

 Early Warning System

MIGA-14769

NLB Group Voluntary Cash Reserves Coverage



## Quick Facts

<b>Countries</b>	Montenegro
<b>Financial Institutions</b>	Multilateral Investment Guarantee Agency (MIGA)
<b>Status</b>	Proposed
<b>Bank Risk Rating</b>	FI
<b>Voting Date</b>	2021-09-30
<b>Borrower</b>	NLB Group
<b>Sectors</b>	Finance
<b>Investment Type(s)</b>	Guarantee
<b>Investment Amount (USD)</b>	\$ 32.78 million



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**Project Description**

This summary describes equity investments (including retained earnings) by Nova Ljubljanska banka d.d., Ljubljana (NLB) into its subsidiary NLB Banka AD Podgorica (NLB Podgorica) in Montenegro. The investor has applied for MIGA guarantee of up to EUR29,000,000 in Expropriation of Funds cover for voluntary cash reserves for a period of up to 3 years.



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## 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)



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### 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 nine banking subsidiaries outside of Slovenia hold reserves in excess of the required amount (i.e. mandatory reserves) with the central banks in their respective jurisdictions, based on the volume of customer deposits. Voluntary cash reserves affect NLB's overall risk-weighted assets (RWA) at the consolidated level, resulting in less headroom for other assets at a given level of capital.



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**ACCESS TO INFORMATION**

You can submit a request for information disclosure at: [https://www.miga.org/contact/access\\_to\\_information](https://www.miga.org/contact/access_to_information)

You can also request general information about MIGA and for information on guarantees by emailing:  
[migainquiry@worldbank.org](mailto:migainquiry@worldbank.org)

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