PRESS RELEASE

SEPTEMBER 01, 2026

Morningstar DBRS Assigns Long-Term Issuer Rating of A (low) to Nova Ljubljanska banka d.d., Ljubljana; Stable Trend

BANKING ORGANIZATIONS

DBRS Ratings GmbH (Morningstar DBRS) assigned a Long-Term Issuer Rating of A (low) to Nova Ljubljanska banka d.d., Ljubljana (NLB or the Bank; together with its consolidated subsidiaries, NLB Group or the Group). The trend on the credit rating is Stable. Morningstar DBRS also assigned an Intrinsic Assessment (IA) of a (low) and a Support Assessment of SA3. The SA3 designation reflects Morningstar DBRS' expectation that timely systemic support would not be provided. For a complete list of the credit rating actions, please see the table at the end of this press release.

The Long-Term Issuer Rating and IA are assigned to NLB, the Slovenian parent operating bank and issuing entity. Morningstar DBRS conducted its assessment primarily on the basis of the consolidated NLB Group because NLB controls and consolidates subsidiaries that make a material contribution to consolidated assets, earnings, and risks. NLB Group is not a separate legal entity.

KEY CREDIT RATING CONSIDERATIONS

The Bank's a (low) IA recognises NLB's leading banking franchise in Slovenia and meaningful banking positions across Southeast Europe (SEE), strong recurring earnings, sound asset quality, a deposit-dominated funding profile, robust liquidity, and comfortable capital buffers. In Morningstar DBRS' view, NLB has undergone a substantial transformation over the last decade, evolving from a bank operating under post-crisis restructuring constraints into a publicly listed banking group with a diversified regional franchise across SEE, supported by sustained improvements in profitability, asset quality, and financial resilience.

These strengths are balanced by the Group's modest scale in the broader European banking context and the characteristics of its regional footprint. NLB's presence across SEE reduces reliance on Slovenia, broadens its earnings contribution, and provides access to markets with attractive growth and margin characteristics. However, these diversification benefits are moderated by economic and financial linkages across the region and exposure to smaller, potentially more volatile markets with generally lower sovereign and institutional strength than Slovenia. Prospective capital deployment for organic growth, dividends, and potential acquisitions is an additional consideration.

The Stable trend reflects Morningstar DBRS' expectation that NLB will maintain strong earnings, sound asset quality, and comfortable funding, liquidity, and capital positions while continuing to expand across its core markets.

The Support Assessment of SA3 reflects Morningstar DBRS' view that timely systemic support is not sufficiently predictable to be incorporated into the credit rating. Although the Republic of Slovenia retains a 25% plus one share stake and NLB remains a domestically important banking institution, Morningstar DBRS views the Bank as operating on a predominantly stand-alone basis following the completion of privatisation.

NLB's IA of a (low) is positioned at the midpoint of the IA range, reflecting Morningstar DBRS' view that the bank's credit fundamentals and performance are commensurate with those of similarly rated peers.

CREDIT RATING DRIVERS

An upgrade of the Long-Term Issuer Rating would require NLB to demonstrate a sustained strengthening of its franchise and operating scale, together with resilient profitability and asset quality, while maintaining robust funding, liquidity, and capital buffers. A longer record of consistent benchmark market access and demonstrated preservation of capital headroom alongside growth and shareholder distributions would also be positive.

A downgrade of the Long-Term Issuer Rating would result from a material and sustained deterioration in asset quality or earnings, particularly if accompanied by a weakening of capital buffers. A significant increase in risk appetite, including poorly executed acquisitions, or a meaningful deterioration in funding-market access or liquidity would also exert negative pressure on the credit rating.

CREDIT RATING RATIONALE

Franchise Combined Building Block Assessment: Good/Moderate

NLB is Slovenia's leading banking group, with a 33.5% domestic market share by total assets, and the largest financial group headquartered in SEE with an exclusive strategic focus on the region. At the end of June 2026, NLB reported EUR 31.9 billion of total assets and served approximately 2.9 million active clients. In addition to its leading position in Slovenia, NLB holds leading or meaningful banking positions in Serbia, North Macedonia, Bosnia and Herzegovina, Kosovo, and Montenegro. The Group operates a diversified universal banking model spanning retail and corporate banking, financial markets, payments, leasing, and asset management.

NLB's franchise has strengthened materially following its restructuring and reprivatisation, supported by organic growth and the acquisitions of Komercijalna Banka in Serbia in 2020; Sberbank banka, subsequently renamed N Banka, in Slovenia in 2022; and Summit Leasing in 2024. NLB's 2026 offer for Addiko Bank, an Austrian-headquartered consumer and SME-focused bank operating across several SEE markets, did not proceed. The proposed transaction would have complemented NLB's existing regional footprint and demonstrated management's continued appetite for strategically aligned expansion.

Earnings Combined Building Block Assessment: Strong/Good

NLB has established a strong earnings track record, supported by balance-sheet growth, low-cost deposit funding, and an increasingly diversified contribution from its SEE operations. Reflecting these factors, profit after tax increased to EUR 503 million in 2025 from EUR 110 million in 2016. In 2025, net interest income increased by 1% year over year (YOY) to EUR 947 million and net fee and commission income increased by 9% YOY to EUR 343 million. The cost-to-income ratio remained sound at 47.4%, compared with 45.6% in 2024, partly reflecting continued investment in the operating platform and higher personnel and administrative expenses. Profit after tax declined modestly by 2% YOY to EUR 503 million in 2025 from EUR 515 million in 2024, while reported ROE remained strong at 14.5%, compared with 16.5% in 2024, as higher operating costs and LLPs more than offset revenue growth.

Underlying performance remained resilient in H1 2026, with net interest income and net fee and commission income increasing by 5% YOY and 10% YOY, respectively, while the reported cost-to-income ratio improved slightly to 46.5% from 46.7% in H1 2025. The SEE banks collectively contributed 57% of Group profit in H1 2026, demonstrating the material earnings contribution from the foreign operations. Profit after tax declined by 8% YOY to EUR 252 million from EUR 274 million, while reported ROE moderated to 13.0% from 16.4%. This mainly reflected EUR 32 million of LLPs, driven by lending growth and limited credit migration, compared with a EUR 6 million release in H1 2025, as well as lower nonrecurring income.

Morningstar DBRS expects profitability to remain strong, although margin pressure, higher operating costs, and normalising credit costs could moderate returns from recent highs. NLB's Strategy 2030 targets recurring revenues of more than EUR 2 billion and recurring profit of EUR 1 billion, which Morningstar DBRS views as ambitious and dependent on disciplined execution.

Risk Combined Building Block Assessment: Good/Moderate
NLB's risk profile benefits from sound asset quality, strong NPL coverage and moderate credit costs, although recent Slovenian corporate problem-loan formation, material consumer lending and exposure to smaller SEE markets remain relevant considerations. The Morningstar DBRS-calculated gross nonperforming loan (NPL) ratio declined to 2.0% in 2024 from 16.4% in 2016, before increasing to 2.5% at YE2025 and moderating to 2.3% at the end of June 2026. The deterioration in 2025 was concentrated mainly in a limited number of larger Slovenian corporate exposures in the metals and automotive-related industries rather than reflecting broad-based portfolio deterioration. Asset quality stabilised in H1 2026, with repayments, upgrades, recoveries, write-offs, and other reductions more than offsetting EUR 100 million of gross new NPL inflows. NPL coverage remained strong and improved to 88.1% at the end of June 2026 from 82.7% at YE2025, based on total loan reserves relative to gross NPLs.

The Group's EUR 19.7 billion corporate and retail credit portfolio is reasonably diversified across SMEs, larger corporates, residential mortgages, and other consumer lending. Other consumer lending represented around 25% of the portfolio at end-June 2026, which Morningstar DBRS views as a potential source of greater credit-cost sensitivity in a downturn, although the portfolio is granular and current retail asset-quality indicators remain sound. The annualised cost of risk increased modestly to 32 basis points (bps) in H1 2026 from 29 bps for full-year 2025, remaining within management's 2026 guidance range of 30 bps to 50 bps.

Morningstar DBRS views NLB's presence across SEE as providing geographic diversification and exposure to generally faster-growing and underpenetrated banking markets. However, NLB's smaller SEE operating markets may exhibit greater through-the-cycle volatility and generally have lower sovereign and institutional strength than Slovenia, partly limiting the risk-diversification benefitsl
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Funding and Liquidity Combined Building Block Assessment: Good
NLB's funding profile is strong and dominated by customer deposits, which represented approximately 90% of funding liabilities at the end of June 2026. Customer deposits increased by 10% YOY to EUR 25.1 billion, with individuals accounting for 70% of the total. The reported net loan-to-deposit ratio increased to 78.4% from 76.3% at YE2025 as lending grew faster than deposits, but remained conservative and provided capacity for further loan growth. Deposit costs remained low at Group level, although stronger loan growth and tighter local funding conditions increased competition for deposits in some SEE markets.

Liquidity is robust, with EUR 10.3 billion of unencumbered liquidity reserves, a liquidity coverage ratio of 170%, and a net stable funding ratio of 155% at the end of June 2026. Wholesale funding is supplementary and used mainly for MREL and capital-stack purposes. NLB has demonstrated access to international debt markets, although its benchmark issuance record remains shorter than that of larger European peers. The

Group follows a multiple-point-of-entry resolution strategy, with NLB in Slovenia and the foreign subsidiary banks operating within separate resolution groups. Consequently, liquidity reported at consolidated level is considered in the assessment but is not assumed to be fully fungible across the Group under stress.

Capitalisation Combined Building Block Assessment: Good
NLB maintains sound capitalisation, supported by strong internal capital generation and a diversified capital stack. At the end of June 2026, the CET1 ratio was 14.8% and the total capital ratio was 19.3%, compared with 15.4% and 20.1%, respectively, at YE2025. The declines mainly reflected risk-weighted asset growth, while CET1 capital remained broadly stable. The CET1 ratio provided a buffer of 446 bps above the maximum distributable amount threshold and 371 bps above the supervisory level including Pillar 2 guidance.

Morningstar DBRS expects capitalisation to remain sound, supported by continued earnings generation. However, organic growth, shareholder distributions, and potential regional M&A could gradually reduce current headroom as NLB implements its ambitious Strategy 2030.

Further details on the Scorecard Indicators and Building Block Assessments can be found at https://dbrs.morningstar.com/research/488328.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE CONSIDERATIONS
There were no Environmental/Social/Governance factors that had a significant or relevant effect on the credit analysis.

A description of how Morningstar DBRS considers ESG factors within the Morningstar DBRS analytical framework can be found in the Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Factors in Credit Ratings (20 July 2026), https://dbrs.morningstar.com/research/485522.

Notes:
All figures are in euros unless otherwise noted.

The principal methodology is the Global Methodology for Rating Banks and Banking Organisations (6 July 2026), https://dbrs.morningstar.com/research/484670. In addition, Morningstar DBRS uses the Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Factors in Credit Ratings (20 July 2026) in its consideration of ESG factors.

The credit rating methodologies used in the analysis of this transaction can be found at: https://dbrs.morningstar.com/about/methodologies.

The sources of information used for this credit rating include Morningstar, Inc. and company documents. Other sources include NLB Group's 2021 to 2025 Annual Reports, H1 2026 Interim Report, H1 2026 Results Presentation, and Pillar 3 Disclosure Reports.

This credit rating concerns a newly issued financial instrument/newly rated issuer. This is the first Morningstar DBRS credit rating on this financial instrument/issuer.

With respect to FCA and ESMA regulations in the United Kingdom and European Union, respectively, this is an unsolicited credit rating. This credit rating was not initiated at the request of the issuer.

With Rated Entity or Related Third-Party Participation: YES
With Access to Internal Documents: NO
With Access to Management: NO

Morningstar DBRS does not audit the information it receives in connection with the credit rating process, and it does not and cannot independently verify that information in every instance.

The conditions that lead to the assignment of a Negative or Positive trend are generally resolved within a 12-month period. Morningstar DBRS' trends and credit ratings are under regular surveillance.

For further information on Morningstar DBRS historical default rates published by the European Securities and Markets Authority (ESMA) in a central repository, see: https://registers.esma.europa.eu/cerep-publication. For further information on Morningstar DBRS historical default rates published by the Financial Conduct Authority (FCA) in a central repository, see https://data.fca.org.uk/#/ceres/craStats.

The sensitivity analysis of the relevant key credit rating assumptions can be found at: https://dbrs.morningstar.com/research/488327

This credit rating is endorsed by DBRS Ratings Limited for use in the United Kingdom.

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Rating Committee Chair: Marcos Alvarez, Managing Director - Global Financial Institution Rating
Initial Rating Date: 1 September 2026
Last Rating Date: Not applicable as there is no last rating date.

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For more information on this credit or on this industry, visit https://dbrs.morningstar.com.

Ratings

Nova Ljubljanska banka d.d., Ljubljana

Date Issued	Debt Rated	Action	Rating	Trend	Attributes
01–Sep–26	Long–Term Issuer Rating	New Rating	A (low)	Stb	EU U

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