. with the aim of aligning its text with the implemented increase in share capital.*



## Statement of grounds

The latest estimates of the result of operations and projection of the NLB Group's capital adequacy indicate that the capital adequacy ratios will drop to such a level that the conditions will be met for the conversion of receivables under the Hybrid Loan Agreement between the lender Republic of Slovenia and the borrower NLB d.d. of 28/06/2012 into NLB d.d. shares already at the end of 2012 and that the NLB Group will not meet the expectations of the Bank of Slovenia and the European Banking Authority (EBA).

The non-achievement of goals represents no violation of contractual or regulatory obligations of the NLB Group. In the framework of the capital exercise from December 2011, the EBA expressed the expectation that the banks would reach the Core Tier 1 ratio of 9% by 30/06/2012. The non-achievement of this ratio did not result in the violation of regulatory requirements and the EBA does not formally expect the banks to permanently keep the ratio at this level. The non-achievement of this goal is a negative signal for the public and the financial markets, which significantly limits the possibilities of access to international financial markets.

The proposed increase in share capital by issuing new shares for the total issue amount of EUR 375 million will ensure the achievement of all capital goals. Due to the high level of uncertainty in the environment and unfavourable macroeconomic indicators, NLB d.d. assessed that in order to ensure its normal operations, capital must be increased in such scope that will also enable the establishment of safety reserve above the capital needed for meeting capital requirements in the event of additional negative impacts on the operations of NLB d.d. and consequently on capital adequacy.

NLB d.d. obtained the opinion of external financial consultant regarding the determination of the proposed issue amount of one new share, namely EUR 15.00, and also took into account the situation on the market of comparable banks when determining the final issue amount proposed.

For NLB d.d. to be able to include the payments of new shares under the proposed resolution in the calculation of its capital as at 31/12/2012, such payments must be made on that date at the latest. This is the only way for NLB d.d. to ensure the achievement of all capital goals on that day.

Furthermore, without excluding the pre-emptive right of the existing shareholders to subscribe new shares, it would be necessary to organise the process of public offering of new shares by issuing a prospectus, in which case it would be impossible to make the payments for the new shares on 31/12/2012, which is why it is necessary to exclude the pre-emptive right of the existing shareholders to subscribe new shares in order to achieve capital goals as at 31/12/2012.

Pursuant to the ZGD-1, the Management Board must submit to the General Meeting a written report on the justified reason for excluding the current shareholders' pre-emptive right to subscribe new shares.

Supervisory Board of NLB d.d.

Management Board of NLB d.d.

### Attachment:

1. Report of the Management Board of NLB d.d. for the General Meeting of Shareholders of NLB d.d. on the reasons for the exclusion of the existing shareholders' pre-emptive right to subscribe new shares

**Attachment 1: Report of the Management Board of NLB d.d. for the General Meeting of Shareholders of NLB d.d. on the reasons for the exclusion of the existing shareholders' pre-emptive right to subscribe new shares**