Early Warning System

MIGA-14540

NLB Group Mandatory Reserves Coverage

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Quick Facts

Countries	Montenegro
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Status	Active
Bank Risk Rating	U
Voting Date	2020-06-11
Borrower	NLB Group
Sectors	Finance
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 39.43 million

Project Description

This summary describes equity investments (including retained earnings) by Nova Ljubljanska banka d.d., Ljubljana (NLB d.d., Ljubljana) into its subsidiary NLB Banka AD Podgorica (NLB Podgorica) in Montenegro. The investor has applied for MIGA guarantees of up to EUR32,408,000 in Expropriation of Funds cover for mandatory reserves for a period of up to 7 years.

NLB Group is the largest banking and financial services group in Slovenia with operations across southeastern Europe. NLB Group's six banking subsidiaries outside of Slovenia are required to maintain mandatory reserves at the central banks in their respective jurisdictions, based on the volume of customer deposits. Mandatory reserves affect NLB d.d., Ljubljana's overall Risk-Weighted Assets (RWA) at the consolidated level, resulting in less headroom for other assets at a given level of capital.

Investment Description

- Multilateral Investment Guarantee Agency (MIGA)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- NLB Group (Financial Intermediary)

Private Actors Description

According to MIGA, NLB Group is the largest banking and financial services group in Slovenia with operations across southeastern Europe. NLB Group’s six banking subsidiaries outside of Slovenia are required to maintain mandatory reserves at the central banks in their respective jurisdictions, based on the volume of customer deposits. Mandatory reserves affect NLB d.d., Ljubljana’s overall Risk-Weighted Assets (RWA) at the consolidated level, resulting in less headroom for other assets at a given level of capital.

Contact Information

ACCOUNTABILITY MECHANISM OF MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org. You can learn more about the CAO and how to file a complaint at http://www.cao-ombudsman.org/