



NLB Group Presentation

Q2 and H1 2024 Financial Results

NLB

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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 €

This is our home. A region of opportunities.

NLB, Ljubljana



NLB Banka, Banja Luka



NLB Komercijalna Banka, Beograd



NLB Banka, Sarajevo



NLB Banka, Skopje



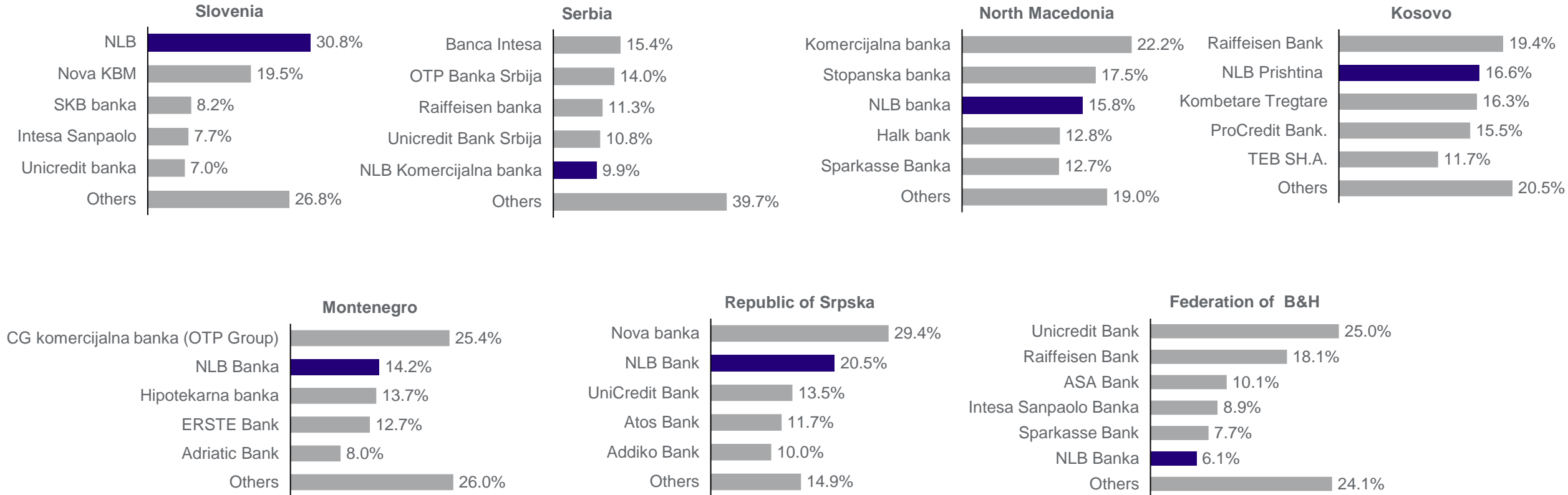
NLB Banka, Podgorica



NLB Banka, Prishtina



Market share composition across SEE markets⁽¹⁾



Strong Q2, new strategy and M&A activities

In Q2 the Group generated **EUR 152.0 million of profit after tax**, a 9% QoQ and 20% YoY increase.

2 successful **bond issuances** in H1: EUR 300m subordinated Tier 2 notes in January and EUR 500m senior preferred notes in May.

2030 Strategy presented in May with an ambition to become the leading bank in SEE, delivering against international best-practices across customer and operating model.

NLB published voluntary public takeover offer to acquire control of **Addiko Bank AG**.

On 17 June the General Meeting confirmed payment of **EUR 110 million of dividends**.

NLB received **HANFA approval** for acquisition of a qualified holding in Mobil Leasing d.o.o. in Croatia.

Actual 1-6 2024

Regular Income

EUR 603.9m
Q2: EUR 309.4m

Costs

EUR 275m
Q2: EUR 143m

CoR

-18 bps

CIR⁽¹⁾

43%

Loan growth

5%
Q2: 4%

ROE a.t.

19%

ROE normalised⁽²⁾




30%

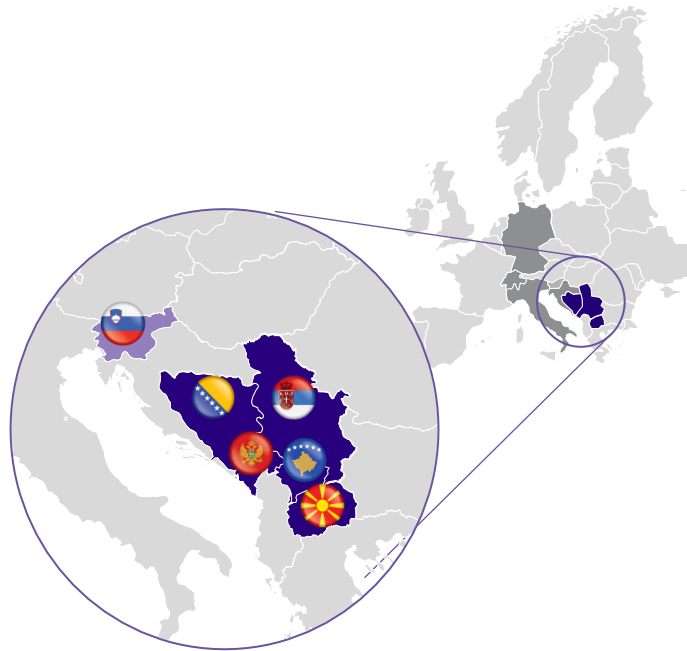
Macro Overview






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)	64.2
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)	25.3
Population (m)	3.5
NBS loans as % of GDP ⁽¹⁾	48.0%
NBS deposits as % of GDP ⁽¹⁾	63.7%
Credit ratings (S&P / Moody's / Fitch)	B+ / B3 / n.a.
Montenegro 	EUR
GDP (EURbn)	7.0
Population (m)	0.6
NBS loans as % of GDP ⁽¹⁾	60.3%
NBS deposits as % of GDP ⁽¹⁾	77.1%
Credit ratings (S&P / Moody's / Fitch)	B / B1 / n.a.



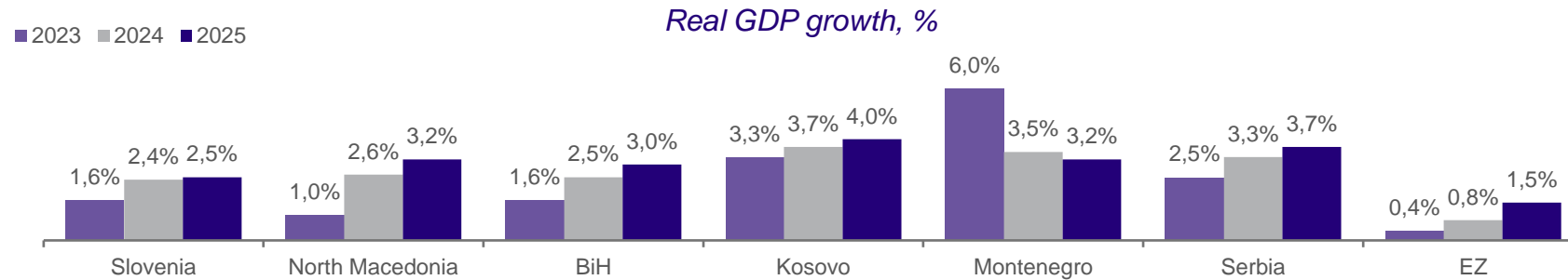
Serbia 	RSD
GDP (EURbn)	71.1
Population (m)	6.8
NBS loans as % of GDP ⁽¹⁾	36.8%
NBS deposits as % of GDP ⁽¹⁾	49.8%
Credit ratings (S&P / Moody's / Fitch)	BB+ / Ba2 / BB+
Kosovo 	EUR
GDP (EURbn)	9.8
Population (m)	1.8
NBS loans as % of GDP ⁽¹⁾	50.7%
NBS deposits as % of GDP ⁽¹⁾	62.1%
Credit ratings (S&P / Moody's / Fitch)	n.a. / n.a. / BB-
North Macedonia 	MKD
GDP (EURbn)	13.8
Population (m)	2.1
NBS loans as % of GDP ⁽¹⁾	52.7%
NBS deposits as % of GDP ⁽¹⁾	62.9%
Credit ratings (S&P / Moody's / Fitch)	BB- / n.a. / BB+

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

Note: GDP volume for Q1 2024 annualized (1) Non-banking sector loans/deposits as % of GDP for 1Q 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 had a strong Q1 2024 and is expected to outperform the Eurozone

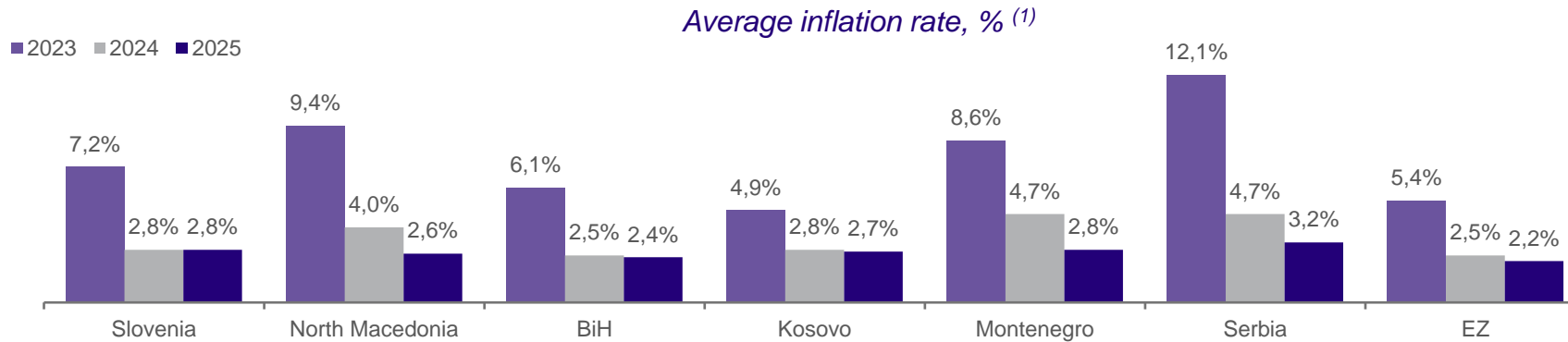
Group's region gained momentum in Q1 2024 (from Q4 2023) and the available data bode well for an even stronger Q2.



Economic growth of the NLB Group countries mostly accelerated in Q1 2024 thanks to stronger private consumption, investment activity and merchandise export. Available data for Q2 2024 confirm further growth in tourist arrivals and in retail sales, suggesting that **private spending** strengthened further. Industrial production in the region however softened relative to Q1.

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

Easing inflation brings some relief to consumers, while wage growth supports private consumption.



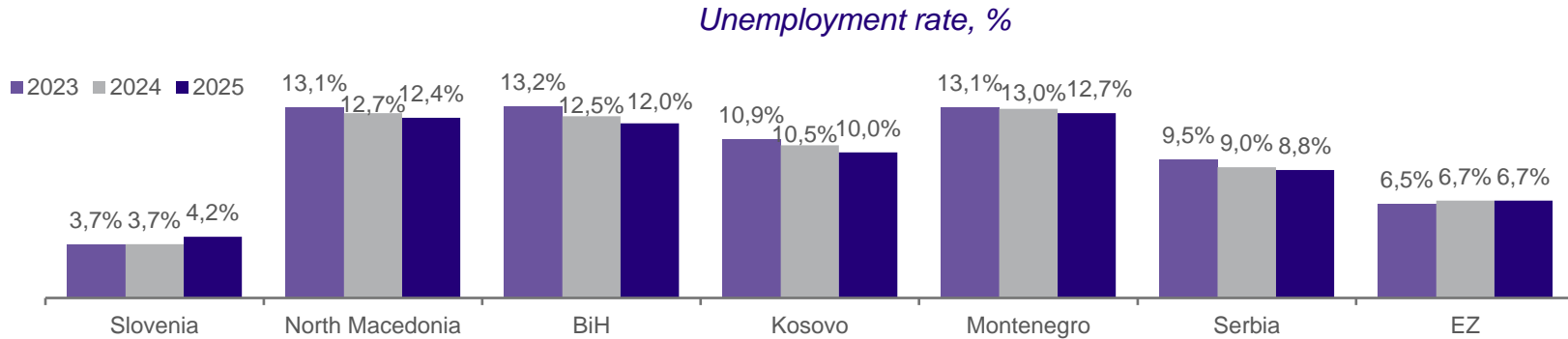
Quarterly average of annualized inflation in Q2 increased versus Q1 in Kosovo, Montenegro and in N. Macedonia due to factors like **wage growth**, and **transportation costs** while they subsided in other countries of the region curbed by a high **base effect** and prior interest rate hikes.

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

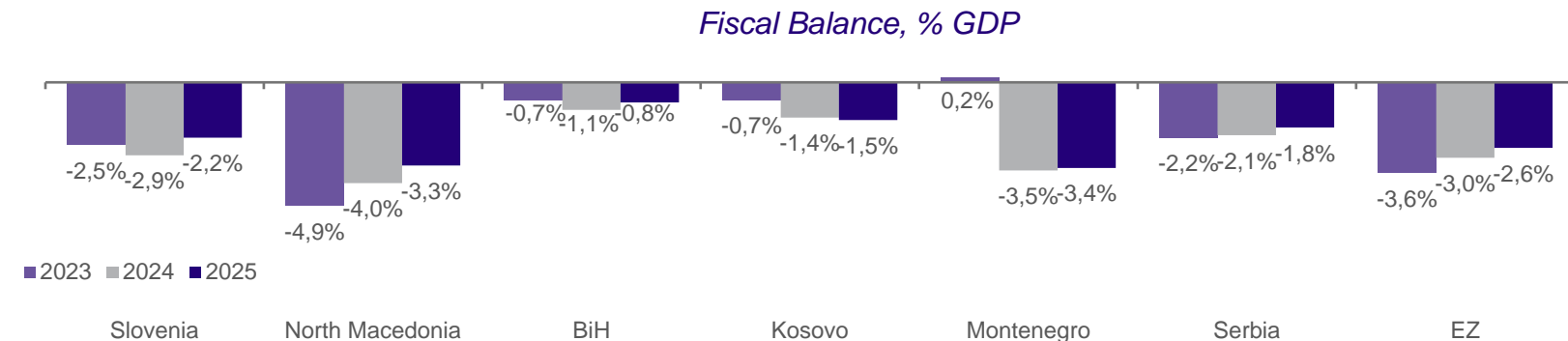
Labour markets are expected to remain tight...



According to the latest available data, **unemployment** rate changed little in Q1 2024, and with that remained close to the historical lows. Still, the labour markets are expected to get even tighter throughout the NLB Group's region. Structural unemployment remains a weakness, 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.



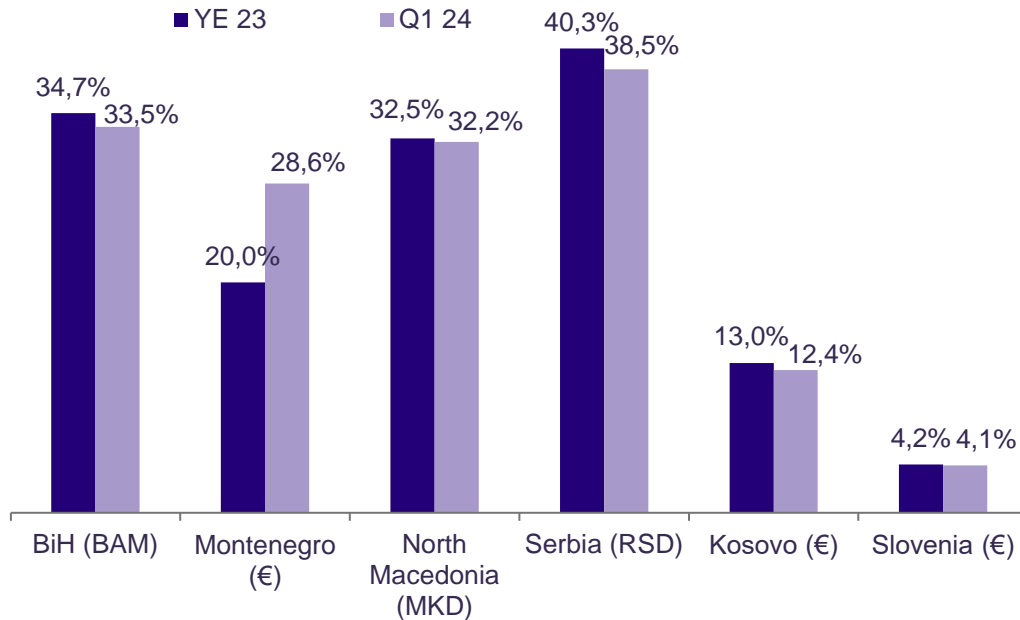
The EU has to settle the **fiscal policy** challenge, while preserving the welfare state. This will pose a drag on investment, for which there is a clear need for – from the green transition to defence, innovation and healthcare. Most countries of the NLB Group's region exhibit sizable budget deficits, but government spending was directed into infrastructure and the welfare state, nurturing future growth

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

NLB operates in countries with prudent and adaptive monetary policy

International reserves as % of GDP

International reserves YE 2023 and Q1 2024 annualized as % of GDP

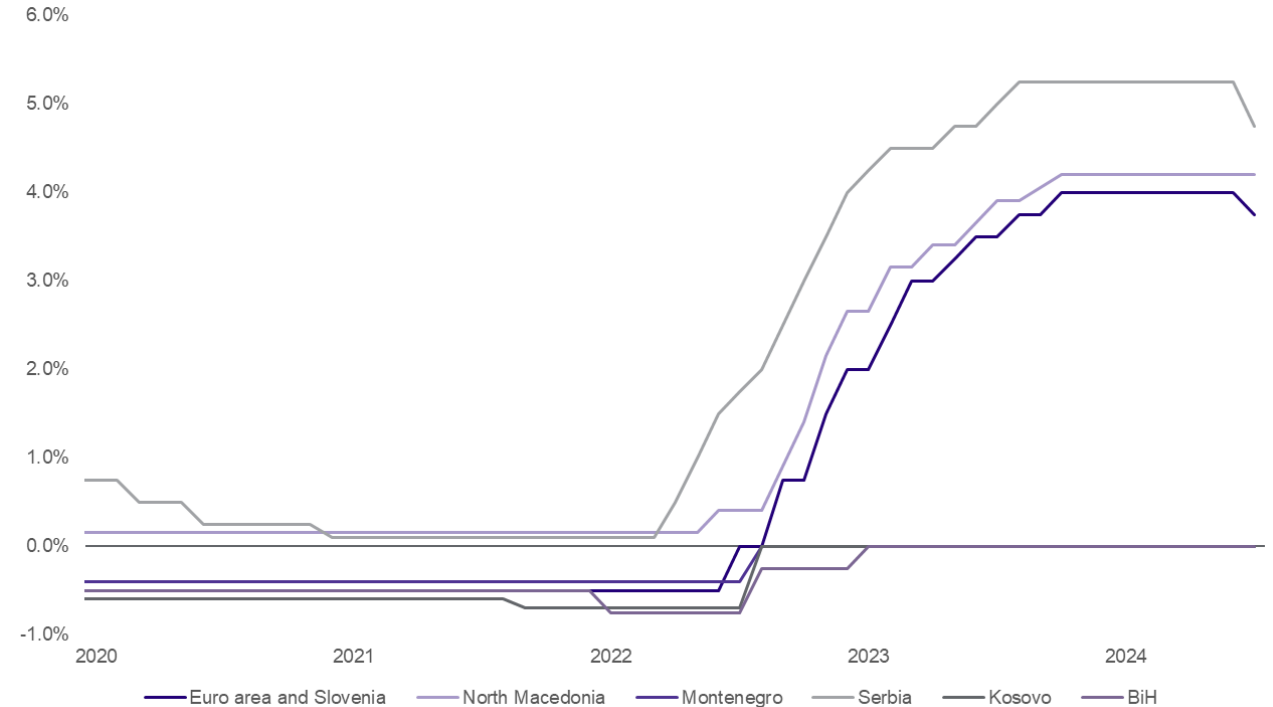


Note: International reserves are calculated from quarterly GDP by expenditure approach (previous years prices) used. Data for international reserves are from March 2024.

Source: ECB, Central banks, Statistical Offices

Central Bank interest rates evolution⁽¹⁾

Deposit facility rate, January 2020 – July 2024 %

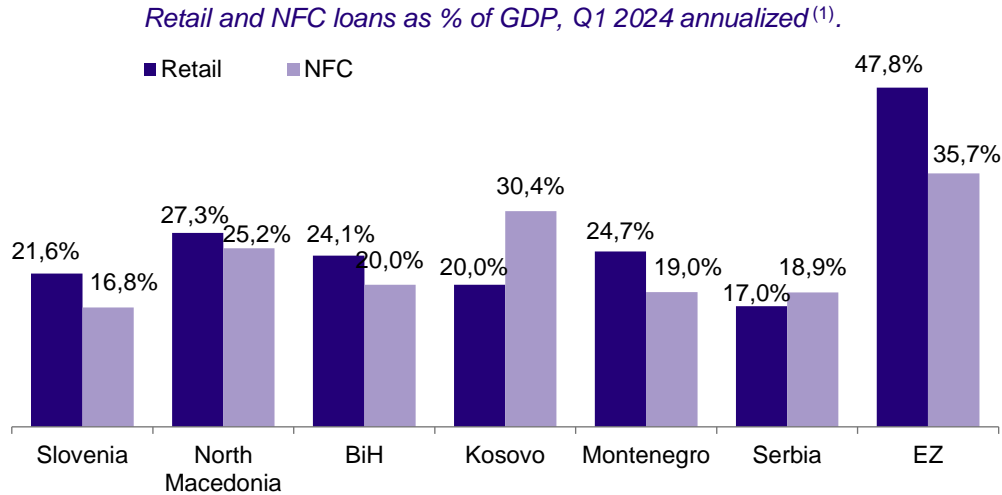


Note: (1) Deposit facility rate stands for the rate the CB charges for excess reserves in local currency.

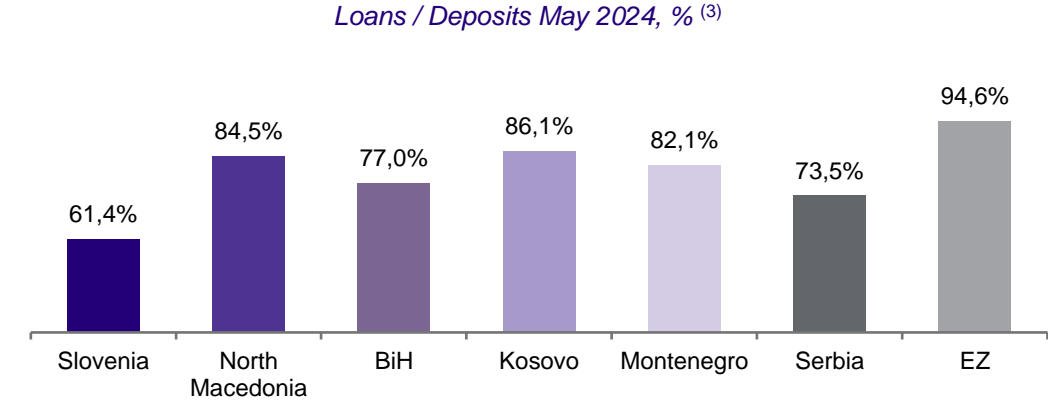
While some CBs never hiked their **deposit facility** rates above the 0% mark (**Montenegro, Kosovo and BiH**), others follow the path of **stabilization** that the ECB opted for, with NBS already following by lowering key rates, while NBRM refrained from doing so just yet.

Untapped growth potential with strong fundamentals

Low overall sector leverage...



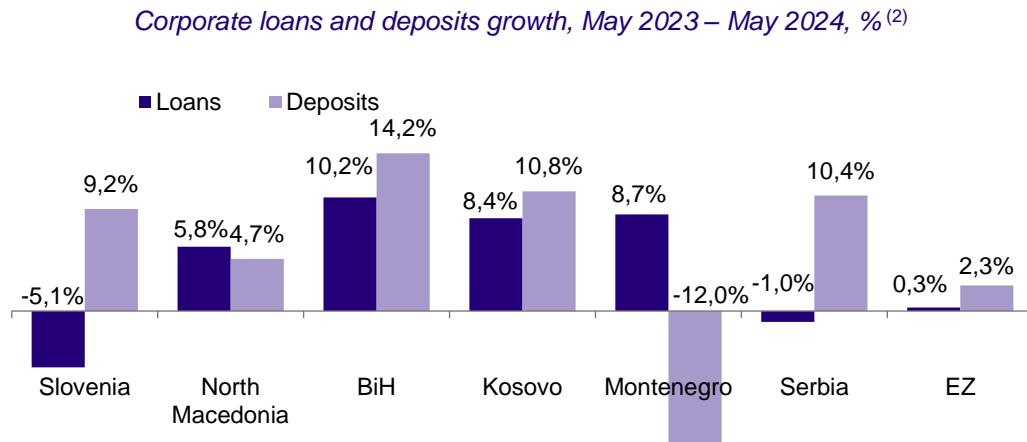
...with liquid banking sectors...



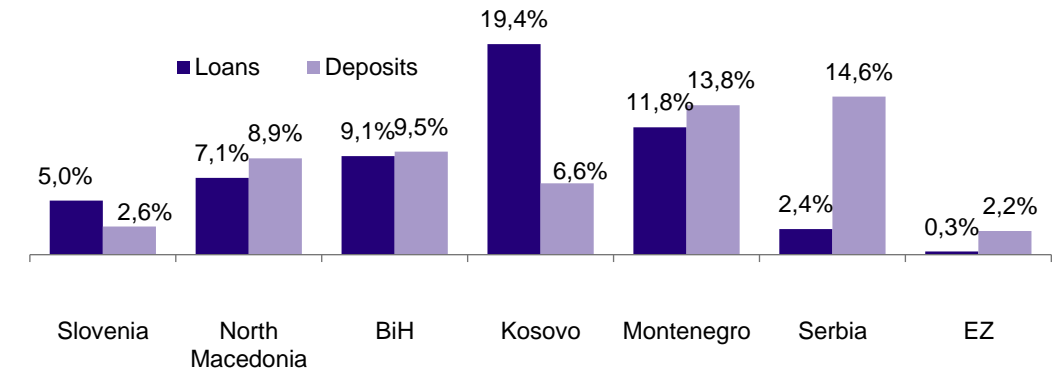
Source: National Central Banks, ECB

(1) Q1 2024 annualized GDP used for all countries, (3) Data April 2024 for Serbia; May 2024 for Montenegro, Kosovo, BiH and Slovenia; June 2024 for N.Macedonia and for Q1 2024 for EZ.

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



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



Source: National Central Banks, ECB

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

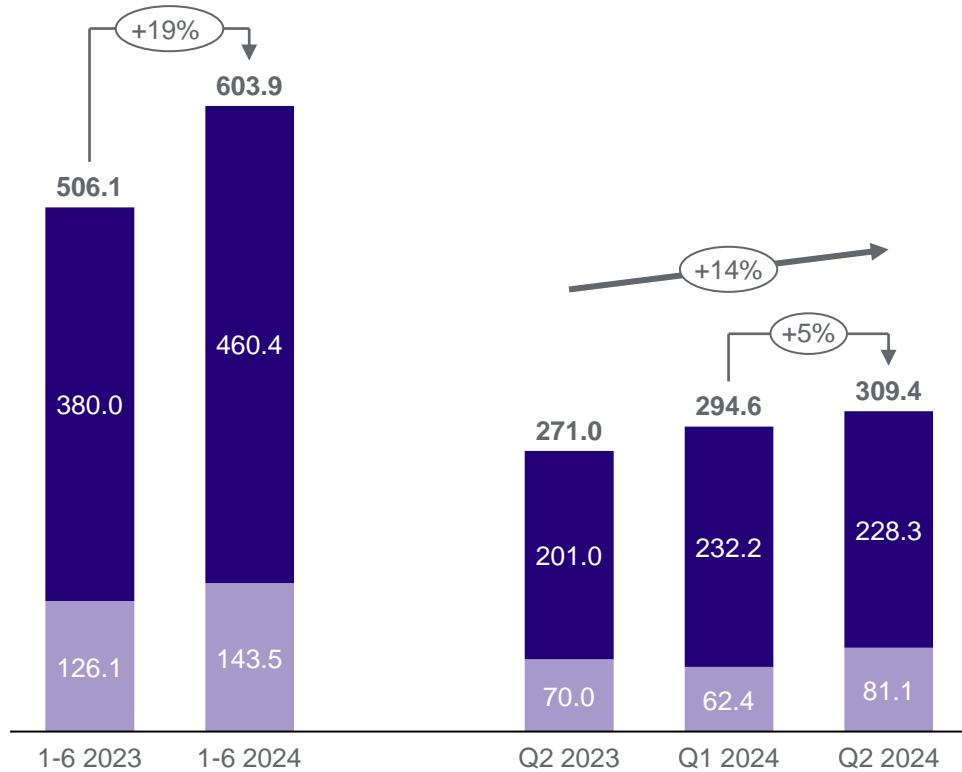
Key Developments



Revenues and Cost Dynamics

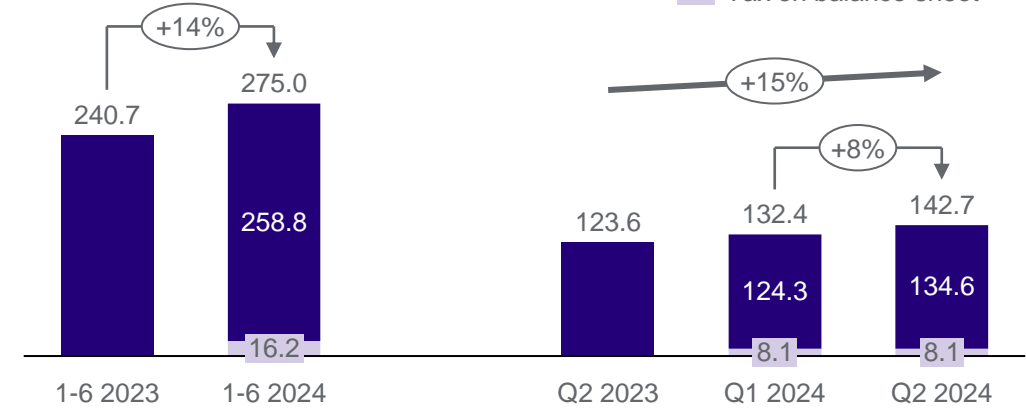
Net operating income continues to grow

Recurring net operating income (in EUR million)



■ Net interest income ■ Recurring net non-interest income

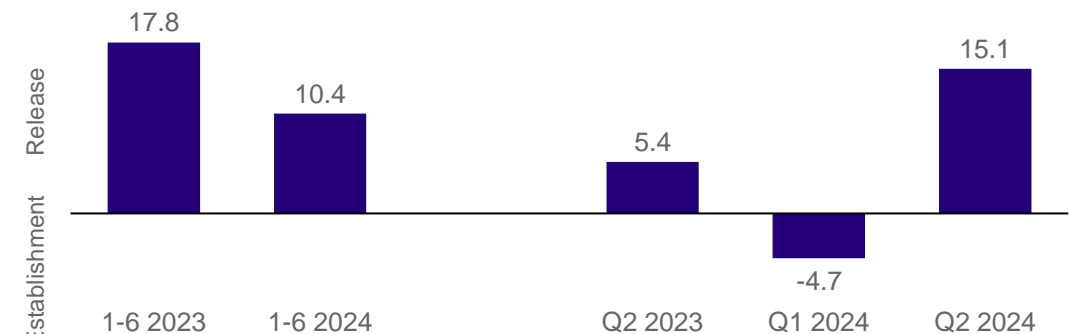
Costs (Group, EURm)



Cost of risk⁽¹⁾ (Group, bps)



Impairments and provisions (Group, EURm)

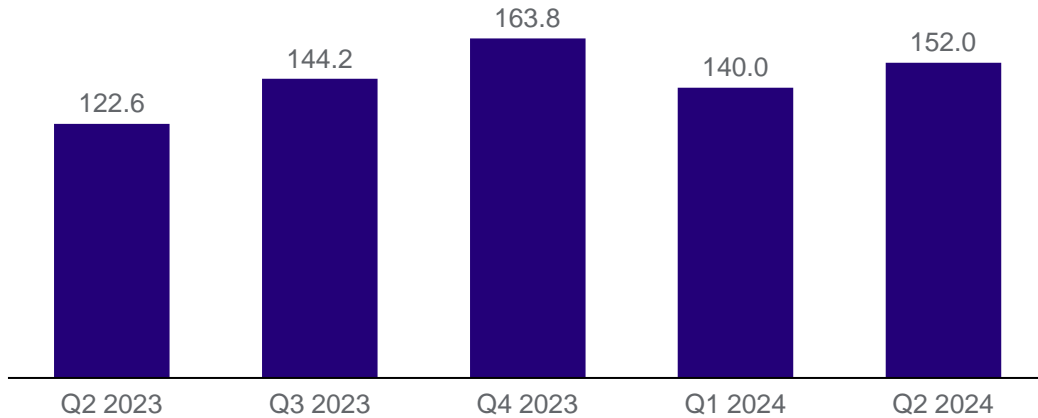


Note: (1) Cost of risk = credit impairments and provisions (annualized level) / average net loans to customers. Due to the annualisation of credit impairments and provisions, the calculation of CoR is strongly influenced by the release of credit impairment and provisions related to the changes in risk parameters in Q2 2024. Without the annualisation of the effect of changes in risk parameters, the CoR for the period 1-6 2024 would stand at -1 bps.

Profitability

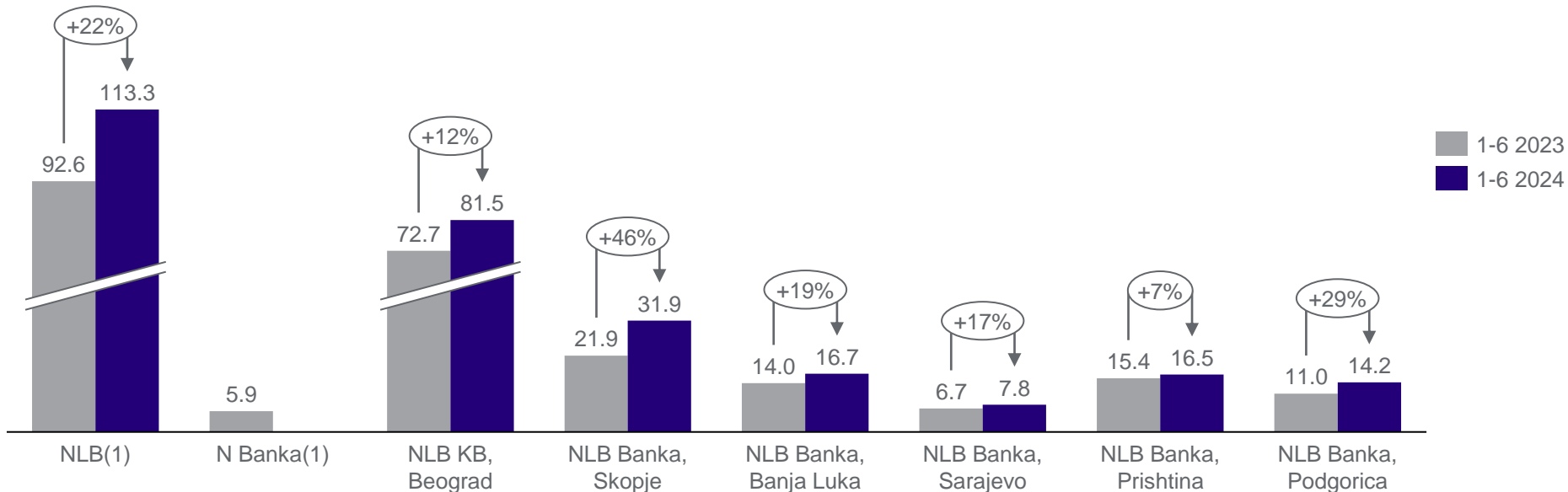
SEE banks are contributing 58% to the Group's result

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



All banks were profitable and positively contributed to the Group's result. The most significant contribution of EUR 113.3 million came from NLB, followed by NLB Komercijalna Banka, Beograd, with EUR 81.5 million. The YoY contribution of NLB was higher, primarily due to elevated net interest income. The SEE banks contributed 58% to the Group's result, with increased profits recorded in all banks.

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

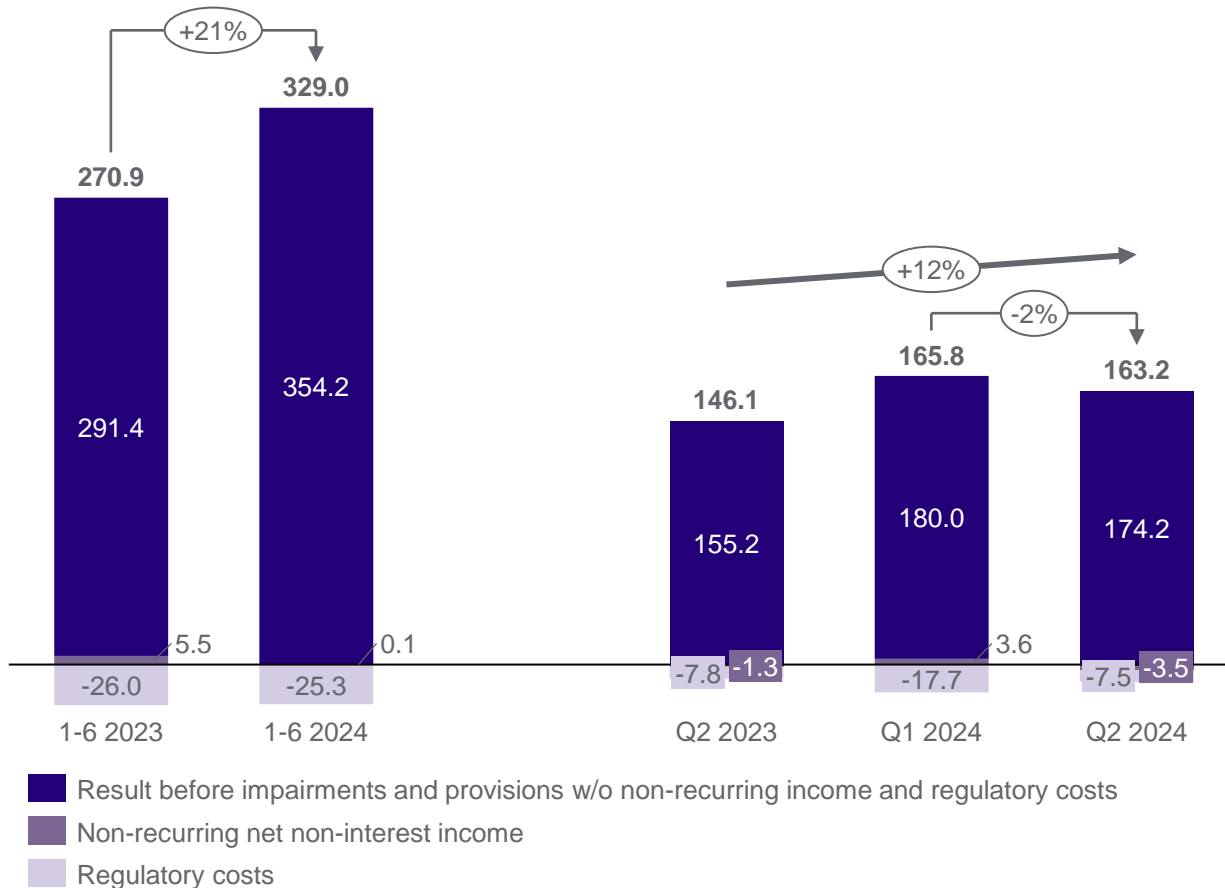


Note: (1) Merger of NLB and N Banka on 1 September 2023.

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 329.0 million.

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

- healthy loan demand from individuals, higher interest rates on loans and central bank balances, increased securities portfolio as well as increased yields contributed to a higher interest income by 33% YoY. On the other hand, the elevated cost of funding due to raised wholesale funding and higher interest rates on deposits (positively impacting the volume of deposits, especially those from individuals) resulted in a substantial 106% YoY increase in interest expenses;
- an 11% 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.

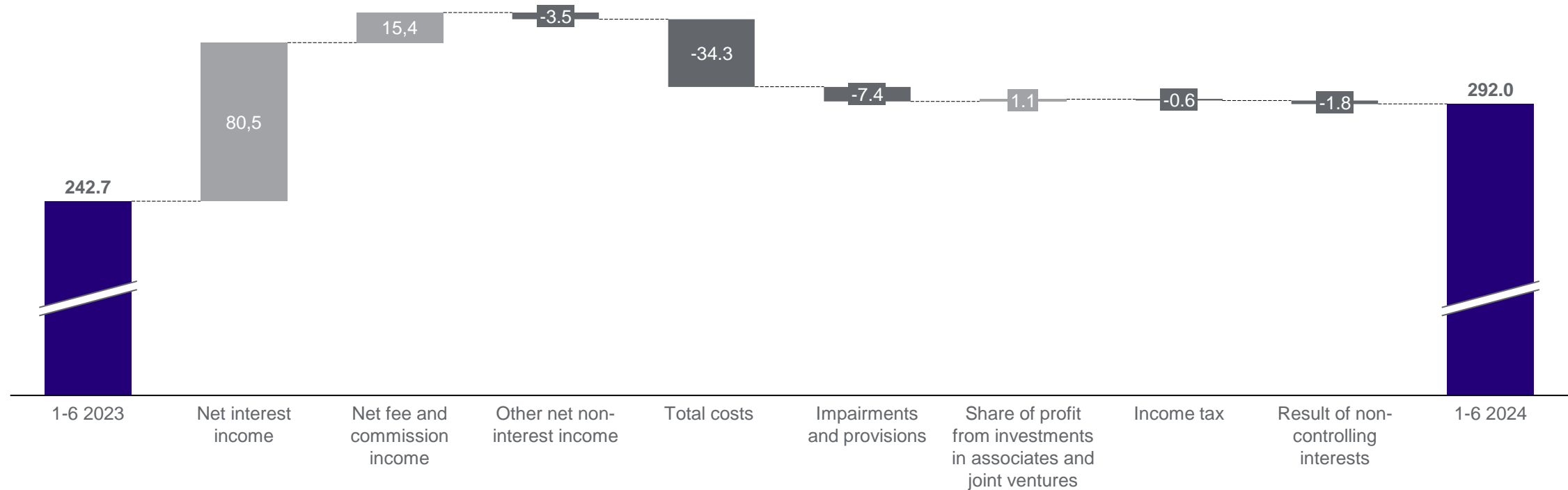
Partly offset by:

- tax on the balance sheet (EUR 16.2 million in 1-6 2024),
- and higher employee costs (EUR 12.1 million).

Resilient Operating Income Performance

Result reflects strong underlying performance: income growth and release of provisions; costs were influenced by the balance sheet tax in Slovenia

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

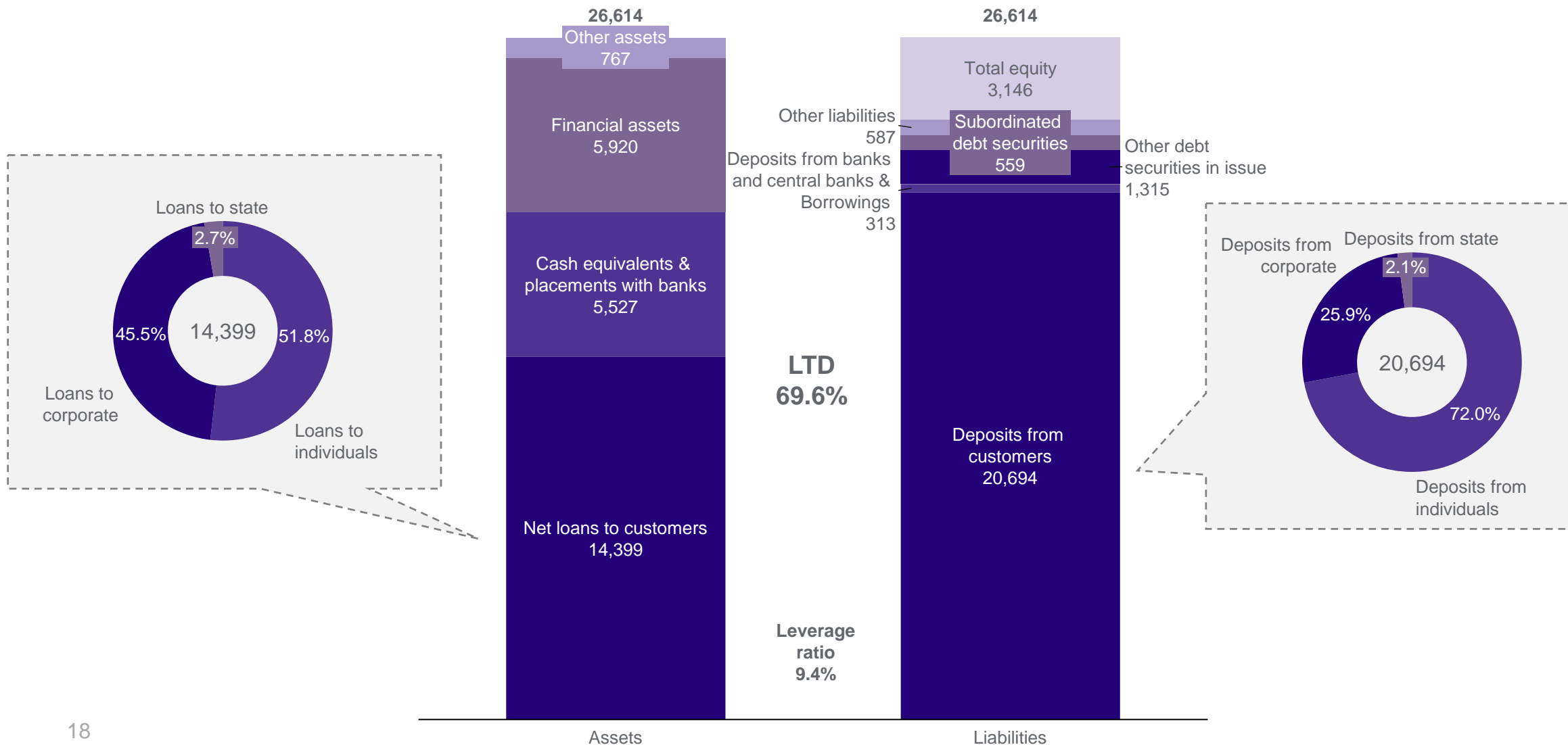


The continued stable performance of the NLB Group led to a **profit a.t. of EUR 292.0 million**, EUR 49.3 million or 20% higher YoY, mostly due to a favourable economic environment and higher interest rates. A good result of EUR 329.0 million was also recorded in the profit before impairments and provisions, marking a EUR 58.1 million or 21% YoY increase.

NLB Group's Balance sheet structure

Deposit (predominately from individuals) driven balance sheet

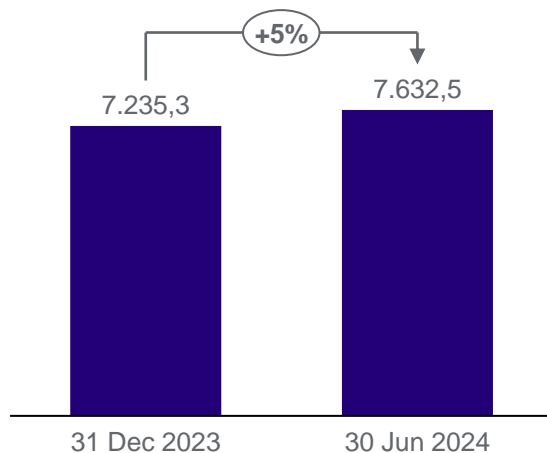
Balance sheet structure (30 Jun 2024, in EURm)



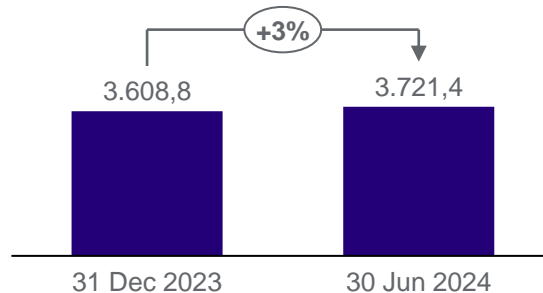
Loan dynamics

Strong loan growth in Q2 for both corporate and loans to individuals

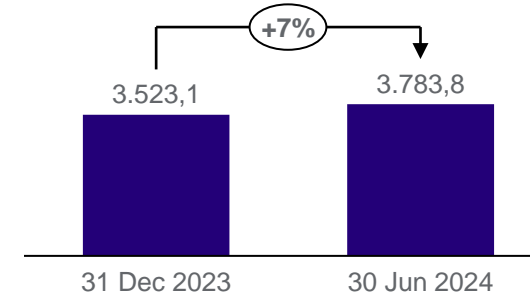
NLB Group



NLB⁽¹⁾

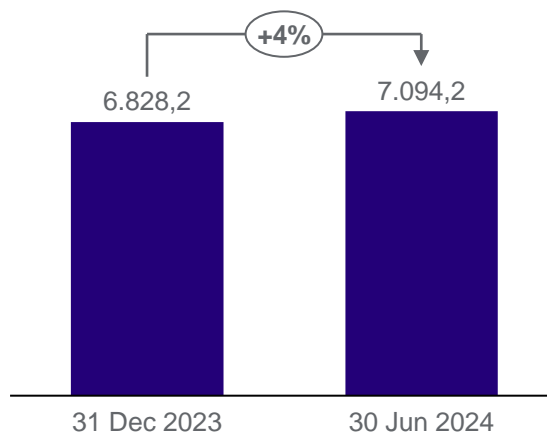


SEE banks⁽²⁾

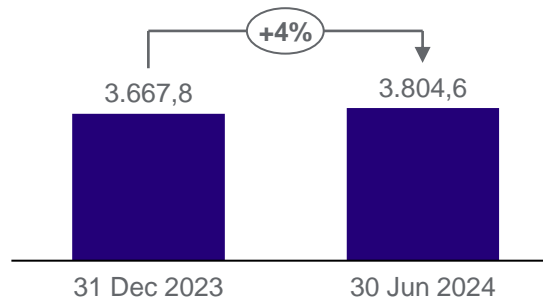


Gross loans to individuals (in EURm)

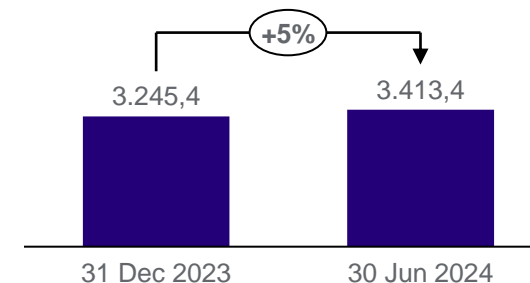
NLB Group



NLB⁽¹⁾



SEE banks⁽²⁾



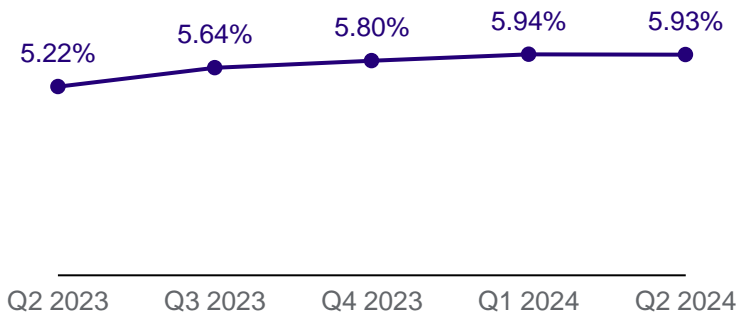
Gross loans to corporate & state (in EURm)

Interest rate environment

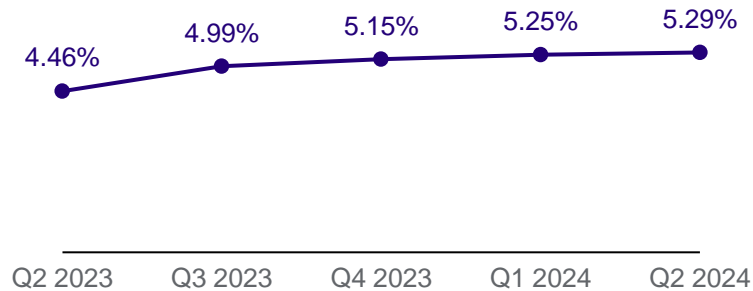
Increased Fixed interest rate loans adding to reduced NII sensitivity

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

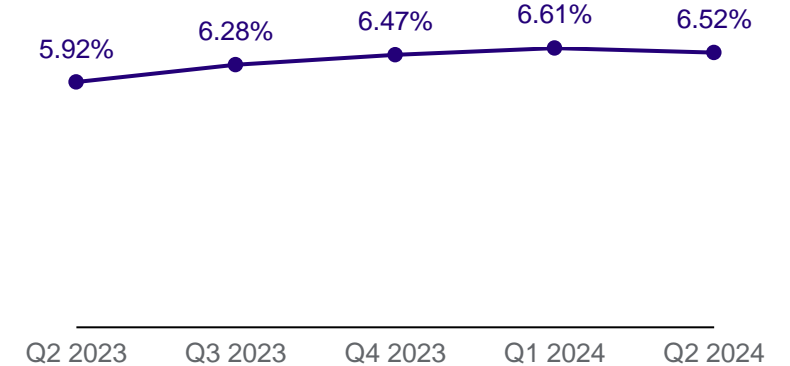
NLB Group⁽¹⁾



NLB⁽²⁾

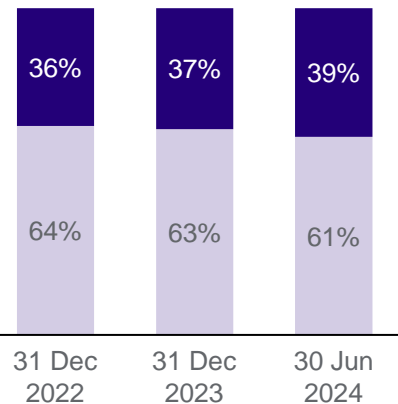


SEE banks⁽³⁾

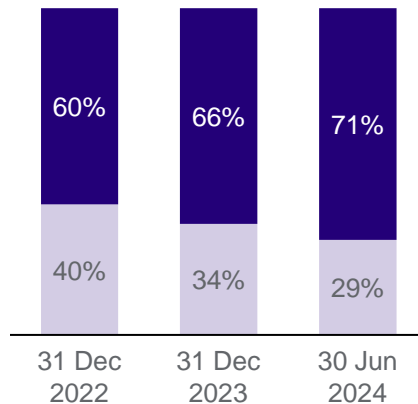


Corporate and retail portfolio of NLB Group

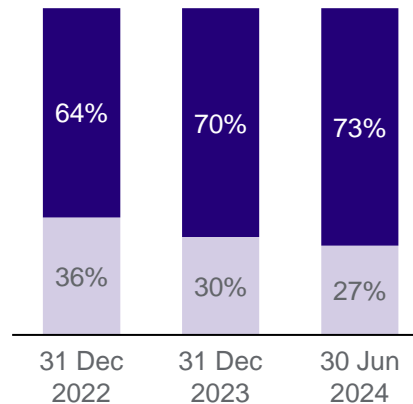
Corporate (incl. SME)



Consumer



Housing

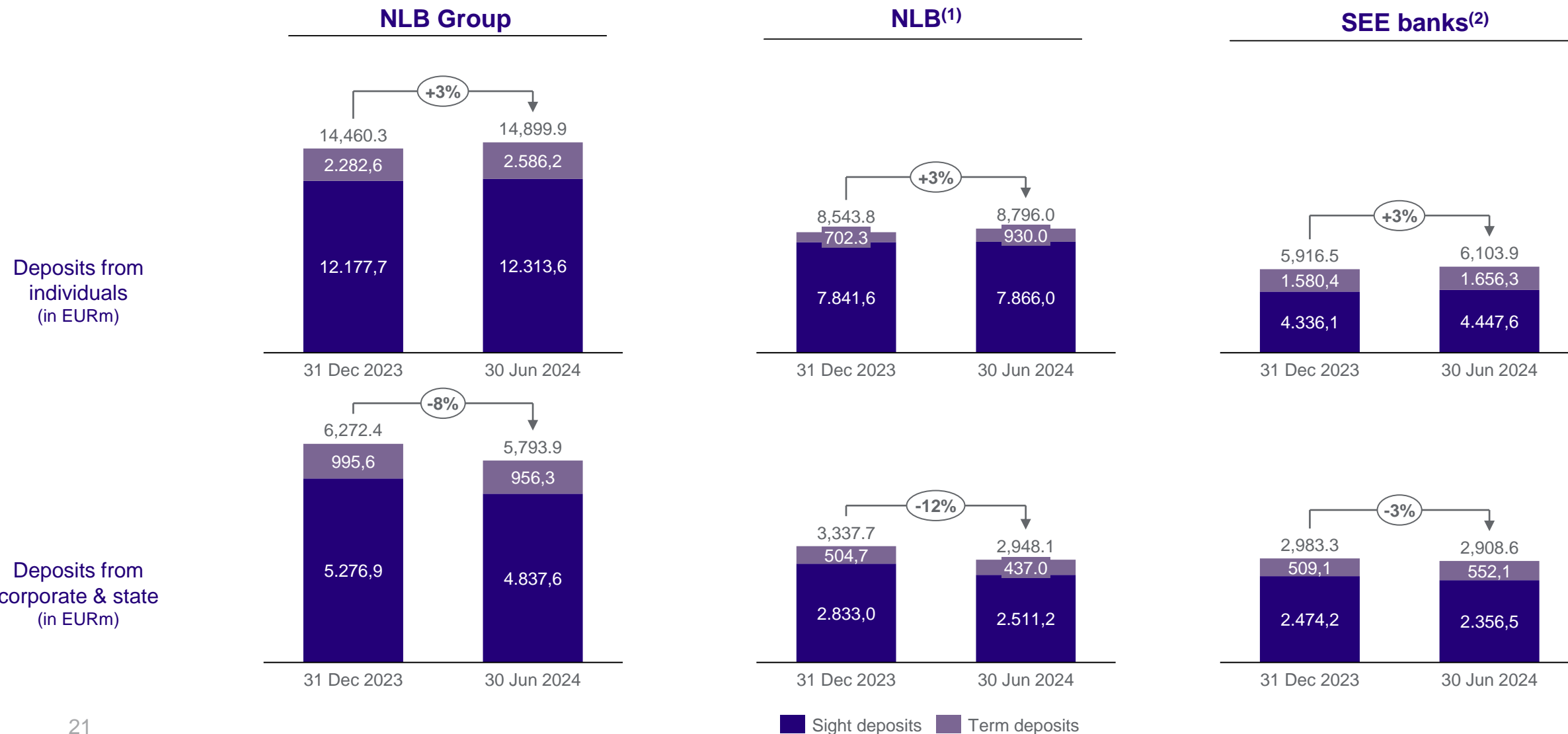


A notable shift from floating to fixed interest rates continues in H1 2024. Approximately 56.4% of the Group corporate and retail loan portfolio is linked to a fixed interest rate, and the rest to a floating rate (mainly the Euribor reference rate). Floating interest rates still dominate the corporate segment. In the retail segment, around 71.8% of the retail loan portfolio is linked to a fixed interest rate, whereas this ratio for housing loans amounts to 72.6%. This limits the retail sector's sensitivity to increasing reference rates.

Note: (1) Interest rates by segments are available in spreadsheets Key Financial Data – H1 2024 Results; (2) On stand alone basis; (3) Sum of data on a stand-alone basis as included in the consolidated financial statements of the Group.

Deposit dynamics

Moderate migration to term deposits. Deposit base remains stable despite decline from corporate clients

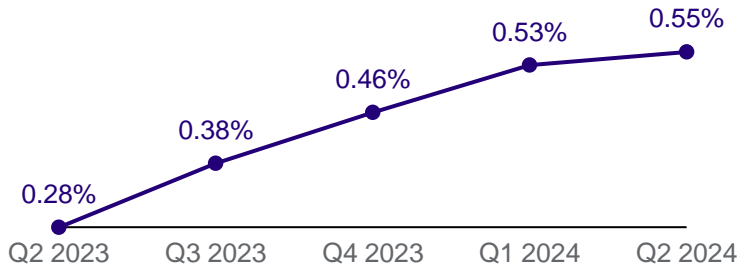


NLB Group Funding Driven by Deposits

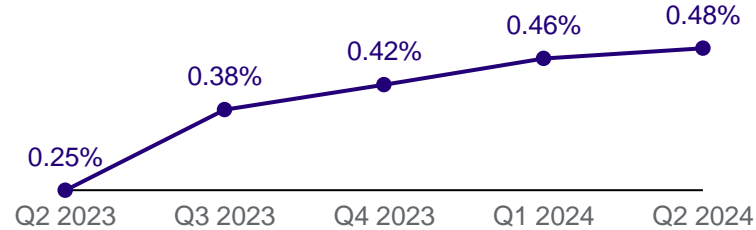
Deposit interest rates are increasing, nevertheless deposit beta at 11% remains low⁽¹⁾

Interest rates for customer deposits (quarterly, in %)

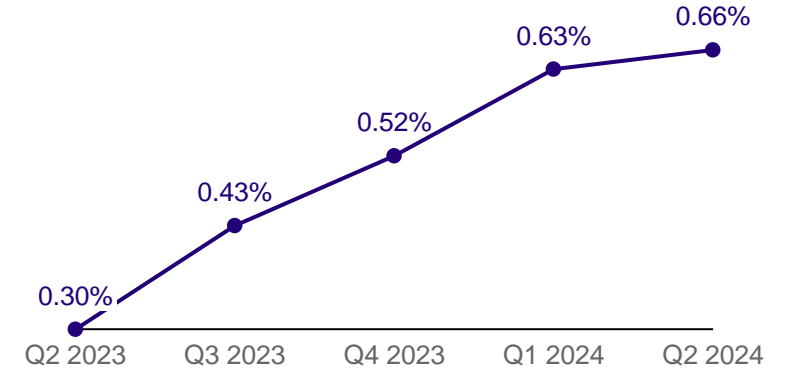
NLB Group⁽²⁾



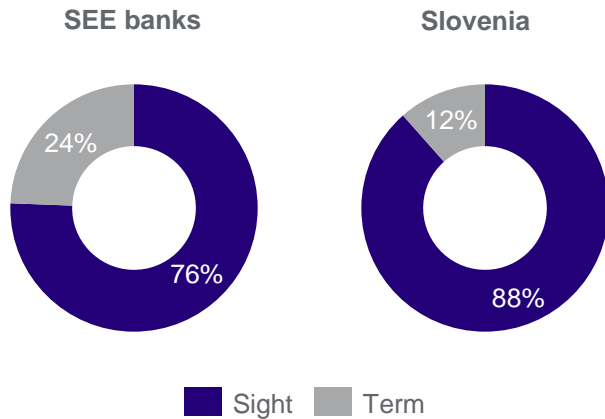
NLB⁽³⁾



SEE banks⁽⁴⁾

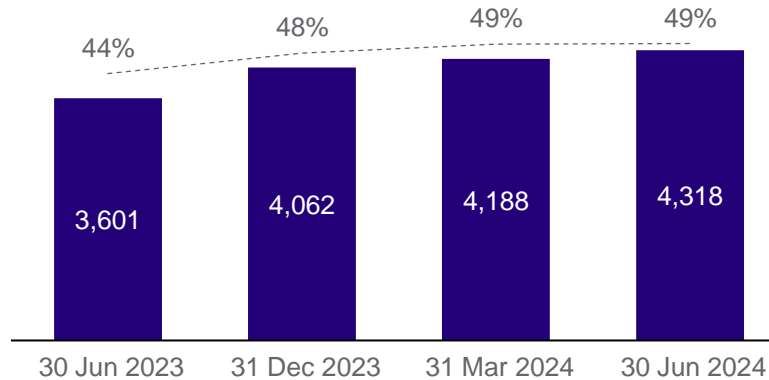


Deposit split⁽⁵⁾ (30 Jun 2024)



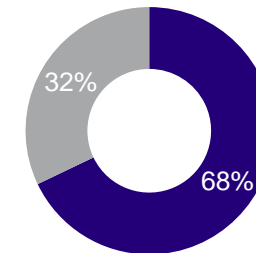
NLB term and savings accounts

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

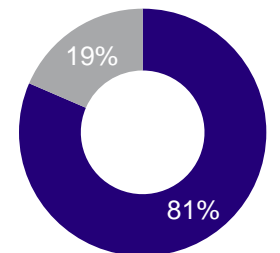


Higher interest rates for term deposits led to growth in the term deposit volume in H1 2024 (EUR 227.1 million), with shift from sight to term deposits.

Deposits from customers (Group, 30 Jun 2024)



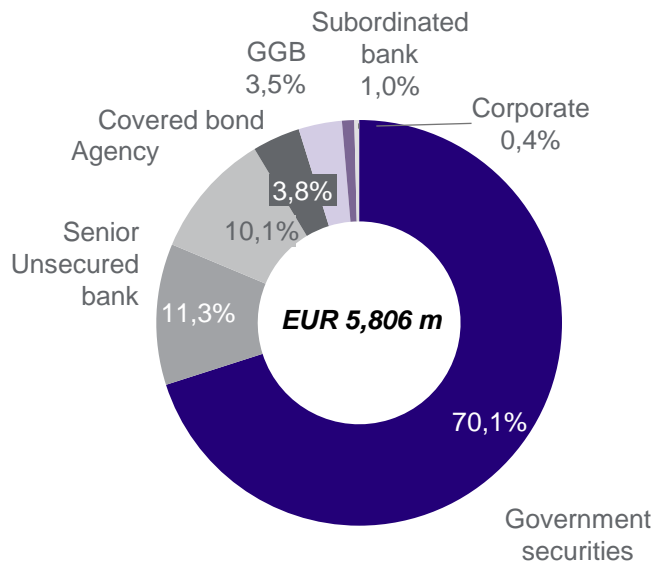
Deposits from individuals (Group, 30 Jun 2024)



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

Well diversified securities portfolio

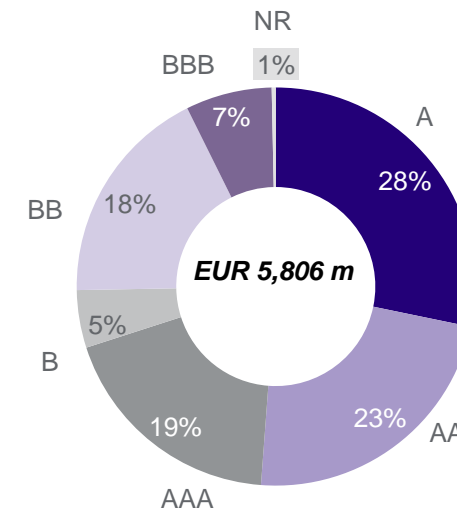
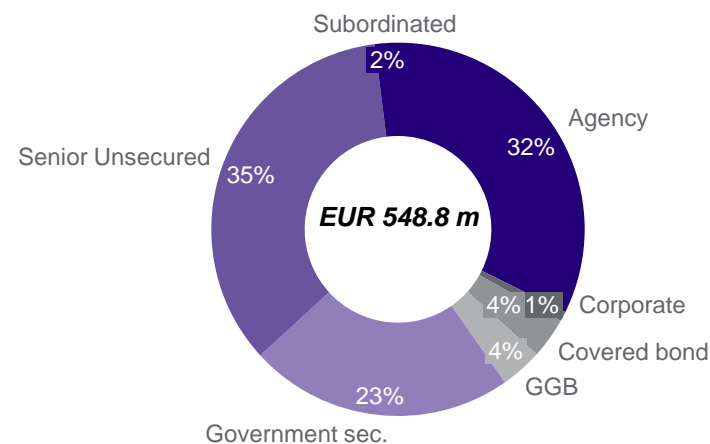
Banking book securities by asset class (NLB Group, 30 June 2024)



o/w ESG



Banking book securities by rating (NLB Group, 30 June 2024)



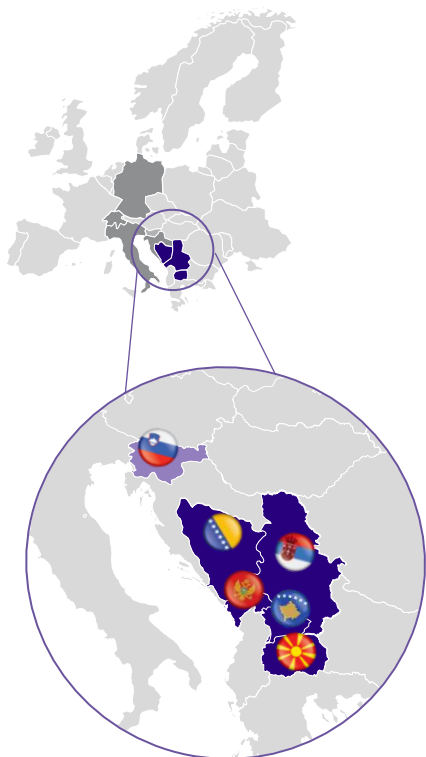
Banking book portfolio








NLB Group, 30 June 2024 (EURm, years)

	Amount	Duration	Unrealized losses (amount)
FVOCI	2,665	2.26	-73
AC	3,140	4.22	-84
Total	5,366	3.16	

2.7 % of regulatory capital

Performance indicators across banks in SEE countries



	Slovenia  NLB, Ljubljana	Serbia  NLB Komercijalna Banka, Beograd	North Macedonia 	Bosnia and Herzegovina 		Kosovo 	Montenegro 	 NLB Group Consolidated data
	Data on stand-alone basis							
Result after tax (EURm)	192.9	82.2	37.4	16.7	8.0	20.1	14.3	292.0
Total assets (EURm)	16,659	5,222	1,889	1,107	926	1,233	932	26,614
RoE a.t.	16.6%	18.8%	26.1%	29.5%	16.1%	27.6%	23.6%	19.4%
Net interest margin	2.95%	4.83%	4.12%	3.70%	3.21%	4.28%	5.18%	3.68%
CIR (cost/income ratio)	35.5%	40.3%	36.6%	38.4%	53.2%	29.4%	42.9%	42.8%
LTD net	62.9%	72.2%	84.4%	66.8%	81.7%	94.3%	84.5%	69.6%
NPL ratio	1.3%	0.7%	2.9%	0.9%	2.0%	1.9%	2.5%	1.5%
Branches (#)	69	163	48	41	34	34	21	410
Active clients (#)	722,388	1,048,440	467,254	214,370	132,559	238,540	94,482	2,918,033
Market share by total assets (%)	31.1%	9.9%	15.8%	20.2%	6.1%	16.6%	13.9%	/
	<small>as at 30 Jun 2024</small>	<small>as at 30 Jun 2024</small>	<small>as at 31 Mar 2024</small>	<small>as at 31 Mar 2023</small>	<small>as at 31 Mar 2023</small>	<small>as at 30 Jun 2024</small>	<small>as at 31 May 2024</small>	

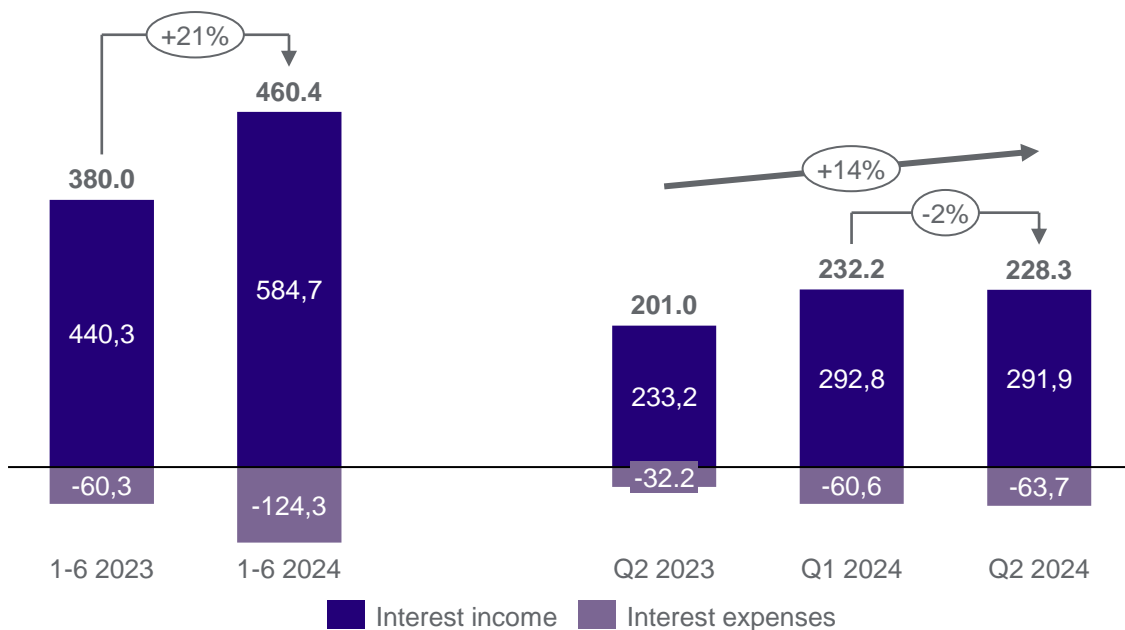
Business Performance

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Net interest income

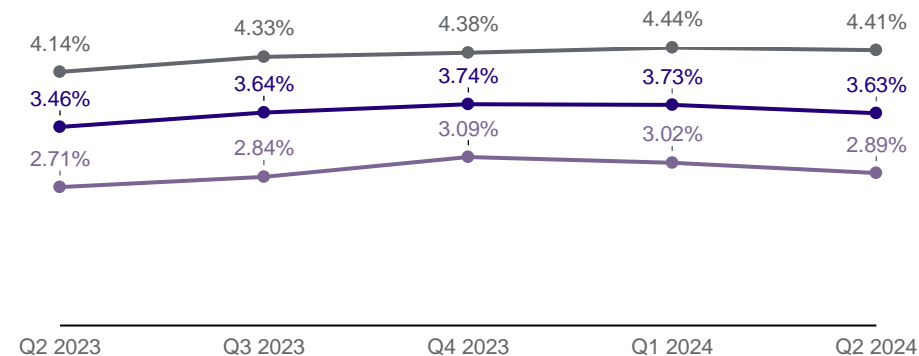
NII and NIM growing YoY and decreasing slightly QoQ

Net interest income of NLB Group (in EURm)

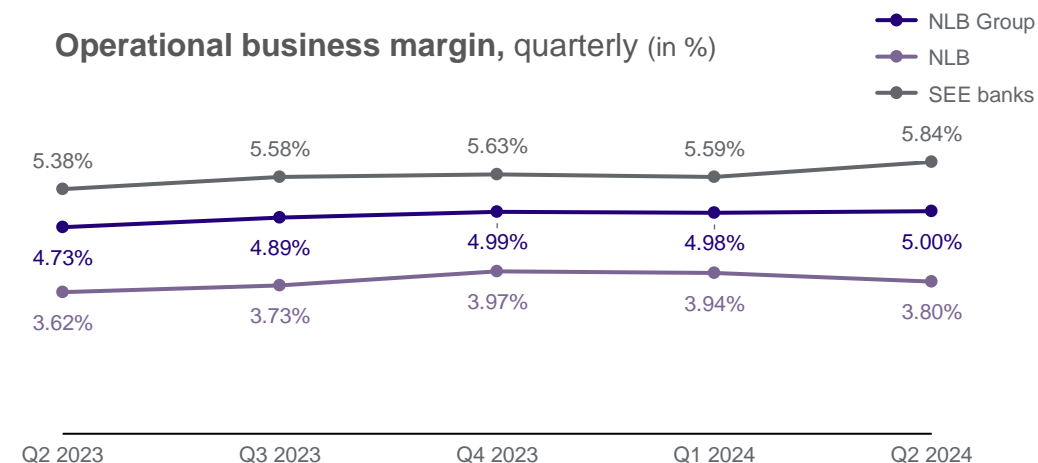


- YoY growth in interest income derived from:
 - loans to customers: EUR 81.1 million of which EUR 37.5 million from loans to individuals and EUR 43.6 million from loans to corporate and state, with contribution from volume growth and higher interest rates
 - balances at banks and central banks (EUR 27.2 million)
 - securities (EUR 29.7 million).
- Interest expenses increased mostly due to higher expenses for wholesale funding raised for MREL and capital requirement (EUR 26.3 million) and higher expenses for customer deposits (EUR 30.2 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 additional amount of EUR 1.070 million in H1 2024, in Q2 this resulted in EUR 2.3 million negative effects on income and EUR 0.8 million positive effects on expenses. Assuming interest rate dynamics are in line with market expectations, these hedges should positively impact net interest income in the coming years.

Net interest margin, quarterly (in %)



Operational business margin, quarterly (in %)

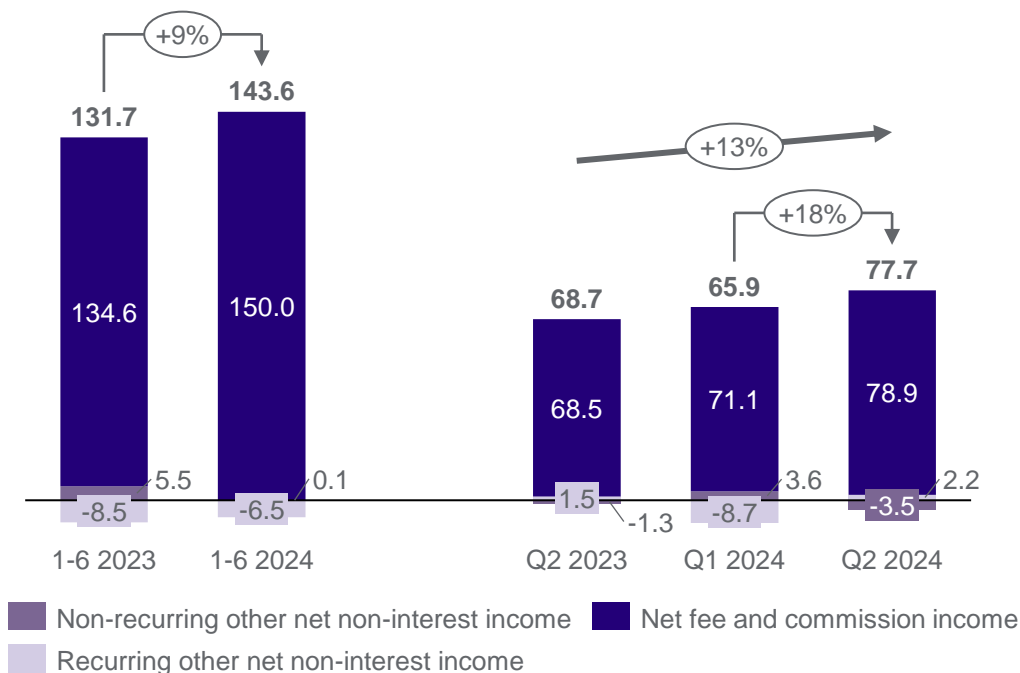


The cost of funding grew at a much slower pace than interest rates on assets and as a result, the Group's net interest margin improved by 0.38 p.p. to 3.68% YoY. However, quarterly interest margin decreased following the ECB's key interest rate cut by 25 bps at the beginning of June, which was the first reduction in the last five years. On the other hand, the operational business margin reached 4.99%, marking a 0.43 p.p. increase YoY, with an increase also recorded quarterly due to a rise in net fee and commission income in Q2.

Net non-interest income

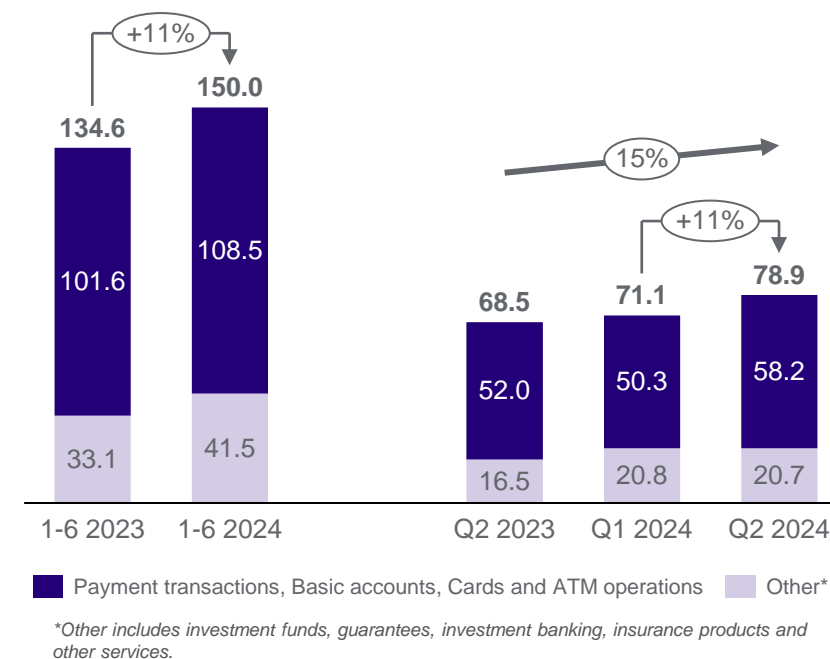
Strong growth of net fee & commission income

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



- Fee and commission income represents a major part of the net non-interest income.
- Recurring other net non-interest income was lower YoY as a result of lower expenses for regulatory costs in NLB since there will be no payments in SRF this year, as the quota was already achieved (last year, EUR 2.0 million payment in SRF for NLB and N Banka).
- The recurring net non-interest income in Q1 was notably affected by the accrual of one-off expenses for regulatory costs (DGS) in NLB.

Net fee and commission income (in EURm)

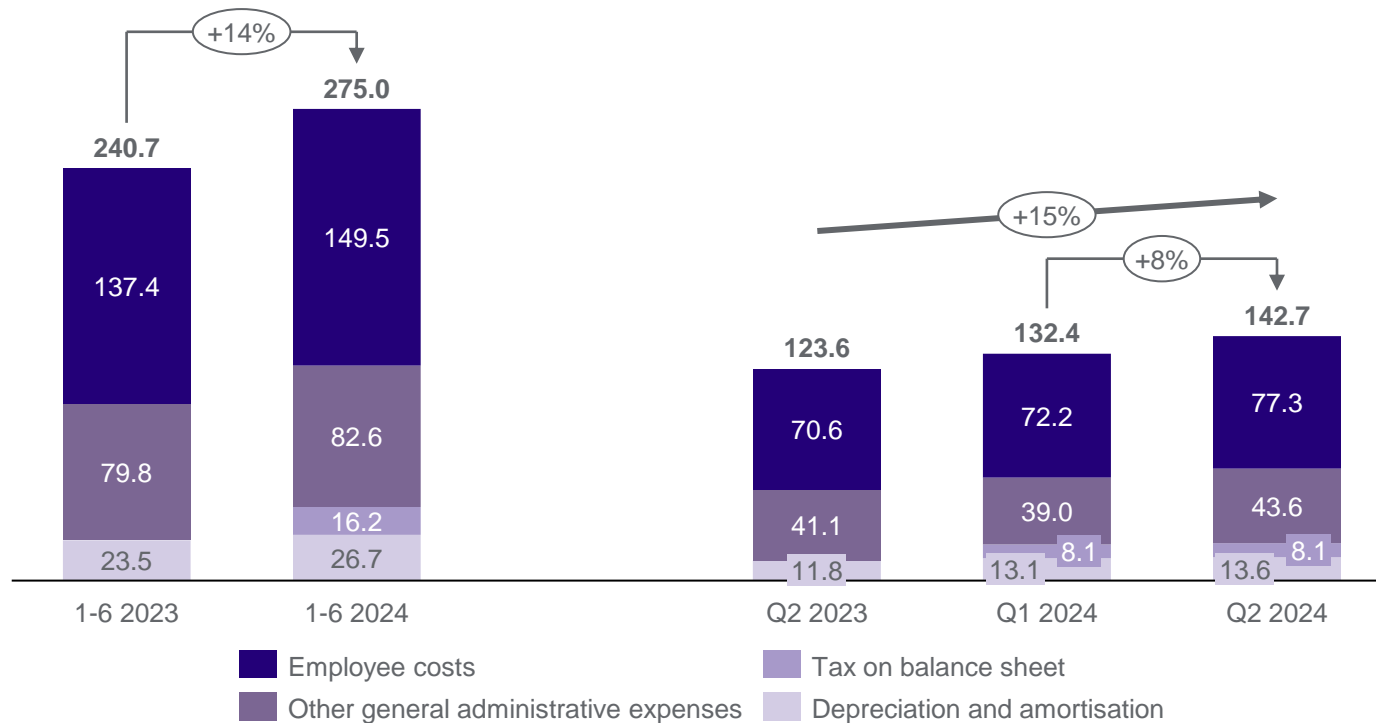


- A growth of 11% YoY.
- Growth in Q2 due to renegotiated conditions with the service providers that improved net fee results in payment transactions and cards operations.
- A positive impact of increased economic activity and consumption resulted in increased fees across banking members. Increased activity in investment funds and bancassurance also contributed.
- NLB Skladi, Ljubljana, recorded an exceptional sale of investment funds, with EUR 190.2 million gross inflows in H1 2024, compared to EUR 114.4 million in the same period of last year.

Costs

Higher employee costs and balance sheet tax drove costs up

Total costs of NLB Group (in EURm)

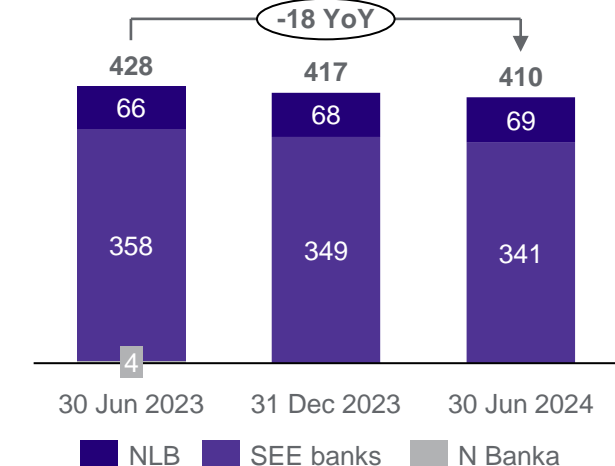


- Total costs grew by EUR 18.1 million or 8% YoY (excluding tax on the balance sheet in the amount of EUR 16.2 million) with the increase noted in all banking members. The growth was primarily driven by a rise in employee costs (EUR 12.1 million). Other general and administrative expenses were kept under control despite strong inflationary pressures and marked only a 3% increase, while a 14% increase in depreciation and amortisation was a result of new investments in last year.
- On a QoQ basis, costs increased by 8% due to higher salaries and other general and administrative costs, mainly deriving from consulting, sponsorships, advertising, and events in NLB.

of employees⁽¹⁾



of branches⁽¹⁾

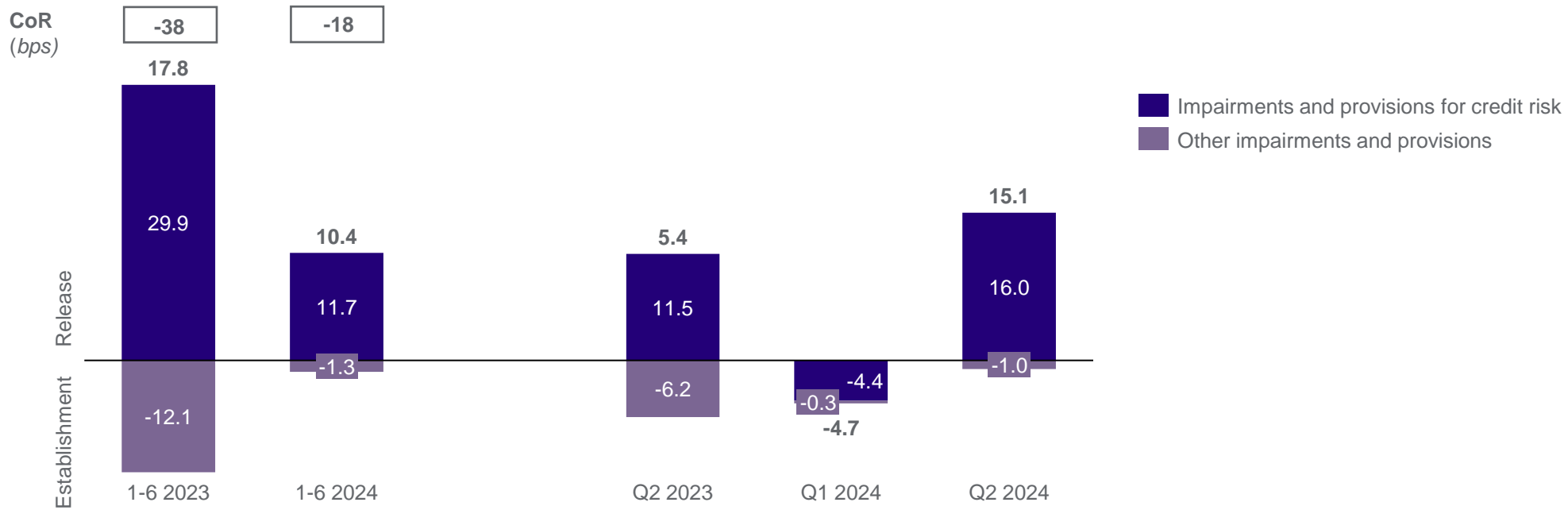


Notes: (1) Merger of NLB and N Banka on 1 September 2023.

Impairments and provisions

Net release of credit provisions due to changes in risk parameters

Impairments and provisions of NLB Group (in EURm)

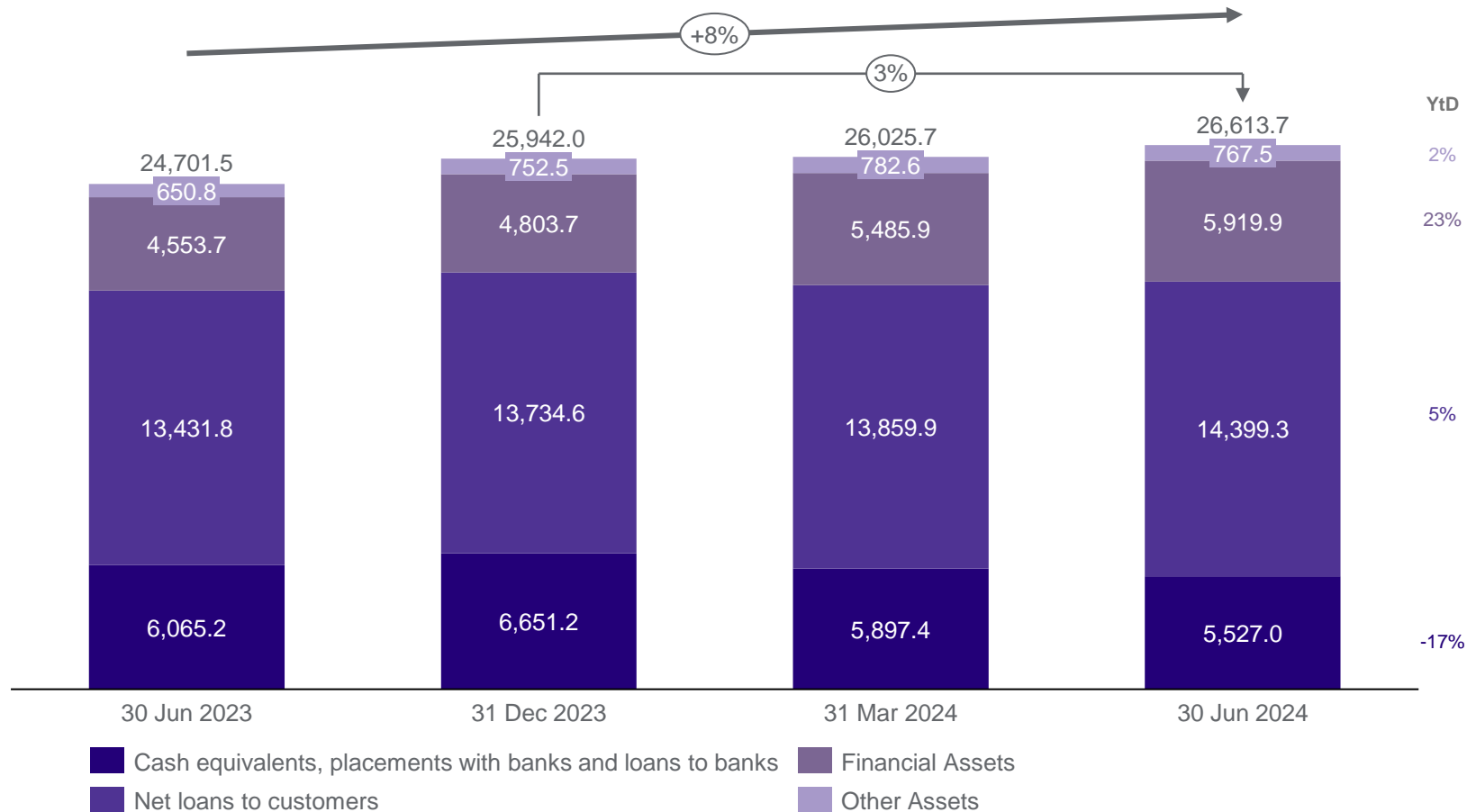


- The Group net released EUR 11.7 million impairments and provisions for credit risk, mostly due to changes in risk parameters.
- Other impairments and provisions were established in the amount of EUR 1.3 million, mainly to address legal risk.
- CoR was negative and stood at -18 bps. Without the annualization of the effect of changes in risk parameters, the CoR for the period 1-6 2024 would stand at -1 bps.

NLB Group Assets

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

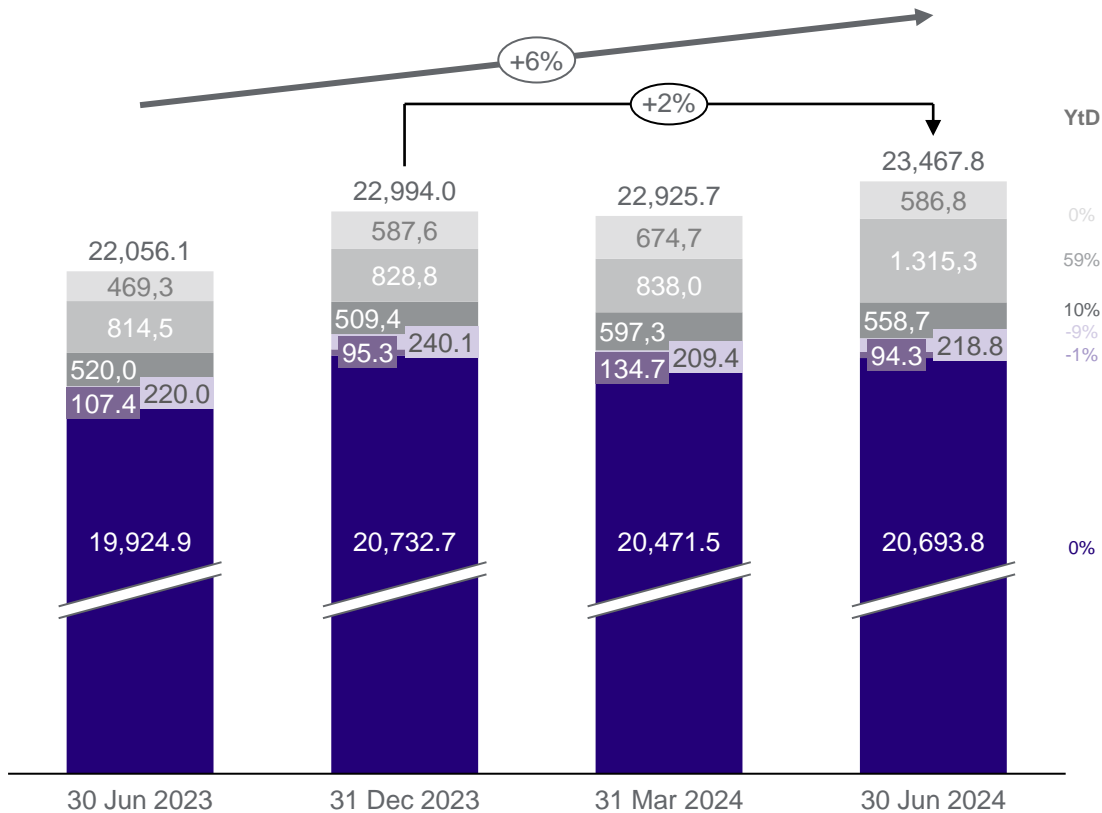
Total assets of NLB Group – structure (EURm)



NLB Group Funding Structure

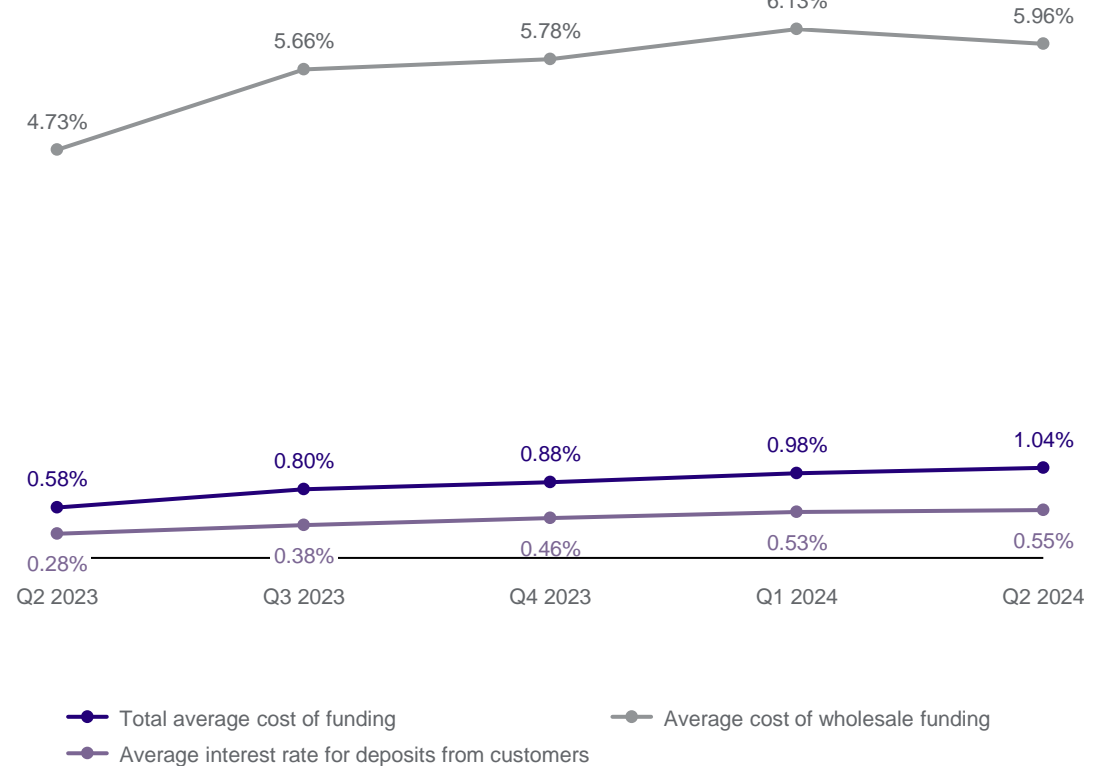
Average cost of funding is increasing due to MREL eligible wholesale funding and deposit repricing

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)

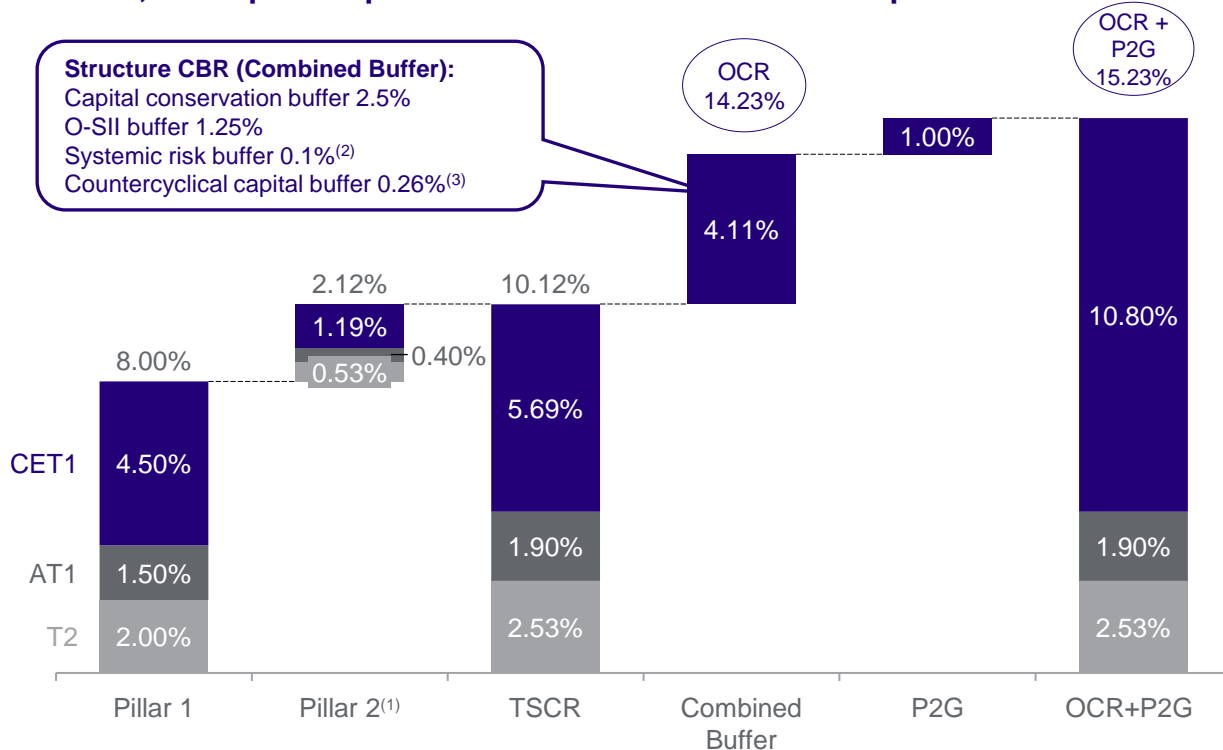


Group's average cost of funding in Q2 2024 was 1.04%, a substantial increase from 0.58% in Q2 2023.

Capital

Capital position enabling growth and dividend distribution

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

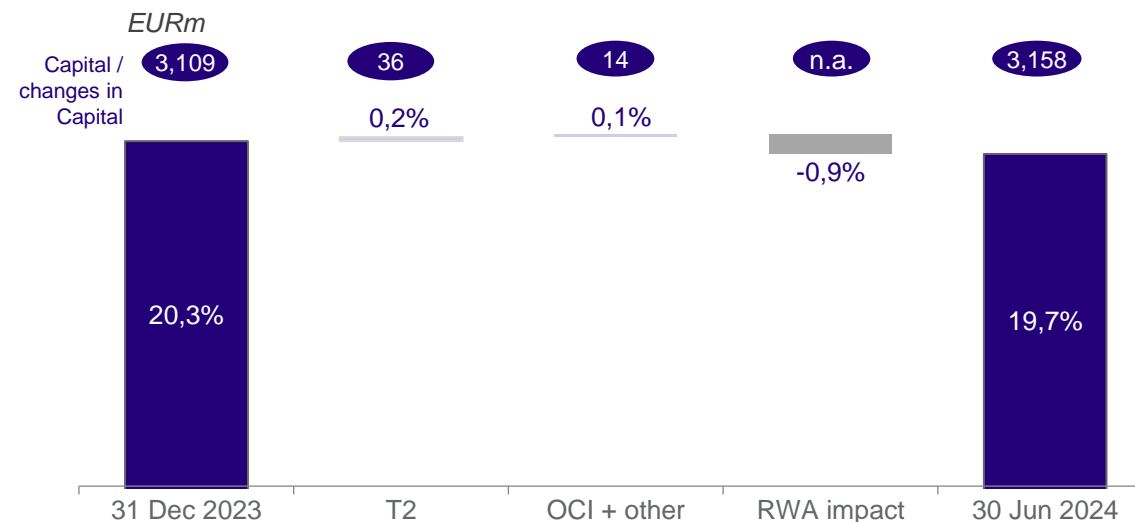


- As at 30 June 2024, the TCR for the Group was 19.7%, decreasing by 0.6 p.p. YtD, while the CET1 ratio was 15.8%, both well above requirements.
- The lower total capital adequacy derives from higher RWA (EUR 680.0 million YtD), although capital increased by EUR 49.3 million YtD.
- The Group increased its capital mainly with an increased volume of T2 instruments (EUR 35.8 million) and EUR 16.3 in revaluation adjustments.

NLB Group's capital and surplus above the regulatory requirements

	30 Jun 2024	31 Dec 2023	Change YtD	in EUR millions Surplus above regulatory requirements 30 Jun 2024
Common Equity Tier 1 capital	2,523	2,510	13	793
Tier 1 capital	2,611	2,598	13	577
Total capital	3,158	3,109	49	719
Total risk exposure amount (RWA)	16,017	15,337	680	
Common Equity Tier 1 Ratio	15.75%	16.36%	-0.61 p.p.	4.95 p.p.
Tier 1 Ratio	16.30%	16.94%	-0.64 p.p.	3.60 p.p.
Total Capital Ratio	19.72%	20.27%	-0.55 p.p.	4.49 p.p.

TCR and capital evolution YtD

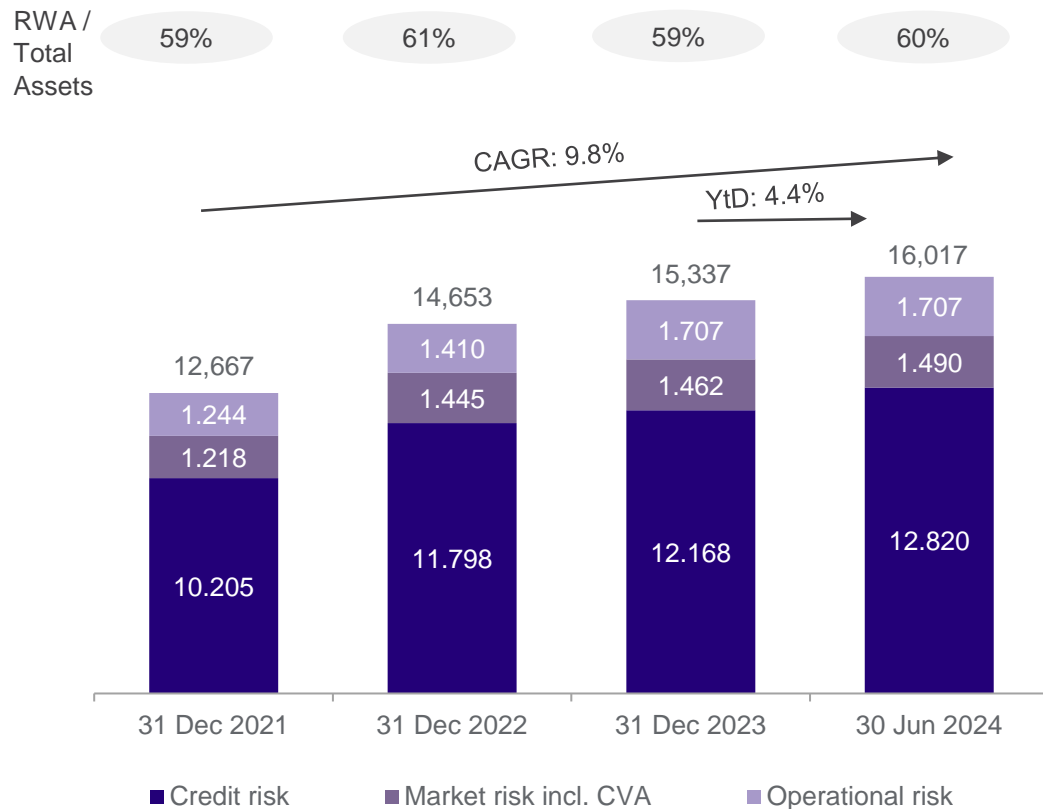


Notes: (1) The Pillar 2 Requirement 2024 decreased by 0.28 p.p. to 2.12% due to a better overall SREP assessment. (2) The BoS issued a new Regulation on determining the requirement to maintain a systemic risk buffer for the sectoral exposures: 1.0% for all retail exposures to natural persons secured by residential real estate and 0.5% for all other exposures to natural persons, resulted in 0.10% Systemic Risk Buffer in June 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 June 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.

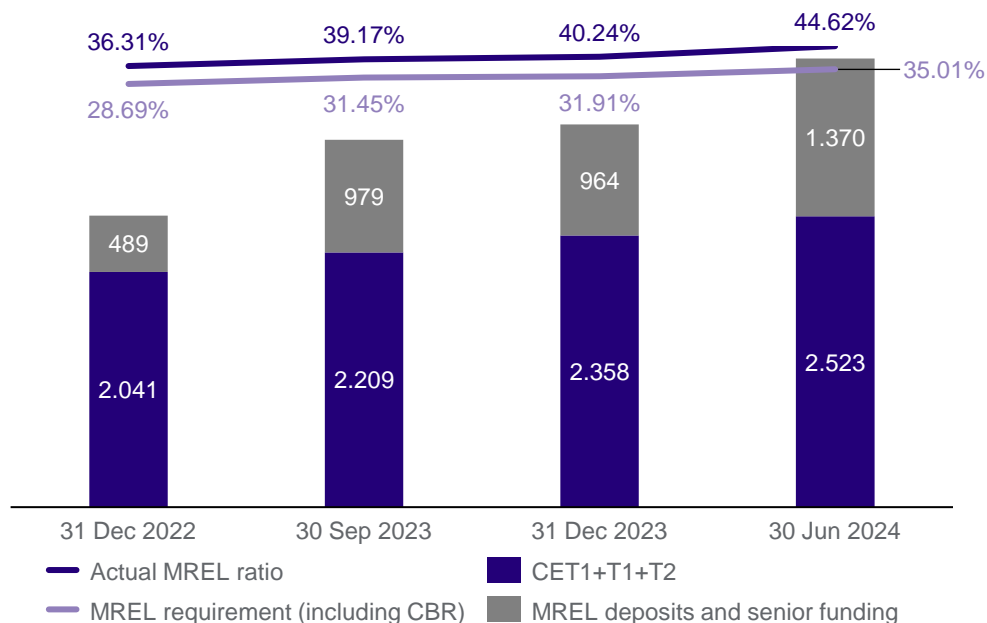
In the first half of 2024, the **RWA of the Group for credit risk** increased by EUR 451.8 million due to lending activity, which was more predominant in the retail segment. New production in the corporate segment was partially offset by repayments provided by corporate clients in NLB, NLB Banka Skopje, and NLB Banka Sarajevo. Additionally, RWA for high-risk exposures increased due to new project financing loans given, mostly in NLB and NLB Komercijalna Banka, Beograd, and withdrawals of project finance loans approved in the previous periods. However, the decrease in RWA for liquidity assets resulted from reduced exposures towards central governments and central banks, partially offset by higher RWA due to purchasing subordinated bonds.

The increase in **RWAs for market risks and Credit Value Adjustments (CVA)** in the amount of EUR 28.2 million YtD during the first six months of 2024 was driven by higher RWA for FX risk of EUR 23.8 million (mainly due to more opened positions in domestic currencies of non-euro subsidiary banks), higher RWA for CVA risk of EUR 6.2 million, and lower RWA for TDI risk of EUR 5.2 million (due to closed net positions from IRS) and higher RWA for EQU of EUR 3.4 million (due to inclusion of new CIU of new member Generali Investments, Skopje).

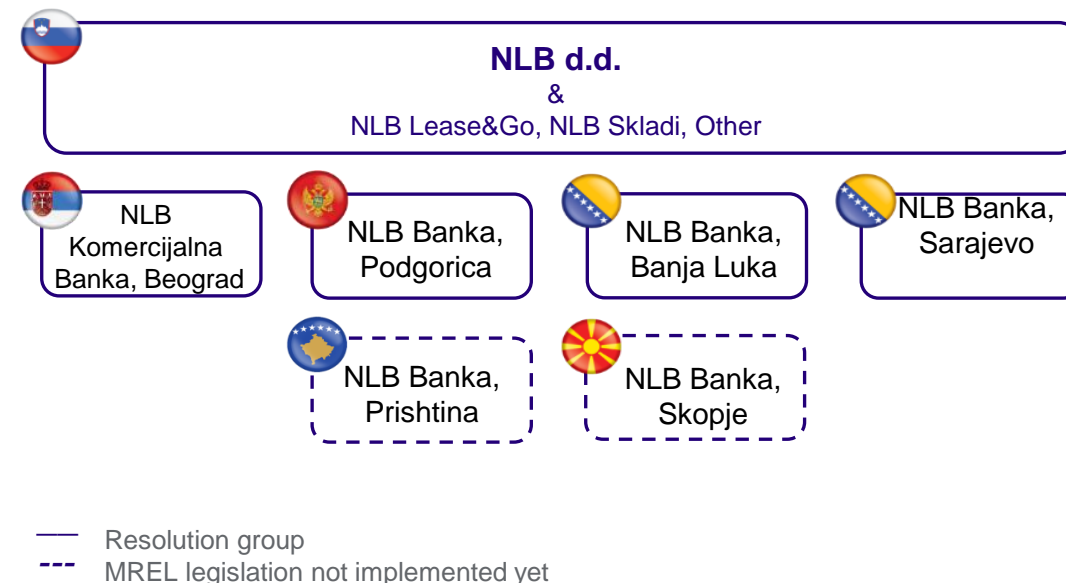
NLB Wholesale Funding: Multiple Point of Entry (MPE) Resolution Strategy

Two successful bond issuances contributing to MREL

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



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



MREL ratio and requirement:

- MREL ratio expressed as TREA was 44.62% and 22.47% expressed as LRE as of 30 June 2024.
- MREL requirement: 30.66% TREA + applicable CBR (4.35% on 30 June 2024) and 10.69% LRE as of 1 January 2024.

NLB Resolution Group

TREA (in EURm)	(as at 30 Jun 2024)
NLB, Ljubljana	8,287
NLB Lease&Go, Ljubljana	248
NLB Skladi, Ljubljana	55
Other	136
Total	8,726

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 June 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
Senior Preferred	XS2498964209	19 July 2022	19 July 2025	19 July 2024	6.000% p.a.	EUR 300m ⁽ⁱ⁾
Total SP:						EUR 1,300m
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 ⁽ⁱⁱ⁾ (issued amount: EUR 120m)
Tier 2	XS2080776607	19 Nov 2019	19 Nov 2029	19 Nov 2024	3.650% p.a.	EUR 9.9m ⁽ⁱⁱ⁾ (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 1,927.4m

(i) The bank executed an early redemption of the notes on 19 July 2024 (the call date).

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

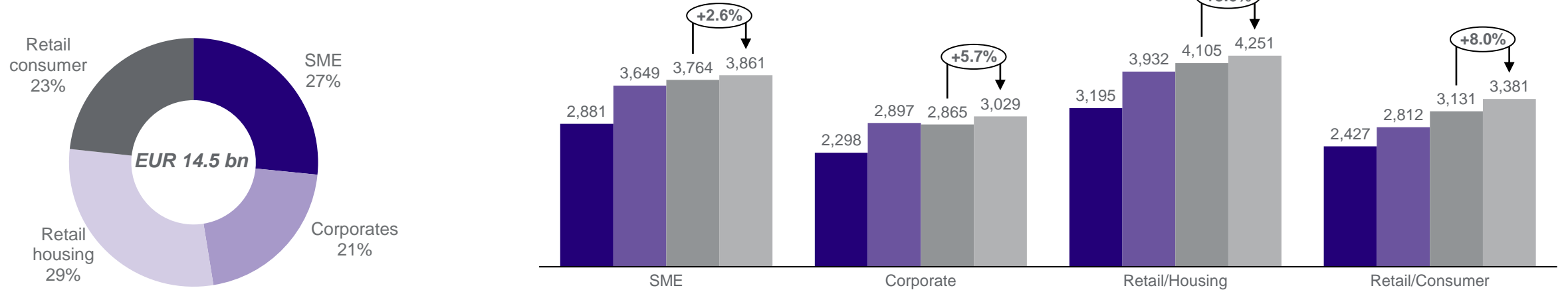
Asset Quality



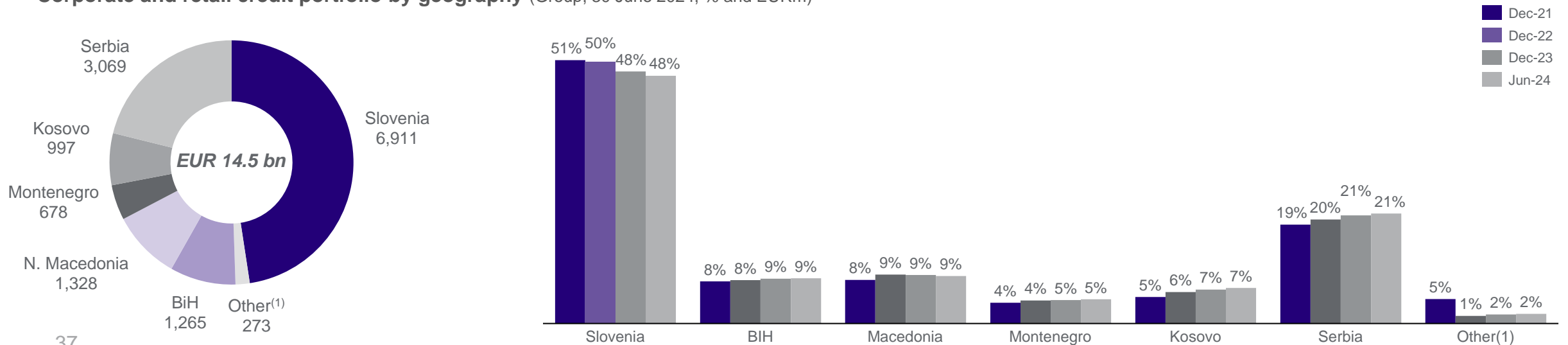
Asset Quality – NLB Group

Diversified corporate and retail credit portfolio, focused on core markets

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



Corporate and retail credit portfolio by geography (Group, 30 June 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 June 2024)

Credit portfolio			in EUR thousands	
Corporate sector by industry	NLB Group	%	Δ 2Q 2024	Δ YtD 2024
Accommodation and food service activities	190,315	3%	1,345	-8,514
Act. of extraterritorial org. and bodies	3	0%	-5	0
Administrative and support service activities	119,173	2%	5,993	7,862
Agriculture, forestry and fishing	349,254	5%	5,767	4,572
Arts, entertainment and recreation	19,915	0%	802	-116
Construction industry	667,071	10%	113,900	110,132
Education	15,315	0%	92	360
Electricity, gas, steam and air conditioning	554,683	8%	44,445	11,383
Finance	143,500	2%	-5,882	-868
Human health and social work activities	40,263	1%	-1,664	2,892
Information and communication	252,216	4%	-9,357	-39,405
Manufacturing	1,615,746	23%	79,641	90,889
Mining and quarrying	44,871	1%	-1,004	-1,200
Professional, scientific and techn. act.	225,917	3%	4,236	-8,955
Public admin., defence, compulsory social.	191,303	3%	-1,839	-8,203
Real estate activities	376,629	5%	9,407	-791
Services	11,657	0%	-2,605	-2,293
Transport and storage	603,926	9%	-1,476	-15,116
Water supply	62,553	1%	2,807	5,411
Wholesale and retail trade	1,404,844	20%	45,818	114,594
Other	77	0%	-692	-2,717
Total Corporate sector	6,889,231	100%	289,727	259,918

- In Q2 2024 NLB Group increased lending, mainly to companies from manufacturing, wholesale and retail trade and construction industry sector.
- The portfolio growth in H1 is a result of lending activity in Q2, while in Q1 repayments prevailed, mostly by companies from transport and state-owned companies from 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, 30 June 2024)

Credit portfolio			in EUR thousands	
Corporate sector by industry	NLB Group	%	Δ 2Q 2024	Δ YtD 2024
Manufacturing	1,615,746	23%	79,641	90,889



Credit portfolio			in EUR thousands	
Main manufacturing activities	NLB Group	%	Δ 2Q 2024	Δ YtD 2024
Manufacture of food products	262,963	4%	-5,553	-19,042
Manufacture of electrical equipment	221,163	3%	44,942	30,375
Manufacture of fabricated metal products, except machinery and equipment	191,018	3%	6,337	-2,328
Manufacture of basic metals	162,750	2%	3,981	6,736
Manufacture of other non-metallic mineral products	117,472	2%	6,936	19,541
Manufacture of motor vehicles, trailers and semi-trailers	91,322	1%	-2,486	5,348
Manufacture of machinery and equipment n.e.c.	85,858	1%	-5,693	6,423
Manufacture of rubber and plastic products	73,728	1%	-1,718	-1,102
Other manufacturing activities	409,473	6%	32,894	44,939
Total manufacturing activities	1,615,746	23%	79,641	90,889

Credit portfolio			in EUR thousands	
Corporate sector by industry	NLB Group	%	Δ 2Q 2024	Δ YtD 2024
Wholesale and retail trade	1,404,844	20%	45,818	114,594



Credit portfolio			in EUR thousands	
Main wholesale and retail trade activities	NLB Group	%	Δ 2Q 2024	Δ YtD 2024
Wholesale trade, except of motor vehicles and motorcycles	770,515	11%	4,663	52,079
Retail trade, except of motor vehicles and motorcycles	462,453	7%	18,761	34,200
Wholesale and retail trade and repair of motor vehicles and motorcycles	171,876	2%	22,395	28,316
Total wholesale and retail trade	1,404,844	20%	45,818	114,594

NLB Group Asset Quality

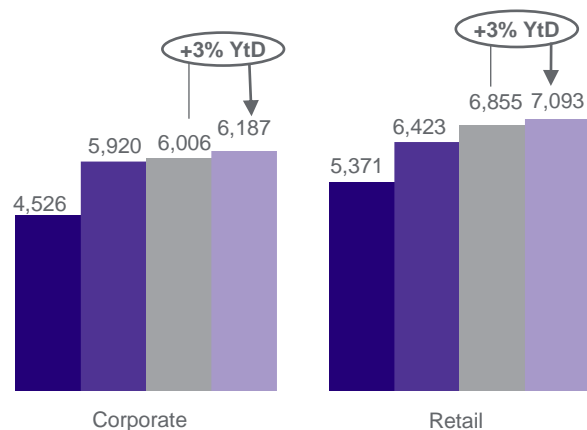
High % of Stage 1 Credit portfolio (measured at amortized cost & FVTPL)

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

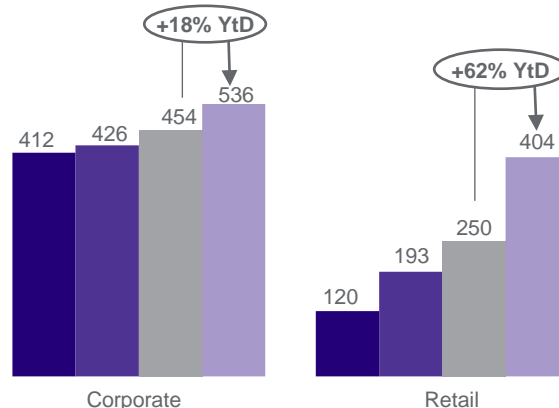
	in EUR millions														
	Credit portfolio									Provisions and FV changes for credit portfolio					
	Stage 1			Stage 2			Stage 3 & FVTPL			Stage 1		Stage 2		Stage 3 & FVTPL	
	Credit portfolio	Share of Total	YTD change	Credit portfolio	Share of Total	YTD change	Credit portfolio	Share of Total	YTD change	Provision Volume	Provision Coverage	Provision Volume	Provision Coverage	Provisions & FV changes	Coverage with provisions and FV changes
Total NLB Group	18,557.1	93.7%	-682.1	939.2	4.7%	235.1	303.4	1.5%	2.8	76.2	0.4%	50.5	5.4%	202.3	66.7%
o/w Corporate	6,186.7	89.8%	181.1	535.7	7.8%	81.4	166.8	2.4%	-2.6	34.1	0.6%	17.5	3.3%	103.5	62.0%
o/w Retail	7,092.6	92.9%	237.9	403.5	5.3%	153.9	136.4	1.8%	5.4	39.6	0.6%	33.0	8.2%	98.7	72.4%
o/w State	4,986.2	100.0%	-941.8	0.0	0.0%	0.0	0.0	0.0%	0.0	2.3	0.0%	0.0	6.2%	0.0	96.6%
o/w Institutions	291.5	99.9%	-159.3	0.0	0.0%	-0.3	0.2	0.1%	0.0	0.2	0.1%	0.0	0.0%	0.2	100.0%

- The Stage 2 allocation increased, mainly 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.

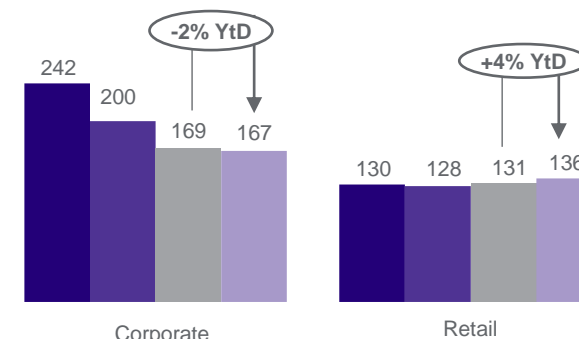
Stage 1 by segment (in EURm)



Stage 2 by segment (in EURm)



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

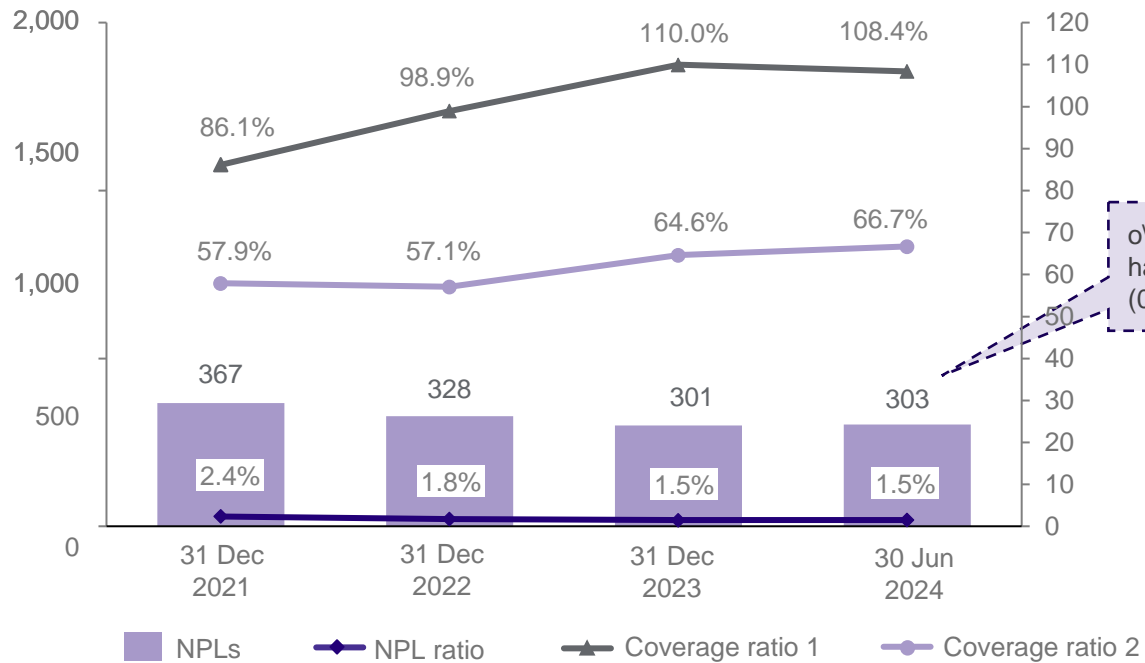


■ 31 Dec 2021 ■ 31 Dec 2022 ■ 31 Dec 2023 ■ 30 Jun 2024

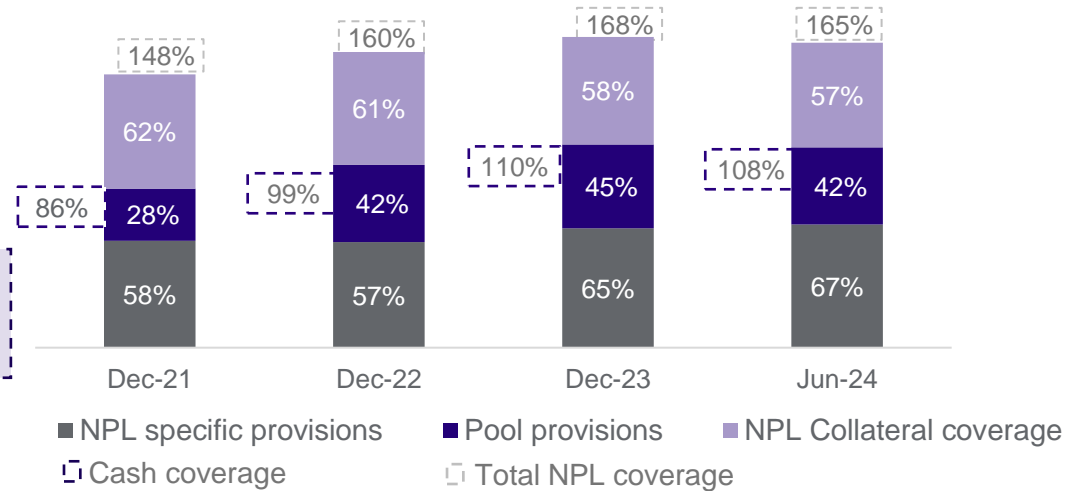
Asset Quality – NLB Group

NPL ratio stable. Improved NPL coverage by provisions.

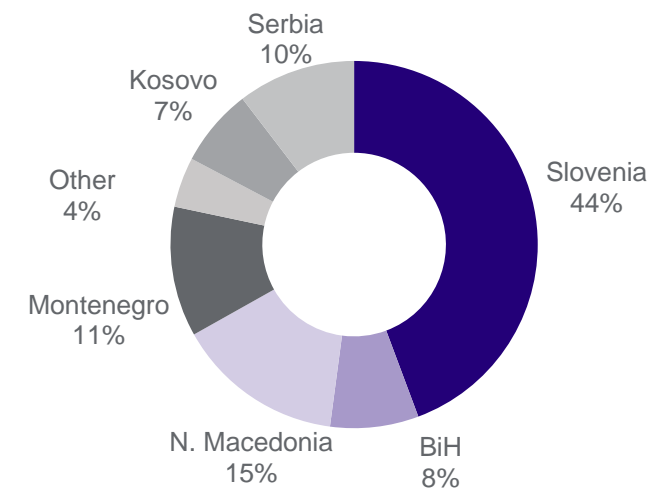
Gross NPL ratio within the planned framework (Group, EURm)



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



NPL by geography (Group, 30 Jun 2024)



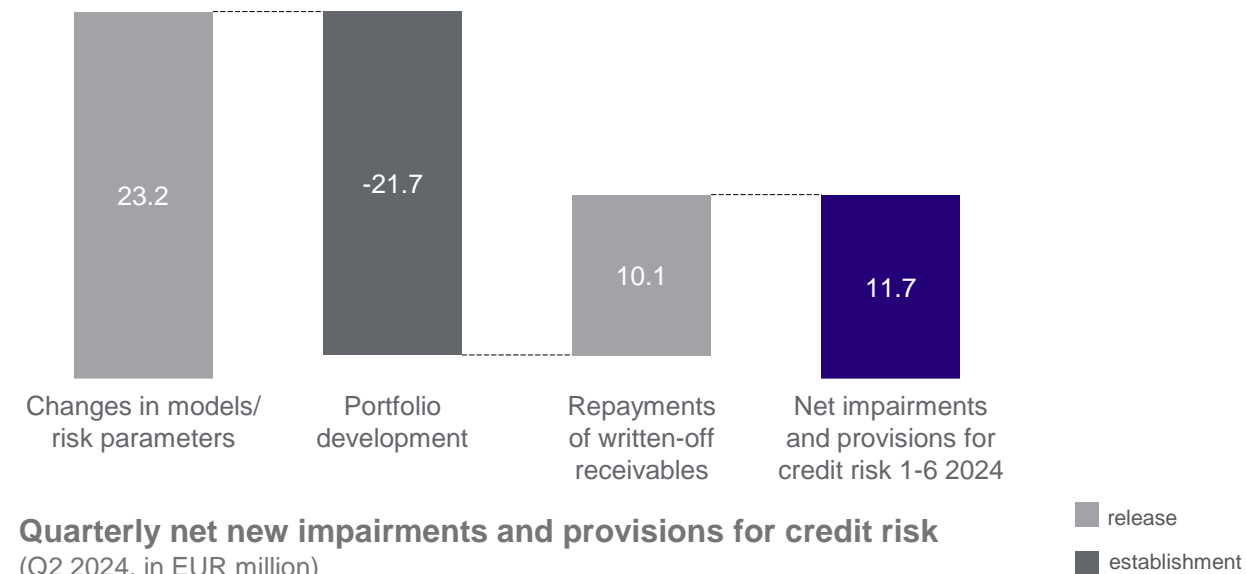
- In H1, favorable NPL movements were recognized in corporates, while in retail, the growth of new NPLs slightly exceeded repayments and recovery of existing NPLs.
- **NPL ratio** and **NPE ratio** at the end of H1 2024 remained at 2023 year-end level at 1.5% and 1.1%. **Coverage ratio** (CR1) slightly decreased to 108.4%, while NPL coverage ratio (CR2) improved to 66.7%, which is above the EU average as published by the EBA (41.8 % for Q1 2024).

Impairments and provisions for credit risk

Negative CoR in Q2 2024, revised risk parameters and changed overlays led to provision release

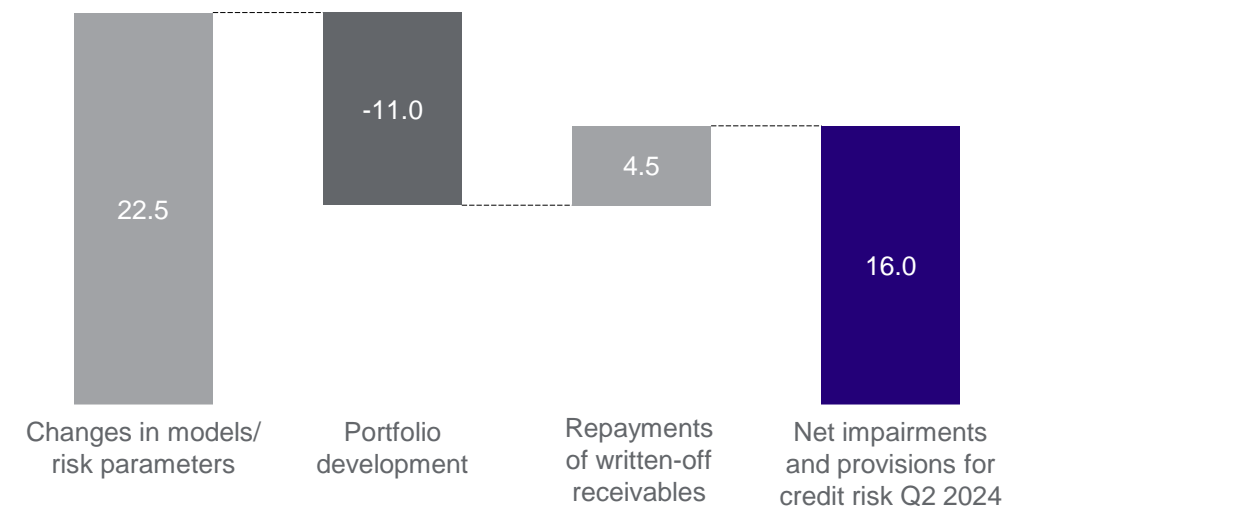
Cumulative net new impairments and provisions for credit risk

(1-6 2024, in EUR million)



Quarterly net new impairments and provisions for credit risk

(Q2 2024, in EUR million)



In Q2 2024 net impairments and provisions for credit risk were released in the amount of EUR 16 million:

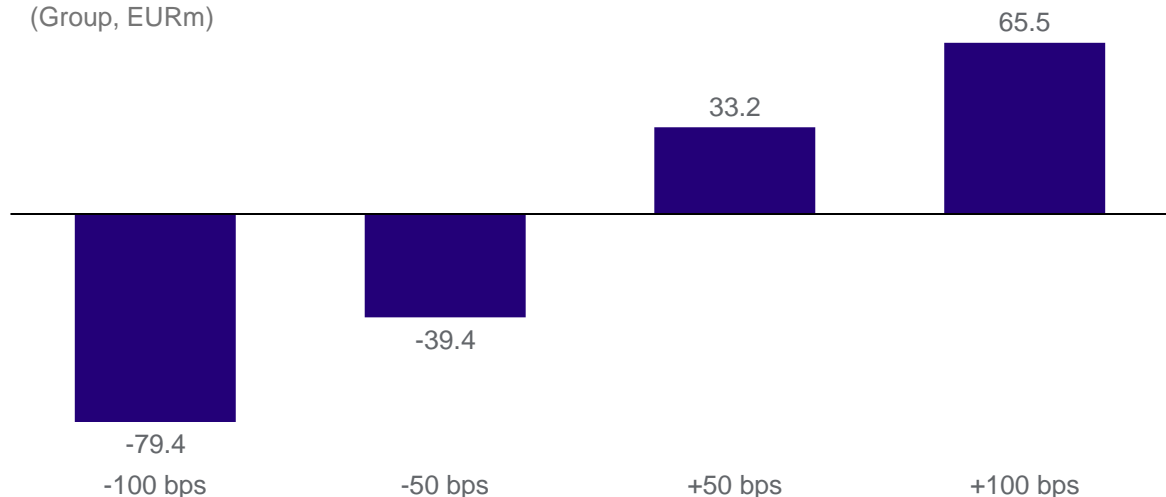
- Release of impairments and provisions in the amount of EUR 22.5 million related to the change in models/risk parameters mostly in subsidiary banks. Overlays connected to the risks of the Russia/Ukraine conflict and related electricity crisis as well as inflationary pressures are less pronounced, which is the key factor for the release. In addition, improved macroeconomic expectations attributed to an additional impact on the level of impairments and provisions.
- Additional provisions 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 4.5 million due to a favorable environment for NPLs resolution.

NII sensitivity to interest rate shifts – NLB Group

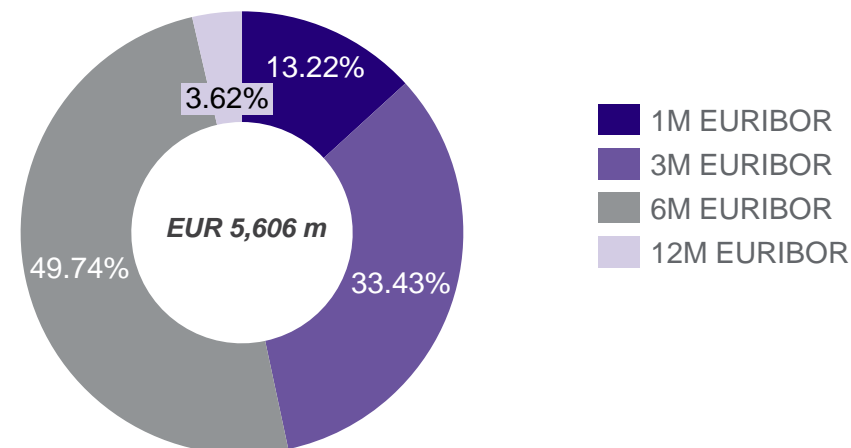
Readily accessible diverse toolbox to protect interest margins

NII sensitivity to various rate shocks

(Group, EURm)



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



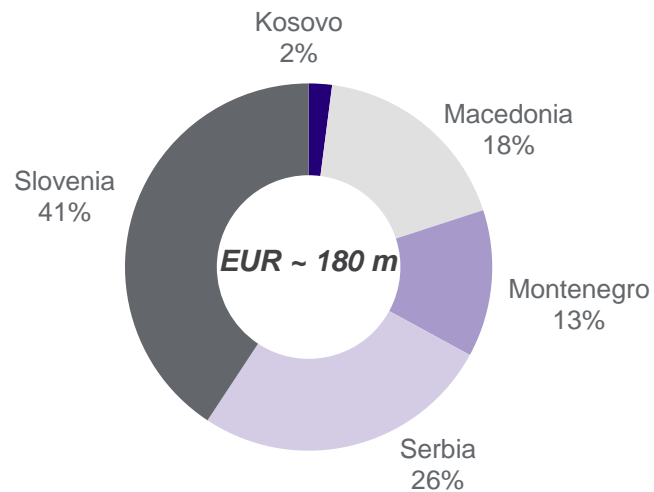
The **net interest income (NII) in Q2 reached EUR 228.3 million, a slight 2% QoQ decline (EUR 3.9 million)**. Interest income from loans to customers and securities increased by EUR 4.8 million and EUR 7.1 million, respectively, while income from balances at banks and central banks was lower by EUR 9.3 million (evenly distributed between lower volumes and lower interest rates). A shift from interest income from banks and central bank balances to securities was a result of **deliberate balance sheet measures to reduce NII sensitivity, leading to approximately EUR 2 million lower NII QoQ**. The increase in interest expenses resulted from higher expenses incurred from wholesale funding (EUR 2.8 million) and higher expenses for customer deposits (EUR 1.0 million).

As a result of the balance sheet measures and a higher pace of fixed-rate lending **NII sensitivity was reduced by 86 bps YtD** (from -3.89% to -3.04% sensitivity relative to T1 capital, or EUR 22.0 million to a level of EUR 79.4 million in case of -100 bps parallel shift). Deliberate balance sheet measures had been taken as a combination of interest rate hedges on issued securities and the investments in securities, each approximately EUR 1.1 billion.

Specific Commercial Real-estate financing

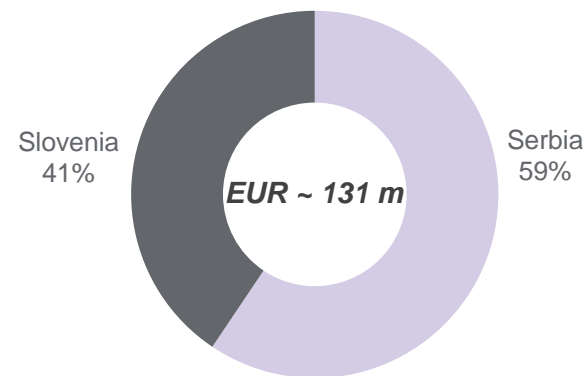
Limited and carefully monitored portfolio

Retail shopping centres



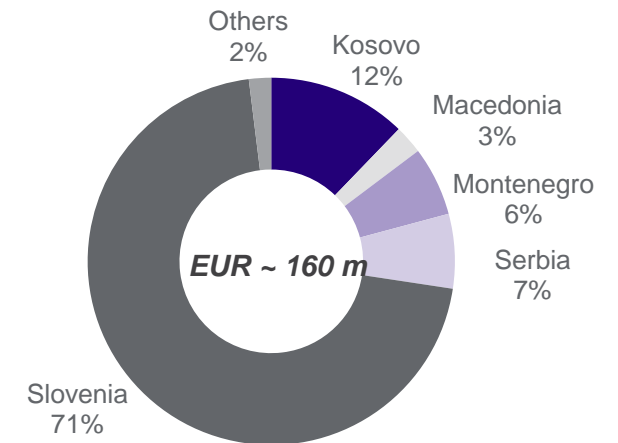
- 95% projects are in operational phase.
- Occupancy rate above 90%.
- Rents are stable.
- Average DSCR on projects is 1.4.
- Average LTV below 50.
- Majority of loans are amortizing loans.

Office & Congress centres



- 15% in construction phase, 85% in operational phase.
- Occupancy rate and rents are stable.
- Average DSCR 1.2.
- Average LTV below 60.

Hotels



- 88% 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 H1 2024

16.0 ESG Risk Rating ⁽¹⁾

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
- 2 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

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

- 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 continued to develop **operational net-zero strategy**, and continued to reduce their emissions by optimising energy and resource consumption, car fleet transformation and reducing paper consumption through digitalisation and automation of processes.
- 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](#).

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 mn green bond issuance in June 2023, 341 EUR mn 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.
- **NLB Group was included in the ECB Stress test exercise – 2024 EBA Fit for-55 climate risk scenario analysis**. The results of this exercise were publicly disclosed only on aggregate (whole banking) level. NLB Group's results were in line with average the peer group results.

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.

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

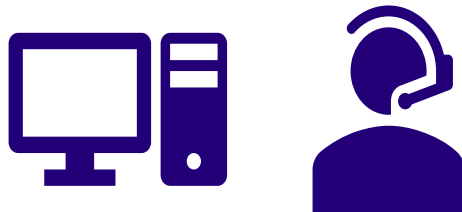
State-of-the art services & channels

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 M-bank

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

Only bank with fully E2E digital quick loan capabilities (Consumer & SME)



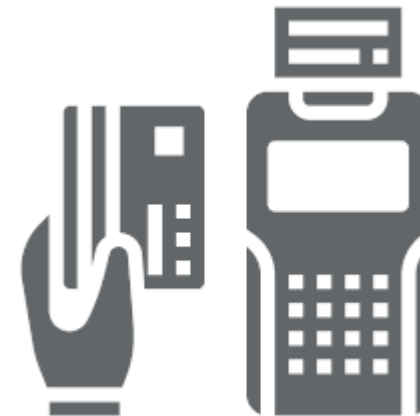
First Slovenian bank sending cards' PIN via SMS

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

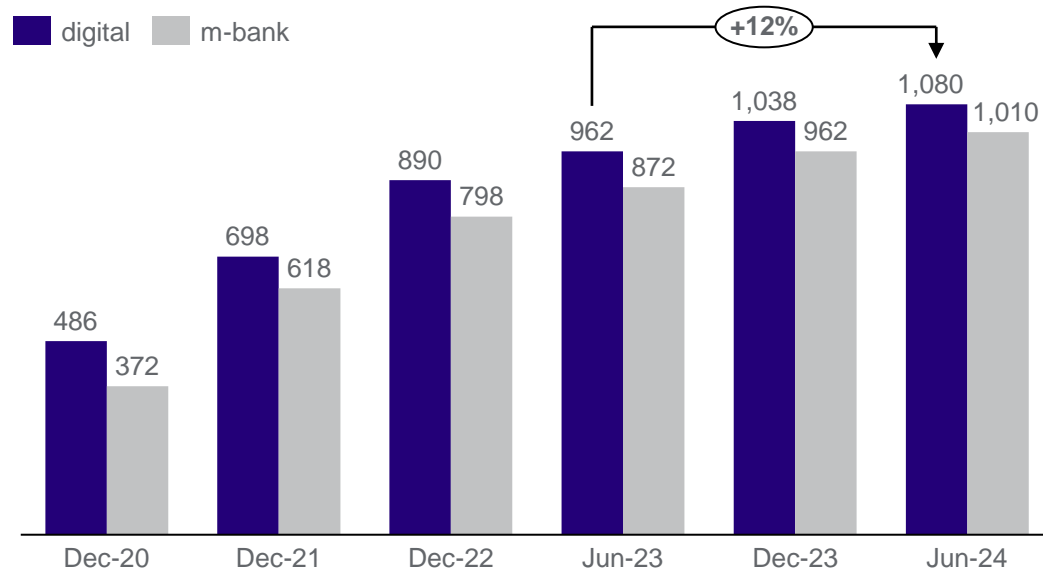
First Slovenian bank issuing digital only debit cards



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



More than 1.5 million digital private individual users in the Group as at 30 June 2024, o/w 69% are active users.

M&A



Leasing M&A



Acquisition of Summit Leasing

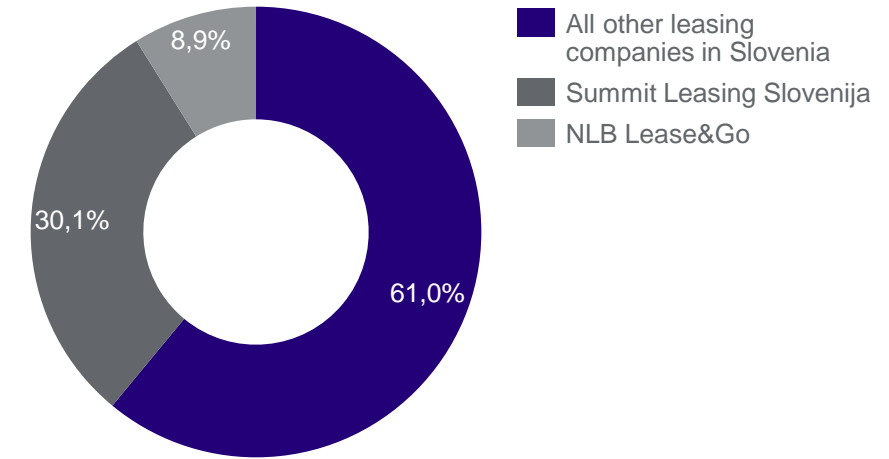
The Bank signed SPA for 100% shareholding in Summit Leasing Slovenija and its subsidiaries

SLS Group at a glance

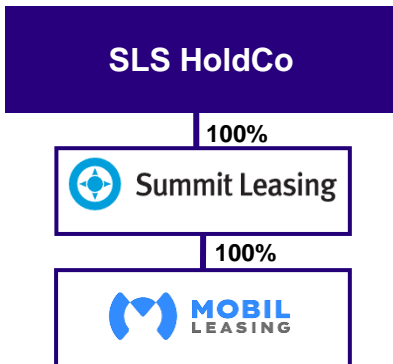
Undisputed leader in the Slovenian vehicle leasing market

- 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

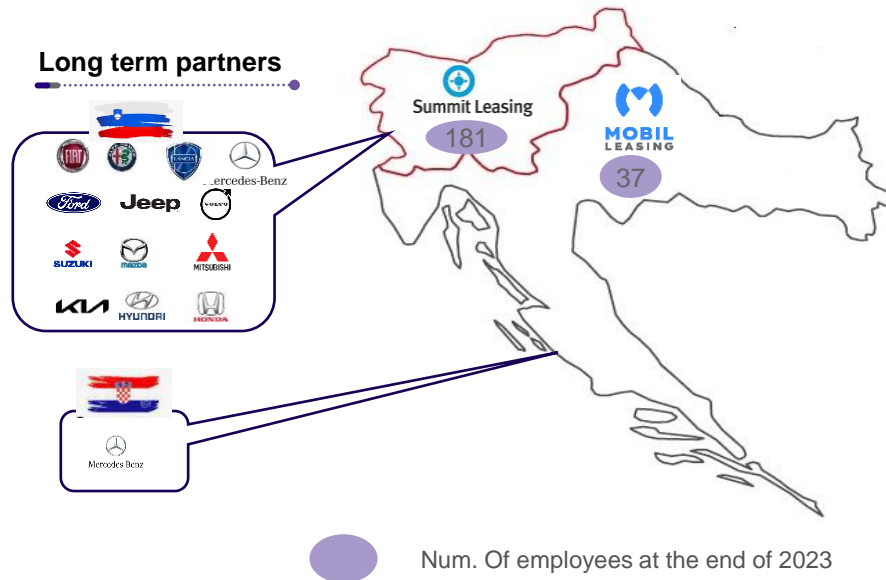
Market share by new production in 2023



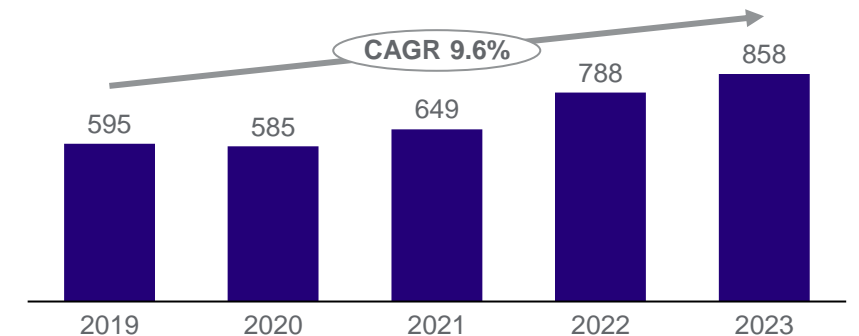
Ownership structure



Long term partners

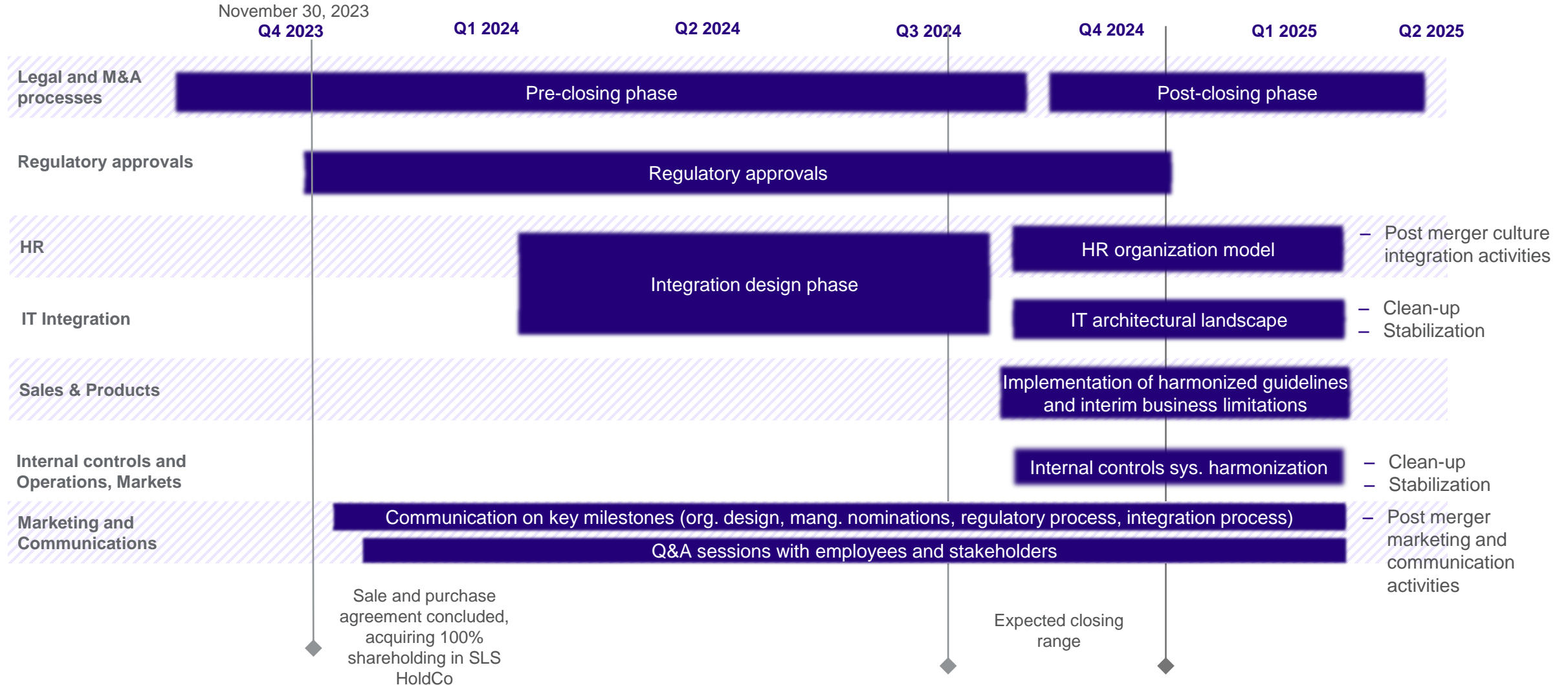


Evolution of the SLS Group⁽¹⁾ portfolio since 2019 (EURm)



High-level integration timeline

Following the approval from the Croatian Financial Services Supervisory Agency (HANFA) to acquire Mobil Leasing (Croatia) on 28 June 2024, the Bank obtained approval from the Slovenian Competition Protection Agency (AVK) to acquire Summit Leasing Slovenia on 18 July 2024. The Bank is now awaiting the final regulatory clearance, from the ECB, to successfully complete the transaction as expected in mid-September 2024.



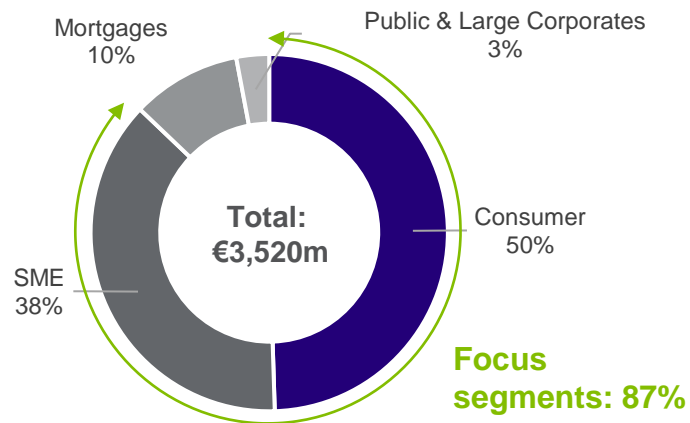
Addiko takeover offer

Addiko at a glance: a pan-regional platform which is perfect fit for NLB

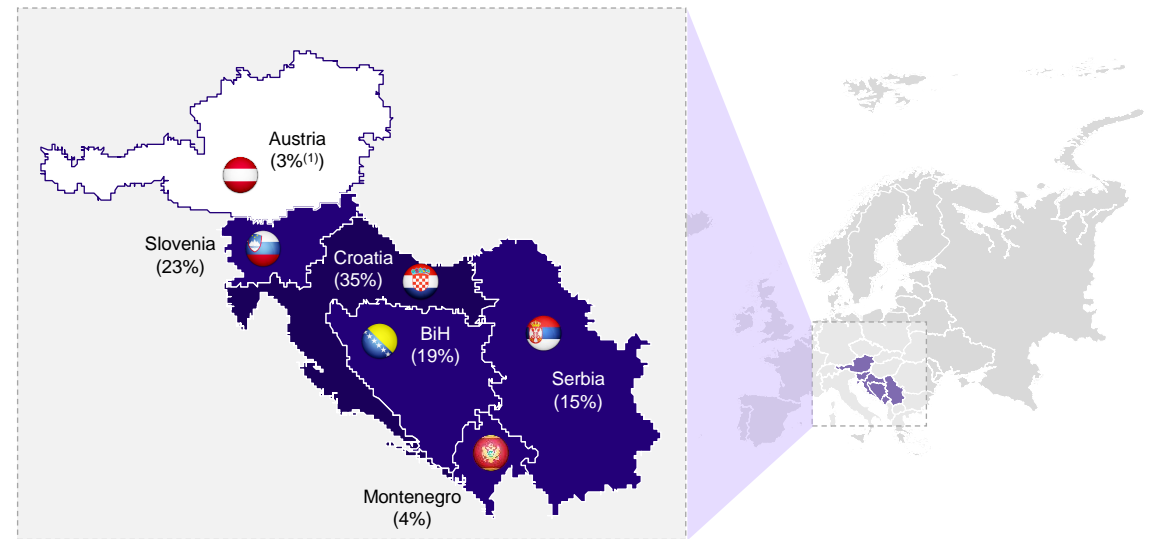
Overview of Addiko

- ✓ Fully licensed bank with HQ in Austria, focused 100% on Central and South-Eastern Europe
- ✓ Listed on the Vienna Stock Exchange on 12 July 2019, admitted to ATX Prime on 15 July 2019 (19.5m shares (including treasury shares))
- ✓ Pan-regional platform focused on growth in Consumer and SME lending with an emphasis on digital delivery models

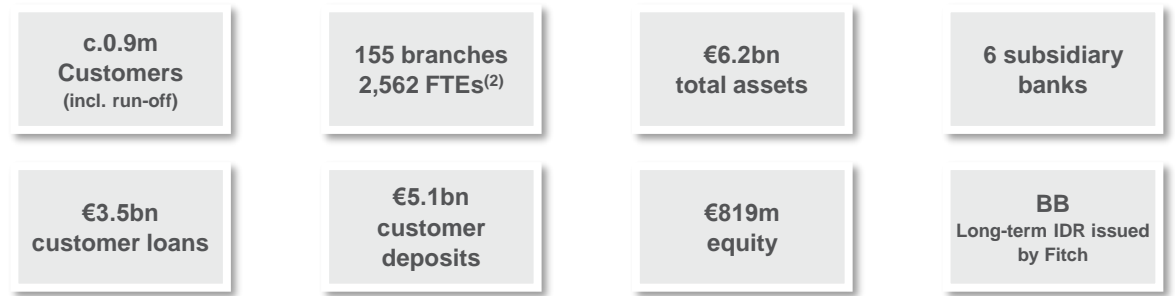
Gross performing loans (Q1-2024)



Geographic footprint

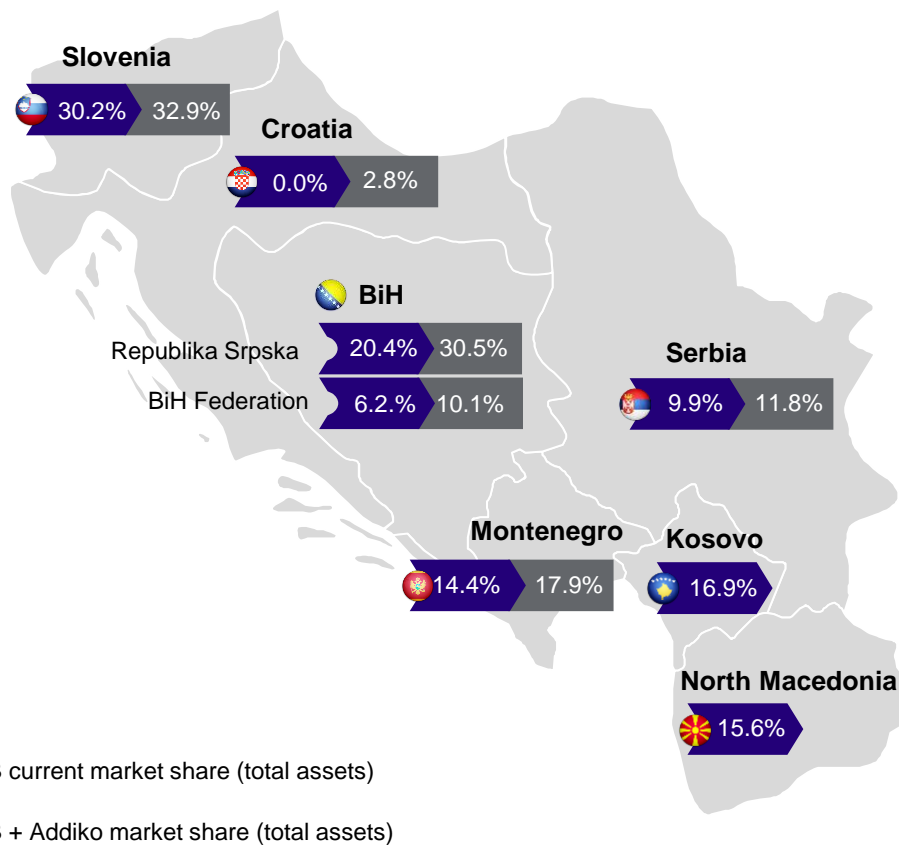


Q1-2024, % of Group Assets (rounded)

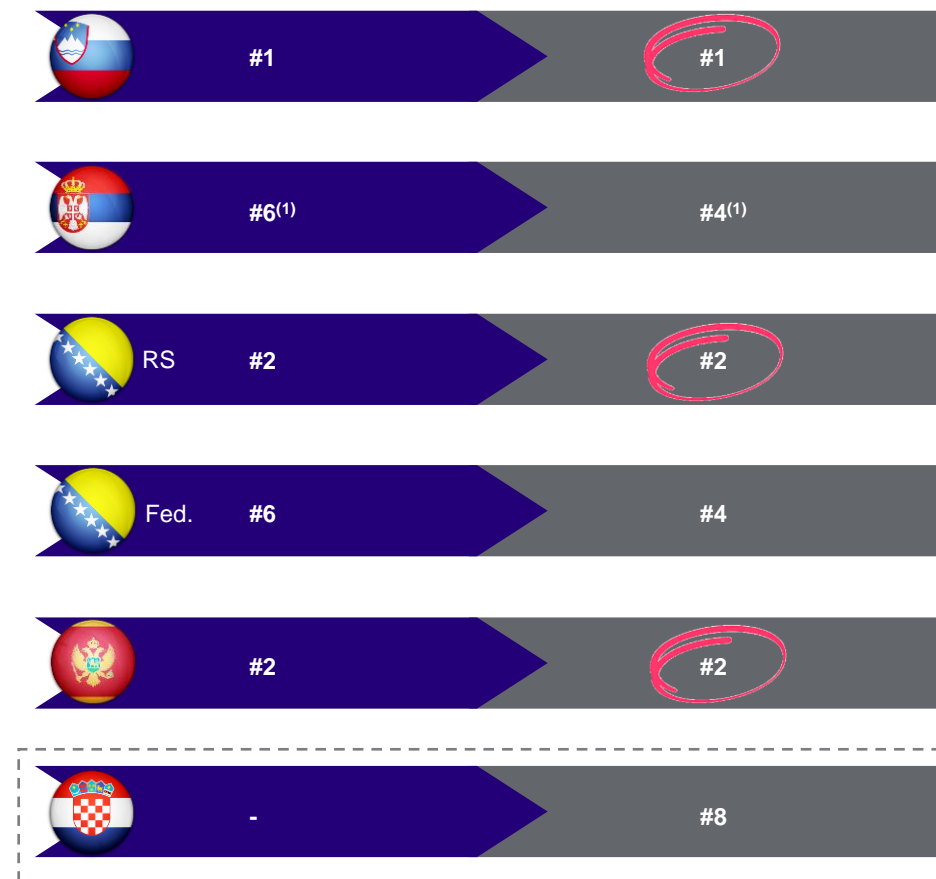


Cements NLB's position as a leading banking group in our Home Region

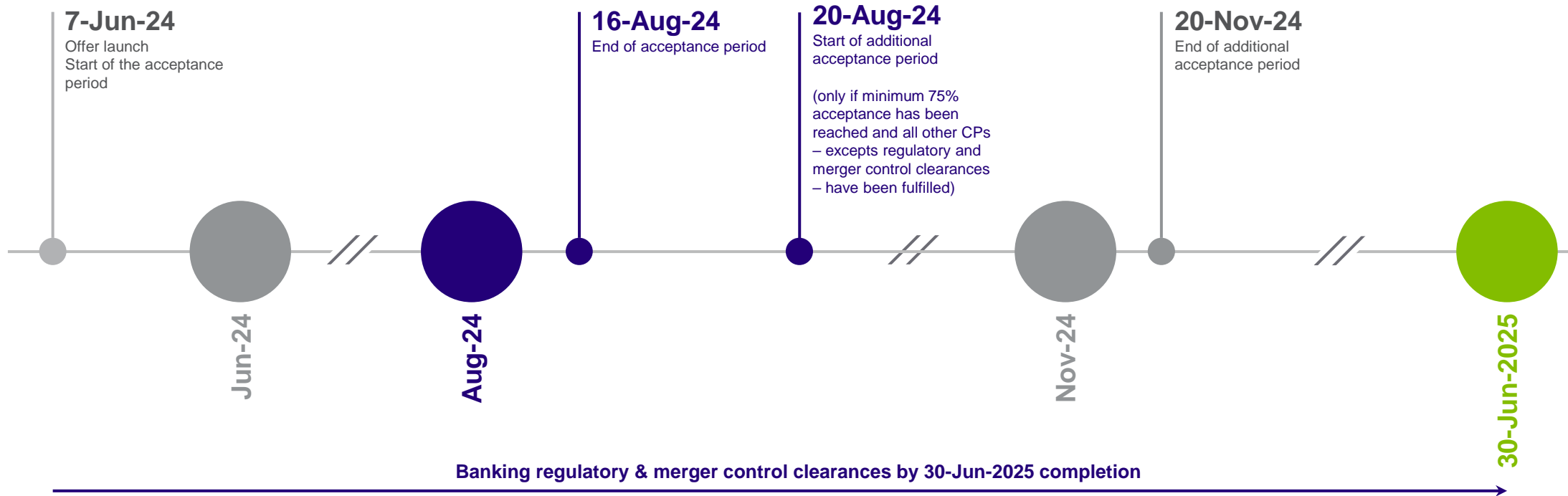
Pro-forma NLB market share (by total assets)



Pro-forma NLB market position (by total assets)



Anticipated offer timeline



Offer conditioned to⁽¹⁾:

- Minimum 75% acceptance threshold
- No change in Addiko registered share capital. No loss of licence, no insolvency. No sale of all of its current banking business or any of its subsidiaries with a banking license. No breach in regulatory capital requirements for a period longer than one month without implementing of any recovery measures to meet the regulatory requirements again within a period of 3 months. No significant compliance breach
- No significant decrease in Euro Stoxx Banks Index (c. 30% reduction for 6 consecutive trading days between the offer date and expiry of the acceptance period)
- Regulatory and merger control approvals⁽²⁾

Outlook & Strategy

A white curved line, resembling a partial arc or a stylized 'C' shape, is positioned on the right side of the slide. It starts near the top right and curves downwards towards the bottom right, set against a solid dark blue background.

Outlook

KPI	Last Outlook for 2024	Revised Outlook for 2024	Revised Outlook for 2025
Regular income	~ EUR 1,200 million	~ EUR 1,200 million	~ EUR 1,200 million
CIR	~ 45%	~ 45%	~ 45%
Cost of risk	20-40 bps	Below 20 bps	30-50 bps
Loan growth	Mid single-digit	High 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 ⁽ⁱ⁾	> 20%	> 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 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

Appendices

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Appendix 1:

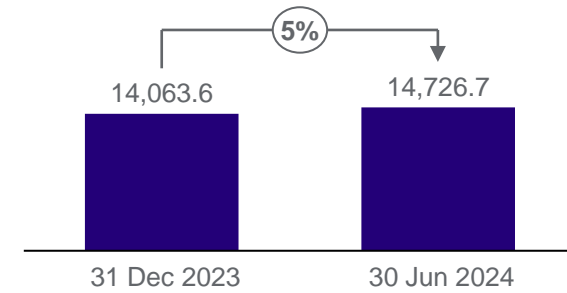
Business Performance

Key performance indicators of NLB Group

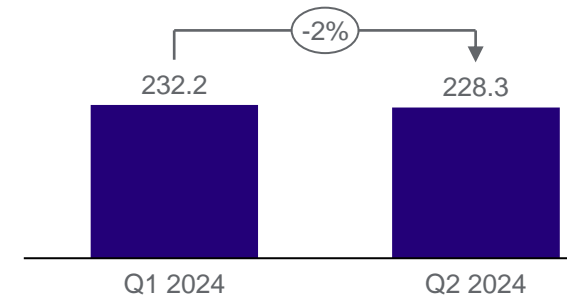
Strong recurring revenues and resilient asset quality

	in EUR millions / % / bps						
	1-6 2024	1-6 2023	Change YoY	Q2 2024	Q1 2024	Q2 2023	Change QoQ
Key Income Statement Data							
Net operating income	604.0	511.7	18%	305.9	298.1	269.7	3%
Net interest income	460.4	380.0	21%	228.3	232.2	201.0	-2%
Net non-interest income	143.6	131.7	9%	77.7	65.9	68.7	18%
o/w Net fee and commission income	150.0	134.6	11%	78.9	71.1	68.5	11%
Total costs	-275.0	-240.7	-14%	-142.7	-132.4	-123.6	-8%
Result before impairments and provisions	329.0	270.9	21%	163.2	165.8	146.1	-2%
Impairments and provisions	10.4	17.8	-41%	15.1	-4.7	5.4	-
Impairments and provisions for credit risk	11.7	29.9	-61%	16.0	-4.4	11.5	-
Other impairments and provisions	-1.3	-12.1	90%	-1.0	-0.3	-6.2	-
Result after tax	292.0	242.7	20%	152.0	140.0	122.6	9%
Key Financial Indicators							
ROE a.t.	19.4%	19.4%	-0.1 p.p.				
Return on equity after tax (ROE a.t.) normalized ⁽ⁱ⁾	30.1%	26.0%	4.1 p.p.				
ROA a.t.	2.2%	2.0%	0.2 p.p.				
Net interest margin (on interest bearing assets)	3.68%	3.30%	0.38 p.p.				
Operational business margin ⁽ⁱⁱ⁾	4.99%	4.56%	0.43 p.p.				
Cost to income ratio (CIR) ⁽ⁱⁱⁱ⁾	42.8%	47.0%	-4.2 p.p.				
Cost of risk net (bps) ^(iv)	-18	-38	20				
	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023	Change YTD	Change YoY	Change QoQ
Key Financial Position Statement Data							
Total assets	26,613.7	26,025.7	25,942.0	24,701.5	3%	8%	2%
Gross loans to customers	14,726.7	14,197.1	14,063.6	13,747.3	5%	7%	4%
Net loans to customers	14,399.3	13,859.9	13,734.6	13,431.8	5%	7%	4%
Deposits from customers	20,693.8	20,471.5	20,732.7	19,924.9	0%	4%	1%
Equity (w without non-controlling interests)	3,081.3	3,035.6	2,882.9	2,586.1	7%	19%	2%
Other Key Financial Indicators							
LTD ^(v)	69.6%	67.7%	66.2%	67.4%	3.3 p.p.	2.2 p.p.	1.9 p.p.
Tier 1 Ratio	16.3%	16.9%	16.9%	15.3%	-0.6 p.p.	1.0 p.p.	-0.6 p.p.
Total capital ratio	19.7%	20.7%	20.3%	18.7%	-0.6 p.p.	1.0 p.p.	-1.0 p.p.
Total risk exposure amount (RWA)	16,017.2	15,427.8	15,337.2	14,838.4	4%	8%	4%
Employees							
Number of employees	8,049	7,999	7,982	8,154	67	-105	50

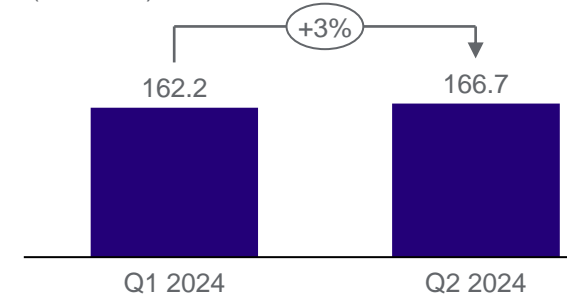
Gross loans to customers (in EURm)



Net interest income (in EURm)



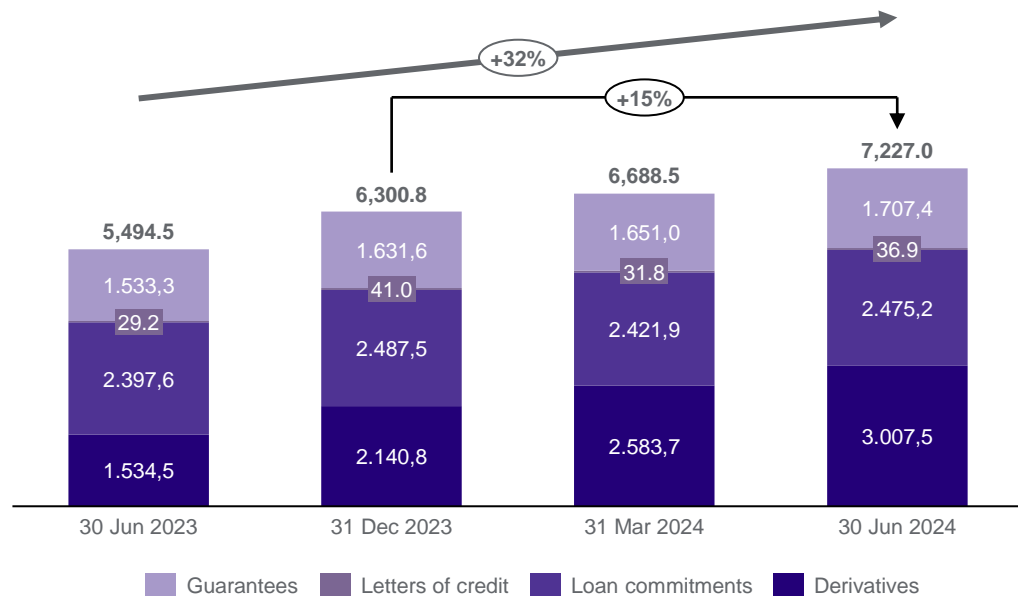
Recurring result before impairments and provisions (in EURm)



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			
	30 Jun 2024	31 Dec 2023	31 Mar 2024	30 Jun 2023
Loans	1,486.9	1,500.5	1,446.7	1,429.2
Overdrafts Retail	396.3	377.5	376.1	398.1
Overdrafts Corporate	222.9	264.0	246.3	234.2
Cards	397.2	387.7	390.9	387.6
Other	54.1	42.3	40.6	16.0
Inter Company	-82.2	-84.5	-78.7	-67.6
Loan commitments	2,475.2	2,487.5	2,421.9	2,397.5
Low risk off-balance commitments *	919.5	915.5	956.7	732.7
Loan and low-risk off-balance commitments	3,394.7	3,402.9	3,378.6	3,130.3

Derivatives

	in EUR million			
	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023
FX derivatives with customers	254.1	275.9	346.3	177.0
Interest rate derivatives with customers	425.8	424.9	449.0	456.7
FX derivatives - hedging (NLB stand alone)	138.5	176.4	215.8	132.2
Interest rate derivatives - hedging (NLB stand alone)	2,145.2	1,657.9	1,083.8	651.6
Options (NLB stand alone)	43.8	48.6	45.9	53.6
Derivatives (N Banka contribution)	0.0	0.0	0.0	63.4
Total	3,007.5	2,583.7	2,140.8	1,534.5

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

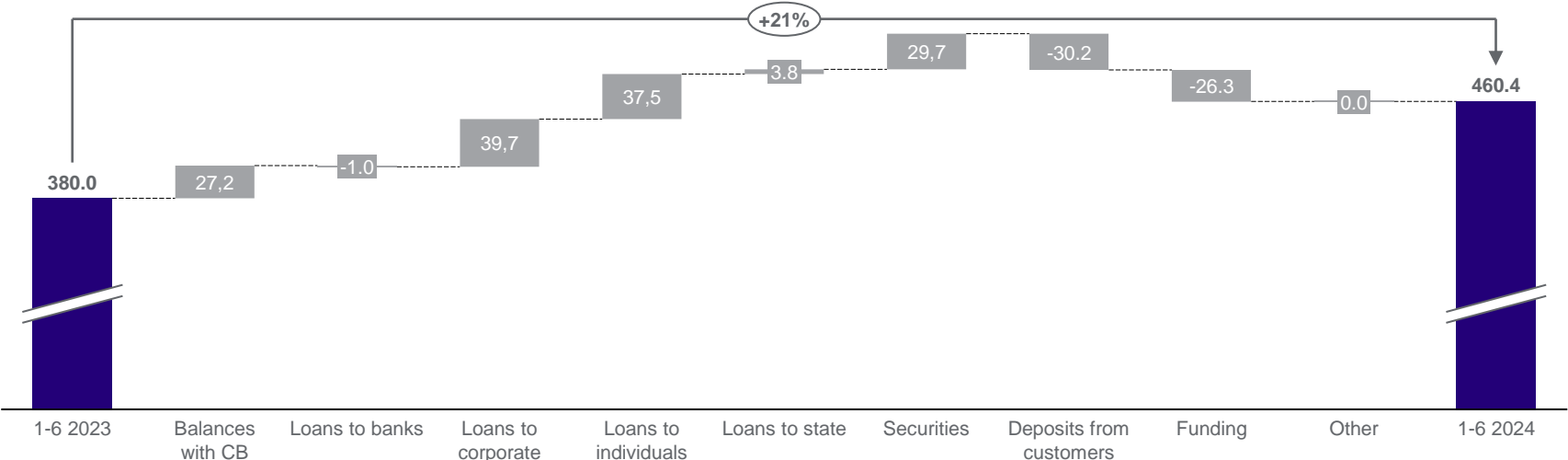
- Customers are mainly using plain vanilla FX and Interest rate derivatives for hedging of their business model.

Hedging

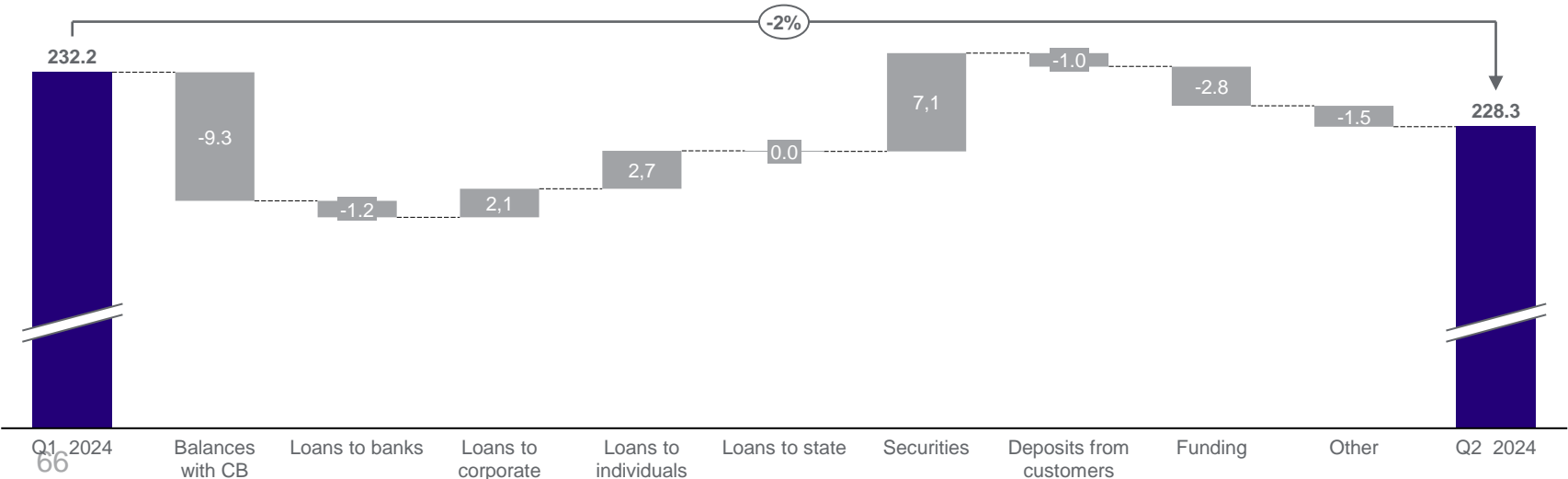
- NLB is concluding interest rate swaps in line with fair value hedge accounting rules. Micro and macro hedges are used for hedging of fixed rate loan portfolio and micro Interest rate swaps are used for the purpose of securities hedging.
- The increase in derivatives is mainly due to hedging of issued NLB securities with the aim of NII stabilisation (EUR 1,070 million in H1 and EUR 1,520 million YoY).
- FX swaps used for short-term liquidity hedging at the similar level as in June 2023.

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	
A3 / Stable / 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		

Appendix 2:

Segment Analysis

NLB Group key business segments⁽³⁾

	Retail banking in Slovenia	Corporate and investment banking in Slovenia	Financial markets in Slovenia	Strategic foreign markets	Non-core members
	Retail (NLB & N Banka) Micro (NLB & N Banka) NLB Skladi Bankart ⁽¹⁾ NLB Lease&Go, leasing, Ljubljana (retail clients)	Corporate & Investment banking: <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 - NLB Lease&Go, leasing, Ljubljana (corporate clients) 	NLB & N Banka: <ul style="list-style-type: none"> - Treasury activities - Trading in financial instruments - Asset and liabilities management (ALM) 	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&Go Skopje NLB Lease&Go Leasing Beograd Generali Investments, Skopje	NLB Srbija NLB Crna Gora Entities in liquidation
	<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 • New functionalities added into digital bank NLB Klik 	<ul style="list-style-type: none"> • Market leader 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 non-core subsidiaries funded via NLB • Controlled wind-down of remaining assets, including collection of claims, liquidation of subsidiaries and sale of assets
(Jun 2024, in EURm)					
Pre-provision result	132.8	54.5	-6.9	173.1	-1.5
Result b.t.	117.7	63.6	-7.7	191.1	-0.1
Total assets	3,915	3,469	7,568	11,163	30
% of total assets⁽²⁾	15%	13%	28%	42%	0%
CIR	37.1%	38.8%	/	43.3%	/
Cost of risk (bp)	89	-54	/	-55	/

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									
	1-6 2024	1-6 2023	Change YoY		Q2 2024	Q1 2024	Q2 2023	Change QoQ	
Net interest income	159.4	110.4	49.1	44%	79.4	80.1	61.1	-1%	
Net interest income from Assets ⁽ⁱ⁾	45.6	43.6	2.0	5%	23.0	22.6	21.0	2%	
Net interest income from Liabilities ⁽ⁱ⁾	113.8	66.8	47.1	71%	56.3	57.5	40.1	-2%	
Net non-interest income	51.6	48.5	3.1	6%	31.3	20.2	27.4	55%	
o/w Net fee and commission income	61.2	56.7	4.5	8%	31.0	30.2	28.6	2%	
Total net operating income	211.0	158.9	52.1	33%	110.7	100.3	88.5	10%	
Total costs	-78.2	-72.6	-5.6	-8%	-43.4	-34.8	-36.7	-2%	
Result before impairments and provisions	132.8	86.3	46.5	54%	67.3	65.5	51.8	3%	
Impairments and provisions	-16.7	-15.4	-1.3	-9%	-11.2	-5.5	-3.8	-103%	
Share of profit from investments in associates and joint ventures	1.7	0.6	1.1	178%	0.7	1.0	0.3	-2%	
Result before tax	117.7	71.5	46.2	65%	56.8	60.9	48.2	-7%	
	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023	Change YtD		Change YoY		Change QoQ
Net loans to customers	3,818.9	3,744.9	3,694.2	3,613.4	124.7	3%	205.6	6%	2%
Gross loans to customers	3,900.6	3,817.3	3,760.8	3,670.6	139.8	4%	230.0	6%	2%
Housing loans	2,537.2	2,495.6	2,483.5	2,437.9	53.7	2%	99.3	4%	2%
Interest rate on housing loans ⁽ⁱⁱ⁾	3.22%	3.26%	3.07%	2.93%	0.15 p.p.		0.29 p.p.		-0.04 p.p.
Consumer loans	892.9	856.4	818.5	756.5	74.3	9%	136.4	18%	4%
Interest rate on consumer loans ⁽ⁱⁱ⁾	8.38%	8.36%	8.14%	8.01%	0.24 p.p.		0.37 p.p.		0.02 p.p.
NLB Lease&Go, leasing, Ljubljana	120.2	108.7	98.2	83.7	22.1	22%	36.5	44%	11%
Other	350.3	356.7	360.6	392.5	-10.2	-3%	-42.2	-1%	-2%
Deposits from customers	9,590.2	9,369.1	9,357.8	9,265.9	232.4	2%	324.3	4%	2%
Interest rate on deposits ⁽ⁱⁱ⁾	0.49%	0.47%	0.32%	0.25%	0.17 p.p.		0.24 p.p.		0.02 p.p.
Non-performing loans (gross)	81.6	85.2	77.3	66.8	4.3	5%	14.8	22%	-4%
	1-6 2024	1-6 2023	Change YoY						
Cost of risk (in bps)	89	22	67						
CIR	37.1%	45.7%	-8.6 p.p.						
Net interest margin ⁽ⁱⁱ⁾	4.84%	3.54%	1.29 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.

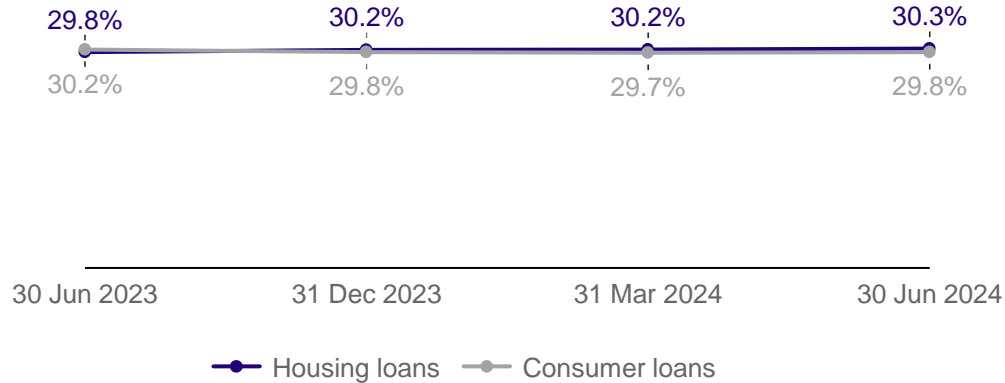
Key highlights

- Significantly increased net interest income, primarily due to higher volumes and margins on client deposits.
- Continued with excellent new loan production of consumer loans and inflows to mutual funds.
- Opening of new branch office Spektra in Ljubljana.
- Introduction of the NLB Visa prepaid card CeKR.
- Implemented Apple Pay, Garmin Pay and push notifications in NLB Pay wallet.
- New functionalities (change of credit card limits and personal account overdrafts) added to NLB Klik boosting digital sales.

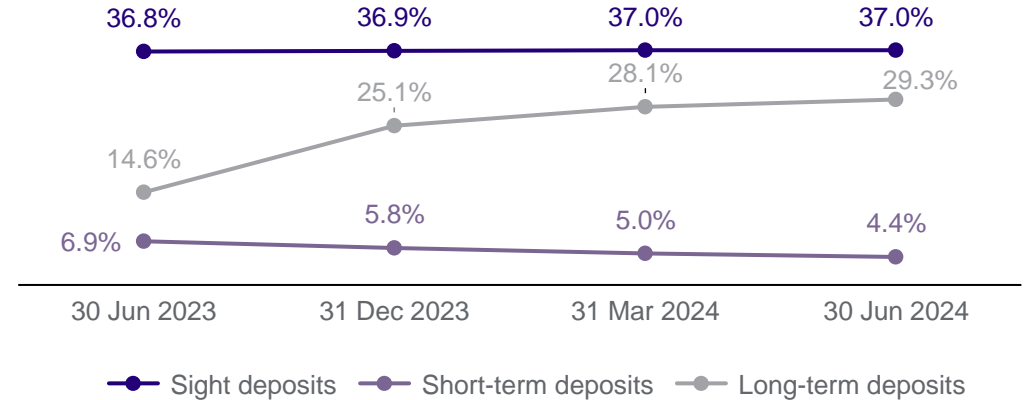
Retail banking in Slovenia

High and stable market shares across products

Market share of net loans to individuals ⁽¹⁾

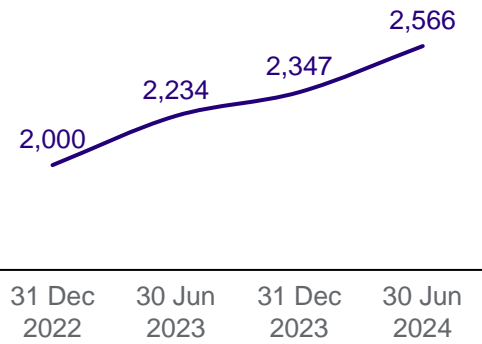


Market share of deposits from individuals

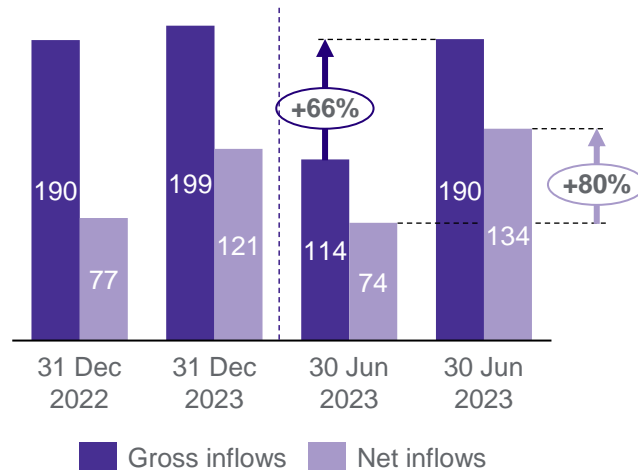


Upside from fee generating products

NLB Private banking clients



NLB Skladi mutual funds inflows (EURm)



- Upgrade of digital omnichannel NLB Klik with daily banking solutions which boosted digital sales.
- Overhaul of mobile wallet NLB Pay – adding Apple Pay, Garmin 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⁽¹⁾
 - Leading position being strengthened with over EUR 2 billion of assets under management.
- # 1 player in Slovenian asset management ⁽²⁾
 - AuM of EUR 2,742.5 million as of 30 June 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 June 2024, the company is ranked first among its peers in Slovenia, accounting for 54.6% of all net inflows in the market.

Corporate and Investment banking in Slovenia

in EUR millions consolidated								
	1-6 2024	1-6 2023	Change YoY		Q2 2024	Q1 2024	Q2 2023	Change QoQ
Net interest income	65.3	45.2	20.1	44%	32.9	32.4	24.0	2%
Net interest income from Assets ⁽ⁱ⁾	37.4	28.4	9.0	32%	19.6	17.8	14.2	10%
Net interest income from Liabilities ⁽ⁱ⁾	27.9	16.8	11.1	66%	13.3	14.6	9.8	-8%
Net non-interest income	23.7	21.6	2.1	10%	11.4	12.4	11.5	-8%
o/w Net fee and commission income	20.2	19.5	0.7	3%	9.6	10.6	9.9	-1%
Total net operating income	89.1	66.8	22.2	33%	44.3	44.7	35.5	-1%
Total costs	-34.6	-34.4	-0.2	-1%	-18.9	-15.7	-16.5	-2%
Result before impairments and provisions	54.5	32.5	22.0	68%	25.4	29.1	19.0	-13%
Impairments and provisions	9.1	6.9	2.2	33%	6.3	2.7	2.4	13%
Result before tax	63.6	39.3	24.2	62%	31.7	31.8	21.5	0%

	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023	Change YtD	Change YoY	Change QoQ
Net loans to customers	3,440.9	3,289.3	3,360.2	3,389.8	80.7	2%	5%
Gross loans to customers	3,492.6	3,341.2	3,413.2	3,440.5	79.4	2%	5%
Corporate	3,392.2	3,237.7	3,306.7	3,341.5	85.5	3%	5%
Key/SME/Cross Border Corporates	3,106.1	2,966.0	3,049.5	3,137.8	56.6	2%	5%
Interest rate on Key/SME/Cross Border Corporates loans ⁽ⁱⁱ⁾	5.21%	5.21%	4.54%	3.98%	0.67 p.p.	1.23 p.p.	0.00 p.p.
Investment banking	0.1	0.1	0.1	0.1	0.0	-1%	0%
Restructuring and Workout	112.8	109.7	97.7	59.3	15.1	15%	3%
NLB Lease&Go, leasing, Ljubljana	173.2	161.9	159.4	144.3	13.8	9%	7%
State	99.3	102.4	105.6	98.9	-6.4	-6%	-3%
Interest rate on State loans ⁽ⁱⁱ⁾	6.01%	6.06%	5.95%	5.96%	0.06 p.p.	0.05 p.p.	-0.05 p.p.
Deposits from customers	2,089.9	2,202.8	2,471.8	2,263.5	-381.9	-1%	-5%
Interest rate on deposits ⁽ⁱⁱ⁾	0.36%	0.38%	0.28%	0.20%	0.08 p.p.	0.16 p.p.	-0.02 p.p.
Non-performing loans (gross)	59.6	61.7	61.8	60.3	-2.2	-4%	-3%

	1-6 2024	1-6 2023	Change YoY
Cost of risk (in bps)	-54	-64	10
CIR	38.8%	51.4%	-12.6 p.p.
Net interest margin ⁽ⁱⁱⁱ⁾	4.24%	3.12%	1.13 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.

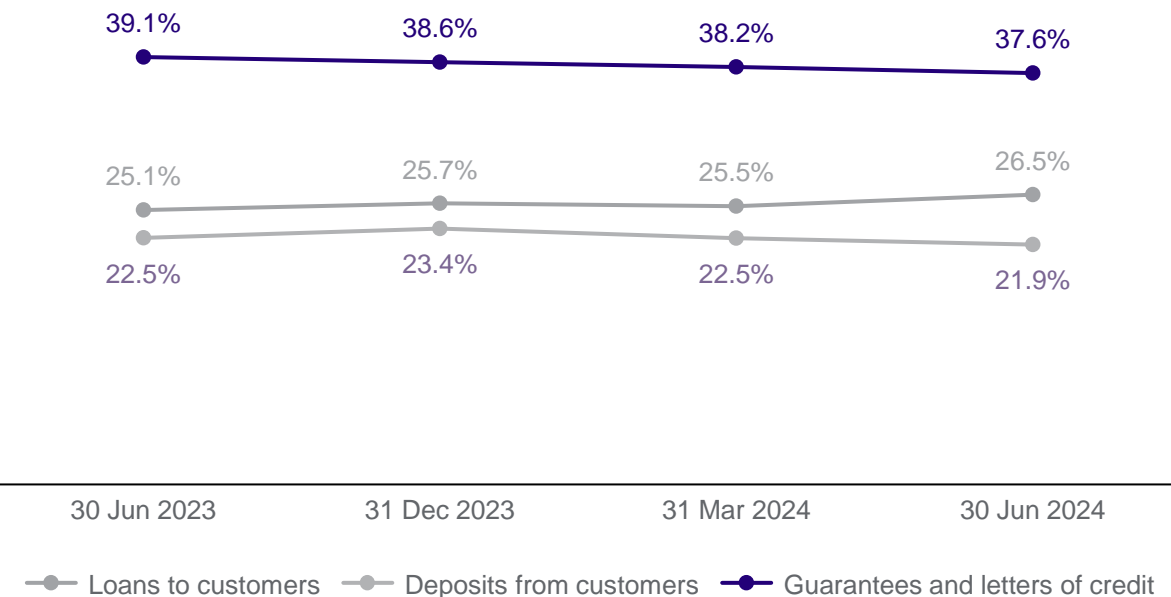
Key highlights:

- Net interest income increase driven by higher loan volumes and margins on client deposits.
- 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, 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 20.1 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 1.166 billion.
- 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, leasing, Ljubljana.

Financial Markets in Slovenia

in EUR millions consolidated									
	1-6 2024	1-6 2023	Change YoY		Q2 2024	Q1 2024	Q2 2023	Change QoQ	
Net interest income	-0.9	27.7	-28.6	-	-3.0	2.1	13.0	-	
Net interest income w/o ALM ⁽ⁱ⁾	12.8	11.3	1.5	14%	5.2	7.7	4.7	-33%	
o/w ALM	-13.7	16.4	-30.2	-	-8.2	-5.5	8.2	-48%	
Net non-interest income	0.3	0.0	0.3	-	-2.6	2.9	0.9	-	
Total net operating income	-0.6	27.7	-28.3	-	-5.6	5.1	13.9	-	
Total costs	-6.4	-4.7	-1.7	-36%	-3.5	-2.9	-2.4	-23%	
Result before impairments and provisions	-6.9	23.0	-30.0	-	-9.1	2.2	11.5	-	
Impairments and provisions	-0.8	4.2	-5.0	-	-0.3	-0.5	-0.1	40%	
Result before tax	-7.7	27.3	-35.0	-	-9.4	1.7	11.4	-	

	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023	Change YtD		Change YoY		Change QoQ
Balances with Central banks	3,335.2	3,684.6	4,153.2	3,901.8	-818.0	-20%	-566.7	-13%	-8%
Banking book securities	4,143.7	3,655.7	2,981.1	2,954.4	1,162.6	39%	1,189.3	40%	13%
Interest rate ⁽ⁱⁱ⁾	1.87%	1.68%	1.17%	0.97%	0.70 p.p.		0.90 p.p.		0.19 p.p.
Borrowings	56.4	52.5	82.8	95.5	-26.4	-32%	-39.1	-41%	7%
Interest rate ⁽ⁱⁱ⁾	2.36%	2.33%	1.66%	2.26%	0.70 p.p.		0.10 p.p.		0.03 p.p.
Subordinated liabilities (Tier 2)	558.7	597.3	509.4	520.0	49.3	10%	38.7	7%	-8%
Interest rate ⁽ⁱⁱ⁾	8.04%	7.64%	6.89%	6.80%	1.15 p.p.		1.24 p.p.		0.40 p.p.
Other debt securities in issue	1,315.3	838.0	828.8	814.5	486.5	59%	500.8	61%	57%
Interest rate ⁽ⁱⁱ⁾	6.66%	6.84%	6.56%	6.20%	0.10 p.p.		0.46 p.p.		-0.18 p.p.

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

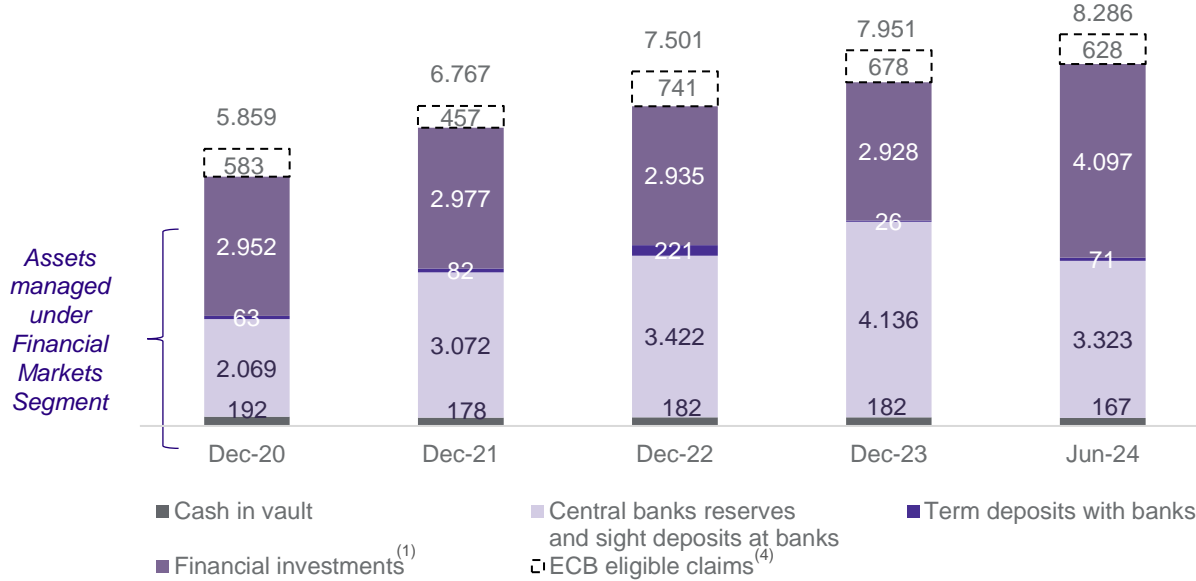
⁽ⁱⁱ⁾ Interest rates only for NLB.

Key highlights:

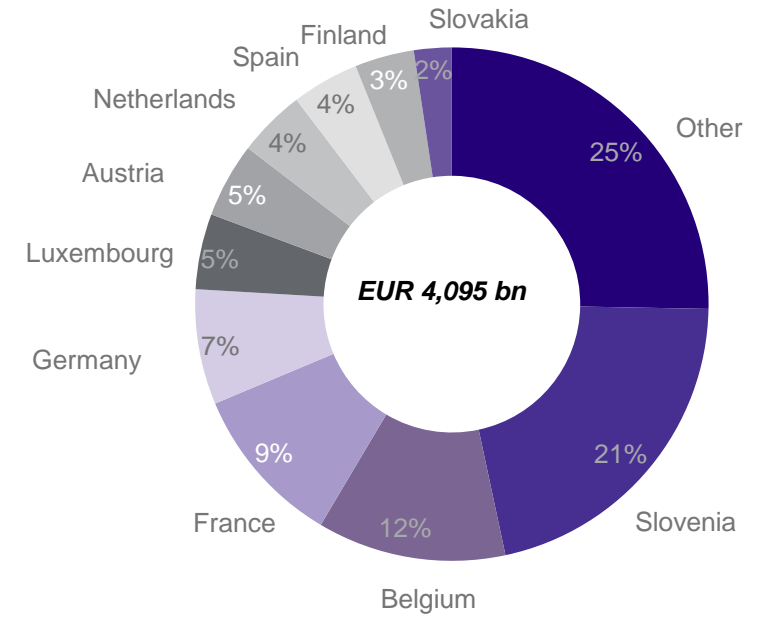
- The Bank successfully issued subordinated Tier 2 notes in the amount of EUR 300 million and senior preferred notes in the amount of EUR 500 million.
- For the purpose of NII stabilisation, the Bank increased investments in banking book securities, mostly funded from balances with CB.
- A further diversification of banking book securities portfolio resulted in a higher portion of 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 optimal level.

Financial markets in Slovenia

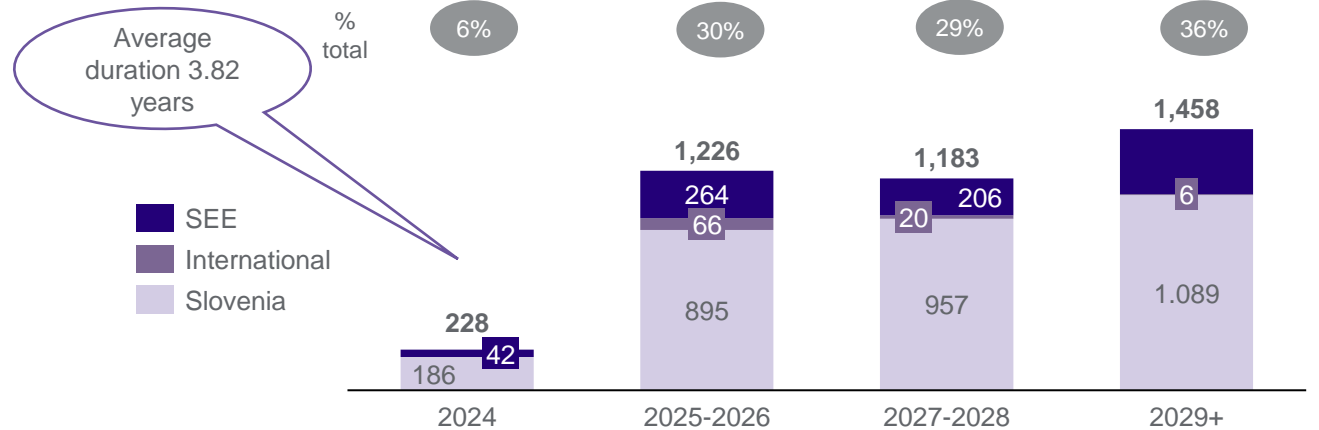
Liquid assets evolution (EURm)



Well diversified banking book by geography (30 June 2024)



Maturity profile of banking book securities⁽³⁾ (30 June 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 Jun 2024): LCR 317% (NLB d.d.) and 256% (NLB Group); NSFR (preliminary) 174% (NLB d.d.) and 181% (NLB Group).

Strategic Foreign Markets

in EUR millions consolidated									
	1-6 2024	1-6 2023	Change YoY		Q2 2024	Q1 2024	Q2 2023	Change QoQ	
Net interest income	237.8	196.4	41.4	21%	119.0	118.8	102.5	0%	
Interest income	276.7	215.6	61.1	28%	139.0	137.7	113.2	1%	
Interest expense	-38.9	-19.2	-19.7	-102%	-20.0	-18.9	-10.6	-6%	
Net non-interest income	67.3	64.5	2.8	4%	38.1	29.2	30.8	30%	
o/w Net fee and commission income	69.2	58.8	10.4	18%	38.5	30.8	30.3	25%	
Total net operating income	305.1	260.9	44.2	17%	157.1	148.0	133.3	6%	
Total costs	-132.1	-117.9	-14.2	-12%	-68.2	-63.9	-60.8	-7%	
Result before impairments and provisions	173.1	143.0	30.0	21%	88.9	84.1	72.5	6%	
Impairments and provisions	18.1	16.9	1.1	7%	20.6	-2.5	5.9	-	
Result before tax	191.1	160.0	31.2	19%	109.6	81.6	78.3	34%	
o/w Result of minority shareholders	8.5	6.8	1.8	26%	5.2	3.4	3.3	52%	

	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023	Change YtD		Change YoY		Change QoQ
Net loans to customers	7,110.6	6,794.8	6,648.1	6,394.5	462.5	7%	716.2	11%	5%
Gross loans to customers	7,288.3	6,992.1	6,839.8	6,581.6	448.5	7%	706.8	11%	4%
Individuals	3,788.9	3,631.0	3,525.6	3,388.7	263.3	7%	400.2	12%	4%
Interest rate on retail loans	7.02%	7.06%	6.63%	6.40%	0.39 p.p.		0.62 p.p.		-0.05 p.p.
Corporate	3,222.0	3,087.8	3,042.9	2,958.2	179.1	6%	263.8	9%	4%
Interest rate on corporate loans	5.90%	5.96%	5.37%	4.99%	0.53 p.p.		0.91 p.p.		-0.06 p.p.
State	277.4	273.3	271.4	234.7	6.0	2%	42.8	18%	2%
Interest rate on state loans	7.78%	7.79%	7.13%	6.54%	0.65 p.p.		1.24 p.p.		-0.01 p.p.
Deposits from customers	8,981.0	8,872.5	8,878.3	8,355.6	102.6	1%	625.4	7%	1%
Interest rate on deposits	0.64%	0.63%	0.38%	0.28%	0.26 p.p.		0.36 p.p.		0.01 p.p.
Non-performing loans (gross)	136.9	134.6	134.0	156.0	2.9	2%	-19.1	-12%	2%

	1-6 2024	1-6 2023	Change YoY
Cost of risk (in bps)	-55	-57	3
CIR	43.3%	45.2%	-1.9 p.p.
Net interest margin	4.43%	4.01%	0.42 p.p.

Key highlights

- Sustained growth, improved business environment 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 local market dynamics.
- Increased deposits base reflected the overall confidence in the banking members.
- Remarkable growth of the leasing portfolio in Serbia.
- Acquisition of the company Generali Investments, Skopje by NLB Skladi, Ljubljana.

Non-Core Members⁽¹⁾

in EUR millions consolidated									
	1-6 2024	1-6 2023	Change YoY		Q2 2024	Q1 2024	Q2 2023	Change QoQ	
Net interest income	0.5	0.5	0.1	13%	0.2	0.4	0.5	-49%	
Net non-interest income	0.4	-1.9	2.3	-	-0.1	0.4	-0.9	-	
Total net operating income	0.9	-1.4	2.3	-	0.1	0.8	-0.4	-86%	
Total costs	-2.4	-6.4	4.0	62%	-0.4	-2.0	-3.5	81%	
Result before impairments and provisions	-1.5	-7.8	6.3	81%	-0.3	-1.2	-3.9	77%	
Impairments and provisions	1.4	1.6	-0.2	-11%	0.3	1.1	1.1	-76%	
Result before tax	-0.1	-6.3	6.2	98%	0.0	-0.1	-2.9	98%	

	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Jun 2023	Change YtD		Change YoY		Change QoQ
Segment assets	29.5	35.4	47.1	40.8	-17.6	-37%	-11.3	-28%	-17%
Net loans to customers	9.0	10.4	10.9	11.2	-1.9	-18%	-2.2	-20%	-13%
Gross loans to customers	25.3	26.0	28.6	31.7	-3.3	-11%	-6.4	-20%	-3%
Investment property and property & equipment received for repayment of loans	5.7	9.6	20.1	21.7	-14.5	-72%	-16.0	-74%	-41%
Other assets	14.8	15.4	16.0	7.9	-1.2	-7%	6.9	88%	-4%
Non-performing loans (gross)	25.3	25.1	27.4	29.9	-2.1	-8%	-4.6	-15%	1%

Appendix 3:

Financial Statements

NLB Group Income Statement

(EURm)	1-6 2024	1-6 2023	YoY	Q2 2024	Q1 2024	Q2 2023	QoQ
Interest and similar income	584,7	440,3	33%	291,9	292,8	233,2	0%
Interest and similar expense	-124,3	-60,3	-106%	-63,7	-60,6	-32,2	-5%
Net interest income	460,4	380,0	21%	228,3	232,2	201,0	-2%
Fee and commission income	206,1	190,1	8%	106,0	100,1	98,5	6%
Fee and commission expense	-56,1	-55,5	-1%	-27,1	-29,0	-29,9	7%
Net fee and commission income	150,0	134,6	11%	78,9	71,1	68,5	11%
Dividend income	0,0	0,1	-65%	0,0	0,0	0,0	6%
Net income from financial transactions	12,8	14,9	-14%	3,0	9,8	6,0	-69%
Other operating income	-19,3	-17,9	-7%	-4,3	-15,0	-5,8	71%
Total net operating income	604,0	511,7	18%	305,9	298,1	269,7	3%
Employee costs	-149,5	-137,4	-9%	-77,3	-72,2	-70,6	-7%
Other general and administrative expenses	-98,8	-79,8	-24%	-51,7	-47,1	-41,1	-10%
Depreciation and amortisation	-26,7	-23,5	-14%	-13,6	-13,1	-11,8	-4%
Total costs	-275,0	-240,7	-14%	-142,7	-132,4	-123,6	-8%
Result before impairments and provisions	329,0	270,9	21%	163,2	165,8	146,1	-2%
Impairments and provisions for credit risk	11,7	29,9	-61%	16,0	-4,4	11,5	-
Other impairments and provisions	-1,3	-12,1	90%	-1,0	-0,3	-6,2	-
Share of profit from investments in associates and joint ventures	1,7	0,6	178%	0,7	1,0	0,3	-27%
Result before tax	341,1	289,3	18%	179,0	162,1	151,8	10%
Income tax	-40,5	-39,8	-2%	-21,8	-18,7	-25,9	-17%
Result of non-controlling interests	8,5	6,8	26%	5,2	3,4	3,3	52%
Result after tax attributable to owners of the parent	292,0	242,7	20%	152,0	140,0	122,6	9%

NLB Group Statement of Financial Position

(EURm)	30 Jun 2024	31 Dec 2023	YtD
ASSETS			
Cash, cash balances at central banks and other demand deposits at banks	5.116,3	6.103,6	-16%
Loans and advances to banks	410,7	547,6	-25%
o/w gross loans	411,0	547,9	-25%
o/w impairments	-0,3	-0,3	-14%
Loans and advances to customers	14.399,3	13.734,6	5%
o/w gross loans	14.726,7	14.063,6	5%
- Corporates	6.703,6	6.437,8	4%
- Individuals	7.632,5	7.235,3	5%
- State	390,6	390,4	0%
o/w impairments and valuation	-327,4	-329,0	0%
Financial instruments	5.919,9	4.803,7	23%
o/w Trading Book	14,6	15,8	-7%
o/w Non-trading Book	5.905,3	4.787,9	23%
Investments in associates and joint ventures	12,3	12,5	-2%
Property and equipment	280,9	278,0	1%
Investment property	25,8	31,1	-17%
Intangible assets	64,9	62,1	4%
Other assets	383,6	368,7	4%
Total Assets	26.613,7	25.942,0	3%

(EURm)	30 Jun 2024	31 Dec 2023	YtD
LIABILITIES & EQUITY			
Deposits from customers	20.693,8	20.732,7	0%
- Corporates	5.356,8	5.859,2	-9%
- Individuals	14.899,9	14.460,3	3%
- State	437,1	413,2	6%
Deposits from banks	94,3	95,3	-1%
Borrowings	218,8	240,1	-9%
Subordinated debt securities	558,7	509,4	10%
Other debt securities in issue	1.315,3	828,8	59%
Other liabilities	586,8	587,6	0%
Total Liabilities	23.467,8	22.994,0	2%
Shareholders' funds	3.081,3	2.882,9	7%
Non Controlling Interests	64,7	65,1	-1%
Total Equity	3.145,9	2.948,0	7%
Total Liabilities & Equity	26.613,7	25.942,0	3%

NLB d.d. Income Statement

(EURm)	1-6 2024	1-6 2023	YoY	Q2 2024	Q1 2024	Q2 2023	QoQ
Interest and similar income	315,9	206,2	53%	157,0	158,9	110,7	-1%
Interest and similar expense	-97,6	-46,5	-110%	-49,9	-47,6	-24,5	-5%
Net interest income	218,3	159,6	37%	107,0	111,3	86,2	-4%
Fee and commission income	91,7	81,4	13%	46,4	45,3	41,8	2%
Fee and commission expense	-22,6	-19,0	-19%	-12,0	-10,6	-10,3	-12%
Net fee and commission income	69,0	62,4	11%	34,4	34,7	31,5	-1%
Dividend income	77,2	130,2	-41%	47,7	29,5	121,8	61%
Net income from financial transactions	5,1	5,6	-8%	-1,2	6,3	2,4	-
Other operating income	-7,3	-7,9	7%	1,6	-8,9	-0,1	-
Total net operating income	362,4	349,9	4%	189,5	172,8	241,8	10%
Employee costs	-75,7	-62,9	-20%	-39,6	-36,1	-32,2	-10%
Other general and administrative expenses	-57,9	-38,6	-50%	-31,1	-26,8	-20,1	-16%
Depreciation and amortisation	-11,4	-8,4	-36%	-5,7	-5,6	-4,2	-1%
Total costs	-144,9	-109,8	-32%	-76,4	-68,6	-56,6	-11%
Result before impairments and provisions	217,4	240,1	-9%	113,1	104,3	185,2	8%
Impairments and provisions for credit risk	-8,0	6,5	-	-4,8	-3,2	1,8	-49%
Other impairments and provisions	-0,7	-5,7	88%	-0,7	-	-	-
Result before tax	208,7	240,8	-13%	107,6	101,1	187,0	6%
Income tax	-15,8	-17,5	10%	-8,6	-7,2	-14,9	-20%
Result after tax	192,9	223,3	-14%	99,0	93,9	172,1	5%

NLB d.d. Statement of Financial Position

(EURm)	30 Jun 2024	31 Dec 2023	YtD
ASSETS			
Cash, cash balances at central banks and other demand deposits at banks	3.489,7	4.318,0	-19%
Loans and advances to banks	192,3	149,0	29%
o/w gross loans	192,6	149,3	29%
o/w impairments	-0,3	-0,3	-16%
Loans and advances to customers	7.391,8	7.156,1	3%
o/w gross loans	7.526,0	7.276,7	3%
- Corporates	3.691,4	3.548,8	4%
- Individuals	3.721,4	3.608,8	3%
- State	113,1	119,1	-5%
o/w impairments and valuation	-134,1	-120,6	-11%
Financial instruments	4.182,9	3.016,0	39%
o/w Trading Book	15,5	18,0	-14%
o/w Non-trading Book	4.167,5	2.998,0	39%
Investments in subsidiaries, associates and joint ventures	980,6	980,6	0%
Property and equipment	83,5	86,0	-3%
Investment property	5,4	7,6	-29%
Intangible assets	40,1	37,4	7%
Other assets	292,1	264,1	11%
Total Assets	16.658,5	16.014,8	4%

(EURm)	30 Jun 2024	31 Dec 2023	YtD
LIABILITIES & EQUITY			
Deposits from customers	11.744,1	11.881,6	-1%
- Corporates	2.795,9	3.237,5	-14%
- Individuals	8.796,0	8.543,8	3%
- State	152,3	100,2	52%
Deposits from banks	236,2	147,0	61%
Borrowings	132,2	82,8	60%
Subordinated debt securities	558,7	509,4	10%
Other debt securities in issue	1.315,3	828,8	59%
Other liabilities	334,7	315,7	6%
Total Liabilities	14.321,2	13.765,3	4%
Total Equity	2.337,3	2.249,5	4%
Total Liabilities & Equity	16.658,5	16.014,8	4%