



NLB Group Presentation

Q3 2024 Financial Results

NLB

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This is our home. A region of opportunities.

NLB, Ljubljana



NLB Banka, Banja Luka



NLB Komercijalna Banka, Beograd



NLB Banka, Sarajevo



NLB Banka, Skopje



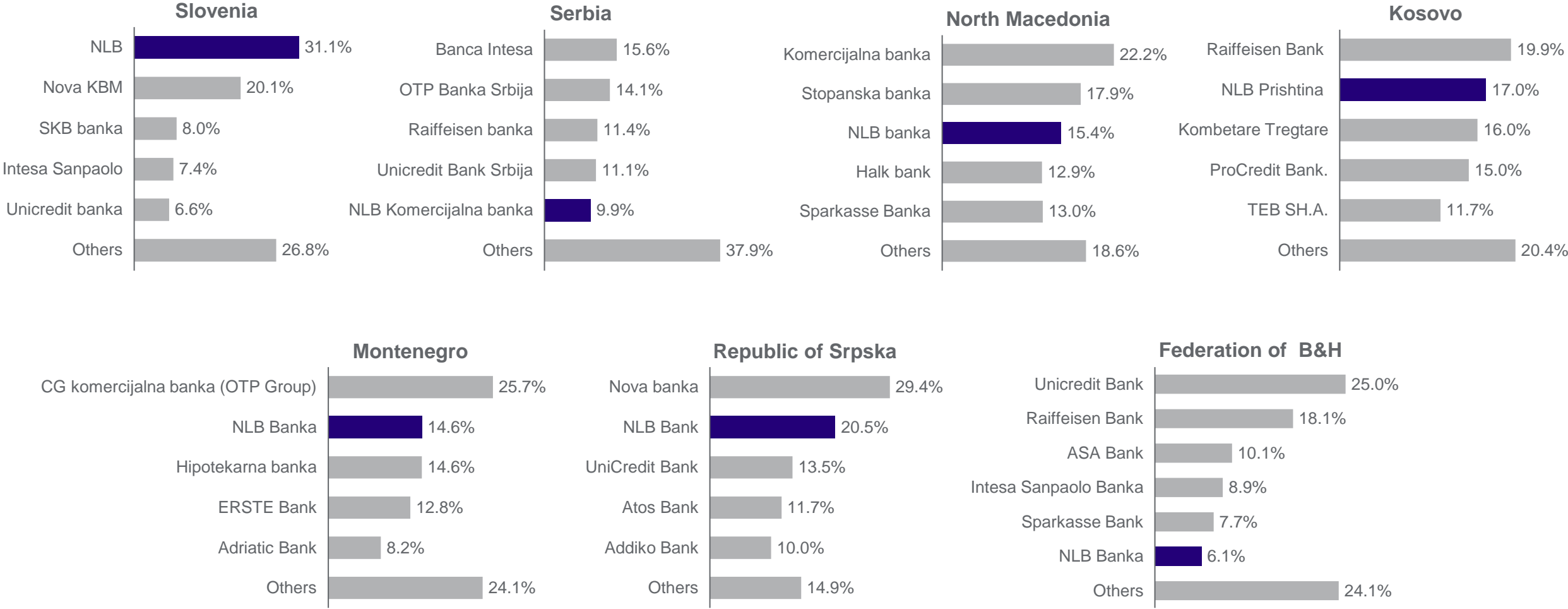
NLB Banka, Podgorica



NLB Banka, Prishtina



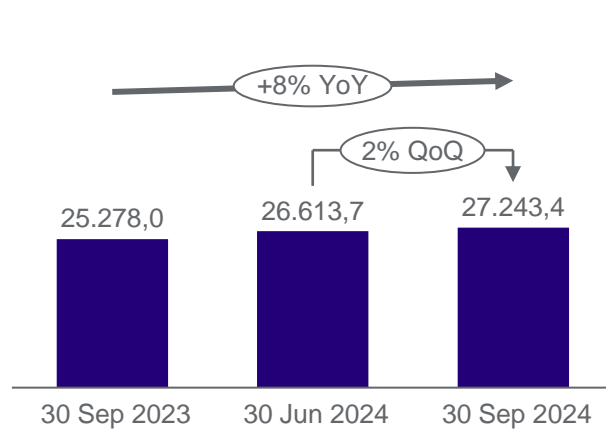
Market share composition across SEE markets



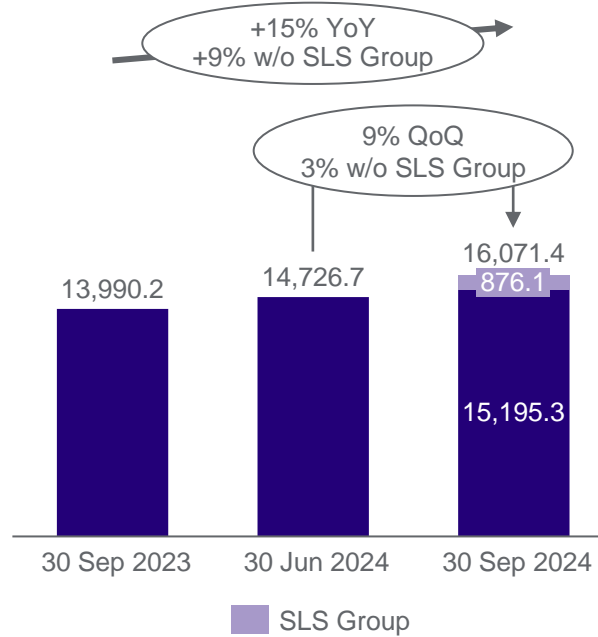
Source: Banks publicly available information
 Note: Data as at 30 Sep 2024 for Serbia, Kosovo and Montenegro; data as at 30 Jun 2024 for Slovenia and North Macedonia; data as at 31 Mar 2024 for Republic of Srpska and Federation of B&H.

Key Highlights

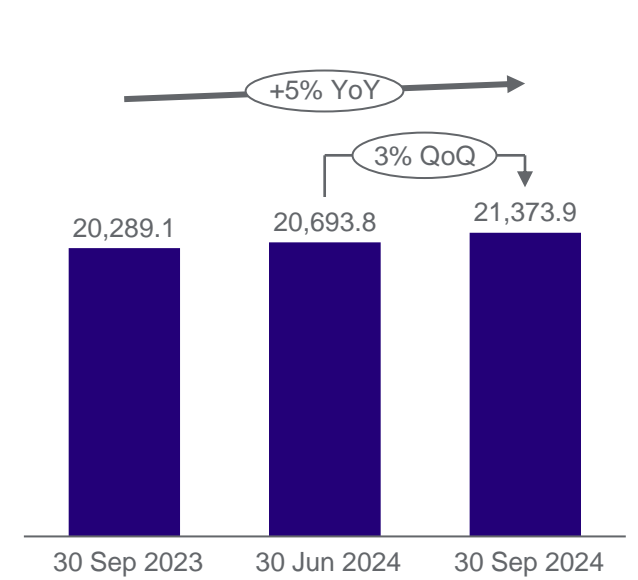
Total assets (NLB Group, in EURm)



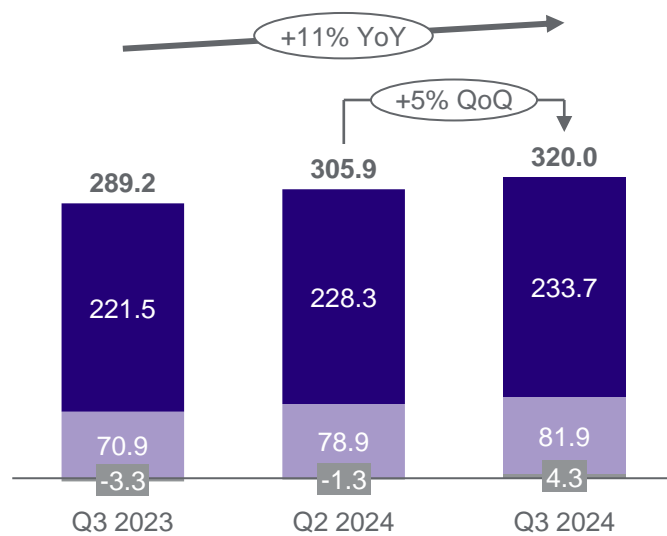
Gross loans to customers (NLB Group, in EURm)



Deposits from customers (NLB Group, in EURm)

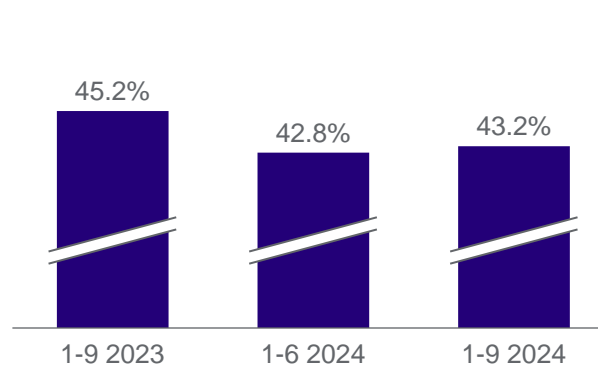


Net operating income (NLB Group, in EURm)

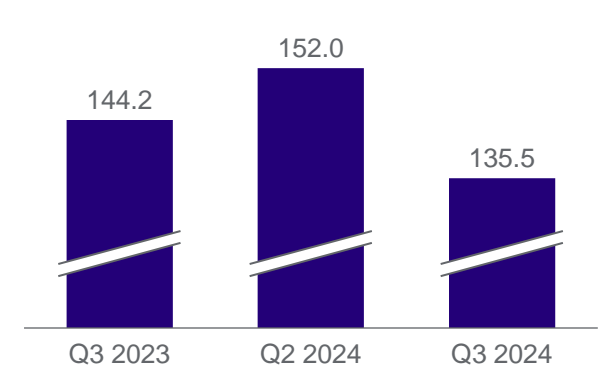


Net interest income | Net fee & commission income | Other

CIR (NLB Group, in EURm)

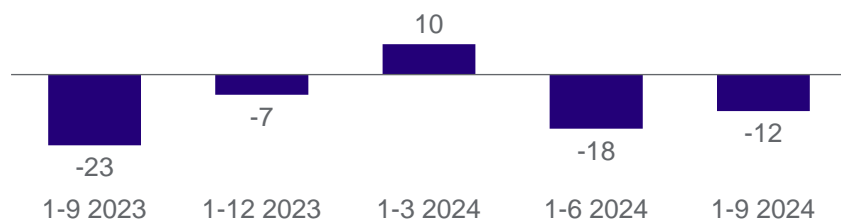


Result after tax (NLB Group, in EURm)

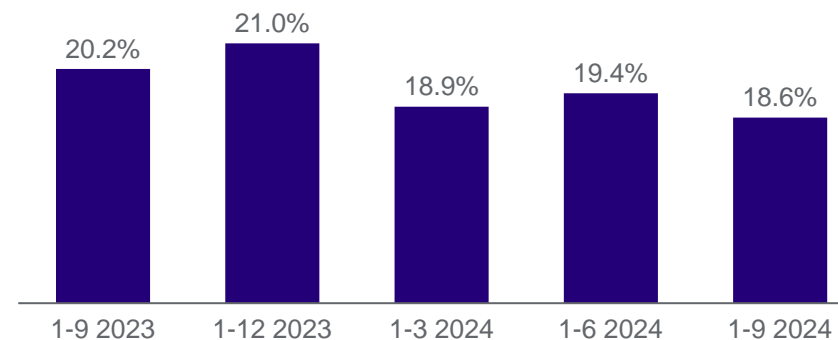


Key Highlights

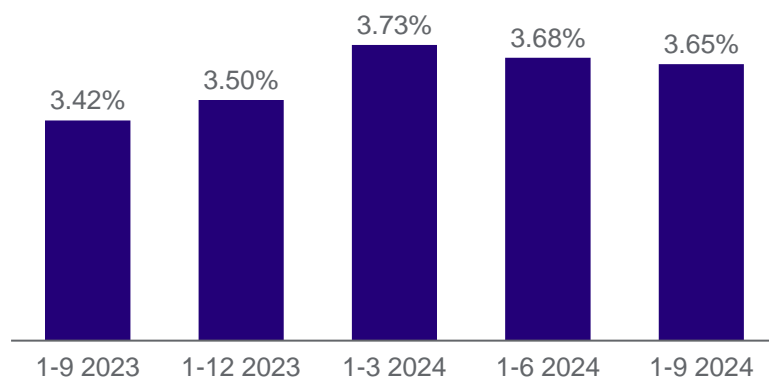
Cost of Risk⁽¹⁾ (NLB Group, in bps)



ROE (NLB Group, in %)



Net interest margin (quarterly, NLB Group, in %)



Completion of the acquisition of the SLS Group and entering the Croatian market: After obtaining all regulatory approvals in August, NLB completed the transaction on 11 September 2024 and became the sole shareholder of SLS HOLDCO, Ljubljana, the parent company of Summit Leasing Slovenija, Ljubljana and its subsidiaries, including Croatian Mobil Leasing, Zagreb.

The public takeover offer aimed to acquire control over Addiko Bank AG did not obtain sufficient acceptance declarations.




Convocation of 43rd General Meeting, scheduled for 9 December 2024, with **proposal of second dividend payout of EUR 110 million**, or EUR 5.5 gross per share.

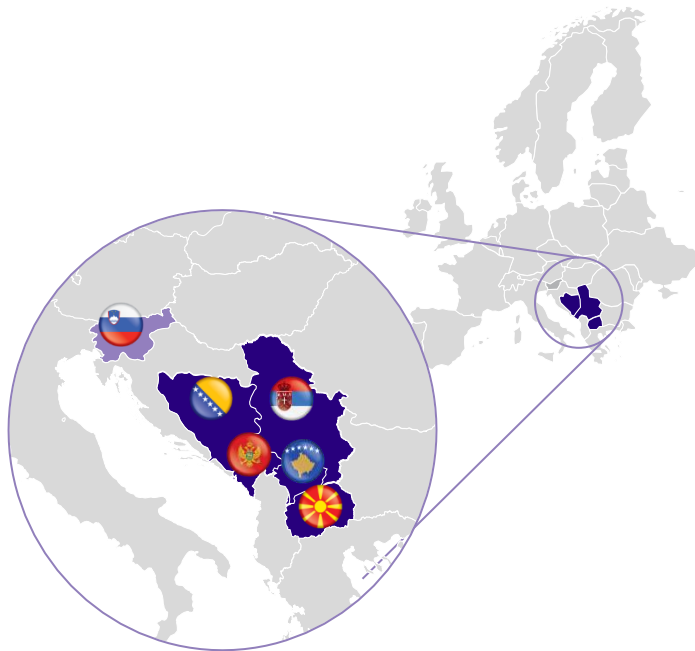
Macro Overview






NLB Group – Macro overview

NLB d.d. & 6 subsidiary banks operate in Slovenia (EU member) & 5 SEE countries (convergence to EU)

Slovenia 	EUR
GDP (EURbn)	64.8
Population (m)	2.1
NBS loans as % of GDP ⁽¹⁾	42.0%
NBS deposits as % of GDP ⁽¹⁾	63.1%
Credit ratings (S&P / Moody's / Fitch)	AA- / A3 / A
Bosnia and Herzegovina ⁽²⁾ 	EUR ⁽³⁾
GDP (EURbn)	25.9
Population (m)	3.5
NBS loans as % of GDP ⁽¹⁾	48.5%
NBS deposits as % of GDP ⁽¹⁾	63.1%
Credit ratings (S&P / Moody's / Fitch)	B+ / B3 / n.a.
Montenegro 	EUR
GDP (EURbn)	7.2
Population (m)	0.6
NBS loans as % of GDP ⁽¹⁾	61.2%
NBS deposits as % of GDP ⁽¹⁾	74.2%
Credit ratings (S&P / Moody's / Fitch)	B+ / Ba3 / n.a.



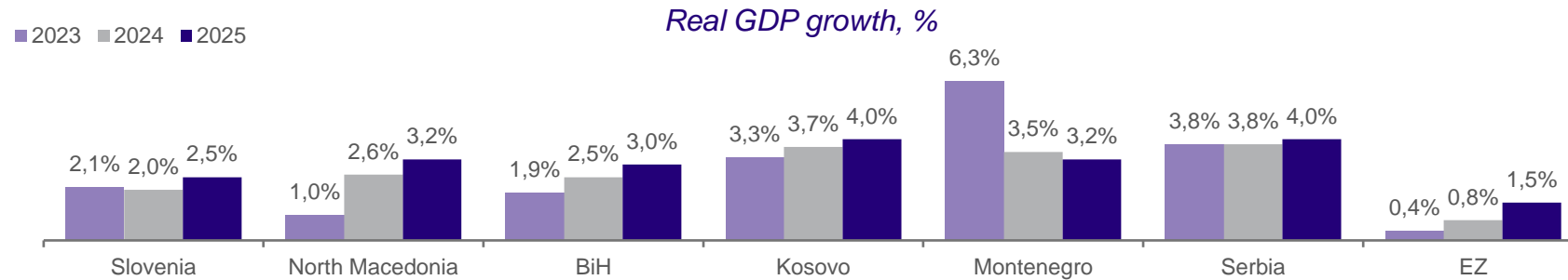
Serbia 	RSD
GDP (EURbn)	72.7
Population (m)	6.8
NBS loans as % of GDP ⁽¹⁾	37.6%
NBS deposits as % of GDP ⁽¹⁾	48.1%
Credit ratings (S&P / Moody's / Fitch)	BBB- / Ba2 / BB+
Kosovo 	EUR
GDP (EURbn)	9.9
Population (m)	1.8
NBS loans as % of GDP ⁽¹⁾	50.7%
NBS deposits as % of GDP ⁽¹⁾	61.8%
Credit ratings (S&P / Moody's / Fitch)	n.a. / n.a. / BB-
North Macedonia 	MKD
GDP (EURbn)	14.0
Population (m)	2.1
NBS loans as % of GDP ⁽¹⁾	53.2%
NBS deposits as % of GDP ⁽¹⁾	62.8%
Credit ratings (S&P / Moody's / Fitch)	BB- / n.a. / BB+

Source: Central banks, National Statistics Offices, FocusEconomics, NLB

Note: GDP volume for 2Q 2024 annualized (1) Non-banking sector loans/deposits as % of GDP for 2Q 2024 annualized (2) Bosnia and Herzegovina is comprised of 2 entities, The Federation of Bosnia and Herzegovina and Republika Srpska; (3) Official currency is BAM – Bosnia-Herzegovina Convertible Mark, pegged to EUR.

Regional economic growth mostly slowed down in Q2 2024, as government consumption substituted the declining household consumption.

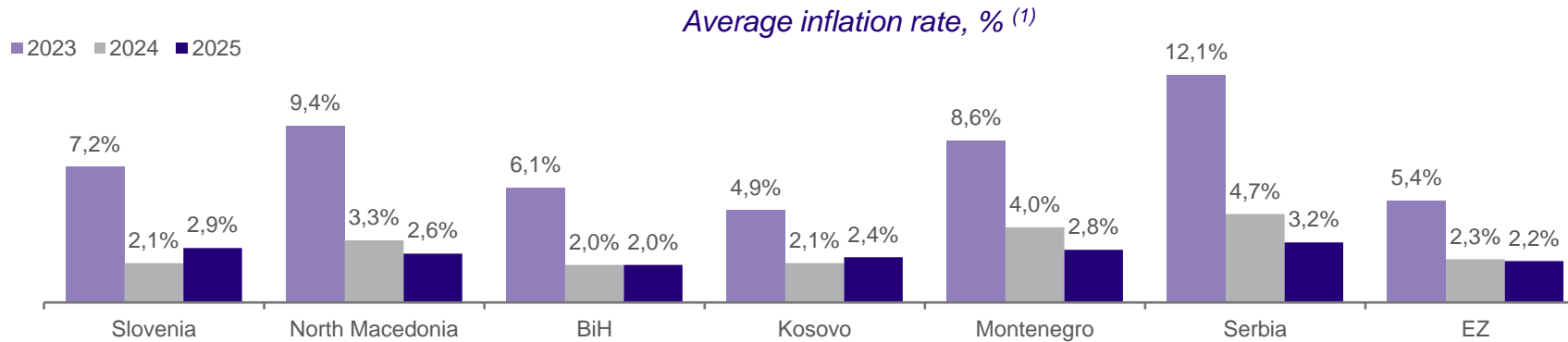
Group's region lost some momentum in Q2 2024 (from Q1 2024), but the available data bode well for a stronger Q3.



Economic growth of the NLB Group countries mostly decelerated in Q2 2024 but remained robust thanks to stronger **public spending**, as **private consumption** mostly lost steam in the region. Rising real wages and moderating inflation should strengthen household consumption going forward, while public spending should remain supportive.

Sources: FocusEconomics, Statistical offices, NLB Forecasts for 2024 and 2025.

Easing inflation brings some relief to consumers, while wage growth exerts additional pressure on prices.



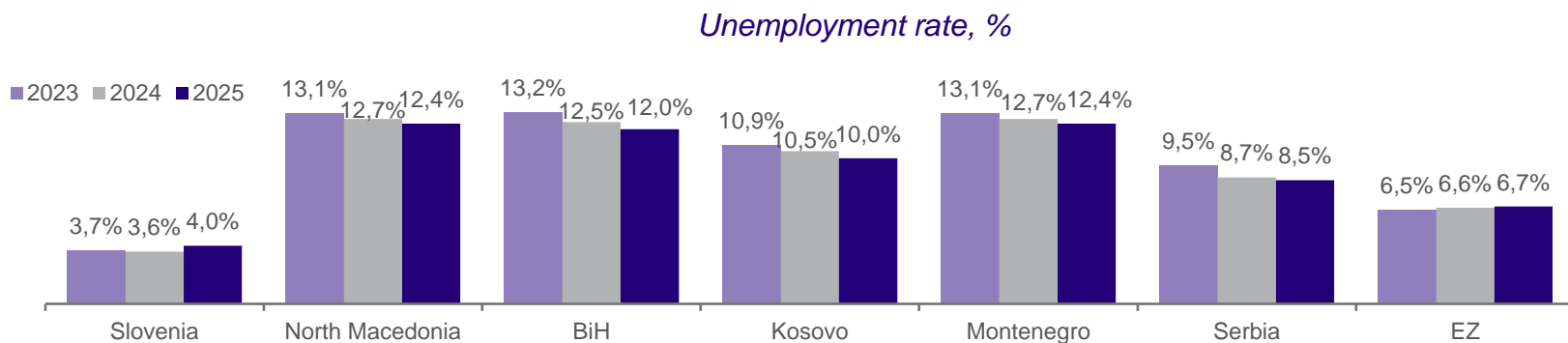
The Q3 2024 available inflation prints show inflation decelerated (YoY) related to Q2 prints in all countries of the region. **Wage** growth is still exerting upwards pressures, while prices of **transport and energy** apply deflationary effects.

Sources: National statistical offices, FocusEconomics, NLB Forecasts for 2024 and 2025

Note: (1) HICP for Slovenia, Kosovo and Eurozone, others CPI

Tight labour market in the region with historically low unemployment levels

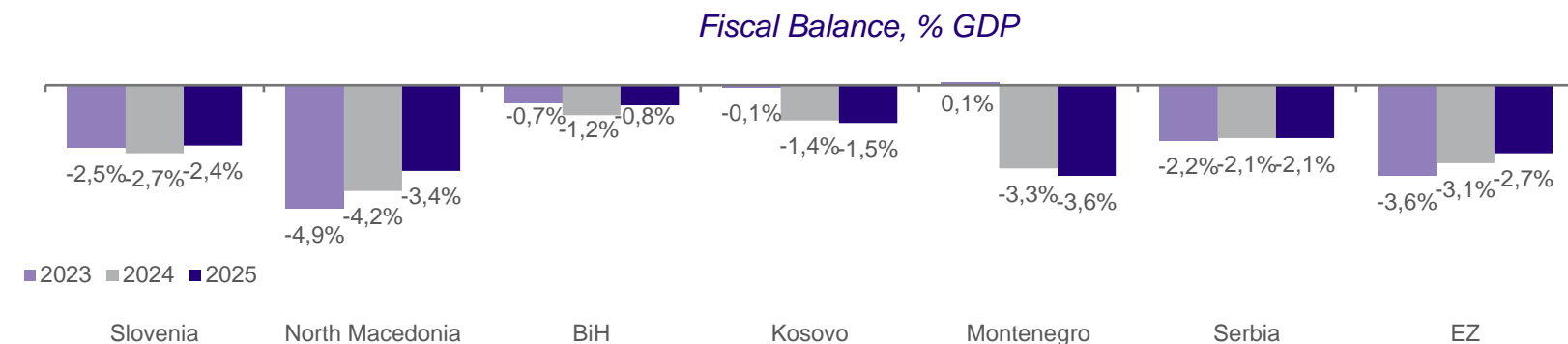
Labour markets are expected to remain tight...



According to the latest available data, **unemployment** rate changed little (but in all cases downwards) in Q2 2024, and with that remained near to the historical lows. Still, the labour markets are expected to get even tighter throughout the NLB Group's region, where structural unemployment remains a weakness however, keeping the unemployment rate significantly higher than in the Eurozone.

Sources: FocusEconomics, statistical offices, NLB Forecasts for 2024 and 2025.

...while government spending will have to be disciplined to preserve the welfare state and finance investments at the same time.



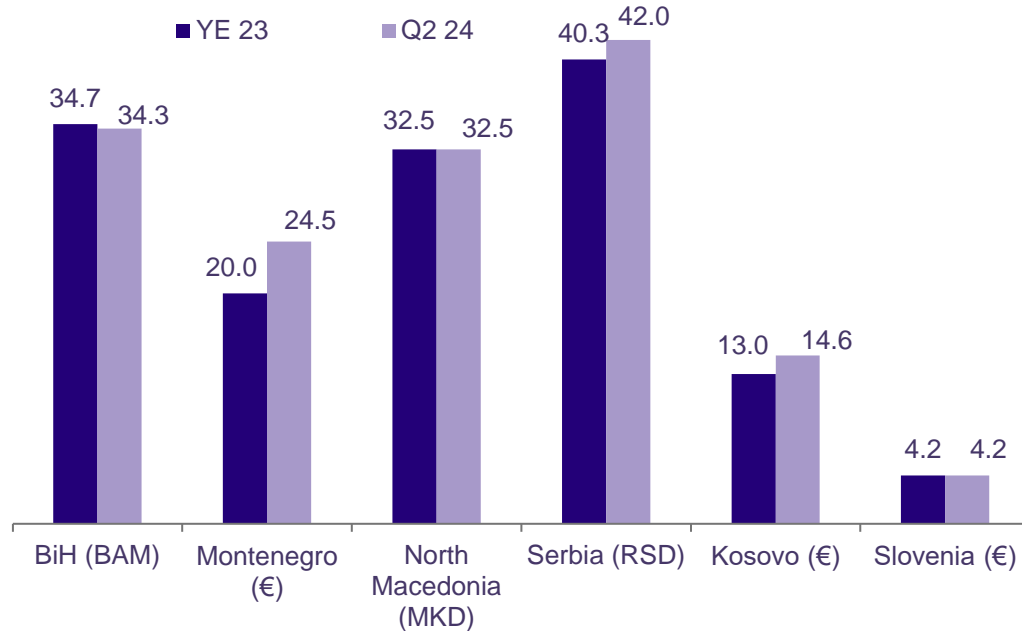
The EU has to settle the **fiscal policy** challenge, while preserving the welfare state. This will pose a drag on investment, for which there is a clear need for – from the green transition to defence, innovation and healthcare. Most countries of the NLB Group's region exhibit budget deficits that will have to similarly be reduced over the next couple of years.

Sources: FocusEconomics, 2023 (estimation for Kosovo), 2024 and 2025

NLB operates in countries with prudent monetary policy

International reserves as % of GDP

International reserves YE 2023 and Q2 2024 annualized as % of GDP

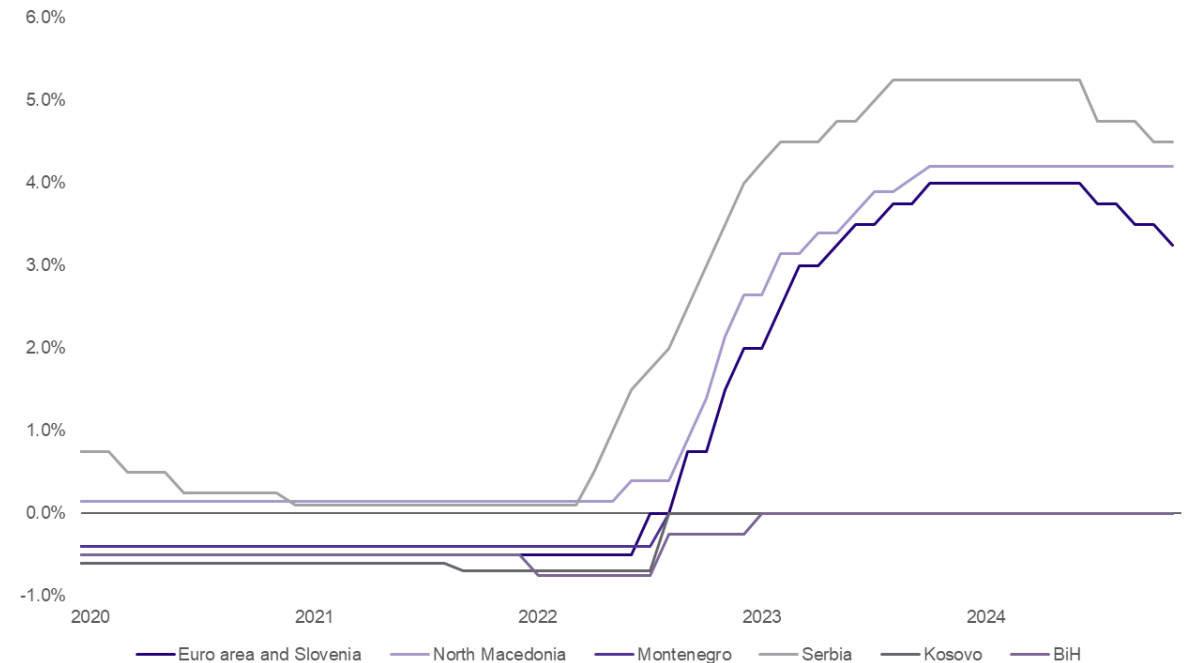


Note: International reserves are calculated from quarterly GDP by expenditure approach (previous years prices) used. Data for international reserves are from September 2024.

Source: ECB, Central banks, Statistical Offices

Central Bank interest rates evolution⁽¹⁾

Deposit facility rate, October 2020 – October 2024 %

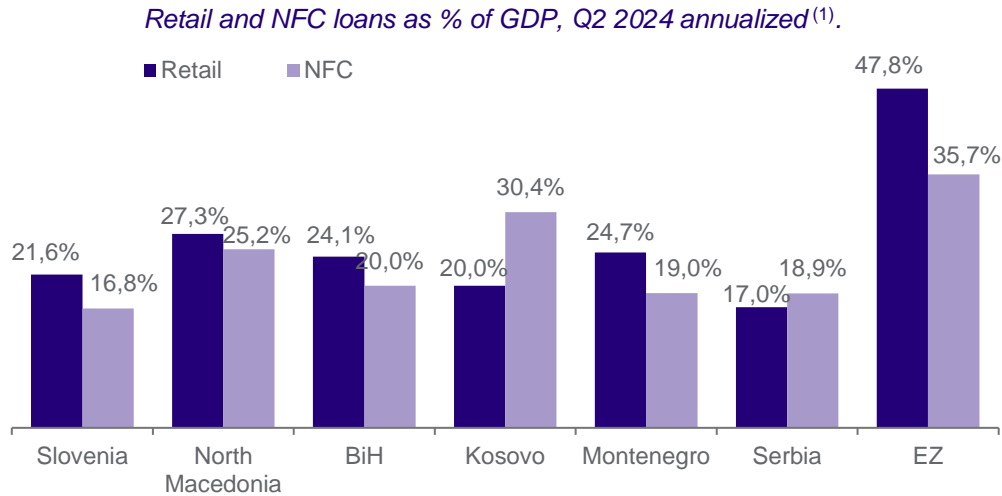


Note: (1) Deposit facility rate stands for the rate the CB charges for excess reserves in local currency.

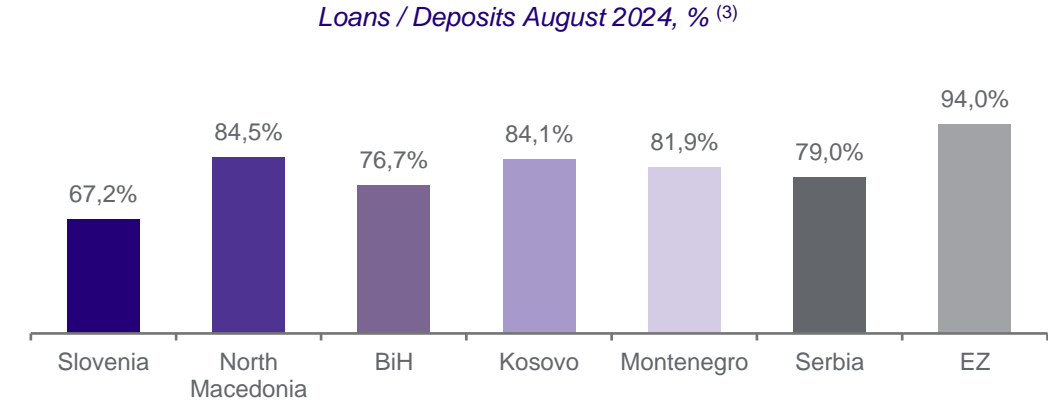
While some CBs never hiked their **deposit facility** rates above the 0% mark (**Montenegro, Kosovo and BiH**), others follow the path of **stabilization** that the ECB opted for, with NBS already following by lowering key rates, while NBRM refrained from doing so just yet.

Untapped growth potential with strong fundamentals

Low overall sector leverage...



...with liquid banking sectors...

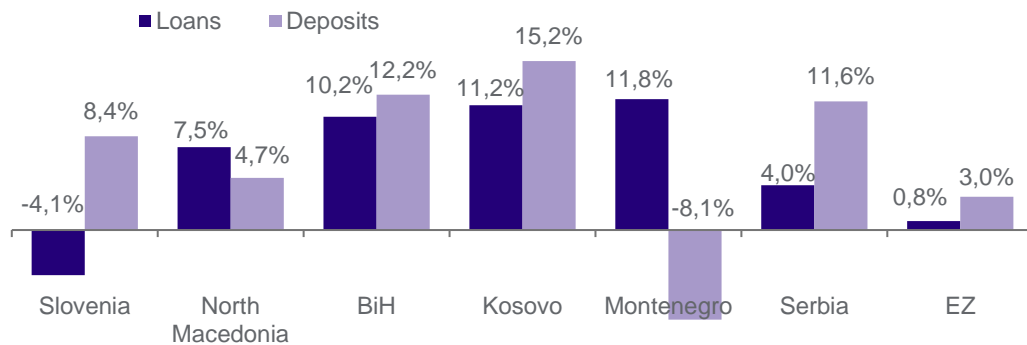


Source: National Central Banks, ECB

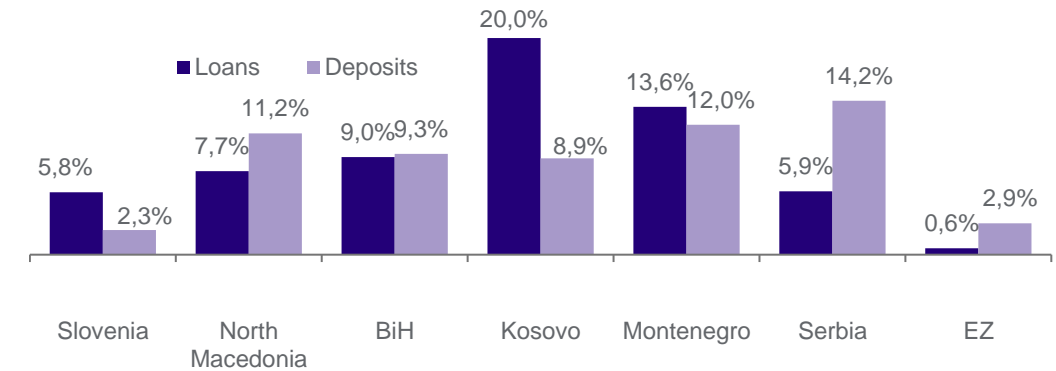
(1) Q2 2024 annualized GDP used for all countries, (3) Data July 2024 for Serbia; August 2024 for Montenegro, Kosovo, BiH and Slovenia; September 2024 for N.Macedonia and for Q1 2024 for EZ.

...and strong deposit growth supporting healthy loan growth rates.

Corporate loans and deposits growth, August 2023 – August 2024, %⁽²⁾



Household loans and deposits growth, August 2023 – August 2024, %⁽²⁾



Source: National Central Banks, ECB

Note: NBS – Non Banking Sector; (2) YoY data, residential loans and deposits data for Montenegro. Data for August 2024, except for Serbia (July 24) and N. Macedonia (September 24)

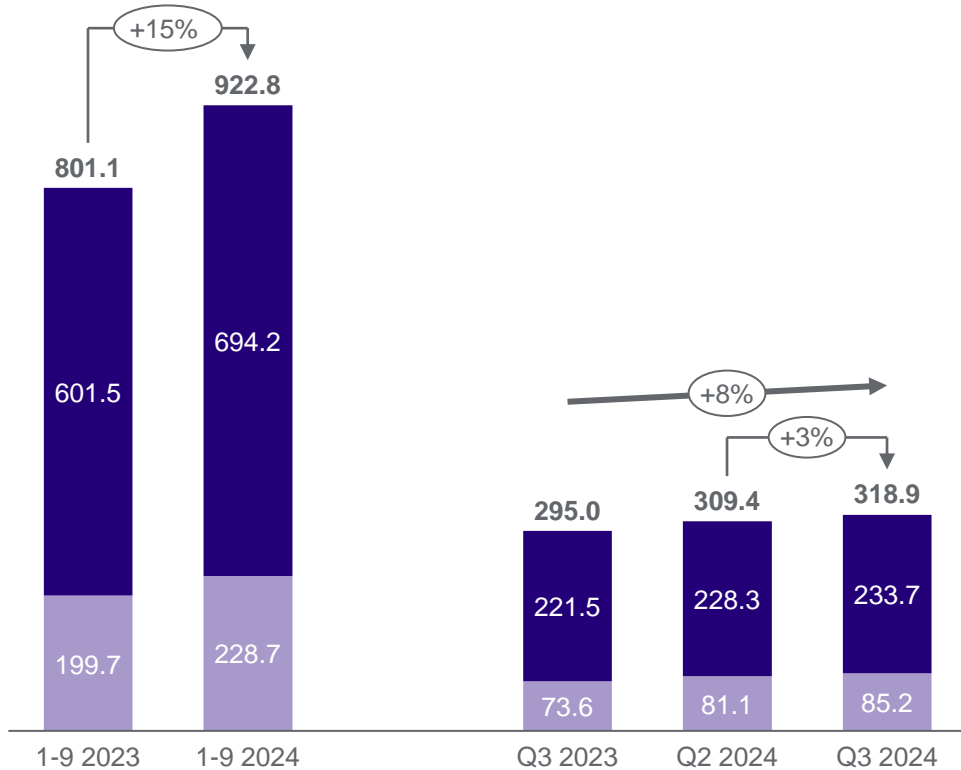
Key Developments



Revenues and Cost Dynamics

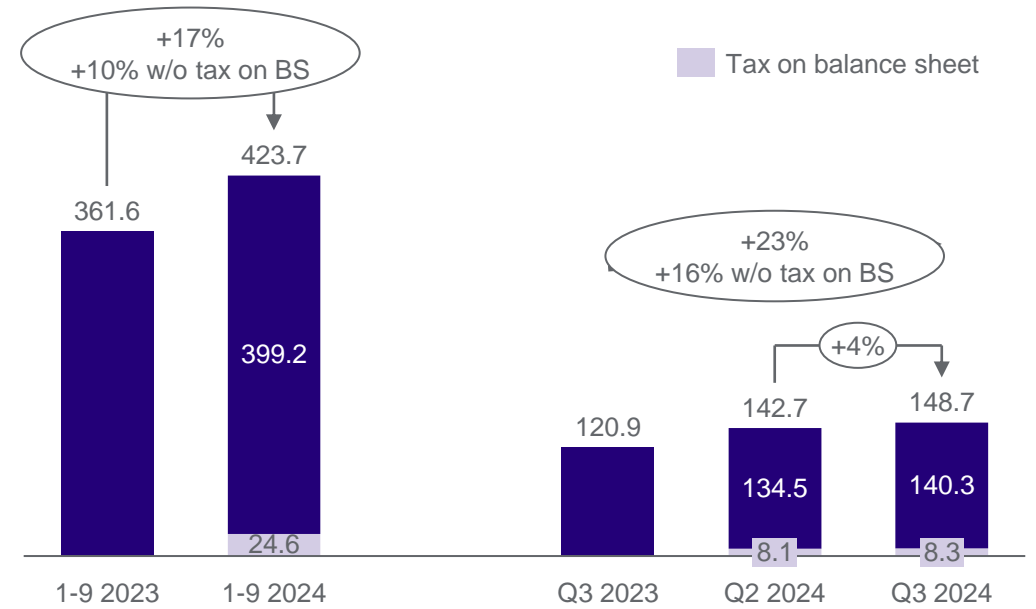
Net operating income continues to grow

Recurring net operating income (Group, EURm)

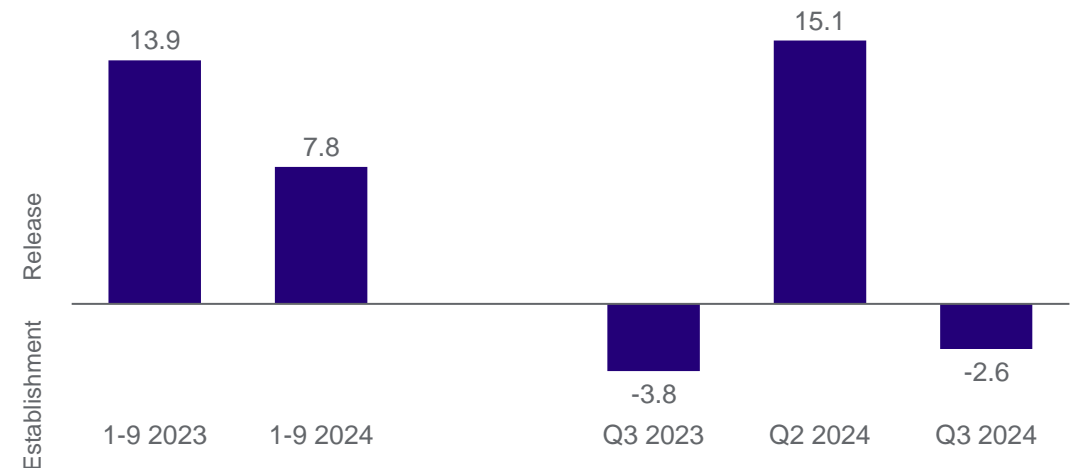


■ Net interest income ■ Recurring net non-interest income

Costs (Group, EURm)



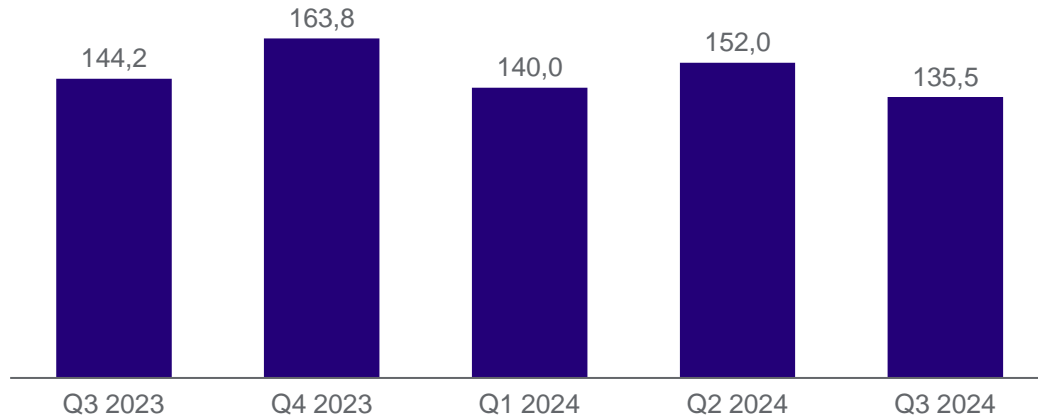
Impairments and provisions (Group, EURm)



Profitability

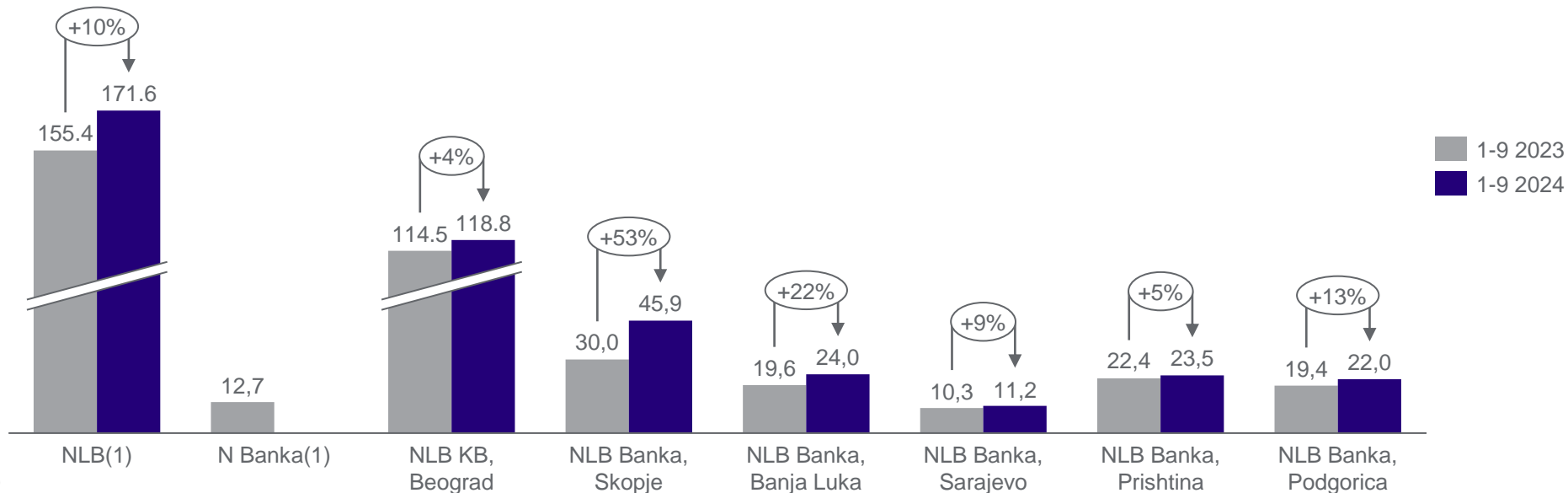
SEE banks are contributing 57% to the Group's result

Profit a.t. – quarterly evolution (EUR million)



All banks recorded profits and positively contributed to the Group's overall result. The most significant contribution came from NLB, totalling EUR 171.6 million, followed by NLB Komercijalna Banka, Beograd with EUR 118.8 million. The profits of all banks increased YoY, supported by strong loan growth and fee origination. The SEE banks contributed 57% to the Group's result.

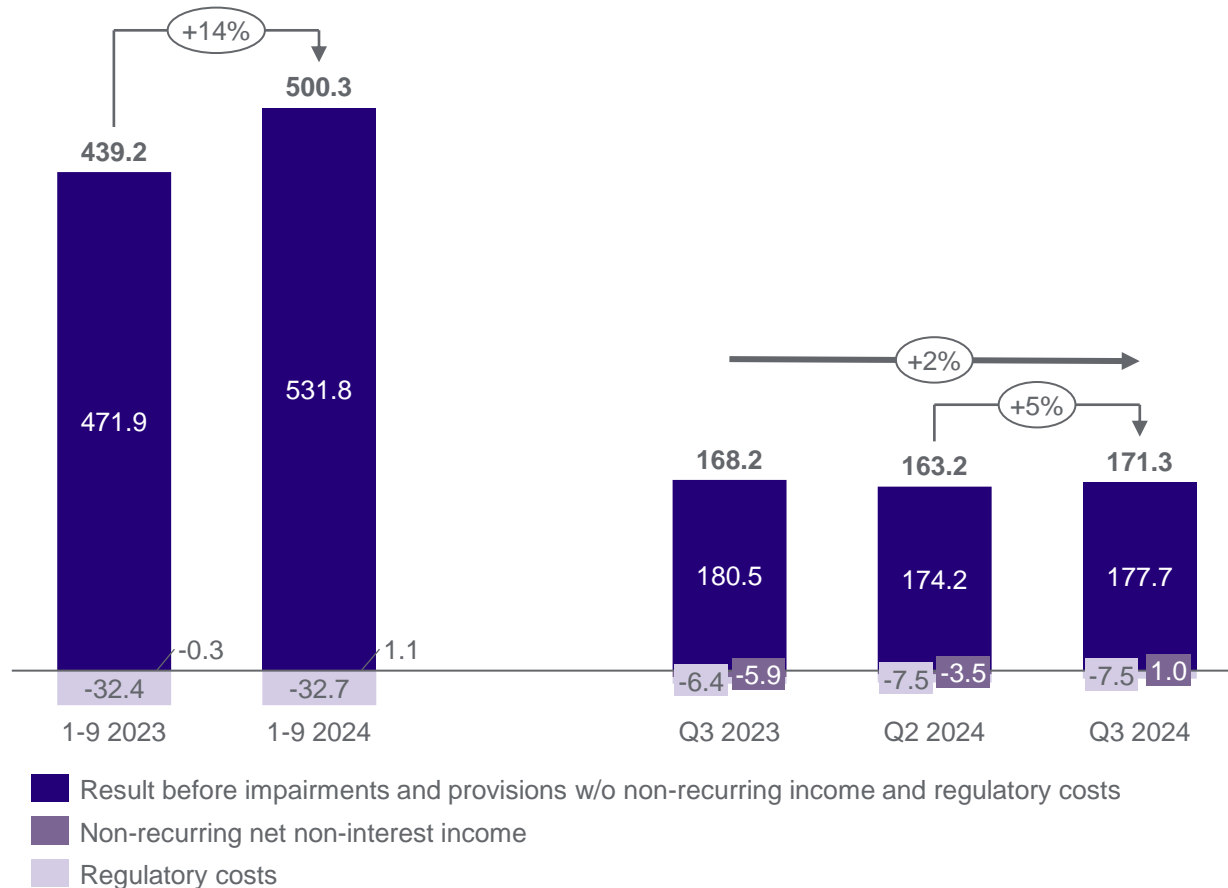
Profit a.t. by company – contribution (EUR million)



Income Statement

Strong operational performance increasing resilience of the NLB Group

Result before impairments and provisions (Group, EURm)



The result before impairments and provisions amounted to EUR 500.3 million.

Main drivers of YoY dynamics in recurring pre-provision profit:

- Healthy loan demand, particularly from individuals, along with higher interest rates on loans and central bank balances, increased securities portfolio and increased yields contributed to a YoY rise in interest income by 26%. On the other hand, higher cost of wholesale funding and higher interest rates on deposits (positively impacting the volume of deposits, particularly those from individuals) resulted in a substantial 85% YoY increase in interest expenses;
- A 13% YoY increase in the net fee and commission income, benefitting from the favourable impact of economic activity, increased engagement in investment funds and bancassurance, and renegotiated conditions with the service providers.

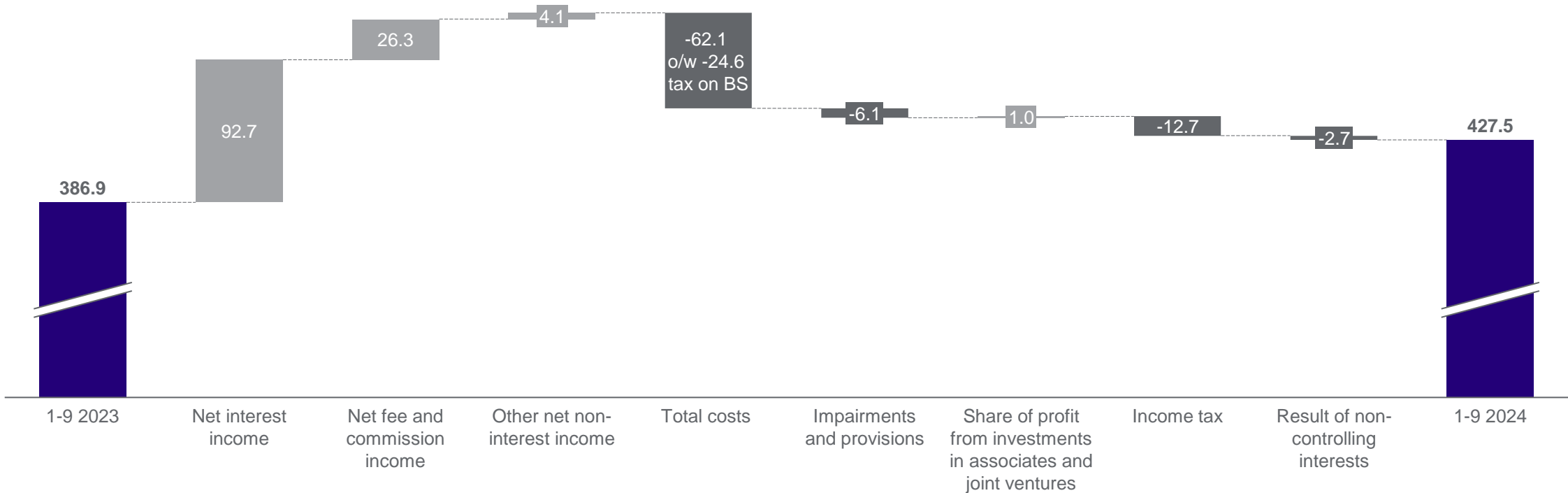
Partly offset by:

- tax on the balance sheet (EUR 24.6 million in 1-9 2024).
- higher employee costs (EUR 19.1 million), driven mostly by higher salaries and by hiring highly skilled employees.
- increase in other general and administrative expenses, mostly due to investments in technology and the cost of advertising in SEE bank members.
- the acquisition of the SLS Group, with approximately EUR 6.5 million contribution to total costs, with roughly one-third attributed to one-off costs.

Resilient Operating Income Performance

Result reflects strong underlying performance: income growth and recent leasing acquisition, while costs were influenced by the balance sheet tax in Slovenia

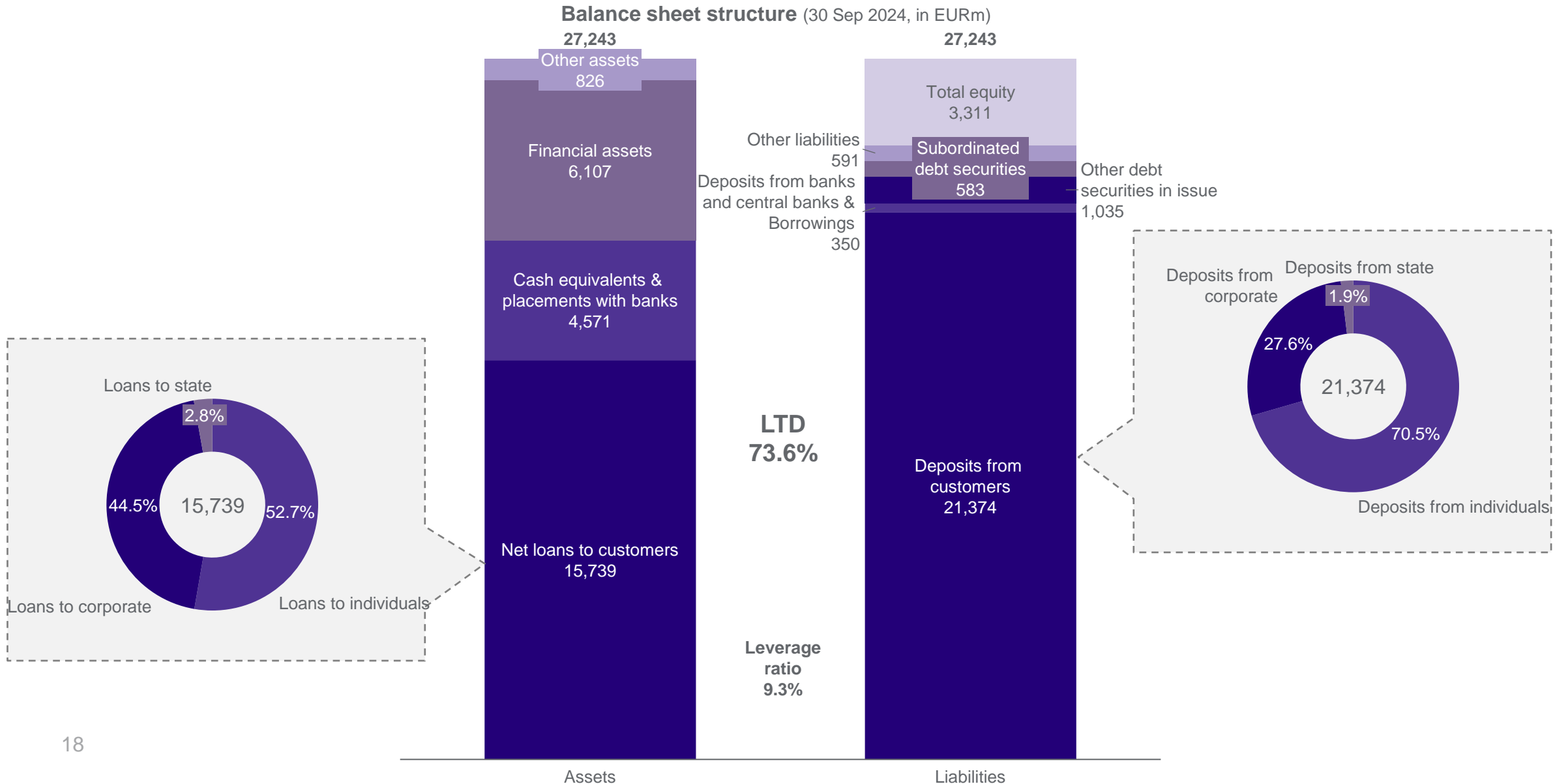
Net profit of NLB Group – evolution YoY (in EURm)



The continued stable performance of the NLB Group led to a **profit a.t.** of **EUR 427.5 million**, EUR 40.6 million or 10% higher YoY, primarily due to a favourable economic environment and high interest rates. A good result of EUR 500.3 million was also recorded in the profit before impairments and provisions, marking a EUR 61.1 million or 14% YoY increase.

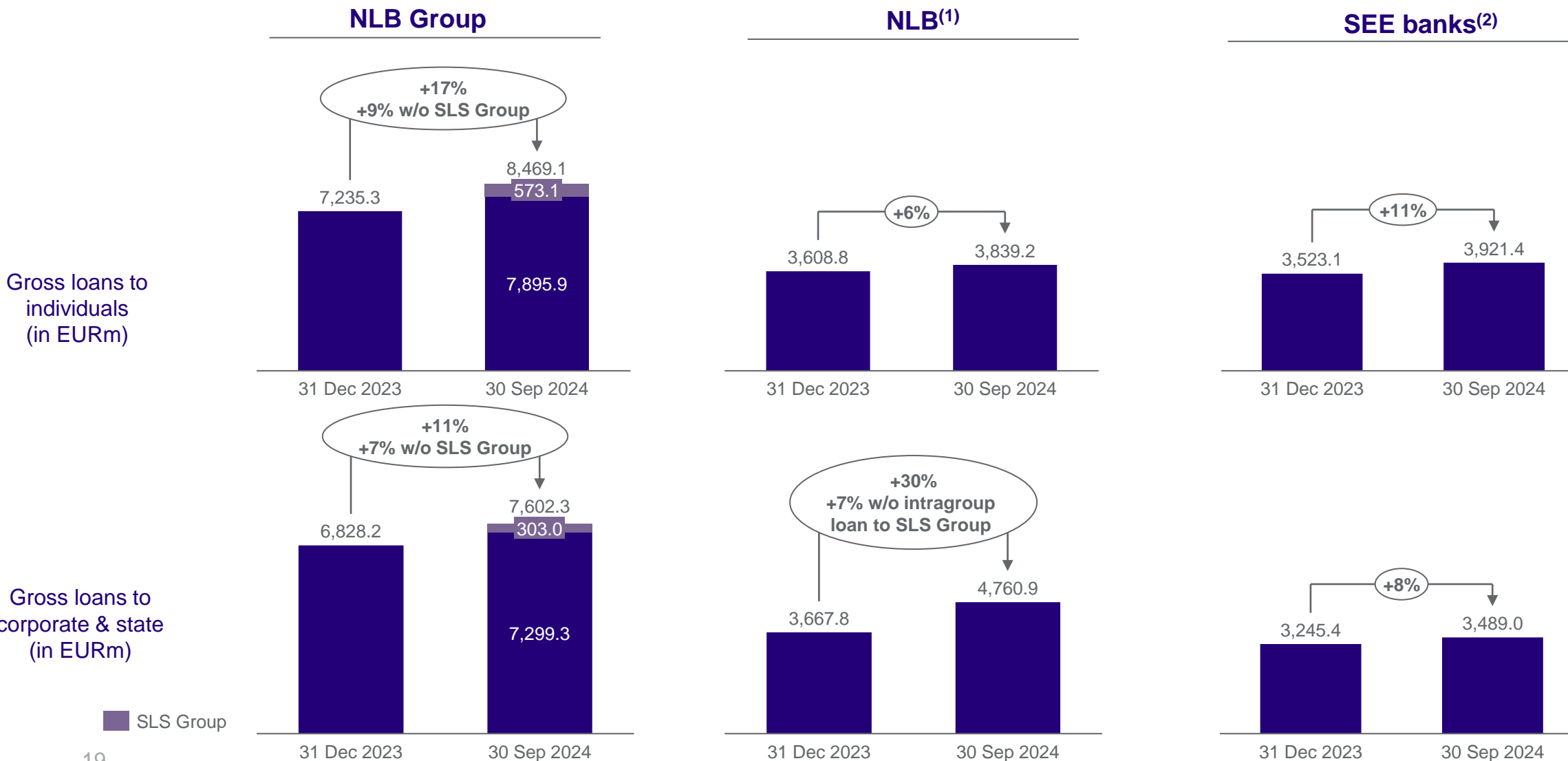
NLB Group's Balance sheet structure

Deposit (predominately from individuals) driven balance sheet



Loan dynamics

Strong organic loan growth, additionally supported with the acquisition of the SLS Group

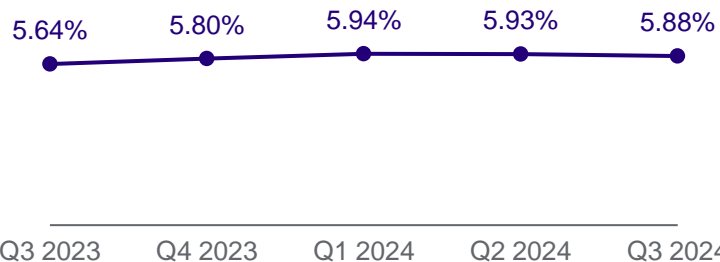


Interest rate environment

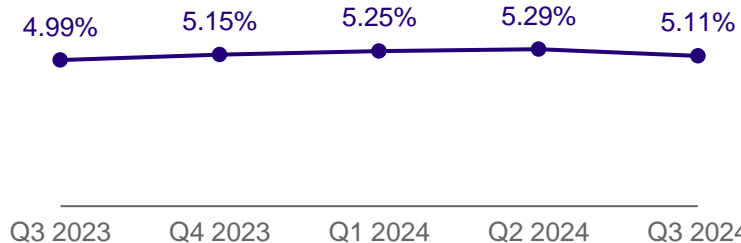
Increased Fixed interest rate loans adding to reduced NII sensitivity

Interest rates for loans to customers (quarterly, in %)

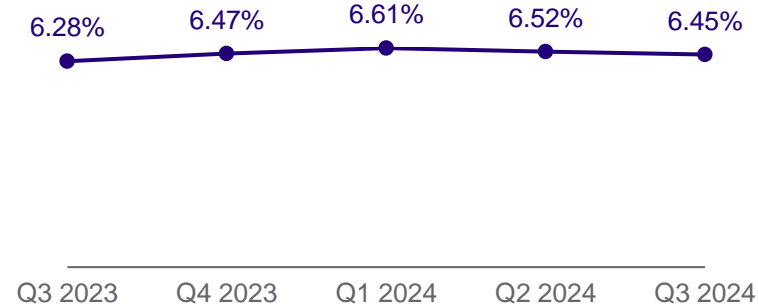
NLB Group⁽¹⁾



NLB⁽²⁾

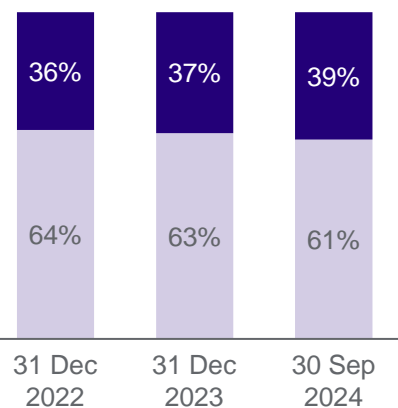


SEE banks⁽³⁾

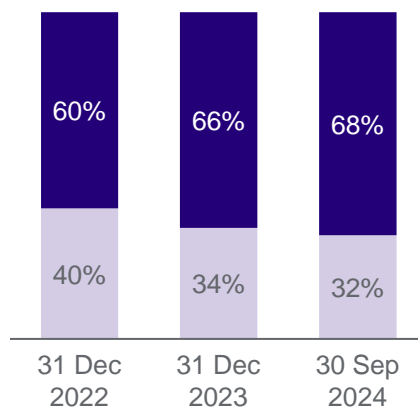


Corporate and retail portfolio of NLB Group

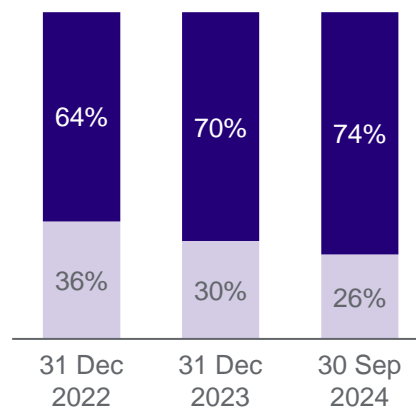
Corporate (incl. SME)



Consumer



Housing



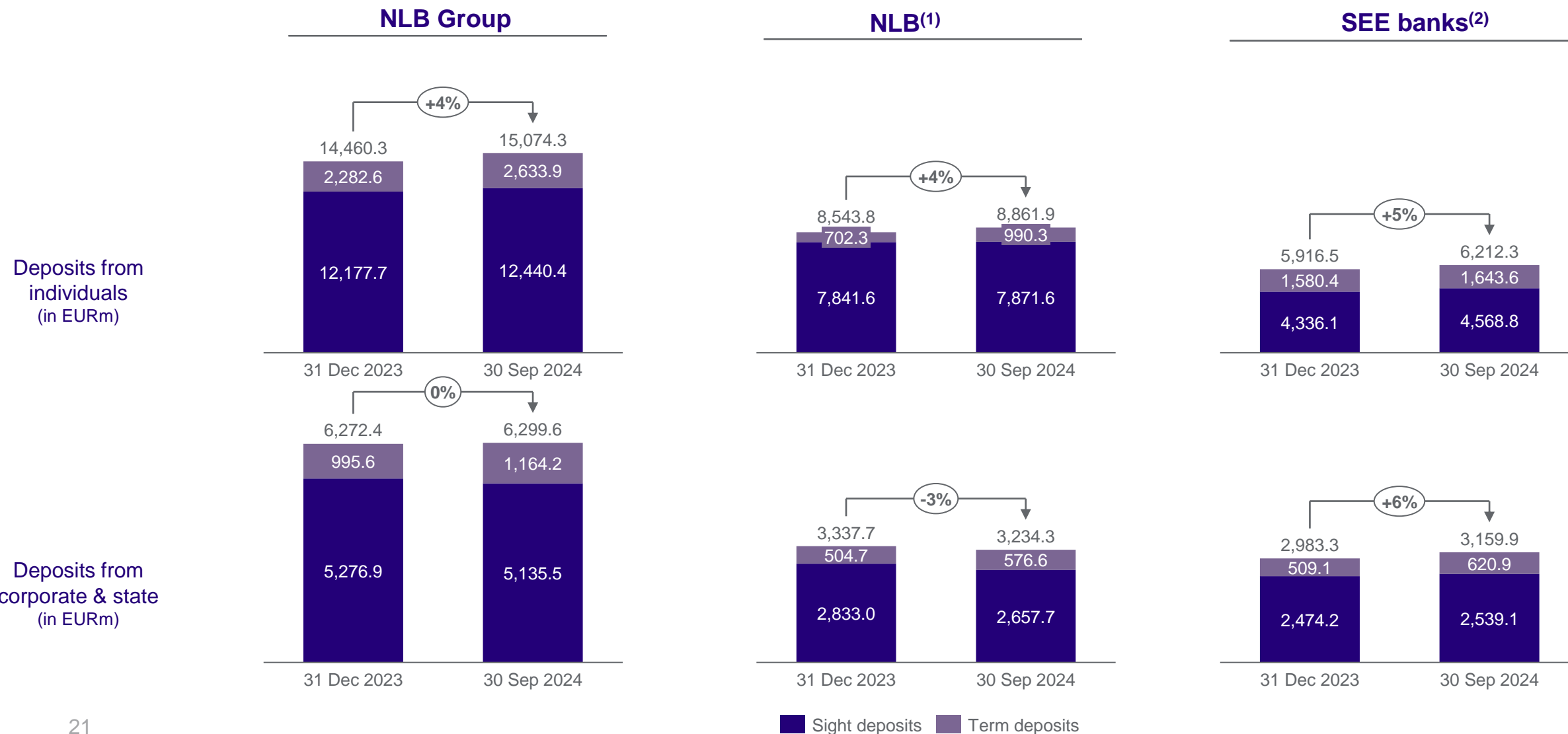
Fix Float

A notable shift from floating to fixed interest rates continues in 2024. Approximately 56.2% of the Group corporate and retail loan portfolio is linked to a fixed interest rate, and the rest to a floating rate (mainly the Euribor reference rate).

Floating interest rates dominate the corporate segment. In the retail segment, 71.3% of the retail loan portfolio is linked to a fixed interest rate, while in the housing loan segment the percentage is even higher (74.1%), which limits the sensitivity of the retail sector to potential changes in reference rates.

Deposit dynamics

Continuous inflow of retail deposits

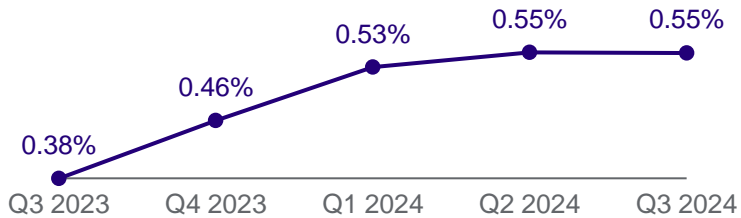


NLB Group Funding Driven by Deposits

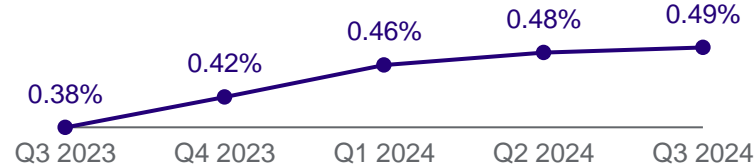
Deposit interest rates are stable, deposit beta at 12% remains low⁽¹⁾

Interest rates for customer deposits (quarterly, in %)

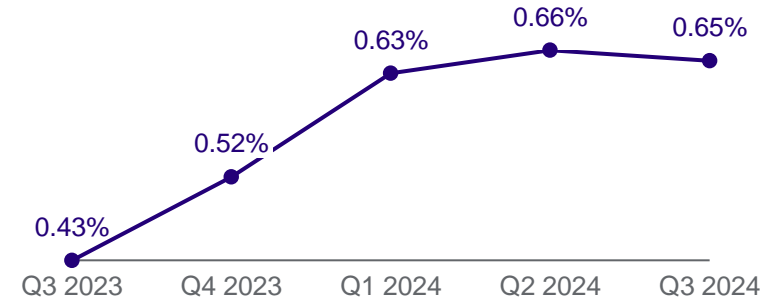
NLB Group⁽²⁾



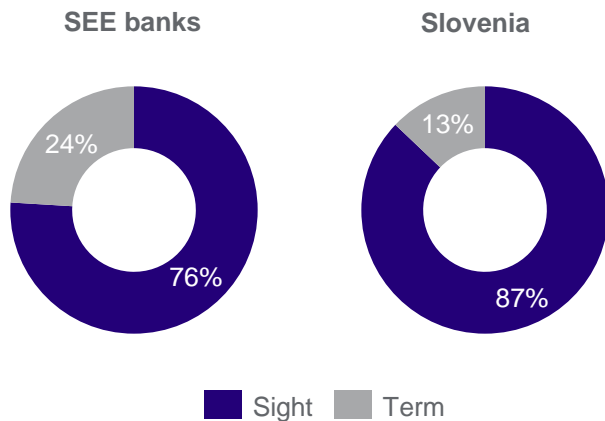
NLB⁽³⁾



SEE banks⁽⁴⁾

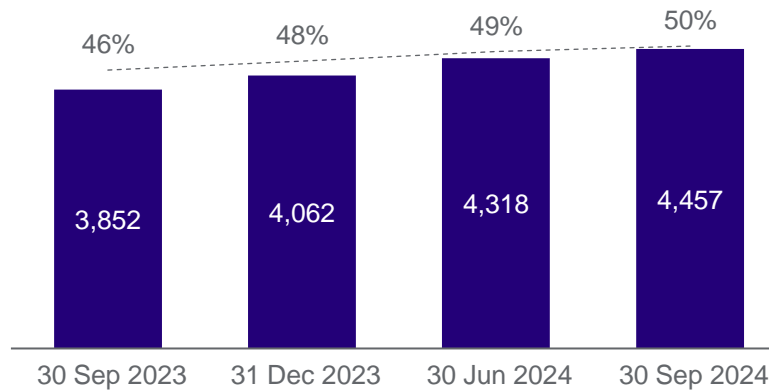


Deposit split⁽⁵⁾ (30 Sep 2024)



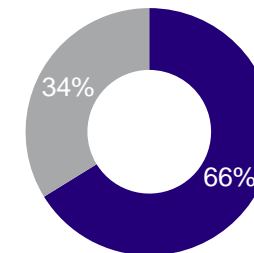
NLB term and savings accounts

(volume in EUR millions, share of deposits from individuals in %)

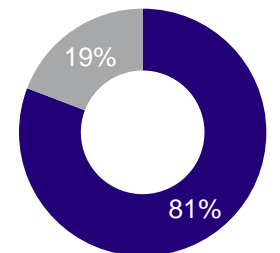


Higher interest rates for term deposits led to growth in the term deposit volume during 1-9 2024 (EUR 288.0 million), as clients shifted from sight to term deposits.

Deposits from customers (Group, 30 Sep 2024)



Deposits from individuals (Group, 30 Sep 2024)

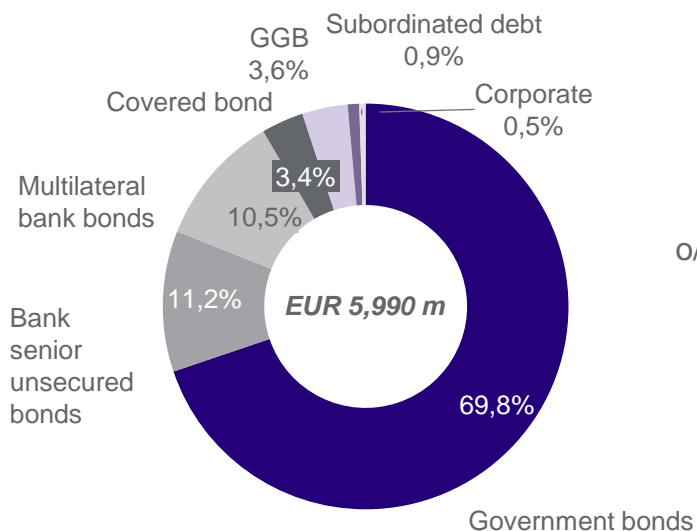


■ Covered ■ Uncovered

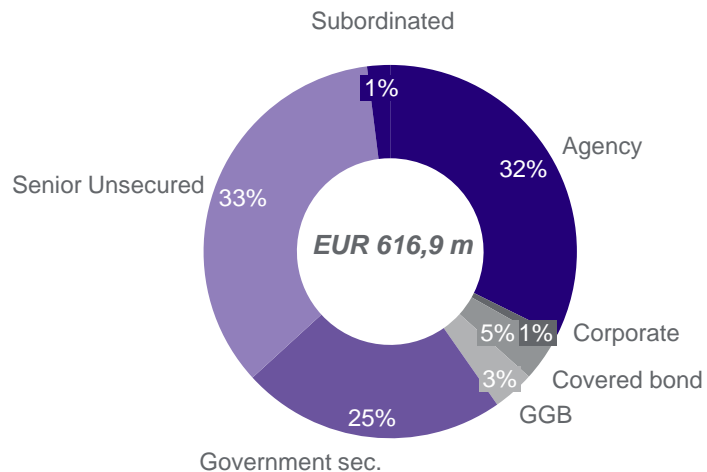
Well diversified securities portfolio

Banking book securities by asset class

(NLB Group, 30 Sep 2024)

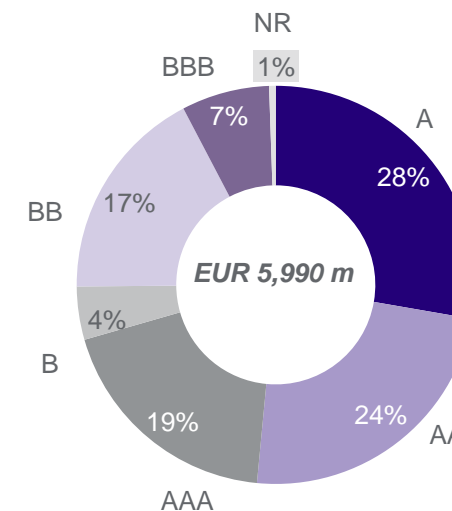


o/w ESG



Banking book securities by rating⁽²⁾

(NLB Group, 30 Sep 2024)



Banking book portfolio

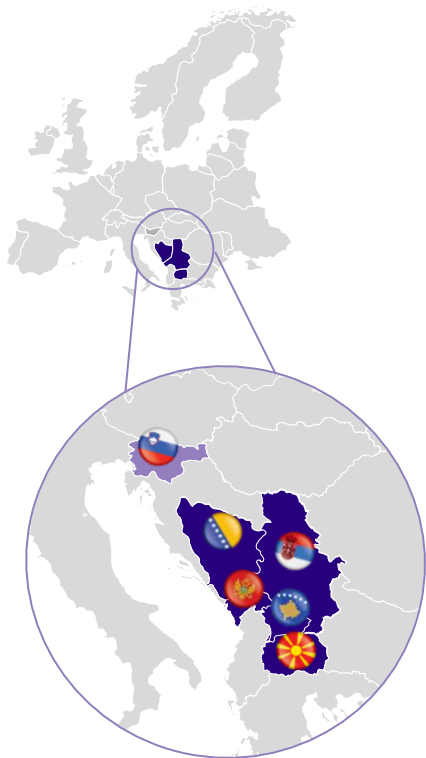
NLB Group, 30 September 2024 (EURm, years)








	Amount	Duration	Unrealized losses (amount)
FVOCI	2,593	2.16	-35
AC ⁽¹⁾	3,396	4.22	-12
Total	5,990	3.16	

0.4% of regulatory capital

Note: (1) Financial instruments not measured at fair value in financial statements are not managed on a fair value basis. For respective instruments fair values are calculated for disclosure purposes only and do not impact NLB Group statement of financial position or income statement. (2) 97% of non-investment grade securities relate to NLB Group's markets, i.e. exposures to Serbia, Bosnia and Herzegovina, N Macedonia, etc. Half of this exposure is to Serbia, which was upgraded to investment grade in October.

Performance indicators across banks in SEE countries



	Slovenia  NLB, Ljubljana	Serbia  NLB Komercijalna Banka, Beograd	North Macedonia  NLB Banka, Skopje	Bosnia and Herzegovina  NLB Banka, Banja Luka NLB Banka, Sarajevo		Kosovo  NLB Banka, Prishtina	Montenegro  NLB Banka, Podgorica	 NLB Group Consolidated data
	Data on stand-alone basis							
Result after tax (EURm)	374.3	120.0	53.5	23.9	11.5	28.7	22.0	427.5
Total assets (EURm)	16,964	5,327	1,966	1,133	962	1,301	1,017	27,243
RoE a.t.	21.0%	18.6%	24.7%	27.6%	15.2%	25.4%	23.7%	18.6%
Net interest margin	2.90%	4.82%	4.08%	3.69%	3.17%	4.19%	5.13%	3.65%
CIR (cost/income ratio) ⁽¹⁾	30.7%	39.6%	38.5%	38.3%	53.0%	29.2%	42.1%	43.2%
LTD net	70.0%	73.4%	82.9%	67.9%	78.2%	91.3%	76.8%	73.6%
NPL ratio	1.2%	0.6%	2.5%	0.8%	1.9%	1.9%	2.3%	1.6%
Branches (#)	69	162	48	41	34	34	21	409
Active clients (#)	726,261	1,045,646	466,162	217,719	132,718	243,499	95,989	2,927,994
Market share by total assets (%)	31.4%	9.9%	15.4%	20.9%	5.9%	16.7%	14.6%	/
	as at 30 Sep 2024	as at 30 Sep 2024	as at 30 Sep 2024	as at 30 Jun 2024	as at 30 Jun 2024	as at 30 Sep 2024	as at 30 Sep 2024	

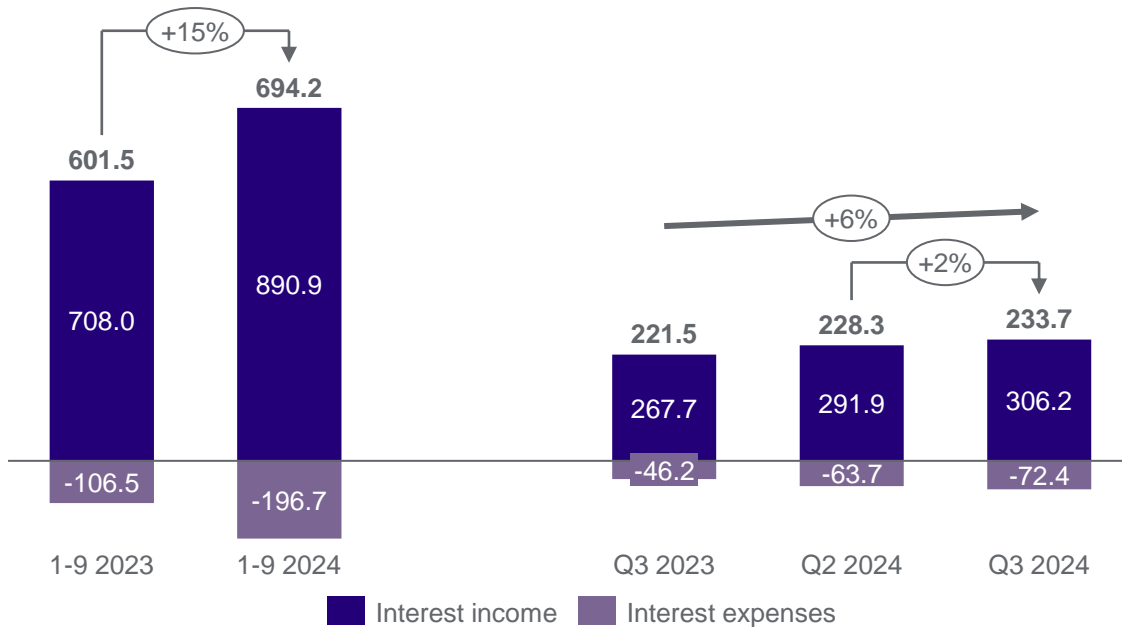
Business Performance

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Net interest income

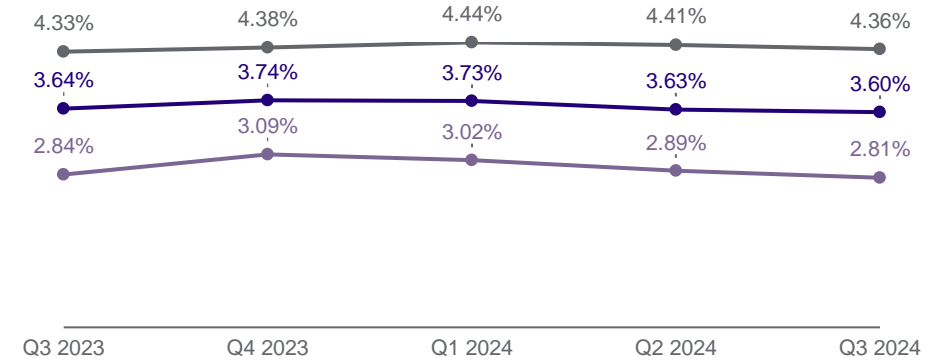
NII and NIM growing YoY, while NIM is decreasing QoQ

Net interest income of NLB Group (in EURm)

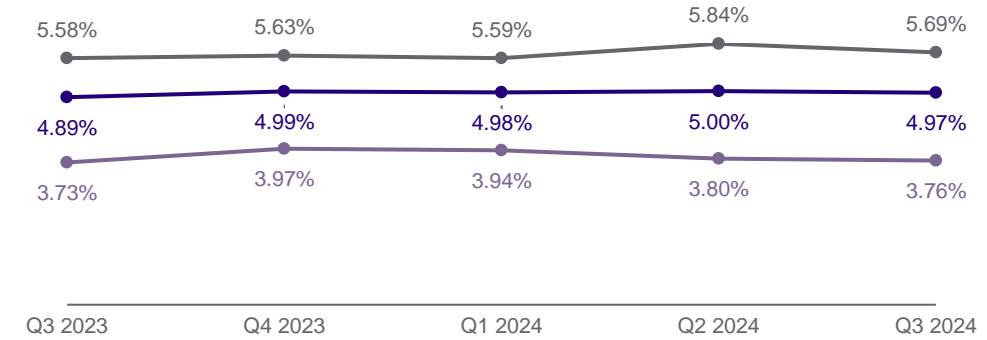


- YoY growth in interest income derived from:
 - loans to customers: EUR 107.7 million, with EUR 54.5 million to individuals and EUR 53.2 million to corporate and state
 - balances at banks and central banks (EUR 17.1 million)
 - securities (EUR 47.7 million).
- Interest expenses increased due to higher expenses incurred from MREL eligible wholesale funding (EUR 33.1 million), and higher expenses for customer deposits (EUR 40.1 million).
- Profitability stabilization is one of the NLB Group's priorities. To protect future interest income from a declining interest rate environment, the Bank hedged issued securities in the amount of EUR 1,070.0 million in 2024. Assuming interest rate dynamics are in line with market expectations, these hedges should positively impact the net interest income in the coming years.

Net interest margin, quarterly (in %)



Operational business margin, quarterly (in %)

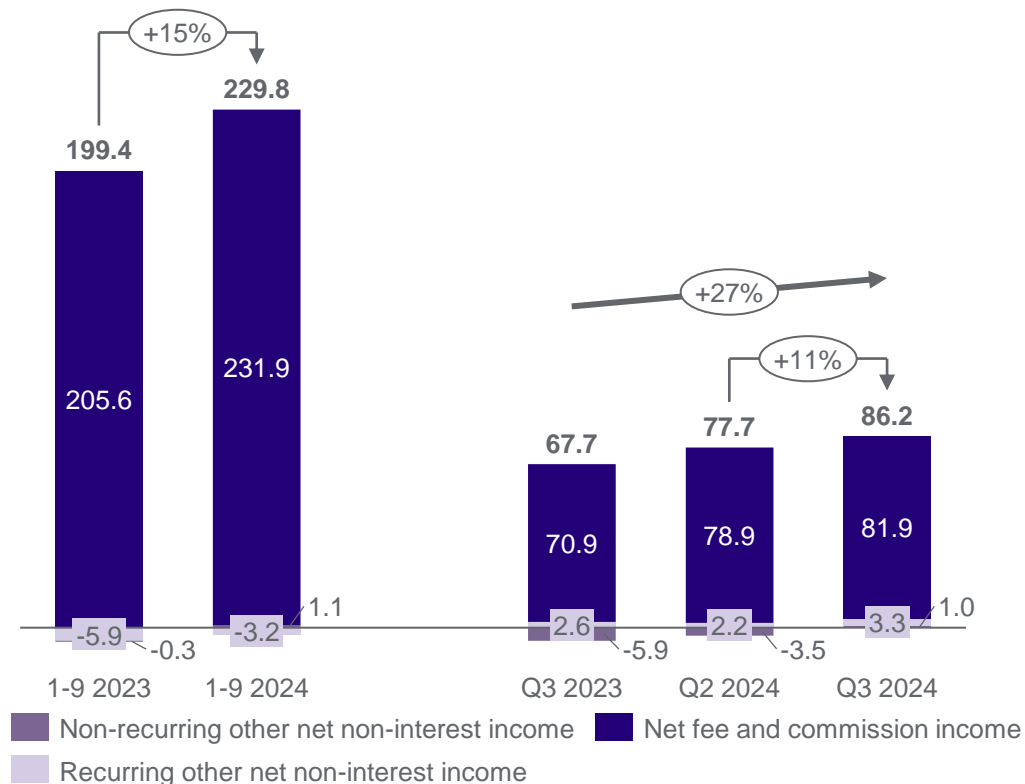


The cost of funding grew at a slower pace than interest rates on assets, resulting in improvement in the Group's net interest margin by 0.24 pp to 3.65% YoY. However, the quarterly interest margin continued to decline, mainly due to the ECB's key interest rate cuts in June and September. This decline was almost offset by replacing less profitable central bank balances with a loan portfolio acquired from the SLS Group. On the other hand, the operational business margin reached 4.98%, marking a 0.31 pp increase YoY. However, a quarterly decrease was observed for the same reasons, affecting the net interest margin.

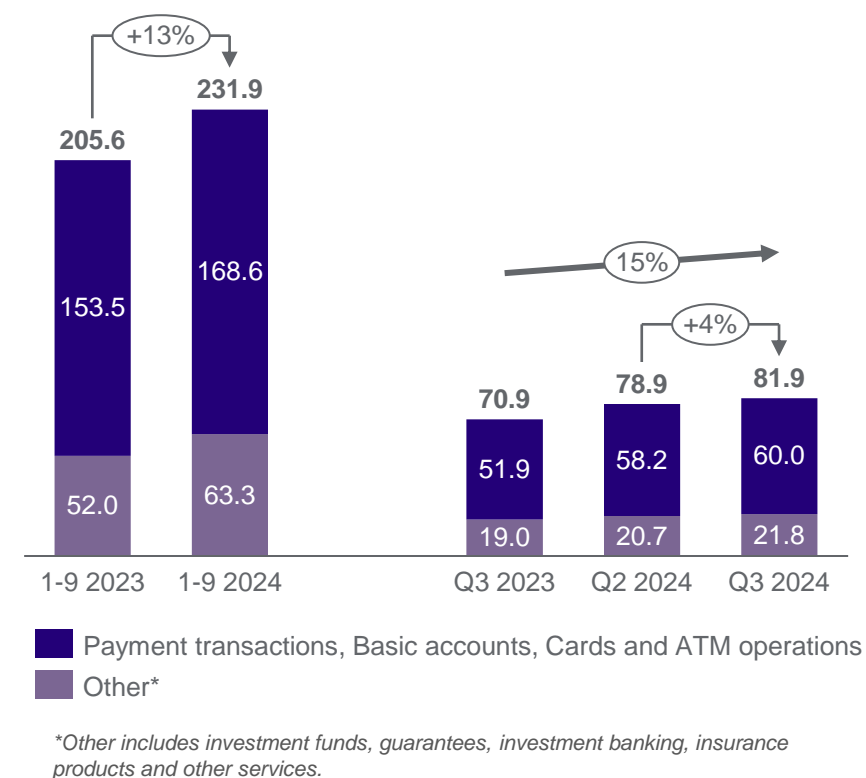
Net non-interest income

Strong growth of net fee & commission income

Net non-interest income of NLB Group (in EURm)



Net fee and commission income (in EURm)

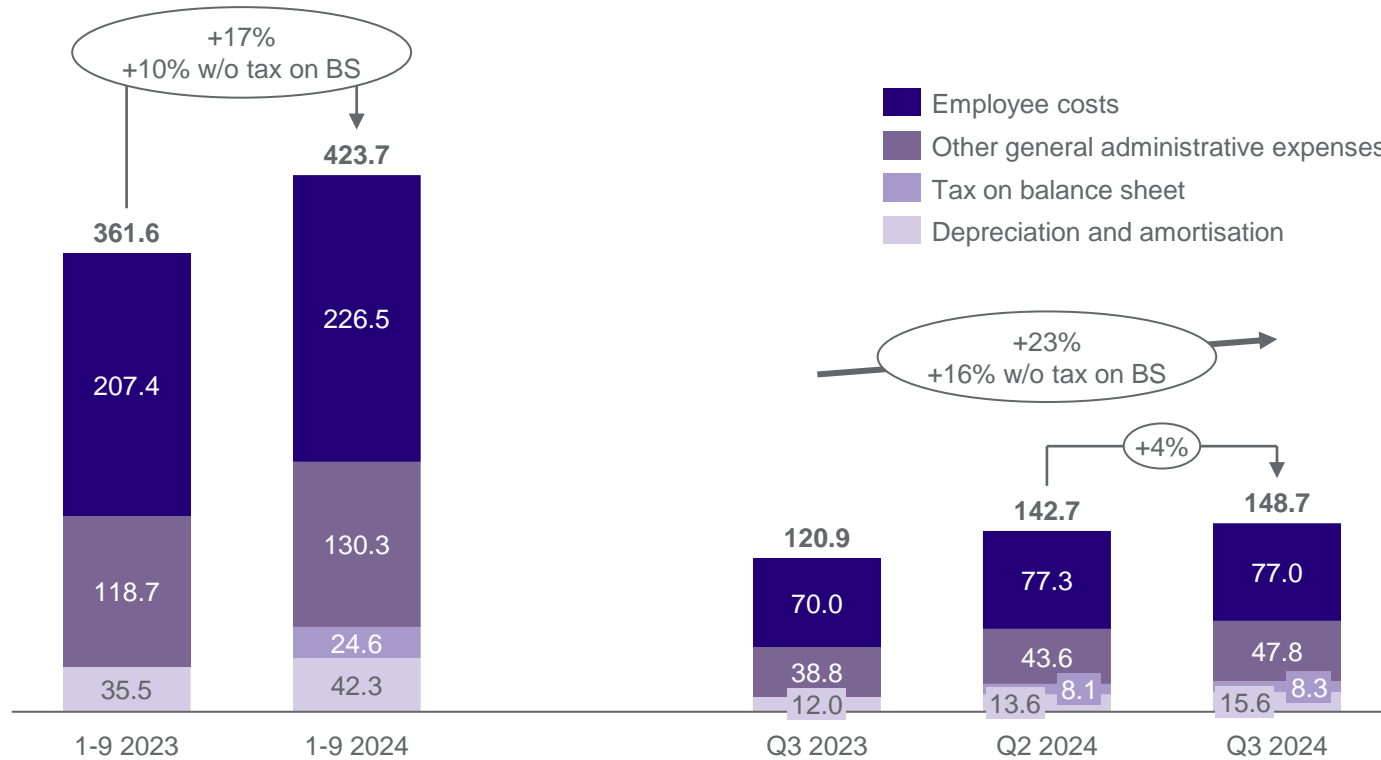


- Fee and commission income represents a major part of the net non-interest income and recorded a 13% YoY growth.
- Growth can be attributed to the positive impact of heightened economic activity and consumption, resulting in increased fees across banking members, renegotiated conditions with the service providers, and increased investment funds and bancassurance activity.
- QoQ growth comes from the smarter pricing and even stronger focus on new production.
- NLB Skladi, Ljubljana, recorded an exceptional sale of investment funds, with EUR 207.9 million gross inflows in 1-9 2024, reflecting a 47% YoY increase.

Costs

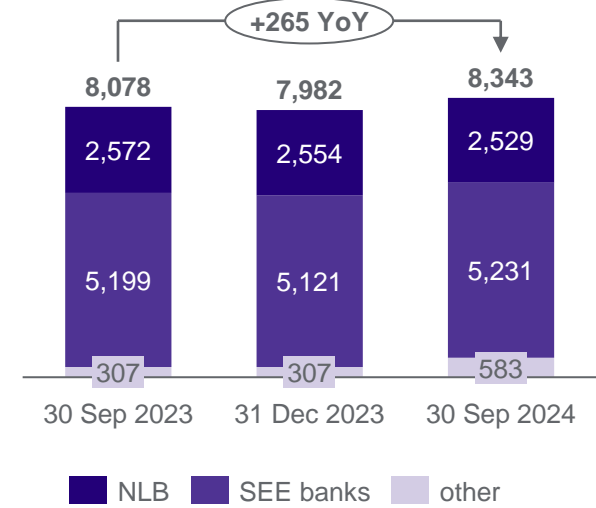
Higher employee costs and balance sheet tax drove costs up

Total costs of NLB Group (in EURm)



- Total costs grew by EUR 37.5 million or 10% YoY, excluding EUR 24.6 million from the tax on the balance sheet, with increases noted in all banking members. A EUR 19.1 million increase in employee costs was driven mostly by higher salaries due to wage inflation and from hiring highly skilled employees, and EUR 11.7 million increase in other general and administrative expenses, mostly due to investments in technology and cost of advertising in SEE bank members. Additionally, the acquisition of the SLS Group contributed approximately EUR 6.5 million to total costs, with roughly one-third of that being one-off costs.
- On a QoQ basis, costs rose by 4%, also driven by costs related to the SLS Group acquisition.

of employees⁽¹⁾



of branches

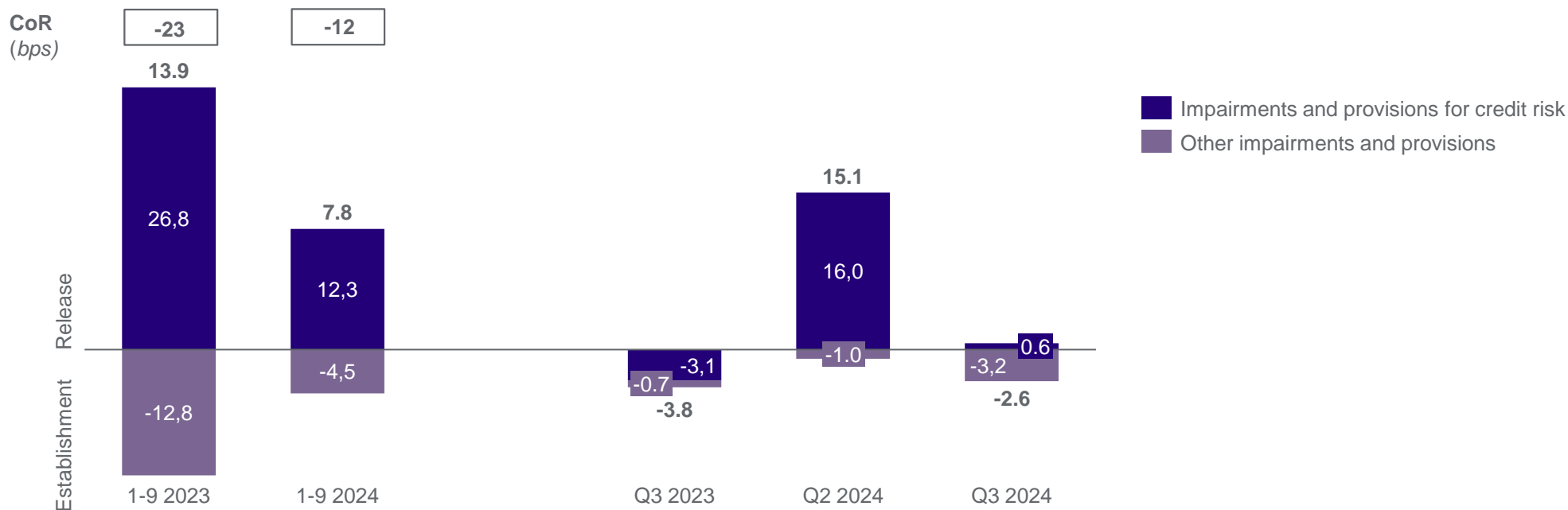


Notes: (1) Incl. 215 employees due to acquisition of SLS from Sep 11, 2024 onwards.

Impairments and provisions

Net release of credit provisions due to changes in risk parameters

Impairments and provisions of NLB Group (in EURm)

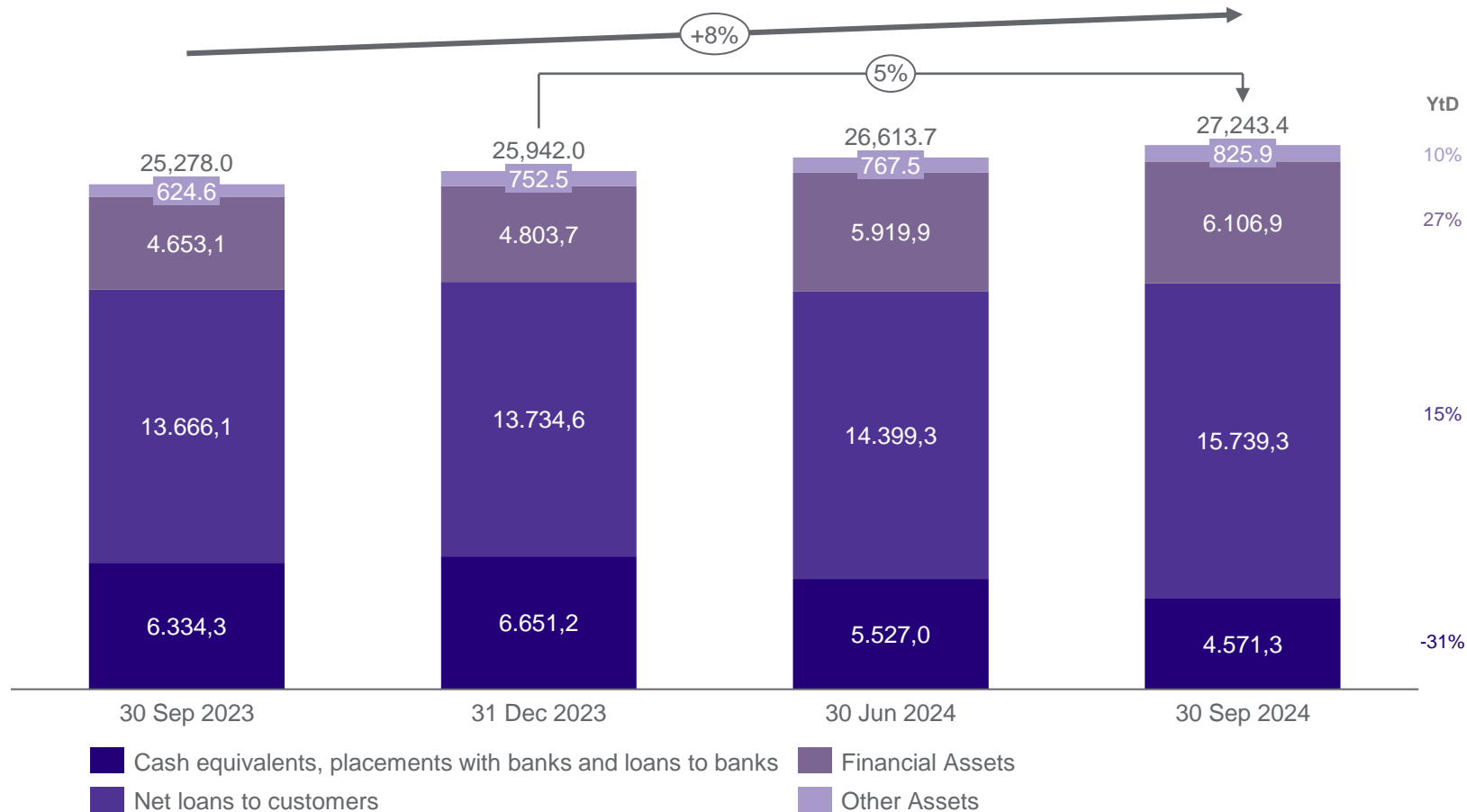


- The Group net released EUR 12.3 million impairments and provisions for credit risk in 1-9 2024.
- In Q3 2024, net impairments and provisions for credit risk were released in the amount of EUR 0.6 million because of repayments of written-off receivables in the amount of EUR 4.1 million and the release of impairments and provisions in the amount of EUR 1.4 million related to the change in models/risk parameters in subsidiary banks. On the other hand, additional provisions of EUR 4.8 million were established for portfolio development, mostly in the retail segment.
- The cumulative CoR was negative, standing at -12 bps. Without the annualization of the effect of changes in risk parameters, the CoR for the period 1-9 2024 would have been 0 bps.
- Other impairments and provisions were established in the amount of EUR 4.5 million, mainly due to the impairment of real estate in Serbia.

NLB Group Assets

Total asset growth fueled by growth in net loans and financial assets

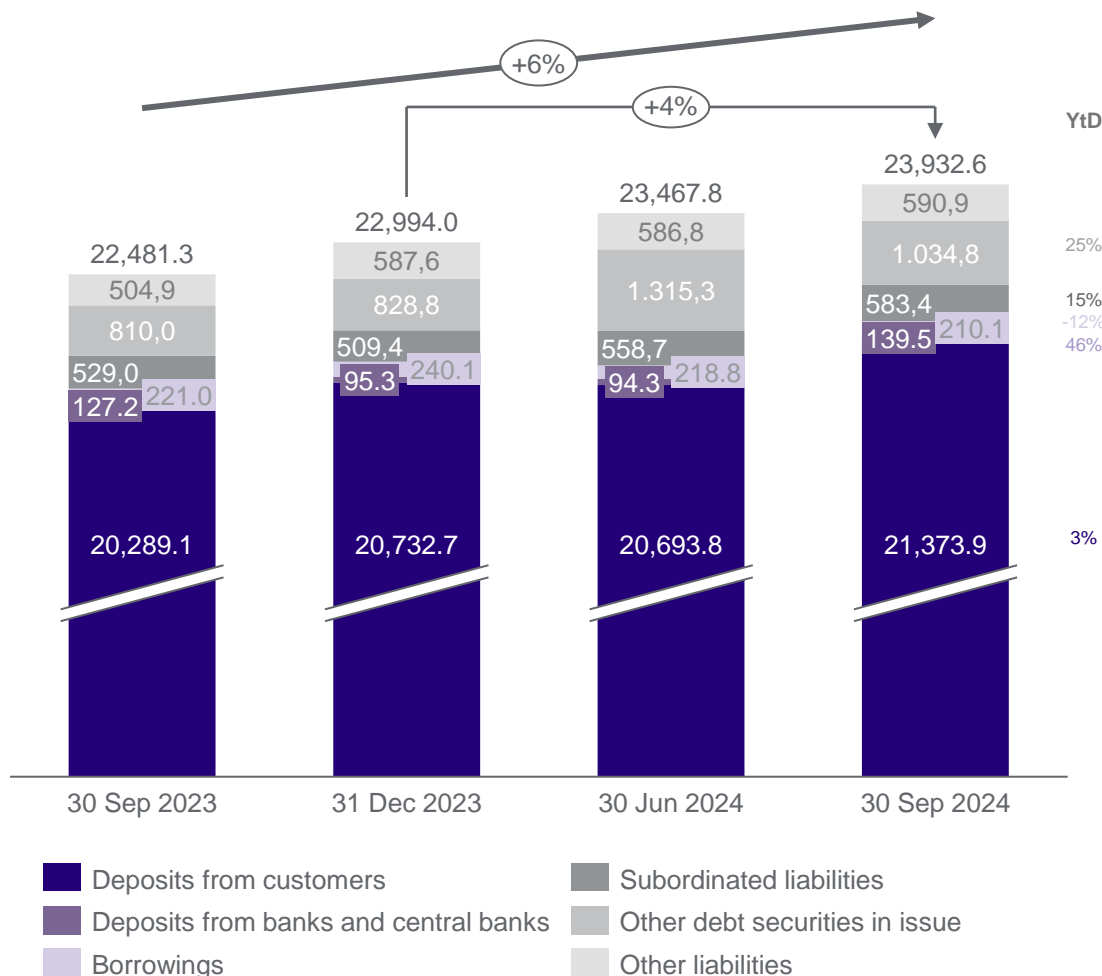
Total assets of NLB Group – structure (EURm)



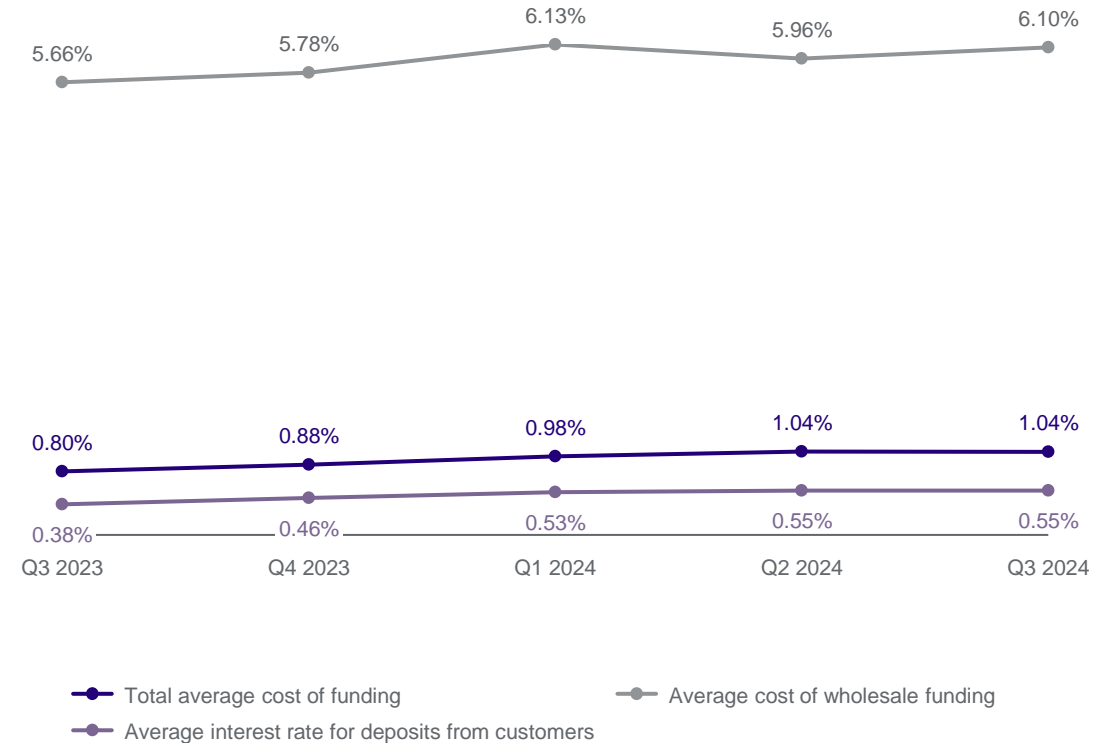
NLB Group Funding Structure

Average cost of funding is increasing due to MREL and deposit repricing

Funding structure of the NLB Group (Group, EURm)



Increasing average cost of funding (quarterly data)

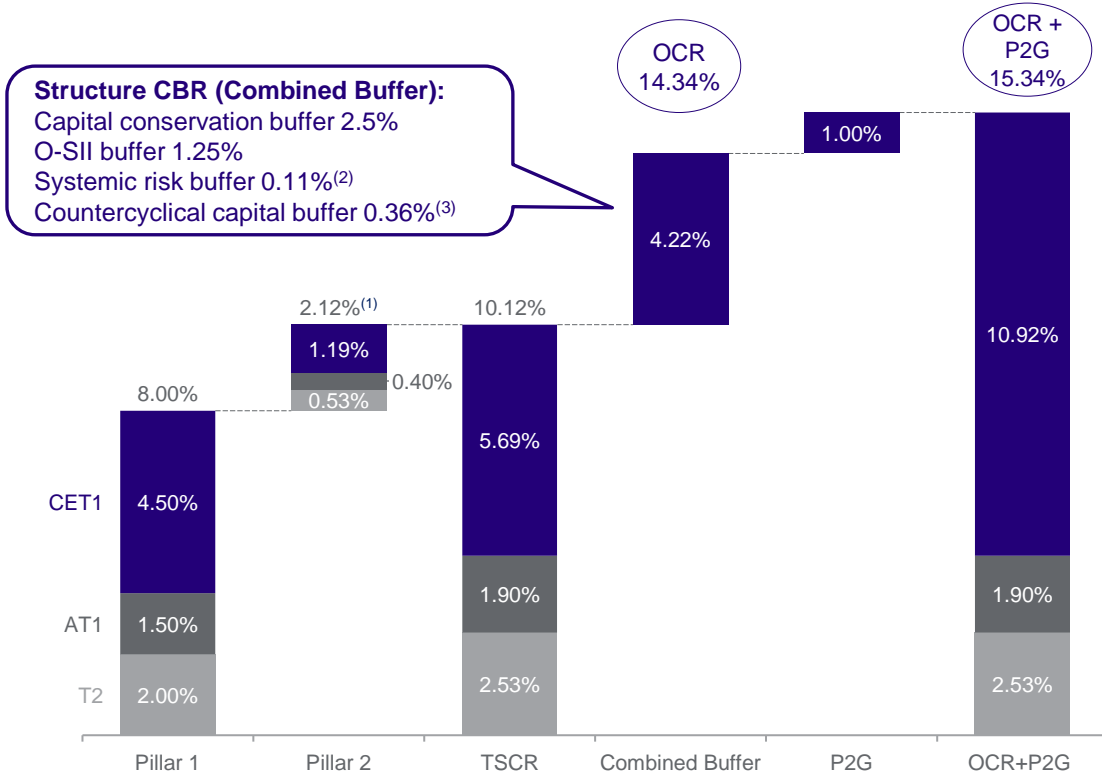


Group's average cost of funding in Q3 2024 was 1.04%, a 25 p.p. increase from Q3 2023.

Capital

Capital position enabling growth and dividend distribution

In 2024, the capital requirements decreased due to an improved SREP assessment

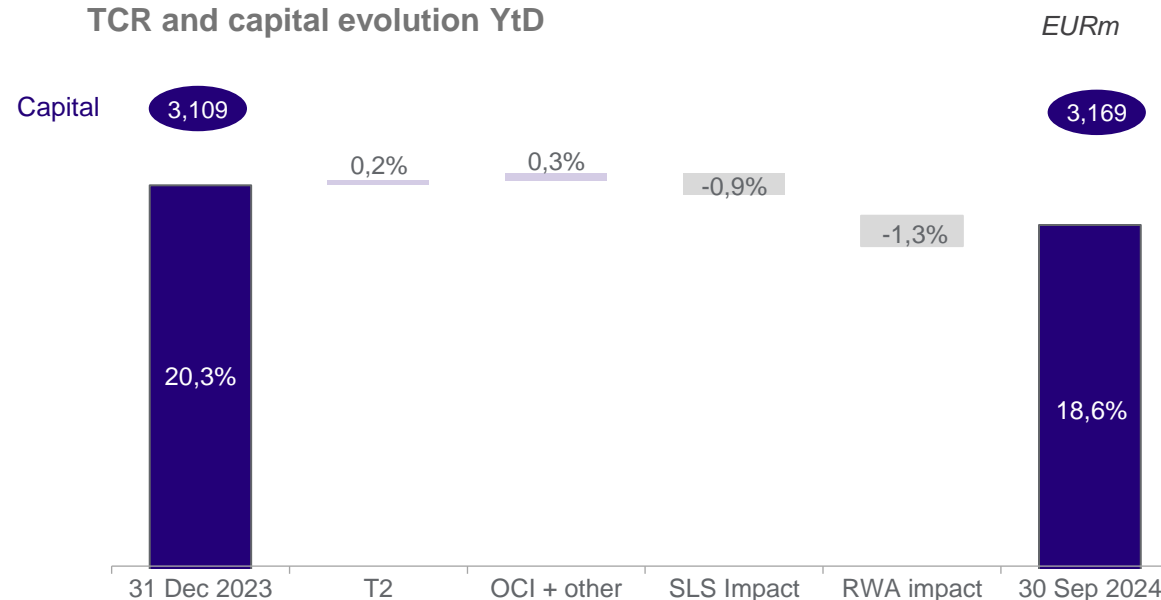


- As at 30 September 2024, the Group's TCR was 18.6%, decreasing by 1.7 p.p. YtD, while the CET1 ratio was 14.9%, both well above requirements.
- The lower total capital adequacy derives from solid growth of loan book, resulting in higher RWA (EUR 1,726.9 million YtD), although capital increased by EUR 59.5 million YtD.
- The Group increased its capital mainly through revaluation adjustments (EUR 49.6 million) and a higher volume of T2 instruments (EUR 35.8 million), while the acquisition of Summit Leasing companies increased deduction items Intangible assets (EUR -17.1 million).

NLB Group's capital and surplus above the regulatory requirements

	30 Sep 2024	31 Dec 2023	Change YtD	in EUR millions
				Surplus above regulatory requirements 30 Sep 2024
Common Equity Tier 1 capital	2,535	2,510	25	674
Tier 1 capital	2,621	2,598	23	435
Total capital	3,169	3,109	60	551
Total risk exposure amount (RWA)	17,064	15,337	1,727	
Common Equity Tier 1 Ratio	14.86%	16.36%	-1.51 p.p.	3.94 p.p.
Tier 1 Ratio	15.36%	16.94%	-1.58 p.p.	2.55 p.p.
Total Capital Ratio	18.57%	20.27%	-1.70 p.p.	3.23 p.p.

TCR and capital evolution YtD

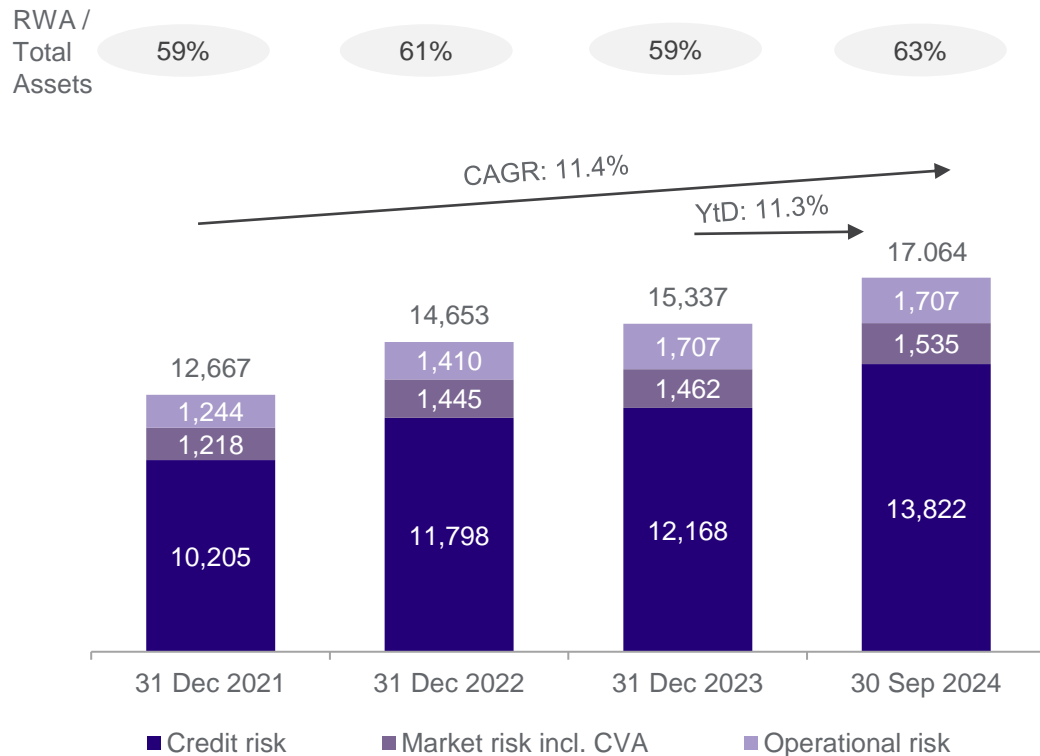


Notes: (1) The Pillar 2 Requirement 2024 decreased by 0.28 p.p. to 2.12% due to a better overall SREP assessment. (2) The BoS issued a new Regulation on determining the requirement to maintain a systemic risk buffer for the sectoral exposures: 1.0% for all retail exposures to natural persons secured by residential real estate and 0.5% for all other exposures to natural persons, resulted in 0.11% Systemic Risk Buffer in September 2024. (3) The BoS raised the countercyclical capital buffer for exposures in the Republic of Slovenia from zero to 0.5% of the total risk exposure amount required by 31 December 2023, calculated at 0.36% on September 2024 for NLB Group.

RWA structure

Prudent RWA management to improve capital ratios

RWA structure (in EURm)



On a consolidated basis, the Group uses the Standardised approach for calculating RWA for credit and market risk while using a Basic indicator approach for calculating operational risk.

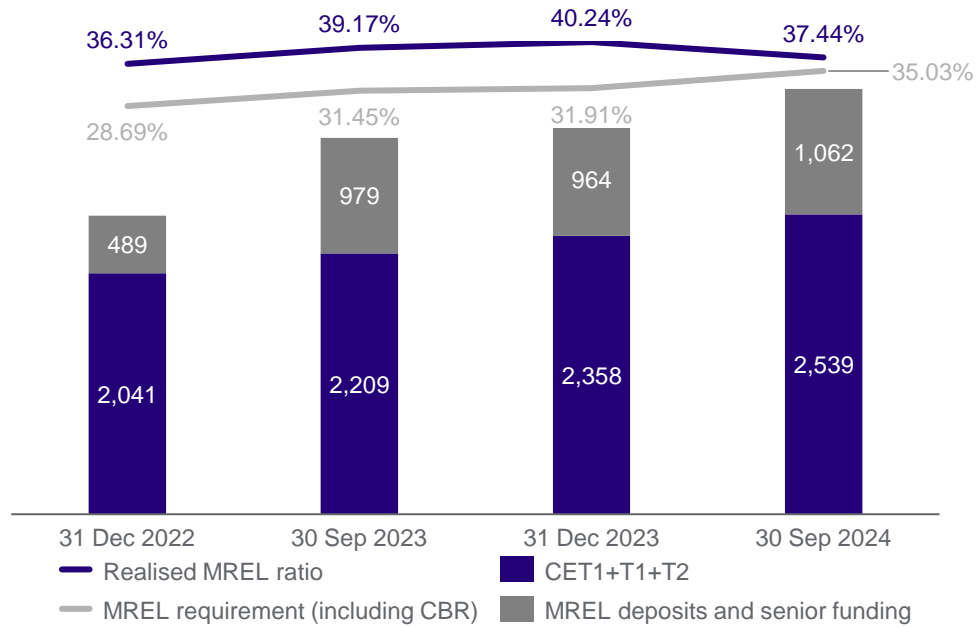
In the first nine months of 2024, the **RWA of the Group for credit risk** increased by EUR 1,653.6 million due to lending in both corporate and retail segment and due to the acquisition of Summit Leasing companies (RWA increase of EUR +698.0 million). Additionally, RWA for high-risk exposures increased due to new project financing loans, and withdrawals of project finance loans approved in the previous periods. Some decrease in RWA occurred due to lower liquidity assets.

The increase in **RWAs for market risks and Credit Value Adjustments (CVA)** in the amount of EUR 73.2 million during the first nine months of 2024 was driven by higher RWA for FX risk of EUR 71.9 million (mainly due to more opened positions in domestic currencies of non-euro subsidiary banks), higher RWA for CVA risk of EUR 5.9 million, and lower RWA for TDI risk of EUR 7.9 million (due to closed net positions from IRS) and higher RWA for EQU of EUR 3.4 million (due to the inclusion of the new member NLB Fondovi, Skopje).

NLB Wholesale Funding: Multiple Point of Entry (MPE) Resolution Strategy

Two successful bond issuances in 1-9 2024 contributed to the MREL capacity as the Resolution Group increases due to the inclusion of the SLS Group

Evolution of MREL eligible funding, the MREL requirement and the actual MREL ratio (in EURm, in %)



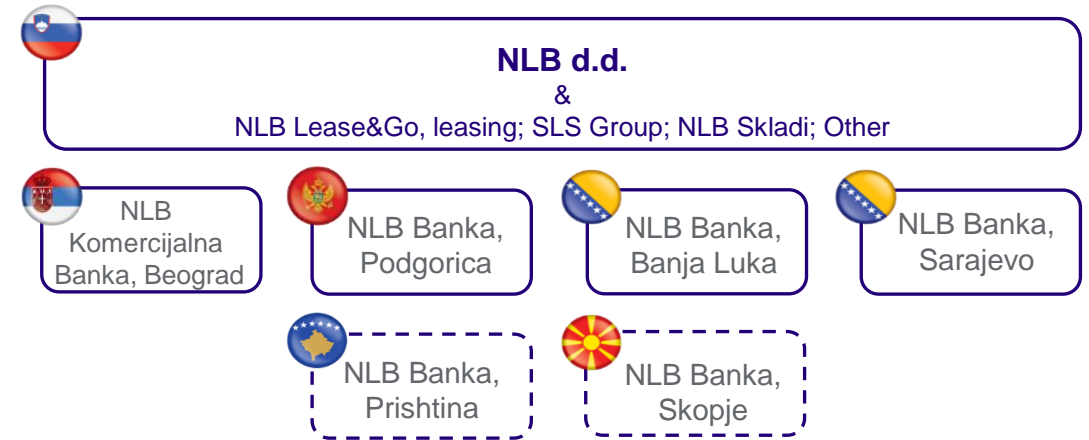
MREL ratio and requirement:

- MREL ratio expressed as TREA was 37.44% and 20.39% expressed as LRE as of 30 September 2024.
- MREL requirement: 30.66% TREA + applicable CBR (4.37% on 30 September 2024) and 10.69% LRE as of 1 January 2024.

NLB Resolution Group

TREA (in EURm)	(as at 30 Sep 2024)
NLB, Ljubljana	8,462
SLS Group	698
NLB Lease&Go, Ljubljana	254
NLB Lease&Go, Beograd	80
NLB Skladi, Ljubljana	55
Other	68
Total	9,617

NLB Group follows an MPE resolution strategy with each resolution group raising its MREL debt



— Resolution group
 --- MREL legislation not implemented yet

Multiple point of entry (MPE) resolution strategy

- 7 MPE resolution groups
- Slovenia covered by the Single Resolution Board
- The rest covered by the respective National Resolution Authority

NLB Wholesale Funding

Wholesale funding is driven by MREL requirement and by ambition to further strengthen and optimize the capital structure

Outstanding notes as at 30 September 2024:

Type of the notes	ISIN code	Issue Date	Maturity	First call date	Interest Rate	Nominal Value
Senior Preferred	XS2825558328	29 May 2024	29 May 2030	29 May 2029	4.500% p.a.	EUR 500m
Senior Preferred	XS2641055012	27 June 2023	27 June 2027	27 June 2026	7.125% p.a.	EUR 500m
Total SP:						EUR 1,000m
Tier 2	XS2750306511	24 Jan 2024	24 Jan 2034	24 Jan 2029	6.875% p.a.	EUR 300m
Tier 2	XS2413677464	28 Nov 2022	28 Nov 2032	28 Nov 2027	10.750% p.a.	EUR 225m
Tier 2 ⁽ⁱⁱ⁾	XS2113139195	5 Feb 2020	5 Feb 2030	5 Feb 2025	3.400% p.a.	EUR 10.5m ⁽ⁱ⁾ (issued amount: EUR 120m)
Tier 2 ⁽ⁱⁱⁱ⁾	XS2080776607	19 Nov 2019	19 Nov 2029	19 Nov 2024	3.650% p.a.	EUR 9.9m ⁽ⁱ⁾ (issued amount: EUR 120m)
Total T2:						EUR 545.4m
Additional Tier 1	SI0022104275	23 Sep 2022	Perpetual	between 23 Sep 2027 and 23 Mar 2028	9.721% p.a.	EUR 82m
Total AT1:						EUR 82m
Total outstanding:						EUR 1,627.4m

(i) Issued amount of notes was EUR 120 million. Due to a liability management exercise, the amount was reduced on 26 January 2024.

(ii) NLB announced that it received the ECB consent for early redemption of Tier 2 notes.

(iii) NLB announced that it shall, based on the permission of the ECB, on 19 November 2024 early redeem its Tier 2 notes.

Funding plan:

In 2025, the bank is considering issuing senior preferred notes in the benchmark size, subject to market conditions. The issuance will enable the bank to meet its MREL regular requirements including pre-funding of the ambitious growth plan into 2025.

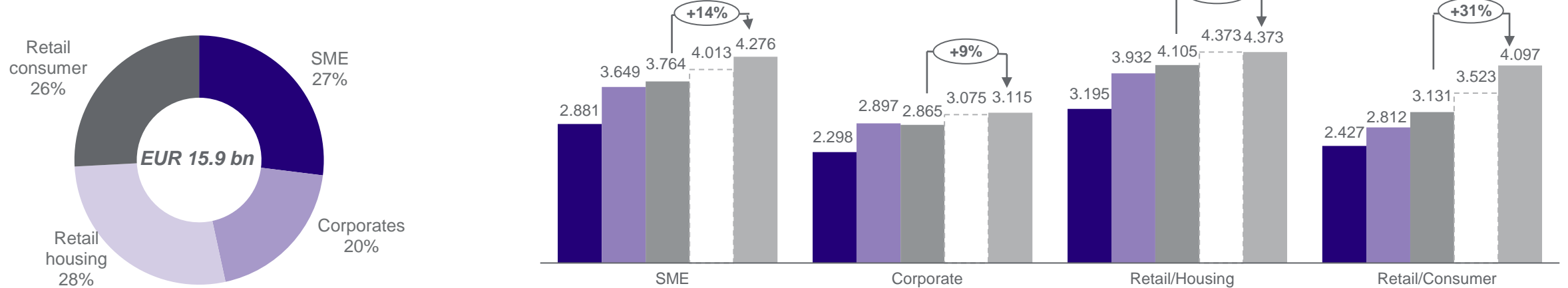
Asset Quality

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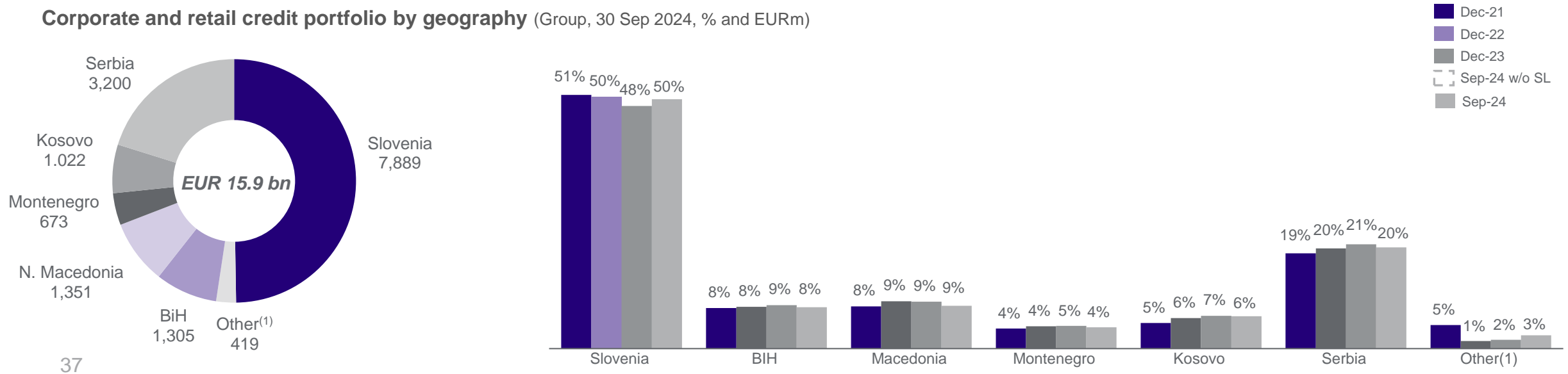
Asset Quality – NLB Group

Diversified corporate and retail credit portfolio, focused on core markets

Corporate and retail credit portfolio by segment (Group, 30 Sep 2024, % and EURm)



Corporate and retail credit portfolio by geography (Group, 30 Sep 2024, % and EURm)



Source: Company information, Note: (1) The largest part represents EU members.

NLB Group Asset Quality

Portfolio diversification reduces risk, no large concentration in any specific industry

Corporate credit portfolio (Group, 30 September 2024)

Credit portfolio			in EUR thousands	
Corporate sector by industry	NLB Group	%	Δ 3Q 2024	Δ YtD 2024
Accommodation and food service activities	191,678	3%	1,363	-7,151
Act. of extraterritorial org. and bodies	3	0%	0	0
Administrative and support service activities	146,867	2%	27,693	35,555
Agriculture, forestry and fishing	367,152	5%	17,898	22,470
Arts, entertainment and recreation	21,694	0%	1,779	1,663
Construction industry	750,105	10%	83,033	193,166
Education	18,058	0%	2,744	3,103
Electricity, gas, steam and air conditioning	560,591	8%	5,909	17,292
Finance	170,186	2%	26,686	25,818
Human health and social work activities	47,996	1%	7,734	10,626
Information and communication	257,877	3%	5,661	-33,744
Manufacturing	1,739,685	24%	123,939	214,828
Mining and quarrying	43,802	1%	-1,069	-2,269
Professional, scientific and techn. act.	270,152	4%	44,235	35,280
Public admin., defence, compulsory social.	203,276	3%	11,973	3,770
Real estate activities	392,837	5%	16,208	15,417
Services	14,308	0%	2,651	358
Transport and storage	629,942	9%	26,015	10,900
Water supply	66,528	1%	3,975	9,386
Wholesale and retail trade	1,497,973	20%	93,129	207,723
Other	113	0%	36	-2,681
Total Corporate sector	7,390,822	100%	501,591	761,509

- In Q3 2024, the acquisition of Summit leasing companies contributed to the increase in the corporate loan portfolio (EUR +303 m). The acquisition increased the exposure to companies in wholesale and retail trade, transport and storage, and administrative and support service activities. Part of the increase also occurred from this reason in the construction industry, manufacturing, professional, scientific and tech. activities etc.
- Otherwise, in Q3 NLB Group increased lending activity, mainly to companies in the manufacturing, construction industry, professional, scientific and tech. activities and finance sector.
- Credit portfolio remains well diversified. Industries with largest exposures include a broad range of diverse activities.

NLB Group Asset Quality

Industry diversification in manufacturing and trade

Corporate credit portfolio (Group, 30 June 2024)

Credit portfolio			in EUR thousands	
Corporate sector by industry	NLB Group	%	Δ 3Q 2024	Δ YtD 2024
Manufacturing	1,739,685	24%	123,939	214,828

Credit portfolio			in EUR thousands	
Main manufacturing activities	NLB Group	%	Δ 3Q 2024	Δ YtD 2024
Manufacture of food products	282,516	4%	19,553	511
Manufacture of electrical equipment	211,465	3%	-9,697	20,678
Manufacture of fabricated metal products, except machinery and equipment	206,951	3%	15,934	13,606
Manufacture of basic metals	179,089	2%	16,339	23,075
Manufacture of other non-metallic mineral products	117,862	2%	390	19,930
Manufacture of motor vehicles, trailers and semi-trailers	95,328	1%	4,006	9,353
Manufacture of machinery and equipment n.e.c.	93,058	1%	7,200	13,622
Manufacture of rubber and plastic products	83,445	1%	9,717	8,615
Manufacture of basic pharmaceutical products and pharmaceutical preparations	74,957	1%	49,263	48,186
Other manufacturing activities	395,015	5%	11,236	30,481
Total manufacturing activities	1,739,685	24%	123,939	214,828

Credit portfolio			in EUR thousands	
Corporate sector by industry	NLB Group	%	Δ 3Q 2024	Δ YtD 2024
Wholesale and retail trade	1,497,973	20%	93,129	207,723

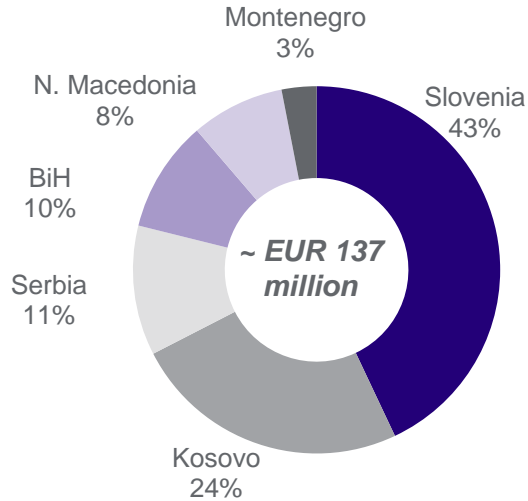
Credit portfolio			in EUR thousands	
Main wholesale and retail trade activities	NLB Group	%	Δ 3Q 2024	Δ YtD 2024
Wholesale trade, except of motor vehicles and motorcycles	789,558	11%	19,043	71,121
Retail trade, except of motor vehicles and motorcycles	476,362	6%	13,910	48,109
Wholesale and retail trade and repair of motor vehicles and motorcycles	232,052	3%	60,176	88,492
Total wholesale and retail trade	1,497,973	20%	93,129	207,723

NLB Group Asset Quality

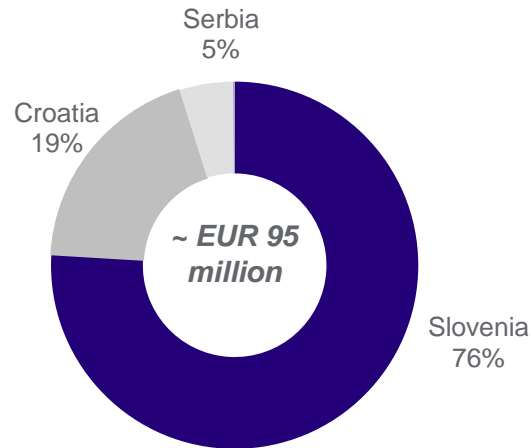
Automotive industry representing 5% of the Group Corporate portfolio

Corporate credit portfolio (Group, 30 Sep 2024)

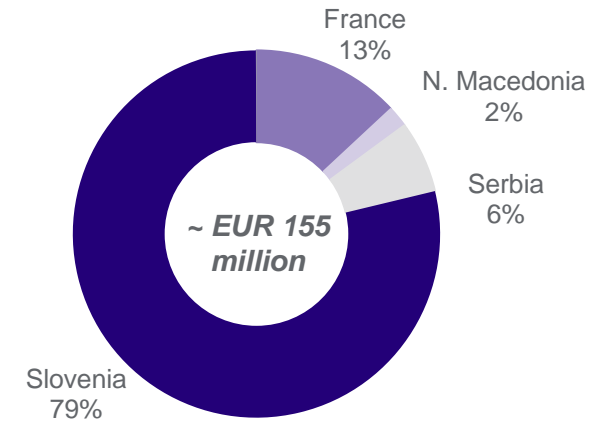
*Car Sales & maintenance
in NLB-G Banks*



*Car Sales & maintenance
in NLB-G leasing companies*



*Manufacturing of car components
in NLB Group*



- In 2024, there was no noticeable increase in new lending to companies in the automotive industry. However, the acquisition of Summit leasing companies increased exposure to companies in the car sales and their maintenance.

NLB Group Asset Quality

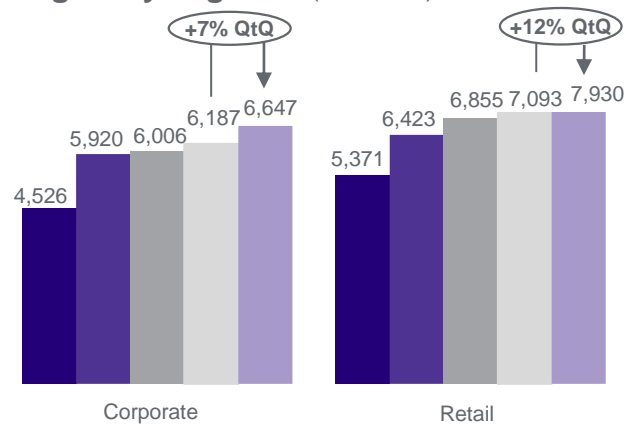
High % of Stage 1 Credit portfolio (measured at amortized cost & FVTPL)

Credit portfolio ⁽¹⁾ by stages (Group, 30 September 2024, in EURm)

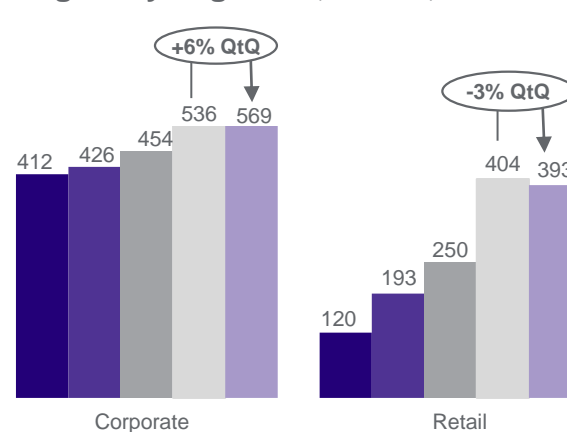
	Credit portfolio										Provisions and FV changes for credit portfolio					
	Stage 1			Stage 2			Stage 3 & FVTPL			Stage 1		Stage 2		Stage 3 & FVTPL		
	Credit portfolio	Share of Total	YTD change	Credit portfolio	Share of Total	YTD change	Credit portfolio	Share of Total	YTD change	Provision Volume	Provision Coverage	Provision Volume	Provision Coverage	Provisions & FV changes	Coverage with provisions and FV changes	
Total NLB Group	18,834.8	93.6%	-404.4	961.9	4.8%	257.8	321.1	1.6%	20.5	79.9	0.4%	49.3	5.1%	204.1	63.6%	
o/w Corporate	6,647.4	89.9%	641.8	569.3	7.7%	115.0	174.2	2.4%	4.7	36.1	0.5%	17.5	3.1%	106.6	61.2%	
o/w Retail	7,929.8	93.6%	1,075.1	392.6	4.6%	143.0	146.7	1.7%	15.7	41.6	0.5%	31.8	8.1%	97.3	66.3%	
o/w State	3,911.4	100.0%	-2,016.7	0.0	0.0%	0.0	0.0	0.0%	0.0	2.1	0.1%	0.0	6.3%	0.0	82.2%	
o/w Institutions	346.2	99.9%	-104.6	0.0	0.0%	-0.3	0.2	0.0%	0.0	0.1	0.0%	0.0	0.0%	0.2	100.0%	

- Stage1 increase due to the acquisition of SLS Group (Corporate EUR +404 m and Retail EUR +562 m)
- The Stage 2 allocation increased, in retail due to revised process and methodological changes in early detection of SICR.
- The outflow on State and Institutions segment is a result of redistribution of excess liquidity into other products (bonds, SLS Group).

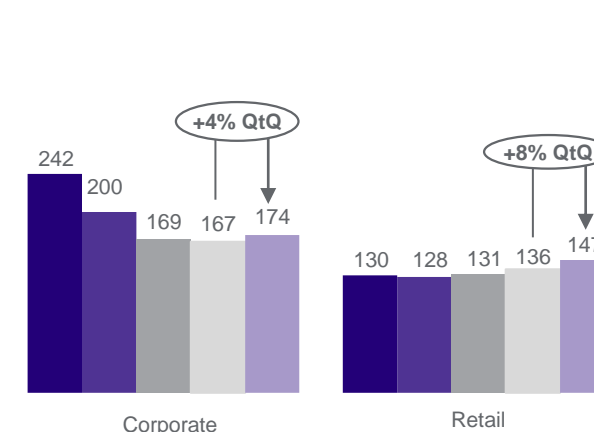
Stage 1 by segment (in EURm)



Stage 2 by segment (in EURm)



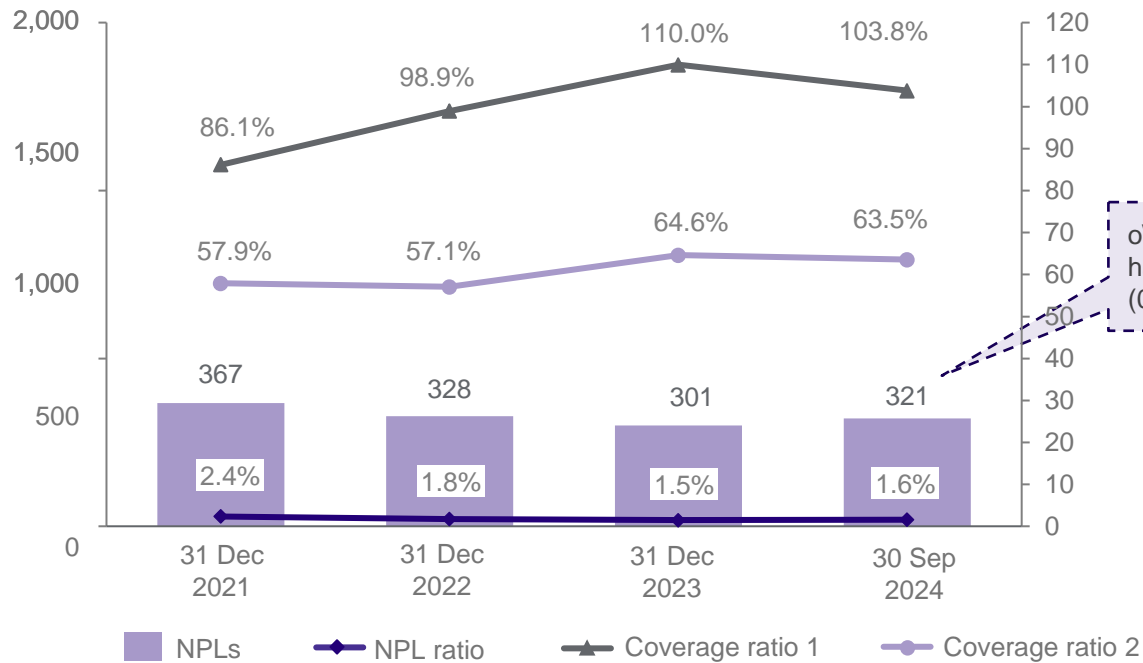
Stage 3 (incl. FVTPL) by segment (in EURm)



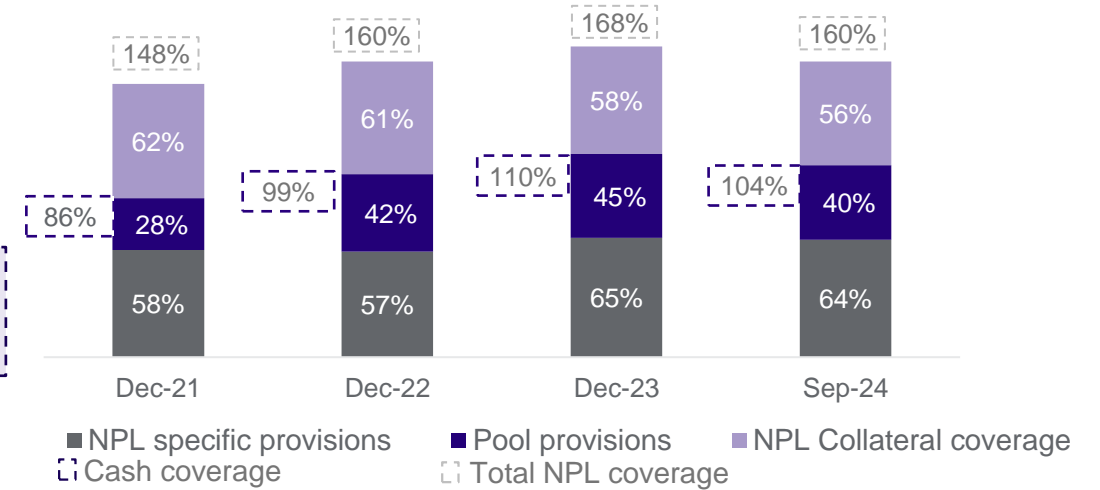
Asset Quality – NLB Group

NPL ratio remains stable

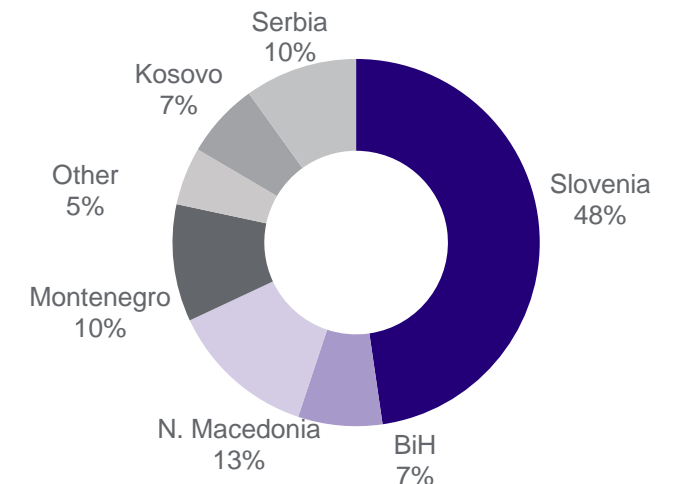
Gross NPL ratio within the planned framework (Group, EURm)



NPL cash and collateral coverage⁽¹⁾ (Group, %)



NPL by geography (Group, 30 Sep 2024)



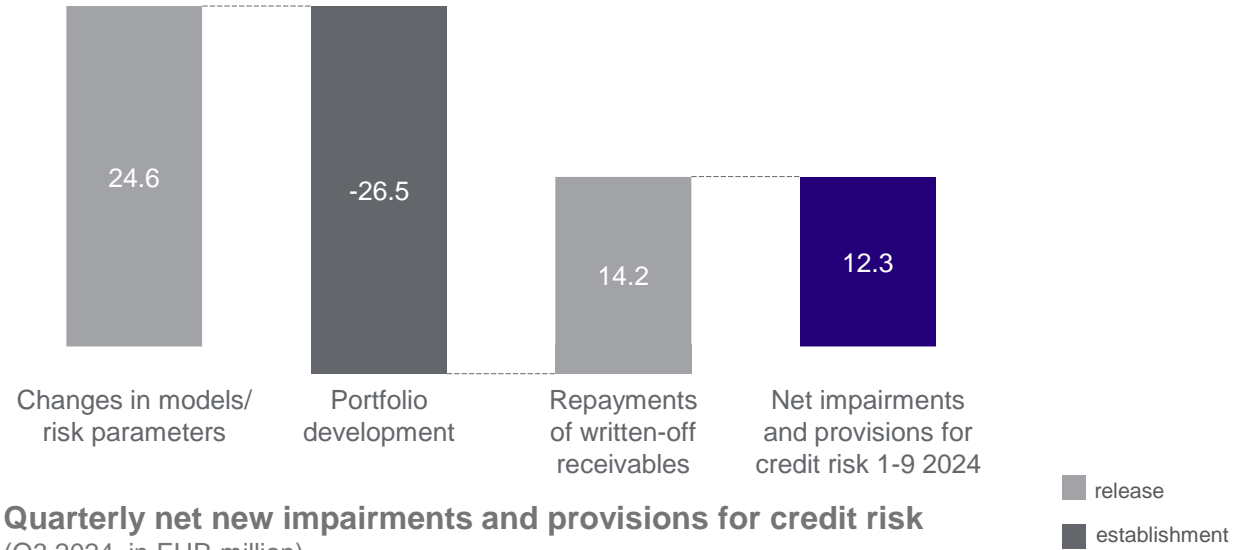
- In 2024, favorable NPL movements in corporates, while in retail, the growth of new NPLs slightly exceed repayments and recovery of existing NPLs. The acquisition of Summit leasing companies, whose loans were recognized at fair value, also contributed to the NPL increase in September.
- NPL ratio** and **NPE ratio** at the end of Q3 2024 remained close to a 2023 year-end level at 1.6% and 1.1%. **Coverage ratio** (CR1) and NPL coverage ratio (CR2) slightly decreased to 103.8% and to 63.5%, which is still well above the EU average as published by the EBA (42.0% for Q2 2024). The decrease in coverage ratios was mainly the result of new NPLs from Summit leasing companies.

Impairments and provisions for credit risk

Provisions established due to portfolio development were outweighed by the release of written-off receivables in Q3

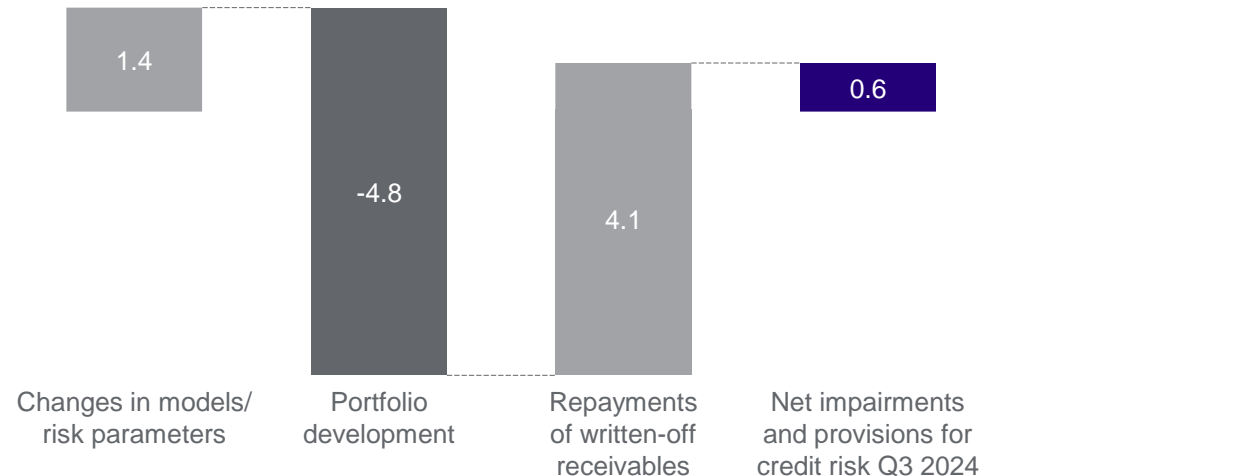
Cumulative net new impairments and provisions for credit risk

(1-9 2024, in EUR million)



Quarterly net new impairments and provisions for credit risk

(Q3 2024, in EUR million)

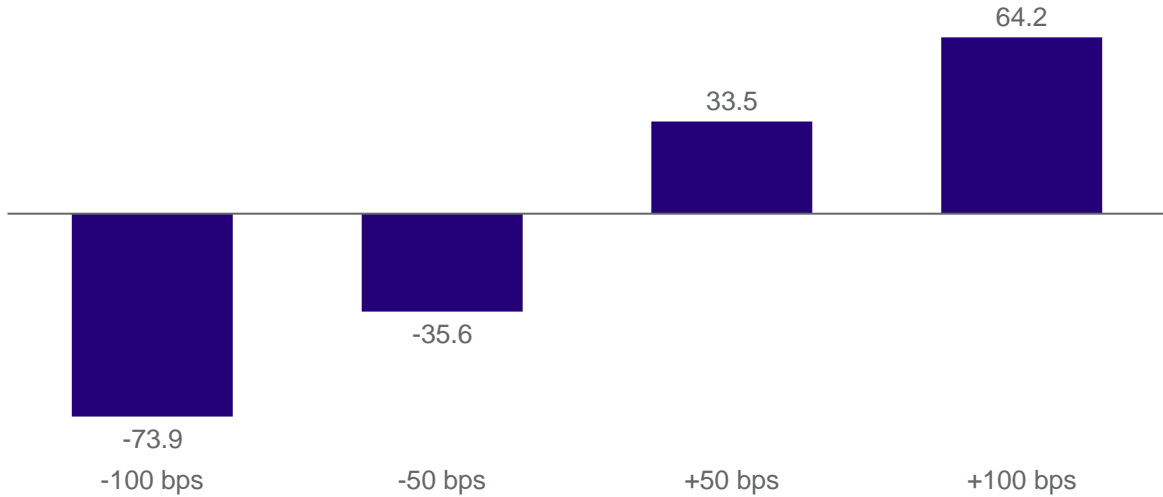


- In Q3 2024 net impairments and provisions for credit risk were released in the amount of EUR 0.6 million:
 - Additional provisions of EUR 4.8 million were established for portfolio development, mostly in the Retail segment (Stage 2 and Stage 3 exposures).
 - Repayments of written-off receivables in the amount of EUR 4.1 million due to a favorable environment for NPLs resolution.
 - Release of impairments and provisions in the amount of EUR 1.4 million related to the change in models/risk parameters in subsidiary banks (elimination of overlays).

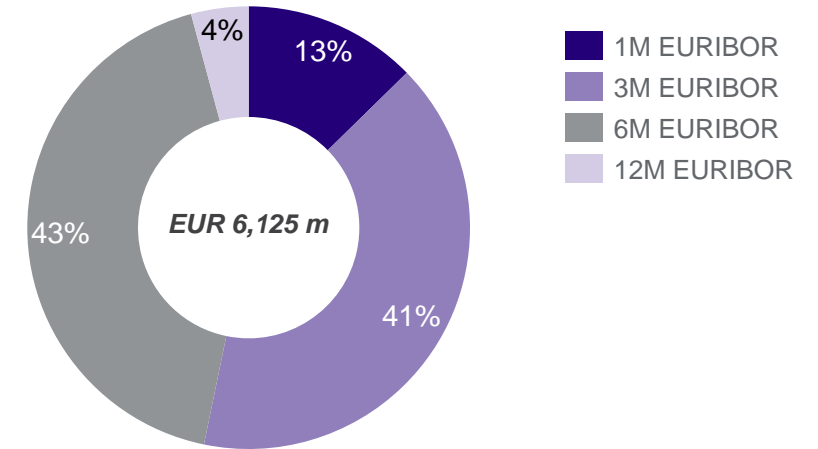
NII sensitivity to interest rate shifts – NLB Group

Significantly reduced NII sensitivity

NII sensitivity to various rate shocks
(Group, EURm)



Loan portfolio by type of EURIBOR (Group, 30 Sep 2024)

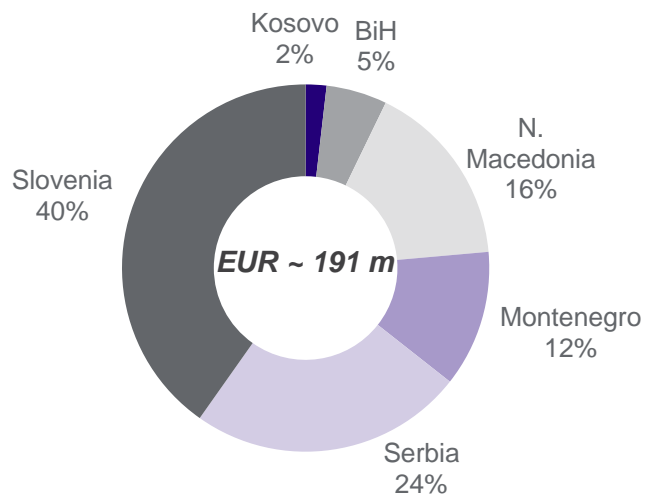


As a result of the balance sheet measures and a higher pace of fixed-rate lending NII sensitivity was reduced by 111 bps YtD (from -3.92% to -2.81% sensitivity relative to T1 capital, or EUR 27.6 million to a level of EUR 73.9 million in case of -100 bps parallel shift). NLB Group reduced NII sensitivity in 2024 significantly by increasing fixed interest lending (EUR 1,943 million), the investments in government bonds (EUR 1,308 million) and hedging the issued securities (EUR 1,070 million).

Specific Commercial Real-estate financing

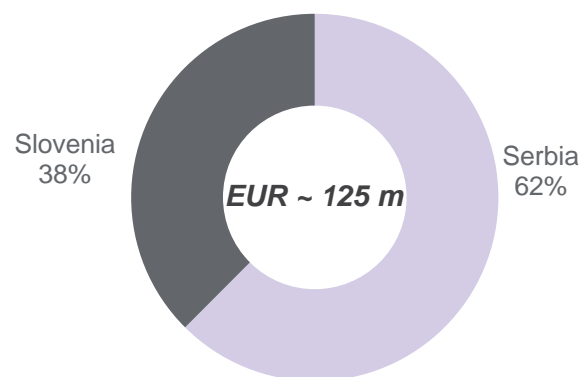
Limited and carefully monitored portfolio

Retail shopping centres



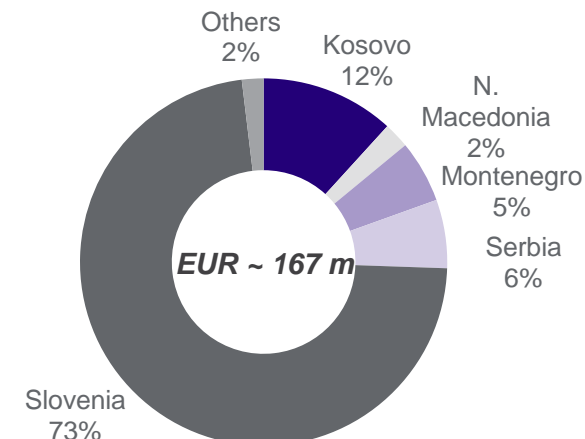
- 90% projects are in operational phase.
- Occupancy rate above 90%.
- Rents are stable.
- Average DSCR on projects is 1.4.
- Average LTV below 50.
- Majority of loans are amortizing loans.

Office & Congress centres



- All projects are in operational phase.
- Occupancy rate and rents are stable.
- Average DSCR 1.2.
- Average LTV below 60.

Hotels



- 11% projects are in construction phase and 89% in operational phase.
- LTV below 50%.
- Majority of loans are amortizing loans.

No material impact on value of collateral or occupancy rate / cash flows was observed in 2024.

ESG & Digital



Key Targets and Achievements in Q3 2024

14.6 (16.0) ESG Risk Rating ⁽¹⁾

- low risk, ranking: top 13% of all banks assessed.
- In June 2024 Sustainalytics changed methodology, which resulted in changed ESG risk rating for 2023.

Strong sustainability governance

- [Sustainability Policy](#), and new internal standard – Rulebook for sustainability management are being harmonized Group-wide
- **Environmental, Social and Human Rights Governance** matters continuously embedded in business model and processes
- Streamlining the reporting process towards **CSRD and ESRS** readiness
- 3 regular (quarterly) **Sustainability Committee** sessions
- On-going active **stakeholder engagement**, enhancing sustainability culture and capacity building
- Activities within **Chapter Zero** aimed at **capacity building of Supervisory and Management Board members** to make sure climate change is a boardroom priority
- Activities started on ESG Data Framework preparation, which aims at sound management of ESG data points governance and reporting.

Key Targets by 2030

2030:

- **Sustainable financing (retail and corporate): EUR 1.9 billion**
- **75% electricity** used by NLB Group from **zero-carbon resources**
- **100% of** NLB fleet run by electric energy and **carbon neutral**

2025:

- Paper usage decrease by 50% (vs. 2019)
- Share of digital users: 55%

Climate (Net-zero) Strategy

- The Group continued with **measures to reduce its financed emissions** and further committed to supporting clients in transitioning to a low-carbon economy and society. Read more: [1st Net Zero Disclosure Report](#)
- In line with its ambition for a climate positive future the Group is **advancing the development of a transition and implementation plan** for sectors subject to the first round of disclosed targets and developing guides for transaction-level decision-making. Moreover, the Group **started with preparation activities towards setting additional sector-level targets** in all or a significant majority of other carbon intensive sectors scheduled for public disclosure in Q2025, in line with the NZBA commitment.
- At the end of H1, GHG emissions of NLB Group Corporate credit portfolio (Scope 1 & 2 & 3, based on actual data and proxies) were at **11,171,064 tCO₂e** and are disclosed in detail in [H1 Pillar III Disclosures](#).
- The Group made **final steps in development of its Operational net-zero strategy**, and continued to reduce their operational emissions by adhering to zero-carbon electricity supply, optimising energy and resource consumption, car fleet transformation and reducing its resource consumption.

Green financing

- **New green financing** to support corporate and retail clients is aligned with the annual business targets and the commitment to mobilize EUR 1.9 billion by 2030.
- **On June 19, NLB published its first [Green Bond Allocation and Impact Report](#)**. As of 31 March 2024, out of EUR 500 million green bond issuance in June 2023, EUR 341 million proceeds were allocated in line with [NLB Green Bond Framework](#) and 139,008 tCO₂e emissions were avoided. Full allocation is expected by 27 June 2026.
- The Group continued with **implementation of ESG risks in the risk management framework, the decision-making process at strategic and operational levels**, including implementation in the credit process and customer/project due diligence. Among others, the Group executed annual materiality assessment on C&E risks, included net-zero strategy targets in NLB Group Risk Appetite, upgraded of C&E Stress testing, ICAAP & ILAAP, and made other supplements of risk management framework in the area of ESG, such as Heat Maps, and relevant risk policies.

NLB d.d. - Top employer of the year

- National award received **for the 9th consecutive year**.

Contribution to society

- The Group continued to contribute to the UN Sustainable Development Goals through several sponsorships, donations, and partnerships aimed at local communities, sports, culture, and education, financial literacy and inclusion activities, and concluded the fourth NLB Frame of Help which recognized and supported several sustainability projects in the region. In this light, the Group **donated EUR 1 million to eliminate the consequences of devastating floods in Bosnia and Herzegovina this October**.

NLB Group is the 1st Bank Headquartered in SEE to commit to Net-Zero Portfolio Targets

NLB Group is starting its net-zero portfolio journey with four sectors

1. Power Generation
2. Iron and Steel
3. Commercial Real Estate
4. Residential Real Estate

Set intermediate 2030 targets for all

4

sectors covered

Retail and Corporate Banking commitment to mobilise

€1.9

Billion

volume in sustainable finance by 2030

1.5° C

for all sector targets already use net-zero by-2050 scenarios

Commitment to finance at least

30%





of NLB d.d. new production in most energy efficient commercial buildings (<50 kg CO₂/m²) by 2030

Commitment to finance at least

15%

of NLB d.d. new production in top-rated mortgages (A & B EPC class) in Slovenia by 2030

Aligned with NZBA commitment, NLB Group published portfolio decarbonisation targets in four key target sectors

SECTOR	DETAILS			GHG 2021 BASELINE	GHG 2030 TARGETS		TARGET COVERAGE	COMMENTARY
	Scope(s) included	Scenario used	Unit of measurement	Portfolio baseline	Absolute	Relative		
 Power Generation	1 and 2	IEA NZE	t CO ₂ /Mwh	0.232	0.165	-29%	NLB Group	<ul style="list-style-type: none"> NLB continues its commitment to coal exclusion introduced in 2021, with the existing exposure to be phased out
 Iron & Steel	1 and 2	IEA NZE	t CO ₂ /t	0.600	1.070	/	NLB Group	<ul style="list-style-type: none"> Current baseline is already below the 2030 target Majority of exposure is covered by client's decarbonisation plans
 Commercial Real Estate	1 and 2	IEA NZE	kg CO ₂ /m ²	120	39	-68%	NLB d.d.	<ul style="list-style-type: none"> National Energy and Climate plans do not exist outside of EU Inconsistencies between energy performance certificate methodology within region
 Residential Real Estate	1 and 2	IEA NZE	kg CO ₂ /m ²	42	19	-56%	NLB <u>d.d.</u>	<ul style="list-style-type: none"> National Energy and Climate plans do not exist outside of EU Inconsistencies between energy performance certificate methodology within region

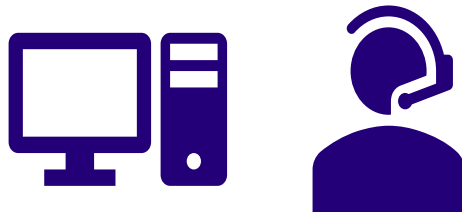
State-of-the art services & channels

The pioneer of banking innovation in Slovenia

First Slovenian bank enabling 24/7 opening of personal account and the only bank with full digital signing of documents in digital bank

First Slovenian bank to launch video call functionalities and the only bank with multichannel 24/7 support

Only bank with fully E2E digital loan capabilities for consumer & SME



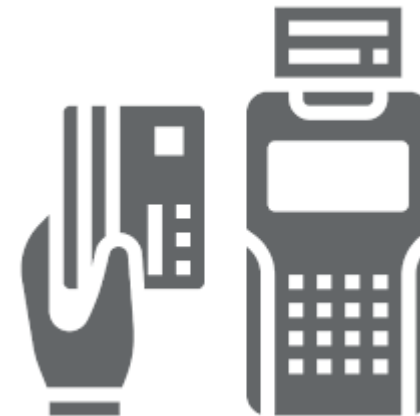
First Slovenian bank sending cards' PIN via SMS

First Slovenian bank implementing Flick P2M (Person to Merchant) at all POSes

First Slovenian bank to offer NLB Smart POS solution on mobile phone to merchants

First Slovenian bank to offer card management functionalities and biometric recognition to confirm online purchases in mobile wallet

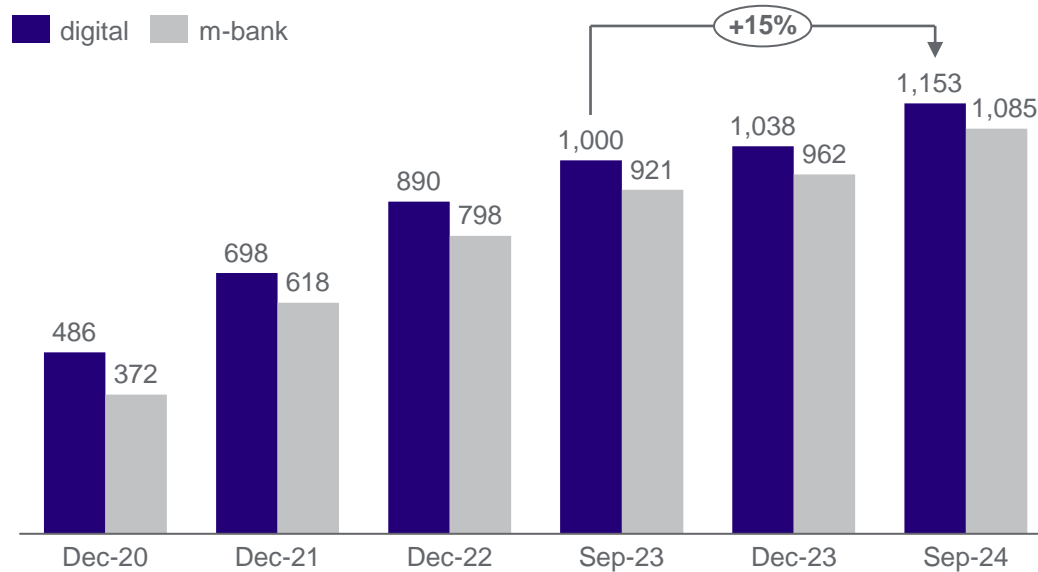
First Slovenian bank issuing digital only debit cards



Omnichannel – future sales platform

Uniformal omnichannel digital customer experience throughout the Group

NLB Group # active digital & m-bank users ⁽¹⁾ (in 000)



Digital to take primary role especially in transactions and daily banking products contracting

- Full digital experience starting with new customer digital on-boarding
- Seamless customer experience at any touch point all the way customer journey
- Process orchestration through common platform used for all sales channels
- Right offer at right time on the right channel by integrated advanced analytics into the omnichannel platform
- The same experience in the whole Group

Digital sales experienced in 2024 a noticeable boost in Slovenia, with key daily banking products being included E2E digitally in NLB Klik.



More than 1.7 million digital private individual users in the Group as at 30 September 2024, o/w over 69% are active users.

Shareholder Information



Ratings – NLB d.d.

MOODY'S

Weighted Macro Profile	
Moderate	
+	
Financial Profile	
Asset Risk	baa3
Capital	a3
Profitability	baa2
Funding Structure	a2
Liquid Resources	baa1
+	
Quantitative Factors	
GRE support	0
Group support	0
Sovereign support	0
=	
BCA (Baseline Credit Assessment)	baa3
+	
Affiliate Support	0
=	
Adjusted BCA	baa3
+	
LGF (Loss Given Failure)	+3
Government Support	0
=	
Issuer Credit Rating Long-Term Outlook / Short-Term	
A3 / Positive / P-2	

S&P Global
Ratings

SACP – Stand Alone Credit Profile		
bbb-		
▲		
Anchor	bbb-	
Business Position	Adequate	0
Capital and earnings	Adequate	0
Risk position	Adequate	0
Funding	Adequate	0
Liquidity	Strong	0
CRA adjustment		0
+		
Support		+1
▲		
ALAC support		+1
GRE support		0
Group support		0
Sovereign support		0
+		
Additional factors		0
=		
Issuer Credit Rating Long-Term Outlook / Short-Term		
BBB / Stable / A-2		

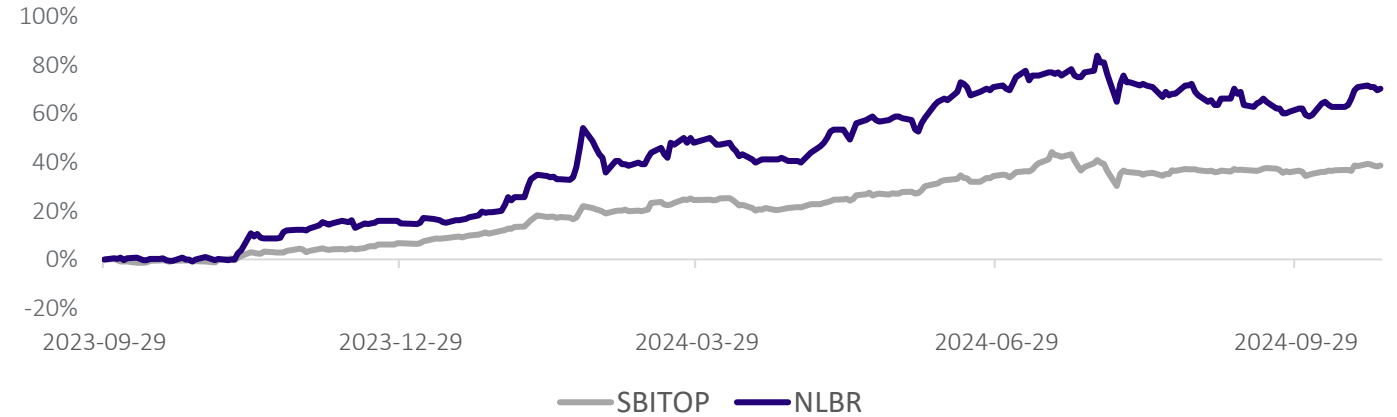
Shareholder Information

NLB Share Information

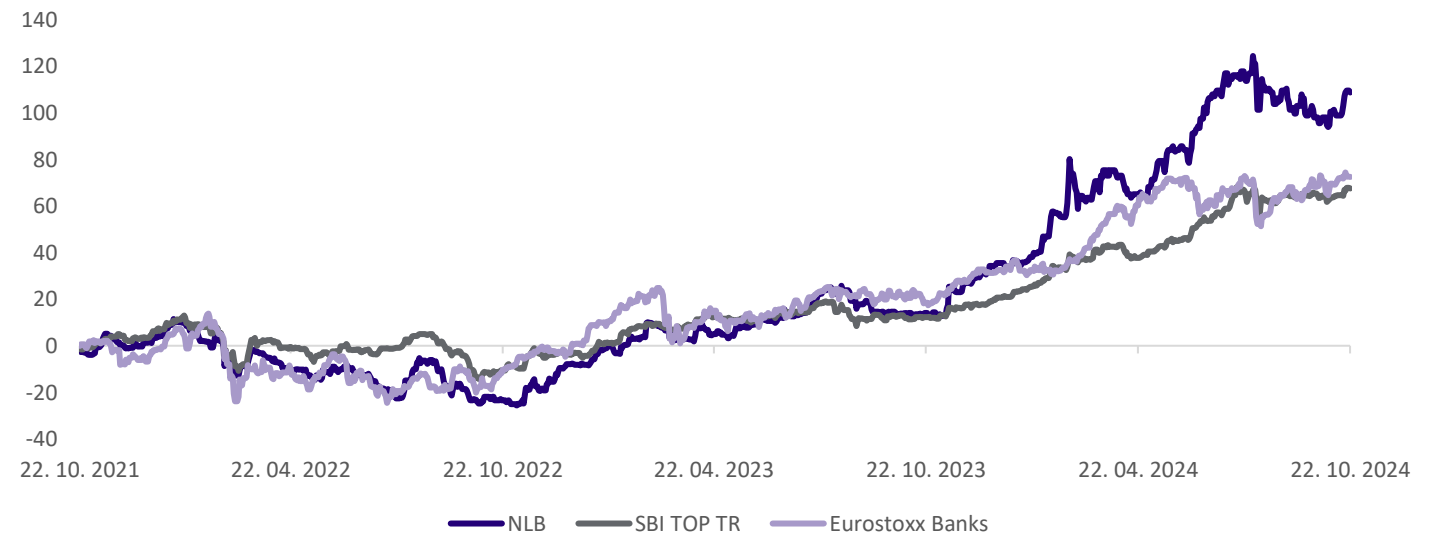
Listings		
Ljubljana Stock Exchange	Ordinary Shares	NLBR
London Stock Exchange	GDRs ⁽¹⁾	NLB

Share Information (30 Sep 2024)	EUR
Number of Shares	20,000,000
Market Capitalization	2,400 million
Earnings per Share (TTM)	29.6
Price to Earnings (TTM)	4.05
Book Value per Share	158.0
Dividend Yield	~ 9.0% ⁽²⁾

NLBR and SBITOP (1Y performance, in %)

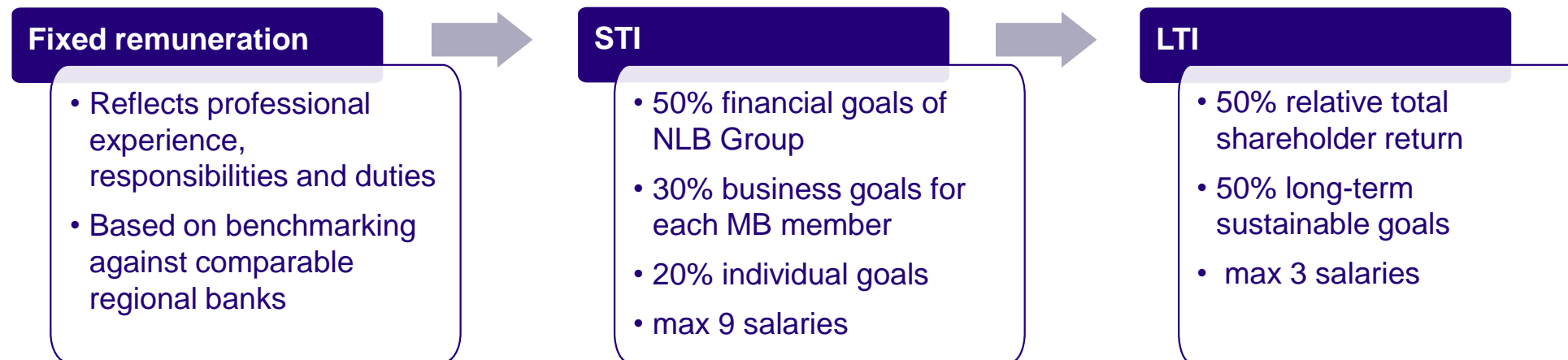


NLBR vs SBITOP TR (3Y period, in %)



Management Board Remuneration

Aligned with shareholder interests



	N° of instruments as at 31/12/23 (from 2019 on)	N° of shares held as at 31/12/23	N° of shares & share-like instruments as at 31/12/23
Blaž Brodnjak	9,162	1,700	10,862
Archibald Kremser	8,734	791	9,525
Andreas P. Burkhardt	8,141	800	8,941
Andrej Lasič	2,292	325	2,617
Antonio Argir	2,292	620	2,912
Hedvika Usenik	2,292	450	2,742

Based on the Remuneration Policy goals for the members of the Management Board are set by the Supervisory Board with the aim of promoting long-term stability and sustainable development of the Bank and are set in accordance with long term shareholders interests.


Variable part (STI and LTI) of each individual Management Board member is composed 50% in cash and 50% in instruments. The value of the Instrument is linked to the value of the NLB d.d.'s share.

Leasing M&A



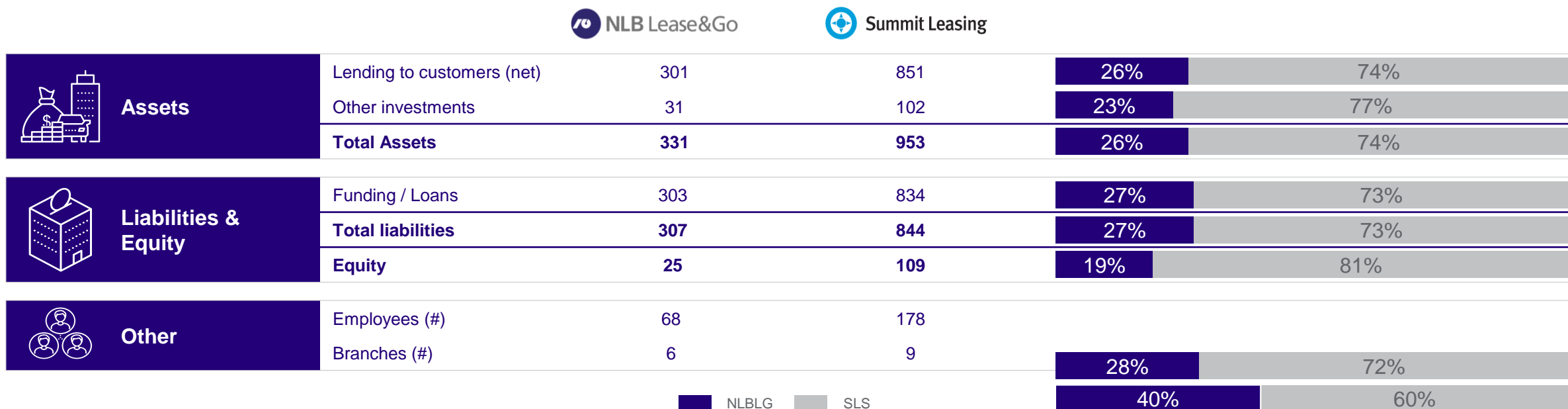
With SLS acquisition, NLB Group strengthens its position in Slovenia to #1 and enters Croatia through Mobil Leasing offering

After receiving all regulatory approvals, NLB acquired Summit Leasing on 11 September 2024

Ownership structure	Comments
 <p>The diagram illustrates the ownership structure. At the top is SLS HoldCo, represented by a dark blue box with the text 'SLS HoldCo' and a circular icon of the Slovenian flag. A downward arrow labeled '100%' points to Summit Leasing, which has a blue circular icon with a compass rose and the text 'Summit Leasing', accompanied by another Slovenian flag icon. A second downward arrow labeled '100%' points to Mobil Leasing, which has a blue 'M' logo and the text 'MOBIL LEASING', accompanied by a Croatian flag icon.</p>	<ul style="list-style-type: none"> Leasing services are one of the strategic pillars of the whole NLB Group. In this respect, the Group is seeking growth and a stronger positioning of leasing in its home region. With the signing of the Shares Purchase Agreement on 30 November 2023 and closing the transaction on 11 September 2024, NLB became the sole shareholder of SLS HOLDCO, Ljubljana, the parent company of Summit Leasing Slovenija, Ljubljana (SLS) and its Croatian subsidiary Mobil Leasing, Zagreb (MBL), together forming the SLS Group. Summit Leasing Slovenija, Ljubljana is an undisputed leader in the Slovenian vehicle leasing market, with EUR 953 million in total assets as at 30 September 2024 and a 22.6% market share¹ as at 30 June 2024. <ul style="list-style-type: none"> SLS is a leading leasing provider for new and used passenger cars and a provider of point-of-sale consumer credit. As at 30 September 2024, the SLS gross credit portfolio contribution to the Group amounted to EUR 876.1 million, of which EUR 573.1 million (i.e. 65% of the total) relates to retail clients. The remaining part belongs to corporate. Pro-forma market share¹ as at 30 June 2024 of the merged entity, considering the envisaged integration with NLB Lease&Go, leasing, Ljubljana is 31.2%, positioning NLB Group as the market leader in the Slovenian leasing market. NLB also entered Croatia through Summit Leasing Slovenija, Ljubljana's subsidiary, Mobil Leasing, Zagreb, which had EUR 120 million in total assets as at 30 September 2024 and held a 3.1% market share⁽²⁾ as at 30 June 2024. Entering the Croatian market after a 30-year absence represents a significant accomplishment for NLB. With Mobil Leasing, Zagreb, which will remain a separate company, the Bank plans to seek the strong growth potential it sees in this market. All the above-mentioned leasing market opportunities and business potential are reflected in recognised goodwill in the amount of EUR 2.4 million.

Financial highlights: SLS approximately 3 times larger scale vs. NLB LG

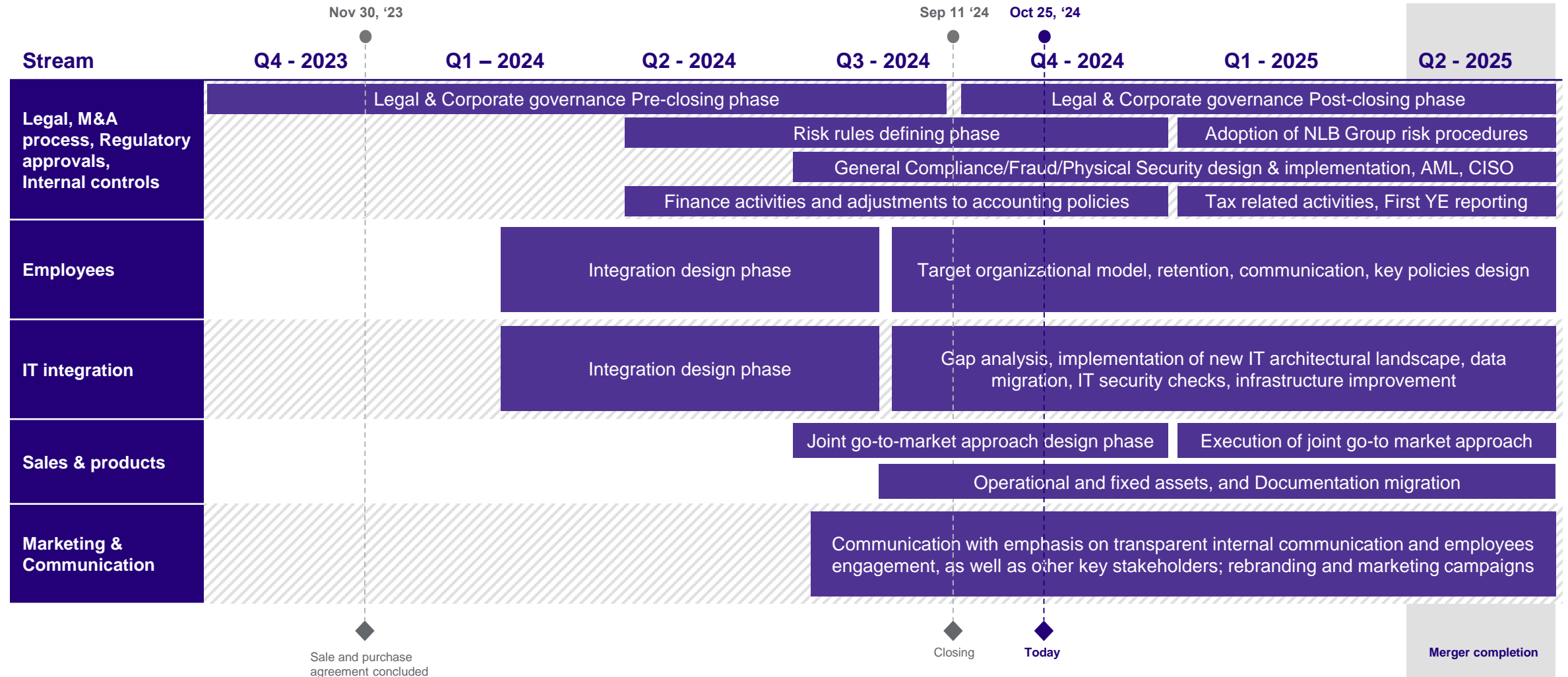
Contribution analysis in Slovenia as per 30th September 2024 (in EUR million) ⁽¹⁾



In 1-9 2024, SLS generated a result before impairments and provisions of EUR 3.9 million, excluding one-off effects. From the closing of the transaction, SLS will benefit from more favourable funding T&C under NLB ownership, therefore generating result before impairments and provisions of approximately EUR 7 million YE 2024.






The integration of both leasing entities is planned for Q2 2025. In 2025, the contribution of joint entities is expected to be around EUR 20 million and grow further to exceed EUR 30 million p.a. by 2027. This forecast includes already anticipated cost synergies estimated at EUR 3-5 million p.a. On top of that, NLB Group's result in 2025 will be on the consolidated level further strengthened with EUR 8 million additional funding synergies. These funding synergies will in the coming years increase with the growth of leasing business.

Integration project is targeting the merger in Q2 2025



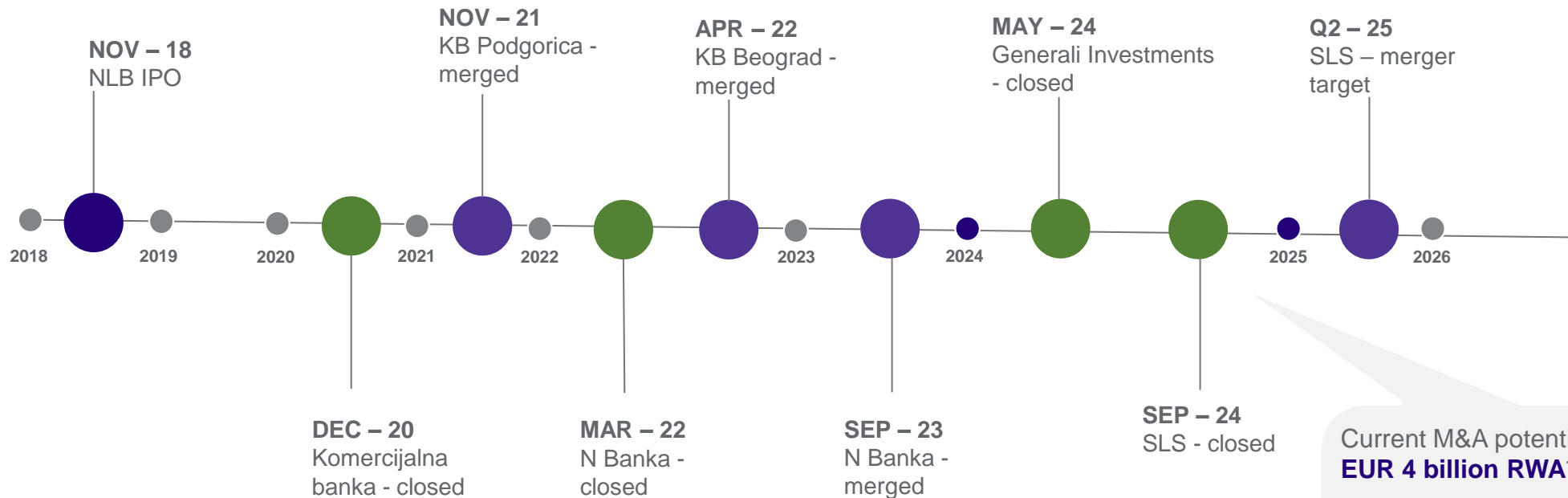
Integration of leasing entities in Slovenia is progressing according to the plan, harmonisation with NLB Group initiated

Status of the integration process

 Legal, M&A process, Regulatory approvals, Internal controls	<ul style="list-style-type: none">• All regulatory approvals received; where ECB ultimately gave consent to acquire SLS and MBL on 7 August 2024• Proper governance of NLB Group ensured from closing day (new governance rules, appointment of SB, and MB changes)• Harmonisation process with NLB Standards started immediately after control takeover of SLS and MBL• Day 1 guidelines introduced to ensure control takeover and to avoid jeopardizing the acquired businesses
 Employees	<ul style="list-style-type: none">• New organisational model in the final stage of design
 IT integration	<ul style="list-style-type: none">• Gap analysis close to be finished. Data migration tasks already started with series of mapping workshops• Target application landscape of merged company including all required integration points was successfully designed• Preparation of testing environment has started as well as cyber security related assessments
 Sales & products	<ul style="list-style-type: none">• Initial joint go-to-market approach designed to strengthen positioning of NLB Group on Slovenian leasing market
 Marketing & Communication	<ul style="list-style-type: none">• Closing communication was successfully executed with SE and PR publications; internal communication with welcome letters, gifts, Q&As and townhall meetings for employees; and merchant communication• Ongoing activities on rebranding 1stavno brand (research and market appearance suggestion)• Ongoing regular internal communication activities• Preparation of strategy for merger rebranding and communication in H1 2025

M&A is one of important pillars of NLB's Group Strategy '25-'30 execution with recent M&A track record providing comfort over execution risk

NLB M&A Timeline



Current M&A potential capacity is up to **EUR 4 billion RWA¹**

NLB is committed to **growth**, actively pursuing **M&A opportunities** while closely monitoring regional business trends, monetary policies, risks, and market opportunities

Outlook & Strategy



Outlook

KPI	Outlook for 2024	Revised Outlook for 2025
Regular income	~ EUR 1,200 million	~ EUR 1,200 million
CIR	~ 45%	~ 48%
Cost of risk	Below 20 bps	30-50 bps
Loan growth	High single-digit	High single-digit
Dividends	EUR 220 million (40% of 2023 profit)	More than 40% of 2024 profit
ROE a.t.	> 15%	~ 15%
ROE normalised ⁽ⁱ⁾	> 20%	> 20%
M&A potential		M&A capacity of up to EUR 4 billion RWA ⁽ⁱⁱ⁾

(i) ROE a.t. normalised = result a.t. divided by the average risk-adjusted capital. An average risk-adjusted capital is calculated as a Tier 1 requirement of average RWA reduced by minority shareholder capital contribution.

(ii) Possibly assisted with the capital from issuing AT1 notes and/or modifications to the dividend guidance.

Our 2030 Strategy

The leading bank in SEE, delivering against international best-practices across customer and operating model

Retail

- ▶ Expand leading position as #1 universal retail bank in SEE
- ▶ Double-down on mortgage, bankassurance and consumer finance

Payments

- ▶ Accelerate cash transition across SEE

Corporate & Investment Banking (CIB)

- ▶ Become #1 CIB franchise in SEE
- ▶ Be the innovation leader in transition finance and SME banking
- ▶ Deepen customer stickiness/loyalty

Operating Model

- ▶ Push universal banking model into fully digital setup
- ▶ Adapt best-in-class technology, data and risk practices
- ▶ Continuously balance strength of group setup with local innovation and prudent risk management

>50

Assets in bn €

>2

Recurring revenues in bn €





>1

Profit in bn €

Our Strategy 2030: This implies a step change in performance across key dimensions

Impact ambition towards ...

Strategic ambition

		2030
 Profitably scale across the SEE region	Recurring revenues, in EURbn	>2bn
	Recurring profits, in EURbn	>1bn
	CIR, in %	<45%
	RoE, in %	>15% (1-2 pp. upside from strategic plays)
	Normalized RoE, in %	>20%
 Delivery excellent returns to our shareholders	RTSR, in %	> Banking peergroup ¹
	Payout ratio, in %	towards 50-60%
	P/B	>1
 Safeguard NLB and the financial welfare of the broader economy	Tier 1 capital ratio, in %	~15%
	CET1 ratio	>13%
	Cost of Risk	30-50 bps
 Excite our customers and employees	NPS	>50 Market leader
	Employee engagement (eNPS)	>50 Market leader

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Appendix 1:

Business Performance

Key performance indicators of NLB Group

Strong recurring revenues and resilient asset quality

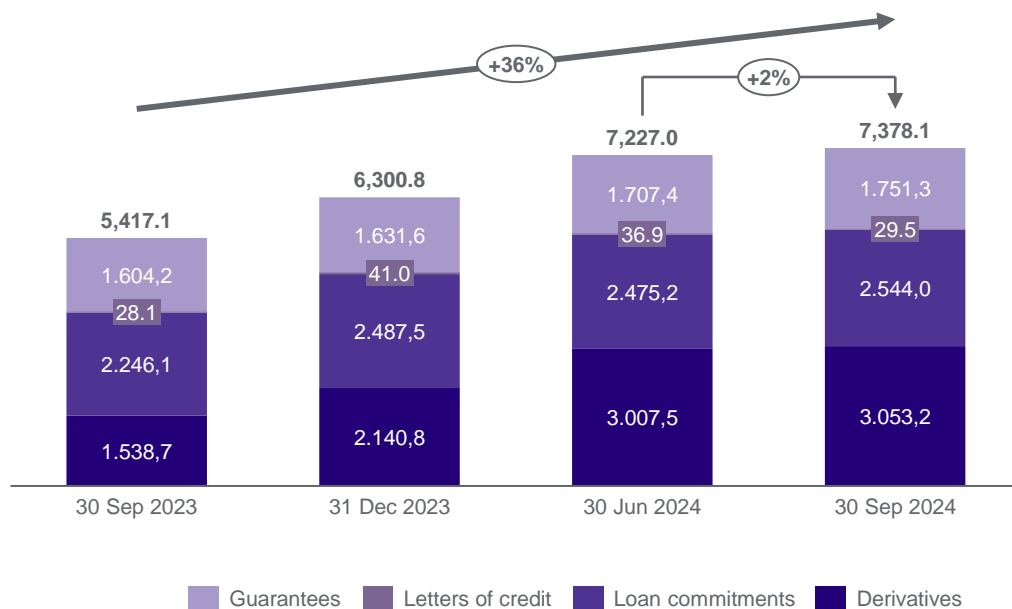
in EUR millions / % / bps

	1-9 2024	1-9 2023	Change YoY	Q3 2024	Q2 2024	Q3 2023	Change QoQ
Key Income Statement Data							
Net operating income	924.0	800.8	15%	320.0	305.9	289.2	5%
Net interest income	694.2	601.5	15%	233.7	228.3	221.5	2%
Net non-interest income	229.8	199.4	15%	86.2	77.7	67.7	11%
o/w Net fee and commission income	231.9	205.6	13%	81.9	78.9	70.9	4%
Total costs	-423.7	-361.6	-17%	-148.7	-142.7	-120.9	-4%
Result before impairments and provisions	500.3	439.2	14%	171.3	163.2	168.2	5%
Impairments and provisions	7.8	13.9	-44%	-2.6	15.1	-3.8	-
Impairments and provisions for credit risk	12.3	26.8	-54%	0.6	16.0	-3.1	-96%
Other impairments and provisions	-4.5	-12.8	65%	-3.2	-1.0	-0.7	-
Result after tax	427.5	386.9	10%	135.5	152.0	144.2	-11%
Key Financial Indicators							
ROE a.t.	18.6%	20.2%	-1.6 p.p.				
Return on equity after tax (ROE a.t.) normalized ⁽ⁱ⁾	29.0%	27.6%	1.4 p.p.				
ROA a.t.	2.2%	2.1%	0.1 p.p.				
Net interest margin (on interest bearing assets)	3.65%	3.42%	0.24 p.p.				
Operational business margin ⁽ⁱⁱ⁾	4.98%	4.67%	0.31 p.p.				
Cost to income ratio (CIR) ⁽ⁱⁱⁱ⁾	43.2%	45.2%	-2.0 p.p.				
Cost of risk net (bps) ^(iv)	-12	-23	12				
	30 Sep 2024	30 Jun 2024	31 Dec 2023	30 Sep 2023	Change YtD	Change YoY	Change QoQ
Key Financial Position Statement Data							
Total assets	27,243.4	26,613.7	25,942.0	25,278.0	5%	8%	2%
Gross loans to customers	16,071.4	14,726.7	14,063.6	13,990.2	14%	15%	9%
Net loans to customers	15,739.3	14,399.3	13,734.6	13,666.1	15%	15%	9%
Deposits from customers	21,373.9	20,693.8	20,732.7	20,289.1	3%	5%	3%
Equity (w ithout non-controlling interests)	3,242.1	3,081.3	2,882.9	2,734.9	12%	19%	5%
Other Key Financial Indicators							
LTD ^(v)	73.6%	69.6%	66.2%	67.4%	7.4 p.p.	6.3 p.p.	4.1 p.p.
Tier 1 Ratio	15.4%	16.3%	16.9%	15.3%	-1.6 p.p.	0.1 p.p.	-0.9 p.p.
Total capital ratio	18.6%	19.7%	20.3%	18.7%	-1.7 p.p.	-0.1 p.p.	-1.1 p.p.
Total risk exposure amount (RWA)	17,064.0	16,017.2	15,337.2	14,919.0	11%	14%	7%
Employees							
Number of employees	8,343	8,049	7,982	8,078	361	265	294

Notes: (i) ROE normalized = Result a.t. divided by Average risk adjusted capital. Average risk adjusted capital computed as Tier 1 requirement of average Risk Weighted Assets (RWA) reduced for minority shareholder capital contribution. (ii) Operational business net income annualized / average assets. (iii) Tax on total assets excluded from the calculation for the year 2024. (iv) Credit impairments and provisions (annualized level) / average net loans to customers. (v) Net loans to customers / deposits from customers.

Off-balance sheet items

Off-balance sheet items of NLB Group – structure (in EURm)



Loan commitments and Low risk off-balance commitments

	in EUR million			
	30 Sep 2024	30 Jun 2024	31 Dec 2023	30 Sep 2023
Loans	1,532.6	1,486.9	1,500.5	1,278.1
Overdrafts Retail	377.3	396.3	377.5	372.9
Overdrafts Corporate	239.8	222.9	264.0	228.8
Cards	400.2	397.2	387.7	387.9
Other	59.5	54.1	42.3	44.1
Inter Company	-65.5	-82.2	-84.5	-65.7
Loan commitments	2,544.0	2,475.2	2,487.5	2,246.1
Low risk off-balance commitments *	992.1	919.5	915.5	826.1
Loan and low-risk off-balance commitments	3,536.0	3,394.7	3,402.9	3,072.2

Derivatives

	in EUR million			
	30 Sep 2024	30 Jun 2024	31 Dec 2023	30 Sep 2023
FX derivatives with customers	310.4	254.1	346.3	166.4
Interest rate derivatives with customers	421.7	425.8	449.0	453.2
FX derivatives - hedging	141.1	138.5	215.8	133.8
Interest rate derivatives - hedging	2,138.2	2,145.2	1,083.8	734.3
Options	41.9	43.8	45.9	50.9
Total	3,053.2	3,007.5	2,140.8	1,538.7

The majority of NLB Group derivatives are concluded by NLB either for hedging of the banking book or for trading with customers.

Business with customers

- Customers are mainly using plain vanilla FX and Interest rate derivatives for hedging of their business model.

Hedging

- NLB is concluding interest rate swaps in line with fair value hedge accounting rules. Micro and macro hedges are used for hedging of fixed rate loan portfolio and micro Interest rate swaps are used for the purpose of securities hedging.
- The increase in derivatives in 2024 is mainly due to hedging of issued NLB securities with the aim of NII stabilisation (EUR 1.070 million in 2024).
- FX swaps used for short-term liquidity hedging at the similar level as in september 2023.

Net interest income evolution

YoY evolution (in EURm)



QoQ evolution (in EURm)



Appendix 2:

Segment Analysis

NLB Group key business segments

	Retail banking in Slovenia	Corporate and investment banking in Slovenia	Financial markets in Slovenia	Strategic foreign markets	Non-core members
	<p>Retail</p> <p>Micro</p> <p>NLB Skladi</p> <p>Bankart⁽¹⁾</p> <p>NLB Lease&Go, leasing, Ljubljana (retail clients)</p> <p>Summit Leasing Slovenija (retail clients)</p>	<p>Corporate & Investment banking:</p> <ul style="list-style-type: none"> - Key corporates - SME corporates - Cross Border corporates - Investment banking and custody <ul style="list-style-type: none"> - Trade finance - Restructuring&workout <p>NLB Lease&Go, leasing, Ljubljana (corporate clients)</p> <p>Summit Leasing Slovenija (corporate clients)</p>	<p>Treasury activities</p> <p>Trading in financial instruments</p> <p>Asset and liabilities management (ALM)</p>	<p>NLB Komercijalna Banka, Beograd</p> <p>NLB Banka, Skopje</p> <p>NLB Banka, Banja Luka</p> <p>NLB Banka, Sarajevo</p> <p>NLB Banka, Prishtina</p> <p>NLB Banka, Podgorica</p> <p>NLB Fondovi, Beograd</p> <p>NLB DigIT, Beograd</p> <p>NLB Lease&Go Skopje</p> <p>NLB Lease&Go Leasing Beograd</p> <p>NLB Fondovi, Skopje</p> <p>Mobil Leasing, Zagreb</p>	<p>NLB Srbija</p> <p>NLB Crna Gora</p> <p>SLS HOLDCO</p> <p>Entities in liquidation</p>
	<ul style="list-style-type: none"> • Largest retail banking group in Slovenia by loans and deposits • #1 in private banking and asset management • Focused on upgrading customer digital experience and satisfaction • Most of the daily banking product available E2E in digital bank NLB Klik 	<ul style="list-style-type: none"> • Systemic and key player in corporate banking with focus on advisory and long-term strategic partnerships • Market leader in Investment Banking and Custody services • Regional know-how and experience in Corporate Finance and #1 lead organiser for syndicated loans in Slo • In Trade finance, it maintains a leading position and supports all major infrastructure projects in Slovenia and the region • Market leader at FX and interest rate hedges 	<ul style="list-style-type: none"> • Maintaining stable funding base • Management of well diversified liquidity reserves • Managing interest rate positions with responsive pricing policy 	<ul style="list-style-type: none"> • Leading SEE franchise with six subsidiary banks, two leasing companies, one IT service company and two investment fund companies • The only international banking group with exclusive focus on the SEE region 	<ul style="list-style-type: none"> • Assets booked by non-core subsidiaries funded via NLB • Controlled wind-down of remaining assets, including collection of claims, liquidation of subsidiaries and sale of assets
<i>(Sep 2024, in EURm)</i>					
Pre-provision result	209.3	82.4	-14.5	263.9	-5.2
Result b.t.	193.2	94.7	-15.2	277.5	-3.5
Total assets	4,641	3,830	6,616	11,680	31
% of total assets⁽²⁾	17%	14%	24%	43%	0%
CIR	36.3%	38.7%	/	43.4%	/
Cost of risk (bp)	64	-48	/	-33	/

Notes: (1) 39% minority stake; (2) Other activities 1%;

Retail Banking in Slovenia

in EUR millions consolidated								
	1-9 2024	1-9 2023	Change YoY		Q3 2024	Q2 2024	Q3 2023	Change QoQ
Net interest income	241.7	185.0	56.7	31%	82.3	79.4	74.7	4%
Net interest income from Assets ⁽ⁱ⁾	73.5	65.4	8.1	12%	27.9	23.0	21.8	21%
Net interest income from Liabilities ⁽ⁱ⁾	168.3	119.6	48.7	41%	54.5	56.3	52.9	-3%
Net non-interest income	86.7	75.0	11.7	16%	35.1	31.3	26.5	12%
o/w Net fee and commission income	94.7	84.5	10.2	12%	33.5	31.0	27.7	8%
Total net operating income	328.5	260.0	68.5	26%	117.5	110.7	101.1	6%
Total costs	-119.1	-107.0	-12.1	-1%	-40.9	-43.4	-34.4	6%
Result before impairments and provisions	209.3	153.0	56.3	37%	76.5	67.3	66.7	14%
Impairments and provisions	-18.4	-22.2	3.8	17%	-1.7	-11.2	-6.8	85%
Share of profit from investments in associates and joint ventures	2.3	1.3	1.0	73%	0.6	0.7	0.7	-13%
Result before tax	193.2	132.1	61.1	46%	75.5	56.8	60.6	33%

	30 Sep 2024	30 Jun 2024	31 Dec 2023	30 Sep 2023	Change YtD		Change YoY		Change QoQ
Net loans to customers	4,503.1	3,818.9	3,694.2	3,637.6	808.9	22%	865.5	24%	18%
Gross loans to customers	4,582.1	3,900.6	3,760.8	3,701.8	821.4	22%	880.3	24%	17%
Housing loans	2,595.2	2,537.2	2,483.5	2,465.3	111.7	4%	129.9	5%	2%
Interest rate on housing loans ⁽ⁱⁱ⁾	3.19%	3.22%	3.07%	3.00%	0.12 p.p.		0.19 p.p.		-0.03 p.p.
Consumer loans	931.4	892.9	818.5	791.5	112.9	14%	140.0	18%	4%
Interest rate on consumer loans ⁽ⁱⁱ⁾	8.37%	8.38%	8.14%	8.11%	0.23 p.p.		0.26 p.p.		-0.01 p.p.
Summit Leasing Slovenija	553.6				553.6	-	553.6	-	-
NLB Lease&Go, leasing, Ljubljana	127.6	120.2	98.2	89.3	29.5	30%	38.4	43%	6%
Other	374.2	350.3	360.6	355.8	13.7	4%	18.4	5%	7%
Deposits from customers	9,705.5	9,590.2	9,357.8	9,226.0	347.7	4%	479.5	5%	1%
Interest rate on deposits ⁽ⁱⁱ⁾	0.49%	0.49%	0.32%	0.29%	0.17 p.p.		0.20 p.p.		0.00 p.p.
Non-performing loans (gross)	91.8	81.6	77.3	74.0	14.5	19%	17.8	24%	13%

	1-9 2024	1-9 2023	Change YoY
Cost of risk (in bps)	64	36	27
CIR	36.3%	41.2%	-4.9 p.p.
Net interest margin ⁽ⁱⁱ⁾	4.80%	3.93%	0.87 p.p.

⁽ⁱ⁾ Net interest income from assets and liabilities with the use of FTP.

⁽ⁱⁱ⁾ Net interest margin and interest rates before the merger of NLB and N Banka only for NLB. Segment's net interest margin is calculated as the ratio between annualised net interest income⁽ⁱ⁾ and sum of average interest-bearing assets and liabilities divided by 2.

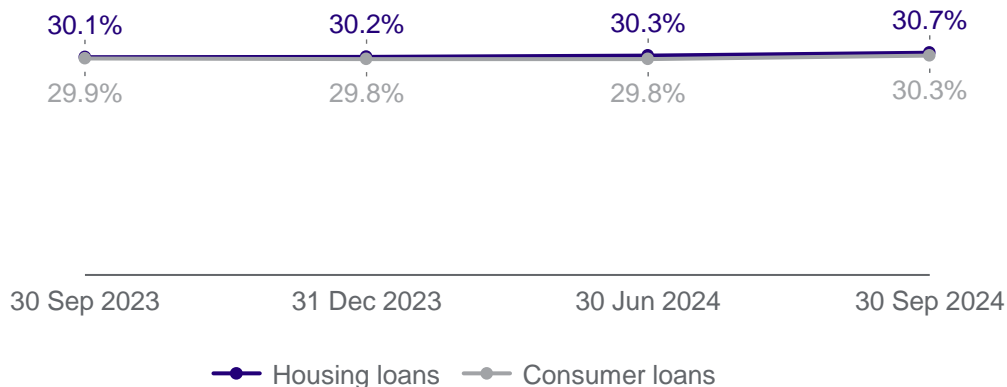
Key highlights

- Considerable increase of market shares, 0.4 pp in retail lending and 0.9 pp in deposit taking.
- Substantial increase of the loan portfolio, partially also due to the acquisition of Summit Leasing Slovenija, Ljubljana.
- The segment maintained excellent new loan production in consumer loans and strong inflows into mutual funds.
- Strong growth in net fees and commissions, of which a substantial increase came from asset management, bancassurance and card operations.
- Apple Pay, Garmin Pay and push notifications in the NLB Pay wallet were implemented.
- Daily banking products are available E2E digitally in NLB Klik, presenting a noticeable contribution to total sales.

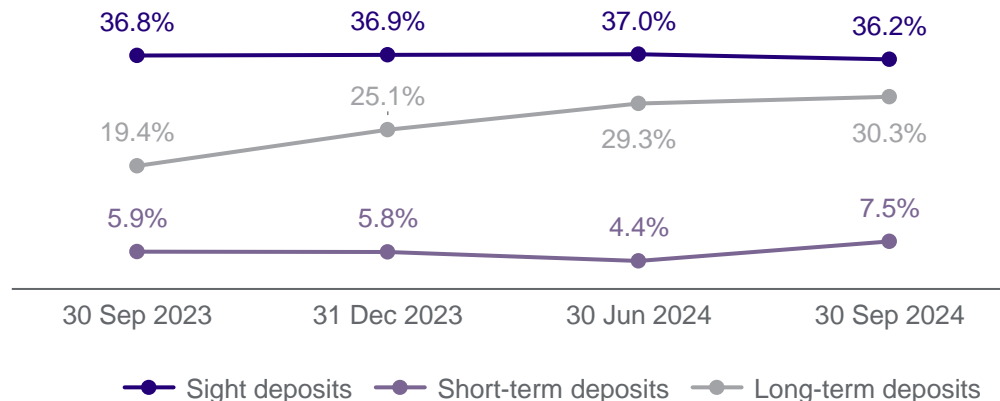
Retail banking in Slovenia

High and stable market shares across products

Market share of net loans to individuals ⁽¹⁾

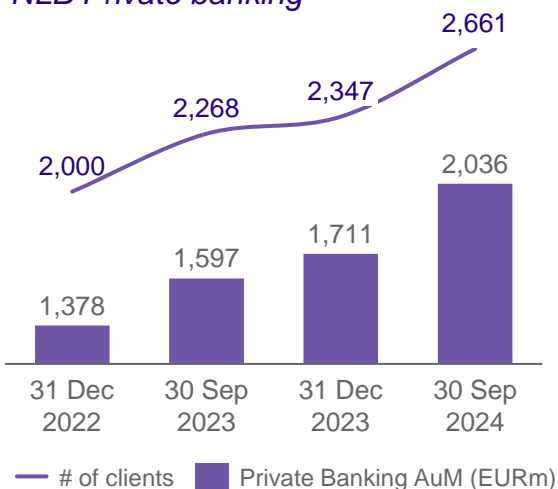


Market share of deposits from individuals

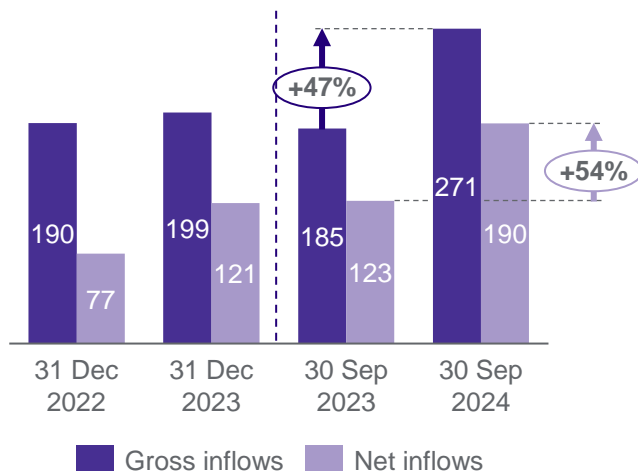


Upside from fee generating products

NLB Private banking



NLB Skladi mutual funds inflows (EURm)



- Digital sales in NLB Klik witnessed substantial increase for daily banking products, especially for products which clients perceive as less complex.
- Mobile wallet NLB Pay enables Google Pay, Apple Pay and Garmin Pay. Push notifications for card transactions within the app replacing SMS.
- Continued excellent sales of new consumer loans, Retail market shares, both in lending and deposit taking, increasing.
- #1 player in Private Banking⁽¹⁾
 - Leading position being strengthened with over EUR 2 billion of assets under management.
- # 1 player in Slovenian asset management ⁽²⁾
 - AuM of EUR 2,798.8 million as of 30 September 2024, including investments in mutual funds and discretionary portfolios
 - Market share of NLB Skladi at mutual funds in Slovenia is 40.2% as of 30 September 2024, the company is ranked first among its peers in Slovenia, accounting for 52.3% of all net inflows in the market.

Source: Bank of Slovenia (retail loans and deposits), Company information, Slovenian Fund Management Association

Note: (1) Company information; (2) By AuM (Slovenian Fund Management Association).

Corporate and Investment banking in Slovenia

in EUR millions consolidated									
	1-9 2024	1-9 2023	Change YoY		Q3 2024	Q2 2024	Q3 2023	Change QoQ	
Net interest income	97.8	74.4	23.4	31%	32.5	32.9	29.2	-1%	
Net interest income from Assets ⁽ⁱ⁾	57.8	44.7	13.1	29%	20.4	19.6	16.3	4%	
Net interest income from Liabilities ⁽ⁱ⁾	40.0	29.7	10.3	35%	12.1	13.3	12.9	-3%	
Net non-interest income	36.6	32.9	3.7	11%	12.8	11.4	11.3	13%	
o/w Net fee and commission income	31.3	30.6	0.7	2%	11.0	9.6	11.0	15%	
Total net operating income	134.4	107.3	27.1	25%	45.3	44.3	40.5	2%	
Total costs	-52.0	-51.6	-0.4	-1%	-17.4	-18.9	-17.3	8%	
Result before impairments and provisions	82.4	55.7	26.7	48%	27.9	25.4	23.2	10%	
Impairments and provisions	12.3	8.6	3.7	43%	3.2	6.3	1.7	-50%	
Result before tax	94.7	64.3	30.4	47%	31.1	31.7	25.0	-2%	

	30 Sep 2024	30 Jun 2024	31 Dec 2023	30 Sep 2023	Change YtD		Change YoY		Change QoQ
Net loans to customers	3,770.3	3,440.9	3,360.2	3,472.1	410.2	12%	298.2	9%	10%
Gross loans to customers	3,824.9	3,492.6	3,413.2	3,524.4	411.7	12%	300.5	9%	10%
Corporate	3,686.5	3,392.2	3,306.7	3,426.3	379.8	11%	260.2	8%	9%
Key/SME/Cross Border Corporates	3,186.5	3,106.1	3,049.5	3,177.0	137.0	4%	9.5	0%	3%
Interest rate on Key/SME/Cross Border Corporates loans ⁽ⁱⁱ⁾	5.14%	5.21%	4.54%	4.31%	0.60 p.p.		0.83 p.p.		-0.07 p.p.
Investment banking	0.1	0.1	0.1	0.1	0.0	-1%	0.0	-1%	0%
Restructuring and Workout	118.5	112.8	97.7	97.2	20.8	21%	21.4	22%	5%
Summit Leasing Slovenija	207.2				207.2	-	207.2	-	-
NLB Lease&Go, leasing, Ljubljana	174.2	173.2	159.4	152.0	14.8	9%	22.1	15%	1%
State	137.2	99.3	105.6	97.4	31.6	30%	39.8	41%	38%
Interest rate on State loans ⁽ⁱⁱ⁾	5.91%	6.01%	5.95%	5.87%	-0.04 p.p.		0.04 p.p.		-0.10 p.p.
Deposits from customers	2,299.1	2,089.9	2,471.8	2,405.6	-172.7	-7%	-106.5	-4%	10%
Interest rate on deposits ⁽ⁱⁱ⁾	0.36%	0.36%	0.28%	0.24%	0.08 p.p.		0.12 p.p.		0.00 p.p.
Non-performing loans (gross)	68.0	59.6	61.8	61.1	6.2	10%	6.9	11%	14%

	1-9 2024	1-9 2023	Change YoY
Cost of risk (in bps)	-48	-51	3
CIR	38.7%	48.1%	-9.4 p.p.
Net interest margin ⁽ⁱⁱⁱ⁾	4.15%	3.37%	0.78 p.p.

⁽ⁱ⁾ Net interest income from assets and liabilities with the use of FTP.

⁽ⁱⁱ⁾ Net interest margin and interest rates before the merger of NLB and N Banka only for NLB.

Segment's net interest margin is calculated as the ratio between annualised net interest income⁽ⁱ⁾ and sum of average interest-bearing assets and liabilities divided by 2.

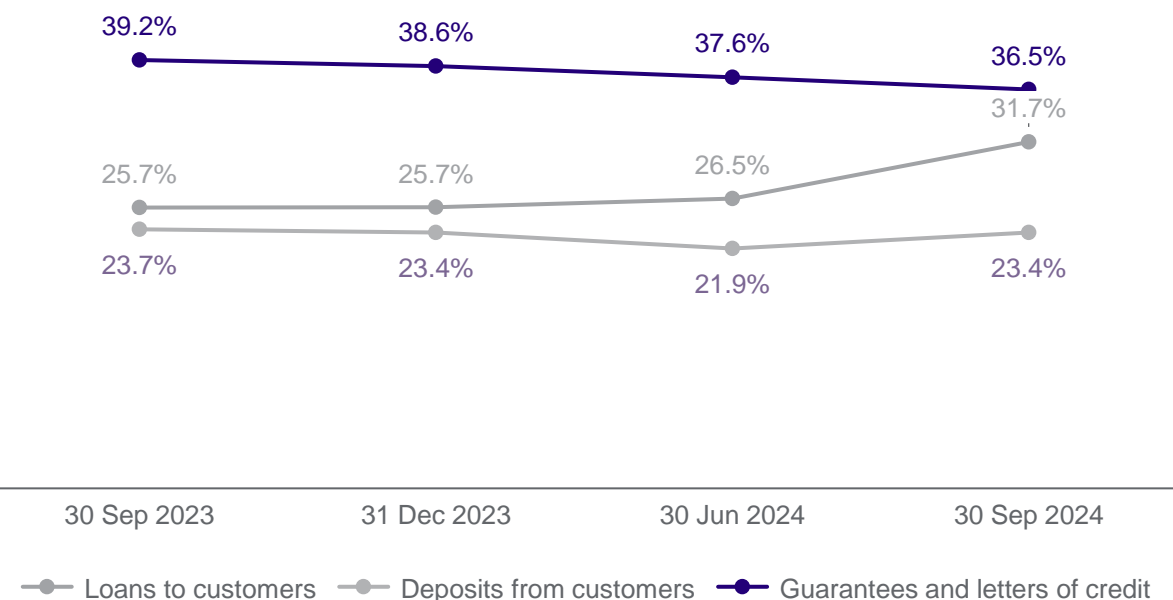
Key highlights:

- Net interest income increase driven by higher loan volumes and margins on client deposits.
- Increased gross lending by EUR 411.7 million due to:
 - The acquisition of the corporate part of Summit Leasing Slovenia's loan portfolio and
 - Increased volume of new lending in Q2 and Q3 2024.
- An increase in market share in loans, alongside maintaining a significant market share in guarantees.
- Active role of the Bank in raising awareness and supporting clients in ESG development and sustainable finance, reflected in increased volumes of sustainable finance.
- The trade finance business remained stable, allowing the Bank to preserve high market shares.

Corporate & Investment Banking in Slovenia

High market shares across products

Market share of Corporate Banking – evolution and position on the market



- The Bank cooperates with over 11,000 corporate clients and holds 26.5% market share in loans, 21.9% in deposits and over 37.6% in trade finance.
- Trade finance business, especially guarantees, maintained a high market share.
- The Bank is increasing its share of financing the green transformation of Slovenian companies and beyond.
- Strong cross-border financing activity, focusing also on green sustainable finance.
- Among the top Slovenian players in custodian services for Slovenian and international clients with value of assets under custody amounted to EUR 20.3 billion.
- The Bank has been actively involved in financial advisory business.
- Engaged in the organisation of bond issues (as a sole lead manager or joint lead manager) in the nominal amount of EUR 1.166 billion.
- NLB was also a lead manager and distributor of Republic of Slovenia first retail bond in the nominal amount EUR 258 million.

Financial Markets in Slovenia

in EUR millions consolidated									
	1-9 2024	1-9 2023	Change YoY		Q3 2024	Q2 2024	Q3 2023	Change QoQ	
Net interest income	-4.2	34.1	-38.4	-	-3.3	-3.0	6.4	-9%	
Net interest income w/o ALM ⁽ⁱ⁾	19.7	17.5	2.2	12%	6.8	5.2	6.2	32%	
o/w ALM	-23.9	16.7	-40.5	-	-10.1	-8.2	0.2	-21%	
Net non-interest income	1.1	-1.2	2.3	-	0.8	-2.6	-1.2	-	
Total net operating income	-3.1	33.0	-36.1	-	-2.5	-5.6	5.2	55%	
Total costs	-11.4	-7.1	-4.3	-61%	-5.1	-3.5	-2.4	-48%	
Result before impairments and provisions	-14.5	25.9	-40.4	-	-7.6	-9.1	2.8	17%	
Impairments and provisions	-0.7	4.8	-5.5	-	0.1	-0.3	0.6	-	
Result before tax	-15.2	30.7	-45.9	-	-7.5	-9.4	3.4	21%	

	30 Sep 2024	30 Jun 2024	31 Dec 2023	30 Sep 2023	Change YtD		Change YoY		Change QoQ
Balances with Central banks	2,227.5	3,335.2	4,153.2	3,976.7	-1,925.7	-46%	-1,749.2	-44%	-33%
Banking book securities	4,261.8	4,143.7	2,981.1	2,994.8	1,280.7	43%	1,267.0	42%	3%
Interest rate ⁽ⁱⁱ⁾	1.97%	1.87%	1.17%	1.07%	0.80 p.p.		0.90 p.p.		0.10 p.p.
Borrowings	51.2	56.4	82.8	73.3	-31.6	-38%	-22.1	-30%	-9%
Interest rate ⁽ⁱⁱ⁾	2.39%	2.36%	1.66%	2.05%	0.73 p.p.		0.34 p.p.		0.03 p.p.
Subordinated liabilities (Tier 2)	583.4	558.7	509.4	529.0	74.0	15%	54.4	10%	4%
Interest rate ⁽ⁱⁱ⁾	8.21%	8.04%	6.89%	6.87%	1.32 p.p.		1.34 p.p.		0.17 p.p.
Other debt securities in issue	1,034.8	1,315.3	828.8	810.0	205.9	25%	224.7	28%	-21%
Interest rate ⁽ⁱⁱ⁾	6.39%	6.66%	6.56%	6.46%	-0.17 p.p.		-0.07 p.p.		-0.27 p.p.

⁽ⁱ⁾ Net interest income from assets and liabilities with the use of FTP.

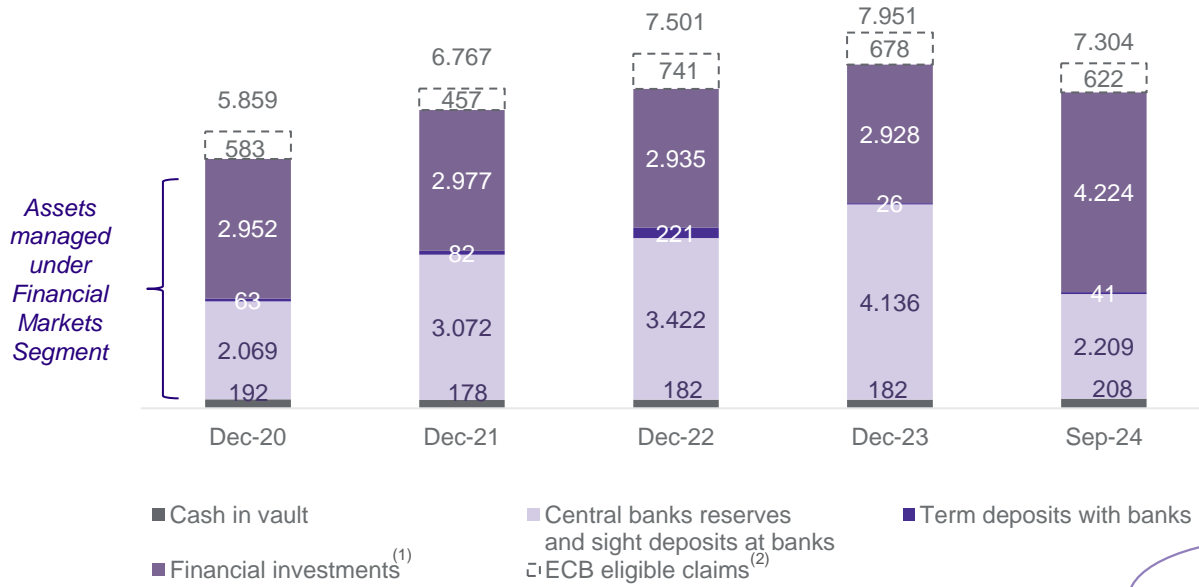
⁽ⁱⁱ⁾ Interest rates only for NLB.

Key highlights:

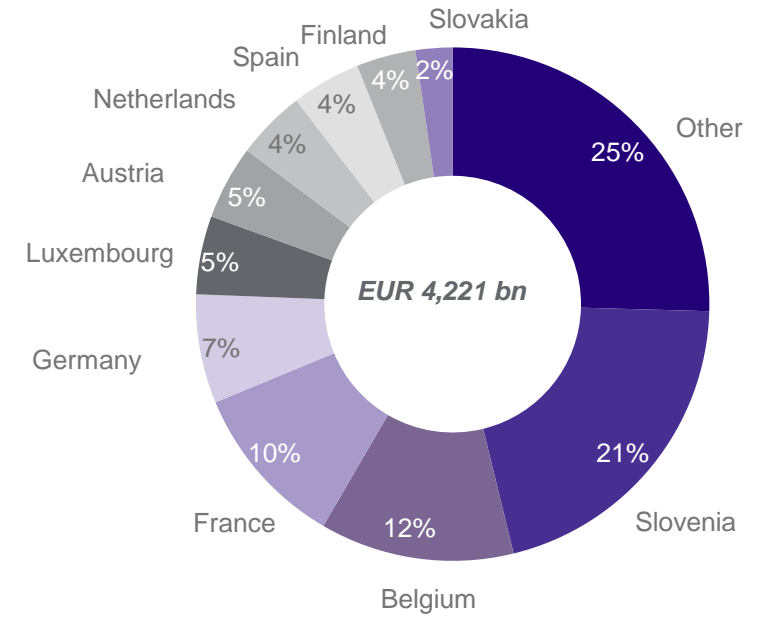
- The Bank successfully issued subordinated Tier 2 notes in the amount of EUR 300 million and senior preferred notes in the amount of EUR 500 million.
- For the purpose of NII stabilisation, the Bank increased investments in banking book securities, mostly funded from balances with CB.
- Further diversification of the banking book securities portfolio resulted in more ESG debt securities.
- Negative ALM result in 2024 is a consequence of FTP policy adjustment which burdens the ALM result for surpluses of MREL and Tier 2 instruments above the optimal level.

Financial markets in Slovenia

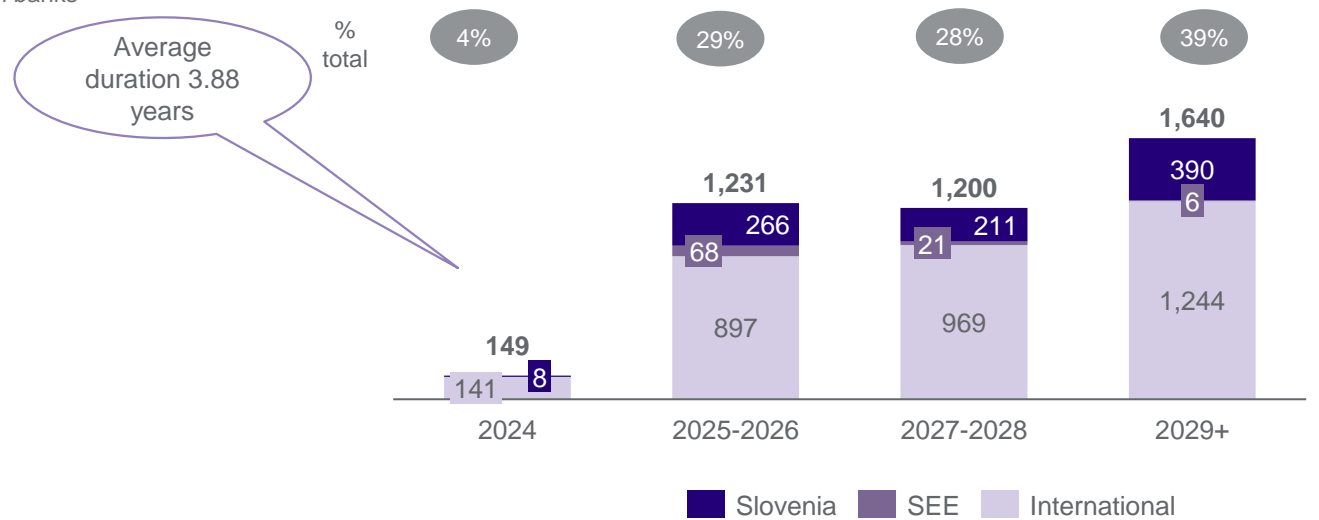
Liquid assets evolution (EURm)



Well diversified banking book by geography (30 Sep 2024)



Maturity profile of banking book securities (30 Sep 2024, EURm)



Well positioned and funded division

- Strong liquidity buffer provides solid base for future core growth consisting of liquid assets which are not encumbered for operational or regulatory purposes
- Banking book securities portfolio is well diversified in terms of asset class and geography to minimize concentration risk, and is invested predominantly in high quality issuers on prudent tenors
- Liquidity ratios (as of 30 Sep 2024): LCR 252% (NLB d.d.) and 214% (NLB Group); NSFR (preliminary) 154% (NLB d.d.) and 168% (NLB Group).

Strategic Foreign Markets

in EUR millions consolidated								
	1-9 2024	1-9 2023	Change YoY		Q3 2024	Q2 2024	Q3 2023	Change QoQ
Net interest income	360.1	307.5	52.5	17%	122.2	119.0	111.2	3%
Interest income	420.2	340.1	80.1	24%	143.4	139.0	124.5	3%
Interest expense	-60.1	-32.6	-27.5	-83%	-21.2	-20.0	-13.3	-6%
Net non-interest income	106.4	97.9	8.5	9%	39.1	38.1	33.3	3%
o/w Net fee and commission income	106.6	91.2	15.4	17%	37.4	38.5	32.4	-3%
Total net operating income	466.5	405.4	61.1	15%	161.3	157.1	144.5	3%
Total costs	-202.6	-179.5	-23.2	-13%	-70.5	-68.2	-61.5	-3%
Result before impairments and provisions	263.9	226.0	37.9	17%	90.8	88.9	82.9	2%
Impairments and provisions	13.6	15.5	-1.8	-12%	-4.4	20.6	-1.5	-
Result before tax	277.5	241.4	36.0	15%	86.4	109.6	81.5	-21%
o/w Result of minority shareholders	12.3	9.6	2.7	28%	3.7	5.2	2.8	-23%

	30 Sep 2024	30 Jun 2024	31 Dec 2023	30 Sep 2023	Change YtD		Change YoY		Change QoQ
Net loans to customers	7,438.1	7,110.6	6,648.1	6,524.3	790.0	12%	913.8	14%	5%
Gross loans to customers	7,620.2	7,288.3	6,839.8	6,712.2	780.4	11%	908.0	14%	5%
Individuals	3,947.1	3,788.9	3,525.6	3,461.2	421.5	12%	485.9	14%	4%
Interest rate on retail loans	6.98%	7.02%	6.63%	6.53%	0.35 p.p.		0.45 p.p.		-0.04 p.p.
Corporate	3,377.9	3,222.0	3,042.9	3,005.4	335.0	11%	372.5	12%	5%
Interest rate on corporate loans	5.87%	5.90%	5.37%	5.20%	0.50 p.p.		0.67 p.p.		-0.03 p.p.
State	295.2	277.4	271.4	245.6	23.8	9%	49.6	20%	6%
Interest rate on state loans	7.70%	7.78%	7.13%	6.90%	0.57 p.p.		0.80 p.p.		-0.08 p.p.
Deposits from customers	9,346.3	8,981.0	8,878.3	8,614.9	468.0	5%	731.4	8%	4%
Interest rate on deposits	0.64%	0.64%	0.38%	0.33%	0.26 p.p.		0.31 p.p.		0.00 p.p.
Non-performing loans (gross)	136.5	136.9	134.0	148.9	2.5	2%	-12.4	-8%	0%

	1-9 2024	1-9 2023	Change YoY
Cost of risk (in bps)	-33	-36	3
CIR	43.4%	44.3%	-0.8 p.p.
Net interest margin	4.40%	4.12%	0.28 p.p.

Key highlights

- Sustained growth and robust financial outlook.
- Double-digit growth of net interest income with increasing net interest margins across all banking members.
- Retail lending activities have grown robustly, outpacing most local market dynamics.
- Increased deposits base reflected the overall confidence in the banking members.
- Croatian subsidiary of the SLS Group Mobil Leasing, Zagreb, with a market share of 3.2%, has been included in the segment after the successful acquisition of the SLS Group.
- Serbia's sovereign credit score was upgraded by S&P Global Ratings, making the transformation of the country to an investment-grade issuer.

Non-Core Members⁽¹⁾

Non-Core Members

in EUR millions consolidated

	1-9 2024	1-9 2023	Change YoY		Q3 2024	Q2 2024	Q3 2023	Change QoQ	
Net interest income	0.7	0.7	0.1	13%	0.2	0.2	0.2	13%	
Net non-interest income	0.3	-2.8	3.1	-	-0.1	-0.1	-0.9	3%	
Total net operating income	1.0	-2.2	3.2	-	0.1	0.1	-0.7	24%	
Total costs	-6.2	-9.9	3.7	38%	-3.8	-0.4	-3.5	-	
Result before impairments and provisions	-5.2	-12.1	6.9	57%	-3.7	-0.3	-4.3	-	
Impairments and provisions	1.7	1.9	-0.2	-12%	0.2	0.3	0.3	-12%	
Result before tax	-3.5	-10.2	6.7	66%	-3.4	0.0	-4.0	-	

	30 Sep 2024	30 Jun 2024	31 Dec 2023	30 Sep 2023	Change YtD		Change YoY		Change QoQ
Segment assets	31.3	29.5	47.1	44.3	-15.7	-33%	-12.9	-29%	6%
Net loans to customers	8.7	9.0	10.9	10.3	-2.2	-20%	-1.6	-15%	-3%
Gross loans to customers	25.0	25.3	28.6	30.0	-3.6	-13%	-5.0	-17%	-1%
Investment property and property & equipment received for repayment of loans	5.5	5.7	20.1	19.5	-14.6	-73%	-14.0	-72%	-3%
Other assets	17.1	14.8	16.0	14.5	1.1	7%	2.6	18%	15%
Non-performing loans (gross)	25.0	25.3	27.4	28.5	-2.4	-9%	-3.5	-12%	-1%

Appendix 3:

Financial Statements

NLB Group Income Statement

(EURm)	1-9 2024	1-9 2023	YoY	Q3 2024	Q2 2024	Q3 2023	QoQ
Interest and similar income	890.9	708.0	26%	306.2	291.9	267.7	5%
Interest and similar expense	-196.7	-106.5	-85%	-72.4	-63.7	-46.2	-14%
Net interest income	694.2	601.5	15%	233.7	228.3	221.5	2%
Fee and commission income	321.7	295.3	9%	115.6	106.0	105.1	9%
Fee and commission expense	-89.8	-89.7	0%	-33.7	-27.1	-34.2	-25%
Net fee and commission income	231.9	205.6	13%	81.9	78.9	70.9	4%
Dividend income	0.1	0.2	-34%	0.1	0.0	0.1	-
Net income from financial transactions	21.3	19.6	9%	8.5	3.0	4.7	180%
Other operating income	-23.5	-26.0	9%	-4.2	-4.3	-8.0	1%
Total net operating income	924.0	800.8	15%	320.0	305.9	289.2	5%
Employee costs	-226.5	-207.4	-9%	-77.0	-77.3	-70.0	0%
Other general and administrative expenses	-154.9	-118.7	-31%	-56.1	-51.7	-38.8	-8%
Depreciation and amortisation	-42.3	-35.5	-19%	-15.6	-13.6	-12.0	-15%
Total costs	-423.7	-361.6	-17%	-148.7	-142.7	-120.9	-4%
Result before impairments and provisions	500.3	439.2	14%	171.3	163.2	168.2	5%
Impairments and provisions for credit risk	12.3	26.8	-54%	0.6	16.0	-3.1	-96%
Other impairments and provisions	-4.5	-12.8	65%	-3.2	-1.0	-0.7	-
Share of profit from investments in associates and joint ventures	2.3	1.3	73%	0.6	0.7	0.7	-13%
Result before tax	510.4	454.4	12%	169.3	179.0	165.1	-5%
Income tax	-70.6	-57.9	-22%	-30.1	-21.8	-18.0	-38%
Result of non-controlling interests	12.3	9.6	28%	3.7	5.2	2.8	-28%
Result after tax attributable to owners of the parent	427.5	386.9	10%	135.5	152.0	144.2	-11%

NLB Group Statement of Financial Position

(EURm)	30 Sep 2024	31 Dec 2023	YtD
ASSETS			
Cash, cash balances at central banks and other demand deposits at banks	4,137.9	6,103.6	-32%
Loans and advances to banks	433.4	547.6	-21%
o/w gross loans	433.6	547.9	-21%
o/w impairments	-0.2	-0.3	25%
Loans and advances to customers	15,739.3	13,734.6	15%
o/w gross loans	16,071.4	14,063.6	14%
- Corporates	7,156.6	6,437.8	11%
- Individuals	8,469.1	7,235.3	17%
- State	445.7	390.4	14%
o/w impairments and valuation	-332.0	-329.0	-1%
Financial instruments	6,106.9	4,803.7	27%
o/w Trading Book	15.8	15.8	0%
o/w Non-trading Book	6,091.1	4,787.9	27%
Investments in associates and joint ventures	13.9	12.5	11%
Property and equipment	300.0	278.0	8%
Investment property	24.6	31.1	-21%
Intangible assets	86.9	62.1	40%
Other assets	400.5	368.7	9%
Total Assets	27,243.4	25,942.0	5%

(EURm)	30 Sep 2024	31 Dec 2023	YtD
LIABILITIES & EQUITY			
Deposits from customers	21,373.9	20,732.7	3%
- Corporates	5,894.0	5,859.2	1%
- Individuals	15,074.3	14,460.3	4%
- State	405.6	413.2	-2%
Deposits from banks	139.5	95.3	46%
Borrowings	210.1	240.1	-12%
Subordinated debt securities	583.4	509.4	15%
Other debt securities in issue	1,034.8	828.8	25%
Other liabilities	590.9	587.6	1%
Total Liabilities	23,932.6	22,994.0	4%
Shareholders' funds	3,242.1	2,882.9	12%
Non Controlling Interests	68.7	65.1	5%
Total Equity	3,310.7	2,948.0	12%
Total Liabilities & Equity	27,243.4	25,942.0	5%

NLB d.d. Income Statement

(EURm)	1-9 2024	1-9 2023	YoY	Q3 2024	Q2 2024	Q3 2023	QoQ
Interest and similar income	480.2	342.4	40%	164.3	157.0	136.2	5%
Interest and similar expense	-154.7	-83.3	-86%	-57.1	-49.9	-36.7	-14%
Net interest income	325.5	259.1	26%	107.2	107.0	99.4	0%
Fee and commission income	141.2	124.7	13%	49.6	46.4	43.3	7%
Fee and commission expense	-34.2	-30.7	-11%	-11.6	-12.0	-11.8	3%
Net fee and commission income	107.0	94.0	14%	38.0	34.4	31.6	10%
Dividend income	205.0	130.2	57%	127.7	47.7	0.0	168%
Net income from financial transactions	7.2	0.9	-	2.1	-1.2	-4.6	-
Other operating income	-5.8	-11.0	48%	1.5	1.6	-3.1	-5%
Total net operating income	638.9	473.2	35%	276.6	189.5	123.2	46%
Employee costs	-113.1	-95.9	-18%	-37.5	-39.6	-33.0	5%
Other general and administrative expenses	-89.6	-58.3	-54%	-31.7	-31.1	-19.7	-2%
Depreciation and amortisation	-17.8	-13.1	-35%	-6.4	-5.7	-4.7	-12%
Total costs	-220.5	-167.3	-32%	-75.5	-76.4	-57.5	1%
Result before impairments and provisions	418.5	305.9	37%	201.1	113.1	65.8	78%
Impairments and provisions for credit risk	-6.7	2.4	-	1.3	-4.8	-4.1	-
Impairments of investments in subsidiaries, associates and JV	-	4.1	-	-	-	4.1	-
Other impairments and provisions	-0.7	-6.0	89%	0.0	-0.7	-0.2	100%
Result before tax	411.1	306.4	34%	202.4	107.6	65.6	88%
Income tax	-36.8	-23.5	-56%	-21.0	-8.6	-6.0	-143%
Result after tax	374.3	282.9	32%	181.4	99.0	59.5	83%

NLB d.d. Statement of Financial Position

(EURm)	30 Sep 2024	31 Dec 2023	YtD
ASSETS			
Cash, cash balances at central banks and other demand deposits at banks	2,416.5	4,318.0	-44%
Loans and advances to banks	160.5	149.0	8%
o/w gross loans	160.8	149.3	8%
o/w impairments	-0.3	-0.3	-12%
Loans and advances to customers	8,465.3	7,156.1	18%
o/w gross loans	8,600.2	7,276.7	18%
- Corporates	4,610.5	3,548.8	30%
- Individuals	3,839.2	3,608.8	6%
- State	150.4	119.1	26%
o/w impairments and valuation	-134.8	-120.6	-12%
Financial instruments	4,311.1	3,016.0	43%
o/w Trading Book	17.5	18.0	-3%
o/w Non-trading Book	4,293.6	2,998.0	43%
Investments in subsidiaries, associates and joint ventures	1,127.7	980.6	15%
Property and equipment	85.0	86.0	-1%
Investment property	5.4	7.6	-29%
Intangible assets	42.4	37.4	14%
Other assets	350.4	264.1	33%
Total Assets	16,964.5	16,014.8	6%

(EURm)	30 Sep 2024	31 Dec 2023	YtD
LIABILITIES & EQUITY			
Deposits from customers	12,096.3	11,881.6	2%
- Corporates	3,140.1	3,237.5	-3%
- Individuals	8,861.9	8,543.8	4%
- State	94.2	100.2	-6%
Deposits from banks	298.8	147.0	103%
Borrowings	113.3	82.8	37%
Subordinated debt securities	583.4	509.4	15%
Other debt securities in issue	1,034.8	828.8	25%
Other liabilities	305.7	315.7	-3%
Total Liabilities	14,432.2	13,765.3	5%
Total Equity	2,532.3	2,249.5	13%
Total Liabilities & Equity	16,964.5	16,014.8	6%