

NLB Group Presentation



Q1 2023 Results

NLB Group

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NLB is regulated by The Bank of Slovenia i.e. "Banka Slovenije, Slovenska 35, 1505 Ljubljana, Slovenia" and by The Securities Market Agency i.e. "Agencija za trg vrednostnih papirjev, Poljanski nasip 6, 1000 Ljubljana, Slovenia.

Creating value for shareholders

Leading banking and financial group in SEE

NLB Group is the leading banking and financial group with headquarters and an exclusive strategic interest in **our home region – Southeast Europe.**

Universal banking model

NLB Group is comprised of eight banks and several companies for ancillary services, which support its clients through **retail, corporate, and investment banking.**

Systemically important banking institution in SEE

Our market position – **above 10% market share** on each market where we operate – puts us in comfortable position **where we can choose the most advantageous approach for growth.**

Value in imperfection

Operating in a geographical niche with fragmented smaller markets and limited attention from large global bank gives NLB Group the **opportunity to operate with economies of scale and scope.**

Recruiting the best talents

NLB Group is one of the most successful business entities in SEE region with attracting and retaining best talents.

Improving the quality of lives in SEE

We understand the SEE region as we share common cultural and historical values and principles with its people. **For us, this region is not just a spot on the map – this is our home, and we want to see it thrive.**

This is our home. A region of opportunities.

NLB, Ljubljana

 Market share by total assets 27.6%	 Result after tax 51 (in EUR millions)	 Total assets 13,909 (in EUR millions)	 Active clients 686,838
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N Banka, Ljubljana

 Market share by total assets 2.4%	 Result after tax 6 (in EUR millions)	 Total assets 1,214 (in EUR millions)	 Active clients 37,964
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NLB Banka, Sarajevo

 Market share by total assets 6.0%	 Result after tax 3 (in EUR millions)	 Total assets 847 (in EUR millions)	 Active clients 132,532
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NLB Banka, Podgorica

 Market share by total assets 13.0%	 Result after tax 5 (in EUR millions)	 Total assets 827 (in EUR millions)	 Active clients 83,078
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NLB Banka, Banja Luka

 Market share by total assets 20.1%	 Result after tax 6 (in EUR millions)	 Total assets 1,006 (in EUR millions)	 Active clients 213,985
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NLB Komercijalna Banka, Beograd

 Market share by total assets 9.8%	 Result after tax 39 (in EUR millions)	 Total assets 4,699 (in EUR millions)	 Active clients 910,666
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NLB Banka, Skopje

 Market share by total assets 16.5%	 Result after tax 14 (in EUR millions)	 Total assets 1,817 (in EUR millions)	 Active clients 406,844
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NLB Banka, Prishtina

 Market share by total assets 16.7%	 Result after tax 9 (in EUR millions)	 Total assets 1,099 (in EUR millions)	 Active clients 225,866
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Executive Summary

Q1 2023 sets a positive tone for the full year and leads to the upward revision for the 2023 guidance

Q1 2023 Highlights

- Revenue growth, cost control and negative cost of risk leading to strong Q1 performance (with Profit after Tax of EUR 120.1 million)
- Loan growth has moderated, but new loan production still solid
- Stable retail deposits base demonstrating client confidence in the NLB brand
- Robust liquidity position with liquidity reserves exceeding EUR 9 billion
- Strong capital position (TCR stood at 18.9% and CET1 ratio 14.8%) ensuring capital return and continued growth
- Economic growth in the region has slowed down but is expected to stay above the Eurozone
- Still high employment levels and low overall sector leverage

Important Developments

- **In February Moody's (unsolicited) upgraded NLB to A3 from Baa1**
- **Continued focus on ESG:**
 - ESG dedicated webcast
 - published NLB Green Bond Framework
- **Convocation of the AGM (to take place on 19 June 2023):**
 - proposal to shareholders that dividends in the total amount of EUR 55 million, which is EUR 2.75 gross per share, be paid out on June 27; with the ambition to pay out EUR 110 million in 2023 in two tranches
 - The General Meeting will also include the election of the NLB Supervisory Board members

Macro Overview



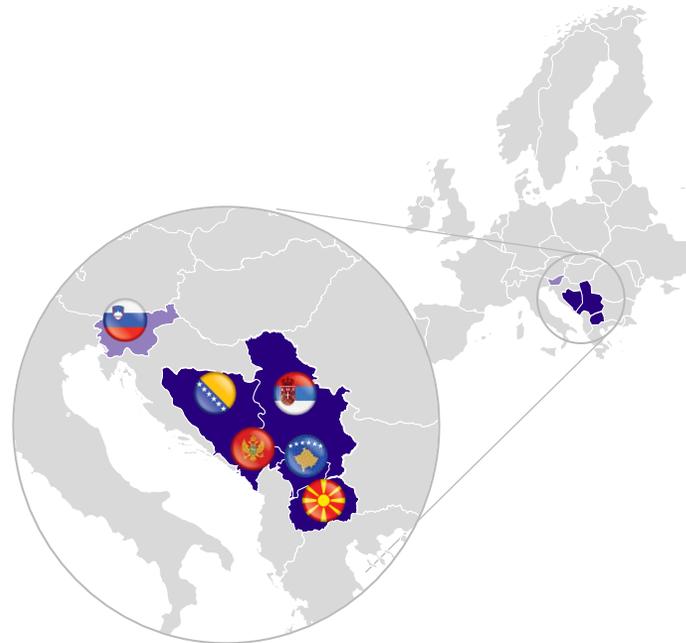
NLB Group – Macro overview

NLB d.d. & 7 subsidiary banks operate in Slovenia (EU member) & 5 SEE countries (convergence to EU)

Slovenia 	EUR
GDP (EURbn)	59.0
Population (m)	2.1
NBS loans as % of GDP ⁽¹⁾	46.9%
NBS deposits as % of GDP ⁽¹⁾	66.4%
Credit ratings (S&P / Moody's / Fitch)	AA- / A3 / A

Bosnia and Herzegovina ⁽²⁾ 	EUR ⁽³⁾
GDP (EURbn)	23.4
Population (m)	3.5
NBS loans as % of GDP ⁽¹⁾	48.2%
NBS deposits as % of GDP ⁽¹⁾	63.5%
Credit ratings (S&P / Moody's / Fitch)	B / B3 / n.a.

Montenegro 	EUR
GDP (EURbn)	5.8
Population (m)	0.6
NBS loans as % of GDP ⁽¹⁾	63.1%
NBS deposits as % of GDP ⁽¹⁾	88.0%
Credit ratings (S&P / Moody's / Fitch)	B / B1 / n.a.



Serbia 	RSD
GDP (EURbn)	60.4
Population (m)	6.8
NBS loans as % of GDP ⁽¹⁾	43.4%
NBS deposits as % of GDP ⁽¹⁾	50.8%
Credit ratings (S&P / Moody's / Fitch)	BB+ / Ba2 / BB+

Kosovo 	EUR
GDP (EURbn)	9.0
Population (m)	1.8
NBS loans as % of GDP ⁽¹⁾	48.1%
NBS deposits as % of GDP ⁽¹⁾	61.0%
Credit ratings (S&P / Moody's / Fitch)	n.a. / n.a. / n.a.

North Macedonia 	MKD
GDP (EURbn)	12.9
Population (m)	2.1
NBS loans as % of GDP ⁽¹⁾	54.7%
NBS deposits as % of GDP ⁽¹⁾	62.8%
Credit ratings (S&P / Moody's / Fitch)	BB- / n.a. / BB+

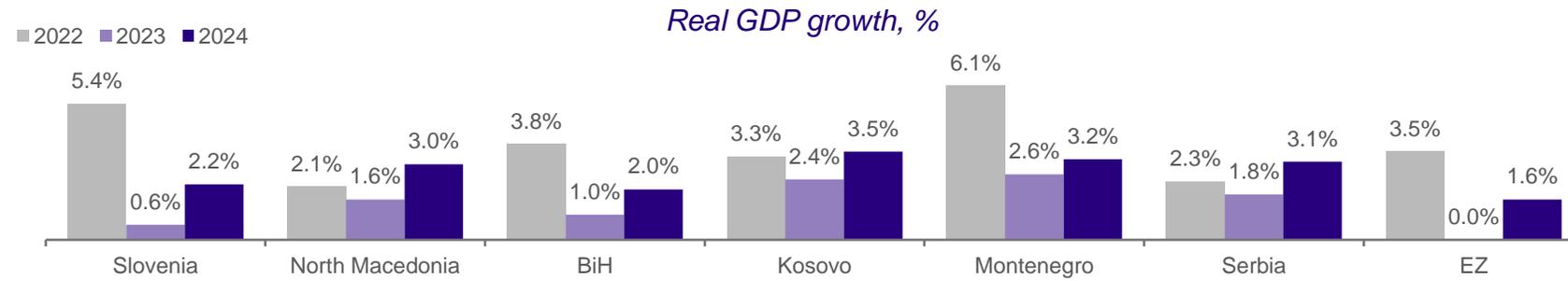


Source: Central banks, National Statistics Offices, FocusEconomics, NLB

Note: GDP volume for 2022 (1) Non-banking sector loans/deposits as % of GDP (2) Bosnia and Herzegovina is comprised of 2 entities, The Federation of Bosnia and Herzegovina and Republika Srpska; (3) Official currency is BAM – Bosnia-Herzegovina Convertible Mark, pegged to EUR.

Regional economic growth has slowed but is expected to stay above the Eurozone

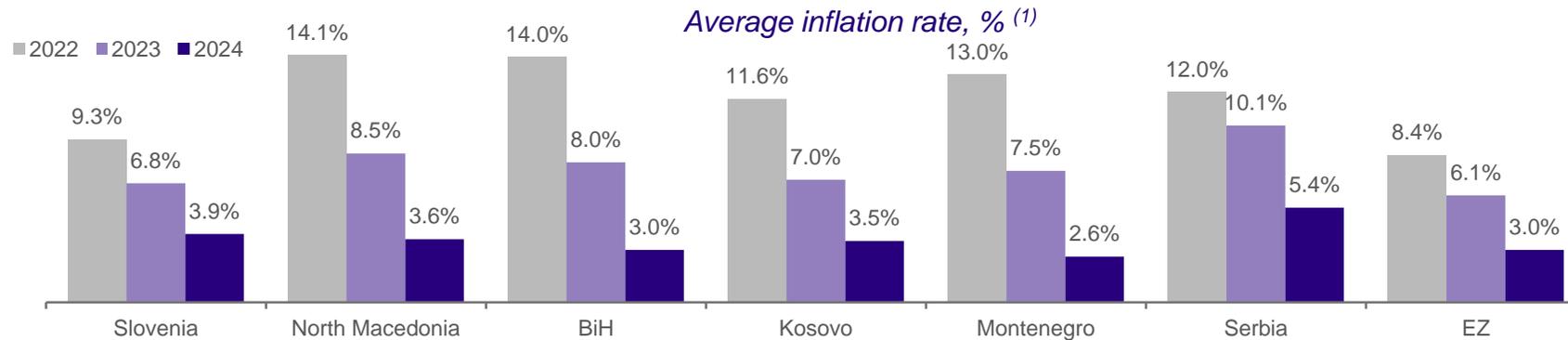
Group's region continued to grow, and is expected to grow at rates above Eurozone average, despite facing demanding macroeconomic environment...



The growth in 2022 was relatively robust while in last quarter of 2022 growth rates cooled notably as economies faced more demanding macroeconomical conditions. **Household consumption** already had a **negative impact on growth** in the euroarea in Q4 of 2022, and similar dynamics (albeit with a lag) should weigh on regional growth in 2023. The **double-digit inflation** that significantly **weighed on households' purchasing power** and consumption habits over the year should subside as export sectors await the European demand to return.

Sources: FocusEconomics, Statistical offices, estimation for BiH and Kosovo for 2022, NLB Forecasts for 2023 and 2024.

...as high inflation, which is expected to ease in 2023, weighed on disposable incomes.

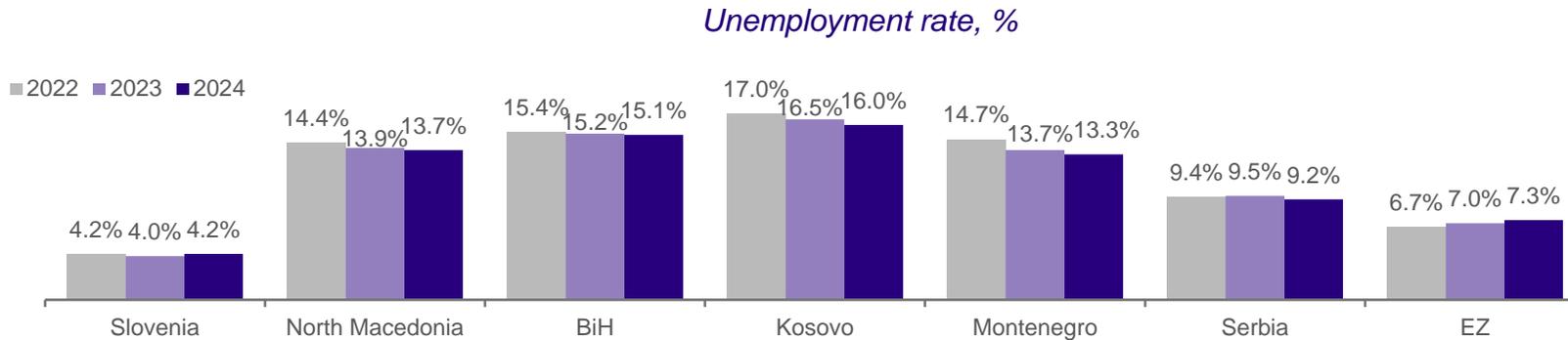


Sources: FocusEconomics, NLB Forecasts for 2023 and 2024
Note: (1) HICP for Slovenia, Kosovo and Eurozone, other CPI

Inflation was predominantly driven by surging energy and food prices, thereby the Group's region was hit stronger due to relatively higher share of food and energy in disposable income. Hence the rate will be more stubborn to come down (compared to the one in euro area).

Regional economic growth has slowed but is expected to stay above the Eurozone

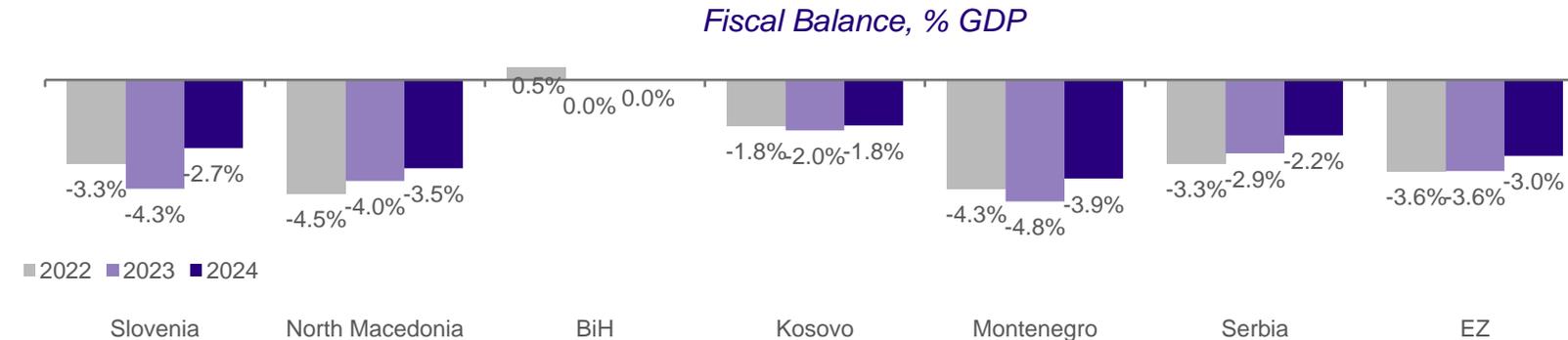
Labour market is expected to get slightly less tight in 2023...



By end-2022, **employment rate increased** in most countries of the **Group's region** and some of them reached historical highs of employment levels. Nevertheless, in Q4 2022 the labour market has started to cool, with employment slowing amid the still elevated inflation and increased uncertainty.

Sources: FocusEconomics, estimation for Serbia, N. Macedonia, BiH, Kosovo and Montenegro for 2022, NLB Forecasts for 2023 and 2024.

...while fiscal metrics will depend on the degree of fiscal policy efficiency and prudence in attempt to address issues related to rising-cost-of-living.



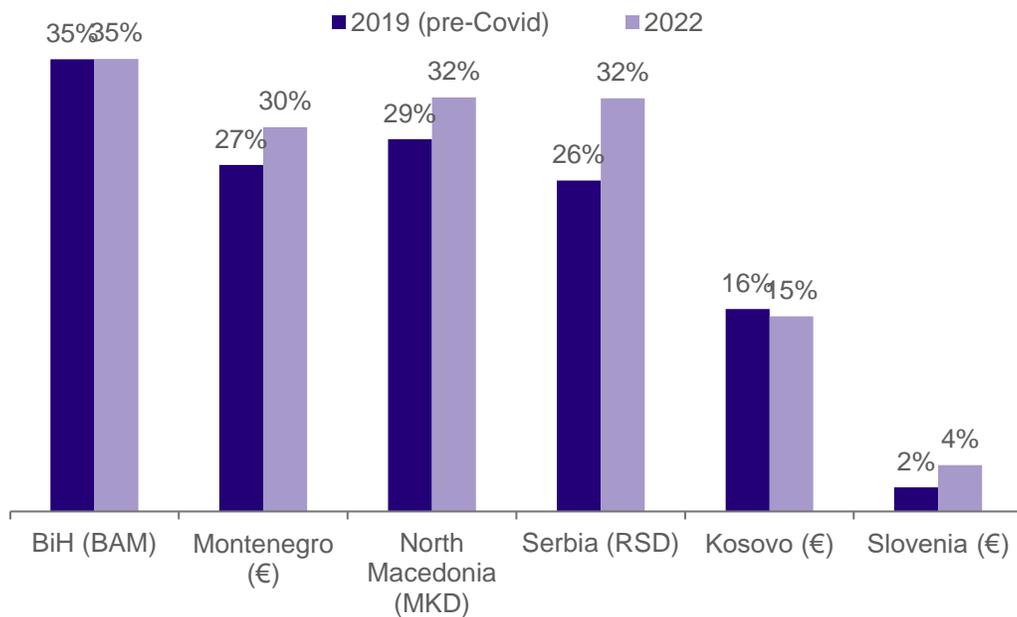
Fiscal support measures aimed at alleviating the impact of the increase in energy prices generated notable **fiscal costs**. **Public debt** levels are **below the Eurozone** across countries of the Group's region although pandemic- and cost-of-living crisis-related increases in debt-levels combined with tightening global financial conditions have reduced fiscal space and increased debt vulnerabilities.

Sources: FocusEconomics, estimation for EZ, Slovenia, Kosovo and Montenegro for 2022.

NLB operates in countries with prudent monetary policy and rising interest rates

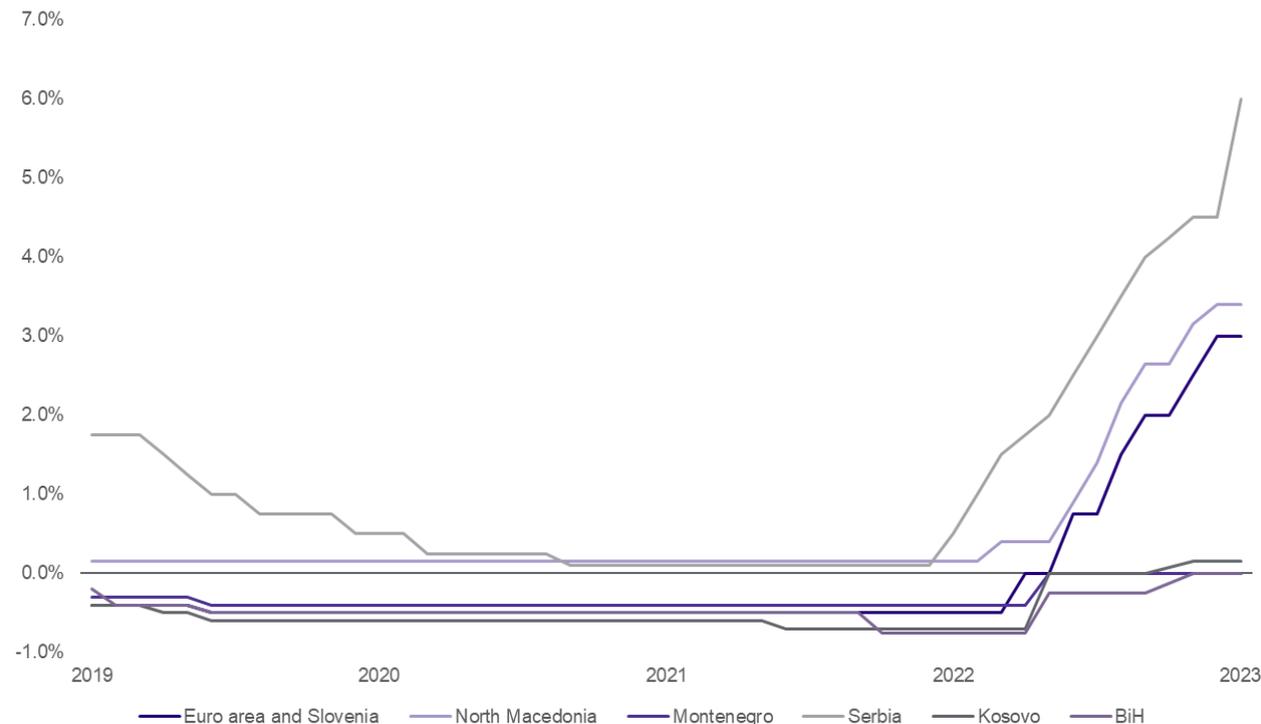
International reserves as % of GDP

International reserves, 2019 and 2022, % GDP



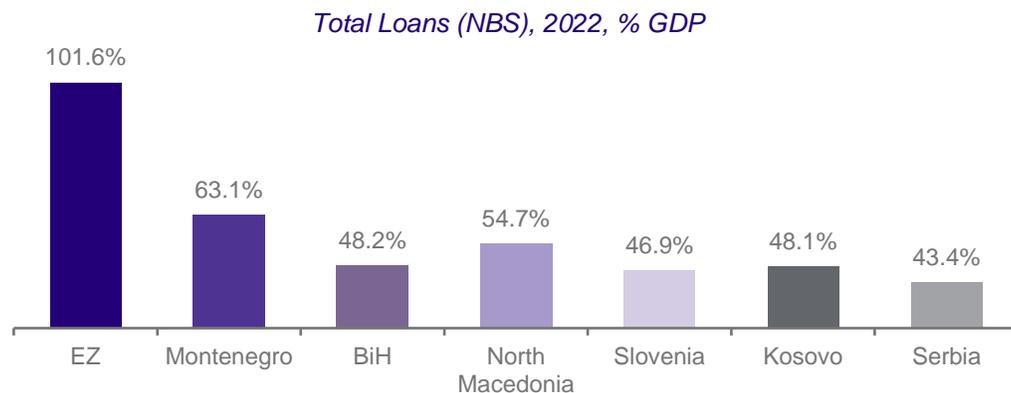
Central Bank interest rates evolution

Deposit facility rate, 2019 (pre-Covid) – April 2023, %



Markets in which NLB operates have further growth potential

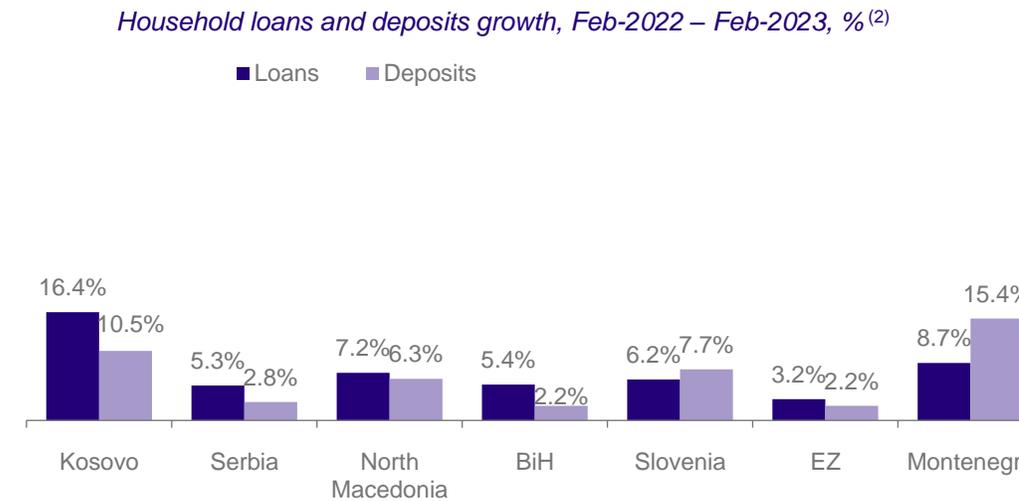
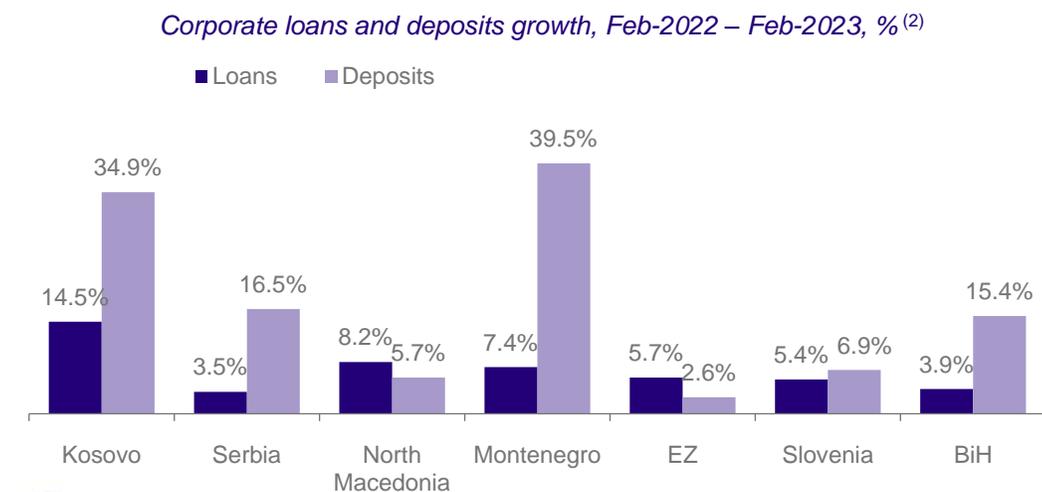
Low overall sector leverage...



...with liquid banking sectors...



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



Source: National Central Banks, ECB

Note: NBS – Non Banking Sector; (1) Feb 23 data for N. Macedonia, BiH, Kosovo, Montenegro and Serbia. January 23 data for Slovenia and Q3 22 data for EZ; (2) YoY data, residential loans and deposits data for Montenegro, Mar 22 – Mar 23 data for Slovenia

Key Developments



In 2023, the Bank changed the recognition of obligation for regulatory expenses. In the previous year, these expenses were recognised in Q2, after receiving the Bank of Slovenia's notification, while in 2023, the Bank recognised these expenses in full already in Q1. Comparative amounts for previous periods have been adjusted to reflect this change in the presentation.

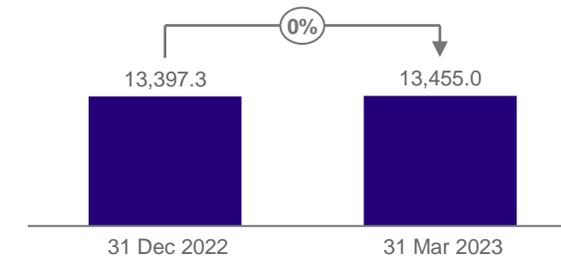
Key performance indicators of NLB Group

Strong recurring performance

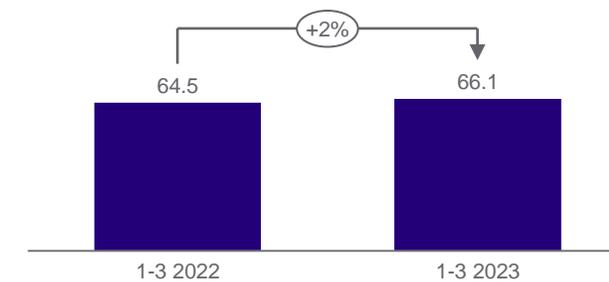
in EUR millions / % / bps

	Q1 2023	Q4 2022	Q1 2022	Change YoY	Change QoQ
Key Income Statement Data					
Net operating income	241.9	234.9	164.8	47%	3%
Net interest income	179.0	151.8	107.8	66%	18%
Net non-interest income	63.0	83.0	57.0	10%	-24%
o/w Net fee and commission income	66.1	69.2	64.5	2%	-4%
Total costs	-117.1	-127.7	-102.7	-14%	8%
Result before impairments and provisions	124.8	107.2	62.1	101%	16%
Impairments and provisions	12.4	-31.2	-4.4	-	-
Impairments and provisions for credit risk	18.4	-25.0	-4.0	-	-
Other impairments and provisions	-6.0	-6.3	-0.4	-	5%
Negative goodwill	0.0	0.1	172.8	-	-
Result after tax	120.1	69.1	221.8	-46%	74%
	1-3 2023	1-3 2022	Change YoY		
Key Financial Indicators					
Return on equity after tax (ROE a.t.) ^(iv)	19.7%	10.3%	9.5 p.p.		
Return on assets after tax (ROA a.t.) ^(iv)	2.0%	1.0%	1.0 p.p.		
Net interest margin (on interest bearing assets)	3.14%	2.07%	1.07 p.p.		
Operational business margin ⁽ⁱ⁾	4.39%	3.32%	1.06 p.p.		
Cost to income ratio (CIR)	48.4%	62.3%	-13.9 p.p.		
Cost of risk net (bps) ^(ii, iv)	-37	-17	-20		
	31 Mar 2023	31 Dec 2022	31 Mar 2022	Change YtD	Change YoY
Key Financial Position Statement Data					
Total assets	24,011.8	24,160.2	23,019.1	-1%	4%
Gross loans to customers	13,455.0	13,397.3	12,434.6	0%	8%
Net loans to customers	13,137.7	13,073.0	12,108.7	0%	8%
Deposits from customers	19,732.0	20,027.7	18,525.8	-1%	7%
Equity (w without non-controlling interests)	2,507.6	2,365.6	2,244.7	6%	12%
Other Key Financial Indicators					
LTD ⁽ⁱⁱⁱ⁾	66.6%	65.3%	65.4%	1.3 p.p.	1.2 p.p.
Total capital ratio	18.9%	19.2%	15.8%	-0.2 p.p.	3.1 p.p.
Total risk exposure amount (RWA)	14,622.3	14,653.1	13,843.4	0%	6%
Employees					
Number of employees	8,194	8,228	8,475	-34	-281

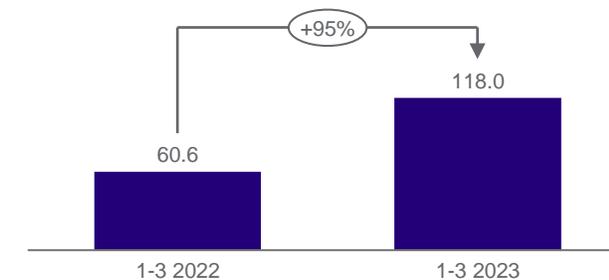
Gross loans to customers (in EURm)



Net fee and commission income (in EURm)



Recurring result before impairments and provisions (in EURm)

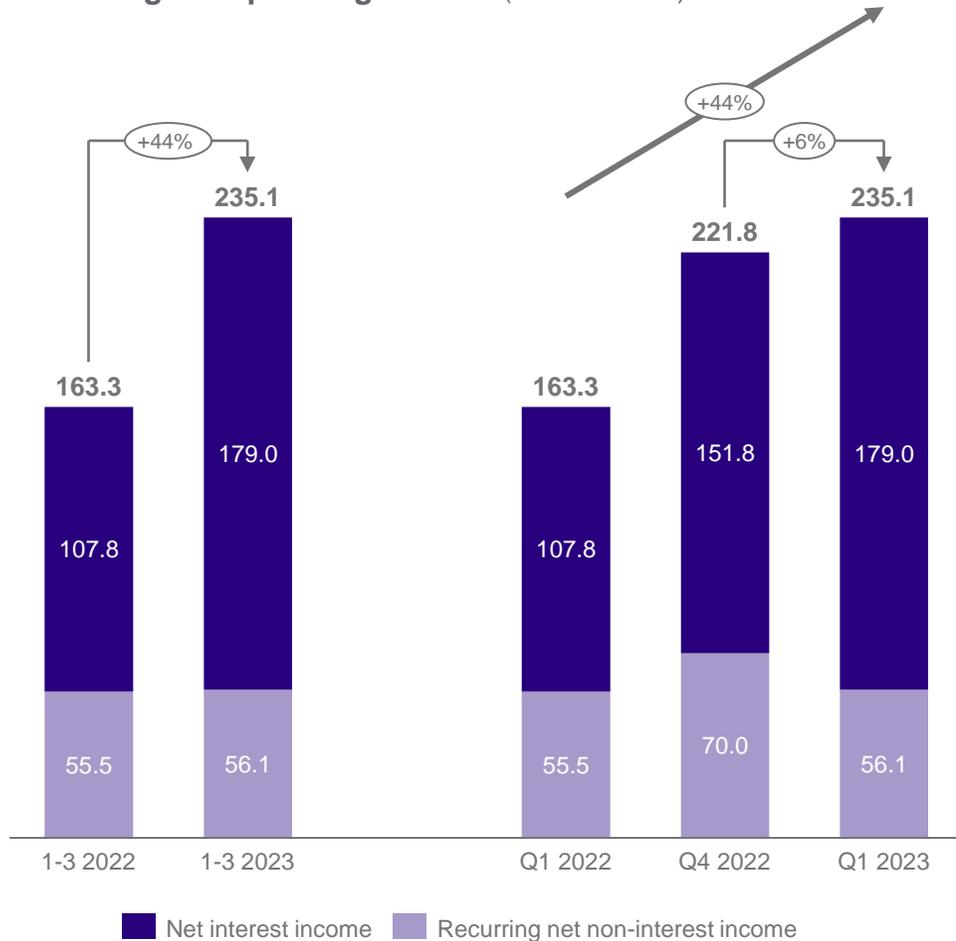


Notes: (i) Operational business margin = Operational business net income annualized / average assets. (ii) Cost of risk = credit impairments and provisions (annualized level) / average net loans to customers. (iii) LTD = Net loans to customers / deposits from customers. (iv) ROE and ROA for 2022 calculated without negative goodwill from acquisition of N Banka and effects of EUR 8.9 million of 12-month expected credit losses recognised at acquisition date for performing portfolio for N Banka not annualized; for CoR 2022 calculation effects of EUR 8.9 million of 12-month expected credit losses recognised at acquisition date for performing portfolio for N Banka not annualized.

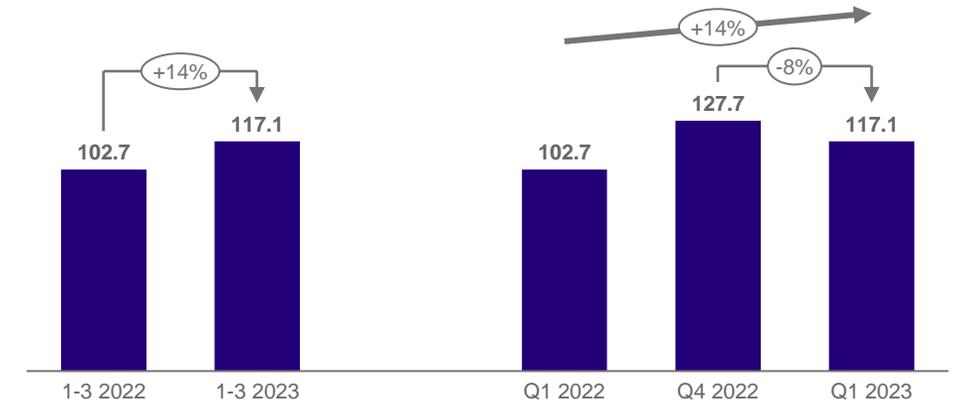
Revenues and Cost Dynamics

Strong net interest income growth outpacing cost growth, coupled with the release of provisions

Recurring net operating income (in EUR million)



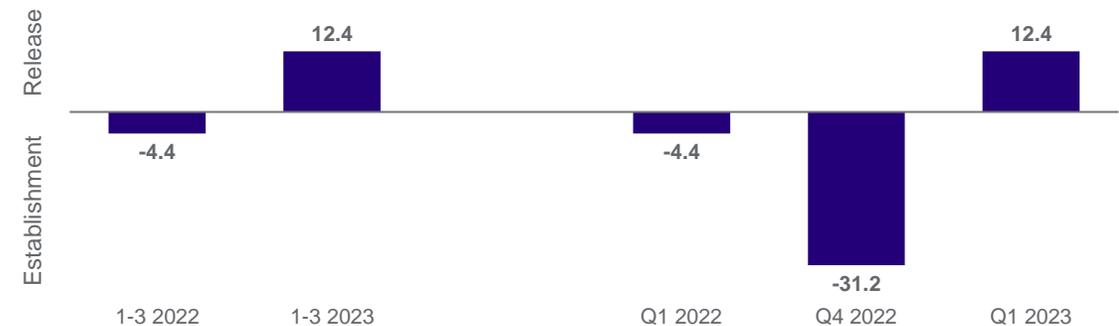
Costs (Group, EURm)



Cost of risk⁽ⁱ⁾ (Group, bps)



Impairments and provisions (Group, EURm)

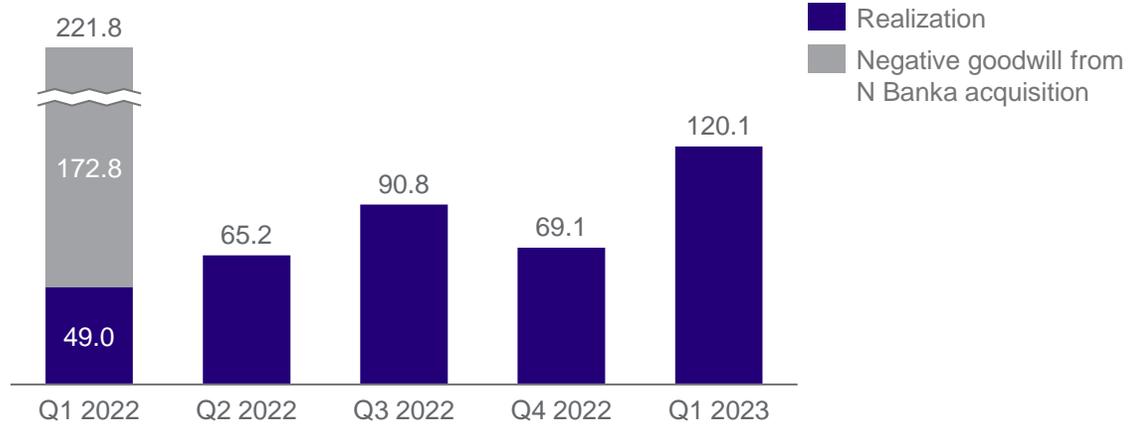


Note: (i) Cost of risk = credit impairments and provisions (annualized level) / average net loans to customers; for CoR 2022 calculation effects of EUR 8.9 million of 12-month expected credit losses recognised at acquisition date for performing portfolio for N Banka not annualized.

Profitability

Strong profitability with increasing contribution from Serbian market

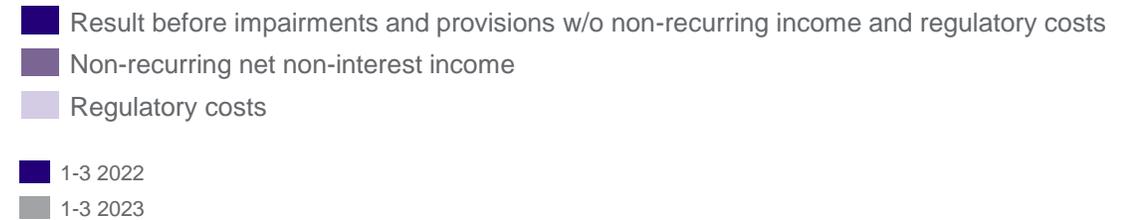
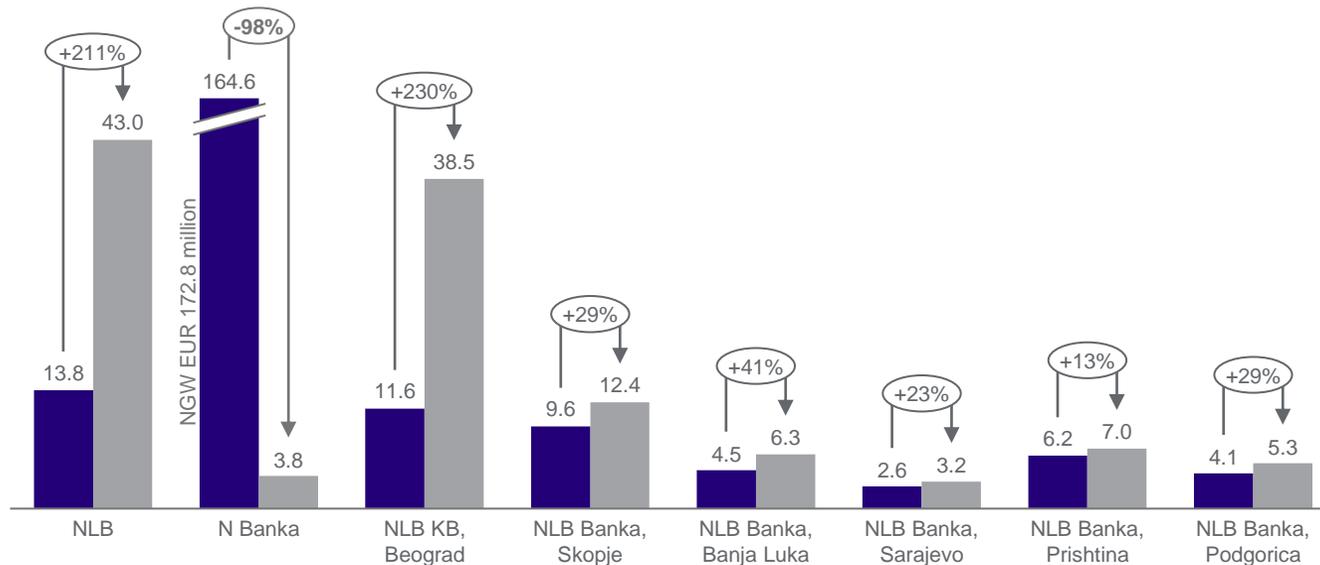
Profit a.t. – quarterly evolution (EUR million)



Result before impairments and provisions by quarters (in EUR million)

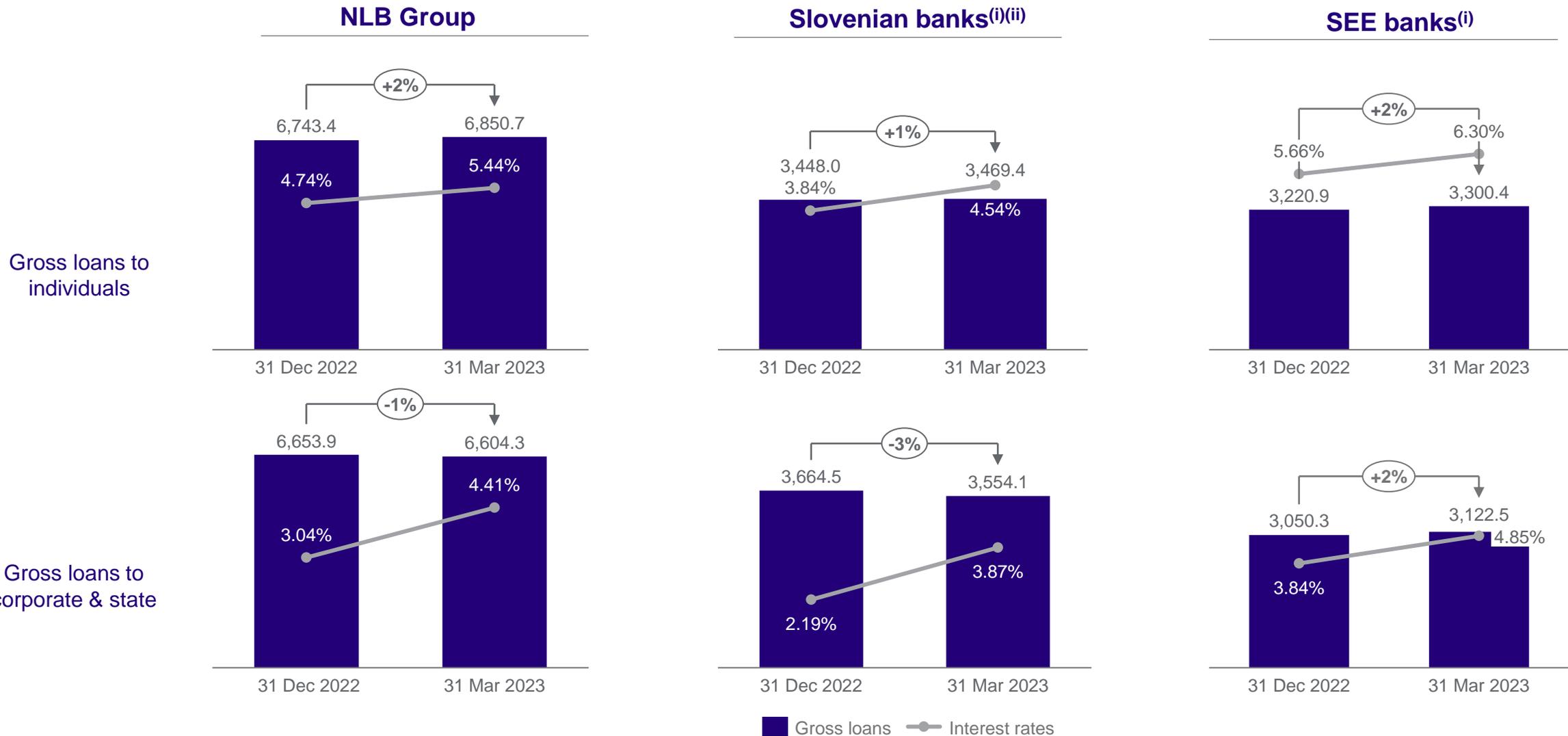


Profit a.t. by company – contribution (EUR million)



Loan dynamics

Expected moderation of loan growth

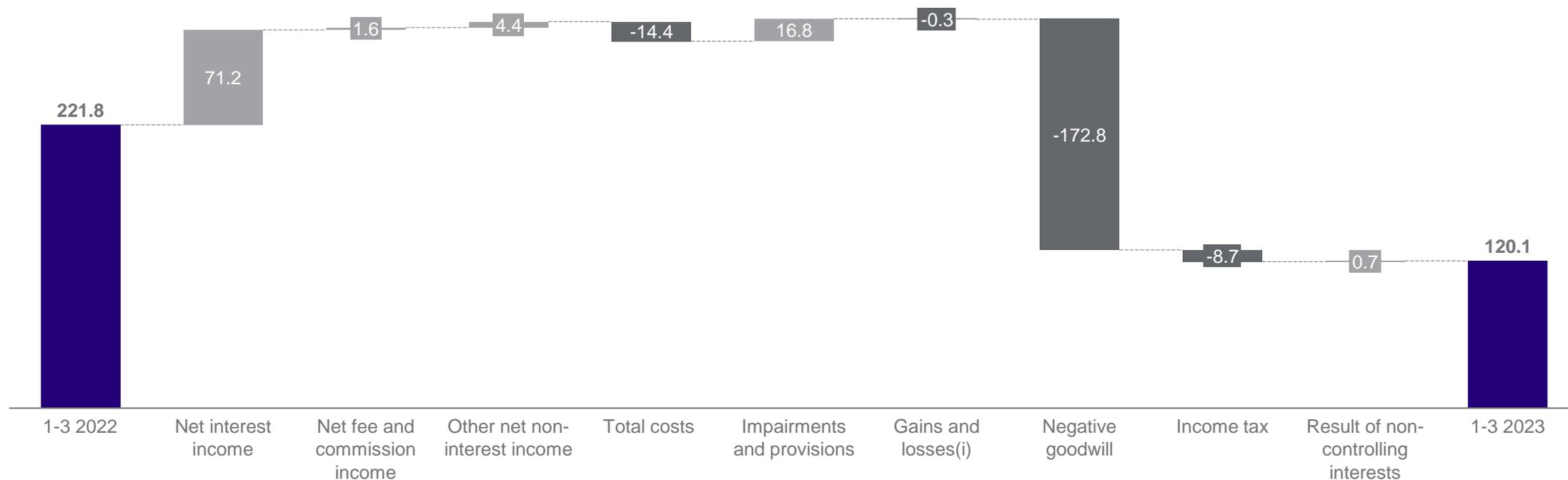


Note: (i) On stand alone basis; (ii) Interest rates only for NLB.

Resilient Operating Income Performance

Result reflects strong underlying performance, increase of net interest income and release of provisions

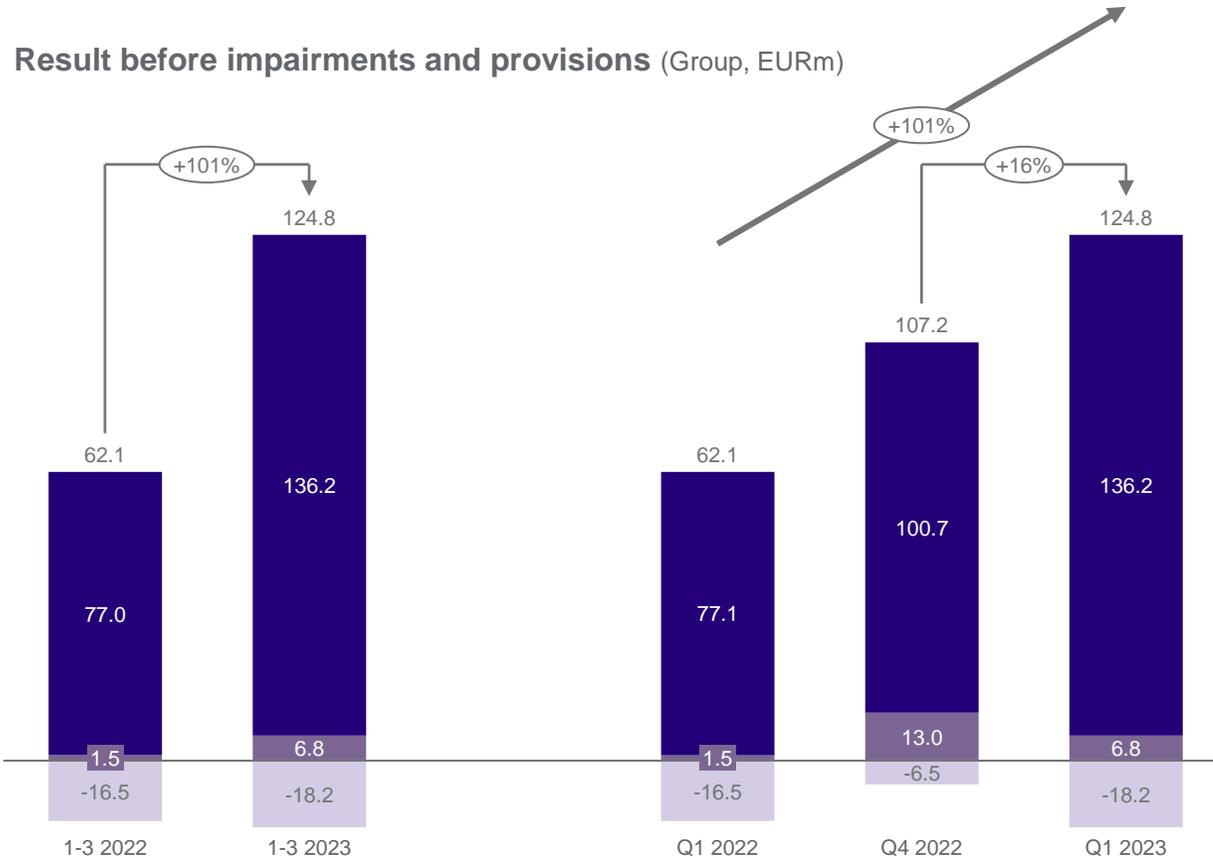
Net profit of NLB Group – evolution YoY (in EURm)



Strong performance of the NLB Group in Q1 2023 led to a **profit a.t. of EUR 120.1 million**, lower YoY due to one-off effects from the acquisition of N Banka in Q1 2022. Noteworthy, in Q1 2023 profit before impairments and provisions grew 16% YoY.

Income Statement

Strong operational performance increasing resilience of the NLB Group



Result before impairments and provisions amounted to EUR 124.8 million, higher QoQ and YoY. Recurring pre-provision profit grew substantially QoQ and YoY. Main drivers of yearly dynamics in recurring pre-provision profit:

- net interest income increased across all markets, mostly driven by increasing interest rates: EUR 71.2 million YoY
- net fee and commission income increased by 2% YoY, with increased fees from cards and ATM operations, as well as payment transactions offsetting the cancellation of high balance deposit fee in the Bank

partly offset by:

- increased employee costs and general and administrative expenses, mostly driven by inflation.

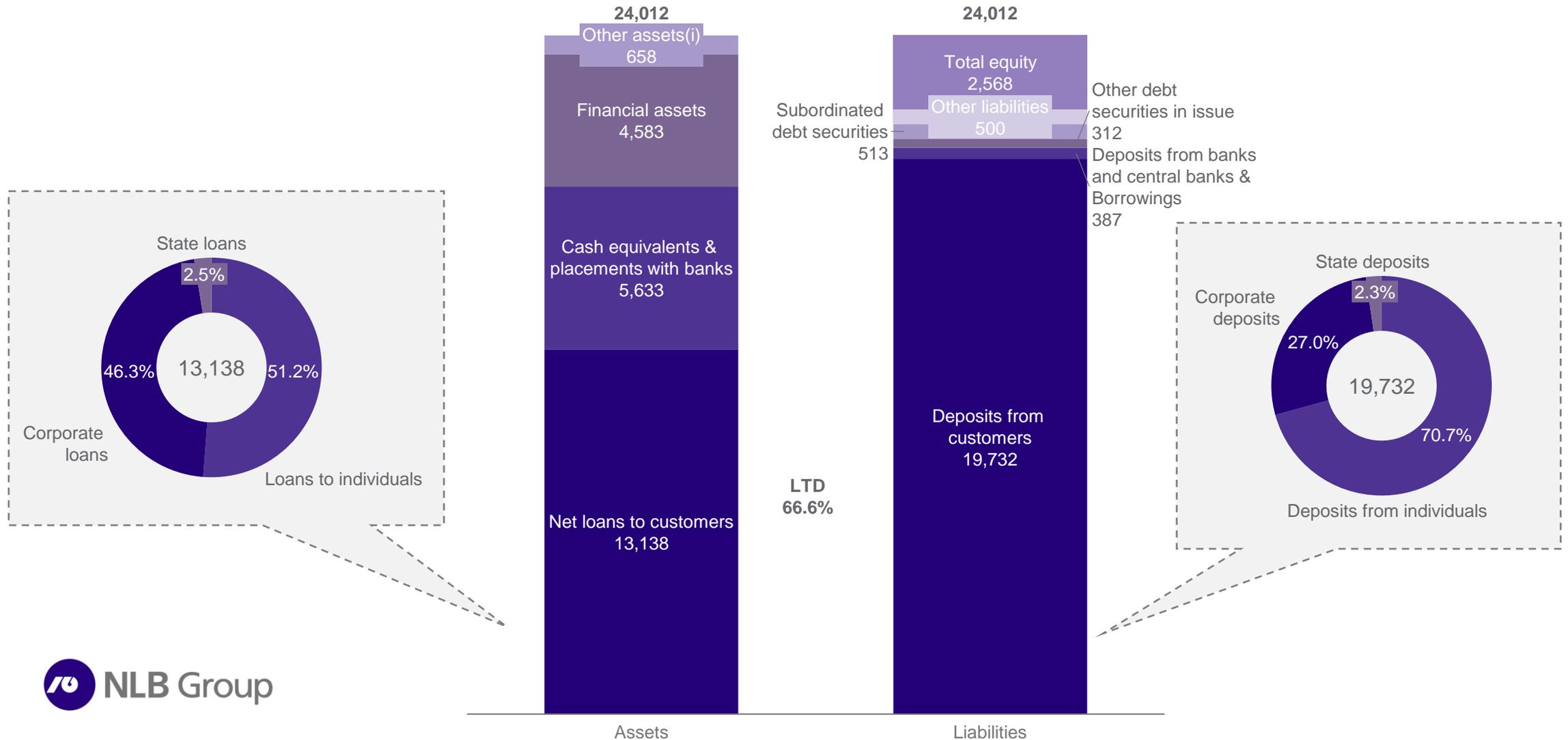
One-time expenses for regulatory costs in the Bank and N Banka were booked in January, EUR 8.6 million for DGS and EUR 2.9 million for SRF.

- Result before impairments and provisions w/o non-recurring income and regulatory costs
- Non-recurring net non-interest income
- Regulatory costs

NLB Group's Balance sheet structure

Deposit (predominately from individuals) driven balance sheet

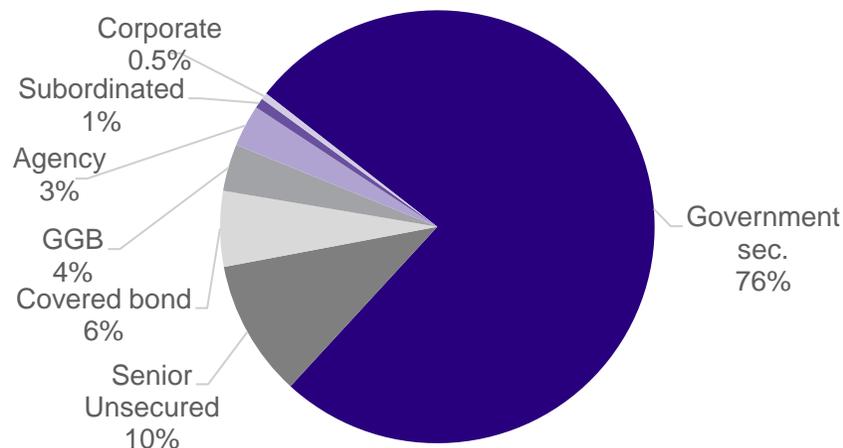
Balance sheet structure (31 Mar 2023, in EURm)



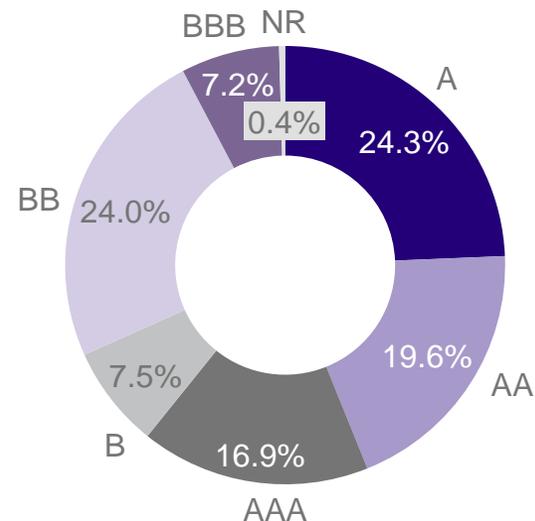
Note: (i) Other assets include investments in subsidiaries, associates, and joint ventures, property and equipment, investment property, intangible assets and other assets .

Minimal risk from diversified securities portfolio with short duration, coupled with ample cash buffers and large percentage of covered customer deposits

BB securities by asset class (NLB Group 31 March 2023)



BB securities by rating (NLB Group, 31 March 2023)



Deposit beta remains low at 5% (NLB Group, 31 March 2023)²

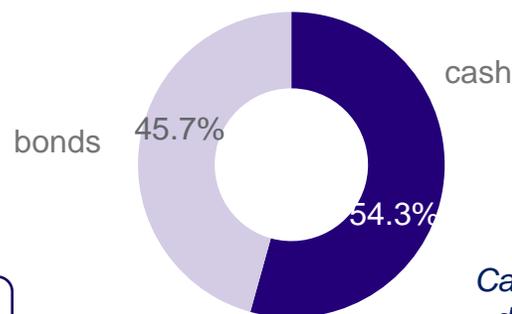
BB portfolio

NLB Group, 31 March 2023 (EURm, years)

	Amount	Duration	Unrealized losses (amount)
FVOCI	2,469	2,12	-134
AC	1,993	3,82	-152
Total	4,462	2,88	

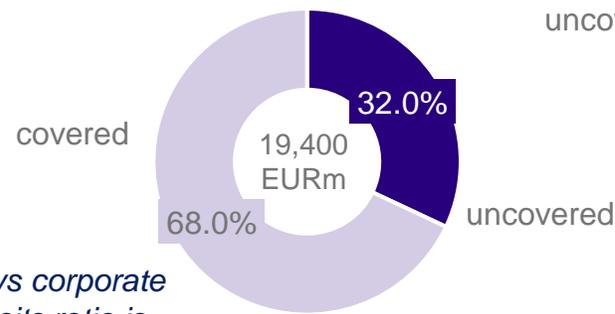
Cash vs bonds

(NLB Group, 31 March 2023)



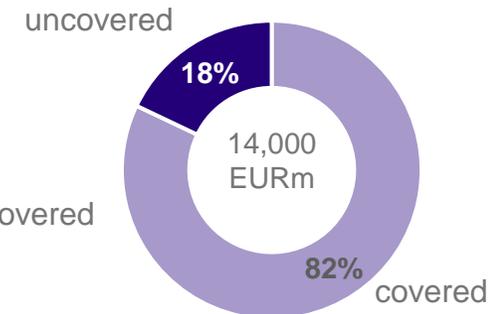
Customer deposits

(NLB Group, 31 March 2023)



Retail deposits

(NLB Group, 31 March 2023)



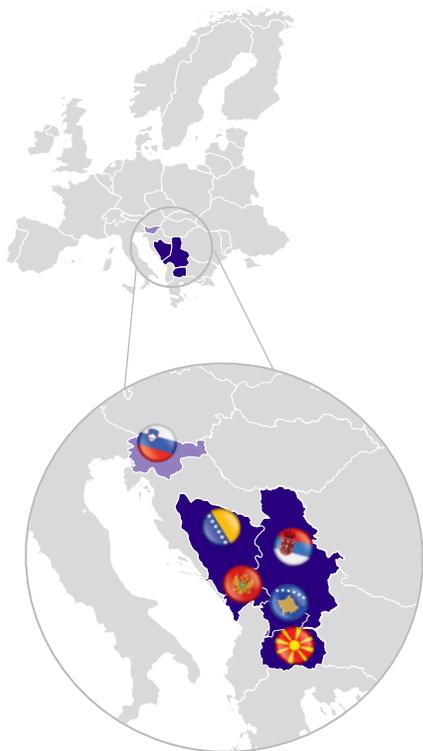
Cash vs corporate deposits ratio is 96.5%.

5.5% of regulatory capital



Note: (1) 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 NLB Group statement of financial position or income statement. (2) Calculated based on YoY change of average customer deposit interest rate compared with the change of average ECB deposit facility rate. This shows a high stability of the deposit base.

Performance indicators across SEE countries



	Slovenia		Serbia	North Macedonia	Bosnia and Herzegovina		Kosovo	Montenegro	NLB Group
	NLB, Ljubljana	N Banka, 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 stand-alone basis								
Result after tax (EURm)	51.2	6.2	38.8	14.2	6.3	3.2	8.5	5.3	120.1
Total assets (EURm)	13,909	1,214	4,699	1,817	1,006	847	1,099	827	24,012
RoE a.t.	12.6%	-	20.3%	20.7%	25.6%	14.1%	28.8%	19.3%	19.7%
Net interest margin	2.35%	3.43%	4.18%	3.55%	3.16%	2.88%	4.03%	4.58%	3.14%
CIR (cost/income ratio)	49.3%	52.0%	41.6%	38.8%	39.1%	54.7%	30.4%	45.1%	48.4%
LTD net	55.6%	123.3%	72.3%	81.6%	63.5%	77.8%	85.4%	80.5%	66.6%
NPL ratio	1.1%	2.1%	0.8%	3.5%	1.1%	2.3%	1.8%	4.6%	1.7%
Branches (#)	71	4 ⁽ⁱ⁾	180	48	47	34	33	21	438
Active clients (#) ⁽ⁱⁱ⁾	686,838	37,964	910,666	406,844	213,985	132,532	225,866	83,078	2,697,773
Market share by total assets (%)	27.6%	2.4%	9.8%	16.5%	20.1%	6.0%	16.9%	13.0%	/
	as at 31 Mar 2023	as at 31 Mar 2023	as at 28 Feb 2023	as at 31 Mar 2023	as at 31 Dec 2022	as at 31 Dec 2022	as at 31 Mar 2023	as at 31 Mar 2023	

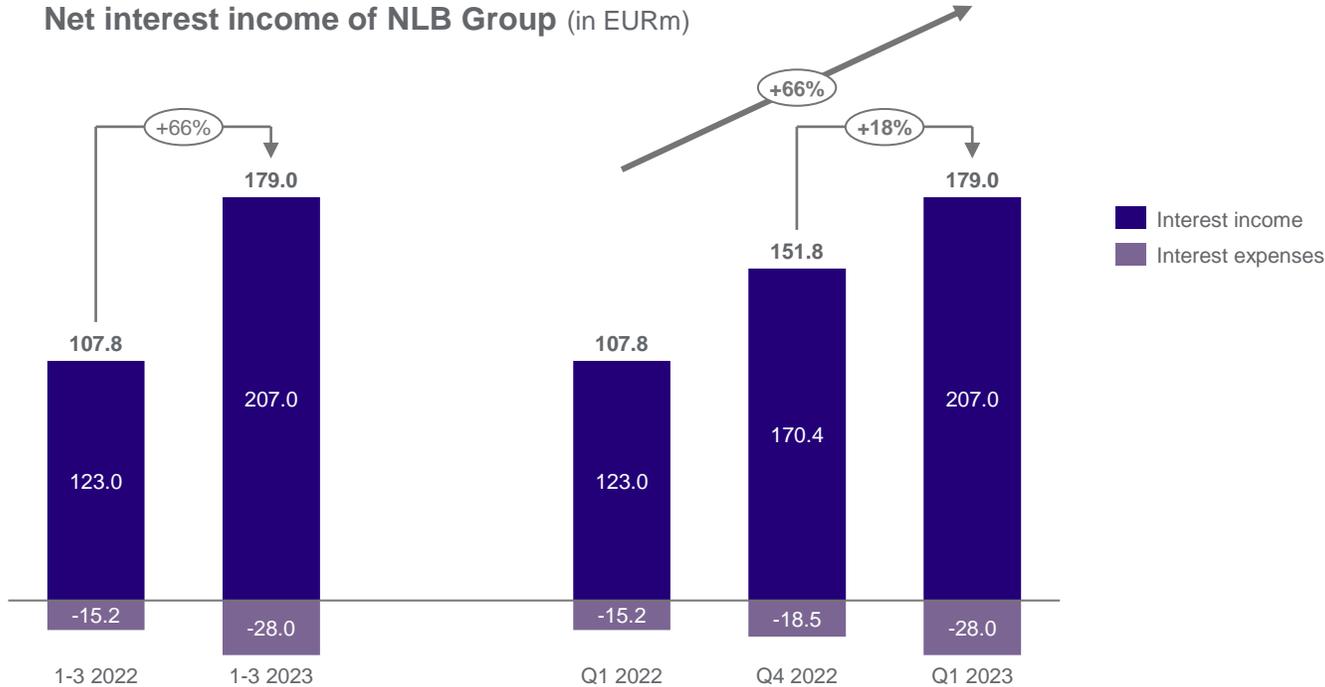
Business Performance



Net interest income

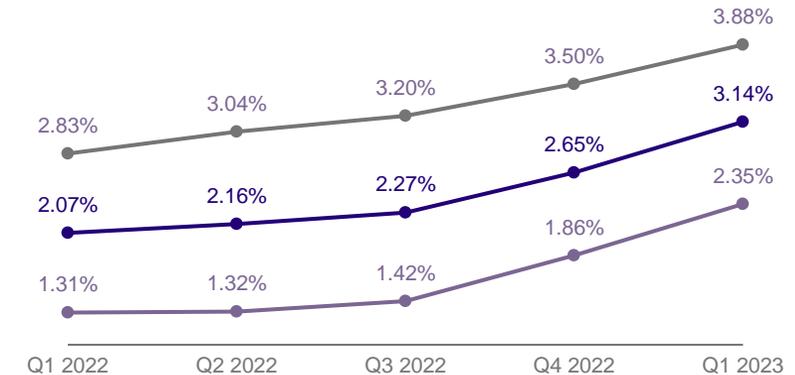
Strong margin pick-up on the back of NII growth

Net interest income of NLB Group (in EURm)

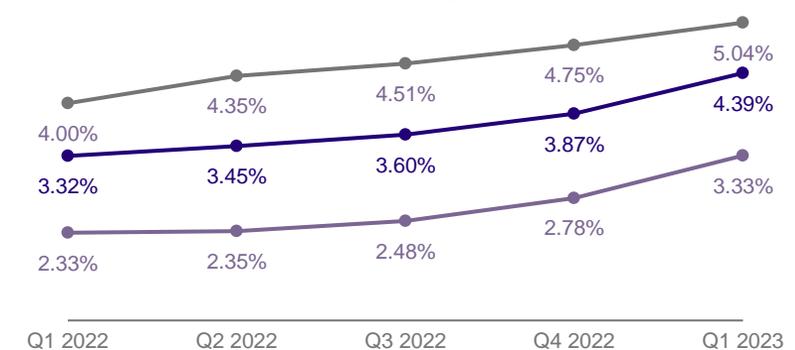


- YoY growth in interest income derived from:
 - loans to customers: EUR 56.8 of which EUR 23.6 million from individuals and EUR 33.2 million from corporate and state, with both loan growth and interest rate increase being important contributors
 - balances at banks and central banks (EUR 25.1 million)
- Interest expenses increased mostly due to
 - higher expenses for wholesale funding raised for MREL and capital requirements
 - higher expenses for customers deposits
- On QoQ basis the interest income was higher mostly due to higher interest rates, while interest expenses were higher due to higher interest rates on customer deposits and new funding (including, subordinated debt).

Net interest margin, quarterly (in %)



Operational business margin, quarterly (in %)

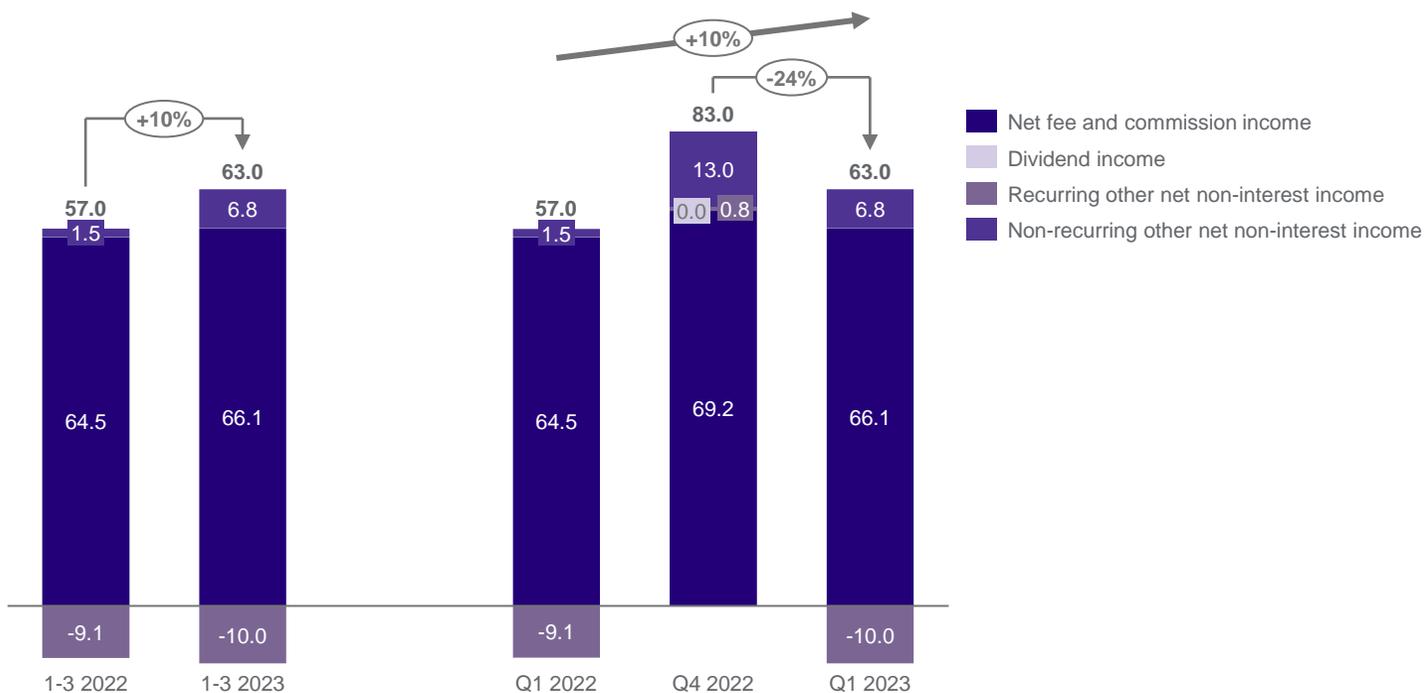


The net interest margin of the Group increased and reached 3.14 % in Q1, 1.07 p.p. higher on YoY basis. In the same period the operational business margin also increased and reached 4.39% (1.06 p.p. higher), predominantly due to substantial net interest income growth while net fee and commission income growth was subtle.

Net non-interest income

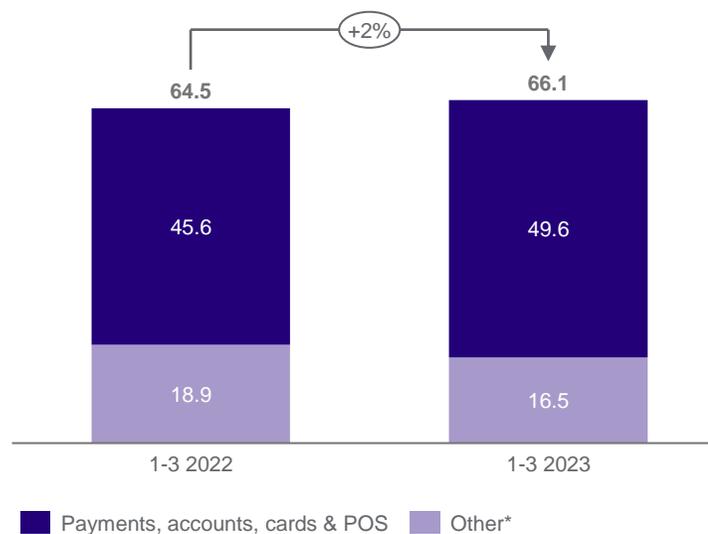
Growth of F&C income YoY despite cancelation of high balance deposit fees

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



- A major part of the net non-interest income has been derived from the net fee and commission income.
- N Banka became part of the Group in March 2022 and was therefore only partially included in last year's Q1 result
- QoQ decrease due to one-time expenses for regulatory costs in NLB and N Banka (assessment), EUR 8.6 million for DGS and EUR 2.9 million for SRF, but also related to very strong previous quarter on payment transactions and cards and ATM operations, related to seasonal higher consumption in Q4.

Net fee and commission income (in EURm)



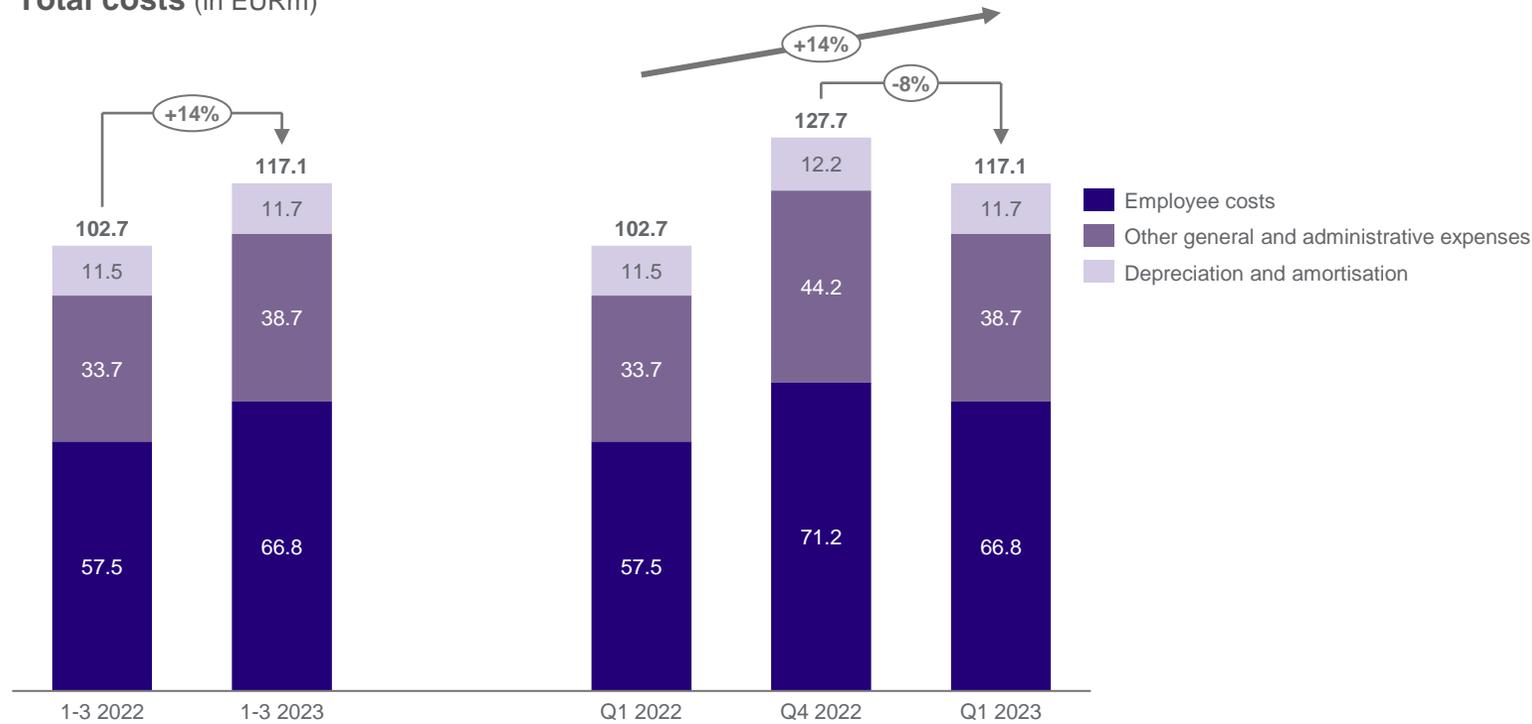
*Other includes investment funds, guarantees, investment banking, insurance products and other services.

- Higher fees from cards and payment services in all banking members.
- Cancellation of high balance deposit fee in the Bank.

Costs

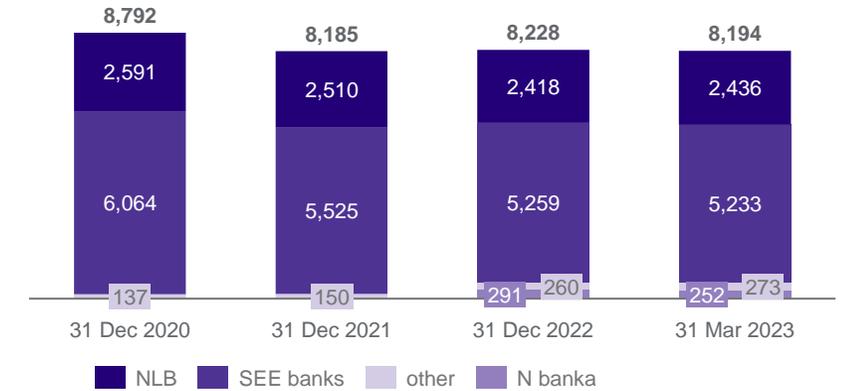
Inflation and integration process affecting costs

Total costs (in EURm)

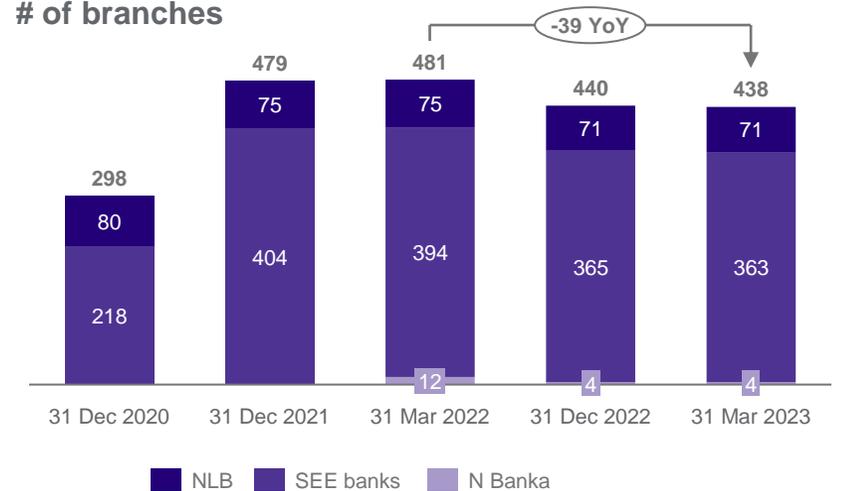


- Increased costs in all of the Group banking members.
- The Group is affected by rising employee (EUR 9.3 million YoY), and other general and administrative expenses (EUR 5.0 million YoY), in large part related to the inflation, as well as cost related to the integration process of N Banka (EUR 2.0 million of integration costs in Q1 2023) and the fact that N Banka's cost base was only partially included in total costs in Q1 2022 – neutralizing for this, cost growth would have been lower, 10% YoY.
- The QoQ decrease is related to the normal seasonality in the last quarter.

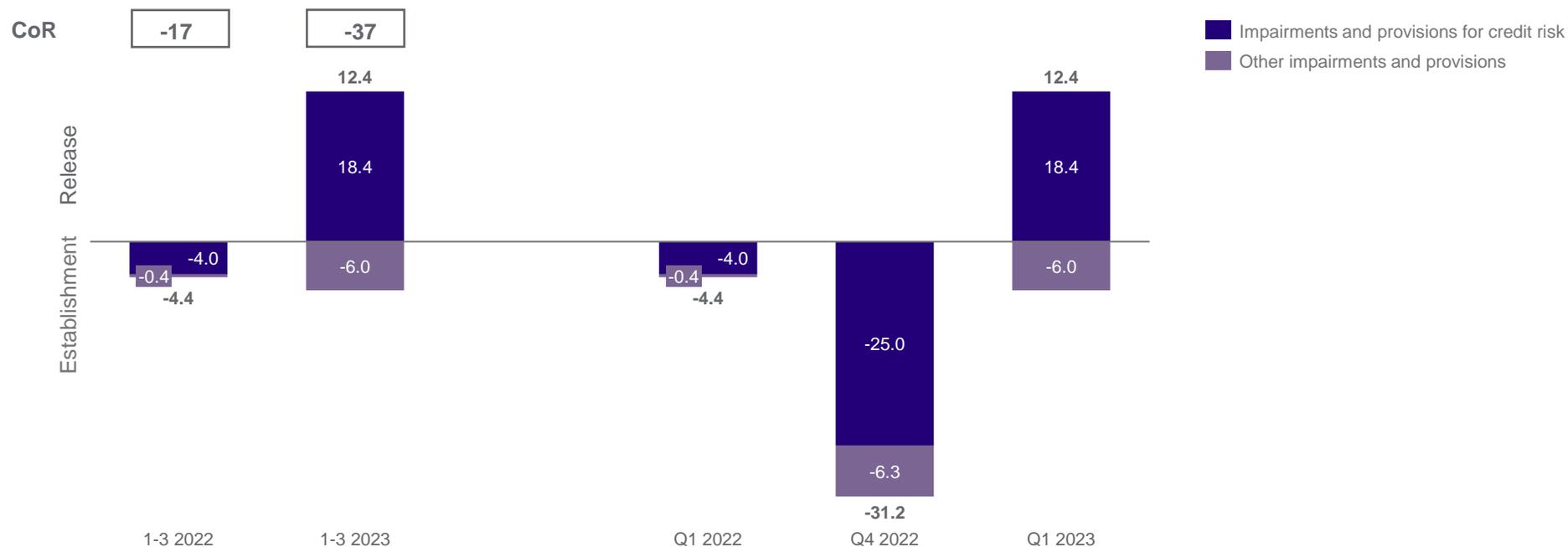
of employees



of branches



Impairments and provisions

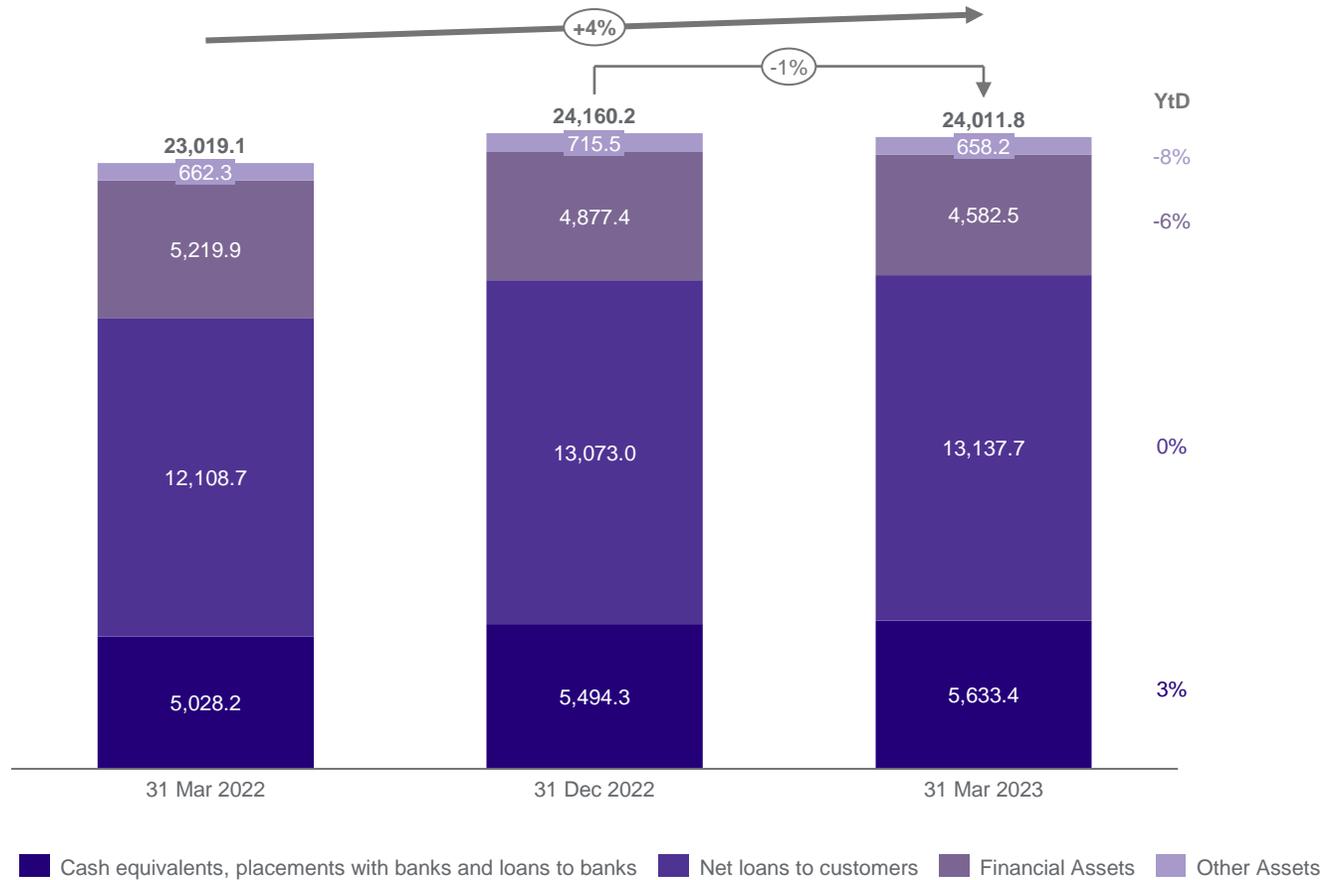


- Impairments and provisions for credit risk were net released in the amount of EUR 18.4 million, main factors being positive effects from a successful collection of previously written-off receivables, due to a favorable environment for NPLs resolution, and positive portfolio development, mainly due to the sale of Russian bonds and repayments in the corporate segment.
- Other impairments and provisions were net established in the amount of EUR 6.0 million, the main reasons for that being the release of provisions for legal risk in the Bank and establishment of other provisions for liability in relation to reimbursement of fees in case of early loan repayment.
- The cost of risk was negative, -37 bps, supported by the sale of Russian government bonds and positive contribution from NPL resolution in most of the Group members.

NLB Group Assets

Total asset growth fueled by YoY growth in net loans to customers

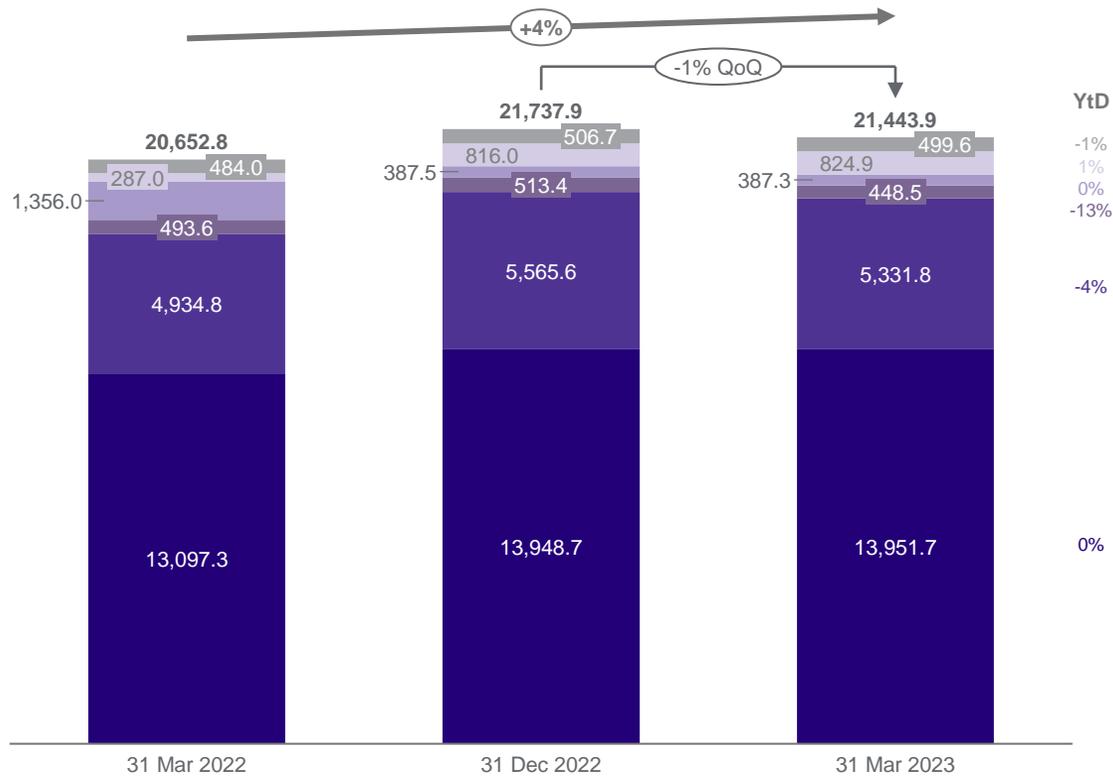
Total assets of NLB Group – structure (EURm)



NLB Group Funding Structure

Average cost of funding increasing due to wholesale funding, driven by MREL requirement

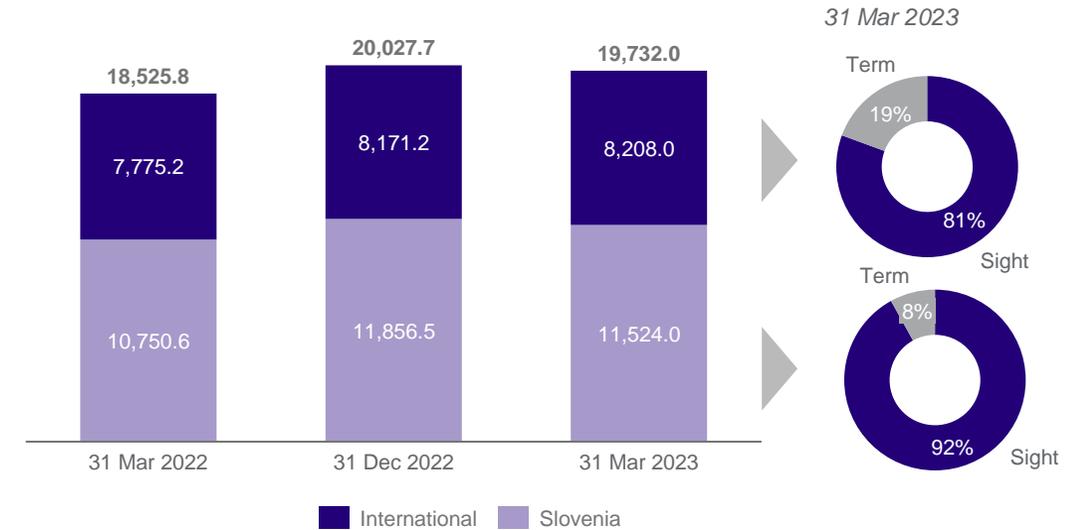
Funding structure of the NLB Group (Group, EURm)



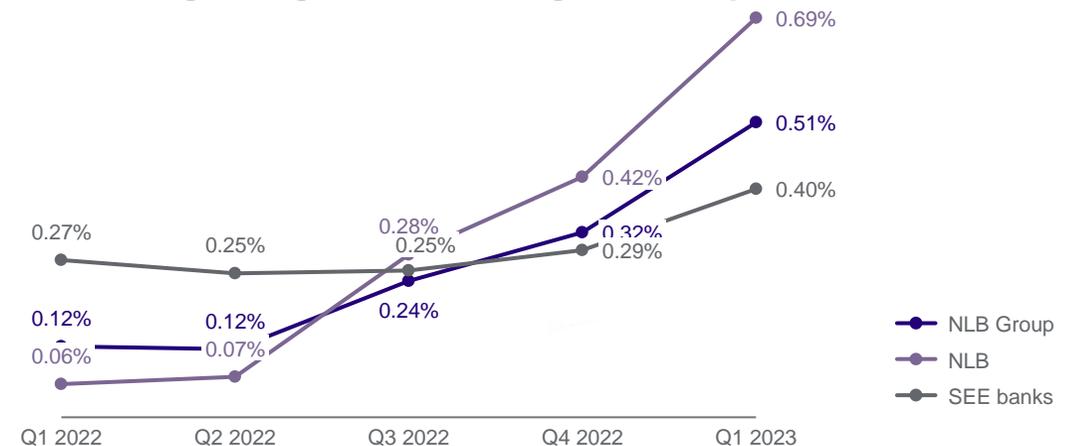
- Deposits from individuals
- Corporate deposits
- State deposits
- Borrowings and Deposits from banks and central banks
- Subordinated liabilities and Other debt securities in issue
- Other liabilities

- Primarily deposit funded with sight deposits prevailing
- Group's average cost of funding in Q1 2023 was 0.51 %, a substantial increase from 0.12% in Q1 2022

Deposit split (Group, EURm)

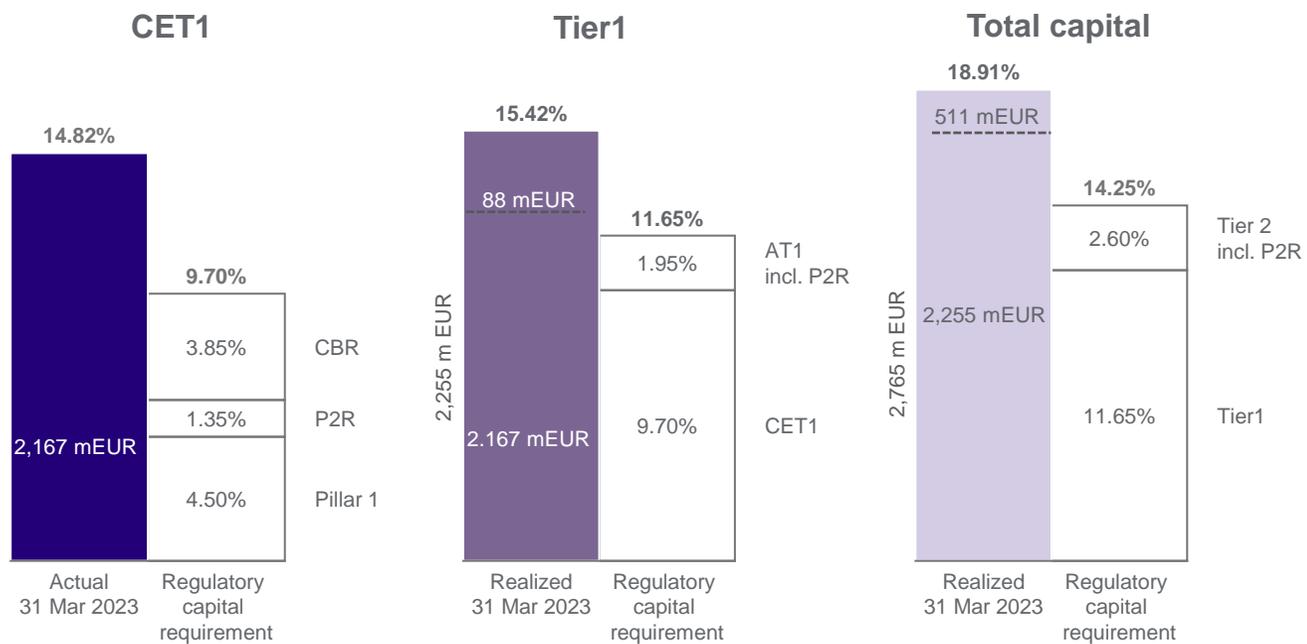


Increasing average cost of funding on a Group level (quarterly data)



Capital

Capital position enabling growth and dividend distribution



The Overall Capital Requirement (OCR) is 14.25% for the Bank on a consolidated basis, consisting of:

- 10.40% TSCR (8.00% P1R and 2.40% P2R); and
- 3.85% CBR (2.50% Capital Conservation Buffer, 1.25% O-SII Buffer, 0.10% System Risk Buffer, and 0% Countercyclical Buffer).

Pillar 2 Guidance is set at 1.00%.

- As at 31 March 2023, the **TCR** for the Group stood at 18.9% (or 0.3 p.p. decrease YtD), and the **CET1 ratio** stood at 14.8% (0.3 p.p. YtD decrease).
- The lower total capital adequacy derives from lower capital (EUR 41.1 million YtD), which was not compensated by lower RWA (EUR -30.8 million YtD).
- Although the overall revaluation adjustments in 1Q 2023 were positive in the amount EUR 21.9 million, the total capital decreased by EUR 41.1 million YtD, since the temporary treatment of fair value through other comprehensive income (FVOCI) valuations for sovereign securities with the positive effect of EUR 61.7 million as at 31 December 2022 ceased to apply in January 2023.

TCR evolution YtD

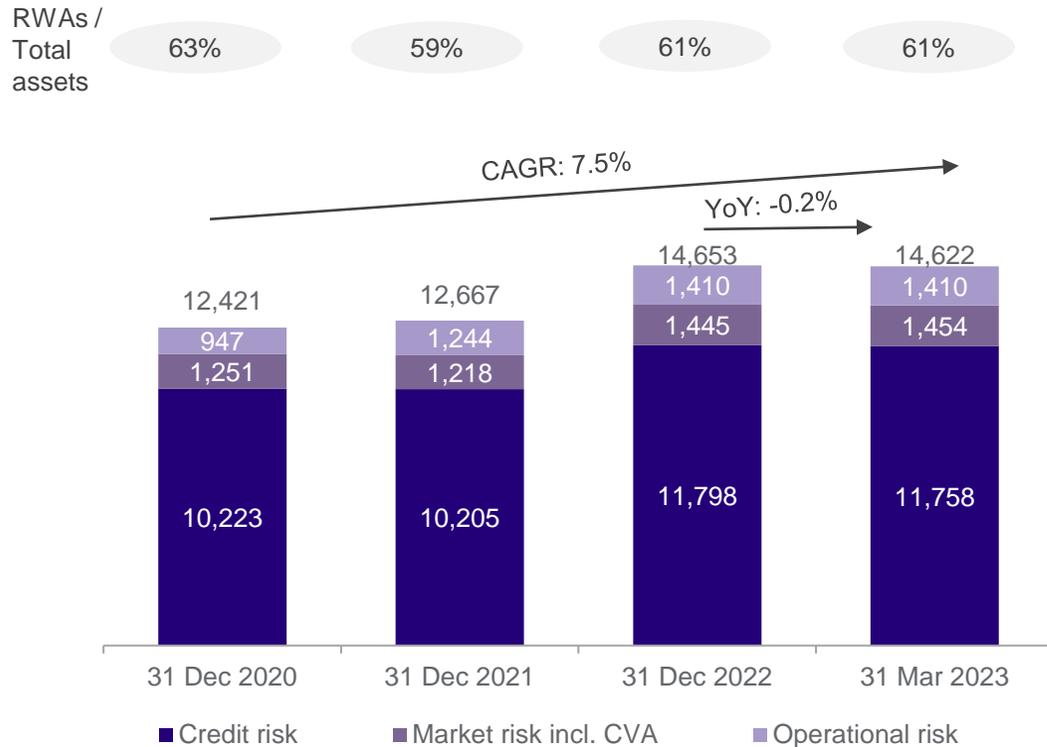
EURm



RWA structure

Prudent RWA management to improve capital ratios

RWA structure (in EURm)



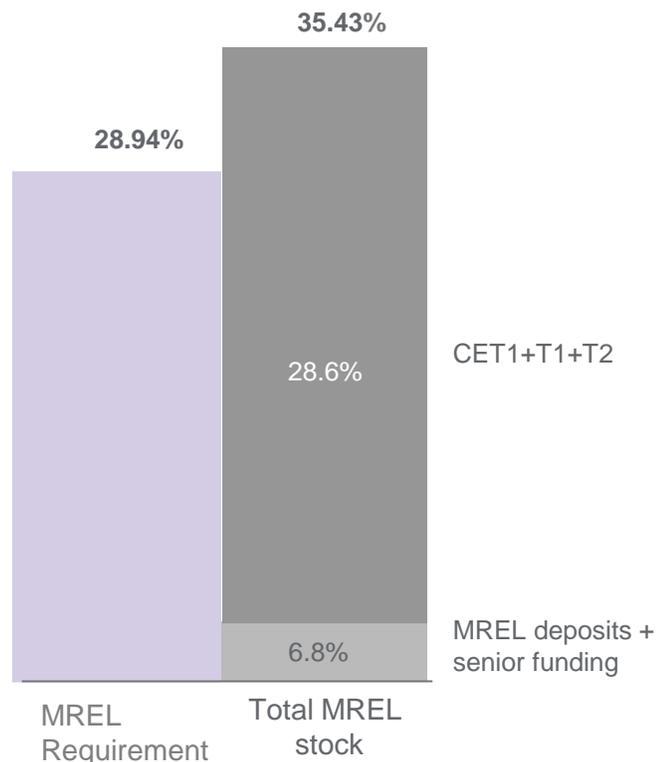
RWA for credit risk decreased by EUR 39.8 million, mainly due to maturity of liquid assets in NLB Komercijalna Banka, Beograd and lower placements at CB in foreign currency (EUR). RWA reduction was partially offset by project finance exposures and retail lending exposures growth. Overall, RWA of corporate segment is on the level of the year 2022 while in Retail segment it increased.

The increase in **RWAs for market risks and CVA** (Credit Value Adjustments) in the amount of EUR 9.1 million YtD is the result of higher RWA for FX risk in the amount of EUR 12.1 million, higher RWA for CVA risk in the amount of EUR 4.9 million, and lower RWA for TDI risk in the amount of EUR 8.0 million (as a consequence of termination of some deals).

NLB Wholesale Funding

Wholesale funding is driven by MREL requirement and by ambition to further strengthen and optimize the capital structure

MREL Stock in % (as at 31 Mar. 2023)



MREL requirement:

- 25.19% TREA (excluding applicable CBR) as of 1 January 2022
- 31.38% TREA (excluding applicable CBR) as of 1 January 2024

Outstanding bonds:

Type of the Bond	ISIN code	Issue Date	Maturity	First call date	Interest Rate	Nominal Value
Tier 2	SI0022103855	6 May 2019	6 May 2029	6 May 2024	4.2% p.a.	EUR 45m
Tier 2	XS2080776607	19 November 19	19 November 2029	19 November 2024	3.65% p.a.	EUR 120m
Tier 2	XS2113139195	5 February 2020	5 February 2030	5 February 2025	3.40% p.a.	EUR 120m
Senior Preferred	XS2498964209	19 July 2022	19 July 2025	19 July 2024	6.0% p.a.	EUR 300m
Additional Tier 1	SI0022104275	23 September 22	Perpetual	between 23 September 2027 and 23 March 2028	9.721% p.a.	EUR 82m
Tier 2	XS2413677464	28 November 2022	28 November 2032	28 November 2027	10.750% p.a.	EUR 225m

Total outstanding of the bonds 892 EUR million (T2: 510 EUR million, SP: 300 EUR million and AT1: 82 EUR million).

Funding plan in 2023:

New Senior Preferred bond issuance envisaged (subject to market conditions). This will lead to the Bank meeting MREL needs becoming binding as of Jan 1 2024.

NLB Resolution Group	
TREA (in EUR m)	as at Q1 2023
NLB d.d., Ljubljana	6.720
NLB Lease&Go, leasing, d.o.o, Ljubljana	162
NLB Skladi d.o.o., Ljubljana	53
Other	106
Total	7.042

Asset Quality

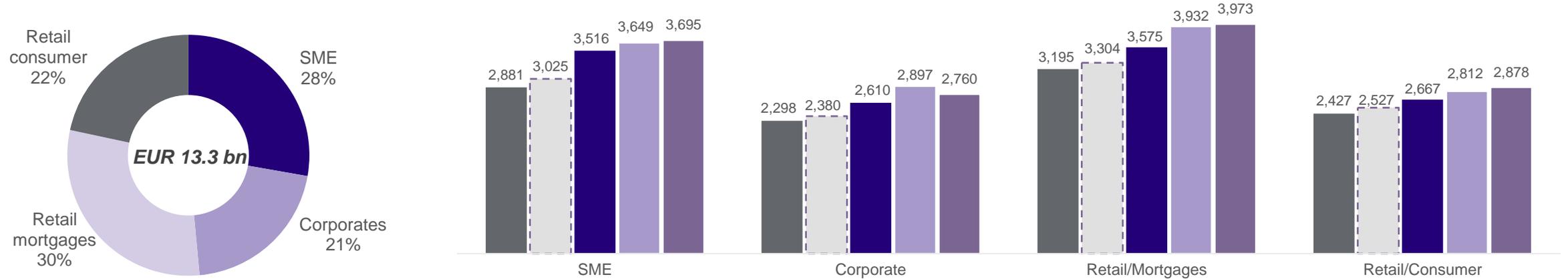


Asset Quality – NLB Group

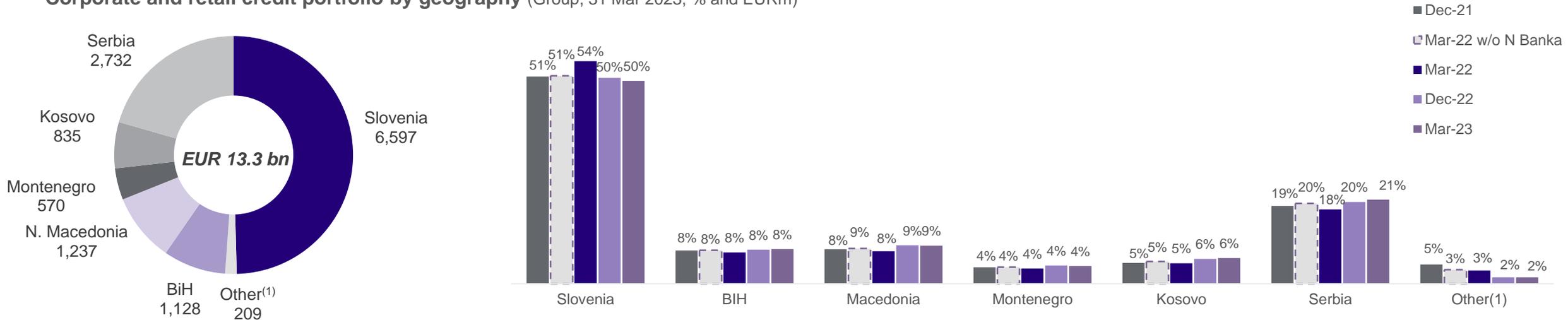
Diversified corporate and retail credit portfolio, focused on core markets

- Dec-21
- ▨ Mar-22 w/o N Banka
- Mar-22
- Dec-22
- Mar-23

Corporate and retail credit portfolio by segment (Group, 31 Mar 2023, % and EURm)



Corporate and retail credit portfolio by geography (Group, 31 Mar 2023, % and EURm)



NLB Group Asset Quality

Portfolio diversification reduces risk, no large concentration in any specific industry

Corporate credit portfolio (Group, 31 Mar 2023, in EURm)

Credit portfolio		in EUR thousand	
Corporate sector by industry	NLB Group	%	Δ YtD 2023
Accommodation and food service activities	213,163	3%	-3,528
Act. of extraterritorial org. and bodies	7	0%	1
Administrative and support service activities	90,549	1%	10,757
Agriculture, forestry and fishing	329,388	5%	3,154
Arts, entertainment and recreation	23,537	0%	-118
Construction industry	594,708	9%	24,957
Education	13,507	0%	-375
Electricity, gas, steam and air conditioning	484,388	8%	-66,150
Finance	172,085	3%	-52,594
Human health and social work activities	45,602	1%	-1,235
Information and communication	301,514	5%	-13,416
Manufacturing	1,459,665	23%	815
Mining and quarrying	49,815	1%	-4,395
Professional, scientific and techn. act.	193,453	3%	6,325
Public admin., defence, compulsory social.	186,176	3%	-2,522
Real estate activities	299,704	5%	-13,111
Services	15,023	0%	-1,729
Transport and storage	620,664	10%	-8,846
Water supply	57,315	1%	5,939
Wholesale and retail trade	1,302,692	20%	24,720
Other	2,535	0%	1,228
Total Corporate sector	6,455,490	100%	-90,122

- Credit portfolio remains well diversified. Industries with largest exposures include a broad range of diverse activities.
- In Q1 NLB Group corporate credit portfolio decreased due to repayments by some companies from electricity, gas, steam industry and a related financial holding, which are connected mainly to the energy law in the Republic of Slovenia. Otherwise, NLB Group increased lending, mainly to the companies from wholesale and retail trade and from construction industry, the later related to project financing.
- The Bank is very cautious when financing the sectors with possible negative effects resulting from RU/UA crisis, therefore cautious selection of best clients in the region with favourable prospects is exercised.



NLB Group Asset Quality

Industry diversification in manufacturing and trade

Corporate credit portfolio (Group, 31 Mar 2023, in EUR million)

Credit portfolio		in EUR thousand	
Corporate sector by industry	NLB Group	%	Δ YtD 2023
Manufacturing	1,459,665	23%	815



Credit portfolio		in EUR thousand	
Main manufacturing activities	NLB Group	%	Δ YtD 2023
Manufacture of food products	212,228	3%	-12,100
Manufacture of electrical equipment	197,549	3%	-5,122
Manufacture of fabricated metal products, except machinery and equipment	192,758	3%	1,895
Manufacture of basic metals	139,960	2%	-5,830
Manufacture of other non-metallic mineral products	104,935	2%	-2,126
Manufacture of motor vehicles, trailers and semi-trailers	81,722	1%	11,040
Manufacture of machinery and equipment n.e.c.	76,138	1%	2,595
Manufacture of rubber and plastic products	75,947	1%	2,761
Other manufacturing activities	378,427	6%	7,700
Total manufacturing activities	1,459,665	23%	815

Credit portfolio		in EUR thousand	
Corporate sector by industry	NLB Group	%	Δ YtD 2023
Wholesale and retail trade	1,302,692	20%	24,720



Credit portfolio		in EUR thousand	
Main wholesale and retail trade activities	NLB Group	%	Δ YtD 2023
Wholesale trade, except of motor vehicles and motorcycles	728,990	11%	-3,105
Retail trade, except of motor vehicles and motorcycles	447,349	7%	26,112
Wholesale and retail trade and repair of motor vehicles and motorcycles	126,353	2%	1,714
Total wholesale and retail trade	1,302,692	20%	24,720

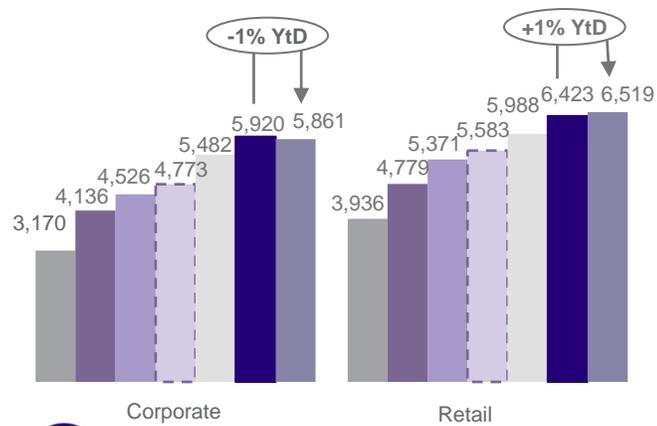
NLB Group Asset Quality

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

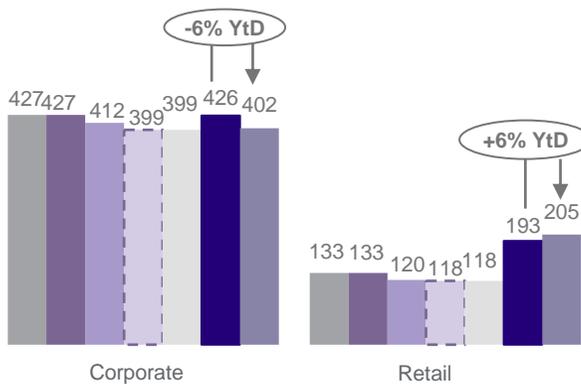
Credit portfolio ⁽¹⁾ by stages (Group, 31 Mar 2023, in EURm)

	in EUR million														
	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	17,701.0	95.0%	243.5	606.7	3.3%	-11.6	320.1	1.7%	-7.9	80.2	0.5%	38.9	6.4%	185.8	58.0%
o/w Corporate	5,860.8	90.8%	-59.3	402.1	6.2%	-23.6	192.6	3.0%	-7.3	51.6	0.9%	24.8	6.2%	107.2	55.7%
o/w Retail	6,519.0	95.2%	96.1	204.6	3.0%	12.0	127.4	1.9%	-0.7	27.2	0.4%	14.1	6.9%	78.4	61.6%
o/w State	5,004.2	100.0%	258.6	-	-	-	0.1	0.0	0.1	1.2	0.0%	-	-	0.1	98.2%
o/w Institutions	317.0	100.0%	-51.9	-	-	-	0.1	0.0	0.1	0.1	0.0%	-	-	0.1	91.4%

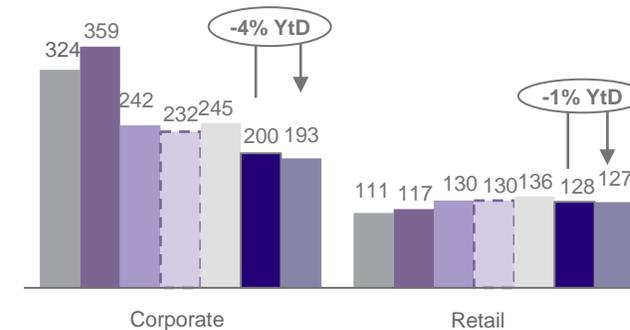
Stage 1 by segment (in EURm)



Stage 2 by segment (in EURm)



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



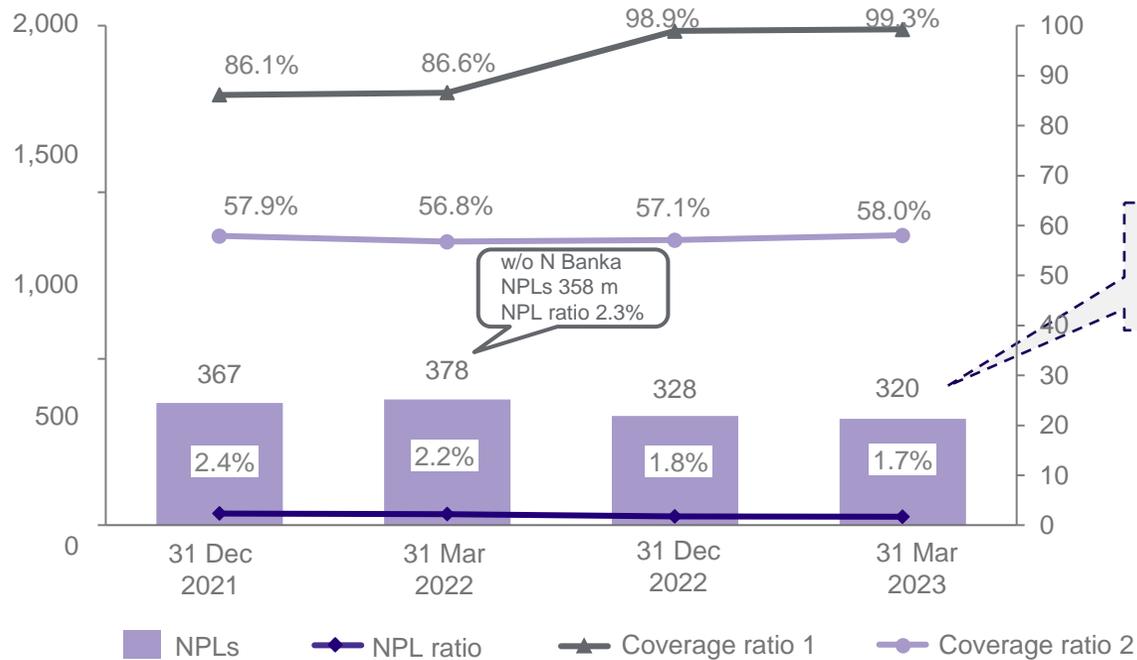
31 Dec 2020 w/o KB
 31 Dec 2020
 31 Dec 2021
 31 Mar 2022 w/o N Banka
 31 Mar 2022
 31 Dec 2022
 31 Mar 2023

Note: 1) Credit portfolio also includes advances to banks and central banks; (2) State includes exposures to central banks

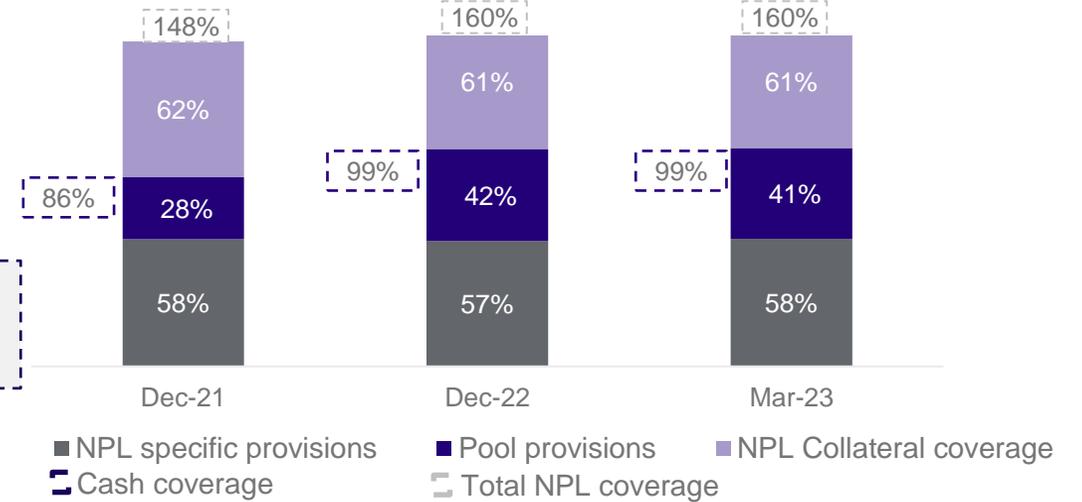
Asset Quality – NLB Group

NPL ratio further decreased. NPLs are fully covered by provisions and collateral

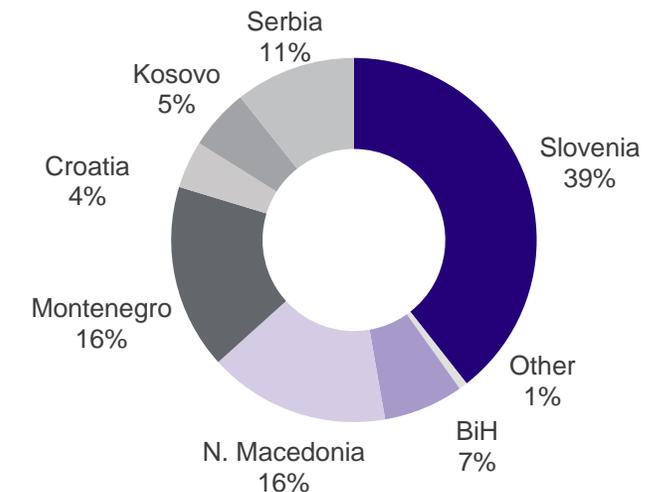
Gross NPL ratio within the planned framework (Group, EURm)



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



NPL by geography (Group, 31 Mar 2023)



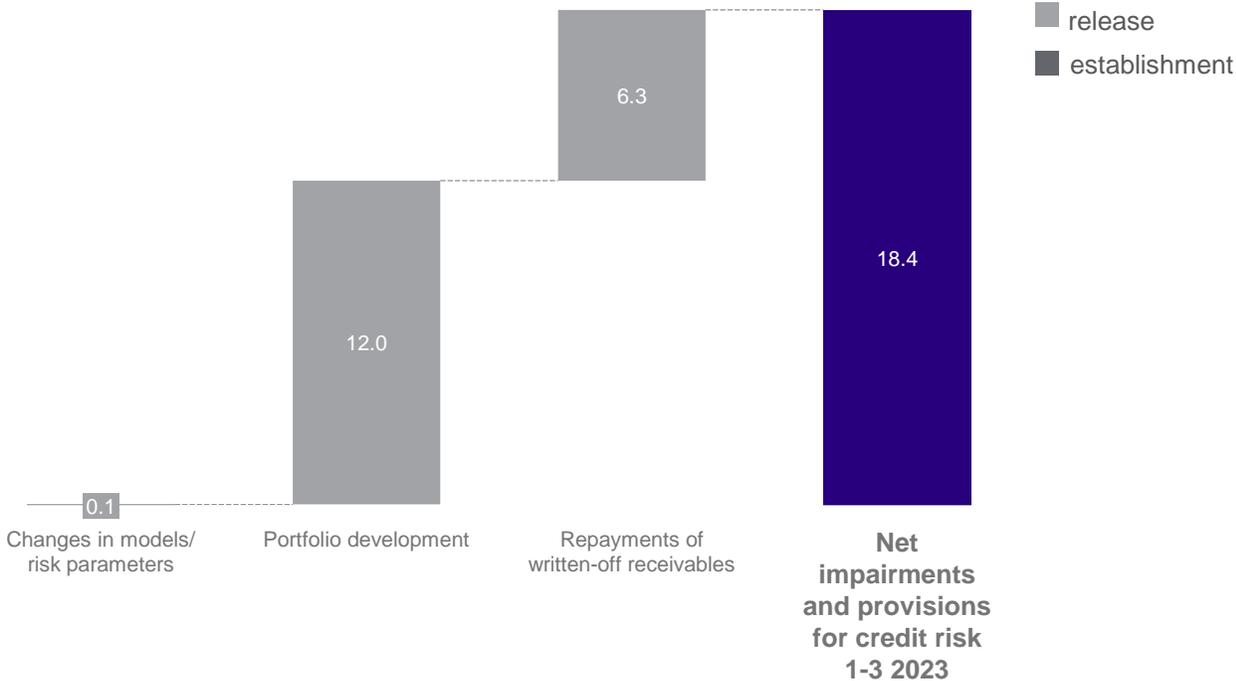
- In Q1 favourable NPL movements were recognized, mostly due to repayments and recovery of NPLs.
- **NPL ratio YtD** decreased by 0.1 p.p. to the level of 1.7%, while **NPE ratio** stands at 1.3%. **Coverage ratio** (CR1) increased to 99.3%. NPL coverage ratio (CR2) improved to 58.0%, which is above the EU average as published by the EBA (43.4 % for Q4 2022).

Note: (1) Cash coverage calculated including both individual and pool provisions.

Asset Quality – NLB Group

Favorable trends in asset quality

Cumulative net new impairments and provisions for credit risk
(w/o off-balance, Q1 2023, in EUR million)



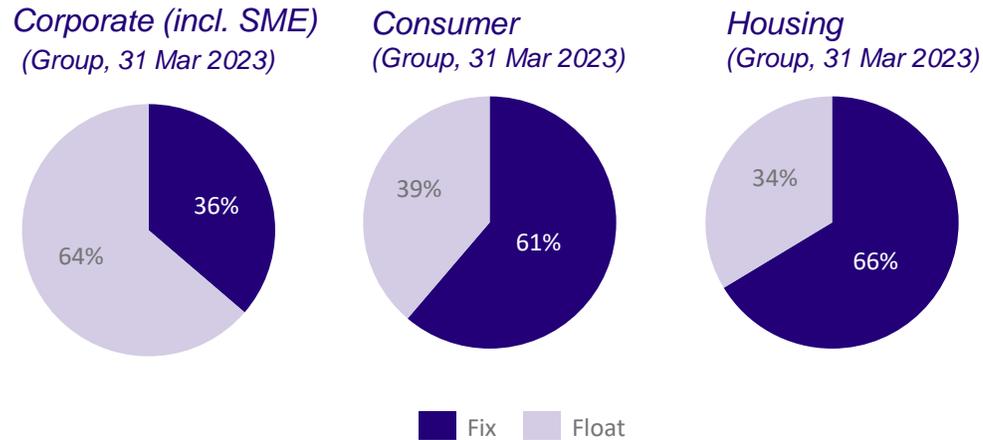
- In Q1 2023 net release of impairments and provisions in the amount of EUR 18.4 million.
- In Q1 there were no significant changes in risk parameters.
- Portfolio development led to release of provisions, mainly due to sale of Russian bonds and repayments in the corporate segment.
- Repayments of written-off receivables remained high due to favorable environment for NPLs resolution.

Note: Credit impairments and provisions are used for calculation of CoR and represent major part of impairments and provisions for credit risk (include also credit impairments and provisions for other financial assets).

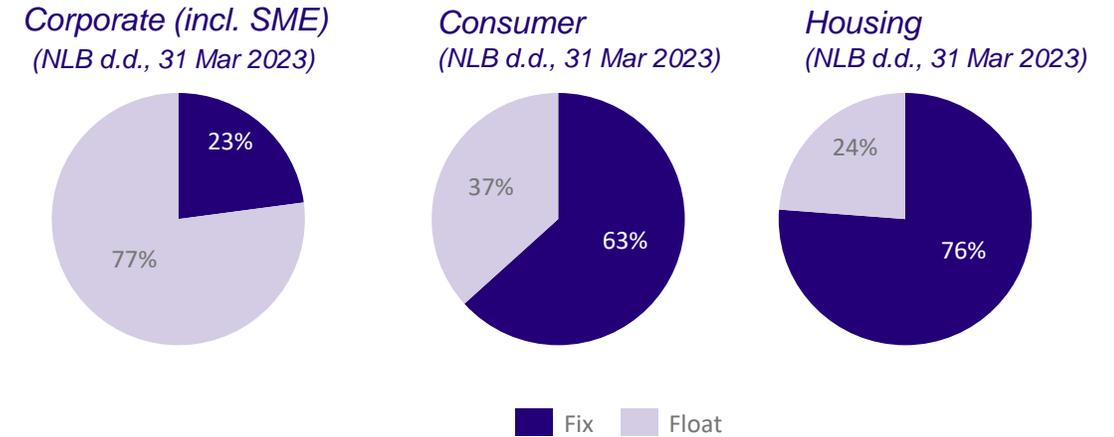
Asset Quality – NLB Group

Corporate and retail credit portfolio split by interest rates

Corporate and retail portfolio of NLB Group



Corporate and retail portfolio of NLB d.d. ⁽¹⁾



The trend of transfer from variable to fixed interest rates continues in Q1, especially in the Consumer and Housing loans segment.

Structure of loan portfolio by type of interest rate

Net interest income sensitivity to higher rates remains intact

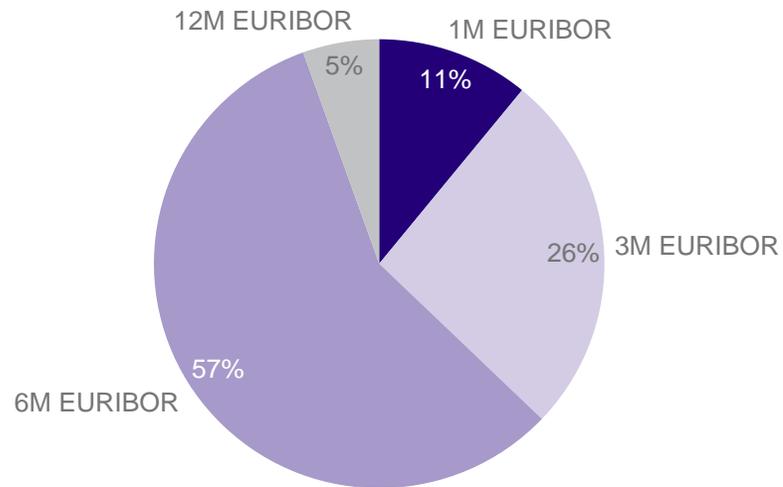
Structure of loan portfolio by type of interest rate

as of March 2023, in EURm

EURIBOR 5,681

	Avg EURIBOR March 2023	EURIBOR as of 31 March 2023
1M EURIBOR	2,70%	2,92%
3M EURIBOR	2,65%	3,04%
6M EURIBOR	2,63%	3,34%
12M EURIBOR	0,53%	3,62%

Loan portfolio by type of EURIBOR (Group, 31 March 2023)



Repricing of Euribor follows contract date (in majority of cases) or fixed date of repricing for all contracts.

NII sensitivity to a +100bps sudden interest rate shock corresponds to EUR +81,0 million EUR in one year (constant balance sheet assumption).

ESG & Digital



Integration of Sustainability and ESG factors in the Business Model



Through the Principles, NLB takes decisive action to align its core strategy, decision-making, lending and investment with the UN Sustainable Development Goals.

Highlights in Q1 2023 and April 2023 ¹

- **NLB Group Sustainability Report and UN PRB Report for 2022** were published, available at the [Bank's website](#); the 1st ESG Investor call was organized.
- **ESG Risks (qualitative and quantitative disclosures), with preliminary financed emission** were published for the first time in the NLB Group Basel Pillar III Disclosures for 2022, available at the [Bank's website](#).
- **The requirements of the EBRD E&S Policy were fulfilled in the NLB Group** and reported to EBRD in the Annual Environmental & Social Report for Financial Institutions.
- **Further improvements in the sustainability – related governance:** ESG internal audit review was conducted and action plan was adopted; preparation for implementation of comprehensive ESG Policy, further standardisation in the Group, and other activities have started.
- **Adoption of Human Rights Policy** and start of implementation of Human Rights Management System.
- **Regular support to clients' green transition with sustainable corporate and private individuals financing;** ESG training for front office is underway.
- **Strong focus on climate/ESG Risk Management,** development of **Net Zero Business Strategy**, and implementation of ESG factors in lending process.
- The first activities within **Chapter Zero Slovenia Initiative** were launched, aimed at capacity building of supervisory and management board members to make climate change a boardroom priority.
- **Management and further reduction of CO2 emissions** through several energy efficiency and other activities.
- **Improved Employee Engagement:** Top Employer award (8th year in the row), several activities for positive organisational culture are underway.
- **Continuation of active contribution to society** through sponsorships, donations and partnerships and their alignment with UN SDGs (new in Q1: CSR project with Slovenian Bees Association).



ESG RATING 2022 ²	17.7 Low Risk	TOP 15% Banks
-------------------------------------	----------------------	----------------------

2030 Key Targets

2023:

- **NLB Group Net Zero Strategy** Implementation - to align lending and investment portfolios with net-zero emissions targets by 2050
- **CSRD implementation**
- Ambition to issue **Green Bond**
- Additional **ESG Ratings**

2025:

- Paper usage decrease by 50% (vs. 2019)
- Share of digital users: 55%

2030:

- **Sustainable corporate financing:** 785 mio EUR or more
- **75% electricity** used by NLB Group from **zero-carbon resources**
- Entire NLB fleet run by electric energy and **CO2 neutral**



Notes: (1) Quantitative data on Sustainability/ESG activities are currently monitored on Y2Y basis and will be available in NLB Group Sustainability Report 2023 (in April 2024)

(2) As of Dec 5, 2022, based on 2021 data; 2022 rating in the pipeline

Sustainability Roadmap for 2023

- Our sustainability roadmap 2023 sets next milestones & targets for tackling environmental, social and governance considerations, and focuses on steps to achieving one most important goal – to empower all stakeholders for successful transition to low carbon, inclusive, just and sustainable future.



Sustainable Operations in 2023

- NLB Group will disclose all relevant ESG data.
- The focus will be on the analysis and implementation of the **EU Corporate Sustainability Reporting Directive**, as well as the upcoming **EU Corporate Sustainability Due Diligence Directive**.
- NLB Group will implement **Human Rights Management System**.
- All relevant internal acts will be upgraded for the inclusion of **ESG criteria in the supply/value chain**.
- Continuous reduction of operational **carbon footprint**.
- Maintaining high standards related to **employee well-being**.
- To raise the level of sustainability awareness among employees, the Bank will organize its 2nd NLB Group Sustainability Day.



Sustainable Finance in 2023

- NLB Group will develop and implement the **Net Zero Business Strategy** in line with **UN PRB & NZBA** with the aim to set its lending and investment decarbonization targets.
- First targets related to **reducing its footprint in carbon-intensive industries** will be published.
- The NLB Group will finalize implementation of **EBRD environmental and social performance requirements** in its business model.
- The NLB Group will continue to support its clients in their green transition – **fine tuning & expanding its sustainability-related products portfolio**.
- **Green Bond Framework**.



Contribution to Society in 2023

- **Sponsorship and donations** will continue to be based on supporting and following the **UN Sustainable Development Goals**.
- **NLB Group will continue with its contributions to local communities**.

State-of-the art services & channels

The pioneer of banking innovation in Slovenia



First Slovenian bank enabling **24/7 opening of personal account** and the only bank with **full digital signing of documents in M-bank**



First Slovenian bank sending cards' PIN via SMS



First Slovenian bank implementing **Flik P2M (Person to Merchant)** at all POSes



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



Only bank with **fully mobile express loan capabilities** (Consumer & SME)



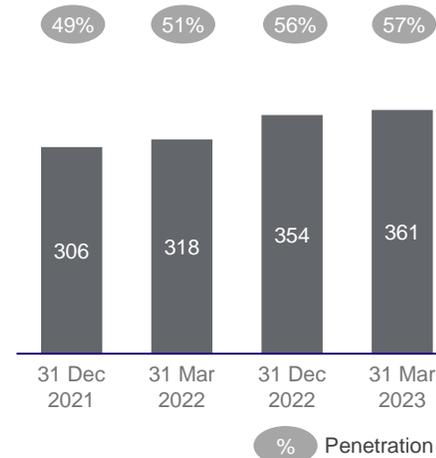
First Slovenian bank to offer **card management functionalities** and biometric recognition to **confirm online purchases in mobile wallet**



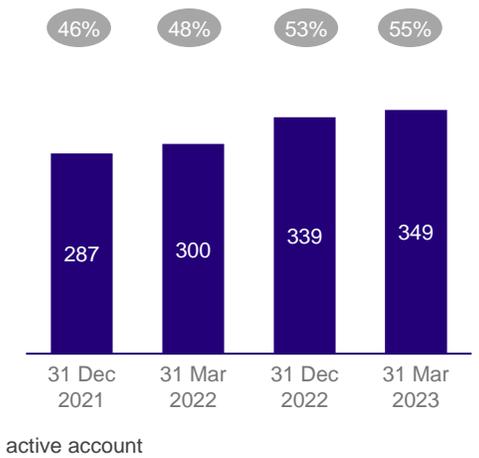
First Slovenian bank issuing **digital only debit cards**

Demonstrated success in digital activation

Digital users⁽¹⁾ ('000s)

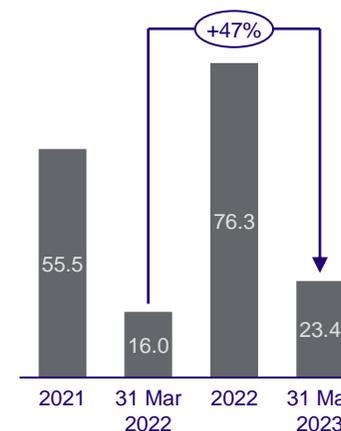


Mobile bank users⁽²⁾ ('000s)

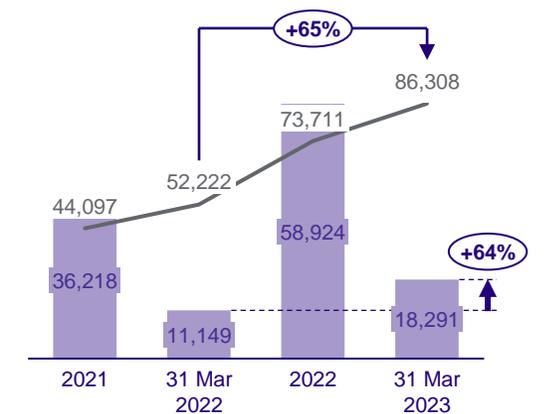


% Penetration of clients with active account

E-commerce purchases (EURm)



M-Wallet NLB Pay in numbers



— # of users ■ Volume of transactions (in '000 EUR)

N Banka Integration



Integration of N Banka into NLB is progressing well with important testing runs ahead of us

Highlights of integration process

Legal and M&A process

- The ECB application with audited financial statements of both banks is completed and submitted to the competent authorities on **April 20**
- Detailed step plan developed - legal merger to happen on September 1st and operational merger during weekend prior to September 4th

Clients

- Client churn stabilized by implementation of counter measures, yet technically client numbers decrease due to clean up
- Retail guidelines developed and implemented: they contain guidance on clients transfer and gradual implementation of limitations to products, envisaged to come to a halt at least two months prior to integration
- Joint Corporate and SME clients are serviced in close collaboration between N Banka and NLB to ensure best possible customer experience, new lending is largely provided by NLB now
- Client usage of and feedback on Branch/KIOSKS closely monitored; two Kiosks closed in March, further two Kiosks closed beginning of April
- Four N Banka branches will be largely upgraded to meet NLB standards shortly after the operational merger

Employees

- Operational stabilization of N Banka achieved through several structural initiatives
- Realization of synergies supported by established voluntary leave program and progressing as planned – more than 50 agreements signed by employees
- First colleagues already switched from N Banka to NLB in areas like Front Office, Compliance, Organization etc.
- More than 130 employees of N Banka either already signed a contract to join NLB or are in the selection process

Marketing & Communication

- N Banka marketing function has been insourced to NLB
- Communication initiatives between N Banka and NLB on key activities (sports sponsorships, donations etc.) are coordinated
- Comprehensive communication approach towards clients is developed to continue and increase client engagement. Key communication milestones are set
- We are currently preparing comprehensive content package for pre-merger and merger communication, to ensure clients are well informed about all changes in services

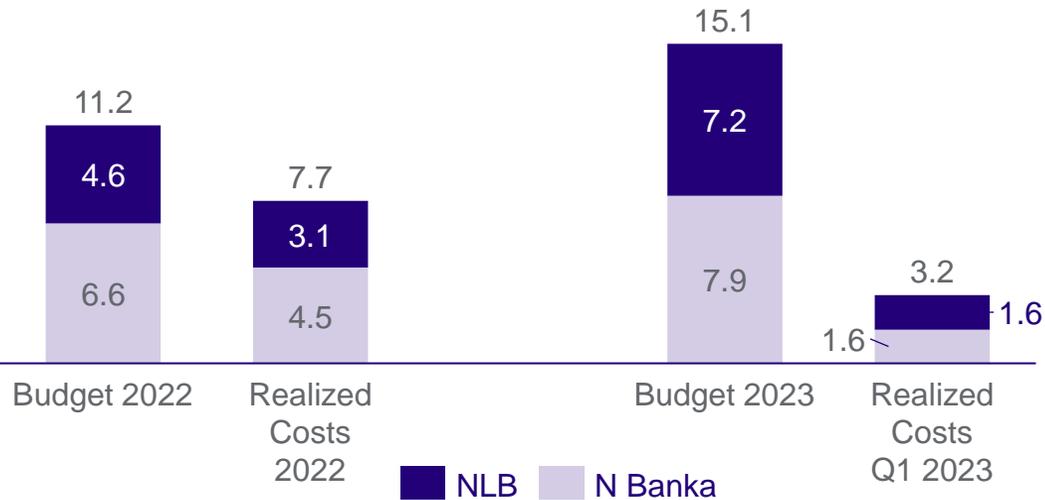
Integration Progress

- During Test Run 1 (March) and Test Run 2 (April) data migration was tested, identified issues are being analysed and cleaned before Test Run 3 (May)
- Vendors fully onboarded to support required developments, testing etc.
- Cut-over playbook designed and ready to be tested and refined during three Dress Rehearsals scheduled for June, July and August
- Preparation for cards cut-over (migration of data necessary for card printing, scheduled for early July) in full swing and progressing according to plan

Total integration cost will be covered by synergies by the end of 2025, budget realization so far in line with budget plan

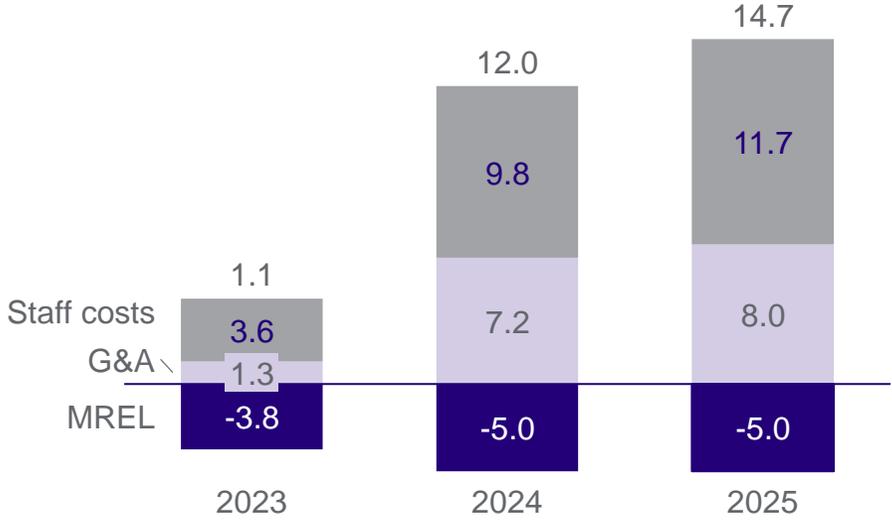
Integration Budget & Synergies

Integration budget & realization (in EUR million, incl. VAT)



- Realized costs in 2022 significantly below budget, mainly due to 1.2 million of HR provisions, where NLB and N Banka finally decided to allocate those to 2023; furthermore, certain services were partially delivered and invoiced in 2023 instead of 2022
- This in turn, will increase the costs for 2023 respectively, so total budget is expected to remain stable at 26.3 million EUR
- Budget realization so far in line with plan

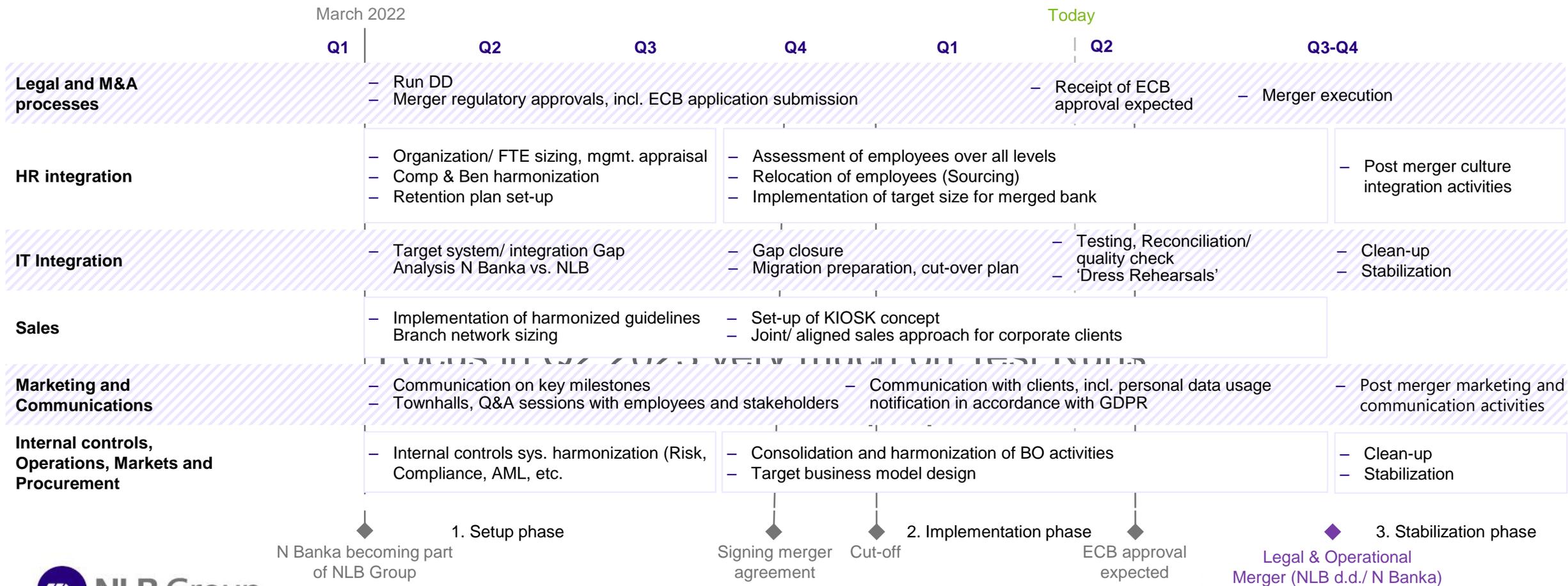
Estimated Synergies (FYE, in EUR million)



- Full synergy potential to be reached in 2025 (yearly run-rate of EUR 14.7 million)
- Limited synergies in 2023 due to merger in September, yet approx. 25% of run-rate synergies expected to kick-in already due to reduction of staff and G&A costs
- Due to consolidation of N Banka approx. EUR 125 million of additional MREL funding is needed and is considered as dis-synergy, amounting to approx. EUR 5 million p.a..

Focus in Q2 2023 very much on Test Runs and Dress Rehearsals preparation

H/I integration timeline



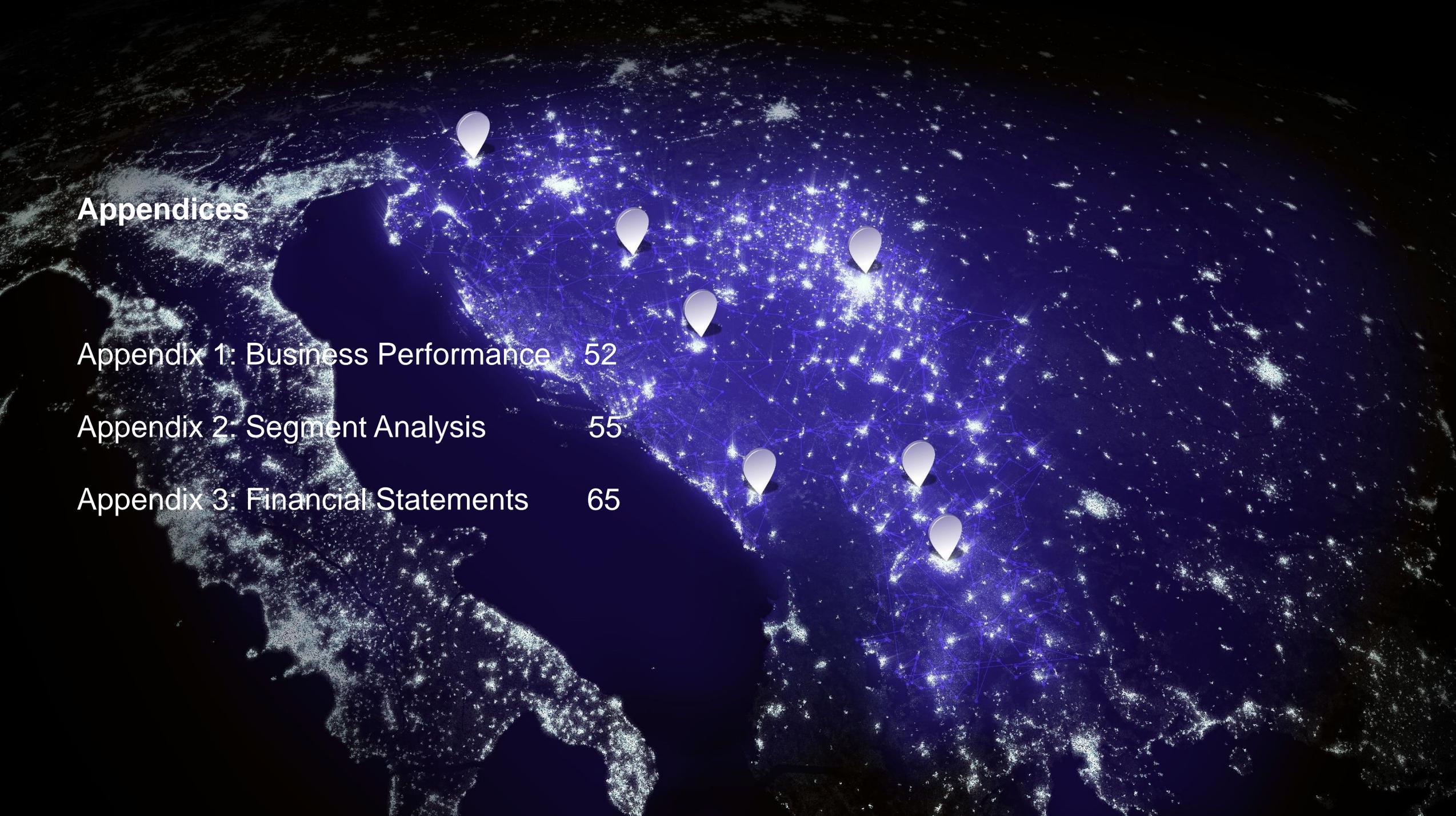
Outlook



Outlook

KPI	Last Outlook for 2023	Revised Outlook for 2023	Last Outlook for 2025	Revised Outlook for 2025
Regular income	~ EUR 900 million	~ EUR 1,000 million	> EUR 1,000 million	> EUR 1,000 million
Costs	~ EUR 490 million	~ EUR 490 million	Flat on 2023 level or below	Flat on 2023 level
Cost of risk	30-50 bps	30-40 bps	30-50 bps	30-50 bps
Loan growth	Mid-single digit	Mid-single digit	High single digit	High single digit
Dividend	EUR 110 million	EUR 110 million	EUR 500 million (2022-2025)	EUR 500 million (2022-2025)
ROE a.t.	~11%	>14%	> 13%	~ 14%
ROE normalised ⁽ⁱ⁾	~14%	>18%	> 17%	~ 20%
Regular profit			~ EUR 400 million	> EUR 400 million
Contribution from Serbian market			> EUR 100 million	> EUR 100 million
M&A potential			Tactical M&A capacity of EUR 2 billion RWA	Tactical M&A capacity of ~EUR 4 billion RWA

(i) ROE normalised = Result a.t. divided by average risk adjusted capital. Average risk adjusted capital calculated as Tier 1 requirement of average RWA reduced for minority shareholder capital contribution.

A stylized world map with a blue and white network overlay and white location pins. The map is centered on the Atlantic Ocean, with North and South America visible on the left and Europe and Africa on the right. The network consists of numerous white nodes connected by thin blue lines, creating a complex web across the continents. Several white location pins are placed at various points on the map, including North America, Europe, and Africa. The background is a dark, textured blue, suggesting a night sky or a digital space.

Appendices

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Appendix 2: Segment Analysis 55

Appendix 3: Financial Statements 65

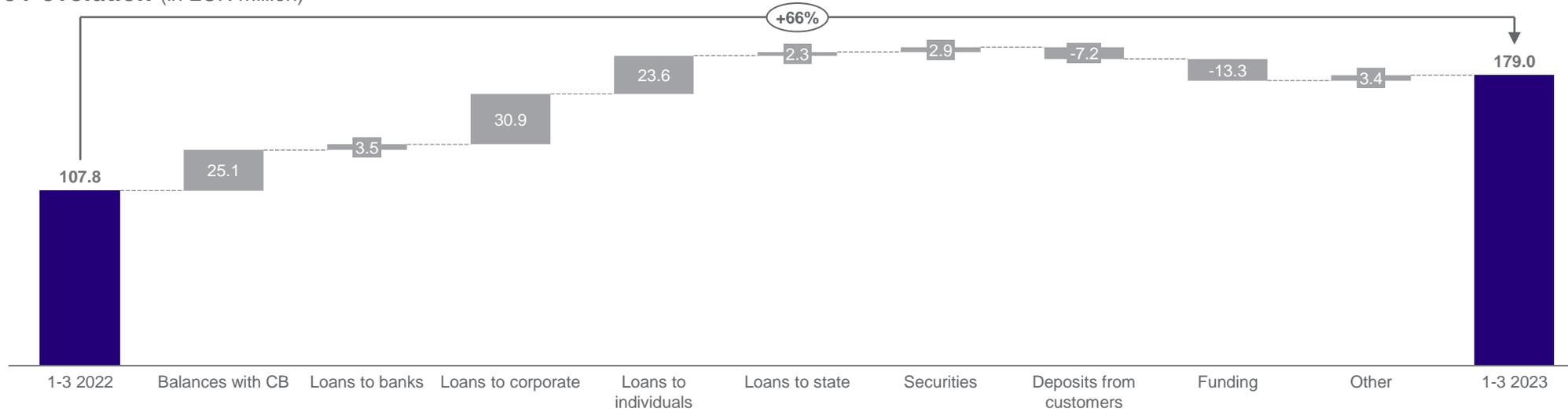
Appendix 1:

Business Performance

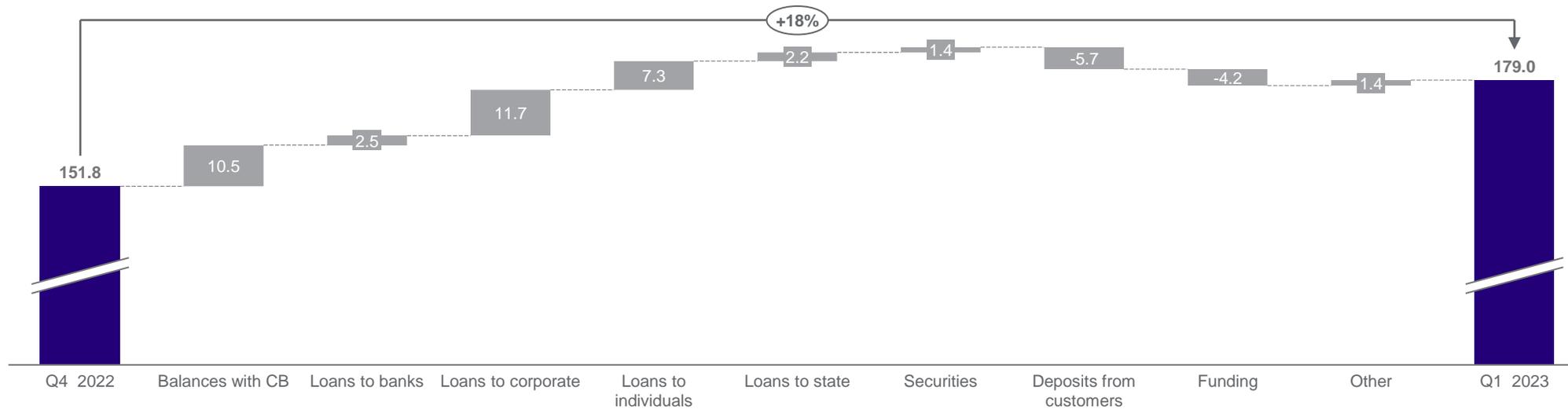


Net interest income evolution

YoY evolution (in EUR million)

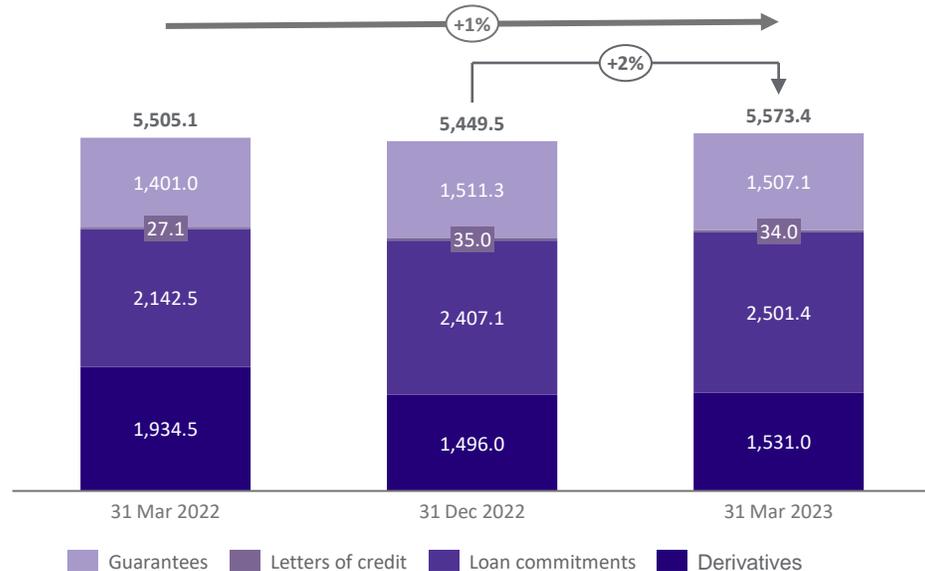


QoQ evolution (in EUR million)



Off-balance sheet items

Off-balance sheet items of NLB Group – structure (in EUR million)



Loan commitments

	in EUR million		
	31 Mar 2023	31 Dec 2022	31 Mar 2022
Loans	1,294.7	1,033.9	826.2
Overdrafts Retail	327.4	330.8	309.7
Overdrafts Corporate	198.9	243.1	218.1
Cards	334.6	327.8	317.8
NLB Komercijalna Banka, Beograd	240.9	310.2	371.1
N Banka	174.9	180.4	117.8
Other (Lease&Go, ...)	22.5	16.7	29.0
Inter Company	-92.4	-35.9	-47.3
Total	2,501.4	2,407.1	2,142.5

Major part of loan commitments was divided between loans (58%), overdrafts (27%) and cards (15%). Growth in loan commitments YoY was driven by liquidity needs of our customers and represent further potential for interest income growth.

Derivatives

	in EUR million		
	31 Mar 2023	31 Dec 2022	31 Mar 2022
FX derivatives with customers	180.9	215.5	122.8
o/w NLB stand alone	275.1	317.3	142.0
Interest rate derivatives with customers	475.2	396.1	729.5
o/w NLB stand alone	570.8	467.6	715.1
FX derivatives - hedging (NLB stand alone)	127.4	108.4	108.4
Interest rate derivatives - hedging (NLB stand alone)	622.1	644.5	574.1
Options (NLB stand alone)	59.6	60.7	19.4
Derivatives (N Banka contribution)	65.7	71.1	380.3
Total	1,530.8	1,496.2	1,934.5

The majority of NLB Group derivatives are concluded by NLB either for hedging of the banking book or for trading with customers.

Business with customers

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

Hedging

- NLB is concluding interest rate swaps in line with fair value hedge accounting rules. Micro and macro hedges are used for hedging of fixed rate loan portfolio and micro Interest rate swaps are used for the purpose of securities hedging. In the last year, no new hedges were concluded due to sufficient risk appetite and negative effect of the swap.
- FX swaps used for short-term liquidity hedging increased in last year mainly due to placement of foreign currency.

Appendix 2:

Segment Analysis



NLB Group key business segments

	Retail banking in Slovenia	Corporate and investment banking in Slovenia	Strategic foreign markets	Financial markets in Slovenia	Non-core members
	Retail (NLB & N Banka) Micro (NLB & N Banka) NLB Skladi Bankart⁽¹⁾ NLB Lease&Go, Ljubljana (retail clients)	NLB & N Banka: - Key corporates - SME corporates - Cross Border corporates - Investment banking and custody - Restructuring&workout NLB Lease&Go, Ljubljana (corporate clients)	NLB Banka, Skopje NLB Banka, Banja Luka NLB Banka, Sarajevo NLB Banka, Prishtina NLB Banka, Podgorica NLB Komercijalna Banka, Beograd Kombank INvest, Beograd NLB DigIT, Beograd NLB Lease&Go, Skopje NLB Lease&Go Leasing, Beograd	NLB & N Banka: - Treasury activities - Trading in financial instruments - Asset and liabilities management (ALM)	REAM NLB Srbija NLB Crna Gora Leasing enteties in liquidation
	<ul style="list-style-type: none"> Largest retail banking group in Slovenia by loans and deposits #1 in private banking and asset management Focused on upgrading customer digital experience and satisfaction Introducing new digital bank NLB Klik 	<ul style="list-style-type: none"> Market leader in corporate banking with focus on advisory and long-term strategic partnerships Market leader in Investment Banking and Custody services Regional know-how and experience in Corporate Finance and #1 lead organiser for syndicated loans in Slovenia Strong trade finance operations and other fee-based business Market leader at FX and interest rate hedges 	<ul style="list-style-type: none"> Leading SEE franchise with six subsidiary banks⁽³⁾ and one investment fund company The only international banking group with exclusive focus on the SEE region 	<ul style="list-style-type: none"> Maintaining stable funding base Management of well diversified liquidity reserves Managing interest rate positions with responsive pricing policy 	<ul style="list-style-type: none"> Assets booked non-core subsidiaries funded via NLB Controlled wind-down of remaining assets, including collection of claims, liquidation of subsidiaries and sale of assets
(Mar 2023, in EUR million)					
Pre-provision result	34.5	13.4	70.6	11.6	-3.9
Result b.t.	23.3	17.9	81.7	15.9	-3.4
Total assets	3,691	3,254	10,112	6,545	57
% of total assets⁽²⁾	15%	14%	42%	27%	0%
CIR	51.0%	57.2%	44.7%	16.3%	-290.0%
Cost of risk (bp)	26	-56	-72	/	/

Notes: (1) 39% minority stake; (2) Other activities 1%; (3) Merger of NLB banka Beograd and Komercijalna banka to NLB Komercijalna banka, at the end of April 2022.

Retail Banking in Slovenia

in EUR millions consolidated

	1-3 2023	1-3 2022	Change YoY		Q1 2023	Q4 2022	Q1 2022	Change QoQ
Net interest income	49.3	20.7	28.6	138%	49.3	34.1	20.7	48%
Net interest income from Assets ⁽ⁱ⁾	22.6	23.2	-0.6	-3%	22.6	23.2	23.2	-2%
Net interest income from Liabilities ⁽ⁱ⁾	26.7	-2.5	29.2	-	26.7	10.9	-2.5	144%
Net non-interest income	21.1	18.4	2.7	14%	21.1	29.3	18.4	-28%
o/w Net fee and commission income	28.2	26.5	1.6	6%	28.2	28.7	26.5	-2%
Total net operating income	70.4	39.2	31.2	80%	70.4	63.4	39.2	11%
Total costs	-35.9	-29.3	-6.6	-23%	-35.9	-44.2	-29.3	19%
Result before impairments and provisions	34.5	9.8	24.6	-	34.5	19.2	9.8	80%
Impairments and provisions	-11.5	-1.9	-9.7	-	-11.5	-10.7	-1.9	-8%
Net gains from investments in subsidiaries, associates, and JVs	0.3	0.6	-0.3	-50%	0.3	-0.4	0.6	-
Result before tax	23.3	8.6	14.6	170%	23.3	8.2	8.6	184%

	31 Mar 2023	31 Dec 2022	31 Mar 2022	Change YtD		Change YoY	
Net loans to customers	3,607.8	3,586.5	3,337.4	21.2	1%	270.3	8%
Gross loans to customers	3,665.8	3,641.0	3,382.3	24.8	1%	283.5	8%
Housing loans	2,195.2	2,173.9	1,908.8	21.3	1%	286.5	19%
Interest rate on housing loans ⁽ⁱⁱ⁾	2.93%	2.35%	2.24%	0.58 p.p.		0.69 p.p.	
Consumer loans	655.7	640.9	638.1	14.8	2%	17.6	3%
Interest rate on consumer loans ⁽ⁱⁱ⁾	8.00%	7.11%	6.92%	0.89 p.p.		1.08 p.p.	
N Banka, Ljubljana	420.2	446.1	502.7	-26.0	-6%	-82.6	-18%
NLB Lease&Go, Ljubljana	76.0	69.0	48.4	7.1	10%	27.6	57%
Other	318.6	311.1	284.3	7.6	2%	34.4	12%
Deposits from customers	9,091.3	9,085.8	8,412.6	5.6	0%	678.8	8%
Interest rate on deposits ⁽ⁱⁱⁱ⁾	0.25%	0.05%	0.03%	0.20 p.p.		0.22 p.p.	
N Banka, Ljubljana	442.3	502.0	517.5	-59.8	-12%	-75.3	-15%
Non-performing loans (gross)	69.9	67.7	65.1	2.2	3%	4.9	7%

	1-3 2023	1-3 2022	Change YoY
Cost of risk (in bps)	26	25	1
CIR	51.0%	74.9%	-23.8 p.p.
Net interest margin ⁽ⁱⁱ⁾	3.18%	1.48%	1.70 p.p.

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

⁽ⁱⁱ⁾ Net interest margin and interest rates only for NLB.

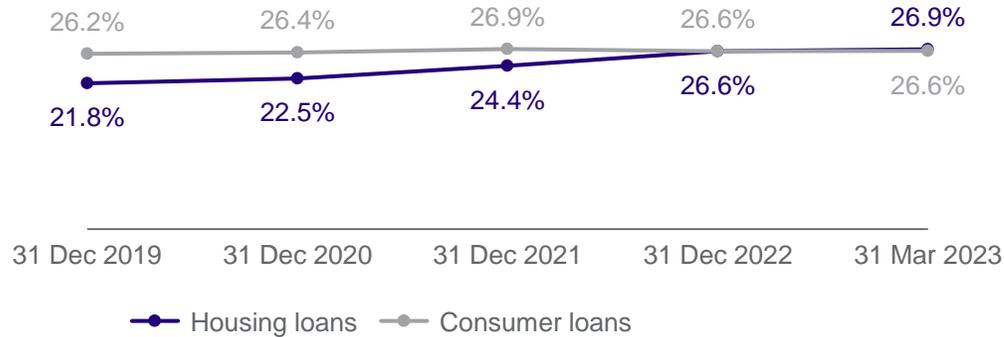
⁽ⁱⁱⁱ⁾ Contribution profit (annualized) /contribution capital requirement (=15.25% RWA).

- Net interest income was EUR 28.6 million higher YoY, mostly due to the key ECB interest rate increase that had positive effect on interest margin on clients' deposits. Deposit interest rates are by their nature less elastic which, in increasing market rate environment and taking low duration of the deposit base into account, is reflected in a higher margin. On the other hand, the average margin on loan portfolio has declined as the old high-margin portfolio is maturing and loans concluded from mid 2020 prevails. In recent years the market has become increasingly competitive pushing client rates (and margins) down; in addition recent market rate movements have not been fully incorporated into client loan rates for new business, which is reflected in declining margin at the portfolio level. However, it must be noted that the main drivers of net interest income YoY growth on the Bank level were increasing market rates and higher loan volume.
- Net fee and commission income was EUR 1.6 million higher YoY, mostly due to the acquisition of N Banka in March 2022 and higher fees from bancassurance, but partially offset due to cancellation of high balance deposit fee (EUR 0.6 million).
- Costs went up by EUR 6.6 million, mostly due to higher operating costs resulting from inflationary pressures.
- Impairments and provisions were net established in the amount of EUR 11.5 million, due to an increase of volume and portfolio development, and establishment of other provisions for liability in relation to reimbursement of fees in case of early loan repayment.
- The volume of loans in the Bank was higher by 1% YtD in both, housing and consumer portfolio, despite a slowdown related to the interest rate hike.
- The deposit base remained stable YtD.

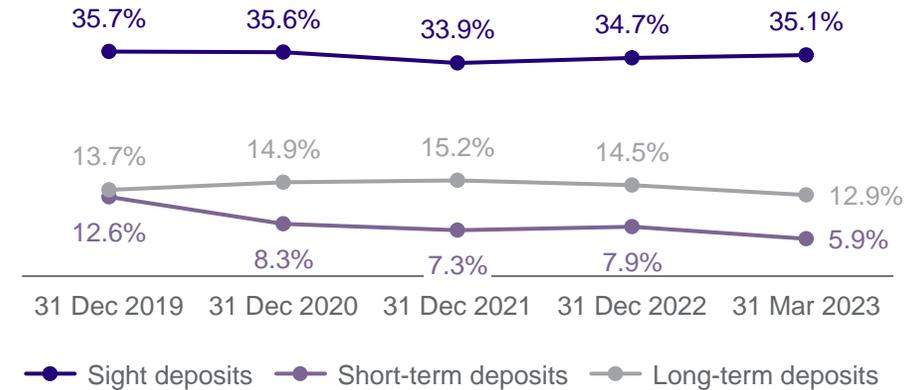
Retail banking in Slovenia

High and stable market shares across products

Market share of net loans to individuals in Slovenia

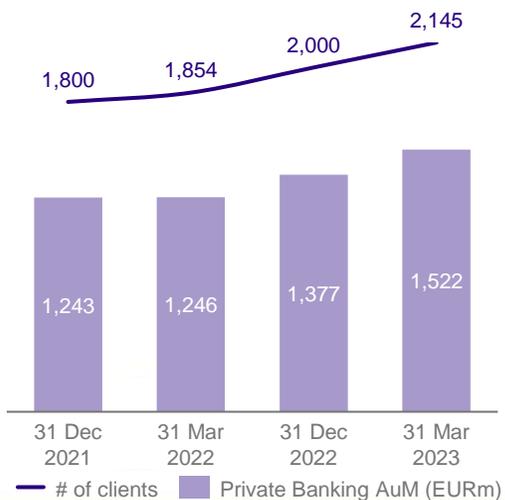


Market share of deposits from individuals in Slovenia

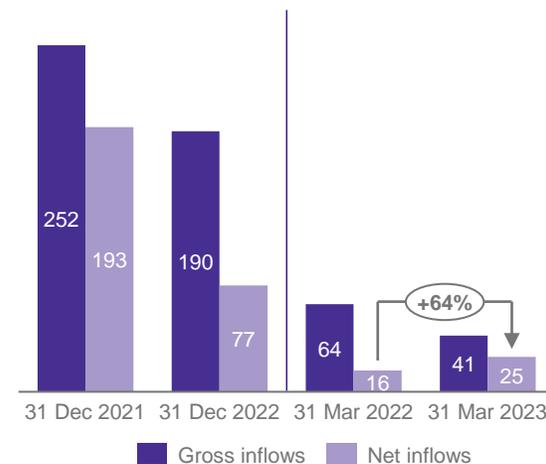


Upside from fee generating products

NLB Private banking offering



NLB Skladi mutual funds inflows (EURm)



- New digital bank NLB Klik welcomed its first users.
- As first Slovenian bank introducing cashback for paylater cards - returning part of the purchase.
- Market shares of Retail lending are experiencing stable trends.
- #1 player in Private Banking⁽¹⁾
 - Leading position being strengthened with over EUR 1.5 billion of assets under management.
- # 1 player in Slovenian asset management⁽²⁾
 - AuM of EUR 2,060.2 million as of 31 March 2023 including investments in mutual funds and discretionary portfolios
 - Market share of NLB Skladi at mutual funds in Slovenia is 39.0% as of 31 March 2023, despite demanding global circumstances affecting net inflows, nevertheless the company was ranked first among its peers in Slovenia, accounting for 49.7% of all net inflows in the market.

Source: Bank of Slovenia (retail loans and deposits), Company information, Slovenian Fund Management Association
 Note: (1) Company information; (2) By AuM (Slovenian Fund Management Association).

Corporate and Investment banking in Slovenia

in EUR millions consolidated

	1-3 2023	1-3 2022	Change YoY		Q1 2023	Q4 2022	Q1 2022	Change QoQ
Net interest income	21.2	10.2	11.0	108%	21.2	16.0	10.2	33%
Net interest income from Assets ⁽ⁱ⁾	14.2	12.1	2.1	17%	14.2	13.3	12.1	7%
Net interest income from Liabilities ⁽ⁱ⁾	7.0	-1.9	8.9	-	7.0	2.7	-1.9	160%
Net non-interest income	10.1	12.0	-1.9	-16%	10.1	11.5	12.0	-11%
o/w Net fee and commission income	9.7	11.2	-1.5	-14%	9.7	9.5	11.2	2%
Total net operating income	31.3	22.2	9.1	41%	31.3	27.5	22.2	14%
Total costs	-17.9	-12.5	-5.4	-43%	-17.9	-20.3	-12.5	12%
Result before impairments and provisions	13.4	9.7	3.7	38%	13.4	7.1	9.7	88%
Impairments and provisions	4.4	4.1	0.4	10%	4.4	-6.8	4.1	-
Result before tax	17.9	13.8	4.1	30%	17.9	0.4	13.8	-

	31 Mar 2023	31 Dec 2022	31 Mar 2022	Change YtD		Change YoY	
Net loans to customers	3,255.6	3,370.1	3,060.8	-114.5	-3%	194.8	6%
Gross loans to customers	3,306.8	3,424.6	3,122.8	-117.7	-3%	184.0	6%
Corporate	3,209.5	3,311.5	2,962.7	-102.0	-3%	246.8	8%
Key/SME/Cross Border Corporates	2,549.7	2,623.2	2,211.9	-73.5	-3%	337.8	15%
Interest rate on Key/SME/Cross Border Corporates loans ⁽ⁱⁱ⁾	3.74%	1.95%	1.76%	1.79 p.p.		1.98 p.p.	
Investment banking	0.1	0.1	0.1	0.0	8%	0.0	8%
Restructuring and Workout	56.4	60.8	83.6	-4.4	-7%	-27.2	-33%
N Banka, Ljubljana	471.1	506.7	592.0				
NLB Lease&Go, Ljubljana	132.2	120.7	75.1	11.5	10%	57.1	76%
State	97.2	112.9	160.0	-15.7	-14%	-62.8	-39%
Interest rate on State loans ⁽ⁱⁱ⁾	6.88%	2.59%	3.89%	4.29 p.p.		2.99 p.p.	
Deposits from customers	2,394.4	2,731.0	2,322.6	-336.5	-14%	71.8	3%
Interest rate on deposits ⁽ⁱⁱ⁾	0.18%	0.07%	0.03%	0.11 p.p.		0.15 p.p.	
N Banka, Ljubljana	269.5	396.5	326.9	-127.0	-0.3	-57.4	-18%
Non-performing loans (gross)	64.9	67.6	85.5	-2.7	-4%	-20.6	-24%

	1-3 2023	1-3 2022	Change YoY
Cost of risk (in bps)	-56	-64	8
CIR	57.2%	56.3%	0.9 p.p.
Net interest margin ⁽ⁱⁱ⁾	2.91%	1.64%	1.27 p.p.

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

⁽ⁱⁱ⁾ Net interest margin and interest rates only for NLB.

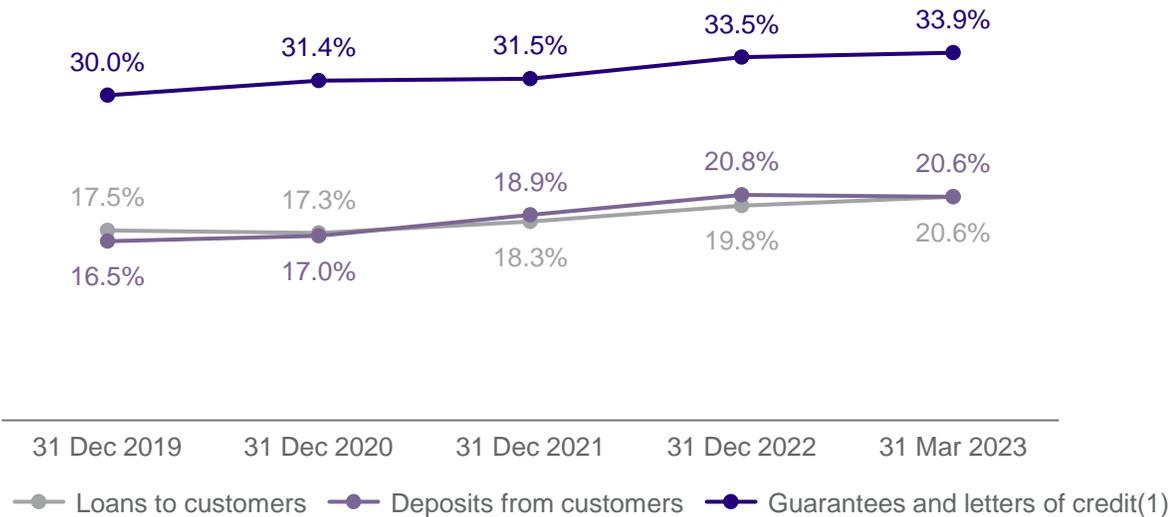
⁽ⁱⁱⁱ⁾ Contribution profit (annualized) /contribution capital requirement (=15.25% RWA).

- The net interest income was EUR 11.0 million higher YoY, mostly due to the key ECB interest rate increase that had a positive effect on the interest margin on clients' deposits. Deposit interest rates are by their nature less elastic which, in increasing market rate environment and taking low duration of the deposit base into account, is reflected in a higher margin. On the other hand, the average margin on loan portfolio has declined as the old high-margin portfolio is maturing and loans concluded from mid 2020 prevails. In recent years the market has become increasingly competitive pushing client rates (and margins) down; in addition recent market rate movements have not been fully incorporated into client loan rates for new business, which is reflected in declining margin at the portfolio level. However, it must be noted that the main drivers of net interest income YoY growth on the Bank level were increasing market rates and higher loan volume.
- Lower net fee and commission income YoY, an increase related to higher income from cards and guarantees but offset with cancelation of the high balance deposit fee which had negative influence on fee income of EUR 2.0 million in Q1.
- Higher costs by EUR 5.4 million, mostly due to higher operating costs resulting from inflationary pressures.
- Impairments and provisions were net released in the amount of EUR 4.4 million, mostly due to repayments of previously written-off receivables.
- The volume of gross loans decreased by EUR 114.5 million YtD, due to positive evolution in the energy sector and repayment of syndicated loans. In Q1 2023 the Bank approved EUR 162.1 millions of new loans, the stock loan volume dropped by 2.7% YtD, mostly due to before mentioned repayments of extraordinary liquidity lines.
- The volume of deposits decreased by EUR 336.5 million or 8.9% YtD, due to general noticeable decrease in all Slovenian banking system, however, the Bank was able to maintain its market share. In the last month such a declining trend normalized.

Corporate & Investment Banking in Slovenia

High market shares across products

Market share in Corporate Banking in Slovenia – evolution and position on the market



- The Bank cooperates with almost 10,000 loyal corporate clients and holds over 20% market share in loans and deposits.
- Loan and deposit volume growth pace cooling down, the Bank still preserving and improving its market shares.
- Growth of trade finance business continues, especially in guarantee business, and the Bank is preserving high market shares.
- Strong cross-border financing activity, focusing also on green sustainable finance.
- Executed brokerage orders in amount to EUR 204.5 million (Q1-2022: EUR 368.1 million), executed foreign exchange spot deals in amount to EUR 224.1 million (Q1-2022: EUR 336.9 million) and transactions involving derivatives amounted to EUR 48.1 million (Q1-2022: 85.9 million EUR).
- Engaged in loan syndication business and organizing the bond issuance in amount to EUR 22.6 million.
- Among the top Slovenian players in custodian services for Slovenian and international clients with value of assets under custody amounted to EUR 17.5 billion (31 March 2022: EUR 16.2 billion).
- Further developing intermediary leasing business for the NLB Lease&Go.

Strategic Foreign Markets

in EUR millions consolidated								
	1-3 2023	1-3 2022	Change YoY		Q1 2023	Q4 2022	Q1 2022	Change QoQ
Net interest income	93.8	66.3	27.5	41%	93.8	84.8	66.3	11%
Interest income	102.5	72.9	29.6	41%	102.5	91.4	72.9	12%
Interest expense	-8.6	-6.5	-2.1	31%	-8.6	-6.5	-6.5	31%
Net non-interest income	33.8	27.8	5.9	21%	33.8	37.8	27.8	-11%
o/w Net fee and commission income	28.6	27.1	1.4	5%	28.6	32.2	27.1	-11%
Total net operating income	127.6	94.2	33.5	36%	127.6	122.7	94.2	4%
Total costs	-57.1	-53.3	-3.7	-7%	-57.1	-62.8	-53.3	9%
Result before impairments and provisions	70.6	40.8	29.7	73%	70.6	59.9	40.8	18%
Impairments and provisions	11.1	3.2	7.9	-	11.1	-15.0	3.2	-
Result before tax	81.7	44.1	37.6	85%	81.7	44.9	44.1	82%
o/w Result of minority shareholders	3.4	4.1	-0.7	-17%	3.4	2.4	4.1	40%

	31 Mar 2023	31 Dec 2022	31 Mar 2022	Change YtD		Change YoY	
Net loans to customers	6,237.3	6,077.5	5,660.8	159.7	3%	576.4	10%
Gross loans to customers	6,424.6	6,271.4	5,850.2	153.2	2%	574.4	10%
Individuals	3,300.4	3,221.0	2,982.9	79.5	2%	317.5	11%
Interest rate on retail loans	6.30%	5.66%	5.55%	0.64 p.p.		0.75 p.p.	
Corporate	2,900.1	2,869.0	2,732.8	31.1	1%	167.3	6%
Interest rate on corporate loans	4.78%	3.84%	3.60%	0.94 p.p.		1.18 p.p.	
State	224.1	181.4	134.6	42.7	24%	89.5	67%
Interest rate on state loans	5.85%	3.65%	3.13%	2.20 p.p.		2.72 p.p.	
Deposits from customers	8,208.0	8,171.2	7,775.2	36.8	0%	432.8	6%
Interest rate on deposits	0.26%	0.17%	0.18%	0.09 p.p.		0.08 p.p.	
Non-performing loans (gross)	154.2	160.6	185.2	-6.4	-3%	-31.0	-17%

	1-3 2023	1-3 2022	Change YoY
Cost of risk (in bps)	-72	-26	-46
CIR	44.7%	56.6%	-11.9 p.p.
Net interest margin	3.88%	2.83%	1.04 p.p.

⁽ⁱ⁾ Contribution profit (annualized) /contribution capital requirement (=15.25% RWA).

- Net interest income increased by EUR 27.5 million YoY due to the higher volumes and interest rates hike. The increase was recorded in all banks, with by far the highest impact of interest rate increase in NLB Komercijalna Banka, Beograd of EUR 17.4 million YoY (including NLB Banka, Beograd in Q1 2022).
- Net non-interest income increased by EUR 5.9 million YoY, of which net fee and commission income by EUR 1.4 million.
- Total costs increased by EUR 3.7 million YoY, due to higher operating costs resulting from inflationary pressures and establishment of two new leasing companies and NLB Digit, Beograd.
- Impairments and provisions were net released in the amount of EUR 11.1 million, mainly due to successful NPL resolution.
- Regardless of the increased interest rates and lower loans demand on some markets, the banking members marked a robust 10% (EUR 574.4 million) YoY and 2% (EUR 153.2 million) YtD increase in lending activities. The largest increase of gross loans to customers was realized by NLB Banka, Sarajevo (16% YoY), NLB Komercijalna Banka, Beograd (12% YoY) and NLB Banka, Prishtina (12% YoY).
- The customer behaviour was impacted by the increased interest rates environment and banking sector fallouts, causing slight loans demand drop and deposits withdrawals in some countries of operations. However, the overall confidence remained strong in the banking sector, thus the total customer deposit base increased by 6% YoY and remained flat YtD.

Financial Markets in Slovenia

in EUR millions consolidated

	1-3 2023	1-3 2022	Change YoY		Q1 2023	Q4 2022	Q1 2022	Change QoQ
Net interest income	14.7	10.3	4.4	43%	14.7	16.5	10.3	-1%
o/w ALM ⁽ⁱ⁾	8.2	6.5	1.7	25%	8.2	12.1	6.5	-3%
Net non-interest income	-0.9	-1.8	0.9	51%	-0.9	1.3	-1.8	-
Total net operating income	13.8	8.5	5.4	63%	13.8	17.7	8.5	-22%
Total costs	-2.3	-2.2	-0.1	-4%	-2.3	-2.6	-2.2	1%
Result before impairments and provisions	11.6	6.3	5.3	84%	11.6	15.2	6.3	-24%
Impairments and provisions	4.3	-1.5	5.8	-	4.3	-3.0	-1.5	-
Result before tax	15.9	4.8	11.1	-	15.9	12.2	4.8	31%

	31 Mar 2023	31 Dec 2022	31 Mar 2022	Change YtD		Change YoY	
Balances w/ Central banks	3,534.6	3,373.7	3,116.8	161.0	5%	417.8	13%
Banking book securities	2,911.0	2,993.3	3,223.8	-82.3	-3%	-312.7	-10%
Interest rate ⁽ⁱⁱ⁾	0.89%	0.74%	0.72%	0.15 p.p.		0.17 p.p.	
Borrowings	160.0	160.5	1,046.5	-0.4	0%	-886.5	-8%
Interest rate ⁽ⁱⁱ⁾	2.26%	-0.72%	-0.89%	2.98 p.p.		3.15 p.p.	
Subordinated liabilities (Tier 2)	513.2	508.8	287.0	4.4	1%	226.1	79%
Interest rate ⁽ⁱⁱ⁾	6.74%	4.16%	3.69%	2.58 p.p.		3.05 p.p.	
Other debt securities in issue	311.7	307.2		4.5	1%	311.7	-
Interest rate ⁽ⁱⁱ⁾	6.12%	6.00%		0.12 p.p.		6.12 p.p.	

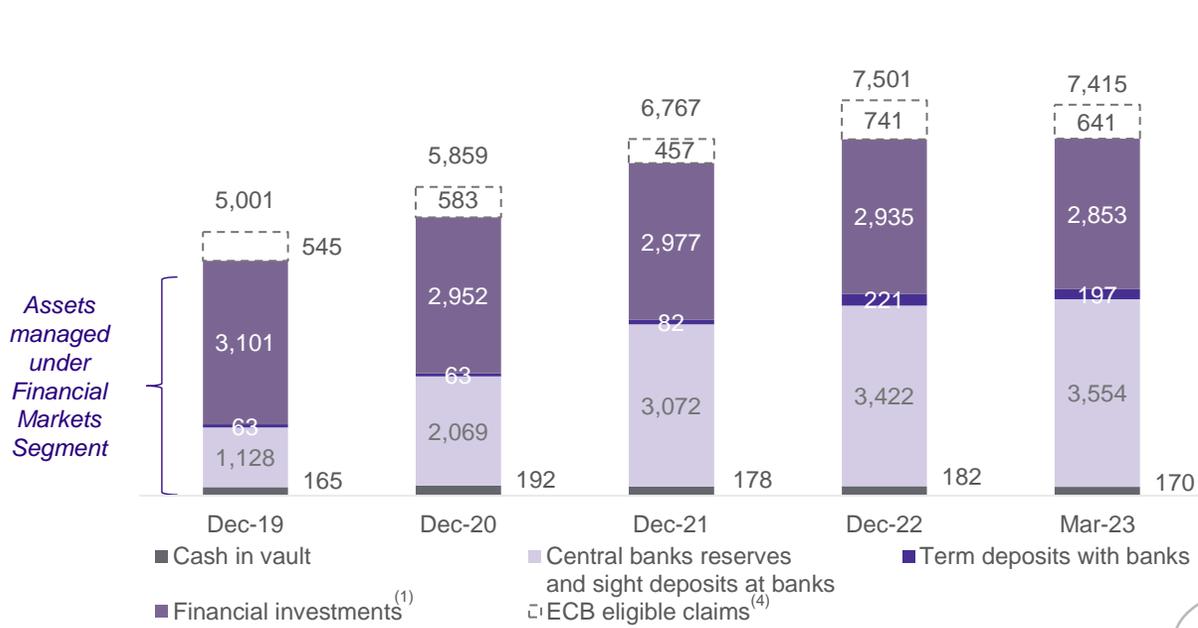
⁽ⁱ⁾ Net interest income from assets and liabilities with the use of FTP.

⁽ⁱⁱ⁾ Interest rates only for NLB.

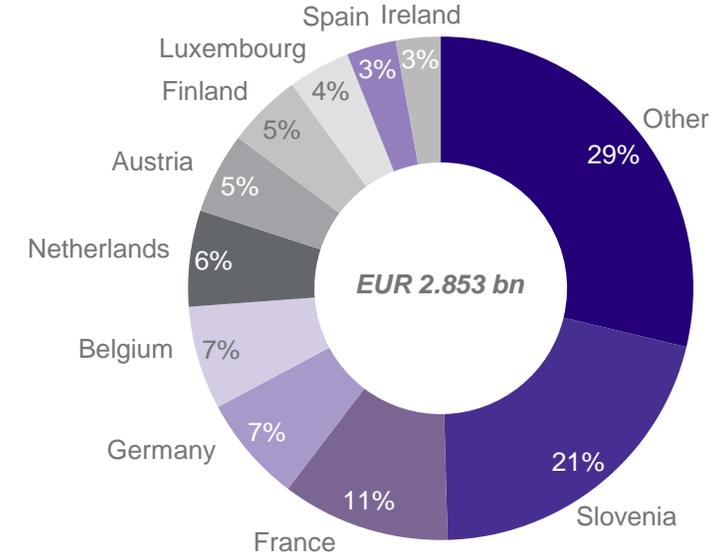
- Net interest income was EUR 4.4 million higher YoY and EUR 1.8 million lower QoQ. On YoY comparison, net interest income increased primarily due to the acquisition of N Banka, while the QoQ decrease was recorded due to the partial transfer of term-transformation result from asset and liability management (ALM) to corporate and retail segments.
- As at 31 March 2023, the Bank does not have any exposure towards the Russian federation anymore. The USD 8 million nominal exposure that would otherwise mature in September 2023 was sold at the beginning of February 2023, what contributed to the impairments release in the amount of EUR 4.3 million. The Bank also thoroughly observed the events concerning Credit Suisse. The exposure towards this banking Group securities was partially diminished by participating in its tender offer in March 2023.
- In 2023, an ongoing goal is to further diversify the banking book securities portfolio, which until the end of Q1 decreased by EUR 129 million in the Bank and by EUR 295 million on the Group level. The bonds measured at FVOCI represented at the end of Q1 55% of the Group and 40% of the Bank securities portfolio. Negative valuation of FVOCI Group portfolio as at 31 March 2023 amounted to EUR 134 million (net of hedge accounting effects and related deferred tax) and unrealized losses from securities measured at amortized cost (AC) portfolio amounted to EUR 152 million.
- The Group securities portfolio includes EUR 229 million (5.1%) of ESG debt securities issued by governments, multilateral organisations or financial institutions.
- There was an increase in balances with the central bank (EUR 161.0 million YtD).

Financial markets in Slovenia

Liquid assets evolution (EURm)



Well diversified banking book by geography (31 Mar 2023)

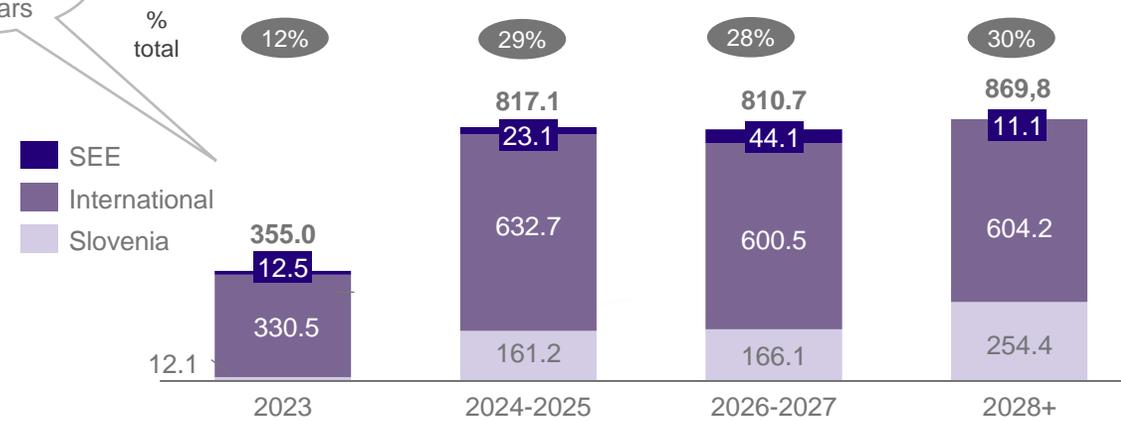


Well positioned and funded division

- Strong liquidity buffer provides solid base for future core growth consisting of liquid assets which are not encumbered for operational or regulatory purposes
- Banking book securities portfolio is well diversified in terms of asset class and geography to minimize concentration risk, and is invested predominantly in high quality issuers on prudent tenors
- Liquidity ratios (as of 31 Mar 2023): LCR 270% (NLB d.d.) and 231% (NLB Group); NSFR (preliminary) 177% (NLB d.d.) and 182% (NLB Group).

Average duration 3.57 years

Maturity profile of banking book securities⁽³⁾ (31 Mar 2023, EURm)



Note: Numbers refer to NLB d.d. and N Banka; (1) Incl. trading and banking book securities (book value); (2) Includes other European countries, USA, Canada, Kazakhstan, Israel and Russian Federation; (3) Including state guaranteed bonds; (4) Loans booked under segment Corporate Banking Slovenia.

Non-Core Members

in EUR millions consolidated

	1-3 2023	1-3 2022	Change YoY		Q1 2023	Q4 2022	Q1 2022	Change QoQ
Net interest income	0.0	0.1	-0.1	-	0.0	0.1	0.1	-
Net non-interest income	-1.0	0.7	-1.7	-	-1.0	2.0	0.7	-
Total net operating income	-1.0	0.8	-1.8	-	-1.0	2.1	0.8	-
Total costs	-2.9	-2.6	-0.3	-13%	-2.9	-3.9	-2.6	26%
Result before impairments and provisions	-3.9	-1.8	-2.1	-122%	-3.9	-1.8	-1.8	-117%
Impairments and provisions	0.5	0.6	-0.1	-17%	0.5	-1.7	0.6	-
Result before tax	-3.4	-1.1	-2.2	-197%	-3.4	-3.5	-1.1	4%

	31 Mar 2023	31 Dec 2022	31 Mar 2022	Change YtD		Change YoY	
Segment assets	57.3	61.5	93.8	-4.3	-7%	-36.5	-39%
Net loans to customers	12.7	13.8	22.0	-1.1	-5%	-9.3	-49%
Gross loans to customers	33.4	35.4	51.6	-2.0	-4%	-18.1	-35%
Investment property and property & equipment received for repayment of loans	37.2	39.6	65.5	-2.4	-4%	-28.3	-43%
Other assets	7.4	8.1	6.3	-0.7	-9%	1.1	18%
Non-performing loans (gross)	31.0	32.3	44.7	-1.2	-3%	-13.6	-31%

- Wind-down has remained the main objective of the non-core segment in all the non-core portfolios followed by subsequent reduction of costs. In line with divestment strategy the segment recorded a decrease in total assets in the amount of EUR 4.3 million YtD. The result before tax was negative (EUR -3.4 million).

Other

in EUR millions consolidated

	1-3 2023	1-3 2022	Change YoY		Q1 2023	Q4 2022	Q1 2022	Change QoQ
Total net operating income	1.7	1.5	0.2	12%	1.7	3.7	1.5	-53%
Total costs	-3.0	-4.4	1.4	31%	-3.0	4.0	-4.4	-
Result before impairments and provisions	-1.3	-2.9	1.6	55%	-1.3	7.7	-2.9	-
Impairments and provisions	3.5	-8.9	12.4	-	3.5	6.0	-8.9	-41%
Negative goodwill (N Banka)		172.8					172.8	
Result before tax	2.2	161.0	-158.8	-99%	2.2	13.6	161.0	-84%

- Negative goodwill from N Banka acquisition in the amount of EUR 172.8 million had impact on last year result.
- EUR 1.3 million of total costs (EUR 1.6 million lower YoY); costs related mostly to IT, cash transport, external realization, and costs, regarding vacant business premises.

Appendix 3:

Financial Statements



NLB Group Income Statement

(EURm)	1-3 2022	1-3 2023	YoY	Q1 2023	Q4 2022	Q1 2022	QoQ
Interest and similar income	123.0	207.0	68%	207.0	170.4	123.0	22%
Interest and similar expense	-15.2	-28.0	-84%	-28.0	-18.5	-15.2	-51%
Net interest income	107.8	179.0	66%	179.0	151.8	107.8	18%
Fee and commission income	88.6	91.7	3%	91.7	97.6	88.6	-6%
Fee and commission expense	-24.1	-25.6	-6%	-25.6	-28.5	-24.1	10%
Net fee and commission income	64.5	66.1	2%	66.1	69.2	64.5	-4%
Dividend income	0.0	0.0	20%	0.0	0.0	0.0	26%
Net income from financial transactions	5.2	8.9	72%	8.9	12.6	5.2	-30%
Other operating income	-12.8	-12.1	5%	-12.1	1.2	-12.8	-
Total net operating income	164.8	241.9	47%	241.9	234.9	164.8	3%
Employee costs	-57.5	-66.8	-16%	-66.8	-71.2	-57.5	6%
Other general and administrative expenses	-33.7	-38.7	-15%	-38.7	-44.2	-33.7	12%
Depreciation and amortisation	-11.5	-11.7	-1%	-11.7	-12.2	-11.5	5%
Total costs	-102.7	-117.1	-14%	-117.1	-127.7	-102.7	8%
Result before impairments and provisions	62.1	124.8	101%	124.8	107.2	62.1	16%
Impairments and provisions for credit risk	-4.0	18.4	-	18.4	-25.0	-4.0	-
Other impairments and provisions	-0.4	-6.0	-	-6.0	-6.3	-0.4	5%
Gains less losses from capital investments in subsidiaries, associates and joint ventures	0.6	0.3	-50%	0.3	-0.4	0.6	-
Negative goodwill	172.8	0.0	-	0.0	0.1	172.8	-
Result before tax	231.1	137.5	-40%	137.5	75.7	231.1	82%
Income tax	-5.2	-13.9	-168%	-13.9	-4.2	-5.2	-
Result of non-controlling interests	4.1	3.4	-16%	3.4	2.4	4.1	40%
Result after tax attributable to owners of the parent	221.8	120.1	-46%	120.1	69.1	221.8	74%

NLB Group Statement of Financial Position

(EURm)	31.12.2022	31.03.2023	YtD
ASSETS			
Cash and balances with Central Banks and other demand deposits at banks	5,271.4	5,304.3	1%
Financial instruments	4,877.4	4,582.5	-6%
<i>o/w Trading Book</i>	21.6	19.3	-11%
<i>o/w Non-trading Book</i>	4,855.8	4,563.3	-6%
Loans and advances to banks (net)	223.0	329.1	48%
<i>o/w gross loans</i>	223.2	329.4	48%
<i>o/w impairments</i>	-0.3	-0.3	-4%
Loans and advances to customers	13,073.0	13,137.7	0%
<i>o/w gross loans</i>	13,397.3	13,455.0	0%
- Corporates	6,345.7	6,269.3	-1%
- State	308.2	335.0	9%
- Individuals	6,743.4	6,850.7	2%
<i>o/w impairments and valuation</i>	-324.4	-317.3	2%
Investments in associates and JV	11.7	12.0	3%
Goodwill	3.5	3.5	0%
Other intangible assets	54.7	53.4	-2%
Property, plant and equipment	251.3	252.1	0%
Investment property	35.6	35.3	-1%
Other assets	358.6	301.9	-16%
Total Assets	24,160.2	24,011.8	-1%

(EURm)	31.12.2022	31.03.2023	YtD
LIABILITIES & EQUITY			
Deposits from banks	106.4	107.4	1%
Deposits from customers	20,027.7	19,732.0	-1%
- Corporates	5,565.6	5,331.8	-4%
- State	513.4	448.5	-13%
- Individuals	13,948.7	13,951.7	0%
Borrowings	281.1	279.9	0%
Subordinated debt securities	508.8	513.2	1%
Other debt securities in issue	307.2	311.7	1%
Other liabilities	506.7	499.6	-1%
Total Liabilities	21,737.9	21,443.9	-1%
Shareholders' funds	2,365.6	2,507.6	6%
Non Controlling Interests	56.7	60.3	6%
Total Equity	2,422.3	2,567.9	6%
Total Liabilities & Equity	24,160.2	24,011.8	-1%