

**BANKA
SLOVENIJE**
BANK OF SLOVENIA
EUROSYSTEM



**MONTHLY REPORT
ON BANK PERFORMANCE**



NOVEMBER 2018

BRIEF COMMENTARY ON DEVELOPMENTS IN THE BANKING SECTOR

Growth in the balance sheet total slowed slightly in the third quarter of this year, reaching 3% in year-on-year terms in September. The balance sheet total declined by EUR 82 million in September to EUR 38.5 billion.

Loans to the non-banking sector increased by EUR 95 million in September, as a result of growth in loans to households and non-residents. The year-on-year rate of growth nevertheless declined to 5.9%, as a result of a base effect. Year-on-year growth in loans to non-financial corporations remains relatively stable, at 2.8%. Growth in household loans also remains stable: the year-on-year rate in September was unchanged from the previous month at 6.9%. This year the increase in household loans has been larger than the increase in loans to non-financial corporations at the majority of banks. Housing loans remain ahead of consumer loans in terms of stock and in terms of this year's nominal increase. Growth in consumer loans nevertheless remains rather high at 11.4%, although it is not increasing. Growth in housing loans increased slightly in the third quarter, reaching 4.5% in year-on-year terms in September.

Growth in deposits by the non-banking sector remains solid, at 5.7%. September's increase in household deposits was smaller than in previous months. Year-on-year growth in household deposits slowed to 5.8% in September, as a result of a base effect, namely a sharp temporary increase in household deposits at one of the banks last September. Sight deposits are still increasing, albeit more slowly than in previous years. The proportion of sight deposits increased to 72% of total deposits by the non-banking sector and 74% of total household deposits in September.

Non-performing exposures (NPEs) amounted to EUR 1,935 million or 4.5% of the banks' total exposure at the end of September, while non-performing loans (NPLs) amounted to EUR 1,764 million or 6.3% of total loans. September's decline in NPEs was the same as in August at EUR 27 million, taking the total decline over the first nine months of the year to EUR 595 million.

The banks generated a total pre-tax profit of EUR 422 million over the first nine months of the year, as a result of favourable factors in the generation of gross income and in the disposal of income. Interest income is gradually increasing as a result of growth in loans, while interest expenses are extremely low on account of the favourable funding structure. Operating costs are down on the same period last year. The banks are continuing to record a net release of impairments and provisions, in the total amount of EUR 41 million over the first nine months of the year.

CONTENTS

1. Main features of banks' performance and financial statements	1
2. Bank's interest rates	3
3. Quality of the banking system's credit portfolio	6
4. Leasing companies' performance	8

1. MAIN FEATURES OF BANKS' PERFORMANCE AND FINANCIAL STATEMENTS¹

Table 1.1: Banking system's assets and liabilities, as at 30 September 2018

BALANCE SHEET	Stock	Breakdown	Stock	Breakdown	Stock	Breakdown	Increase		Growth in September 18, %	
	31.12.2008	(%)	31.12.2017	(%)	30.09.2018	(%)	in September 18	in 2018	monthly	year-on-year
<i>EUR million unless stated, growth rates in %</i>										
Assets	47,948	100.0	37,946	100.0	38,460	100.0	-82.2	513.5	-0.2	3.0
Cash in hand, balances at central bank and sight deposits at banks*	1,250	2.6	4,187	11.0	4,413	11.5	-166.7	226.2	-3.6	17.5
Loans to banks at amortised cost (including central bank)	4,101	8.6	2,085	5.5	1,817	4.7	-68.8	-268.2	-3.6	-11.7
domestic banks	2,673	5.6	824	2.2	857	2.2	18.2	33.5	2.2	4.9
foreign banks	1,428	3.0	1,261	3.3	960	2.5	-86.9	-301.7	-8.3	-22.7
short-term loans to banks	2,056	4.3	888	2.3	731	1.9	-65.0	-157.6	-8.2	-20.7
long-term loans to banks	2,046	4.3	1,197	3.2	1,086	2.8	-3.7	-110.6	-0.3	-4.5
Loans to non-banking sector*	33,718	70.3	21,523	56.7	22,096	57.5	94.8	572.4	0.4	5.9
of which non-financial corporations	20,260	42.3	8,288	21.8	8,536	22.2	3.4	248.4	0.0	2.8
households	7,558	15.8	9,419	24.8	9,916	25.8	68.1	496.2	0.7	6.9
government	506	1.1	1,980	5.2	1,761	4.6	-34.0	-219.3	-1.9	17.5
other financial institutions	2,829	5.9	1,142	3.0	1,052	2.7	3.1	-89.1	0.3	-4.2
non-residents	2,515	5.2	663	1.7	798	2.1	55.2	134.7	7.4	20.0
Other financial assets classed as loans and receivables (at amortised cost)	0	0.0	161	0.4	144	0.4	6.0	-17.0	4.3	-7.5
Securities / financial assets**	7,323	15.3	8,776	23.1	8,740	22.7	53.2	-35.9	0.6	-6.1
a) Financial assets held for trading	1,177	2.5	93	0.2	71	0.2	-21.6	-21.6	-23.3	-47.2
of which debt securities held for trading	571	1.2	59	0.2	36	0.1	-14.2	-23.2	-28.3	-62.0
... government debt securities held for trading	56	0.1	59	0.2	36	0.1	-14.2	-23.2	-28.3	-62.0
b) Financial assets measured at fair value through P&L not held for trading	0	0.0	15	0.0	51	0.1	-0.5	36.3	-1.0	103.0
of which debt securities measured at fair value through P&L not held for trading	0	0.0	0	0.0	0	0.0	0.0	0.0	0.0	0.0
c) Financial assets designated for measurement at fair value through P&L	179	0.4	9	0.0	6	0.0	0.0	-3.3	-0.3	-81.9
of which debt securities designated for measurement at fair value through P&L	163	0.3	9	0.0	6	0.0	0.0	-3.3	-0.3	-81.9
... government debt securities designated for measurement at fair value through P&L	0	0.0	3	0.0	0	0.0	0.0	-3.3	0.0	-100.0
d) Financial assets measured at fair value through other comprehensive income	4,552	9.5	7,314	19.3	5,477	14.2	-21.5	-1837.0	-0.4	-28.5
of which debt securities measured at fair value through other comprehensive income	4,318	9.0	7,065	18.6	5,260	13.7	-21.5	-1804.8	-0.4	-29.1
... government debt securities measured at fair value through other comprehensive income	2,875	6.0	4,965	13.1	3,643	9.5	-28.4	-1321.6	-0.8	-32.3
e) Debt securities at amortised cost	1,415	3.0	1,345	3.5	3,135	8.2	96.8	1789.8	3.2	116.5
of which government debt securities at amortised cost	1,182	2.5	1,163	3.1	2,435	6.3	92.3	1271.6	3.9	92.6
Interests in subsidiaries, joint ventures and associates	627	1.3	503	1.3	547	1.4	-9.9	44.2	-1.8	8.8
Other assets	928	1.9	712	1.9	704	1.8	9.2	-8.2	1.3	2.1
Equity and liabilities	47,948	100.0	37,946	100.0	38,460	100.0	-82.2	513.5	-0.2	3.0
Financial liabilities measured at amortised cost (deposits)	41,895	87.4	32,833	86.5	33,185	86.3	-71.8	351.6	-0.2	2.6
a) Financial liabilities to central bank (Eurosystem)	1,229	2.6	1,141	3.0	1,093	2.8	-20.4	-47.6	-1.8	-5.8
b) Liabilities to banks	18,168	37.9	3,250	8.6	3,310	8.6	-64.9	60.8	-1.9	-3.2
of which to domestic banks	2,065	4.3	856	2.3	897	2.3	21.0	40.9	2.4	6.1
of which to foreign banks	16,098	33.6	2,393	6.3	2,413	6.3	-85.9	19.9	-3.4	-6.3
c) Liabilities to non-banking sector (deposits by NBS)	20,883	43.6	27,528	72.5	28,369	73.8	-1.1	841.0	0.0	5.7
of which to non-financial corporations	3,728	7.8	6,369	16.8	6,426	16.7	-66.7	57.0	-1.0	8.3
households	13,407	28.0	17,535	46.2	18,346	47.7	33.7	810.8	0.2	5.8
government	1,879	3.9	1,121	3.0	1,131	2.9	12.7	10.5	1.1	0.0
other financial institutions	1,065	2.2	1,142	3.0	1,204	3.1	-12.1	62.4	-1.0	4.5
non-residents	475	1.0	1,009	2.7	879	2.3	29.1	-129.6	3.4	-6.1
d) Debt securities	1,276	2.7	376	1.0	76	0.2	0.1	-301.0	0.2	-80.7
e) Other financial liabilities measured at amortised cost***	1,568	3.3	538	1.4	336	0.9	14.6	-201.7	4.5	-33.6
Provisions	176	0.4	236	0.6	207	0.5	-2.4	-29.8	-1.1	-1.9
Shareholder equity	4,010	8.4	4,737	12.5	4,895	12.7	3.8	158.2	0.1	5.5
Other liabilities	1,867	3.9	140	0.4	173	0.5	-11.9	33.5	-6.4	7.3
BALANCE SHEET TOTAL	47,948	100.0	37,946	100.0	38,460	100.0	-82.2	513.5	-0.2	3.0

Notes: * Loans to non-banking sector not held for trading comprise "Loans and other financial assets at amortised cost" (from A.VI of the "Methodology for compiling the recapitulation of the statement of financial position", the category of "Loans (and other financial assets) designated for measurement at fair value through profit and loss" (from A.III), the category of "Loans (and other financial assets) designated for measurement at fair value through other comprehensive income" (from A.IV) and the category of "Loans (and other financial assets) measured at fair value through other comprehensive income".

** Financial assets / securities on the asset side comprise total financial assets from A.II, including loans held for trading, while equities and debt securities other than loans are captured from other categories of financial asset (A.III, A.IV and A.V).

*** Includes subordinated debt until 31 December 2017. Under the IFRS 9 methodology, the item of "subordinated debt" is abolished, and these liabilities are included under liabilities to banks.

The bank performance data in this publication is based on the banks' own book figures, which differ in methodological terms from the published statistics. The data on loans also differs because the data in this publication includes loans to non-residents, applies the net principle (amounts are minus value adjustments), and does not include non-marketable securities.

Source: Bank of Slovenia

Table 1.2: Income statement for 2016, 2017 and 2018

INCOME STATEMENT	2016	Breakdown	Jan.-Dec.17	Breakdown	2017	Breakdown	2018	Breakdown	Annual growth, %
(EUR million unless stated)		(%)	(%)	(%)	Jan.-Sep.17	(%)	Jan.-Sep.18	(%)	Jan.- September 18/ Jan.- September 17
Interest income	828.3		767.2		570.2		576.8		1.2
Interest expenses	158.4		115.2		88.5		78.0		-11.9
Net interest	670.0	59.4	651.9	60.7	481.7	58.5	498.8	57.6	3.6
Non-interest income	457.2	40.6	422.2	39.3	341.5	41.5	366.7	42.4	7.4
of which net fees and commission	307.4	27.3	313.5	29.2	235.0	28.5	237.2	27.4	0.9
of which net gains/losses on financial assets and liabilities held for trading	11.5	1.0	29.6	2.8	20.8	2.5	9.8	1.1	-52.7
Gross income	1,127.1	100.0	1,074.2	100.0	823.2	100.0	865.4	100.0	5.1
Operating costs	-667.1	-59.2	-673.7	-62.7	-490.6	-59.6	-484.2	-56.0	-1.3
Net income	460.0	40.8	400.5	37.3	332.6	40.4	383.9	44.4	15.4
Net impairments and provisions	-96.3	-8.5	42.7	4.0	35.9	4.4	40.5	4.7	12.8
Pre-tax profit	363.7	32.3	443.2	41.3	368.5	44.8	421.7	48.7	14.4
Taxes	-31.2		-18.4		-25.4		-39.6		55.5
Net profit	332.4		424.8		343.1		382.2		11.4

Source: Bank of Slovenia

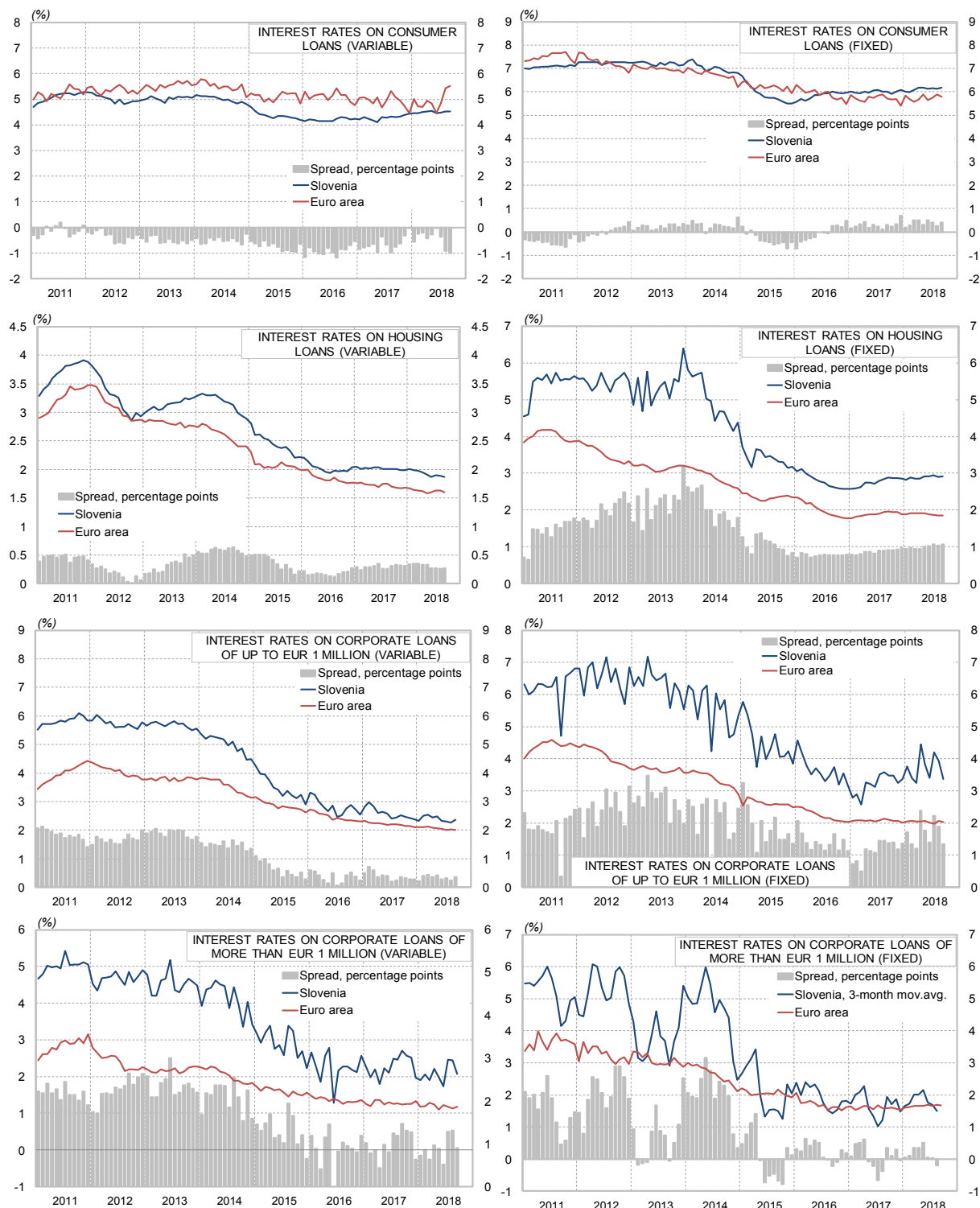
Table 1.3: Selected performance indicators

in %	2014	2015	2016	2017	2017	2018	Sep-17	Sep-18
					Jan.-Sep.	Jan.-Sep.	(last 12 mon.)	(last 12 mon.)
Profitability								
Financial intermediation margin*	3.10	3.05	3.05	2.88	2.97	3.04	2.93	2.93
ROA	-0.27	0.42	0.99	1.19	1.33	1.48	1.07	1.30
ROE	-2.69	3.63	7.96	9.58	10.86	11.86	8.67	10.35
Interest margin on interest-bearing assets	2.18	2.06	1.91	1.83	1.82	1.84	1.83	1.85
Net non-interest income / operating costs	58.05	60.05	68.53	62.67	69.61	75.72	66.27	67.03
Operating costs								
Labour costs / average assets	0.92	0.97	1.01	1.02	1.00	1.00	1.02	1.02
Other costs / average assets	0.81	0.84	0.80	0.78	0.76	0.69	0.78	0.73
Asset quality								
Impairments of financial assets at amortised cost / gross assets	8.98	7.84	5.38	4.09	4.90	3.00	/	/

* Gross income / average assets

Source: Bank of Slovenia

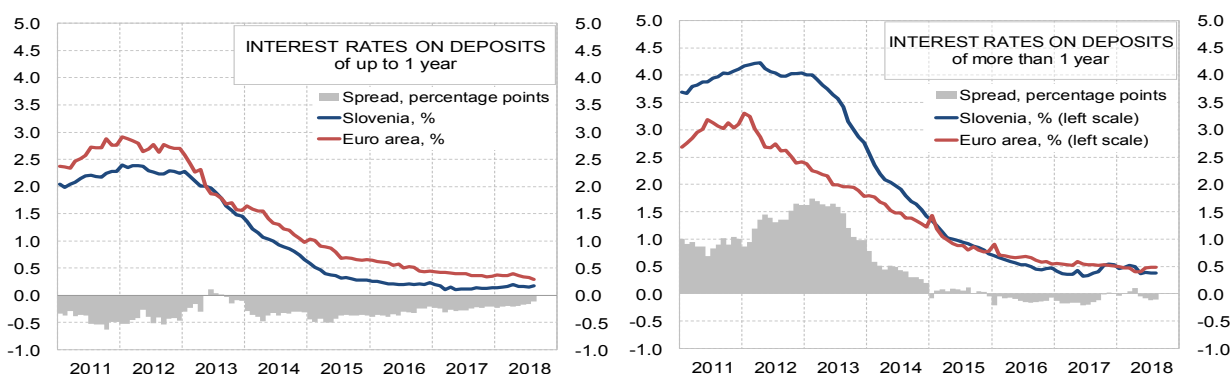
2. BANKS' INTEREST RATES

Figure 2.1: Comparison of interest rates on new loans in Slovenia with those across the euro area, variable¹ (left) and fixed² (right) rates, in percentages

Note: The following definitions apply to all interest rates in this appendix: 1) **variable-rate** loans comprise loans concluded with a variable interest rate or with an interest rate fixed for less than one year (even if it is fixed for the entire term to maturity); 2) **fixed-rate** loans comprise loans concluded with a fixed interest rate for a period of more than one year.

Source: Bank of Slovenia

Figure 2.2: Comparison of interest rates on new household deposits in Slovenia with those across the euro area, in percentages¹



Source: Bank of Slovenia, ECB

Table 2.1: Comparison of interest rates on new variable-rate loans in Slovenia with those across the euro area, in percentages

	ECB interest rate	Loans								Household deposits 1)			
		Households				Corporates				up to 1 year		over 1 year	
		Housing EMU	SLO	Consumer EMU	SLO	up to EUR 1m EMU	SLO	over EUR 1m EMU	SLO	EMU	SLO	EMU	SLO
Dec-11	1.00	3.5	3.9	5.2	5.3	4.4	5.8	3.2	5.1	2.8	2.3	3.1	4.1
Dec-12	0.75	2.9	2.9	5.2	4.9	3.8	5.8	2.3	4.9	2.7	2.2	2.4	4.0
Dec-13	0.25	2.8	3.3	5.5	5.1	3.8	5.5	2.3	4.5	1.6	1.5	1.8	2.8
Dec-14	0.05	2.4	2.9	5.1	4.8	3.1	4.5	1.8	3.4	1.0	0.7	1.2	1.4
Dec-15	0.05	2.0	2.2	4.8	4.2	2.6	2.9	1.6	2.2	0.7	0.3	0.8	0.7
Dec-16	0.00	1.8	2.0	4.8	4.2	2.3	2.5	1.4	2.6	0.4	0.2	0.5	0.5
Jan-17	0.00	1.8	2.1	5.1	4.2	2.3	2.8	1.2	2.3	0.4	0.2	0.5	0.4
Feb-17	0.00	1.8	2.0	5.1	4.3	2.3	3.0	1.2	2.0	0.4	0.2	0.5	0.4
Mar-17	0.00	1.7	2.0	5.0	4.3	2.2	2.8	1.4	2.2	0.4	0.1	0.5	0.4
Apr-17	0.00	1.7	2.0	4.8	4.2	2.2	2.6	1.4	1.8	0.4	0.1	0.5	0.4
May-17	0.00	1.7	2.0	5.1	4.1	2.2	2.6	1.2	2.2	0.4	0.1	0.6	0.4
Jun-17	0.00	1.7	2.0	4.7	4.3	2.2	2.6	1.3	2.1	0.4	0.1	0.5	0.3
Jul-17	0.00	1.8	2.0	4.9	4.3	2.2	2.4	1.3	2.5	0.4	0.1	0.5	0.3
Aug-17	0.00	1.8	2.0	5.3	4.3	2.2	2.4	1.3	2.5	0.4	0.1	0.5	0.4
Sep-17	0.00	1.7	2.0	5.1	4.3	2.2	2.5	1.2	2.7	0.4	0.1	0.5	0.4
Oct-17	0.00	1.7	2.0	4.9	4.3	2.2	2.5	1.3	2.6	0.4	0.1	0.5	0.5
Nov-17	0.00	1.7	2.0	4.7	4.4	2.2	2.4	1.2	2.5	0.3	0.1	0.5	0.5
Dec-17	0.00	1.7	2.0	4.5	4.4	2.1	2.4	1.3	2.0	0.3	0.1	0.5	0.5
Jan-18	0.00	1.7	2.0	5.0	4.5	2.1	2.3	1.2	1.9	0.4	0.1	0.5	0.5
Feb-18	0.00	1.6	2.0	4.7	4.5	2.1	2.5	1.2	2.1	0.4	0.2	0.5	0.5
Mar-18	0.00	1.6	2.0	4.7	4.5	2.1	2.6	1.3	1.9	0.4	0.2	0.5	0.5
Apr-18	0.00	1.6	2.0	4.9	4.5	2.1	2.5	1.2	2.2	0.4	0.2	0.4	0.5
May-18	0.00	1.6	1.9	4.8	4.6	2.1	2.5	1.1	2.0	0.4	0.2	0.4	0.4
Jun-18	0.00	1.6	1.9	4.5	4.5	2.0	2.3	1.2	1.7	0.3	0.2	0.5	0.4
Jul-18	0.00	1.6	1.9	4.9	4.5	2.0	2.3	1.2	2.5	0.3	0.2	0.5	0.4
Aug-18	0.00	1.6	1.9	5.4	4.5	2.0	2.3	1.1	2.4	0.3	0.2	0.5	0.4
Sep-18	0.00	1.6	1.9	5.5	4.5	2.0	2.4	1.2	2.1	0.3	0.2	0.5	0.4

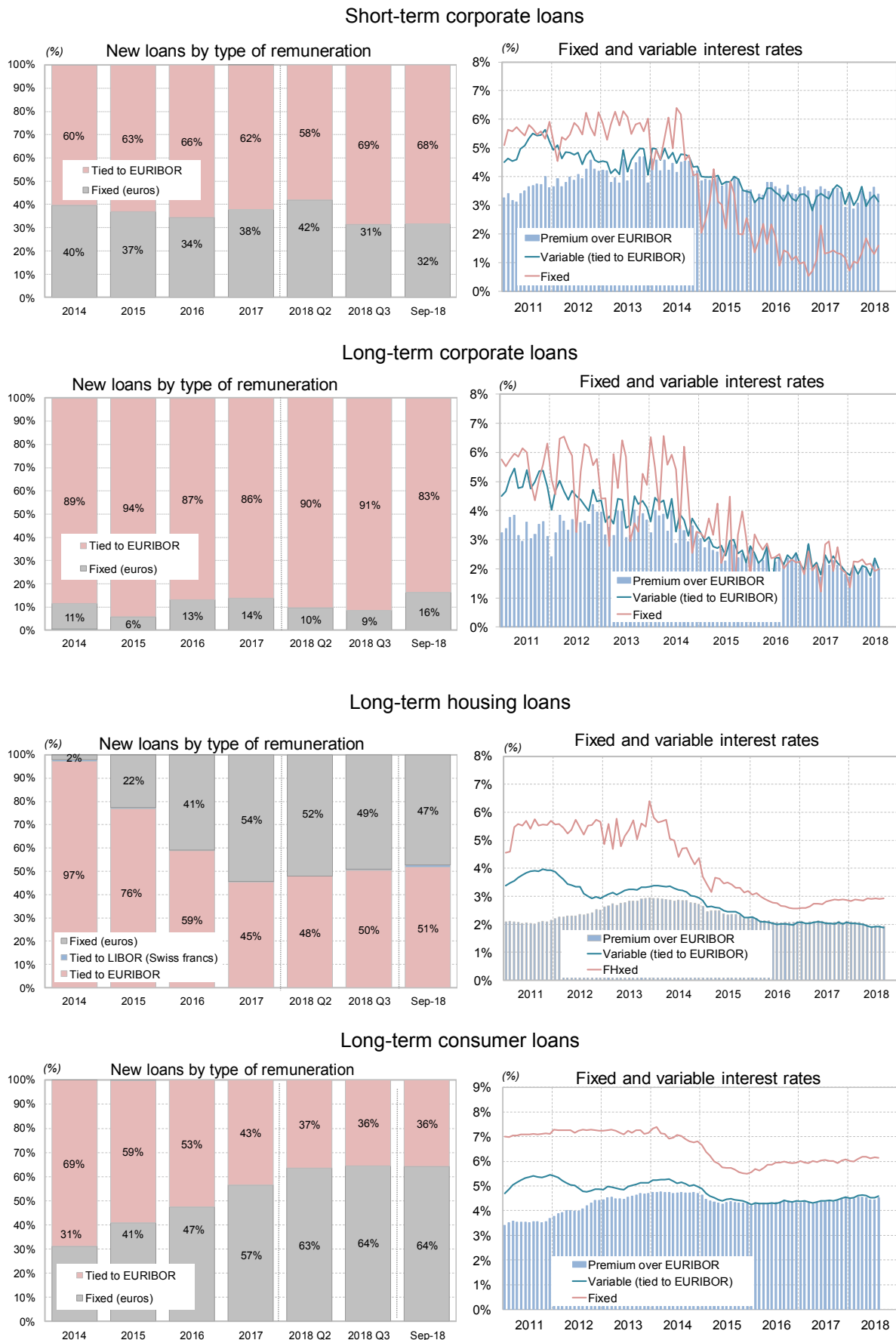
Note 1: Household deposits are broken down by maturity, irrespective of the type of remuneration (fixed and variable interest rates are combined).

Table 2.2: Comparison of interest rates on new fixed-rate loans in Slovenia with those across the euro area, in percentages

	Loans ¹							
	Households				Corporates			
	Housing EMU	SLO	Consumer EMU	SLO	up to EUR 1m EMU	SLO	over EUR 1m EMU	SLO
Dec-11	3.9	5.6	7.2	7.1	4.4	6.8	3.6	6.2
Dec-12	3.3	5.5	6.8	7.2	3.7	6.9	3.0	5.3
Dec-13	3.2	6.4	6.8	7.2	3.6	5.5	2.9	4.6
Dec-14	2.6	4.4	6.2	6.8	2.9	5.4	2.1	2.9
Dec-15	2.4	3.2	5.9	5.5	2.5	3.8	1.9	3.0
Dec-16	1.8	2.6	5.5	6.0	2.0	3.2	1.6	2.2
Jan-17	1.8	2.6	5.9	6.0	2.1	2.8	1.6	1.6
Feb-17	1.8	2.6	5.7	6.0	2.1	2.9	1.5	1.4
Mar-17	1.8	2.6	5.6	5.9	2.1	2.6	1.6	3.0
Apr-17	1.9	2.7	5.6	6.0	2.1	3.3	1.7	1.8
May-17	1.9	2.7	5.8	6.0	2.1	3.2	1.6	2.0
Jun-17	1.9	2.7	5.7	6.1	2.0	3.1	1.6	0.9
Jul-17	1.9	2.8	5.8	6.1	2.1	3.5	1.7	1.1
Aug-17	1.9	2.8	5.9	6.0	2.1	3.6	1.6	-
Sep-17	2.0	2.9	5.7	6.0	2.1	3.5	1.6	1.3
Oct-17	2.0	2.9	5.7	5.9	2.1	3.5	1.6	2.6
Nov-17	1.9	2.9	5.7	6.0	2.1	3.3	1.6	1.3
Dec-17	1.9	2.9	5.4	6.1	2.0	3.4	1.5	1.8
Jan-18	1.9	2.8	5.8	6.0	2.0	3.8	1.6	1.4
Feb-18	1.9	2.9	5.7	6.0	2.1	3.4	1.6	1.8
Mar-18	1.9	2.9	5.6	6.1	2.0	3.2	1.7	2.0
Apr-18	1.9	2.9	5.7	6.2	2.1	4.4	1.7	2.2
May-18	1.9	2.9	5.9	6.2	2.1	3.8	1.7	1.8
Jun-18	1.9	2.9	5.6	6.1	2.0	3.4	1.7	2.5
Jul-18	1.9	2.9	5.8	6.2	2.0	4.2	1.7	1.0
Aug-18	1.9	2.9	5.9	6.1	2.1	3.9	1.7	1.6
Sep-18	1.9	2.9	5.8	6.2	2.0	3.4	1.7	1.9

Source: Bank of Slovenia, ECB

Figure 2.3: Volumes and interest rates on new loans in Slovenian banks



Source: Bank of Slovenia

3. QUALITY OF THE BANKING SYSTEM'S CREDIT PORTFOLIO

Table 3.1:¹ Non-performing exposures by client segment

	Exposures						Non-performing exposures (NPEs)					
	amount, EUR million			breakdown, %			amount, EUR million			ratio, %		
	Dec. 17	Aug. 18	Sep. 18	Dec. 17	Aug. 18	Sep. 18	Dec. 17	Aug. 18	Sep. 18	Dec. 17	Aug. 18	Sep. 18
NFCs	13,443	13,609	13,695	31.9	31.9	32.1	1,736	1,325	1,310	12.9	9.7	9.6
OFIs	1,320	1,201	1,196	3.1	2.8	2.8	33	20	20	2.5	1.7	1.7
Households	10,591	11,072	11,144	25.1	26.0	26.1	350	320	314	3.3	2.9	2.8
sole traders	505	515	516	1.2	1.2	1.2	58	52	51	11.5	10.2	9.9
individuals	10,085	10,557	10,628	23.9	24.7	24.9	292	267	263	2.9	2.5	2.5
Non-residents	7,423	7,331	7,381	17.6	17.2	17.3	396	283	277	5.3	3.9	3.8
Government	5,507	5,327	5,261	13.1	12.5	12.3	15	14	14	0.3	0.3	0.3
Banks and savings banks	1,014	901	909	2.4	2.1	2.1	0	0	0	0.0	0.0	0.0
Central bank	2,891	3,225	3,091	6.9	7.6	7.2	0	0	0	0.0	0.0	0.0
Total	42,188	42,667	42,676	100.0	100.0	100.0	2,530	1,961	1,935	6.0	4.6	4.5

Table 3.2: Classified claims more than 90 days in arrears by client segment

	Classified claims						Claims more than 90 days in arrears					
	amount, EUR million			breakdown, %			amount, EUR million			ratio, %		
	Dec. 17	Aug. 18	Sep. 18	Dec. 17	Aug. 18	Sep. 18	Dec. 17	Aug. 18	Sep. 18	Dec. 17	Aug. 18	Sep. 18
NFCs	13,292	13,268	13,362	37.8	35.7	35.9	700	552	547	5.3	4.2	4.1
OFIs	1,317	1,200	1,181	3.7	3.2	3.2	22	11	11	1.7	0.9	0.9
Households	10,590	11,072	11,143	30.1	29.8	30.0	312	262	260	3.0	2.4	2.3
sole traders	505	515	516	1.4	1.4	1.4	38	34	33	7.4	6.7	6.5
individuals	10,085	10,557	10,628	28.7	28.4	28.6	275	228	226	2.7	2.2	2.1
Non-residents	3,188	4,193	4,236	9.1	11.3	11.4	245	181	175	7.7	4.3	4.1
Government	2,843	3,246	3,208	8.1	8.7	8.6	7	7	7	0.2	0.2	0.2
Banks and savings banks	1,010	957	963	2.9	2.6	2.6	0	0	0	0.0	0.0	0.0
Central bank	2,891	3,225	3,091	8.2	8.7	8.3	0	0	0	0.0	0.0	0.0
Total	35,132	37,160	37,183	100.0	100.0	100.0	1,287	1,013	999	3.7	2.7	2.7

Table 3.3:¹ Non-performing exposures to non-financial corporations by sector

	Exposures			Non-performing exposures (NPEs)			NPE ratio		
	(EUR million)			(EUR million)			(%)		
	Dec. 17	Aug. 18	Sep. 18	Dec. 17	Aug. 18	Sep. 18	Dec. 17	Aug. 18	Sep. 18
Agriculture, forestry, fishing, mining	153	140	141	21	17	17	13.9	12.3	12.0
Manufacturing	3,745	3,917	3,970	256	209	204	6.8	5.3	5.1
Electricity, gas, water, remediation	1,007	1,020	1,025	17	15	16	1.7	1.5	1.6
Construction	1,119	1,138	1,154	265	223	221	23.7	19.6	19.1
Wholesale and retail trade	2,531	2,568	2,575	538	452	453	21.2	17.6	17.6
Transportation and storage	1,733	1,818	1,816	99	76	75	5.7	4.2	4.1
Accommodation and food service	442	441	438	72	58	57	16.4	13.2	13.0
Information and communication	702	590	586	35	31	27	5.0	5.2	4.5
Financial and insurance activities	84	56	56	55	6	6	65.2	10.1	10.0
Real estate activities	571	514	507	226	115	113	39.6	22.4	22.3
Professional, scientific and technical	1,059	1,124	1,141	114	95	94	10.8	8.4	8.2
Public services	297	282	286	37	29	28	12.3	10.1	9.8
Total	13,443	13,609	13,695	1,736	1,325	1,310	12.9	9.7	9.6

Source: Bank of Slovenia

Note: ¹ The data on non-performing exposures is calculated on the basis of the banks' modified reporting under the Guidelines for implementing the Regulation on reporting by monetary financial institutions in accordance with the CRD IV and the EBA definition published in Commission Implementing Regulation (EU) 2015/227 (OJ L 48 of 20 February 2015).

Table 3.4: Classified claims against non-financial corporations more than 90 days in arrears

	Classified claims			Classified claims more than 90 days in arrears			Proportion of classified claims more than 90 days in arrears		
	(EUR million)			(EUR million)			(%)		
	Dec.17	Aug.18	Sep.18	Dec.17	Aug.18	Sep.18	Dec.17	Aug.18	Sep.18
Agriculture, forestry, fishing, mining	158	140	141	14	7	7	8.6	5.0	5.0
Manufacturing	3,734	3,903	3,968	142	117	115	3.8	3.0	2.9
Electricity, gas, water, remediation	1,001	1,010	1,014	7	6	6	0.7	0.6	0.6
Construction	1,119	1,136	1,153	227	177	176	20.2	15.6	15.2
Wholesale and retail trade	2,496	2,342	2,344	102	85	87	4.1	3.6	3.7
Transportation and storage	1,695	1,786	1,784	16	14	14	0.9	0.8	0.8
Accommodation and food service	442	436	434	36	24	24	8.0	5.6	5.5
Information and communication	668	565	562	22	19	19	3.3	3.4	3.4
Financial and insurance activities	84	56	56	3	5	5	3.0	8.5	8.5
Real estate activities	571	514	507	44	25	24	7.7	4.9	4.7
Professional, scientific and technical	1,029	1,096	1,113	72	63	61	7.0	5.8	5.4
Public services	296	282	286	17	9	10	5.7	3.3	3.5
Total	13,292	13,268	13,362	700	552	547	5.3	4.2	4.1

Source: Bank of Slovenia

IV. LEASING COMPANIES' PERFORMANCE

- **New equipment leasing business continued to grow over the first nine months of 2018, while there was little new real estate leasing business.** New equipment leasing business amounted to EUR 803 million over the first nine months of the year, up 9.1% in year-on-year terms. Leasing companies are still focusing on leasing of cars, and commercial and goods vehicles, which accounted for 89.3% of new equipment leasing business in the first nine months of 2018. New real estate leasing business fell to its lowest level to date, which was a factor in the decline in year-on-year growth in aggregate new leasing business to 3.8%. Firms and households remain the main source of aggregate new leasing business: they entered into leasing business of EUR 417 million (52% of the total) and EUR 389 million (48%) respectively in the first half of the year.
- **The positive trend in new equipment leasing business is also being reflected in growth in the stock of equipment leasing business, while the total stock of leasing business declined in year-on-year terms.** The decline in the total stock of leasing business was attributable to leasing companies' diminishing interest in entering into real estate business, and the winding-up of individual leasing companies that were established solely for the project financing of real estate business.
- **The winding-up of individual leasing companies and the ongoing growth in equipment leasing business, which is less burdened by arrears, had a favourable impact on the proportion of claims more than 90 days in arrears.** The proportion of claims more than 90 days in arrears declined: it stood at 5.6% in September, down 2 percentage points in year-on-year terms. The concentration of claims more than 90 days in arrears increased further: three leasing companies accounted for 80% of all arrears, although the proportion of business that they account for did not exceed 17%.
- **Total assets declined in September, while equity increased.** Total assets stood at EUR 2.82 billion in September, down 0.8% in year-on-year terms, as a result of the winding-up of individual reporting entities. If this effect is eliminated, there was an increase of 3.7% in total assets. Equity on leasing companies' balance sheets increased by 45% to EUR 597 million, as a result of continuing good performance and recapitalisations.

Table IV.1: New leasing business by type of leasing and institutional sector

New leasing business by type of leasing and institutional sector, EUR million											
	Real estate leasing					Equipment leasing					
	NFCs	Households	Other sectors	Rest of world	Total	NFCs	Households	Other sectors	Rest of world	Total	
2013	152.6	9.6	2.6	1.0	165.9	346.4	373.7	1.2	3.6	724.9	
2014	213.8	4.4	22.2	0.4	240.8	356.5	416.7	2.3	3.4	779.0	
2015	39.5	3.9	1.3	0.3	45.0	407.2	444.1	1.8	5.8	858.9	
2016	49.4	4.4	2.4	0.0	56.2	472.4	440.3	1.1	6.3	920.0	
2017	39.5	2.8	10.8	2.9	56.0	520.5	477.8	9.6	6.3	1,014.2	
2017 Q1	28.7	2.4	0.1	0.0	31.2	119.1	121.2	1.9	1.9	244.1	
Q2	4.1	0.2	6.2	0.1	10.5	137.3	124.2	5.2	2.0	268.7	
Q3	1.5	0.2			1.7	109.6	109.8	2.0	2.3	223.7	
Q4	5.2	0.0	4.5	2.8	12.6	154.4	122.6	0.5	0.2	277.7	
2018 Q1	0.9	0.1	0.1	0.0	1.0	138.6	135.5	0.3	0.3	274.6	
Q2	3.4	0.0	0.3		3.7	153.4	135.8	0.4	0.0	289.7	
Q3	1.0	0.1	0.0		1.1	119.9	118.7	0.4	0.1	239.1	

Table IV.2: Stock of leasing business by type of leasing and institutional sector

Stock of leasing business by type of leasing and institutional sector, EUR million											
	Real estate leasing					Equipment leasing					
	NFCs	Households	Other sectors	Rest of world	Total	NFCs	Households	Other sectors	Rest of world	Total	
2013	1,342.9	120.0	158.2	1.7	1,622.9	781.9	936.7	10.7	55.0	1,784.3	
2014	1,087.3	97.6	118.7	1.7	1,305.5	745.2	945.1	7.2	47.8	1,745.3	
2015	899.4	79.2	96.7	2.0	1,077.3	712.7	963.8	5.6	50.0	1,732.0	
2016	556.5	59.9	52.5	3.2	672.2	710.6	933.4	3.7	23.7	1,671.3	
2017	468.8	49.2	44.0	2.0	564.0	816.5	1,018.8	12.5	4.4	1,852.2	
2017 Q1	539.2	56.2	50.0	0.5	645.8	714.4	952.9	5.5	24.1	1,696.9	
Q2	517.3	53.3	42.0	2.5	615.0	742.1	976.2	10.1	24.5	1,752.8	
Q3	644.5	53.6	49.3	2.3	749.8	775.0	988.1	12.0	15.6	1,790.7	
Q4	468.8	49.2	44.0	2.0	564.0	816.5	1,018.8	12.5	4.4	1,852.2	
2018 Q1	434.5	43.0	43.6	3.6	524.7	827.4	1,052.3	12.1	4.0	1,895.9	
Q2	358.8	41.3	42.0	2.5	444.6	862.0	1,076.9	16.2	2.7	1,957.8	
Q3	333.9	39.6	33.5	1.5	408.4	865.8	1,061.7	15.2	2.6	1,945.3	

Table IV.3: Leasing business by type of leasing and maturity

New leasing business by maturity, EUR million												
	Up to 1 year		1 to 5 years		5 to 10 years		Over 10 years		Total			
	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	All leasing	
2013	125.7	100.4	296.8	12.3	299.6	15.8	2.8	37.4	724.9	165.9	890.8	
2014	124.9	50.0	339.0	77.1	314.6	74.9	0.6	38.8	779.0	240.8	1,019.8	
2015	151.1	13.7	350.3	9.6	353.3	12.0	4.3	9.7	858.9	45.0	903.9	
2016	178.2	31.5	352.8	8.1	385.5	11.8	3.6	4.7	920.0	56.2	976.2	
2017	210.8	34.0	368.7	3.8	434.2	2.0	0.4	16.2	1,014.2	56.0	1,070.2	
2017 Q1	51.9	27.4	87.3	2.3	105.0	0.2		1.3	244.1	31.2	275.3	
Q2	55.1	1.1	99.9	0.8	113.4	1.1	0.3	7.5	268.7	10.5	279.2	
Q3	45.3	1.0	79.6	0.1	98.8	0.4	0.0	0.2	223.7	1.7	225.4	
Q4	58.5	4.5	102.0	0.6	117.1	0.3	0.1	7.2	277.7	12.6	290.3	
2018 Q1	55.5	0.1	94.5	0.1	124.5	0.2	0.2	0.7	274.6	1.0	275.6	
Q2	59.6	0.0	95.9	0.3	134.1	0.7	0.1	2.7	289.7	3.7	293.4	
Q3	45.5	0.0	76.8	0.1	116.7	0.2	0.0	0.8	239.1	1.1	240.3	

Stock of leasing business by maturity, EUR million												
	Up to 1 year		1 to 5 years		5 to 10 years		Over 10 years		Total			
	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	All leasing	
2013	353.2	358.2	1,124.7	471.0	268.8	476.1	37.6	317.5	1,784.3	1,622.9	3,407.2	
2014	316.3	215.2	1,125.7	519.8	288.5	365.8	14.8	204.7	1,745.3	1,305.5	3,050.7	
2015	305.0	172.3	1,099.0	504.2	315.7	295.7	12.3	105.1	1,732.0	1,077.3	2,809.3	
2016	228.2	164.0	1,113.8	290.3	322.9	155.5	6.4	62.3	1,671.3	672.2	2,343.5	
2017	251.1	161.4	1,243.3	189.6	353.0	157.5	4.8	55.5	1,852.2	564.0	2,416.2	
2017 Q1	236.1	186.9	1,135.1	278.6	319.5	139.2	6.2	41.1	1,696.9	645.8	2,342.7	
Q2	236.2	192.1	1,182.2	245.9	329.3	147.1	5.2	29.9	1,752.8	615.0	2,367.9	
Q3	248.8	194.6	1,203.0	313.6	334.0	185.2	4.8	56.4	1,790.7	749.8	2,540.5	
Q4	251.1	161.4	1,243.3	189.6	353.0	157.5	4.8	55.5	1,852.2	564.0	2,416.2	
2018 Q1	249.2	137.9	1,265.7	181.3	378.2	164.8	2.8	40.7	1,895.9	524.7	2,420.7	
Q2	252.3	136.0	1,304.8	135.2	399.7	135.9	1.0	37.5	1,957.8	444.6	2,402.4	
Q3	233.3	125.8	1,301.3	119.6	409.8	126.2	0.8	36.8	1,945.3	408.4	2,353.7	

Table IV.4: Stock of leasing business with non-financial corporations by type of leasing and sector

Stock of real estate leasing business with NFCs by sector, EUR million													
	Agri, mining	Manuf	Elec. gas, water	Construct	Trade	Trans, storage	Acco, food	Info, comms	Fin, insur	Real estate	PSTAs, ASSAs	Public services	Total
2013	6.2	53.5	6.5	106.7	637.2	14.0	56.2	8.8	3.5	344.6	64.8	41.0	1,342.9
2014	5.6	39.3	2.8	102.3	462.6	13.5	40.5	7.5	6.3	308.7	60.7	37.6	1,087.3
2015	5.5	33.8	7.4	86.1	399.7	11.2	35.7	7.2	1.8	242.2	43.3	25.6	899.4
2016	5.5	27.2	0.9	21.1	204.2	7.3	22.7	7.2	2.8	213.9	18.6	22.3	553.7
2017	0.1	30.0	1.1	25.2	135.9	10.5	19.3	7.1	4.8	158.9	41.3	33.6	467.9
2017 Q1	5.6	25.0	0.8	23.3	186.8	7.1	19.0	5.4	3.3	202.3	38.6	21.0	538.1
Q2	0.1	19.5	0.8	22.8	184.2	7.0	19.8	5.2	3.1	197.3	36.5	20.0	516.3
Q3	0.1	33.1	1.2	25.3	226.9	10.8	23.8	7.3	5.0	234.1	43.6	32.3	643.5
Q4	0.1	30.0	1.1	25.2	135.9	10.5	19.3	7.1	4.8	158.9	41.3	33.6	467.9
2018 Q1	0.1	29.4	1.1	21.4	135.0	10.0	18.2	6.8	4.8	138.1	37.3	32.1	434.1
Q2	0.1	26.8	1.0	12.8	128.8	9.7	17.7	6.7	2.8	84.2	36.6	31.2	358.5
Q3	0.1	16.6	0.9	10.7	122.2	9.3	17.0	6.3	3.4	83.3	34.8	29.2	333.9

Stock of equipment leasing business with NFCs by sector, EUR million													
	Agri, mining	Manuf	Elec. gas, water	Construct	Trade	Trans, storage	Acco, food	Info, comms	Fin, insur	Real estate	PSTAs, ASSAs	Public services	Total
2013	9.4	148.4	51.6	77.8	153.8	152.3	29.9	20.9	6.0	9.9	77.1	44.7	781.8
2014	10.1	132.4	41.9	75.5	146.0	163.5	34.4	22.9	3.6	9.4	68.0	37.6	745.2
2015	9.5	113.2	38.8	71.0	145.9	162.8	43.4	13.4	3.6	6.2	70.5	34.4	712.7
2016	11.9	96.7	27.2	65.7	139.1	196.4	52.5	12.3	4.4	4.9	66.4	33.1	710.6
2017	8.6	107.1	28.4	73.0	163.4	237.0	46.6	27.5	5.5	4.8	76.0	38.6	816.5
2017 Q1	10.8	95.1	26.7	66.7	147.3	196.9	44.1	12.0	4.8	4.9	69.2	35.8	714.4
Q2	8.2	98.4	27.6	64.1	151.2	207.5	44.6	12.2	5.4	5.1	80.8	36.9	742.1
Q3	7.8	109.7	27.2	68.1	158.2	219.6	44.1	12.2	5.6	5.4	79.2	37.8	775.0
Q4	8.6	107.1	28.4	73.0	163.4	237.0	46.6	27.5	5.5	4.8	76.0	38.6	816.5
2018 Q1	8.5	111.0	27.4	74.7	170.6	241.4	49.7	24.6	5.2	4.7	73.6	36.1	827.4
Q2	8.7	115.2	26.7	81.1	169.1	254.3	49.9	23.2	4.8	5.0	86.4	37.6	862.0
Q3	9.3	116.4	24.5	87.8	165.6	256.7	47.4	22.9	5.2	5.0	87.4	37.4	865.7

Table IV.5: Arrears in leasing business with non-financial corporations by type of leasing and sector

Proportion of arrears in real estate leasing business with NFCs by sector, %														Overall (all leasing)
	Agri, mining	Manuf	Elec. gas, water	Construct	Trade	Trans, storage	Acco, food	Info, comms	Fin, insur	Real estate	PSTAs, ASSAs	Public services	Overall	
2013	85.3	10.3	0.0	15.7	2.8	0.4	15.7	4.3	9.2	2.2	13.3	6.0	5.5	9.5
2014	93.7	17.2	0.0	42.9	5.2	3.5	21.2	4.9	5.3	4.2	20.4	7.4	10.8	13.1
2015	95.2	14.5	4.3	45.8	5.5	7.1	23.9	5.6	3.9	8.9	23.1	13.5	13.0	13.5
2016	96.6	4.3	0.5	38.7	8.1	1.1	14.2	0.2	4.6	6.3	14.1	12.3	9.6	9.1
2017	63.6	6.3	0.0	41.0	13.9	27.6	23.1	0.2	36.0	6.6	48.3	7.4	15.6	10.6
2017 Q1	95.6	5.1	0.0	44.2	9.2	1.2	19.6	0.2	4.0	7.1	11.1	16.4	11.1	9.3
Q2	49.6	9.7	0.0	45.0	9.8	1.3	18.0	0.3	4.3	6.5	9.0	12.6	10.2	8.4
Q3	56.7	7.6	0.0	43.5	11.1	26.4	18.4	0.1	36.8	5.3	45.7	7.8	12.8	10.9
Q4	63.6	6.3	0.0	41.0	13.9	27.6	23.1	0.2	36.0	6.6	48.3	7.4	15.6	10.6
2018 Q1	70.2	6.5	0.0	31.6	13.2	29.2	23.2	0.0	36.8	7.8	45.9	7.7	15.1	9.8
Q2	76.9	5.7	0.0	45.0	13.4	30.1	24.2	0.0	1.6	12.5	46.7	8.1	17.3	9.7
Q3	83.2	8.5	0.0	40.5	14.2	30.9	25.6	0.0	1.4	9.6	49.2	8.6	17.4	8.5

Proportion of arrears in equipment leasing business with NFCs by sector, %														Overall (all leasing)
	Agri, mining	Manuf	Elec. gas, water	Construct	Trade	Trans, storage	Acco, food	Info, comms	Fin, insur	Real estate	PSTAs, ASSAs	Public services	Overall	
2013	18.6	11.7	12.4	46.7	11.9	9.9	21.3	3.0	13.2	26.6	19.5	17.9	16.5	9.5
2014	15.0	13.8	15.8	43.6	12.4	7.5	21.4	2.3	31.1	33.4	23.7	9.7	16.3	13.1
2015	15.0	10.7	13.4	39.0	11.6	5.3	18.4	7.2	32.6	42.2	19.2	9.5	14.3	13.5
2016	13.3	7.9	15.8	26.7	6.9	2.0	10.3	9.0	20.7	20.9	8.5	7.8	8.6	9.1
2017	7.8	8.1	13.7	15.8	5.8	5.6	5.4	3.9	8.8	13.5	6.2	15.4	7.7	10.6
2017 Q1	8.5	6.9	16.2	26.3	6.3	1.9	7.2	9.2	18.4	20.8	7.9	7.2	7.9	9.3
Q2	10.9	6.8	15.5	17.4	5.7	2.1	6.8	9.1	9.0	19.7	6.4	15.8	7.1	8.4
Q3	11.3	12.2	14.3	17.8	6.1	6.8	6.8	9.0	8.6	18.7	7.0	17.4	9.4	10.9
Q4	7.8	8.1	13.7	15.8	5.8	5.6	5.4	3.9	8.8	13.5	6.2	15.4	7.7	10.6
2018 Q1	7.9	7.6	14.2	17.2	5.5	5.7	5.1	4.4	5.2	12.9	2.3	7.4	7.0	9.8
Q2	7.8	7.3	14.5	15.8	5.1	5.3	5.0	4.7	2.8	11.5	2.3	6.6	6.6	9.7
Q3	5.3	7.1	4.7	11.7	3.1	5.2	1.8	4.7	3.1	8.4	1.8	4.5	5.1	8.5

Table IV.6: Repossessions by type of leasing and transaction type, and sale of repossessed assets

Repossessions (new leasing business), EUR million										
	Finance leases		Operating leases		Loans		Total		Total (all leasing)	
	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment		
2013	17.7	5.9	2.6	2.1	0.0	0.0	20.3	7.9	28.2	
2014	8.7	4.4	0.0	1.1	0.0	0.0	8.7	5.5	14.2	
2015	10.3	7.0	0.0	0.8	0.0	0.0	10.3	7.9	18.2	
2016	8.8	3.9	0.0	1.1	1.4	0.1	10.2	5.1	15.3	
2017	2.9	1.0	0.0	1.0	0.4	0.0	3.3	2.0	5.3	
2017 Q1	0.0	0.2	0.0	0.3	0.0	0.0	0.0	0.5	0.5	
Q2	0.3	0.3	0.0	0.2	0.4	0.0	0.7	0.6	1.3	
Q3	1.7	0.1	0.0	0.1	0.0	0.0	1.7	0.3	2.0	
Q4	0.9	0.3	0.0	0.3	0.0	0.0	0.9	0.6	1.5	
2018 Q1	0.0	0.3	0.0	0.4	0.0	0.0	0.0	0.7	0.7	
Q2	0.0	0.3	0.0	0.2	0.0	0.0	0.0	0.4	0.4	
Q3	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.2	

Repossessions (stock of leasing business), EUR million										
	Finance leases		Operating leases		Loans		Total		Total (all leasing)	
	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment		
2013	141.5	9.0	7.2	0.8	1.5	0.0	150.2	9.8	160.0	
2014	118.0	8.2	4.6	0.7	0.0	0.0	122.5	8.9	131.4	
2015	94.4	7.2	4.6	0.6	0.0	0.0	99.0	7.8	106.8	
2016	70.6	6.4	0.2	0.4	1.4	0.1	72.1	6.9	79.0	
2017	53.0	5.2	0.0	0.4	0.0	0.1	53.0	5.7	58.7	
2017 Q1	66.9	6.3	0.2	0.4	1.4	0.1	68.5	6.8	75.3	
Q2	56.4	6.5	0.2	0.4	0.4	0.1	57.1	7.0	64.1	
Q3	56.0	5.3	0.0	0.3	0.0	0.1	56.0	5.7	61.7	
Q4	53.0	5.2	0.0	0.4	0.0	0.1	53.0	5.7	58.7	
2018 Q1	50.9	5.0	0.0	0.4	0.0	0.1	50.9	5.5	56.4	
Q2	51.0	5.1	0.0	0.3	0.0	0.1	51.0	5.4	56.4	
Q3	49.2	4.7	0.0	0.1	0.0	0.1	49.2	4.8	54.0	

Sale of repossessed items, EUR million			
	Real estate	Equipment	Total
2013	4.5	4.1	8.6
2014	12.4	6.2	18.6
2015	2.3	7.9	10.2
2016	6.0	4.1	10.2
2017	2.6	3.0	5.6
2017 Q1	0.4	0.6	1.0
Q2	1.5	0.5	2.0
Q3	0.4	0.6	1.0
Q4	0.3	1.3	1.5
2018 Q1	0.4	0.6	1.1
Q2	0.2	0.4	0.6
Q3	0.0	0.6	0.6

Table IV.7: Leasing companies' performance and funding

								Growth, %					
	2013	2014	2015	2016	2017	Q3 2018	2013	2014	2015	2016	2017	Q3 2018	
Total assets, EUR million	3,826	3,461	2,869	2,675	2,809	2,817	-24.8	-9.5	-17.1	-6.7	5.0	0.3	
Shareholder equity, EUR million	5	288	260	400	479	597	-97.5	5570.2	-9.7	53.9	19.7	24.7	
Net profit, EUR million	266	50	24	51	82	54	-1475.8	-81.1	-52.4	111.9	62.1	-34.0	
ROA, %	6.9	1.5	0.7	1.8	3.0	1.9							
ROE, %	5228.7	17.5	9.6	16.9	19.8	9.1							
Financial and operating liabilities, EUR million	3,729	3,061	2,518	2,189	2,259	2,151	-19414.4	-17.9	-17.7	-13.1	3.2	-4.8	
liabilities to banks and undertakings in group / total	97	88	88	82	80	76							
Investment property	1,002	822	629	567	389	370	7.9	-18.0	-23.5	-9.8	-31.5	-4.7	
investment property/ assets, %	26	24	22	21	14	13							
Finance expenses from impairments and write-offs, E	208	113	118	61	54	34	63.0	-45.7	4.8	-48.0	-11.4	-38.1	