

Annual report for year 2025

NLB Banka AD Podgorica



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The Annual report of NLB Banka AD Podgorica (Hereinafter: Bank) has been prepared in accordance with the provisions of the Decision on Reports Submitted to the Central Bank of Montenegro (Official Gazette of Montenegro, No. 128/20). Taking into account the content prescribed by Article 6, it provides a comprehensive presentation of the Bank's operations, from the overview of business activities and organization, risk management, to the review of future planned investment development.

Presented data and information included in the 2025 Report are based on final accounting data and it includes data from additional Bank's records, compared with the data from end of 2024.

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General information as at 31 December 2025

Name	NLB Banka a.d. Podgorica
Headquarter's adress	Bulevar Ivana Crnojevića br. 171, 81000 Podgorica
Correspondence adress	Bulevar Stanka Dragojevića br. 46, 81000 Podgorica
Taxpayer Identification Number	02011395
Core business	Other monetary intermediation
Number of employees	399
Number of shareholders	197
Shareholder's equity	26,648,331.98 EUR
Number of shares	15,347,266
Nominal value of one share	1.73635695 EUR

Vlasnici sa najvećim učešćem	% vlasništva
1. NOVA LJUBLJANSKA BANKA d.d.	99.871%
2. JP "STAMBENO - KOMUNALNO PREDUZEĆE"	0.013%
3. "MEGATREND CO"	0.007%
4. GIP "RADNIK" DD. BIJELO POLJE	0.004%
5. SO "BUDVA" BUDVA	0.004%
6. OG DI "VUKMAN KRUŠČIĆ" - MOJKOVAC	0.004%
7. OPŠTINSKI FOND ZAJEDNIČKIH REZERVU ULCINJ	0.003%
8. INEX "ZLATNA OBALA" - PJ SUTOMORE	0.003%
9. JZU OPŠTA BOLNICA "BLAŽO ORLANDIĆ" BAR	0.003%
10. HORIZON LOGISTICS U STEČAJU A.D BAR	0.003%

Supervisory Board

Antonio Argir, president
Marjana Usenik, member
Uroš Jerovšek, member
Igor Macura, member
Liliana Lapadatoni Huluta, independent member
Gordana Đurović, independent member
Branka Pavlović, independent member

Audit Committee

Tatjana Jamnik Skubic, president
Andreja Golubić, deputy
Polona Kurtevska, member
Marjana Usenik, member

Management Board

Martin Leberle, president
Dražen Vujošević, member
Lana Đurasović, member
Marko Čelebić, member (since February 1st 2025)
Zarija Milić, member (since February 1st 2025)

Nomination Committee

Antonio Argir, president
Igor Macura, member
Gordana Đurović, member

Risk Committee

Marjana Usenik, president
Uroš Jerovšek, member
Liliana Lapadatoni Huluta, member

Remuneration Committee

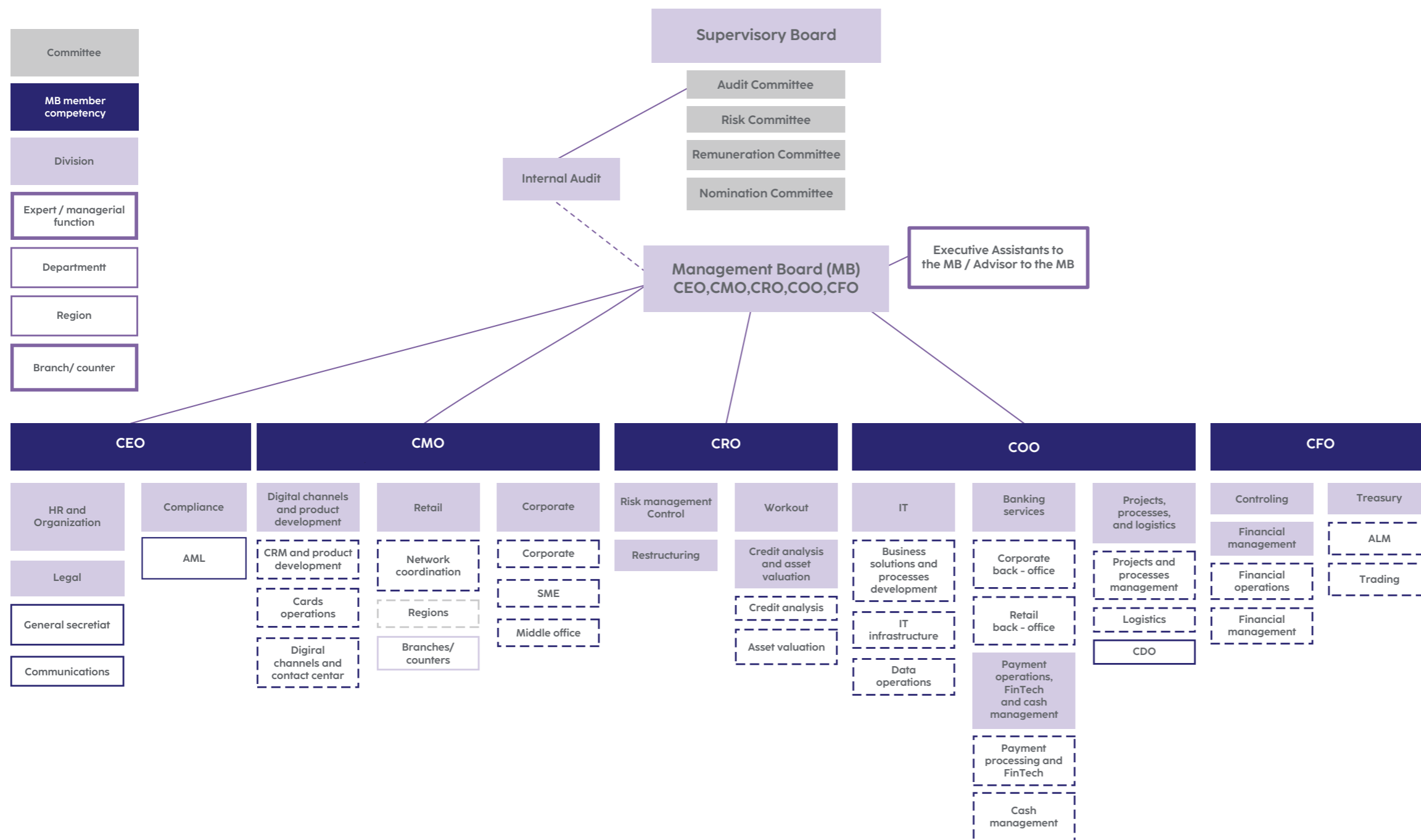
Uroš Jerovšek, president
Igor Macura, member
Branka Pavlović, member

External auditor

Crowe MNE d.o.o.

Organizational chart NLB Bank AD Podgorica

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Statement of the Management Board of NLB Banka AD Podgorica

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In 2025, we continued to deliver stable and responsible growth, confirming the resilience of our business model and the trust of our clients. The year closed with a strong net profit of EUR 26.3 million, along with a sustained high return on capital and preservation of key performance indicators.

Despite higher interest expenses due to a stronger capital position and meeting MREL (The Minimum Requirement for Own Funds and Eligible Liabilities) requirements, the net interest margin remained at the planned level, while increased lending activity supported solid income performance. In net fees and commissions, we recorded growth; Montenegro's entry into the SEPA (Single Euro Payments Area) improved the quality and standardization of payment services for clients, while creating some pressure on the fee-income mix. At the same time, the capital adequacy ratio at year end 2025 stood at 20.85%, above the regulatory minimum, and the share of non-performing loans declined to 1.28%, confirming portfolio quality and a prudent risk approach. At the same time, the level of performing loans at year end 2025 remained stable.

Throughout the year we delivered multiple strategic initiatives that directly improve customer experience and operational efficiency: we launched the Nexios omnichannel contact center, introduced a new generation of mobile and online banking (NLB Digital Edge) and a new web portal, and in December rolled out the first fully digital end-to-end cash loan (eLoan) on the Montenegrin market. In addition, we issued the first eGuarantee, upgraded our CRM (Customer Relationship Management), and implemented a new credit scoring model – allowing us to deliver quicker and better decisions and support for our clients.

We also highlight accession to the SEPA zone in October 2025, bringing our clients faster, safer and more affordable euro transfers to 40+ countries under EU conditions – further strengthening regional connectivity and the quality of payment services.

We continued to modernize the physical network and moved to a hybrid/plugin hybrid vehicle fleet, reducing estimated CO₂ emissions and improving the sustainability of our operations. At the same time, we remained an active partner to the community through volunteering and donations, as well as targeted initiatives in healthcare, inclusion and financial education.

The quality of our work was recognized by international awards: Euromoney – “Best Bank for Customer Experience” and “Best Bank for Real Estate in Montenegro 2025”, underscoring our strategic focus on client experience and our leading role in real-estate financing and network modernization. In line with the resolution of the General Meeting of Shareholders, we also paid a dividend from the prior year's profit totaling EUR 19.428 million.

Looking ahead, we will continue to develop digital channels, simpler processes and sustainable products, with strict discipline in risk and capital management and an even stronger focus on safe and reliable digital services. As a member of the NLB Group, we remain focused on creating long-term value for clients, shareholders and the community – with a clear ambition to be a driver of quality growth and of changes that deliver a better customer experience and higher service standards in Montenegro.

Lana Đurasović
Member

Dražen Vujošević
Member

Marko Čelebić
Member

Zarija Milić
Member

Martin Leberle
President

Key events

January

The Nexios omnichannel contact center was launched, standardising all communication channels (telephone, e-mail, chat, messaging, social media and video), with real-time NPS tracking and intelligent routing of customer requests.

The Management Board expanded to five members further strengthening senior management's expertise and capacity in digitalisation, commercial operations, and customer experience.

February

Renovated branches in Kotor and Nikšić reopened, accompanied by a donation of modern medical equipment to the General Hospital in Nikšić.

March

A donation made following the tragic fire in Kočani, North Macedonia, as part of an NLB Group initiative.

NLB Podgorica Millenium Run - a three-year partnership agreement was signed, with the Bank assuming an important role in the promotion of health, inclusion and community spirit through continuous support for one of the largest sporting and social events in the country.

May

NLB Digital Edge - a new version of mobile and e-banking was launched, featuring an enhanced design and additional security functions for simpler and safer use.

NLB Uptalk - an open discussion was organised between the Chairman of the Management Board of NLB d.d., Blaž Brodnjak, and students at the Faculty of Economics on finance, leadership and the future of banking.

A new [web portal](#) was launched; modernising the Bank's main digital channel and improving customer experience.

June

EBRD SME Go Green line - a "green" credit line was launched for small and medium-sized enterprises seeking to invest in environmentally efficient and energy-sustainable projects, in cooperation with the EBRD.

The EBRD "Women in Business" Programme was continued, which supports women entrepreneurs through a combination of favourable loans and advisory services in cooperation with the EBRD.

July

Euromoney award - "Best Bank for Customer Experience"

August

Transformation of the vehicle fleet to a fleet composed exclusively of hybrid and plug-in hybrid vehicles, reducing CO₂ emissions by approximately 35.5 tonnes per year.

Donation of priority equipment to the Civil Protection and Rescue Service in Podgorica for faster and more effective interventions during fires.

September

Appointment of a new Supervisory Board - the General Meeting of Shareholders adopted a decision on the appointment of a new Supervisory Board of the Bank, with a four-year mandate commencing on 1 January 2026.

Oktober

Accession to the SEPA zone - the Bank was fully prepared for accession, enabling faster, more secure and considerably more affordable euro transfers to over 40 countries.

Dividend payment - pursuant to the decision of the General Meeting of Shareholders of 29 April 2025, the Bank paid dividends to shareholders from a portion of the profit generated in 2024, totaling EUR 19,428 thousand.

Opening of the renovated Podgorica V branch and a donation to the "Podgorica" Resource Centre.

November

Euromoney award - "Best Bank for Real Estate in Montenegro 2025"

NLB Wheel League - the regional NLB Wheel tournament was held in Podgorica, with additional Bank sponsorship of the Paramont basketball club.

December

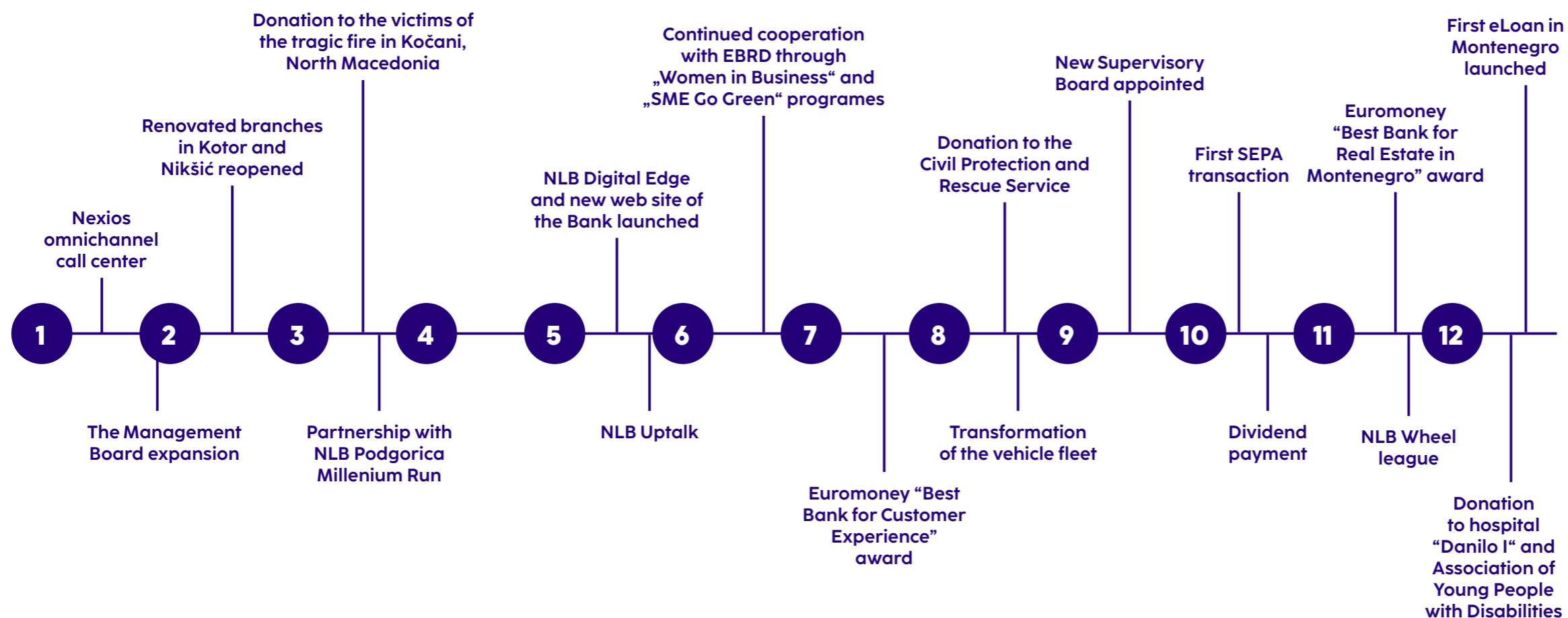
Donation to the "Danilo I" Hospital in Cetinje as part of an NLB Group regional initiative aimed at raising awareness of the growing problem of infertility.

Support for the Association of Young People with Disabilities through employee engagement in the "Get Moving" challenge, participation in humanitarian and inclusive activities, and additionally through donation boxes in branches.

Launch of the first fully digital end-to-end cash loan in Montenegro, enabling customers to submit an request, receive approval, sign documentation and receive funds entirely online, without visiting a branch.

Key events

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Key highlights

Financial Performance

The year concluded with a strong net profit of EUR 26.3 million.

Despite an increase in interest expenses, driven primarily by higher volumes of regulatory capital instruments and intensified resolution requirements, the Bank maintained its net interest margin at the planned level. Combined with stronger portfolio growth, this resulted in net interest income exceeding the budgeted figure.

In the area of net fee and commission income, the current year was marked by Montenegro's accession to the SEPA zone, which had a positive impact on the quality and standardisation of payment services for customers but simultaneously created certain pressure on the income structure. The result was slightly below plan, although moderate growth was achieved compared to the previous year.

In the current year, the Bank also recorded a release of EUR 1.8 million in impairment allowance charges.

Business Overview

The year was marked by numerous campaigns and innovations aimed at improving the product offer. Newly disbursed loans to private individuals grew 27% compared to the previous year.

In 2025, the Bank continued its intensive corporate social responsibility activities, supporting numerous humanitarian projects and campaigns.

Key initiatives were implemented to enhance digital services, operational efficiency, and risk management. The first fully digital eLoan in Montenegro was piloted. A new web portal was launched, and the new generation of mobile and electronic banking was introduced through the Digital Edge platform. The archiving process was upgraded, and the CRM system enhancement ensured process optimisation in branches. IT improvements were implemented by strengthening infrastructure and security systems. In risk management, a new scoring model was implemented and integrated into the loan approval process.

The branch network modernisation continued with the refurbishment of branches, and a transformation was initiated by developing flexible pop-up branches.

Asset Quality

The Bank aims to finance only creditworthy clients with A and B credit ratings, thereby enhancing overall quality of the loan portfolio.

The stable market conditions of the preceding year (the tax reform that led to an increase in household earnings) were also reflected in the stability of portfolio quality, which positively influenced a favourable cost of risk in 2025.

The aforementioned, combined with a proactive approach to restructuring and recovery of the non-performing exposure (NPE) portfolio, led to a further increase in the share of A and B credit rating in the loan portfolio and a reduction in the share of non-performing exposures to a level of 1.28% (- 0.78 bps) at the end of 2025.

Capital, Liquidity & Funding

The capital adequacy ratio at the end of 2025 is 20.84%, and is notably above the regulatory minimum (16.50%), reflecting a responsible dividend and capital management policy that ensures compliance with regulatory requirements and an optimal capital structure at all times.

Non-bank deposits at the banking sector level grew by 4%, with the loan-to-deposit (LTD) ratio increasing by 8.8 p.p. The Bank's LTD ratio also increased, with non-bank deposits growing by 6% and the Bank's market share strengthening.

The Bank actively managed its liquid assets at all times, maintaining an adequate level.

Strategy & Outlook

Plans are grounded in the strategic orientation and growth potential in individual segments with a stronger focus on digitalisation, taking into account optimal capital allocation relative to profitability and risk appetite, in line with the ambition of the NLB Group 2030 Strategy.

The focus will be on acquiring new customers, improving the customer experience across all channels, growing deposits to support loan portfolio growth, and maintaining stable revenue growth and a sustainable cost level.

Furthermore, the Bank will become the primary driver of the cash transition.

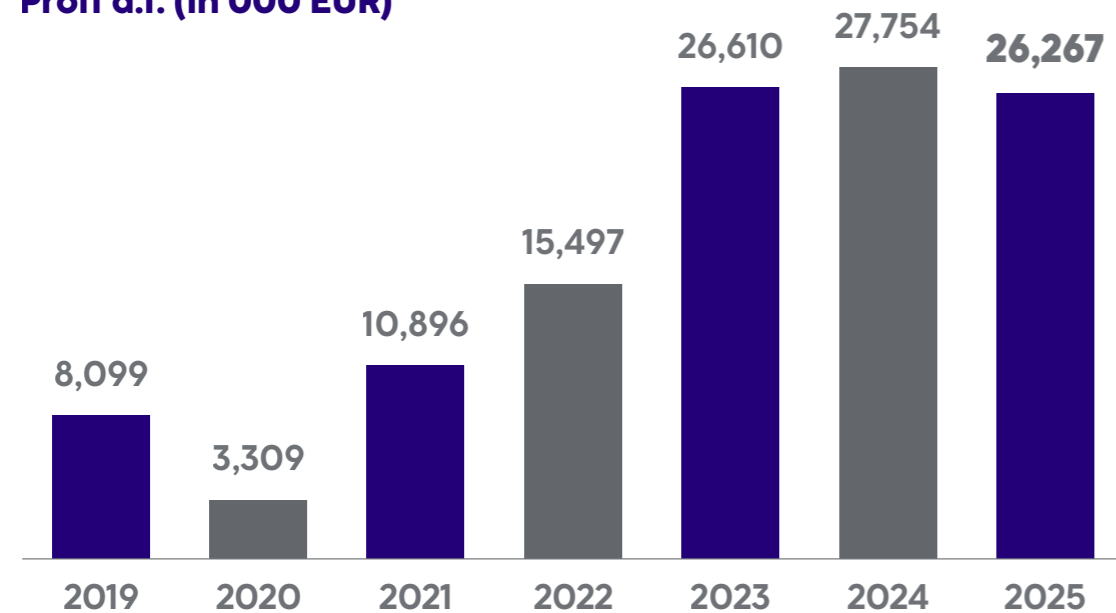
The Bank will also continue to contribute to improving the quality of life in the region in which it operates.

As part of the NLB Group, we are committed to meeting the needs of our stakeholders and to sustainable business operations.

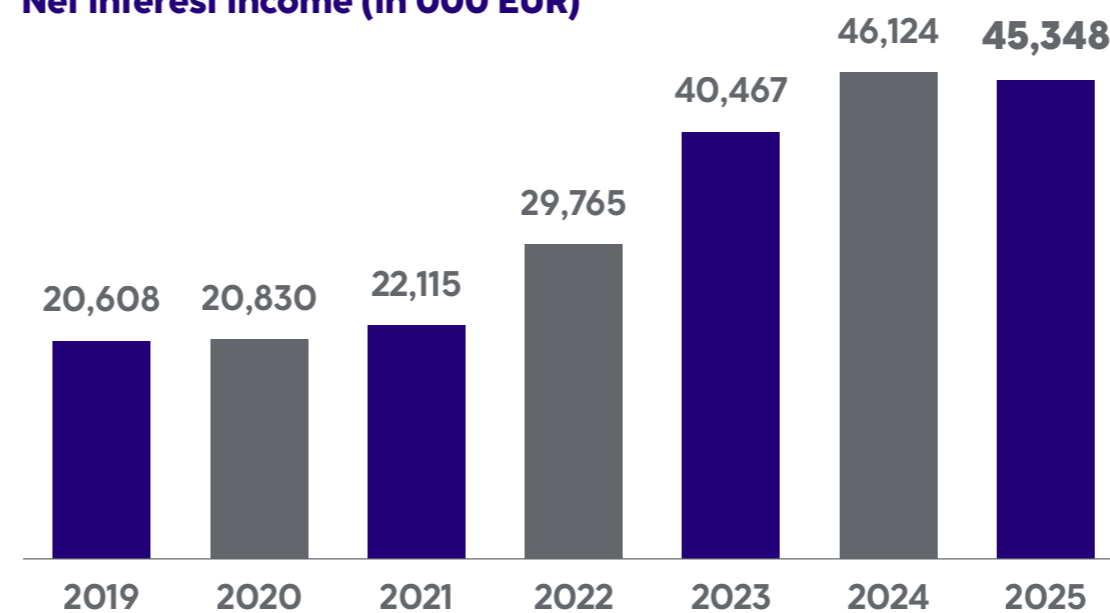
Key highlights

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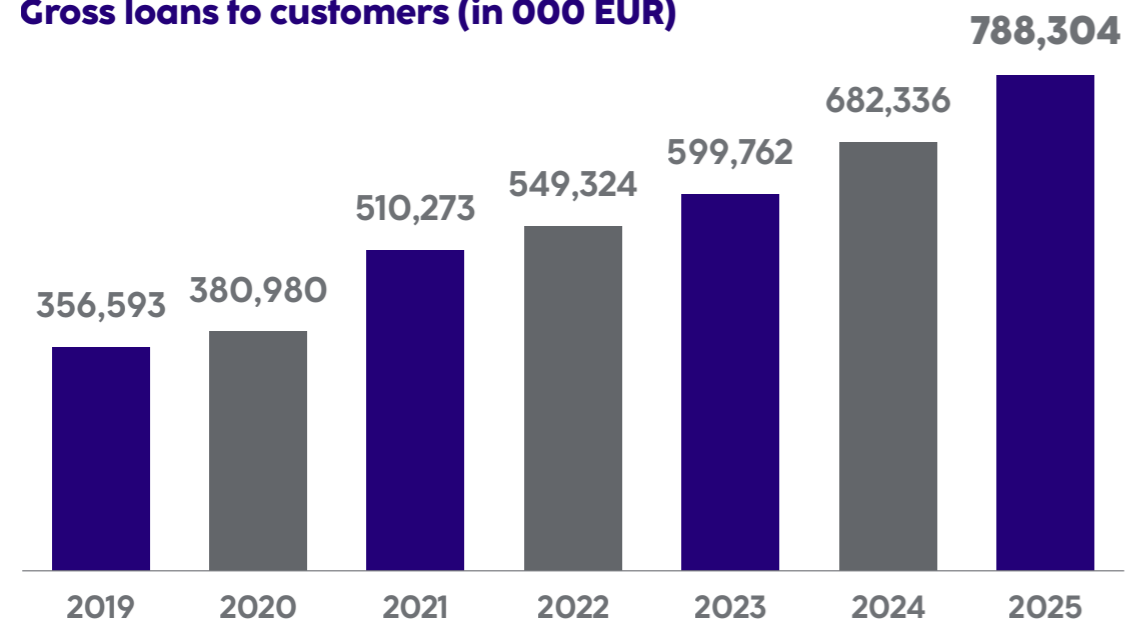
Profit a.t. (in 000 EUR)



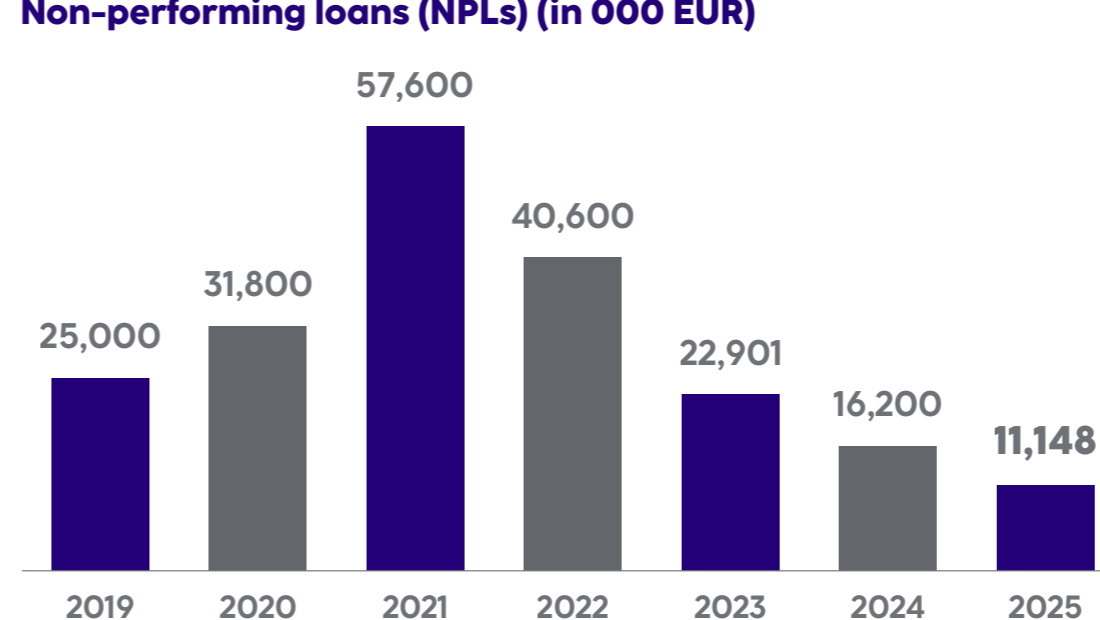
Net interest income (in 000 EUR)



Gross loans to customers (in 000 EUR)



Non-performing loans (NPLs) (in 000 EUR)



Macroeconomic Indicators

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November 2025.

3.1% – GDP growth in Montenegro at the end of the third quarter

Annual gross domestic product (GDP) growth in the third quarter of 2025 stood at 3.1%, slightly below the rate of 3.5% recorded in the second quarter. Economic developments were most strongly influenced by intensified trade activity and stronger momentum in the construction sector, while overall industrial production declined due to a contraction in the energy sector, despite robust manufacturing growth in certain quarters.

Annual inflation in November 2025 stood at 4.2%. A monthly price decline of 0.4% signalled a slight weakening of inflationary momentum towards the end of the year. Throughout 2025, inflation remained moderate and stable, with consumer prices rising by approximately 4% on average compared to the previous year. Price pressures in 2025 remained under control, with the economy operating in a moderate, predictable environment of price growth.

The average gross salary in Montenegro in November 2025 was EUR 1,214, while the average net salary after tax and contributions was EUR 1,018. The average net salary in November 2025 recorded year-on-year growth of 2.5%. These indicators suggest that 2025 was characterised by growth in average salaries and stabilisation of employee income, with the improvement attributable not to a new increase in the minimum wage that year, but rather to previously implemented reforms and structural shifts in the labour market.

The labour market in 2025 demonstrated moderate but consistent progress, despite broader economic challenges. Data from 2025 indicate a gradual improvement in conditions. In the first quarter, the unemployment rate stood at 11.2%. Over the course of the year, it declined, with quarterly and monthly estimates in the second half falling to approximately 10% and, in some months, below that threshold. In the third quarter of 2025, the unemployment rate in Montenegro stood at 10.1%. The number of employed persons increased by 2.2% compared to the preceding quarter, while the number of unemployed persons decreased by 2.4% compared to the preceding quarter. These indicators confirm the stabilisation and moderate strengthening of employment throughout 2025.

Tourism confirmed its key role in the Montenegrin economy throughout 2025, with growth in visitor numbers and stable results across most segments. In the first eleven months of the year, Montenegro recorded 2.67 million tourist arrivals, representing a growth of approximately 5% compared to the same period of the preceding year. Total overnight stays were slightly lower, down by approximately 1.5%, indicating somewhat shorter stays by tourists despite the higher number of visitors. In collective accommodation, arrivals increased by approximately 4%, while overnight stays remained virtually unchanged compared to the previous year. At the same time, individual accommodation experienced a notable expansion – the number of guests rose by over 6%, confirming the growing popularity of more flexible and personalised forms of accommodation.

In November 2025, Montenegro executed its first issuance of government bonds aimed at private individuals, in a total amount of EUR 50 million, with the annual interest rate of 3.75%, with a maturity of two years and a minimum investment of EUR 500. Bond subscriptions were conducted through a cooperation arrangement with six banks and free of charge for individual investors. The issuance was virtually fully subscribed to, with EUR 49.87 million raised.

During 2025, Montenegro achieved one of its most significant milestones in the European Union accession process, provisionally closing a total of six negotiating chapters.

Expectations and forecast

Moderate growth amid elevated external risks and increased global uncertainty

Montenegro enters 2026 with stabilizing, yet cautious economic prospects. The latest forecasts of international institutions, including the World Bank (January 2026) and Fitch Solutions (February 2026), confirm expectations of moderate GDP growth of 3.2% in 2026, accompanied by pronounced vulnerability to external shocks. The IMF, in early 2026, also projects growth of 3.2% and inflation of around 2.3%, further consolidating expectations of stable but modest economic expansion.

Economic growth continues to depend largely on private consumption, investment activity, and a strong tourism sector, which remains a key source of foreign inflows. However, higher transport and energy costs, along

with geopolitical uncertainty, may constrain tourism demand and increase operating costs in the sector. Despite efforts to raise spending per visitor and extend the tourist season, the risk persists that adverse external conditions could negatively affect overall tourism activity.

Inflation is showing signs of easing and is projected at around 2-2.3%; nevertheless, the country remains sensitive to increases in global energy and food prices. This vulnerability is particularly pronounced in the context of the ongoing crisis involving Iran. The conflict between the United States and Israel on one side and Iran on the other has triggered the largest energy supply shock in recent decades: more than 40 energy facilities have been damaged, while traffic through the Strait of Hormuz - a critical route for around one-fifth of global oil and LNG supply - has nearly come to a halt. As a result, energy prices have surged sharply, and the number of vessels passing through the strait has fallen from approximately 120 to only a few per day.

For Montenegro, as a highly import-dependent economy, this translates into stronger pressures on fuel, electricity, and food costs, as well as higher production and transportation expenses. Additional risks arise from disruptions in the supply of fertilizers and other agricultural inputs, which could further increase food prices and place additional strain on households and businesses.

The fiscal position remains fragile. International institutions continue to project a fiscal deficit of around 3% of GDP (Government of Montenegro: 3.2%), but risks have increased due to potential growth in expenditures related to energy, transport, subsidies, and social transfers, as well as a possible deterioration of the current account balance. The sustainability of public finances will depend on strict fiscal discipline, well-targeted social spending, and investments focused on projects that can enhance productivity and reduce external dependence.

Overall, although growth projections remain at 3.2%, Montenegro enters 2026 amid heightened external uncertainty. The balance between stabilization trends and downside risks will be determined primarily by global energy market developments and the country's ability to absorb shocks stemming from the crisis involving Iran and broader volatility in international markets.

Macroeconomic Indicators

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Key macroeconomic indicators in Montenegro

*Q III

	2022	2023	2024	2025
GDP (annual growth rate in %)	6.4	6.3	3.2	3.1*
Fiscal balance (% GDP)	(17.9)	(24.1)	(27.8)	(35.8)
Public debt (% GDP)	68.8	58.03	56.2	51.4*
Average inflation (in %)	17.2	4.3	2.1	4.0
Unemployment rate (in %)	14.7	13.1	11.5	10.1*

Banking Sector

The banking system was stable, liquid and solvent throughout 2025.

The institutional and regulatory reforms implemented further strengthened the predictability and security of the business environment, while alignment with European financial standards helped preserve stability and further strengthen the financial system. Interest rates on total approved loans declined, while interest rates on newly approved loans increased year-on-year for the corporate segment and declined for the retail segment. According to the results of a survey conducted in the third quarter of 2025, banks slightly tightened credit standards for the corporate segment, interrupting a four-quarter trend of continuous easing, while credit standards for the retail segment were significantly eased, particularly in the consumer and other loans segment.

Total assets of banks at the end of November 2025 amounted to EUR 7,714.77 million, recording growth of 8.72% compared to November of the preceding

year. In the asset structure of banks at the end of November 2025, net loans accounted for the largest share at 67.76%, followed by securities at 17%, cash and deposit accounts with central banks at 11.74%, and the remaining 3.5% in other assets. In the liabilities structure, deposits accounted for the dominant share of 78.15%, followed by equity at 13.04%, borrowings at 4.26%, and other items at 4.55% of total liabilities.

Total capital of banks at the end of November 2025 amounted to EUR 1,006.14 million, recording year-on-year growth of 10.04%.

The weighted average nominal interest rate (WANIR) of banks on total approved loans in November 2025 stood at 5.71%, which was 0.33 p.p. lower than in November 2024. The weighted average effective deposit interest rate stood at 0.27% in November 2025, which was 0.02 p.p. higher than in the same month of the preceding year.

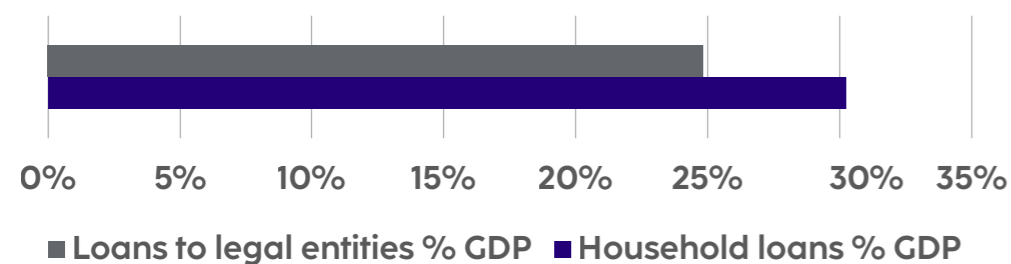
Eleven banks operate in Montenegro.

In October 2025, Montenegro became an operational member of the SEPA (Single Euro Payments Area) zone, enabling citizens and businesses to send and receive euro payments to and from over 40 countries quickly, securely, and under the same conditions as within the EU. The first SEPA transfers were initiated on 7 October 2025, marking Montenegro's practical entry into the Single Euro Payments Area. To facilitate this milestone, the Central Bank of Montenegro (CBCG) modernised the domestic payment system during 2025. A key reform was adopted on 9 July 2025, when the CBCG eliminated its own fee, which had been 30% higher for transactions processed after 14:00, introducing a single lower tariff for the entire operational day; extended the operating hours of payment systems (RTGS until 20:00, DNS until 19:30); and announced weekend operations from mid-October 2025. In parallel with the SEPA integration, the CBCG, in cooperation with Banca d'Italia and the European Central Bank, is developing a new national instant payment system based on the TIPS platform, which is scheduled to become operational in July 2026, enabling transactions in real time 24 hours a day, seven days a week.

Macroeconomic Indicators

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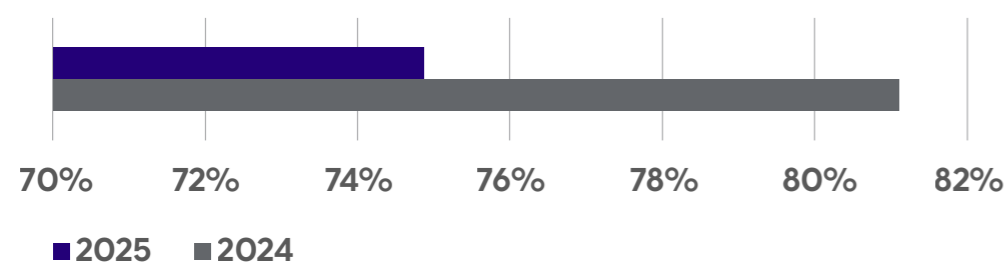
Loans to private individuals and legal entities in Montenegro in (as of September 30 2025)



Loans and deposits of banking sector in Montenegro, September 2025

	in M EUR	Δ % YoY
Loans to legal entities	1,995	18.9
Retail client loans	2,428	19.8
Deposits of legal entities	2,074	(3.1)
Retail client deposits	3,214	7.8

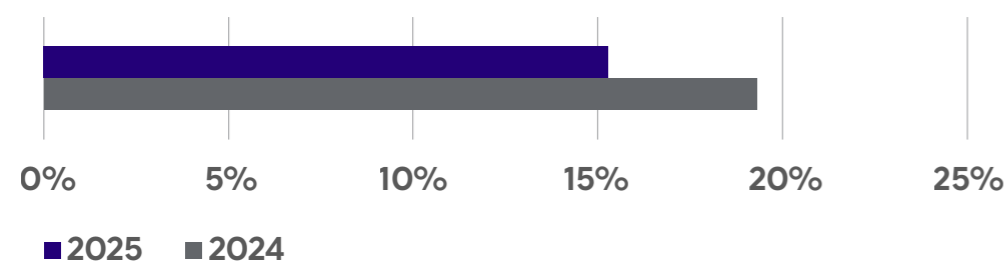
LTD (loans/deposits) (December 31)



Key banking system indicators in Montenegro, September 2025

Net interest margin		NPL Non performing loans		CAR Capital adequacy ratio	
2024. %	2025. %	%	Δ p.p. YoY	%	Δ p.p. YoY
5.1	4.5	2.8	(1.2)	19.4	(0.4)

ROE (Return on equity) (December 31)



Regulatory environment

Due to Montenegro's European Union accession process, 2025 was a highly demanding year for regulatory changes aimed at aligning with EU directives.

The Credit Institutions Law was amended, and 13 new or amended bylaws were adopted to further align with the Basel III standards. The most significant changes relate to corporate governance, the provision of banking services, capital requirements, restrictions and prohibitions, and consumer protection.

These changes require systemic adjustments, including enhancing employee knowledge, updating internal policies and system configurations, improving regulatory reporting, and other measures.

Proposals for further amendments to the Credit Institutions Law are currently being formulated to strengthen the penalty policy and supervision of credit institutions, making 2026 a significant year for alignment with systemic legislation of this nature.

In addition to the amendments to the Credit Institutions Law, the legal framework for the resolution of credit institutions was also amended. The amendments to the Resolution of Credit Institutions Law were accompanied by the adoption of 10 new or amended bylaws. The most significant requirements relate to MREL (Minimum Requirement for Own Funds and Eligible Liabilities) standards and regulatory reporting; the amendment of eligibility criteria for qualifying liabilities with a view to raising the level of loss-absorption and recapitalisation capacity; enhanced powers of the regulator to write down and convert relevant capital instruments and eligible liabilities; improved contractual recognition of instruments to which the bail-in tool may be applied; the introduction of restrictions on profit distribution where an institution does not meet the combined buffer requirement; and increased requirements for the digital operational resilience of credit institutions,

among others. In December 2025, the Central Bank of Montenegro issued a Decision defining the minimum requirements for regulatory capital and eligible liabilities (MREL) that the Bank is required to meet within a period of three years, with the objective that at the end of 2028 the ratio calculated in relation to risk exposure should be at least 26.55% and the ratio calculated in relation to the total exposure measure should be at least 5.91%. Given that a transitional period has also been defined to meet the minimum requirement calculated based on the total risk exposure amount, the Bank is required to achieve an MREL ratio of 17.91% at the end of 2026.

A new Consumer Credit Law was adopted at the beginning of the year, and by the end of November 2025, 10 bylaws were adopted, with a very short compliance deadline. The most significant changes relate to additional knowledge requirements for employees in the consumer lending sector, particularly residential mortgage lending; the introduction of specific rules on remuneration for such employees; enhanced requirements with respect to the assessment and monitoring of the creditworthiness of consumers and their family members; the introduction of a cap on the effective interest rate; specific rules for credit intermediaries; and other measures.

2025 was also marked by the project to accede to the SEPA (Single Euro Payments Area) payment schemes. This entailed substantial technical and IT-related adjustments, alignment with the EPC (European Payments Council), NLB d.d. Ljubljana, regulatory requirements and national legislation.

In the first quarter of 2025, amendments to the Tax Administration Law were adopted to implement the standards for the automatic exchange of financial account information, specifically the provisions relating to the Common Reporting Standard (CRS). For the purposes of implementing these amendments,

the following were adopted at the end of the year: the Instruction on the detailed manner of reporting and the form based on the Agreement between the Government of Montenegro and the Government of the United States of America on improving compliance with international tax obligations and implementing FATCA; and the Rulebook on the detailed manner of reporting and the form based on the Common Reporting Standard (CRS). The implementation of these legislative amendments depends on the technical prerequisites to be ensured by the state authorities.

Highly important changes are also introduced by the following legislation: the Accounting Law, the Audit Law, Law on Companies and the Company Registration Law.

The Bank continuously applies the Decisions on the introduction of international restrictive measures established by Decisions of the Council of the European Union, which the Government of Montenegro adopts in accordance with the foreign policy priority of alignment with the European Union in Common Foreign and Security Policy.

Description of business activities

NLB Banka AD Podgorica is a shareholding company, authorized for performing banking services.

NLB Banka AD Podgorica was established in 1990. In 1995, the Bank was officially registered as a joint-stock company with the Commercial Court in Podgorica. In 2002, following alignment with the Companies Law, the entity was registered in the Central Register of Business Entities in Podgorica under registration number 4-0006161/001.

The Bank holds registration with the Securities Commission as a Securities Issuer, identified by the number 275 (Decision number 02/3-282/2-02). The Bank is included in the Subsegment of free floating securities on the Montenegro Stock Exchange.

In accordance with the Law on Credit Institutions, Memorandum of Association, Articles of Association, and the Decision of the Central Bank of Montenegro, the Bank is authorized to offer the subsequent services:

- Accepting deposits or other funds that require repayment;
- Approval of loans, which encompass consumer loans, mortgage loans, and loans aimed at financing commercial transactions, as well as the purchase of receivables with or without recourse (factoring), including export financing based on the discounted purchase and without recourse of long-term outstanding receivables secured by financial instruments (forfetting);
- Financial leasing;

- Providing payment services in compliance with laws and Issuing various payment instruments and overseeing their management, in compliance with legal regulations;
- Issuing guarantees or other warrants;
- Engaging in transactions for its own behalf or on behalf of a client:
- International payment methods, including foreign currency exchange activities;
- Financial instruments related to currency and interest rates;
- Activities closely associated with lending, including collection, analysis, and dissemination of information regarding the creditworthiness of legal entities and entrepreneurs;
- Rental of safes;
- Participation in the issuance of financial instruments and the provision of services related to the issuance of financial instruments, in accordance with the regulations governing the capital market;
- Carrying out cash transportation services that the Bank is authorized to provide in compliance with legal regulations;
- Sale of receivables;
- Provision of services to legal entity established by NLB d.d. Ljubljana in the form of a limited liability company;
- Provision of insurance agency services, in compliance with the relevant insurance legislation;
- Delivering payment systems management services, in compliance with legal regulations which govern payment transactions;
- Additional services that the Bank may offer in line with the law.

Operations of the Bank

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Market position

The Bank concluded the year with a 23% share of loans to individuals and a 10.5% share of loans to legal entities. The Bank's share in total non-bank loans decreased by 0.2 p.p.

Loans	% increase / decrease 2025		
	NLB	Banking sector	Change of market share 2025 (p.p.)
Corporate	9,3%	19,3%	-1
State	-27,9%	-29,5%	0,2
Private individuals	20,1%	19,8%	0,1
Loans to NBS	15,4%	16,8%	-0,2

As at 31 December 2025, the share of deposits to individuals was 16.5%, while the share of the legal entity deposit base was 14.6%. The increase in the share of non-bank deposits was 0.4 p.p

Depoziti	% rasta/pada 2025.		
	NLB	Bankarski sektor	promjena učešća 2025. p.p.
Pravna lica	4,9%	-2,2%	1,0
Država	-9,4%	4,5%	-1,4
Fizička lica	8,6%	7,8%	0,1
Depoziti nebanke	6,2%	3,6%	0,4

Overview of Financial Performance

The Bank concluded 2025 with a strong profit after tax result of EUR 26.3 million, with profit before impairments and provisions of EUR 29.1 million. The Bank continued its trend of stable operations and achieved a high return on equity exceeding 20%.

Newly approved loans grew by 24%. Strong loan demand characterised the year for the banking sector, driven by a combination of factors: higher salaries and pensions due to reduced fiscal burden, declining interest rates, and inflation, which increased the average approved loan amount. The Bank responded to the increased demand with well-timed, well-organised, and effectively executed consumer and housing loan campaigns, keeping pace with market growth in the retail lending segment and achieving a slight increase in market share. In the corporate segment, year-on-year growth of 9.3% was achieved. The market grew more rapidly - at 19.3% - however, the Bank remained focused on the sustainability of growth, profitability and the preservation of loan portfolio quality. With continued full commitment to customers and ongoing innovation in the product offering, significant year-on-year growth in total gross loans of EUR 105.6 million, or 15.4%, was recorded. Strong lending activity and portfolio growth, combined with a declining interest rate trend, drove a 4% year-on-year increase in interest income, while net interest income declined 2%.

Strong results were also achieved in the net non-interest income segment. Net fee and commission income recorded a 4% increase compared to 2024.

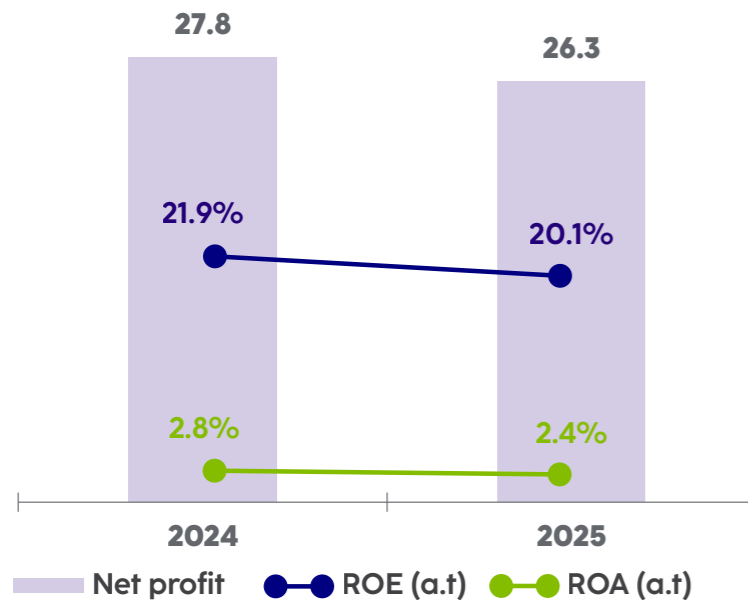
Due to growth in lending volumes, risk-weighted assets increased by EUR 70.7 million, while regulatory capital increased by EUR 18.5 million; consequently, the capital adequacy ratio was increased by 0.7 p.p. compared to the preceding year, and remains significantly above the statutory minimum. At the end of 2025, it stood at 20.84% (statutory minimum: 16.50%).

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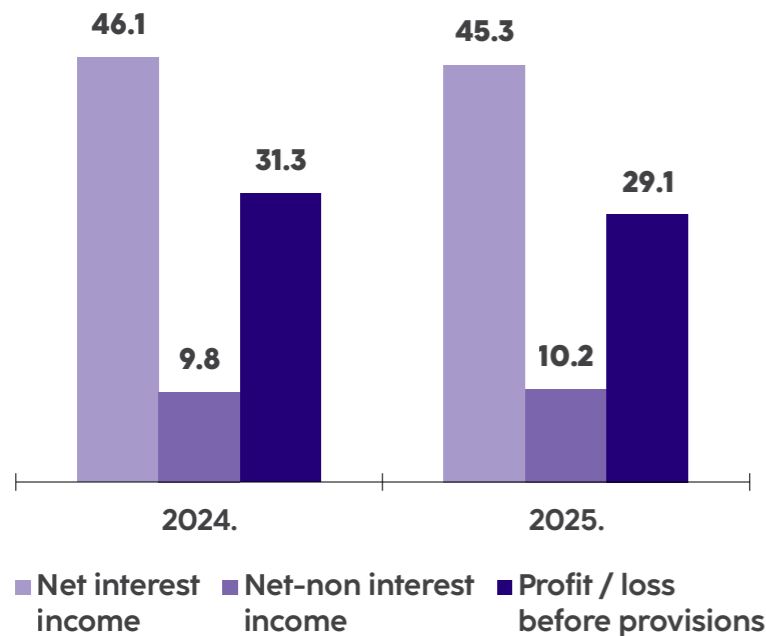
Profit after tax (000 EUR)/ Return on equity after tax (ROE a.t) / Return on assets after tax (ROA a.t)



On the other hand, the growth in interest and non-interest income was accompanied by a growth in operating expenses, leading to an increase in the cost-to-income ratio (CIR), which at the end of 2025 stood at 47.7% (2024: 44.1%). The growth in operating expenses is a result of increased investments and the initiation of an investment cycle for process automation and business digitalisation. The CIR, despite the increase, reflects a high degree of operational efficiency and is below both the budgeted level and the banking sector average.

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Result before impairments and provisions, Net interest / non-interest income (in 000 EUR)



Operations of the Bank

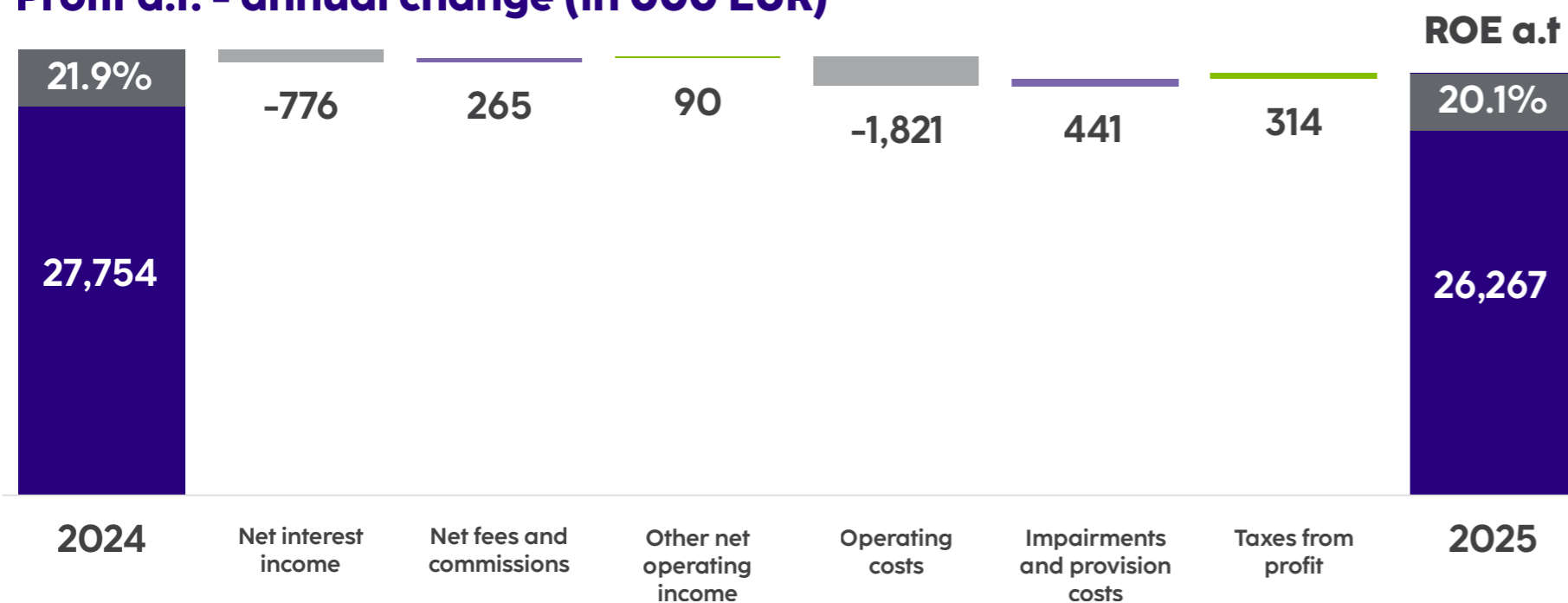
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Income statement	2025	2024	Change		
Interest income	49,014	47,018	1,996	↑	4%
Interest income from impaired placements	94	127	(33)	↓	-26%
Interest expenses	(3,760)	(1,021)	(2,739)	↑	268%
NET INTEREST INCOME (1 + 2 - 3)	45,348	46,124	(776)	↓	-2%
Fee and commission income	24,630	23,730	900	↑	4%
Fee and commission expenses	(17,336)	(16,701)	(635)	↑	4%
NET FEE AND COMMISSION INCOME (4 - 5)	7,294	7,029	265	↑	4%
Net gain / losses from financial instrumets which are held for trading	911	959	(48)	↓	-5%
Net gain / losses from financial instrumets at fair value through P&L, which are not held for trading	(309)	(281)	(28)	↑	10%
Fair value adjustments in hedge accounting	(115)	19	(134)	↓	-705%
Net exchange differences	(26)	17	(43)	↓	-253%
Net gain/losses on derecognition of other assets	933	790	143	↑	18%
Other income	1,646	1,408	238	↑	17%
Employee costs	(13,258)	(12,672)	(586)	↑	5%
Depreciation costs	(3,415)	(3,011)	(404)	↑	13%
General and administrative costs	(9,795)	(8,964)	(831)	↑	9%
Net gains/losses based on modification and reclassification of financial instruments	-	-	-		
Net gains/losses on impairments	740	1,896	(1,156)	↓	-61%
Provision costs	1,072	(525)	1,597	↓	-304%
Other expenses	(158)	(120)	(38)	↑	32%
PROFIT BEFORE TAX	30,868	32,669	(1,801)	↓	-6%
Tax related to P&L	(4,601)	(4,915)	314	↓	-6%
NET PROFIT	26,267	27,754	(1,487)	↓	-5%
Earning per share / in EUR	1,71	1,81	(0,10)	↓	-5%

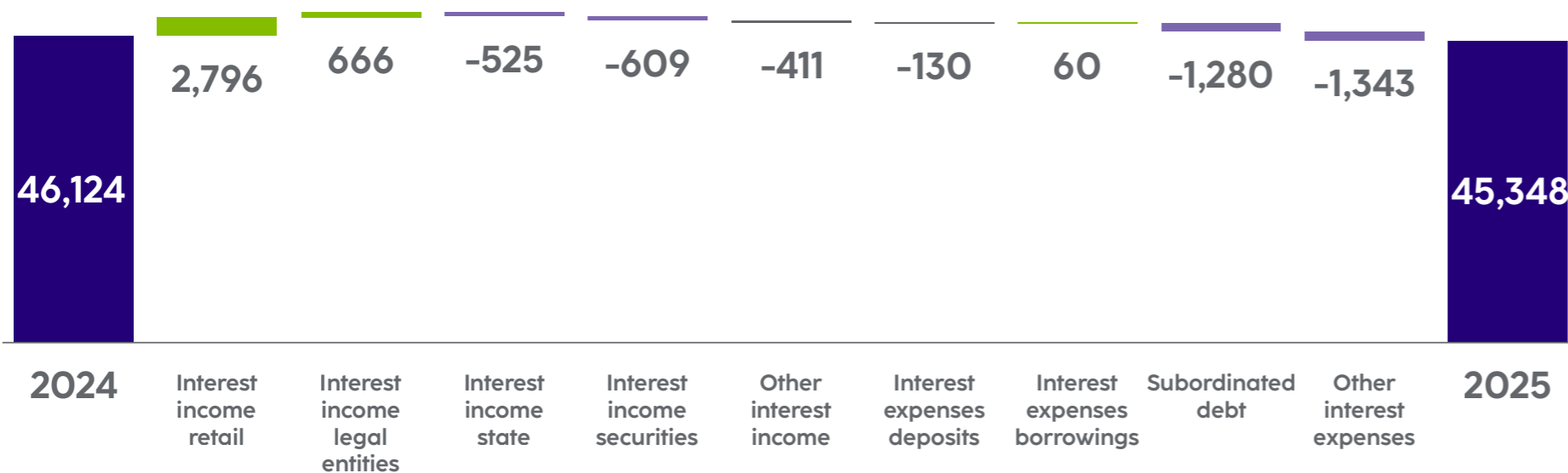
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Profit a.t. - annual change (in 000 EUR)



Net interest income - annual change (in 000 EUR)



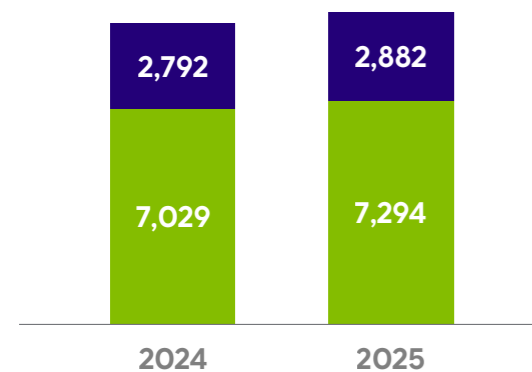
Operations of the Bank

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The decrease in net interest income resulted from higher interest expenses (EUR +2,7 million), mainly due to increased expenses related to the subordinated loan and MREL-eligible funding, arising from the strengthening of the Bank's capital base and the optimization of its capital structure. On the other hand, interest income in the retail segment (+EUR 2,8 million, or 9.4%) and the corporate segment (+EUR 0,7 million, or 6.9%) recorded a positive trend.

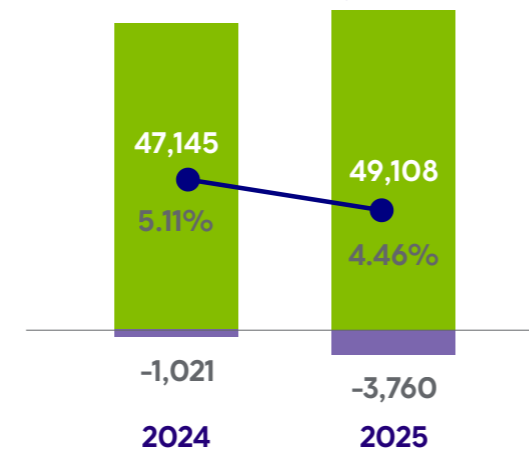
Interest expenses increased compared to the previous year, primarily due to the aforementioned rise in interest costs related to the subordinated loan. In addition, interest expenses on deposits from banks also increased, reflecting the strengthening of the Bank's capital position and its alignment with the new MREL regulatory requirements

Net-non interest income (in 000 EUR)



■ Net fee and commission income
■ Other net income

Net interest income (in 000 EUR)



■ Interest income
■ Interest expenses
● Net interest margin

In the net fee and commission segment, the current year was marked by Montenegro's entry into the SEPA area, which had a positive impact on the quality and standardization of payment services for customers. At the same time, this development also resulted in certain pressures on the structure of fee and commission income. **Total net fee and commission income recorded an increase of 3.8% (EUR 265 thousand), driven predominantly by higher revenues from card operations and direct banking, and to a lesser extent by increased payment services income and guarantee fees.** The growth in income was driven by an expanding customer base and a higher volume of transactions, while the Bank continues to take a cautious approach to tariff adjustments, ensuring that fees and commissions remain clear, transparent and non-discriminatory among comparable customers.

On the other hand, income from basic accounts recorded a slight decline compared to the previous year, as did other net fee and commission income.

In terms of the composition of net operating income, the share of net non-interest income increased to 18.3% of total net operating income (2024: 17.6%)

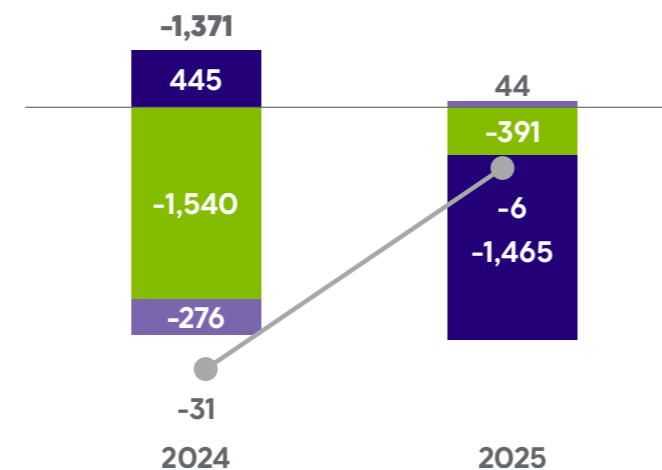
The cost of risk was also negative in 2025, at -6 basis points, driven by continued strong portfolio quality and robust collection activities. Loan impairment was EUR 1.1 million higher than in the previous year, driven primarily by additional impairment charges in the retail segment due to deteriorating credit quality. Provisions for off-balance-sheet items were EUR 320 thousand higher than previous year, driven predominantly by additional impairment within the corporate segment as a consequence of the growth in off-balance-sheet exposure. Other impairment charges and provisions recorded a decline of EUR 1.9 million compared with the previous year.

Operations of the Bank

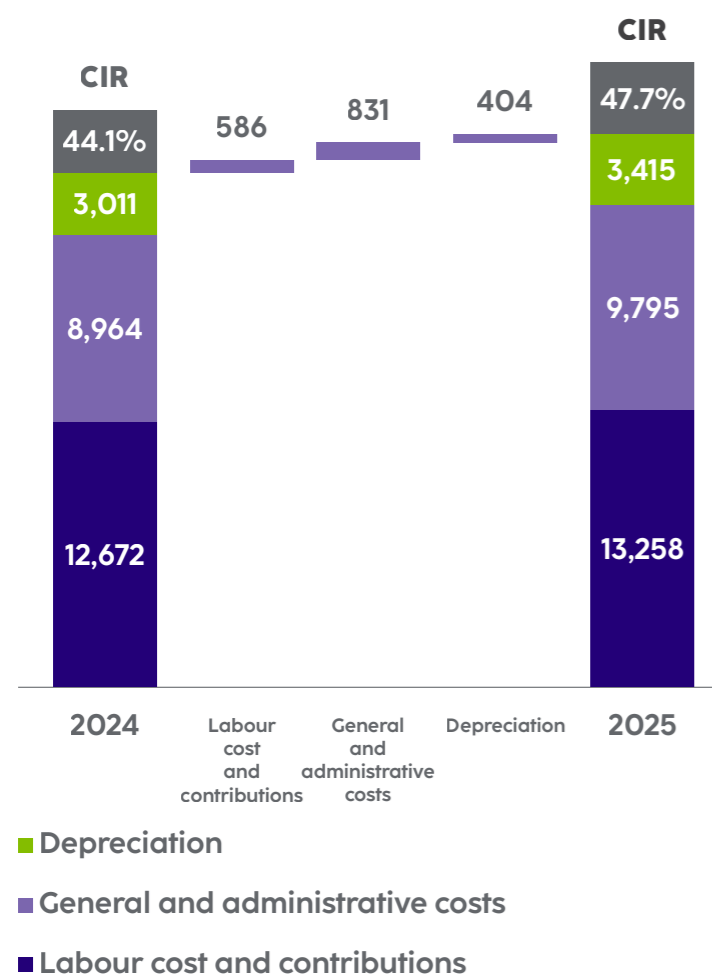
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Impairments and provisions (in 000 EUR), Cost of risk (b.p)



Operating costs (in 000 EUR) CIR (%)



- Other impairments and provisions
- Provisions for off-balance sheet
- Impairments on loans
- Cost of risk

Operating costs increased by 7.4%, or EUR 1.8 million, compared to the previous year, due to intensified business activity and higher general and administrative expenses (9%, or EUR 831 thousand).

As a result of an increase in the number of employees, as well as a rise in the average salary per employee, employee costs also increased by 5%, or EUR 586 thousand, compared to the previous year, while depreciation and amortisation costs rose by 13%, or EUR 404 thousand.

It is important to note that the majority of capital expenditures were directed towards the modernization of the vehicle fleet through the acquisition of hybrid vehicles, in line with the Bank's strategic commitment to environmental sustainability, while the remaining capital investments were primarily related to improvements in customer experience and security.

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Statement of financial position

BALANCE SHEET	31.12.2025.	31.12.2024.	Change		
ASSETS					
Cash and balances with central and other banks	154,017	125,396	28,621	↑	23%
Financial assets by amortized value	951,958	859,329	92,629	↑	11%
Loans to banks	80,517	103,360	(22,843)	↓	-22%
Loans to customers	774,974	668,024	106,950	↑	16%
Securities	91,723	85,909	5,814	↑	7%
Other financial claims	4,744	2,036	2,708	↑	133%
Financial assets at fair value through other comprehensive income	14,622	16,157	(1,535)	↓	-10%
Securities	14,622	16,157	(1,535)	↓	-10%
Financial assets mandatory at fair value through P&L, which are not held for trading	-	-	-	↑	0%
Loans to customers	-	-	-	↑	0%
Derivatives held for hedging	98	98	-	↑	0%
Fair value adjustments in hedge accounting	2,307	2,307	-	↑	0%
Investment property	361	198	163	↑	82%
Tangible assets	22,102	21,725	377	↑	2%
Intangible assets	2,983	2,183	800	↑	37%
Income tax assets	2,109	1,844	265	↑	14%
Other assets	4,730	6,417	(1,687)	↓	-26%
TOTAL ASSETS	1,154,227	1,035,659	118,568	↑	11%
LIABILITIES					
Financial liabilities by amortized value	967,914	867,717	100,197	↑	12%
Deposits from banks	50,583	723	49,860	↑	6896%
Deposits from customers	898,911	846,589	52,322	↑	6%
Borrowings from banks	6,456	6,913	(457)	↓	-7%
Borrowings from non-bank clients	11,964	13,492	(1,528)	↓	-11%
Financial liabilities at fair value through P&L, which are not held for trading	-	-	-	↑	0%
Other financial liabilities	925	999	(74)	↓	-7%
Derivative financial liabilities as a hedging instrument	2,340	2,340	-	↑	0%
Provisions	3,954	5,112	(1,158)	↓	-23%
Liabilities for income tax	4,722	5,043	(321)	↓	-6%
Deferred tax liabilities	1,326	1,131	195	↑	17%
Other liabilities	17,375	15,810	1,565	↑	10%
Subordinated debt	16,447	16,494	(47)	↑	0%
TOTAL LIABILITIES	1,014,166	914,731	99,435	↑	11%
EQUITY					
TOTAL EQUITY	140,061	120,928	19,133	↑	16%
TOTAL EQUITY AND LIABILITIES	1,154,227	1,035,659	118,568	↑	11%

This is a translation of the original document issued in the Montenegrin language. All due care has been taken to produce a translation that is faithful as possible to the original. However, if any questions arise related to interpretation of the information contained in the translation, the Montenegrin version of the document shall prevail.

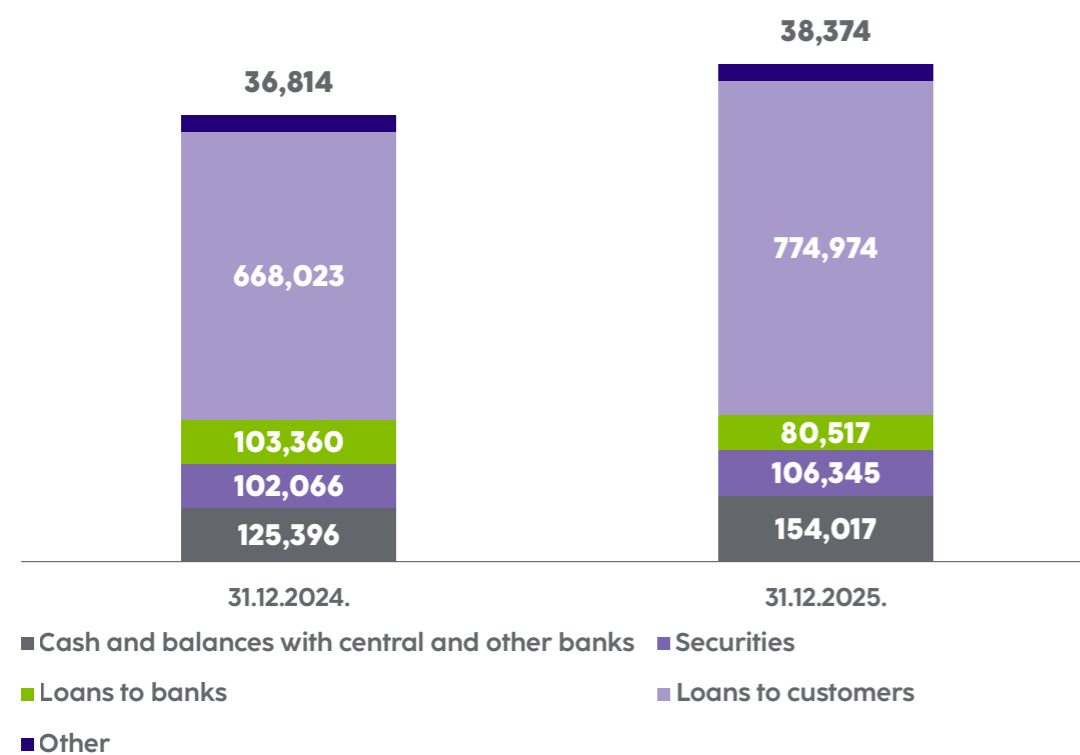
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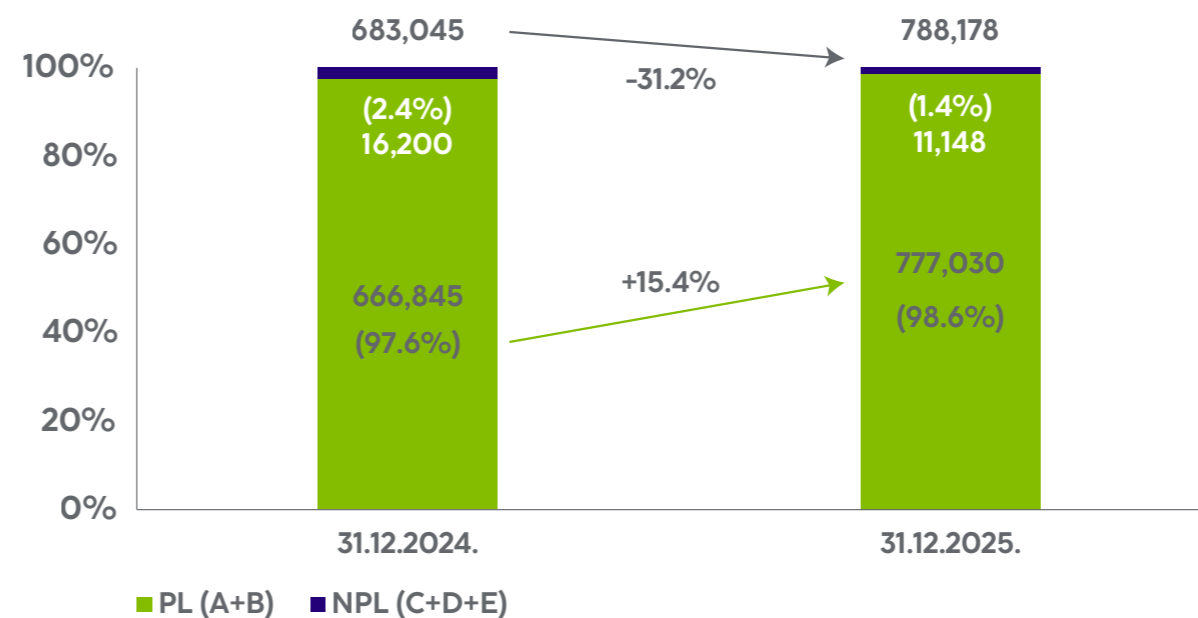
The balance sheet volume has grown by 118.6 million in 2025 (+11%). On the liabilities side, the most significant portion of the increase was realized in the customer deposits category, in the amount of 52.3 million EUR, while bank deposits increased by 49.9 million EUR. The primary contributor to growth on the asset side was the increase in loans and receivables to customers (+106.9 million EUR), alongside a rise in cash and placements with central and other banks (+28.6 million EUR). Securities recorded an increase by 4.3 million EUR, while other assets decreased by 1.7 million EUR.

Structure of total assets (in 000 EUR)

YoY change +11.4%



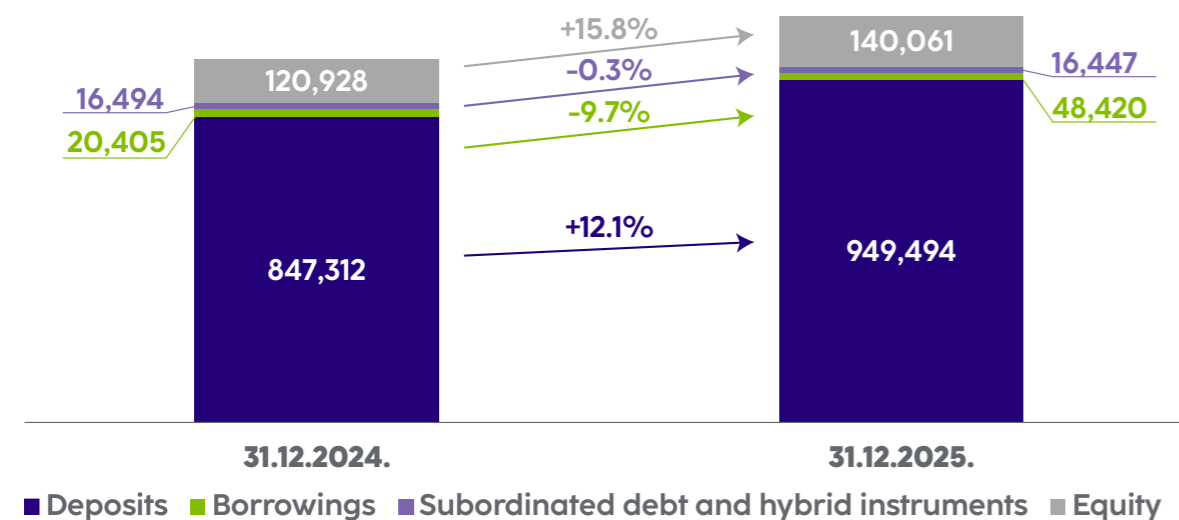
Gross loans to non-banking sector without interest and accruals credit portfolio structure



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Movement of liabilities and equity structure (in 000 EUR)



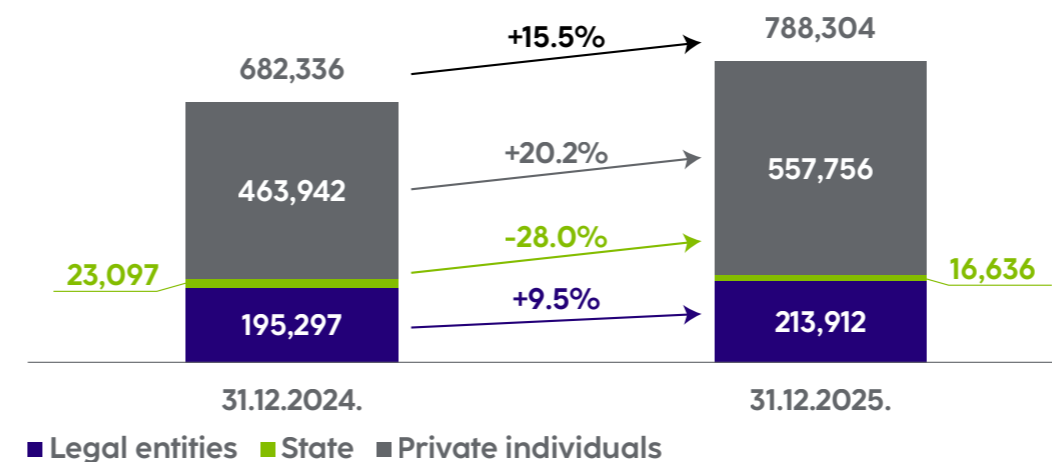
When it comes to funding base, **the Bank relies predominantly on deposits, which account for 82.3% of total funding sources.** Retail deposits represent the largest share, at 59%, while deposits from corporate clients and the government account for 41% of total non-bank deposits. Sight deposits make up 92.2% of total deposits, representing an increase of 0.3 percentage points compared to the previous year.

During the year, the Bank increased its market share in deposits from customers, reflecting growing customer confidence and the Bank's above average ability to attract and retain stable funding sources, which remains a key strategic focus.

In 2025, the Bank recorded deposit growth of 12.1% and an increase in other capital reserves of EUR 12.3 million, while borrowings declined by 9.7%.

The net Loans To Deposits ratio increased to 81.6%, driven by a higher growth rate of loans compared to deposits.

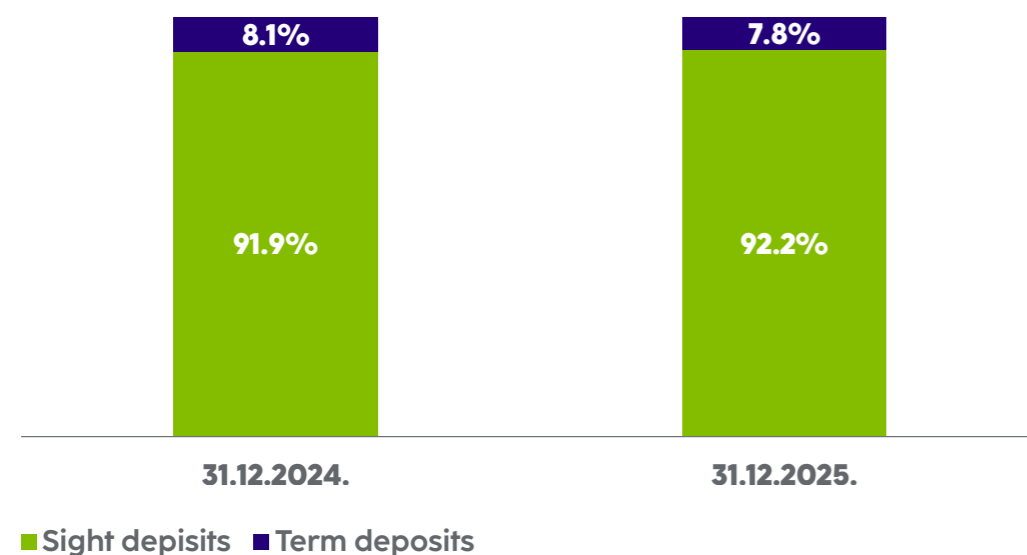
Movement of gross loans to non-banking sector by segment (in 000 EUR)



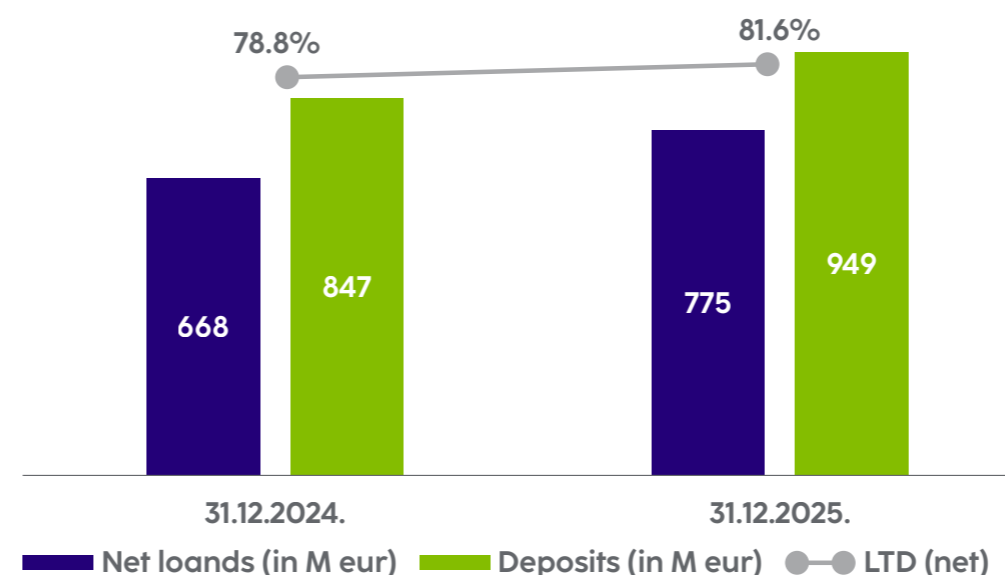
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Structure of deposits



Movement of LTD (net) indicator



Capital and Capital Adequacy

The capital adequacy ratio consistently remained above the regulatory requirement, and at the end of 2025 it stood at 20.84% (the statutory minimum 16.50%).

Regulatory capital experienced a yearly increase of 16.9% or 18.5 million EUR. At the same time there was a 13.0% or 70.7 million EUR rise in risk-weighted assets.

The MREL ratio was 19.80% (relative to total risk exposure).

With regard to book equity, growth was driven by a new subordinated loan that qualifies as Additional Tier 1 (AT1) capital. The Bank recognised this instrument as regulatory capital upon obtaining approval from the CBoM.

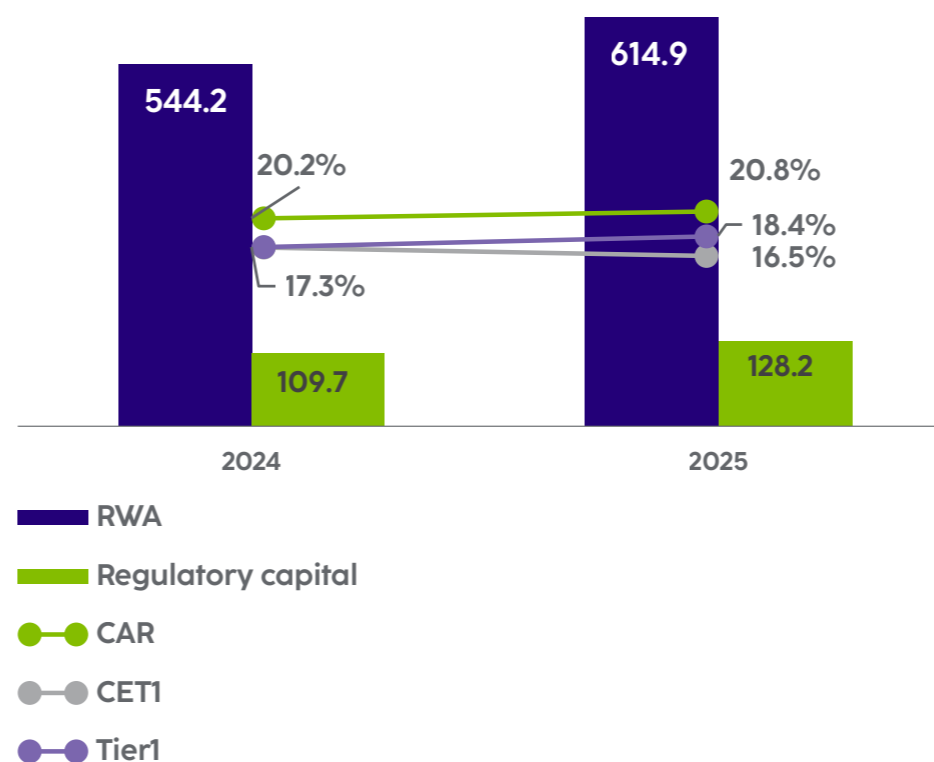
The Bank decided to draw down this instrument to achieve an optimal capital structure within the Tier 1 layer.

Operations of the Bank

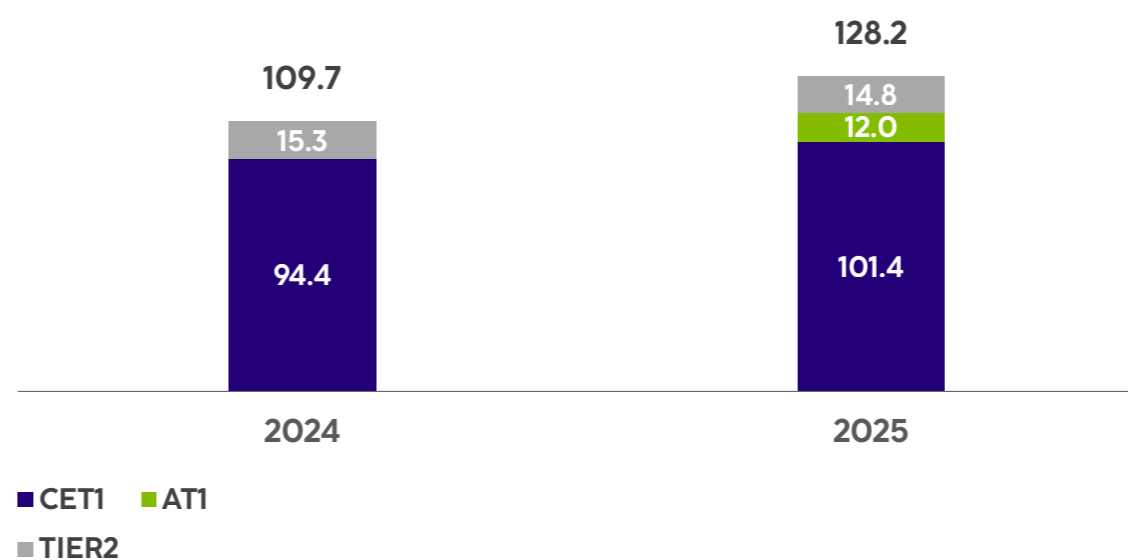
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Regulatory capital requirements	31.12.2025
Pillar 1 requirements - CET1	4.50%
Pillar 2 requirements - CET1	1.13%
TSCR - CET1	5.63%
Combined Buffer Requirement	6.50%
Capital Conservation Buffer	2.50%
Countercyclical Capital Buffer	0.50%
Global system important institution (G-SII) buffer	0.00%
Other system important institution (O-SII) buffer	2.00%
System risk buffer (SRB)	1.50%
Overall Capital Requirement - CET1	12.13%
Pillar 1 - Tier 1	6.00%
Pillar 2 - Tier 1	1.50%
TSCR - Tier 1	7.50%
Overall Capital Requirement - Tier1	14.00%
Pillar 1 – total capital	8.00%
Pillar 2 - total capital	2.00%
Total SREP Capital Requirement (TSCR) - total capital	10.00%
Overall Capital Requirement (OCR) – Total capital	16.50%

Capital adequacy



Structure of regulatory capital (in million EUR)



Operations of the Bank

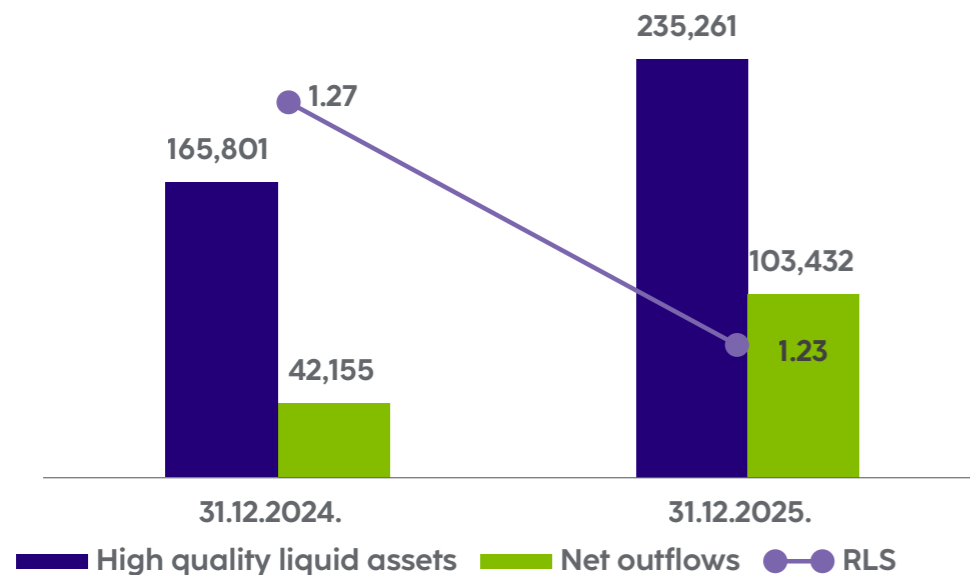
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Liquidity Position

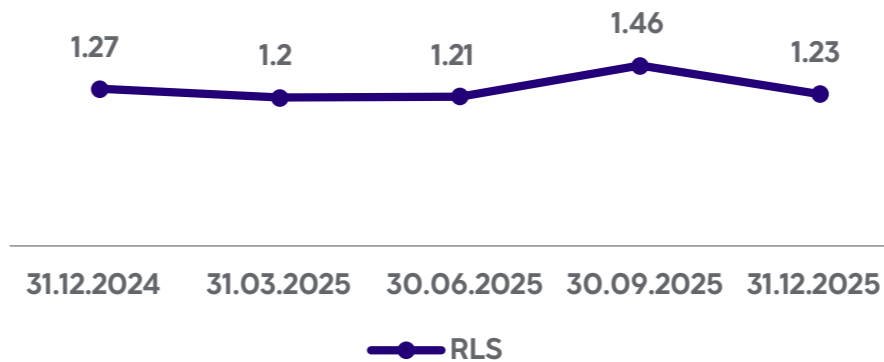
The Bank's liquidity position is stable, with a high share of unencumbered liquidity reserves in total assets (22.15% as of 31 December 2025). All key liquidity indicators are within the limits defined by the Bank's risk appetite.

Throughout 2025, the Bank maintained a high available liquid assets (RLS) indicator, significantly above the statutory minimum of 0.9.

Liquidity position



Liquidity position Available liquid assets (RLS) - quarterly trend



Business units

The Bank is headquartered in Podgorica (Bulevar Ivana Crnojevića No. 171) and conducts its activities through a network of branches and counters, comprising 19 branches and 1 counter, located in: Podgorica (7), Ulcinj, Bar, Budva (2), Cetinje, Bijelo Polje, Rožaje, Herceg Novi, Kotor, Nikšić, Tivat, Pljevlja and Berane. The branch in Rožaje was closed on 31 December 2025.



Branches

PODGORICA	Bulevar Ivana Crnojevića 171
Branch Podgorica I	Bulevar Svetog Petra Cetinjskog 53
Branch Podgorica II	Mall of Montenegro, Drpe Mandića bb
Branch Podgorica V	Cetinjski put 20, City Kvart
Branch Podgorica VI	Rimski trg 3
Branch Podgorica VII	Bulevar Džordža Vašingtona 100
Counter Podgorica TCP	Bulevar Pera Četkovića 52
Branch Stari aerodrom	
BUDVA	Mediteranska 19
Branch Budva	Podkošljun bb
Branch Podkošljun Budva	
NIKŠIĆ	Novaka Ramova 17
Branch Nikšić	
BIJELO POLJE	Tomaša Žižića 8
Branch Bijelo Polje	
BAR	Maršala Tića 24
Branch Bar	
BERANE	Miloša Mališića bb
Branch Berane	
PLJEVLJA	Kralja Petra bb
Branch Pljevlja	
HERCEG NOVI	Trg Nikole Đurkovića bb
Branch Herceg Novi	
ROŽAJE	Maršala Tića 45/a
Branch Rožaje	
KOTOR	Trg od oružja 431, Stari grad
Branch Kotor	Trg od oružja bb
Counter Kotor	
ULCINJ	26. novembra bb
Branch Ulcinj	
CETINJE	Balšića pazar bb
Branch Cetinje	
TIVAT	II Dalmatinske b.b.
Branch Tivat	

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Strategy

In May 2024, the NLB Group presented its new Group Strategy 2030. The new strategy places equal emphasis on revenue generation based on best market practices, as well as on transforming the NLB Group into a leading operating platform in the region through rigorous simplification and digitalization, while maintaining a prudent approach to risk management.

The Group continues to implement its mid term strategy by protecting and strengthening its market position in its home region, actively participating in market growth and consolidation, and promoting the ESG agenda. Through Strategy 2030, the Group responds to changes in the banking environment, upcoming challenges and new opportunities.

The Group's ambition remains to create sustainable growth that supports individuals, companies, and society as a whole.

The Group focuses on four key areas:

- prioritizing customer needs,
- delivering on shareholders' expectations,
- ensuring stability,
- nurturing talent and fostering culture.

First, the Group continuously focuses on enhancing the customer experience for both external and internal customers across all channels, delivering best in class support, products, and solutions. Particular emphasis is placed on providing all mass banking services through digital platforms, leveraging advanced technologies to deliver fast, secure, and straightforward solutions.

Second, the Group is committed to delivering high returns to shareholders, with the objective of increasing the pay out ratio to 50–60% throughout the period.

The Group is also committed to ensuring stability through its role as a reliable partner and systematically relevant provider of universal financial services across all targeted SEE markets, supporting the economy, community, and sustainability, as well as promoting culture and sport.

Additionally, the Group focuses on developing employees of the future by enhancing, empowering, and renewing their skills.

The Bank, as part of the Group, in the retail segment will focus on acquiring new customers to drive growth above organic levels, ensuring that deposit growth supports loan portfolio growth, improving the customer experience across all channels, and expanding the bancassurance product range. In the corporate segment, the Bank's ambition is to remain a reliable bank, offering the most efficient and highest quality service, with faster, simpler access for small and medium sized enterprises and the introduction of automated approvals.

Retail Segment

In the retail segment, the Bank will focus in the coming period on sustainable growth and strengthening its deposit base, with targeted improvements to the savings structure and an increase in stable funding sources. Particular emphasis will be placed on expanding the customer base and developing products that encourage longer-term savings and a higher level of customer loyalty. Loan activity is expected to continue growing at a steady pace, in line with market developments and the Bank's strategic plans, with the aim of further strengthening its market position in key segments.

Corporate Segment

In the corporate segment, the priority remains ensuring stable liquidity and further diversification of funding sources, alongside strengthening relationships with clients from the corporate and public sectors. The Bank's strategy includes a focus on a higher-quality portfolio, a selective approach to new lending, and support for projects that contribute to sustainable economic development, particularly in the areas of energy, infrastructure and tourism. In the coming years, a gradual increase in lending activity is expected, along with further improvements in profitability through the optimization of the product offering and a proactive approach to key clients.

Risk Management

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for year 2025

Objectives and Methods of Risk Management

The area of risk management is governed by legislative acts, internal policies at the Bank level, and the guidelines of the parent bank – Nova Ljubljanska banka d.d. Ljubljana – which apply to banking members of the NLB Group. The management of financial risks is based on the establishment of an appropriate organizational structure within the Bank, the establishment and implementation of sound working procedures, and an adequate system of internal controls. The Supervisory Board oversees the implementation process and the efficiency and effectiveness of the credit institution's management system, the implementation of the credit institution's business policy, strategic objectives and the strategy and policies of the credit institution (bank). The Management Board regularly reviews the strategic objectives, strategies and policies for risk management, including the management of risks arising from the macroeconomic environment in which the credit institution operates. The Risk Committee advises the Supervisory Board on the credit institution's current and future risk appetite and strategy and assists in overseeing the implementation of the strategy by senior management.

The objective of managing individual financial risks (credit risk, liquidity risk, market risk, operational risk, and country risk) is to minimise risk while achieving projected business and financial results and optimising capital use.

The risk management process is also governed by internal policies that define management objectives, methodologies and the manner of monitoring individual types of financial risk. The aforementioned internal policies (policies, procedures, methodologies) are adopted by the Bank's Management Board with the approval of the Supervisory Board (where required). In the hierarchy of internal policies covering financial risk management, the Risk Management Standards, the Risk Management Strategy, the Risk Appetite (with an internal limit system), and the individual Risk Management Policies hold prominent positions.

The **risk appetite** provides guidance on which specific risks are acceptable or unacceptable for the Bank and to what extent. Such a framework enables strategic and operational decisions at the level of the entire organization. The risk appetite is defined

through qualitative and quantitative objectives, aligned with the Bank's business strategy.

The **Risk Management Strategy** defines how the Bank assumes risks in its business activities. The fundamental purpose of the risk management strategy is to define the key assumptions and orientations underlying risk-taking to achieve strategic business objectives.

The Bank's strategic objective is to build a long-term, sustainable business, and the risk management strategy supports this objective. In accordance with the risk management strategy, the Bank assumes risks prudently and ensures long-term profitable operations, with due regard to the relationship between assumed risk and achieved returns.

The **methods of financial risk management** are defined in the Bank's internal policies, primarily through the individual financial risk management policies and methodologies.

In credit risk management, one tool is to analyze individual requests for exposure approval and assess the customer's credit quality. As a general principle, the Bank's commitment is to limit its exposure to individual customers or so called groups of connected clients to a maximum of 25% of the Bank's core capital, thereby achieving risk diversification. In addition, the Bank endeavors to direct its exposures to individual customers in a manner that maximizes portfolio diversification, including across the Bank's exposure to individual economic sectors.

In the area of liquidity risk, management objectives include: ensuring the Bank's liquidity in the short and long term, ensuring the discharge of all maturing obligations, utilizing the most favorable sources of funds for the discharge of maturing obligations, complying with statutory criteria and regulatory requirements, i.e. standards at the NLB Group level, as well as internal criteria and objectives defined by the Policy and other Bank policies governing the area of liquidity. The Bank has defined a Contingency Liquidity Management Plan. The Bank manages liquidity risk by maintaining adequate cash (liquid) reserves, monitoring planned and actual cash flows, and maintaining an adequate maturity profile of financial assets and financial liabilities.

In the area of market risks (foreign exchange risk and interest rate risk), the Bank's objective is to limit

potential losses arising from changes in the level of foreign exchange rates and interest rates in the market to a level that is acceptable in terms of the Bank's operating results and capital adequacy. Interest rate risk management is achieved by directing business activities (pricing conditions, maturity of exposures and liabilities) to ensure risk exposure remains at an acceptable level. The Bank monitors and reconciles assets and liabilities in individual currencies daily (foreign exchange risk management).

In the area of operational risk, the Bank's objective is to limit the scope of potential losses from operational risks, i.e. losses resulting from inadequate internal systems, processes and controls, weaknesses and failures in the execution of activities, unlawful acts and external events, and to limit the probability of their materialization to a level that is acceptable to the Bank from the perspective of financial loss and, indirectly, from the perspective of preserving the Bank's reputation. Operational risk management is achieved through the measurement and monitoring of operational losses, and the identification and assessment of the operational risks faced by the Bank in its operations. Based on the identified risk level, adequate mitigation measures are determined.

Risk exposure

The Bank's exposures to individual types of financial risk are in line with the risk appetite.

Credit risk is the risk that debtors will not be able to settle their obligations to the Bank in full and on time, resulting in a financial loss. An individual debtor's credit risk is reflected in their credit quality classification. Determining the credit quality classification (A, B, C, D, E) precedes the exposure approval process.

The share of each credit quality classification in the Bank's loan portfolio as at 31 December 2025 is presented below:

	Loans %	Impairment %
A	73.76%	81.67%
B	24.96%	16.28%
C	0.82%	1.22%
D	0.07%	0.10%
E	0.39%	0.73%
	100.00%	100.00%

Risk Management

One credit risk indicator is the share of non performing loans in the Bank's total loan portfolio. Non performing loans are loans for which credit quality classifications C, D and E have been determined. The ratio of non performing loans (credit-quality classifications C, D, and E) as at 31 December 2025 stood at 1.28%. The Bank's forborne exposures as of 31 December 2025 stood at EUR 7,511 thousand.

Liquidity risk represents the risk that the Bank will not be able to meet its maturing obligations at all times. In line with the risk appetite, the tolerance for liquidity risk is low; therefore, the Bank maintains sufficient liquidity reserves (liquidity buffer) and well-diversified sources of funding.

All key liquidity indicators are within the limits defined by the Bank's risk appetite.

As at 31 December 2025, cash and deposit accounts with central banks amounted to EUR 154 million. Nostro account balances totalled EUR 81 million, and banking book securities (secondary liquidity reserves) totalled EUR 106 million. The Bank emphasises the volume, structure, and concentration of liquidity reserves, taking into account market developments and potential changes.

Liquidity stress tests are conducted monthly to identify potential adverse events that could affect the Bank's liquidity. Using stress tests, the exposure to liquidity risk and the extent to which shocks may affect the Bank's operations are determined. Stress tests should alert the Bank to future unexpected outflows of liquid reserves. The liquidity buffer as at 31 December 2025 amounted to EUR 235,261 thousand.

The results of the stable portion of demand deposits calculation as at 31 December 2025 continue to indicate a favourable liquidity position, with the stable portion at 81%.

Market risks (price risks) are the risk that changes in market prices, such as foreign exchange rates and market interest rates, may affect the Bank's income or the value of financial instruments. In this context, we refer to foreign exchange risk, interest rate risk, and credit spread risk.

Exposure to foreign exchange risk is low. The volume of foreign currency operations is inherently lower. In addition, the difference between assets and liabilities in individual currencies is within the prescribed limits. As at 31 December 2025, the largest exposure

was to the Serbian dinar (RSD). The net position in the Serbian dinar, being the difference between the Bank's assets and liabilities in this currency, stood at EUR 66 thousand (0.05% of the Bank's regulatory capital; limit: 0.5% of regulatory capital).

Interest rate risk in the banking book is managed using the net interest income sensitivity (Δ NII) and Economic Value of Equity (EVE) measurement methodologies. The measurement of the sensitivity of net interest income and the economic value of equity to changes in market interest rates is based on interest rate gap analysis. Gap analysis is a technique for measuring interest rate risk, in which assets, liabilities, and off-balance-sheet items are allocated to appropriate time buckets based on their repricing date (for variable-rate instruments) or maturity date (for fixed-rate instruments), whichever is earlier. Based on the Δ NII method, the impact of changes in market interest rates on the Bank's net interest income is estimated. Based on the open short-term interest rate positions calculated through gap analysis, the changes in expected interest income resulting from anticipated changes in market interest rates are estimated. Interest rate risk in the banking book – EVE, relative to regulatory capital as at 31 December 2025, stood at 4.47% (limit: 7%). Net interest income (NII) sensitivity as at 31 December 2025 stood at 0.84%.

Risk Management Policies

Risk management policies form part of a comprehensive and reliable risk management system that is embedded in all the Bank's business activities and that ensures that the Bank's risk profile is at all times in line with its risk appetite, i.e. the Bank's willingness to assume risk. Risk management policies and systems are regularly reviewed to reflect changes in market conditions, products and services offered. The adoption of risk management strategies and policies falls within the competence of the Bank's Management Board.

The most significant policies governing the area of risk management at the Bank are:

- Credit Risk Management Policy of NLB Banka AD Podgorica,
- Liquidity Management Policy of NLB Banka AD Podgorica,
- Interest Rate Risk Management Policy of NLB Banka AD Podgorica,
- Foreign Exchange Risk Management Policy of NLB Banka AD Podgorica,

- Operational Risk Management Policy of NLB Banka AD Podgorica,
- Banking Book Securities Investment Policy of NLB Banka,
- Model Management Policy,
- Collateral Management Policy,
- Non Financial Risk Management Policy.

In addition to the above policies, various risk management methodologies and procedures are also applied at the Bank.

Introducing of ESG (Environmental, Social & Governance) Risks into the area of Risk Management

The Bank integrates ESG risks into its business strategies, risk management framework and internal governance systems. By adopting the NLB Group sustainability programme, the Bank has integrated the principal elements of sustainability into its business model and regularly monitors the integration of ESG factors and criteria into its business and investment decisions for the long-term benefit of customers and society.

ESG risks are an integral part of credit, liquidity, market and operational risk, and the Bank manages them within its established risk management framework. ESG risk management follows the guidelines of the parent bank, Nova Ljubljanska banka d.d. Ljubljana, the ECB and the EBA, with a view to their comprehensive integration into all relevant processes. It encompasses the entire loan approval process at the Bank, collateral management and related loan portfolio management. Sustainable ESG financing, in accordance with the Policy – Environmental and Social Transaction Approval Framework, is integrated into the Bank's Risk Appetite document.

At the portfolio level, the Bank does not face significant concentration in specific industrial sectors exposed to climate risk (physical and/or transition risk), with transition risk playing a more pronounced role. Based on the portfolio's industry segmentation and corresponding emissions, the Bank has relatively low exposure to high-emission sectors in the operations of its corporate customers. As part of its strategy, the Bank does not finance companies engaged in fossil fuel extraction or the operation of coal-fired power plants. Furthermore, as a member of the UN Net-Zero Banking Alliance, the Bank has committed to aligning its lending and investment portfolio with net-zero

Risk Management

emissions by 2050. In its initial round of NZBA targets, the Bank focused on fossil-fuel-based and highly energy-intensive sectors (such as power generation, cement, and iron and steel), as well as other sectors with significant emissions and/or exposure, and for which data are available. Work is currently underway to set the second round of NZBA targets for sectors such as transport, residential and commercial real estate.

The Bank carefully assesses potential reputational and liability risks arising from the sustainable financing of its customers. Particular attention is paid to approving new products and monitoring customer compliance with relevant criteria. Additional key risk indicators have been established to serve as an early warning system for ESG risks. In addition, physical risks, as part of ESG risks within operational risk, are addressed through the Group's Business Continuity Management (BCM). As such, BCM is implemented to protect life, property, and reputation. Business continuity plans have incorporated relevant ESG risks. They are prepared for use in the event of natural disasters, IT disruptions, and adverse environmental effects to mitigate their impact.

In 2025, the first ESG stress test was conducted to identify the most relevant financial vulnerabilities arising from transition and physical climate risks. This testing system will subsequently be revised and enhanced by incorporating available ESG data. The NLB Group has established a stress-testing framework as part of the ICAAP (Internal Capital Adequacy Assessment Process) and ILAAP (Internal Liquidity Adequacy Assessment Process) normative perspective to identify the most relevant financial vulnerabilities arising from transition and physical climate risks. The results of the climate stress tests did not reveal material impacts on the Bank's capital and liquidity position.

The Bank, as a member of the NLB Group, has signed framework agreements with the EBRD, a Guarantee Agreement with the Multilateral Investment Guarantee Agency (MIGA), and has committed to the United Nations Principles for Responsible Banking.

In the transaction approval process, ESG data collection is established during the KYC (Know Your Customer) phase. Compliance verification is an important step that assesses whether the customer adheres to applicable laws, regulations, and standards. If a transaction is classified as high ESG risk, a strict deviation management process is applied to ensure a further, more detailed

risk assessment. Over the project's lifetime, ESG risk monitoring is established to assess the impact of each risk and develop strategies to mitigate it. In this manner, the Bank ensures that risks are adequately addressed and that all changes and newly emerging risks are identified and addressed immediately.

Internal Control System

In its day-to-day operations, the Bank faces risks that are inherent to the banking system. One of the fundamental tasks of the Bank, which is accountable to both the owners of capital and the Central Bank of Montenegro for achieving its objectives, is risk control, where the established and active internal control system provides reasonable assurance.

The internal control system, pursuant to the Decision on the Management System in a Credit Institution (Official Gazette of Montenegro, No. 119/20), is defined as a set of processes and procedures established for the adequate control of risks, the monitoring of the efficiency and effectiveness of the Bank's operations, the reliability of its financial and other information, and compliance with regulations, internal policies, standards and codes, with the aim of ensuring the stability of the Bank's operations.

In accordance with the internal policy, the Internal Controls System of NLB Banka AD Podgorica, the heads of organisational units, as important factors in the functioning of the internal control system, supervise the efficiency and effectiveness of the internal control system and maintain records thereof, and in the event of discovering control deficiencies, report to their superiors. The heads of all organisational units must ensure that oversight in the form of control activities is incorporated into every part of the process and operates dynamically and in real time.

The Internal Audit Department, through the assessment and evaluation of the applied internal control system, exercises overall oversight of the functioning of the efficiency of the internal control system. The Internal Audit Department, through independent, appropriately trained, and competent internal auditors, conducts comprehensive internal audits of the internal control system based on an annual audit plan developed from an audit risk analysis. On the basis of the audits performed, it assesses the correctness and efficiency of the implementation of established procedures and the compliance of such procedures with the applicable regulations and decisions of the

Management Board, the Supervisory Board and the Audit Committee; assesses the adequacy, quality and efficiency of the controls and reporting performed by organisational units, the risk control function and the compliance function; and assesses the efficiency and effectiveness of the internal controls system.

The organisational unit for global risk management defines risk management policies and procedures, establishes and develops the system for measuring, assessing and reporting on risks, oversees implementation and decides on specific exposures, provides advice in connection with risk management decisions that are taken, and reports to the Management Board, the Supervisory Board or the relevant working body of the Supervisory Board on whether risk exposures and risk-assumption decisions are in line with the risk appetite and the Bank's risk management strategy.

The organisational unit for compliance monitoring ensures the alignment of internal policies with legislative and by-law provisions in the areas defined in its internal policies, regularly monitors relevant legislation, ethical standards and norms and other changes in the legal environment, prepares or participates in the preparation of appropriate internal policies, advises management and other employees on the fulfilment of obligations and requirements in the area of compliance and on the review of identified instances of non-compliance, educates employees in the area of integrity and compliance, provides proposals for the improvement of internal controls and other guidelines in relation to the designated risk areas with a view to improving their management, and in cooperation with the risk control function, verifies the compliance of new products or activities with the relevant regulations; in addition, it is responsible for the overarching stewardship of the Bank's internal control system.

Pursuant to Article 55(6) of the Credit Institutions the Bank regularly reviews the efficiency of the management system, including the adequacy of procedures and the efficiency of the control functions, and notifies the Supervisory Board of the conclusions, and takes adequate measures to remedy identified deficiencies.

Development Activities

The banking sector is undergoing a rapid digital transformation, and the Bank, as a pioneer in developing digital services, continues to lead this process. Ambitions are high, as changes are expected that will enhance the day to day customer experience and modernize internal operations. To achieve this, internal capacities are being continuously strengthened – the CRM platform is being upgraded, and key processes are being optimized.

The strong cooperation within the NLB Group further accelerates digital initiatives. The exchange of best practices and expertise enables more efficient project implementation and provides customers with more advanced services. Accordingly, the Bank's strategic focus is on innovation, technological development, and the modernization of operations, thereby laying clear foundations for the path towards full digitalization in day to day practice.

In 2025, the trend of accelerated development of digital solutions continued. Through planned activities, processes were enhanced, and new functionalities were introduced, contributing to a simpler, higher quality customer experience. One of the more significant innovations is the introduction of an appointment scheduling system across all branches, enabling better organization and greater availability for both employees and customers.

The development of digital services gained clearer direction through the enhancement of existing solutions and the introduction of new ones. Traditional banking products were modernized to meet current market requirements, while digitalizing processes is becoming a key element of the Bank's future positioning. The Bank's digital solutions provide reliable support across all segments – retail customers, entrepreneurs, small and medium sized enterprises, large corporations and state institutions. In this context, the Bank also issued the first electronic guarantee (e guarantee), enabling legal entities to benefit from a fully digitalized and significantly more efficient process.

Integration with services already widely adopted by customers further strengthens connectivity and enables the offering to expand to include new functionalities. In this way, customers receive faster, higher quality service, which also contributes to greater satisfaction.

Accordingly, a digital payment card was also issued, available for use within just a few minutes of application.

At the beginning of 2025, the new Digital Edge platform was implemented – an advanced mobile banking solution for legal entities. It introduced a higher level of security through Strong Customer Authentication (SCA), simplified execution of SEPA payment orders, and a range of functionalities that facilitate the operations of legal entities, enabling faster development and adaptation to market needs.

From December 2025, the Bank also launched **e-Loan – the first fully digital lending product in Montenegro**, processed without the customer visiting a branch and with digital signing of the complete documentation.

In line with the channel development strategy, the Bank continues to implement its digital transformation in accordance with clearly defined expectations and plans for the forthcoming period. In this context, predictive models are being developed and applied to automate lending processes, and digital signing is being enhanced, representing a significant step towards full automation and an improved customer experience.

A key strategic initiative is the introduction of the GEEF loan, designed to support the green transition and sustainable investments. This product aligns with ESG principles and European standards for financing projects that contribute to emissions reduction, more efficient energy use, and the use of environmentally acceptable solutions. The development of the GEEF loan is part of the Bank's broader commitment to contribute to greater energy efficiency in its customers' operations and the wider community through financing projects that deliver long term economic and environmental benefits. By implementing this product, the Bank not only supports the green agenda but also strengthens its role in creating sustainable financial practices, representing an important step toward aligning its operations with contemporary trends and the expectations of regulators, investors, and end users.

In accordance with regulatory requirements, SEPA payments were implemented and are available at the counter and through all the Bank's digital channels for both legal and private individuals.

A series of infrastructure and application-technology projects was successfully implemented to enhance the security of the entire information system and provide higher quality IT support for business processes and development initiatives through the optimization of existing solutions and the introduction of new, innovative ones. At the Group level, the trend of hardware unification and the implementation of centralized cloud solutions continued, with the aim of reducing costs and facilitating vendor management. The Bank, as part of the NLB Group, continues to implement services on cloud platforms to ensure greater availability and reliability for both customers and employees, while enhancing information system security.

In the infrastructure project segment, particular attention was devoted to enhancing the security and availability of the entire information system. Through several significant activities, improvements in the system's security and availability were achieved. With due regard to the stability and reliability of the infrastructure system, planned investments were implemented to maintain the system at the maximum level of availability.

The management of significant business processes was enhanced through the implementation of RPA (Robotic Process Automation) tools, further automating individual steps. The application of AI technology also commenced with the aim of further process automation. Significant progress was made in enhancing data quality and data stewardship through regular monitoring of defined data quality indicators and ongoing improvement of their quality. Report creation on the Business Intelligence platform continued, along with the implementation of the planned objective to utilize data as a resource for the Bank's further development. The core software solution was enhanced with numerous development and reporting functions.

An agile approach to implementing planned activities has become standard practice through training in agile project management and by applying acquired knowledge from this area to the implementation of planned activities in practice.

Human Resources Management

The Bank recognizes that its results are directly linked to the performance of its employees. It is therefore strongly focused on developing their potential and on strengthening their sense of satisfaction and belonging. To achieve even better business results, the Bank continuously enhances its employee engagement and motivation practices by introducing innovative solutions and approaches.

As a strategic partner to the Bank's business segments, the Human Resources and Organization Department (HR) is focused on supporting organizational and cultural development.

Within the framework of its long term commitment to improving the work environment, the Bank continued in 2025 to conduct employee engagement surveys, accompanied by appropriate activities aimed at continuous improvement.

Additionally, the Bank endeavors, through open communication and the active involvement of employees, to create a working environment in which every individual feels valued and motivated to contribute to shared success.

Number of employees

The Bank continued to enhance its capacity and operations, not only in the sales segment but also by strengthening support functions and optimizing key internal processes. The focus on efficiency, service quality, and better work organization contributed to stable growth and increased overall operational capabilities.

As a result of these activities, the Bank concluded the financial year with 399 employees, reflecting its commitment to sustainable development, the strengthening of expert teams, and the creation of conditions for further progress.

Commitment to employee development

In line with the values of the NLB Group, the Bank believes that investment in the development of employee potential is key to the successful introduction of change.

Care for our employees is a core value, reflected in the provision of opportunities and numerous activities designed for all employees. The organizational culture is evolving through engagement in various areas, enabling employee rotation and changes to the working environment, promoting out of the box thinking and personal development. As a result, changes in behavior lead to changes in the organizational culture, with visible continuous improvement.

Learning organization

Various activities and training programs are aimed at raising awareness and encouraging employees to embrace change, by creating an atmosphere conducive to learning and skills development, with more than 20,000 training hours delivered at the Bank level. The average education hours per employee were nearly 50.

In 2025, the Bank continued its practice of delivering external training with support from consultants from Montenegro and abroad. The training programs covered topics including digitalization and data management, artificial intelligence (AI), the Bank's sales segment, business optimization, leadership development, and improving synergy and teamwork. In 2025, the Bank continued to develop its agile business model to improve cooperation between organizational units and increase overall efficiency. The focus is on ensuring that the principles, values and practices of agility become an integral part of day to day work and communication.

Within the Agile Transformation project, the fourth program, "Fundamentals of Business Agility", was launched and delivered in accordance with international practices, with the aim of enhancing not only the application of agile methods but also the development of an agile mindset, a key element of contemporary leadership. The Bank provided its employees with access to the Udemy Business learning platform, which offers training courses in virtually all areas of professional and personal development.

Well-being and Health

The Bank is committed to providing knowledge about good health, creating a work environment that enables high-quality interpersonal relationships, and promoting activities that enhance employees' health and satisfaction.

In 2025, the Bank continued to raise awareness of employee well-being by addressing topics such as emotional intelligence, stress management, and time management.

Remuneration system as a catalyst for commitment and engagement

The remuneration system has a direct and strong impact on employee engagement, as it links each person's individual contribution to the results of the organizational unit and the Bank as a whole. The Bank continued the practice of performance assessment conducted by line managers, based on SMART objectives set for a quarterly or semi annual period. In addition to the quarterly or semi annual variable remuneration, employees are also awarded a year end bonus, the amount of which depends on the Bank's performance in the given year.

Corporate Governance

1. The Bank has in force a Corporate Governance Code, which is publicly available at <https://www.nlb.me/o-nama>

The internal policies supporting the implementation of the Corporate Governance Code include the Articles of Association of NLB Banka, the rules of procedure of the governing bodies (General Meeting of Shareholders, Supervisory Board, Management Board) and their working bodies, the NLB Group Code of Conduct, which obliges the Bank, as a member of the NLB Group, as an institution and all its employees to conduct lawful and transparent business in all segments, the Corporate Social Responsibility Policy of NLB Banka AD Podgorica, as well as numerous policies in the area of human resources management and the established control functions at the Bank.

2. The Corporate Governance Policy defines several elements that are not expressly prescribed by law but are applied with a view to enhancing corporate governance and overall operations. The following are highlighted as particularly important principles:

- The commitment undertaken by the Supervisory Board to assess its own effectiveness;
- Care for employees at the Bank (with an accompanying strategy and policies), which draws on a contemporary approach to managing employee competencies as the fundamental source of competitive advantage and successful operations, the Bank's reputation and sustainable development;
- The definition of a communication strategy;
- Social protection, corporate social responsibility and sustainability, with the aim of improving the environment in which we live and contributing to a better quality of life.

3. The Code of Conduct of NLB Banka, as a member of the NLB Group, and numerous sub policies define, inter alia: the prevention of unacceptable practices; the avoidance of conflicts of interest; compliance with legislative and other applicable regulations; the prudent and ethical management of the assets and property of NLB Group members; ethics; social responsibility; and other matters.

The NLB Group Code of Conduct constitutes a set of rules that every NLB Group employee must understand and observe.

The Code summarizes the values and sets out the fundamental principles of conduct on which the business and operations of the NLB Group are based. The Code thus provides guidance for our day to day actions and helps us to understand what is expected of every employee and of other stakeholders within the NLB Group. In this manner, it also defines what is crucial for the fulfilment of the NLB Group's long term development strategy and its responsible conduct, through which we maintain the trust of our customers, employees, stakeholders and the social environment in which the NLB Group operates.

The Code clearly defines the expectations for every employee in the NLB Group and also sets standards for our relationships with stakeholders and guidelines for our day to day work and business. The NLB Group operates in highly regulated sectors to ensure financial stability and prevent systemic risks. The NLB Group is aware that compliance is the foundation of its operations. All employees are expected to be familiar with international standards, applicable laws, rules, and regulations across all areas, as well as the professional standards they must acquaint themselves with in the course of their work.

Disloyal business practices and similar unacceptable conduct negatively affect our customers' trust, damage the reputation of the NLB Group, and may expose the Bank to regulatory measures, financial penalties, or other adverse consequences. Accordingly, all employees of the NLB Group are personally responsible and obliged to act in accordance with the applicable regulations, internal rules and procedures, and guidelines, and to follow the spirit and intent set out therein.

The Bank had no known deviations from the corporate governance rules in 2025, as all of the aforementioned principles were implemented exactly as prescribed, in compliance with legislative requirements and sound business practices.

Management Bodies

General Meeting of Shareholders

The General Meeting of Shareholders of NLB Banka comprises all shareholders of the Bank, or their proxies, who, irrespective of the number and class of shares they hold, have the right to attend the meeting of the General Meeting. The majority shareholder of NLB Banka is Nova Ljubljanska banka d.d. Ljubljana.

The work of the General Meeting is regulated by the Rules of Procedure of the General Meeting of Shareholders of NLB Banka AD Podgorica and the Articles of Association of NLB Banka AD Podgorica. The General Meeting convenes as required, but at least once per year.

During 2025, the General Meeting of Shareholders convened twice:

- ordinary meeting – 29 April 2025,
- extraordinary meeting – 29 September 2025.

The ordinary General Meeting of Shareholders was held on 29 April 2025. At the meeting, the General Meeting adopted the Annual Report on the Operations of NLB Banka AD Podgorica for 2024, the External Auditor's Report – financial statements for the year ended 31 December 2024, prepared in accordance with IFRS, the Report on the Audit Performed for the Purposes of the Central Bank of Montenegro, and the Report on the Quality of the Information System for 2024.

The General Meeting adopted a Decision on the Distribution of Profit for 2024, whereby an amount of EUR 19,428,154.88 was allocated for the payment of dividends to shareholders, with a gross dividend of EUR 1.2659 per share, and an amount of EUR 8,326,200.00 was allocated to the Bank's undistributed profit as a core capital item.

The General Meeting was informed of the regular annual suitability assessment of the members of the Supervisory Board for 2024 and of the Report on the Work of Internal Audit for 2024.

The extraordinary General Meeting of Shareholders was held on 29 September 2025. On that occasion, the General Meeting adopted decisions of strategic importance for the management of the Bank, including the election of the external auditor for 2025, namely:

CROWE MNE d.o.o. Podgorica – external auditor for the Bank's financial statements for 2025,

KPMG d.o.o. Beograd – auditor of the group package for the purposes of consolidation at the NLB Group level.

The General Meeting adopted a decision on the dismissal of the members of the Supervisory Board whose mandate expires on 31 December 2025 and 3 April 2026, respectively, and appointed the Supervisory Board in a new composition for a four-year mandate commencing on 1 January 2026 for Marjana Usenik, Uroš Jerovšek, Boryana Mustafa Ivanova and Rade Bajić (independent member), and a four-year mandate commencing on 4 April 2026 for Gordana Đurović (independent member).

The General Meeting also confirmed the collective suitability of the newly elected composition of the Supervisory Board.

The General Meeting also adopted amendments to the Bank's Articles of Association, as well as the Policy on the Suitability Assessment of Members of the Supervisory Board and the Policy on Ensuring the Diversity of Governing Bodies and Senior Management.

Supervisory Board

The Supervisory Board oversees the Bank's operations. The Supervisory Board of NLB Banka performs the tasks within its competence in accordance with the laws governing the operations of banks and companies, as well as the Articles of Association of NLB Banka.

The Supervisory Board consists of seven members, of whom three are independent, thereby complying with the statutory provisions on the number of independent board members. The members of the Supervisory Board are elected and dismissed by the General Meeting of Shareholders.

The members of the Supervisory Board are not in a conflict of interest. In 2025, four (4) instances of Supervisory Board members recusing themselves from decision making were recorded to prevent conflicts of interest.

In 2025, the Supervisory Board held 16 meetings (including extraordinary and correspondence

meetings) and met the statutory requirement to hold at least quarterly meetings.

During the reporting period, the work of the Supervisory Board focused on overseeing the Bank's operations, specifically the activities related to the implementation of the tasks and objectives set out in the Bank's long term strategic and annual planning documents at both the Bank and NLB Group levels.

The Supervisory Board was regularly informed of the business and financial reports, as well as reports on risk exposure and risk management.

Reports on controls and the implementation of external audit recommendations, the Central Bank of Montenegro's Internal Audit reports, and compliance monitoring and the prevention of money laundering and terrorist financing were regularly reviewed.

The Supervisory Board regularly reviewed materials from the meetings of the Risk Committee, Nominations Committee, Remuneration Committee, and the Audit Committee, and at its regular meetings was directly informed of the activities and conclusions of those meetings.

The Supervisory Board adopted decisions to convene the General Meeting of Shareholders and to determine proposals for decisions for the General Meeting of Shareholders of the Bank.

To align with statutory regulations and NLB d.d. standards, the Supervisory Board approved several internal policies and their amendments.

The Supervisory Board governs in accordance with the highest ethical standards and with due regard for the prevention of conflicts of interest.

From 1 January 2026, the Supervisory Board has the following composition:

- Antonio Argir, Chairman,
- Marjana Usenik, member,
- Uroš Jerovšek, member,
- Boryana Mustafa Ivanova, member,
- Branka Pavlović, independent member,
- Gordana Đurović, independent member,
- Rade Bajić, independent member.

Management Bodies

Risk Committee

Risk Committee particularly advises the Supervisory Board on the Bank's current and future risk appetite and strategy and assists in overseeing the implementation of the strategy by senior management. It also reviews whether the Bank's business model and risk strategy have been considered in the pricing of receivables and liabilities to customers. Risk Committee also performs other tasks in accordance with statutory regulations.

Risk Committee meetings are, as a rule, held before each regular meeting of the Supervisory Board. During 2025, 13 meetings were held, including extraordinary and correspondence meetings.

From 1 January 2026, the Risk Committee has the following composition:

- Marjana Usenik, Chairwoman,
- Uroš Jerovšek, member, and
- Rade Bajić, independent member.

Remuneration Committee

The Remuneration Committee particularly provides support and advice to the Supervisory Board in connection with remuneration policy, practices and processes relating to remuneration; it reviews whether the existing remuneration policy is adequate and, if necessary, makes proposals for changes to such policies; and it assesses the achievement of the objectives of the remuneration policy and the need for subsequent adjustments, including the application of malus and claw back of remuneration. The Remuneration Committee also performs other tasks in accordance with statutory regulations.

Remuneration Committee meetings are, as a rule, held before each regular meeting of the Supervisory Board. During 2025, 6 meetings were held, including extraordinary meetings.

From 1 January 2026, the Remuneration Committee has the following composition:

- Uroš Jerovšek, Chairman,
- Boryana Mustafa Ivanova, member, and
- Branka Pavlović, independent member.

Nomination Committee

The Nomination Committee assesses the need for changes to the structure, size, composition and functioning of the Supervisory Board and the Management Board of the Bank, as well as the knowledge, abilities and experience of individual members of the Supervisory Board and the Management Board and of those bodies as a whole; proposes new candidates for the election of members of the Supervisory Board and the Management Board of the Bank; sets targets for the representation of the underrepresented gender on the Supervisory Board or the Management Board; and performs other tasks within its competence in accordance with statutory regulations.

Nomination Committee meetings are, as a rule, held before each regular meeting of the Supervisory Board. During 2025, 8 meetings were held, including correspondence meetings.

From 1 January 2026, the Nomination Committee has the following composition:

- Antonio Argir, Chairman,
- Marjana Usenik, member, and
- Gordana Đurović, independent member.

Audit Committee

The Audit Committee monitors the financial reporting process, the effectiveness of the Bank's internal control and internal audit, monitors the statutory audit of the annual and consolidated financial statements, monitors the independence of the engaged certified auditors or audit firms, reviews the plans and annual reports of internal control, as well as other matters relating to financial reporting and audit.

Committee meetings are held as required, at least once per quarter, and, as a rule, before the Supervisory Board meeting. During 2025, 10 meetings were held, including extraordinary and correspondence meetings.

From 1 January 2026, the Audit Committee has the following composition:

- Denis Hasanić, independent member and Chairman,
- Andreja Golubić, member,
- Polona Kurtevski, member,
- Branka Pavlović, independent member,
- Rade Bajić, independent member.

Management Board

The Management Board is responsible for the management of the Bank on a day to day basis and for its representation, in accordance with the powers conferred by statutory provisions, the Bank's Articles of Association, and the Rulebook on the Organization of the Bank.

The Rules of Procedure of the Management Board of NLB Banka define the competences and responsibilities for decision making, representation and the manner of operation of the Management Board of the Bank.

As at 31 December 2025, members of the Management Board are Martin Leberle (Chairman of the Management Board), Dražen Vujošević (member of the Management Board), Lana Đurasović (member of the Management Board), Marko Čelebić (member of the Management Board) and Zarija Milić (member of the Management Board).

The responsibilities of the Chairman and members of the Management Board are divided by organizational units, i.e., the business areas within their respective competencies.

Martin Leberle, Chairman of the Management Board, is directly responsible for the following business areas: corporate governance, communications (marketing and corporate), human resources management and organization, legal support, compliance, and the prevention of money laundering and terrorist financing.

Dražen Vujošević, a member of the Management Board, is directly responsible for the following business areas: risk management, non performing exposure management, and restructuring.

Lana Đurasović, a member of the Management Board, is directly responsible for the following business areas: control, financial management, balance sheet management, and financial market operations.

Marko Čelebić, a member of the Management Board, is responsible for the sales segment (Retail, Corporate, and SME), product development, and digital channels.

Zarija Milić (member of the Management Board) is responsible for information technology, payment services, project management, processes and logistics, business support, and data management.

Management Bodies

At the regular meetings of the Management Board and its bodies, tasks related to the regular operations and development of NLB Banka, as well as matters related to human resources, information technology, and security, are discussed.

The members of the Management Board are elected by the Supervisory Board, with the Central Bank of Montenegro's approval.

In 2025, the Management Board held 53 regular meetings and adopted decisions within its daily competence.

Specialized Sessions of the Management Board

At regular specialized sessions, the members of the Management Board adopt decisions on operational risk management, the protection of people, information and assets, and the protection of personal data.

Specialized sessions of the Management Board are held once per month.

12 meetings were held in 2025.

The working bodies of the Management Board are:

- Asset, Liabilities and Capital Management Committee,
- Bank Credit Committee,
- Committee for the Intensive Care List, Monitoring List, and NPL Monitoring,
- Liquidity Committee,
- IT User Forum,
- Data Governance Committee.
- Committee for the Prevention of Money Laundering and Financing of Terrorism

Diversity of Governing Bodies

NLB Banka has in force a Policy on Ensuring the Diversity of Governing Bodies and Senior Management. This Policy establishes the framework and long term objectives for diversity and the representation of both genders on governing bodies and in senior management, as well as the framework for diversity in education, knowledge, skills and experience, age, gender, international experience, and geographical origin. To achieve the objectives of the Policy, it is applied to the appointment of new members or the reappointment of members of the governing bodies. Through the Nomination Committee's regular assessment of the knowledge, abilities, and experience of individual members of the Supervisory Board and the Management Board, including international experience, it was established that the objectives in this segment were achieved in 2025.

Regarding the age structure of the Management Board members, the planned diversity was achieved, with four in the 41–50 age range and one in the 51–60 age range.

Regarding the age structure of the Supervisory Board members, the planned diversity for 2025 was achieved, with four members in the 41–50 age range and three over 61.

Furthermore, regarding the share of the underrepresented gender on the Management Board and the Supervisory Board, the targeted diversity for 2025 was achieved, specifically:

- on the Management Board, with a share of the underrepresented gender of 20%, whereby the target for 2025 was met,
- on the Supervisory Board, with a share of the underrepresented gender of 42.9%, whereby the target for 2025 was met.

Other

Human Resources and Social Issues

NLB Banka Podgorica, as a member of the NLB Group, recognises its role beyond the financial sector and, accordingly, in its relationships with employees, customers, and all interested parties, adheres to the principles of the corporate social responsibility policy.

As in previous years, in 2024 the Bank participated in the Government's Professional Training Programme for Persons with Higher Education Qualifications, providing professional development for 14 university graduates.

Activities continued to develop contemporary mechanisms to protect employees against all forms of discrimination and harassment.

The Bank demonstrated its care for employee health and its responsible attitude towards its staff by renewing the Voluntary Health Insurance Agreement for outpatient treatment, which provides all employees the opportunity to receive treatment free of charge up to a specified amount.

Sustainability

Outlook

The Bank, as a member of the NLB Group, is committed to actively contributing to the development of sustainability in the Montenegrin market through three pillars: sustainable business operations, sustainable financing and contribution to society. The Bank considers sustainable practices a key driver of long-term economic development as the economy and society transform towards a greener, fairer, and more inclusive future.

In 2020, NLB d.d., as the parent bank of the NLB Group, signed the United Nations Principles for Responsible Banking, which all NLB Group members have incorporated into their business model. NLB d.d. prepares the consolidated NLB Group report, which is published on the website <https://www.nlbgroup.com/int-en/sustainability/sustainability-reports>

Sustainability and the improvement of quality of life are embedded in the business strategy and day to day operations, with the aim of enhancing quality of life in Montenegro and the region. In its

operations, the Bank has committed to observing the UN Principles for Responsible Banking, the objectives of the Paris Climate Agreement and the United Nations Sustainable Development Goals.

The Bank's principal objectives for reducing GHG emissions are:

- Replacement of the vehicle fleet with electric and hybrid vehicles during 2025;
- 100% of purchased electricity to originate from CO₂ neutral sources by 2030;
- Achievement of a climate neutral financing and investment portfolio by 2050;
- Rationalization and reduction of paper, electricity and water consumption and waste reduction.

The Bank, as a good employer, actively manages and cares for the social security of employees and members of their families, the observance of all human and labor rights of employees, their further career development, a high quality organizational climate, cooperation among colleagues, workplace satisfaction and, ultimately, the fulfilment of their personal goals. The Bank has embedded sustainability awareness into its values, organizational culture, mindset and behavior.

The Bank's employees are "ambassadors" of sustainability, as they demonstrate by example that sustainability is becoming a way of life; this is reflected in day to day activities, only some of which include walking to work, voluntary blood donation, recreational sporting activities, waste management at the Bank and in private life, healthy nutrition, the use of hybrid and electric vehicles for business purposes, digitalization, rational consumption of electricity and paper, and other measures.

Sustainability framework

The governance of sustainable development and the promotion of a sustainability culture at the Bank and in the wider environment are supported by a clear organizational structure that encompasses governing bodies, lines of authority, organizational units, expert profiles and all employees.

The organizational structure also defines the lines of responsibility, as well as the processes for identifying, managing, monitoring, and reporting on ESG risks, including climate and environment related risks.

Sustainability is integrated into the Bank's organizational structure as follows:

- The Supervisory Board member responsible for sustainable development regularly monitors sustainable development activities at the Bank;
- The Management Board is, within its scope of responsibilities, accountable for the fulfilment of sustainability related KPIs;
- The sustainability coordinator and the deputy sustainability coordinator are positioned within the CEO reporting line and coordinate activities within the Bank, cooperation with the parent bank and communication with external institutions;
- The ESMS associate, positioned within the CRO reporting line, covers all policies and reports relating to the management of ESG risks;
- Sustainability representatives in each department, whereby a nominated employee performs this function in addition to their existing job description;
- An agile working group composed of Management Board members, the sustainability coordinator, the ESMS associate and departmental representatives.

The Bank has also adopted significant documents in this area: the Sustainability Policy, the Sustainability Management Standard, the Anti Greenwashing Standard, the Carbon Footprint Measurement and Reporting Policy, the Human Rights Policy in Montenegro, the Environmental and Social Management Policy, the ESG Data Management and Reporting Framework Standard, and over 20 methodologies and guidelines constituting the Bank's operational framework. In 2025, the Bank introduced three applications for reporting on approved "green" loans and monitoring GHG emissions.

Carbon Footprint

In its day to day operations, the Bank and its employees, both in the workplace and in private life, endeavor to reduce negative effects on the natural environment, i.e., they are mindful of their carbon footprint. The active approach to sustainable development has led to the rational use of paper, electricity, and fuel, as well as lower CO₂ emissions.

Other

In 2025, the Bank completed replacing its vehicle fleet. All the Bank's business vehicles are electric or hybrid. Since 2023, energy sustainable materials have been used in all renovated business premises, together with the implementation of temperature control systems (BMS and RMS) and other energy efficient solutions.

In the coming period, a transition to a green electricity supply model (generated from renewable sources) is planned. The objective is to have all electricity consumed generated entirely from renewable energy sources by 2030.

Through various activities, including sponsorships, donations and environmental protection projects, the Bank promotes awareness of healthy lifestyles.

Sustainable Financing

In 2025, the Bank continued to build a relationship of trust with customers by enhancing the experience, improving service accessibility, and proactively addressing the needs of various customer groups. Particular attention was devoted to developing solutions that facilitate day to day banking, strengthen security, and contribute to the broader objective of financial inclusion.

A campaign was implemented to further strengthen the culture of trust and referral (the "circle of trust"), through which employees become ambassadors of the Bank in the community, linking customer base growth to service quality and the Bank's reputation. This approach encourages responsible, long term relationship building by relying on personal experience and trust based referrals.

The Bank is developing transparent operations accessible to customers and new products and services to finance projects with a sustainability component, for both natural and legal persons.

The Bank's lending and product strategy is focused on:

- renewable energy projects: the construction of solar power plants and wind turbines;
- the purchase of apartments, the construction and reconstruction of buildings using sustainable materials and reducing energy consumption;
- the financing of the purchase of electric and hybrid vehicles;
- the financing of energy efficient equipment and solar panels;

- wastewater and waste management, pollution prevention, green space management;
- products for specific and vulnerable population groups (the elderly, students, young people).

The Bank does not cooperate with customers whose activities do not observe fundamental ESG principles.

The Bank has developed strong cooperation with the European Bank for Reconstruction and Development (EBRD) in sustainable development and has prepared several credit lines.

EBRD "Women in Business" Support Programme

In 2025, the Bank continued to drive women's entrepreneurship in Montenegro through the EBRD "Women in Business" Support Programme.

Through the WiB programme, the Bank's focus in 2025 was on a combination of financing and knowledge: accessible lending products for micro, small, and medium-sized enterprises managed by women, and advisory activities in cooperation with the EBRD to strengthen management skills, growth planning, and the professionalisation of business operations. Emphasis was placed on supporting business digitalization and enhancing commercial processes, enabling women entrepreneurs to transition more quickly from an idea to a commercially sustainable model through careful risk and cost management.

Complementary to the WiB programme, the Bank, in partnership with the EBRD, developed the SME Go Green programme in 2025, which enables women entrepreneurs and their companies to invest in environmentally sustainable technologies with a 10–15% repayment subsidy and knowledge transfer from EBRD consultants. In practice, these instruments combine financial inclusion, sustainability and innovation, creating an environment in which women-owned businesses have access to capital, expert resources and market opportunities.

In conclusion, 2025 was a year in which NLB Banka deepened its partnership with the EBRD and national institutions to provide women's entrepreneurship with stable sources of financing, access to knowledge, and support for the digital and green transition. In this manner, the Bank confirmed

its role as a trusted financial mentor for women in business, while simultaneously contributing to a more dynamic, inclusive and sustainable development of the Montenegrin economy.

ESG Training

Considerable attention was also devoted to ESG education. Internal training sessions are organised to educate employees on implementing ESG in the lending process and across the entire organization. All Bank employees have successfully completed training on the fundamental principles of ESG.

Social Responsibility

In accordance with the Code of Corporate Compliance and Ethical Conduct of Employees at the Bank and the Articles of Association of the Bank, the Bank's long term objective is to endeavor to increase its value and to contribute to a higher quality of life and the fulfilment of the sustainable development goals of the broader community, fostering a proactive attitude towards the socio economic needs of society.

Improving the quality of life in our home region, Southeast Europe, is one of NLB Banka Podgorica's key strategic objectives. We remain resolute in our intention to create a better footprint locally, where we operate, and in the region we consider our home. Our sustainability ambition is grounded in our mission and business model and is a pillar of the transformation of the NLB Group. For us, sustainability means responding to the needs of the community, and the fundamental precondition for sustainability is, above all, financial resilience.

In the local community, the Bank continues to play a role that extends beyond the financial sector. The Bank owes its influence on the financial market, among other things, to its dedicated socially responsible activities in various areas (sports, environmental protection, healthcare, education).

Other

NLB Banka employees are an important source of capital and a key driver of value creation. We are strongly focused on knowledge, lifelong learning, and the development of our employees and their talents and experiences, helping them adapt readily to a rapidly changing business environment. We have adopted a new value system for NLB Group employees, which our employees helped create directly. The adopted values and the behaviors that accompany them relate to continuous growth and development, an entrepreneurial spirit, and proactive efforts to improve life in the community.

The key pillars of the Bank's corporate social responsibility, in accordance with the principles of the Corporate Social Responsibility Policy, are first and foremost care for employees and the protection of legality and integrity, as well as the promotion of women's entrepreneurship and entrepreneurship in general, increasing financial literacy and a mentoring approach to customers, support for professional and youth sports, humanitarian activities and the protection of cultural heritage.

The Bank's corporate social responsibility in 2025 was guided by a clear strategic framework and the long term ambition to be an active and reliable community partner at the local and national levels. CSR activities were directed towards areas with the greatest social impact: healthcare, inclusion, education, financial literacy, sport, culture, mental health and humanitarian aid.

The total amount invested in sponsorships was EUR 255,670, and in donations, EUR 140,961 in 2025, confirming the Bank's strong and continuous commitment to social development. Particular focus was placed on initiatives that have a long term effect, a measurable social contribution and clearly recognizable benefits for the community.

For years, the Bank has listened to the needs of its customers and employees, not only in financial advisory services but also in other areas important to society and the individual.

Investing in the development of sports

The Bank's corporate social responsibility in 2025 continued to be strongly directed towards promoting sport, healthy lifestyles and community values, through support for sports clubs, mass sporting

events and initiatives that encourage participation by children, young people and vulnerable groups.

NLB Podgorica Millennium Run – More Than a Sporting Event

As the general sponsor of the NLB Podgorica Millennium Run, the Bank implemented a series of activities aimed at promoting health, well-being, and community spirit. In addition to its sporting character, the event served as a powerful platform to raise awareness of inclusion and sustainable habits, such as physical activity, spending time outdoors, and an active lifestyle, thereby giving the event a clear social dimension. The marathon benefited from the participation of the Association of Young People with Disabilities of Montenegro, which further strengthened the event's inclusive character and conveyed the message that a community progresses when it is accessible and open to all. Bank employees and Association members participated in the race and symbolically crossed the finish line together, emphasising the importance of solidarity, equality and mutual support. During the event, the Bank also organised a humanitarian stand, with all proceeds from sales directed to the Association, thereby giving the Millennium Run a direct humanitarian impact. Through this engagement, the Bank contributed not only to concrete support for the Association's work but also to a broader impact by raising public awareness of the importance of removing barriers and creating equal opportunities for persons with disabilities.

Support for Inclusive Sport – NLB Wheel League

In 2025, the Bank continued its support for the regional wheelchair basketball league – the NLB Wheel League. Through sponsorship and the provision of specialised sports equipment, the Bank supported wheelchair basketball players from the Paramount club, thereby enhancing conditions for para-athletes to train and compete, thereby affirming sport as a space of equal opportunities. This approach demonstrates how partnership initiatives in sport can have a broader social impact: raising awareness, breaking down barriers and creating a more inclusive environment.

Sport for Youth Project – Investing in Healthy Development

Through the NLB Sport for Youth project, the Bank supported clubs working with children under 12, encouraging team spirit, fair play, and healthy lifestyle habits. The programme is important because sport gives children space for physical activity, time outdoors, and socialising, while building resilience and learning from both victories and defeats.

Within the initiative, the Bank issued a public call to sports clubs in accordance with clearly defined criteria and the internal sponsorship policy, to which clubs applied via an official form available on the Bank's website. Based on the applications received and the selection process, 10 clubs were selected to receive support under the programme during the year.

In addition to sporting activities, the project has a broader educational character: children are involved in volunteering and environmental initiatives, and coaches and clubs receive support to build an environment where respect, community spirit, and inclusion are valued. An example of this approach is the spring tree-planting initiative, when young athletes from PVK Budućnost and FK Karioke, together with Bank employees and the staff of the Clinical Centre of Montenegro, planted trees and landscaped the area, connecting sport with care for the community and nature.

The programme also encompasses the promotion of sustainable mobility: the Bank supported a children's cycling event in Nikšić on World Car-Free Day, promoting an active lifestyle and awareness of emissions reduction.

The project's completeness is also evident in its focus on financial literacy for young athletes: a workshop was held for football players at FK Arsenal, so that children, in addition to physical development, could acquire practical knowledge of money management, planning, and responsible decision-making – skills important for both sporting and life success.

Other

In this manner, NLB Sport for Youth transcends support for sports clubs and evolves into a platform that combines health, education, sustainability and community spirit, creating a long-term social impact: children grow up in an environment that encourages them to be active, responsible and supportive, while the community gains a generation that understands that success is greatest when it is shared with others.

Support for Clubs and Sports Teams

The Bank continued its cooperation with sports teams that contribute to the development of sport and promote young talent. Of note is the continuation of the partnership with the Swimming and Water Polo Club Budućnost, thereby further supporting the stability of sports squads and the development of sports among young people.

Sponsorship of KK Budućnost

Within the framework of its long-term commitment to the development of professional sport and the promotion of the highest sporting achievements in Montenegro and the region, the Bank continued its cooperation with the Basketball Club Budućnost through a two-year sponsorship. Through this partnership, the Bank contributes to the stability of the club, the strengthening of sports infrastructure, and the promotion of the values of team spirit, discipline, and top-level sporting achievement, with a strong reputational and social impact on the local community.

Financial Literacy

As a financial mentor, the Bank continued in 2025 to conduct financial literacy and education activities for children, young people, and the general public. Through workshops, lectures, Frendi quizzes, and other educational formats, more than 620 children, young people, and adults were reached, with the aim of strengthening knowledge of basic financial concepts, responsible money management, and the importance of saving and planning for the financial future.

The value of these activities lies in the fact that financial education is delivered across various contexts and target groups – from schools and sports teams to young professionals – to bring the content closer to everyday life. For example, a financial literacy workshop was also organised for young athletes, highlighting

the importance of financial knowledge at all stages of development and in forming healthy lifestyle habits.

Within the financial mentorship programme, the Bank continued in 2025 with the “NLB Uptalk” initiative, through which open discussions were organised between the Bank’s representatives and young people, including school pupils and students. These meetings aimed to exchange experiences, deepen understanding of the needs and expectations of young people, and strengthen their financial and life literacy through direct dialogue, practical insights, and inspirational messages about personal development, responsible decision-making, and planning for the future. The Bank’s educational contribution in this area was further strengthened through a workshop delivered by Blaž Brodnjak, Chairman of the Management Board of NLB d.d., within the framework of MICEB, providing young people and the wider audience with an opportunity to acquire new knowledge and motivation for personal and professional development through contemporary perspectives on leadership and finance.

In addition to direct education, the Bank continued to provide practical financial advice and useful information through digital channels and communication platforms, with the aim of helping customers and the interested public make responsible financial decisions.

Safeguarding the environment and ensuring the well-being of employees

In 2025, the Bank continues to develop sustainable practices that combine care for employee health with the reduction of negative environmental impact, through activities that promote physical activity, emissions reduction and collective volunteering.

NLB “Get Moving” – Walking Towards Health and Solidarity

In 2025, two internal walking challenges were organised (during spring and autumn), with the aim of encouraging employees to adopt healthier habits and to reduce CO₂ emissions by using the car less frequently. The programme also had a strong social component, as every step was converted into support for the community, through support for the Association of Young People with Disabilities of Montenegro. Such initiatives build a culture of responsibility from within, demonstrating that sustainability is not an isolated activity but a way of thinking and behaving.

Tree-Planting Volunteering Initiatives and Strengthening Environmental Awareness

As part of the spring tree-planting initiative, Bank employees, together with partners and young athletes, planted several seedlings and landscaped the area at the Clinical Centre of Montenegro, emphasising the importance of collective contribution and a long-term positive footprint in the community. Such activities, although symbolic in scope, have a strong educational effect – particularly when children and young people are involved – as they encourage environmental awareness and a sense of shared responsibility.

Promotion of Sustainable Mobility – Car-Free Day and Support for Children’s Cycling

The Bank marked World Car-Free Day by supporting events that promote cycling and an active lifestyle, with an emphasis on children. The message is clear: the choice of sustainable habits begins early, and the community benefits when solutions that mean cleaner air and a healthier life are encouraged.

Earth Day – Prize Draw Promoting Healthy Mobility

On Earth Day, the Bank organized an internal and external prize draw to encourage environmentally responsible behavior and sustainable mobility. As a symbol of support for an active and healthy lifestyle, the main prize was a bicycle, thereby further promoting the idea that small everyday decisions – such as choosing a bicycle over a car – contribute to environmental preservation.

Other

Vehicle Fleet Transformation: Hybrid Fleet as a Business Standard

In 2025, NLB Banka fully renewed its corporate vehicle fleet and transitioned to a 100% hybrid/plug-in hybrid fleet, investing nearly EUR 1.5 million. This transformation delivers a measurable reduction in emissions – an estimated approximately 35.5 tonnes of CO₂ per year – together with less local noise and fuel consumption and better conditions for the work of teams. An additional charging station was installed in the garage of the Bank's headquarters building, and the next step is to pilot battery-electric vehicles (BEVs) and expand the charging infrastructure.

The effect was estimated based on EU WLTP data and compared with petrol-powered reference vehicles in the same vehicle classes; the results are monitored quarterly through a BI tool for GHG and are included in ESG reports. Telematics and eco-driving training are planned to further reduce emissions and costs and to continue the gradual electrification of the Bank's mobility.

What this means for the community: cleaner air in urban zones, quieter traffic around branches and business locations, and a visible contribution to a healthier environment and quality of life. The measurable reduction in emissions can be communicated to the public as the equivalent of "preserving" a significant number of trees and an area of urban greenery, which further highlights the social value of the project. With infrastructure support (charging stations) and changes in habits (more driving on electricity in the city), the Bank sets an example of responsible mobility and encourages the wider business community to take similar steps.

Customer Care

In 2025, the Bank continued to build a relationship of trust with customers by enhancing the experience, improving service accessibility, and proactively addressing the needs of various customer groups. Particular attention was devoted to developing solutions that facilitate day-to-day banking, strengthen security, and contribute to the broader objective of financial inclusion.

Support for Local Business Community

In 2025, the Bank actively participated in initiatives that contributed to the development of the business environment, strengthened the dialogue on sustainability, and promoted knowledge and innovation.

Montenegro Financial Markets – Strengthening the Capital Market and Financial Infrastructure

As a partner and significant sponsor of the international conference Montenegro Financial Markets, the Bank contributed to creating a space for knowledge exchange, participant connections, and strategic dialogue on the future of the capital market. Through panels and masterclass sessions, the conference opened topics relevant to sustainable economic growth, transparency and the development of a modern financial ecosystem.

Top Women Business Montenegro – Empowering Women in Business

As the general sponsor of the Top Women Business Montenegro initiative, the Bank continued its multi-year support for women who are pushing boundaries in business and setting new leadership standards. An additional step was the introduction of a special award, the "NLB Women Empowerment Award", which recognises and affirms women's achievements and contributions to the economy, while also promoting a culture of equal opportunity, visibility, and the impact of women's entrepreneurship. The award recognises the sustainability of the business model, innovativeness, social impact, and the creation of new jobs, with an emphasis on mentorship and the empowerment of new generations of women entrepreneurs.

The programme was opened this year with an introductory press conference at which, together with the project partners, the objectives of the initiative, the criteria and the award selection process were presented, including the "NLB Women Empowerment Award" category. Emphasis was placed on the accessibility of information and the transparency of the process, as well as on calls for companies and individuals to submit applications and nominate projects with clear evidence of community impact.

The central part of the initiative was a forum that brought together women entrepreneurs, managers, investors, representatives of institutions and the media. Bank representatives participated in discussions on key topics related to women's business growth: access to financing and the removal of barriers, digital transformation and customer experience, leadership and a culture of inclusion, networking and mentorship, and the sustainability of business models. Through participation in panels, recommendations highlighted how financial institutions can design products and services that respond to the real needs of women entrepreneurs, how to accelerate the transition to digital channels while maintaining a premium customer experience, and how to develop a support ecosystem encompassing education, connectivity, and long term cooperation.

Within the forum, the Bank presented its practical experiences and initiatives implemented in partnership, emphasising the importance of combining financial support with knowledge. Particular attention was paid to synergies with initiatives in financial inclusion (such as national and regional programmes that encourage access to financing for women entrepreneurs), as well as to the role of educational formats, workshops, and open discussions with women entrepreneurs in the early stages of development. In this manner, Top Women Business Montenegro transcends the framework of a ceremonial event and evolves into a platform of enduring support, exchange of experiences and visibility of women's leadership, and the Bank's role has been recognized as a continuous, systemic contribution to the development of the local business community and sustainable economic growth.

Other

EBRD “Women in Business” Support Programme

NLB Banka continued to be a driver of women’s entrepreneurship in Montenegro in 2025 through the EBRD “Women in Business” Support Programme.

Through the WiB programme, the Bank’s focus in 2025 was on a combination of financing and knowledge: accessible lending products for micro, small, and medium sized enterprises managed by women, and advisory activities in cooperation with the EBRD to strengthen management skills, growth planning, and the professionalisation of business operations. Particular emphasis was placed on support for business digitalisation and the enhancement of commercial processes, enabling women entrepreneurs to transition more quickly from an idea to a commercially sustainable model through careful risk and cost management.

Support for the WiB initiative was further institutionally strengthened in 2025 through accession to the national coalition Women Entrepreneurs Finance Code Montenegro (WE Finance Code). WE Finance Code is a key initiative launched in the spring of 2025 and coordinated by the Central Bank of Montenegro. The members of the WE Finance Code national coalition in Montenegro include representatives of the Central Bank of Montenegro, the EBRD, commercial banks, microfinance institutions, government institutions (the Competitiveness Council, the Tax Administration, the Ministry of Economic Development) and non governmental organisations (the Centre for Women’s Rights) and the Frankfurt School of Finance and Management.

The mission of WE Finance Code is to promote women’s businesses and improve access to finance for women. In October, the Bank signed a Letter of Commitment to improve access to financing for women in business through concrete activities, enhance data transparency (through the coalition dashboard), and work jointly to remove barriers to the growth of women owned enterprises. With this step, financial support gains a broader, systemic framework – from credit lines to public policies and shared standards of inclusion.

Achievements in 2025 include:

- Research and analysis of records of rejected loan applications and the main barriers to financing women in business;
- The WE Finance Code Dashboard (available on the Central Bank’s website), displaying data relevant to the financing of women owned micro, small and medium sized enterprise;
- A regional WE Finance Code event was organised in Herceg Novi.

Awards

2025 was a year of significant international awards for NLB Banka, underscoring the quality of its operations and its market leadership in relevant segments.

Euromoney – Best Bank for Real Estate in Montenegro 2025

The prestigious international financial publication Euromoney named NLB Banka the best bank for real estate in Montenegro for 2025. This award confirms the Bank’s leading role in the residential financing segment, targeted investment in real-estate projects and the continuous modernisation of the branch network. The focus on the quality of financing and the development of the real estate market has been recognised as an important contribution to the country’s economic development, while enhancements to business premises and the digitally oriented infrastructure have also been highlighted as examples of good practice.

The award reflects the Bank’s consistent results and strategic approach, including support for key development projects in Montenegro and enhancements to the customer environment through modern, energy-efficient branches. In the announcement on the occasion of the award, it was particularly noted that the Bank’s contribution to the real estate market during the assessment period was marked by strong growth in the residential financing segment and targeted investment in real estate, making this award a confirmation of our long-term direction and the quality of cooperation with customers and partners.

Euromoney – Best Bank for Customer Experience

Additionally, NLB Banka received the Euromoney award for “Best Bank for Customer Experience” in Montenegro. This award confirms the Bank’s commitment to a premium customer experience, digital transformation and the shaping of the offering around the real needs of customers – from mobile and electronic banking, through support in contact centres and new-generation branches, to the advisory approach of employees.

In public announcements, it was noted that the Euromoney Awards for Excellence selection is based on a detailed analysis of business performance, innovation, strategic focus and service quality, with particular emphasis on customer experience and the ability to anticipate customer expectations. In this context, the customer experience award further strengthens the Bank’s focus on building long-term relationships and continuously enhancing the accessibility, efficiency, and innovativeness of its services.

Support for at-risk groups within the community

In 2025, the Bank continued to provide support to vulnerable groups and communities in need, through financial donations, humanitarian activities and programmes that create long-term social value.

Other

Support for the Healthcare System

The enhancement of healthcare has remained one of the key priorities of the Bank's socially responsible activity. During 2025, a series of donations to healthcare institutions were made, directed towards the concrete needs of patients and the strengthening of system capacity. Key activities include:

- **Hospital "Danilo I", Cetinje**, A donation to the Gynaecology and Obstetrics Department in the amount of EUR 20,000 for the procurement of modern medical equipment and the improvement of conditions for expectant mothers, women who have recently given birth and newborns. The activity was implemented within the framework of an NLB Group regional initiative, aimed at supporting children and families as an investment in a shared future, and at raising awareness of growing infertility as a regional problem.
- **General hospital Nikšić** - medical equipment and the strengthening of local capacity. Support through the procurement of equipment (including a CTG device and equipment for the operating theatre), together with an additional donation on the occasion of the opening of the renovated branch in Nikšić. This directly contributed to higher-quality and more accessible healthcare services in the local community.
- **Day centres for children with developmental difficulties** - didactic and educational materials. Donations directed towards the provision of teaching and therapeutic resources, for the enhancement of daily programmes and support for the developmental needs of children.

All activities are directed towards a long term and measurable effect on the quality of healthcare services and the well-being of citizens, with transparent implementation and close cooperation with the institutions where support is most needed.

Inclusion and Support for Persons with Disabilities

Inclusion and equality represent enduring values of the Bank's CSR policy. During 2025, continued support was provided to the Association of Young People with Disabilities of Montenegro, through a combination of financial donations and the active participation of employees and customers.

Support was delivered through:

- the placement of donation boxes in the Bank's branches for the collection of aid,
- the "Get Moving" walking challenge, within which employee steps were converted into donations for this association,
- the integration of persons with disabilities in the races within the NLB Podgorica Millennium Run,
- humanitarian activities whose proceeds were directed to UMHCC.

The total financial contribution to these activities amounted to approximately EUR 15,000, with a strong non material effect in the form of raising awareness, breaking down prejudice and promoting inclusive values. Additionally, support for the Cultural Information Centre "Budo Tomović" for the adaptation of spaces for persons with disabilities represents an important contribution to the accessibility of culture and public content.

Support for Mental Health

In 2025, the Bank also supported the Psychomathon, an event dedicated to mental health and the strengthening of the community's psychological resilience. The Psychomathon is designed as an inclusive platform that brings together mental health professionals, teachers, parents, young people, and the general public to create space for understanding, empathy, and a responsible approach to caring for oneself and others. Through conversations free of stigma, practical advice, and the exchange of experiences, participants are given the opportunity to better understand stress mechanisms, recognise early signs of difficulties, and become acquainted with approaches that contribute to resilience, self-confidence, and healthy relationships.

Through its support for the Psychomathon, the Bank fosters an approach that views mental health as integral to quality of life and the community's sustainable development. The focus is on topics closest to everyday challenges: the balance between work and private life, care for the mental health of young people, digital hygiene, the pressures of contemporary life, and the role of schools, families, and employers in creating a supportive environment.

For the Bank, the Psychomathon is more than a sponsorship: it is a natural extension of our programmes that encourage healthy lifestyles, empathy and a culture of care – both in the community and among employees. In this manner, support for this event builds on the broader corporate approach to wellbeing and inclusion, contributing to a more connected, resilient, and humane society in which mental health is recognised as a shared responsibility and an enduring value.

Humanitarian and Crisis Interventions

In 2025, the Bank demonstrated a strong sense of responsibility and solidarity in situations where the community was most in need of support. Through participation in an NLB Group collective donation of EUR 350,000 for assistance to the victims of the tragedy in Kočani (North Macedonia), urgent and long-term assistance was provided to the affected community. The donation was directed with a clear intention to address the most urgent needs and enable a more stable recovery, and was implemented in cooperation with the competent institutions and verified humanitarian organisations, in compliance with the highest standards of transparency and accountability. This intervention underscores the regional solidarity and community values that the NLB Group fosters across all markets where it operates.

The Bank also donated equipment to the Civil Protection and Rescue Service in Podgorica during the major fires, directly contributing to the safety of citizens and strengthening local service capacity. The donation was directed towards priority equipment that the services themselves identified as most needed under conditions of heightened risk, thereby ensuring more effective operations in the field, better coordination and a faster response at critical moments. In this manner, the Bank not only provides immediate assistance but also contributes to the community's systemic resilience in crisis situations.

Other

The Bank's humanitarian activity is based on the principles of humanity, impartiality and accountability, with constant cooperation with partners from the public and civil sectors. Particular attention is devoted to ensuring that aid reaches those who need it most and is timely and aligned with actual needs on the ground. At the same time, the Bank endeavours to ensure that every crisis intervention also has an educational and preventive value – through raising awareness of the importance of preparedness, responsible behaviour and mutual solidarity in emergency situations.

Through this approach, the Bank combines rapid, concrete intervention with the long-term strengthening of local capacity, thereby turning humanitarian support into a sustainable contribution to a safer, more resilient society.

Corporate social responsibility and sustainability at NLB Banka are not isolated activities but integral to the Bank's identity and way of doing business. Through strategically designed, measurable, and long-term initiatives, the Bank continues to contribute to community development and the enhancement of quality of life, consistent with the principle that true success has meaning only when it is shared with the society in which it is created.

In accordance with the Code of Corporate Compliance and Ethical Conduct of Employees at the Bank and the Articles of Association of the Bank, the Bank's long-term objective is to endeavour to increase its value and to contribute to a higher quality of life and the fulfilment of the sustainable development goals of the broader community, fostering a proactive attitude towards the socio-economic needs of society.

Bribery and Corruption Prevention

NLB d.d. operates in the financial sector, which is characterised by a high degree of extensive regulation, as it is exposed to high risks, including systemic risks. NLB d.d. is also classified among systemically important banks in the European Union (EU) and, as such, is subject to supervision by Banka Slovenije and the European Central Bank.

NLB d.d. must ensure compliance with the applicable EU legal acts and regulations of the Republic of Slovenia and other acts, guidelines, recommendations and

international standards adopted by EU institutions and other EU bodies and bodies of the Republic of Slovenia.

All members of the NLB Group are required to establish a permanent and effective compliance function.

Within the compliance function, NLB Group members consider the specific compliance risks to which the particular entity is exposed, including, inter alia, the prevention and investigation of fraud, misuse and other harmful acts, and the prevention of corruption and conflicts of interest.

In this regard, the Bank regularly updates its Policy on the Prevention of Corruption and Bribery and the Management of Conflicts of Interest, which, in addition to the already established fundamental rules and procedures for the management of conflicts of interest at the level of the entire NLB Group, introduces additional transparency controls in relationships with suppliers.

In addition to the already established rules regarding the giving and receiving of gifts and the prevention of corruption, additional rules and obligations for organisational units have been introduced with the aim of reducing corruption risk, rules on lobbying, cooperation with the public sector, and a series of practical examples. The Policy is aligned with the relevant documents of NLB d.d. and the new regulatory framework in Montenegro and was adopted by the Supervisory Board in September 2023.

During 2025, the Bank also conducted electronic training on the topics of Prevention of Conflicts of Interest, Prevention of Corruption, Ethics, Integrity and the Code of Conduct, and Prevention of Fraud, Misuse and Other Harmful Behavior, as well as targeted workshops on the Prevention of Fraudulent Acts and the Management of Conflicts of Interest.

In addition, the Bank applies the Instructions on the Investigation of Suspected Harmful Acts to the Detriment of NLB Banka AD Podgorica and Whistleblower Protection, which establish the Bank's standards in the process of investigating harmful acts committed by employees at the Bank or by external perpetrators, in both cases where material or non material damage has been or could be incurred by the Bank. These Instructions also define measures to encourage reporting and whistleblower protection mechanisms.

In 2025, the Bank had no deviations from the Policy on the Prevention of Corruption and Bribery and the Management of Conflicts of Interest and reported potential conflicts of interest were managed effectively.

An evident increase in the number of gifts reported by the Bank's employees and management was recorded, indicating the effectiveness of preventive activities in this area and the heightened awareness of disclosing any actions that may affect business operations.