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Neither this announcement nor anything contained herein shall form the basis of, or be relied upon in connection with, any offer or commitment whatsoever in any jurisdiction. Investors should not subscribe for or purchase any securities referred to in this announcement except on the basis of information contained in the prospectus (the “**Prospectus**”), published by Nova Ljubljanska banka d.d., Ljubljana (the “**Company**” or “**NLB**”) today in connection with (1) the offering by the Republic of Slovenia of NLB's ordinary shares (the “**Shares**”) and global depositary receipts (the “**GDRs**”) representing the Shares to the public; (2) the admission of the Shares to trading on the Prime Market sub-segment of the Ljubljana Stock Exchange (or the Standard Market sub-segment if admission to the Prime Market sub-segment is not possible); and (3) (i) the admission of the GDRs to listing on the Official List of the United Kingdom Financial Conduct Authority and (ii) the admission to trading of the GDRs on the London Stock Exchange plc's Main Market for listed securities. A copy of the Prospectus published by the Company is available on the Company's website at www.nlb.si/public-offering-of-shares.

Ljubljana, 26 October 2018

Nova Ljubljanska banka d.d., Ljubljana (“NLB”)

Announcement of Price Range and Publication of Prospectus

The Republic of Slovenia (the “**Selling Shareholder**”), acting through its sovereign holding company Slovenski državni holding, d.d. (“**SDH**”) and NLB, together with its consolidated subsidiaries, associates and joint ventures at the time of Admission (as defined below) (the “**NLB Group**” or the “**Group**”), are today announcing (i) the offer size and price range for the planned offering by the Republic of Slovenia of NLB's ordinary shares (the “**Shares**”) and global depositary receipts (the “**GDRs**”) representing the Shares (the “**Offering**”) and that (ii) the related prospectus (the “**Prospectus**”) has been approved by the Securities Market Agency, Slovenia (the “**SMA**” or “**Agencija za trg vrednostnih papirjev**”), and has now been published on the Company's website at www.nlb.si/public-offering-of-shares. The Company intends to apply to (1) the Ljubljana Stock Exchange (the “**LJSE**”) for admission of the Shares to trading on the Prime Market sub-segment of the LJSE (or the Standard Market sub-segment if admission to the Prime Market sub-segment is not possible); and (2) (i) the United Kingdom Financial Conduct Authority for GDRs representing Shares to be admitted to listing on the Official List and (ii) the London Stock Exchange plc (the “**LSE**”) for admission to trading of the GDRs on the LSE's Main Market for listed securities (together, “**Admission**”).

The Offering consists of a secondary offering of Shares (“**Offer Shares**”) and GDRs (“**Offer GDRs**”, together with the Offer Shares, the “**Offer Securities**”). Subject to market conditions, the Selling Shareholder will sell at least 50% of the Company’s existing shares plus one Share and up to 75% of the Company’s existing shares less one Share.

Highlights of the Offering

- The Selling Shareholder currently holds 100% of the Shares. Following closing of the Offering and assuming placement of the maximum size of 14,999,999 Shares including the over-allotment option, representing 75% of the Company’s existing Shares less one Share, the Selling Shareholder will hold 5,000,001 Shares. If the placement is done only for the minimum offer size, representing 50% of the Company’s existing Shares plus one Share excluding the over-allotment option, the Selling Shareholder will hold not more than 9,999,999 Shares following the closing of the Offering even if the over-allotment option is not exercised.
- The Offering consists of a sale by the Selling Shareholder of Offer Securities including Shares and GDRs representing a minimum of at least 50% of the Company’s existing shares plus one Share and up to 75% of the Company’s existing shares less one Share.
- Each Share is represented by 5 GDRs. Neither Shares nor GDRs have a nominal value.
- The indicative price range for the Offering is set at €51.5 - €66.0 (inclusive) per Share and €10.3 - €13.2 (inclusive) per GDR (the “**Offer Price Range**”).
- In connection with the Offering, the Selling Shareholder has appointed WOOD & Company Financial Services, a.s. as stabilising manager in respect of the Offer Shares and Citigroup Global Markets Limited as stabilising manager in respect of the Offer GDRs (the “**Stabilising Managers**”). The Stabilising Managers may (but will be under no obligation to), to the extent permitted by applicable law, effect transactions with a view to supporting the market price of the Offer Securities during the stabilisation period at a level higher than that which might otherwise prevail. Any stabilisation action may begin on the date of Admission and, if begun, may be ended at any time but must end no later than 30 calendar days after the date of Admission.
- The aggregate number of Offer Securities (including those over-allotted pursuant to the over-allotment option) will represent not more than 75% of the Company’s existing shares less one Share.
- Based on the share capital of NLB, the Offer Price Range corresponds to a current equity value of approximately €1,030 - €1,320 million for NLB.
- The Offering will include a public offering in Slovenia and a private placement to certain institutional and other investors that qualify under available offering exemptions in various other jurisdictions.
- There will be an allocation to eligible retail investors in Slovenia of up to 10 per cent. of the Offer Securities. SDH, in consultation with the Joint Global Coordinators, may re-allocate Offer Securities from either the institutional tranche to the retail tranche or from the retail tranche to the institutional tranche depending on the level of subscription of each tranche.

- The offer and subscription period commences at 9:00 CET on 29 October 2018 and is expected to end at 13:00 CET on 07 November 2018 for retail investors and at 13:00 CET on 08 November 2018 for institutional investors. The timetable of the Offering may be accelerated or extended.
- Trading in the GDRs on the London Stock Exchange under the symbol “NLB” and on the Ljubljana Stock Exchange under the symbol “NLBR” is expected to commence on 14 November 2018. There will not be any conditional trading in the Offer Securities.
- The Selling Shareholder will receive the net proceeds from the Offering and if the over-allotment option is exercised, the net proceeds from the sale of the Offer Securities pursuant to the over-allotment option. The Company will not receive any proceeds from the Offering.
- Each of the Selling Shareholder and NLB will be subject to a lock-up of 180 days, subject to certain customary exceptions.

Rationale for the Offering

Pursuant to the commitments provided by the Republic of Slovenia to the European Commission on 13 July 2018, the Selling Shareholder is required to sell at least 50 per cent. plus one Share by 31 December 2018 and to achieve a maximum shareholding of 25 per cent. plus one share by 31 December 2019. In accordance with the State Assets Management Ordinance adopted pursuant to the ZSDH-1, the Republic of Slovenia shall retain a controlling interest of 25 per cent. plus one Share in the issued share capital of NLB.

To achieve this, the Selling Shareholder is making the Offering. The Company will not receive any of the proceeds of the Offering from the Selling Shareholder. The Selling Shareholder will receive all the proceeds from the sale of the Offer Securities and will use the proceeds from the Offering in accordance with the Public Finance Act (Zakon o javnih financah (ZJF)) and the Implementation of the Republic of Slovenia's Budget for 2018 and 2019 Act (Zakon o izvrševanju proračunov Republike Slovenije za leti 2018 in 2019 (ZIPRS1819)).

Anticipated timetable

Subject to acceleration or extension, the timetable below sets forth certain expected key dates for the Offering.

- The offer and subscription period commences, on 29 October 2018 at 9:00 CET (for both institutional and retail investors).
- Expected end of Slovenian retail offering 07 November 2018 at 13:00 CET.
- Expected end of institutional offering 08 November 2018 at 13:00 CET.
- Pricing and allocation are expected to be announced on or about 09 November 2018.
- The listing and first trading of the Offer Securities on the Ljubljana Stock Exchange and the London Stock Exchange is expected to commence on 14 November 2018. There will not be any conditional trading in the Offer Securities.

- Delivery of and payment for the Offer Securities is expected to take place on 14 November 2018.

Publication of Prospectus

Copies of the Prospectus will, subject to applicable securities law restrictions, be obtained free of charge as of today, 26 October 2018, if available, at selected NLB branches in Slovenia.

Link to The Prospectus 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 Prospectus and this announcement are available online at www.nlb.si/public-offering-of-shares, subject to certain access restrictions.

Underwriters

The Selling Shareholder has engaged Deutsche Bank AG, London Branch and J.P. Morgan Securities plc to act as Joint Global Coordinators and Joint Bookrunners, Citigroup Global Markets Limited to act as Joint Bookrunner and WOOD & Company Financial Services, a.s. to act as Co-Lead Manager and the Company in its capacity as the Domestic Co-Lead Manager (collectively, the "**Managers**") in the event the Offering proceeds.

Risk Factors

Investing in the Offer Securities involves certain risks. A description of these risks, which include risks relating to the business of the Company, the NLB Group's capital structure, the structure of the NLB Group and the Offering is included in the Prospectus. Any decision to purchase Offer Securities in the Offering should be made solely on the basis of the Prospectus.

Overview of NLB Group

- 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 are located in Slovenia and 241 in Bosnia and Herzegovina, Kosovo, Macedonia, Montenegro and Serbia.
- 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 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 Group 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.

- As at 30 June 2018 and 31 December 2017, 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), respectively, EUR 10,018 million and EUR 9,879 million in customer deposits, respectively, and EUR 1,797 million and EUR 1,654 million in shareholders' equity, 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, respectively.

For further information, please contact

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Important Notice

Disclaimer / Forward-looking statements

The information contained in this announcement is for background purposes only and does not purport to be full or complete. No reliance may be placed by any person for any purpose on the information contained in this announcement or its accuracy, fairness or completeness.

This announcement is not for publication or distribution, directly or indirectly, in or into the United States (including its territories and possessions, any State of the United States and the District of Columbia), Australia, Canada, Japan or any other jurisdiction where to do so would constitute a violation of the relevant laws of such jurisdiction. The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

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 Offer 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 Offer 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, and in accordance with, Rule 144A under the Securities Act or another exemption from, or in transactions not subject to, the registration requirements of the Securities Act. Any representation to the contrary is a criminal offense in the United States.

In any member state of the European Economic Area 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 Relevant 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.

This announcement was prepared and the analyses contained in it based, in part, on certain assumptions made by and information obtained from the Company, the Selling Shareholder and/or from other sources. None of the Managers, the Company or any of their respective affiliates, officers, employees, advisors or agents, makes any representation or warranty, express or implied, in relation to the fairness, reasonableness, adequacy, accuracy or completeness of the information, statements or opinions, whichever their source, contained in this announcement or any oral information provided in connection herewith, or any data it generates and accepts no responsibility, obligation or liability (whether direct or indirect, in contract or otherwise) in relation to any of such information. The information and opinions contained in this announcement are provided as at the date of this announcement, are subject to change without notice and do not purport to contain all information that may be required to evaluate the Company. The information in this announcement is in draft form and has not been independently

verified. The Managers, the Company, the Selling Shareholder and their respective affiliates, officers, employees, advisors and agents expressly disclaim any and all liability which may be based on this announcement and any errors therein or omissions therefrom.

Any subscription or purchase of securities in the proposed Offering should be made solely on the basis of information contained in the Prospectus. 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 set out in the Prospectus. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. This announcement shall not 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 proposed Offering 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. This announcement does not constitute a recommendation concerning the proposed Offering. The value of securities can decrease as well as increase. Potential investors should consult a professional advisor as to the suitability of the proposed Offering for the person concerned.

None of the Managers, the Company, the Selling Shareholder or any of their respective affiliates, officers, employees, advisors or agents, makes any representation or warranty, express or implied, that any transaction has been or may be effected on the terms or in the manner stated in this announcement, or as to the achievement or reasonableness of future projections, management targets, estimates, prospects or returns, if any.

The Managers and their affiliates are acting exclusively for the Company and the Selling Shareholder and no-one else in connection with the Offering. They will not regard any other person as their respective clients in relation to the Offering and will not be responsible to anyone other than the Company and the Selling Shareholder for providing the protections afforded to their respective clients, nor for providing advice in relation to the Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the Offering, the Managers and any of their affiliates, acting as investors for their own accounts, may subscribe for or purchase Offer Securities and in that capacity may retain, purchase, sell, offer to sell or otherwise deal for their own accounts in such Offer Securities and other securities of the Company or related investments in connection with the Offering or otherwise. Accordingly, references in the Prospectus to the Offer Securities being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, such Managers and any of their affiliates acting as investors for their own accounts. The Managers do not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

In connection with the Offering, the Stabilising Managers, or any of their respective agents, may (but will be under no obligation to), to the extent permitted by applicable law, over-allot Offer Securities or effect other stabilisation transactions with a view to supporting the market price of the Shares and/or GDRs at a higher level than that which might otherwise prevail in the open market. The Stabilising Managers are not required to enter into such transactions and such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise and may be undertaken at any time during the period commencing on the first day of trading in the Shares on the LJSE and the first day of trading in the GDRs on the LSE and ending no later than 30 calendar days thereafter. However, there will be no obligation on the Stabilising Managers or any of their respective agents to effect

stabilising transactions and there is no assurance that stabilising transactions will be undertaken. Such stabilisation, if commenced, may be discontinued at any time without prior notice. Except as required by law or regulation, none of the Stabilising Managers or any of their respective agents intends to disclose the extent of any over-allotments made and/or stabilisation transactions conducted in relation to the Offering.

Information to Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Offer Securities have been subject to a product approval process, which has determined that the Offer Securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Offer Securities may decline and investors could lose all or part of their investment; the Offer Securities offer no guaranteed income and no capital protection; and an investment in the Offer Securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Managers will only approach investors who meet the criteria of professional clients and eligible counterparties in a Relevant Member State other than the Republic of Slovenia.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Securities.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Securities and determining appropriate distribution channels.