

Understanding the institutional challenges presented by the current crisis

Prudent forward-looking funding strategies to reengage in responsible growth

Managing Liquidity

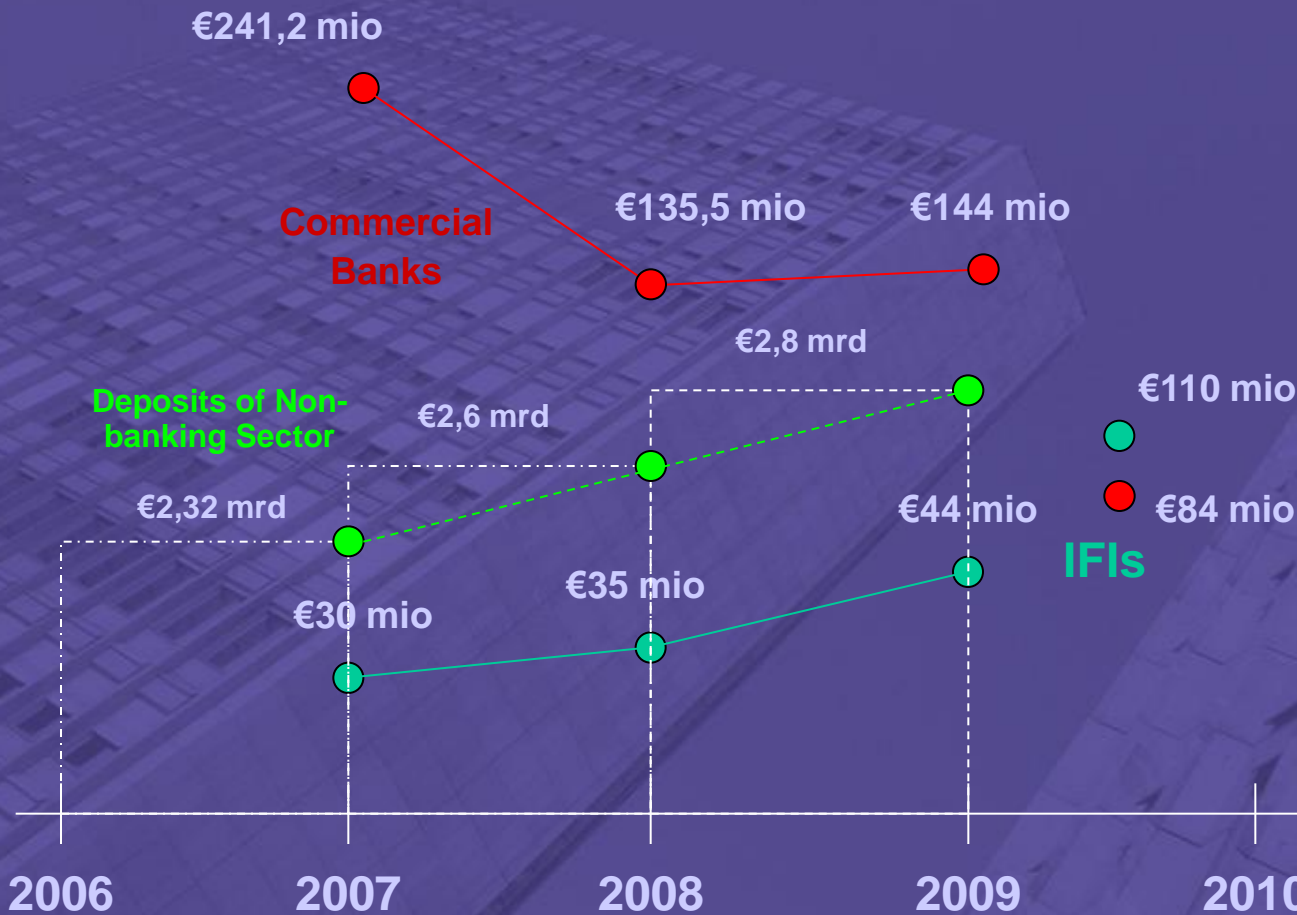
- **Managing liquidity in a conservative way –**
high secondary liquidity reserves
- **Diversification of funding sources**
 - retail deposits
 - general purpose funding (bonds, loans)
 - purpose funding (IFI credit lines)

How crisis resilient are different funding sources

- retail deposits (most stable source)
- commercial bank funding is decreasing – although key relationship banks still supportive
- increased role of IFI/DFI/Investment funds

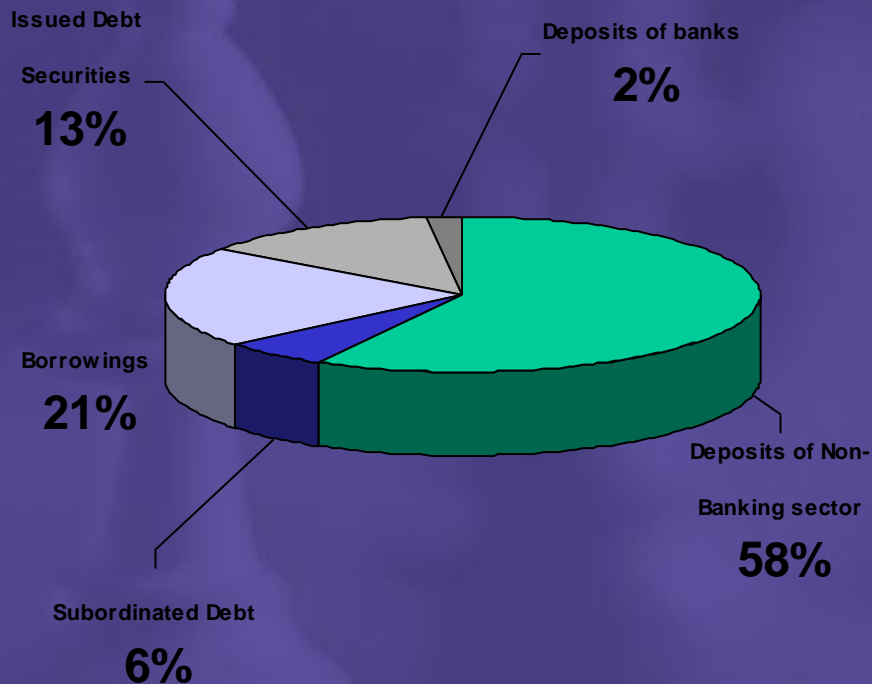
Σ = IFIs are facilitators of growth of national economies

NLB Group Funding (excluding NLB d.d., Ljubljana)



Ideal mix of funding sources (NLB's case)

NLB's d.d. funding structure as on date 31 December 2009



NLB Group Members are required to focus on:

1. retail deposits
2. Long-term funding - IFIs

NLB Group's expectations vis-a-vis DFIs/IFIs/Investment Funds

EXCPECTIONS:

- provide senior & subordinated loans (longer maturities)
- technical assistance
- workshops/training courses for branch officers

CHALLENGES:

- strict allocation requirements
- a lot of limitations (amount of the loan, strict covenants, strict standards)
- extensive loan documentation

Benefits of cooperation with IFIs/DFI/IF

Strict standards and support of IFIs



Recognition on
financial markets

Stability

Support to the real
economy



Gateway for commercial banks in future

Thank you for your attention!

»A friend is one who walks in when others walk out«

Mrs. Alenka Smerkolj

Senior Director

+ 386 1 476 91 15,  + 386 1 425 21 46,

 alenka.smerkolj@nlb.si