

NLB Group Pillar III Disclosures

January – September 2026

NLB

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1. Key highlights

(Article 447 of CRR)

Table 1 – EU KM Key metrics template of NLB Group (hereafter 'the Group')

		30.09.2026	30.06.2026	31.03.2026	31.12.2025	30.09.2025
		a	b	c	d	e
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	2,968,416	2,996,708	2,989,016	3,011,596	2,801,169
2	Tier 1 capital	3,353,050	3,381,751	3,374,327	3,396,703	2,885,704
3	Total capital	3,882,281	3,910,662	3,903,260	3,925,585	3,413,854
	Risk-weighted exposure amounts					
4	Total risk exposure amount	20,650,059	20,249,832	20,163,888	19,509,811	19,116,570
4a	Total risk exposure pre-floor	20,650,059	20,249,832	20,163,888	19,509,811	19,116,570
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	14.37%	14.80%	14.82%	15.44%	14.65%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	14.37%	14.80%	14.82%	15.44%	14.65%
6	Tier 1 ratio (%)	16.24%	16.70%	16.73%	17.41%	15.10%
6b	Tier 1 ratio considering unfloored TREA (%)	16.24%	16.70%	16.73%	17.41%	15.10%
7	Total capital ratio (%)	18.80%	19.31%	19.36%	20.12%	17.86%
7b	Total capital ratio considering unfloored TREA (%)	18.80%	19.31%	19.36%	20.12%	17.86%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.10%	2.10%	2.10%	2.12%	2.12%
EU 7e	of which: to be made up of CET1 capital (%)	1.18%	1.18%	1.18%	1.19%	1.19%
EU 7f	of which: to be made up of Tier 1 capital (%)	1.58%	1.58%	1.58%	1.59%	1.59%
EU 7g	Total SREP own funds requirements (%)	10.10%	10.10%	10.10%	10.12%	10.12%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.83%	0.83%	0.83%	0.80%	0.80%
EU 9a	Systemic risk buffer (%)	0.08%	0.08%	0.08%	0.08%	0.08%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer (%)	1.25%	1.25%	1.25%	1.25%	1.25%
11	Combined buffer requirement (%)	4.66%	4.66%	4.66%	4.63%	4.63%
EU 11a	Overall capital requirements (%)	14.76%	14.76%	14.76%	14.75%	14.75%
12	CET1 available after meeting the total SREP own funds requirements (%)	8.66%	9.12%	9.14%	9.75%	7.51%
	Leverage ratio					
13	Total exposure measure	33,873,163	33,356,676	33,708,914	32,988,911	31,945,235
14	Leverage ratio (%)	9.90%	10.14%	10.01%	10.30%	9.03%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14b	of which: to be made up of CET1 capital (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%

		30.09.2026	30.06.2026	31.03.2026	31.12.2025	30.09.2025
		a	b	c	d	e
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value-average)	6,317,598	6,364,778	6,353,009	6,310,337	6,173,362
EU 16a	Cash outflows - Total weighted value	4,019,049	3,947,156	3,800,772	3,703,232	3,599,041
EU 16b	Cash inflows - Total weighted value	596,576	583,824	561,520	533,085	519,638
16	Total net cash outflows (adjusted value)	3,422,473	3,363,332	3,239,252	3,170,147	3,079,403
17	Liquidity coverage ratio (%)	185.02%	189.70%	196.31%	199.40%	200.60%
	Net Stable Funding Ratio					
18	Total available stable funding	26,529,032	26,328,526	26,453,722	26,204,406	25,058,468
19	Total required stable funding	17,372,784	16,955,533	13,940,492	16,008,558	15,595,502
20	NSFR ratio (%)	152.70%	155.28%	189.76%	163.69%	160.68%

Key ratios and figures are reflected throughout the Pillar 3 disclosures, while the summary is presented in Table 1.

Figure 1: Total capital and capital ratio evolution YtD of NLB Group

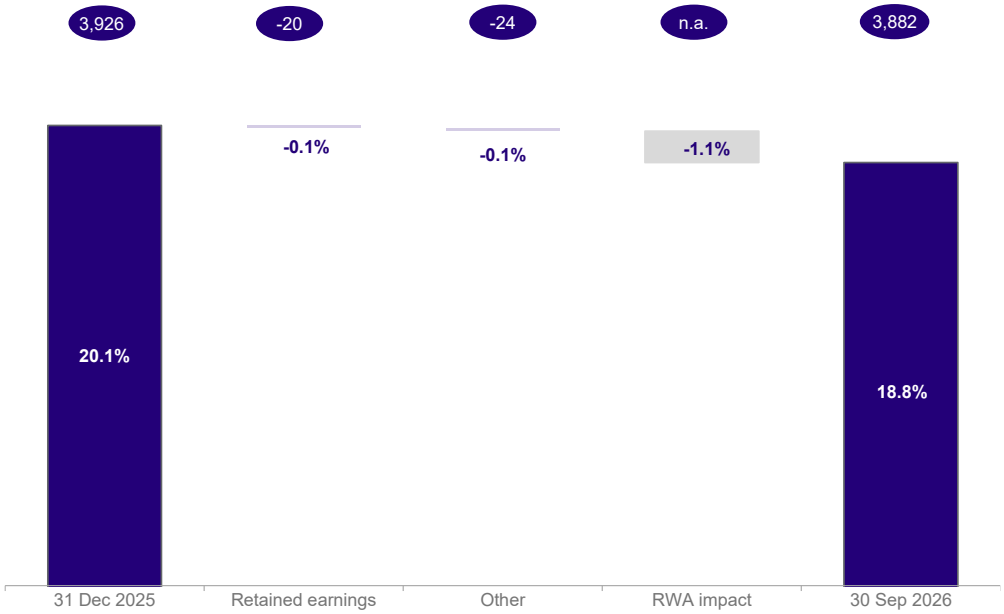
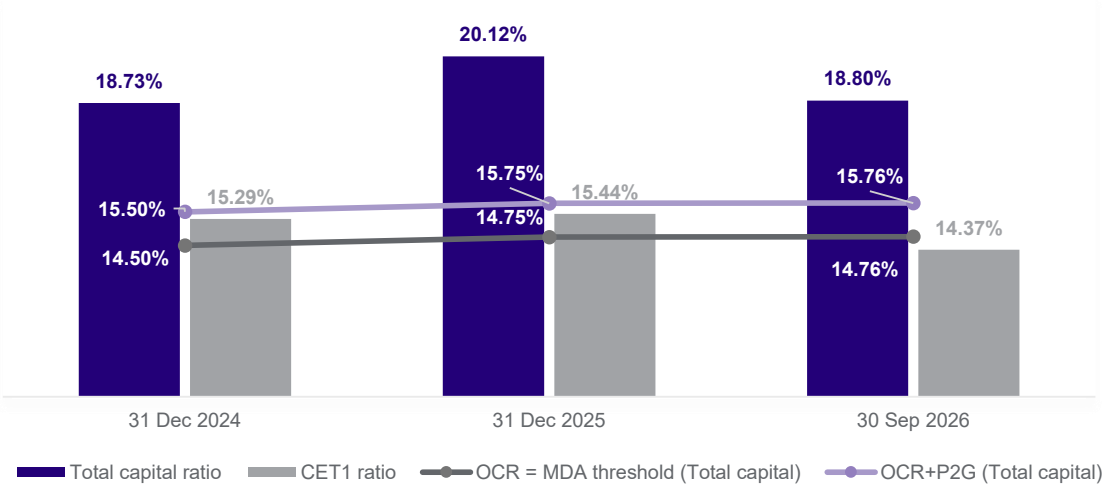


Figure 2: Capital ratios and regulatory thresholds (in %) of NLB Group



2. Introduction

In the context of this document, the 'EU banking legislation' refers to the CRR, CRD, and regulatory/implementing technical standards. It commonly refers to the following three Pillars:

- Pillar 1 sets out mechanisms and requirements for financial institutions to calculate their minimum capital requirements for credit, market, and operational risk.
- Pillar 2 is intended to ensure that each financial institution has sound internal processes in place to assess the adequacy of its capital, based on a thorough evaluation of its risks. Supervisors are tasked with evaluating how well financial institutions assess their capital adequacy needs in light of their risks. Risks not considered under Pillar 1 are considered under this Pillar.
- Pillar 3 intends to complement Pillar 1 and Pillar 2. It requires that financial institutions disclose information on the scope of application of EU banking legislation, particularly covering own funds requirements/risk-weighted exposure amounts (RWEA), resources, risk exposures, and risk assessment processes.

For ease of reference, the requirements described under the last indent above are referred to as 'Pillar 3' in this Report. Pillar 3 contains both qualitative and quantitative disclosure requirements.

All disclosures are prepared on a consolidated basis (Prudential consolidation) and in EUR thousands, unless otherwise stated. Any discrepancies between the data disclosed in this document are due to rounding.

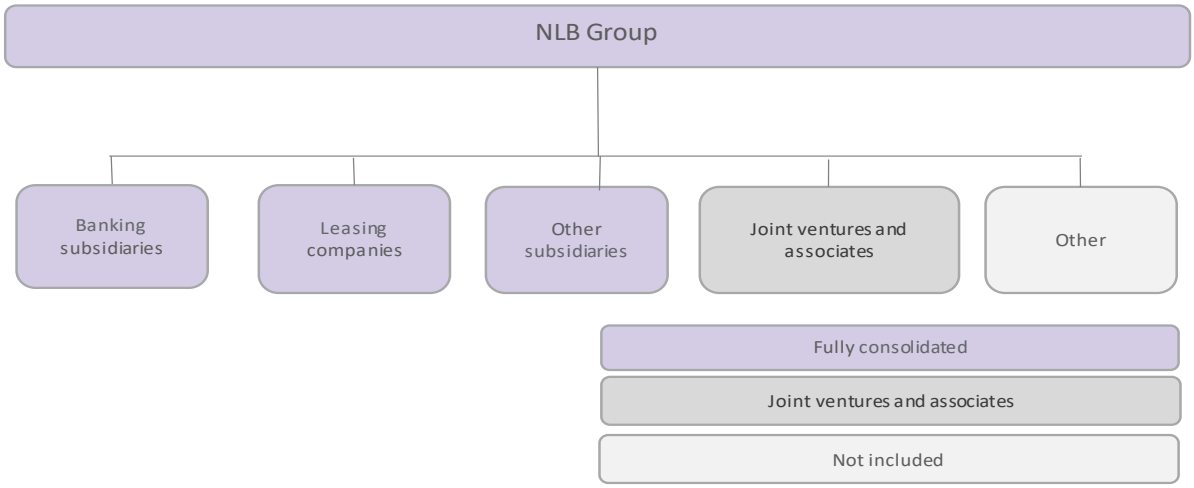
CRD6 requires the Group to disclose information quarterly (CRR Article 433a). To ensure effective communication of the Group's business and risk profile, the Group also pays particular attention to the possibility of providing information more frequently than annually. A separate Pillar 3 document is also published quarterly on NLB's Financial Reports (nlbgroup) website, following the NLB's Annual or Interim Reports for the Group disclosure.

It should be noted that while some quantitative information in this document is based on financial data from the NLB Group Interim Report January – September 2026, other quantitative data is sourced from regulatory reporting (Finrep and Corep) and calculated in accordance with regulatory requirements. Pillar 3 quantitative data is thus not always directly comparable to the quantitative data in the NLB Group Interim Report, January – September 2026.

3. Scope of application

Following the capital legislation, NLB d.d. (LEI Code 5493001BABFV7P27OW30, hereafter 'the Bank') is an 'EU parent bank' and therefore a parent company of the Group. The Bank is therefore obliged to disclose information on a consolidated basis. Consolidated financial statements for Pillar 3 disclosures are based on CRR requirements (regulatory scopes of consolidation). A summarised presentation of the Group in accordance with the regulatory scope of consolidation is presented below.

Figure 3: NLB Group scheme



The consolidation for *accounting purposes* comprises all:

- subsidiaries (banking, leasing, and other subsidiaries) controlled by the Bank or the Group;
- associated companies in which the Group directly or indirectly holds between 20% and 50% of the voting rights, and over which the Group exercises significant influence, but does not have control; and
- jointly controlled companies (i.e., jointly controlled by the Group based on a contractual agreement).

In contrast to the accounting consolidation, the *regulatory consolidation* includes only (in accordance with the definitions under Article 4 of CRR) credit institutions, financial institutions, ancillary service undertakings, and asset management companies.

The difference between accounting consolidation and regulatory consolidation as at 30 September 2026 represents:

- the company operating in the area of other activities, *NLB MUZA Zavod za upravljanje kulturne dediščine, Ljubljana* (the Cultural Heritage Management Institute),
- the IT services company *NLB DigIT d.o.o.*, *Beograd*, and
- the non-financial company for digital business, *NLB Car&Go d.o.o., Ljubljana*,

which are not included in regulatory consolidation, in accordance with Article 4 of CRR. Companies from the Prvi faktor Group are excluded from regulatory consolidation (which would otherwise require the proportional consolidation method under CRD) due to their immateriality under CRR. In the accounting consolidation, the net assets of the Prvi faktor Group using the equity method amount to zero.

4. Capital and capital requirements

4.1. Capital Adequacy

The European banking capital legislation (CRD6), defines three capital ratios reflecting a different quality of capital:

- Common Equity Tier 1 ratio (ratio between common or CET1 capital and risk-weighted exposure amount or RWA), which must be at least 4.5%;
- Tier 1 capital ratio (Tier 1 capital to RWA), which must be at least 6%;
- Total capital ratio (Total capital to RWA), which must be at least 8%.

In addition to the aforementioned ratios, which constitute the Pillar 1 Requirement, the Bank must meet other requirements and recommendations that are imposed by the supervisory institutions or by the legislation:

- The Pillar 2 Requirement (SREP requirement): a bank-specific, obligatory requirement set by the supervisory institution through the SREP process (together with the Pillar 1 Requirement, it represents the minimum total SREP capital requirement – TSCR).
- The applicable combined buffer requirement (CBR) is a system of capital buffers added on top of TSCR; breaching the CBR does not constitute a breach of the capital requirement. Still, it imposes limitations on the payment of dividends and other capital distributions. Some buffers are prescribed by law for all banks, and others are bank-specific, set by the supervisory institution (CBR and TSCR together form the overall capital requirement – OCR).
- Pillar 2 Capital Guidance: a capital recommendation set by the supervisory institution through the SREP process. It is bank-specific and, as a recommendation, not obligatory. Any non-compliance does not affect dividends or other capital distributions; however, it may lead to intensified supervision and the imposition of measures to re-establish a prudent level of capital (including the preparation of a capital restoration plan).

Table 2 – Capital requirements and buffers of NLB Group

		Sep 2026	Dec 2025
Pillar 1 (P1R)	CET1	4.5%	4.5%
	AT1	1.5%	1.5%
	T2	2.0%	2.0%
Pillar 2 (SREP req. - P2R)	CET1	1.18%	1.19%
	Tier 1	1.58%	1.59%
	Total Capital	2.10%	2.12%
Total SREP Capital requirement (TSCR)	CET1	5.68%	5.69%
	Tier 1	7.58%	7.59%
	Total Capital	10.10%	10.12%
Capital conservation buffer	CET1	2.50%	2.50%
O-SII buffer	CET1	1.25%	1.25%
Systemic risk buffer	CET1	0.08%	0.08%
Countercyclical buffer	CET1	0.83%	0.80%
Combined buffer requirement (CBR)		4.66%	4.63%
Overall capital requirement (OCR) = MDA threshold	CET1	10.34%	10.32%
	Tier 1	12.24%	12.22%
	Total Capital	14.76%	14.75%
Pillar 2 Guidance (P2G)	CET1	0.75%	1.00%
OCR + P2G	CET1	11.09%	11.32%
	Tier 1	12.99%	13.22%
	Total Capital	15.51%	15.75%

As at 30 September 2026, the Group's Overall Capital Requirement (OCR) on a consolidated basis remains unchanged compared to the second quarter of 2026 at 14.76%.

Effective from 1 January 2027, the Bank's P2R was reduced from 2.10% to 2.07%, reflecting improved SREP outcomes, while P2G remained unchanged at 0.75%.

The OCR comprises the following components:

- Total SREP Capital Requirement (TSCR): 10.10%, including 8.00% Pillar 1 requirements and 2.10% Pillar 2 requirements (P2R).
- Combined Buffer Requirement (CBR): 4.66%, consisting of 2.50% Capital Conservation Buffer, 1.25% O-SII Buffer, 0.83% Countercyclical Buffer (CCyB) and 0.08% Systemic Risk Buffer.

Table 3: Buffers to maximum distributable amount (MDA)

		30.09.2026
CET1	Actual	14.37%
	Requirement	10.34%
	Buffer	4.03%
AT1	Actual	1.87%
	Requirement	1.89%
	Shortfall	-0.02%
T2	Actual	2.56%
	Requirement	2.53%
	Shortfall	0.00%
MDA Buffer		4.01%

As at 30 September 2026, the Group's TCR stood at 18.8% (a 1.3 pp decrease YtD), while the CET1 ratio stood at 14.4% (a 1.1 pp decrease YtD). The lower total capital adequacy primarily results from an increase in RWA of EUR 1,140.2 million, accompanied by a capital decrease of EUR 43.3 million compared to the end of 2025.

The total capital does not include the envisaged amount to be paid out as a second tranche of the 2026 dividend. Therefore, the dividend payment will not affect the capital position.

The drivers behind the differences between the RWAs in 2026 are explained in Chapter 4.2. Risk-weighted exposure in Table 5 – EU OV1 – An Overview of Risk-weighted exposure amounts of NLB Group.

Table 4 – Capital adequacy of NLB Group

	30.09.2026	31.12.2025
Paid up capital instruments	200,000	200,000
Share premium	871,378	871,378
Retained earnings	1,837,192	1,630,578
Current result	-	226,573
Accumulated other comprehensive income	(12,734)	148
Other reserves	186,332	186,332
Minority interest	45,276	43,668
Prudential filters: Additional Valuation Adjustments (AVA)	(3,036)	(2,965)
(-) Goodwill	(8,069)	(8,069)
(-) Other intangible assets	(81,088)	(71,873)
(-) Deferred tax assets	(59,462)	(60,599)
(-) Insufficient coverage for non-performing exposures	(1,396)	(3,575)
(-) Deduction item related to credit impairments and provisions not included in Capital	(5,977)	-
COMMON EQUITY TIER 1 CAPITAL (CET1)	**2,968,416**	**3,011,596**
Capital instruments eligible as AT1 Capital	382,000	382,000
Minority interest	2,634	3,107
Additional Tier 1 Capital	**384,634**	**385,107**
TIER 1 CAPITAL	**3,353,050**	**3,396,703**
Capital instruments and subordinated loans eligible as T2 Capital	522,921	522,921
Minority interest	6,310	5,961
Tier 2 Capital	**529,231**	**528,882**
TOTAL CAPITAL	**3,882,281**	**3,925,585**
Risk exposure amount for credit risk	17,101,244	16,161,846
Risk exposure amount for market risks	1,768,204	1,564,295
Risk exposure amount for CVA	13,695	16,754
Risk exposure amount for operational risk	1,766,916	1,766,916
TOTAL RISK EXPOSURE AMOUNT (RWA)	**20,650,059**	**19,509,811**
Common Equity Tier 1 Ratio	14.37%	15.44%
Tier 1 Ratio	16.24%	17.41%
Total Capital Ratio	**18.80%**	**20.12%**

4.2. Risk-weighted exposure

(Article 438 d of CRR)

The Group uses the following approaches to calculate Pillar 1 capital requirements on a consolidated basis:

- Credit risk – standardised approach,
- Market risk – simplified standardised approach,
- CVA risk – reduced basic approach (R-BA), and
- Operational risk – standardised approach.

In calculating capital ratios, risk is expressed as a risk exposure amount or a capital requirement. The capital requirement for an individual risk is 8% of its total exposure.

In the first nine months of 2026, the Group's RWA for credit risk increased by EUR 939.4 million, primarily due to portfolio growth in the corporate and retail segments, with a significant share of the loans being at least partially secured by real estate. RWA related to surplus liquidity assets increased only marginally, mainly due to higher deposits with commercial banks and purchases of sovereign debt securities. Additionally, regulatory changes introduced in 2026

contributed to higher RWA, reflecting higher risk weights for certain EU/EEA sovereign exposures denominated in the currency of another Member State, as well as for investment funds classified as equity exposures.

During the first nine months of 2026, RWA for market risk and Credit Value Adjustment (CVA) increased by EUR 200.9 million, mainly driven by an increase in RWA for FX risk (EUR 194.3 million), mostly reflecting higher open positions in BAM, MKD, RSD and USD. RWA for traded debt instruments increased by EUR 9.7 million YtD, mostly due to higher exposures to derivatives and bonds.

Table 5 shows the detailed composition of the Group's risk-weighted exposure amounts at the end of September 2026, June 2026, and December 2025, as well as the Group's own fund (capital) requirements at the end of September 2026.

Table 5 – EU OV1 – An Overview of Risk-weighted exposure amounts of NLB Group

		Total risk exposure amounts (TREA)			Total own funds requirement
		30.09.2026	30.06.2026	31.12.2025	30.09.2026
		a	b	b-3	c
1	Credit risk (excluding CCR)	17,078,928	16,744,377	16,137,646	1,366,314
2	Of which the standardised approach	17,078,928	16,744,377	16,137,646	1,366,314
3	Of which the Foundation IRB (F-IRB) approach	-	-	-	-
4	Of which slotting approach	-	-	-	-
EU 4a	Of which equities under the simple risk weighted approach	-	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-	-
6	Counterparty credit risk - CCR	22,316	25,304	24,200	1,785
7	Of which the standardised approach	-	-	-	-
8	Of which internal model method (IMM)	-	-	-	-
EU 8a	Of which exposures to a CCP	-	-	-	-
9	Of which other CCR	22,316	25,304	24,200	1,785
10	Credit valuation adjustments risk - CVA risk	13,695	14,407	16,754	1,096
10a	Of which the standardised approach (SA)	-	-	-	-
10b	Of which the basic approach (F-BA and R-BA)	13,695	14,407	16,754	1,096
10c	Of which the simplified approach	-	-	-	-
15	Settlement risk	-	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	-	-	-	-
17	Of which SEC-IRBA approach	-	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-	-
19	Of which SEC-SA approach	-	-	-	-
EU 19a	Of which 1,250% / deduction	-	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	1,768,204	1,698,828	1,564,295	141,456
21	Of which the Alternative standardised approach (A-SA)	-	-	-	-
21a	Of which the Simplified standardised approach (S-SA)	1,768,204	1,698,828	1,564,295	141,456
22	Of which Alternative Internal Model Approach (A-IMA)	-	-	-	-
EU 22a	Large exposures	-	-	-	-
23	Reclassifications between the trading and non-trading books	-	-	-	-
24	Operational risk	1,766,916	1,766,916	1,766,916	141,353
24a	Exposures to crypto-assets	-	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	179,445	160,713	154,410	14,356
26	Output floor applied (%)	-	-	-	
27	Floor adjustment (before application of transitional cap)	-	-	-	
28	Floor adjustment (after application of transitional cap)	-	-	-	
29	**Total**	**20,650,059**	**20,249,832**	**19,509,811**	**1,652,005**

4.3. 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 and other ICT risks,
- litigation risks,
- regulatory, compliance, other legislative, and tax measures impacting the banks.

In Q3 2026, economic growth in the euro area remained subdued, reflecting the adverse effects of heightened geopolitical tensions and persistently elevated energy prices. The ongoing conflict in the Middle East significantly exacerbated inflationary pressures, causing annual inflation to accelerate sharply. Nevertheless, the economies within the NLB Group’s region continued to demonstrate relatively strong resilience, supported by solid domestic demand, investment activity, and household consumption. Credit growth remained robust across the Group’s key markets. The ongoing conflict has increased inflationary pressures and weakened confidence, further deteriorating the euro area growth outlook. Although the direct economic impact on the NLB Group has so far remained limited, significant downside risks persist, particularly in the event of prolonged disruptions in energy markets, a persistent and relatively high level of inflation, or further geopolitical escalation. Stagflation, stagnation, inflationary pressures, rising unemployment, and broader geopolitical uncertainties could lead to a sharp slowdown in growth of private consumption and investment.

Credit risk typically increases during periods of economic slowdown. At the end of Q3 2026, the Group’s credit portfolio remained solid despite ongoing geopolitical tensions and more challenging macroeconomic conditions. The resilience of the economies across the NLB Group's operating markets, together with a well-diversified loan portfolio, contributed to a moderate level of new NPLs formation in the first nine months of 2026. In addition, it helped to maintain non-performing ratios at a sustainable level, with the coverage ratio above the EU average. Net impairments and provisions for credit risk in that period were primarily driven by lending growth and credit migration in the retail and corporate sectors, and partially offset by recoveries of written-off receivables. The Group’s credit portfolio continues to demonstrate strong asset quality due to prudent lending standards, effective early warning systems and proactive stance in NPL management.

In Q3 2026, the Group remained well capitalised and above the risk appetite at both the Group and banking member levels. Its liquidity position also remained solid, with liquidity indicators well above the regulatory requirements, indicating the Group’s low tolerance towards this risk. The Group’s investment strategy for its bond portfolio held for liquidity purposes adapts to expected market trends or asymmetric shocks in line with the set risk appetite. Investment activity continued with a balanced approach to identifying attractive market opportunities while prudently managing credit spreads, interest rate risk, and capital consumption. Geopolitical uncertainties contributed to heightened volatility in financial markets, particularly through shifts in credit spreads, interest rates, and foreign exchange rates. The Group closely monitors its prominent bond portfolio, mostly sovereigns, and carefully manages it by incorporating adequate early warning systems to limit potential regulatory capital sensitivity.

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 market 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 adverselyaffect the Group’s operations, capital and liquidity position, and financial condition.

Special attention is paid to the continuous provision of services to clients, their simplification and further digitalisation, while maintaining prudent risk practices and corresponding prevention of cyberattacks, other ICT risks, and potential fraud events. The Group’s risk appetite toward other related risks, such as AI and model risk, is low. Moreover, the

Group established various internal controls and additional mitigation measures to facilitate adequate risk management. However, these measures may not always entirely prevent possible adverse effects.

Cyber risk represents an increasingly important operational risk for the Group, particularly in light of the continued digitalisation of banking services, the growing reliance on complex IT environments, as well as the use of external technology and service providers. Cyber threats may originate from both external actors and internal sources. They may include ransomware attacks, distributed denial-of-service (DDoS) attacks targeting digital banking services, business email compromise, data breaches involving customer information, payment fraud attempts, rapidly developing AI models, and potential vulnerabilities associated with legacy systems or digital channels. Such events could lead to disruptions in business operations, temporary unavailability of services to clients, loss or compromise of sensitive data, financial losses, legal claims, regulatory consequences, and reputational damage. The Group therefore continuously strengthens its cyber risk management framework and implements a range of preventive, detective, and response measures, including enhanced monitoring of IT systems and networks, regular vulnerability assessments and testing, effective incident response and recovery procedures, and employee awareness activities. These measures aim to protect critical systems and data, maintain the continuity of banking services, and support compliance with applicable regulatory and supervisory requirements.

In the observed period, developments in national and European case law have contributed to a shift in litigation trends, with courts in certain instances adopting interpretations more favourable to consumers. This has led to an inflow of new cases and increased legal uncertainty, particularly in litigation concerning loan processing fees and loan insurance premiums in Serbia, and especially in relation to loans denominated in Swiss Francs (CHF). The Bank has been closely monitoring developments related to CHF-denominated mortgage loans, including the evolving Slovenian court practice. The associated legal risks have been identified, including their potential financial implications. The Bank continues to actively manage these exposures, supported by external legal advisers, and regularly assesses developments in pending litigation and relevant court decisions. Consistent with its prudent approach to managing legal risks, the Bank plans to strengthen provisions for pending CHF litigation in Q3 and Q4, reflecting an updated assessment of the cases. This reflects ongoing analysis of the evolving judicial environment and the circumstances of individual cases. Importantly, the recognition of provisions reflects a prudent assessment of legal risks and does not necessarily imply an expectation of adverse outcomes across all pending cases. It is also worth noting that the number of lawsuits filed to date remains relatively limited compared to the original CHF loan portfolio, with the inflow of new cases remaining contained. While recent court developments have increased legal uncertainty, this matter should be viewed in the context of a previously disclosed and actively managed risk, rather than a newly emerging exposure.

The Group is subject to various regulations and laws relating to banking, insurance, and financial services. Respectively, it faces compliance risk and the corresponding risk of significant interventions by several regulatory and enforcement authorities in each jurisdiction in which it operates, including changes in the tax treatment of banking business and changes in the interpretation of legislation.

The SEE region represents the Group's most significant geographic area of operations outside Slovenia, and its economic conditions are therefore crucial to the Group's operational performance and financial results. Any regional instability or economic deterioration could adversely affect the Group's financial condition.

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 2026, the Group regularly reviewed IFRS 9 provisioning by testing relevant macroeconomic scenarios to reflect current circumstances and their future impacts. 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 aligned with the Bank's consolidated outlook for economic development in the SEE region. The Group identified three possible scenarios, with an associated probability of occurrence, for forward-looking risk provisioning under IFRS 9. These IFRS 9 macroeconomic scenarios incorporate the forward-looking and probability-weighted aspects of the ECL impairment calculation. Both features are subject to change whenever material changes in the expected future economic environment are identified and were not embedded in previous forecasts.

The baseline scenario anticipates a firming of economic activity, supported by improving domestic demand and strategic investment, sufficient to avoid a downturn despite limited buffers. Inflation is expected to rise in the near term due to supply-side pressures from the U.S.–Iran conflict and persistent services inflation, before moderating as geopolitical tensions de-escalate. The ECB is expected to maintain a data-dependent approach, while fiscal policy shifts toward defence and strategic infrastructure. Although sovereign spreads remain contained, the environment remains sensitive to confidence shocks and potential volatility from U.S. labour market dynamics. While AI diffusion offers gradual productivity gains, the outlook assumes a peaceful resolution of the U.S.–Iran conflict in late 2026, though persistent regional instability remains a key risk factor for energy and trade.

The alternative macroeconomic scenarios are based on plausible mid-term drivers of economic development. The optimistic alternative scenario reflects supply-driven positive developments, projecting a transition to a firmer growth path driven by easing supply constraints, contained energy prices, and productivity gains from AI diffusion. Inflation is expected to stabilise near or slightly below target as wage growth cools and efficiency improves, allowing the ECB to maintain a supportive monetary policy. Increased investment in energy grids, logistics, and defence, coupled with de-escalating trade frictions, enhances the euro area's structural resilience and potential output. While financial markets may still experience episodic, narrative-driven volatility, the banking sector is expected to benefit from improved liquidity and solid credit quality. Overall, this environment supports steady profit growth and reduces the risk of financial stress, as the euro area leverages improved global stability and internal fiscal coordination to close the productivity gap.

The adverse alternative scenario reflects a supply-driven fragmentation shock that pushes the euro area into a stagflationary environment. An escalation of geopolitical conflicts – including a U.S.–Iran war and tensions in Ukraine, Venezuela, and Greenland – disrupts energy supplies and triggers a disintegration of the NATO alliance. These shocks, compounded by renewed trade frictions and climate-driven food inflation, lead to a resurgence in input costs and sticky services inflation. Forced to prioritise inflation risks, the ECB is expected to implement multiple rate hikes despite stalled economic activity. The combination of tighter global financial conditions, wider sovereign spreads, and heightened fiscal instability weighs heavily on public and private investment. Furthermore, increased bank liquidity stress and intensified competition from digital alternatives constrain credit growth, leading to a prolonged period of stagnant activity, elevated volatility, and diminished potential output.

The IFRS 9 macroeconomic scenarios incorporate the forward-looking and probability-weighted aspects of the ECL impairment calculation. The NLB Group has established a three-step procedure for determining scenario weights, designed to anchor the probability-weighted scenario path to the current macroeconomic outlook while minimising discrepancies between the weighted path and forward-looking expectations. The resulting unbiased weights ensure that the probabilityweighted outcome remains aligned with the recent Group's macroeconomic outlook. The scenario weights may change when material changes in macroeconomic outlook are recognised.

The Group has established a comprehensive internal stress-testing framework and early warning system across key risk areas, incorporating risk factors relevant to the Group's business model and risk profile. The stress-testing framework is fully embedded in core internal processes, including the Risk Appetite Framework, the Internal Capital Adequacy Assessment Process (ICAAP), the Internal Liquidity Adequacy Assessment Process (ILAAP), and the Recovery Plan. It is used to assess the potential impact of severe and unexpected changes in the business, geopolitical, and macroeconomic environment on the Group's capital adequacy and liquidity position.

Together with recovery plan indicators, the stress-testing framework supports the proactive and forward-looking management of the Group's overall risk profile, including timely assessment of potential impacts on capital and liquidity. It therefore provides an important basis for management decision-making and action under adverse but plausible conditions. The risk management measures available to the Group are defined in various internal policies and are applied where appropriate. The selection and implementation of mitigation measures follow a structured three-layer approach, taking into account the feasibility of each measure, its potential impact on the Group's business model, and the effectiveness of available mitigating actions.

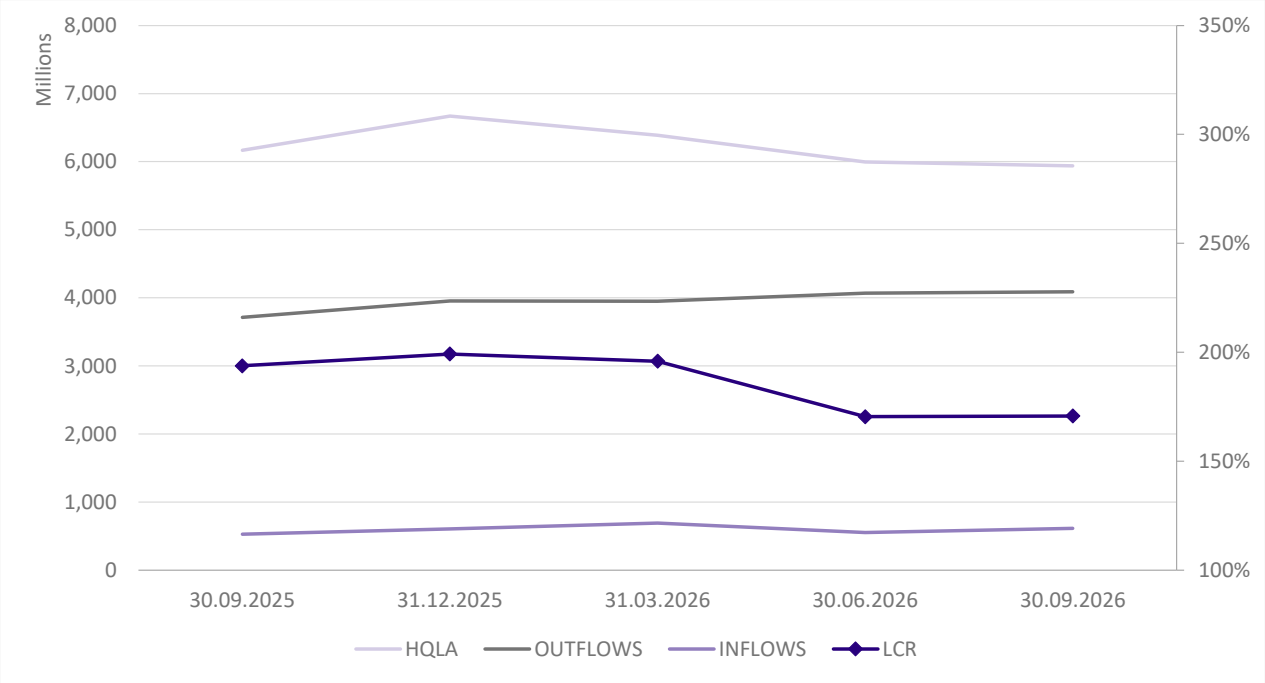
5. Liquidity

(Article 451a (2) of CRR)

Liquidity coverage ratio

The Group holds a very strong liquidity position, both at the Group level and at individual members, which remains well above the defined risk appetite. Over the past year, from 30 September 2025, the Group's LCR ranged between 166% and 203% (170% as of 30 September 2026). The surplus of HQLA remained at a high level throughout the period, ranging between EUR 2.46 billion and EUR 3.35 billion (EUR 2.46 billion as at 30 September 2026).

Figure 4: Movement of LCR and inputs to LCR calculation of NLB Group



From September 2025 to September 2026, the Group's LCR remains broadly stable, with a slight increase towards the end of 2025. In June 2026, the LCR declined due to the early redemption of the Green Bond, followed by a moderate recovery by September 2026. Throughout the period, the Group maintained a strong liquidity surplus, with the LCR consistently remaining well above the regulatory minimum and the internal risk appetite threshold of 140%.

Moreover, when calculating consolidated LCR (at the level of the Group), specific rules need to be considered, whereby, from each Group banking member, only HQLA in the amount of its net liquidity outflows in the specific currency can be included in the calculation of consolidated LCR.

The structures of HQLA, outflows, and inflows over one-year period are shown in figures below.

Figure 5: LCR: Structure of HQLA (in %) of NLB Group

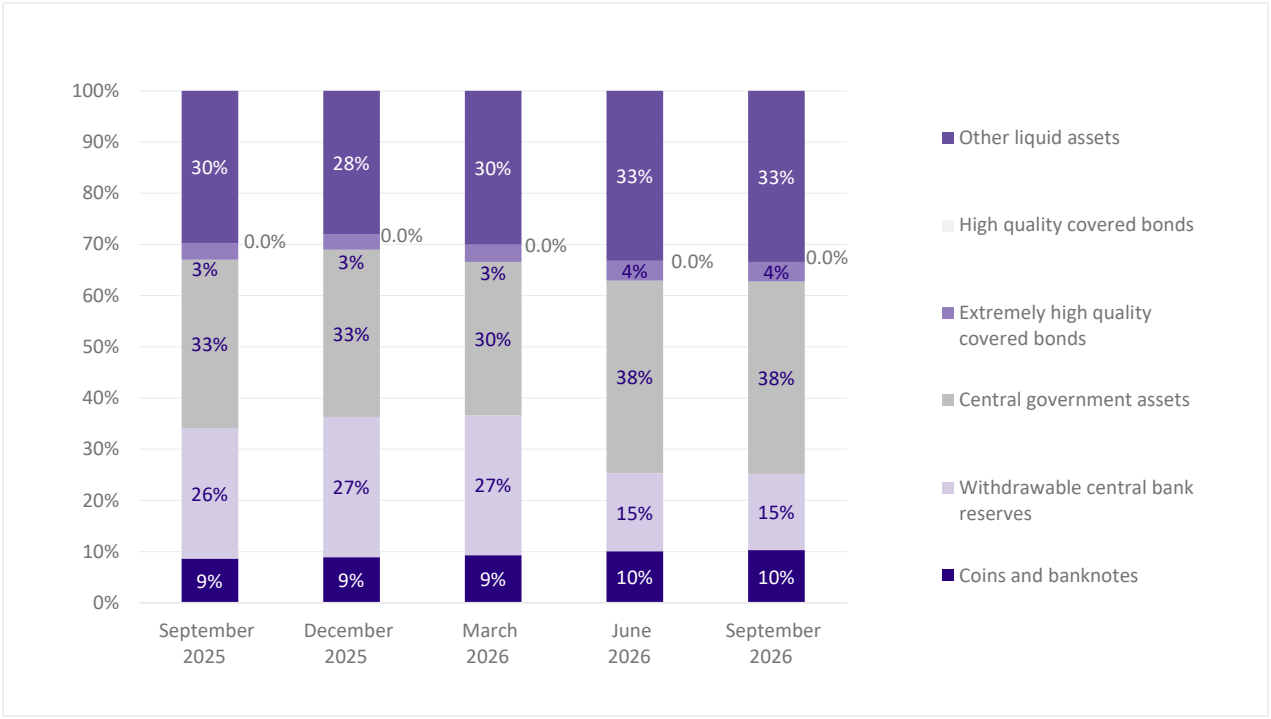


Figure 6: LCR: Structure of outflows (in %) of NLB Group

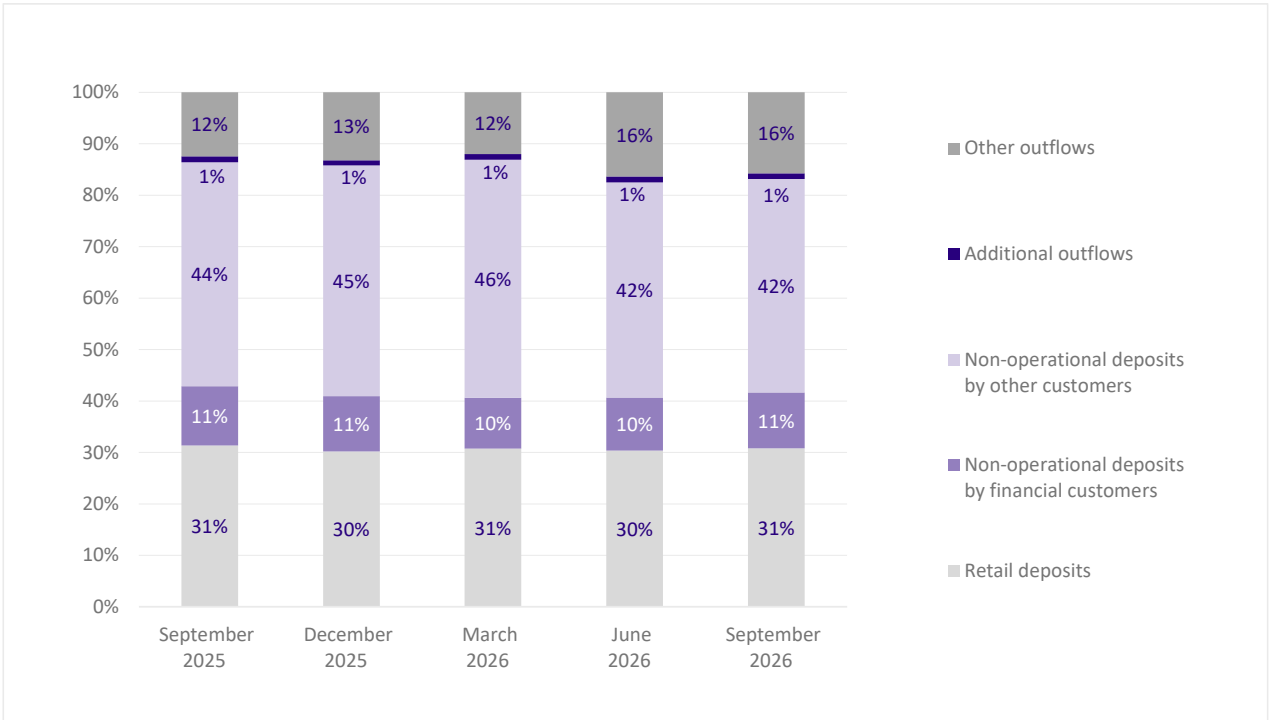
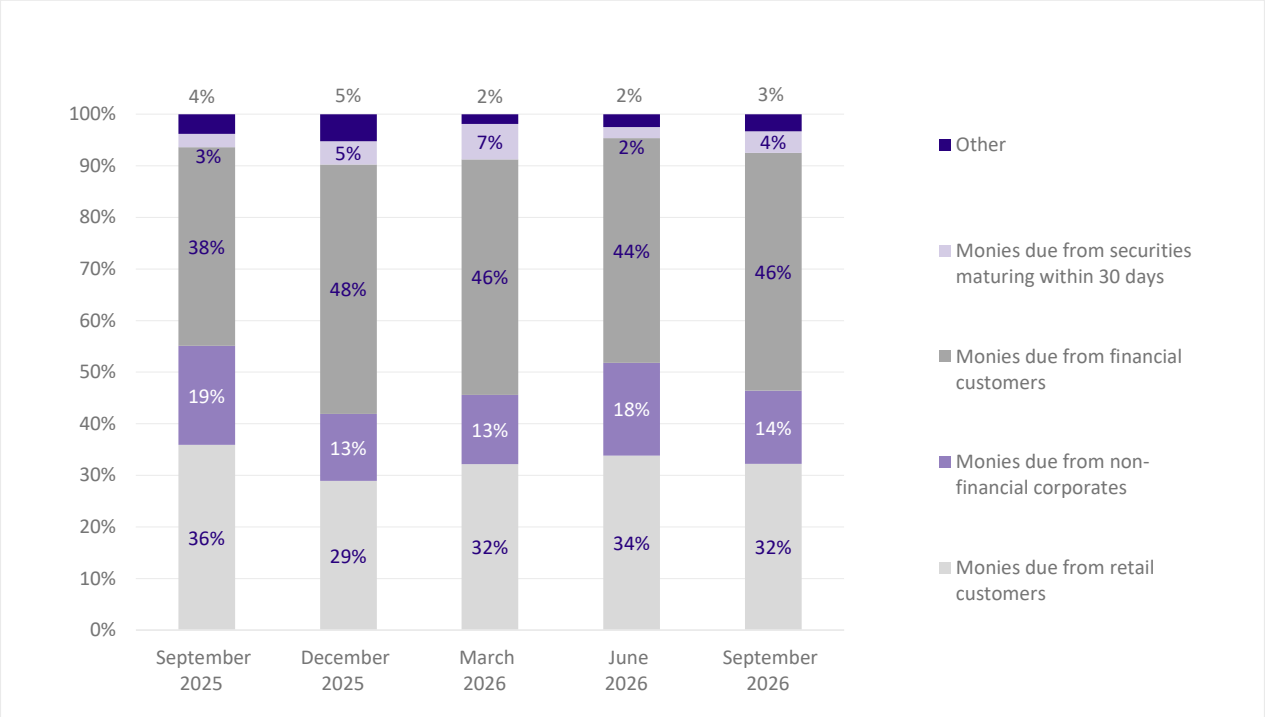


Figure 7: LCR: Structure of inflows (in %) of NLB Group



Concentration of funding and liquidity sources

In accordance with the NLB Group's Risk Appetite Statement, the tolerance for liquidity risk is low. Therefore, the goal of the funding strategy is to ensure a sufficient, stable, and well-diversified funding base in the long term, as well as compliance with relevant regulatory frameworks.

The funding strategy in the Bank is established to enable diversification, minimise concentration risk, and limit reliance on short-term wholesale funding or other unstable sources. To efficiently manage liquidity and funding risk, the Group regularly conducts stress tests and produces liquidity projections under various scenarios. With this approach, the Group can detect potential liquidity and funding needs early.

In accordance with the business model, the Group's primary source of funding is customer (non-banking sector) deposits. The Group's deposit base is highly stable and diversified. Given the high importance of customer deposits to the Group's funding, it is essential to limit concentration risk. The desired diversification is achieved through different instruments, including limits by type of counterparty. The dependence on wholesale funding is low. The Group takes into account the concentration of funding to maintain well-diversified funding sources and to prevent unwanted effects of concentration. For customer deposits, the Group's main funding source, a limit is set to prevent excessive concentration of depositors.

Limit values are set for Group members and defined in the Group Risk Management Standards. All banking members of the Group must adopt limit values in their policies and comply with the limits. Any deviations from the limit values must be reported and justified to the parent Bank. The funding structure is presented to ALCO monthly.

At the Group level, at the end of September 2026, the top 30 counterparties accounted for 3.2% of total liabilities, mostly in retail, while the top 30 counterparties in the Bank also accounted for 2.8% of total liabilities.

High-level description of the composition of the Group's HQLA

HQLA represents the most liquid assets available immediately and usable in a stressed situation during a short-term survival period (within one month). It is composed of cash, a central bank balance (excluding obligatory reserves), and internally defined unencumbered high-quality liquid assets (debt securities) that can be liquidated via repo or sale without significant loss of value. There are no legal, regulatory, or operational impediments to using these assets to obtain funding.

The tables below present the values and data for each of the four calendar quarters of 2025 and 2026 (October – December, January – March, April – June, and July – September). They are calculated as a simple average of observations on the last calendar day of each month over a 12-month period ending at the end of each quarter.

Table 6 – EU LIQ1 – Quantitative information of LCR of NLB Group

EU 1a	Quarter ending on	Total unweighted value (average)				Total weighted value (average)			
		30.09.2026	30.06.2026	31.03.2026	31.12.2025	30.09.2026	30.06.2026	31.03.2026	31.12.2025
		a	b	c	d	e	f	g	h
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
High-quality liquid assets									
1	Total high-quality liquid assets (HQLA)					6,317,598	6,364,778	6,353,009	6,310,337
Cash-outflows									
2	Retail deposits and deposits from small business customers, of which:	19,436,444	19,087,083	18,724,918	18,364,247	1,217,981	1,194,269	1,169,415	1,145,764
3	Stable deposits	13,950,227	13,735,695	13,506,702	13,263,154	697,511	686,785	675,335	663,158
4	Less stable deposits	4,441,489	4,325,128	4,203,318	4,096,115	520,470	507,484	494,080	482,607
5	Unsecured wholesale funding	4,777,497	4,717,719	4,567,337	4,383,835	2,156,681	2,137,045	2,090,929	2,037,128
7	Non-operational deposits (all counterparties)	4,767,461	4,707,683	4,557,308	4,373,777	2,146,646	2,127,009	2,080,900	2,027,069
8	Unsecured debt	10,036	10,036	10,029	10,058	10,036	10,036	10,029	10,058
10	Additional requirements	3,019,313	2,576,816	2,402,702	2,397,124	294,310	251,985	236,585	238,045
11	Outflows related to derivative exposures and other collateral requirements	43,173	43,256	43,445	43,785	43,173	43,256	43,445	43,785
13	Credit and liquidity facilities	2,976,139	2,533,560	2,359,256	2,353,339	251,137	208,729	193,140	194,260
14	Other contractual funding obligations	493,392	503,436	427,492	378,326	241,820	257,956	199,232	179,478
15	Other contingent funding obligations	1,971,520	1,924,498	1,901,030	1,871,677	108,256	105,902	104,610	102,817
16	**TOTAL CASH OUTFLOWS**					**4,019,049**	**3,947,157**	**3,800,772**	**3,703,232**
Cash-inflows									
18	Inflows from fully performing exposures	879,876	870,741	850,895	809,285	568,125	555,283	533,045	508,422
19	Other cash inflows	28,451	28,541	28,474	24,662	28,451	28,541	28,474	24,662
20	**TOTAL CASH INFLOWS**	**908,327**	**899,282**	**879,369**	**833,947**	**596,576**	**583,824**	**561,520**	**533,085**
EU-20c	**Inflows subject to 75% cap**	**908,327**	**899,282**	**879,369**	**833,947**	**596,576**	**583,824**	**561,520**	**533,085**
							TOTAL ADJUSTED VALUE		
21	**LIQUIDITY BUFFER**					**6,317,598**	**6,364,778**	**6,353,009**	**6,310,337**
22	**TOTAL NET CASH OUTFLOWS**					**3,422,473**	**3,363,332**	**3,239,252**	**3,170,147**
23	**LIQUIDITY COVERAGE RATIO**					**185.02%**	**189.70%**	**196.31%**	**199.40%**

Derivative exposures and potential collateral calls
The Group enters into derivatives to support corporate customers and financial institutions in managing financial exposures (sales business) and to manage the Group's risks, such as interest rate and FX risk.

To mitigate CCR risk arising from derivatives, the Group uses netting agreements, including the ISDA Master Agreement, the GMRA, and the Slovenian framework agreement. Furthermore, collateral agreements (e.g., ISDA Credit Support Annexes) are in place to substantially reduce credit risk arising from derivative transactions. Additionally, clearing transactions via a clearing house is in place for relevant derivatives transactions. Daily margin call calculations are in place for each relevant counterparty. Portfolio reconciliation is agreed in accordance with EMIR. The Bank calculates the net positive market value for individual counterparty exposure daily, and as a result, collateral is adjusted accordingly. Regarding the LCR, the CCR exposure from derivatives is low, and there are no significant outflows to record.

Currency mismatch in the LCR
The Bank actively manages liquidity risk exposures and funding needs within and across legal entities, business lines, and currencies, considering legal, regulatory, and operational limitations to the transferability of liquidity. Specific characteristics and liquidity risks of foreign exchange positions are considered, particularly when preparing the plan of cash flows by currency.

In the Group, there are no currency mismatches in the LCR. The LCR indicator is met in all currencies because the Group has sufficient liquidity reserves in all currencies where potential outflows could occur. The Group's most significant currency is the euro. Additionally, the Group reports LCR in a second significant currency, the Serbian dinar (RSD). As at 30 September 2026, the aggregate liabilities in RSD represented 8.2% of the Group's total liabilities; therefore, RSD qualified as a significant currency.

Other items in the LCR calculation that are not captured in the LCR disclosure table
The Group is focused on its retail banking activities; therefore, the balance sheet structure does not include any complex products. There are no other items in the LCR calculation that are not captured in the LCR disclosure table.

The liquidity of the Bank and the Group is strong, and the level of unencumbered liquidity reserves is high. The Global Risk view is that the liquidity position is strong and will remain at high levels, as reflected in liquidity planning and cash flow forecasting.

6. Appendices

6.1. Appendix 1

List of all disclosures required under Part 8 of CRR

Article	Chapter	Page
438 d)	4.2	9
da)	/	/
h)	/	/
447	1	3
451a (2)	5	14

6.2. Appendix 2

Abbreviations

A-IMA	Alternative Internal model approach
A-IRB	Advanced Internal ratings-based approach
A-SA	Alternative standardised approach
AI	Artificial intelligence
AT1	Additional Tier 1 capital
AVA	Additional Valuation Adjustments
CBR	Combined buffer requirement
CCP	Central Counterparty
CCR	Counterparty credit risk
CCyB	Countercyclical capital buffer
CET1	Common equity tier 1 capital
CRD	Capital Requirements Directive
CRD6	Capital Requirements Directive and Regulation
CRR	Capital Requirements Regulation
CVA	Credit valuation adjustment
DDoS	Distributed denial-of-service
ECB	European Central Bank
ECL	Expected Credit Losses
EEA	European Economic Area
EMIR	European Market Infrastructure Regulation
EU	European Union
F-BA	Full basic approach
F-IRB	Foundation Internal ratings-based approach
FX	Foreign Exchange
GDP	Gross Domestic Product
GMRA	Global Master Repurchase Agreement
HQLA	High-quality liquid assets
ICAAP	Internal Capital Adequacy Assessment Process
ICT	Information and Communication Technology
IFRS	International Financial Reporting Standards
ILAAP	Internal Liquidity Adequacy Assessment Process
IMM	Internal model method
IRB	Internal ratings-based approach
ISDA	International Swaps and Derivatives Association
IT	Information Technology
LCR	Liquidity coverage ratio
LEI	Legal Entity Identifier
MDA	Maximum Distributable Amount
NATO	North Atlantic Treaty Organization
NPL	Non Performing Loans
NSFR	Net Stable Funding Ratio
O-SII	Other systemically important institutions
OCR	Overall capital requirement
P1R	Pillar 1 Requirement
P2R	Pillar 2 Requirement
P2G	Pillar 2 Guidance
R-BA	Reduced Basic Approach
RWA	Risk-weighted assets
RWEA	Risk weighted exposure amount
S-SA	Simplified standardised Approach
SA	Standardised Approach
SEC-ERBA	Securitization External ratings-based approach
SEC-IRBA	Securitization Internal ratings-based approach
SEC-SA	Securitization Standardised Approach
SEE	Southeast Europe
SREP	Supervisory Review and Evaluation Process
T2	Tier 2 (capital)
TREA	Total risk exposure amount
TSCR	Total SREP capital requirement