November 6, 2025

Delivering Profitable and Sustainable Growth, Coupled With Transformational Strategic Investments for Future-proofing

NLB Group showed robust performance in Q3 2025 with a result after tax of **EUR 131.6 million** on the back of very strong loan growth across all geographies and client segments. With a YTD **result after tax of EUR 406.0 million in the first nine months**, the Group continues to show consistent, high-quality performance across all markets of its operations in South-eastern Europe (SEE).

Total **gross loans grew by 11% year-to-date**, supported by favourable financing conditions, and the Group's ongoing transformation of its sales model and customer engagement approach. Growth was broad-based – in Slovenia, corporate and state loans increased by 10% and retail loans by 8%, while in SEE markets lending growth reached 13–14%, reflecting both macro tailwinds and improved sales effectiveness.

The Group's topline remained resilient at a level of EUR 963 million in the first nine months despite interest rates falling 150bps YoY thanks to continued strong loan growth and deliberate reduction of NII sensitivity with enhancement of long-term exposures. On the back of a stabilising rate environment, **net interest income grew by 2% quarter-on-quarter. Net fees and commissions increased by a very solid 8% year-on-year**, importantly driven by growing our share of wallet in retail and specifically in asset management and insurance distribution, in line with our strategic priorities.

Despite various current global macro headwinds affecting all of Europe, NLB Group remains **optimistic about delivery of our 2030 strategic ambitions** of reaching EUR 50 billion in Total Assets and EUR 1 billion in net-profit on the basis of the inherent growth potential within our specific geographic footprint which on average still shows about half the banking penetration levels of the Eurozone. In particular, healthy wage growth and low unemployment rates are continuing to support private spending, thus driving strong retail loan expansion. Further public consumption is expected to remain robust, and exports are projected to rebound with stronger demand from the EU.

"We maintain a positive outlook on our near-term financial performance, while steadfastly focusing on mid- to long-term growth opportunities, whether driven by external market dynamics or by initiatives within our own operation," emphasized **NLB's CEO Blaž Brodnjak** upon publication of the results. "Central to our strategy is a commitment to our clients: by investing in digital capabilities and reimagining end-to-end processes, we aim to deliver seamless, meaningful experiences at every touchpoint. Embracing a digital-first business model is not just about efficiency and productivity – it is about creating lasting value for them and our stakeholders, and shaping the future of how we connect, serve, and grow together."

The **Chairman of the Supervisory Board Primož Karpe** also commented on the Group's results in the third quarter, stating: "The Supervisory Board recognises the Group's solid foundational performance, which demonstrates that even amidst an uncertain economic landscape the Group continues not only to navigate challenges successfully, but also addresses its digital transformation and growth ambitions. The latter remain the pinnacle of our focus because alongside the robust growth of volumes across the existing product categories, we are aware that the only way to increase the speed-to-serve and decrease the cost-to-serve of our customers is to smartly and relentlessly accelerate our digital and organisational innovation. That requires investing into best practice tech stack and talent together with an absolute focus on customer centricity and new client acquisition both across our geographies and across our expanding services ecosystem."

Transformation of the operating model from product oriented to customer-centric approach is therefore ongoing. The new client acquisition efforts are driven by our elevated readiness to digitally transform our processes and offerings and our service orientation. This shift leads to **increased share of clients' wallets** and is seen by our efforts to **expand and invest into the ecosystem of adjacent banking services**, such as asset management, bancassurance and trade finance, leasing, payment rails, among others.

Deliberate strategic investments in technology, AI, and people are driving NLB's transformation into a faster, more efficient, and customer-centric organization. These investments aim to increase **speed to serve and reduce cost to serve, while maintaining high customer satisfaction** (transactional NPS remains solid with upward trend across key products and markets). These investments are the foundation of our long-term competitiveness, enabling faster, more efficient, and more personalized client service.

The Group's **balance sheet remains very robust, with sound portfolio quality** and growth of the funding base achieved without material increases in average funding cost – a key competitive strength of our banking Group.

Key Highlights of the Q3

Earnings Review: Income Statement Highlights and Trends[1]

NLB Group recorded a solid performance in the third quarter, adding a **EUR 131.6 million result after tax** to the combined EUR 406.0 million in the first nine months. **The result before impairments and provisions with EUR 172.3 million increased by 5% QoQ**, which indicates strong underlying operating performance. Asset quality remains robust, even though the Group has witnessed some increase in impairments and provisions for credit risk in the third quarter (EUR 16.0 million versus EUR 14.7 million released in the previous quarter). The establishment of impairments and provisions has translated to an 11% lower quarterly result after tax.

Net interest income in the third quarter reached EUR 236.5 million, the second-best NII result in the history of NLB Group. With the average ECB key rate continuing to decline during the third quarter, the 2% quarterly growth in NII can be attributed to the following selected components:

- Higher loan volumes almost entirely offsetting the effect of lower average interest rates. Including the positive effect of a greater number of days (EUR 2.4 million), the quarterly net contribution from loans to customers to net interest income amounted to EUR 1.8 million.
- Interest income from securities increased by EUR 1.8 million as a combination of higher volumes and improved yields.
- Interest income from balances at banks and central banks declined by EUR 1.0 million, driven mainly by lower interest rates.
- Interest expenses from customer deposits increased by EUR 1.3 million, driven by higher volumes and more days in the quarter, while the cost of funding remained stable.

The Group has and continues to put a lot of emphasis on managing its NII sensitivity. In 2025, NII sensitivity for the hypothetical, immediate parallel shift of 100 bps of the yield curve decreased by EUR 5.3 million, or 20 basis points of T1 capital (from 2.47% to 2.27%). Based on the assumption of a static balance sheet at the end of third quarter, NII sensitivity for 100 bps rate shock translates to EUR 65.4 million lower net interest income. This is roughly the same level as in the previous quarter as the Group did not undertake any material targeted NII sensitivity management actions in Q3 2025 due to the uncertainty surrounding the future path of interest rates.

Net fee and commission income grew QoQ by 5% to EUR 87.1 million. The quarterly growth was mainly the consequence of a continued strong momentum in the asset management business (adding EUR 13.8 million to NFCI), with NLB Skladi achieving EUR 176.7 million in net inflows, representing 53.7% of the total market's net inflows and leading to a 42.2% market share in Slovenia. Other value-added financial services,

[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 5.6 million in 1-9-2025 and EUR 2.2 million in 1-9=2024).

such as bancassurance and investment banking, together with the aforementioned asset management business increased their proportion in total net fee and commission income, from 20.7% to 23.0% from 1-9-2024 to the 1-9-2025. The bancassurance business recorded notable growth in the SEE markets, in addition to Slovenia, validating our strategic ambition by replicating success in selected business areas across markets. **Net non-interest income (NNII) reached EUR 91.7 million in the third quarter of 2025 versus EUR 92.1 million in the previous quarter**.

Total costs in the third quarter **remained broadly in line with the previous quarter** amounting to **EUR 147.3 million**. The Group is observing a **moderation in underlying cost dynamics** with like-for-like cost growth (excluding SLS Group related costs and non-recurring G&A and HR costs) **at 5.5%** for the first nine months of the year versus the same period in 2024. The key drivers of cost growth remain employee-related expenses, reflecting Group-wide salary adjustments to match market levels, and activities aimed at accelerating digitisation – particularly through investments in talent and information technology.

CIR (excluding BS tax) **stood at 46.1%**. Given expected seasonality in expenses and continued push for further technological enhancements the full-year CIR target has been revised upward to approximately 49% (further details in the Outlook).

Asset quality

The global economy is experiencing a slowdown in 2025, with GDP growth rates projected to decline. The uncertainty and tighter financial conditions may affect the quality of the credit portfolio. Nevertheless, our portfolio remains well diversified, with no significant exposure to any single industry or client segment. Maintaining this diversification is crucial, as geopolitical tensions, the green transition, and other macroeconomic factors could disproportionately impact specific sectors.

In Q3 2025, **net impairments and provisions for credit risk were established in the amount of EUR 16.0 million**. The established provisions were primarily driven by portfolio developments, including new financing and credit quality deterioration of certain companies, while repayments of written-off receivables and model adjustments resulted in provision releases. The **Cost of risk** for 1-9-2025 stood at **9 bps**. Full-year guidance remains in the range of 30 to 50 bps, with expectations to end on the lower end of the range.

The global automotive industry, which significantly influences the European market, is facing unfavourable trends. These challenges may impact Slovenia's economy, given the export-oriented nature of its automotive industry and its integration into the European supply chain. NLB Group has reviewed its portfolio and identified some risks among companies involved in automotive components manufacturing, resulting in downgrades and re-staging of certain exposures. Clients from the automotive industry may be subject to closer monitoring under the Early Warning System (EWS) and consequently classified under Stage 2 or 3.
Exposure to the automotive industry remains low, as manufacturing of car components accounts for 1.8% and car sales, including maintenance, represent 2.4% of the corporate portfolio.

The NLB Group region's resilience to the crisis and portfolio diversification resulted in a moderate cumulative new NPL formation in the first nine months of 2025, amounting to EUR 179.9 million or 0.8% of the total loan portfolio. The Group's credit portfolio remains of high quality, supported by prudent lending standards and effective early warning systems. Despite a slight increase in the **NPL ratio to 1.7%** as at 30 September 2025, compared to 1.6% as at YE 2024, the Group's higher-quality credit portfolio continued to grow significantly, reflecting the effectiveness of prudent lending practices and robust risk management.

in EUR millions/%

	1–9 2025	1–9 2024	Change YoY	Q3 2025	Q2 2025	Q3 2024	Change QoQ
Key Income Statement Data							
Net operating income	963.2	921.8	4%	328.2	324.6	318.8	1%
Net interest income	702.9	694.2	1%	236.5	232.5	233.7	2%
Net non-interest income	260.3	227.7	14%	91.7	92.1	85.1	0%
o/w Net fee and commission income	250.2	231.9	8%	87.1	82.7	81.9	5%

Total costs	-443.7	-397.0	-12%	-147.3	-152.5	-139.2	3%
Tax on balance sheet	-24.7	-24.6	0%	-8.5	-8.2	-8.3	-4%
Result before impairments and provisions	494.8	500.3	-1%	172.3	164.0	171.3	5%
Impairments and provisions	-13.5	7.8	-	-16.0	14.7	-2.6	-
Impairments and provisions for credit risk	-10.2	12.3	-	-16.0	20.3	0.6	-
Other impairments and provisions	-3.3	-4.5	26%	0.0	-5.6	-3.2	-
Result after tax	406.0	427.5	-5%	131.6	148.5	135.5	-11%

Financial Position Highlights and Key Developments

The Group's **total assets amounted to EUR 30,393.3 million**, including EUR 18,584.3 million in NLB d.d., reflecting a 9% YtD increase. This represents growth of EUR 2,357.9 million YtD and EUR 3,149.9 million YoY. The Group maintained a healthy funding profile alongside loan growth, with a stable **LTD ratio (net) of 77.1%** and strong liquidity at the Group level. Loan production was financed through a combination of customer deposits and the EUR 500 million issuance of senior preferred notes in January 2025.

In Q3 2025, loan volume growth continued at a strong pace across geographies and segments, reaching **11% YtD** at the Group level, **with gross loans totalling EUR 18,588.6 million.**

In Slovenia, business activity remained robust, supported by the vibrant new loan production. NLB recorded a substantial **10% YtD growth in gross loans to corporate and state**, largely driven by stronger investment activity, higher working-capital needs, and renewed business confidence bolstered by easing financing conditions. **Loans to individuals grew by 8%**, with notable momentum in housing lending with EUR 547.3 million new housing loans approved in the first nine months of 2025, compared to EUR 341.9 million during the same period of 2024. Simultaneously, new production of consumer loans remained strong, with EUR 434.1 million from January to September 2025, compared to EUR 406.3 million in the first nine months of 2024.

However, the SEE banks, demonstrated even higher loan growth, as **gross loans to individuals** grew at **14% and gross loans to corporate and state expanded by 13%**. This performance was fuelled by a favourable combination of declining interest rates and improving economic activity, combined with higher demand for investment and working-capital financing.

Average lending rates in Q3 2025 declined to 5.66% across SEE and 4.11% in Slovenia, translating to an average lending rate 5.08% on the Group level. This decline in rates was driven by two key factors: lower market rates following the ECB's monetary easing, and a deliberate Group action to align with client expectations.

Customer deposits grew by 6% YtD (by EUR 1,427.1 million) to reach EUR 23,633.4 million, with deposit growth resuming in the third quarter. **Deposit rates** showed a clear divergence between Slovenia and the SEE markets. In Slovenia, the average quarterly deposit rate declined to 0.29% following the ECB's easing policy. Conversely, deposit rates in SEE markets increased to an average rate of 0.79%, driven by a combination of heightened liquidity needs and intensified competition for funding. Average quarterly interest rate on the Group level for deposits from customers has remained stable with 0.52%. Equally, quarterly cost of wholesale funding decreased by 109 basis points to 5.01% year-over-year. The overall cost of funding for the NLB Group remains stable and is even moderately declining – an integral part of continued profitable growth and important differentiator from many other banks.

As at 30 September 2025, the **Group's Total Capital Ratio (TCR) stood at 17.9%**, representing a 0.9 pp decrease compared to the end of 2024, while the **CET1 ratio** stood at **14.7%,** both remaining well above regulatory requirements. The decrease in total capital adequacy was primarily a result of a higher RWA, which grew by EUR 900.5 million compared to the end of 2024.

The first tranche of dividends from the 2024 profit was confirmed at the June General Meeting of NLB d.d. and has already been paid out. Shareholders received dividends of EUR 128.6 million or EUR 6.43 gross per share. **The second tranche**, proposed for approval at the 45th General Meeting scheduled for 15 December 2025, **amounts to EUR 128.6 million, or EUR 6.43 gross per share**, and is planned to be paid on 23 December 2025. This will bring the total dividend payout to EUR 257.2 million, representing **50% of last year's profit and corresponding to a strong dividend yield of 7.1%**, based on the closing share price on 30 September 2025. Important to note, the total capital does not include the envisaged amount for this second tranche. Therefore, the payment of this dividend has no effect on the capital position.

in EUR millions/%/p.p.

	30 Sep 25	30 Jun 25	31 Dec 24	30 Sep 24	Change YtD	Change YoY	Change QoQ
Key Financial Position Statement Data							
Total assets	30,393.3	29,573.0	28,035.4	27,243.4	8%	12%	3%
Gross loans to customers	18,588.6	17,834.5	16,721.4	16,071.4	11%	16%	4%
Net loans to customers	18,212.0	17,481.5	16,363.6	15,739.3	11%	16%	4%
Deposits from customers	23,633.4	22,837.8	22,206.3	21,373.9	6%	11%	3%
Equity (without non-controlling interests)	3,512.5	3,386.2	3,226.0	3,242.1	9%	8%	4%
Other Key Financial Indicators							
LTD	77.1%	76.5%	73.7%	73.6%	3.4 pp	3.4 pp	0.5 pp
Common Equity Tier 1 Ratio	14.7%	15.3%	15.3%	14.9%	-0.6 pp	-0.2 pp	-0.4 pp
Tier 1 Ratio	15.1%	15.5%	15.8%	15.4%	-0.7 pp	-0.3 pp	-0.4 pp
Total capital ratio	17.9%	18.4%	18.7%	18.6%	-0.9 pp	-0.7 pp	-0.5 pp
Total risk exposure amount (RWA)	19,116.6	18,608.2	18,216.1	17,064.0	5%	12%	3%
Employees							
Number of employees	8,179	8,268	8,322	8,343	-143	-164	-89

The resilience of the **net interest margin**, which saw a contained decline of 0.31 pp YoY to **3.34%**, is a consequence of effectively mitigating downward pressure from the declining interest rate environment. This was achieved by strategically replacing less profitable central bank balances with a more lucrative loan portfolio acquired from the SLS Group, coupled with an increased volume of loans to customers, and new securities investments.

in %/pp/bps

Key Financial Indicators	1-9 2025	1-9 2024	Change YoY
Return on equity after tax (ROE a.t.)	16.0%	18.6%	-2.6 pp
Return on equity after tax (ROE a.t.) normalised (i)	22.8%	29.0%	-6.2 pp
Return on assets after tax (ROA a.t.)	1.9%	2.2%	-0.3 pp
Net interest margin (on interest-bearing assets)	3.34%	3.65%	-0.31 pp
Operational business margin	4.62%	4.98%	-0.36 pp
Cost-to-income ratio (CIR)(ii)	46.1%	43.1%	3.0 pp
Cost of risk net (bps)	9	-12	21

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

A Forward-Looking Outlook and Strategic Priorities[2]

NLB Group remains optimistic about its financial performance in the near term yet remains focused on mid- to long-term business opportunities. Investments in digital capabilities and the end-to-end streamlining of processes will play an important role in the outlook for this and the next year. The Group is fast-forwarding digital investments which will impact costs during the planning period. At the same time, the Group is actively transforming its business model into a digital-first approach and expects these strategic changes to deliver enhanced productivity in the subsequent years.

Based on the evolution of recurring income in the first nine months, we are **hiking the revenue guidance**, as we now expect revenues **to exceed EUR 1,200 million** from previous guidance of being around that level. This upgrade reflects not only the solid performance across all business segments, but also strong loan growth and robust client activity. It underlines NLB Group's obvious ability to deliver financial solutions that meet client expectations.

Cost-to-income ratio in 2025 is expected to hover around 49%, a slight increase from the previous guidance. The revision is driven by rising talent costs as both minimum and average wages across the region have ticked up, following amendments to wage bills introduced by several governments. While this has positively impacted households by improving their capacity and propensity to spend, it has simultaneously impacted NLB Group's talent compensation. The other factor impacting costs is an instrument that aligns shareholder interests with the interests of key banking personnel, namely variable compensation adjustments linked to the share price. These factors combined with the deliberate focus on the digital and strategic agenda, are transitorily adding to the near-term cost outlook. Nevertheless, the core ambition to add new revenue streams, improve user experience, and achieve cost savings within the strategic timeframe, on the back of a transformational drive, remains intact.

Some adjustments to the outlook for ROE a.t. and ROE normalised are therefore warranted, on the back of explained cost dynamics. The Group now expects both return categories to be 50 basis points lower than previously indicated. Specifically, it **expects ROE a.t. to be around 14.5% and ROE normalised around 19.5%**.

The Bank is actively managing its capital and shareholder returns. It is **exploring the possibility of issuing an Additional Tier 1 (AT1) instrument in 2025 or 2026**. In parallel, as previously indicated, a second tranche of dividends is planned later this year, bringing the **total payout to EUR 257.2 million, or 50% of 2024's profit.**

For the time being, the rest of the financial outlook remains as previously indicated. Due to increased uncertainties of the business environment, the Bank will be able to provide a more qualified view on 2026 expectations around the publication of the full-year results.

	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%	**~ 49%**	Below 48%
Cost-of-risk	30–50 bps	30–50 bps	30–50 bps
Loan growth	Low double-digit	Low double-digit	High single-digit
Dividends	50% of 2024 profit	50% of the 2024 profit	50–60% of 2025 profit
ROE a.t. ROE a.t. normalised(i)	~ 15% **~ 20%**	**~ 14.5%** **~ 19.5%**	~ 15% > 20%
M&A potential	M&A capacity of up to EUR 4 billion RWA(ii)		

(i) ROE a.t. normalised = result a.t. divided by the average risk-adjusted capital. An average risk-adjusted capital is calculated as a Tier 1 requirement of average RWA reduced by minority shareholder capital contribution.
(ii) Assisted with the combination of capital from issuing AT1 notes and a temporary reduction of the dividend payments.

[2] The indicated outlook constitutes forward-looking statements which are subject to a number of risk factors and are not a guarantee of future financial performance. The interest rate outlook is uncertain, given the adaptive monetary policy of the ECB and local central banks to the general economic sentiment.

You are Kindly Invited to Join the Q3 Earnings Call

We kindly invite all interested stakeholders to the **presentation of the NLB Group's Third Quarter 2025 results**, hosted by the NLB Management Board. The call will take place on Thursday, 6 November 2025, at 16:00 CEST/15.00 UK and will be available at **https://www.nlb.si/ir-events**.

Members of the Management Board will, as usual, receive and address your questions live during the webcast. However, if you already know what you wish to ask them, you may submit your questions in advance. If you register for the event, you will be able to send them via the web app, or you may simply send them to the email address **IR@nlb.si.**