

Item on the agenda:11  
Proposer: **Supervisory Board**

## **Material for the Annual Shareholders Assembly of NLB Banka AD Skopje**

### **Proposal - Decision on utilization and distribution of the profit from Annual account and financial reports of NLB Banka AD Skopje for 2024**

The Supervisory Board of NLB Banka proposes to the Shareholder Assembly of NLB Banka AD Skopje to adopt the following:

### **Proposal - Decision on utilization and distribution of the profit from Annual account and financial reports of NLB Banka AD Skopje for 2024**

In addition:

- Proposal- Decision on utilization and distribution of the profit from Annual account and financial reports of NLB Banka AD Skopje for 2024

Skopje, May 2025

## **Annual Shareholders Assembly of NLB Banka AD Skopje**

### **Proposal - Decision on utilization and distribution of the profit from Annual account and financial reports of NLB Banka AD Skopje for 2024**

Pursuant to Article 39 paragraph 1 of the Statute of NLB Banka AD Skopje, The Assembly of NLB Banka AD Skopje, at its session held on 29.05.2025, adopted the following:

### **Decision on utilization and distribution of the profit from Annual account and financial reports of NLB Banka AD Skopje for 2024**

1. Net profit after tax from Annual account and financial reports according to NBRNM methodology of NLB Banka AD Skopje for 2024 in an amount of 3,294,992,729 MKD decreased by interest for capital instrument arranged in 2024 as part of the Bank's additional Tier 1 capital in an amount of 22,869,271 MKD, amounts to 3,272,123,458 MKD and is distributed as follows:

1. For dividend payout	2,217,142,356 MKD
2. Retained earnings for investments	231,000,000 MKD
3. General reserve fund	823,981,102 MKD
2. Profit that is allocated to retained earnings for investments is used for development purposes and investments in tangible and intangible assets for expanding the primary business and it is not available for dividend payment to shareholders in the future (limited for distribution of shareholders).
3. The decision enters into force on the date of acceptance

Skopje, 29.05.2025

The decision shall be submitted to:

- Secretariat
- Strategic Planning and Financial Control Department

Chairman  
of the Annual Shareholders Assembly  
NLB Banka AD Skopje

## Explanation

In accordance with the Bank's Annual account and financial reports for 2024 according to NBRNM methodology, the Bank realised net profit of 3,294,992,729 MKD (53,577,118 EUR with the exchange rate 61.5 MKD/EUR for informative calculations). Part of the net profit is going to be used for payment of interest for the capital instrument arranged in 2024 classified in the Bank's additional Tier 1 capital in the amount of 22,869,271 MKD (371,858 EUR).

In accordance with article 483 from the Companies Act, the Supervisory Board proposed to the Shareholders Assembly a Decision for distribution of 3.272.123.458 MKD is as follows:

1. Part of the profit in the amount of 2,217,142,356 MKD (36,051,095 EUR with the exchange rate 61.5 MKD/EUR for informative calculations) to be distributed for dividend to the shareholders of the Bank.
2. Part of the profit in the amount of 231,000,000 MKD (3,756,098 EUR with the exchange rate 61.5 MKD/EUR for informative calculations) to be distributed for retained earnings for investments which will be used for developmental purposes, investments in tangible and non-tangible assets and for expansion of the Bank's business activity. By separating part of the profit in retained earnings used for developmental purposes, a tax deduction can be obtained in accordance with Article 28 from the Profit Tax Law published in the Public Enterprise Official Gazette no.112/2014,...199/2023. That means that with the preparing of the Tax statement of the Bank for 2025, the Bank will have the right for deduction of the tax basis in the used amount of the investment and thus determining lower tax on profit.
3. Part of the profit in the amount of 823,981,102 MKD (13,398,067 EUR with the exchange rate 61.5 MKD/EUR for informative calculations) to be distributed in the general reserve fund. The distribution is made in order to strengthen the capital base of the Bank.

## Additional regulatory requirements

Based on the supervisory assessment of the Bank's risk profile from NBRNM in December 2024, a capital supplement of 3.25% above the minimum requirement for capital adequacy of 8% for covering the risks on which the Bank is exposed has been confirmed (2023:3.25%).

Starting from 1st of January 2023 the Banks in RNM are obliged to fulfill the capital allowance with Common Equity Tier 1 capital (previously, the capital allowance above the minimum legally determined level of the capital adequacy rate the banks could have met with any quality of capital i.e. any component of its own funds). Also, starting from 1st of August 2023 total capital requirements for the banks in RNM were increased by fulfillment of the requirement for the countercyclical capital buffer for exposures in the country. As of 31st of December 2024 this rate is 1.25%. For the period from 1st of January to 31st of July 2025, this rate will amount to 1.50% and from 1st of August 2025-onwards, 1.75%.

The minimum capital level which the Bank is required to maintain starting from 1st of January 2025 to 31st of July 2025 is 17.25% according to the regulatory requirements from the National Bank, i.e., 17.75% (including the 50 bps as an internal management buffer in accordance with the risk appetite and Capital and Capital Adequacy Management Policy of NLB Banka AD Skopje). From 1st of August 2025, onwards is 17.50% according to the regulatory requirements from the National bank, i.e. 18.00% (including the 50 bps as an internal management buffer in accordance with the risk appetite and Capital and Capital Adequacy Management Policy of NLB Banka AD Skopje).

In order to fulfill the minimum capital requirement, the Bank proposes to retain part of the realized profit in 2024 in the amount of 1.054.981.102 MKD (17.154.164 EUR with the exchange rate 61.5 MKD/EUR for informative calculations).

Part of the profit which will be included in the capital is limited for distribution to the shareholders in the future. The part of the profit which will be included in the capital should be confirmed by the Shareholder Assembly and can not be reduced.

The Bank will make a payment in the amount of 2,217,142,356 MKD (36,051,095 EUR with the exchange rate 61.5 MKD/EUR for informative calculations) for dividend.

Skopje, May 2025