Early Warning System

MIGA-14772

NLB Group Voluntary Cash Reserves Coverage

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Quick Facts

Countries	North Macedonia
Financial Institutions	Multilateral Investment Guarantee Agency (MIGA)
Status	Proposed
Bank Risk Rating	U
Voting Date	2021-09-30
Borrower	NLB Group
Sectors	Finance
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 20.05 million

Project Description

According to the bank website, the aim of MIGA's proposed guarantees is to help NLB Group reduce the risk of some of its assets, which would lead to a reduction in the NLB's RWA on a consolidated basis. The RWA capacity that is freed up is expected to help NLB Skopje grow the supply of credit, thereby supporting employment in the country.

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 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.

Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: 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

ACCOUNTABILITY MECHANISM OF IFC/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