

# NLB Group Presentation

Q1 2024 Financial Results



**NLB**

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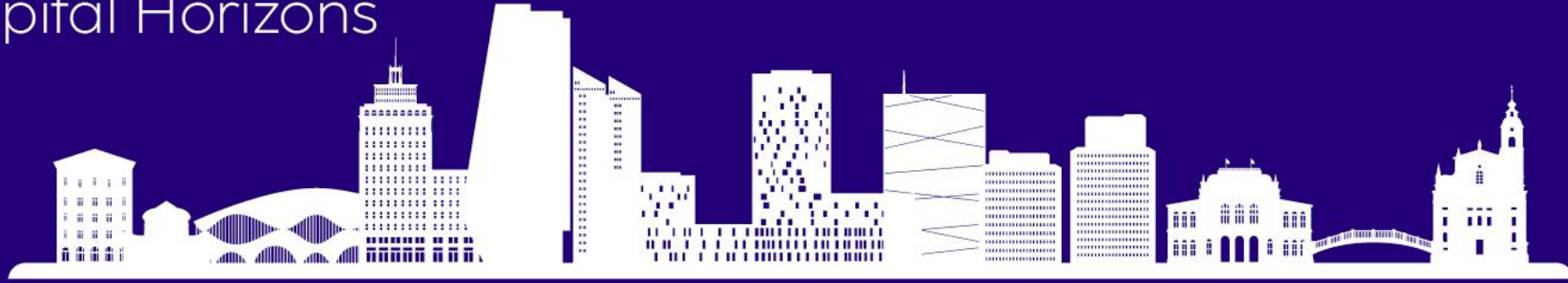
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# NLB Investor Day

## New Capital Horizons



Ljubljana, 8<sup>th</sup> - 10<sup>th</sup> May, 2024

May  
9th

### **NLB Investor Day: New Capital Horizons**

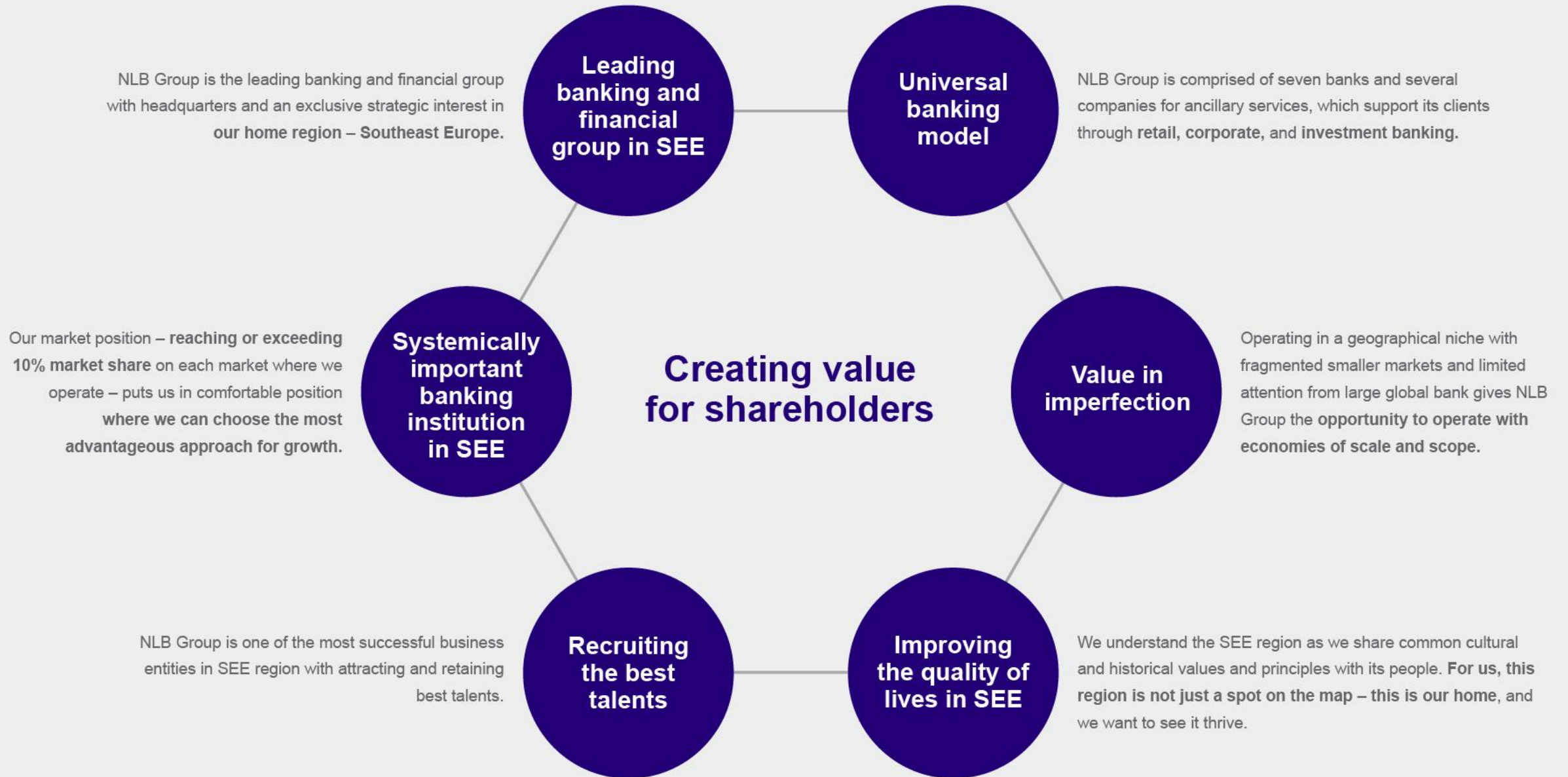
The event will be taking place at the Grand Hotel Union Eurostars in Ljubljana and will be focusing on presenting NLB and NLB Group's new business strategy and a vision for 2030.

May  
10th

### **Slovenian and Croatian Investor Conference, powered by NLB**

The event will be an opportunity for investors to meet some of the top listed companies from these two markets. You may find out more about the conference [here](#).

To register for NLB Investor Day and Investor Conference, please use the following link: [www.nlb.si/investorday](http://www.nlb.si/investorday) or visit Investor Relations page on our website





# 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

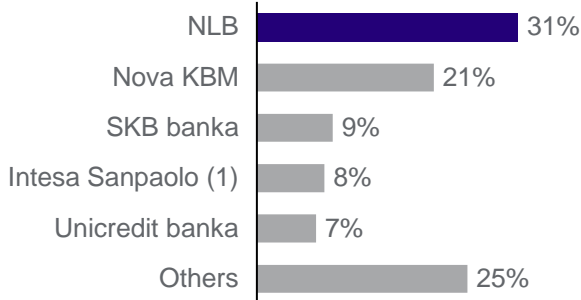


## NLB Banka, Prishtina

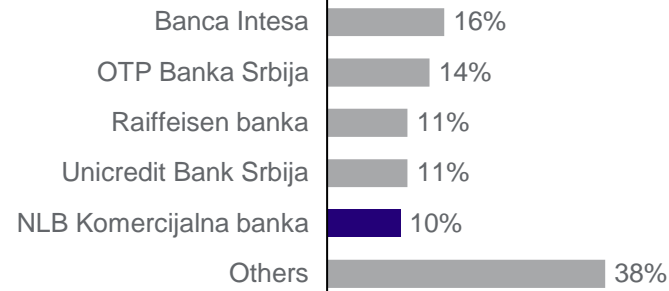


# Market share composition across SEE markets

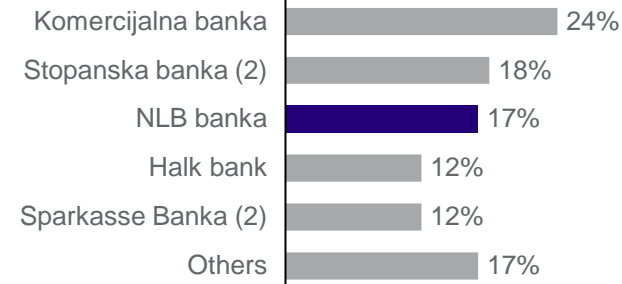
## Slovenia



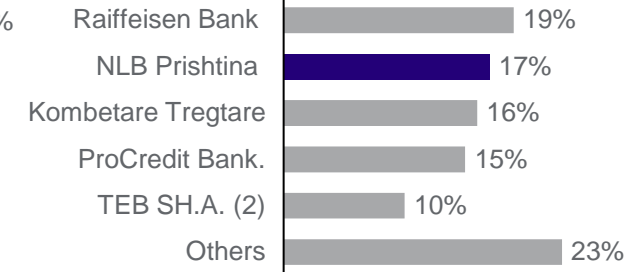
## Serbia



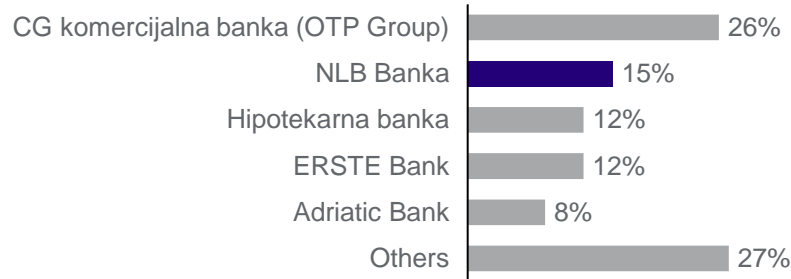
## North Macedonia



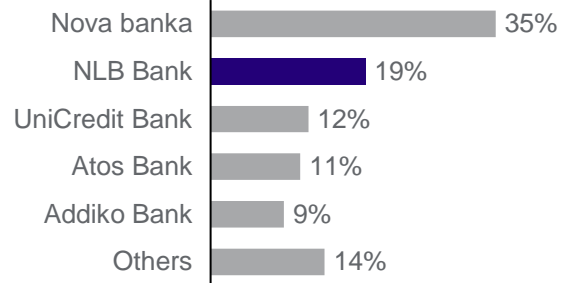
## Kosovo



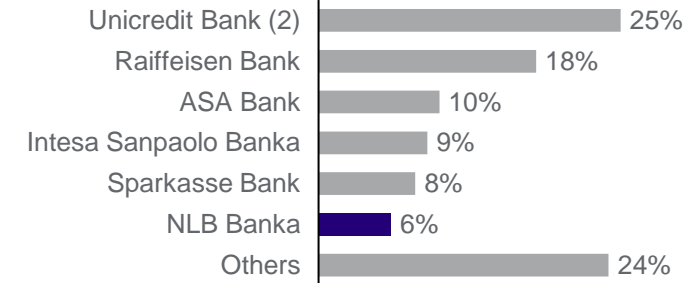
## Montenegro



## Republika Srpska BiH



## Federacija BiH



# Q1 setting strong foundation for 2024

Actual 1-3 2024

In the first three months of 2024, the Group generated **EUR 140.0 million of profit after tax**, a 17% YoY increase. However, the regular profit before impairments and provisions increased by 38% YoY.

An **8% YoY increase in the net fee and commission income** benefitted from the favourable impact of economic activity and increased engagement in investment funds and bancassurance.

The Bank issued EUR 300 million subordinated Tier 2 notes in January to optimise and strengthen its capital position.

**Apple Pay** became available to NLB customers in Slovenia in February.

General Meeting to be held on 17th June with dividend payment proposal of EUR 220 million in 2024.

Regular Income

EUR 295 million

Costs

EUR 132 million

CoR

10 bps

CIR

42%

Loan growth

1%

ROE a.t.

19%

ROE normalised<sup>(1)</sup>

29%




# Macro Overview

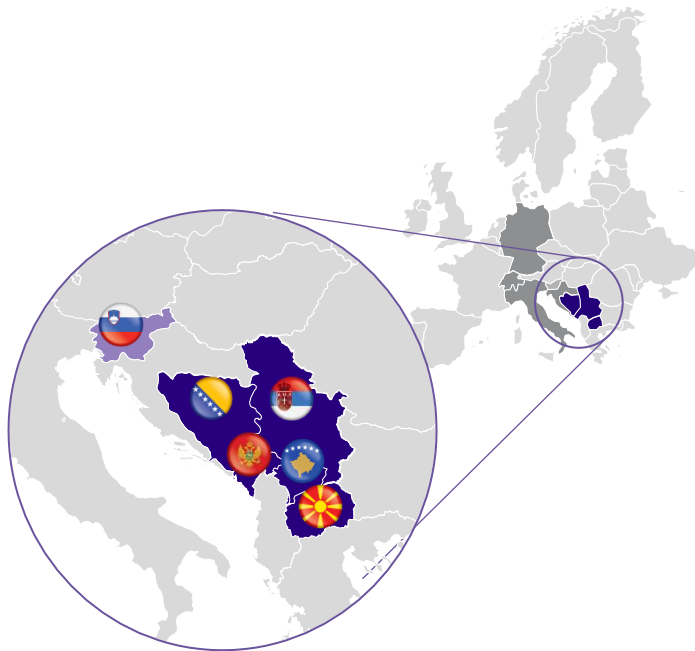







# NLB Group – Macro overview

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

Slovenia 	EUR
GDP (EURbn)	63.1
Population (m)	2.1
NBS loans as % of GDP <sup>(1)</sup>	43.0%
NBS deposits as % of GDP <sup>(1)</sup>	64.4%
Credit ratings (S&P / Moody's / Fitch)	AA- / A3 / A
Bosnia and Herzegovina <sup>(2)</sup> 	EUR <sup>(3)</sup>
GDP (EURbn)	26.5
Population (m)	3.5
NBS loans as % of GDP <sup>(1)</sup>	47.7%
NBS deposits as % of GDP <sup>(1)</sup>	63.3%
Credit ratings (S&P / Moody's / Fitch)	B / B3 / n.a.
Montenegro 	EUR
GDP (EURbn)	6.8
Population (m)	0.6
NBS loans as % of GDP <sup>(1)</sup>	59.6%
NBS deposits as % of GDP <sup>(1)</sup>	80.1%
Credit ratings (S&P / Moody's / Fitch)	B / B1 / n.a.



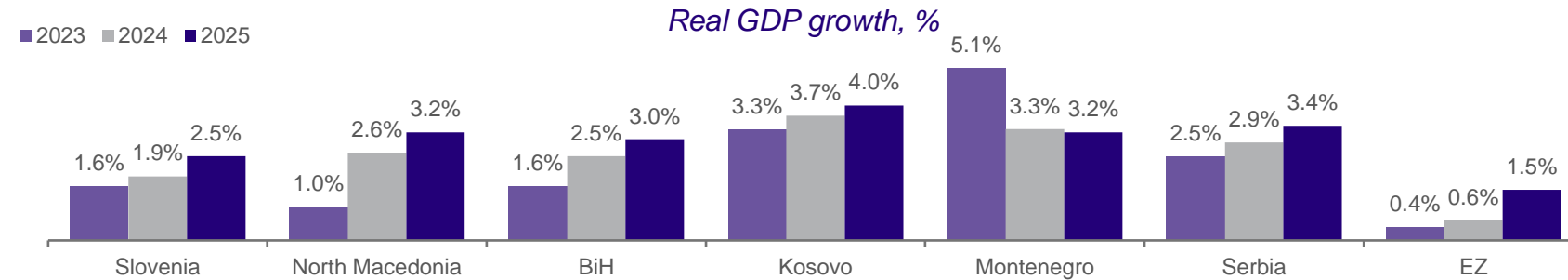
Serbia 	RSD
GDP (EURbn)	69.5
Population (m)	6.8
NBS loans as % of GDP <sup>(1)</sup>	37.8%
NBS deposits as % of GDP <sup>(1)</sup>	49.6%
Credit ratings (S&P / Moody's / Fitch)	BB+ / Ba2 / BB+
Kosovo 	EUR
GDP (EURbn)	9.7
Population (m)	1.8
NBS loans as % of GDP <sup>(1)</sup>	50.5%
NBS deposits as % of GDP <sup>(1)</sup>	62.2%
Credit ratings (S&P / Moody's / Fitch)	n.a. / n.a. / BB-
North Macedonia 	MKD
GDP (EURbn)	13.7
Population (m)	2.1
NBS loans as % of GDP <sup>(1)</sup>	52.4%
NBS deposits as % of GDP <sup>(1)</sup>	61.7%
Credit ratings (S&P / Moody's / Fitch)	BB- / n.a. / BB+

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

Note: (1) Non-banking sector loans/deposits as % of GDP for 2023 (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 has slowed but is expected to stay above the Eurozone

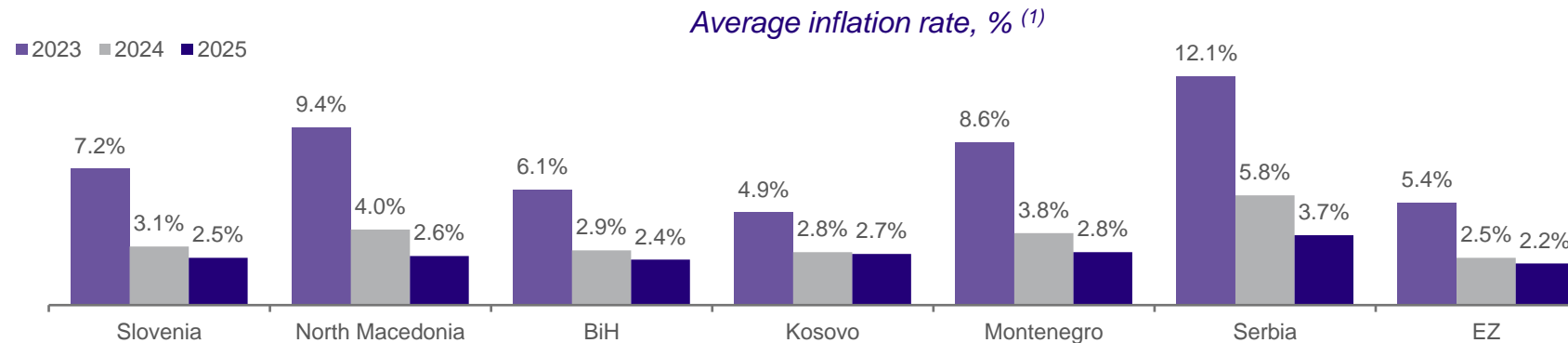
Group's region continued with slow growth in last quarter of 2023, but is expected to pick up in 2024...



In Group's region the annual growth picked up pace in Q4 2023 (from Q3) in Slovenia, Kosovo and in Serbia, while it lost some steam in BiH, Montenegro and in N. Macedonia. **Household consumption** was the main driver of growth and likewise started picking up, as disinflation grabbed hold. Economic growth is seen accelerating in the region, mainly due to better prospects of the major trading partners, disinflation, falling interest rates and stronger household consumption.

Sources: FocusEconomics, Statistical offices, NLB Forecasts for 2023, 2024 and 2025.

## ...and easing inflation, brings some relief to consumers

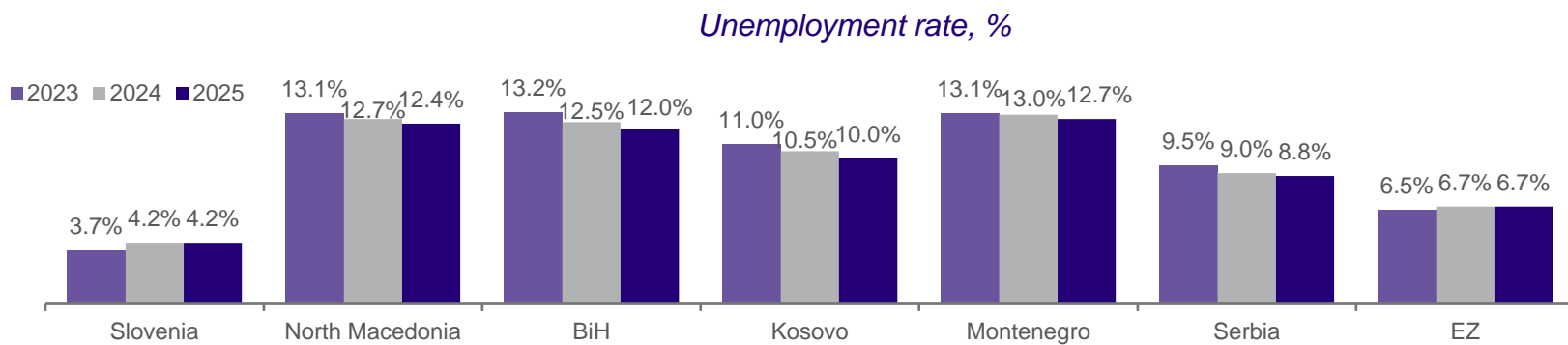


The disinflationary trend brought some relief to **households' purchasing power**. Inflation is set to decelerate further from current levels by year-end, curbed by prior monetary tightening, lower commodity prices and a high base effect. In BiH and Kosovo inflation reaccelerated from January 2024 to February 2024, due to pressures in housing markets, and rather sticky prices of transportation.

Sources: National statistical offices, FocusEconomics, NLB Forecasts for 2023 (only BiH), 2024 and 2025  
 Note: (1) HICP for Slovenia, Kosovo and Eurozone, others CPI

# Tight labour market in the region with historically low unemployment levels

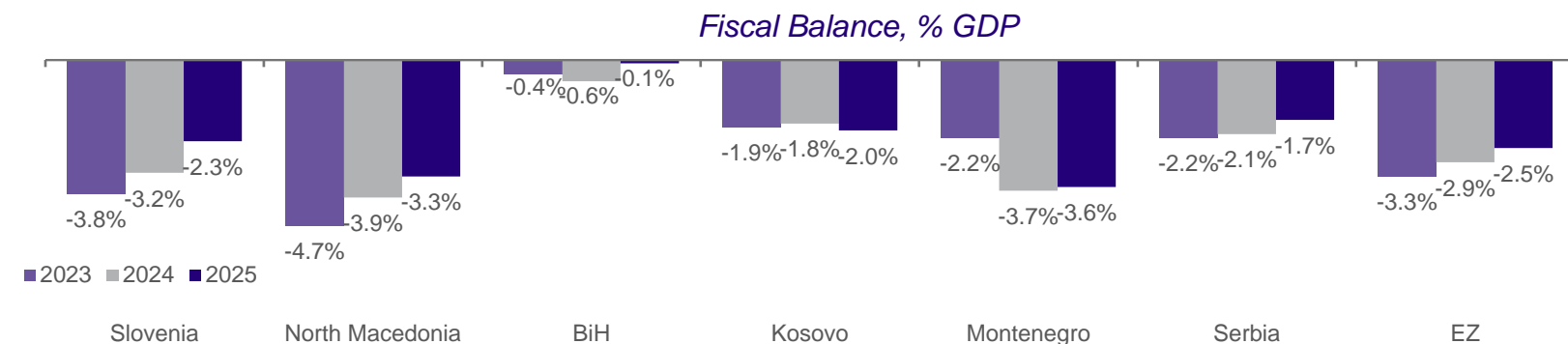
Labour markets are expected to remain tight...



According to the latest available data, **unemployment** rate increased marginally in Q4 2023 in Serbia, N.Macedonia and in Montenegro, while it decreased in BiH and Slovenia and stagnated in EZ, as compared with the previous quarter. Nevertheless, the labour markets are expected to get tighter throughout the NLB Group's region. Structural unemployment remains a weakness in the NLB Group's region, keeping the unemployment rate significantly higher than in the Eurozone.

Sources: FocusEconomics, statistical offices, NLB Forecasts for 2023, 2024 and 2025.

...while fiscal metrics will depend on the degree of fiscal policy efficiency and prudence in attempt to address issues related to rising-cost-of-living.

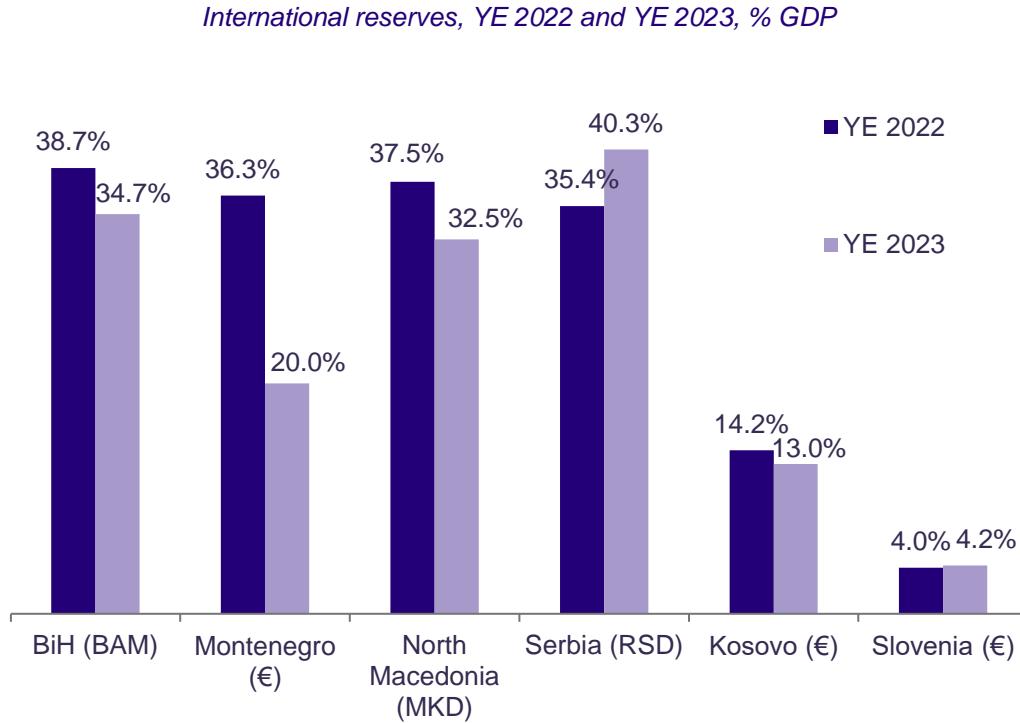


**Fiscal support measures** aimed at alleviating the impact of the increase in energy prices generated notable **fiscal costs** (further aggravated by floods in Slovenia), hence most countries exhibit sizable budget deficits that will only slowly be reduced in the next couple of years. There is now limited fiscal space for supporting growth and/or investment, while the monetary tightening has increased the financing costs for governments.

Sources: FocusEconomics, estimation for EZ, Slovenia, Kosovo, N. Macedonia, Serbia and Montenegro for 2023, 2024 and 2025

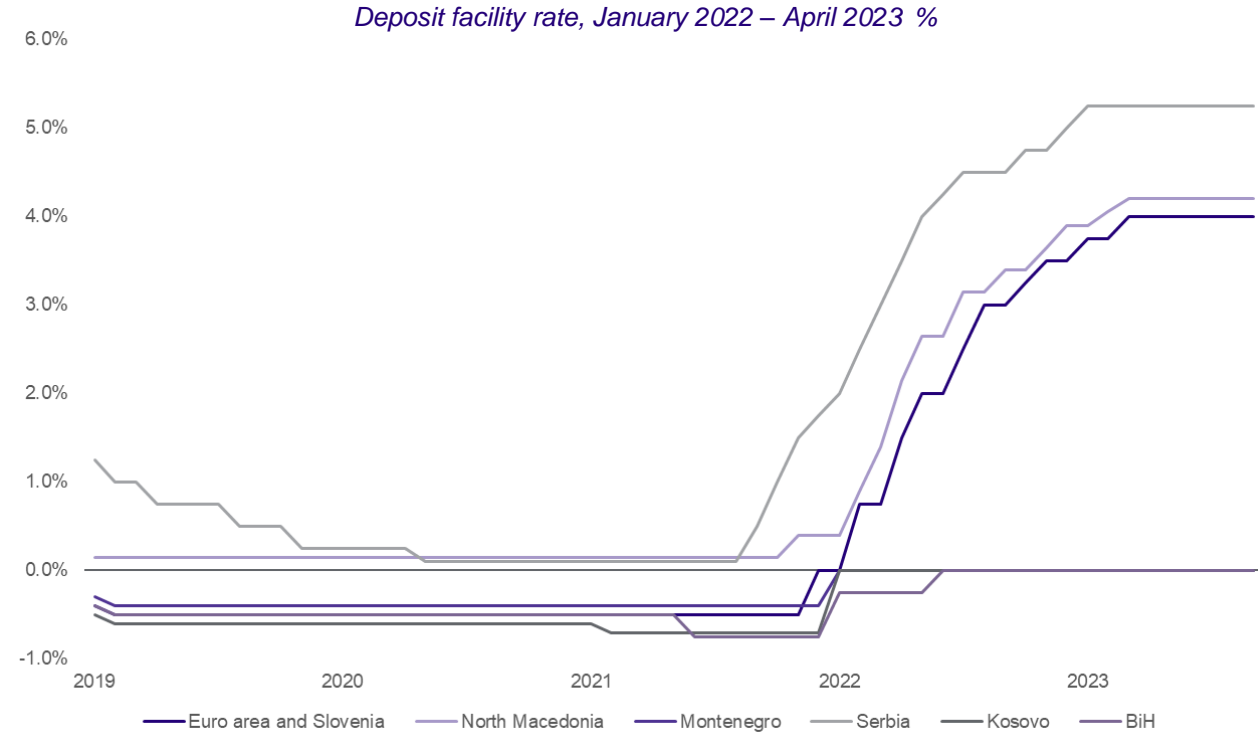
# NLB operates in countries with prudent monetary policy

## International reserves as % of GDP



Note: International reserves are calculated from quarterly GDP by expenditure approach (previous years prices) used. For Kosovo Q3 2023 GDP annualized was used.

## Central Bank interest rates evolution<sup>(1)</sup>

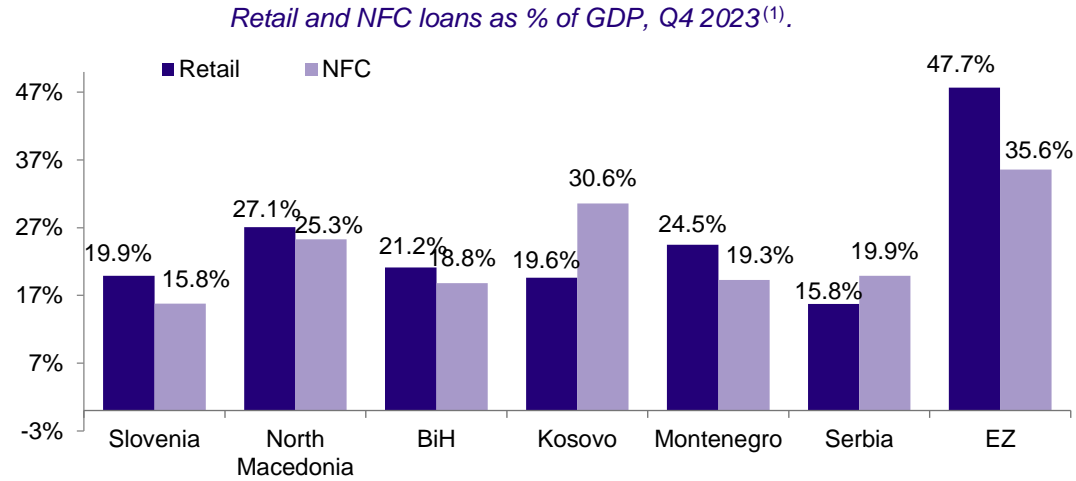


Note: (1) Deposit facility rate stands for the rate the CB charges for excess reserves in local currency.

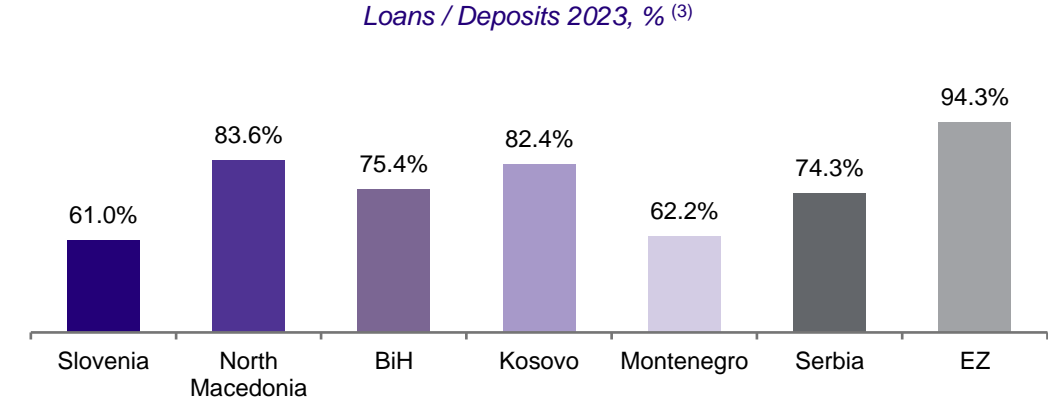
While some CBs never hiked their **deposit facility** rates above the 0% mark (**Montenegro, Kosovo and BiH**), others follow the path of **stabilization** that the ECB opted for.

# Untapped growth potential with strong fundamentals

## Low overall sector leverage...



## ...with liquid banking sectors...

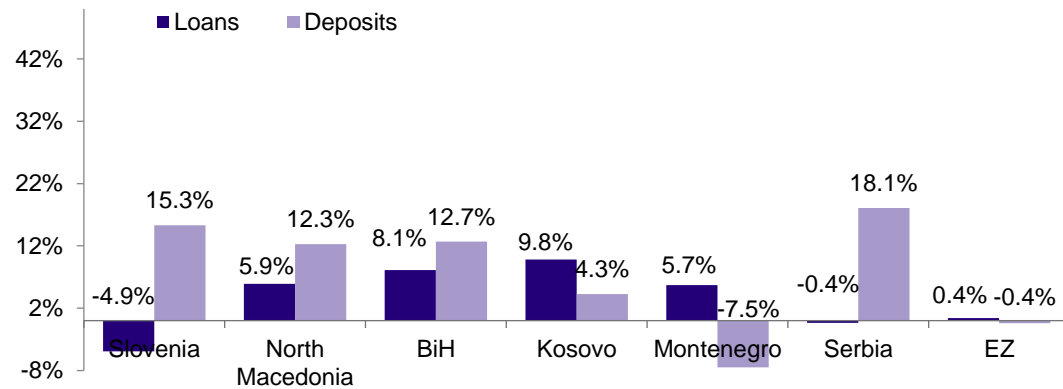


Source: National Central Banks, ECB

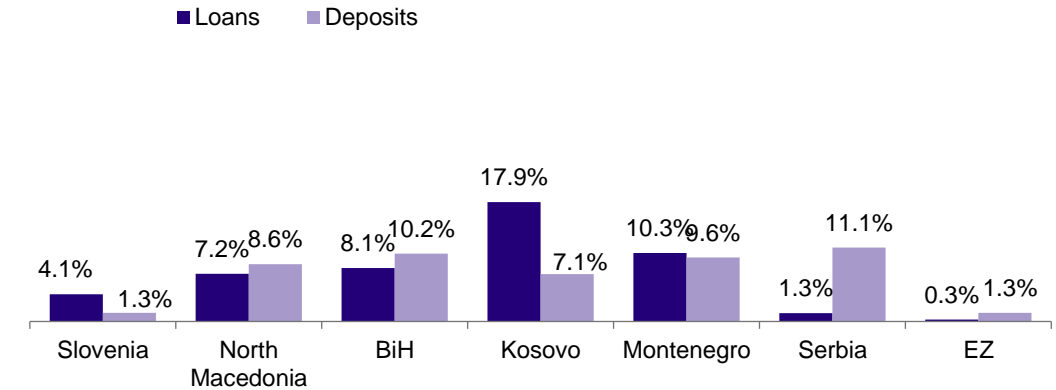
(1) Data for stocks are from February 2024, except for Slovenia, Serbia and Montenegro (January 24); (3) Data are from February 2024, except for Slovenia, Serbia (January 24) and Montenegro (ye 2023).

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

Corporate loans and deposits growth, February 2023 – February 2024, %<sup>(2)</sup>



Household loans and deposits growth, February-2023 – February-2024, %<sup>(2)</sup>



Source: National Central Banks, ECB

Note: NBS – Non Banking Sector; (2) YoY data, residential loans and deposits data for Montenegro. Data for February 24, except for Serbia (January 2024).



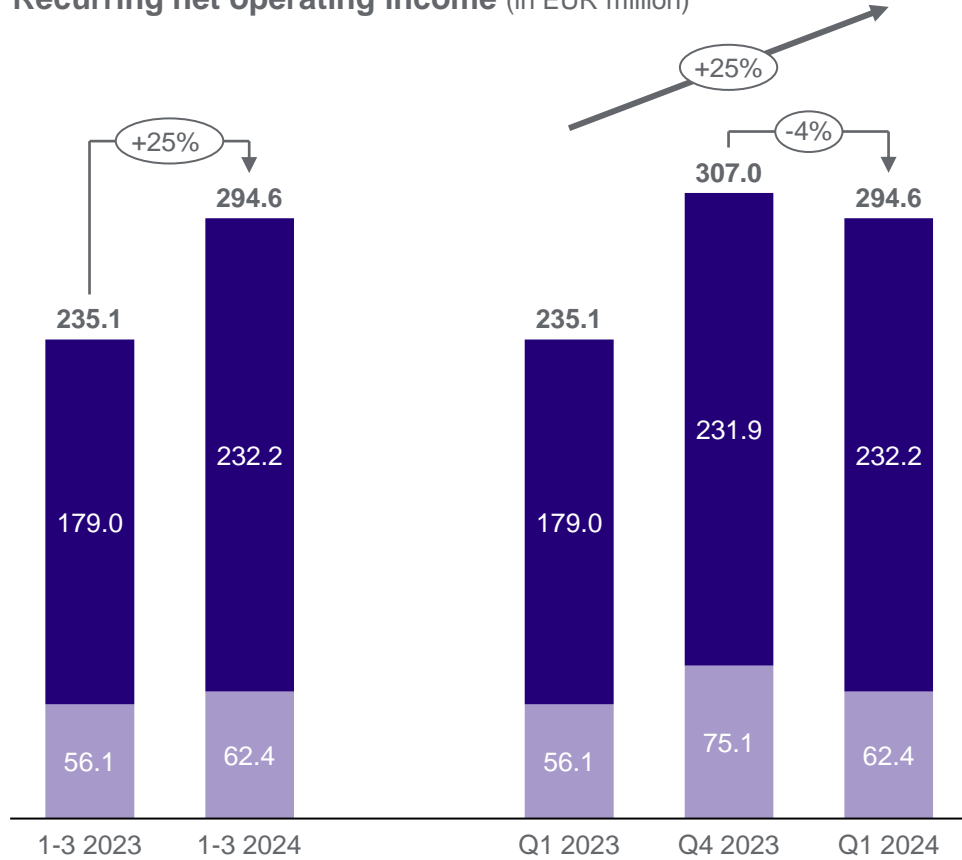
# Key Developments



# Revenues and Cost Dynamics

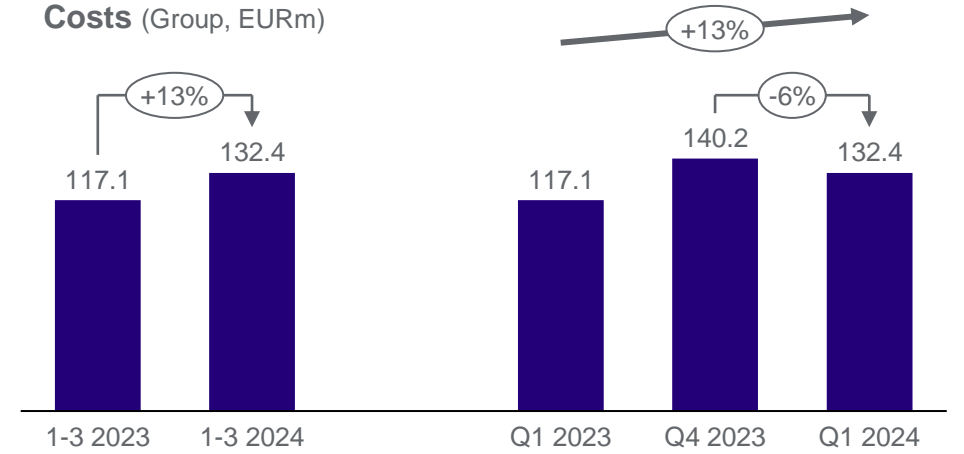
Net interest income growth outpacing cost growth, with good asset quality

Recurring net operating income (in EUR million)

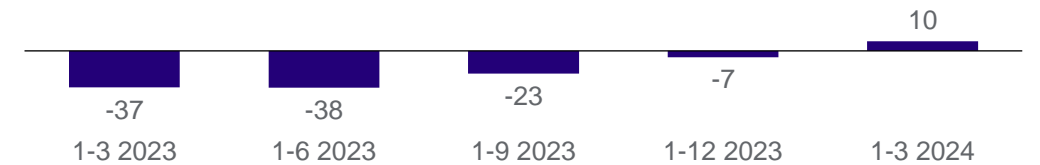


■ Net interest income ■ Recurring net non-interest income

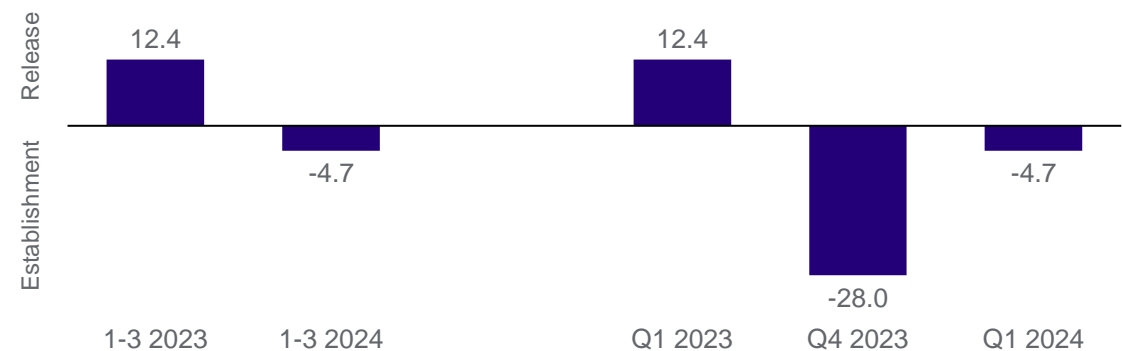
Costs (Group, EURm)



Cost of risk<sup>(1)</sup> (Group, bps)



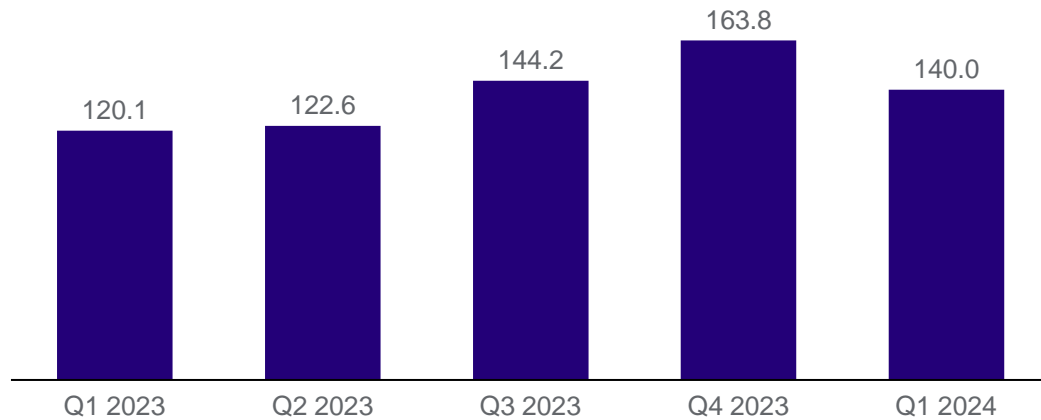
Impairments and provisions (Group, EURm)



# Profitability

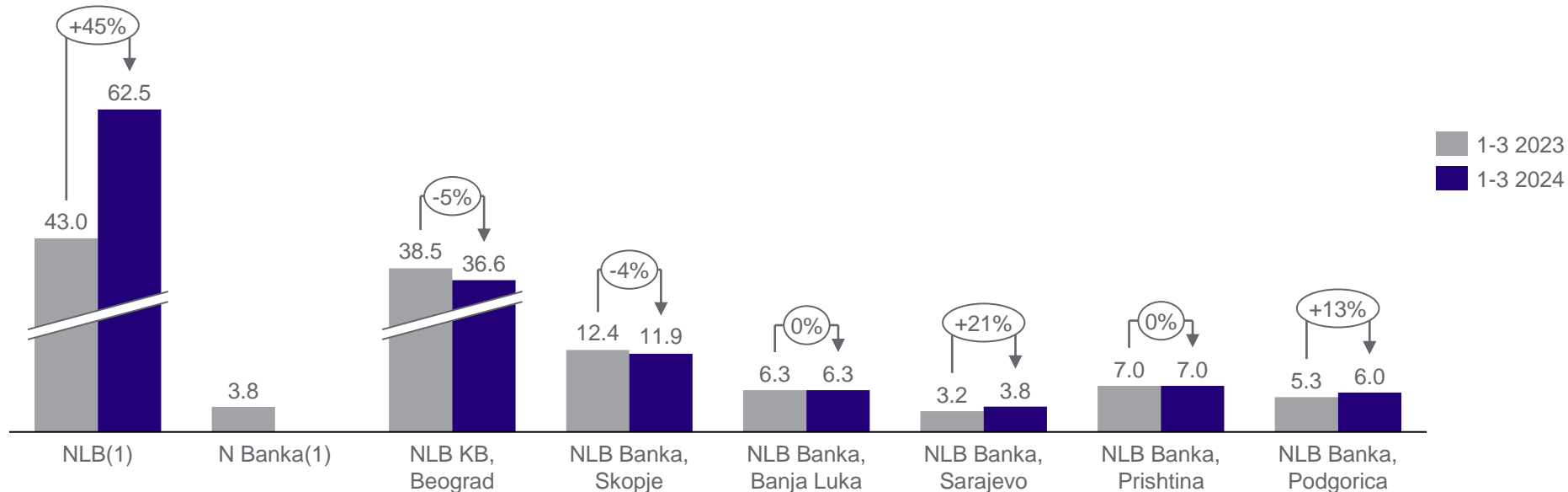
## Strong profitability with the SEE banks contributing 51% to the Group result

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



All banks recorded a profit and positively contributed to the Group's result. The most significant contribution of EUR 62.5 million came from NLB, followed by NLB Komercijalna Banka, Beograd, with EUR 36.6 million. The YoY contribution of NLB was higher, mostly due to elevated net interest income. The SEE banks contributed 51% to the Group result, with decreases recorded only in two banks, NLB Komercijalna Banka, Beograd and NLB Banka, Skopje. In both the reason lies with higher net release of impairments and provisions in Q1 2023, with additional non-recurring income in Q1 2023 in NLB Komercijalna Banka, Beograd.

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

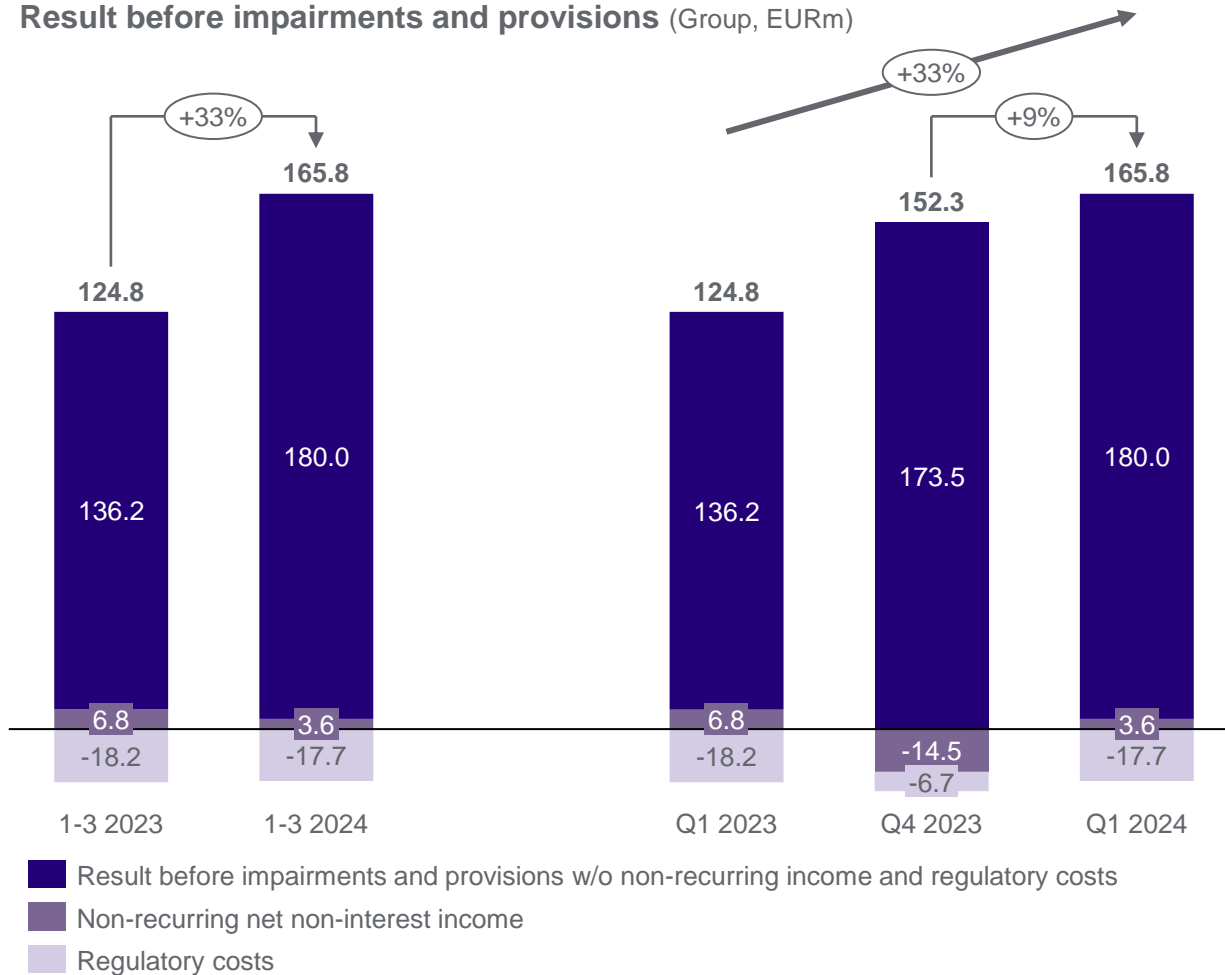


Note: (1) Merger of NLB and N Banka on 1 September 2023.

# 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 165.8 million.

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

- healthy loan demand and higher interest rates on loans and central bank balances contributed to higher interest income by 41%, while the elevated cost of funding and interest rates on deposits (that positively impacted the volume of deposits, especially those from individuals) resulted in a 16% YoY increase in interest expenses;
- an 8% YoY increase in the net fee and commission income, benefitting from the favourable impact of economic activity and increased activity in investment funds and bancassurance.

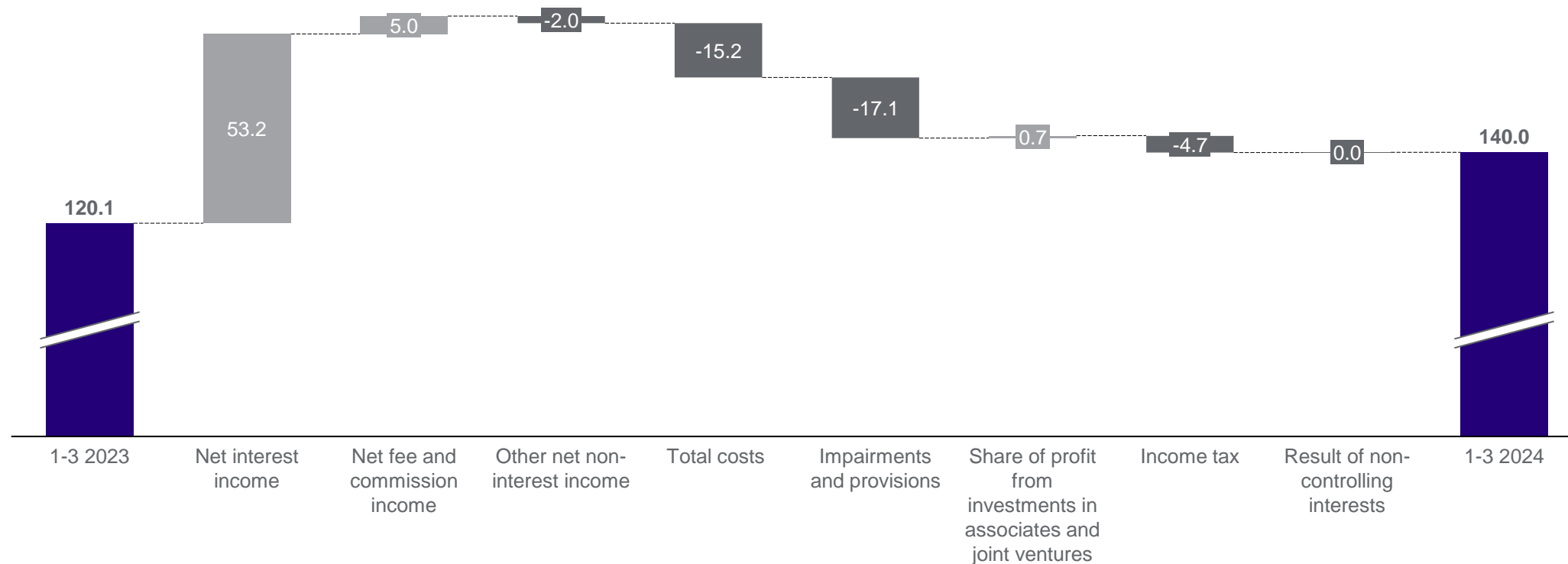
Partly offset by:

- increased costs by EUR 15.2 million or 13% YoY, with more than half deriving from the tax on balance sheet (amounting EUR 8.1 million).

# Resilient Operating Income Performance

Result reflects strong underlying performance, growth of net interest income and release of provisions

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



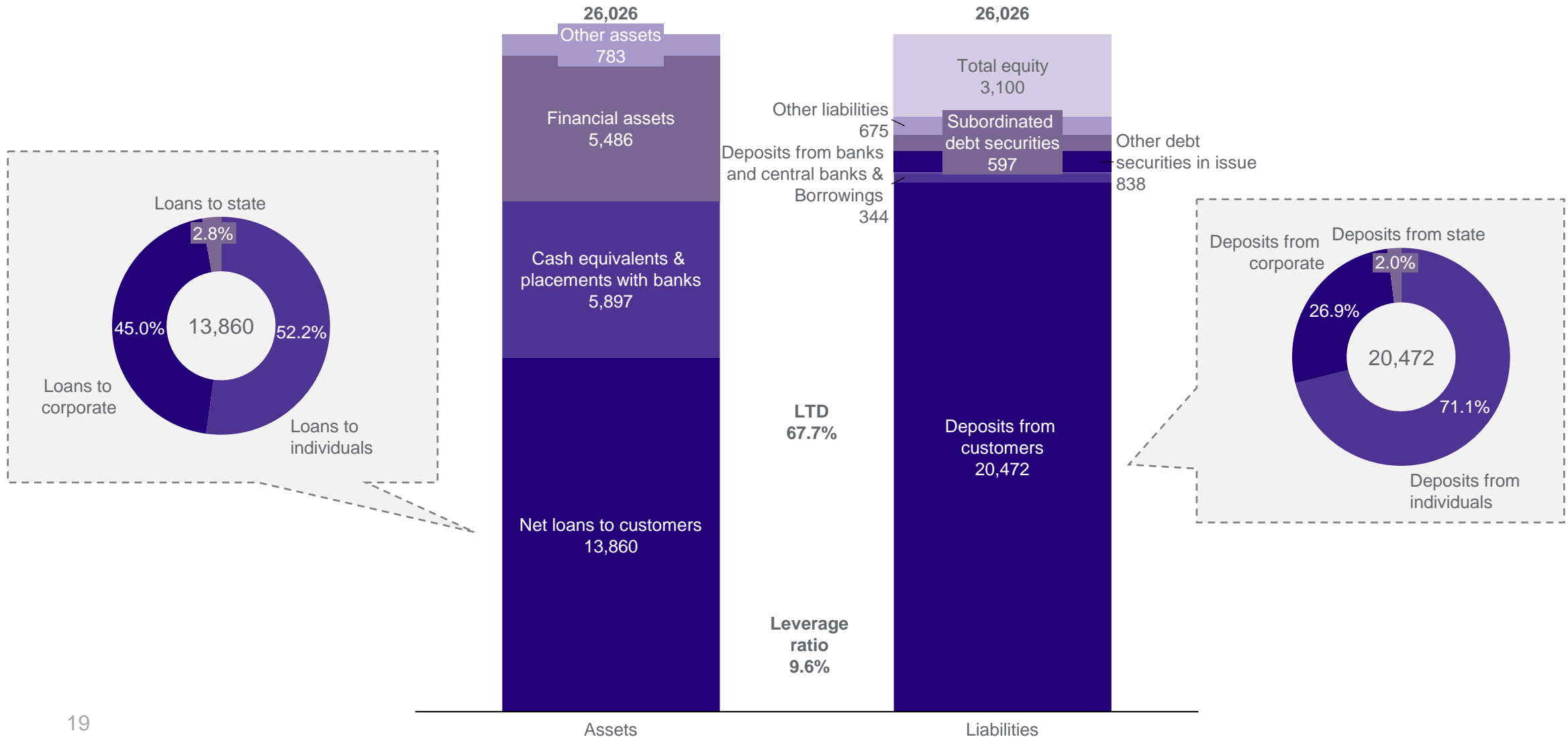
The continued stable performance of the NLB Group led to a **profit a.t.** of **EUR 140.0 million**, 17% higher YoY, mostly due to a favourable economic environment and high interest rates. A result of EUR 165.8 million was also recorded in profit before impairments and provisions, marking a EUR 41.0 million YoY increase.



# NLB Group's Balance sheet structure

## Deposit (predominately from individuals) driven balance sheet

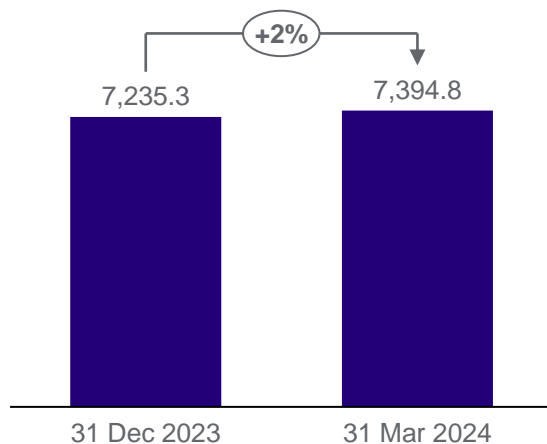
Balance sheet structure (31 Mar 2024, in EURm)



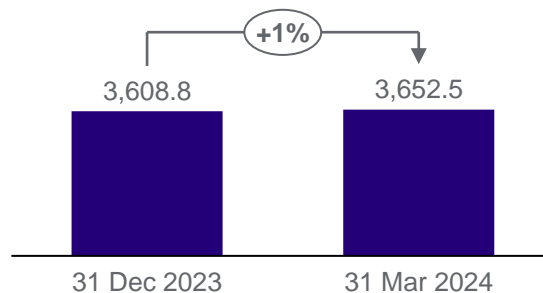
# Loan dynamics

Steady loan growth, with healthy new production despite higher interest rates

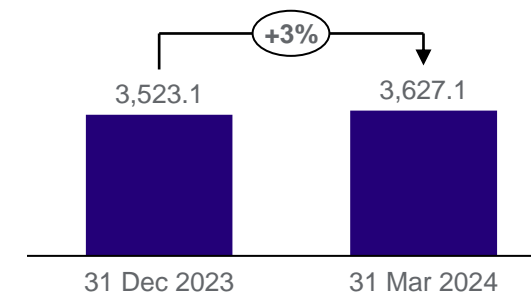
## NLB Group



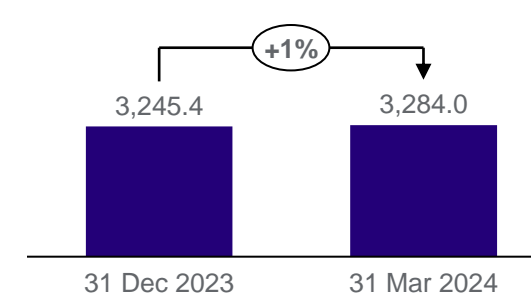
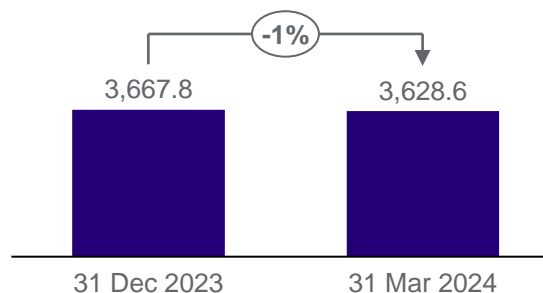
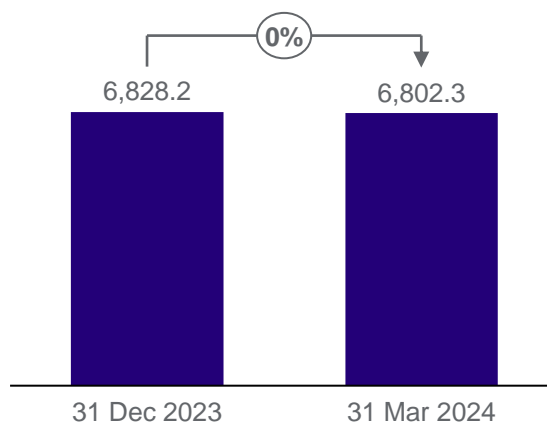
## NLB<sup>(1)</sup>



## SEE banks<sup>(2)</sup>



Gross loans to individuals  
(in EUR millions)



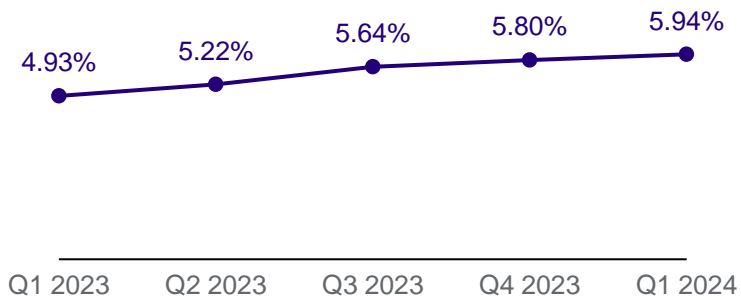
Gross loans to corporate & state  
(in EUR millions)

# Interest rate environment

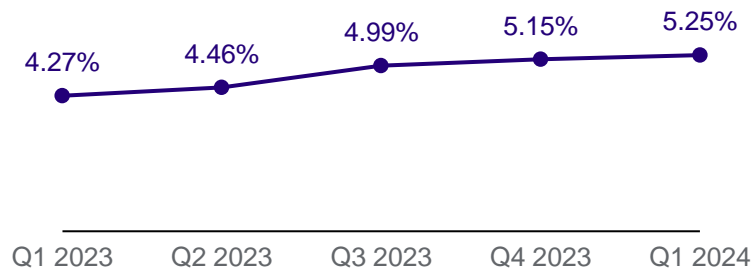
## Interest rates increasing at a slower pace

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

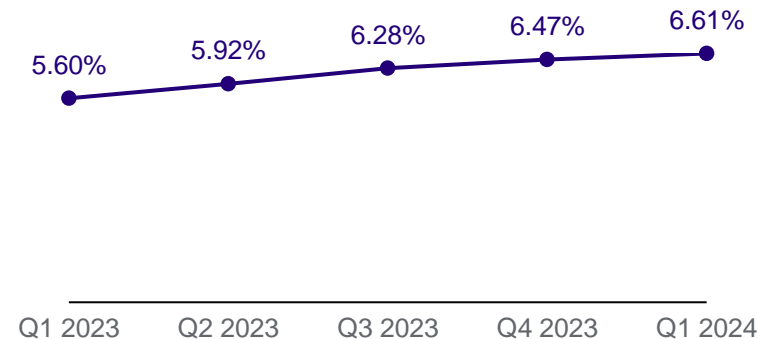
**NLB Group<sup>(1)</sup>**



**NLB<sup>(2)</sup>**

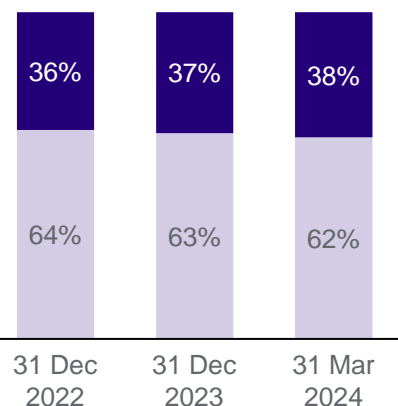


**SEE banks<sup>(3)</sup>**

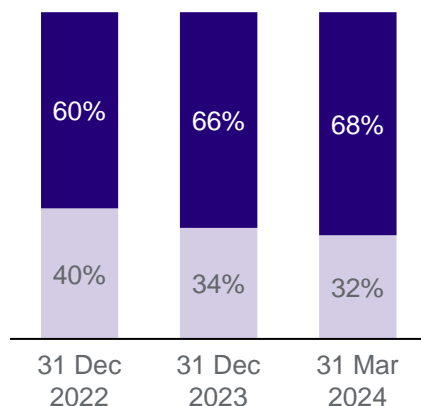


### Corporate and retail portfolio of NLB Group

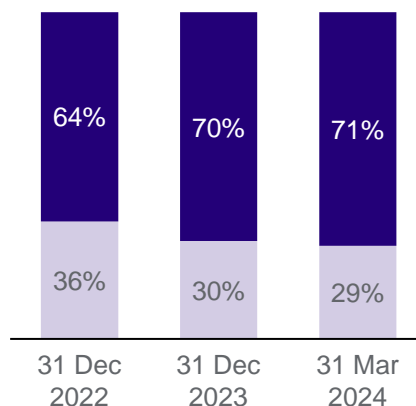
*Corporate (incl. SME)*



*Consumer*



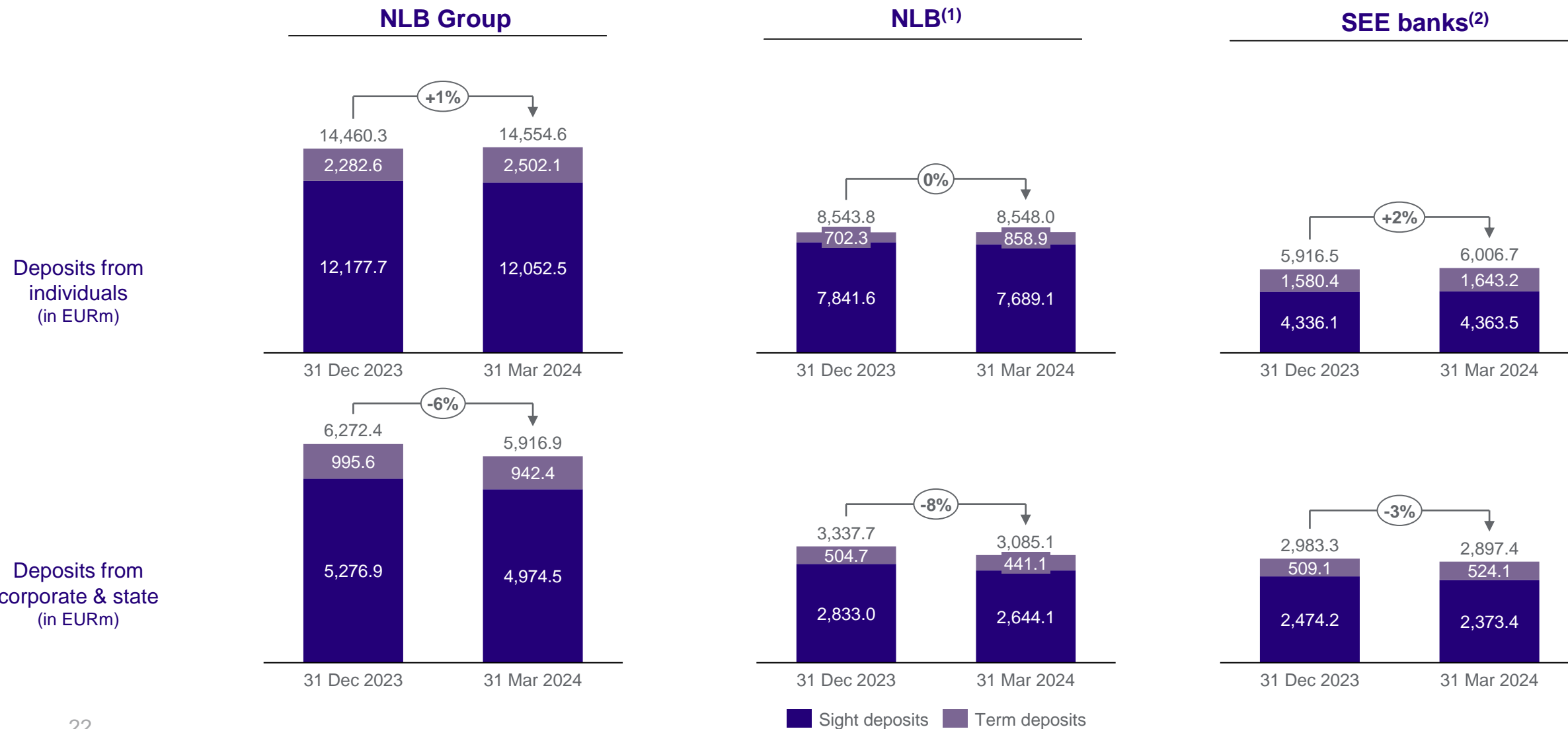
*Housing*



In 2023, there was a notable shift from floating to fixed interest rates, which continues in Q1 2024. Approximately 55.1% 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 still dominate the corporate segment. In the retail segment, around 70.1% of the retail loan portfolio is linked to a fixed interest rate, whereas this ratio for housing loans amounts to 71.5%. This limits the retail sector's sensitivity to increasing reference rates.

# Deposit dynamics

Steady deposit growth, increasing share of term deposits

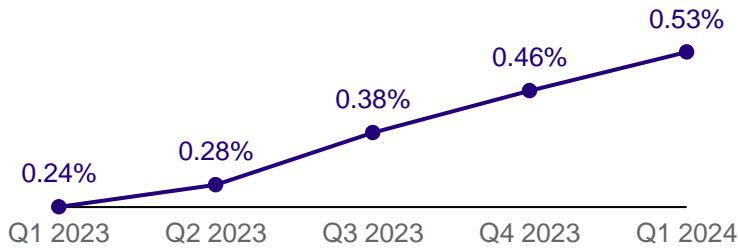


# NLB Group Funding Driven by Deposits

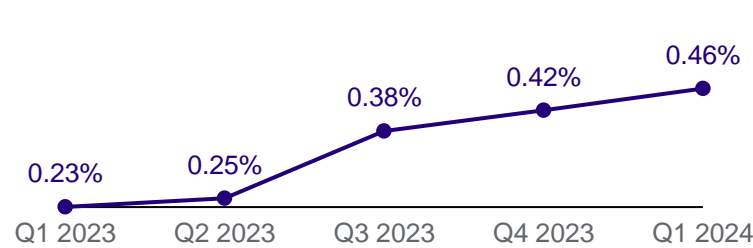
Deposit interest rates are increasing, nevertheless deposit beta at 10% remains low<sup>(1)</sup>

Interest rates for customer deposits (quarterly, in %)

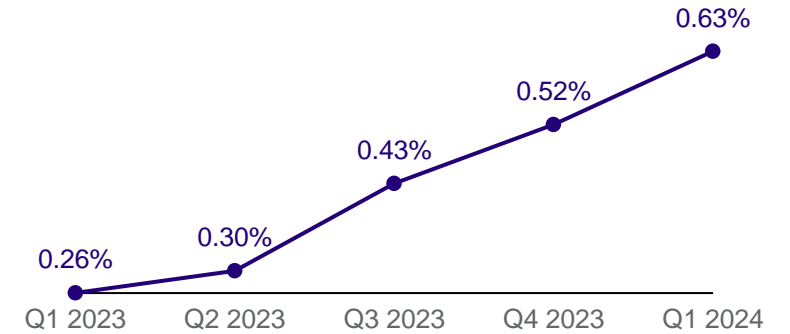
NLB Group<sup>(2)</sup>



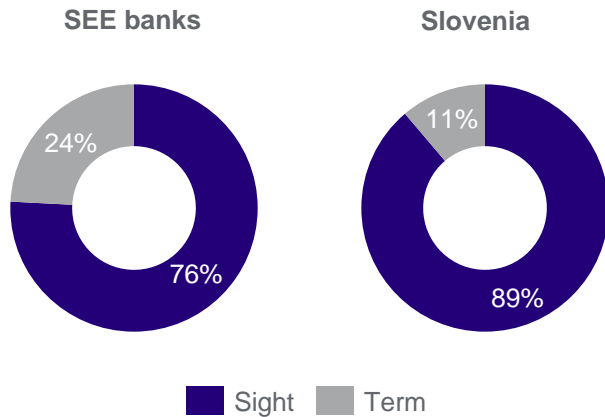
NLB<sup>(3)</sup>



SEE banks<sup>(4)</sup>

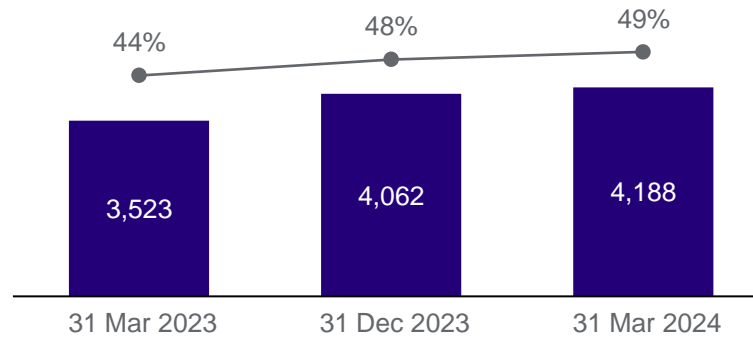


Deposit split<sup>(5)</sup> (31 Mar 2024)



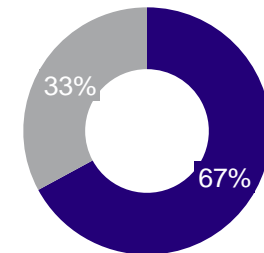
NLB term and savings accounts

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

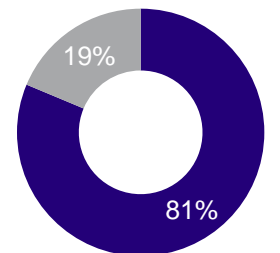


Higher interest rates for term deposits led to high growth in the term deposit volume in Q1 2024 (EUR 157 million), with shift from sight to term deposits.

Deposits from customers (Group, 31 Mar 2024)



Deposits from individuals (Group, 31 Mar 2024)

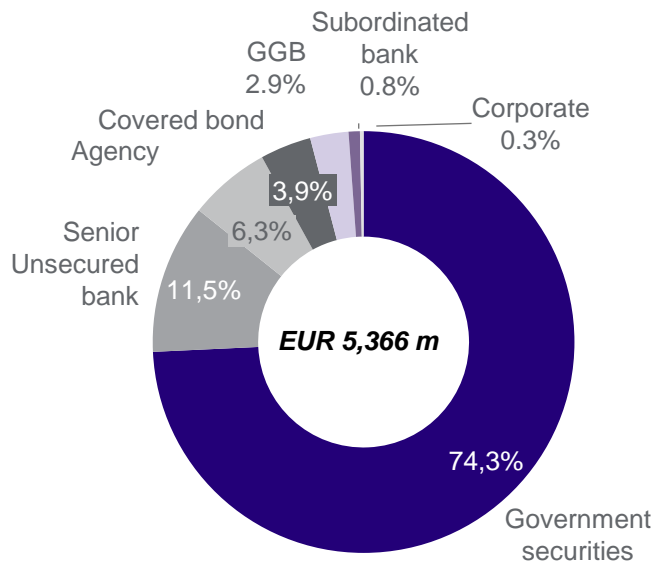


Legend: Covered (dark blue), Uncovered (grey)



# Well diversified securities portfolio

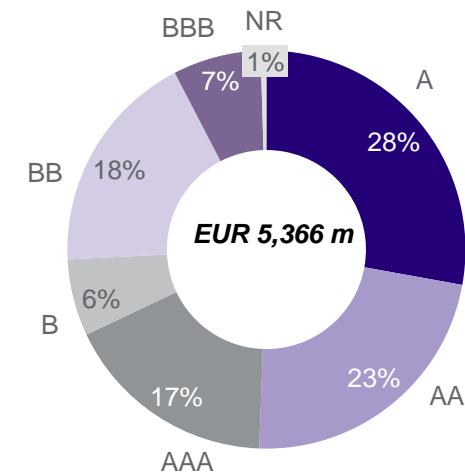
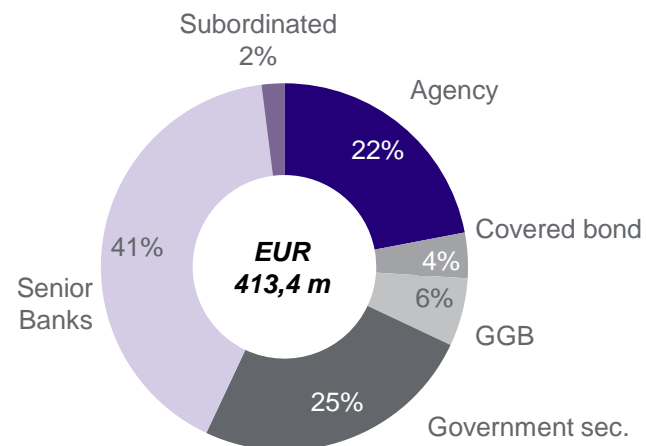
Banking book securities by asset class (NLB Group, 31 March 2024)



o/w ESG



Banking book securities by rating (NLB Group, 31 March 2024)



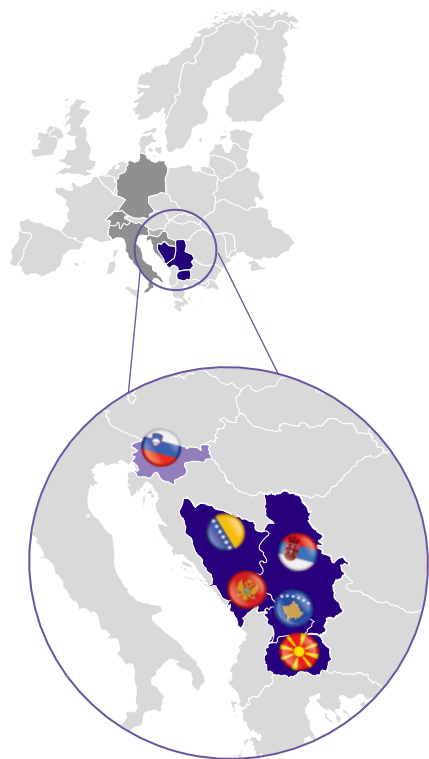
## Banking book portfolio








NLB Group, 31 March 2024 (EURm, years)

	Amount	Duration	Unrealized losses (amount)
FVOCI	2,476	2.14	-78
AC	2,890	4.04	-85
<b>Total</b>	<b>5,366</b>	<b>3.16</b>	

2.7% of regulatory capital

# 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)	93.9	36.9	14.3	6.3	3.9	8.5	6.0	140.0
Total assets (EURm)	16,254	5,092	1,908	1,084	907	1,211	938	26,026
RoE a.t.	16.4%	17.3%	19.9%	22.7%	16.0%	23.0%	19.7%	18.9%
Net interest margin	3.02%	4.84%	4.18%	3.67%	3.26%	4.27%	5.14%	3.73%
CIR (cost/income ratio)	39.7%	41.7%	36.8%	36.9%	54.3%	29.3%	42.7%	41.7%
LTD net	61.5%	70.5%	83.1%	65.0%	78.3%	85.9%	81.6%	67.7%
NPL ratio	1.3%	0.6%	2.9%	0.6%	2.0%	1.7%	3.0%	1.6%
Branches (#)	68	163	48	41	34	33	21	408
Active clients (#)	720,213	1,043,900	409,937	213,489	132,891	238,089	93,035	2,851,554
Market share by total assets (%)	30.8%	9.9%	15.6%	20.4%	6.2%	16.6%	14.2%	/
	<small>as at 31 Mar 2024</small>	<small>as at 29 Feb 2024</small>	<small>as at 31 Mar 2024</small>	<small>as at 31 Dec 2023</small>	<small>as at 31 Dec 2023</small>	<small>as at 31 Mar 2024</small>	<small>as at 31 Mar 2024</small>	

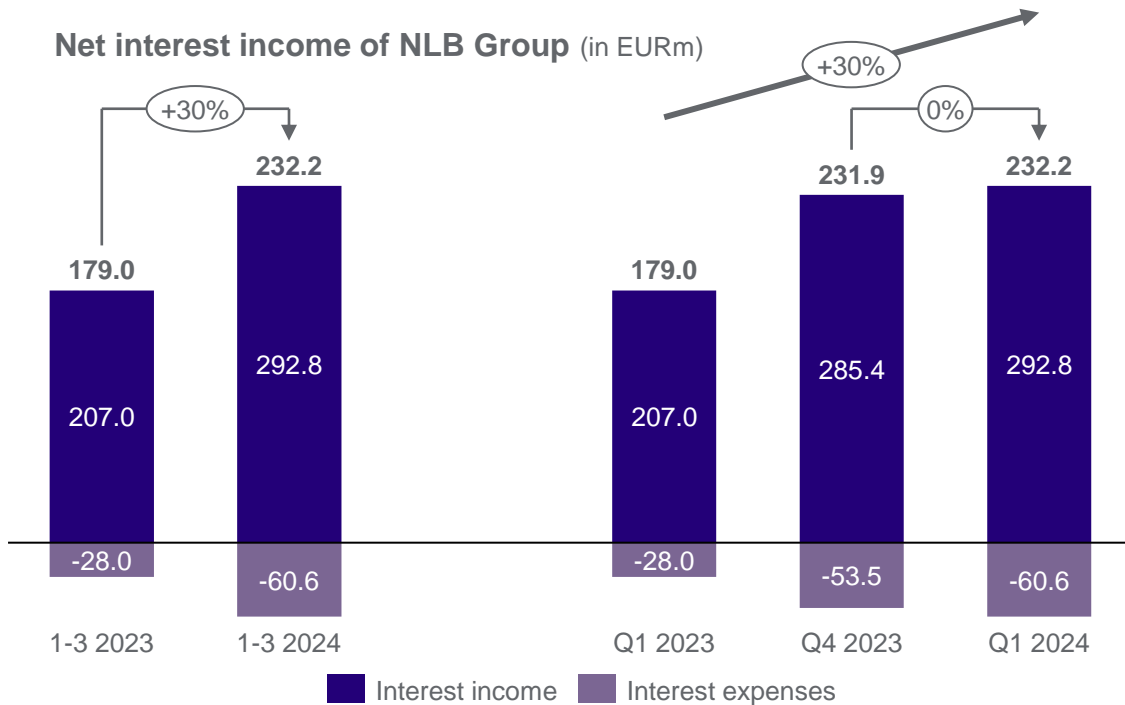
# Business Performance

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# Net interest income

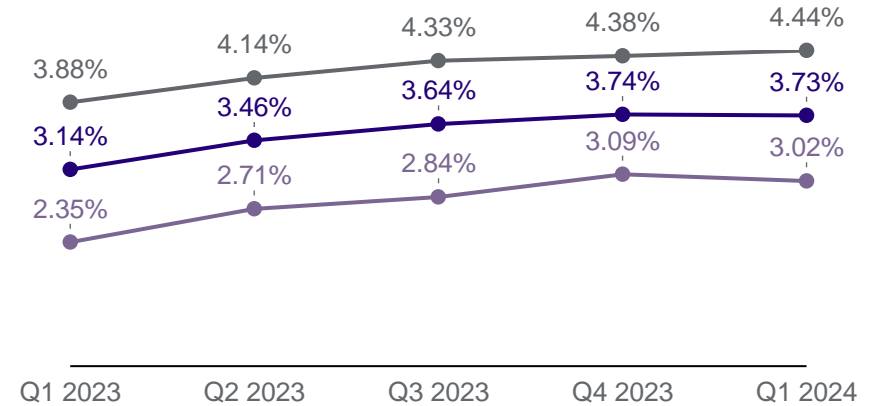
## Margin pick-up on the back of NII growth

Net interest income of NLB Group (in EURm)

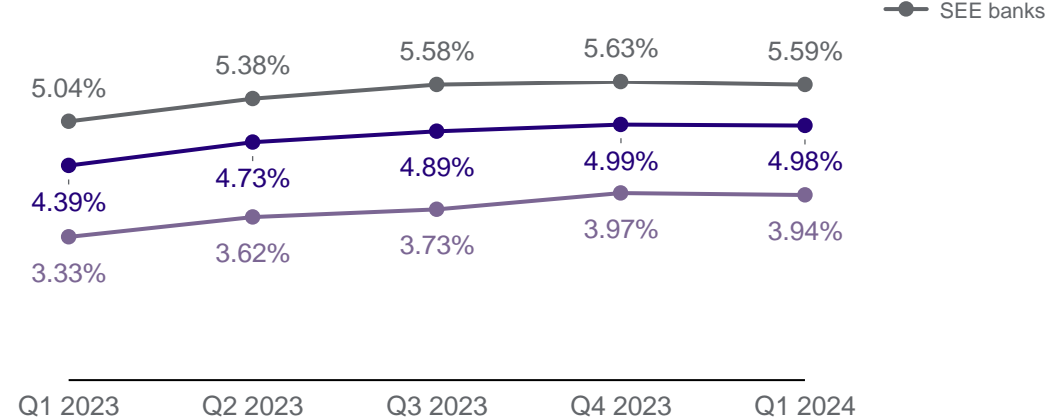


- YoY growth in interest income derived mostly from:
  - loans to customers: EUR 45.2 million of which EUR 19.7 million from individuals and EUR 25.6 million from corporate and state, with contribution from both loan growth and interest rate increase
  - balances at banks and central banks (EUR 21.9 million)
- Interest expenses increased mostly due to
  - higher expenses for wholesale funding raised for MREL and capital requirement (EUR 12.3 million)
  - higher expenses for customers deposits (EUR 15.7 million)
- Higher net interest income and interest expenses in the last quarter were also the result of further net interest income stabilization with fair value hedges of issued NLB securities in the additional amount of 570 million EUR.

Net interest margin, quarterly (in %)



Operational business margin, quarterly (in %)

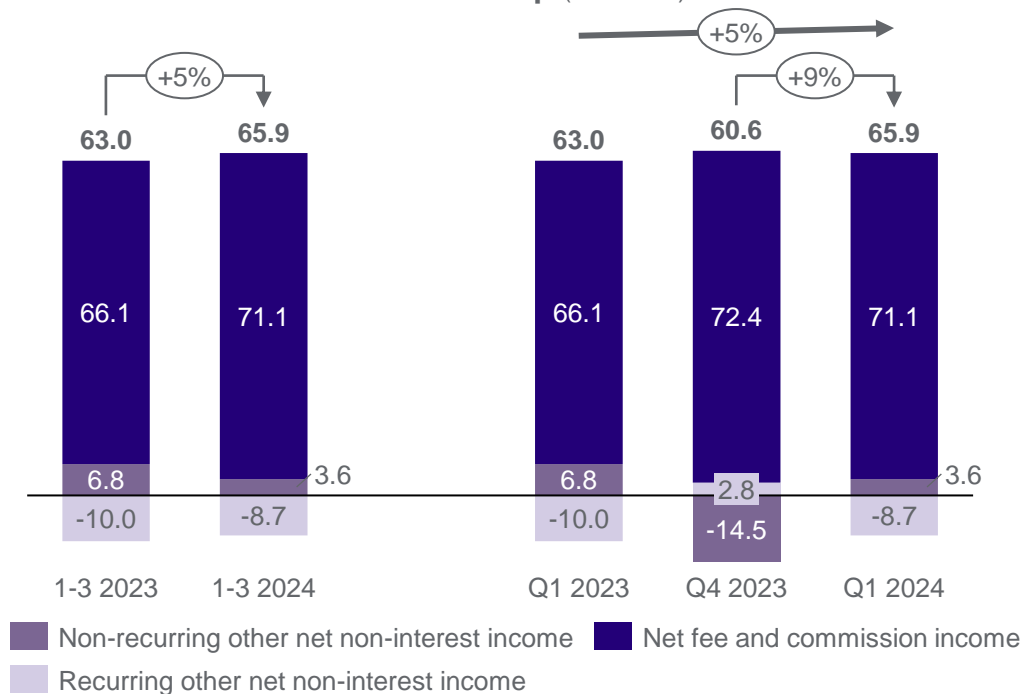


The cost of funding grew at a much slower pace than interest rates on assets. As a result, the Group's net interest margin improved by 0.59 p.p. to 3.73% YoY. Additionally, the operational business margin reached 4.98%, marking a 0.59 p.p. increase YoY, mainly due to the net interest income growth.

# Net non-interest income

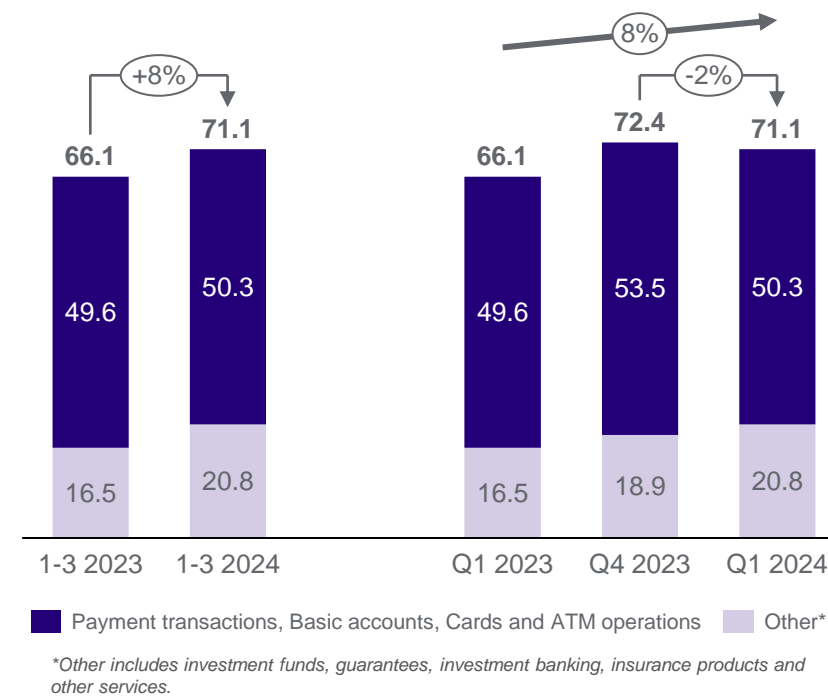
## Strong YoY growth of Fee & Commission income

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



- A major part of the net non-interest income has been derived from the net fee and commission income.
- Non-recurring income from financial transactions related to early redemption of Tier 2 notes (EUR 2.7 million).
- Accrual of one-off expenses for regulatory costs in NLB, amounting to EUR 10.5 million for DGS (there will be no payments in SRF this year, as the quota was already achieved).
- On QoQ comparison non-recurring net non-interest income in Q4 2024 was also negatively impacted by a EUR 15.3 million modification loss for interest rate regulation on housing loans in NLB Komercijalna Banka, Beograd and EUR 5.0 million donations paid for the post-flood reconstruction effort.

Net fee and commission income (in EURm)

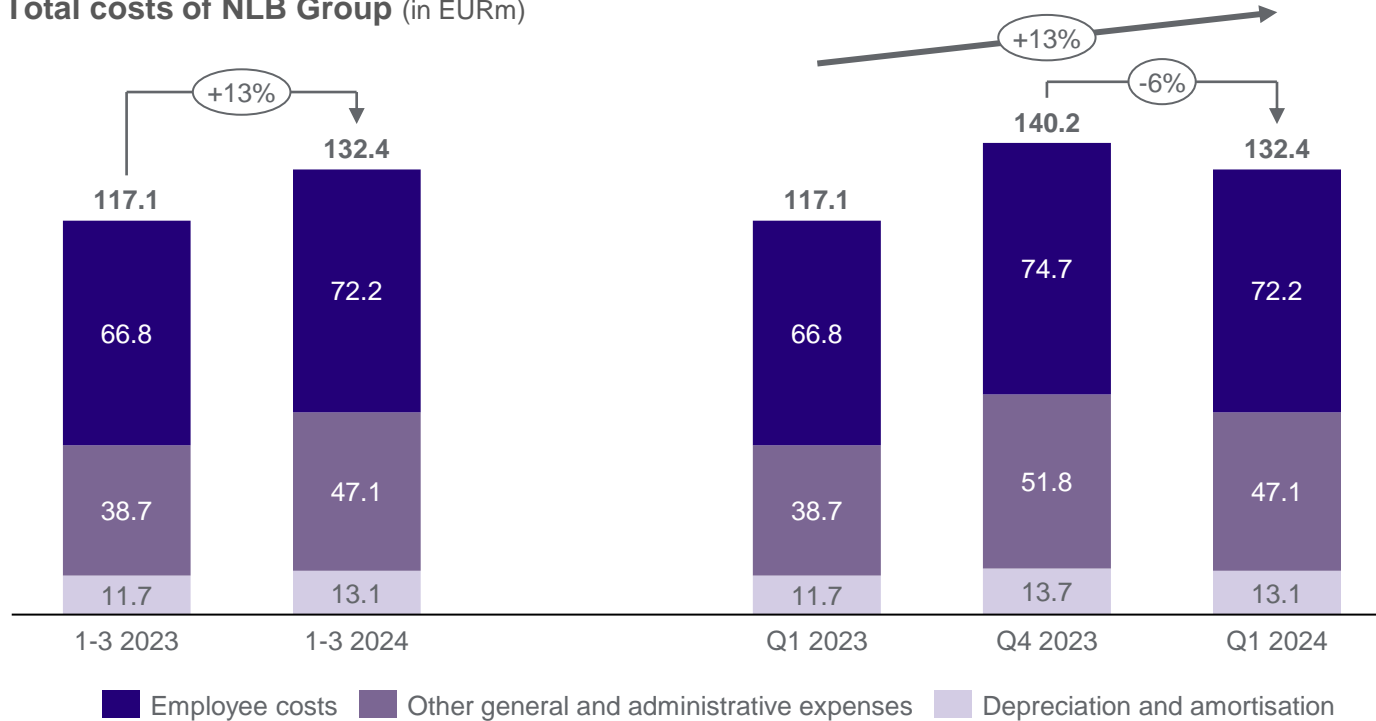


- A slight growth of 8% YoY.
- Positive impact of heightened economic activity and consumption, resulting in increased fees across banking members and due to increased activity in investment funds and bancassurance.
- NLB Skladi recorded an exceptional sale of investment funds, with EUR 111.8 million gross inflows in Q1 2024, compared to EUR 54.0 million in the same period last year.

# Costs

## General inflation, IT enhancements and tax on total assets drove costs

Total costs of NLB Group (in EURm)

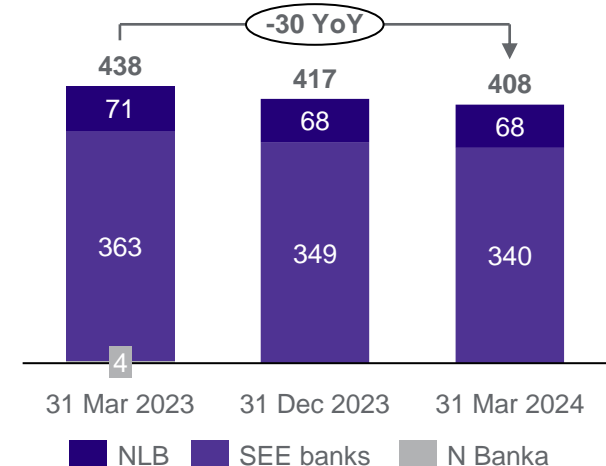


- Total costs increased by 13% YoY. The increase was noted in all banking members and was primarily driven by a EUR 5.5 million rise in employee costs and a EUR 8.4 million increase in other general and administrative expenses, having EUR 8.1 million attributed to the newly established tax on total assets.
- On a QoQ basis, costs decreased by 6% due to the typical higher share of cost occurring in the final quarter, including year-end employee payments and higher IT and marketing costs (sponsorships). This year QoQ comparison of other general and administrative costs was influenced by the abovementioned tax on balance sheet.

# of employees<sup>(1)</sup>



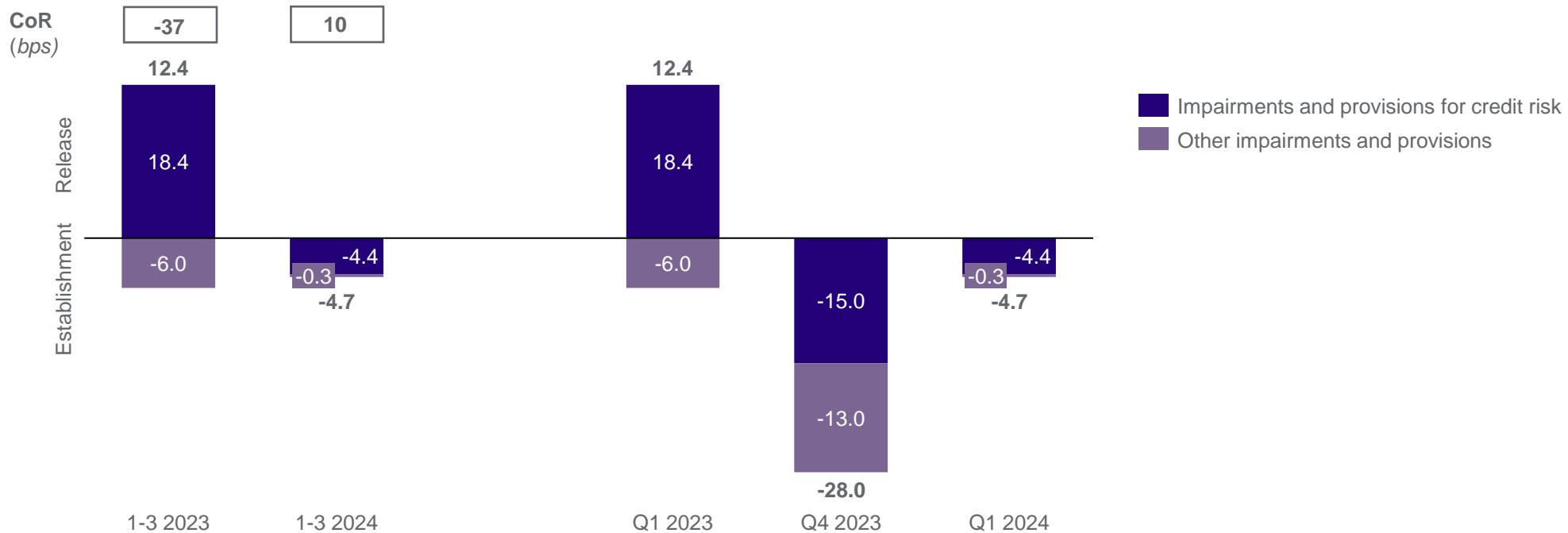
# of branches<sup>(1)</sup>



# Impairments and provisions

## Net establishment of credit provisions – Cost of risk stood at 10 bps

Impairments and provisions of NLB Group (in EURm)

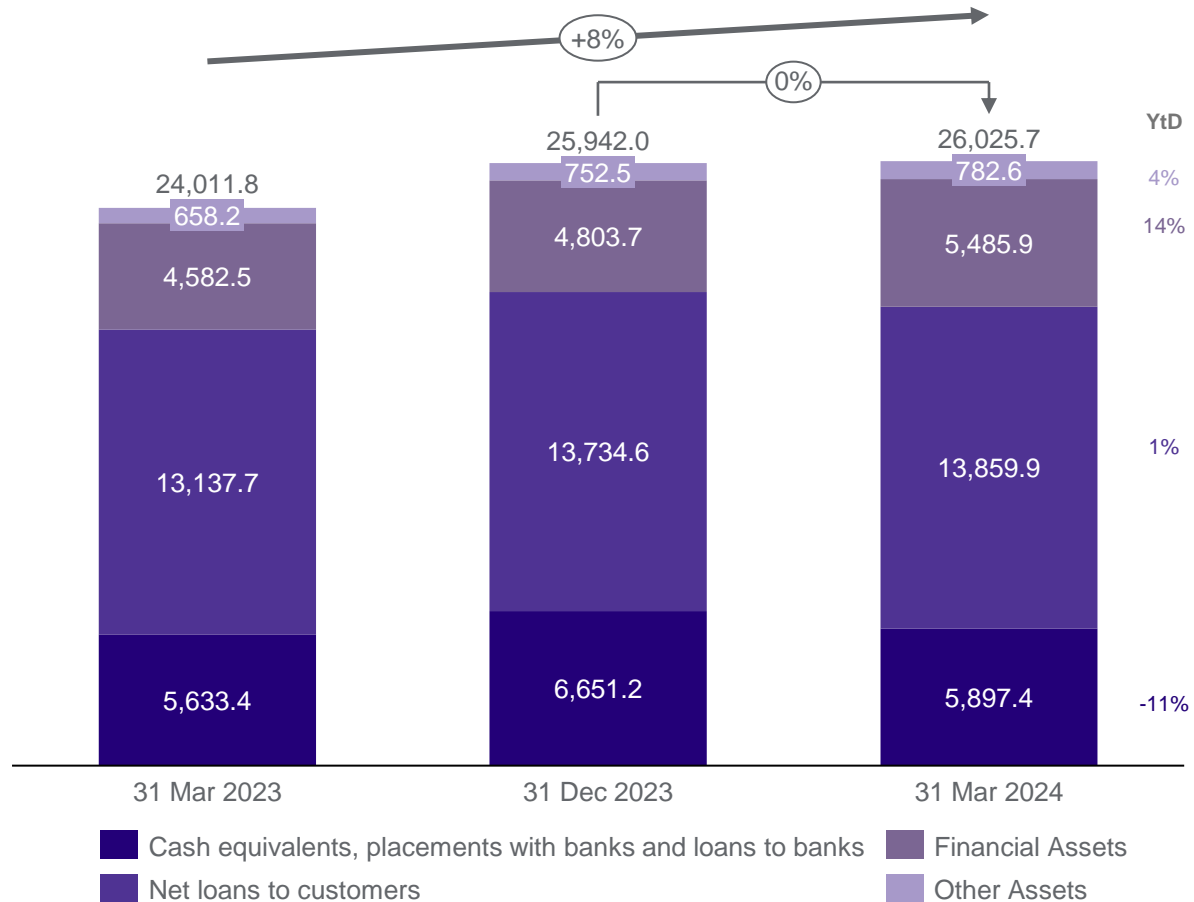


- The Group net established EUR 4.4 million impairments and provisions for credit risk. The effects of establishments were mainly driven by the portfolio development, mostly in retail segment, partially neutralized by repayments of written-off receivables due to a favorable NPLs resolution.
- CoR was positive and stood at 10 bps.

# NLB Group Assets

Total asset growth fueled by growth in net loans to customers and cash balances

Total assets of NLB Group – structure (EURm)

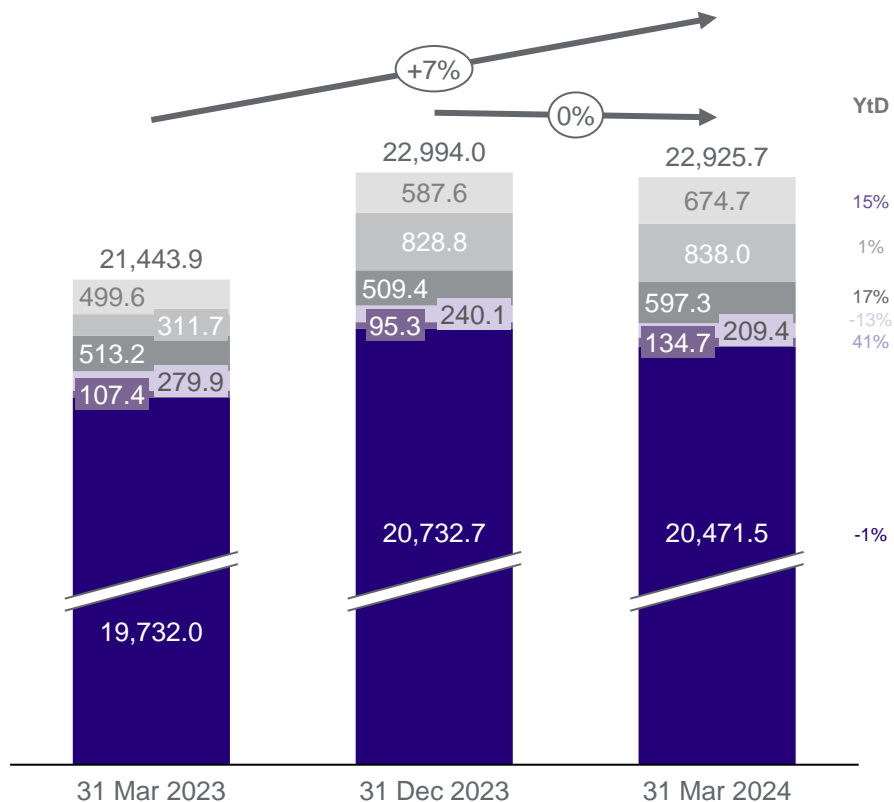




# NLB Group Funding Structure

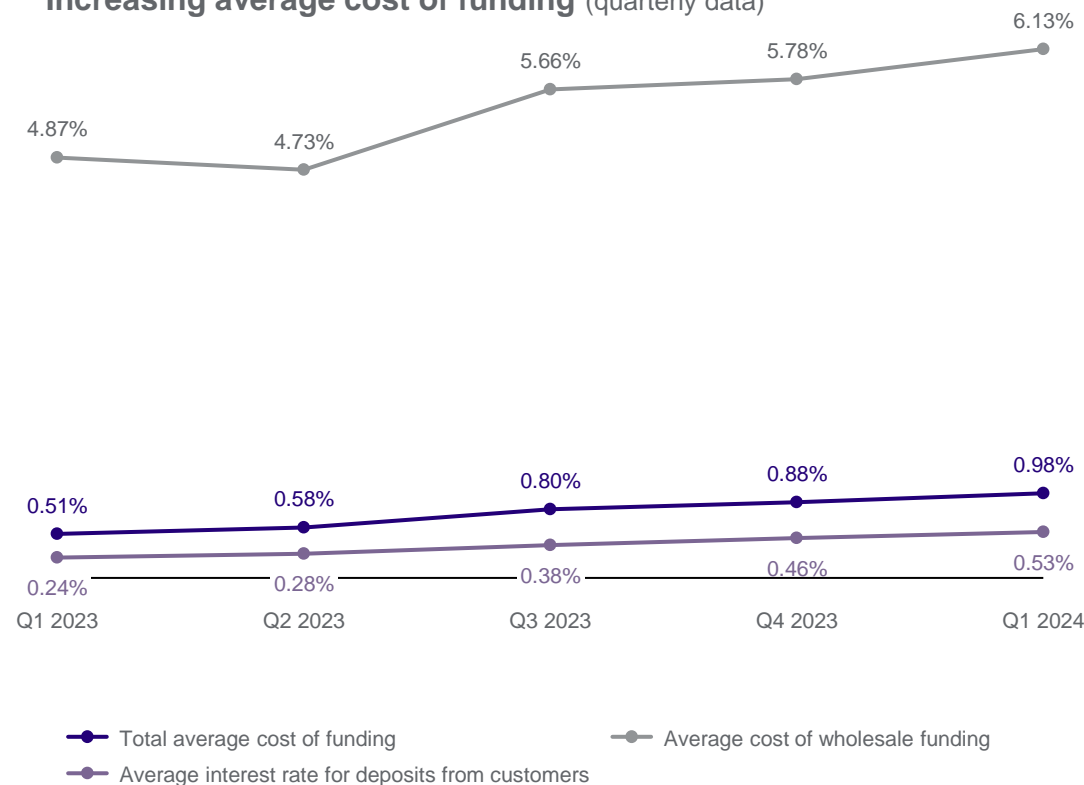
Average cost of funding increasing due to the wholesale funding, driven by MREL requirements and deposit repricing

Funding structure of the NLB Group (Group, EURm)



- Deposits from customers
- Deposits from banks and central banks
- Borrowings
- Subordinated liabilities
- Other debt securities in issue
- Other liabilities

Increasing average cost of funding (quarterly data)

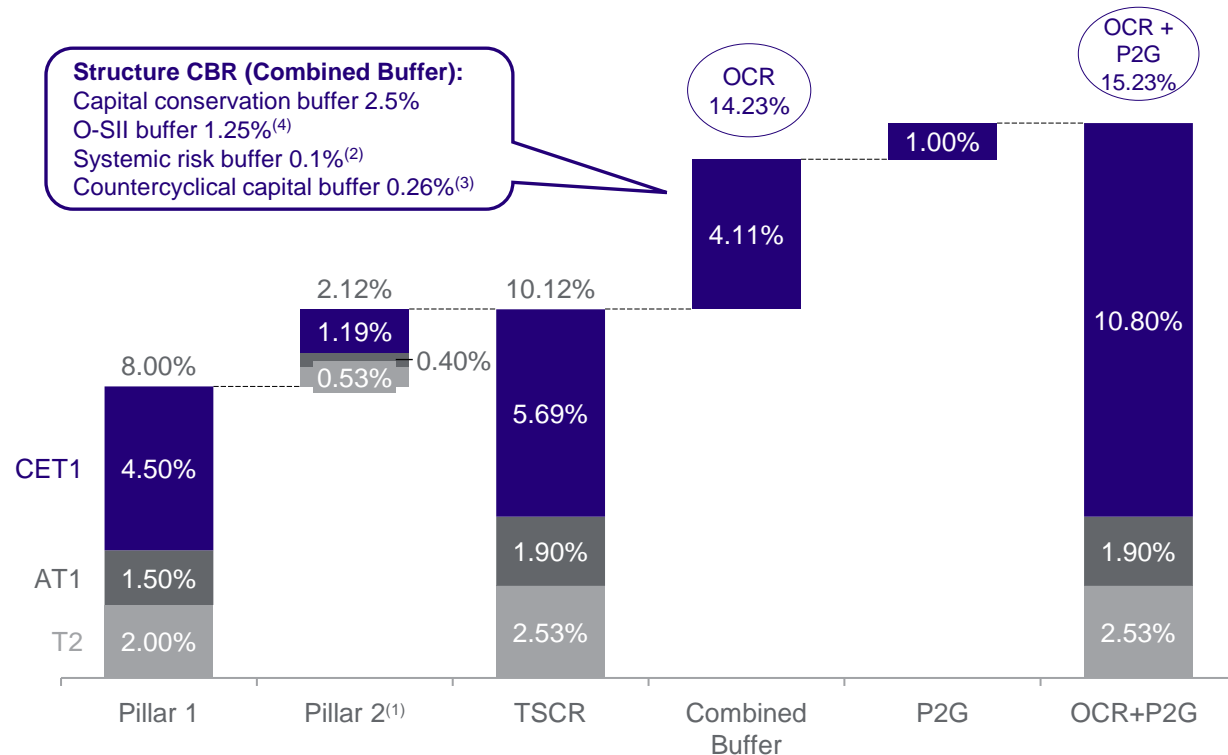


Group's average cost of funding in Q1 2024 was 0.98%, a substantial increase from 0.51% in Q1 2023.

# Capital

## Capital position enabling growth and dividend distribution

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

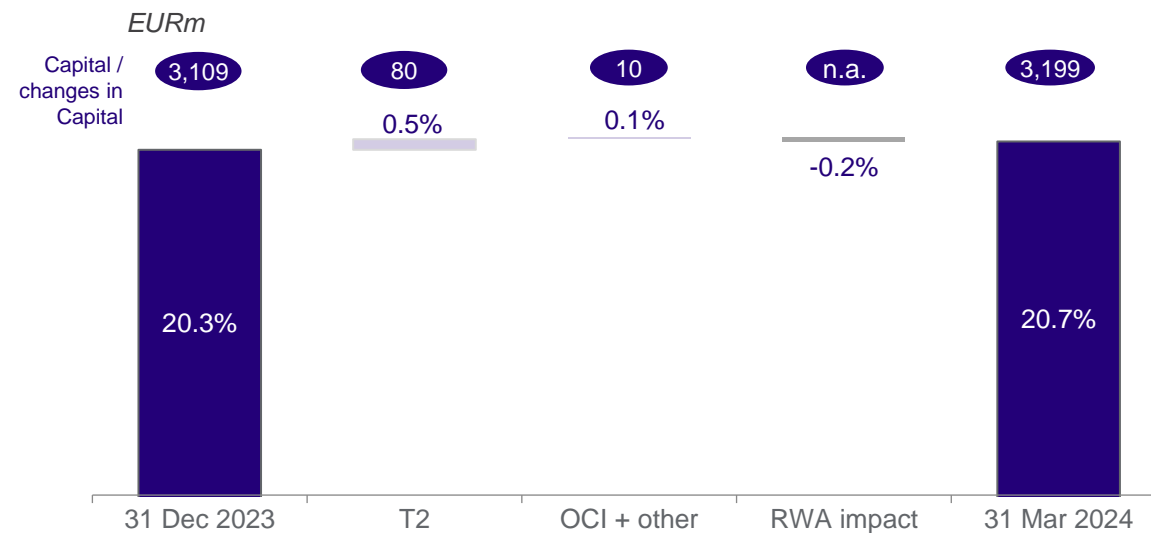


- As of 31 March 2024, the TCR for the Group was 20.7%, increasing by 0.5 p.p. YtD, while the CET1 ratio was 16.3%, well above requirements.
- The higher total capital adequacy derives from increased OCR capital (EUR 90.2 million YtD), which offset RWA's increase (EUR 90.6 million YtD).
- The Group increased its capital mainly with an increased volume of T2 instruments (EUR 80.4 million) and EUR 12.7 in revaluation adjustments.

Capital realisation YtD and surplus of NLB Group as of 31 March 2024

	in EUR millions			
	31 Mar 2024	31 Dec 2023	Change YtD	Surplus 31 Mar 2024
Common Equity Tier 1 capital	2.519	2.510	10	853
Tier 1 capital	2.607	2.598	10	648
Total capital	3.199	3.109	90	850
Total risk exposure amount (RWA)	15.428	15.337	91	
Common Equity Tier 1 Ratio	16,33%	16,36%	-0.03 p.p.	5.5 p.p.
Tier 1 Ratio	16,90%	16,94%	-0.04 p.p.	4.2 p.p.
Total Capital Ratio	20,74%	20,27%	0.47 p.p.	5.5 p.p.

### TCR and capital evolution YoY

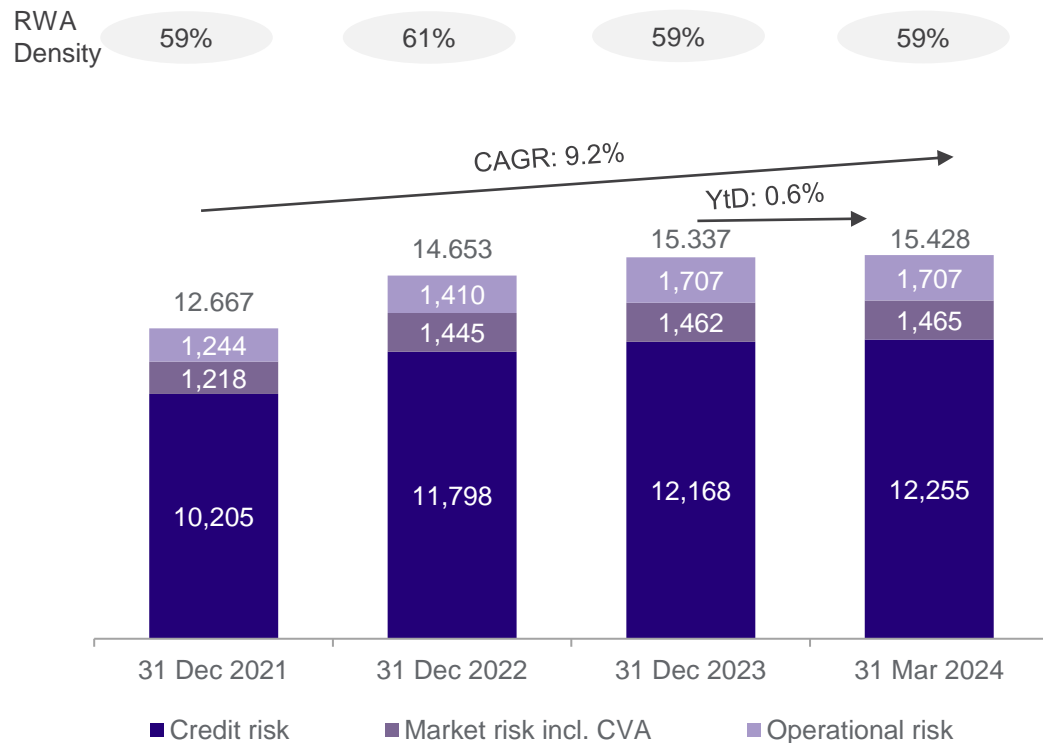


Notes: (1) The Pillar 2 Requirement 2024 decreased by 0.28 p.p. to 2.12% due to a better overall SREP assessment. (2) The BoS issued a new Regulation on determining the requirement to maintain a systemic risk buffer for the sectoral exposures: 1.0% for all retail exposures to natural persons secured by residential real estate and 0.5% for all other exposures to natural persons, resulted in 0.10% Systemic Risk Buffer in March 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 0.26% on March 2024 for NLB Group. (4) In September 2023, the Bank of Slovenia verified compliance with the criteria for Other Systemically Important Institutions (O-SII) and set the new values of the indicator of systemic importance and the respective buffer rates for each O-SII. The adjustment did not impact the O-SII buffer for NLB, and the existing buffer of 1.25% remained unchanged.

# RWA structure

## Prudent RWA management to improve capital ratios

RWA structure (in EURm)



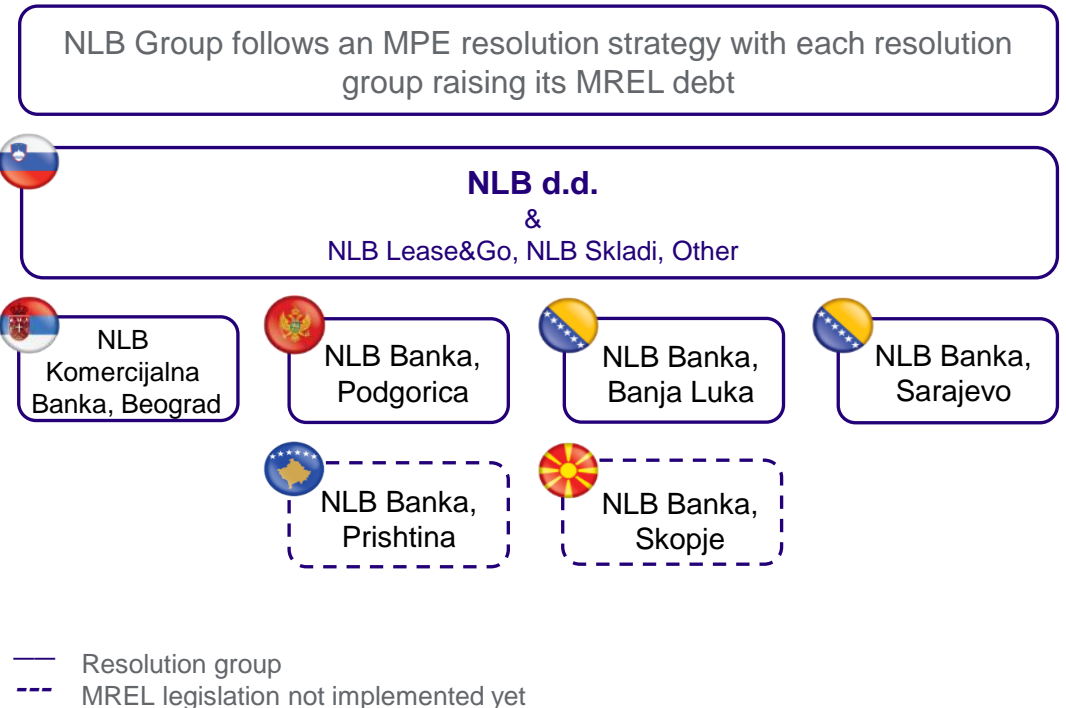
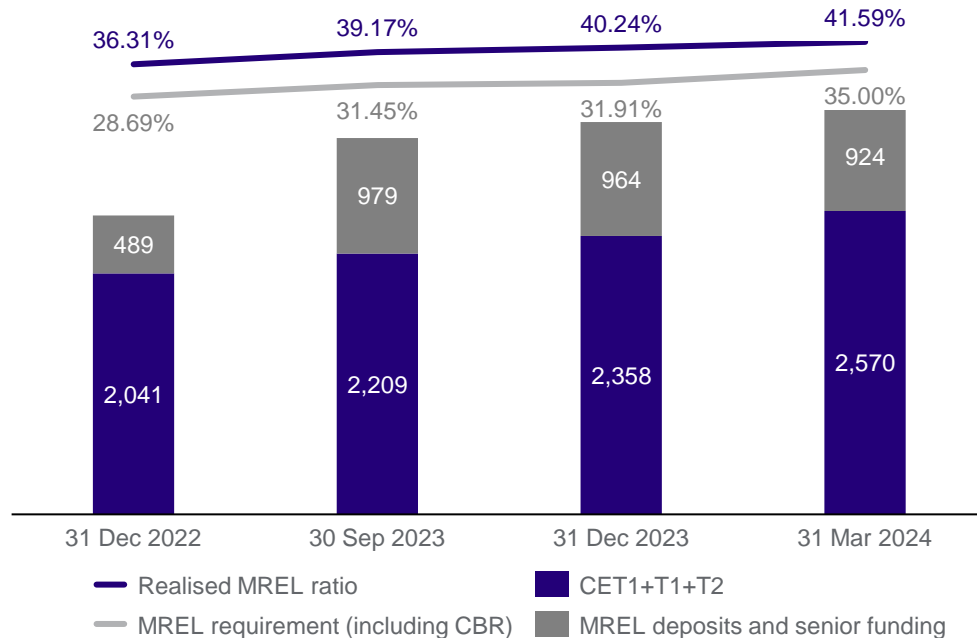
On a consolidated basis, the Group uses the Standardised approach for calculating RWA for credit and market risk while using a Basic indicator approach for calculating operational risk.

In the first three months of 2024, the **RWA for credit risk** of the Group increased by EUR 87.2 million due to lending activity, which was more predominant in the retail segment. New production at corporates was partially offset by repayments provided by corporate clients in the Bank. Additionally, RWA for high-risk exposures increased due to new project financing loans given, mostly in the Bank and NLB Komercijalna banka, Beograd, and withdrawals of project finance loans approved in the previous periods. However, RWA for liquidity assets decreased mainly in NLB Komercijalna Banka, Beograd, due to the maturity of some Serbian bonds and the lower amount denominated in EUR placed at the settlement account of the central bank. The RWA was also reduced due to lower exposure to the central bank in Kosovo and the maturity of Kosovo bonds, bonds of Republika Srpska and Uzbekistan bonds. This reduction was partially offset by higher RWA for equity exposures from purchasing subordinated bank bonds.

The increase in **RWAs for market risks and CVA** (Credit Value Adjustments) in the amount of EUR 3.4 million YtD was the result of higher RWA for FX risk of EUR 5.5 million (mainly the result of more opened positions in domestic currencies of non-euro subsidiary banks), higher RWA for CVA risk of EUR 2.6 million, and lower RWA for TDI risk of EUR 4.8 million (due to closed net positions from IRS).

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

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 41.59% (excl. CBR) and 20.66% expressed as LRE as of 31 March 2024.
- 30.66% TREA (excl. applicable CBR) and 10.69% LRE as of 1 January 2024.

## NLB Resolution Group

TREA (in EURm)	(as at 31 Mar 2024)
NLB, Ljubljana	7,985
NLB Lease&Go, Ljubljana	228
NLB Skladi, Ljubljana	57
Other	130
<b>Total</b>	<b>8,400</b>

## 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 31 March 2024:

Type of the notes	ISIN code	Issue Date	Maturity	First call date	Interest Rate	Nominal Value
Senior Preferred	XS2641055012	27 June 2023	27 June 2027	27 June 2026	7.125% p.a.	EUR 500m
Senior Preferred	XS2498964209	19 July 2022	19 July 2025	19 July 2024	6.000% p.a.	EUR 300m
<b>Total SP:</b>						<b>EUR 800m</b>
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	XS2113139195	5 Feb 2020	5 Feb 2030	5 Feb 2025	3.400% p.a.	EUR 10.5m <sup>(i)</sup> (issued amount: EUR 120m)
Tier 2	XS2080776607	19 Nov 2019	19 Nov 2029	19 Nov 2024	3.650% p.a.	EUR 9.9m <sup>(i)</sup> (issued amount: EUR 120m)
Tier 2	SI0022103855	6 May 2019	6 May 2029	6 May 2024	4.200% p.a.	EUR 45m <sup>(ii)</sup>
<b>Total T2:</b>						<b>EUR 590.4m</b>
Additional Tier 1	SI0022104275	23 Sep 2022	Perpetual	between 23 Sep 2027 and 23 Mar 2028	9.721% p.a.	EUR 82m
<b>Total AT1:</b>						<b>EUR 82m</b>
<b>Total outstanding:</b>						<b>EUR 1,472.4m</b>

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

(ii) The bank executed an early redemption of the notes on 6 May 2024 (the call date).

## Funding plan in 2024:

In 2024 the bank is considering to issue senior preferred notes in the benchmark size, subject to market conditions.

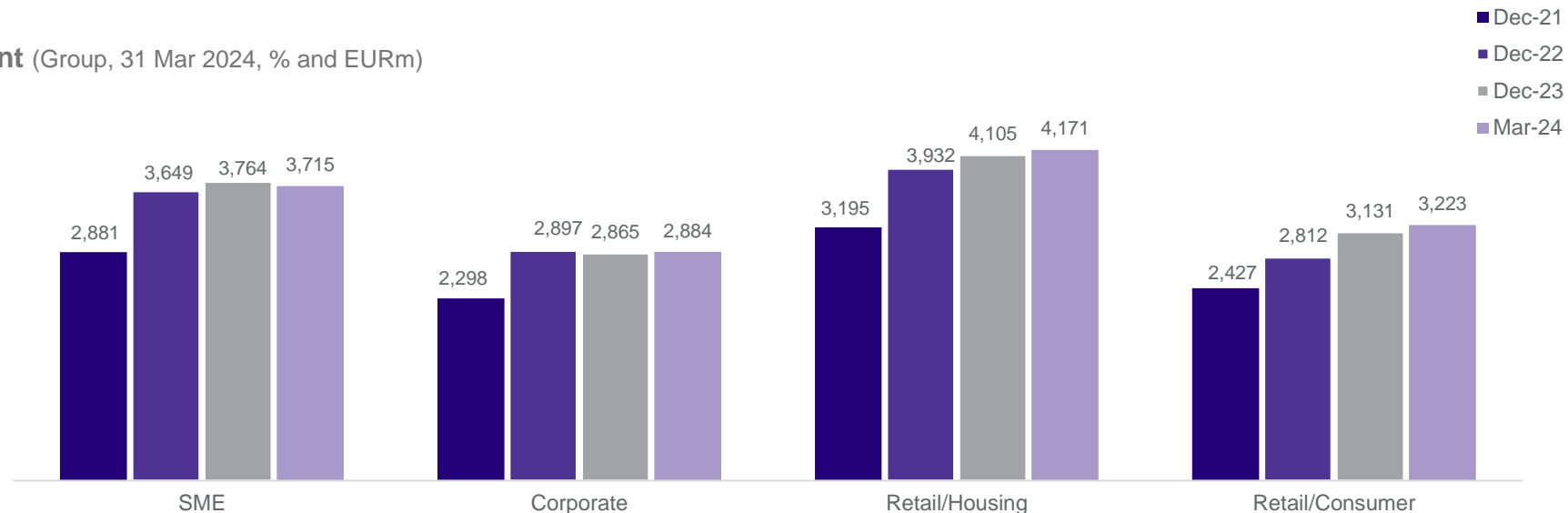
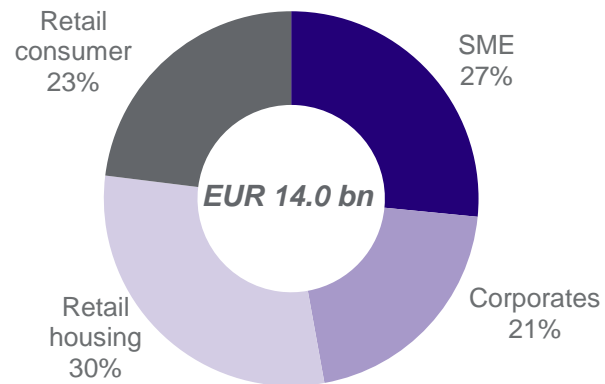
# Asset Quality



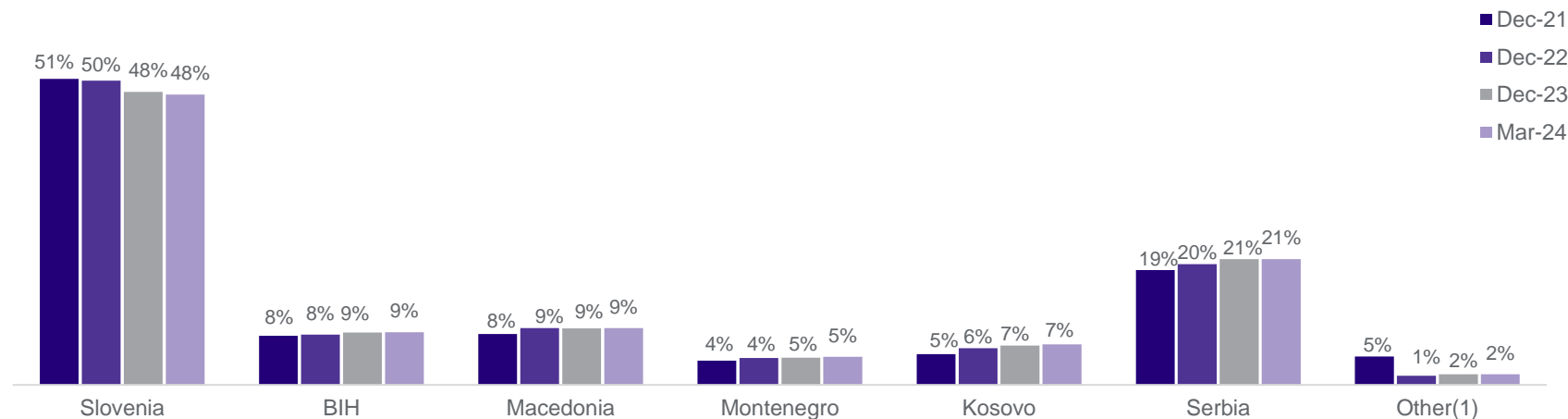
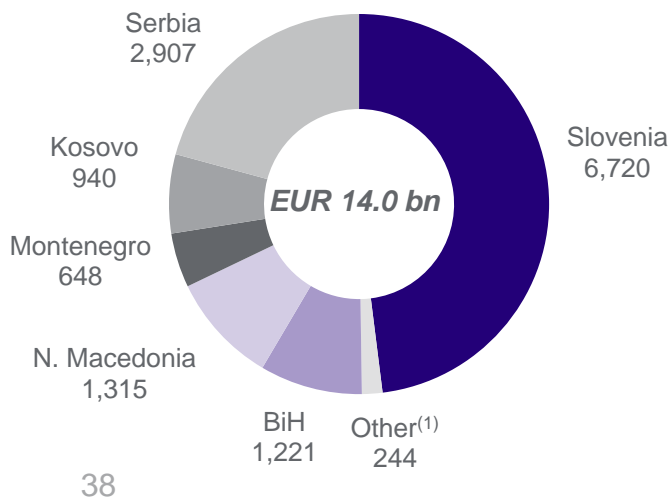
# Asset Quality – NLB Group

Diversified corporate and retail credit portfolio, focused on core markets

Corporate and retail credit portfolio by segment (Group, 31 Mar 2024, % and EURm)



Corporate and retail credit portfolio by geography (Group, 31 Mar 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, 31 Mar 2024)

Credit portfolio		in EUR thousands	
Corporate sector by industry	NLB Group	%	Δ YtD 2024
Accommodation and food service activities	188,970	3%	-9,859
Act. of extraterritorial org. and bodies	8	0%	5
Administrative and support service activities	113,180	2%	1,869
Agriculture, forestry and fishing	343,486	5%	-1,195
Arts, entertainment and recreation	19,114	0%	-917
Construction industry	553,171	8%	-3,768
Education	15,223	0%	268
Electricity, gas, steam and air conditioning	510,238	8%	-33,062
Finance	149,382	2%	5,014
Human health and social work activities	41,927	1%	4,556
Information and communication	261,573	4%	-30,048
<b>Manufacturing</b>	<b>1,536,106</b>	<b>23%</b>	<b>11,248</b>
Mining and quarrying	45,875	1%	-196
Professional, scientific and techn. act.	221,681	3%	-13,191
Public admin., defence, compulsory social.	193,143	3%	-6,363
Real estate activities	367,222	6%	-10,198
Services	14,262	0%	312
Transport and storage	605,402	9%	-13,639
Water supply	59,746	1%	2,604
<b>Wholesale and retail trade</b>	<b>1,359,025</b>	<b>21%</b>	<b>68,776</b>
Other	769	0%	-2,025
<b>Total Corporate sector</b>	<b>6,599,504</b>	<b>100%</b>	<b>-29,810</b>

- In the first quarter of 2024, repayments of loans, including revolving lines, exceeded the new production of NLB Group, causing a decrease in the volume of corporate loans.
- NLB Group increased lending in Q1, mainly to wholesale and retail trade and manufacturing companies. However, this growth was exceeded by repayments, mainly at state-owned companies from the electricity or gas industry and the information and communication 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, 31 Mar 2024)

Credit portfolio		in EUR thousands	
Corporate sector by industry	NLB Group	%	Δ YtD 2024
<b>Manufacturing</b>	<b>1,536,106</b>	<b>23%</b>	<b>11,248</b>

Credit portfolio		in EUR thousands	
Main manufacturing activities	NLB Group	%	Δ YtD 2024
Manufacture of food products	268,515	4%	-13,490
Manufacture of fabricated metal products, except machinery and equipment	184,680	3%	-8,666
Manufacture of electrical equipment	176,221	3%	-14,566
Manufacture of basic metals	158,769	2%	2,755
Manufacture of other non-metallic mineral products	110,536	2%	12,605
Manufacture of motor vehicles, trailers and semi-trailers	93,808	1%	7,834
Manufacture of machinery and equipment n.e.c.	91,551	1%	12,116
Manufacture of rubber and plastic products	75,447	1%	616
Other manufacturing activities	376,579	6%	12,045
<b>Total manufacturing activities</b>	<b>1,536,106</b>	<b>23%</b>	<b>11,248</b>

Credit portfolio		in EUR thousands	
Corporate sector by industry	NLB Group	%	Δ YtD 2024
<b>Wholesale and retail trade</b>	<b>1,359,025</b>	<b>21%</b>	<b>68,776</b>

Credit portfolio		in EUR thousands	
Main wholesale and retail trade activities	NLB Group	%	Δ YtD 2024
Wholesale trade, except of motor vehicles and motorcycles	765,852	12%	47,416
Retail trade, except of motor vehicles and motorcycles	443,692	7%	15,439
Wholesale and retail trade and repair of motor vehicles and motorcycles	149,481	2%	5,921
<b>Total wholesale and retail trade</b>	<b>1,359,025</b>	<b>21%</b>	<b>68,776</b>

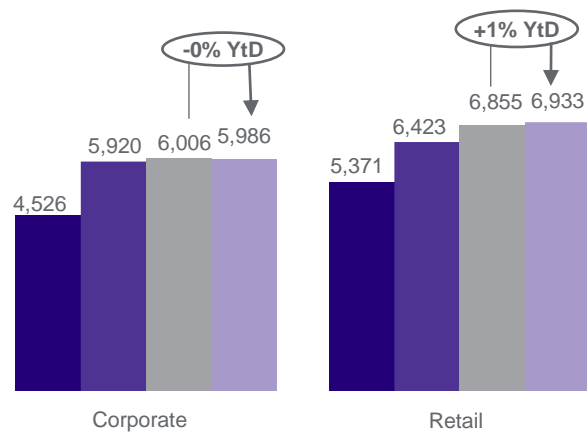
# NLB Group Asset Quality

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

Credit portfolio <sup>(1)</sup> by stages (Group, 31 Mar 2024, in EURm)

in EUR million															
	Credit portfolio									Provisions and FV changes for credit portfolio					
	Stage1			Stage2			Stage3 & FVTPL			Stage1		Stage2		Stage3 & 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
<b>Total NLB Group</b>	<b>18,619.7</b>	<b>94.5%</b>	<b>-619.5</b>	<b>769.3</b>	<b>3.9%</b>	<b>65.2</b>	<b>306.6</b>	<b>1.6%</b>	<b>6.0</b>	<b>95.1</b>	<b>0.5%</b>	<b>45.0</b>	<b>5.9%</b>	<b>198.5</b>	<b>64.8%</b>
o/w Corporate	5,985.7	90.7%	-19.9	446.8	6.8%	-7.5	167.1	2.5%	-2.4	50.3	0.8%	17.7	4.0%	106.9	64.0%
o/w Retail	6,933.5	93.8%	78.7	321.9	4.4%	72.3	139.4	1.9%	8.4	42.3	0.6%	27.3	8.5%	91.5	65.7%
o/w State	5,347.1	100.0%	-580.9	0.0	0.0%	0.0	0.0	0.0%	0.0	2.3	0.0%	0.0	0.5%	0.0	93.2%
o/w Institutions	353.4	99.8%	-97.4	0.6	0.2%	0.3	0.1	0.0%	0.0	0.1	0.0%	0.0	0.0%	0.1	76.6%

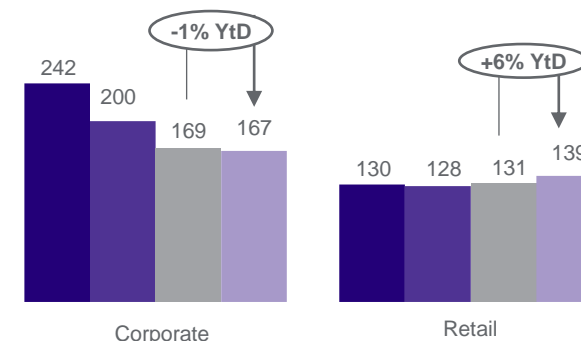
Stage 1 by segment (in EURm)



Stage 2 by segment (in EURm)



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

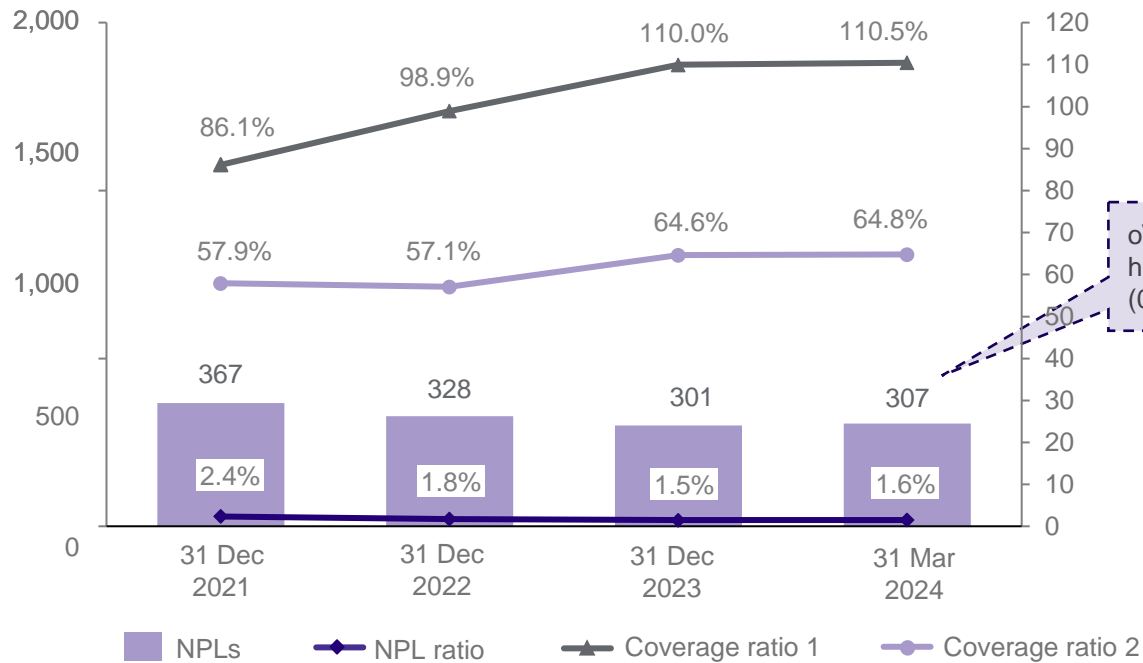


■ 31 Dec 2021 ■ 31 Dec 2022 ■ 31 Dec 2023 ■ 31 Mar 2024

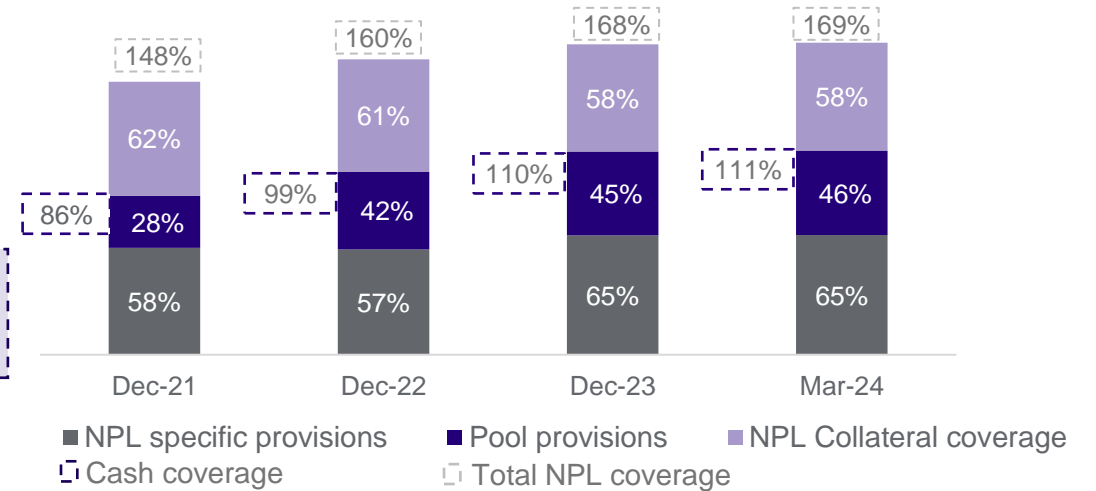
# Asset Quality – NLB Group

NPL ratio slightly increased. Improved coverage by provisions and collateral.

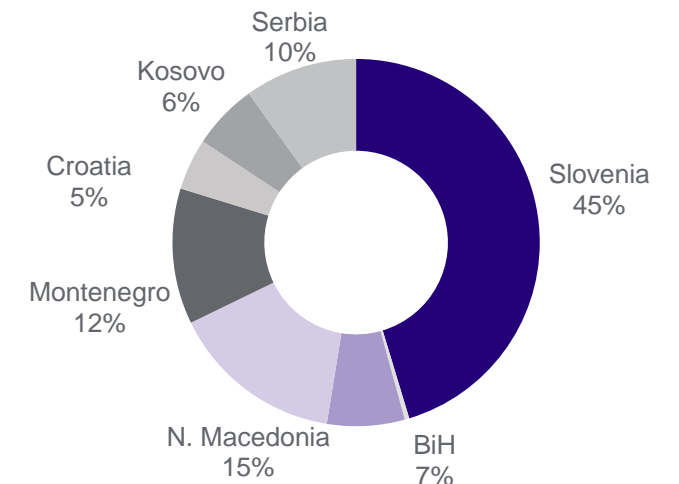
Gross NPL ratio within the planned framework (Group, EURm)



NPL cash and collateral coverage<sup>(1)</sup> (Group, %)



NPL by geography (Group, 31 Mar 2024)



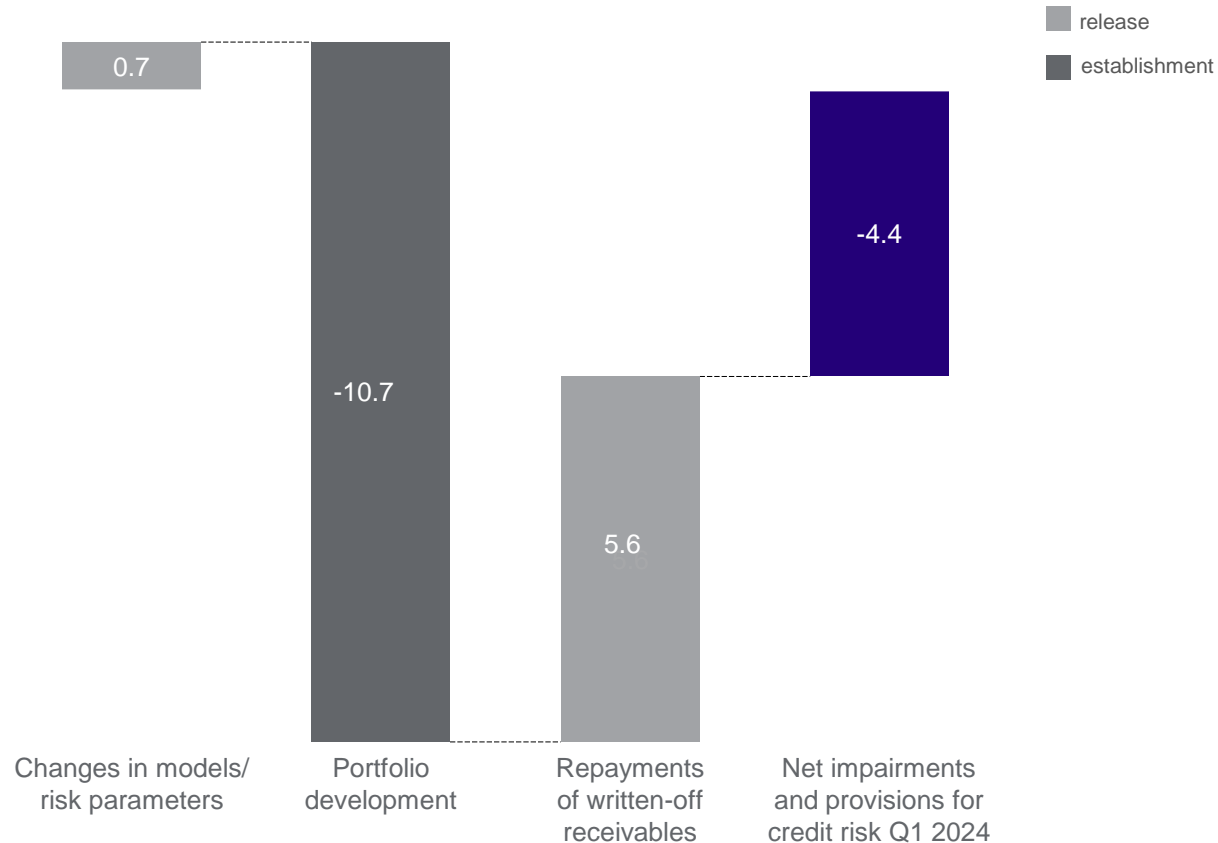
- In Q1, favorable NPL movements were recognized at corporates, while at retail (primarily from Slovenia), the growth of new NPLs slightly exceeded repayments and recovery of existing NPLs.
- NPL ratio** in Q1 slightly increased by 0.1 p.p. to the level of 1.6%, while **NPE ratio** remained at 2023 year-end level at 1.1%. **Coverage ratio** (CR1) increased to 110.5%. NPL coverage ratio (CR2) improved to 64.8%, which is above the EU average as published by the EBA (42.3 % for Q4 2023).

# Impairments and provisions for credit risk

## Positive CoR in 2024, portfolio development led to newly established provisions in Q1

### Quarterly net new impairments and provisions for credit risk

(w/o off-balance, Q1 2024, in EURm)



In Q1 2024 net impairments and provisions for credit risk were established in the amount of EUR 4.4 million:

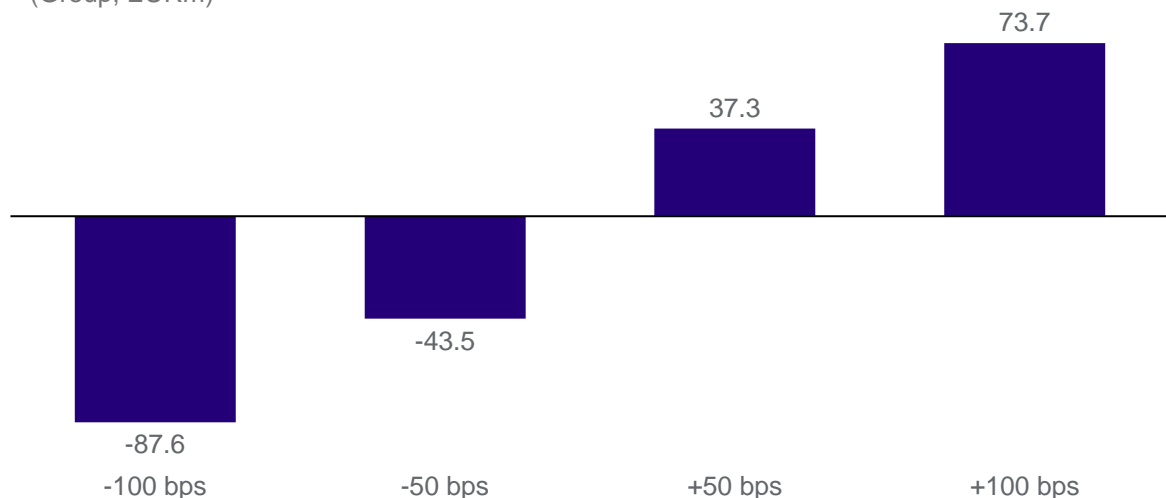
- The most material part of established provisions relate to portfolio development, mostly in the Retail segment (Stage 2 and Stage 3 exposures).
- Repayments of written-off receivables in the amount of EUR 5.6 million due to a favorable environment for NPLs resolution.
- Release of EUR 0.7 million resulting from changes in models/risk parameters.

# NII sensitivity to interest rate shifts – NLB Group

Readily accessible diverse toolbox to protect interest margins

## NII sensitivity to various rate shocks

(Group, EURm)

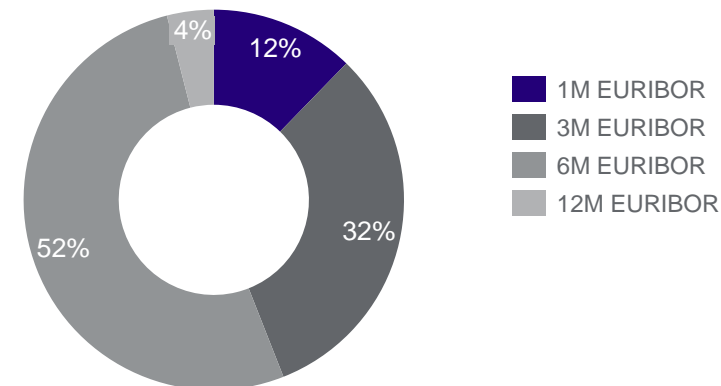


The theoretical calculation of the NII sensitivity to various rate shocks is calculated on the assumption of an immediate parallel shift of the interest rates on a constant balance sheet whereby maturing cash flows are re-invested. Such assumption in the current environment deviates from reality.

NLB Group is actively managing NII sensitivity with the application of the diverse set of tools, among others:

- Increased production of loans with fixed interest rates
- Funding mix and pricing policy based on liquidity, elasticity and other business decisions
- Hedging of liabilities
- New investments in banking book securities with mid term duration

## Loan portfolio by type of EURIBOR (Group, 31 March 2024)



## Structure of loan portfolio by type of interest rate

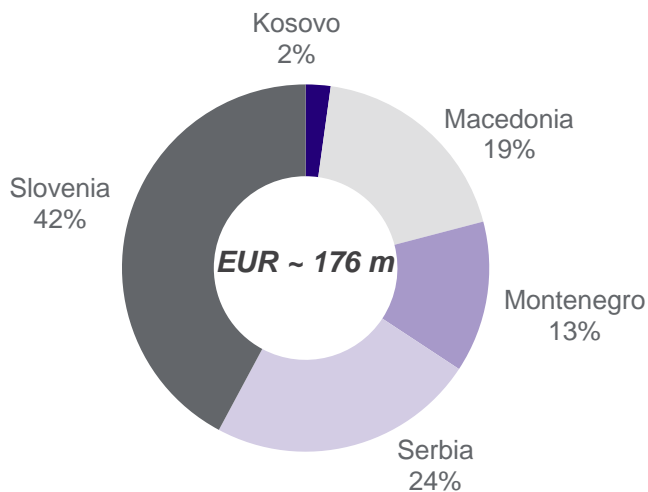
as of March 2024, in EURm

EURIBOR	5,493
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# Specific Commercial Real-estate financing

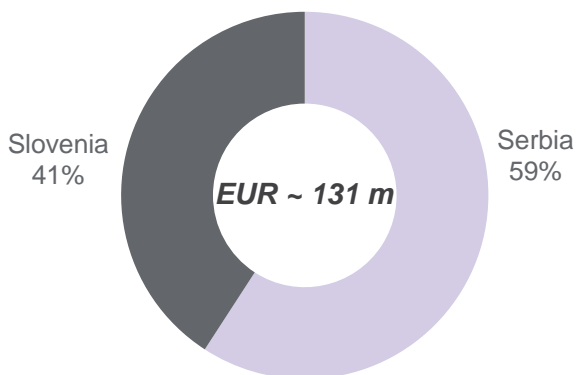
Limited and carefully monitored portfolio

*Retail shopping centres*



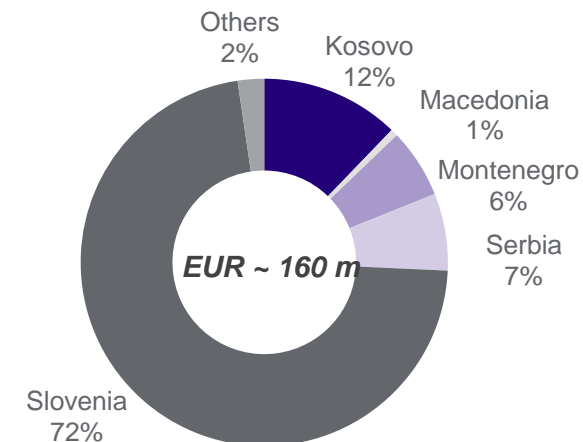
- 99% projects are in operational phase.
- Occupancy rate above 90%.
- Rents are stable.
- Average DSCR on projects is 1.4.
- Average LTV below 50.
- Majority of loans are amortizing loans.

*Office & Congress centres*



- 19% in construction phase, 81% in operational phase.
- Occupancy rate and rents are stable.
- Average DSCR 1.2.
- Average LTV below 60.

*Hotels*



- 87% 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



# NLB Group Improves Lives in the SEE Region through 3 Sustainability Pillars



## Sustainable Operations

Acting responsibly towards the **environment**

Taking into consideration ESG factors in the **procurement** process

Integrating **sustainability practices in clients relations**

Putting **sustainability at heart of human resources** practices



## Sustainable Finance

**Decarbonizing lending and investment portfolios** by designing and implementing NLB Group's comprehensive net-zero business strategy

Developing a wide and diversified offer of **sustainable financing products**

Ensuring **sound ESG risk management** in lending and investment processes aligned with ECB and EBA guidelines, and supported by **IT and ESG data governance** solutions



## Contribution to Society

**Supporting communities' development** by focusing on genuine **societal needs**

Actively responding with appropriate **initiatives and partnerships**

Aligning CSR activities with **UN Sustainable Development Goals**

**High standards of corporate governance, responsibility, compliance, ethics, and integrity in everything we do. Integration of ESG matters (environmental, social and human rights, and governance) through each sustainability pillar.**



# Key Targets and Achievements in Q1 2024

## 16.0 ESG Risk Rating

Improved from 17.7 in 2022: low risk, ranking: top 13% of all banks assessed

### 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
- **Continued implementation of ESG risks** in the risk management framework, the decision-making process at strategic and operational levels
- Streamlining the reporting process towards **CSRD and ESRS** readiness
- 1 regular (quarterly) **Sustainability Committee** session
- On-going active **stakeholder engagement**
- Activities within **Chapter Zero** aimed at **capacity building of Supervisory and Management Board members** to make sure climate change is a boardroom priority

## 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%

NLB Group Sustainability Report 2023 published and available on the NLB website: <https://www.nlb.si/sustainability>

### Climate (Net-zero) Strategy

- In line with its ambition for a climate positive future, 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](#)
- The Group has started to develop **operational net-zero strategy**, and continued to reduce their emissions by optimising energy and resource consumption and reducing paper consumption through digitalisation and automation of processes.

### 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.
- **The identified eligible loan pool** at the end of Q1 is in line with the [NLB Green Bond Framework](#) (issuance of EUR 500 million in June 2023). The first annual allocation and impact report is expected to be published in June.

### Enhanced sustainability culture and capacity building

- The Group took part in several sustainability-related capacity-building events in the region and conducted activities to further upgrade the sustainability-related culture among employees.

### 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. The Group also launched the fourth [NLB Frame of Help project](#), this year focused on the social aspects.

# 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 CO<sub>2</sub>/m<sup>2</sup>) 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		
 <b>Power Generation</b>	1 and 2	IEA NZE	t CO <sub>2</sub> /Mwh	<b>0.232</b>	<b>0.165</b>	-29%	NLB Group	<ul style="list-style-type: none"> <li>NLB continues its commitment to coal exclusion introduced in 2021, with the existing exposure to be phased out</li> </ul>
 <b>Iron &amp; Steel</b>	1 and 2	IEA NZE	t CO <sub>2</sub> /t	<b>0.600</b>	<b>1.070</b>	/	NLB Group	<ul style="list-style-type: none"> <li>Current baseline is already below the 2030 target</li> <li>Majority of exposure is covered by client's decarbonisation plans</li> </ul>
 <b>Commercial Real Estate</b>	1 and 2	IEA NZE	kg CO <sub>2</sub> /m <sup>2</sup>	<b>120</b>	<b>39</b>	-68%	NLB d.d.	<ul style="list-style-type: none"> <li>National Energy and Climate plans do not exist outside of EU</li> <li>Inconsistencies between energy performance certificate methodology within region</li> </ul>
 <b>Residential Real Estate</b>	1 and 2	IEA NZE	kg CO <sub>2</sub> /m <sup>2</sup>	<b>42</b>	<b>19</b>	-56%	NLB <u>d.d.</u>	<ul style="list-style-type: none"> <li>National Energy and Climate plans do not exist outside of EU</li> <li>Inconsistencies between energy performance certificate methodology within region</li> </ul>

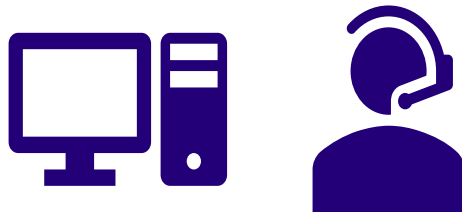
# State-of-the art services & channels

## 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 M-bank

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

Only bank with fully mobile express loan capabilities (Consumer & SME)



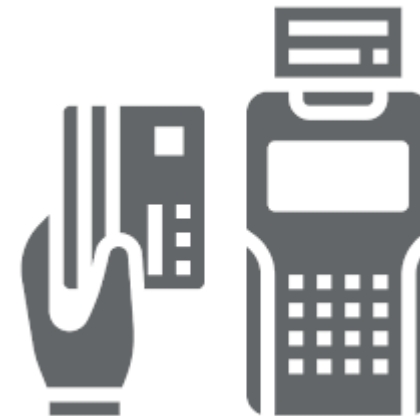
First Slovenian bank sending cards' PIN via SMS

First Slovenian bank implementing **Flik 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

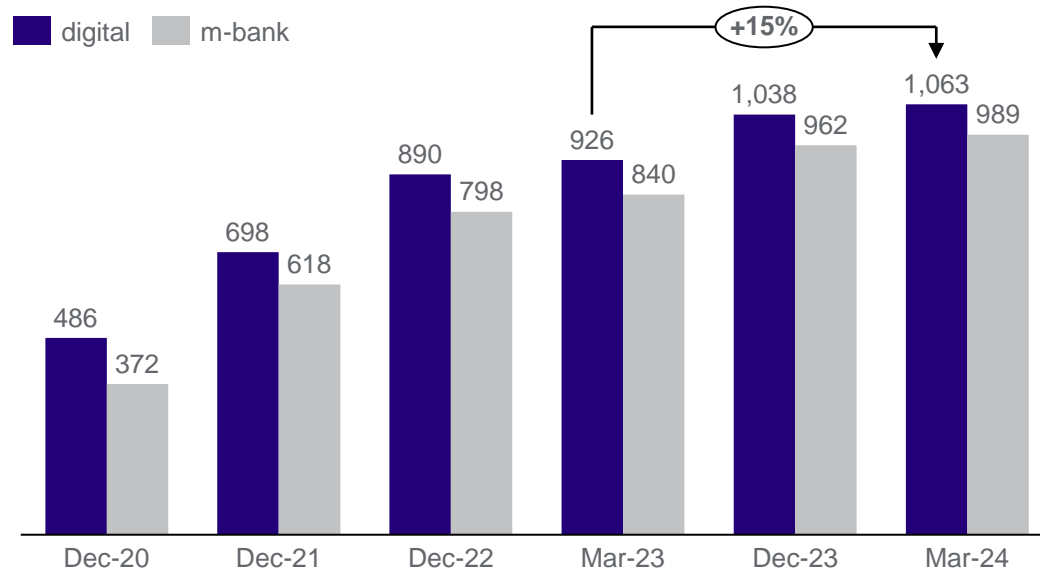
First Slovenian bank issuing **digital only debit cards**



# Omnichannel – future sales platform

Uniformal omnichannel digital customer experience throughout the Group

NLB Group # active digital & m-bank users <sup>(1)</sup> (in 000)



*Digital to take primary role especially in transaction banking and simple 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



*More than 1.5 million digital private individual users in the Group as at 31 March 2024, o/w 69% are active users.*

# Leasing M&A



# Acquisition of Summit Leasing

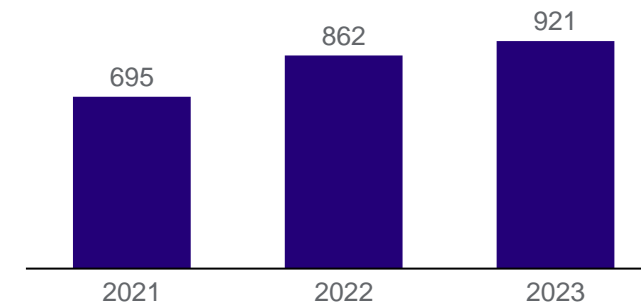
The Bank signed SPA for 100% shareholding in Summit Leasing Slovenija and its subsidiaries

## SLS Group at a glance

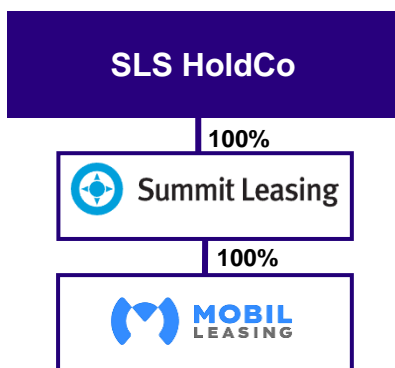
Undisputed leader in the Slovenian vehicle leasing market

- Founded in 2000, SLS Group is the #1 leasing provider for new and used passenger cars in Slovenia, as well as being a provider of insured point-of-sale consumer finance in Slovenia
- Point-of-sale relationships with 80+ loyal dealer alliances providing countrywide coverage (750+ dealerships) in Slovenia and Croatia
- Diversified customer base of c.113,000 customers, with c.140,000 contracts
- Responsible for 31% of new leasing business in Slovenia in 2022 (companies 2 and 3 generated 22% and 13% respectively)
- Product mix is focused on finance leases: 82% of net receivables. 12% of the portfolio accounted for by insured point-of-sale consumer finance at the end of 2022

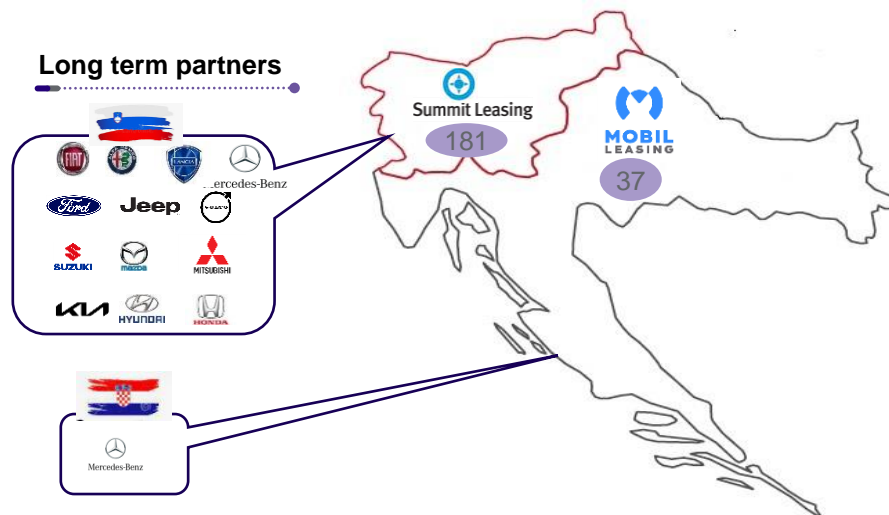
Total assets (EURm, consolidated level – SLS Group)



### Ownership structure

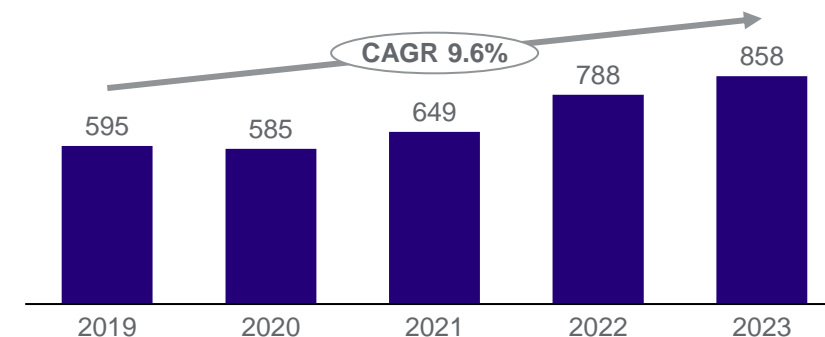


### Long term partners

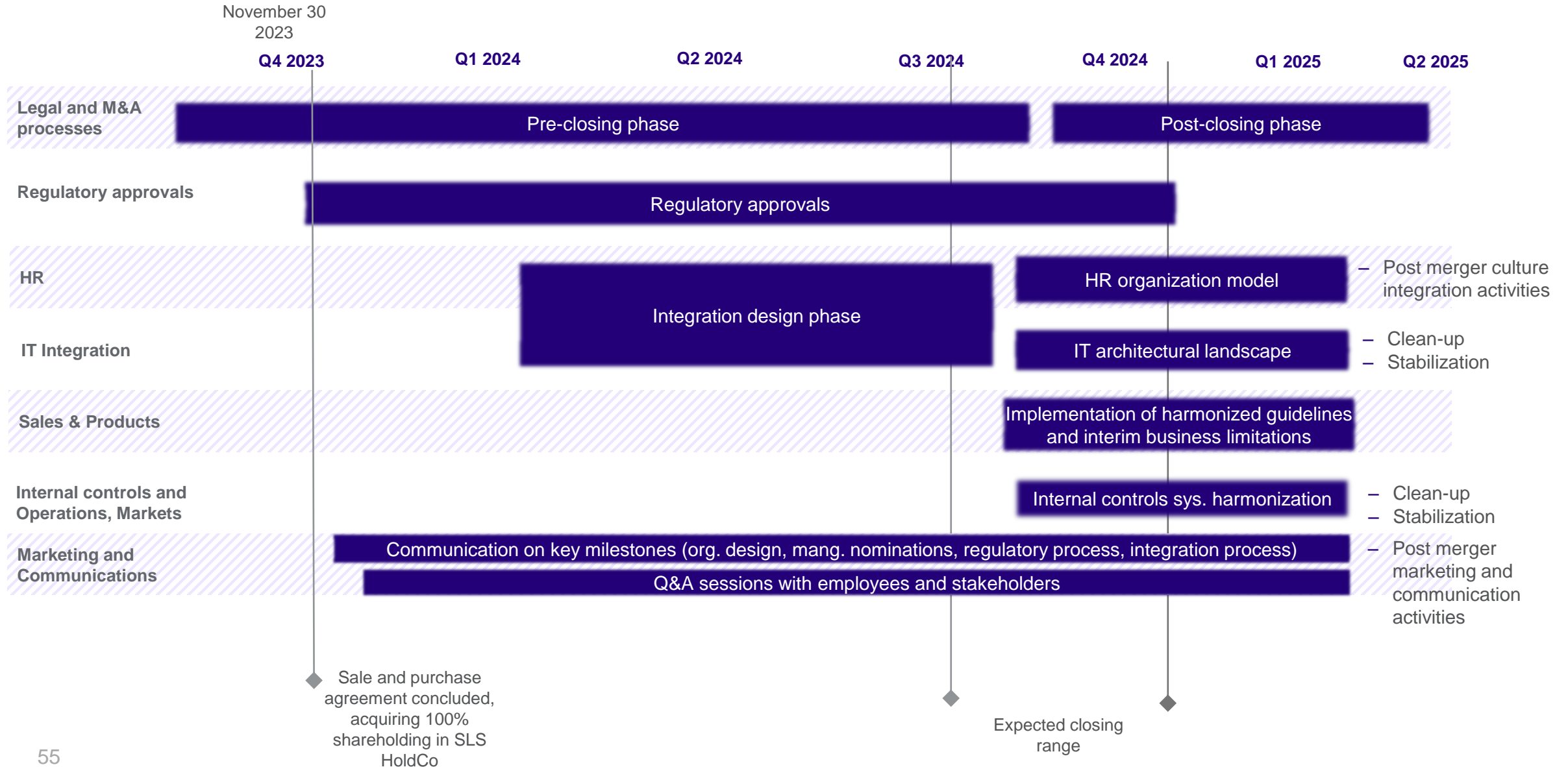


● Num. Of employees at the end of 2023

Evolution of the SLS Group<sup>(1)</sup> portfolio since 2019 (EURm)



# High-level integration timeline





# Outlook



# Outlook

KPI	Last Outlook for 2024	Revised Outlook for 2024	Revised Outlook for 2025
Regular income	> EUR 1,100 million	~ <b>EUR 1,200 million</b>	~ EUR 1,200 million
CIR	< 50%	~ <b>45%</b>	~ 45%
Cost of risk	20-40 bps	20-40 bps	30-50 bps
Loan growth	Mid single-digit	Mid single-digit	High single-digit
Dividends	EUR 220 million (40% of 2023 profit)	EUR 220 million (40% of 2023 profit)	More than 40% of 2024 profit
ROE a.t.	~ 15%	~ 15%	~ 15%
ROE normalised <sup>(i)</sup>	> 20%	> 20%	> 20%
M&A potential			M&A capacity of up to EUR 4 billion RWA <sup>(ii)</sup>

(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.

# Appendices

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Appendix 1:

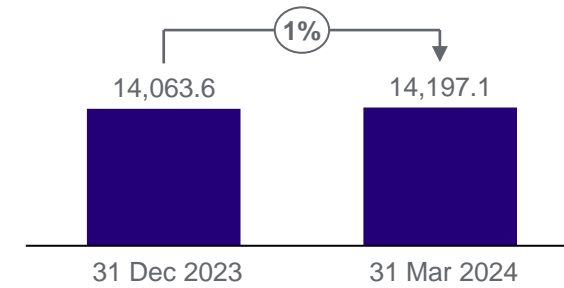
# **Business Performance**

# Key performance indicators of NLB Group

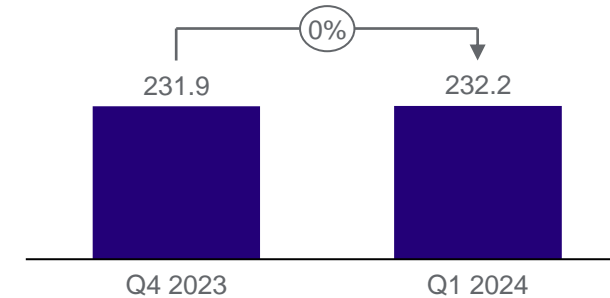
## Strong recurring revenues, cost control and resilient asset quality

	in EUR millions / % / bps				
	Q1 2024	Q4 2023	Q1 2023	Change YoY	Change QoQ
<b>Key Income Statement Data</b>					
Net operating income	298.1	292.5	241.9	23%	2%
Net interest income	232.2	231.9	179.0	30%	0%
Net non-interest income	65.9	60.6	63.0	5%	9%
o/w Net fee and commission income	71.1	72.4	66.1	8%	-2%
Total costs	-132.4	-140.2	-117.1	-13%	6%
Result before impairments and provisions	165.8	152.3	124.8	33%	9%
Impairments and provisions	-4.7	-28.0	12.4	-	83%
Impairments and provisions for credit risk	-4.4	-15.0	18.4	-	71%
Other impairments and provisions	-0.3	-13.0	-6.0	95%	98%
Result after tax	140.0	163.8	120.1	17%	-14%
	<b>1-3 2024</b>	<b>1-3 2023</b>	<b>ChangeYoY</b>		
<b>Key Financial Indicators</b>					
Return on equity after tax (ROE a.t.)	18.9%	19.7%	-0.8 p.p.		
Return on equity after tax (ROE a.t.) normalized <sup>(i)</sup>	29.2%	25.9%	3.3 p.p.		
Return on assets after tax (ROA a.t.)	2.2%	2.0%	0.2 p.p.		
Net interest margin (on interest bearing assets)	3.73%	3.14%	0.59 p.p.		
Operational business margin <sup>(ii)</sup>	4.98%	4.39%	0.59 p.p.		
Cost to income ratio (CIR) <sup>(iii)</sup>	41.7%	48.4%	-6.7 p.p.		
Cost of risk net (bps) <sup>(iv)</sup>	10	-37	47		
	<b>31 Mar 2024</b>	<b>31 Dec 2023</b>	<b>31 Mar 2023</b>	<b>Change YtD</b>	<b>Change YoY</b>
<b>Key Financial Position Statement Data</b>					
Total assets	26,025.7	25,942.0	24,011.8	0%	8%
Gross loans to customers	14,197.1	14,063.6	13,455.0	1%	6%
Net loans to customers	13,859.9	13,734.6	13,137.7	1%	5%
Deposits from customers	20,471.5	20,732.7	19,732.0	-1%	4%
Equity (without non-controlling interests)	3,035.6	2,882.9	2,507.6	5%	21%
<b>Other Key Financial Indicators</b>					
LTD <sup>(v)</sup>	67.7%	66.2%	66.6%	1.5 p.p.	1.1 p.p.
Total capital ratio	20.7%	20.3%	18.9%	0.5 p.p.	1.8 p.p.
Total risk exposure amount (RWA)	15,427.8	15,337.2	14,622.3	1%	6%
<b>Employees</b>					
Number of employees	7,999	7,982	8,194	17	-195

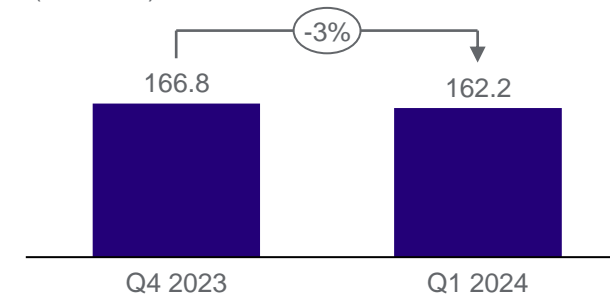
Gross loans to customers (in EURm)



Net interest income (in EURm)



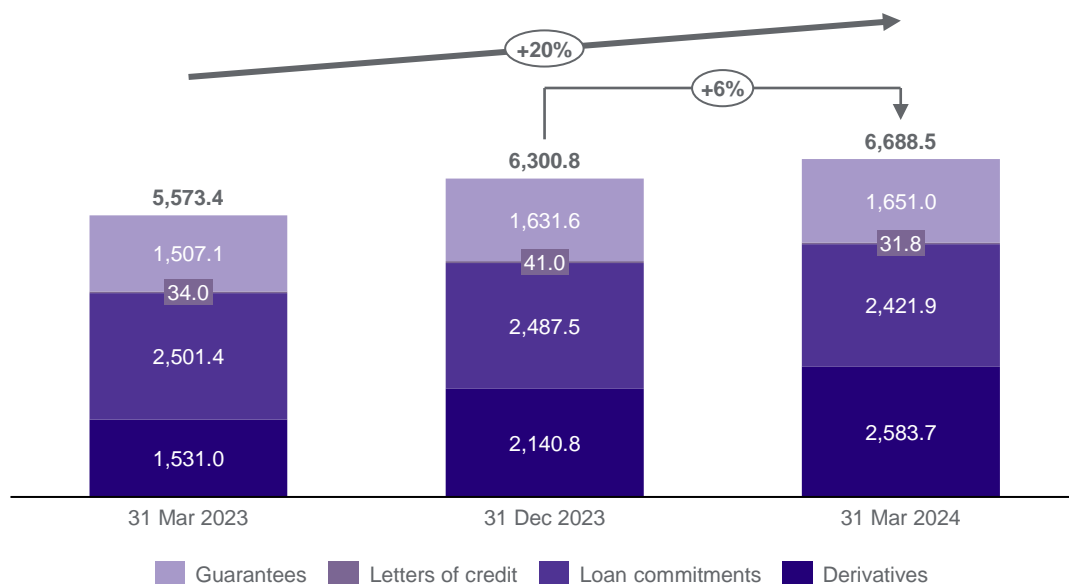
Recurring result before impairments and provisions (in EURm)



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		
	31 Mar 2024	31 Dec 2023	31 Mar 2023
Loans	1,446.7	1,500.5	1,558.6
Overdrafts Retail	376.1	377.5	368.1
Overdrafts Corporate	246.3	264.0	230.7
Cards	390.9	387.7	383.0
Other	40.6	42.3	53.4
Inter Company	-78.7	-84.5	-92.4
<b>Loan commitments</b>	<b>2,421.9</b>	<b>2,487.5</b>	<b>2,501.4</b>
Low risk off-balance commitments <sup>(i)</sup>	956.7	915.5	705.0
<b>Loan and low-risk off-balance commitments</b>	<b>3,378.6</b>	<b>3,402.9</b>	<b>3,206.4</b>

## Derivatives

	in EUR million		
	31 Mar 2024	31 Dec 2023	31 Mar 2023
FX derivatives with customers	275.9	346.3	180.9
Interest rate derivatives with customers	424.9	449.0	475.2
FX derivatives - hedging	176.4	215.8	127.4
Interest rate derivatives - hedging	1,657.9	1,083.8	622.1
Options	48.6	45.9	59.6
Derivatives (N Banka contribution)	0.0	0.0	65.7
<b>Total</b>	<b>2,583.7</b>	<b>2,140.8</b>	<b>1,530.8</b>

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.

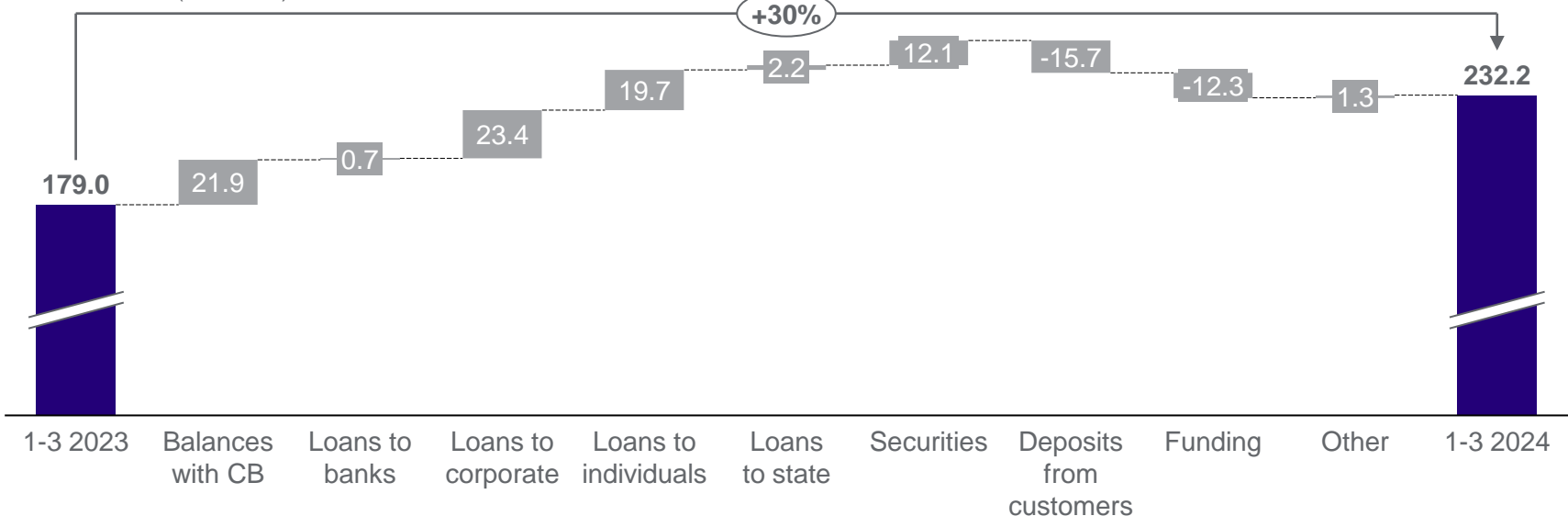
### Hedging

- 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 is mainly due to hedging of issued NLB securities with the aim of NII stabilisation (EUR 570 million in Q1 and EUR 1,020 million YoY).
- FX swaps used for short-term liquidity hedging increased in last year due to increased placement of foreign currency.

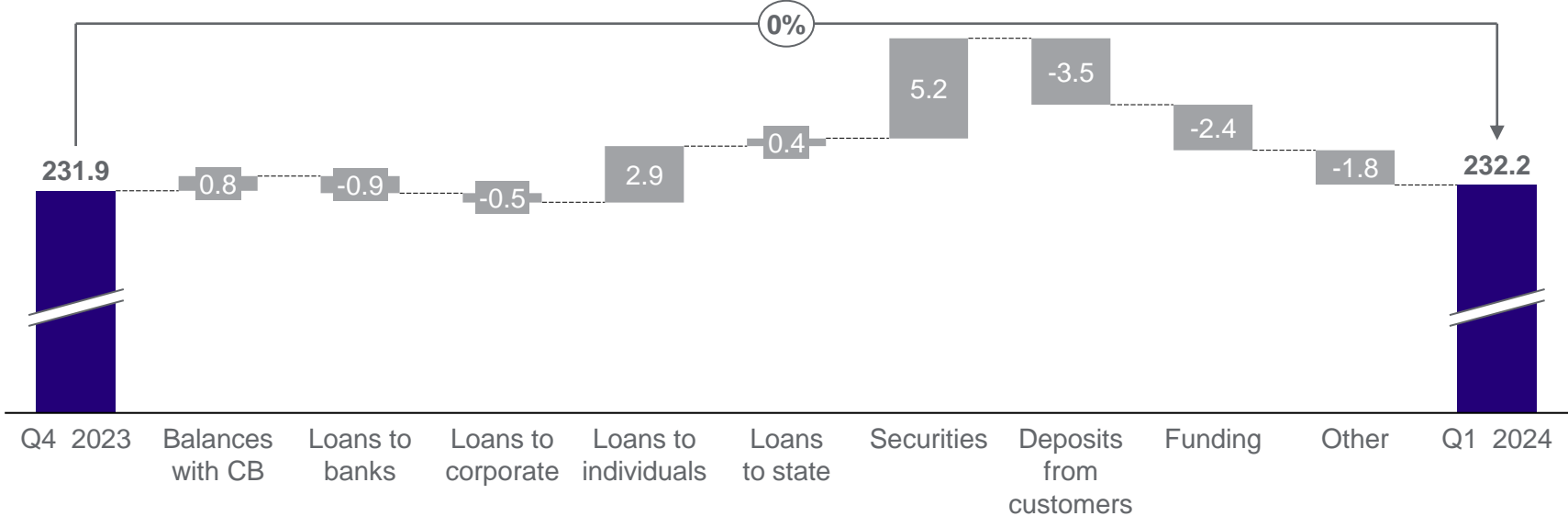
Notes: (i) Low-risk off-balance sheet items, for which 0% credit conversion factor is applied in accordance with the Capital Requirements Regulation (credit and other lines which can be irrevocably canceled by a bank).

# Net interest income evolution

YoY evolution (in EURm)



QoQ evolution (in EURm)



# Ratings – NLB d.d.

MOODY'S

Weighted Macro Profile	
Moderate	
+	
Financial Profile	
Asset Risk	ba1
Capital	baa3
Profitability	baa1
Funding Structure	baa2
Liquid Resources	baa2
+	
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	
<b>A3 / Stable / P-2</b>	

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		
<b>BBB / Stable / A-2</b>		



Appendix 2:

# Segment Analysis

# NLB Group key business segments<sup>(3)</sup>

	Retail banking in Slovenia	Corporate and investment banking in Slovenia	Financial markets in Slovenia	Strategic foreign markets	Non-core members
	<p>Retail (NLB &amp; N Banka) Micro (NLB &amp; N Banka) NLB Skladi Bankart<sup>(1)</sup> NLB Lease&amp;Go, Ljubljana (retail clients)</p>	<p>Corporate &amp; Investment banking:</p> <ul style="list-style-type: none"> <li>- Key corporates</li> <li>- SME corporates</li> <li>- Cross Border corporates</li> <li>- Investment banking and custody                             <ul style="list-style-type: none"> <li>- Trade finance</li> </ul> </li> <li>- Restructuring&amp;workout</li> <li>- NLB Lease&amp;Go, Ljubljana (corporate clients)</li> </ul>	<p>NLB &amp; N Banka:</p> <ul style="list-style-type: none"> <li>- Treasury activities</li> <li>- Trading in financial instruments</li> <li>- Asset and liabilities management (ALM)</li> </ul>	<p>NLB Komercijalna Banka, Beograd NLB Banka, Skopje NLB Banka, Banja Luka NLB Banka, Sarajevo NLB Banka, Prishtina NLB Banka, Podgorica Kombank INvest, Beograd NLB DigIT, Beograd NLB Lease&amp;Go, Skopje NLB Lease&amp;Go Leasing, Beograd</p>	<p>NLB Srbija NLB Crna Gora Entities in liquidation Privatinvest</p>
	<ul style="list-style-type: none"> <li>• Largest retail banking group in Slovenia by loans and deposits</li> <li>• #1 in private banking and asset management</li> <li>• Focused on upgrading customer digital experience and satisfaction</li> <li>• Launch of new digital bank NLB Klik</li> <li>• Successful merger of N Banka's clients</li> </ul>	<ul style="list-style-type: none"> <li>• Market leader in corporate banking with focus on advisory and long-term strategic partnerships</li> <li>• Market leader in Investment Banking and Custody services</li> <li>• Regional know-how and experience in Corporate Finance and #1 lead organiser for syndicated loans in Slo</li> <li>• In Trade finance, it maintains a leading position and supports all major infrastructure projects in Slovenia and the region.</li> <li>• Market leader at FX and interest rate hedges</li> </ul>	<ul style="list-style-type: none"> <li>• Maintaining stable funding base</li> <li>• Management of well diversified liquidity reserves</li> <li>• Managing interest rate positions with responsive pricing policy</li> </ul>	<ul style="list-style-type: none"> <li>• Leading SEE franchise with six subsidiary banks<sup>(3)</sup>, two leasing companies, one IT service company and one investment fund company</li> <li>• The only international banking group with exclusive focus on the SEE region</li> </ul>	<ul style="list-style-type: none"> <li>• Assets booked non-core subsidiaries funded via NLB</li> <li>• Controlled wind-down of remaining assets, including collection of claims, liquidation of subsidiaries and sale of assets</li> </ul>
(Mar 2024, in EURm)					
Pre-provision result	65.5	29.1	2.2	84.1	-1.2
Result b.t.	60.9	31.8	1.7	81.6	-0.1
Total assets	3,839	3,306	7,436	10,931	35
% of total assets <sup>(2)</sup>	15%	13%	29%	42%	0%
CIR	34.7%	35.0%	56.3%	43.2%	/
Cost of risk (bp)	59	-33	/	13	/

Notes: (1) 39% minority stake; (2) Other activities 1%; (3) N Banka is included as an independent legal entity in segment analysis for the year 2023 until 1 September 2023 when the legal and operational merger between N Banka and NLB was successfully completed.

# Retail Banking in Slovenia

in EUR millions consolidated								
	1-3 2024	1-3 2023	Change YoY		Q1 2024	Q4 2023	Q1 2023	Change QoQ
Net interest income	80.1	49.3	30.8	62%	80.1	79.7	49.3	0%
Net interest income from Assets <sup>(i)</sup>	22.6	22.6	0.0	0%	22.6	21.8	22.6	3%
Net interest income from Liabilities <sup>(i)</sup>	57.5	26.7	30.8	115%	57.5	57.9	26.7	-1%
Net non-interest income	20.2	21.1	-0.8	-4%	20.2	27.3	21.1	-26%
o/w Net fee and commission income	30.2	28.2	2.1	7%	30.2	29.7	28.2	2%
<b>Total net operating income</b>	<b>100.3</b>	<b>70.4</b>	<b>29.9</b>	<b>42%</b>	<b>100.3</b>	<b>107.0</b>	<b>70.4</b>	<b>-6%</b>
Total costs	-34.8	-35.9	1.1	3%	-34.8	-46.8	-35.9	26%
<b>Result before impairments and provisions</b>	<b>65.5</b>	<b>34.5</b>	<b>31.0</b>	<b>90%</b>	<b>65.5</b>	<b>60.2</b>	<b>34.5</b>	<b>9%</b>
Impairments and provisions	-5.5	-11.5	6.0	52%	-5.5	-10.4	-11.5	47%
Share of profit from investments in associates and joint ventures	1.0	0.3	0.7	-	1.0	-0.2	0.3	-
<b>Result before tax</b>	<b>60.9</b>	<b>23.3</b>	<b>37.7</b>	<b>162%</b>	<b>60.9</b>	<b>49.5</b>	<b>23.3</b>	<b>23%</b>

	31 Mar 2024	31 Dec 2023	31 Mar 2023	Change YtD		Change YoY	
Net loans to customers	3,744.9	3,694.2	3,607.8	50.7	1%	137.1	4%
Gross loans to customers	3,817.3	3,760.8	3,665.8	56.6	2%	151.5	4%
Housing loans	2,495.6	2,483.5	2,426.1	12.1	0%	69.5	3%
Interest rate on housing loans <sup>(ii)</sup>	3.26%	3.07%	2.93%	0.19 p.p.		0.33 p.p.	
Consumer loans	856.4	818.5	744.4	37.8	5%	111.9	15%
Interest rate on consumer loans <sup>(ii)</sup>	8.36%	8.14%	8.00%	0.22 p.p.		0.36 p.p.	
NLB Lease&Go, Ljubljana	108.7	98.2	76.0	10.6	14%	32.7	43%
Other	356.7	360.6	419.2	-3.9	-1%	-62.6	-15%
Deposits from customers	9,369.1	9,357.8	9,091.3	11.3	0%	277.7	3%
Interest rate on deposits <sup>(ii)</sup>	0.47%	0.32%	0.25%	0.15 p.p.		0.22 p.p.	
Non-performing loans (gross)	85.2	77.3	69.9	7.8	10%	15.2	22%

	1-3 2024	1-3 2023	Change YoY
Cost of risk (in bps)	59	26	33
CIR	34.7%	51.0%	-16.3 p.p.
Net interest margin <sup>(ii)</sup>	4.89%	3.18%	1.71 p.p.

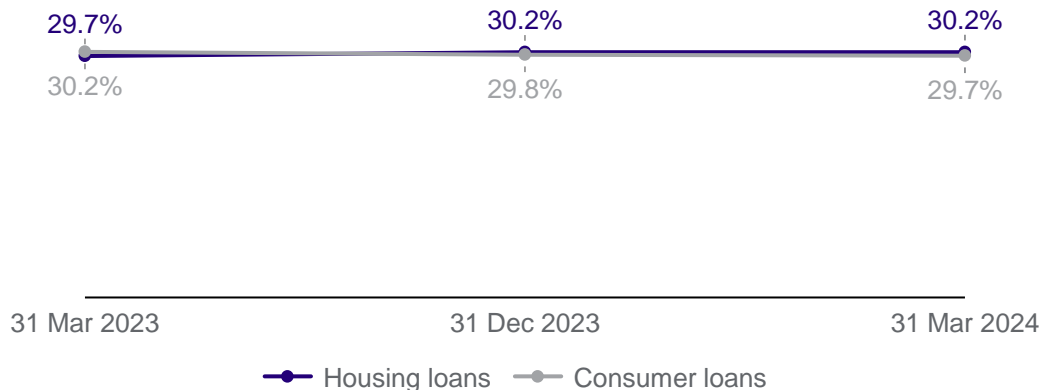
<sup>(i)</sup> Net interest income from assets and liabilities with the use of FTP.

<sup>(ii)</sup> 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.

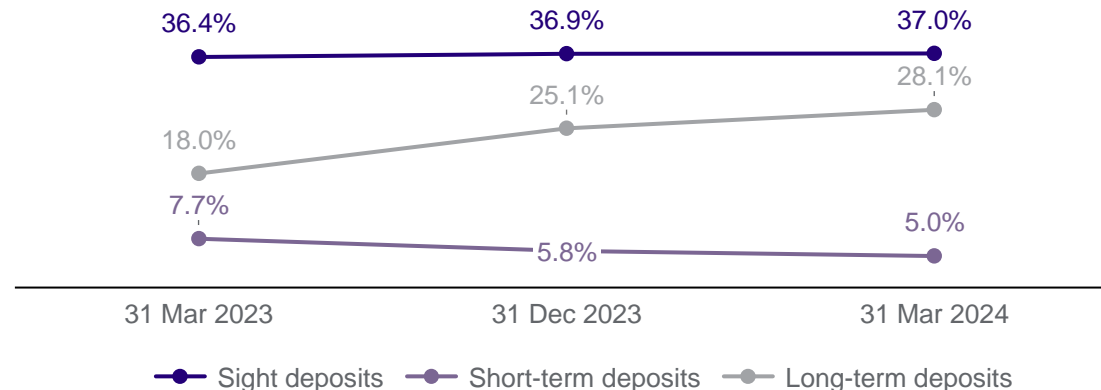
# Retail banking in Slovenia

## High and stable market shares across products

Market share of net loans to individuals <sup>(1)</sup>

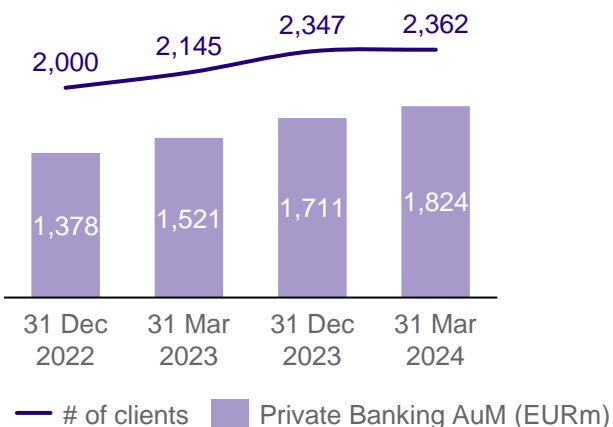


Market share of deposits from individuals <sup>(1)</sup>

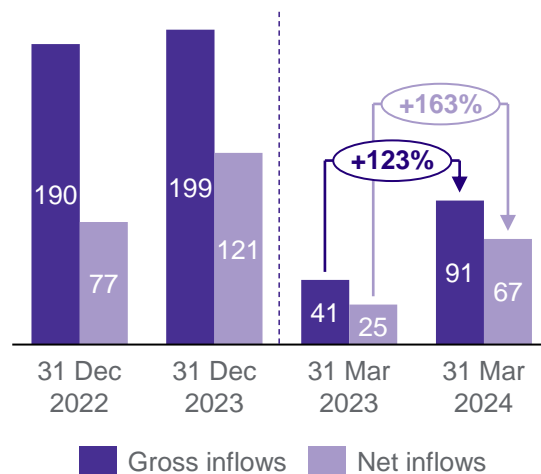


### Upside from fee generating products

#### NLB Private banking offering



#### NLB Skladi mutual funds inflows (EURm)



- Upgrade of digital solution NLB Klik with daily banking solutions.
- Overhaul of mobile wallet NLB Pay – adding Apple Pay and push notifications instead of SMS.
- Continued excellent sales of new consumer loans, market shares of Retail lending at stable trend.
- #1 player in Private Banking<sup>(2)</sup>
  - Leading position being strengthened with over EUR 1.8 billion of assets under management.
- # 1 player in Slovenian asset management <sup>(3)</sup>
  - AuM of EUR 2,603.4 million as of 31 March 2024, including investments in mutual funds and discretionary portfolios
  - Market share of NLB Skladi at mutual funds in Slovenia is 39.9% as of 31 March 2024, the company is ranked first among its peers in Slovenia, accounting for 58.6% of all net inflows in the market.

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

Note: (1) Combined market share for NLB and N Banka from 31 December 2022 onwards; (2) Company information; (3) By AuM (Slovenian Fund Management Association).

# Corporate and Investment banking in Slovenia

in EUR millions consolidated								
	1-3 2024	1-3 2023	Change YoY		Q1 2024	Q4 2023	Q1 2023	Change QoQ
Net interest income	32.4	21.2	11.2	53%	32.4	32.1	21.2	1%
Net interest income from Assets <sup>(i)</sup>	17.8	14.2	3.6	26%	17.8	17.4	14.2	2%
Net interest income from Liabilities <sup>(i)</sup>	14.6	7.0	7.6	108%	14.6	14.6	7.0	0%
Net non-interest income	12.4	10.1	2.2	22%	12.4	9.8	10.1	26%
o/w Net fee and commission income	10.6	9.7	1.0	10%	10.6	9.6	9.7	10%
<b>Total net operating income</b>	<b>44.7</b>	<b>31.3</b>	<b>13.4</b>	<b>43%</b>	<b>44.7</b>	<b>41.9</b>	<b>31.3</b>	<b>7%</b>
Total costs	-15.7	-17.9	2.3	13%	-15.7	-18.6	-17.9	16%
<b>Result before impairments and provisions</b>	<b>29.1</b>	<b>13.4</b>	<b>15.7</b>	<b>117%</b>	<b>29.1</b>	<b>23.3</b>	<b>13.4</b>	<b>25%</b>
Impairments and provisions	2.7	4.4	-1.7	-38%	2.7	-0.7	4.4	-
<b>Result before tax</b>	<b>31.8</b>	<b>17.9</b>	<b>14.0</b>	<b>78%</b>	<b>31.8</b>	<b>22.6</b>	<b>17.9</b>	<b>41%</b>

	31 Mar 2024	31 Dec 2023	31 Mar 2023	Change YtD		Change YoY	
Net loans to customers	3,289.3	3,360.2	3,255.6	-70.9	-2%	33.7	1%
Gross loans to customers	3,341.2	3,413.2	3,306.8	-72.0	-2%	34.3	1%
Corporate	3,237.7	3,306.7	3,209.5	-69.0	-2%	28.3	1%
Key/SME/Cross Border Corporates	2,966.0	3,049.5	3,020.7	-83.5	-3%	-54.7	-2%
Interest rate on Key/SME/Cross Border Corporates loans <sup>(ii)</sup>	5.21%	4.54%	3.74%	0.67 p.p.		1.47 p.p.	
Investment banking	0.1	0.1	0.1	0.0	-1%	0.0	-1%
Restructuring and Workout	109.7	97.7	56.4	12.0	12%	53.3	95%
NLB Lease&Go, Ljubljana	161.9	159.4	132.2	2.6	2%	29.7	22%
State	102.4	105.6	97.2	-3.2	-3%	5.2	5%
Interest rate on State loans <sup>(ii)</sup>	6.06%	5.95%	6.88%	0.11 p.p.		-0.82 p.p.	
Deposits from customers	2,202.8	2,471.8	2,394.4	-269.0	-1%	-191.6	-8%
Interest rate on deposits <sup>(ii)</sup>	0.38%	0.28%	0.18%	0.10 p.p.		0.20 p.p.	
Non-performing loans (gross)	61.7	61.8	64.9	-0.1	0%	-3.2	-5%

	1-3 2024	1-3 2023	Change YoY
Cost of risk (in bps)	-33	-56	23
CIR	35.0%	57.2%	-22.2 p.p.
Net interest margin <sup>(ii)</sup>	4.18%	2.91%	1.28 p.p.

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

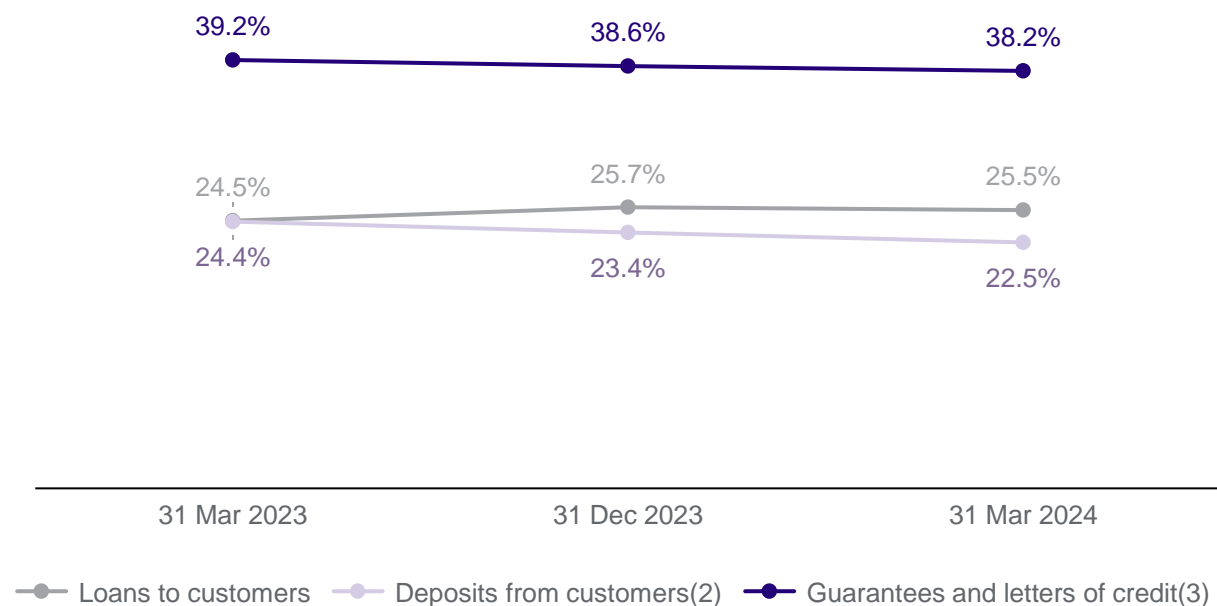
<sup>(ii)</sup> Net interest margin and interest rates before the merger of NLB and N Banka only for NLB.

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

# Corporate & Investment Banking in Slovenia

## High market shares across products

**Market share of Corporate Banking – evolution and position on the market <sup>(1)</sup>**



- The Bank cooperates with almost 11,000 corporate clients and holds over 25% market share in loans, over 22% in deposits and over 38% in trade finance
- Trade finance business, especially guarantees, continues to grow.
- 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 19.8 billion.
- The Bank has been actively involved in financial advisory business.
- It was engaged in the organisation of bond issues (as a sole lead manager or joint lead manager) in the nominal amount of EUR 567 million.
- NLB was also lead manager and distributor of Republic of Slovenia first retail bond in the nominal amount EUR 258 million.
- Further developing intermediary leasing business for the NLB Lease&Go, Ljubljana.

# Financial Markets in Slovenia

in EUR millions consolidated								
	1-3 2024	1-3 2023	Change YoY		Q1 2024	Q4 2023	Q1 2023	Change QoQ
Net interest income	2.1	14.7	-12.6	-86%	2.1	3.6	14.7	-41%
Net interest income w/o ALM <sup>(i)</sup>	7.7	6.5	1.1	17%	7.7	5.6	6.5	36%
o/w ALM	-5.5	8.2	-13.7	-	-5.5	-2.0	8.2	-173%
Net non-interest income	2.9	-0.9	3.8	-	2.9	3.9	-0.9	-24%
<b>Total net operating income</b>	<b>5.1</b>	<b>13.8</b>	<b>-8.8</b>	<b>-63%</b>	<b>5.1</b>	<b>7.5</b>	<b>13.8</b>	<b>-32%</b>
Total costs	-2.9	-2.3	-0.6	-26%	-2.9	-2.8	-2.3	-1%
<b>Result before impairments and provisions</b>	<b>2.2</b>	<b>11.6</b>	<b>-9.4</b>	<b>-81%</b>	<b>2.2</b>	<b>4.7</b>	<b>11.6</b>	<b>-53%</b>
Impairments and provisions	-0.5	4.3	-4.8	-	-0.5	0.0	4.3	-
<b>Result before tax</b>	<b>1.7</b>	<b>15.9</b>	<b>-14.2</b>	<b>-89%</b>	<b>1.7</b>	<b>4.6</b>	<b>15.9</b>	<b>-63%</b>

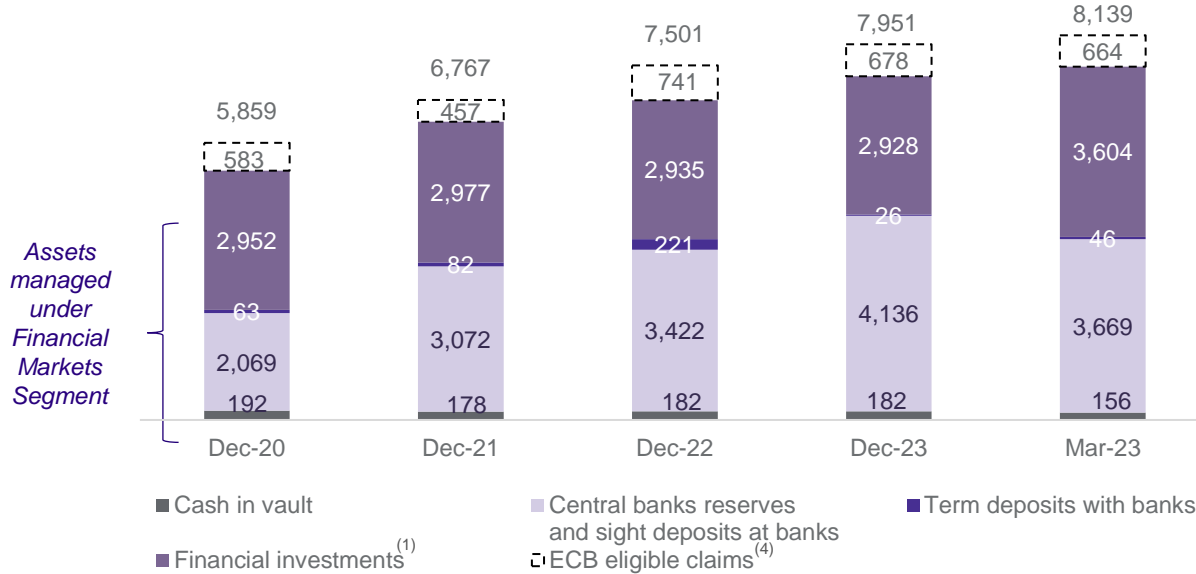
	31 Mar 2024	31 Dec 2023	31 Mar 2023	Change YtD		Change YoY	
Balances with Central banks	3,684.6	4,153.2	3,534.6	-468.6	-14%	149.9	4%
Banking book securities	3,655.7	2,981.1	2,911.0	674.7	23%	744.7	26%
Interest rate <sup>(ii)</sup>	1.68%	1.17%	0.89%	0.51 p.p.		0.79 p.p.	
Borrowings	52.5	82.8	160.0	-30.2	-37%	-107.5	-67%
Interest rate <sup>(ii)</sup>	2.33%	1.66%	2.26%	0.67 p.p.		0.07 p.p.	
Subordinated liabilities (Tier 2)	597.3	509.4	513.2	87.9	17%	84.1	16%
Interest rate <sup>(ii)</sup>	7.64%	6.89%	6.74%	0.75 p.p.		0.90 p.p.	
Other debt securities in issue	838.0	828.8	311.7	9.2	1%	526.3	169%
Interest rate <sup>(ii)</sup>	6.84%	6.56%	6.12%	0.28 p.p.		0.72 p.p.	

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

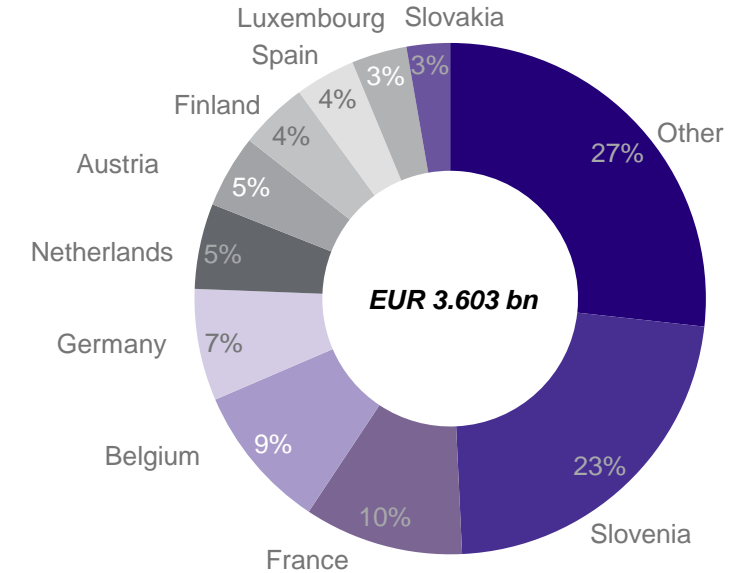
<sup>(ii)</sup> Interest rates only for NLB.

# Financial markets in Slovenia

Liquid assets evolution (EURm)



Well diversified banking book by geography (31 March 2024)

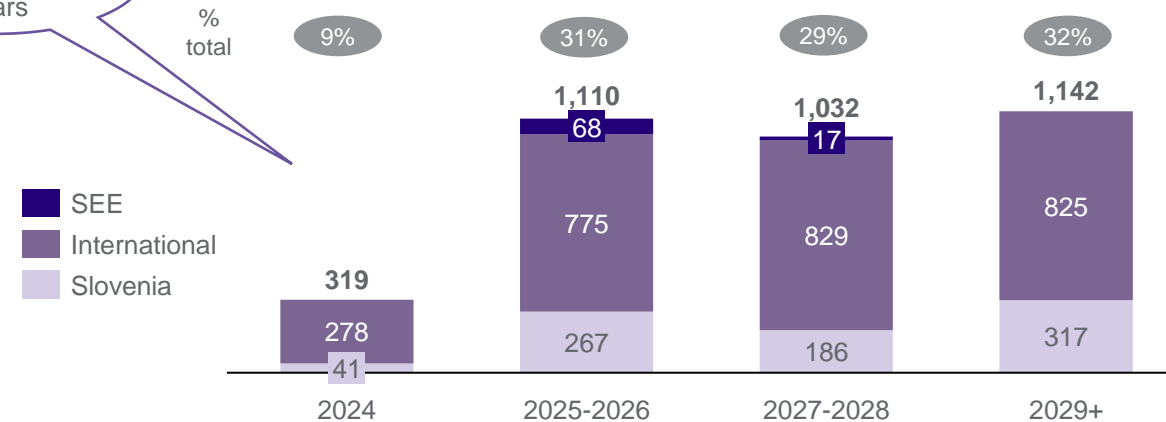


## Well positioned and funded division

- 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 31 Mar 2024): LCR 298% (NLB d.d.) and 251% (NLB Group); NSFR (preliminary) 172% (NLB d.d.) and 182% (NLB Group).

Average duration 3.75 years

Maturity profile of banking book securities<sup>(3)</sup> (31 March 2024, EURm)





# Strategic Foreign Markets

	in EUR millions consolidated							
	1-3 2024	1-3 2023	Change YoY		Q1 2024	Q4 2023	Q1 2023	Change QoQ
Net interest income	118.8	93.8	24.9	27%	118.8	115.7	93.8	3%
Interest income	137.7	102.5	35.3	34%	137.7	132.4	102.5	4%
Interest expense	-18.9	-8.6	-10.3	-120%	-18.9	-16.7	-8.6	-13%
Net non-interest income	29.2	33.8	-4.6	-13%	29.2	20.5	33.8	43%
o/w Net fee and commission income	30.8	28.6	2.2	8%	30.8	32.9	28.6	-7%
<b>Total net operating income</b>	<b>148.0</b>	<b>127.6</b>	<b>20.4</b>	<b>16%</b>	<b>148.0</b>	<b>136.2</b>	<b>127.6</b>	<b>9%</b>
Total costs	-63.9	-57.1	-6.8	-12%	-63.9	-71.8	-57.1	11%
<b>Result before impairments and provisions</b>	<b>84.1</b>	<b>70.6</b>	<b>13.6</b>	<b>19%</b>	<b>84.1</b>	<b>64.4</b>	<b>70.6</b>	<b>31%</b>
Impairments and provisions	-2.5	11.1	-13.6	-	-2.5	-14.4	11.1	82%
<b>Result before tax</b>	<b>81.6</b>	<b>81.7</b>	<b>-0.1</b>	<b>0%</b>	<b>81.6</b>	<b>50.1</b>	<b>81.7</b>	<b>63%</b>
o/w Result of minority shareholders	3.4	3.4	0.0	-1%	3.4	3.0	3.4	12%

	31 Mar 2024	31 Dec 2023	31 Mar 2023	Change YtD		Change YoY	
Net loans to customers	6,794.8	6,648.1	6,237.3	146.7	2%	557.6	9%
Gross loans to customers	6,992.1	6,839.8	6,424.6	152.2	2%	567.5	9%
Individuals	3,631.0	3,525.6	3,300.4	105.4	3%	330.6	10%
Interest rate on retail loans	7.06%	6.63%	6.30%	0.44 p.p.		0.76 p.p.	
Corporate	3,087.8	3,042.9	2,900.1	44.9	1%	187.7	6%
Interest rate on corporate loans	5.96%	5.37%	4.78%	0.59 p.p.		1.18 p.p.	
State	273.3	271.4	224.1	1.9	1%	49.2	22%
Interest rate on state loans	7.79%	7.13%	5.85%	0.66 p.p.		1.94 p.p.	
Deposits from customers	8,872.5	8,878.3	8,208.0	-5.8	0%	664.5	8%
Interest rate on deposits	0.63%	0.38%	0.26%	0.25 p.p.		0.37 p.p.	
Non-performing loans (gross)	134.6	134.0	154.2	0.6	0%	-19.6	-13%

	1-3 2024	1-3 2023	Change YoY
Cost of risk (in bps)	13	-72	86
CIR	43.2%	44.7%	-1.6 p.p.
Net interest margin	4.44%	3.88%	0.57 p.p.

# Non-Core Members<sup>(1)</sup>

in EUR millions consolidated								
	1-3 2024	1-3 2023	Change YoY		Q1 2024	Q4 2023	Q1 2023	Change QoQ
Net interest income	0.4	0.0	0.4	-	0.4	0.9	0.0	-59%
Net non-interest income	0.4	-1.0	1.4	-	0.4	1.2	-1.0	-62%
<b>Total net operating income</b>	<b>0.8</b>	<b>-1.0</b>	<b>1.8</b>	<b>-</b>	<b>0.8</b>	<b>2.0</b>	<b>-1.0</b>	<b>-61%</b>
Total costs	-2.0	-2.9	0.9	30%	-2.0	-3.8	-2.9	47%
<b>Result before impairments and provisions</b>	<b>-1.2</b>	<b>-3.9</b>	<b>2.7</b>	<b>68%</b>	<b>-1.2</b>	<b>-1.8</b>	<b>-3.9</b>	<b>30%</b>
Impairments and provisions	1.1	0.5	0.6	12%	1.1	1.8	0.5	-36%
<b>Result before tax</b>	<b>-0.1</b>	<b>-3.4</b>	<b>3.3</b>	<b>97%</b>	<b>-0.1</b>	<b>0.1</b>	<b>-3.4</b>	<b>-</b>

	31 Mar 2024	31 Dec 2023	31 Mar 2023	Change YtD		Change YoY	
<b>Segment assets</b>	<b>35.4</b>	<b>47.1</b>	<b>57.3</b>	<b>-11.7</b>	<b>-25%</b>	<b>-21.9</b>	<b>-38%</b>
Net loans to customers	10.4	10.9	12.7	-0.5	-5%	-2.3	-18%
Gross loans to customers	26.0	28.6	33.4	-2.5	-9%	-7.4	-22%
Investment property and property & equipment received for repayment of loans	9.6	20.1	37.2	-10.6	-52%	-27.6	-74%
Other assets	15.4	16.0	7.4	-0.6	-4%	8.0	109%
Non-performing loans (gross)	25.1	27.4	31.0	-2.3	-8%	-5.9	-19%

Appendix 3:

# Financial Statements

# NLB Group Income Statement

(EURm)	1-3 2024	1-3 2023	YoY	Q1 2024	Q4 2023	Q1 2023	QoQ
Interest and similar income	292.8	207.0	41%	292.8	285.4	207.0	3%
Interest and similar expense	-60.6	-28.0	-116%	-60.6	-53.5	-28.0	-13%
<b>Net interest income</b>	<b>232.2</b>	<b>179.0</b>	<b>30%</b>	<b>232.2</b>	<b>231.9</b>	<b>179.0</b>	<b>0%</b>
Fee and commission income	100.1	91.7	9%	100.1	103.5	91.7	-3%
Fee and commission expense	-29.0	-25.6	-13%	-29.0	-31.1	-25.6	7%
<b>Net fee and commission income</b>	<b>71.1</b>	<b>66.1</b>	<b>8%</b>	<b>71.1</b>	<b>72.4</b>	<b>66.1</b>	<b>-2%</b>
Dividend income	0.0	0.0	-67%	0.0	0.0	0.0	-11%
Net income from financial transactions	9.8	8.9	10%	9.8	-2.3	8.9	-
Other operating income	-15.0	-12.1	-24%	-15.0	-9.5	-12.1	-58%
<b>Total net operating income</b>	<b>298.1</b>	<b>241.9</b>	<b>23%</b>	<b>298.1</b>	<b>292.5</b>	<b>241.9</b>	<b>2%</b>
Employee costs	-72.2	-66.8	-8%	-72.2	-74.7	-66.8	3%
Other general and administrative expenses	-47.1	-38.7	-22%	-47.1	-51.8	-38.7	9%
Depreciation and amortisation	-13.1	-11.7	-12%	-13.1	-13.7	-11.7	5%
<b>Total costs</b>	<b>-132.4</b>	<b>-117.1</b>	<b>-13%</b>	<b>-132.4</b>	<b>-140.2</b>	<b>-117.1</b>	<b>6%</b>
<b>Result before impairments and provisions</b>	<b>165.8</b>	<b>124.8</b>	<b>33%</b>	<b>165.8</b>	<b>152.3</b>	<b>124.8</b>	<b>9%</b>
Impairments and provisions for credit risk	-4.4	18.4	-	-4.4	-15.0	18.4	71%
Other impairments and provisions	-0.3	-6.0	95%	-0.3	-13.0	-6.0	98%
Share of profit from investments in associates and joint ventures	1.0	0.3	-	1.0	-0.2	0.3	-
Gain from bargain purchase	-	-	-	-	-	-	-
<b>Result before tax</b>	<b>162.1</b>	<b>137.5</b>	<b>18%</b>	<b>162.1</b>	<b>124.0</b>	<b>137.5</b>	<b>31%</b>
Income tax	-18.7	-13.9	-34%	-18.7	42.8	-13.9	-
Result of non-controlling interests	3.4	3.4	-1%	3.4	3.0	3.4	12%
<b>Result after tax attributable to owners of the parent</b>	<b>140.0</b>	<b>120.1</b>	<b>17%</b>	<b>140.0</b>	<b>163.8</b>	<b>120.1</b>	<b>-14%</b>

# NLB Group Statement of Financial Position

(EURm)	31 Mar 2024	31 Dec 2023	YtD
<b>ASSETS</b>			
Cash, cash balances at central banks and other demand deposits at banks	5,481.1	6,103.6	-10%
Loans and advances to banks	416.3	547.6	-24%
o/w gross loans	416.5	547.9	-24%
o/w impairments	-0.3	-0.3	9%
Loans and advances to customers	13,859.9	13,734.6	1%
o/w gross loans	14,197.1	14,063.6	1%
- Corporates	6,412.8	6,437.8	0%
- Individuals	7,394.8	7,235.3	2%
- State	389.5	390.4	0%
o/w impairments and valuation	-337.2	-329.0	-3%
Financial instruments	5,485.9	4,803.7	14%
o/w Trading Book	15.0	15.8	-5%
o/w Non-trading Book	5,470.9	4,787.9	14%
Investments in associates and joint ventures	13.5	12.5	8%
Property and equipment	276.0	278.0	-1%
Investment property	30.0	31.1	-4%
Intangible assets	60.5	62.1	-3%
Other assets	402.5	368.7	9%
<b>Total Assets</b>	<b>26,025.7</b>	<b>25,942.0</b>	<b>0%</b>

(EURm)	31 Mar 2024	31 Dec 2023	YtD
<b>LIABILITIES &amp; EQUITY</b>			
Deposits from customers	20,471.5	20,732.7	-1%
- Corporates	5,504.3	5,859.2	-6%
- Individuals	14,554.6	14,460.3	1%
- State	412.6	413.2	0%
Deposits from banks	134.7	95.3	41%
Borrowings	209.4	240.1	-13%
Subordinated debt securities	597.3	509.4	17%
Other debt securities in issue	838.0	828.8	1%
Other liabilities	674.7	587.6	15%
<b>Total Liabilities</b>	<b>22,925.7</b>	<b>22,994.0</b>	<b>0%</b>
Shareholders' funds	3,035.6	2,882.9	5%
Non Controlling Interests	64.4	65.1	-1%
<b>Total Equity</b>	<b>3,100.0</b>	<b>2,948.0</b>	<b>5%</b>
<b>Total Liabilities &amp; Equity</b>	<b>26,025.7</b>	<b>25,942.0</b>	<b>0%</b>

# NLB d.d. Income Statement

(EURm)	1-3 2024	1-3 2023	YoY	Q1 2024	Q4 2023	Q1 2023	QoQ
Interest and similar income	158.9	95.5	66%	158.9	156.0	95.5	2%
Interest and similar expense	-47.6	-22.1	-116%	-47.6	-42.5	-22.1	-12%
<b>Net interest income</b>	<b>111.3</b>	<b>73.4</b>	<b>52%</b>	<b>111.3</b>	<b>113.5</b>	<b>73.4</b>	<b>-2%</b>
Fee and commission income	45.3	39.5	15%	45.3	46.3	39.5	-2%
Fee and commission expense	-10.6	-8.6	-23%	-10.6	-11.7	-8.6	9%
<b>Net fee and commission income</b>	<b>34.7</b>	<b>30.9</b>	<b>12%</b>	<b>34.7</b>	<b>34.6</b>	<b>30.9</b>	<b>0%</b>
Dividend income	29.5	8.4	-	29.5	15.1	8.4	96%
Net income from financial transactions	6.3	3.2	97%	6.3	6.5	3.2	-2%
Other operating income	-8.9	-7.8	-14%	-8.9	-4.3	-7.8	-109%
<b>Total net operating income</b>	<b>172.8</b>	<b>108.1</b>	<b>60%</b>	<b>172.8</b>	<b>165.3</b>	<b>108.1</b>	<b>5%</b>
Employee costs	-36.1	-30.7	-18%	-36.1	-37.8	-30.7	5%
Other general and administrative expenses	-26.8	-18.4	-45%	-26.8	-26.4	-18.4	-2%
Depreciation and amortisation	-5.6	-4.2	-35%	-5.6	-6.3	-4.2	11%
<b>Total costs</b>	<b>-68.6</b>	<b>-53.3</b>	<b>-29%</b>	<b>-68.6</b>	<b>-70.6</b>	<b>-53.3</b>	<b>3%</b>
<b>Result before impairments and provisions</b>	<b>104.3</b>	<b>54.9</b>	<b>90%</b>	<b>104.3</b>	<b>94.8</b>	<b>54.9</b>	<b>10%</b>
Impairments and provisions for credit risk	-3.2	4.7	-	-3.2	-7.0	4.7	54%
Impairments of investments in subsidiaries, associates and JV	-	-	-	-	93.0	-	-
Other impairments and provisions	-	-5.7	-	-	-8.4	-5.7	-
<b>Result before tax</b>	<b>101.1</b>	<b>53.8</b>	<b>88%</b>	<b>101.1</b>	<b>172.3</b>	<b>53.8</b>	<b>-41%</b>
Income tax	-7.2	-2.6	-179%	-7.2	59.1	-2.6	-
<b>Result after tax</b>	<b>93.9</b>	<b>51.2</b>	<b>83%</b>	<b>93.9</b>	<b>231.4</b>	<b>51.2</b>	<b>-59%</b>

# NLB d.d. Statement of Financial Position

(EURm)	31 Mar 2024	31 Dec 2023	YtD
<b>ASSETS</b>			
Cash, cash balances at central banks and other demand deposits at banks	3,824.9	4,318.0	-11%
Loans and advances to banks	162.8	149.0	9%
o/w gross loans	163.0	149.3	9%
o/w impairments	-0.2	-0.3	2%
Loans and advances to customers	7,155.7	7,156.1	0%
o/w gross loans	7,281.1	7,276.7	0%
- Corporates	3,512.5	3,548.8	-1%
- Individuals	3,652.5	3,608.8	1%
- State	116.1	119.1	-2%
o/w impairments and valuation	-125.3	-120.6	-4%
Financial instruments	3,693.7	3,016.0	22%
o/w Trading Book	18.6	18.0	4%
o/w Non-trading Book	3,675.1	2,998.0	23%
Investments in subsidiaries, associates and joint ventures	980.6	980.6	0%
Property and equipment	84.7	86.0	-2%
Investment property	7.1	7.6	-7%
Intangible assets	36.6	37.4	-2%
Other assets	308.5	264.1	17%
<b>Total Assets</b>	<b>16,254.4</b>	<b>16,014.8</b>	<b>1%</b>

(EURm)	31 Mar 2024	31 Dec 2023	YtD
<b>LIABILITIES &amp; EQUITY</b>			
Deposits from customers	11,633.1	11,881.6	-2%
- Corporates	2,990.6	3,237.5	-8%
- Individuals	8,548.0	8,543.8	0%
- State	94.5	100.2	-6%
Deposits from banks	297.1	147.0	102%
Borrowings	128.2	82.8	55%
Subordinated debt securities	597.3	509.4	17%
Other debt securities in issue	838.0	828.8	1%
Other liabilities	413.4	315.7	31%
<b>Total Liabilities</b>	<b>13,907.1</b>	<b>13,765.3</b>	<b>1%</b>
<b>Total Equity</b>	<b>2,347.4</b>	<b>2,249.5</b>	<b>4%</b>
<b>Total Liabilities &amp; Equity</b>	<b>16,254.4</b>	<b>16,014.8</b>	<b>1%</b>