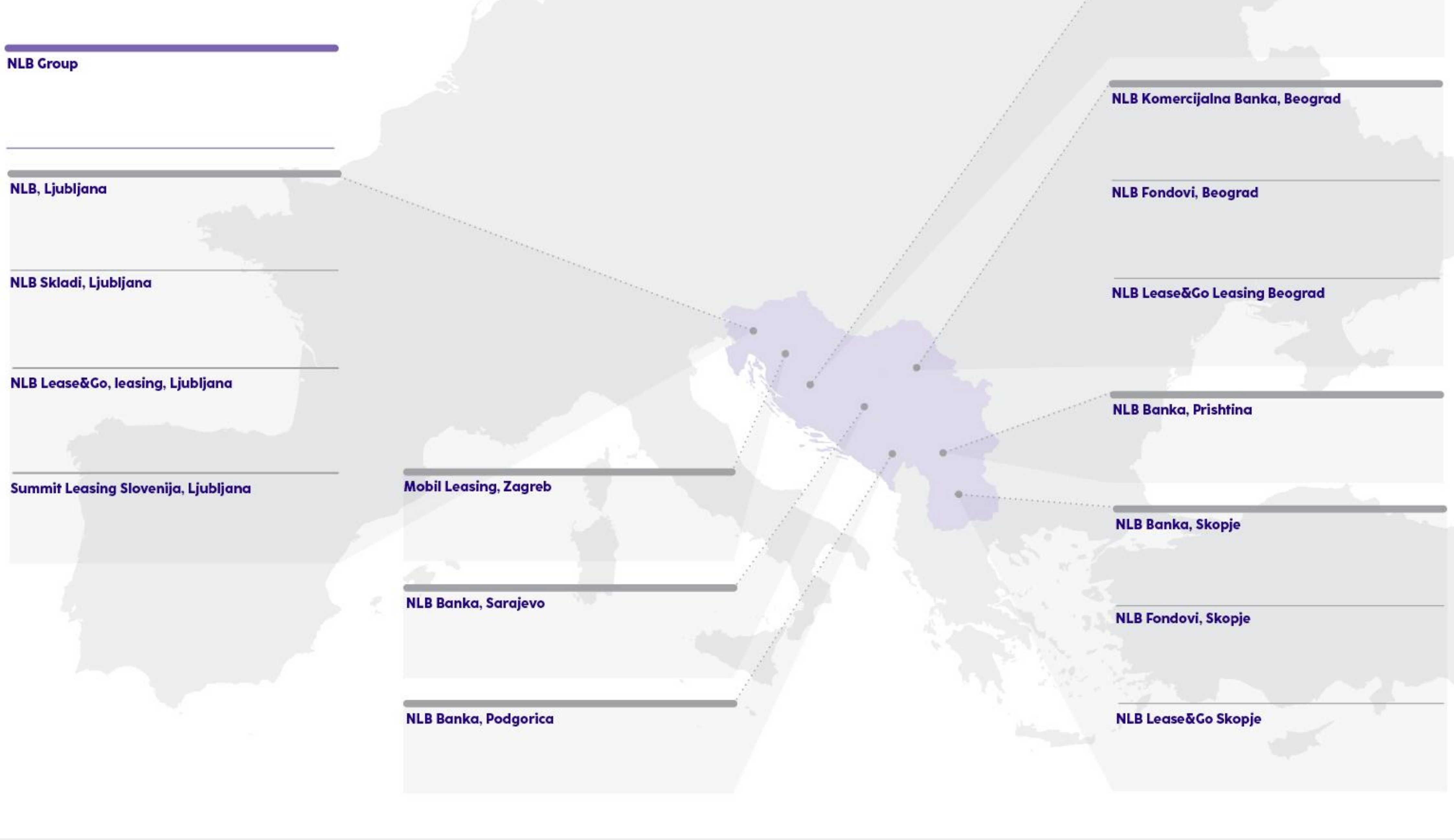
Here We are a Part of Something Bigger

NLB Group Interim Report January – June 2025

Contents


Overview

This is where our community thrives.



NLB Group Key Members Overview

NLB Group and banks

		Slovenia	Serbia	N. Macedonia	BiH		Kosovo	Montenegro
	NLB Group	NLB, Ljubljana	NLB Komercijalna Banka, Beograd	NLB Banka, Skopje	NLB Banka, Banja Luka	NLB Banka, Sarajevo	NLB Banka, Prishtina	NLB Banka, Podgorica
	Consolidated data	Data on a stand-alone basis						
Profit after tax (in EUR millions)	274.4	296.0	87.1	33.5	15.3	9.1	19.6	13.3
Total assets (in EUR millions)	29,573.0	18,377.3	5,715.9	2,247.8	1,222.1	1,064.6	1,504.9	1,058.5
RoE a.t.	16.4%	22.6%	20.5%	20.2%	22.2%	15.8%	22.9%	21.2%
Net interest margin	3.40%	2.58%	4.35%	3.87%	3.35%	2.94%	3.68%	4.59%
CIR (cost/income ratio)(i)	46.7%	29.9%	38.0%	39.9%	43.3%	53.8%	30.5%	48.6%
LTD	76.5%	71.3%	76.7%	86.9%	71.3%	79.5%	97.2%	90.3%
NPL ratio	1.5%	1.3%	0.7%	1.6%	0.7%	1.8%	1.4%	1.9%
Branches (#)	386	69	139	48	40	34	35	21
Active clients (#)	2,946,188	731,504	1,061,140	468,474	212,119	132,821	242,676	97,454
Market share by total assets	/	32.7%	10.1%(iii)	15.5%(ii)	21.6%(ii)	6.1%(ii)	17.7%	14.3%

(i) Tax on the balance sheet is excluded from the calculation in NLB Group and NLB. In NLB Group operating lease income is presented on a net basis: non-interest income and related costs are netted for the amount of amortisation. CIR adjusted in accordance with the new methodology.
(ii) Market share as at 31 March 2025.
(iii) In 2025, a change of methodology by the Central Bank of Serbia.

Leasing companies

	Slovenia		Croatia	Serbia	N. Macedonia
	NLB Lease&Go, leasing, Ljubljana[iii]	Summit Leasing Slovenija, Ljubljana[iii]	Mobil Leasing, Zagreb	NLB Lease&Go Leasing Beograd	NLB Lease&Go Skopje
	Data on a stand-alone basis				
Profit after tax (million EUR)	0.9	3.9	0.9	0.3	-0.2
Total assets (million EUR)	376.0	945.1[iv]	161.3	145.4	32.2
Market share by total assets[i]	11.3%[ii]	26.3%[ii]	3.4%[ii]	8.0%	n.a.

(i) Market share of leasing portfolio. Change in methodology in NLB Lease&Go, leasing, Ljubljana and Summit Leasing Slovenija, Ljubljana: as of 31 December 2024, the leasing portfolio in banks is no longer included in the calculation.
(ii) Market share as at 31 March 2025.
(iii) On 4 July 2025, the legal merger between Summit Leasing Slovenija, Ljubljana and NLB Lease&Go, leasing, Ljubljana was completed, while on 7 July 2025, an operational merger was concluded and thereby the company ceased to exist as a separate legal entity.
(iv) Including intra-group exposure of EUR 131.8 million to Mobil Leasing, Zagreb.

Asset Management companies

	Slovenia	Serbia	N. Macedonia
	NLB Skladi, Ljubljana	NLB Fondovi, Beograd	NLB Fondovi, Skopje
	Data on a stand-alone basis		
Profit after tax (million EUR)	7.2	-0.2	0.1
Assets under management (million EUR)	3,197.4	62.5	82.2
Market share of assets under management in mutual funds	41.5%	3.2%	20.4%

NLB Group at a Glance

Key Highlights

Strategic Positioning **A leading player in SEE, driving sustainable growth through digital innovation and strategic expansion.**	• NLB Group operates under a universal business model across **Retail, Corporate & Investment Banking**, and **Payments**, with a strategic emphasis on **digitalisation** and **sustainability** to ensure long-term value. This is enabled by continuous enhancements to its **operating platform** and a transition to a **fully digital business model,** leveraging advanced technologies. • Striving to be the **regional champion**, driving growth and stability across all markets of operation. • Enhanced **digital customer experience,** offering a comprehensive range of 24/7 digital solutions. • **Strategic focus on leasing and asset management** marked by a major milestone in 2024 through the acquisition of the SLS Group in Slovenia and Croatia, with full integration completed in July 2025.
Financial Performance **Increased loan volumes, growing leasing and AuM businesses support the Group's results.**	• In the first half of 2025, the Group generated EUR 274.4 million in **profit after tax**. • **Net interest income** rose by 1% YoY but decreased by 1% QoQ. The YoY increase in interest income was primarily driven by the SLS Group acquisition, while the QoQ decline reflected falling interest rates most notably with balances with central banks, while higher loan volumes offsetting lower interest rates. The **net interest margin** was lower by 0.28 p.p. YoY at 3.40% due to the ECB's monetary easing. • The **net fee and commission income** increased by 9% YoY, primarily driven by increased fees coming from investment funds, bancassurance, and guarantee fees. • **Total costs** grew by EUR 25.9 million or 10% YoY, excluding a EUR 12.6 million contribution from the acquired SLS Group. Excluding other non-recurring and integration costs, underlying costs would have grown 8% YoY. • The Group's **gross loans to customers** increased by EUR 1,113.1 million or 7% YtD and EUR 3,107.8 million or 21% YoY, with EUR 1,037.6 million attributable to the SLS Group, acquired at the end of Q3 2024. Excluding the acquisition, the Group recorded a YoY growth of 14% in gross loans. • The **deposit base** increased by EUR 631.5 million YtD or 3% YtD and by EUR 2,144.1 million YoY or 10% YoY, with 57% of the YoY growth driven by deposits from individuals.
Asset Quality **Good asset quality trends with a well-diversified portfolio, prudent credit standards and a decisive workout approach.**	• A well-diversified, stable, and robust **credit portfolio quality** with a substantial retail segment share and no large concentration in any specific industry or client segment. Increased lending activity also contributed to the growth in the loan portfolio in H1 2025. • Low **NPEs** (the EBA def.) of 1.0% with a very comfortable NPL coverage ratio 2 of 61.8%. The Group carefully monitors potentially vulnerable segments to identify any significant increase in credit risk at a very early stage. • In Q2 2025, **net impairments and provisions** for credit risk were released in the amount of EUR 20.3 million. Improvements to IFRS 9 models and parameter calculation led to a release in the amount of EUR 15.2 million, repayments of written-off receivables amounted to EUR 8.0 million, while established provisions refer to new financing and transfers between stages due to credit quality deterioration of certain clients. • In H1 2025, **cost of risk** stood at -4 bps, expected to be within the outlook range for 2025.
Capital, Liquidity & Funding **Capital and liquidity position ensuring capital return and continued growth opportunities.**	• **The capital position** remained solid and comfortably exceeded all regulatory requirements: the CET1 stood at 15.1% (3.8 p.p. above the OCR+P2G threshold), Tier 1 at 15.5% (2.3 p.p. surplus), and the Total Capital Ratio (TCR) at 18.4% (2.6 p.p. surplus). • In January 2025, the Bank issued EUR 500 million **senior preferred notes** for building MREL capacity. • **The liquidity position** of the Group remained very strong, with a high level of unencumbered liquid assets in total assets (32.3%), mainly consisting of placements with the ECB and prime debt securities. • The Group's **deposits from individuals** represent the major and most stable funding source. Deposit guarantee schemes insure 80% of retail and 65% of total deposits. Deposits from individuals grew by 4% YtD and 8% YoY, demonstrating strong client confidence in the Group. • A very comfortable level of **LTD** at 76.5% gives the Group plenty of growth potential.

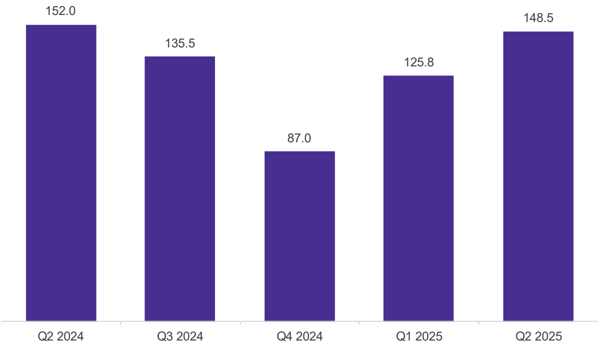
Outlook

Reaffirmed 2025 guidance with updates on loan growth and ROE.

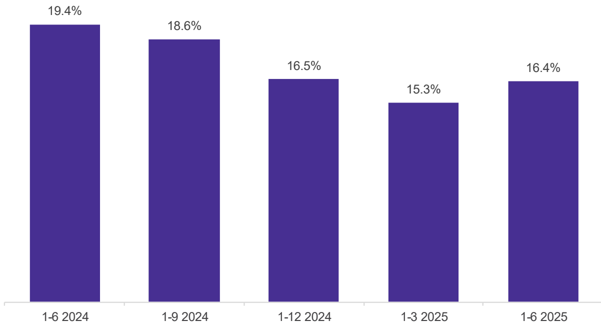
- **Loan growth in 2025** is expected to come in at a low double-digit level.
- **Recurring revenues** are projected to remain stable at around EUR 1,200 million, supported by loan growth offsetting lower rates.
- **CIR** for 2025 is projected at around 48%, with deliberate transitory investments into IT to accelerate the Group's digital capabilities.
- Current conditions support the expectation that **ROE a.t. and ROE a.t. normalised** should remain around 15% and 20%, respectively.
- **Cost of risk** guidance remains in the 30 to 50 bps range.

Key Figures

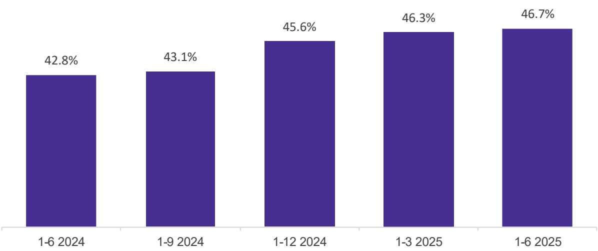
Profit a.t. - quarterly (in EUR millions)



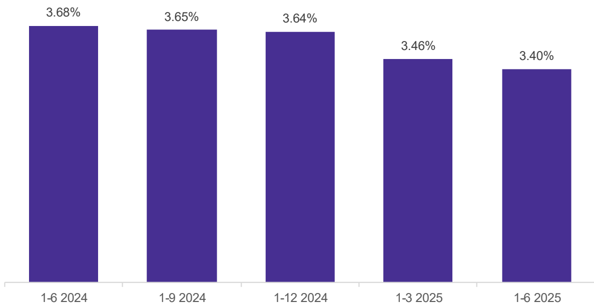
ROE a.t. (in %)



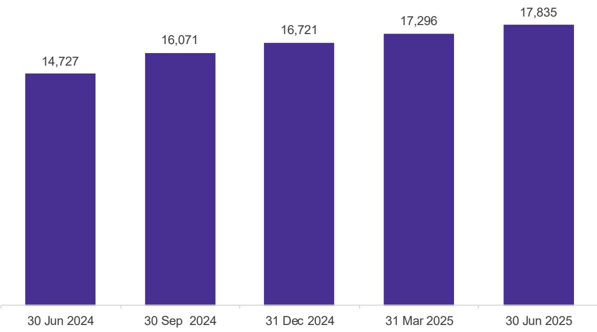
Cost to income ratio - CIR (in %)[(i)]



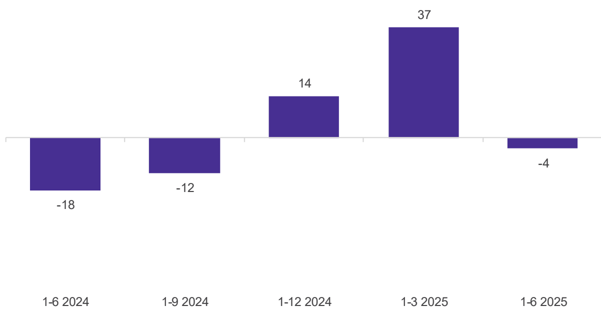
Net interest margin (in %)



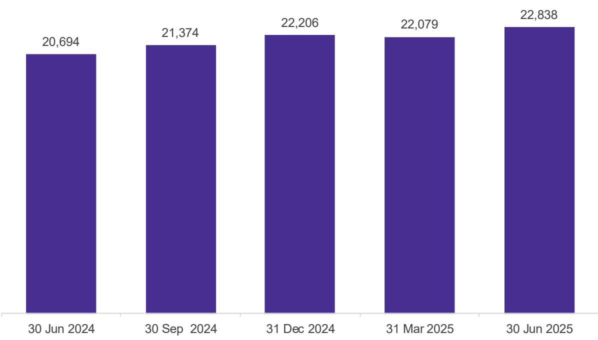
Loans to customers (in EUR millions)



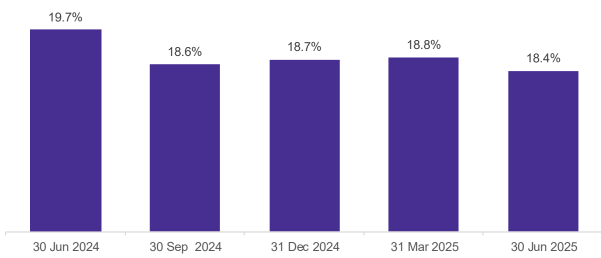
Cost of risk net (in bps)



Deposits from customers (in EUR millions)



Total capital ratio (in %)



(i) Tax on the balance sheet is excluded from the calculation. From June 2025 onwards and for the previous periods, CIR is adjusted to the new methodology. Operating lease is presented on a net basis: non-interest income and related costs are netted by the amount of amortisation.

Key Financial Indicators

Table 1: Key Financial Indicators of the NLB Group[1]

in EUR millions / % / bps

	1-6 2025	1-6 2024	Change YoY	Q2 2025	Q1 2025	Q2 2024	Change QoQ
Key Income Statement Data							
Net operating income	635.0	603.0	5%	324.6	310.4	305.4	5%
Net interest income	466.4	460.4	1%	232.5	233.9	228.3	-1%
Net non-interest income	168.6	142.6	18%	92.1	76.5	77.1	20%
Total costs	-296.3	-257.8	-15%	-152.5	-143.9	-134.0	-6%
Tax on balance sheet	-16.3	-16.2	0%	-8.2	-8.1	-8.1	-1%
Result before impairments and provisions	322.4	329.0	-2%	164.0	158.5	163.2	3%
Impairments and provisions	2.5	10.4	-76%	14.7	-12.2	15.1	-
Impairments and provisions for credit risk	5.8	11.7	-50%	20.3	-14.5	16.0	-
Other impairments and provisions	-3.3	-1.3	-163%	-5.6	2.3	-1.0	-
Result after tax	274.4	292.0	-6%	148.5	125.8	152.0	18%
Key Financial Indicators							
Net revenue (BoS definition)	867.0	815.1	6%				
Return on equity after tax (ROE a.t.)	16.4%	19.4%	-3.0 p.p.				
Return on equity after tax (ROE a.t.) normalized(i)	23.3%	30.1%	-6.8 p.p.				
Return on assets after tax (ROA a.t.)	1.9%	2.2%	-0.3 p.p.				
Net interest margin (on interest bearing assets)	3.40%	3.68%	-0.28 p.p.				
Net interest margin (on total assets - BoS ratio)	3.26%	3.54%	-0.28 p.p.				
Operational business margin(ii)	4.66%	4.99%	-0.33 p.p.				
Cost to income ratio (CIR)(iii)	46.7%	42.8%	3.9 p.p.				
Cost of risk net (bps)(iv)	-4	-18	14				

	30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Jun 2024	Change YtD	Change YoY	Change QoQ
Key Financial Position Statement Data							
Total assets	29,573.0	28,678.5	28,035.4	26,613.7	5%	11%	3%
Gross loans to customers	17,834.5	17,295.9	16,721.4	14,726.7	7%	21%	3%
Net loans to customers	17,481.5	16,923.3	16,363.6	14,399.3	7%	21%	3%
Deposits from customers	22,837.8	22,078.9	22,206.3	20,693.8	3%	10%	3%
Equity (without non-controlling interests)	3,386.2	3,356.2	3,226.0	3,081.3	5%	10%	1%
Other Key Financial Indicators							
LTD(v)	76.5%	76.6%	73.7%	69.6%	2.9 p.p.	7.0 p.p.	-0.1 p.p.
Common Equity Tier 1 Ratio	15.1%	15.4%	15.3%	15.8%	-0.2 p.p.	-0.7 p.p.	-0.3 p.p.
Tier 1 Ratio	15.5%	15.9%	15.8%	16.3%	-0.3 p.p.	-0.8 p.p.	-0.4 p.p.
Total capital ratio	18.4%	18.8%	18.7%	19.7%	-0.4 p.p.	-1.4 p.p.	-0.4 p.p.
Total risk exposure amount (RWA)	18,608.2	18,099.7	18,216.1	16,017.2	2%	16%	3%
NPL volume(vi)	332.8	333.4	330.5	303.4	1 %	10 %	0 %
NPL coverage ratio 1(vii)	106.4%	112.1%	108.7%	108.4%	-2.3 p.p.	-2.1 p.p.	-5.8 p.p.
NPL coverage ratio 2(viii)	61.8%	64.9%	62.7%	66.7%	-0.9 p.p.	-4.9 p.p.	-3.1 p.p.
NPL ratio (internal def.)(ix)	1.5%	1.6%	1.6%	1.5%	-0.1 p.p.	0.0 p.p.	-0.1 p.p.
Net NPL ratio (internal def.)(x)	0.6%	0.6%	0.6%	0.5%	0.0 p.p.	0.1 p.p.	0.0 p.p.
NPL ratio (EBA def.)(xi)	1.9%	1.9%	2.0%	2.1%	-0.1 p.p.	-0.2 p.p.	-0.1 p.p.
NPE ratio (EBA def.)(xii)	1.0%	1.1%	1.1%	1.1%	0.0 p.p.	-0.1 p.p.	0.0 p.p.
Employees							
Number of employees	8,268	8,292	8,322	8,049	-54	219	-24

International credit ratings NLB	30 Jun 2025	31 Mar 2025	Outlook
Standard & Poor's	BBB+	BBB	Stable
Moody's	A3	A3	Positive

(i) 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 annualised / average assets.
(iii) Tax on the balance sheet is excluded from the calculation. From June 2025 onwards and for the previous periods, CIR is adjusted to the new methodology. Operating lease is presented on a net basis: non-interest income and related costs are netted by the amount of amortisation.
(iv) CoR = credit impairments and provisions (annualised level) / average net loans to customers. Credit impairments and provisions include impairments on loans from customers and provisions for off-balance.
(v) Loan-to-Deposit Ratio (LTD) = net loans to customers / deposits from customers.
(vi) Non-performing loans include loans to D- and E-rated clients, i.e. loans at least 90 days past due or loans unlikely to be repaid without recourse to collateral (before deduction of loan loss allowances).
(vii) Coverage of gross non-performing loans with impairments for all loans.
(viii) Coverage of gross non-performing loans with impairments for non-performing loans.
(ix) Non-Performing Loans (NPL) ratio as per internal definition is calculated as follows: (i) Numerator: total gross non-performing loans; (ii) Denominator: total gross loans.
(x) Net NPL ratio as per internal definition is calculated as follows: (i) Numerator: net non-performing loans; (ii) Denominator: total net loans.
(xi) NPL ratio as per EBA definition is calculated as follows: (i) Numerator: gross volume of non-performing loans and advances in Finrep 18 without loans held for sale, cash balances at central banks and other demand deposits; (ii) Denominator: gross volume of loans and advances in Finrep 18 without loans held for sale, cash balances at central banks and other demand deposits.
(xii) Non-Performing Exposures (NPE) ratio as per EBA definition is calculated as follows: (i) Numerator: total non-performing exposure in Finrep 18; (ii) Denominator: total exposures in Finrep 18.

1 From June 2025 onwards and for the previous periods, the income statement is presented according to the new methodology. Operating lease is presented on a net basis: non-interest income and related costs are netted by the amount of amortisation (EUR 3.6 million in H1 2025 and EUR 1.0 million in H1 2024).

Key Events

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec

January

- **Issuance of senior preferred notes:** On 21 January 2025, NLB issued new 4NC3 senior preferred notes of EUR 500 million to meet its MREL requirements (ISIN: XS2972971399).
- **Top Employer certificate:** The Top Employers Institute awarded the Bank the prestigious Top Employer certificate for the 10th consecutive year.

February

- **Early redemption of notes:** On 5 February 2025, NLB executed the early redemption of NLB Tier 2 notes in the aggregate nominal amount of EUR 10.5 million (ISIN: XS2113139195).
- **New member of the NLB's Management Board:** The Supervisory Board of NLB, upon the recommendation from the Management Board, appointed Reinhard Höll as the seventh member of the Management Board.
- **Establishment of NLB Car&Go:** Following the successful acquisition of the online vehicle sales platform doberavto.si, the NLB Group established the NLB Car&Go company as a wholly-owned subsidiary of NLB Lease&Go, leasing, Ljubljana.

March

- **MREL requirement:** NLB received the decision of the Bank of Slovenia relating to the MREL requirement, which replaces the previous decision from the BoS. NLB must comply with the MREL requirement on a consolidated basis at the NLB Resolution Group, consisting of NLB and other members of the NLB Group, excluding banks, which amounts to 29.93% of TREA (excluding CBR) and 11.24% of LRE. This decision supersedes the previous BoS decision on the MREL requirement from December 2023, which amounted to 30.66% of TREA (excluding CBR) and 10.69% of the LRE.
- **MUZA Gallery:** The new gallery MUZA, operating under the auspices of NLB, officially opened its doors. The NLB Art Collection, considered Slovenia's most extensive private art collection, is now accessible to the general public.

April

- **Convocation of General Meeting of NLB:** NLB announced the convocation of the 44th General Meeting of shareholders of NLB for 16 June 2025.

May

- **Merger of SLS HOLDCO, Ljubljana and Summit Leasing Slovenija, Ljubljana:** On 9 May 2025, SLS HOLDCO was officially merged with Summit Leasing Slovenija, Ljubljana. As a result, SLS HOLDCO ceased to exist as an independent legal company.

June

- **General Meeting of NLB confirmed an increase in dividend payout and reappointed a member of the Supervisory Board:** At the 44th General Meeting of NLB, shareholders adopted numerous resolutions proposed by the Management or/and Supervisory Board of NLB. Among these was the allocation of distributable profit from the previous year, with part of the profit paid out as dividends in the total amount of EUR 128.6 million (representing EUR 6.43 gross per share) on 24 June 2025. A second tranche is expected to be submitted for approval at the General Meeting, which will take place towards the end of this year, bringing the total dividend payout in 2025 to EUR 257 million. The General Meeting also reappointed Islam Osama Bahgat Zekry for another four-year term of office as a Supervisory Board member of NLB. It took note of the new employee representative Tatjana Jamnik Skubic being elected by the NLB's Works Council after the term of office of Tadeja Žbontar Rems expired.
- **ECB consents to Reinhard Höll as NLB's CTO:** ECB consented to the appointment of Reinhard Höll as the seventh member of the Management Board of NLB and Chief Transformation Officer (CTO) with a five-year term of office.
- **Major upgrade of NLB Klik:** NLB has significantly upgraded its online and mobile banking platform NLB Klik, introducing redesigned interface and enhanced features. The changes assist users in tracking payments, managing banking services, and confirming transactions.
- **Standard and Poor's upgraded NLB's credit rating:** The rating agency S&P raised NLB's long-term issuer credit rating by one notch to BBB+ from BBB with a stable outlook, based on financial outperformance and strong strategic execution.

Macroeconomic Environment

The U.S. GDP grew 2.0% in Q1 2025, down from 2.5% in Q4 2024. A 12.7% surge in imports largely drove the slowdown, as businesses and consumers stockpiled goods ahead of expected tariff hikes under the Trump administration, widening the trade deficit. The personal savings rate rose to 4.5% in May (from 3.5% in December 2024), indicating a shift toward saving over spending the disposable means of consumers since the start of the year. This can also be noted in personal consumption, which contracted MoM in January and again in May 2025 and remained below the 2024 levels. Exports fell 4.0% MoM in May – the first monthly decline in 2025 – after reaching a record high in April. Exports rose 5.5% YoY from January to May, while imports surged 14.8%. Inflation rose to 2.7% YoY in June (from 2.3% in March), driven by higher energy and food prices. Core inflation ticked up to 2.9% after holding steady at 2.8% for three months. The unemployment rate edged down to 4.1% in June, while labour force participation fell to 62.3%, its lowest since December 2022. The U.S. composite PMI dipped slightly to 52.9 in June from 53.0 in May, signalling continued private sector growth. Manufacturing output accelerated, but service sector expansion slowed. Business confidence remained positive but below long-term averages. President Trump announced a 15% tariff on all EU imports starting 1 August 2025, ending trade negotiations. Key exemptions include aircraft components – boosting the EU aerospace and defence sector – as well as select chemicals, generics, semiconductor equipment, agricultural goods, and critical raw materials. The EU also agreed to USD 750 billion in strategic U.S. purchases, including oil, liquefied natural gas, and nuclear tech, while European firms are expected to invest USD 600 billion in the US.

The FED held rates steady at 4.25–4.50% again in June 2025, maintaining a cautious stance, citing solid economic growth and a strong labour market. Most committee participants agreed it is appropriate to wait for more clarity on inflation and the economy before adjusting rates. While many expect rate cuts later this year, some favour holding steady due to persistent inflation and economic resilience. The FED acknowledged that tariff-driven inflation pressures may be temporary and that inflation expectations remain anchored. Despite reduced uncertainty, the FED emphasised a cautious, data-dependent approach despite the constant calls by President Trump to lower rates to ease the government's debt servicing costs.

Euro area

The euro area economy showed mixed signals in recent months, reflecting a fragile but ongoing recovery amid persistent inflationary pressures and global uncertainties. In Q1 2025, the GDP grew by 0.6% QoQ and 1.5% YoY, faster than 0.3% QoQ and 1.2% YoY in Q4 2024. The stronger growth reflects a broad-based improvement across investment, trade, and – albeit more modestly – household consumption. The gross fixed capital formation surged by 1.9% YoY, up from -1.8% YoY in Q4 2024. This was the most significant contributor to QoQ GDP growth, adding 0.4 p.p. The rebound likely reflects improved business confidence, easing financing conditions, and increased public and private sector infrastructure spending. Exports rose by 2.3% YoY, while imports increased by 3.3%, as stronger global demand and a competitive euro likely supported export performance. Household consumption grew by 1.3% YoY, a slowdown from 1.6% in Q4 2024. The contribution to the GDP was modest at 0.1 p.p., suggesting that inflation and cautious sentiment may have weighed on household outlays. Government expenditure slowed to 2.1% YoY, down 0.3 p.p. from Q4, reflecting fiscal restraint in some member states. The household saving rate rose to 15.4% in Q1 2025, up from 15.2% in Q4 2024. This increase reflects a slower rise in consumption (+0.6% QoQ) compared to disposable income (+0.8% QoQ), suggesting households remain cautious despite improving labour market conditions. The investment rate remained stable at 9.1%, indicating steady household confidence in long-term financial planning.

Industrial output rebounded strongly in May 2025, rising 3.7% YoY after a 0.2% growth in April, mostly in non-durable consumer goods (+11.6%) and capital goods (+4.5%). However, intermediate goods production fell by 1.8% YoY, reflecting ongoing supply chain adjustments. Annual inflation rose to 2.0% in June 2025, up from 1.9% in May, driven mainly by services (3.3%) and food, alcohol & tobacco (3.1%). Energy prices remained deflationary at -2.7%, though less negative than May's -3.6%. Core inflation held steady at 2.4%, suggesting underlying price pressures remain persistent. Retail trade volume contracted by 0.7% MoM in May 2025, reversing March and April's modest growth. Despite the monthly drop, retail sales were up 1.8% YoY. The monthly decline was broad-based, with food, non-food, and fuel categories all contracting, likely due to temporary consumer caution amid inflation concerns. The euro area unemployment rate remained stable at 6.4% in May 2025, unchanged from April and down from 6.5% in May 2024.

Germany's partial removal of fiscal constraints in 2025—via a EUR 500 billion infrastructure fund and relaxed borrowing rules—marks a major policy shift. By placing this fund outside the constitutional "debt brake," Germany aims to boost long-term growth through transport, energy, and digitalisation investment. This move is expected to raise German GDP by 1.25% by 2029 and 2.5% by 2035, with positive spillovers lifting EU GDP by 0.75%. On the demand side, increased public investment will likely stimulate construction, manufacturing, and services. On the supply side, improved infrastructure should enhance productivity. However, higher borrowing may raise bond yields, influencing interest rate expectations and potentially delaying ECB rate cuts. The policy shift signals a more growth-oriented fiscal stance in the EU. The euro area economy continues to expand modestly, supported by stable employment and recovering industrial activity. However, inflationary pressures—particularly in services and food—remain a concern, and consumer sentiment appears cautious, as reflected in higher savings and weaker retail activity.

Over the past three months, the ECB has maintained a cautious stance, keeping interest rates unchanged while closely monitoring inflation and geopolitical risks. In June 2025, the ECB revised its inflation forecast for 2025 to 2.0% (from 2.3%) and for 2026 to 1.6%, reflecting easing price pressures. The ECB also incorporated a 10% U.S. tariff on EU exports into its baseline projections, forecasting euro area GDP growth at 0.9% in 2025, rising to 1.3% by 2027. However, it warned that a 20% tariff could cut growth by 1 p.p. and lower inflation to 1.8% by 2027.

The ECB's decision to hold interest rates steady over the past three months, while revising inflation forecasts downward, has helped stabilise financing conditions. This policy stance and easing inflation (2.0% in June) likely supported credit flows without overheating demand. Hence, the household loans grew by 6.6% YoY for a third straight month in May 2025, whereas NFC loans stood at 2.5% YoY after changing little in April and March. In summary, the modest growth in loans to households and NFCs reflects a cautiously optimistic economic environment – supported by investment and trade – but still constrained by inflation concerns and external risks like U.S. tariffs.

Slovenia and Markets of the NLB Region

In Q1 2025, **Slovenia's** GDP shrank annually for the first time since the pandemic in Q4 2020 and at the second-steepest rate in the euro area at -0.7 YoY as household expenditure grew by 0.4% YoY, down from 1.2% in Q4 and while gross fixed capital formation remained in contraction at -5.1% YoY. In Q2 2025, the economy likely rebounded. Moderate inflation around the ECB's 2.0% target in April–May, and a faster increase in wages in April compared to Q1's average, likely buttressed household spending even if inflation increased to 2.5% YoY in June 2025. Retail sales in the first two months of the quarter rose quickly compared to the prior quarter's average. On a less positive note, economic sentiment weakened in Q2 vs Q1, driven by consumer pessimism. Moreover, industrial output and merchandise exports contracted in April (exports returned to 5.6% YoY growth in May 2025) as U.S. car tariffs posed headwinds – the automotive industry accounts for roughly 10% of the GDP and 20% of merchandise exports and employs over 40,000 Slovenians.

YoY GDP growth in **Serbia** decelerated to 2.0% in Q1 2025, down from 3.3% in Q4 2024, reflecting weaker momentum in private consumption, investment, and exports. However, early Q2 indicators suggest a mild rebound. Industrial production and retail sales picked up in April–May, supported by easing producer price pressures and a temporary dip in consumer inflation to 3.8% in May, before rising again to 4.6% in June, driven by higher costs in culture, food, and transport. Export value picked up YoY in April and May 2025, but the economic sentiment hit a post-pandemic low in June, amid ongoing anti-government protests. The IMF's first review of Serbia's policy program was positive, highlighting fiscal discipline and progress in structural reforms, which may help anchor investor confidence despite short-term volatility.

Annual economic growth eased slightly in **North Macedonia** to 3.0% YoY in Q1 from Q4 due to weaker total investment and public consumption momentum. That said, household consumption rose at a faster clip as the unemployment rate fell to a record low, and the overall expansion broadly matched the solid pace seen in recent quarters. Moving to Q2, the data at hand bodes well for the economy. Growth of industrial output and goods exports gained significant steam in April–May relative to Q1. Moreover, retail sales rebounded over the same two-month period as price pressures cooled. Inflation accelerated from 2.6% YoY in April 2025 to 3.3% in May and 4.5% in June. The government recently revised its 2025 budget, increasing expenditures and revenues by 1.0% and maintaining the fiscal deficit at 4.0% of GDP, a target which could be exceeded, however.

Annual GDP growth in **Bosnia and Herzegovina** fell from Q4 2024's 2.5% to 1.7% in Q1 2025, the weakest print since Q4 2023 and dipping below the pre-pandemic 10-year average. The deterioration was broad-based, with all expenditure subcomponents losing steam from Q4. Rising price pressures tamed private spending, while political tensions in the Republika Srpska – Bosnia's Serb region – likely weighed on investor sentiment. Shifting to Q2, the economy should have regained momentum. The downturn in industrial output softened in April–May relative to Q4, while retail sales rose for the first time this year in May. That said, goods exports lost traction in the first two months of the quarter, and political tensions in the Republika Srpska heated up. Inflation accelerated from 3.2% YoY in March 2025 to 2.4% in April and 3.7% in May. The Q1 2025 unemployment jumped to 13.4%, up from 11.7% in Q4 2024. In other news, the International Monetary Fund (IMF) recently concluded its *Article IV* consultation in the country. IMF recommended that the government restore fiscal buffers, improve spending quality and aid progress toward EU accession.

YoY economic growth in **Kosovo** eased to 3.6% in Q1 2025 from Q4 2024's 4.1%, marking a continued downtrend and one of the weakest expansions since the Covid-19 pandemic. Nonetheless, a breakdown of the data reveals that underlying activity remained relatively upbeat, as a larger import increase solely drove the moderation. Private spending gained steam on rising real wages and greater remittance inflows. Moreover, public spending rebounded, and fixed investment and exports rose at quicker rates. Switching to Q2, the data at hand suggests that momentum remained healthy. In April–May, remittance inflows growth broadly matched that of Q1, while the downturn in goods exports eased. Inflation accelerated from 3.0% YoY in April to 3.6% in May and further to 4.3% YoY in June as food and household maintenance prices rose the most. In politics, in late June, the constitutional court ordered lawmakers to elect a speaker, following four months of gridlock in the fragmented legislature.

YoY economic growth in **Montenegro** slowed for the sixth time in seven quarters in Q1, cooling to 2.5% from Q4 2024's 2.9% and marking the weakest expansion since the 2020–2021 pandemic-induced contraction. Private spending lost steam amid growing pessimism among consumers and rising inflation. In addition, exports of goods and services swung into contraction. Nonetheless, fixed investment gained steam. Turning to Q2, available data paints a dual picture. On the one hand, domestic activity seemingly strengthened, as industrial output spiked in April–May and retail sales grew. On the other hand, goods exports fell and tourist arrivals decelerated over the same two-month period, pointing to deteriorating external demand amid heightened global trade turmoil. Inflation reaccelerated from 3.4% YoY in April 2025 to 3.9% in May and 4.2% in June. The unemployment rate fell to 11.2% in Q1 2025, down from 11.6% in Q4 2024. Montenegro recently closed its seventh negotiating chapter with the EU, boding well for integration within the bloc.

Table 2: Movement of key macroeconomic indicators in the euro area and the NLB Group region

	GDP (growth rate in %)						Average inflation (in %, aop)						Unemployment rate (in %, aop)		
	YoY			QoQ			YoY			MoM					
	Q1 2025	Q4 2024	Q3 2024	Q1 2025	Q4 2024	Q3 2024	Jun 2025	May 2025	Apr 2025	Jun 2025	May 2025	Apr 2025	Q1 2025	Q4 2024	Q3 2024
Euro area	1.2	1.2	1.0	0.3	0.2	0.4	2.0	1.9	2.2	0.3	0.0	0.6	6.6	6.1	6.2
Slovenia	-0.7	1.5	1.6	-0.8	0.3	0.2	2.5	1.9	2.3	0.6	-0.1	0.8	4.0	3.5	4.4
BiH	1.7	2.5	2.6	0.6	0.6	0.6	-	3.7	3.4	-	0.2	0.3	13.4	11.7	12.2
Montenegro	2.5	2.9	2.6	-	-	-	4.2	3.9	3.4	0.4	0.6	0.8	11.2	11.6	11.0
N. Macedonia	3.0	3.2	3.0	0.6	0.8	0.7	4.5	3.3	2.6	0.8	1.5	0.6	11.6	11.9	12.3
Serbia	2.0	3.3	3.2	-0.6	1.1	0.3	4.6	3.8	4.0	0.9	0.2	0.3	9.1	8.6	8.1
Kosovo	3.6	4.1	4.1	-	-	-	-	3.6	3.0	-	0.3	2.0	-	10.9	10.7

Source: Statistical offices, NLB ALM.

Note: Real GDP growth rates are seasonally adjusted; HICP inflation is for the euro area and Slovenia.

Business Report

Strategy Update and Sustainability

Strategic initiatives and milestones

In the first half of 2025, the NLB Group steadily progressed toward its Strategy 2030 objectives.

In **Retail Banking**, the Group developed standardised principles for the loan origination process for consumer finance at the Group level. The Group's legal entities segmentation was completed. The Affluent strategy, stipulating a more differentiated and market-leading approach for the segment's customers, was approved, and implementation began across all Group markets. The Group Client Management Policy for private individuals was prepared and shared with Group members for implementation, while system segmentation is underway. Launching a new Group digital banking platform in Ljubljana brings a slightly redesigned digital bank *NLB Klik* in Slovenia, introducing a new, more intuitive interface, enhanced user experience, and accessibility improvements. Continued efforts to advance the digital agenda have led to Group digital penetration reaching 58.2%, while average Group digital sales have achieved 25.4% by the end of H1. An infra-equity Alternative Investment Fund (AIF) was successfully launched in Slovenia. In addition, a Serbian feeder to the Slovenian NLB Global Equities fund was set up. The rebranding to *NLB Buy&Go* was completed and positively received, supported by the digital platform *doberavto.si.* Furthermore, three new websites were delivered for NLB Lease&Go in Slovenia, Serbia, and North Macedonia, demonstrating the Group's strong commitment to building a unified and customer-focused digital presence across the region. Additionally, 11 new green partners joined the Housing ecosystem, along with the launch of a referral programme involving selected real estate agencies.

In **Corporate and Investment Banking** (CIB), the SME service model has been upgraded in Slovenia and Serbia and will be gradually rolled out across the Group. As part of the Group's SME strategy, the Bank has increased focus on the AGRI segment in Slovenia, an already essential and well-established segment in Serbia. To support this emphasis, a dedicated AGRI unit was created within the SME division in Slovenia, tasked exclusively with serving this segment. In Slovenia, *KLIKPRO* e-bank has been enhanced to deliver an even better user experience. The new brokerage mobile app – designed for instant trading – has successfully completed its internal pilot and is ready for initial launch.

In the **Payments area**, the *"cash at till"* concept (purchase with cashback) and the CDS strategy at the Group level were approved. VISA Business cards were successfully migrated. Additionally, efforts continued to expand SEPA payments to Montenegro and North Macedonia to facilitate efficient regional remittances. The Group initiated activities to define a target customer loyalty model. In merchant acquiring, the organisational and process review was completed, pricing optimisation and standardisation were approved, while merchant portal upgrades progressed. Furthermore, activities to upgrade the mobile wallet to enhance the user experience continued, including the rollout of *NLB Pay* on Huawei and *Garmin Pay* across the Group.

Regarding the **Operating platform**, a new technology operating model was defined, and its implementation started. Recognising employees' critical role in driving successful transformation, the Group is building a robust GenAI technology stack as part of this strategy. It has implemented a comprehensive training programme, with over 75% of employees engaged in AI literacy initiatives. Approximately 25% of employees use AI daily, with access to Copilot for Microsoft 365 and ChatGPT Enterprise licenses. This marks a significant milestone in the workforce, driving productivity gains. Furthermore, the Group have several dozen use cases in the pipeline, with some having transitioned into business-as-usual operations, reflecting the increasing integration of AI across business functions. The launch of an AI chatbot has been completed, and dedicated platforms have been selected to support the development of advanced GenAI and analytical solutions. This solid technological foundation is driving the next wave of innovation. Developing complex AI use cases for core business functions on the GenAI platform has commenced, and ongoing efforts focus on process optimisation and delivering quick wins across various streams.

Overall, the NLB Group maintained focused execution, providing solid foundations for continued strategic progress in the second half of 2025.

Sustainability

Sustainability is integrated into the NLB Group's new business strategy, *New Horizons*, where ESG matters are continuously embedded in the business model and processes. In H1 2025, the Group continued to manage ESG (environmental, social and human rights, and governance) impacts, risks, and opportunities in its business strategy, risk management framework and internal governance across **three pillars: sustainable finance, sustainable operations, and contribution to society**.[2] In doing so, the Group follows requirements and recommendations from the ECB, EBA, ESMA, UNEP FI, EBRD and best banking practices.

Sustainable finance

- Following its ambition for a climate-positive future and as a UNEP FI - Net Zero Banking Alliance member, the Group continued with measures to reduce its emissions associated with financing activities, and it is further committed to supporting clients in transitioning to a low-carbon economy and society.
- At the end of H1 2025, GHG emissions of the NLB Group Corporate credit portfolio (Scope 1 & 2 & 3, based on actual data and proxies) were at 11,156,136 tonnes CO_2eq and are disclosed in detail in *Pillar III Disclosures*.
- In line with its strategic orientations and annual plans in risk management, the Group continued with appropriate implementation of ESG risks in the risk management framework, the decision-making process at strategic and operational levels, including implementation in the credit process, and customer/project due diligence. Regular training for the Group employees was provided to enhance awareness of ESG risks and their appropriate treatment.
- The Group adopted and disclosed the *NLB Group Transition Plan*[3], which covers the first round of net-zero sectoral targets (power generation, iron and steel, commercial real estate, and residential real estate) and supported the development of transaction-level decision-making guidelines. Building on this foundation, the Group has set the second stage of net-zero sector-level targets in Q2 2025, expanding coverage to additional carbon-intensive sectors, including agriculture, road freight transport, and leasing, alongside updated baselines and pathways for commercial and residential real estate. These targets have been set in alignment with the NZBA commitments and include a combination of emission-based, financing, and client engagement targets tailored to each sector's maturity and data availability.
- H1 2025 realisation from the corporate and retail green finance offering is aligned with the annual business targets and the commitment to mobilise EUR 1.9 billion of sustainable (green) financing by 2030. NLB has continued to strengthen the ESG culture at the Group level by holding regular meetings, providing training to identify effective ESG strategies in companies, and further promoting and educating about green loans.
- The NLB Group recognises green bonds' significant role in supporting the green transition and sustainable economy. In June, NLB published its second *Green Bond Allocation and Impact Report*, which was prepared in line with the *NLB Green Bond Framework* (GBF) as of May 2023 and externally reviewed by Morningstar Sustainalytics. The report provides a comprehensive overview of green projects financed by NLB and other Group entities to issue green bonds. The report offers transparency for the allocation of green bond proceeds, the measurement of impacts, and the Group's ongoing efforts to enhance its climate (net-zero) strategy. The size of the eligible green portfolio (in line with GBF) reported in the second annual allocation and impact report published in June 2025 was EUR 615 million, representing 263,063 tonnes of avoided CO_2 emissions. This means that full allocation relating to the issued green bond (EUR 500 million in June 2023) was achieved.

Sustainable operations

- In H1 2025, NLB has continued its internal initiatives to establish a robust and harmonised ESG data governance framework, reinforcing its commitment to regulatory compliance, data integrity, and long-term value creation for stakeholders.
- In line with its Operational Emissions Net-Zero Strategy from 2024, the Group continued its activities to reduce its operational emissions in H1 2025 by adhering to a zero-carbon electricity supply where possible, optimising energy and resource consumption, and transforming its car fleet.
- In line with its activities to monitor and adjust a gender pay gap, the NLB Group is actively preparing for the new EU *Directive of the European Parliament to strengthen the application of the principle of equal pay for equal work or*

2 For a comprehensive overview of the Group's sustainability performance, see the chapter *Sustainability Statement* in the NLB Group Report for 2024 in accordance with the Companies Act ZGD-1 and the Corporate Sustainability Reporting Directive (CSRD).

3 For more information please refer to the Sustainability Statement, chapter *E1 Climate Change* in the NLB Group Annual Report for 2024.

work of equal value between men and women through pay transparency and enforcement mechanisms (first reporting on salary gaps will be carried out for year 2026 in 2027).

- The Group participated in several regional events, intending to strengthen sustainability competencies, and carried out activities to further enhance employee sustainability culture.

Contribution to society

The Group followed its primary strategic guidelines for the Group's CSR activities and continued to contribute to the UN Sustainable Development Goals, updating its sponsorship and donation policy. Besides several financial contributions to local communities, sports, culture, and education, the most notable community-related projects in H1 were continuing current financial and digital literacy programs and opening the MUZA Gallery in Ljubljana.

Update on Leasing Expansion

Leasing services are one of the strategic pillars of the whole NLB Group. They are increasingly becoming one of the core contributors to the business, with targets that in their mature phase by 2030 would contribute up to EUR 3 billion to the total assets of the Group.

With the signing of the Shares Purchase Agreement on 30 November 2023 and closing the transaction on 11 September 2024, NLB became the sole shareholder of SLS HOLDCO, Ljubljana, the parent company of Summit Leasing Slovenija, Ljubljana and its Croatian subsidiary Mobil Leasing, Zagreb, together forming the SLS Group. On 9 May 2025, SLS HOLDCO, Ljubljana, was officially merged with Summit Leasing Slovenija, Ljubljana and has thus ceased to exist.

Summit Leasing Slovenija, Ljubljana, is an undisputed leader in the Slovenian vehicle leasing market, with EUR 945 million in total assets as at 30 June 2025 and a 26.3% market share[4] as at 31 March 2025. It is the leading leasing provider for new and used passenger cars and a provider of point-of-sale consumer credit. As at 30 June 2025, its gross credit portfolio amounted to EUR 881 million, of which EUR 562 million (i.e. 64% of the total) relates to private individuals. In the first half of 2025, Summit Leasing Slovenija, Ljubljana, generated a profit after tax of EUR 3.9 million. However, when including funding synergies, the contribution to the NLB Group result would amount to EUR 8.2 million, with a CIR of around 45%.

The legal merger of Summit Leasing Slovenija, Ljubljana to NLB Lease&Go, leasing, Ljubljana took place on 4 July 2025, and technical migration finished on 7 July 2025. The merged companies operate under the name NLB Lease&Go, leasing, Ljubljana. The merged entity pro forma market share as at 31 March 2025, considering the integration with NLB Lease&Go, leasing, Ljubljana, is 37.6%.[5] The joint entity serves more than 100,000 clients at around 1,500 dealer network touchpoints, which is positioning the NLB Group as the market leader in the Slovenian leasing market.

The first half of 2025 has seen an intensive process of integration; therefore, this period was impacted by the integration costs of EUR 1.1 million. In the following period, we, however, expect the realisation of cost synergies, funding synergies and business activation, together with a strict cost agenda, which should bring CIR of the joint entity to levels below 40% in 2026.

NLB also entered Croatia through Summit Leasing Slovenija, Ljubljana's subsidiary, Mobil Leasing, Zagreb, which had EUR 161.3 million in total assets and held a 3.4% market share[6] as at 31 March 2025. Entering the Croatian market after a 30-year absence represents a significant accomplishment for NLB Group. With Mobil Leasing, Zagreb, the Bank plans to seek the strong growth potential it sees in this market.

As part of its strategic regional presence, NLB is also active in the leasing sector in Serbia and North Macedonia, operating through two leasing companies – NLB Lease&Go Leasing Beograd and NLB Lease&Go Skopje – established/acquired in 2022. As of 30 June 2025, NLB Lease&Go Leasing Beograd reported total assets of EUR 145.4 million and achieved a market share of 8.6% in new financed volume. NLB Lease&Go Skopje recorded total assets of EUR 32.2 million, with an estimated market share by new production of 28.3%.[7]

4 Market share of the leasing portfolio. Change in methodology in NLB Lease&Go, leasing, Ljubljana and Summit Leasing Slovenija, Ljubljana: as of 31 December 2024, the leasing portfolio in banks is no longer included in the calculation.
5 Includes consolidated market share of the joint entity (26.3% of Summit Leasing Slovenia, Ljubljana and 11.3% of NLB Lease&Go, leasing, Ljubljana). Market share of leasing portfolio. Change in methodology in NLB Lease&Go, leasing, Ljubljana and Summit Leasing Slovenija, Ljubljana: as of 31 December 2024, the leasing portfolio in banks is no longer included in the calculation.
6 Market share of leasing portfolio.
7 Calculation based on data obtained by Central Registry of North Macedonia.

Table 3: Key financials of leasing activities(i)

in EUR millions

	Summit Leasing Slovenija, Ljubljana	NLB Lease&Go, leasing, Ljubljana	Mobil Leasing, Zagreb	NLB Lease&Go Leasing Beograd	NLB Lease&Go Skopje	PRO FORMA(ii) Leasing Group
	on stand alone basis					
Income statement	1-6 2025					1-6 2025
Total net operating income	17.2	5.5	2.7	2.2	0.3	34.7
Total costs	-9.7	-4.3	-1.8	-1.6	-0.4	-17.8
Result after tax	3.9	0.9	0.9	0.3	-0.2	12.4
Balance sheet	30 Jun 2025					30 Jun 2025
Total assets	945.1	376.0	161.3	145.4	32.2	1,528.2
Gross loans to customers	881.2	345.8	156.4	135.9	27.7	1,415.2

(i) Operating lease is presented on a net basis: non-interest income and related costs are netted by the amount of amortisation.
(ii) Pro forma consolidation reflects the aggregated performance of leasing entities within the NLB Group, adjusted for intra-group exposures and funding synergies.

Table 4: Pro forma look-through of key financial indicators on leasing activities(i)

Key financial indicators	PRO FORMA(ii) Leasing Group 1-6 2025
ROE a.t.	13.8%
Interest margin	4.32%
CIR	51.4%
Cost of risk net (bps)	46

(i) Operating lease is presented on a net basis: non-interest income and related costs are netted by the amount of amortisation.
(ii) Pro forma consolidation reflects the aggregated performance of leasing entities within the NLB Group, adjusted for intra-group exposures and funding synergies.

Financial Performance and Position

Income Statement Review[8]

Table 5: Income statement of the NLB Group(i)

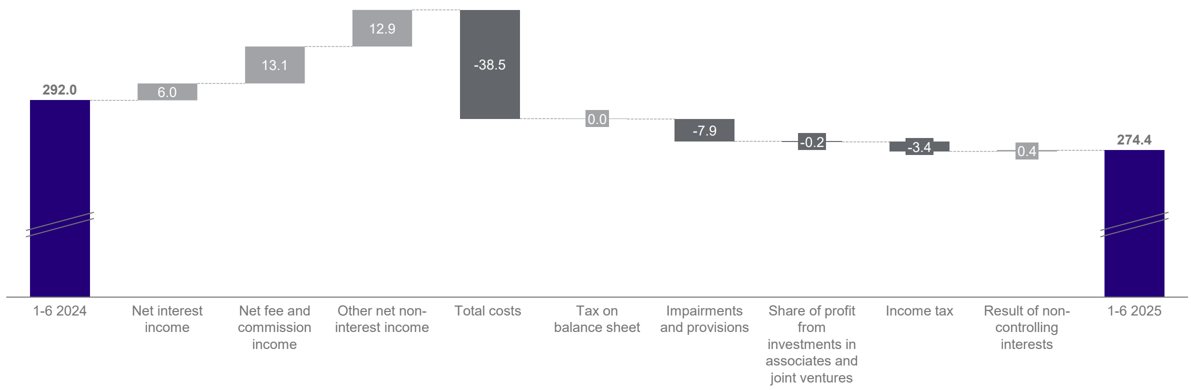
in EUR millions

	1-6 2025	1-6 2024	Change YoY		Q2 2025	Q1 2025	Q2 2024	Change QoQ	
Net interest income	466.4	460.4	6.0	1%	232.5	233.9	228.3	-1.4	-1%
Net fee and commission income	163.1	150.0	13.1	9%	82.7	80.4	78.9	2.3	3%
Dividend income	0.1	0.0	0.1	164%	0.1	0.0	0.0	0.1	-
Net income from financial transactions	20.9	12.8	8.1	63%	13.4	7.5	3.0	5.9	79%
Net other income	-15.5	-20.3	4.8	24%	-4.1	-11.4	-4.9	7.3	64%
Net non-interest income	168.6	142.6	26.0	18%	92.1	76.5	77.1	15.6	20%
Total net operating income	**635.0**	**603.0**	**32.0**	**5%**	**324.6**	**310.4**	**305.4**	**14.2**	**5%**
Employee costs	-171.4	-149.5	-21.9	-15%	-88.9	-82.6	-77.3	-6.3	-8%
Other general and administrative expenses	-93.9	-82.6	-11.4	-14%	-47.7	-46.2	-43.6	-1.5	-3%
Depreciation and amortisation	-31.0	-25.7	-5.3	-21%	-15.9	-15.1	-13.1	-0.8	-6%
Total costs	-296.3	-257.8	-38.5	-15%	-152.5	-143.9	-134.0	-8.6	-6%
Tax on balance sheet	-16.3	-16.2	0.0	0%	-8.2	-8.1	-8.1	-0.1	-1%
Result before impairments and provisions	**322.4**	**329.0**	**-6.6**	**-2%**	**164.0**	**158.5**	**163.2**	**5.5**	**3%**
Impairments and provisions for credit risk	5.8	11.7	-5.9	-50%	20.3	-14.5	16.0	34.8	-
Other impairments and provisions	-3.3	-1.3	-2.0	-163%	-5.6	2.3	-1.0	-7.9	-
Impairments and provisions	2.5	10.4	-7.9	-76%	14.7	-12.2	15.1	26.9	-
Share of profit from investments in associates and joint ventures	1.4	1.7	-0.2	-15%	0.9	0.6	0.7	0.3	50%
Result before tax	**326.3**	**341.1**	**-14.7**	**-4%**	**179.5**	**146.8**	**179.0**	**32.7**	**22%**
Income tax	-43.9	-40.5	-3.4	-8%	-26.2	-17.7	-21.8	-8.5	-48%
Result of non-controlling interests	8.1	8.5	-0.4	-5%	4.8	3.3	5.2	1.5	47%
Result after tax	**274.4**	**292.0**	**-17.7**	**-6%**	**148.5**	**125.8**	**152.0**	**22.7**	**18%**

(i) As of 2025, tax on the balance sheet is presented as a single item in the income statement and is not included in the cost category.

In the first half of 2025, NLB Group achieved a profit after tax of EUR 274.4 million. Despite a trend of declining interest rates, NLB Group managed to record YoY growth in net interest income – primarily due to growth in loan volumes and the positive contribution of the SLS Group acquisition – while the main cost drivers in the period were the acquisition's associated expenses, Group-wide salary adjustments, significant IT investments to accelerate digitisation, and a few non-recurring items.

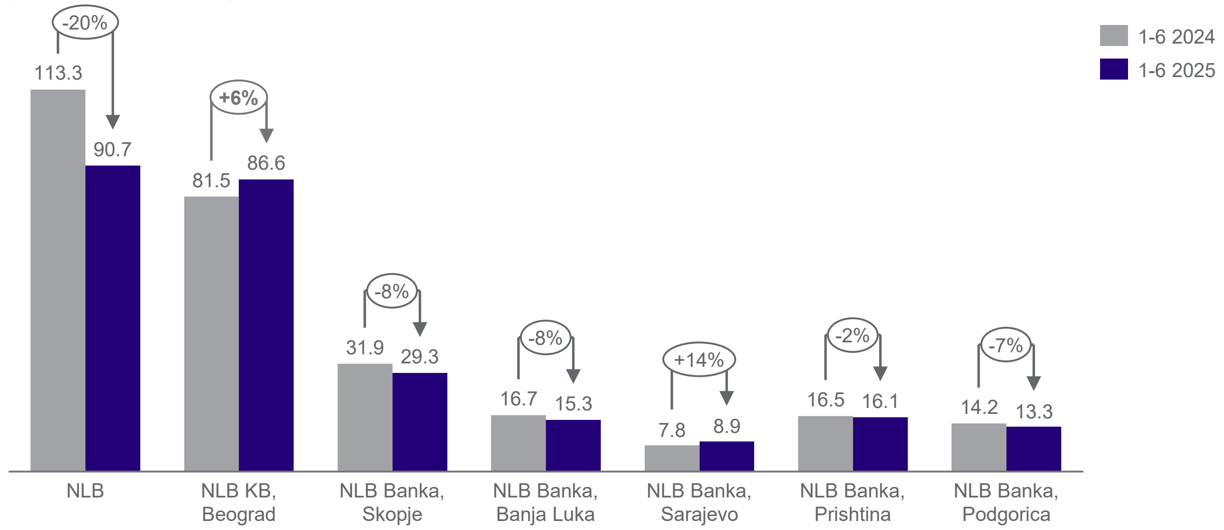
Figure 1: Profit after tax of the NLB Group – evolution YoY (in EUR millions)



8 From June 2025 onwards and for the previous periods, the income statement is presented according to the new methodology. Operating lease is presented on a net basis: non-interest income and related costs are netted by the amount of amortisation (EUR 3.6 million in H1 2025 and EUR 1.0 million in H1 2024).

All member banks delivered profits in H1 2025, contributing positively to the Group's overall result. NLB led with a profit of EUR 90.7 million, closely followed by NLB Komercijalna Banka, Beograd, with EUR 86.6 million. NLB profit contribution remained high, despite its YoY decrease, driven primarily by the low interest rate environment and a few non-recurring costs. Meanwhile, the SEE banks collectively contributed 62% of Group profit, underscoring the strength of Group's diversified business model.

Figure 2: Profit a.t. by company – contribution (in EUR millions)



Net Interest Income

Figure 3: Net interest income of the NLB Group (in EUR millions)

Net interest income rose 1% YoY, primarily due to the SLS leasing portfolio and robust loan volume growth, amounting to EUR 466.4 million, and accounted 73% of the total net operating income.

The SLS Group contributed EUR 17.2 million to the Group's net interest income in the first half of the year.

Compared to the same period last year, the growth in interest income was primarily driven by loans to customers of the acquired SLS Group (EUR 33.9 million) and higher volumes of loans to individuals (EUR 14.6 million), as well as securities (EUR 22.3 million, with two thirds resulting from increased volume and one third from higher yields). Interest income from balances with banks and central banks declined substantially (EUR 48.8 million), reflecting lower interest rates and reduced volumes, as funds were used for the SLS Group acquisition and the funding of new loan production. Meanwhile, interest expenses increased, driven by higher expenses from MREL-eligible wholesale funding (EUR 7.7 million) and increased expenses for customer deposits (EUR 2.0 million).

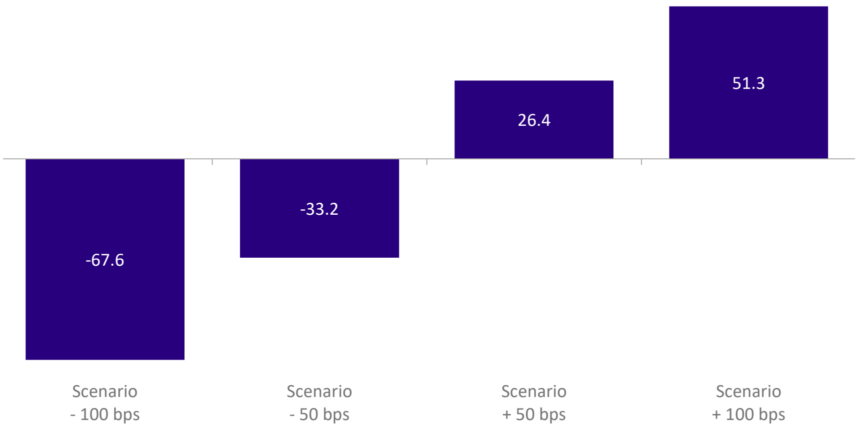
On a QoQ basis, the ECB's monetary policy influenced the average interest rate level. A higher volume of loans almost entirely counterbalanced the effect of lower average interest rates on loans to customers, with a negative net effect of EUR 0.4 million, excluding the impact of a greater number of days in the quarter. Interest income from balances at banks and central banks declined by EUR 4.0 million, driven mainly by the declining trend in interest rates. Interest expenses recorded a slight increase from funding (EUR 1.4 million), predominantly due to the issuance of senior preferred notes in January. Higher expenses were recorded on customer deposits (EUR 0.3 million), deriving from higher volumes and more days in the quarter.

The net interest income sensitivity, simulated by a 100-bps immediate parallel downward shift in interest rates, currently stands at EUR -67.6 million or -2.34% of the T1 capital, driven mainly by the cash (EUR -20.4 million) and floating rate loan positions (EUR -61.1 million) while being partially compensated by interest rate swaps (EUR 9.7 million).

The focus on stabilising the net interest income includes ongoing increased fixed interest rate loan stock, active management of the funding mix, liabilities hedging activities, and increasing duration and volume of the banking book securities portfolio.

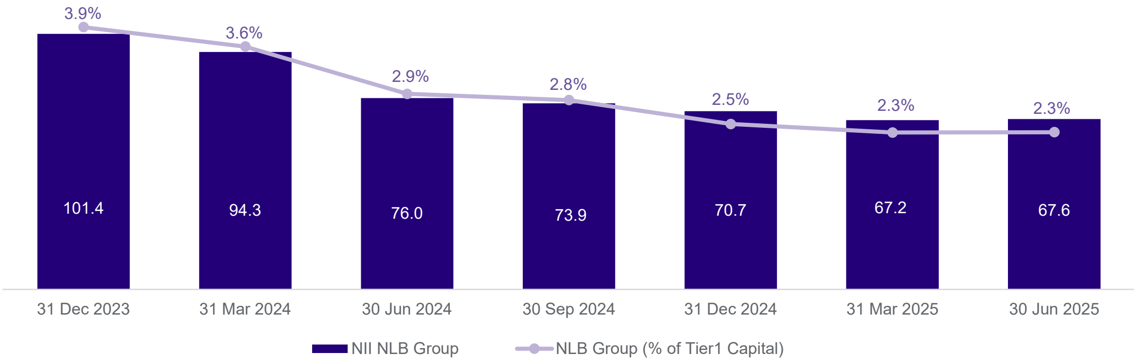
In 2025, NII sensitivity additionally decreased by EUR 3.1 million or 13 bps (from -2.47% to -2.34% relative to the T1 capital, or from EUR -70.7 million to a level of EUR -67.6 million in case of a -100-bps parallel shift). The Group significantly reduced the NII sensitivity in 2025 by increasing the volume of fixed-interest rate loans (EUR 1,393 million), new interest rate hedges on issued liabilities (EUR 500 million) and additional investments in high-quality debt securities (EUR 492 million, partially hedged), while increased central bank balances (EUR 126 million) contributed negatively to net interest income sensitivity. Due to uncertainty surrounding the future path of interest rates, the Group did not undertake any material targeted NII-sensitivity management actions in Q2 2025 and, as a result, kept NII sensitivity virtually unchanged QoQ.

Figure 4: NII sensitivity to various rate shocks of the NLB Group (in EUR millions)



The Group proactively responded to the market interest rate dynamics by fixing interest rates primarily in the first half of 2024, when rates were near their peak. This strategic timing has secured stable interest income for the medium term and significantly reduced NII sensitivity to future rate fluctuations.

Figure 5: NLB Group's NII sensitivity under a standard internal shock (in EUR millions)



The decrease in interest rates on loans and central bank balances led to a YoY decline in the Group's annual net interest margin by 0.28 p.p. to 3.40%. Similarly, the operational business margin fell by 0.33 p.p. YoY to 4.66%. However, this decline was effectively mitigated by replacing less profitable central bank balances with a more lucrative loan portfolio acquired from the SLS Group, an increased volume of loans to individuals and investments in securities.

Figure 6: Net interest margin (quarterly data, in %)

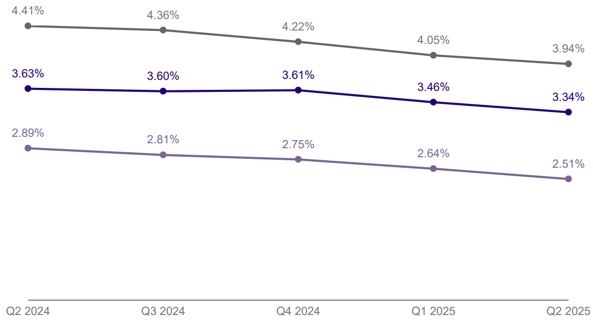
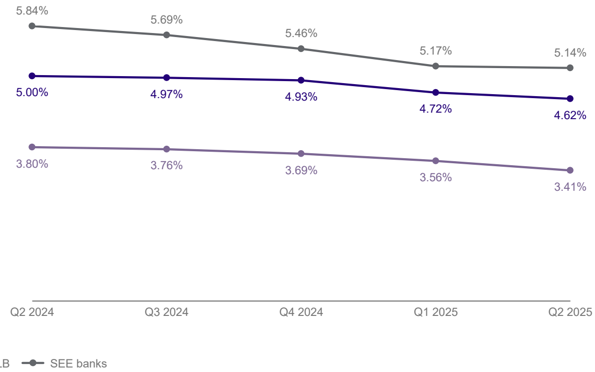
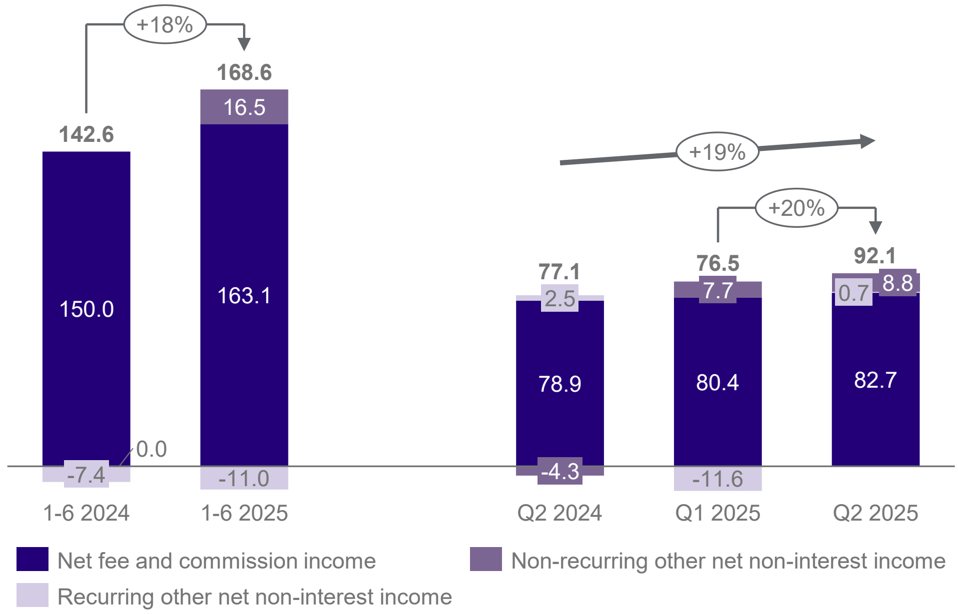


Figure 6: Operational business margin (quarterly data, in %)



Net Non-Interest Income

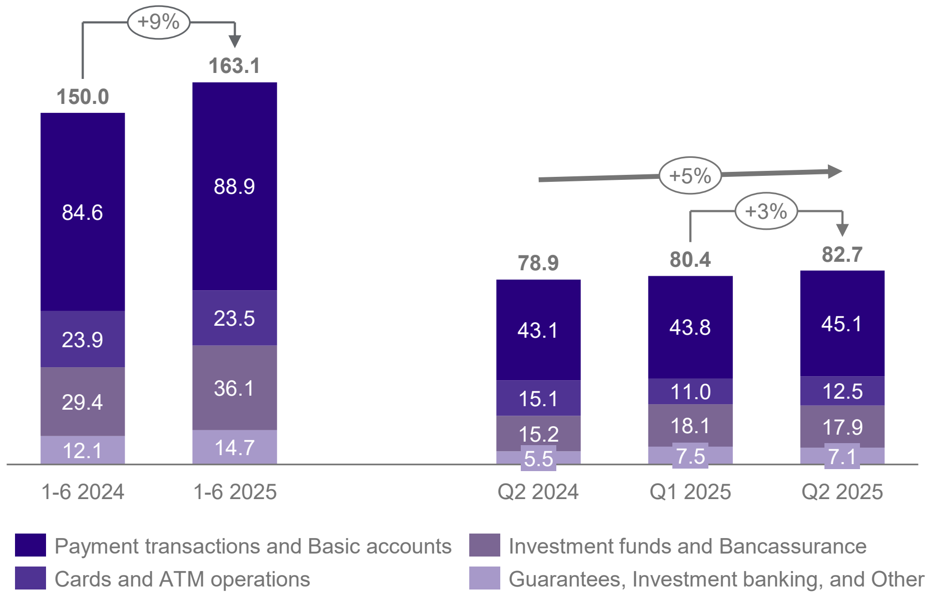
Figure 7: Net non-interest income of the NLB Group (in EUR millions)



The Group's net non-interest income recorded an 18% YoY increase, driven by higher net fee and commission income, as well as several positive one-off effects, including a gain related to a resolved legal dispute and the sale of real estate.

In the QoQ comparison, net non-interest income was significantly affected in Q1 by the accrual of one-off expenses for regulatory costs in NLB, amounting to EUR 11.4 million.

Figure 8: Net fee and commission income of the NLB Group (in EUR millions)

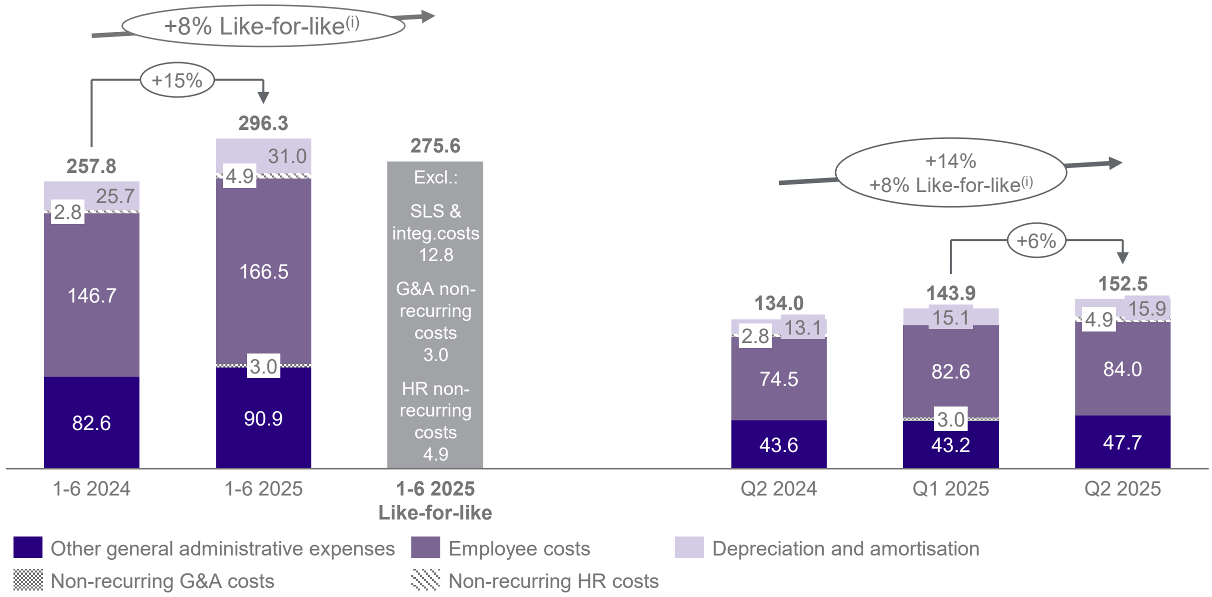


Net fee and commission income, a significant component of the net non-interest income, recorded strong YoY growth. This growth was primarily driven by higher earnings from investment funds, bancassurance, and guarantee fees. Notably, in H1 2025, NLB Skladi, Ljubljana recorded EUR 112.5 million of net inflows, accounting for 43.5% of all net inflows in the market.

QoQ's growth was stable, primarily due to seasonally stronger consumer spending in Q2 compared to Q1.

Total Costs (excluding balance sheet tax)[9]

Figure 9: Total costs of the NLB Group (in EUR millions)



(i) Excluding non-recurring costs, SLS Group and integration costs.

Total costs grew by 8% like-for-like, excluding all non-recurring costs, SLS Group costs and integration costs. This growth was based on salary adjustments across the Group, increased transformational IT spend and increased depreciation on the back of higher investments.

Employee costs rose by EUR 15.3 million YoY (excluding EUR 6.6 million from the SLS Group), primarily due to the Group-wide salary adjustments to market levels in the still high wage inflation environment. Additionally, variable compensation adjustments linked to the share price in the amount of EUR 4.9 million were booked in Q2 2025.

The EUR 7.3 million increase in other general and administrative expenses (excluding EUR 4.1 million from the SLS Group) was attributed mainly to the non-recurring new strategy related costs and IT investments into accelerated digitisation, following the strategic aspiration of more than 80% of all new mass business origination in 2030 being executed E2E digitally.

The EUR 3.4 million increase in depreciation (excluding EUR 1.9 million from the SLS Group) resulted from higher investments made in the previous year.

On a QoQ basis, costs were higher by 6% primarily due to IT investments in accelerated digitisation.

9 From 2025 onwards, tax on the balance sheet is presented as a single item in the income statement and is not included in the cost category.

Figure 10: Number of employees

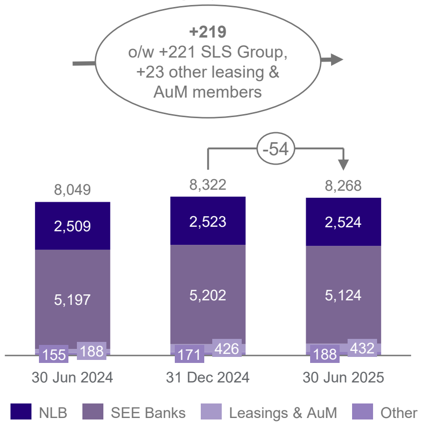
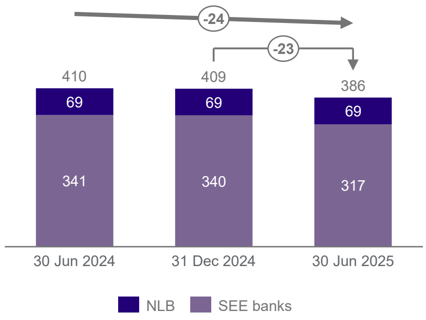


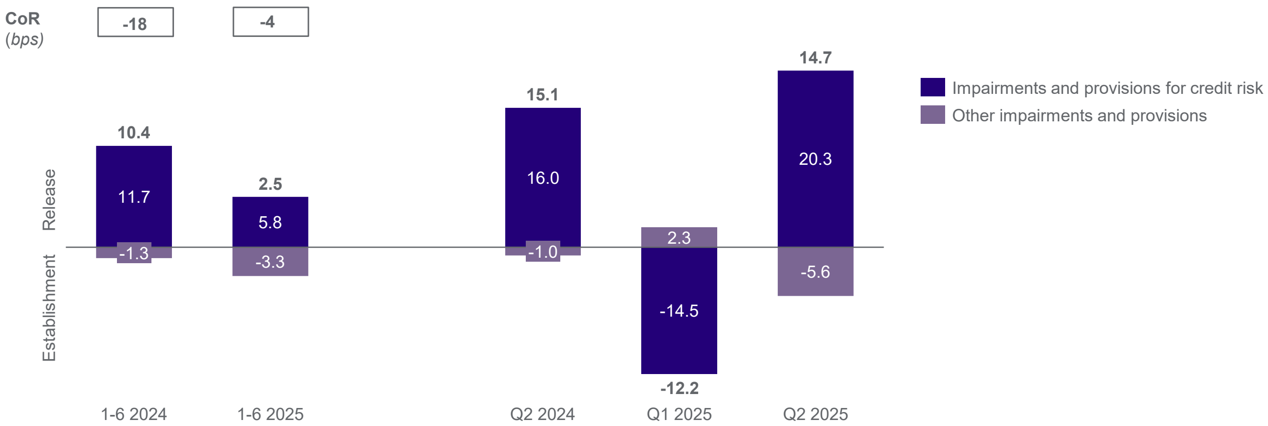
Figure 10: Number of branches



The Cost-to-Income Ratio (CIR)[10] was kept at a 46.7%, representing a 3.9 p.p. increase YoY. This was driven by lower net operating income growth, which was outpaced by the increase in total costs. Nevertheless, the CIR remains below the guided level, indicating continued cost discipline despite revenue pressures.

Impairments and Provisions

Figure 11: NLB Group impairments and provisions (in EUR millions)



In the first half of the year, the Group net released EUR 5.8 million of impairments and provisions for credit risk. This was primarily driven by improvements to IFRS 9 models and parameter calculations, resulting in a release of EUR 15.2 million. Additionally, repayments of written-off receivables amounted to EUR 13.4 million, while new provisions were established in connection with new financing and stage transfers due to credit quality deterioration of certain clients.

Other impairments and provisions were net established in the amount of EUR 3.3 million, mainly due to legal provisions in NLB Komercijalna Banka, Beograd and NLB.

Income Tax

The effective tax rate (calculated as income tax divided by profit before tax) for the first half of 2025 for the NLB Group was 13.44%, and for NLB, 6.87%. A global minimum tax for multinationals is included in the income tax. The contribution rate, which includes the tax on the balance sheet for the first half of 2025 for the NLB Group was 18.42% and for NLB 11.98%.

For further information, please refer to *Note 4.14.* in the financial part of the report.

10 Tax on the balance sheet is excluded from the calculation. From June 2025 onwards and for the previous periods, CIR is adjusted to the new methodology. Operating lease is presented on a net basis: non-interest income and related costs are netted by the amount of amortisation.

Statement of Financial Position

Table 6: Statement of financial position of the NLB Group

in EUR millions

	30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Jun 2024	Change YtD		Change YoY		Change QoQ	
ASSETS										
Cash, cash balances at central banks, and other demand deposits at banks	4,215.2	3,838.1	4,039.6	5,116.3	175.7	4%	-901.1	-18%	377.2	10%
Loans to banks	351.3	504.8	458.9	410.7	-107.6	-23%	-59.4	-14%	-153.4	-30%
Net loans to customers	17,481.5	16,923.3	16,363.6	14,399.3	1,117.9	7%	3,082.2	21%	558.2	3%
Gross loans to customers	17,834.5	17,295.9	16,721.4	14,726.7	1,113.1	7%	3,107.8	21%	538.6	3%
- Corporate	7,914.7	7,719.5	7,471.2	6,703.6	443.5	6%	1,211.1	18%	195.2	3%
- Individuals	9,347.6	9,023.4	8,735.0	7,632.5	612.6	7%	1,715.1	22%	324.2	4%
- State	572.2	553.0	515.2	390.6	57.0	11%	181.7	47%	19.2	3%
Impairments and valuation of loans to customers	-353.0	-372.6	-357.8	-327.4	4.8	1%	-25.6	-8%	19.6	5%
Financial assets	6,666.3	6,568.9	6,324.5	5,919.9	341.8	5%	746.4	13%	97.4	1%
- Trading book	8.3	8.3	19.6	14.6	-11.3	-58%	-6.3	-43%	0.0	-1%
- Non-trading book	6,658.0	6,560.6	6,304.9	5,905.3	353.1	6%	752.7	13%	97.4	1%
Investments in subsidiaries, associates, and joint ventures	14.0	15.2	14.7	12.3	-0.6	-4%	1.7	14%	-1.2	-8%
Property and equipment	312.6	312.8	310.0	280.9	2.6	1%	31.7	11%	-0.2	0%
Investment property	22.3	22.3	26.1	25.8	-3.8	-15%	-3.5	-14%	0.0	0%
Intangible assets	100.2	101.3	100.5	64.9	-0.3	0%	35.3	54%	-1.1	-1%
Other assets	409.5	391.8	397.4	383.6	12.1	3%	26.0	7%	17.8	5%
TOTAL ASSETS	**29,573.0**	**28,678.5**	**28,035.4**	**26,613.7**	**1,537.7**	**5%**	**2,959.4**	**11%**	**894.5**	**3%**
LIABILITIES										
Deposits from customers	22,837.8	22,078.9	22,206.3	20,693.8	631.5	3%	2,144.1	10%	759.0	3%
- Corporate	6,292.3	6,043.1	6,304.6	5,356.8	-12.3	0%	935.5	17%	249.2	4%
- Individuals	16,124.9	15,623.8	15,512.0	14,899.9	612.9	4%	1,225.1	8%	501.1	3%
- State	420.6	412.0	389.7	437.1	30.9	8%	-16.5	-4%	8.6	2%
Deposits from banks and central banks	178.8	172.1	136.0	94.3	42.8	31%	84.5	90%	6.7	4%
Borrowings	431.2	278.5	225.1	218.8	206.1	92%	212.4	97%	152.7	55%
Subordinated debt securities	551.2	538.3	560.1	558.7	-8.9	-2%	-7.5	-1%	12.9	2%
Other debt securities in issue	1,526.7	1,563.3	1,048.8	1,315.3	477.9	46%	211.4	16%	-36.6	-2%
Other liabilities	589.5	619.6	560.9	586.8	28.5	5%	2.6	0%	-30.1	-5%
Equity	3,386.2	3,356.2	3,226.0	3,081.3	160.2	5%	304.9	10%	29.9	1%
Non-controlling interests	71.6	71.6	72.1	64.7	-0.4	-1%	7.0	11%	0.0	0%
TOTAL LIABILITIES AND EQUITY	**29,573.0**	**28,678.5**	**28,035.4**	**26,613.7**	**1,537.7**	**5%**	**2,959.4**	**11%**	**894.5**	**3%**

The Group's **total assets** amounted to EUR 29,573.0 million, reflecting an increase of EUR 1,537.7 million YtD and EUR 2,959.4 million YoY, with YoY increase being affected by the SLS Group acquisition. The Group maintained a healthy funding profile alongside loan growth, with a stable LTD ratio (net) of 76.5% and solid liquidity at the Group level. Loan production was financed through a combination of customer deposits and the issuance of senior preferred notes in the nominal amount of EUR 500 million in January 2025. The issuance was primarily aimed at fulfilling MREL requirements and further strengthening the Group's liquidity position, which also supported loan production and investments in securities.

Figure 12: Total assets of the NLB Group by the location of the NLB Group entities (in %)

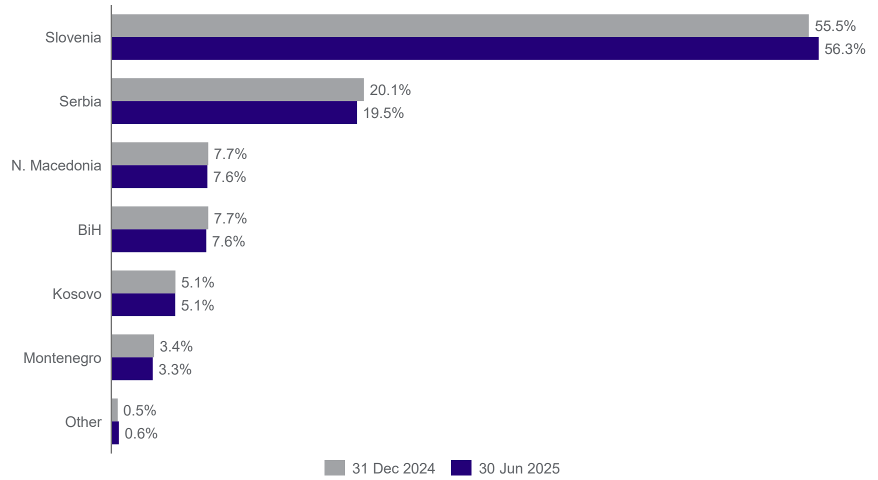
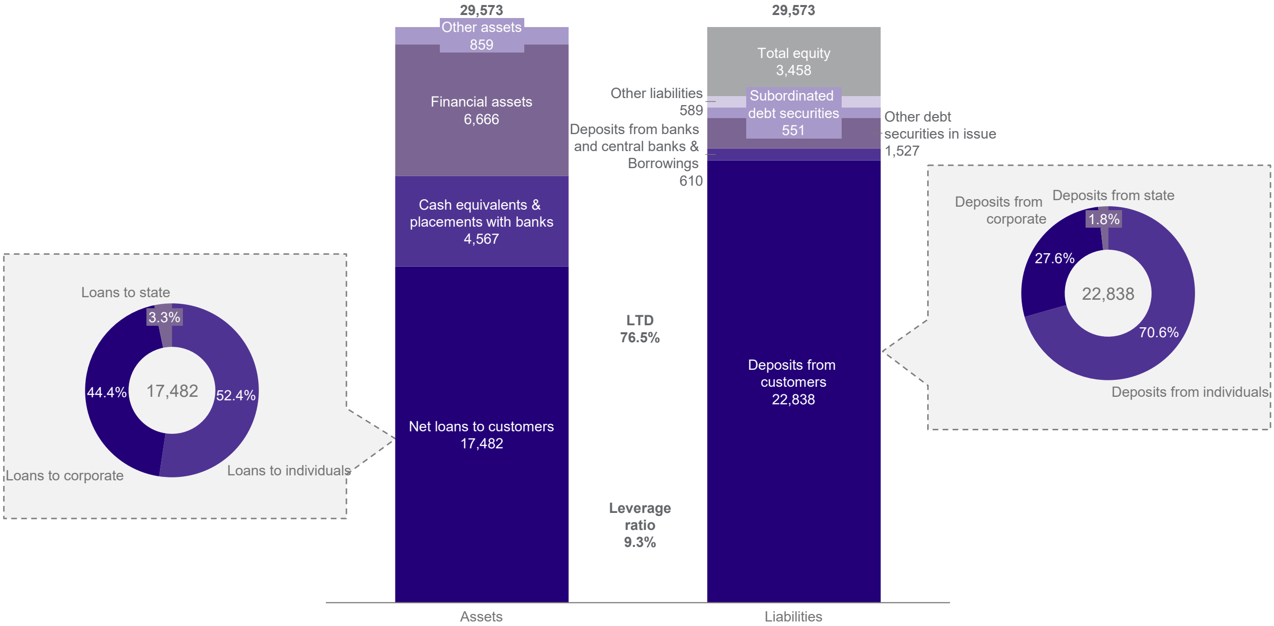


Figure 13: Balance sheet structure of the NLB Group on 30 June 2025 (in EUR millions)



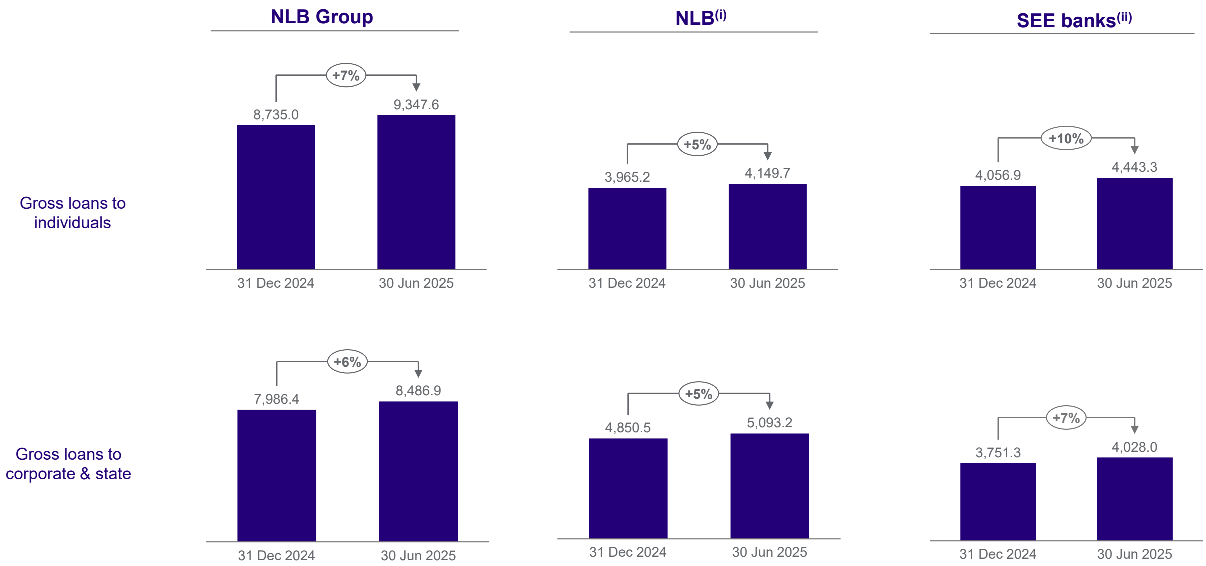
Loans to Customers

In Q2 2025, loan volume continued to grow at the same pace as the last quarter, with growth widespread across geographies and segments, and achieved a 7% YtD increase at the Group level. The strong performance reflects elevated demand for financing, particularly in the retail segment, and was supported by favourable macroeconomic conditions and active marketing engagement across the Group. While the overall trend remains positive, the pace and structure of growth vary among individual Group members, reflecting their specific market dynamics and liquidity positions.

In Slovenia, business activity remained strong, supported by the vibrant new production of loans. NLB recorded a 5% YtD growth in gross loans to corporate and state, largely driven by new loan production and the disbursement of previously approved loans. Loans to individuals also grew, with notable momentum in housing loans – EUR 364.0 million new housing loans were approved in H1 2025, compared to EUR 208.3 million in H1 2024. New production of consumer loans also remained strong, with EUR 280.7 million in H1 2025, compared to EUR 261.8 million in H1 2024.

In SEE banks, the growth of gross loans was even higher than in Slovenia, with 10% growth achieved in gross loans to individuals and 7% growth of gross loans to corporate and state. Loan growth in SEE markets was fuelled by a combination of declining interest rates, improving economic activity, and more favourable loan conditions—factors that significantly boosted loan demand from both corporates and individuals.

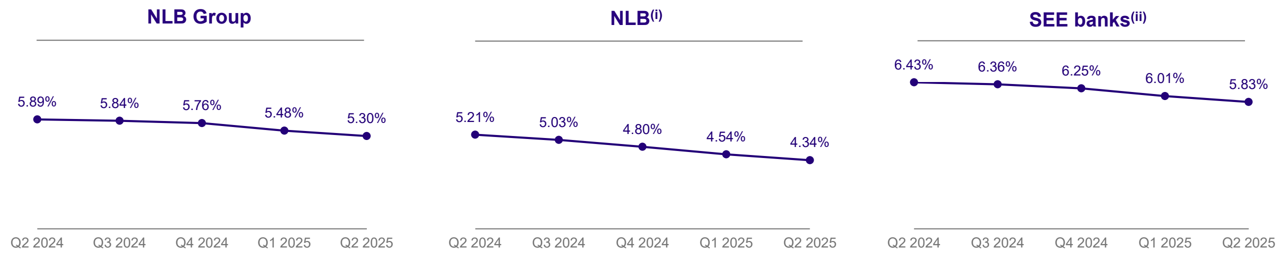
Figure 14: Gross loans to customers YtD dynamics (in EUR millions)



(i) On a stand-alone basis.
(ii) Sum of data on a stand-alone basis as included in the consolidated financial statements of the NLB Group.

Despite already strong credit growth, lending rates declined in H1 2025 across SEE and Slovenia. This was driven by lower market rates on the back of ECB's monetary easing, as well as deliberate action by the Group to align with client expectations, supported by improved funding conditions.

Figure 15: Interest rates for loans to customers (gross, quarterly, in %)



(i) On a stand-alone basis.
(ii) Sum of data on a stand-alone basis as included in the consolidated financial statements of the NLB Group.

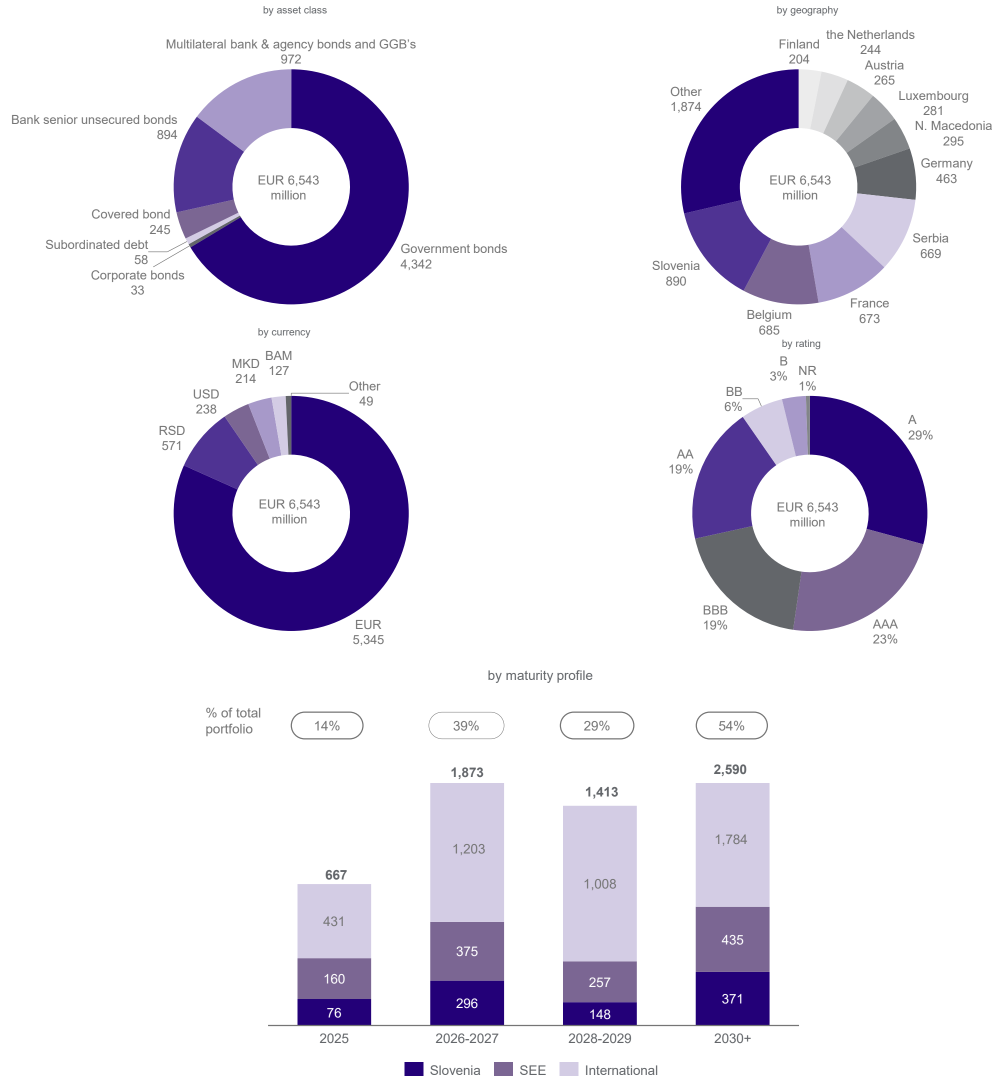
Banking Book Debt Securities Portfolio

In the first half of 2025, the banking book debt securities portfolio increased by EUR 350.9 million (book value), maintaining its share at 22.1% of the Group's total assets, unchanged from the end of 2024. At the end of the period, the portfolio's average duration increased to 3.99 years, up from 3.6 years in 2024, with an average yield of 2.68% YtD, marking a YoY increase of 0.28 p.p. The ESG portfolio continued to expand during the period and now accounts for 12.4% of the entire portfolio.

Two business models are implemented, dividing the portfolio into securities valued at fair value through other comprehensive income (FVOCI) and securities valued at amortised cost (AC).

At the end of the first half of the year, the FVOCI portfolio represented 41.4% of the total Group debt securities portfolio, 1.6 p.p. higher compared to the end of 2024. The average duration was 2.6 years. During this period, the negative valuation of the Group's FVOCI debt securities portfolio amounted to EUR 9 million (the net of hedge accounting effects and related deferred taxes). Furthermore, the average duration of the AC portfolio, 58.6% of the total Group debt securities portfolio, was 5.0 years. Unrealised losses of the Group's AC debt securities portfolio amounted to EUR 11 million during the period.

Figure 16: Banking book debt securities portfolio by asset class, geography, currency, rating[11] and maturity profile as at 30 June 2025 (in EUR millions)



11 92.6% of non-investment grade securities relate to NLB Group's markets, i.e. exposures to Bosnia and Herzegovina, North Macedonia, etc.

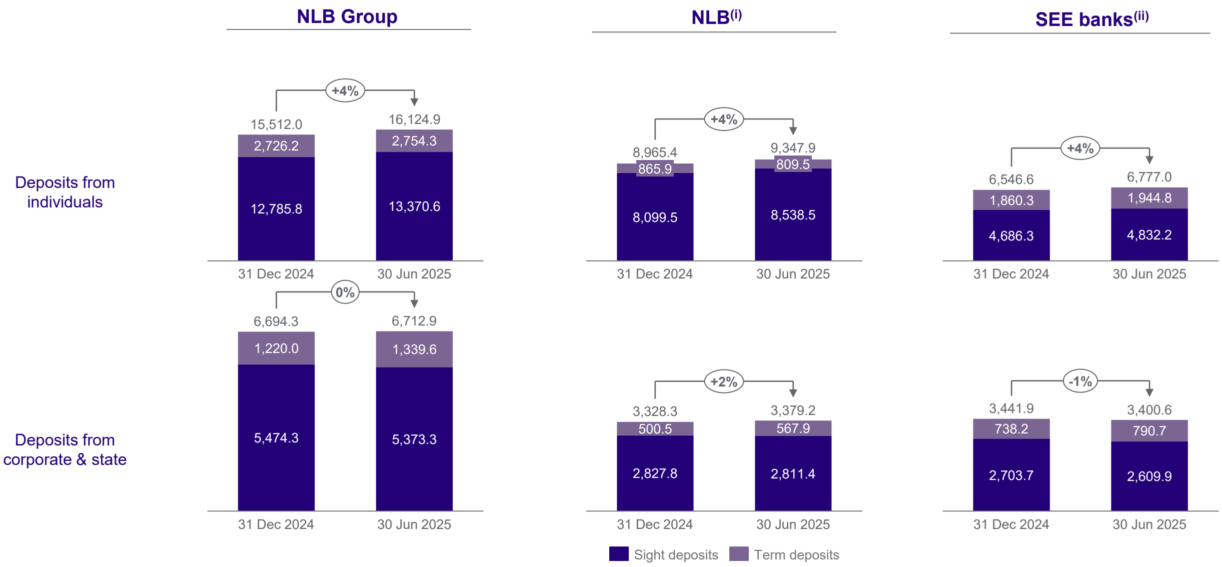
Deposits from Customers

Deposits from customers grew by 3% YtD, with strong growth in deposits from individuals by 4% more than offsetting a temporary Q1 drop in corporate deposits. In Q2, deposit growth resumed across all markets.

Deposits from individuals showed stable growth in most banking members. In NLB, deposits from individuals were flattish in the Q1, impacted by the RoS retail bond issue. However, in the second quarter, higher holiday payments and dividend pay-outs to individual investors contributed positively to the overall deposit growth.

In SEE banks, higher interest rates attracted more deposits from individuals, providing additional funding to support loan growth. In contrast, corporate and state deposits saw a slight decrease YtD. This decrease was driven by a 6% drop in the Q1, following the robust growth recorded in the second half of 2024. In the Q2 2025, deposits rebounded with a healthy growth rate of 5%.

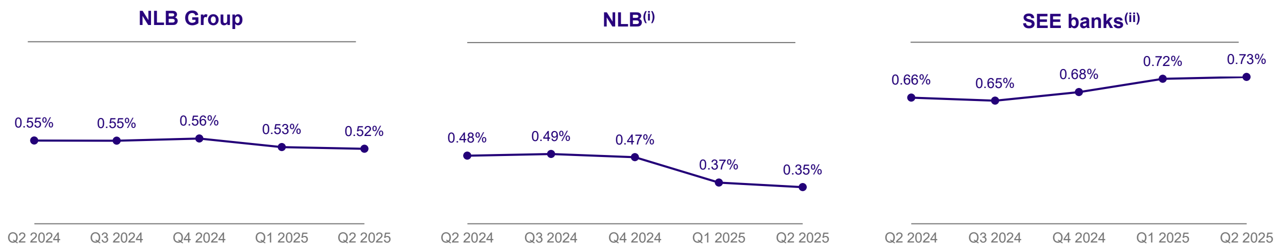
Figure 17: Deposits from customers YtD dynamics (in EUR millions)



(i) On a stand-alone basis.
(ii) Sum of data on a stand-alone basis as included in the consolidated financial statements of the NLB Group.

Deposit rates in SEE have increased during the first half of 2025, driven by heightened liquidity needs, intensified competition for funding, and regulatory pressure to strengthen stable funding buffers. Conversely, in Slovenia, deposit rates declined as the ECB began easing policy.

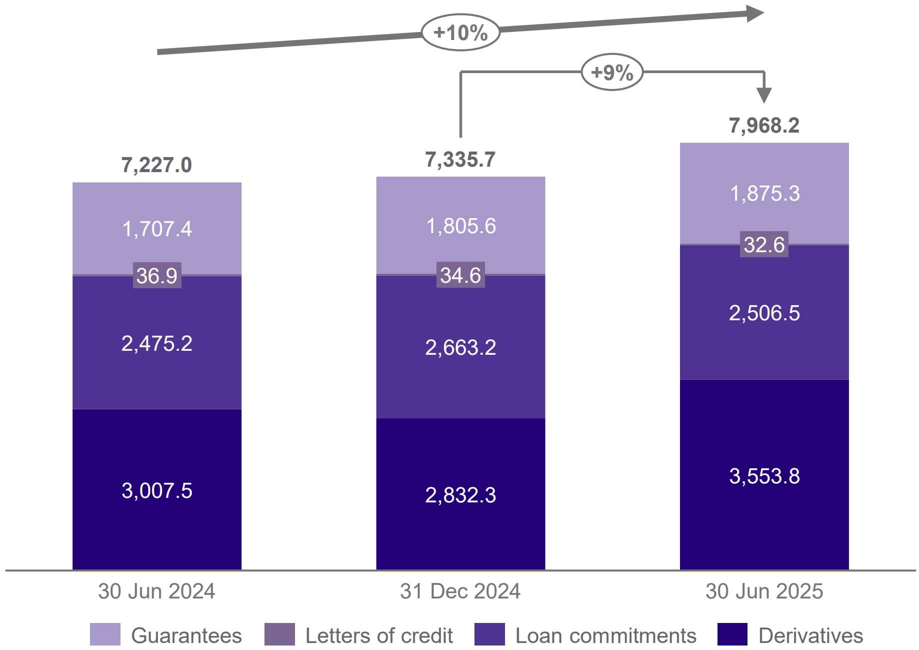
Figure 18: Interest rates for deposits from customers (quarterly, in %)



(i) On a stand-alone basis.
(ii) Sum of data on a stand-alone basis as included in the consolidated financial statements of the NLB Group.

Off-Balance-Sheet Items

Figure 19: NLB Group off-balance-sheet items (in EUR millions)



At the end of June 2025, the majority of the Group's off-balance-sheet items were derivatives (45%), followed by loan commitments (31%).

The Group's off-balance-sheet items increased both YtD and YoY, primarily due to a rise in derivatives of 25% and 18%, respectively – most of which are interest rate derivatives used for hedging the banking book. Additionally, guarantees increased by 10% YtD, which drove the guarantee fee income up by 14% YoY. Loan commitments stayed flat YtD, with a significant portion representing loans (62%) and the rest divided between overdrafts and cards.

Liquidity, Capital and MREL

Liquidity Position

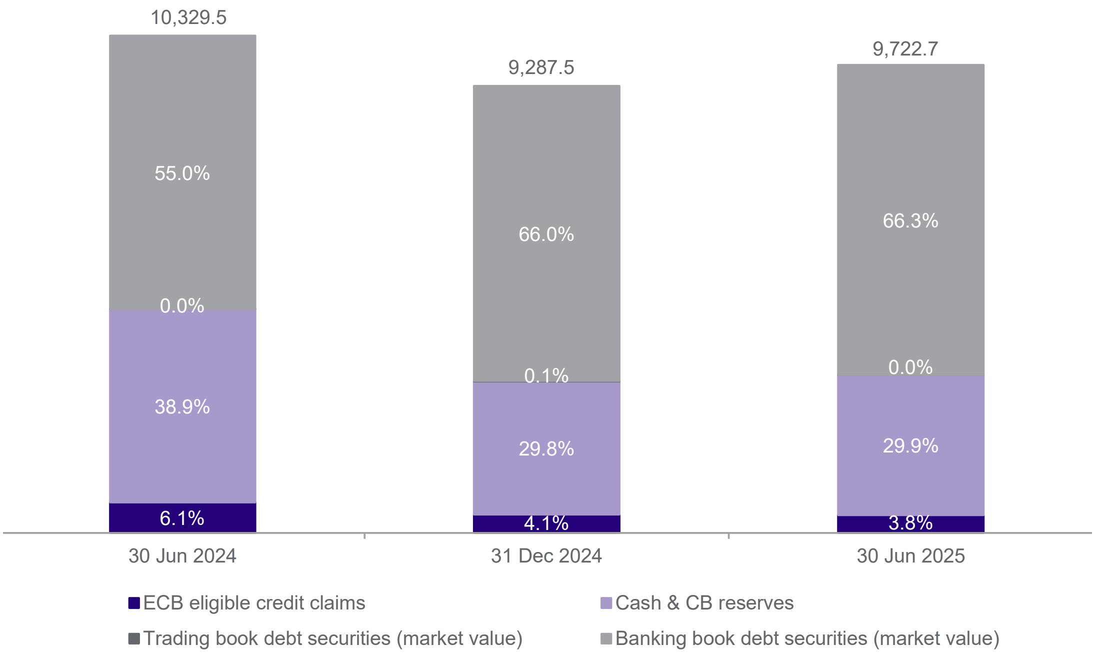
The Group's liquidity position remains strong, with liquidity indicators well above the regulatory requirements, indicating the Group's low tolerance for liquidity risk.

The Group's unencumbered liquidity reserves consist of cash, balances at central banks excluding the minimum reserve requirement, the debt securities portfolio, and credit claims eligible for CB-secured funding operations. Among others, these liquidity reserves provide the basis for future strategic growth.

At the end of June 2025, the Group's unencumbered liquidity reserves decreased by 6% YoY. The decline was primarily due to a reduction in cash & CB reserves, mostly from acquiring the SLS Group, as funds were transferred to the loan portfolio. At the same time, the banking book debt securities increased, while other categories remained stable.

Encumbered liquidity reserves, used for operational and regulatory purposes, increased by 117% YoY to EUR 88.4 million (excluding obligatory reserves) and were excluded from the liquidity reserves portfolio.

Figure 20: Evolution of the NLB Group unencumbered liquidity reserves (in EUR millions)



Capital

Capital Requirements

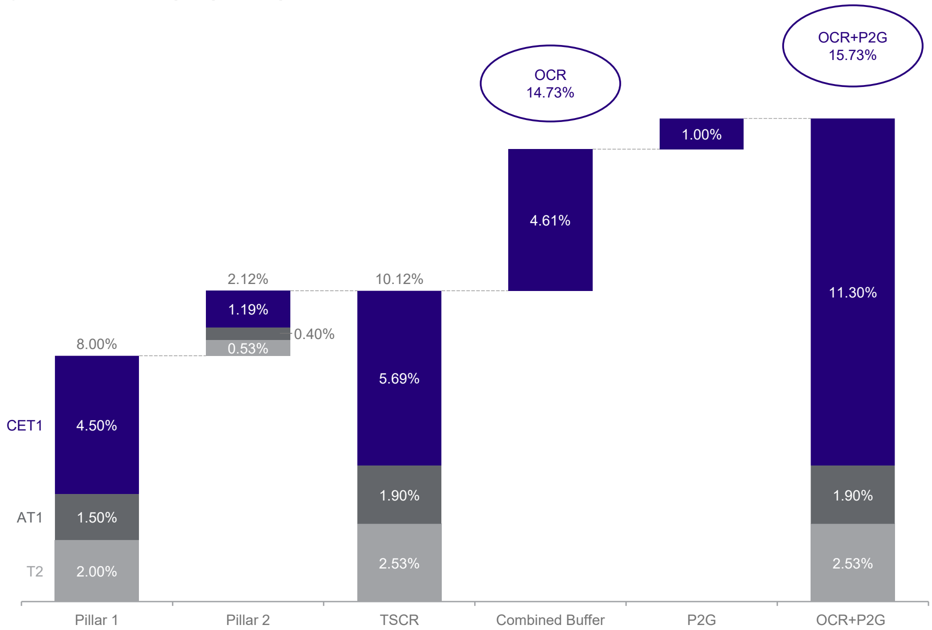
At the end of June 2025, the Bank's Overall Capital Requirement (OCR) on a consolidated basis was 14.73%, representing an increase of 0.24 p.p. compared to the end of 2024, mainly due to a higher Combined Buffer Requirement (CBR) due to the rise in the Countercyclical Buffer.

The OCR includes:

- Total SREP Capital Requirement (TSCR): 10.12% (8.00% Pillar 1 requirements, 2.12% Pillar 2 requirements (P2R)).
- Combined Buffer Requirement (CBR): 4.61% (2.50% Capital Conservation Buffer, 1.25% O-SII Buffer, 0.78% Countercyclical Buffer (CCYB), 0.08% Systemic Risk Buffer[12]).

Additionally, the regulator recommends a Pillar 2 Guidance (P2G) at 1.0% of the Common Equity Tier 1 (CET1), which the Group maintains to ensure resilience under severe economic stress scenarios.

Figure 21: NLB Group capital requirements as at 30 June 2025



Effective 1 January 2025, the capital buffer rates for Slovenia changed:

- The countercyclical capital buffer rate for exposures in Slovenia increased from 0.5% to 1.0%. In June 2025, the NLB Group CCYB buffer was calculated at 0.78%, further impacted by the CCYB rates of its subsidiary banks, namely NLB Banka Skopje, NLB Banka Prishtina, and NLB Banka Podgorica.
- In January 2025, the sectoral systemic risk buffer for retail exposures to private individuals secured by residential real estate decreased from 1.0% to 0.5%, which was reflected in a 0.08% Systemic Risk Buffer in June 2025.

12 The Bank has also been subject to a mandatory Systemic Risk Buffer (SyRB) for sectoral exposures, set at 0.5% for all retail exposures to natural persons.

Capital Adequacy

Table 7: Capital realisation YtD and surplus over the regulatory requirement of the NLB Group as of 30 June 2025

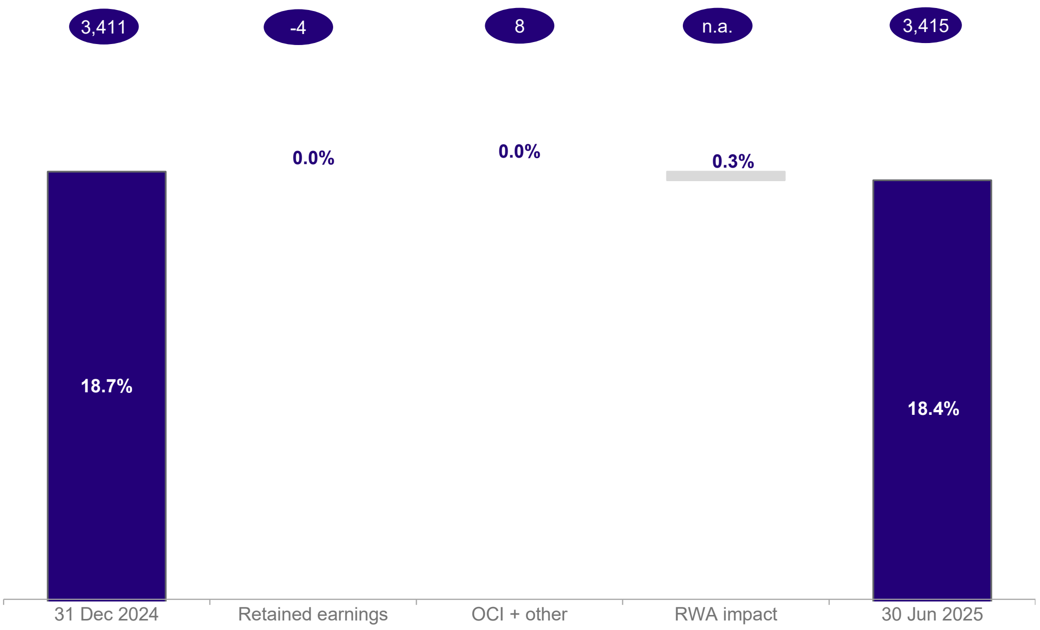
in EUR millions

	30 June 2025	31 Dec 2024	Change YtD	Surplus over OCR+P2G 30 June 2025
Common Equity Tier 1 capital	2,803	2,786	17	700
Tier 1 capital	2,887	2,872	15	431
Total capital	3,415	3,411	4	488
Total risk exposure amount (RWA)	18,608	18,216	392	
Common Equity Tier 1 Ratio	15.06%	15.29%	-0.23 p.p.	3.76 p.p.
Tier 1 Ratio	15.51%	15.77%	-0.25 p.p.	2.31 p.p.
Total Capital Ratio	18.35%	18.73%	-0.37 p.p.	2.62 p.p.

As at 30 June 2025, the Group's TCR stood at 18.4% (a 0.4 p.p. decrease compared to the end of 2024), while the CET1 ratio stood at 15.1%, remaining well above regulatory requirements. The lower total capital adequacy resulted from a higher RWA of EUR 392.1 million compared to the end of 2024, although the capital increased by EUR 4.0 million compared to the end of 2024.

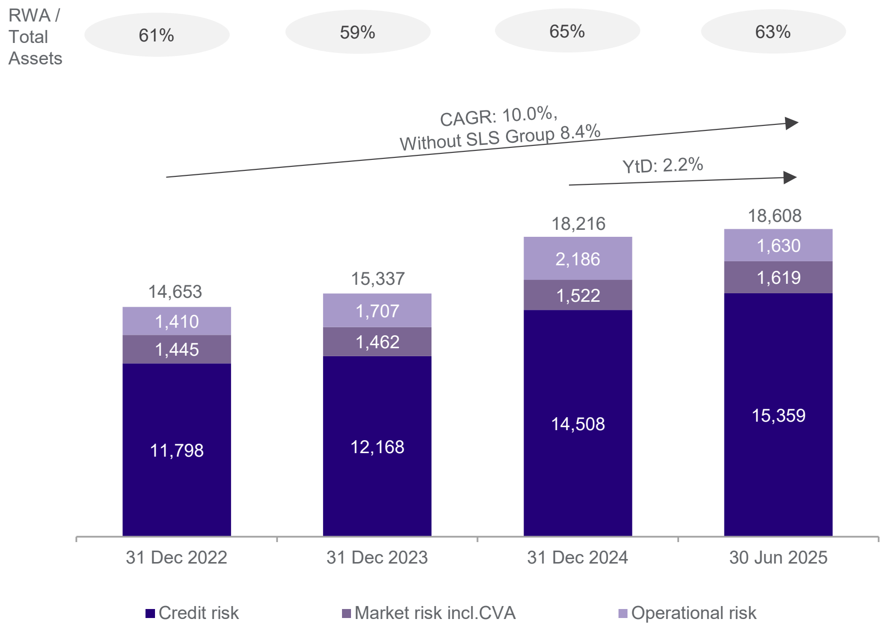
The total capital does not include the envisaged amount to be paid out as a second tranche of the dividend in 2025. Therefore, there will be no effect on the capital if the dividends are paid.

Figure 22: Capital (in EUR millions) and capital ratios of the NLB Group – YtD development



Total Risk Exposure Dynamic

Figure 23: RWA structure (in EUR millions)



On a consolidated basis, the Group uses the standardised approach to calculate RWA for credit, operational, and market risk.

In the first half of 2025, the Group's RWA for credit risk increased by EUR 850.4 million, driven by changes in the EU regulatory rules effective from 1 January 2025 (approximately EUR 311.8 million) and portfolio development (approximately EUR 538.6 million).

The most significant RWA increase due to legislative changes was seen in off-balance sheet exposures, namely for the undrawn part of limits and loans, where the Credit Conversion Factor (CCF) was changed from 20% to 40%. In certain Group banks, the RWA increase is related to the introduction of a multiplier of 1.5 for FX transactions in retail. On the other hand, a RWA decrease for high-risk exposures under *CRR2* (150% weight) was recognised. Under *CRR3*, the latter were reclassified into other categories, namely ADC, IPRE, SL or the debtor category, where a more favourable risk weight can be applied. Lower risk weights for exposures secured by CRR-eligible residential real estate and using S&P corporate ratings also contributed to the lower RWA.

Portfolio growth in 2025 resulted in an increase of RWA, mainly in corporates and retail, where a large part of the loans is at least partially secured by a real estate. The RWA increase due to portfolio growth was partially offset by the capital optimisation when tying up liquid assets.

The increase in RWAs for market risks and Credit Value Adjustments (CVA) by EUR 97.2 million during the first six months of 2025 was mainly driven by a higher RWA for FX risk, which rose by EUR 95.4 million (mainly due to an increase in open positions in domestic currencies held by non-euro subsidiary banks). The RWA for CVA risk slightly increased following the implementation of the new Basic (BA) risk method for its calculation.

With the entry into force of *CRR3* on 1 January 2025, the Bank adopted the new standardised approach for calculating capital requirements for operational risk. This implementation resulted in a lower Business indicator and marginal coefficient, leading to a decrease of EUR 555.5 million in the Group risk exposure for operational risk in the first half of 2025. The reduction reflects the more risk-sensitive methodology under the revised regulatory framework.

Wholesale Funding Strategy and MREL

Wholesale Funding

Wholesale funding activities in the Group aim to achieve diversification, improve structural liquidity and capital position, and fulfil regulatory requirements, especially compliance with the MREL requirements.

The Bank was active in capital markets in 2025, issuing 4NC3 senior preferred notes in January for MREL purposes.

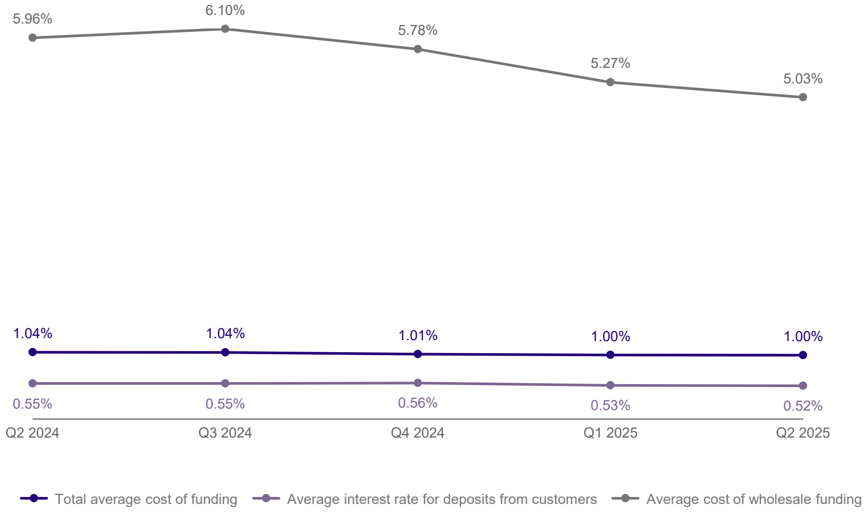
Table 8: Overview of outstanding NLB notes as of 30 June 2025

in EUR millions

Type of bond	ISIN code	Issue Date	Maturity	First call date	Interest Rate	Nominal Value
Senior Preferred	XS2972971399	21 January 2025	21 January 2029	21 January 2028	3.500% p.a.	500
Senior Preferred	XS2825558328	29 May 2024	29 May 2030	29 May 2029	4.500% p.a.	500
Senior Preferred	XS2641055012	27 June 2023	27 June 2027	27 June 2026	7.125% p.a.	500
					Total SP:	**1,500**
Tier 2	XS2750306511	24 January 2024	24 January 2034	24 January 2029	6.875% p.a.	300
Tier 2	XS2413677464	28 November 2022	28 November 2032	28 November 2027	10.750% p.a.	225
					Total Tier 2:	**525**
Additional Tier 1	SI0022104275	23 September 2022	Perpetual	between 23 September 2027 and 23 March 2028	9.721% p.a.	82
					Total AT1:	**82**
					Total outstanding:	**2,107**

The overall cost of funding remains low thanks to a reliable deposit base and the stability of sight deposits.

Figure 24: Average cost of funding (quarterly data)

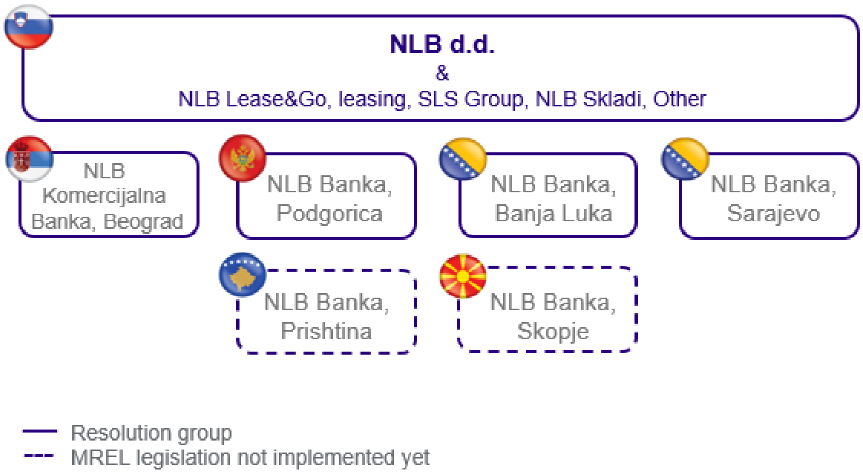


MREL Compliance

The Preferred Resolution Strategy (PRS) for the NLB Group is based on the Multiple Point of Entry (MPE) strategy. Bail-in at the level of NLB is the primary resolution tool to be applied during the stabilisation phase.

Within the NLB Group, seven resolution groups are designated. NLB heads the resolution group in the Banking Union, and the remaining six resolution groups are headed by the banking subsidiaries located in non-EU countries (Bosnia and Herzegovina, Montenegro, and Serbia, while Kosovo and North Macedonia have not yet implemented MREL legislation).

Figure 25: Resolution groups within the NLB Group



The NLB Resolution Group consists of NLB as the only banking member and other non-banking members, the latter representing 13% in TREA. The entities and their contribution to TREA of the NLB Resolution Group are presented in the table below.

Table 9: Contribution to the NLB Resolution Group's TREA

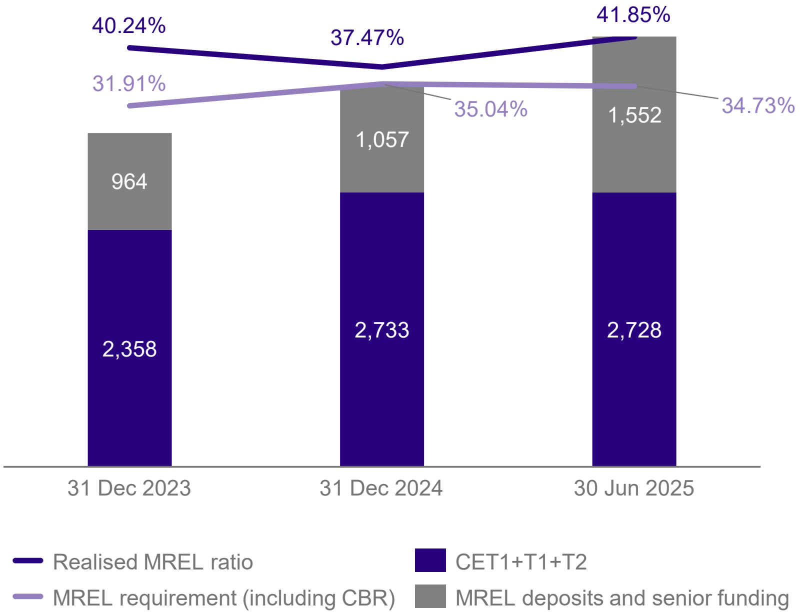
	in EUR millions
Entity	**30 Jun 2025**
NLB d.d.	8,932
SLS Group	760
NLB Lease&Go, leasing, Ljubljana	275
NLB Lease&Go Leasing Beograd	108
NLB Skladi, Ljubljana	88
Other	63
TREA total	**10,226**

In March 2025, NLB received a new decision regarding the MREL requirement and has to ensure its own funds and eligible liabilities towards the MREL requirement to be met at all times, starting from the notification date, which amounts to:

- 29.93% of TREA + applicable CBR (4.80% on 30 June 2025),
- 11.24% of LRE.

On 30 June 2025, the MREL ratio amounted to 41.85% TREA and 22.12% LRE, which was well above the required level.

Figure 26: Evolution of MREL eligible funding (in EUR millions), MREL requirement and realised MREL ratio



SEE banking members in Bosnia and Herzegovina, Serbia, and Montenegro are subject to local MREL requirements.

NLB Shareholders Structure

The Bank has issued share capital divided into 20,000,000 shares. The shares are listed on the Prime Market of the Ljubljana Stock Exchange (ISIN SI0021117344, Ljubljana Stock Exchange trading symbol: NLBR), and the Global Depositary Receipts (GDRs), representing ordinary shares of NLB, are listed on the Main Market of the London Stock Exchange (ISIN: US66980N2036 and US66980N1046, London Stock Exchange GDR trading symbol: NLB and 55VX). Five GDRs represent one NLB share.

Table 10: NLB's main shareholders as at 30 June 2025[(i)]

Shareholder	Number of shares	Percentage of shares
Bank of New York on behalf of the GDR holders[(ii), (iii)]	9,311,701	45.56
• *of which EBRD*	*/*	*>5 and <10*
• *of which Brandes Investment Partners, L.P.*	*/*	*>5 and <10*
Republic of Slovenia (RoS)	5,000,001	25.00
Other shareholders	5,688,298	29.44
Total	**20,000,000**	**100.00**

(i) This information is sourced from the NLB's shareholders' book that is accessible at the web services of CSD (Central Security Depository, Slovenian: KDD - Centralna klirinško depotna družba) and available to CSD members. The information on major holdings is based on self-declarations by individual holders pursuant to the applicable provisions of Slovenian legislation, which require that the holders of shares in a listed company notify the company whenever their direct and/or indirect holdings pass the set thresholds of 5%, 10%, 15%, 20%, 25%, 1/3, 50%, or 75%. The table lists all self-declared major holders whose notifications have been received. In reliance on this obligation vested with the holders of major holdings, the Bank postulates that no other entities or any natural person holds directly and/or indirectly ten per cent or more of the Bank's shares.
(ii) The Bank of New York holds shares in its capacity as the depositary (the GDR Depositary) for the GDR holders and is not the beneficial owner of such shares. The GDR holders have the right to convert their GDRs into shares. The rights under the deposited shares can be exercised by the GDR holders only through the GDR Depositary, and individual GDR holders do not have any direct right to either attend the shareholders' meeting or exercise any voting rights under the deposited shares.
(iii) The information on GDR ownership is based on self-declarations by individual GDR holders as required pursuant to the applicable provisions of Slovenian law.

Segment Analysis

Segment reporting is presented in accordance with the strategy on the basis of the organisational structure used in management reporting of the NLB Group's results. The NLB Group's segments are business units that focus on different customers and markets. They are managed separately because each business unit requires different strategies and service levels.

The segments of the NLB Group are divided into Core and Non-Core segments. The business activities of the parent bank (NLB), NLB Lease&Go, leasing, Ljubljana and Summit Leasing Slovenija, Ljubljana, are divided into several segments (Retail Banking in Slovenia, Corporate and Investment Banking in Slovenia, and Financial Markets in Slovenia). Other NLB Group members are, based on their business activity, included in Strategic Foreign Markets and Other.

In 2025, several changes were made to the methodology, namely:

- For NLB Lease&Go, leasing, Ljubljana and Summit Leasing Slovenija, Ljubljana, the reallocation of the micro segment from Corporate and Investment Banking in Slovenia to the segment Retail Banking in Slovenia was conducted, and interest income was reallocated based on fund transfer prices (FTP).
- MREL and T2 funding costs were allocated from Financial Markets in Slovenia to all other segments, based on their corresponding capital and MREL requirements.

Core Segments

- **Retail Banking in Slovenia** covers individuals and micro companies, asset management (NLB Skladi, Ljubljana), and part of NLB Lease&Go, leasing, Ljubljana and Summit Leasing Slovenija, Ljubljana, operating with retail clients, as well as part of the result of the associated company Bankart.
- **Corporate and Investment Banking in Slovenia** covers Key Corporate Clients, SMEs, Cross-Border Corporate Financing, Investment Banking and Custody, Trade Finance, Restructuring and Workout, and part of NLB Lease&Go, leasing, Ljubljana and Summit Leasing Slovenija, Ljubljana, operating with corporate clients.
- **Financial Markets in Slovenia** include treasury activities and trading with financial instruments, while also presenting the results of asset and liability management (ALM) in the parent bank, NLB Lease&Go, leasing, Ljubljana and Summit Leasing Slovenija, Ljubljana.
- **Strategic Foreign Markets** consist of strategic banks in the Group operating in strategic markets (Serbia, North Macedonia, Bosnia and Herzegovina, Kosovo, and Montenegro), as well as the investment companies NLB Fondovi, Skopje and NLB Fondovi, Beograd, NLB DigIT, Beograd, and the leasing companies NLB Lease&Go Skopje, NLB Lease&Go Leasing Beograd, and Mobil Leasing, Zagreb.
- **Other** activities include categories, whose operating results cannot be allocated to specific segments (including tax on the balance sheet), as well as the NLB MUZA, Ljubljana, and also Real Estate entities from 2024 (the latter were previously in the non-core segment) and the company NLB Car&Go, Ljubljana.

Non-Core Segment

- **Non-Core Members** include the operations of non-core NLB Group members, i.e. entities in liquidation, LHB; NLB Srbija, NLB Crna Gora, and SLS HOLDCO, Ljubljana[13].

13 On 9 May 2025, SLS HOLDCO, Ljubljana merged with Summit Leasing Slovenija, Ljubljana and ceased to exist as a separate legal entity.

Table 11: Segments of the NLB Group

	NLB Group	Core Segments					Non-Core Segment
		Retail Banking in Slovenia	Corporate and Investment Banking in Slovenia	Financial Markets in Slovenia	Strategic Foreign Markets	Other	Non-Core Members
Profit b.t. (in EUR millions)	326	111	53	8	182	-26	-1
Contribution to Group's profit b.t.	100%	34%	16%	2%	56%	-8%	0%
Total assets (in EUR millions)	29,573	5,091	3,990	7,103	12,910	459	20
% of total assets	100%	17%	13%	24%	44%	2%	0%
CIR(i)	46.7%	45.1%	44.9%	/	46.1%	/	/
Cost of risk (bps)	-4	72	-33	/	-33	/	/

(i) Tax on the balance sheet is excluded from the calculation. From June 2025 onwards, CIR for NLB Group is adjusted to the new methodology. Operating lease is presented on a net basis: non-interest income and related costs are netted by the amount of amortisation.

The NLB Group's leading indicator of a segment's efficiency is the net profit before tax. No revenues were generated from transactions with a single external customer amounting to 10% or more of the Group's revenues.

Retail Banking in Slovenia

Highlights

- Market shares in retail lending continued to increase.
- Strong performance driven by significant growth in loan production.
- Net fees and commissions increased, driven by asset management and bancassurance growth.
- Upgrade of digital bank *NLB Klik* to a new platform.

Financial and Business Performance

Table 12: Key financials of the Retail Banking in Slovenia segment(iv)

in EUR millions consolidated

	1-6 2025	1-6 2024	Change YoY		Q2 2025	Q1 2025	Q2 2024	Change QoQ
Net interest income	169.4	159.4	10.0	6%	84.5	84.9	79.4	-1%
Net interest income from Assets(i)	65.2	45.6	19.6	43%	33.6	31.5	23.0	7%
o/w allocation of regulatory costs(iii)	-4.5				-2.3	-2.3		0%
Net interest income from Liabilities(i)	104.2	113.8	-9.6	-8%	50.9	53.4	56.3	-5%
Net non-interest income	60.7	51.6	9.1	18%	34.2	26.5	31.3	29%
o/w Net fee and commission income	72.9	61.2	11.7	19%	36.0	36.8	31.0	-2%
Total net operating income	**230.1**	**211.0**	**19.1**	**9%**	**118.7**	**111.5**	**110.7**	**6%**
Total costs	-103.8	-78.2	-25.6	-33%	-55.0	-48.8	-43.4	-13%
Result before impairments and provisions	**126.3**	**132.8**	**-6.5**	**-5%**	**63.7**	**62.6**	**67.3**	**2%**
Impairments and provisions	-17.2	-16.7	-0.5	-3%	-5.0	-12.2	-11.2	59%
Share of profit from investments in associates and joint ventures	1.4	1.7	-0.2	-15%	0.9	0.6	0.7	50%
Result before tax	**110.5**	**117.7**	**-7.2**	**-6%**	**59.6**	**51.0**	**56.8**	**17%**

	30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Jun 2024	Change YtD		Change YoY		Change QoQ
Net loans to customers	4,952.7	4,847.3	4,622.0	3,818.9	330.7	7%	1,133.8	30%	2%
Gross loans to customers	5,054.2	4,948.6	4,709.3	3,900.6	345.0	7%	1,153.6	30%	2%
Housing loans	2,842.2	2,754.8	2,678.8	2,537.2	163.4	6%	305.1	12%	3%
Interest rate on housing loans (ii)	*2.96%*	*2.98%*	*3.14%*	*3.22%*	*-0.18 p.p.*		*-0.26 p.p.*		*-0.02 p.p.*
Consumer loans	1,025.7	1,001.3	963.5	892.9	62.2	6%	132.9	15%	2%
Interest rate on consumer loans (ii)	*8.24%*	*8.28%*	*8.31%*	*8.38%*	*-0.07 p.p.*		*-0.14 p.p.*		*-0.04 p.p.*
Summit Leasing Slovenija, ljubljana	647.3	639.5	549.1		98.3	18%	647.3	-	1%
NLB Lease&Go, leasing, Ljubljana	151.0	140.4	132.7	120.2	18.4	14%	30.8	26%	8%
Other	388.0	412.6	385.2	350.3	2.8	1%	37.6	11%	-6%
Deposits from customers	10,264.2	9,896.7	9,849.6	9,590.2	414.6	4%	674.0	7%	4%
Interest rate on deposits (ii)	*0.37%*	*0.38%*	*0.49%*	*0.49%*	*-0.12 p.p.*		*-0.12 p.p.*		*-0.01 p.p.*
Non-performing loans (gross)	102.0	103.4	95.7	81.6	6.3	7%	20.5	25%	-1%

	1-6 2025	1-6 2024	Change YoY
Cost of risk (in bps)	72	89	-17
CIR	45.1%	37.1%	8.0 p.p.
Net interest margin(ii)	4.33%	4.84%	-0.51 p.p.

(i) Net interest income from assets and liabilities using Fund Transfer Pricing (FTP).
(ii) The segment's net interest margin is calculated as the ratio between annualised net interest income (i) and the sum of average interest-bearing assets and liabilities divided by 2.
(iii) In Q1 2025, the corresponding allocation of MREL and Tier 2 from the segment Financial Markets in Slovenia was made.
(iv) In Q1 2025, for NLB Lease&Go, leasing, Ljubljana and Summit Leasing Slovenija, Ljubljana, the reallocation of a micro segment from Corporate and Investment Banking in Slovenia to the segment Retail Banking in Slovenia was conducted.

Net interest income saw a YoY increase of 6%, primarily due to higher loan volumes, which positively impacted the segment's net interest income despite a decrease in interest rates. The decline in the net interest income from liabilities resulted from lower key ECB interest rates.

Net fee and commission income increased by 19% YoY, primarily driven by higher earnings from investment funds and bancassurance activities.

The segment's **total costs** increased by EUR 25.6 million YoY, of which almost half relates to leasing and AuM activities, while the remaining part stems from higher employee costs, non-recurring costs and IT expenditures.

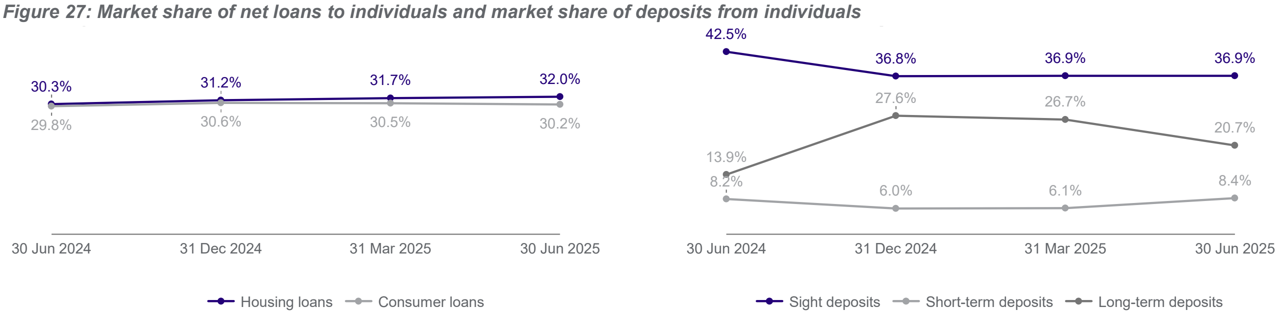
Impairments and provisions for credit risks were net established due to the portfolio development.

The **segment's loan portfolio** increased by EUR 345.0 million YtD. Additionally, housing and consumer lending achieved strong YtD growth, with both increasing by 6%. The new production of these loans was excellent, especially housing loans, with EUR 364.0 million new loans approved in H1 2025, compared to EUR 208.3 million in H1 2024. New production of consumer loans remained high, with EUR 280.7 million in H1 2025, compared to EUR 261.8 million in H1 2024.

The **market shares of the segment** in retail lending increased considerably to 30.7%, up from 29.6% as at 30 June 2024. Similarly, its market share in deposit-taking rose to 34.3%, compared to 33.8% as at 30 June 2024.

The **market shares of housing and consumer loans** also increased in the first half of 2025, reaching 32.0% and 30.2%, respectively, compared to 30.3% and 29.8% as at 30 June 2024. The sales performance, particularly in green housing loans, reflects the Bank's ongoing commitment in sustainability initiatives.

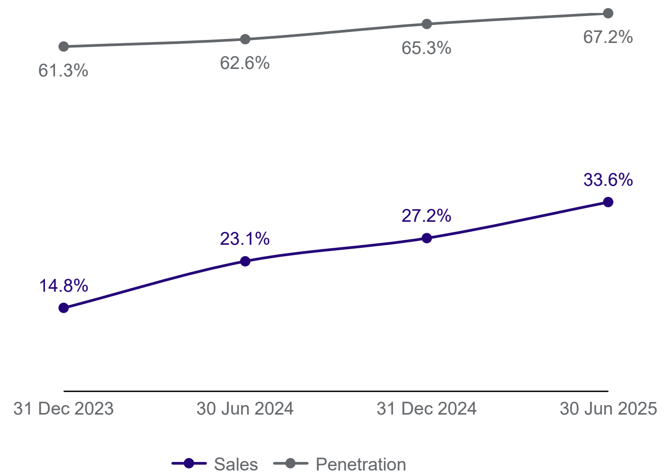
Figure 27: Market share of net loans to individuals and market share of deposits from individuals



The **deposit base** increased steadily YoY and YtD, 7% and 4% respectively. The RoS retail bond issuance impacted on deposits from individuals in the Q1. In contrast, in the second quarter, higher holiday payments and dividend distributions to individual investors contributed positively to the overall deposit growth.

The rollout of the redesigned **NLB Klik** was successfully completed with a smooth migration to the new digital banking platform, and clients providing overwhelmingly positive feedback. They particularly highlighted the modernised and enhanced user interface, faster overview of payments and clients' finances, the introduction of push notifications for payment confirmations (replacing one-time SMS password), and more intuitive product management. The Bank continues to prioritise digital origination, particularly for affluent clients, focusing on investment funds, trading accounts, and insurance products. Significant steps in digitalisation are reflected in growing digital penetration, increased share of digital sales, and a high level of customer engagement. The number of digital users increased by 5.1% YoY, active digital penetration rose by 3.7 p.p. YoY, and digital sales rose by 10.5 p.p. YoY.

Figure 28: Digital sales(i) and digital penetration(ii)



(i) Share of the number of digitally sold products in the total number of sales for comparable products.
(ii) Share of active digital users in # of clients with an active transactional account.

The **Contact Centre** (CC) serves as the Bank's 24/7 customer support hub, showcasing its flexibility and responsiveness to clients' evolving needs. The AI-driven chatbot on the Bank's website manages simpler customer queries, freeing up advisors to concentrate on delivering customers optimal solutions for more complex needs. Additionally, video calls have enabled the CC to also facilitate 10.9% of sales of key retail product groups.

Private Banking continued its strong performance, reaching a new milestone of 3,000 customers served. Additionally, the total financial assets of Private Banking customers exceeded EUR 2.5 billion. Emphasising new investment opportunities, including the alternative fund *Zeleni prehod I*, played a significant role in this success. Furthermore, introducing the *LoungeKey Benefit* on Debit Mastercard World Elite cards provided additional value for clients.

The Group's mobile wallet, **NLB Pay**, plays a key role through growing adoption and tokenised transactions, thus supporting digitalisation and transition to cashless operations of the Bank's customers. A new antifraud solution was successfully implemented, enhancing users' security and trust.

In Q1 2025, **Card** portfolio optimisation activities included the discontinuation of Maestro debit cards. In contrast, in June, seamless migration of the existing business debit cards to the Visa scheme was carried out, ensuring uninterrupted service for customers. As part of expanding card acceptance and accelerated digital transformation, the Bank is intensifying merchant acquisition efforts in the micro segment – an area identified with strong potential for digital growth.

NLB Skladi, Ljubljana recognised as Slovenia's leading asset management company, has retained its leading market position with 41.5% market share. In H1 2025, the company recorded EUR 112.5 million of net inflows, accounting for 43.5% of all net inflows in the market. Its total assets under management rose by 16.4% YoY, reaching EUR 3,197.4 million, with EUR 2,657.9 million in mutual funds, EUR 535.2 million in the discretionary portfolio and EUR 4.3 million in Alternative investment funds.

For several years, the Bank has maintained its position as the leading **bancassurance** provider on the market. It continues to excel through strong partnerships with the insurance companies such as Vita, življenjska zavarovalnica, Generali Zavarovalnica, Zavarovalnica Triglav, and Zavarovalnica Sava.

With the **NLB Lease&Go, leasing, Ljubljana** offer, the Bank complements its range of financial services to private individuals and the micro segment. Furthermore, within the integration of NLB Lease&Go, leasing, Ljubljana and Summit Leasing Slovenia, Ljubljana, its financing platform was rebranded to **NLB Buy&Go**, continuing the successful story by providing simple, accessible and quick financing.

Corporate and Investment Banking in Slovenia

Highlights

- The corporate loan portfolio grew steadily in the first half of 2025.
- The Bank's active role is to raise awareness and support clients in ESG development and sustainable finance.
- The trade finance business remained stable, enabling the Bank to preserve its high market shares.
- Significant attention has been paid to the AGRI segment.

Financial and Business Performance

Table 13: Key financials of the Corporate and Investment Banking in Slovenia segment(iv)

in EUR millions consolidated

	1-6 2025	1-6 2024	Change YoY		Q2 2025	Q1 2025	Q2 2024	Change QoQ
Net interest income	56.3	65.3	-9.1	-14%	27.7	28.5	32.9	-3%
Net interest income from Assets(i)	30.1	37.4	-7.3	-20%	15.0	15.1	19.6	0%
o/w allocation of regulatory costs(iii)	-5.7				-2.9	-2.8		-1%
Net interest income from Liabilities(i)	26.2	27.9	-1.7	-6%	12.7	13.5	13.3	-6%
Net non-interest income	27.5	23.7	3.8	16%	14.8	12.7	11.4	16%
o/w Net fee and commission income	20.0	20.2	-0.2	-1%	9.9	10.2	9.6	-3%
Total net operating income	**83.8**	**89.1**	**-5.3**	**-6%**	**42.5**	**41.3**	**44.3**	**3%**
Total costs	-37.6	-34.6	-3.0	-9%	-20.0	-17.7	-18.9	-13%
Result before impairments and provisions	**46.2**	**54.5**	**-8.3**	**-15%**	**22.6**	**23.6**	**25.4**	**-4%**
Impairments and provisions	6.4	9.1	-2.7	-29%	5.3	1.1	6.3	-
Result before tax	**52.6**	**63.6**	**-11.0**	**-17%**	**27.9**	**24.8**	**31.7**	**12%**

	30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Jun 2024	Change YtD		Change YoY		Change QoQ
Net loans to customers	3,931.6	3,913.1	3,871.8	3,440.9	59.8	2%	490.7	14%	0%
Gross loans to customers	3,998.4	3,983.5	3,946.4	3,492.6	52.0	1%	505.8	14%	0%
Corporate	3,749.2	3,753.8	3,749.1	3,392.2	0.0	0%	357.0	11%	0%
Key/SME/Cross Border Corporates	3,283.9	3,286.8	3,250.0	3,106.1	33.9	1%	177.8	6%	0%
Interest rate on Key/SME/Cross Border Corporates loans (ii)	*4.19%*	*4.36%*	*5.07%*	*5.21%*	*-0.88 p.p.*		*-1.02 p.p.*		*-0.17 p.p.*
Investment banking	0.0		0.1	0.1	-0.1	-	-0.1	-	
Restructuring and Workout	168.8	173.3	108.2	112.8	60.6	56%	56.0	50%	-3%
Summit Leasing Slovenija, Ljubljana	102.0	105.9	203.8		-101.8	-50%	102.0	-	-4%
NLB Lease&Go, leasing, Ljubljana	194.4	187.8	187.1	173.2	7.4	4%	21.3	12%	4%
State	248.4	228.9	196.1	99.3	52.3	27%	149.2	150%	9%
Interest rate on State loans (ii)	*3.95%*	*4.16%*	*5.60%*	*6.01%*	*-1.65 p.p.*		*-2.06 p.p.*		*-0.21 p.p.*
Deposits from customers	2,412.8	2,326.9	2,392.0	2,089.9	20.8	1%	322.9	15%	4%
Interest rate on deposits (ii)	*0.33%*	*0.33%*	*0.37%*	*0.36%*	*-0.04 p.p.*		*-0.03 p.p.*		*0.00 p.p.*
Non-performing loans (gross)	76.6	79.1	79.9	59.6	-3.2	-4%	17.0	29%	-3%

	1-6 2025	1-6 2024	Change YoY
Cost of risk (in bps)	-33	-54	21
CIR	44.9%	38.8%	6.1 p.p.
Net interest margin(ii)	3.80%	4.24%	-0.45 p.p.

(i) Net interest income from assets and liabilities using FTP.
(ii) The segment's net interest margin is calculated as the ratio between annualised net interest income (i) and the sum of average interest-bearing assets and liabilities divided by 2.
(iii) In Q1 2025, the corresponding allocation of MREL and Tier 2 from the segment Financial Markets in Slovenia was made.
(iv) In Q1 2025, for NLB Lease&Go, leasing, Ljubljana and Summit Leasing Slovenija, Ljubljana, the reallocation of a micro segment from Corporate and Investment Banking in Slovenia to the segment Retail Banking in Slovenia was conducted.

The Corporate and Investment Banking in Slovenia segment serves approximately 9,700 **corporate clients**. As of the beginning of 2025, a re-segmentation of corporate clients was implemented, raising the threshold for inclusion in the corporate segment to above EUR 1 million. As a result, clients with revenues of up to EUR 1 million were transferred from the corporate segment to the retail–micro segment (net effect approximately 2,000 clients), including their own portfolios.

The key guiding principle of corporate business remains focus on customers and their actual needs, offering a wide range of comprehensive and tailor-made financial solutions to support the economy.

In 2025, the Bank has been paying significant attention to the AGRI segment. Consequently, a dedicated new organisational unit specialising in the AGRI segment was established within the SME in February 2025.

Net interest income decreased by 14% YoY and was affected by the allocation of regulatory costs in H1 2025. The ALM result includes the corresponding allocation of EUR 5.7 million of regulatory costs, MREL and Tier 2. The lower key ECB interest rate drives the decline in net interest income from liabilities. Additional effect also derives from the re-segmentation of the leasing portfolio.

Total costs increased by 9% YoY, driven mainly by the incorporation of the corporate part of Summit Leasing Slovenija, Ljubljana, into the segment, alongside higher employee costs, non-recurring costs and IT expenditures.

Impairments and provisions were net released in the amount of EUR 6.4 million, due to portfolio development and repayments of written-off receivables.

The **volume of gross loans** increased by EUR 52.0 million or 1% YtD, with high new production and disbursement of previously approved loans. In the same period, the reallocation of the leasing portfolio of the micro segment from Corporate and Investment Banking in Slovenia to the segment Retail Banking in Slovenia affected the segment's loan portfolio growth.

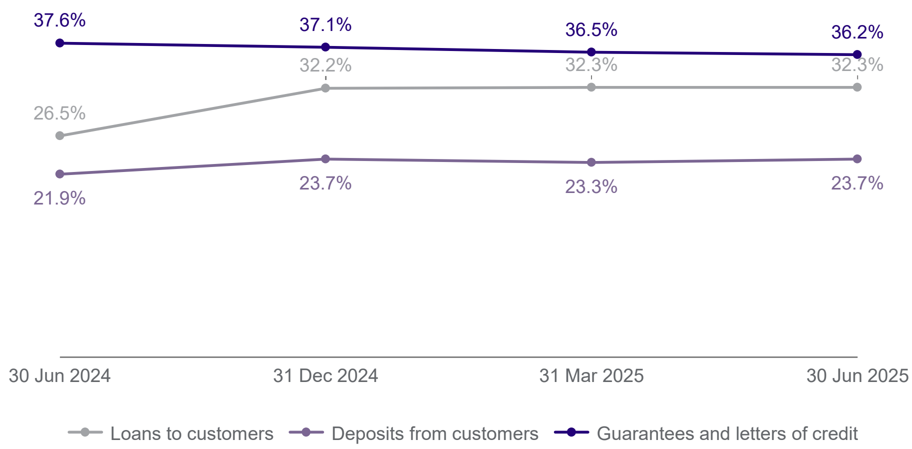
As a key and crucial systemic player in the financial market, the Bank raises awareness and supports clients in the **region's development of ESG and sustainable finance** through its proactive approach and advisory services. In this way, it increases its share in financing the green transformation of companies in Slovenia and the wider region. The Bank primarily finances renewable energy sources, the expansion of electrical distribution networks, sustainable construction and building renovations, and sustainable mobility.

At the end of H1 2025, the loan outstanding portfolio of **cross-border financing** reached EUR 613.9 million. A significant part of respective financing activities has been focused on green and sustainable projects within the home region while supporting other key industries such as telecommunications, energy, and real estate. Outside the home region, activities are concentrated on Schuldschein loans granted to big international investment-grade rated companies, mainly located in Western Europe. Further focus is being placed on participation in international syndication deals within the transition finance universe.

A 1% YtD rise was observed in **deposits**, followed by a decline in Q1.

The **trade finance business** continues to record steady growth in volume, particularly in guarantee business and factoring, where the Bank places special emphasis on supplier and cross-border factoring.

Figure 29: Market share in Corporate and Investment Banking in Slovenia



The Bank remains among the top Slovenian players in **custodian services** for both Slovenian and international clients. At the end of H1 2025, the total value of assets under custody on domestic and foreign markets amounted to EUR 13.7 billion compared to EUR 13.1 billion on 31 December 2024.

In H1 2025, the Bank executed clients' buy-and-sell orders of EUR 1,551.8 million within the **brokerage services**. In dealing with financial instruments, the Bank conducted foreign exchange spot deals amounting to EUR 800.9 million, and transactions involving derivatives reached EUR 83 million.

The Bank has been actively involved in the **financial advisory business**. In addition to mergers and acquisitions (M&A) and 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 831 million. NLB also acted as a joint lead manager and distributor of the RoS retail bond in the nominal amount of EUR 223 million.

The Bank continued to play a key role as an arranger for syndicated facilities. In H1 2025, it organised new syndicated facilities amounting to EUR 92 million.

The intermediary business for **NLB Lease&Go, leasing, Ljubljana**, continued to be a key focus of the Bank's commercial activities, to provide clients with the best possible financing solutions for vehicles and equipment. The **acquisition of Summit Leasing Slovenija, Ljubljana**, notably expanded the leasing portfolio in this segment, further strengthening the Bank's focus on leasing activities.

As part of its strategy to expand card acceptance and digitalise operations, NLB has focused on intensively acquiring merchants in the micro and smaller SME segments, where strong potential for growth and digital transformation has been identified. To strengthen its market presence, NLB is already cooperating with selected external partners, and discussions are ongoing with additional solution providers, including fiscal cash register vendors and other integrated business service providers. A simplified offer, tailored to the needs of micro and smaller SME merchants, has been developed and successfully introduced in a pilot phase. Larger companies and key merchants continue to be approached individually, with customised solutions aligned to their specific business models and requirements.

Financial Markets in Slovenia

Highlights

- In January 2025, the Bank successfully issued 4NC3 senior preferred notes of EUR 500 million.
- For NII optimisation, the Bank increased investments in banking book securities, mainly funded from balances with the CB.
- Further diversification of the banking book securities portfolio led to an increased allocation of ESG-labelled debt securities.

Financial and Business Performance

Table 14: Key Financials of the Financial Markets in Slovenia segment

in EUR millions consolidated

	1-6 2025	1-6 2024	Change YoY		Q2 2025	Q1 2025	Q2 2024	Change QoQ
Net interest income	9.3	-0.9	10.2	-	4.5	4.8	-3.0	-5%
Net interest income w/o ALM(i)	15.0	12.8	2.1	17%	7.8	7.2	5.2	8%
ALM	-5.7	-13.7	8.1	59%	-3.2	-2.4	-8.2	-32%
o/w allocation of regulatory costs(iii)	19.7				10.0	9.7		3%
Net non-interest income	4.7	0.3	4.4	-	4.0	0.7	-2.6	-
Total net operating income	**14.0**	**-0.6**	**14.6**	**-**	**8.6**	**5.4**	**-5.6**	**57%**
Total costs	-7.4	-6.4	-1.1	-17%	-4.0	-3.5	-3.5	-14%
Result before impairments and provisions	**6.6**	**-6.9**	**13.5**	**-**	**4.6**	**2.0**	**-9.1**	**135%**
Impairments and provisions	1.5	-0.8	2.3	-	0.0	1.5	-0.3	-97%
Result before tax	**8.1**	**-7.7**	**15.8**	**-**	**4.6**	**3.4**	**-9.4**	**35%**

	30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Jun 2024	Change YtD		Change YoY		Change QoQ
Balances with Central banks	2,117.8	1,879.2	1,772.3	3,335.2	345.6	19%	-1,217.3	-36%	13%
Banking book securities	4,890.7	4,791.5	4,499.0	4,143.7	391.7	9%	747.0	18%	2%
Interest rate (ii)	*2.35%*	*2.30%*	*2.03%*	*1.87%*	*0.32 p.p.*		*0.48 p.p.*		*0.05 p.p.*
Borrowings	228.0	97.2	51.1	56.4	176.8	-	171.6	-	134%
Interest rate (ii)	*1.43%*	*1.43%*	*2.23%*	*2.36%*	*-0.80 p.p.*		*-0.93 p.p.*		*0.00 p.p.*
Subordinated liabilities (Tier 2)	551.2	538.3	560.1	558.7	-8.9	-2%	-7.5	-1%	2%
Interest rate (ii)	*8.35%*	*8.29%*	*8.33%*	*8.04%*	*0.02 p.p.*		*0.31 p.p.*		*0.06 p.p.*
Other debt securities in issue	1,526.7	1,563.3	1,048.8	1,315.3	477.9	46%	211.4	16%	-2%
Interest rate (ii)	*5.17%*	*5.21%*	*6.27%*	*6.66%*	*-1.10 p.p.*		*-1.49 p.p.*		*-0.04 p.p.*

(i) Net interest income from assets and liabilities using FTP.
(ii) Interest rates only for NLB.
(iii) In Q1 2025, the corresponding allocation of MREL and Tier 2 from the Financial Markets in Slovenia segment to all other segments based on their corresponding capital and MREL requirements.

The primary mission of this segment continued to be the Group's activities on international financial markets, including ALM, treasury functions, correspondent banking, and wholesale funding. Throughout the period, there was a strong focus on managing liquidity reserves prudently amid the evolving interest rate environment. The market is regularly monitored for the Group's investment and funding purposes. Investment-related activities aim to mitigate potential defaults by issuers within the banking book securities portfolio and to manage the portfolio according to the market moves (yield movement) and the broader macroeconomic environment. Meanwhile, funding activities give the Group insight into market conditions relevant for future bond issuances.

Net interest income, deriving from treasury and corresponding banking, increased by EUR 2.1 million, mostly due to the replacement of matured investments with securities offering better credit spread based on current market conditions. From Q1 2025 onwards, the MREL and Tier 2 funding costs were reallocated from Financial Markets in Slovenia to all other segments based on their corresponding capital and MREL requirements and amounted to EUR 19.7 million.

Net non-interest income increased by EUR 4.4 million compared to the same period last year, mostly due to hedge accounting effects and partial transfer of payment fees to Financial Markets.

There was an increase of EUR 391.7 million YtD in **banking book securities** and EUR 345.6 million in **balances with the central bank**, resulting from the growing deposit base and liquidity obtained through the successful issuance of 4NC3 senior preferred notes in the amount of EUR 500 million in January 2025. The issuance counts towards meeting the MREL requirement.

Of the banking book debt securities portfolio, 16% (or EUR 781 million) consists of the **ESG-labelled debt securities** issued by governments, multilateral organisations, or financial institutions, of which EUR 137 million were bought in the first half of 2025.

At the end of H1 2025, the duration of the Bank's debt securities portfolio was 4.39 years, with an average yield of 2.35% YtD. The negative valuation of the FVOCI portfolio as at 30 June 2025 amounted to EUR 1 million (net of hedge accounting effects and related deferred taxes).

Strategic Foreign Markets

Highlights

- Sustained growth and moderately positive financial outlook.
- All subsidiary banks are robustly profitable and earning Cost of Capital (CoC), with NLB Komercijalna Banka, Beograd contributing 54% to the segment's pre-tax profit.
- Retail lending activities continue to thrive, outpacing most local market dynamics.
- The leasing portfolio in Croatia has shown remarkable growth, with over EUR 60.3 million in new business (w/o stock financing) in H1 2025.
- Continuous, sustainable financing and operations improve the carbon footprint of the banks.
- Regional central banks' regulatory changes – new regulatory capital requirements across the countries of the Group's operations.

Financial and Business Performance

Table 15: Key Financials of the Strategic Foreign Markets segment

in EUR millions consolidated

	1-6 2025	1-6 2024	Change YoY		Q2 2025	Q1 2025	Q2 2024	Change QoQ
Net interest income	231.8	237.8	-6.0	-3%	116.0	115.9	119.0	0%
Interest income	282.4	276.7	5.7	2%	141.8	140.7	139.0	1%
o/w allocation of regulatory costs[(i)]	-9.0				-4.6	-4.4		-6%
Interest expense	-50.6	-38.9	-11.7	-30%	-25.8	-24.8	-20.0	-4%
Net non-interest income	81.1	67.3	13.7	20%	41.8	39.2	38.1	7%
o/w Net fee and commission income	69.4	69.2	0.2	0%	35.9	33.5	38.5	7%
Total net operating income	**312.9**	**305.1**	**7.7**	**3%**	**157.8**	**155.1**	**157.1**	**2%**
Total costs	-144.4	-132.1	-12.3	-9%	-74.4	-70.0	-68.2	-6%
Result before impairments and provisions	**168.5**	**173.1**	**-4.6**	**-3%**	**83.4**	**85.1**	**88.9**	**-2%**
Impairments and provisions	13.4	18.1	-4.7	-26%	16.4	-3.0	20.6	-
Result before tax	**181.9**	**191.1**	**-9.2**	**-5%**	**99.9**	**82.1**	**109.6**	**22%**
o/w Result of minority shareholders	8.1	8.5	-0.4	-5%	4.8	3.3	5.2	47%

	30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Jun 2024	Change YtD		Change YoY		Change QoQ
Net loans to customers	8,576.1	8,140.8	7,847.4	7,110.6	728.7	9%	1,465.5	21%	5%
Gross loans to customers	8,745.4	8,325.9	8,027.5	7,288.3	717.9	9%	1,457.1	20%	5%
Individuals	4,484.3	4,261.7	4,087.0	3,788.9	397.3	10%	695.4	18%	5%
Interest rate on retail loans	*6.35%*	*6.58%*	*6.94%*	*7.02%*	*-0.59 p.p.*		*-0.67 p.p.*		*-0.23 p.p.*
Corporate	3,950.0	3,753.9	3,635.5	3,222.0	314.5	9%	728.0	23%	5%
Interest rate on corporate loans	*5.31%*	*5.44%*	*5.81%*	*5.90%*	*-0.49 p.p.*		*-0.58 p.p.*		*-0.13 p.p.*
State	311.1	310.4	304.9	277.4	6.1	2%	33.6	12%	0%
Interest rate on state loans	*6.98%*	*6.95%*	*7.58%*	*7.78%*	*-0.60 p.p.*		*-0.80 p.p.*		*0.03 p.p.*
Deposits from customers	10,151.3	9,847.6	9,964.3	8,981.0	187.0	2%	1,170.3	13%	3%
Interest rate on deposits	*0.73%*	*0.72%*	*0.65%*	*0.64%*	*0.08 p.p.*		*0.08 p.p.*		*0.00 p.p.*
Non-performing loans (gross)	130.6	126.9	130.6	136.9	0.0	0%	-6.3	-5%	3%

	1-6 2025	1-6 2024	Change YoY
Cost of risk (in bps)	-33	-55	22
CIR	46.1%	43.3%	2.9 p.p.
Net interest margin	3.99%	4.43%	-0.44 p.p.

(i) In Q1 2025, the corresponding allocation of MREL and Tier 2 from Financial Markets in Slovenia was made.

In H1 2025, the inflation stabilised across the SEE region, accompanied by a solid financial outlook. The NLB Group's countries of operation showed moderate growth trends. The easing inflation and lower rates supported credit activity, particularly in the retail and SME segments.

The Group banking members are key financial institutions in the SEE markets, characterised by solid liquidity and strong capital positions. They serve various business segments of clients with a wide range of banking products and services, maintaining a consistent emphasis on operational efficiency and productivity.

The **market shares** by total assets of banking members reach or exceed 10% in five out of six markets.

Despite macroeconomic uncertainties in H1 2025, the banking sector across the region demonstrated resilience, with lending activities showing solid growth. The demand for **loans** showed a positive trend by marking a notable 20% YoY and 9% YtD increase in lending activities. This uptick was primarily driven by retail banking products, indicating a rebound in consumer confidence and borrowing. All Group banking members experienced a YoY double-digit growth in loans to individuals and delivered strong H1 2025 results.

The most significant increase in gross loans to customers was achieved by NLB Banka, Prishtina (22% YoY), NLB Komercijalna Banka, Beograd (19% YoY) and NLB Banka, Banja Luka (15% YoY). In H1 2025, NLB Banka, Prishtina, continued the double-digit growth in lending (14% YtD). High performance in new business production continued in the corporate and retail segments as several products and services were upgraded, including streamlining and modernising their distribution network, improving their digital offering, and continuing the transformation to offer end-to-end digital sales.

The overall confidence remained strong among the banking members, and the total customer **deposit base** increased by 13% YoY.

In H1 2025, the **leasing companies** in strategic foreign markets achieved a total new production of EUR 115.5 million (w/o stock financing). Of this amount, EUR 60.4 million or 52% was generated by Mobil Leasing, Zagreb, EUR 43.4 million or 38% by NLB Lease&Go Leasing Beograd, and the remaining EUR 11.7 million or 10% by NLB Lease&Go Skopje.

In H1 2025, the **net interest income** was affected by the allocation of corresponding MREL and T2 regulatory costs of EUR 9.0 million.

The Strategic Foreign Markets segment recorded an **interest income** increase of 2% YoY, with the highest absolute impact in an interest income increase in NLB Banka, Prishtina – a rise of 14% YoY. However, the increased interest expenses on customer deposits and funding instruments lowered the net interest income of the segment, while remaining flat YoY among the banking members.

Despite the declining interest rate conditions and strong pricing competitive pressure on interest rates on assets and liabilities, the banking members realised a **net interest margin** ranging from 2.9% (NLB Banka, Sarajevo) to 4.6% (NLB Banka, Podgorica) in H1 2025.

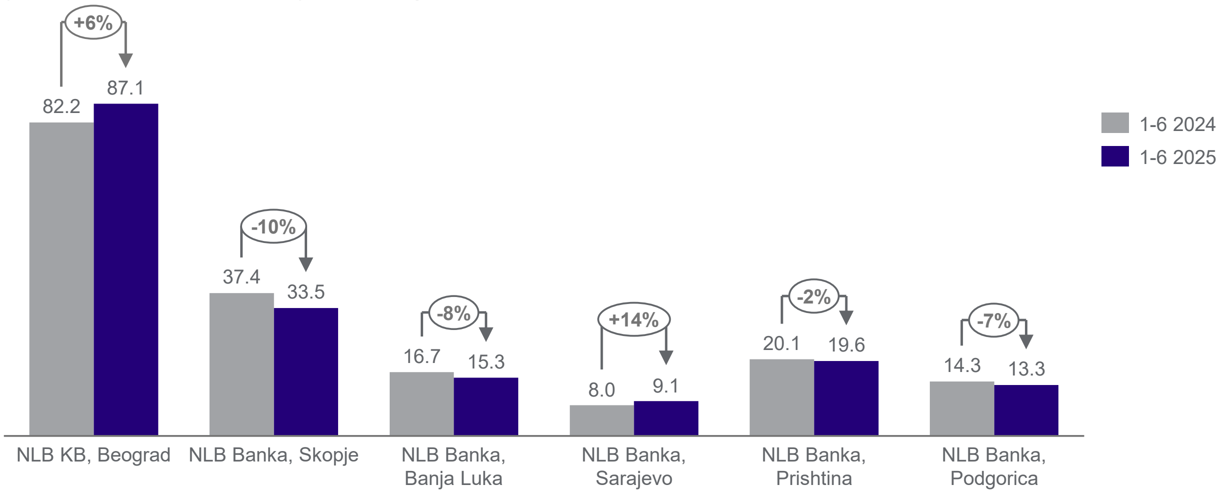
Net fee and commission income remained flat YoY, but showed an upward trend in Q2 2025, strong growth marked by a notable increase in bancassurance products.

NLB Fondovi, Beograd reported EUR 23.3 million in gross inflows and EUR 3.7 million in net inflows, achieving 13.4% of the annual target. By the end of June, its assets under management in Serbia stood at EUR 62.5 million. On the other hand, **NLB Fondovi, Skopje,** collected EUR 39.9 million in gross inflows and EUR 15.7 million in net inflows, already achieving the annual goal. Its total assets under management amounted to EUR 82.2 million by the end of June.

Regulatory costs related to Deposit Guarantee Schemes (DGS) also increased in H1 2025 across the region by 11% YoY, negatively affecting net non-interest income.

Total costs increased by 9% YoY due to an increase in all cost categories.

Figure 30: Result after tax of strategic NLB Group banks (in EUR millions)[(i)]



(i) On a stand-alone basis as included in the consolidated financial statements of the NLB Group.

Retail Banking

The banking members realised robust new retail loan production YoY and YtD. The increase in the loan portfolio to individuals was seen in all banking members by maintaining a high-quality portfolio. New loan production significantly outperforms the local markets in certain markets. The gross loans to individuals in banking members marked a 17% YoY growth. The highest YoY increase was achieved by NLB Banka, Prishtina (27%), NLB Banka, Banja Luka (19%), NLB Banka, Podgorica (17%) and NLB Komercijalna Banka, Beograd (17%).

Sustainable financing remained a strategic priority in 2025, with continued support for green investments, particularly in developing solar power plants and energy efficiency projects.

In deposit dynamics, the Group banks retained customer confidence as the total SEE bank deposits from individuals increased by 11% YoY.

Corporate Banking

The banking members maintained a positive trend in approving new financing and attracting new corporate clients. The banks recorded an 18% YoY growth in the corporate segment, with the highest levels achieved by NLB Banka, Skopje (25% YoY), NLB Komercijalna Banka, Beograd (20% YoY) and NLB Banka, Prishtina (18% YoY). The banks continued sustainable financing by supporting green investments in solar power plants and energy efficiency.

On the funding side, the SEE banks attracted strong inflows of corporate deposits, achieving an 18% YoY increase.

Non-Core Members

Highlights

- Non-core companies continued to monetise assets in line with the divestment plans.

Financial and Business Performance

Table 16: Key Financials of Non-Core Members

in EUR millions consolidated

	1-6 2025	1-6 2024	Change YoY		Q2 2025	Q1 2025	Q2 2024	Change QoQ
Net interest income	0.3	0.5	-0.2	-36%	0.2	0.2	0.2	0%
Net non-interest income	0.4	0.4	0.0	-4%	0.3	0.1	-0.1	-
Total net operating income	**0.7**	**0.9**	**-0.2**	**-23%**	**0.4**	**0.2**	**0.1**	**80%**
Total costs	-2.9	-2.4	-0.5	-21%	-1.7	-1.3	-0.4	-30%
Result before impairments and provisions	**-2.2**	**-1.5**	**-0.7**	**-47%**	**-1.2**	**-1.0**	**-0.3**	**-18%**
Impairments and provisions	1.6	1.4	0.1	10%	1.2	0.4	0.3	-
Result before tax	**-0.7**	**-0.1**	**-0.6**	**-**	**0.0**	**-0.7**	**0.0**	**99%**

	30 Jun 2025	31 Mar 2025	31 Dec 2024	30 Jun 2024	Change YtD		Change YoY		Change QoQ
Segment assets	**20.3**	**28.4**	**28.6**	**29.5**	**-8.3**	**-29%**	**-9.2**	**-31%**	**-28%**
Net loans to customers	8.2	8.4	8.5	9.0	-0.3	-3%	-0.8	-9%	-2%
Gross loans to customers	23.6	24.1	24.3	25.3	-0.7	-3%	-1.8	-7%	-2%
Investment property and property & equipment received for repayment of loans	5.2	5.4	5.5	5.7	-0.4	-6%	-0.5	-9%	-4%
Other assets	7.0	14.6	14.7	14.8	-7.7	-52%	-7.8	-53%	-52%
Non-performing loans (gross)	23.5	24.1	24.3	25.3	-0.8	-3%	-1.8	-7%	-2%

The wind-down has remained the main objective of the non-core segment in all the non-core portfolios. The divestment process has been running with thoughtful cost management and well-established collection procedures. On 30 June 2025, the segment’s total assets amounted to EUR 20.3 million.

Risk Factors and Outlook

Risk Factors

Risk factors affecting the business outlook are (among others):	• The economy's sensitivity to a potential slowdown in the euro area or globally • Potential liquidity outflows • Widening credit spreads • Worsened interest rate outlook/persistence of high inflation • Energy and commodity price volatility • Increasing unemployment • Geopolitical uncertainties • Potential cyber-attacks • Litigation risks • Regulatory, other legislative, and tax measures impacting the banks

After a year in which euro area economic growth stagnated — while countries in the NLB Group's region expanded more quickly on the back of household consumption — wage growth remained elevated, impacting the reacceleration of inflation. Lending growth peaked modestly the previous year due to rising interest rate trends. While the Group's regional growth is expected to improve in 2025, ongoing uncertainty keeps the growth subdued. Moreover, inflationary pressures, lower-than-expected GDP growth, geopolitical and other uncertainties could slow private consumption and investment growth.

Credit risk usually increases considerably in times of an economic slowdown. At the end of H1 2025, the Group's credit portfolio remained high-quality, well-diversified and stable, with a low level of NPLs. There was no large concentration in any selected industry sector. The latter is significant as geopolitical tensions, the green transition, and other macro developments could materially impact specific industry sectors. The Group monitors the macroeconomic and geopolitical circumstances closely, remains very prudent in identifying any increase in credit risk at a very early stage, and is proactive in NPL management. In this respect, improved statistical models in banking members of the NLB Group were implemented.

The aforementioned adverse developments, including geopolitical and other uncertainties, could affect the cost of risk and NPLs. Notwithstanding the established procedures in the Group's credit risk management, there can be no certainty that they will be sufficient to ensure the Group's credit portfolio quality or that the corresponding impairments will remain adequate.

The investment strategy of the Group, referring to the Group's bond portfolio kept for liquidity purposes, adapts to the expected market trends following the set risk appetite. Investment activity continued with a balanced approach to finding attractive market opportunities while pursuing a well-managed credit spread, interest rate risk, and capital consumption. Geopolitical uncertainties impacted the volatility in the financial markets, particularly shifts in credit spreads, interest rates and foreign exchange rate fluctuations. The Group closely monitors its prominent bond portfolio positions, mostly sovereigns, and carefully manages them by incorporating adequate early warning systems to limit the potential sensitivity of regulatory capital.

So far, no material movements regarding the Group's significant FX positions have been observed. Current developments, market observations, and potential mitigations are closely monitored and discussed. While the Group monitors its liquidity, interest rate, credit spread, FX position, and corresponding trends, their impacts on the Group positions, and any significant and unanticipated movements on the markets or a variety of factors, such as competitive pressures, consumer confidence, or other certain factors outside the Group's control, could adversely affect the Group's operations, capital, and financial condition.

Special attention is paid to the ongoing provision of client services and their monitoring, and the prevention of cyberattacks and potential fraud events. The Group has established internal controls and other measures to facilitate adequate management. However, these measures may only sometimes entirely prevent possible adverse effects.

Concerning litigation risk, in recent years, and even more so in recent periods, the Bank has seen a shift in case law that is generally more favourable to consumers, e.g. litigation cases related to loan processing fees and loan insurance premiums in Serbia and CHF litigations in Slovenia. In the latter case, there has been an increase in the number of proceedings against the Bank, which was expected. The current litigations against the Bank referring to CHF are less material, but the Bank is closely monitoring developments.

The Group is subject to various regulations and laws relating to banking, insurance, and financial services. Consequently, it faces the risk of significant interventions by several regulatory and enforcement authorities in each jurisdiction in which it operates, including any changes in the tax treatment of the banking business and changes in the interpretation of legislation. A comparable level of materialisation of such risks may also be expected in future periods.

The SEE region is the Group’s most significant geographic area of operations outside Slovenia, and the economic conditions in this region are, therefore, crucial to the Group’s operations and financial condition results. The Group’s financial condition could be adversely affected by any regional instability or economic deterioration.

In this regard, the Group closely follows the macroeconomic indicators relevant to its operations:
- GDP trends and forecasts,
- economic sentiment,
- unemployment rate,
- consumer confidence,
- construction sentiment,
- deposit stability and growth of loans in the banking sector,
- credit spreads and related future forecasts,
- interest rate development and related future forecasts,
- FX rates,
- energy and commodity prices,
- other relevant market indicators.

In H1 2025, the Group regularly reviewed the IFRS 9 provisioning by testing the relevant macroeconomic scenarios to reflect the current circumstances and their future impacts adequately. The Group established multiple scenarios (i.e., baseline, optimistic, and severe) for the Expected Credit Losses (ECL) calculation, aiming to create a unified projection of macroeconomic and financial variables for the Group, aligned with the Bank’s consolidated view of the future of economic development in the SEE. The Group formed three possible scenarios with an associated probability of occurrence for forward-looking assessment of risk provisioning in the context of IFRS 9. These IFRS 9 macroeconomic scenarios incorporate the forward-looking and probability-weighted aspects of the ECL impairment calculation. Both features may change when material changes in the future development of the economy are recognised and not embedded in previous forecasts.

The baseline macroeconomic scenario predicts sub-trend growth for major economies like the U.S., China, India, and the euro area, with no significant recession in the mid-term. The euro area consumer confidence and private consumption will drive the growth, while government spending focuses on recovery and structural challenges. The ECB is expected to maintain a gradual approach to interest rate cuts, achieving its 2% inflation target by late 2025. While trade tensions and U.S. tariffs continue to pose risks, a recovery in risk is expected, but global trade is expected to benefit the euro area in general. If the conflict in Ukraine ends, it could have a positive impact on global GDP growth by late 2025. The euro yield curve will see notable bull steepening in 2025, followed by moderate bear steepening in 2026.

The alternative macroeconomic scenarios are based on plausible drivers of economic development in the mid-term. The optimistic alternative scenario demonstrates supply-driven positive developments; it alleviates geopolitical tensions, technological advancements, and stable energy prices, which improve supply and foster robust economic growth. The global economy benefits from the Ukraine-Russia ceasefire and the euro area from a well-functioning labour market, favourable global trade conditions with mild adverse effects from U.S. tariffs, and coordinated monetary policies of major central banks, leading to a sustainable, resilient, and confident economic environment. The ECB's expected easing cycle stabilises rates and lending conditions. Politics in Europe has come to a consensus, supporting a coordinated but gradual green transition and contributing further to production potential.

The severe alternative scenario demonstrates supply-driven bleak developments; it is characterised by the U.S. pressure escalation on Iran and further complicating relations with China related to the Taiwan question, posing a threat to the global economy and financial system, and leading to a breakdown of confidence. The war in Ukraine does not show signs of meaningful resolution. Persistent supply chain problems and rising energy prices create challenges for the Euro area, further hindering economic growth due to supply shortages. Labour shortages, trade barriers, and price wars induced by the imposed U.S. tariffs add pressure, leading to prolonged economic insecurity. The ECB faces difficulties in managing high and persistent inflation and sluggish supply-demand, exacerbated by the U.S. monetary policy loss of credibility, increased financial markets uncertainty, and a slowdown of trading channels due to increased FX volatility.

The Bank considers these scenarios when calculating expected credit losses in the context of IFRS 9. On this basis, the Group revised scenario weights in H1 2025. Group assigned weights of 20%-60%-20% (alternative scenarios receiving 20% each, and the baseline scenario 60%) as a starting point, with increased severe scenario weight in some entities to reflect the likelihood of relevant future economic conditions in their environment.

The Group established a comprehensive internal stress-testing framework and early warning systems in various risk areas with built-in risk factors relevant to the Group's business model. The stress-testing framework is integrated into the Risk Appetite, the Internal Capital Adequacy Assessment Process (ICAAP), the Internal Liquidity Adequacy Assessment Process (ILAAP), and the Recovery Plan to determine how severe and unexpected changes in the business, geopolitical, and macro environments might affect the Group's capital adequacy or liquidity position. The stress-testing framework and recovery plan indicators support proactive management of the Group's overall risk profile in these circumstances, including capital and liquidity positions from a forward-looking perspective.

Risk Management actions that the Group might use are determined by various internal policies and applied when necessary. Moreover, the selection and application of mitigation measures follow a three-layer approach, considering the measure's feasibility analysis, its impact on the Group's business model, and the strength of the available measures.

Outlook

The indicated Outlook constitutes forward-looking statements subject to several risk factors and does not guarantee future financial performance. The NLB Group is pursuing various strategic activities to enhance its business performance. The interest rate outlook is uncertain, given the adaptive monetary policy of the ECB and local central banks in response to the general economic sentiment.

In 2025, the economy is expected to grow at a similar pace as last year, remaining below the pre-pandemic 10-year average. The ECB rate cuts and EU funds will boost private spending and revive fixed investment. That said, exports are expected to slow due to intensified U.S. protectionism. Trade negotiations between the EU and the U.S. will be critical. GDP is projected to grow by 1.0% in 2025 and 1.3% in 2026, and the ECB rate is expected to be 1.75% at the end of 2025. The NLB Group's region is forecasted to expand by 2.5% YoY in 2025 and by 3.1% YoY in 2026. The region navigates a complex landscape in 2025, balancing external shocks (like U.S. tariffs and global trade disruptions) with internal reforms and EU integration efforts. While growth is expected to be moderate and stable, the outlook remains vulnerable to political developments and global economic shifts. Growth will depend on divergence in the economic resilience of a country and structural conditions. Private consumption is generally resilient, supported by wage growth. However, higher inflation and weaker remittances are expected to weigh on spending in Kosovo. EU fund inflows are expected to support investment and consumption, particularly in Slovenia and EU candidate countries like Montenegro and North Macedonia.

Table 17: Movement of key macroeconomic indicators in the euro area and the NLB Group region

	GDP (real growth in %)				Average inflation (in %)				Unemployment rate (in %)			
	2024	2025	2026	2027	2024	2025	2026	2027	2024	2025	2026	2027
Euro area	0.9	1.0	1.3	1.5	2.4	2.0	1.8	1.8	6.4	6.4	6.6	6.5
Slovenia	1.6	1.5	2.4	2.6	2.0	2.3	2.1	2.0	3.7	3.7	4.0	3.9
Serbia	3.9	3.1	3.7	4.0	4.7	3.9	3.2	3.0	8.6	8.6	8.4	8.1
N. Macedonia	2.7	2.9	2.9	2.9	3.5	3.5	2.7	2.2	12.4	11.4	11.0	10.5
BiH	2.5	2.5	2.8	3.1	1.7	3.0	2.5	1.9	12.7	12.3	11.8	11.7
Kosovo	4.5	4.0	4.0	3.9	1.6	2.5	2.1	2.0	10.8	10.0	9.5	9.2
Montenegro	3.2	3.0	3.1	3.2	3.3	3.3	2.6	2.5	11.5	10.7	10.3	10.0

Note: NLB Forecasts are highlighted in grey.
Source: Statistical offices, Focus Economics.

The performance in the first half of 2025 leads the NLB Group to reiterate previously communicated guidance for 2025 with updates on the loan growth and ROE after tax. After recording YtD growth of 7% in net loans to customers, neatly spread across geographies and segments, the Group is upgrading guidance for full-year loan growth to a low double-digit.

Healthy loan demand in the SEE region with moderately declining interest rates will translate to around EUR 1,200 million recurring income. Cost-to-income ratio 2025 is expected to be around 48%, indicating that costs in the second half of the year should be slightly higher than in the first half of the year. Profitable growth remains one of the key focus areas for the Group, and the current environment supports the expectations that returns (ROE a.t. and ROE a.t. normalised to exclude regulatory capital above the requirement) should remain around 15% and 20%, respectively.

Cost of risk guidance remains in the 30 to 50 bps range, with expectation to land at the lower end of the guided range, unless the material deterioration in the business environment occurs in the second half of the year.

The first tranche of dividends out of the 2024 profit was confirmed at the June General Meeting of NLB and has already been paid out. Shareholders received dividends of EUR 128.6 million or EUR 6.43 gross per share. As in the previous years, the second tranche is expected to be submitted for approval at the General Meeting taking place towards the end of this year, subject to no material M&A activity becoming actionable, bringing the total payout in 2025 to EUR 257 million or 50% of 2024 profit.

The Group is reaffirming the outlook for 2026, and the operating environment continues to support growth aspirations.

Table 18: Outlook for the period 2025-2026

	Last Outlook for 2025	Revised Outlook for 2025	Outlook for 2026
Recurring income	~ EUR 1,200 million	~ EUR 1,200 million	> EUR 1,300 million
CIR	~ 48%	~ 48%	Below 48%
Cost of risk	30–50 bps	30–50 bps	30–50 bps
Loan growth	High single-digit	**Low double-digit**	High single-digit
Dividends	50% of the 2024 profit	50% of the 2024 profit	50–60% of the 2025 profit
ROE a.t.	~ 15%	~ 15%	~ 15%
ROE a.t. 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 the minority shareholder capital contribution.
(ii) Assisted with the combination of capital from issuing AT1 notes and a temporary reduction of the dividend payments.

Risk Management

The Bank emphasises the risk culture and awareness across the entire Group. Efficient management of risks and capital is crucial for the Group to sustain long-term profitable and sustainable operations. The main risk principles are set forth by the Group's *Risk Appetite* and *Risk Strategy*, designed in accordance with the Group Strategy. The Group's Risk Management framework is forward-looking and tailored to its business model and corresponding risk profile. A particular focus is placed on including risk analysis and the ESG risk factors in the decision-making process at strategic and operating levels, diversification to avoid large concentration, optimal capital usage and allocation, appropriate risk-adjusted pricing, and overall compliance with the internal rules and regulations.

Risk Management in the Group manages, assesses, and monitors risks within the Bank as the primary entity in Slovenia and the competence centre for all banking subsidiaries and leasing companies. Management and control of risks are performed through a clear organisational structure with clearly defined roles and responsibilities. The organisation and delineation of competencies are designed to prevent conflicts of interest and ensure a transparent and documented decision-making process subject to the relevant upward and downward flow of information.

As a systemically important institution, the Group is included in the 2025 EU-Wide and SSM Stress test exercise. This EU-wide stress test is designed to assess the resilience of the European banking sector in the current uncertain and changing macroeconomic environment. The exercise results are expected to be published by the ECB at the beginning of August 2025.

Maintaining a high credit portfolio quality is the most important goal, focusing on cautious risk-taking and the quality of new loans, leading to a diversified portfolio of customers. The Group is constantly developing a wide range of advanced approaches in the credit risk assessment segment that align with the best banking practices to enhance the existing risk management tools further while enabling greater customer responsiveness. The restructuring approach in the Group is focused on the early detection of clients with potential financial difficulties and their proactive treatment.

The Group is actively present on the SEE markets by financing existing and new creditworthy clients. The Group's lending strategy focuses on its core markets of retail, SME, and selected corporate business activities. The Slovenian market focuses on providing appropriate solutions for the retail, medium-sized companies, and small enterprise segments. In contrast, in the corporate segment, the Bank established cooperation with selected corporate clients (through different lending or investment instruments). Other Group banking members are universal banks, mainly focused on the segments of retail, medium, and small enterprises. Their primary goal is to provide comprehensive services to clients by applying prudent risk management principles. In addition, with the acquisition of the SLS Group, the Group strengthened its leasing position in the Slovenian market and entered the Croatian market.

Figure 31: NLB Group structure of the corporate and retail credit portfolio (gross loans) by segment and geography (in EUR millions)

(i) The largest part represents EU members.

The current structure of the credit portfolio (gross loans) consists of loans to non-financial clients, with retail clients representing 53.1%, large corporate clients 18.7%, and SMEs, including micro companies, 28.2%. The credit portfolio remains well diversified, with no significant concentration in any specific industry or client segment. This diversification is essential to maintain, as geopolitical tensions, the green transition, and other macro factors could impact specific economic sectors. The share of the retail portfolio in the entire credit portfolio is quite substantial. Most of the loan portfolio (79.3%) is denominated in euros, with the remainder in the local currencies of the SEE banking members.

Table 19: Overview of the NLB Group corporate loan portfolio by industry as at 30 June 2025

	Credit porfolio			in EUR millions
Corporate sector by industry	**NLB Group**	**%**	**Δ Q2 2025**	**Δ 2025**
Accommodation and food service activities	288.4	3%	33.6	46.6
Act. of extraterritorial organisations and bodies	0.0	0%	0.0	0.0
Administrative and support service activities	170.7	2%	22.9	19.9
Agriculture, forestry and fishing	410.0	5%	18.4	26.1
Arts, sports and recreation	20.5	0%	-0.2	-0.4
Construction and Real estate activities	1,271.2	15%	19.9	54.9
Education	25.1	0%	1.4	1.9
Electricity, gas, steam and air conditioning supply	637.8	8%	14.7	21.3
Financial and insurance activities	260.2	3%	16.9	31.0
Human health and social w ork activities	61.3	1%	12.2	13.3
Telecommunication, computer programming, consulting, computing infrastructure and other information service activities	203.8	2%	-22.2	-12.5
Publishing, broadcasting, and content production and distribution activities	17.6	0%	-0.8	0.2
Manufacturing	1,859.8	23%	35.9	95.3
Mining and quarrying	45.1	1%	0.4	2.6
Professional, scientific and technical activities	413.0	5%	27.5	64.9
Public administration and defence, compulsory social security	220.6	3%	9.2	6.7
Other service activities	63.9	1%	2.8	44.5
Transportation and storage	639.3	8%	-11.8	4.7
Water supply, sew erage, w aste management and remediation activities	70.8	1%	5.4	4.7
Wholesale and retail trade	1,581.1	19%	33.2	63.8
Other	0.8	0%	-3.3	0.6
Total Corporate sector	**8,260.9**	**100%**	**216.2**	**490.2**

The European Classification of Economic Activities was updated in 2025, contributing to changes in the portfolio's industry breakdown. Part of the changes in exposure by industry in H1 can be attributed to this methodological change. In addition, increased lending activity also supported the growth in the corporate loan portfolio in H1 2025. The growth was primarily concentrated in the manufacturing, wholesale and retail trade, construction, and real estate sectors. The most significant new financing was directed toward real estate and specialised lending projects (infrastructure projects and financing of projects related to the green transition).

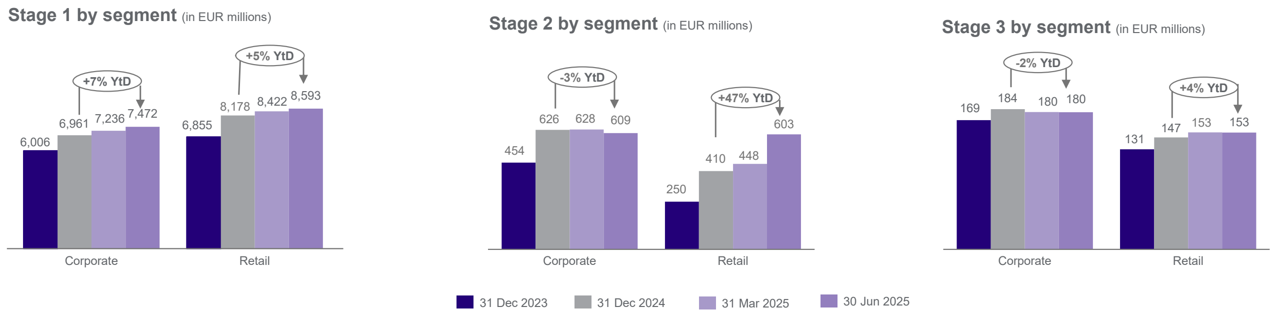
In the current macroeconomic environment, the Group's asset quality remains robust. The majority of the Group's loan portfolio is classified as Stage 1 (92.9%), with a low portion in Stage 2 (5.5%) and Stage 3 (1.5%). The increase in Stage 2 allocation was mainly observed in the retail segment due to improved statistical models in subsidiaries in Q2. However, the share of the Stage 2 portfolio remains moderate. In addition, 70.3% of Stage 2 retail exposure shows no delays.

Table 20: NLB Group loan portfolio by stages as at 30 June 2025 (in EUR millions)

in EUR millions

	Credit portfolio									Provisions and FV changes for credit portfolio					
	Stage1			Stage2			Stage3 & FVTPL			Stage1		Stage2		Stage3 & FVTPL	
	Credit portfolio	Share of Total	YTD change	Credit portfolio	Share of Total	YTD change	Credit portfolio	Share of Total	YTD change	Provision Volume	Provision Coverage	Provision Volume	Provision Coverage	Provisions & FV changes	Coverage with provisions and FV changes
Total NLB Group	**20,321.3**	**92.9%**	**1,007.5**	**1,211.7**	**5.5%**	**174.9**	**332.8**	**1.5%**	**2.3**	**79.3**	**0.4%**	**69.2**	**5.7%**	**205.5**	**61.8%**
o/w Corporate	7,472.0	90.5%	511.4	609.2	7.4%	-17.3	179.7	2.2%	-3.9	37.1	0.5%	23.3	3.8%	99.0	55.1%
o/w Retail	8,592.5	91.9%	414.5	602.5	6.4%	192.2	153.0	1.6%	6.4	40.5	0.5%	45.9	7.6%	106.5	69.6%
o/w State	3,876.3	100.0%	109.6	0.0	0.0%	0.0	0.0	0.0%	0.0	1.5	0.0%	0.0	0.0%	0.0	81.6%
o/w Institutions	380.4	100.0%	-28.0	0.0	0.0%	0.0	0.0	0.0%	-0.1	0.2	0.0%	0.0	0.1%	0.0	100.0%

Figure 32: NLB Group corporate and retail loan portfolio by stages as at 30 June 2025



The trend towards fixed interest rates continued in H1 2025. 62.6% of the Group's corporate and retail loan portfolio is linked to a fixed interest rate, while the remainder is tied to a floating rate (mainly the Euribor reference rate). Floating interest rates dominate the corporate segment. However, their share in the portfolio is slowly decreasing. In the retail segment, 78.7% of the loan portfolio is linked to a fixed interest rate, with an even higher percentage in the housing loan segment (79.2%). This structure limits the sensitivity of the retail sector to potential changes in reference rates.

Figure 33: NLB Group corporate and retail loan portfolio (in %) by interest rates as at 30 June 2025

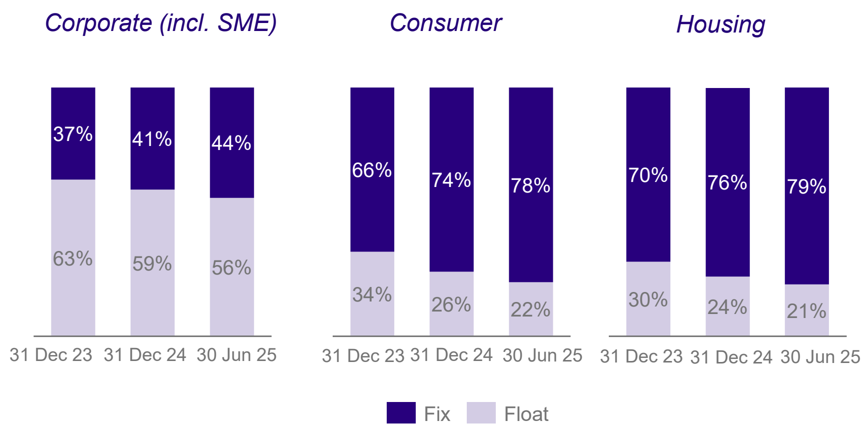
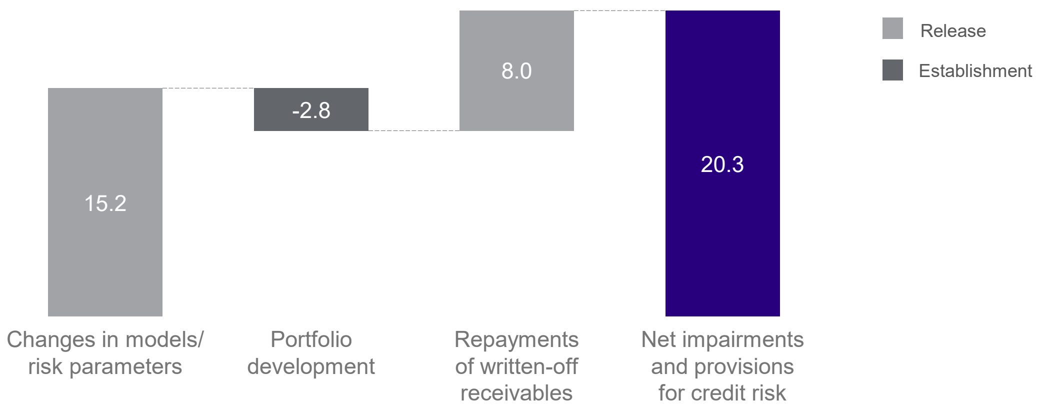
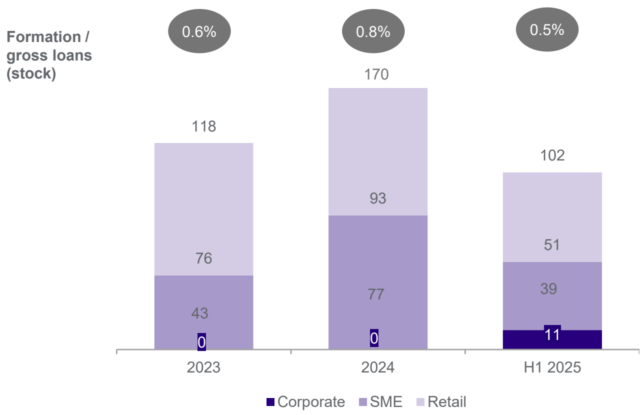


Figure 34: NLB Group quarterly net new impairments and provisions for credit risk (in EUR millions)



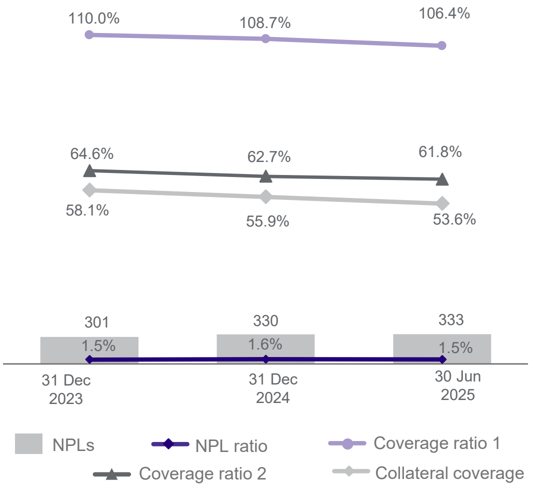
In Q2 2025, net impairments and provisions for credit risk were released in the amount of EUR 20.3 million. NLB Group introduced improvements to IFRS 9 models and parameter calculation, which led to a release of provisions in subsidiary banks. Repayments of written-off receivables in the amount of EUR 8.0 million added to the additional release. Established provisions resulted from new financing (Stage 1) and transfers between stages due to the credit quality deterioration of certain clients. Cost of risk for H1 2025 stands at -4 bps.

Figure 35: NLB Group gross NPL formation (in EUR millions)



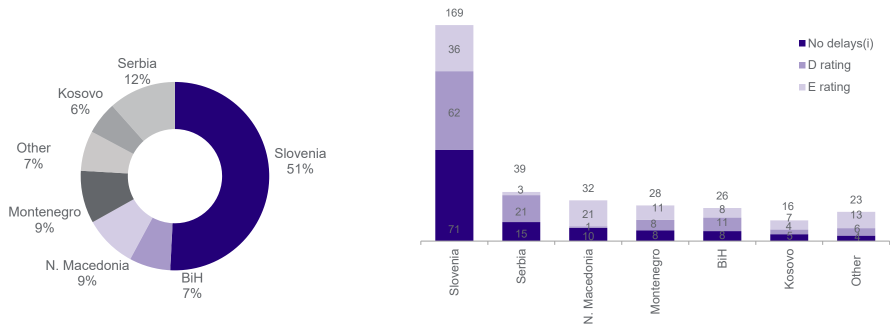
The global economy is experiencing a slowdown in 2025, with growth rates declining. The uncertainty and tighter financial conditions could lead to higher default rates, contributing to a rise in NPLs. The NLB Group region's resilience to the crisis and portfolio diversification resulted in a moderate cumulative formation of new NPLs in the first half of 2025, amounting to EUR 101.7 million, representing 0.5% of the total loan portfolio. The Group's credit portfolio remains high quality due to cautious lending standards and effective early warning systems.

Figure 36: NLB Group NPL, NPL ratio, NPL collateral coverage and coverage ratio(i)



(i) By internal definition.

Figure 37: NLB Group NPL by geography as at 30 June 2025



(i) Considering materiality of delays, namely 2% or EUR 50 thousand.

The Group's approach to NPL management strongly emphasises restructuring and other active NPL management tools, such as the sale or foreclosure of collateral, the sale of claims and pledged assets. In H1 2025, the non-performing credit portfolio stock in the Group remains at a similar level as of the end of 2024, namely at EUR 332.8 million on 30 June 2025, representing only a EUR 2.3 million increase in H1 2025. The positive effects of NPL resolution, mainly reflected in repayments and upgrades, have offset the new non-performing loans. EUR 122.2 million in NPLs showed no payment delays.

An increase in the higher-quality loan portfolio and only a slight increase in the NPL portfolio led to a slight decrease in the NPL ratio from the 2024-year level, standing at 1.5%. Based on the EBA methodology, the internationally comparable NPE ratio stood at 1.0%. As defined by the EBA, the Group's gross NPL ratio remained stable at 1.9% at the end of H1 2025.

Through extensive experience gained over the past few years in managing clients facing financial difficulties, resulting primarily from legacy portfolios, the Group has developed a comprehensive knowledge base. This expertise encompasses both the prevention of clients' financial challenges and the restructuring of viable clients in case of need to manage exposures with no realistic recovery prospects efficiently. This extensive knowledge base is accessible across the Group. Risk units, restructuring and workout teams, are adequately staffed and equipped to handle considerably increased volumes, if needed, professionally and efficiently.

Due to this fact, as well as the implemented early warning tools and efficient analysis and reporting mechanisms, the Group is well-positioned to identify and engage with potentially distressed borrowers proactively. Additionally, the Group closely monitors macroeconomic and geopolitical developments and maintains ongoing communication with key clients to detect changes in business circumstances.

An essential strength of the Group is its NPL coverage ratio 1 (coverage of gross NPLs with impairments for all loans), which remains at a high level at 106.4%. Furthermore, the Group's NPL coverage ratio 2 (coverage of gross NPLs with impairments for NPLs) stood at 61.8%, well above the EU average published by the EBA (41.2% for 2024). Furthermore, NPLs are also covered by collaterals, which serve as a secondary source of repayment. At the end of H1 2025, the collateral coverage ratio was 53.6%; together with impairments, this brings the total NPL coverage to 160.0%. As such, it enables a further reduction in NPLs in the future without significantly influencing the cost of risk.

The Group strives to ensure the best possible collateral for long-term loans, typically in the form of mortgages. Thus, the real estate mortgage is the most common type of collateral for corporate and retail loans. In corporate loans, government and corporate guarantees are also common types of collateral.

The liquidity position remained stable and strong at the Group and individual subsidiary bank levels, remaining well above the risk appetite limit. LCR stood at 204.8% at the Group level and 230.3% at the NLB level. The Group's unencumbered eligible liquid reserves amounted to EUR 9,537.2 million and NLB's EUR 7,008.2 million, mainly consisting of placements with the ECB and prime debt securities. Significant attention is given to the structure and concentration of liquidity reserves by incorporating early warning systems. The Group's core funding base predominantly consists of retail customer deposits, which are stable and constantly growing. A very comfortable level of LTD at 76.5% provides the Group the capacity for further customer loan growth.

The Group's net open FX position from the transactional risk remains low, at 0.50% of capital at the end of H1 2025. On the other hand, structural FX positions – arising from investments into the Group's non-euro subsidiaries and recognised in the other comprehensive income (OCI) on the consolidated basis – impact the Group's RWA for market risk.

The Group maintains a low risk appetite regarding market risks in the trading book. The exposure to trading (as defined by the CRR) is permitted only for the parent Bank as the main entity of the Group, and is highly limited.

The exposure to interest rate risk is measured regarding the impact on capital (EVE) and net interest income (NII) sensitivity. The Group applies different scenarios when assessing the EVE and NII sensitivity. From the EVE perspective, the estimated capital sensitivity equals -3.03% of the Group's T1 capital in the case of the worst regulatory scenario.

The majority of the EUR 5,984 million loan portfolio linked to Euribor includes loans with 3M Euribor (43%), followed by 6M Euribor (40%), 1M Euribor (13%) and 12M Euribor (4%).

In operational risk management, the Group has established a robust operational risk culture. The main qualitative activities focus on reporting loss events and identifying, assessing, and managing operational risks. Based on this, continuous improvements are made to control activities, processes, and/or organisation. The Group also focuses on proactive mitigation, prevention, and minimisation of potential damage. However, an evolving legal practice concerning consumer protection regulation might impact the materialisation of operational risk in future periods.

Special attention is given to the stress-testing system based on scenario analysis, referring to the potential high-severity, low-frequency events and modelling data on loss events. In addition to losses already included in the loss event database, one-off and unpredictable extreme events are also considered. Furthermore, key risk indicators serve as an early warning system for the broader field of operational risks. They are regularly monitored, analysed, and reported to improve the existing internal controls and enable timely reactions.

The Group contributes to sustainable finance by incorporating ESG risks into its business strategies, risk management framework, and internal governance arrangements. The Group integrates and manages them within the established risk management framework in credit, liquidity, market, and operational risk. The management of ESG risks follows the ECB and EBA guidelines, following the tendency of their comprehensive integration into all relevant processes.

The Group conducts a materiality assessment as part of its overall risk identification process to determine the level of transitional and physical risk to which the Group is exposed. The Group's exposure towards these risks is relatively low. Transition risk is assessed as more material than physical risk. Implementing the Net Zero Strategy of the NLB Group is expected to gradually reduce the impact of transition risk over time. Furthermore, results from internal climate stress tests showed no material impacts on the Group's capital and liquidity position.

Corporate Governance

Management Board

According to the *Articles of Association of NLB d.d.*, the Management Board has three to seven members (the president and up to six members) appointed and dismissed by the Supervisory Board. The president and members of the Management Board are appointed for a five-year term of office. According to the law and the *Articles of Association of NLB d.d.*, they may be re-appointed or dismissed before the end of their term.

The Management Board consists of 7 members, namely: Blaž Brodnjak as President & CEO, Archibald Kremser as Deputy CEO and Chief Financial Officer (CFO), Peter Andreas Burkhardt as Chief Risk Officer (CRO), Hedvika Usenik as Chief Marketing Officer (CMO) responsible for Retail Banking and Private Banking, Antonio Argir responsible for Group Governance, Payments and Innovations, Andrej Lasič as Chief Marketing Officer (CMO) responsible for Corporate and Investment Banking and Reinhard Höll as Chief Transformation Officer (CTO).

In a year that kicked off implementing its new Group Strategy, NLB further strengthened its leadership team. On 20 February 2025, upon the recommendation of the Management Board, the Supervisory Board appointed Reinhard Höll as the seventh member of the Management Board. Following the necessary approval of the ECB on 3 June 2025, he assumed the role and oversees the acceleration of the mobile/digital-first business model transition of NLB and its Group members.

Supervisory Board

On the date of this report, the Supervisory Board consists of nine members, of which eight represent the interests of shareholders, and one represents the interests of employees (while one employee representative will assume the function of a Supervisory Board member upon approval of the regulator). The members of the Supervisory Board representing the interests of shareholders are elected and recalled by the General Meeting from people proposed by shareholders or the Supervisory Board. The members of the Supervisory Board representing the interests of employees are selected and nominated by the Works Council, considering the conditions for members of the Supervisory Board laid down in the regulations and the *Articles of Association of NLB d.d*.

The Supervisory Board consists of: Primož Karpe as Chairman, Shrenik Dhirajlal Davda as Deputy Chairman, and the following members: Islam Osama Bahgat Zekry, André-Marc Prudent-Toccanier, Mark William Lane Richards, Cvetka Selšek, Luka Vesnaver, Natalia Olegovna Ansell and employee representative Sergeja Kočar.

On 16 June 2025, the mandate of employee representative Tadeja Žbontar Rems expired. The Works Council on 27 May 2025, appointed a new employee representative Tatjana Jamnik Skubic as a new member of the Supervisory Board, whose term of office will start upon acquiring necessary approval from the regulator.

General Meeting

The shareholders exercise their rights related to the Bank's operations at the General Meetings of NLB. Decisions adopted by the General Meeting of NLB include, among others, adopting and amending the *Articles of Association of NLB d.d.*, use of distributable profit, granting a discharge from liability to the members of the Management and Supervisory Board, changes to the Bank's share capital, appointing and discharging Supervisory Board members representing the interests of shareholders, remuneration and profit-sharing by the members of the Management Board and employees, annual schedules, and characteristics of issues of securities convertible into shares and equity securities of the Bank.

The 44th General Meeting of NLB was held on 16 June 2025. Shareholders acknowledged *the NLB Group Annual Report for 2024, the Report of the Supervisory Board on the results of the examination of the NLB Group Annual Report for 2024, the Additional information to the Report on Remuneration for the business year 2024 based on SSH's baselines* and *the Internal Audit Report for 2024*. They confirmed the consultative vote on *the Report on Remuneration for members of the Management Body for the business year 2024* and adopted the decision to allocate EUR 128.6 million of distributable profit for dividend payment. The remaining EUR 1,065 billion remains undistributed and represents retained earnings. The General Meeting also granted a discharge from liability to the Management and Supervisory Boards for the financial year 2024.

Additionally, the General Meeting re-appointed Islam Osama Bahgat Zekry as a member of the Supervisory Board, and it was informed of the appointment of Tatjana Jamnik Skubic by the Works Council as an employee representative on the Supervisory Board and approved *the Remuneration Policy for the members of the Supervisory Board and the members of the Management Board, the Policy on the provision of diversity of the management body and senior management in NLB and Policy on the selection of suitable candidates for members of the Supervisory Board in NLB*. Amendments were also made regarding the determination of payments to members of the Supervisory Board of NLB and its committees.

Related-Party Transactions

A number of banking transactions have been entered into with related parties in the normal course of business. The volume of related-party transactions mainly consists of loans issued and deposits received. Further information on transaction volumes is available in the Financial Part of this report under *Note 7*.

Events After 30 June 2025

After obtaining all regulatory approvals and registering the acquisition, NLB Lease&Go, leasing, Ljubljana, was legally merged into Summit Leasing Slovenija, Ljubljana on 4 July 2025, while technical migration finished on 7 July 2025. The merged companies operate under the name NLB Lease&Go, leasing, Ljubljana. With a 37.6% market share and more than 100,000 customers, NLB Lease&Go, leasing, Ljubljana has become the leading provider of leasing services on the Slovenian market.

Alternative Performance Indicators

The Bank has chosen to present these APIs either because they are commonly used within the industry or because investors commonly use them and are suitable for disclosure. The APIs are used internally to monitor and manage the operations of the Bank and the Group and are not considered to be directly comparable with similar KPIs presented by other companies. The Bank's APIs are described below, together with definitions.

Alternative Performance Measures[i]	Description	Calculation	Notes
Cost of risk (CoR)	**Calculated as the ratio between credit impairments and provisions annualised from the income statement and average net loans to customers.**	*Numerator:* Credit impairments and provisions	NLB internal information. Credit impairments and provisions are annualised, calculated as all established and released impairments on loans and provisions for off-balance (from the income statement) in the period, divided by the number of months for the reporting period and multiplied by 12. The net established Credit impairments and provisions are shown with a positive sign, and the net released Credit impairments and provisions are shown with a negative sign.
		Denominator: Average net loans to customers	NLB internal information. Average net loans to customers are calculated as the sum of the balance of the previous year end (31 December) and monthly balances of the last day of each month from January to month t divided by (t+1).
Cost-to-income ratio (CIR)	**An indicator of cost efficiency, calculated as the ratio between the total costs and total net operating income.**	*Numerator:* Total costs	As of 1 January 2024, tax on the balance sheet is excluded from the calculation in NLB Group and NLB.
		Denominator: Total net operating income	
Total average cost of funding (quarterly)	**Calculated as the ratio between interest expenses and average interest-bearing liabilities.**	*Numerator:* Interest expenses	Interest expenses (quarterly) are annualised, calculated as the sum of interest expenses in the period divided by the number of days in the quarter and multiplied by the number of days in the year. Interest expenses on interest-bearing liabilities also include interest income from negative interest rates on financial liabilities.
		Denominator: Average interest-bearing liabilities	NLB internal information. Average interest-bearing liabilities (quarterly) for the NLB Group are calculated as the sum of monthly balances (t) for the corresponding quarter and monthly balance at the end of the previous quarter divided by (t+1).

Average cost of wholesale funding (quarterly)	**Calculated as the ratio between interest expenses on deposits from customers, annualised and average wholesale funding. Wholesale funding includes deposits from banks and central banks, borrowings, debt instruments, and subordinated liabilities.**	*Numerator:* Interest expenses from wholesale funding	Interest expenses from wholesale funding (quarterly) are annualised, calculat as the sum of interest expenses from wholesale funding in the period divided the number of days in the quarter and multiplied by the number of days in the year.
		Denominator: Average wholesale funding	NLB internal information. Average wholesale funding (quarterly) for the NLB Group, calculated as the sum of monthly balances (t) for the corresponding quarters and monthly balance at the end of the previous quarter divided by (t+1).
Average interest rate for loans to customers (quarterly)	**Calculated as the ratio between interest income on loans to customers, annualised and average loans to customers.**	*Numerator:* Interest income from loans to customers	Interest income on loans to customers (quarterly) is annualised, calculated as the sum of interest income on loans to customers in the period divided by the number of days in the quarter and multiplied by the number of days in the yea
		Denominator: Average loans to customers	NLB internal information. Average loans to customers (quarterly) for the NLB Group, calculated as the sum of monthly balances (t) for the corresponding quarters and monthly balance at the end of the previous quarter divided by (t+1). NLB internal information. Average loans to customers (quarterly) for NLB are calculated as the sum of daily balances in each quarter (from the first day to t last day of the quarter) divided by the number of days in the quarter. NLB internal information. Average loans from customers (quarterly) for the SE banks (sum of data on a stand-alone basis as included in the consolidated financial statements of the NLB Group) calculated as the sum of monthly balances (t) for the corresponding quarters and monthly balance at the end o the previous quarter divided by (t+1).
Average interest rate for deposits from customers (quarterly)	**Calculated as the ratio between interest expenses on deposits from customers, annualised and average deposits from customers.**	*Numerator:* Interest expenses on deposits from customers	Interest expenses on deposits from customers (quarterly) are annualised, calculated as the sum of interest expenses on deposits from customers in the period divided by the number of days in the quarter and multiplied by the number of days in the year.
		Denominator: Average deposits from customers	NLB internal information. Average deposits from customers (quarterly) for the NLB Group, calculated as the sum of monthly balances (t) for the corresponding quarters and the monthly balance at the end of the previous quarter divided by (t+1). NLB internal information. Average deposits from customers (quarterly) for NLB are calculated as the sum of daily balances in each quarter (from the first day to the last day of the quarter) divided by the number of days in the quarter. NLB internal information. Average deposits from customers (quarterly) for the SEE banks (sum of data on a stand-alone basis as included in the consolidated financial statements of the NLB Group) are calculated as the sum of monthly balances (t) for the corresponding quarters and monthly balances at the end of the previous quarter divided by (t+1).

Deposit beta	**Calculated as the ratio between the change in interest rate on deposits from customers and the change in ECB deposit facility interest rate over the selected period.**	*Numerator:* Interest rate on deposits from customers	NLB internal information. Interest rate on deposits from customers (quarterly average).
		Denominator: ECB deposit facility interest rate	Data from the ECB. Deposit facility interest rate (quarterly average).
Credit portfolio under IFRS 9	**IFRS 9 requires an expected loss model, where an allowance for the expected credit losses (ECL) is formed. Loans measured at amortised costs (AC) are classified into the following stages (before deduction of loan loss allowances): Stage 1 – A performing portfolio: no significant increase in credit risk since initial recognition, NLB Group recognises an allowance based on a 12-month period. Stage 2 – An underperforming portfolio: a significant increase in credit risk since initial recognition, NLB Group recognises an allowance for a lifetime period. Stage 3 – An impaired portfolio: NLB Group recognises lifetime allowances for these financial assets. The definition of default is harmonised with the EBA guidelines. A significant increase in credit risk is assumed: i) when a credit rating significantly deteriorates at the reporting date in comparison to the credit rating at initial recognition; ii) when a financial asset has material delays over 30 days (days past due are also included in the credit rating assessment); iii) if NLB Group expects to grant the client forbearance or if the client is placed on the watch list.**		

Financial assets measured mandatorily at fair value through profit or loss (FVTPL)	**Financial assets measured mandatorily at fair value through profit or loss represent a minor part (no FVTPL assets have been recognised since December 2024) of the loan portfolio (before the deduction of fair value for credit risk; loans with contractual cash flows that are not solely payments of principal and interest on the principal amount outstanding). Classification into stages is calculated in the internal data source, by which the NLB Group measures the loan portfolio quality, and which is also published in the Business Report of Annual and Interim Reports.**	
IFRS 9 classification into Stage 1		*Numerator:* Total (AC) loans in Stage 1 *Denominator:* Total gross loans and advances
IFRS 9 classification into Stage 2		*Numerator:* Total (AC) loans in Stage 2 *Denominator:* Total gross loans and advances
AC + FVTPL - IFRS 9 classification into Stage 3		*Numerator:* Total (AC) loans in Stage 3 + Total (FVTPL) non-performing loans *Denominator:* Total gross loans and advances
AC - Corporates - IFRS 9 classification into Stage 1		*Numerator:* Total (AC) loans in Stage 1 to Corporates *Denominator:* Total gross loans to Corporates

AC - Corporates - IFRS 9 classification into Stage 2		*Numerator:* Total (AC) loans in Stage 2 to Corporates *Denominator:* Total gross loans to Corporates	
AC + FVTPL - Corporates - IFRS 9 classification into Stage 3		*Numerator:* Total (AC) loans in Stage 3 to Corporates + Total (FVTPL) non-performing loans *Denominator:* Total gross loans to Corporates	
AC - Retail - IFRS 9 classification into Stage 1		*Numerator:* Total (AC) loans in Stage 1 to Retail *Denominator:* Total gross loans to Retail	
AC - Retail - IFRS 9 classification into Stage 2		*Numerator:* Total (AC) loans in Stage 2 to Retail *Denominator:* Total gross loans to Retail	
AC - Retail - IFRS 9 classification into Stage 3		*Numerator:* Total (AC) loans in Stage 3 to Retail *Denominator:* Total gross loans to Retail	
Leverage ratio	**Its calculation uses Tier 1 as the numerator, and the denominator is the total exposure of all active balance sheet and off-balance-sheet items after the adjustments are made, in the context of which the exposures from individual derivatives, exposures from transactions of security funding, and other off-balance sheet items are especially pointed out.**	*Numerator:* Tier I *Denominator:* Total Leverage Ratio is an exposure measure	The leverage ratio is a non-risk-based supplementary measure to the risk-based capital requirements. A minimum leverage ratio requirement is 3%. The purpose of the leverage ratio is to limit the size of the Bank balance sheets, with a special emphasis on exposures which are not weighted within the framework of the existing capital requirement calculations.

Liquidity coverage ratio (LCR)	**LCR refers to high liquid assets held by the financial institution to cover its net liquidity outflows over a 30-calendar-day stress period.**	*Numerator:* Stock of HQLA *Denominator:* Net liquidity outflow	The LCR requires financial institutions to maintain a sufficient reserve of high-quality liquid assets (HQLA) to withstand a crisis that puts their cash flows under pressure. The assets to hold must be equal to or greater than their net cash outflow over a 30-calendar-day stress period (having at least 100% coverage). The parameters of the stress scenario are defined under Basel III guidelines. The calculations presented are based on internal data sources.
Net loan to deposit ratio (LTD)	**Calculated as the ratio between net loans to customers and deposits from customers.**	*Numerator:* Net loans to customers *Denominator:* Deposits from customers	There is no regulatory-defined limitation on the LTD; however, the aim of this measure is to restrict the extensive growth of the loan portfolio.
Net interest margin on the basis of interest-bearing assets (cumulative)	**Calculated as the ratio between net interest income annualised and average interest-bearing assets.**	*Numerator:* Net interest income *Denominator:* Average interest-bearing assets	Net interest income is annualised, calculated as the sum of interest income and interest expenses in the period divided by the number of days in the period and multiplied by the number of days in the year. NLB internal information. Average interest-bearing assets for the NLB Group are calculated as the sum of the balance from the previous year's end (31 December) and monthly balances of the last day of each month from January to the reporting month t divided by (t+1). NLB internal information. Average interest-bearing assets for NLB are calculated as daily balances in the current period (from the first day of the period to the last day of the period) divided by the number of days in the period. Average interest-bearing assets for individual bank members are calculated as the sum of the balance of the previous year's end (31 December) and monthly balances of the last day of each month from January to the reporting month t divided by (t+1).

Net interest margin on the basis of interest-bearing assets (quarterly)	**Calculated as the ratio between the net interest income annualised and average interest-bearing assets.**	*Numerator:* Net interest income	Net interest income (quarterly) is annualised, calculated as the sum of interest income and interest expenses in the period divided by the number of days in the quarter and multiplied by the number of days in the year.
		Denominator: Average interest-bearing assets	NLB internal information. Average interest-bearing assets (quarterly) for the NLB Group, calculated as the sum of monthly balances (t) for the corresponding quarter and monthly balance at the end of the previous quarter divided by (t+1). NLB internal information. Average interest-bearing assets (quarterly) for NLB are calculated as the sum of daily balances in each quarter (from the first day of the quarter to the last day of the quarter) divided by the number of days in the quarter. NLB internal information. Average interest-bearing assets (quarterly) for the SEE banks (sum of data on a stand-alone basis as included in the consolidated financial statements of the NLB Group) calculated as the sum of monthly balances (t) for the corresponding quarter and monthly balance at the end of the previous quarter divided by (t+1).
Net interest margin on total assets	**Calculated as the ratio between net interest income annualised and average total assets.**	*Numerator:* Net interest income	Net interest income is annualised and calculated as the sum of interest income and interest expenses in the period divided by the number of days in the period and multiplied by the number of days in the year.
		Denominator: Average total assets	NLB internal information. Average total assets for the NLB Group are calculated as the sum of the balance from the previous year's end (31 December) and monthly balances of the last day of each month from January to month t divided by (t+1).
NPE per cent. (EBA def.)	**In accordance with EBA methodology, NPE as a percentage of all exposures to clients in the Finrep18 before the deduction of allowances for the ECL; the ratio is in gross terms.**	*Numerator:* Total Non-Performing on-balance and off-balance Exposure in Finrep18	NPE includes risk exposure to D- and E-rated clients (includes loans and advances, debt securities and off-balance exposures, which are included in the report Finrep 18; before deduction of allowances for the expected credit losses). NPE, measured by fair value loans through P&L, is considered to be at fair value, increased by the amount of negative fair value changes for credit risk. The share of NPEs is calculated based on internal data sources, which the NLB Group uses to monitor the portfolio quality.
		Denominator: Total on-balance and off-balance exposures in Finrep18	
NPL per cent.	**Non-performing loans are a percentage of total loans to clients before deduction of loan loss allowances; the ratio is in gross terms.**	*Numerator:* Total Non-Performing Loans	Where non-performing loans are defined as loans to D- and E-rated clients, namely loans at least 90 days past due or loans unlikely to be repaid without recourse to collateral (before deduction of loan loss allowances). The share of non-performing loans is calculated based on an internal data source, with which the NLB Group monitors the loan portfolio quality.
		Denominator: Total gross loans	

NPL coverage ratio 1 (NPL CR 1)	**The coverage of the gross non-performing loans portfolio with loan loss allowances on the entire loan portfolio - loan impairment in respect of non-performing loans. It shows the level of credit provisions that the entity has already absorbed into its profit and loss accounts with respect to the total of impaired loans.**	*Numerator:* Loan loss allowances for the entire loan portfolio *Denominator:* Total Non-Performing Loans	The NPL coverage ratio 1 is calculated based on an internal data source, with the NLB Group monitoring the quality of the loan portfolio.
NPL coverage ratio 2 (NPL CR 2)	**The coverage of the gross non-performing loans portfolio with loan loss allowances on the non-performing loans portfolio.**	*Numerator:* Loan loss allowances on the non-performing loan portfolio *Denominator:* Total Non-Performing Loans	The NPL coverage ratio 2 is calculated based on an internal data source, with which the NLB Group monitors the loan portfolio quality.
Net NPL ratio per cent. (% Net NPL)	**The share of net non-performing loans in total net loans: non-performing loans after deduction of loss allowances on the non-performing loans portfolio as a percentage of total loans to clients after the deduction of loan loss allowances; the ratio is in net terms.**	*Numerator:* Net volume of non-performing loans *Denominator:* Total Net Loans	The calculations presented are based on internal data sources.
NPL ratio (EBA def.)	**The ratio of the gross carrying amount of non-performing loans and advances to the total gross carrying amount of loans and advances, in accordance with the EBA methodology (report Finrep18).**	*Numerator:* Gross volume of Non-Performing Loans and advances without loans held for sale, cash balances at CBs and other demand deposits *Denominator:* Gross volume of Loans and advances in Finrep18 without loans held for sale, cash balances at CBs and other demand deposits *Denominator:* Amount of required stable funding	Non-performing loans include loans and advances in accordance with EBA Methodology that are classified as D and E, namely loans at least 90 days past due or loans unlikely to be repaid without recourse to collateral (before deduction of loan loss allowances). For calculation, loans and advances classified as held for sale, cash balances at CBs, and other demand deposits are excluded from the denominator and the numerator. The calculations presented are based on internal data sources.

Net stable funding ratio (NSFR)	**NSFR compares a bank's available stable funding (ASF) with its required stable funding (RSF). The ratio aims to ensure that banks maintain a stable funding profile in relation to their assets and activities.**	*Numerator:* Amount of available stable funding	A ratio of 100% or more indicates that a bank's stable funding is sufficient to cover its longer-term assets and activities. The parameters are defined under Basel III guidelines.
		Denominator: Amount of required stable funding	
EVE (Economic Value of Equity) method	**The EVE method measures the sensitivity of changes in market interest rates on the economic value of financial instruments. EVE represents the present value of net future cash flows and provides a comprehensive view of the possible long-term effects of changing interest rates under at least six prescribed standardised interest rate shock scenarios, or more if necessary, according to the situation on financial markets.**	*Numerator:* Interest risk in banking book – EVE	Calculations take into account behavioural and automatic options, as well as the allocation of non-maturing deposits.
		Denominator: Equity (Tier I)	
Operational business margin (OBM) (cumulative)	**Calculated as the ratio between operational business net income annualised and average assets.**	*Numerator:* Operational business net income	Operational business net income is annualised and calculated as operational business income in the period divided by the number of days in the period and multiplied by the number of days in the year. Operational business income consists of net interest income (excluding interest expenses from subordinated securities), net fees and commissions and net gains and losses from financial assets and liabilities held for trading that derive from foreign exchange trading.
		Denominator: Average total assets	NLB internal information. Average total assets are calculated as a sum of the balance at the end of the previous year (31 December), and monthly balances of the last day of each month from January to the month t are divided by (t+1).

Operational business margin (OBM) (quarterly)	**Calculated as the ratio between operational business net income annualised and average assets.**	*Numerator:* Operational business net income	Operational business net income (quarterly) is annualised, and calculated as operational business income in the period divided by the number of days in the quarter and multiplied by the number of days in the year. Operational business income consists of net interest income (excluding interest expenses from subordinated securities), net fees and commissions and net gains and losses from financial assets and liabilities held for trading that derive from foreign exchange trading.
		Denominator: Average total assets	NLB internal information. Average total assets (quarterly) for the NLB Group are calculated as the sum of monthly balances (t) for the corresponding quarter and monthly balances at the end of the previous quarter divided by (t+1). NLB internal information. Average total assets (quarterly) for the NLB are calculated as the sum of monthly balances (t) for the corresponding quarter and monthly balance at the end of the previous quarter divided by (t+1). NLB internal information. Average total assets (quarterly) for the SEE banks (sum of data on a stand-alone basis as included in the consolidated financial statements of the NLB Group) are calculated as the sum of monthly balances (t) for the corresponding quarter and monthly balance at the end of the previous quarter divided by (t+1).
Return on equity after tax (ROE a.t.)	**Calculated as the ratio between the result after tax annualised and the average equity.**	*Numerator:* Result after tax	The result after tax is annualised and calculated as the result after tax in the period divided by the number of months for the reporting period and multiplied by 12.
		Denominator: Average equity	NLB internal information. Average equity is calculated as the sum of the balance at the end of the previous year (31 December) and monthly balances of the last day of each month from January to the month t divided by (t+1).

Return on equity after tax (ROE a.t.) normalised	**Calculated as the ratio between the result after tax annualised and average risk-adjusted capital. Result a.t. w/o negative goodwill divided by Average risk-adjusted capital. Average risk-adjusted capital calculated as Tier 1 requirement of average Risk Weighted Assets (RWA) reduced for minority shareholder capital contribution. Result a.t. w/o negative goodwill divided by Average risk-adjusted capital. Average risk-adjusted capital calculated as Tier 1 requirement of average Risk Weighted Assets (RWA) reduced for minority shareholder capital contribution.**	*Numerator:* Result after tax	Result after tax is annualised, calculated as a result after tax in the period divided by the number of months for the reporting period and multiplied by 12.
		Denominator: Average risk-adjusted capital	NLB internal information. Average risk adjusted capital is calculated as a sum of Risk Weighted Assets (RWA) balance as at the end of the previous year end (31 December) and monthly Risk Weighted Assets (RWA) balances of the last day of each month from January to month t divided by (t+1), multiplied by Tier 1 regulatory capital requirement and decreased by minority shareholder capital.
Return on assets after tax (ROA a.t.)	**Calculated as the ratio between the result after tax annualised and average total assets.**	*Numerator:* Result after tax	The result after tax is annualised and calculated as the result after tax in the period divided by the number of months for the reporting period and multiplied by 12.
		Denominator: Average total assets	NLB internal information. Average total assets are calculated as the sum of the balance at the end of the previous year (31 December) and monthly balances of the last day of each month from January to the month t divided by (t+1).
RWA to total assets	**The RWA to total assets is the institution’s RWA expressed as a percentage of the total assets.**	*Numerator:* Total risk exposure Amount (RWA)	
		Denominator: Total assets	
Total capital ratio (TCR)	**TCR is the institution's own funds expressed as a percentage of the total risk exposure amount.**	*Numerator:* Total capital (Own funds)	
		Denominator: Total risk exposure Amount (Total RWA)	

(i) All alternative performance indicators are expressed in %, except the cost of risk (CoR), which is expressed in bps.

Reconciliation of Financial Statements in Business and Financial Part of the Report

Table 21: Unaudited Condensed Income Statement of NLB Group for the period ended 30 June 2025

Business report	in EUR millions	Financial report	in EUR thousands	Notes
Net interest income	466.4	Interest and similar income	601,256	4.1.
		Interest and similar expenses	(134,819)	4.1.
Net fee and commission income	163.1	Fee and commission income	224,123	4.3.
		Fee and commission expenses	(61,044)	4.3.
Dividend income	0.1	Dividend income	87	4.2.
Net income from financial transactions	20.9	Gains less losses from financial assets and liabilities not measured at fair value through profit or loss	(267)	4.4.
		Gains less losses from financial assets and liabilities held for trading	10,126	4.5.
		Gains less losses from non-trading financial assets mandatorily at fair value through profit or loss	730	4.6.
		Gains less losses from financial liabilities measured at fair value through profit or loss	(1,213)	
		Fair value adjustments in hedge accounting	1,662	
		Foreign exchange translation gains less losses	9,963	
		Gains less losses from modification of financial assets	(113)	
Net other income[i]	(15.5)	Gains less losses on derecognition of non-financial assets	3,066	
		Other operating income	13,940	4.7.
		Other operating expenses	(2,983)	4.8.
		Cash contributions to resolution funds and deposit guarantee schemes	(28,080)	4.10.
		Gains less losses from non-current assets held for sale	1,498	
		Net gains or losses on derecognition of investments in subsidiaries, associates and joint ventures	719	
Net non-interest income	168.6		172,214	
Total net operating income	**635.0**		**638,651**	
Employee costs	(171.4)	Administrative expenses	(281,607)	4.9.
Other general and administrative expenses	(93.9)			
Depreciation and amortisation(i)	(31.0)	Depreciation and amortisation	(34,616)	4.11.
Total costs	**(296.3)**			
Tax on balance sheet	(16.3)			4.9.
	(312.6)		**(316,223)**	
Result before impairments and provisions	**322.4**		**322,428**	
Impairments and provisions for credit risk	5.8	Provisions for credit losses	1,319	4.12.
		Impairment of financial assets	4,471	4.13.
Other impairments and provisions	(3.3)	Provisions for other liabilities and charges	(3,306)	4.12.
		Impairment of non-financial assets	11	4.13.
Impairments and provisions	2.5		2,495	
Gains less losses from capital investment in subsidiaries, associates, and joint ventures	1.4	Share of profit from investments in associates and joint ventures (accounted for using the equity method)	1,421	
Result before tax	**326.3**	**Profit before income tax**	**326,344**	
Income tax	(43.9)	Income tax	(43,866)	4.14.
Result of non-controlling interests	8.1	Attributable to non-controlling interests	8,098	
Result after tax	**274.4**	**Attributable to owners of the parent**	**274,380**	

(i) Operating lease in the Business Report is presented on a net basis: non-interest income and related costs are netted by amount of amortisation.

Table 22: Unaudited Condensed Statement of Financial Position of NLB Group as at 30 June 2025

Business report	in EUR millions	Financial report	in EUR thousands	Notes
ASSETS				
Cash, cash balances at central banks, and other demand deposits at banks	4,215.2	Cash, cash balances at central banks, and other demand deposits at banks	4,215,233	5.1.
Loans to banks	351.3	Financial assets measured at amortised cost - loans and advances to banks	351,325	5.5.b)
Net loans to customers	17,481.5	Financial assets measured at amortised cost - loans and advances to customers	17,481,510	5.5.c)
Financial assets	6,666.3		6,666,290	
- Trading book	8.3	Financial assets held for trading	6,813	5.2.a)
- Non-trading book	6,658.0	Non-trading financial assets mandatorily at fair value through profit or loss - part (without loans)	19,269	5.3.a)
		Financial assets measured at fair value through other comprehensive income	2,806,857	5.4.
		Financial assets measured at amortised cost - debt securities	3,833,351	5.5.a)
Investments in subsidiaries, associates, and joint ventures	14.0	Investments in associates and joint ventures	14,037	
Property and equipment	312.6	Property and equipment	312,610	5.7.
Investment property	22.3	Investment property	22,292	5.8.
Intangible assets	100.2	Intangible assets	100,199	
Other assets	409.5	Financial assets measured at amortised cost - other financial assets	161,662	5.5.d)
		Derivatives - hedge accounting	72,047	
		Fair value changes of the hedged items in portfolio hedge of interest rate risk	(9,149)	
		Current income tax assets	12	
		Deferred income tax assets	116,077	5.14.
		Other assets	64,761	5.10.
		Non-current assets and disposal groups held for sale	4,123	5.6.
TOTAL ASSETS	**29,573.0**	**Total assets**	**29,573,029**	
LIABILITIES				
Deposits from customers	22,837.8	Financial liabilities measured at amortised cost - due to customers	22,837,831	5.12.
Deposits from banks and central banks	178.8	Financial liabilities measured at amortised cost - deposits from banks and central banks	178,771	5.12.
Borrowings	431.2	Financial liabilities measured at amortised cost - borrowings from banks and central banks	246,048	5.12.
		Financial liabilities measured at amortised cost - borrowings from other customers	185,175	5.12.
Subordinated debt securities	551.2	Financial liabilities measured at amortised cost - debt securities issue	2,077,921	5.12.a)
Other debt securities in issue	1,526.7			
Other liabilities	589.5	Financial liabilities held for trading	6,227	5.2.b)
		Financial liabilities measured at fair value through profit or loss	11,888	5.3.b)
		Financial liabilities measured at amortised cost - other financial liabilities	335,274	5.12.c)
		Derivatives - hedge accounting	4,148	
		Provisions	95,942	5.13.
		Current income tax liabilities	17,427	
		Deferred income tax liabilities	13,959	5.14.
		Other liabilities	104,621	5.16.
Equity	3,386.2	Equity and reserves attributable to owners of the parent	3,386,153	
Non-controlling interests	71.6	Non-controlling interests	71,644	
TOTAL LIABILITIES AND EQUITY	**29,573.0**	**Total liabilities and equity**	**29,573,029**	

Unaudited Condensed Interim Financial Statements of NLB Group and NLB

as at 30 June 2025

Prepared in accordance with International accounting standard 34 'Interim financial reporting'

Contents

Condensed income statement for the period ended 30 June

in EUR thousands

		NLB Group		NLB	
		6 months ended		6 months ended	
		June 2025	June 2024	June 2025	June 2024
	Notes	unaudited	unaudited	unaudited	unaudited
Interest income calculated using the effective interest method		539,696	556,010	286,327	301,110
Other interest and similar income		61,560	28,684	17,926	14,754
Interest and similar income	4.1.	601,256	584,694	304,253	315,864
Interest expenses calculated using the effective interest method		(122,509)	(112,659)	(86,512)	(85,986)
Other interest and similar expenses		(12,310)	(11,592)	(12,128)	(11,578)
Interest and similar expenses	4.1.	(134,819)	(124,251)	(98,640)	(97,564)
Net interest income		**466,437**	**460,443**	**205,613**	**218,300**
Dividend income	4.2.	87	33	210,542	77,221
Fee and commission income	4.3.	224,123	206,091	101,000	91,652
Fee and commission expenses	4.3.	(61,044)	(56,089)	(24,069)	(22,626)
Net fee and commission income		**163,079**	**150,002**	**76,931**	**69,026**
Gains less losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss	4.4.	(267)	1,339	(321)	2,570
Gains less losses from financial assets and liabilities held for trading	4.5.	10,126	12,709	(1,251)	4,491
Gains less losses from non-trading financial assets mandatorily at fair value through profit or loss	4.6.	730	1,250	885	1,615
Gains less losses from financial liabilities measured at fair value through profit or loss		(1,213)	(1,914)	(729)	(998)
Gains less losses from hedge accounting		1,662	(1,342)	1,769	(1,410)
Foreign exchange translation gains less losses		9,963	1,046	5,445	(1,158)
Net gains or losses on derecognition of investments in subsidiaries, associates and joint ventures		719	-	189	-
Gains less losses on derecognition of non-financial assets		3,066	926	25	121
Other operating income	4.7.	13,940	8,260	6,648	5,310
Other operating expenses	4.8.	(2,983)	(3,766)	(1,923)	(2,420)
Administrative expenses	4.9.	(281,607)	(248,333)	(150,762)	(133,569)
Cash contributions to resolution funds and deposit guarantee schemes	4.10.	(28,080)	(25,252)	(12,013)	(10,793)
Depreciation and amortisation	4.11.	(34,616)	(26,696)	(12,653)	(11,361)
Gains less losses from modification of financial assets		(113)	(274)	-	-
Provisions for credit losses	4.12.	1,319	7,031	(599)	3,770
Provisions for other liabilities and charges	4.12.	(3,306)	(1,396)	(3,550)	(686)
Impairment of financial assets	4.13.	4,471	4,628	(5,913)	(11,804)
Impairment of non-financial assets	4.13.	11	145	(600)	-
Share of profit from investments in associates and joint ventures (accounted for using the equity method)		1,421	1,666	-	-
Gains less losses from non-current assets held for sale		1,498	568	99	481
Profit before income tax		**326,344**	**341,073**	**317,832**	**208,706**
Income tax	4.14.	(43,866)	(40,493)	(21,830)	(15,807)
Profit for the period		**282,478**	**300,580**	**296,002**	**192,899**
Attributable to owners of the parent		274,380	292,033	296,002	192,899
Attributable to non-controlling interests		8,098	8,547	-	-
Earnings per share (in EUR per share)		13.72	14.60	14.80	9.64
Diluted earnings per share (in EUR per share)		13.72	14.60	14.80	9.64

Condensed income statement for the three months ended 30 June

		NLB Group		NLB	
		3 months ended		3 months ended	
		June 2025	June 2024	June 2025	June 2024
in EUR thousands	Notes	unaudited	unaudited	unaudited	unaudited
Interest income calculated using the effective interest method		269,692	278,445	142,215	150,806
Other interest and similar income		31,746	13,482	10,076	6,167
Interest and similar income	4.1.	301,438	291,927	152,291	156,973
Interest expenses calculated using the effective interest method		(62,095)	(58,223)	(43,755)	(44,609)
Other interest and similar expenses		(6,826)	(5,451)	(6,742)	(5,315)
Interest and similar expenses	4.1.	(68,921)	(63,674)	(50,497)	(49,924)
Net interest income		**232,517**	**228,253**	**101,794**	**107,049**
Dividend income	4.2.	70	17	192,748	47,690
Fee and commission income	4.3.	114,917	105,972	51,224	46,352
Fee and commission expenses	4.3.	(32,240)	(27,068)	(12,735)	(11,978)
Net fee and commission income		**82,677**	**78,904**	**38,489**	**34,374**
Gains less losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss	4.4.	9	(705)	-	(12)
Gains less losses from financial assets and liabilities held for trading	4.5.	7,212	10,216	(329)	3,241
Gains less losses from non-trading financial assets mandatorily at fair value through profit or loss	4.6.	(210)	(331)	(101)	37
Gains less losses from financial liabilities measured at fair value through profit or loss		(466)	(1,000)	(331)	(539)
Gains less losses from hedge accounting		2,012	(1,991)	1,691	(2,019)
Foreign exchange translation gains less losses		4,925	(2,899)	3,399	(1,937)
Net gains or losses on derecognition of investments in subsidiaries, associates and joint ventures		719	-	189	-
Gains less losses on derecognition of non-financial assets		2,183	664	4	116
Other operating income	4.7.	5,216	3,992	3,348	2,387
Other operating expenses	4.8.	(1,873)	(1,694)	(1,017)	(812)
Administrative expenses	4.9.	(144,747)	(129,036)	(77,411)	(70,660)
Cash contributions to resolution funds and deposit guarantee schemes	4.10.	(8,727)	(7,514)	(635)	(234)
Depreciation and amortisation	4.11.	(17,725)	(13,637)	(6,439)	(5,719)
Gains less losses from modification of financial assets		(70)	(249)	-	-
Provisions for credit losses	4.12.	1,869	7,177	(1,244)	3,189
Provisions for other liabilities and charges	4.12.	(5,583)	(1,099)	(3,550)	(686)
Impairment of financial assets	4.13.	18,442	8,842	2,440	(7,996)
Impairment of non-financial assets	4.13.	(12)	148	(600)	-
Share of profit from investments in associates and joint ventures (accounted for using the equity method)		853	704	-	-
Gains less losses from non-current assets held for sale		234	242	1	166
Profit before income tax		**179,525**	**179,004**	**252,446**	**107,635**
Income tax	4.14.	(26,170)	(21,838)	(18,034)	(8,617)
Profit for the period		**153,355**	**157,166**	**234,412**	**99,018**
Attributable to owners of the parent		148,541	152,012	234,412	99,018
Attributable to non-controlling interests		4,814	5,154	-	-

Condensed statement of other comprehensive income for the period ended 30 June

in EUR thousands

		NLB Group		NLB	
		6 months ended		6 months ended	
		June 2025	June 2024	June 2025	June 2024
	Notes	unaudited	unaudited	unaudited	unaudited
Net profit for the period after tax		**282,478**	**300,580**	**296,002**	**192,899**
Other comprehensive income after tax		**14,515**	**16,222**	**12,200**	**4,948**
Items that will not be reclassified to income statement					
Fair value changes of equity instruments measured at fair value through other comprehensive income		**646**	**1,671**	**944**	**634**
Income tax related to items that will not be reclassified to profit or loss	5.15.	**(157)**	**(241)**	**(207)**	**(140)**
Items that have been or may be reclassified subsequently to income statement					
Foreign currency translation		**(1,710)**	**1,193**	**-**	**-**
Translation gains/(losses) taken to equity		(1,710)	1,193	-	-
Debt instruments measured at fair value through other comprehensive income		**19,585**	**16,481**	**14,703**	**5,710**
Valuation gains/(losses) taken to equity		20,668	15,270	14,515	5,224
Transferred to income statement		(1,083)	1,211	188	486
Income tax related to items that may be reclassified to profit or loss	5.15.	**(3,849)**	**(2,882)**	**(3,240)**	**(1,256)**
Total other comprehensive income for the period after tax		**296,993**	**316,802**	**308,202**	**197,847**
Attributable to owners of the parent		288,793	308,403	308,202	197,847
Attributable to non-controlling interests		8,200	8,399	-	-

Condensed statement of other comprehensive income for the three months ended 30 June

in EUR thousands

	NLB Group		NLB	
	3 months ended		3 months ended	
	June 2025	June 2024	June 2025	June 2024
	unaudited	unaudited	unaudited	unaudited
Net profit for the period after tax	**153,355**	**157,166**	**234,412**	**99,018**
Other comprehensive income/(loss) after tax	**10,018**	**3,591**	**9,975**	**912**
Items that will not be reclassified to income statement				
Fair value changes of equity instruments measured at fair value through other comprehensive income	**(1,494)**	**(1,244)**	**603**	**340**
Income tax related to items that will not be reclassified to profit or loss	**141**	**160**	**(132)**	**(75)**
Items that have been or may be reclassified subsequently to income statement				
Foreign currency translation	**(88)**	**314**	**-**	**-**
Translation gains/(losses) taken to equity	(88)	314	-	-
Debt instruments measured at fair value through other comprehensive income	**14,425**	**5,198**	**12,196**	**829**
Valuation gains/(losses) taken to equity	15,280	4,806	12,013	739
Transferred to income statement	(855)	392	183	90
Income tax related to items that may be reclassified to profit or loss	**(2,966)**	**(837)**	**(2,692)**	**(182)**
Total comprehensive income for the period after tax	**163,373**	**160,757**	**244,387**	**99,930**
Attributable to owners of the parent	158,535	155,654	244,387	99,930
Attributable to non-controlling interests	4,838	5,103	-	-

Condensed statement of financial position as at 30 June and as at 31 December

in EUR thousands

		NLB Group		NLB	
		30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
	Notes	unaudited	audited	unaudited	audited
Cash, cash balances at central banks, and other demand deposits at banks	5.1.	4,215,233	4,039,581	2,299,346	1,973,113
Financial assets held for trading	5.2.a)	6,813	18,338	9,634	21,073
Non-trading financial assets mandatorily at fair value through profit or loss	5.3.a)	19,269	17,429	20,676	19,135
Financial assets measured at fair value through other comprehensive income	5.4.	2,806,857	2,563,516	2,027,123	1,665,019
Financial assets measured at amortised cost					
- debt securities	5.5.a)	3,833,351	3,725,195	2,876,414	2,846,779
- loans and advances to banks	5.5.b)	351,325	458,921	311,654	193,172
- loans and advances to customers	5.5.c)	17,481,510	16,363,649	9,075,969	8,653,348
- other financial assets	5.5.d)	161,662	136,854	203,904	81,518
Derivatives - hedge accounting		72,047	77,771	72,047	77,771
Fair value changes of the hedged items in portfolio hedge of interest rate risk		(9,149)	(6,353)	(11,331)	(8,761)
Investments in subsidiaries		-	-	1,212,694	1,179,757
Investments in associates and joint ventures		14,037	14,661	4,293	4,823
Tangible assets					
Property and equipment	5.7.	312,610	310,017	96,659	91,320
Investment property	5.8.	22,292	26,132	5,243	5,599
Intangible assets		100,199	100,496	42,752	44,424
Current income tax assets		12	604	-	-
Deferred income tax assets	5.14.	116,077	120,701	102,850	106,327
Other assets	5.10.	64,761	56,819	24,594	17,825
Non-current assets held for sale	5.6.	4,123	11,036	2,766	2,849
Total assets		**29,573,029**	**28,035,367**	**18,377,287**	**16,975,091**
Financial liabilities held for trading	5.2.b)	6,227	6,995	8,674	9,977
Financial liabilities measured at fair value through profit or loss	5.3.b)	11,888	9,633	6,353	5,597
Financial liabilities measured at amortised cost					
- deposits from banks and central banks	5.12.	178,771	136,000	342,144	220,120
- borrowings from banks and central banks	5.12.	246,048	120,612	153,758	51,106
- due to customers	5.12.	22,837,831	22,206,310	12,727,135	12,293,708
- borrowings from other customers	5.12.	185,175	104,519	74,491	-
- debt securities issued	5.12.a)	2,077,921	1,608,939	2,077,921	1,608,939
- other financial liabilities	5.12.c)	335,274	296,725	176,347	145,802
Derivatives - hedge accounting		4,148	3,592	1,908	1,261
Provisions	5.13.	95,942	104,388	39,405	41,646
Current income tax liabilities		17,427	18,026	6,221	4,328
Deferred income tax liabilities	5.14.	13,959	17,694	-	-
Other liabilities	5.16.	104,621	103,889	57,719	66,998
Total liabilities		**26,115,232**	**24,737,322**	**15,672,076**	**14,449,482**
Equity and reserves attributable to owners of the parent					
Share capital		200,000	200,000	200,000	200,000
Share premium		871,378	871,378	871,378	871,378
Other equity instruments	5.17.	88,137	84,184	88,137	84,184
Accumulated other comprehensive income		(5,229)	(19,642)	1,852	(10,348)
Profit reserves		186,332	186,332	186,332	186,332
Retained earnings		2,045,535	1,903,708	1,357,512	1,194,063
		3,386,153	**3,225,960**	**2,705,211**	**2,525,609**
Non-controlling interests		71,644	72,085	-	-
Total equity		**3,457,797**	**3,298,045**	**2,705,211**	**2,525,609**
Total liabilities and equity		**29,573,029**	**28,035,367**	**18,377,287**	**16,975,091**

Condensed statement of changes in equity for the period ended 30 June

in EUR thousands

				Accumulated other comprehensive income							
NLB Group	**Share capital**	**Share premium**	**Other equity instruments**	**Fair value reserve of financial assets measured at FVOCI**	**Foreign currency translation reserve**	**Other**	**Profit reserves**	**Retained earnings**	**Equity attributable to owners of the parent**	**Equity attributable to non-controlling interests**	**Total equity**
Note			**5.17.**								
Balance as at 1 Jan 2025	200,000	871,378	84,184	(5,536)	(11,366)	(2,740)	186,332	1,903,708	3,225,960	72,085	3,298,045
- Net profit for the period	-	-	-	-	-	-	-	274,380	274,380	8,098	282,478
- Other comprehensive income	-	-	-	16,118	(1,705)	-	-	-	14,413	102	14,515
Total comprehensive income after tax	-	-	-	16,118	(1,705)	-	-	274,380	288,793	8,200	296,993
Dividends	-	-	-	-	-	-	-	(128,600)	(128,600)	(8,641)	(137,241)
Other	-	-	3,953	-	-	-	-	(3,953)	-	-	-
Balance as at 30 Jun 2025	**200,000**	**871,378**	**88,137**	**10,582**	**(13,071)**	**(2,740)**	**186,332**	**2,045,535**	**3,386,153**	**71,644**	**3,457,797**

in EUR thousands

				Accumulated other comprehensive income							
NLB Group	**Share capital**	**Share premium**	**Other equity instruments**	**Fair value reserve of financial assets measured at FVOCI**	**Foreign currency translation reserve**	**Other**	**Profit reserves**	**Retained earnings**	**Equity attributable to owners of the parent**	**Equity attributable to non-controlling interests**	**Total equity**
Note			**5.17.**								
Balance as at 1 Jan 2024	200,000	871,378	84,178	(60,019)	(14,588)	(1,511)	13,522	1,789,890	2,882,850	65,140	2,947,990
- Net profit for the period	-	-	-	-	-	-	-	292,033	292,033	8,547	300,580
- Other comprehensive income	-	-	-	15,052	1,318	-	-	-	16,370	(148)	16,222
Total comprehensive income after tax	-	-	-	15,052	1,318	-	-	292,033	308,403	8,399	316,802
Dividends	-	-	-	-	-	-	-	(110,000)	(110,000)	(8,886)	(118,886)
Transfer of fair value reserve	-	-	-	(58)	-	-	-	58	-	-	-
Other	-	-	3,964	-	-	-	-	(3,964)	-	-	-
Balance as at 30 Jun 2024	**200,000**	**871,378**	**88,142**	**(45,025)**	**(13,270)**	**(1,511)**	**13,522**	**1,968,017**	**3,081,253**	**64,653**	**3,145,906**

in EUR thousands

				Accumulated other comprehensive income				
NLB	**Share capital**	**Share premium**	**Other equity instruments**	**Fair value reserve of financial assets measured at FVOCI**	**Other**	**Profit reserves**	**Retained earnings**	**Total equity**
Note			**5.17.**					
Balance as at 1 Jan 2025	200,000	871,378	84,184	(8,283)	(2,065)	186,332	1,194,063	2,525,609
- Net profit for the period	-	-	-	-	-	-	296,002	296,002
- Other comprehensive income	-	-	-	12,200	-	-	-	12,200
Total comprehensive income after tax	-	-	-	12,200	-	-	296,002	308,202
Dividends	-	-	-	-	-	-	(128,600)	(128,600)
Other	-	-	3,953	-	-	-	(3,953)	-
Balance as at 30 Jun 2025	**200,000**	**871,378**	**88,137**	**3,917**	**(2,065)**	**186,332**	**1,357,512**	**2,705,211**

in EUR thousands

				Accumulated other comprehensive income				
NLB	**Share capital**	**Share premium**	**Other equity instruments**	**Fair value reserve of financial assets measured at FVOCI**	**Other**	**Profit reserves**	**Retained earnings**	**Total equity**
Note			**5.17.**					
Balance as at 1 Jan 2024	200,000	871,378	84,178	(35,111)	(1,205)	13,522	1,116,689	2,249,451
- Net profit for the period	-	-	-	-	-	-	192,899	192,899
- Other comprehensive income	-	-	-	4,948	-	-	-	4,948
Total comprehensive income after tax	-	-	-	4,948	-	-	192,899	197,847
Dividends	-	-	-	-	-	-	(110,000)	(110,000)
Other	-	-	3,964	-	-	-	(3,964)	-
Balance as at 30 Jun 2024	**200,000**	**871,378**	**88,142**	**(30,163)**	**(1,205)**	**13,522**	**1,195,624**	**2,337,298**

Condensed statement of cash flows for the period ended 30 June

in EUR thousands

		NLB Group		NLB	
		6 months ended		6 months ended	
		June 2025	June 2024	June 2025	June 2024
	Notes	unaudited	unaudited	unaudited	unaudited
CASH FLOWS FROM OPERATING ACTIVITIES					
Interest received		617,577	586,650	323,278	320,967
Interest paid		(150,723)	(86,661)	(119,369)	(80,673)
Dividends received		82	29	79,829	61,973
Fee and commission receipts		223,010	205,879	97,839	89,105
Fee and commission payments		(60,286)	(58,472)	(23,418)	(22,975)
Realised gains from financial assets and financial liabilities not at fair value through profit or loss		54	184	-	-
Net gains/(losses) from financial assets and liabilities held for trading		11,372	13,957	(504)	3,500
Payments to employees and suppliers		(312,388)	(248,713)	(179,169)	(129,617)
Other receipts		17,133	9,083	8,622	5,887
Other payments		(38,958)	(33,502)	(20,326)	(14,101)
Income tax (paid)/received		(37,072)	(57,953)	(10,128)	(24,805)
Cash flows from operating activities before changes in operating assets and liabilities		**269,801**	**330,481**	**156,654**	**209,261**
(Increases)/decreases in operating assets		**(1,484,391)**	**(1,131,225)**	**(907,564)**	**(968,970)**
Net (increase)/decrease in trading assets		4,326	(1,951)	4,326	(1,951)
Net (increase)/decrease in non-trading financial assets mandatorily at fair value through profit or loss		(1,160)	3,520	(775)	(700)
Net (increase)/decrease in financial assets measured at fair value through other comprehensive income		(190,931)	(489,646)	(347,643)	(697,597)
Net (increase)/decrease in loans and receivables measured at amortised cost		(1,274,293)	(637,326)	(562,723)	(268,849)
Net (increase)/decrease in other assets		(22,333)	(5,822)	(749)	127
Increases/(decreases) in operating liabilities		**985,970**	**(73,965)**	**805,892**	**31,088**
Net increase/(decrease) in financial liabilities measured at fair value through profit or loss		(1,679)	-	(1,679)	-
Net increase/(decrease) in deposits and borrowings measured at amortised cost		988,241	(77,981)	807,350	27,317
Net increase/(decrease) in other liabilities		(592)	4,016	221	3,771
Net cash flows from operating activities		**(228,620)**	**(874,709)**	**54,982**	**(728,621)**
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts from investing activities		**652,094**	**353,330**	**185,983**	**80,419**
Proceeds from sale of property, equipment, and investment property		23,213	5,487	408	2,504
Proceeds from sale of associates and joint ventures	3.	720	-	720	-
Proceeds from non-current assets held for sale		8,698	1,286	182	1,206
Proceeds from maturity/disposals of debt securities measured at amortised cost		619,463	346,557	184,673	76,709
Payments from investing activities		**(781,470)**	**(996,708)**	**(252,470)**	**(558,309)**
Purchase of property, equipment, and investment property		(23,989)	(14,179)	(14,369)	(5,518)
Purchase of intangible assets		(13,002)	(14,339)	(6,520)	(11,354)
Purchase of subsidiaries, net of cash acquired and increase in subsidiaries' equity	3.	-	(2,342)	(1,650)	-
Purchase of debt securities measured at amortised cost		(744,479)	(965,848)	(229,931)	(541,437)
Net cash flows from investing activities		**(129,376)**	**(643,378)**	**(66,487)**	**(477,890)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from financing activities		**497,052**	**795,958**	**497,052**	**795,958**
Issuance of subordinated bonds	5.12.b)	-	298,611	-	298,611
Issuance of senior preferred notes	5.12.b)	497,052	497,347	497,052	497,347
Payments from financing activities		**(151,901)**	**(383,210)**	**(171,845)**	**(371,495)**
Dividends paid		(136,893)	(118,498)	(128,600)	(110,000)
Repayments of subordinated debt	5.12.b)	(10,500)	(260,759)	(10,500)	(260,759)
Lease payments		(4,508)	(3,953)	(857)	(736)
Other payments related to financing activities		-	-	(31,888)	-
Net cash flows from financing activities		**345,151**	**412,748**	**325,207**	**424,463**
Effects of exchange rate changes on cash and cash equivalents		(6,692)	1,999	458	(1,373)
Net increase/(decrease) in cash and cash equivalents		**(12,845)**	**(1,105,339)**	**313,702**	**(782,048)**
Cash and cash equivalents at beginning of period		**4,498,650**	**6,637,139**	**2,013,308**	**4,323,499**
Cash and cash equivalents at end of period		**4,479,113**	**5,533,799**	**2,327,468**	**3,540,078**

in EUR thousands

		NLB Group		NLB	
		30 June 2025	31 Dec 2024	30 June 2025	31 Dec 2024
	Notes	unaudited	audited	unaudited	audited
Cash and cash equivalents comprise:					
Cash, cash balances at central banks, and other demand deposits at banks	5.1.	4,216,151	4,040,816	2,299,468	1,973,308
Loans and advances to banks with original maturity up to 3 months		236,667	431,997	28,000	40,000
Debt securities measured at fair value through other comprehensive income with original maturity up to 3 months		26,295	25,837	-	-
Total		**4,479,113**	**4,498,650**	**2,327,468**	**2,013,308**

Statement of management's responsibility

The Management Board hereby confirms and approves the release of the condensed interim financial statements of NLB Group and NLB for the 6 months ending 30 June 2025, the accompanying accounting policies, and notes to the financial statements.

The Management Board is responsible for the preparation and presentation of these condensed interim financial statements in accordance with *IAS 34 Interim financial reporting* as adopted by the European Union in order to give a true and fair view of the financial position of NLB Group and NLB as at 30 June 2025, and their financial results and cash flows for the period then ended.

The Management Board also confirms that appropriate accounting policies were consistently applied, and that the accounting estimates were prepared in accordance with the principles of prudence and good management. The Management Board further confirms that the condensed interim financial statements of NLB Group and NLB have been prepared on a going-concern basis for NLB Group and NLB and are in line with valid legislation and *IAS 34 Interim financial reporting*.

The Management Board is also responsible for appropriate accounting practices, the adoption of appropriate measures for the safeguarding of assets, and the prevention and identification of fraud and other irregularities or illegal acts.

Management Board

Peter Andreas Burkhardt
Member

Antonio Argir
Member

Blaž Brodnjak
Chief executive officer

Hedvika Usenik
Member

Andrej Lasič
Member

Archibald Kremser
Member

Reinhard Höll
Member

Ljubljana, 7 August 2025

Notes to the condensed interim financial statements

1. General information

Nova Ljubljanska banka d.d. Ljubljana is a Slovenian joint-stock entity providing universal banking services. NLB Group consists of NLB and its subsidiaries located in nine countries. Information on the NLB Group's structure is disclosed in note 8. Information on other related party relationships of NLB Group is provided in note 7.

NLB is incorporated and domiciled in Slovenia. The address of its registered office is Trg Republike 2, 1000 Ljubljana. NLB's shares are listed on the Ljubljana Stock Exchange, and the global depositary receipts (GDR) representing ordinary shares of NLB are listed on the London Stock Exchange. Five GDRs represent one share of NLB.

As at 30 June 2025 and as at 31 December 2024, the largest shareholder of NLB with significant influence is the Republic of Slovenia, owning 25.00% plus one share.

All amounts in the condensed interim financial statements and in the notes to the condensed interim financial statements are expressed in thousands of euros unless otherwise stated.

2. Summary of material accounting policy information

2.1. Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim financial reporting and should be read in conjunction with the annual financial statements of NLB Group and NLB for the year ended 31 December 2024, which have been prepared in accordance with the International Financial Reporting Standards as adopted by the European Union.

2.2. Accounting policies

The same accounting policies and methods of computation were followed in the preparation of these consolidated condensed interim financial statements as for the year ended 31 December 2024, except for accounting standards and other amendments effective for annual periods beginning on 1 January 2025 that were endorsed by the EU.

Accounting standards and amendments to existing standards that were endorsed by the EU and adopted by the NLB Group from 1 January 2025

- IAS 21 (amendment) – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025).

Accounting standards and amendments to existing standards that were endorsed by the EU, but not adopted early by NLB Group

- IFRS 9 and IFRS 7 (amendment) – Amendments to the Classification and Measurement of Financial Instruments (effective for annual periods beginning on or after 1 January 2026);
- Annual Improvements Volume 11 (amendment) (effective for annual periods beginning on or after 1 January 2026);
- IFRS 9 and IFRS 7 (amendment) - Contracts Referencing Nature-dependent Electricity (effective for annual periods beginning on or after 1 January 2026).

Accounting standards and amendments to existing standards issued but not endorsed by the EU

- IFRS 18 (new standard) – Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027);
- IFRS 19 (new standard) – Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027).

3. Changes in the composition of the NLB Group

Changes in the period ended 31 March 2025

Capital changes:

- In February 2025, NLB d.d. Ljubljana increased share capital in the form of a cash contribution in the amount of EUR 1,050 thousand in the company NLB Lease&Go, leasing, d.o.o., Ljubljana.
- In February 2025, NLB Lease&Go, leasing, d.o.o., Ljubljana increased share capital in the form of a cash contribution in the amount of EUR 1,050 thousand in the company NLB Car&Go, upravljanje spletnih platform, d.o.o.
- In May 2025, NLB Skladi d.o.o., Ljubljana increased share capital in the form of a cash contribution in the amount of EUR 600 thousand in the company NLB Fondovi a.d., Beograd.
- In May 2025, NLB d.d. Ljubljana increased share capital in the form of a cash contribution in the amount of EUR 600 thousand in the company LHB AG, Frankfurt.

Other changes

- In May 2025, after merging with Summit Leasing Slovenija d.o.o., Ljubljana, subsidiary SLS HOLDCO d.o.o. ceased to exist. All its assets and liabilities were transferred to Summit Leasing Slovenija d.o.o., Ljubljana which became its universal legal successor after the merger.
- In May 2025, ARG – Nepremičnine d.o.o., Horjul, was liquidated. In accordance with the court order, the company was removed from the court register.

Changes in 2024

Capital changes:

- In May 2024, NLB Skladi d.o.o., Ljubljana became the owner of 100% of the financial company Generali Investments a.d. Skopje. The purchase price for the company was EUR 2,515 thousand and was fully paid in cash (note 5.9.a). In August 2024, the company was renamed NLB Fondovi a.d. Skopje.
- In September 2024, NLB d.d., Ljubljana completed the acquisition of a 100% stake in the company SLS HOLDCO d.o.o., the parent company of Summit Leasing Slovenija d.o.o., Ljubljana and its subsidiary Mobil Leasing d.o.o., Zagreb. The purchase price was EUR 127,216 thousand and was fully paid in cash (note 5.9.b).
- In October 2024, NLB d.d. Ljubljana increased share capital in the form of a cash contribution in the amount of EUR 3,329 thousand in the company NLB Lease&Go, leasing, d.o.o., Ljubljana.
- In October 2024, NLB Komercijalna banka a.d. Beograd and NLB Lease&Go, leasing, d.o.o., Ljubljana increased share capital in the form of a cash contribution in the company NLB Lease&Go Leasing d.o.o. Beograd in the total amount of EUR 5,831 thousand. After that, NLB Lease&Go, leasing, d.o.o., Ljubljana ownership of NLB Lease&Go leasing d.o.o. Beograd increased to 50.89%, and NLB Komercijalna banka a.d. Beograd to 48.91%.
- In December 2024, NLB Lease&Go, leasing, d.o.o., Ljubljana and NLB Banka a.d., Skopje increased share capital in the form of a cash contribution in the total amount of EUR 684 thousand in the company NLB Lease&Go, d.o.o. Skopje.

Other changes:

- In January 2024, according to the new NLB Group Governance Policy, three real estate companies S-REAM d.o.o., Ljubljana, REAM d.o.o., Beograd and REAM d.o.o., Podgorica were transferred from non-core members to core members.
- In May 2024, company S-REAM d.o.o., Ljubljana was renamed NLB Real Estate d.o.o., Ljubljana, company REAM d.o.o., Podgorica was renamed NLB Real Estate d.o.o., Podgorica, and company REAM d.o.o., Beograd was renamed NLB Real Estate d.o.o., Beograd.
- On 1 July 2024, after merging with NLB Lease&Go, leasing, d.o.o., Ljubljana, subsidiary NLB Leasing d.o.o. Ljubljana – v likvidaciji ceased to exist. All its assets and liabilities were transferred to NLB Lease&Go, leasing, d.o.o., Ljubljana which became its universal legal successor after the merger.
- On 1 July 2024, after merging with NLB Real Estate d.o.o., Ljubljana, subsidiary Privatinvest d.o.o., Ljubljana ceased to exist. All its assets and liabilities were transferred to NLB Real Estate d.o.o., Ljubljana which became its universal legal successor after the merger.

- In September 2024, NLB Komercijalna banka a.d. Beograd completed the sale of its subsidiary KomBank Invest a.d. Beograd to NLB Skladi, upravljanje premoženja, d.o.o. Ljubljana. In October 2024, the company KomBank Invest a.d. Beograd was renamed NLB Fondovi a.d. Beograd.
- In October 2024, NLB Lease&Go, leasing, d.o.o., Ljubljana established a new non-financial company for digital business NLB Car&Go, upravljanje spletnih platform, d.o.o.
- In November 2024, NLB Zavod za upravljanje kulturne dediščine was renamed NLB MUZA Zavod za upravljanje kulturne dediščine, Ljubljana.

4. Notes to the condensed income statement

4.1. Interest income and expenses

Analysis by type of assets and liabilities

in EUR thousands

	NLB Group					NLB				
	3 months ended		6 months ended			3 months ended		6 months ended		
	June 2025	June 2024	June 2025	June 2024	Change	June 2025	June 2024	June 2025	June 2024	Change
Interest and similar income										
Interest income calculated using the effective interest method	269,692	278,445	539,696	556,010	-3%	142,215	150,806	286,327	301,110	-5%
Loans and advances to customers at amortised cost	208,590	205,893	418,050	407,511	3%	99,679	96,622	200,477	190,352	5%
Securities measured at amortised cost	27,552	19,973	54,072	37,184	45%	17,853	12,319	35,156	22,746	55%
Financial assets measured at fair value through other comprehensive income	16,311	15,056	31,148	25,771	21%	10,646	7,439	19,349	10,309	88%
Loans and advances to banks measured at amortised cost	5,800	4,347	9,727	9,856	-1%	3,426	2,507	6,575	4,867	35%
Deposits with banks and central banks	11,439	33,176	26,699	75,688	-65%	10,611	31,919	24,770	72,836	-66%
Other interest and similar income	31,746	13,482	61,560	28,684	115%	10,076	6,167	17,926	14,754	21%
Financial assets held for trading	597	1,556	1,317	3,097	-57%	713	1,684	1,497	3,452	-57%
Non-trading financial assets mandatorily at fair value through profit or loss	4	3	6	14	-57%	36	110	73	220	-67%
Derivatives - hedge accounting	9,327	4,502	16,357	11,341	44%	9,327	4,373	16,356	11,082	48%
Finance leases	21,818	7,421	43,880	14,232	-	-	-	-	-	-
Total	**301,438**	**291,927**	**601,256**	**584,694**	**3%**	**152,291**	**156,973**	**304,253**	**315,864**	**-4%**
Interest and similar expenses										
Interest expenses calculated using the effective interest method	62,095	58,223	122,509	112,659	9%	43,755	44,609	86,512	85,986	1%
Due to customers	28,974	28,330	57,692	55,676	4%	10,867	13,864	22,045	27,397	-20%
Borrowings from banks and central banks	711	516	1,369	1,171	17%	183	615	286	1,291	-78%
Borrowings from other customers	781	533	1,459	1,111	31%	261	-	435	-	-
Subordinated liabilities	11,228	11,819	22,249	22,737	-2%	11,228	11,819	22,249	22,737	-2%
Debt securities issued	19,470	15,895	37,605	29,558	27%	19,470	15,895	37,605	29,558	27%
Deposits from banks and central banks	644	889	1,556	1,941	-20%	1,695	2,371	3,792	4,908	-23%
Lease liabilities	287	241	579	465	25%	51	45	100	95	5%
Other interest and similar expenses	6,826	5,451	12,310	11,592	6%	6,742	5,315	12,128	11,578	5%
Derivatives - hedge accounting	6,113	3,638	10,768	8,149	32%	6,004	3,638	10,606	8,149	30%
Financial liabilities held for trading	518	1,465	1,134	2,902	-61%	627	1,586	1,302	3,245	-60%
Interest expense on defined employee benefits	180	181	355	367	-3%	92	88	183	176	4%
Other	15	167	53	174	-70%	19	3	37	8	-
Total	**68,921**	**63,674**	**134,819**	**124,251**	**9%**	**50,497**	**49,924**	**98,640**	**97,564**	**1%**
Net interest income	**232,517**	**228,253**	**466,437**	**460,443**	**1%**	**101,794**	**107,049**	**205,613**	**218,300**	**-6%**

4.2. Dividend income

in EUR thousands

	NLB Group					NLB				
	3 months ended		6 months ended			3 months ended		6 months ended		
	June 2025	June 2024	June 2025	June 2024	Change	June 2025	June 2024	June 2025	June 2024	Change
Financial assets measured at fair value through other comprehensive income	54	2	54	4	-	-	-	-	-	-
Investments in subsidiaries	-	-	-	-	-	190,687	45,793	208,464	75,310	177%
Investments in associates, and joint ventures	-	-	-	-	-	2,045	1,882	2,045	1,882	9%
Non-trading financial assets mandatorily at fair value through profit or loss	16	15	33	29	14%	16	15	33	29	14%
Total	**70**	**17**	**87**	**33**	**164%**	**192,748**	**47,690**	**210,542**	**77,221**	**173%**

4.3. Fee and commission income and expenses

in EUR thousands

	NLB Group					NLB				
	3 months ended		6 months ended			3 months ended		6 months ended		
	June 2025	June 2024	June 2025	June 2024	Change	June 2025	June 2024	June 2025	June 2024	Change
Fee and commission income										
Fee and commission income relating to financial instruments not at fair value through profit or loss										
Credit cards and ATMs	36,028	34,387	67,657	65,216	4%	15,342	13,847	29,092	26,353	10%
Customer transaction accounts	25,602	24,346	51,516	48,326	7%	14,818	13,772	29,786	27,462	8%
Other fee and commission income										
Payments	23,114	22,115	44,305	42,728	4%	6,914	6,656	13,202	12,959	2%
Investment funds	11,824	10,586	24,767	20,838	19%	3,304	3,220	7,934	6,494	22%
Investment banking	2,991	2,909	7,045	6,811	3%	2,080	2,201	5,205	5,458	-5%
Agency of insurance products	6,125	4,575	11,315	8,545	32%	4,050	2,991	7,330	5,892	24%
Other services	3,806	2,380	7,172	4,403	63%	1,365	1,006	2,229	1,713	30%
Total fee and commission income from contracts with customers	**109,490**	**101,298**	**213,777**	**196,867**	**9%**	**47,873**	**43,693**	**94,778**	**86,331**	**10%**
Guarantees	5,427	4,674	10,346	9,224	12%	3,351	2,659	6,222	5,321	17%
Total	**114,917**	**105,972**	**224,123**	**206,091**	**9%**	**51,224**	**46,352**	**101,000**	**91,652**	**10%**
Fee and commission expenses										
Fee and commission expenses relating to financial instruments not at fair value through profit or loss										
Credit cards and ATMs	23,537	19,271	44,203	41,301	7%	9,755	9,348	18,571	17,799	4%
Other fee and commission expenses										
Payments	3,452	3,253	6,644	6,188	7%	470	389	935	729	28%
Insurance for holders of personal accounts and golden cards	474	250	906	718	26%	285	218	545	536	2%
Investment banking	2,770	2,590	5,473	4,779	15%	1,238	1,303	2,288	2,284	0%
Guarantees	399	436	797	870	-8%	388	423	776	845	-8%
Other services	1,608	1,268	3,021	2,233	35%	599	297	954	433	120%
Total	**32,240**	**27,068**	**61,044**	**56,089**	**9%**	**12,735**	**11,978**	**24,069**	**22,626**	**6%**
Net fee and commission income	**82,677**	**78,904**	**163,079**	**150,002**	**9%**	**38,489**	**34,374**	**76,931**	**69,026**	**11%**

4.4. Gains less losses from derecognition of financial assets and liabilities not measured at fair value through profit or loss

in EUR thousands

	NLB Group				NLB			
	3 months ended		6 months ended		3 months ended		6 months ended	
	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024
Debt instruments measured at fair value through other comprehensive income	9	(705)	(267)	(1,543)	-	(12)	(321)	(143)
Debt instruments measured at amortised cost	-	-	-	169	-	-	-	-
Financial liabilities measured at amortised cost	-	-	-	2,713	-	-	-	2,713
Total	**9**	**(705)**	**(267)**	**1,339**	**-**	**(12)**	**(321)**	**2,570**

4.5. Gains less losses from financial assets and liabilities held for trading

in EUR thousands

	NLB Group				NLB			
	3 months ended		6 months ended		3 months ended		6 months ended	
	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024
Foreign exchange trading	8,645	7,600	15,282	14,925	1,756	1,434	2,890	3,116
Debt instruments	30	5	128	87	30	5	128	86
Derivatives	(1,463)	2,611	(5,284)	(2,303)	(2,115)	1,802	(4,269)	1,289
Total	**7,212**	**10,216**	**10,126**	**12,709**	**(329)**	**3,241**	**(1,251)**	**4,491**

4.6. Gains less losses from non-trading financial assets mandatorily at fair value through profit or loss

in EUR thousands

	NLB Group				NLB			
	3 months ended		6 months ended		3 months ended		6 months ended	
	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024
Equity securities	(215)	(341)	719	1,215	(233)	(352)	680	1,198
Debt securities	5	10	11	35	-	-	-	-
Loans and advances to customers	-	-	-	-	132	389	205	417
Total	**(210)**	**(331)**	**730**	**1,250**	**(101)**	**37**	**885**	**1,615**

4.7. Other operating income

in EUR thousands

	NLB Group					NLB				
	3 months ended		6 months ended			3 months ended		6 months ended		
	June 2025	June 2024	June 2025	June 2024	Change	June 2025	June 2024	June 2025	June 2024	Change
Income from non-banking services	2,512	2,207	5,211	4,432	18%	1,706	1,767	3,370	3,464	-3%
Rental income from investment property	241	303	504	653	-23%	63	72	126	145	-13%
Revaluation of investment property to fair value	416	-	416	-	-	-	-	-	-	-
Sale of investment property	-	419	513	624	-18%	-	85	45	259	-83%
Other operating income	2,047	1,063	7,296	2,551	186%	1,579	463	3,107	1,442	115%
Total	**5,216**	**3,992**	**13,940**	**8,260**	**69%**	**3,348**	**2,387**	**6,648**	**5,310**	**25%**

4.8. Other operating expenses

in EUR thousands

	NLB Group					NLB				
	3 months ended		6 months ended			3 months ended		6 months ended		
	June 2025	June 2024	June 2025	June 2024	Change	June 2025	June 2024	June 2025	June 2024	Change
Donations	533	420	725	633	15%	285	668	922	872	6%
Other operating expenses	1,340	1,274	2,258	3,133	-28%	732	144	1,001	1,548	-35%
Total	**1,873**	**1,694**	**2,983**	**3,766**	**-21%**	**1,017**	**812**	**1,923**	**2,420**	**-21%**

4.9. Administrative expenses

in EUR thousands

	NLB Group					NLB				
	3 months ended		6 months ended			3 months ended		6 months ended		
	June 2025	June 2024	June 2025	June 2024	Change	June 2025	June 2024	June 2025	June 2024	Change
Employee costs	88,854	77,296	171,415	149,539	15%	45,600	39,565	86,416	75,653	14%
Tax on balance sheet	8,171	8,146	16,255	16,210	0%	8,171	8,146	16,255	16,210	0%
Other general and administrative expenses	47,722	43,594	93,937	82,584	14%	23,640	22,949	48,091	41,706	15%
Total	**144,747**	**129,036**	**281,607**	**248,333**	**13%**	**77,411**	**70,660**	**150,762**	**133,569**	**13%**

4.10. Cash contributions to resolution funds and deposit guarantee schemes

in EUR thousands

	NLB Group					NLB				
	3 months ended		6 months ended			3 months ended		6 months ended		
	June 2025	June 2024	June 2025	June 2024	Change	June 2025	June 2024	June 2025	June 2024	Change
Cash contributions to deposit guarantee schemes	8,651	7,436	27,922	25,123	11%	635	234	12,013	10,793	11%
Cash contributions to resolution funds	76	78	158	129	22%	-	-	-	-	-
Total	**8,727**	**7,514**	**28,080**	**25,252**	**11%**	**635**	**234**	**12,013**	**10,793**	**11%**

In February 2024, the Bank of Slovenia announced a Single Resolution Board decision that no regular annual contributions to the Single Resolution Fund will be collected in 2024 since the target level of at least 1% of covered deposits held in the member states participating in the Single Resolution Mechanism was reached. Accordingly, NLB was not obligated to contribute its regular contribution to resolution funds for the year 2025 and 2024.

4.11. Depreciation and amortisation

in EUR thousands

	NLB Group					NLB				
	3 months ended		6 months ended			3 months ended		6 months ended		
	June 2025	June 2024	June 2025	June 2024	Change	June 2025	June 2024	June 2025	June 2024	Change
Amortisation of intangible assets	6,331	4,734	12,317	9,183	34%	3,162	2,629	6,193	5,126	21%
Depreciation of property and equipment:										
- own property and equipment	9,249	7,138	18,040	14,079	28%	2,820	2,712	5,579	5,467	2%
- right-of-use assets	2,145	1,765	4,259	3,434	24%	457	378	881	768	15%
Total	**17,725**	**13,637**	**34,616**	**26,696**	**30%**	**6,439**	**5,719**	**12,653**	**11,361**	**11%**

4.12. Provisions

in EUR thousands

	NLB Group				NLB			
	3 months ended		6 months ended		3 months ended		6 months ended	
	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024
Provisions for credit losses	(1,869)	(7,177)	(1,319)	(7,031)	1,244	(3,189)	599	(3,770)
Guarantees and commitments	(1,869)	(7,177)	(1,319)	(7,031)	1,244	(3,189)	599	(3,770)
Provisions for other liabilities and charges	5,583	1,099	3,306	1,396	3,550	686	3,550	686
Restructuring provisions	(245)	-	(245)	-	-	-	-	-
Provisions for legal risks	5,844	1,099	3,567	1,396	3,550	686	3,550	686
Other provisions	(16)	-	(16)	-	-	-	-	-
Total	**3,714**	**(6,078)**	**1,987**	**(5,635)**	**4,794**	**(2,503)**	**4,149**	**(3,084)**

4.13. Impairment charge

in EUR thousands

	NLB Group				NLB			
	3 months ended		6 months ended		3 months ended		6 months ended	
	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024
Impairment of financial assets								
Cash balances at central banks, and other demand deposits at banks	(83)	(19)	(311)	(81)	16	(39)	(73)	(93)
Loans and advances to customers measured at amortised cost (note 5.11.a)	(16,366)	(8,525)	(1,550)	(5,253)	(2,008)	8,593	7,818	12,081
Loans and advances to banks measured at amortised cost (note 5.11.a)	(248)	66	(211)	34	(177)	41	(175)	31
Debt securities measured at fair value through other comprehensive income (note 5.11.b)	(846)	(313)	(1,350)	(332)	183	78	(133)	343
Debt securities measured at amortised cost (note 5.11.b)	(921)	645	(1,423)	1,764	(237)	221	(1,315)	473
Other financial assets measured at amortised cost (note 5.11.a)	22	(696)	374	(760)	(217)	(898)	(209)	(1,031)
Total impairment of financial assets	**(18,442)**	**(8,842)**	**(4,471)**	**(4,628)**	**(2,440)**	**7,996**	**5,913**	**11,804**
Impairment of investments in subsidiaries, associates and joint ventures								
Investments in subsidiaries	-	-	-	-	600	-	600	-
Total	**-**	**-**	**-**	**-**	**600**	**-**	**600**	**-**
Impairment of other assets								
Other assets	12	(148)	(11)	(145)	-	-	-	-
Total	**12**	**(148)**	**(11)**	**(145)**	**-**	**-**	**-**	**-**
Total impairment of non-financial assets	**12**	**(148)**	**(11)**	**(145)**	**600**	**-**	**600**	**-**
Total impairment	**(18,430)**	**(8,990)**	**(4,482)**	**(4,773)**	**(1,840)**	**7,996**	**6,513**	**11,804**

4.14. Income tax

in EUR thousands

	NLB Group					NLB				
	3 months ended		6 months ended			3 months ended		6 months ended		
	June 2025	June 2024	June 2025	June 2024	Change	June 2025	June 2024	June 2025	June 2024	Change
Current tax	30,631	20,112	44,626	35,347	26%	17,282	7,531	20,215	13,677	48%
Global minimum tax	1,180	1,103	2,361	2,206	7%	792	1,103	1,585	2,206	-28%
Deferred tax (note 5.14.)	(5,641)	623	(3,121)	2,940	-	(40)	(17)	30	(76)	-
Total	**26,170**	**21,838**	**43,866**	**40,493**	**8%**	**18,034**	**8,617**	**21,830**	**15,807**	**38%**
Effective tax rate in % (income tax/profit before income tax)	14.58	12.20	13.44	11.87	13%	7.14	8.01	6.87	7.57	-9%

NLB's current tax in the first 6 months ended 30 June 2025 includes EUR 8,977 thousand withholding tax suffered in other countries where no tax credit was available in Slovenia (30 June 2024: EUR 2,822 thousand). The main part of this amount in the first 6 months ended 30 June 2025 is withholding tax on distributed dividends.

NLB Group became subject to the global minimum top-up tax from 1 January 2024. NLB will be liable to pay the top-up tax concerning subsidiaries in non-EU jurisdictions with a statutory tax rate below 15% and that have not enacted the new legislation on the Global minimum tax in domestic legislation. NLB Group recognised current tax expenses of EUR 2,361 thousand related to the top-up tax in the first 6 months ended 30 June 2025, based on the first estimates for the year 2025 (30 June 2024: EUR 2,206 thousand).

5. Notes to the condensed statement of financial position

5.1. Cash, cash balances at central banks and other demand deposits at banks

in EUR thousand

	NLB Group			NLB		
	30 Jun 2025	31 Dec 2024	Change	30 Jun 2025	31 Dec 2024	Change
Balances and obligatory reserves with central banks	3,487,699	3,322,029	5%	2,037,644	1,708,488	19%
Cash	536,248	540,283	-1%	174,489	214,637	-19%
Demand deposits at banks	192,204	178,504	8%	87,335	50,183	74%
	4,216,151	**4,040,816**	**4%**	**2,299,468**	**1,973,308**	**17%**
Allowance for impairment	(918)	(1,235)	26%	(122)	(195)	37%
Total	**4,215,233**	**4,039,581**	**4%**	**2,299,346**	**1,973,113**	**17%**

5.2. Financial instruments held for trading

a) Financial assets held for trading

in EUR thousand

	NLB Group			NLB		
	30 Jun 2025	31 Dec 2024	Change	30 Jun 2025	31 Dec 2024	Change
Derivatives, excluding hedging instruments						
Swap contracts	4,892	7,649	-36%	7,833	10,393	-25%
Options	262	486	-46%	262	486	-46%
Forward contracts	1,609	779	107%	1,489	770	93%
Total derivatives	**6,763**	**8,914**	**-24%**	**9,584**	**11,649**	**-18%**
Securities						
Bonds	-	9,424	-	-	9,424	-
Treasury bills	50	-	-	50	-	-
Total securities	**50**	**9,424**	**-99%**	**50**	**9,424**	**-99%**
Total	**6,813**	**18,338**	**-63%**	**9,634**	**21,073**	**-54%**

b) Financial liabilities held for trading

in EUR thousands

	NLB Group			NLB		
	30 Jun 2025	31 Dec 2024	Change	30 Jun 2025	31 Dec 2024	Change
Derivatives, excluding hedging instruments						
Swap contracts	4,311	5,496	-22%	6,759	8,478	-20%
Options	373	595	-37%	373	595	-37%
Forward contracts	1,543	904	71%	1,542	904	71%
Total	**6,227**	**6,995**	**-11%**	**8,674**	**9,977**	**-13%**

5.3. Non-trading financial instruments measured at fair value through profit or loss

a) Financial assets mandatorily at fair value through profit or loss

in EUR thousands

	NLB Group			NLB		
	30 Jun 2025	31 Dec 2024	Change	30 Jun 2025	31 Dec 2024	Change
Assets						
Shares	8,672	8,650	0%	8,672	8,650	0%
Investments funds	9,435	7,779	21%	7,954	6,521	22%
Bonds	1,162	1,000	16%	-	-	-
Loans and advances to companies	-	-	-	4,050	3,964	2%
Total	**19,269**	**17,429**	**11%**	**20,676**	**19,135**	**8%**

b) Financial liabilities measured at fair value through profit or loss

in EUR thousands

	NLB Group			NLB		
	30 Jun 2025	31 Dec 2024	Change	30 Jun 2025	31 Dec 2024	Change
Liabilities						
Loans and advances to companies	-	-	-	453	637	-29%
Other financial liabilities	11,888	9,633	23%	5,900	4,960	19%
Total	**11,888**	**9,633**	**23%**	**6,353**	**5,597**	**14%**

5.4. Financial assets measured at fair value through other comprehensive income

Analysis by type

in EUR thousands

	NLB Group			NLB		
	30 Jun 2025	31 Dec 2024	Change	30 Jun 2025	31 Dec 2024	Change
Bonds	2,549,923	2,262,669	13%	1,963,035	1,601,875	23%
Shares	33,420	33,819	-1%	370	370	0%
National Resolution Fund	63,718	62,774	2%	63,718	62,774	2%
Treasury bills	128,713	173,614	-26%	-	-	-
Commercial bills	31,083	30,640	1%	-	-	-
Total	**2,806,857**	**2,563,516**	**9%**	**2,027,123**	**1,665,019**	**22%**
Allowance for impairment (note 5.11.b)	**(4,440)**	**(5,793)**	**23%**	**(2,507)**	**(2,647)**	**5%**

5.5. Financial assets measured at amortised cost

Analysis by type

in EUR thousands

	NLB Group			NLB		
	30 Jun 2025	31 Dec 2024	Change	30 Jun 2025	31 Dec 2024	Change
Debt securities	3,833,351	3,725,195	3%	2,876,414	2,846,779	1%
Loans and advances to banks	351,325	458,921	-23%	311,654	193,172	61%
Loans and advances to customers	17,481,510	16,363,649	7%	9,075,969	8,653,348	5%
Other financial assets	161,662	136,854	18%	203,904	81,518	150%
Total	**21,827,848**	**20,684,619**	**6%**	**12,467,941**	**11,774,817**	**6%**

a) Debt securities

in EUR thousands

	NLB Group			NLB		
	30 Jun 2025	31 Dec 2024	Change	30 Jun 2025	31 Dec 2024	Change
Government	2,837,073	2,707,448	5%	1,888,624	1,832,344	3%
Companies	16,951	75,923	-78%	4,641	68,674	-93%
Banks	913,230	882,616	3%	913,230	882,616	3%
Financial organisations	72,123	66,675	8%	72,123	66,675	8%
	3,839,377	**3,732,662**	**3%**	**2,878,618**	**2,850,309**	**1%**
Allowance for impairment (note 5.11.b)	(6,026)	(7,467)	19%	(2,204)	(3,530)	38%
Total	**3,833,351**	**3,725,195**	**3%**	**2,876,414**	**2,846,779**	**1%**

b) Loans and advances to banks

in EUR thousands

	NLB Group			NLB		
	30 Jun 2025	31 Dec 2024	Change	30 Jun 2025	31 Dec 2024	Change
Loans	947	456	108%	137,128	131,794	4%
Time deposits	187,233	229,591	-18%	174,481	61,684	183%
Reverse sale and repurchase agreements	163,194	229,049	-29%	-	-	-
Overdrafts	-	-	-	257	-	-
Finance lease receivables	60	65	-8%	-	-	-
	351,434	**459,161**	**-23%**	**311,866**	**193,478**	**61%**
Allowance for impairment (note 5.11.a)	(109)	(240)	55%	(212)	(306)	31%
Total	**351,325**	**458,921**	**-23%**	**311,654**	**193,172**	**61%**

c) Loans and advances to customers

in EUR thousands

	NLB Group			NLB		
	30 Jun 2025	31 Dec 2024	Change	30 Jun 2025	31 Dec 2024	Change
Loans	15,825,610	14,817,888	7%	8,867,287	8,440,471	5%
Overdrafts	534,208	507,933	5%	277,293	276,421	0%
Finance lease receivables	1,309,095	1,227,783	7%	-	-	-
Credit card business	155,774	158,702	-2%	85,573	87,211	-2%
Called guarantees	9,816	9,104	8%	8,071	6,958	16%
	17,834,503	**16,721,410**	**7%**	**9,238,224**	**8,811,061**	**5%**
Allowance for impairment (note 5.11.a)	(352,993)	(357,761)	1%	(162,255)	(157,713)	-3%
Total	**17,481,510**	**16,363,649**	**7%**	**9,075,969**	**8,653,348**	**5%**

d) Other financial assets

in EUR thousands

	NLB Group			NLB		
	30 Jun 2025	31 Dec 2024	Change	30 Jun 2025	31 Dec 2024	Change
Receivables in the course of settlement and other temporary accounts	41,979	43,265	-3%	26,641	25,701	4%
Credit card receivables	18,223	26,108	-30%	10,561	13,881	-24%
Debtors	11,425	14,181	-19%	1,199	3,437	-65%
Fees and commissions	8,609	7,974	8%	1,973	3,405	-42%
Receivables to brokerage firms and others for the sale of securities and custody services	2	-	-	4,993	-	-
Accrued income	14,458	15,081	-4%	11,118	7,451	49%
Dividends	2,105	7	-	121,820	-	-
Prepayments	4,896	5,183	-6%	-	-	-
Other financial assets	69,502	34,048	104%	26,660	28,856	-8%
	171,199	**145,847**	**17%**	**204,965**	**82,731**	**148%**
Allowance for impairment (note 5.11.a)	(9,537)	(8,993)	-6%	(1,061)	(1,213)	13%
Total	**161,662**	**136,854**	**18%**	**203,904**	**81,518**	**150%**

5.6. Non-current assets held for sale

As at 30 June 2025, Non-current assets held for sale include business premises and assets received as collateral that are in the process of being sold and amount to EUR 4,123 thousand (31 December 2024: EUR 11,036 thousand) in the NLB Group and EUR 2,766 thousand (31 December 2024: EUR 2,849 thousand) in NLB. Within the NLB Group, the decrease is mainly related to the sale of real estate in Serbia; the effects are included in the income statement in the line item “Gains less losses from non-current assets held for sale.”

5.7. Property and equipment

Analysis by type

in EUR thousands

	NLB Group			NLB		
	30 Jun 2025	31 Dec 2024	Change	30 Jun 2025	31 Dec 2024	Change
Own property and equipment	276,025	274,683	0%	89,929	85,677	5%
Right-of-use assets	36,585	35,334	4%	6,730	5,643	19%
Total	**312,610**	**310,017**	**1%**	**96,659**	**91,320**	**6%**

5.8. Investment property

in EUR thousands

	NLB Group			NLB		
	31 Mar 2025	31 Dec 2024	Change	31 Mar 2025	31 Dec 2024	Change
Buildings	22,039	25,841	-15%	5,049	5,405	-7%
Land	291	291	0%	194	194	0%
Total	**22,330**	**26,132**	**-15%**	**5,243**	**5,599**	**-6%**

5.9. Acquisition of subsidiaries

a) Acquisition of NLB Fondovi a.d. Skopje

In May 2024, NLB Skladi d.o.o., Ljubljana became the owner of 100% of the financial company Generali Investments a.d. Skopje. Generali Investments a.d. Skopje is the third largest asset manager in the Macedonian market with an 18% market share. As at 30 June 2024, the company managed approximately EUR 53 million of client assets in different investment funds and portfolios.

In August 2024, Generali Investments a.d. Skopje was renamed NLB Fondovi a.d. Skopje.

The purchase price for the company was EUR 2,515 thousand and was fully paid in cash. There are no contingent consideration arrangements. At the acquisition date, cash in acquired entities amounted to EUR 173 thousand. The net outflow of cash amounted to EUR 2,342 thousand (included in the statement of cash flows within payments from investing activities).

The assets and liabilities recognised in the NLB Group financial statements as a result of the acquisition are as follows:

	in EUR thousands
Cash, cash balances at central banks and other demand deposits at banks	173
Non-trading financial assets mandatorily at fair value through profit or loss	857
Financial assets measured at amortised cost	
- other financial assets	2
Tangible assets	
Property and equipment	4
Intangible assets	34
Current income tax assets	15
Other assets	83
Total assets	**1,168**
Financial liabilities measured at amortised cost	
- other financial liabilities	39
Other liabilities	17
Total liabilities	**56**
Net identifiable assets acquired	**1,112**
Consideration given	2,515
Goodwill	**1,403**

The acquisition of NLB Fondovi a.d. Skopje resulted in a goodwill in the amount of EUR 1,403 thousand, which is recognised in the statement of financial position under the line Intangible assets. The main factors that make up the goodwill are the synergies within the NLB Group, the existing distribution channels, and the presence of the NLB Group in the strategically important market. Acquisition-related costs were immaterial.

b) Acquisition of SLS HOLDCO d.o.o., Ljubljana

On 11 September 2024, NLB completed the acquisition of a 100% stake in the company SLS HOLDCO d.o.o., Ljubljana, the parent company of Summit Leasing Slovenija d.o.o., Ljubljana and its subsidiary Mobil Leasing d.o.o., Zagreb.

The purchase price for the company was EUR 127,216 thousand and was fully paid in cash. There are no contingent consideration arrangements. At the acquisition date, cash in acquired entities amounted to EUR 25,632 thousand. The net outflow of cash amounted to EUR 101,584 thousand (included in the statement of cash flows within payments from investing activities).

The assets and liabilities recognised in the NLB Group financial statements as a result of the acquisition are as follows:

	in EUR thousands
Cash, cash balances at central banks and other demand deposits at banks	25,632
Financial assets measured at amortised cost	
- loans and advances to banks	69
- loans and advances to customers	874,816
- other financial assets	3,877
Tangible assets	
Property and equipment	23,596
Intangible assets	23,515
Current income tax assets	522
Deferred income tax assets	3,726
Other assets	8,406
Total assets	**964,159**
Financial liabilities measured at amortised cost	
- borrowings from banks and central banks	809,939
- other financial liabilities	16,036
Provisions	2,002
Deferred income tax liabilities	3,155
Other liabilities	8,949
Total liabilities	**840,081**
Net identifiable assets acquired	124,078
Consideration given	127,216
Goodwill	**3,138**

The acquisition of SLS HOLDCO d.o.o., Ljubljana, resulted in a goodwill in the amount of EUR 3,138 thousand, which is recognised in the statement of financial position under the line Intangible assets. Goodwill consists of the fair value of expected synergies and other benefits from combining the acquirer and acquiree's net assets and businesses. Goodwill will not be deductible for income tax purposes. In 2024, acquisition-related costs amounted to EUR 1,900 thousand and are included within administrative expenses.

As a result of the acquisition, NLB Group's off-balance sheet liabilities increased by EUR 1,868 thousand.

The valuation techniques used for measuring the fair value of material assets and liabilities acquired were as follows:

Assets acquired	**Valuation technique**
Performing loans	For the performing loans portfolio, fair value was determined by using the discounted cash flow method, whereby future cash flows were discounted to their present value at current market interest rates. Contractual cash flows were adjusted for historical prepayment rate. In the absence of publicly available market interest rate for financial leases, market interest rates were estimated based on the weighted average interest rate of the financial leases issued in the last three months by Summit Leasing Slovenija and Mobil Leasing.
Non-performing loans	The market value of non-performing loans was determined on the market value of the underlying collateral. Financial leases are secured by the assets under lease. The market value is recovered as profit for sale as underlying assets on average reduced for the appropriate haircut. Consumer loans are secured by insurance, and 100% of the exposure can be recovered.
Distribution agreements	For valuation of distribution agreements multi-period excess earnings method (MEEM) under the income approach was applied. This method is based on the principle that the value of intangible assets is equal to the present value of the excess earnings attributable only to the subject intangible asset after deducting contributory assets charges like fixed assets and assembled workforce.

The fair value of acquired loans and advances to customers is EUR 874,816 thousand, of which EUR 848,638 thousand relates to the performing portfolio and EUR 26,178 thousand to the non-performing portfolio. The latter was recognised as purchased or originated credit impaired financial assets (POCI). The gross contractual amount for performing loans and advances to customers is EUR 857,488 thousand, and for this exposure, 12-month expected credit losses in the amount of EUR 1,596 thousand were recognised through the income statement. The gross contractual amount for non-performing loans and advances to customers is EUR 38,952 thousand, and it is expected that approximately EUR 6 million of the contractual cash flows will not be collected.

Since the transaction was completed on 11 September 2024, a loss of EUR 1,821 thousand was included in the income statement for 2024, 12-month expected credit losses for financial assets in Group 1 of EUR 1,661 thousand, and related deferred taxes of EUR 358 thousand were recognised. If the acquisition had occurred on 1 January 2024, management estimates that consolidated revenues would have been approximately EUR 53 million, higher. Consolidated profit for the period would not have changed materially.

NLB obtained all the necessary information for measuring fair values; therefore, no amounts were measured and recognised on a provisional basis.

5.10. Other assets

in EUR thousands

	NLB Group			NLB		
	30 Jun 2025	31 Dec 2024	Change	30 Jun 2025	31 Dec 2024	Change
Assets, received as collateral	19,538	20,598	-5%	1,474	1,468	0%
Deferred expenses	27,672	17,131	62%	17,764	10,383	71%
Inventories	10,722	11,938	-10%	4,495	4,807	-6%
Claim for taxes and other dues	4,316	5,180	-17%	201	586	-66%
Prepayments	2,513	1,972	27%	660	581	14%
Total	**64,761**	**56,819**	**14%**	**24,594**	**17,825**	**38%**

5.11. Movements in allowance for the impairment of financial assets

a) Movements in allowance for the impairment of loans and receivables measured at amortised cost

in EUR thousands

	NLB Group								
	Loans and advances to banks			Loans and advances to customers			Other financial assets		
	12-month expected credit losses	Lifetime ECL not credit - impaired	Lifetime ECL credit-impaired	12-month expected credit losses	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	12-month expected credit losses	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
Balance as at 1 Jan 2025	104	-	136	88,587	63,887	205,287	572	54	8,367
Effects of translation of foreign operations to presentation currency	-	-	-	(53)	(22)	49	-	3	(7)
Transfers	-	-	-	19,046	(17,119)	(1,927)	71	42	(113)
Increases/(Decreases) (note 4.13.)	4	2	(217)	(8,725)	13,121	18,160	(101)	3	824
Write-offs	-	-	-	(22)	(15)	(22,928)	(28)	(4)	(338)
Changes in models/risk parameters (note 4.13.)	-	-	-	(20,526)	10,623	(1,232)	(11)	(6)	71
Foreign exchange and other movements	1	(2)	81	23	945	5,834	(20)	(5)	163
Balance as at 30 Jun 2025	**109**	**-**	**-**	**78,330**	**71,420**	**203,243**	**483**	**87**	**8,967**
Repayments of written-off receivables (note 4.13.)	-	-	-	-	-	12,971	-	-	406

in EUR thousands

	NLB Group								
	Loans and advances to banks			Loans and advances to customers			Other financial assets		
	12-month expected credit losses	Lifetime ECL not credit - impaired	Lifetime ECL credit-impaired	12-month expected credit losses	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	12-month expected credit losses	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
Balance as at 1 Jan 2024	213	-	86	90,755	44,829	193,043	624	40	10,141
Effects of translation of foreign operations to presentation currency	-	-	-	32	(5)	(403)	3	1	4
Transfers	-	-	-	19,526	(15,768)	(3,758)	47	22	(69)
Increases/(Decreases) (note 4.13.)	2	3	1	(7,097)	19,939	8,573	(24)	21	(672)
Write-offs	-	-	-	(91)	(8)	(19,706)	(14)	(8)	(466)
Changes in models/risk parameters (note 4.13.)	-	-	28	(28,388)	3,786	7,956	(83)	(2)	103
Foreign exchange and other movements	-		9	29	1	13,821	(32)	(3)	3,303
Balance as at 30 Jun 2024	**215**	**3**	**124**	**74,766**	**52,774**	**199,526**	**521**	**71**	**12,344**
Repayments of written-off receivables (note 4.13.)	-	-	-	-	-	10,022	-	-	103

in EUR thousands

	NLB								
	Loans and advances to banks			Loans and advances to customers			Other financial assets		
	12-month expected credit losses	Lifetime ECL not credit - impaired	Lifetime ECL credit-impaired	12-month expected credit losses	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	12-month expected credit losses	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
Balance as at 1 Jan 2025	170	-	136	21,684	32,335	103,694	115	2	1,096
Transfers	-	-	-	9,827	(4,587)	(5,240)	7	(1)	(6)
Increases/(Decreases) (note 4.13.)	42	-	(217)	(7,987)	2,121	13,131	(75)	1	73
Write-offs	-	-	-	(4)	(1)	(9,155)	(6)	-	(113)
Changes in models/risk parameters (note 4.13.)	-	-	-	(376)	5,872	(1,962)	(4)	-	(7)
Foreign exchange and other movements	-	-	81	(5)	940	1,968	(1)	-	(20)
Balance as at 30 Jun 2025	**212**	**-**	**-**	**23,139**	**36,680**	**102,436**	**36**	**2**	**1,023**
Repayments of written-off receivables (note 4.13.)	-	-	-	-	-	2,981	-	-	197

in EUR thousands

	NLB								
	Loans and advances to banks			Loans and advances to customers			Other financial assets		
	12-month expected credit losses	Lifetime ECL not credit - impaired	Lifetime ECL credit-impaired	12-month expected credit losses	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired	12-month expected credit losses	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
Balance as at 1 Jan 2024	164	-	86	21,555	14,042	83,971	98	2	1,514
Transfers	-	-	-	10,042	(6,676)	(3,366)	1	15	(16)
Increases/(Decreases) (note 4.13.)	2	-	1	(7,322)	13,309	6,991	(18)	(13)	(964)
Write-offs	-	-	-	(86)	(6)	(5,257)	(3)	(1)	(277)
Changes in models/risk parameters (note 4.13.)	-	-	28	(4,796)	101	6,190	(16)	(1)	(7)
Foreign exchange and other movements	-	-	9	(17)	(13)	4,578	1	-	863
Balance as at 30 Jun 2024	**166**	**-**	**124**	**19,376**	**20,757**	**93,107**	**63**	**2**	**1,113**
Repayments of written-off receivables (note 4.13.)	-	-	-	-	-	2,392	-	-	12

b) Movements in allowance for the impairment of debt securities

in EUR thousands

	NLB Group				
	Debt securities measured at amortised cost		Debt securities measured at fair value through other comprehensive income		
	12-month expected credit losses	Lifetime ECL not credit - impaired	12-month expected credit losses	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
Balance as at 1 Jan 2025	6,913	554	4,959	36	798
Effects of translation of foreign operations to presentation currency	(2)	(2)	(4)	-	-
Transfers	(4)	4	69	(69)	-
Increases/(Decreases) (note 4.13.)	(906)	(435)	(1,380)	64	-
Changes in models/risk parameters (note 4.13.)	(96)	14	(29)	(5)	-
Foreign exchange and other movements	(12)	(2)	1	-	-
Balance as at 30 Jun 2025	**5,893**	**133**	**3,616**	**26**	**798**

in EUR thousands

	NLB Group				
	Debt securities measured at amortised cost		Debt securities measured at fair value through other comprehensive income		
	12-month expected credit losses	Lifetime ECL not credit - impaired	12-month expected credit losses	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
Balance as at 1 Jan 2024	4,946	576	6,475	56	798
Effects of translation of foreign operations to presentation currency	1	1	(3)	(1)	-
Increases/(Decreases) (note 4.13.)	1,531	518	(139)	(8)	-
Changes in models/risk parameters (note 4.13.)	(100)	(185)	(176)	(9)	-
Foreign exchange and other movements	3	2	1	-	-
Balance as at 30 Jun 2024	**6,381**	**912**	**6,158**	**38**	**798**

in EUR thousands

	NLB				
	Debt securities measured at amortised cost		Debt securities measured at fair value through other comprehensive income		
	12-month expected credit losses	Lifetime ECL not credit - impaired	12-month expected credit losses	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
Balance as at 1 Jan 2025	3,450	80	1,849	-	798
Transfers	(4)	4	69	(69)	-
Increases/(Decreases) (note 4.13.)	(1,192)	(58)	(180)	69	-
Changes in models/risk parameters (note 4.13.)	(77)	12	(22)	-	-
Foreign exchange and other movements	(8)	(3)	(7)	-	-
Balance as at 30 Jun 2025	**2,169**	**35**	**1,709**	**-**	**798**

in EUR thousands

	NLB				
	Debt securities measured at amortised cost		Debt securities measured at fair value through other comprehensive income		
	12-month expected credit losses	Lifetime ECL not credit - impaired	12-month expected credit losses	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
Balance as at 1 Jan 2024	2,624	173	1,650	-	798
Increases/(Decreases) (note 4.13.)	554	(47)	351	-	-
Changes in models/risk parameters (note 4.13.)	(34)	-	(8)	-	-
Foreign exchange and other movements	3	2	1	-	-
Balance as at 30 Jun 2024	**3,147**	**128**	**1,994**	**-**	**798**

5.12. Financial liabilities measured at amortised cost

Analysis by type

in EUR thousands

	NLB Group			NLB		
	30 Jun 2025	31 Dec 2024	Change	30 Jun 2025	31 Dec 2024	Change
Deposits from banks and central banks	178,771	136,000	31%	342,144	220,120	55%
- Deposits on demand	178,734	115,897	54%	330,005	210,872	56%
- Other deposits	37	20,103	-100%	12,139	9,248	31%
Borrowings from banks and central banks	246,048	120,612	104%	153,758	51,106	-
Due to customers	22,837,831	22,206,310	3%	12,727,135	12,293,708	4%
- Deposits on demand	18,743,897	18,260,144	3%	11,349,833	10,927,307	4%
- Other deposits	4,093,934	3,946,166	4%	1,377,302	1,366,401	1%
Borrowings from other customers	185,175	104,519	77%	74,491	-	-
Debt securities issued	2,077,921	1,608,939	29%	2,077,921	1,608,939	29%
Other financial liabilities	335,274	296,725	13%	176,347	145,802	21%
Total	**25,861,020**	**24,473,105**	**6%**	**15,551,796**	**14,319,675**	**9%**

a) Debt securities issued

in EUR thousands

				NLB Group and NLB			
				30 Jun 2025		31 Dec 2024	
	Currency	Due date	Interest rate	Carrying amount	Nominal value	Carrying amount	Nominal value
Subordinated bonds							
	EUR	05.02.2030 (i)	3.40% to 05.02.2025, thereafter 5Y MS + 3.658% p.a.	-	-	10,785	10,500
	EUR	28.11.2032	10.75% to 28.11.2027, thereafter 5Y MS + 8.298% p.a.	236,877	225,000	224,960	225,000
	EUR	24.01.2034	6.875% to 24.01.2029, thereafter 5Y MS + 4.230% p.a.	314,330	300,000	324,398	300,000
Total Subordinated bonds				**551,207**	**525,000**	**560,143**	**535,500**
Senior Preferred notes							
	EUR	27.06.2027	7.125% to 27.07.2026, thereafter 1Y MS + 3.606% p.a.	504,729	500,000	524,638	500,000
	EUR	21.01.2029	3.50% to 21.01.2028, thereafter 1Y MS + 1.15% p.a.	508,891	500,000	-	-
	EUR	29.05.2030	4.50% to 29.05.2029, thereafter 1Y MS + 1.650% p.a.	513,094	500,000	524,158	500,000
Total Senior Preferred notes				**1,526,714**	**1,500,000**	**1,048,796**	**1,000,000**
Total Debt securities issued				**2,077,921**	**2,025,000**	**1,608,939**	**1,535,500**

(i) On 5 February 2025, NLB executed the early redemption of NLB Tier 2 notes in the aggregate nominal amount of EUR 10,500 thousand (ISIN: XS2113139195).

b) Movement of debt securities issued

in EUR thousand

NLB Group and NLB	Subordinated bonds		Senior Preferred notes	
	2025	2024	2025	2024
Balance as at 1 Jan	560,143	509,395	1,048,796	828,840
Cash flow items:	(31,482)	31,237	438,927	461,722
- new issued	-	298,611	497,052	497,347
- repayments	(10,500)	(260,759)	-	-
- repayments of interest	(20,982)	(6,615)	(58,125)	(35,625)
Non-Cash flow items:	22,546	18,083	38,991	24,764
- accrued interest	22,249	22,737	37,605	29,568
- other	297	(4,654)	1,386	(4,804)
Balance as at 30 Jun	**551,207**	**558,715**	**1,526,714**	**1,315,326**

c) Other financial liabilities

in EUR thousands

	NLB Group			NLB		
	30 Jun 2025	31 Dec 2024	Change	30 Jun 2025	31 Dec 2024	Change
Items in the course of payment	129,634	78,192	66%	54,416	13,878	-
Debit or credit card payables	18,793	37,169	-49%	14,518	33,874	-57%
Lease liabilities	37,244	35,935	4%	6,881	5,775	19%
Accrued expenses	48,878	54,337	-10%	24,960	29,631	-16%
Liabilities to brokerage firms and others for securities purchase and custody services	26,010	228	-	25,960	224	-
Suppliers	16,429	30,470	-46%	4,455	18,208	-76%
Fees and commissions	243	935	-74%	131	800	-84%
Other financial liabilities	58,043	59,459	-2%	45,026	43,412	4%
Total	**335,274**	**296,725**	**13%**	**176,347**	**145,802**	**21%**

5.13. Provisions

a) Analysis by type

in EUR thousands

	NLB Group			NLB		
	30 Jun 2025	31 Dec 2024	Change	30 Jun 2025	31 Dec 2024	Change
Provisions for guarantees and commitments	20,511	21,850	-6%	9,828	9,240	6%
Stage 1	11,122	11,953	-7%	3,773	3,851	-2%
Stage 2	2,073	2,306	-10%	978	834	17%
Stage 3	7,316	7,591	-4%	5,077	4,555	11%
Employee benefit provisions	21,472	20,903	3%	13,550	13,296	2%
Provisions for legal risks	44,598	46,913	-5%	9,533	10,125	-6%
Restructuring provisions	5,448	10,366	-47%	3,212	5,309	-39%
Other provisions	3,913	4,356	-10%	3,282	3,676	-11%
Total	**95,942**	**104,388**	**-8%**	**39,405**	**41,646**	**-5%**

b) Movements in provisions for guarantees and commitments

in EUR thousands

	NLB Group		
	12-month expected credit losses	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
Balance as at 1 Jan 2025	11,953	2,306	7,591
Effects of translation of foreign operations to presentation currency	(4)	(2)	(4)
Transfers	267	509	(776)
Increases/(Decreases) (note 4.12.)	2,802	(576)	440
Changes in models/risk parameters (note 4.12.)	(3,897)	(153)	65
Foreign exchange and other movements	1	(11)	-
Balance as at 30 Jun 2025	**11,122**	**2,073**	**7,316**

in EUR thousands

	NLB Group		
	12-month expected credit losses	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
Balance as at 1 Jan 2024	18,429	1,655	12,464
Effects of translation of foreign operations to presentation currency	-	1	1
Transfers	528	(7)	(521)
Increases/(Decreases) (note 4.12.)	(426)	784	(1,210)
Changes in models/risk parameters (note 4.12.)	(6,648)	3	466
Foreign exchange and other movements	25	(2)	(4)
Balance as at 30 Jun 2024	**11,908**	**2,434**	**11,196**

in EUR thousands

	NLB		
	12-month expected credit losses	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
Balance as at 1 Jan 2025	3,851	834	4,555
Transfers	137	75	(212)
Increases/(Decreases) (note 4.12.)	(201)	71	709
Changes in models/risk parameters (note 4.12.)	(14)	9	25
Foreign exchange and other movements	-	(11)	-
Balance as at 30 Jun 2025	**3,773**	**978**	**5,077**

in EUR thousands

	NLB		
	12-month expected credit losses	Lifetime ECL not credit-impaired	Lifetime ECL credit-impaired
Balance as at 1 Jan 2024	7,653	319	9,969
Transfers	414	(9)	(405)
Increases/(Decreases) (note 4.12.)	(590)	(60)	(652)
Changes in models/risk parameters (note 4.12.)	(2,840)	(25)	397
Foreign exchange and other movements	-	-	1
Balance as at 30 Jun 2024	**4,637**	**225**	**9,310**

5.14. Deferred income tax

in EUR thousands

	NLB Group		NLB	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Deferred income tax assets				
Valuation of financial instruments and capital investments	48,322	50,852	47,045	48,892
Impairment of financial assets	14,489	15,182	1,036	1,358
Provisions for liabilities and charges	7,779	8,559	1,262	1,529
Depreciation and valuation of non-financial assets	3,685	3,720	132	129
Fair value adjustments of financial instruments measured at amortised cost	2,758	3,116	624	788
Tax losses	61,413	60,989	60,158	59,571
Other	648	576	-	-
Total deferred income tax assets	**139,094**	**142,994**	**110,257**	**112,267**
Deferred income tax liabilities				
Valuation of financial instruments	11,714	10,345	6,718	5,219
Depreciation and valuation of non-financial assets	1,066	1,206	138	139
Impairment of financial assets	5,775	5,159	551	582
Fair value adjustments of financial assets measured at amortised cost	7,645	8,004	-	-
Undistributed profit of subsidiaries	6,281	10,466	-	-
Other	4,495	4,807	-	-
Total deferred income tax liabilities	**36,976**	**39,987**	**7,407**	**5,940**
Net deferred income tax assets	**116,077**	**120,701**	**102,850**	**106,327**
Net deferred income tax liabilities	**(13,959)**	**(17,694)**	**-**	**-**

in EUR thousands

	NLB Group		NLB	
	6 months ended		6 months ended	
	June 2025	June 2024	June 2025	June 2024
Included in the income statement	**3,121**	**(2,940)**	**(30)**	**76**
- valuation of financial instruments and capital investments	262	383	132	-
- impairment of financial assets	(1,459)	(466)	(322)	180
- provisions for liabilities and charges	(771)	(856)	(267)	(294)
- depreciation and valuation of non-financial assets	110	390	4	4
- fair value adjustments of financial assets measured at amortised cost	(15)	(1,232)	(164)	(360)
- tax losses	424	546	587	546
- undistributed profit of subsidiaries	4,185	(1,938)	-	-
- other	385	233	-	-
Included in other comprehensive income	**(4,006)**	**(3,123)**	**(3,447)**	**(1,396)**
- valuation and impairment of financial assets measured at fair value through other comprehensive income	(4,006)	(3,123)	(3,447)	(1,396)

As at 30 June 2025, NLB recognised EUR 110,257 thousand deferred tax assets (31 December 2024: EUR 112,267 thousand). Unrecognised deferred tax assets in NLB amount to EUR 81,050 thousand (31 December 2024: EUR 94,619 thousand) and relate to unrecognised deferred tax assets from tax losses carried forward.

5.15. Income tax relating to components of other comprehensive income

in EUR thousands

	NLB Group			NLB		
6 months ended June 2025	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Financial assets measured at fair value through other comprehensive income	20,231	(4,006)	16,225	15,647	(3,447)	12,200
Total	**20,231**	**(4,006)**	**16,225**	**15,647**	**(3,447)**	**12,200**

in EUR thousands

	NLB Group			NLB		
6 months ended June 2024	Before tax	Tax expense	Net of tax	Before tax	Tax expense	Net of tax
Financial assets measured at fair value through other comprehensive income	18,152	(3,123)	15,029	6,344	(1,396)	4,948
Total	**18,152**	**(3,123)**	**15,029**	**6,344**	**(1,396)**	**4,948**

5.16. Other liabilities

in EUR thousands

	NLB Group			NLB		
	30 Jun 2025	31 Dec 2024	Change	30 Jun 2025	31 Dec 2024	Change
Accrued salaries	47,418	34,445	38%	31,854	24,388	31%
Unused annual leave	8,212	8,362	-2%	3,106	3,106	0%
Taxes payable	29,086	41,350	-30%	20,776	38,367	-46%
Deferred income	8,666	8,941	-3%	1,339	734	82%
Payments received in advance	11,239	10,791	4%	644	403	60%
Total	**104,621**	**103,889**	**1%**	**57,719**	**66,998**	**-14%**

5.17. Other equity instruments issued

On 23 September 2022, NLB issued subordinated notes intended to qualify as Additional Tier 1 Instruments in the aggregate nominal amount of EUR 82 million. The notes have no scheduled maturity date. The issuer has the option for early redemption of the notes in the period between 23 September 2027 and 23 March 2028, and on each distribution payment date after 23 March 2028. Until 23 March 2028, the interest on the principal of the notes will accrue at the interest rate of 9.721% per annum, and for each subsequent 5-year period, will accrue at the applicable interest rate, which shall be reset prior to the commencement of each such period (5Y MS + 7.20% per annum). The coupon payments are discretionary and non-cumulative. The notes terms provide for a temporary write-down in the event that the Common Equity Tier 1 ratio of NLB Group and/or NLB drop(s) below 5.125%. The issue price was equal to 100% of the nominal amount of the notes. The ISIN code of the notes is SI0022104275. Carrying amount as of 30 June 2025 is EUR 88,137 thousand (31 December 2024: EUR 84,184 thousand).

5.18. Book value per share

in EUR thousands

	NLB Group		NLB	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Total equity attributable to owners of the parents	3,386,153	3,225,960	2,705,211	2,525,609
Other equity instruments (note 5.17.)	88,137	84,184	88,137	84,184
Total equity attributable to owners of the parents excluding other equity instruments issued	3,298,016	3,141,776	2,617,074	2,441,425
Number of shares (in thousands)	20,000	20,000	20,000	20,000
Book value per share (in EUR)	164.9	157.1	130.9	122.1

Book value per share is calculated as the ratio of the net assets' book value, excluding other equity instruments issued and the number of shares. NLB Group and NLB do not have any treasury shares.

5.19. Capital adequacy ratio

in EUR thousands

	NLB Group		NLB	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Paid-up capital instruments	200,000	200,000	200,000	200,000
Share premium	871,378	871,378	871,378	871,378
Retained earnings - from previous years	1,638,059	1,385,040	932,854	715,902
Profit eligible - from current year	-	256,973	-	220,905
Accumulated other comprehensive income	(4,778)	(19,197)	1,852	(10,348)
Other reserves	186,332	186,332	186,332	186,332
Minority interest	40,894	38,480	-	-
Prudential filters: Additional Valuation Adjustments (AVA)	(2,978)	(2,606)	(2,143)	(1,711)
(-) Goodwill	(8,069)	(8,069)	-	-
(-) Other intangible assets	(58,990)	(65,420)	(21,538)	(23,959)
(-) Deferred tax assets	(53,305)	(51,667)	(56,117)	(56,419)
(-) Insufficient coverage for non-performing exposures	(5,777)	(5,426)	(566)	(706)
(-) Deduction item related to credit impairments and provisions not included in capital	-	-	(1,185)	-
COMMON EQUITY TIER 1 CAPITAL (CET1)	**2,802,766**	**2,785,818**	**2,110,867**	**2,101,374**
Capital instruments eligible as AT1 Capital	82,000	82,000	82,000	82,000
Minority interest	2,272	4,534	-	-
Additional Tier 1 capital	**84,272**	**86,534**	**82,000**	**82,000**
TIER 1 CAPITAL	**2,887,038**	**2,872,352**	**2,192,867**	**2,183,374**
Capital instruments and subordinated loans eligible as Tier 2 capital	522,921	533,421	522,921	533,421
Minority interest	5,286	5,485	-	-
TIER 2 CAPITAL	**528,207**	**538,906**	**522,921**	**533,421**
TOTAL CAPITAL	**3,415,245**	**3,411,258**	**2,715,788**	**2,716,795**
RWA for credit risk	15,358,789	14,508,398	9,679,504	9,105,028
RWA for market risks	1,598,711	1,505,108	978,350	859,088
RWA for credit valuation adjustment risk	20,248	16,613	22,157	17,425
RWA for operational risk	1,630,496	2,185,986	1,049,185	1,171,163
TOTAL RISK EXPOSURE AMOUNT (RWA)	**18,608,244**	**18,216,105**	**11,729,196**	**11,152,704**
Common Equity Tier 1 Ratio	15.1%	15.3%	18.0%	18.8%
Tier 1 Ratio	15.5%	15.8%	18.7%	19.6%
Total Capital Ratio	**18.4%**	**18.7%**	**23.2%**	**24.4%**

As at 30 June 2025, the Group's TCR stood at 18.4% (a 0.4 p.p. decrease compared to the end of 2024), while the CET1 ratio stood at 15.1%, remaining well above regulatory requirements. The lower total capital adequacy resulted from a higher RWA of EUR 392.1 million compared to the end of 2024, although the capital increased by EUR 4.0 million compared to the end of 2024.

The total capital does not include the envisaged amount to be paid out as a second tranche of the dividend in 2025. Therefore, there will be no effect on the capital if the dividends are paid.

In the first half of 2025, the Group's RWA for credit risk increased by EUR 850.4 million, driven by changes in EU regulatory rules effective from 1 January 2025 (approximately EUR 311.8 million) and portfolio development (approximately EUR 538.6 million).

The most significant RWA increase due to legislative changes was observed on off-balance sheet exposures, namely for the undrawn part of limits and loans, where the CCF was changed from 20% to 40%. In some Group banks (NLB Komercijalna Banka Beograd, NLB Banka Skopje, NLB Banka Banja Luka and NLB Banka Sarajevo), the RWA increase is related to the introduction of a multiplier of 1.5 for FX transactions at retail. On the other hand, an RWA decrease for high-risk exposures under CRR2 (150% weight) was recognised. Under CRR3, the latter were reclassified into other categories, namely ADC, IPRE, SL or the debtor category, where a more favourable risk weight can be applied. Lower risk weights for exposures secured by CRR-eligible residential real estate and using S&P corporate ratings also contributed to the lower RWA.

Portfolio growth in 2025 resulted in an RWA increase, mainly in corporates and retail, where a large part of the loans is at least partially secured by real estate. The RWA increase due to portfolio growth was partially offset by the capital optimisation when tying up liquid assets.

The increase in RWAs for market risks and Credit Value Adjustments (CVA) by EUR 97.2 million during the first six months of 2025 was mainly driven by a higher RWA for FX risk, which rose by EUR 95.4 million (mainly due to an increase in open positions in domestic currencies held by non-euro subsidiary banks). RWA for CVA risk increased by EUR 3.6 million following the implementation of the new Basic (BA) risk method for its calculation.

With the entry into force of CRR3 on 1 January 2025, the Bank adopted the new standardised approach for calculating capital requirements for operational risk. This implementation resulted in a lower Business indicator and marginal coefficient, leading to a decrease of EUR 555.5 million in the Group Risk exposure for operational risk in the first half of 2025. The reduction reflects the more risk-sensitive methodology under the revised regulatory framework.

5.20. Off-balance sheet liabilities

in EUR thousands

	NLB Group			NLB		
	30 Jun 2025	31 Dec 2024	Change	30 Jun 2025	31 Dec 2024	Change
Loan commitments	2,483,184	2,640,323	-6%	1,842,397	1,940,563	-5%
Non-financial guarantees	1,108,523	1,110,863	0%	757,599	738,702	3%
Financial guarantees	766,813	694,708	10%	440,732	383,873	15%
Letters of credit	32,550	34,577	-6%	550	670	-18%
Other	23,311	22,899	2%	15,323	16,491	-7%
	4,414,381	**4,503,370**	**-2%**	**3,056,601**	**3,080,299**	**-1%**
Provisions (note 5.13.)	(20,511)	(21,850)	6%	(9,828)	(9,240)	-6%
Total	**4,393,870**	**4,481,520**	**-2%**	**3,046,773**	**3,071,059**	**-1%**

In addition to the instruments presented in the table above, NLB Group and NLB also have some low-risk off-balance sheet items, for which a 0% credit conversion factor is applied in accordance with the Capital Requirements Regulation (credit and other lines which can be irrevocably cancelled by a bank). As at 30 June 2025, these items at the NLB Group level amount to EUR 1,187,307 thousand (31 December 2024: EUR 1,097,316 thousand), and at the NLB level, EUR 440,227 thousand (31 December 2024: EUR 433,363).

5.21. Fair value hierarchy of financial and non-financial assets and liabilities

Fair value is the price that would be received when selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. NLB Group uses various valuation techniques to determine fair value. IFRS 13 specifies a fair value hierarchy with respect to the inputs and assumptions used to measure financial and non-financial assets and liabilities at fair value. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the assumptions of NLB Group. This hierarchy gives the highest priority to observable market data when available, and the lowest priority to unobservable market data. NLB Group considers relevant and observable market prices in its valuations, where possible.

The fair value hierarchy comprises the following levels:

- Level 1 – Quoted prices (unadjusted) on active markets. This level includes listed equities, debt instruments, gold, derivatives, units of investment funds, and other unadjusted market prices of assets and liabilities. When an asset or liability may be exchanged in multiple active markets, the principal market for the asset or liability must be determined. In the absence of a principal market, the most advantageous market for the asset or liability must be determined.

- Level 2 – A valuation technique where inputs are observable, either directly (i.e., prices) or indirectly (i.e., derived from prices). Level 2 includes prices quoted for similar assets or liabilities in active markets and prices quoted for identical or similar assets and liabilities in markets that are not active. The sources of input parameters for financial instruments, such as yield curves, credit spreads, foreign exchange rates, and the volatility of interest rates and foreign exchange rates, are Bloomberg.

- Level 3 – A valuation technique where inputs are not based on observable market data. Unobservable inputs are used to the extent that relevant observable inputs are not available. Unobservable inputs must reflect the assumptions that market participants would use when pricing an asset or liability. This level includes non-tradable shares and bonds, as well as derivatives associated with these investments and other assets and liabilities for which fair value cannot be determined with observable market inputs.

Wherever possible, fair value is determined as an observable market price in an active market for an identical asset or liability. An active market is a market in which transactions for an asset or liability are executed with sufficient frequency and volume to provide pricing information on an ongoing basis. Assets and liabilities measured at fair value in active markets are determined as the market price of a unit (e.g., share) at the measurement date, multiplied by the quantity of units owned by NLB Group. The fair value of assets and liabilities whose market is not active is determined using valuation techniques. These techniques bear a different intensity level of estimates and assumptions, depending on the availability of observable market inputs associated with the asset or liability that is the subject of the valuation. Unobservable inputs shall reflect the estimates and assumptions that other market participants would use when pricing the asset or liability.

For non-financial assets measured at fair value and not classified at Level 1, fair value is determined based on valuation reports provided by certified valuators. Valuations are prepared in accordance with the International Valuation Standards (IVS).

a) Financial and non-financial assets and liabilities, measured at fair value in the financial statements

in EUR thousands

	NLB Group				NLB			
30 Jun 2025	**Level 1**	**Level 2**	**Level 3**	**Total fair value**	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Financial assets								
Financial instruments held for trading	-	6,787	26	6,813	-	9,608	26	9,634
Debt instruments	-	50	-	50	-	50	-	50
Derivatives	-	6,737	26	6,763	-	9,558	26	9,584
Derivatives - hedge accounting	-	72,047	-	72,047	-	72,047	-	72,047
Financial assets measured at fair value through other comprehensive income	2,308,439	497,143	1,275	2,806,857	1,949,879	76,874	370	2,027,123
Debt instruments	2,308,084	401,635	-	2,709,719	1,949,879	13,156	-	1,963,035
Equity instruments	355	95,508	1,275	97,138	-	63,718	370	64,088
Non-trading financial assets mandatorily at fair value through profit or loss	2,643	-	16,626	19,269	-	-	20,676	20,676
Debt instruments	1,162	-	-	1,162	-	-	-	-
Equity instruments	1,481	-	16,626	18,107	-	-	16,626	16,626
Loans	-	-	-	-	-	-	4,050	4,050
Financial liabilities								
Financial instruments held for trading	-	6,227	-	6,227	-	8,674	-	8,674
Derivatives	-	6,227	-	6,227	-	8,674	-	8,674
Derivatives - hedge accounting	-	4,148	-	4,148	-	1,908	-	1,908
Financial liabilities measured at fair value through profit or loss	-	11,888	-	11,888	-	5,900	453	6,353
Non-financial assets								
Investment properties	-	6,290	16,002	22,292	-	5,243	-	5,243
Non-current assets held for sale	-	2,766	1,357	4,123	-	2,766	-	2,766

in EUR thousands

	NLB Group				NLB			
31 Dec 2024	**Level 1**	**Level 2**	**Level 3**	**Total fair value**	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Financial assets								
Financial instruments held for trading	9,424	8,891	23	18,338	9,424	11,626	23	21,073
Debt instruments	9,424	-	-	9,424	9,424	-	-	9,424
Derivatives	-	8,891	23	8,914	-	11,626	23	11,649
Derivatives - hedge accounting	-	77,771	-	77,771	-	77,771	-	77,771
Financial assets measured at fair value through other comprehensive income	2,004,786	557,464	1,266	2,563,516	1,598,780	65,869	370	1,665,019
Debt instruments	2,004,463	462,460	-	2,466,923	1,598,780	3,095	-	1,601,875
Equity instruments	323	95,004	1,266	96,593	-	62,774	370	63,144
Non-trading financial assets mandatorily at fair value through profit and loss	2,258	-	15,171	17,429	-	-	19,135	19,135
Debt instruments	1,000	-	-	1,000	-	-	-	-
Equity instruments	1,258	-	15,171	16,429	-	-	15,171	15,171
Loans	-	-	-	-	-	-	3,964	3,964
Financial liabilities								
Financial instruments held for trading	-	6,995	-	6,995	-	9,977	-	9,977
Derivatives	-	6,995	-	6,995	-	9,977	-	9,977
Derivatives - hedge accounting	-	3,592	-	3,592	-	1,261	-	1,261
Financial liabilities measured at fair value through profit or loss	-	9,633	-	9,633	-	4,960	637	5,597
Non-financial assets								
Investment properties	-	6,918	19,214	26,132	-	5,599	-	5,599
Non-current assets held for sale	-	2,849	8,187	11,036	-	2,849	-	2,849

b) Significant transfers of financial instruments between levels of valuation

NLB Group’s policy of transfers of financial instruments between levels of valuation is illustrated in the table below.

Fair value hierarchy	Equities	Equity stake	Gold	Funds	Debt securities	Loans	Derivatives		
							Equities	Currency	Interest
1	market value from exchange market		market value from spot market	official price by fund management company	market value from exchange market				
2					valuation model		valuation model (underlying in level 1)	valuation model	valuation model
3	valuation model	valuation model		valuation model	valuation model/ purchase price	valuation model	valuation model (underlying instrument in level 3)		
Transfers									
	from level 1 to 3 equity excluded from exchange market			*from level 1 to 3* fund management company stops publishing regular valuation	*from level 1 to 2* debt securities excluded from exchange market		*from level 2 to 3* underlying instrument excluded from exchange market		
	from level 1 to 3 companies in insolvency proceedings			*from level 3 to 1* fund management company starts publishing regular valuation	*from level 1 to 2* debt securities not liquid (not trading for 6 months)		*from level 3 to 2* underlying instrument included in exchange market		
	from level 1 to 3 equity not liquid (not trading for 2 months)				*from level 1 to 3 and from 2 to 3* companies in insolvency proceedings				
	from level 3 to 1 equity included in exchange market				*from level 2 to 1 and from 3 to 1* start trading with debt securities on exchange market				
					from level 3 to 2 until valuation parameters are confirmed on ALCO (at least on quarterly basis)				

For the first six months, which ended 30 June 2025 and 2024, neither NLB Group nor NLB had any significant transfers between valuation levels of financial instruments measured at fair value in financial statements.

c) Financial and non-financial assets and liabilities at Level 2 regarding the fair value hierarchy

Financial instruments on Level 2 of the fair value hierarchy at NLB Group and NLB include:

- debt securities: mostly bonds not quoted on active markets and valuated by a valuation model with inputs which are based on observable market data;
- derivatives: derivatives except forward derivatives and options on equity instruments that are not quoted on active markets;
- the National Resolution Fund.

Non-financial assets on Level 2 of the fair value hierarchy at NLB Group and NLB include investment properties and non-current assets held for sale.

When valuing bonds classified on Level 2, NLB Group primarily uses the income approach based on an estimation of future cash flows discounted to the present value.

The input parameters used in the income approach are the risk-free yield curve and the spread over the yield curve (credit, liquidity, country).

Fair values for derivatives are determined using a discounted cash flow model based on the risk-free yield curve. Fair values for options are determined using valuation models for options (the Garman and Kohlhagen model, binomial model, and Black-Scholes model).

At least one of the three valuation methods is used for the valuation of investment property. The majority of investment property is valued using the income approach, where the present value of future expected returns is assessed.

When valuing an investment property, average rents at similar locations and capitalisation ratios, such as: the risk-free yield, risk premium, and the risk premium to account for capital preservation, are used. Rents at similar locations are generated from various sources, like data from lessors and lessees, web databases, and own databases. NLB Group has observable data for all investment properties at its disposal. If observable data for similar locations is not available, NLB Group uses data from wider locations and adjusts it appropriately.

d) Financial and non-financial assets and liabilities at Level 3 of the fair value hierarchy

Financial instruments on Level 3 of the fair value hierarchy in NLB Group and NLB include:

- equities: mainly financial equities that are not quoted on active markets;
- debt instruments: bonds not quoted on active markets and valuated by a valuation model with inputs which are not based on observable market data;
- derivative financial instruments: forward derivatives and options on equity instruments that are not quoted on an active, organised market. Fair values for forward derivatives are determined using the discounted cash flow model. Fair values for equity options are determined using valuation models for options (Garman and Kohlhagen model, binomial model and Black-Scholes model). Unobservable inputs include the fair values of underlying instruments determined using valuation models. The source of observable market inputs is the Bloomberg information system;
- loans measured at fair value, which according to IFRS 9, do not pass the SPPI test. Fair value is calculated on the basis of the discounted expected future cash flows with the required rate of return. In defining the expected cash flows for loans, the value of collateral and other payoff estimates can be used.

Non-financial assets on Level 3 of the fair value hierarchy at NLB Group include investment properties and non-current assets held for sale.

NLB Group uses three valuation methods for the valuation of equity financial assets mentioned in the first bullet: income, market, and cost approaches.

NLB Group selects a valuation model and values of unobservable input data within a reasonable possible range, but uses a model and input data that other market participants would use.

At least one of the three valuation methods is used for the valuation of investment property. The majority of investment property is valued using the income approach, where the present value of future expected returns is assessed.

When valuing an investment property, average rents at similar locations and capitalisation ratios such as: the risk-free yield, risk premium and the risk premium to account for capital preservation are used. Rents at similar locations are generated from various sources, like data from lessors and lessees, web databases, and own databases. NLB Group has observable data for all investment properties at its disposal. If observable data for similar locations is not available, NLB Group uses data from wider locations and adjusts it appropriately.

Movements of financial assets and liabilities at Level 3

in EUR thousands

	Financial instruments held for trading	Financial assets measured at fair value through OCI	Non-trading financial assets mandatorily at fair value through profit or loss	Total financial assets
NLB Group	Derivatives	Equity instruments	Equity instruments	
Balance as at 1 Jan 2025	23	1,266	15,171	16,460
Valuation:				
- through profit or loss	3	-	1,668	1,671
- recognised in other comprehensive income	-	9	-	9
Exchange differences	-	-	(1,052)	(1,052)
Increases	-	-	1,034	1,034
Balance as at 30 Jun 2025	**26**	**1,275**	**16,626**	**17,927**

in EUR thousands

	Financial instruments held for trading	Financial assets measured at fair value through OCI		Non-trading financial assets mandatorily at fair value through profit or loss	Total financial assets
NLB Group	Derivatives	Debt instruments	Equity instruments	Equity instruments	
Balance as at 1 Jan 2024	20	70	1,286	8,858	10,234
Valuation:					
- through profit or loss	6	-	-	989	995
Exchange differences	-	-	-	209	209
Increases	-	-	54	700	754
Decreases	-	(70)	(93)	-	(163)
Balance as at 30 Jun 2024	**26**	**-**	**1,247**	**10,756**	**12,029**

in EUR thousands

	Financial instruments held for trading	Financial assets measured at fair value through OCI	Non-trading financial assets mandatorily at fair value through profit or loss		Total financial assets	Financial liabilities measured at fair value through profit or loss
NLB	Derivatives	Equity instruments	Equity instruments	Loans and advances		Loans and other financial liabilities
Balance as at 1 Jan 2025	23	370	15,171	3,964	19,528	637
Valuation:						
- through profit or loss	3	-	1,668	21	1,692	(184)
Exchange differences	-	-	(1,052)	-	(1,052)	-
Increases	-	-	1,034	73	1,107	-
Decreases	-	-	(195)	(8)	(203)	-
Balance as at 30 Jun 2025	**26**	**370**	**16,626**	**4,050**	**21,072**	**453**

in EUR thousands

	Financial instruments held for trading	Financial assets measured at fair value through OCI	Non-trading financial assets mandatorily at fair value through profit or loss		Total financial assets	Financial liabilities measured at fair value through profit or loss
NLB	Derivatives	Equity instruments	Equity instruments	Loans and advances		Loans and other financial liabilities
Balance as at 1 Jan 2024	20	303	8,858	7,785	16,966	1,234
Valuation:						
- through profit or loss	6	-	989	125	1,120	(292)
Exchange differences	-	-	209	-	209	-
Increases	-	54	700	219	973	-
Decreases	-	-	-	(3)	(3)	-
Balance as at 30 Jun 2024	**26**	**357**	**10,756**	**8,126**	**19,265**	**942**

In the six months ended 30 June 2025 and 2024, NLB Group and NLB recognised the following unrealised gains or losses for financial instruments that were at Level 3 as at 30 June:

in EUR thousands

6 months ended 30 Jun 2025	NLB Group			
	Financial assets held for trading	Financial assets measured at fair value through OCI		Non-trading financial assets mandatorily at fair value through profit or loss
	Derivatives	Debt instruments	Equity instruments	Equity instruments
Items of Income statement				
Gains less losses from financial assets and liabilities held for trading	3	-	-	-
Gains less losses from non-trading assets mandatorily at fair value through profit or loss	-	-	-	1,668
Foreign exchange translation gains less losses	-	-	-	(1,052)
Item of Other comprehensive income				
Financial assets measured at fair value through other comprehensive income	-	-	9	-

in EUR thousands

6 months ended 30 Jun 2024	NLB Group			
	Financial assets held for trading	Financial assets measured at fair value through OCI		Non-trading financial assets mandatorily at fair value through profit or loss
	Derivatives	Debt instruments	Equity instruments	Equity instruments
Items of Income statement				
Gains less losses from financial assets and liabilities held for trading	6	-	-	-
Gains less losses from non-trading assets mandatorily at fair value through profit or loss	-	-	-	989
Foreign exchange translation gains less losses	-	-	-	209

in EUR thousands

6 months ended 30 Jun 2025	NLB			
	Financial assets held for trading	Non-trading financial assets mandatorily at fair value through profit or loss		Financial liabilities measured at fair value through profit or loss
	Derivatives	Equity instruments	Loans and advances	Loans and other financial liabilities
Items of Income statement				
Gains less losses from financial assets and liabilities held for trading	3	-	-	-
Gains less losses from non-trading assets mandatorily at fair value through profit or loss	-	1,668	21	184
Foreign exchange translation gains less losses	-	(1,052)	-	-

in EUR thousands

6 months ended 30 Jun 2024	NLB			
	Financial assets held for trading	Non-trading financial assets mandatorily at fair value through profit or loss		Financial liabilities measured at fair value through profit or loss
	Derivatives	Equity instruments	Loans and advances	Loans and other financial liabilities
Items of Income statement				
Gains less losses from financial assets and liabilities held for trading	6	-	-	-
Gains less losses from non-trading assets mandatorily at fair value through profit or loss	-	989	125	292
Foreign exchange translation gains less losses	-	209	-	-

Movements of non-financial assets at Level 3

in EUR thousands

NLB Group	Investment property		Non-current assets held for sale	
	2025	2024	2025	2024
Balance as at 1 Jan	19,214	20,189	8,187	801
Effects of translation of foreign operations to presentation currency	(32)	42	(15)	2
Additions	238	-	633	81
Disposals	(3,418)	(1,193)	(7,448)	(69)
Balance as at 30 Jun	**16,002**	**19,038**	**1,357**	**815**

e) Fair value of financial instruments not measured at fair value in financial statements

Financial instruments not measured at fair value in financial statements are not managed on a fair value basis. For respective instruments, fair values are calculated for disclosure purposes only and do not impact the NLB Group statement of financial position or income statement.

The table below shows estimated fair values of financial instruments not measured at fair value in the statement of financial position.

in EUR thousands

	NLB Group				NLB			
	30 Jun 2025		31 Dec 2024		30 Jun 2025		31 Dec 2024	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
Financial assets measured at amortised cost								
- debt securities	3,833,351	3,822,491	3,725,195	3,706,958	2,876,414	2,843,623	2,846,779	2,808,210
- loans and advances to banks	351,325	350,967	458,921	458,651	311,654	306,535	193,172	185,768
- loans and advances to customers	17,481,510	16,994,769	16,363,649	15,697,133	9,075,969	8,812,390	8,653,348	8,242,067
- other financial assets	161,662	161,662	136,854	136,854	203,904	203,904	81,518	81,518
Financial liabilities measured at amortised cost								
- deposits from banks and central banks	178,771	176,104	136,000	135,957	342,144	342,147	220,120	220,096
- borrowings from banks and central banks	246,048	240,396	120,612	120,065	153,758	149,344	51,106	50,813
- due to customers	22,837,831	22,823,388	22,206,310	22,194,577	12,727,135	12,726,303	12,293,708	12,292,632
- borrowings from other customers	185,175	192,497	104,519	106,912	74,491	74,499	-	-
- debt securities issued	2,077,921	2,157,565	1,608,939	1,699,477	2,077,921	2,157,565	1,608,939	1,699,477
- other financial liabilities	335,274	335,274	296,725	296,725	176,347	176,347	145,802	145,802

Loans and advances to banks

The estimated fair value of deposits is based on discounted cash flows using prevailing market interest rates for instruments with similar credit risk and residual maturities. The fair value of overnight deposits equals their carrying value.

Loans and advances to customers

The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates for debts with similar credit risk and residual maturities to determine their fair value.

Deposits and borrowings from customers

The fair value of sight deposits and overnight deposits equals their carrying value. However, their actual value for NLB Group depends on the timing and amounts of cash flows, current market rates and the credit risk of the depository institution itself. A portion of sight deposits is stable, similar to term deposits. Therefore, their economic value for the NLB Group differs from the carrying amount.

The estimated fair value of other deposits and borrowings from customers is based on discounted cash flows using interest rates for new deposits with similar residual maturities.

Debt securities measured at amortised cost and debt securities issued

The fair value of debt securities measured at amortised cost and debt securities issued is based on their quoted market price or value calculated by using a discounted cash flow method and the prevailing money market interest rates.

Loan commitments
The fair value is close to zero for credit facilities that are drawn soon after the NLB Group grants loans (drawn at market rates) and loan commitments to clients that are not impaired. For loan commitments to clients that are impaired, fair value represents the amount of the recognised provisions.

Other financial assets and liabilities
The carrying amount of other financial assets and liabilities reasonably approximates their fair value as they mainly relate to short-term receivables and payables.

Fair value hierarchy of financial instruments not measured at fair value in financial statements

in EUR thousands

	NLB Group				NLB			
30 Jun 2025	**Level 1**	**Level 2**	**Level 3**	**Total fair value**	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Financial assets measured at amortised cost								
- debt securities	3,041,115	769,066	12,310	3,822,491	2,689,375	154,248	-	2,843,623
- loans and advances to banks	-	350,967	-	350,967	-	306,535	-	306,535
- loans and advances to customers	-	-	16,994,769	16,994,769	-	-	8,812,390	8,812,390
- other financial assets	-	-	161,662	161,662	-	-	203,904	203,904
Financial liabilities measured at amortised cost								
- deposits from banks and central banks	-	176,104	-	176,104	-	342,147	-	342,147
- borrowings from banks and central banks	-	240,396	-	240,396	-	149,344	-	149,344
- due to customers	-	22,823,388	-	22,823,388	-	12,726,303	-	12,726,303
- borrowings from other customers	-	-	192,497	192,497	-	-	74,499	74,499
- debt securities issued	2,157,565	-	-	2,157,565	2,157,565	-	-	2,157,565
- other financial liabilities	-	-	335,274	335,274	-	-	176,347	176,347

in EUR thousands

	NLB Group				NLB			
31 Dec 2024	**Level 1**	**Level 2**	**Level 3**	**Total fair value**	**Level 1**	**Level 2**	**Level 3**	**Total fair value**
Financial assets measured at amortised cost								
- debt securities	3,067,440	632,269	7,249	3,706,958	2,692,742	115,468	-	2,808,210
- loans and advances to banks	-	458,651	-	458,651	-	185,768	-	185,768
- loans and advances to customers	-	-	15,697,133	15,697,133	-	-	8,242,067	8,242,067
- other financial assets	-	-	136,854	136,854	-	-	81,518	81,518
Financial liabilities measured at amortised cost								
- deposits from banks and central banks	-	135,957	-	135,957	-	220,096	-	220,096
- borrowings from banks and central banks	-	120,065	-	120,065	-	50,813	-	50,813
- due to customers	-	22,194,577	-	22,194,577	-	12,292,632	-	12,292,632
- borrowings from other customers	-	-	106,912	106,912	-	-	-	-
- debt securities issued	1,699,477	-	-	1,699,477	1,699,477	-	-	1,699,477
- other financial liabilities	-	-	296,725	296,725	-	-	145,802	145,802

6. Analysis by segment for NLB Group

a) Segments

in EUR thousands

6 months ended 30 June 2025	NLB Group							
	Retail Banking in Slovenia	Corporate and Investment Banking in Slovenia	Strategic Foreign Markets	Financial Markets in Slovenia	Non-Core Members	Other activities	Unallocated	Total
Total net income(i)	230,124	83,785	312,871	13,993	695	5,025		646,492
Net income from external customers	174,962	84,995	331,748	41,201	399	5,347	-	638,651
Intersegment net income	55,162	(1,210)	(18,877)	(27,208)	296	(322)	-	7,841
Net interest income	169,404	56,269	231,814	9,313	344	(706)	-	466,437
Net interest income from external customers	117,440	61,453	249,606	38,115	106	(283)	-	466,437
Intersegment net interest income	51,964	(5,185)	(17,792)	(28,802)	238	(423)	-	-
Administrative expenses	(93,039)	(34,096)	(125,543)	(6,930)	(2,777)	(25,882)	-	(288,268)
Depreciation and amortisation	(10,770)	(3,505)	(18,837)	(497)	(150)	(2,037)	-	(35,796)
Reportable segment profit/(loss) before impairment and provision charge	126,315	46,184	168,491	6,566	(2,232)	(22,895)	-	322,428
Other net gains/(losses) from equity instruments in associates and joint ventures	1,421	-	-	-	-	-	-	1,421
Impairment and provisions charge	(17,178)	6,437	13,416	1,531	1,564	(3,275)	-	2,495
Profit/(loss) before income tax	110,557	52,621	181,907	8,097	(668)	(26,169)	-	326,344
Owners of the parent	110,557	52,621	173,809	8,097	(668)	(26,169)	-	318,246
Non-controlling interests	-	-	8,098	-	-	-	-	8,098
Income tax							(43,866)	(43,866)
Profit for the year								**274,380**
30 Jun 2025								
Reportable segment assets	5,076,831	3,989,536	12,909,964	7,103,416	20,359	458,886	-	29,558,992
Investments in associates and joint ventures	14,037	-	-	-	-	-	-	14,037
Reportable segment liabilities	10,296,917	2,488,880	10,617,716	2,527,358	1,665	182,696	-	26,115,232

(i)'Total net income' includes net interest income, dividend income, net fee and commission income, the net effect of financial instruments, foreign exchange translation, the effect on the derecognition of assets, other operating income, other operating expenses, cash contribution to resolution funds and deposit guarantee schemes, gains less losses from modification of financial assets, and gain less losses from non-current assets held for sale.

in EUR thousands

6 months ended 30 June 2024	NLB Group							
	Retail Banking in Slovenia	Corporate and Investment Banking in Slovenia	Strategic Foreign Markets	Financial Markets in Slovenia	Non-Core Members	Other activities	Unallocated	Total
Total net income(i)	211,007	89,061	305,139	(577)	903	4,201		609,734
Net income from external customers	122,761	110,416	310,256	54,384	600	5,611	-	604,028
Intersegment net income	88,246	(21,355)	(5,117)	(54,961)	303	(1,410)	-	5,706
Net interest income	159,416	65,326	237,822	(902)	539	(1,758)	-	460,443
Net interest income from external customers	73,760	91,507	240,567	54,592	275	(258)	-	460,443
Intersegment net interest income	85,656	(26,181)	(2,745)	(55,494)	264	(1,500)	-	-
Administrative expenses	(72,019)	(31,173)	(117,066)	(5,980)	(2,309)	(25,047)	-	(253,594)
Depreciation and amortisation	(6,208)	(3,414)	(15,016)	(377)	(109)	(2,017)	-	(27,141)
Reportable segment profit/(loss) before impairment and provision charge	132,780	54,474	173,057	(6,934)	(1,515)	(22,863)	-	328,999
Other net gains/(losses) from equity instruments in associates and joint ventures	1,666	-	-	-	-	-	-	1,666
Impairment and provisions charge	(16,714)	9,089	18,078	(784)	1,416	(677)	-	10,408
Profit/(loss) before income tax	117,732	63,563	191,135	(7,718)	(99)	(23,540)	-	341,073
Owners of the parent	117,732	63,563	182,588	(7,718)	(99)	(23,540)	-	332,526
Non-controlling interests	-	-	8,547	-	-	-	-	8,547
Income tax							(40,493)	(40,493)
Profit for the year								**292,033**
31 Dec 2024								
Reportable segment assets	4,748,021	3,911,138	12,454,973	6,390,862	28,658	487,054	-	28,020,706
Investments in associates and joint ventures	14,661	-	-	-	-	-	-	14,661
Reportable segment liabilities	9,879,695	2,428,556	10,407,559	1,789,151	2,312	230,049	-	24,737,322

(i)'Total net income' includes net interest income, dividend income, net fee and commission income, the net effect of financial instruments, foreign exchange translation, the effect on the derecognition of assets, other operating income, other operating expenses, cash contribution to resolution funds and deposit guarantee schemes, gains less losses from modification of financial assets, and gain less losses from non-current assets held for sale.

Segment reporting is presented in accordance with the strategy on the basis of the organisational structure used in the management reporting of NLB Group's results. NLB Group's segments are business units that focus on different customers and markets. They are managed separately because each business unit requires different strategies and service levels.

The business activities of the parent bank (NLB), NLB Lease&Go, leasing, Ljubljana, and Summit Leasing Slovenija, Ljubljana are divided into several segments. Interest income and expenses are reallocated between segments on the basis of fund transfer prices (FTP), at Summit Leasing Slovenija from the Q1 of 2025 onwards. Other NLB Group members are, based on their business activity, included in only one segment.

In the segment analysis for the current period, the funding costs to meet MREL requirements and to strengthen the capital position of Tier 2 are additionally allocated between segments and shown within the net interest income.

The segments of the NLB Group are divided into core and non-core segments.

The core segments are the following:

- Retail Banking in Slovenia covers individuals and micro companies, asset management (NLB Skladi, Ljubljana), and the part of NLB Lease&Go, leasing, Ljubljana and Summit Leasing Slovenija, Ljubljana operating with retail clients, as well as the part of the result of the associated company Bankart.

- Corporate and Investment Banking in Slovenia covers Key Corporate Clients, SMEs, Cross-Border Corporate Financing, Investment Banking and Custody, Trade finance, Restructuring and Workout, and the part of NLB Lease&Go, leasing, Ljubljana, and Summit Leasing Slovenija, Ljubljana operating with corporate clients.

- Strategic Foreign Markets consist of strategic banks in the Group operating in the strategic markets (Serbia, North Macedonia, Bosnia and Herzegovina, Kosovo, and Montenegro), as well as the investment companies NLB Fondovi, Skopje and NLB Fondovi, Beograd, NLB DigIT, Beograd, and leasing companies NLB Lease&Go Skopje, NLB Lease&Go leasing Beograd, and Mobil Leasing, Zagreb.

- Financial Markets in Slovenia include treasury activities and trading with financial instruments, while also presenting the results of asset and liability management (ALM) in the parent bank, NLB Lease&Go, leasing, Ljubljana and Summit Leasing Slovenija, Ljubljana.

- Other activities include categories whose operating results cannot be allocated to specific segments, as well as NLB Cultural Heritage Management Institute, Real Estate entities from 2024 and company NLB Car&Go, Ljubljana.

Non-Core Members include the operations of non-core NLB Group members, i.e. entities in liquidation, LHB, NLB Srbija, NLB Crna Gora, and SLS HOLDCO, Ljubljana. On 9 May 2025, SLS HOLDCO, Ljubljana merged with Summit Leasing Slovenija, Ljubljana and ceased to exist as a separate legal entity.

NLB Group is primarily a financial group, and net interest income represents the majority of its net revenues. NLB Group's main indicator of a segment's efficiency is net profit before tax. No revenues were generated from transactions with a single external customer that would amount to 10% or more of NLB Group's revenues.

b) Geographical information

in EUR thousands

NLB Group	Revenues		Net revenue		Non-current assets		Total assets	
	6 months ended		6 months ended					
	June 2025	June 2024	June 2025	June 2024	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Slovenia	432,840	417,935	446,108	425,410	217,783	212,961	16,644,880	15,554,251
South East Europe	392,562	372,771	420,862	389,073	231,346	238,335	12,916,557	12,462,052
Bosnia and Herzegovina	61,130	57,804	64,022	59,762	37,658	40,195	2,233,769	2,156,231
Croatia	4,498	-	4,788	1	4,202	4,490	163,943	125,708
Kosovo	42,360	37,757	42,513	38,005	13,532	13,571	1,504,727	1,426,811
Montenegro	34,429	32,715	37,304	34,959	25,080	24,522	973,724	956,080
North Macedonia	65,475	62,471	69,143	65,593	36,804	36,567	2,259,265	2,168,629
Serbia	184,670	182,024	203,092	190,753	114,070	118,990	5,781,129	5,628,593
Western Europe	64	112	28	569	9	10	11,592	19,064
Germany	-	-	28	29	9	10	504	516
Switzerland	64	112	-	540	-	-	11,088	18,548
Total	**825,466**	**790,818**	**866,998**	**815,052**	**449,138**	**451,306**	**29,573,029**	**28,035,367**

The geographical analysis includes a breakdown of items with respect to the country in which individual NLB Group members are located.

The column Revenues includes interest and similar income, dividend income, and fee and commission income. The column Net revenue includes interest and similar income, dividend income, fee and commission income, the net effect of financial instruments, other operating income, gains less losses from subsidiaries, associates and joint-ventures, foreign exchange translation, the effect on the derecognition of assets, gains less losses from modification of financial assets, and gain less losses from non-current assets held for sale.

The items net effect of financial instruments, foreign exchange translation, the effect on the derecognition of assets, gains less losses from modification of financial assets are included only if their combined value is positive. The items gains less losses from subsidiaries, associates and joint ventures, and gain less losses from non-current assets held for sale are included only if their value is positive.

7. Related-party transactions

Related-party transactions with the Management Board and other key management personnel, their family members and companies these related parties have control, joint control or significant influence.

A number of banking transactions are entered into with related parties within the regular course of business. The volume of related-party transactions and the outstanding balances are as follows:

in EUR thousands

	Management Board and other key management personnel		Family members of the Management Board and other key management personnel		Companies in which members of the Management Board, key management personnel, or their family members have control, joint control or a significant influence		Supervisory Board	
NLB Group	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Loans and deposits issued	2,303	2,062	652	497	-	-	23	29
Deposits received	4,220	2,633	1,000	1,057	552	476	238	266
Other financial assets	-	1	-	-	-	-	-	-
Other financial liabilities	-	1	-	-	12	6	-	-
Other financial liabilities measured at fair value through profit or loss	5,900	4,960	-	-	-	-	-	-
Other operating liabilities	22,265	15,028	-	-	-	-	-	-
Guarantees issued and loan commitments	322	302	86	79	-	-	20	23

NLB	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Loans and deposits issued	2,303	2,062	652	497	-	-	23	29
Deposits received	4,216	2,633	1,000	1,057	552	476	238	266
Other financial assets	-	1	-	-	-	-	-	-
Other financial liabilities	-	1	-	-	12	6	-	-
Other financial liabilities measured at fair value through profit or loss	5,900	4,960	-	-	-	-	-	-
Other operating liabilities	22,265	15,014	-	-	-	-	-	-
Guarantees issued and loan commitments	315	295	86	79	-	-	20	23

	6 months ended		6 months ended		6 months ended		6 months ended	
NLB Group	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024
Interest income	34	30	10	10	-	-	-	-
Interest expenses	(12)	(16)	(2)	(3)	-	-	(1)	(2)
Fee income	11	10	4	5	2	1	1	1
Other income	10	9	-	-	-	-	-	-
Other expenses	-	-	-	-	(44)	(54)	-	-

	6 months ended		6 months ended		6 months ended		6 months ended	
NLB	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024
Interest income	34	30	10	10	-	-	-	-
Interest expenses	(12)	(16)	(2)	(3)	-	-	(1)	(2)
Fee income	11	10	4	5	2	1	1	1
Other income	10	9	-	-	-	-	-	-
Other expenses	-	-	-	-	(44)	(54)	-	-

Key management compensation – payments in the period

in EUR thousands

	Management Board		Other key management personnel	
	6 months ended		6 months ended	
NLB Group and NLB	June 2025	June 2024	June 2025	June 2024
Short-term benefits	1,948	1,809	4,252	3,666
Cost refunds	5	4	64	60
Long-term bonuses				
- severance pay	-	-	-	183
- other benefits	9	9	128	91
- variable part of payments	3,180	951	4,283	2,361
Total	**5,142**	**2,773**	**8,727**	**6,361**

Short-term benefits include:

- monetary benefits (gross salaries, supplementary insurance, holiday allowances, other bonuses); and
- non-monetary benefits (company cars, health care, residential facilities, etc.).

Cost reimbursement comprises food allowances, travel expenses, and the use of own resources.

Related-party transactions with subsidiaries, associates and joint ventures

in EUR thousands

	NLB Group			
	Associates		Joint ventures	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Loans and deposits issued	5	12	-	-
Loans and deposits received	11,255	10,333	4,318	1,596
Other financial assets	3	7	-	-
Other financial liabilities	352	1,642	-	-
Guarantees issued and loan commitments	35	28	-	-

	6 months ended		6 months ended	
	June 2025	June 2024	June 2025	June 2024
Interest expenses	-	-	(72)	(22)
Fee income	4	4	-	-
Fee expenses	(8,214)	(8,057)	-	-
Other income	21	21	2	2
Other expenses	(568)	(339)	-	-

in EUR thousands

	NLB					
	Subsidiaries		Associates		Joint ventures	
	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Loans and deposits issued	1,583,839	1,412,599	5	12	-	-
Loans and deposits received	215,177	160,582	11,255	10,333	432	433
Other equity instruments	51,818	19,930	-	-	-	-
Derivatives						
Fair value	2,798	2,090	-	-	-	-
Contractual amount	173,776	206,739	-	-	-	-
Other financial assets	8,045	3,092	3	7	-	-
Other financial liabilities	3,467	4,545	40	1,394	-	-
Guarantees issued and loan commitments	122,006	100,348	35	28	-	-
Received loan commitments and financial guarantees	10,693	11,103	-	-	-	-

	6 months ended		6 months ended		6 months ended	
	June 2025	June 2024	June 2025	June 2024	June 2025	June 2024
Interest income	29,920	13,972	-	-	-	-
Interest expenses	(2,352)	(4,746)	-	-	-	-
Fee income	8,736	7,023	4	4	-	-
Fee expenses	(3)	(1)	(5,864)	(6,290)	-	-
Other income	1,370	1,064	21	21	1	1
Other expenses	(4,085)	(3,081)	(349)	(336)	-	-
Gains less losses from financial assets and liabilities held for trading	1,445	(2,479)	-	-	-	-
Gains less losses from non-trading financial assets mandatorily at fair value through profit or loss	205	417	-	-	-	-

Related-party transactions with major shareholder with significant influence

in EUR thousands

	NLB Group		NLB	
Shareholder	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Loans and deposits issued	12,689	14,113	12,689	14,113
Investments in securities	779,987	748,456	740,014	708,957
Investments in securities (trading book)	50	-	50	-
Other financial assets	148	113	148	113
Other financial liabilities	36	60	36	60
Guarantees issued and loan commitments	1,603	1,681	1,603	1,681

	6 months ended		6 months ended	
	June 2025	June 2024	June 2025	June 2024
Interest income	7,167	5,467	6,574	5,091
Fee income	1,025	647	1,025	647
Fee expenses	(15)	(12)	(15)	(12)
Other income	120	124	120	124
Other expenses	(5)	(1)	(5)	(1)
Gains less losses from financial assets and liabilities held for trading	1	-	1	-

NLB Group discloses all transactions with the major shareholder with significant influence. For transactions with other government-related entities, NLB Group discloses individually significant transactions above EUR 40 million and their business accounts balances. No significant transactions were recorded during the first six months ended 30 June 2025 and 2024.

in EUR thousands

	Balance of all significant transactions at end of the period		Number of significant transactions at end of the period	
NLB Group and NLB	30 Jun 2025	31 Dec 2024	30 Jun 2025	31 Dec 2024
Loans	410,127	386,762	6	6
Debt securities measured at amortised cost	-	63,912	-	1
Borrowings, deposits and business accounts	-	40,159	-	1
Guarantees issued and loan commitments	40,000	105,546	1	3

in EUR thousands

	Effects in the income statement during the period	
	6 months ended	
NLB Group and NLB	June 2025	June 2024
Interest income from loans	7,079	9,177
Fees and commissions income	45	18
Interest income from debt securities measured at amortised cost and net valuation effects from hedge accounting	621	770

8. Subsidiaries

NLB Group's subsidiaries as at 30 June 2025:

in %

	Nature of Business	Country of Incorporation	NLB Group		NLB	
			Shareholding	Voting rights	Shareholding	Voting rights
Core members						
NLB Banka a.d., Skopje	Banking	North Macedonia	86.97	86.97	86.97	86.97
NLB Banka a.d., Podgorica	Banking	Montenegro	99.87	99.87	99.87	99.87
NLB Banka a.d., Banja Luka	Banking	Bosnia and Herzegovina	99.85	99.85	99.85	99.85
NLB Banka sh.a., Prishtina	Banking	Kosovo	82.38	82.38	82.38	82.38
NLB Banka d.d., Sarajevo	Banking	Bosnia and Herzegovina	97.34	97.35	97.34	97.35
NLB Komercijalna banka a.d. Beograd	Banking	Serbia	100	100	100	100
NLB Skladi d.o.o., Ljubljana	Finance	Slovenia	100	100	100	100
NLB Fondovi a.d., Beograd	Finance	Serbia	100	100	-	-
NLB Fondovi a.d. Skopje	Finance	North Macedonia	100	100	-	-
NLB Lease&Go, leasing d.o.o., Ljubljana	Finance	Slovenia	100	100	100	100
NLB Lease&Go, d.o.o. Skopje(i)	Finance	North Macedonia	100	100	-	-
NLB Lease&Go leasing d.o.o. Beograd(ii)	Finance	Serbia	99.80	99.80	-	-
NLB Car&Go, upravljanje spletnih platform, d.o.o., Ljubljana	Web portal	Slovenia	100	100	-	-
Summit Leasing Slovenija d.o.o., Ljubljana	Finance	Slovenia	100	100	100	100
Mobil Leasing d.o.o., Zagreb	Finance	Croatia	100	100	-	-
NLB MUZA Zavod za upravljanje kulturne dediščine, Ljubljana	Cultural heritage management	Slovenia	100	100	100	100
NLB DigIT d.o.o., Beograd	IT services	Serbia	100	100	100	100
NLB Real Estate d.o.o., Podgorica	Real estate	Montenegro	100	100	100	100
NLB Real Estate d.o.o., Beograd	Real estate	Serbia	100	100	100	100
NLB Real Estate d.o.o., Ljubljana	Real estate	Slovenia	100	100	100	100
Non-core members						
NLB Crna Gora d.o.o., Podgorica	Finance	Montenegro	100	100	100	100
NLB InterFinanz AG, Zürich in Liquidation	Finance	Switzerland	100	100	100	100
NLB InterFinanz d.o.o., Beograd - u likvidaciji	Finance	Serbia	100	100	-	-
LHB AG, Frankfurt	Finance	Germany	100	100	100	100
PRO-REM d.o.o., Ljubljana - v likvidaciji(iii)	Real estate	Slovenia	100	100	-	-
OL Nekretnine d.o.o., Zagreb - u likvidaciji	Real estate	Croatia	100	100	-	-
NLB Srbija d.o.o., Beograd	Real estate	Serbia	100	100	100	100

(i)51% ownership of NLB Lease&Go, leasing, d.o.o., Ljubljana and 49% ownership of NLB Banka a.d., Skopje.
(ii)50.89% ownership of NLB Lease&Go, leasing, d.o.o., Ljubljana and 48.91% NLB Komercijalna banka a.d. Beograd.
(iii)100% ownership of NLB Real Estate d.o.o., Ljubljana.

NLB Group's subsidiaries as at 31 December 2024:

in %

	Nature of Business	Country of Incorporation	NLB Group		NLB	
			Shareholding	Voting rights	Shareholding	Voting rights
Core members						
NLB Banka a.d., Skopje	Banking	North Macedonia	86.97	86.97	86.97	86.97
NLB Banka a.d., Podgorica	Banking	Montenegro	99.87	99.87	99.87	99.87
NLB Banka a.d., Banja Luka	Banking	Bosnia and Herzegovina	99.85	99.85	99.85	99.85
NLB Banka sh.a., Prishtina	Banking	Kosovo	82.38	82.38	82.38	82.38
NLB Banka d.d., Sarajevo	Banking	Bosnia and Herzegovina	97.34	97.35	97.34	97.35
NLB Komercijalna banka a.d. Beograd	Banking	Serbia	100	100	100	100
NLB Skladi d.o.o., Ljubljana	Finance	Slovenia	100	100	100	100
NLB Fondovi a.d., Beograd	Finance	Serbia	100	100	-	-
NLB Fondovi a.d. Skopje	Finance	North Macedonia	100	100	-	-
NLB Lease&Go, leasing d.o.o., Ljubljana	Finance	Slovenia	100	100	100	100
NLB Lease&Go, d.o.o. Skopje(i)	Finance	North Macedonia	100	100	-	-
NLB Lease&Go leasing d.o.o. Beograd(ii)	Finance	Serbia	99.80	99.80	-	-
NLB Car&Go, upravljanje spletnih platform, d.o.o., Ljubljana	Web portal	Slovenia	100	100	-	-
Summit Leasing Slovenija d.o.o., Ljubljana(iii)	Finance	Slovenia	100	100	-	-
Mobil Leasing d.o.o., Zagreb	Finance	Croatia	100	100	-	-
NLB MUZA Zavod za upravljanje kulturne dediščine, Ljubljana	Cultural heritage management	Slovenia	100	100	100	100
NLB DigIT d.o.o., Beograd	IT services	Serbia	100	100	100	100
NLB Real Estate d.o.o., Podgorica	Real estate	Montenegro	100	100	100	100
NLB Real Estate d.o.o., Beograd	Real estate	Serbia	100	100	100	100
NLB Real Estate d.o.o., Ljubljana	Real estate	Slovenia	100	100	100	100
Non-core members						
NLB Crna Gora d.o.o., Podgorica	Finance	Montenegro	100	100	100	100
NLB InterFinanz AG, Zürich in Liquidation	Finance	Switzerland	100	100	100	100
NLB InterFinanz d.o.o., Beograd - u likvidaciji	Finance	Serbia	100	100	-	-
LHB AG, Frankfurt	Finance	Germany	100	100	100	100
PRO-REM d.o.o., Ljubljana - v likvidaciji(iv)	Real estate	Slovenia	100	100	-	-
OL Nekretnine d.o.o., Zagreb - u likvidaciji	Real estate	Croatia	100	100	-	-
NLB Srbija d.o.o., Beograd	Real estate	Serbia	100	100	100	100
SLS HOLDCO, holdinška družba, d.o.o. Ljubljana	Finance	Slovenia	100	100	100	100

(i)51% ownership of NLB Lease&Go, leasing, d.o.o., Ljubljana and 49% ownership of NLB Banka a.d., Skopje.
(ii)50.89% ownership of NLB Lease&Go, leasing, d.o.o., Ljubljana and 48.91% NLB Komercijalna banka a.d. Beograd.
(iii)100% ownership of SLS HOLDCO, holdinška družba, d.o.o. Ljubljana.
(iv)100% ownership of NLB Real Estate d.o.o., Ljubljana.

9. Events after the end of the reporting period

No events took place after 30 June 2025 that would have had a materially significant influence on the presented condensed interim financial statements.

Glossary of Terms and Definitions

AC	Amortised Cost
AGRO	Agriculture segment
AI	Artificial Intelligence
ALCO	Asset-Liability Committee
ALM	Asset and Liability Management
AML	Anti-Money Laundering
aop	Average of the period
API	Alternative Performance Indicators
ASF	Available Stable Funding
AT1	Additional Tier 1 capital
AuM	Assets under Management
AVA	Additional Valuation Adjustments
BiH	Bosnia and Herzegovina
BoS	Bank of Slovenia
bps	Basis Points
CAGR	Compound Annual Growth Rate
CB	Central Bank
CBR	Combined Buffer Requirement
CC	Contact Centre
CCF	Credit Conversion Factor
CCYB	Countercyclical Capital Buffer
CEO	Chief Executive Officer
CET1	Common Equity Tier 1
CFO	Chief Financial Officer
CIR	Cost-to-Income Ratio
CMO	Chief Marketing Officer
CoC	Cost of Capital
CoR	Cost of Risk
CPI	Consumer Price Index
CRO	Chief Risk Officer
CRR	Capital Requirement Regulation
CSD	Central Security Depository
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainable Reporting Directive
CTO	Chief Transformation Officer
CVA	Credit Value Adjustment
DGS	Deposit Guarantee Scheme
EBA	European Banking Authority
EBRD	European Bank for Reconstruction and Development
ECB	European Central Bank
ECL	Expected Credit Losses
ESI	Economic Sentiment Indicator
ESG	Environmental, Social and Governance
ESMA	European Securities and Markets Authority
EVE	Economic Value of Equity

FTP	Fund Transfer Price
FVOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
FX	Foreign Exchange
GDP	Gross Domestic Product
GDR	Global Depositary Receipts
HICP	Harmonised Index of Consumer Prices
HQLA	High-Quality Liquid Assets
IAS	International Accounting Standard
ICAAP	Internal Capital Adequacy Assessment Process
IFRS	International Financial Reporting Standard
ILAAP	Internal Liquidity Adequacy Assessment Process
IVS	International Valuation Standards
KPI	Key Performance Indicator
LCR	Liquidity Coverage Ratio
LRE	Leverage Ratio Exposure
LTD	Loan-to-Deposit Ratio
M&A	Mergers and Acquisitions
MPE	Multiple Point of Entry
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
MS	Mid-Swap Rate
NFC	Non-Financial Corporation
NII	Net Interest Income
NLB or the Bank	NLB d.d., Ljubljana
NPE	Non-Performing Exposures
NPL	Non-Performing Loans
NSFR	Net Stable Funding Ratio
NZBA	Net-Zero Banking Alliance
OBM	Operational Business Margin
OCI	Other Comprehensive Income
OCR	Overall Capital Requirement
O-SII	Other Systemically Important Institution
P2G	Pillar 2 Guidance
P2R	Pillar 2 Requirements
PMI	Purchasing Managers’ Index
POCI	Purchased or Originated Credit-Impaired
pp	Percentage point(s)
PRS	Preferred Resolution Strategy
P&L	Profit and Loss
ROA	Return on Assets
ROE	Return on Equity
RoS	Republic of Slovenia
RSF	Required Stable Funding
RWA	Risk Weighted Assets
SEE	South-Eastern Europe
SEE banking members	NLB Group members in the following countries: Serbia, North Macedonia, Bosnia and Herzegovina, Kosovo, and Montenegro
SLS	Summit Leasing Slovenija
SME	Small and Medium-sized Enterprises

SPPI	Solely Payments of Principal and Interest
SREP	Supervisory Review and Evaluation Process
SRF	Single Resolution Fund
SSM	Single Supervisory Mechanism
SyRB	Systemic Risk Buffer
T1	Tier 1 Capital
T2	Tier 2 Capital
TCR	Total Capital Ratio
The Group	NLB Group
TREA	Total Risk Exposure Amount
TSCR	Total SREP Capital Requirement
UNEP FI	United Nations Environment Programme Finance Initiative