



Republic of Slovenia successfully finalized the bank consolidation and privatization plan of all three state owned banks in Slovenia which received state aid back in 2013 and 2014, namely NLB d.d., NKBM d.d. and Abanka d.d. All three were fully privatized.

According to the Public Finance Act, 90% of the privatisation proceeds will be used for the general government debt reduction and the remaining 10% of it as a contribution to the demographic fund.

1 SLOVENIA'S LARGEST BANK NLB d.d. PRIVATIZATION SUCCESSFULLY COMPLETED

On 19th of June 2019 Slovenian Sovereign Holding ("SSH ") successfully completed the privatisation process of Nova Ljubljanska banka, d. d. ("NLB"). After the first 65% float of the Shares of Nova Ljubljanska Banka on the Ljubljana Stock Exchange and GDR's on the London Stock Exchange in October 2018, the Placement of additional 10% of shares to institutional investors was successfully completed by way of an accelerated bookbuild. After the completion of the Placement, the Republic of Slovenia will remain the largest shareholder of NLB, owning the 25% stake plus one Share.

The Shares subject to the Sale were attributed a dividend in the amount of EUR 7.13 per Share, which means that the Republic of Slovenia will receive the total amount of EUR 123.8 million arising from the NLB Shares in its ownership in 2019. The settlement of the Placement with the payment for and the transfer of the Shares took place on 21st of June 2019.

By way of this transaction, a number of international institutional investors have entered the ownership of NLB, providing an excellent base for its enhanced competitiveness and its further expansion in the future.

Accomplishing the commitments by the Republic of Slovenia to the European Commission (EC) upon the approval of the state aid will have a positive impact on the further growth of NLB Group in the region. The bank is well positioned now to be a leading financial group in the region and will further strengthen its market share and profitability.

For more information please visit the SSH website:

<https://www.sdh.si/en-gb/news/1750/sdh-successfully-completed-privatisation-process-of-nova-ljubljanska-banka-d-d->

2 SLOVENIA'S THIRD LARGEST BANK ABANKA d.d. PRIVATIZATION COMPLETED

On 20th of June 2019 Slovenian Sovereign Holding d.d. (SSH), acting on behalf of the Republic of Slovenia, announced the signing of the Sale and Purchase Agreement (SPA) pursuant to which Nova Kreditna Banka Maribor will acquire 100% of the shares in Abanka d.d. (Abanka). NKBM is owned by Investment funds affiliated and managed by Apollo Global Management, LLC (80%) and European Bank for Reconstruction and Development (EBRD, 20%).

The signing of the SPA provides the fulfilment of the commitment given by the Republic of Slovenia pursuant to the European Commission's state aid decision SA.38522 from 16 December 2014.

Abanka is Slovenia's third largest bank by assets and market share, providing an integrated and comprehensive range of financial services – from traditional retail and corporate banking products to bancassurance and private banking. Abanka was valued at €511 million (Total Consideration), including a dividend in the amount of €67 million which was paid out to the Seller in May 2019, prior to the signing of the SPA.

NKBM has been selected as the buyer after submitting the best offer for 100% of the shares of Abanka in a competitive sales process managed by SSH. The privatisation of Abanka attracted a wide range of

strategic and financial investors and was executed in line with the best international standards and in a transparent manner, providing an equal treatment to all participating investors.

The closing of the Transaction is subject to receiving all applicable authorisations and approvals from the relevant authorities.

Further consolidation of Abanka and NKBM bank which will be driven by a strategic investor will create a second largest bank in Slovenia and bring new momentum to banking in Slovenia.

For more information please visit the SSH website:

<https://www.sdh.si/en-gb/news/1755/slovenian-sovereign-holding-and-nova-kreditna-banka-maribor-d-d-announce-signing-of-the-sale-and-purchase-agreement-of-abanka-d-d>

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