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THIS ANNOUNCEMENT IS AN ADVERTISEMENT FOR THE PURPOSES OF THE SLOVENIAN MARKET IN FINANCIAL INSTRUMENTS ACT (ZAKON O TRGU FINANČNIH INSTRUMENTOV (ZTFI)) AND THE PROSPECTUS RULES OF THE UK FINANCIAL CONDUCT AUTHORITY AND NOT A PROSPECTUS AND NOT AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION, INCLUDING IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN.

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08 October 2018

Nova Ljubljanska banka d.d., Ljubljana

Announcement of Publication of Registration Document and Potential Intention to Float on London Stock Exchange and Ljubljana Stock Exchange

Nova Ljubljanska banka d.d., Ljubljana (the "**Company**" or "**NLB**" and, together with its consolidated subsidiaries, associates and joint ventures at the time of Admission (as defined below), the "**NLB Group**" or the "**Group**"), is today announcing the publication of a registration document (the "**Registration Document**") that has been approved by the Securities Market Agency (*Agencija za trg vrednostnih papirjev*) (the "**SMA**"). This announcement of publication of Registration Document related to the potential intention of carrying out a public offering of Shares (the "**Offer**") has been submitted to INFO STORAGE, the officially appointed mechanism for the central storage of regulated information in Slovenia, operated by Ljubljanska borza d.d. The Registration Document and this announcement are available online at <http://www.nlb.si/registration-document>, subject to certain access restrictions.

The Company potentially intends to apply to (1) the LJSE for admission of the Shares to trading on the Prime Market sub-segment of the LJSE; and (2) (i) the FCA for the GDRs to be admitted to listing on the Official List and (ii) the LSE for admission to trading of the GDRs on the LSE's main market for listed securities (together, "**Admission**").

Blaž Brodnjak, President of the Management Board of NLB, said:

"This announcement represents a very important milestone for NLB Group. It has throughout the last years evolved into a sustainably profitable and client-oriented universal financial services provider, focused on Slovenia and the Southeastern Europe. By following our strategy to create innovative solutions to customers' needs with high level of client experience we have set a strong foundation for the modern, efficient and reliable business partner.

We believe that our position of a regional systemic institution with a clear vision, dedication to our strategic markets and goals, as well as strong client focus have been representing a solid value proposition to our clients and other esteemed stakeholders. Being a public company will further

strengthen our financial and strategic capability to consistently deliver our strategy in the future. We look forward to the opportunities and benefits of being a listed company, welcome our new shareholders and thank them in advance for their trust in NLB Group and our team.”

BUSINESS HIGHLIGHTS

- The NLB Group is a financial and banking institution based in Slovenia with a network of 349 branches as at 30 June 2018, of which 108 branches operate in the Republic of Slovenia and 241 operate in the banking markets of Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia (together with the Republic of Slovenia, "**Southeastern Europe**").
- NLB is the NLB Group's largest operating entity with total assets representing 66 per cent. of the total assets of the NLB Group as at 30 June 2018 and is the leading bank in the Slovenian market with a market share of 23.2 per cent. by total assets (based on data from the Bank of Slovenia as of 30 June 2018), with the largest client base in the Republic of Slovenia, consisting of more than 46 thousand corporate and nearly 740 thousand retail clients as at 30 June 2018.
- In addition to its Slovenian operations, NLB operates through six subsidiary banks in Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia. Three of NLB's subsidiary banks in the region are ranked third or above in their respective markets by total assets as at 30 June 2018, while all of NLB's subsidiary banks have been consistently profitable during 2015, 2016 and 2017.
- For the six months ended 30 June 2018 and for the year 2017 the NLB Group recorded a net profit attributable to shareholders equal to EUR 104.8 million and EUR 225.1 million, respectively.
- The NLB Group had EUR 7,059 million (in accordance with IFRS 9) and EUR 6,994 million of loans and advances to customers (net) (in accordance with IFRS 8), EUR 10,018 million and EUR 9,879 million in customer deposits and EUR 1,797 million and EUR 1,654 million in shareholders' equity as at 30 June 2018 and 31 December 2017, respectively.
- Since 2012, the NLB Group has taken an active approach to the management of its NPL stock with dedicated internal units focused on NPL restructurings, collections and workout. The NPL ratio as at 30 June 2018 decreased to 8.3 per cent. from a peak of 28.2 per cent. as at 31 December 2012, while the coverage ratio (impairments on the entire loan portfolio divided by gross non-performing loan portfolio) increased from 59.3 per cent. to 73.7 per cent. over the same period.
- The NLB Group is a strongly capitalised business with a Common Equity Tier 1 ratio as at 30 June 2018 of 18.7 per cent., providing a significant safety buffer above the minimum regulatory capital requirements set by the ECB.
- The NLB Group's strong retail franchise provides a stable and price-insensitive deposits base, corresponding to 73 per cent. and 71 per cent. of total funding as at 30 June 2018 and 31 December 2017.

Access to supplemental information for bona-fide, unconnected research analysts: Unconnected sell side research analysts can obtain additional information by requesting access at the following website: <http://www.nlb.si/unconnected-analysts>.

INVESTMENT HIGHLIGHTS

The largest banking and financial group in the Republic of Slovenia, with a track record of innovation

NLB is the largest banking and financial group in the Republic of Slovenia with a 20.8 per cent. market share in loans to the non-banking sector and 24.6 per cent. in deposits from the non-banking sector as at 30 June 2018.

As at 30 June 2018, NLB in the Republic of Slovenia had 108 branches, five business centres for small business clients, five regional centres for mid-sized companies and two centres for large and

institutional clients. As such, NLB served over 688 thousand active clients across its retail and corporate banking operations.

NLB is one of the largest player in asset management and private banking in the Republic of Slovenia, with growing life and non-life insurance offerings, with gross premiums written of EUR 74 million (including EUR 6.3 million of non-life insurance premiums) in 2017 or EUR 40.7 million (EUR 3.6 million), respectively, in the six months ended 30 June 2018.

NLB's mobile banking apps are the top ranked financial apps in Slovenia (based on user ratings in the Apple App Store and Google Play, each as of 22 August 2018), offering clients new functionalities as the first and only in the market (e.g. chat and video call functionality, Express loan). In addition, NLB has been the first bank to introduce new capabilities in the Slovenian market (e.g. contactless ATMs, 24/7 support via phone through its contact centre and via chat or video call through its online and mobile banking apps).

Leading position in selected Southeastern European markets with increasing contribution to Group profit

The NLB Group is the largest banking and financial group in Southeastern Europe with an exclusive focus on and headquarters in this region. The NLB Group's core international markets include Macedonia, Bosnia and Herzegovina, Montenegro, Kosovo and Serbia, where the NLB Group operates through its banking subsidiaries.

NLB's management believes that Southeastern European markets outside of the Republic of Slovenia present attractive opportunities to capture superior growth and take advantage of the experience that it has accumulated in the region.

In particular, growth is likely to be driven by (i) favourable economic trends in the Southeastern Europe markets outside the Republic of Slovenia that are strategic to NLB, with 3.5 per cent. weighted average real GDP growth expected by the IMF between 2018 and 2020, as compared to 2.0 per cent. in the Eurozone, (ii) favourable demographic trends and decreasing unemployment rate in core countries (according to IMF World Economic Outlook Database, except Kosovo and Montenegro which data is derived from national statistical offices), with a 17.9 per cent. weighted average rate in 2017 as compared to 23.5 per cent. in 2014, and (iii) a low simple average household indebtedness of approximately 22.4 per cent. of GDP as of 31 December 2017 as compared to 58.0 per cent. in the Eurozone as of 31 December 2017 (source: the last publicly available data from national statistical offices and central banks are used for the NLB Group's core international markets, while data from the Bank for International Settlements (BIS) is used for the Eurozone; for the NLB Group's core international markets and for the Eurozone the latest available data is available as of December 2017).

As at 30 June 2018, the NLB Group operated 241 branches in the region (in addition to 108 branches in the Republic of Slovenia), covering a population of approximately 15 million. NLB's subsidiaries serve retail, SME and corporate clients offering a full range of banking products services. NLB's subsidiary banks in Macedonia, Republika Srpska (one of the two constituent entities of Bosnia and Herzegovina, along with the Federation of Bosnia and Herzegovina) and Kosovo are ranked third or above in their respective markets by total assets and benefit from strong brand recognition.

Return to sustainable profitability following a successful business transformation

The NLB Group's management believes its restructuring efforts have been reflected in its profitability, as the NLB Group has recorded 18 consecutive profitable quarters since the fourth quarter of 2013, with total assets having increased by EUR 695 million between 31 December 2015 and 30 June 2018, and a decrease in the NPL ratio from 19.3 to 8.3 per cent. Furthermore, restructuring efforts in international businesses resulted in all core bank subsidiaries being profitable in 2015, 2016 and 2017, mostly with significant year-on-year increases.

Furthermore, implementation of Group wide initiatives while ensuring locally anchored organic growth strategy resulted in all core bank subsidiaries being profitable since 2015 on mostly with significant year-on-year increases.

In particular, the NLB Group is focusing on its core banking business in core markets while winding down non-core operations, which represent 3% of total assets as at 30 June 2018. The NLB Group has also downsized its branch network and headcount in the Republic of Slovenia, increased operating efficiency, comprehensively restructured its risk management function and implemented measures to enhance corporate governance and corporate culture.

Self-funded, and well-capitalised business with growth potential, supporting attractive future dividend payout

The NLB Group is a strongly capitalised business with a Common Equity Tier 1 ("CET1") ratio of 18.7 per cent. as at 30 June 2018, providing a significant safety buffer above the minimum regulatory capital requirements set by the ECB for 2018, requiring NLB to maintain the overall capital requirement (including the Pillar I requirement, the Pillar II requirement and the combined buffer requirement) at 13.375 per cent. on consolidated level allowing inclusion of up to 2 per cent. of Tier 2 instruments and 1.5 per cent. of Additional Tier 1 instruments.

NLB's capital base consisted of only CET1 capital at a NLB Group level standing at EUR 1,623.1 million as at 30 June 2018. In future, any rebalancing of the capital structure towards Tier 2 could result in both capital distributions to shareholders and an improvement in return on equity (provided that return on equity is above debt costs).

The NLB Group's strong retail franchise provides a stable and price-insensitive deposits base, corresponding to 73 per cent. and 71 per cent. of total funding as at 30 June 2018 and 31 December 2017.

Liquidity risk profile of the NLB Group remains conservative with low loan-to-deposit ratio and a strong liquidity buffer that can provide funding for future core growth.

The NLB Group banking members are self-funded with a loan-to-deposit ratio below 100 per cent, as their funding structure is primarily deposit driven and non-banking sector deposits have proved to be stable in recent years.

48 per cent. of the NLB Group's net profit for 2015 were paid out in August 2016 and 58 per cent. of the NLB Group's net profit for 2016 were paid out in April 2017. In September 2018, NLB has submitted a formal request to the European Central Bank for the approval of a dividend payment of up to EUR 270.6 million.

Diversified credit portfolio with important progress in asset quality

Although the NLB Group is concentrated in Southeastern Europe, the NLB Group's credit portfolio of EUR 9,090 million as at 30 June 2018 is well diversified without any large concentration in any specific industry or client segment. Geographically, loans in the Republic of Slovenia account for 53.6 per cent. of the total portfolio and 82.2 per cent. is denominated in euro as at 30 June 2018.

The NLB Group has taken an active approach to the management of its NPL stock with dedicated internal units focused on NPL restructurings, collections and workout. The NPL ratio as at 30 June 2018 decreased to 8.3 per cent. (5.8 per cent. in terms of NPE ratio by EBA methodology) from a peak of 28.2 per cent. as at 31 December 2012, while the coverage ratio (impairments on the entire loan portfolio divided by gross non-performing loan portfolio) increased from 59.3 per cent. to 73.7 per cent. over the same period.

An important strength of the NLB Group is its coverage ratio (impairments on the entire loan portfolio divided by gross non-performing loan portfolio), which remains at 73.7 per cent as at 30 June 2018. Furthermore, the NLB Group's NPL coverage ratio (impairments on the NPL loan portfolio divided by gross non-performing loan portfolio) amounted to 64.0 per cent. as at 30 June 2018, which is above the EU average published by EBA (46.3 per cent. for the first quarter of 2018), and which should enable further reduction of NPLs without significant influence on cost of risk in the coming years.

GROUP STRATEGY

The NLB Group has successfully undertaken restructuring measures over the last three years, thereby stabilising its business and returning to profit in all of its core markets. Furthermore, after years of turmoil, the NLB Group is facing more benign macroeconomic conditions across Southeastern European markets and improving banking sector performance. Nevertheless, the NLB Group is fully conscious of future challenges to sustain its profitability and achieve growth.

Strategy of the NLB Group through 2020

The NLB Group's strategy, which was approved by Supervisory Board of NLB on 26 August 2016, includes a collection of strategic initiatives with short- and medium-term impact that aims to modernise and improve the NLB Group's operations, enhance revenues, reduce costs and improve its growth prospects. Key priorities of the NLB Group's strategy are as follows:

Innovation for customers

- An omni-channel product distribution initiative aims to focus on customer activities enabled across multiple digital and traditional channels in order to enhance customer experience and reduce costs by encouraging migration to lower cost and remote channels available 24/7.
- Partnership programmes are intended to be implemented in order to establish impactful and long-standing partnerships that aim to strengthen customer relationships by creating additional products and services for customers.
- End-to-end customer solutions aim to differentiate NLB from competition by increasing cross selling potential and transforming NLB from a stand-alone product provider to a partner offering comprehensive solution within an ecosystem of services.

Optimise product offering

- A pricing optimisation initiative aims to align list price levels with product value and competition, differentiate pricing levels in line with market position and demand and improve price realisation.
- Improvements to the NLB Group's customer value proposition and approach to sales, aim to develop, bundle and combine products and services to increase sales across all segments.
- Enhance support to large corporate clients requiring financial services across Southeastern Europe.
- Increased focus on fee-based products through the exploitation of investment and insurance product sales potential within the NLB Group.

Simplicity champion

- Redesigning of end-to-end processes and reductions in manual workload through the automation of back-office activities aim to simplify and appropriately scale the NLB Group's operations and reductions of the NLB Group's workforce.
- Stricter procurement strategy, efficiency improvements in facility management and other cost measures aim to optimise the operations of the NLB Group.
- Transformation and modernisation of the NLB Group's IT operations to more effectively support business initiatives of the NLB Group's overall strategy.

Smart banking

- Pricing incentives, improvements to the client's digital experience and a focus on advisory rather than transaction services by branches aim to promote the migration of standardized routine transactions to digital channels.
- Effective steering of sales tasks, revisions to incentives and profitability targets for sales staff and staff-wide trainings and knowledge sharing programs aim to improve sales processes of the NLB Group.
- Extracting value-creating insights from customer data to enable more targeted and client relevant cross-selling, up-selling and customer acquisition.

Measured risk taking

- Improvements to risk governance, risk modelling, collection efficiency and credit processes to accelerate and enhance decision-making in risk taking thereby improving customer experience.

Engaged employees

- Fostering a cooperative and engaging working environment to better motivate our staff and increase their participation in the NLB Group's evolution.
- Promotion of initiatives to improve skills and capabilities of our staff.
- Promotion of a culture of cooperation and performance across the NLB Group.

The above selected strategic initiatives are allocated to three categories depending on time and complexity of implementation:

- Revenue or cost initiatives that impact results in a short time horizon and allow the funding of larger projects, including implementation of risk transformation program, pricing excellence for retail and small business, sales force excellence for retail and small business and non-personnel cost reduction program.
- Initiatives that take longer to execute and realise their full benefits but are essential elements of a better competitive position, including development and implementation of products/offering for retail, small business, mid-corporate and key-accounts, implementation of operational excellence through rightsizing front-and back-offices, and streamlining support functions, implementation of omni-channel user experiences, based on improved customer insight.
Initiatives that focus on building new capabilities and establish models of cooperation to accelerate the implementation of change processes, including improvement of the NLB Group's deployment of end-to-end lean process improvements and lean governance as well as enhancing employee engagement and corporate culture.

GROUP OBJECTIVES

The NLB Group's management has set the following medium-term financial targets as part of its five-year plan for the years 2019 to 2023, which was approved by the Supervisory Board in September 2018 and updated certain of the NLB Group's "Strategy 2020" targets approved by the Supervisory Board in August 2016:

- net interest margin above 2.7 per cent.;
- loans to deposits ratio below 95 per cent.;
- total capital ratio at approximately 17 per cent.;
- cost-income ratio at approximately 50 per cent.;
- cost of risk less than 90 bps;

non-performing exposure "NPE" ratio (as calculated in line with guidance published by the European Banking Authority ("EBA")) between 3 and 4 per cent.;

- return on equity at approximately 12 per cent.; and
- dividend payout (as a percentage of Group profits) approximately 70 per cent.

(together, the "**Targets**").

The Targets are only targets and not a profit forecast. Investors should not place any reliance on such targets in deciding whether to invest in NLB. None of the NLB independent auditor, nor any other independent accountants, have applied, examined or performed any procedures with respect to the Targets, nor have they expressed any opinion or any other form of assurance on the Targets or their achievability. The Targets constitute forward looking-statements and are not guarantees of future financial performance. NLB's result of operations or financial conditions could differ materially from those expressed or implied by these forward-looking statements as a result of many factors. The existence of the Targets should not be interpreted as an assurance or guarantee that Targets can or will be met by NLB. While presented with numerical specificity, these financial targets are based upon

a number of assumptions (including the success of NLB's business strategy), estimates, regulatory, financial conditions, and projections regarding the NLB's future business and the environment in which NLB expects to operate, which are inherently subject to significant business, operational, economic and other risks, many of which are outside NLB's control. The Targets reflect NLB's subjective judgements in many respects and thus are susceptible to multiple interpretations and periodic revisions based on actual experience and business, economic, regulatory, financial and other developments. Accordingly, such assumptions may change or may not materialise at all. In addition, unanticipated events may materially or adversely affect NLB's actual results or operations and financial performance in future periods, whether or not NLB's assumptions relating to future periods prove to be correct. As a result, the actual results may vary from the Targets as currently targeted and the variations may be material. Accordingly, the Targets must not be considered as either a commitment by NLB or a forecast of the future results or returns from investing in NLB's securities.

ENQUIRIES

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This announcement does not constitute an offer to sell, or solicitation of an offer to buy, securities in any jurisdiction in which such offer or solicitation would be unlawful. The Securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**Securities Act**”), or with any securities regulatory authority of any State or other jurisdiction of the United States and the Company does not intend to undertake a public offering of its securities in the United States. The Securities may not be offered or sold in the United States absent registration under the Securities Act, except to certain qualified institutional buyers (“**QIBs**”) as defined in Rule 144A under the Securities Act or another exemption from, or in transactions not subject to, the registration requirements of the Securities Act. Neither the U.S. Securities and Exchange Commission nor any state securities commission in the United States nor any other U.S. regulatory authority has approved or disapproved of the accuracy or adequacy of the Registration Document referred to in this announcement. Any representation to the contrary is a criminal offense in the United States.

In any member state of the European Economic Area (“**EEA**”) outside of the United Kingdom (each, a “**Relevant Member State**”) (except for Slovenia), this announcement and any offer if made subsequently is, and will be, directed only at persons who are “qualified investors” within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC and any amendments thereto, including Directive 2010/73/EU to the extent implemented by a Member State). In the United Kingdom, this announcement is for distribution only to persons who (i) are outside the United Kingdom, (ii) are persons falling within Article 49(2)(A) to (D) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Financial Promotion Order**”), (iii) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Promotion Order, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of the any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “**Relevant Persons**”). Any investment or investment activity to which this announcement relates is available only to Relevant Persons and outside of Slovenia will be engaged in only with Relevant Persons.

This announcement may include statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company’s current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s

business, results of operations, financial position, liquidity, prospects, growth and strategies. Forward-looking statements speak only as of the date they are made.

The Company expressly disclaims any obligation or undertaking to update, review or revise any forward looking statement contained in this announcement whether as a result of new information, future developments or otherwise.

Any subscription or purchase of securities in the possible Offer should be made solely on the basis of information contained in the Prospectus which may be issued by the Company in connection with the Offer. The information in this announcement is subject to change. Before subscribing for or purchasing any securities, persons viewing this announcement should ensure that they fully understand and accept the risks which will be set out in the Prospectus if published. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. Neither this announcement, nor anything contained in the Registration Document referred to herein, shall form the basis of or constitute any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities nor shall it (or any part of it) or the fact of its distribution, form the basis of, or be relied on in connection with, any contract therefor.

There is no guarantee that the Offer will proceed or that Admission will occur. You should not base your financial decision on this announcement. Acquiring investments to which this announcement relates may expose an investor to a significant risk of losing all of the amount invested.

Persons considering making investments should consult an authorised person specialising in advising on such investments. Neither this announcement, nor the Registration Document referred to herein, constitutes a recommendation concerning a possible offer. The value of securities can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of a possible offer for the person concerned.