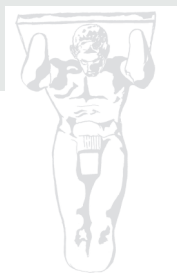


**BANKA
SLOVENIJE**
BANK OF SLOVENIA
EUROSYSTEM



**MONTHLY REPORT
ON BANK PERFORMANCE**



AUGUST 2018

BRIEF COMMENTARY ON DEVELOPMENTS IN THE BANKING SECTOR

The banking system's **balance sheet total** increased by more than EUR 0.5 billion over the first half of the year to stand at EUR 38.5 billion in June, up 3.3% in year-on-year terms.

After a solid increase of EUR 100 million in **loans to the non-banking sector** in June, the year-on-year rate of growth improved to 5.6%. Despite an increase of EUR 81 million in **loans to non-financial corporations** in June, the year-on-year rate of growth remained moderate at 2.5%. Year-on-year growth in **household loans** remained stable in June, at 6.7%, year-on-year growth in housing loans having stabilised at more than 4% in the second quarter. Year-on-year growth in consumer loans strengthened again, reaching 12% in June, as the proportion of fixed-rate loans increases. The increase in consumer loans in the first half of the year was larger than that in housing loans, but the latter remain larger in terms of total stock. Consumer loans account for more than a quarter of total household loans.

Deposits by the non-banking sector are continuing to strengthen, primarily as a result of an increase in household deposits, while deposits by non-financial corporations recorded a modest increase. Household deposits increased by EUR 581 million in the first half of the year to EUR 18.1 billion, up 6.4% in year-on-year terms. The average maturity of funding is continuing to shorten, as deposit rates remain extremely low. The proportion of sight deposits increased to 71% of total deposits by the non-banking sector, and 73.2% of total household deposits by the end of June.

Non-performing exposures (NPEs) declined by a further EUR 100 million in June to EUR 2.1 billion, taking the NPE ratio down 0.3 percentage points to 4.9%. At EUR 1.9 billion, non-performing loans account for the majority of NPEs; the NPL ratio declined by 0.4 percentage points in June to 6.9%.

All the banks were profitable in the first half of the year, generating a **pre-tax profit** of EUR 323 million at system level. Net interest income and net non-interest income in June were both up in year-on-year terms. The banking system's net release of impairments and provisions strengthened, the cumulative amount for the year reaching EUR 53 million in June.

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1. MAIN FEATURES OF BANKS' PERFORMANCE AND FINANCIAL STATEMENTS¹

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

BALANCE SHEET	Stock	Breakdown	Stock	Breakdown	Stock	Breakdown	Increase		Growth in June 18, %	
	31.12.2008	(%)	31.12.2017	(%)	30.06.2018	(%)	in June 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	38,468	100.0	143.5	521.8	0.4	3.3
Cash in hand, balances at central bank and sight deposits at banks*	1,250	2.6	4,187	11.0	4,283	11.1	-21.5	96.2	-0.5	10.1
Loans to banks at amortised cost (including central bank)	4,101	8.6	2,085	5.5	2,192	5.7	28.6	107.2	1.3	1.7
domestic banks	2,673	5.6	824	2.2	871	2.3	24.1	47.1	2.8	-1.7
foreign banks	1,428	3.0	1,261	3.3	1,321	3.4	4.6	60.1	0.3	4.0
short-term loans to banks	2,056	4.3	888	2.3	952	2.5	7.2	63.9	0.8	-10.4
long-term loans to banks	2,046	4.3	1,197	3.2	1,240	3.2	21.5	43.3	1.8	13.4
Loans to non-banking sector*	33,718	70.3	21,523	56.7	21,829	56.7	99.9	305.6	0.5	5.6
of which non-financial corporations	20,260	42.3	8,288	21.8	8,475	22.0	81.3	187.0	1.0	2.5
households	7,558	15.8	9,419	24.8	9,724	25.3	43.3	304.1	0.4	6.7
government	506	1.1	1,980	5.2	1,795	4.7	-67.4	-185.7	-3.6	2.9
other financial institutions	2,829	5.9	1,142	3.0	1,067	2.8	-5.3	-75.1	-0.5	25.4
non-residents	2,515	5.2	663	1.7	737	1.9	47.1	73.6	6.8	11.5
Other financial assets classed as loans and receivables (at amortised cost)	0	0.0	161	0.4	189	0.5	42.3	28.5	28.7	-29.4
Securities / financial assets**	7,323	15.3	8,776	23.1	8,720	22.7	-16.8	-56.0	-0.2	-4.0
a) Financial assets held for trading	1,177	2.5	93	0.2	92	0.2	-0.7	-0.7	-0.1	-38.5
of which debt securities held for trading	571	1.2	59	0.2	53	0.1	0.0	-6.4	0.0	-48.6
... government debt securities held for trading	56	0.1	59	0.2	53	0.1	0.0	-6.4	0.0	-48.6
b) Financial assets measured at fair value through P&L not held for trading	0	0.0	15	0.0	54	0.1	0.2	39.7	0.4	108.6
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	-0.1	-82.8
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	-0.1	-82.8
... 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	5,515	14.3	-35.2	-1798.4	-0.6	-26.3
of which debt securities measured at fair value through other comprehensive income	4,318	9.0	7,065	18.6	5,301	13.8	-35.8	-1763.9	-0.7	-26.8
... government debt securities measured at fair value through other comprehensive income	2,875	6.0	4,965	13.1	3,694	9.6	-35.4	-1271.4	-0.9	-30.4
e) Debt securities at amortised cost	1,415	3.0	1,345	3.5	3,052	7.9	18.3	1706.6	0.6	119.4
of which government debt securities at amortised cost	1,182	2.5	1,163	3.1	2,292	6.0	28.4	1128.6	1.3	89.4
Interests in subsidiaries, joint ventures and associates	627	1.3	503	1.3	557	1.4	0.6	54.1	0.1	20.4
Other assets	928	1.9	712	1.9	698	1.8	10.3	-14.0	1.5	-0.5
Equity and liabilities	47,948	100.0	37,946	100.0	38,468	100.0	143.5	521.8	0.4	3.3
Financial liabilities measured at amortised cost (deposits)	41,895	87.4	32,833	86.5	33,211	86.3	71.6	377.8	0.2	2.8
a) Financial liabilities to central bank (Eurosystem)	1,229	2.6	1,141	3.0	1,116	2.9	-24.3	-24.7	-2.1	-2.9
b) Liabilities to banks	18,168	37.9	3,250	8.6	3,375	8.8	91.5	125.1	2.8	-3.6
of which to domestic banks	2,065	4.3	856	2.3	898	2.3	24.0	41.7	2.8	-2.4
of which to foreign banks	16,098	33.6	2,393	6.3	2,477	6.4	67.5	83.5	2.8	-4.1
c) Liabilities to non-banking sector (deposits by NBS)	20,883	43.6	27,528	72.5	27,981	72.7	58.2	453.1	0.2	5.7
of which to non-financial corporations	3,728	7.8	6,369	16.8	6,410	16.7	5.0	40.8	0.1	11.3
households	13,407	28.0	17,535	46.2	18,116	47.1	142.5	581.0	0.8	6.4
government	1,879	3.9	1,121	3.0	990	2.6	-61.7	-131.3	-5.9	-23.5
other financial institutions	1,065	2.2	1,142	3.0	1,146	3.0	-77.2	4.7	-6.3	0.9
non-residents	475	1.0	1,009	2.7	950	2.5	46.1	-58.4	5.1	3.5
d) Debt securities	1,276	2.7	376	1.0	368	1.0	-0.2	-9.0	0.0	-45.4
e) Other financial liabilities measured at amortised cost***	1,568	3.3	538	1.4	371	1.0	-53.7	-166.8	-12.6	-27.8
Provisions	176	0.4	236	0.6	211	0.5	-2.6	-25.4	-1.2	-4.4
Shareholder equity	4,010	8.4	4,737	12.5	4,870	12.7	66.0	132.9	1.4	7.6
Other liabilities	1,867	3.9	140	0.4	176	0.5	8.4	36.5	5.0	-1.8
BALANCE SHEET TOTAL	47,948	100.0	37,946	100.0	38,468	100.0	143.5	521.8	0.4	3.3

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

** 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 (EUR million unless stated)	2016	Breakdown n		2017		2018		Annual
		Jan.-Dec.17	Breakdown n	Jan.-Jul.17	Breakdown n	Jan.-Jul.18	Breakdown n	growth, %
		(%)	(%)	(%)	(%)	(%)	(%)	Jan.- July 18/ Jan.- July 17
Interest income	828.3		767.2		447.4		450.3	0.7
Interest expenses	158.4		115.2		70.8		61.0	-13.8
Net interest	670.0	59.4	651.9	60.7	376.5	57.2	389.3	56.3
Non-interest income	457.2	40.6	422.2	39.3	281.5	42.8	301.4	43.6
of which net fees and commission	307.4	27.3	313.5	29.2	183.2	27.8	186.7	27.0
of which net gains/losses on financial assets and liabilities held for trading	11.5	1.0	29.6	2.8	16.6	2.5	9.6	1.4
Gross income	1,127.1	100.0	1,074.2	100.0	658.1	100.0	690.9	100.0
Operating costs	-667.1	-59.2	-673.7	-62.7	-381.2	-57.9	-377.6	-54.7
Net income	460.0	40.8	400.5	37.3	276.9	42.1	313.3	45.3
Net impairments and provisions	-96.3	-8.5	42.7	4.0	32.7	5.0	63.8	9.2
Pre-tax profit	363.7	32.3	443.2	41.3	309.7	47.1	376.8	54.5
Taxes	-31.2		-18.4		-22.2		-34.5	55.6
Net profit	332.4		424.8		287.5		342.3	19.1

Source: Bank of Slovenia

Table 1.3: Selected performance indicators

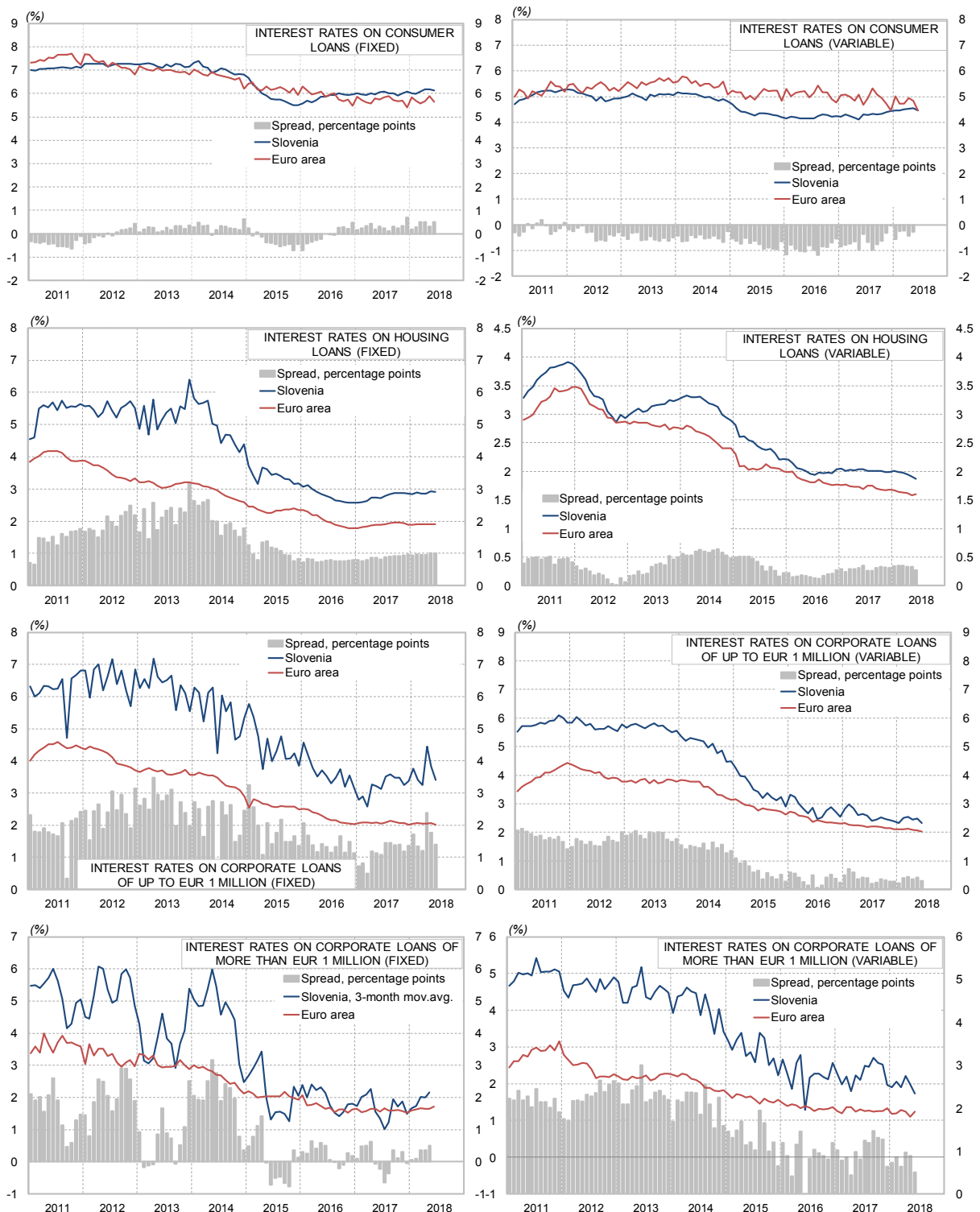
in %	2014	2015	2016	2017	2017	2018	jul.2017	jul.2018
					Jan.-Jul.	Jan.-Jul.	(last 12 mon.)	(last 12 mon.)
Profitability								
Financial intermediation margin*	3.10	3.05	3.05	2.88	3.07	3.13	2.96	2.92
ROA	-0.27	0.42	0.99	1.19	1.44	1.70	0.99	1.35
ROE	-2.69	3.63	7.96	9.58	11.90	13.87	7.96	10.74
Interest margin on interest-bearing assets	2.18	2.06	1.91	1.83	1.84	1.85	1.85	1.84
Net non-interest income / operating costs	58.05	60.05	68.53	62.67	73.86	79.82	66.31	66.00
Operating costs								
Labour costs / average assets	0.92	0.97	1.01	1.02	1.00	0.99	1.02	1.02
Other costs / average assets	0.81	0.84	0.80	0.78	0.76	0.71	0.79	0.75
Asset quality								
Impairments of financial assets at amortised cost / gross assets	8.98	7.84	5.38	4.09	5.03	2.99	/	/

* Gross income / average assets

Source: Bank of Slovenia

2. BANKS' INTEREST RATES

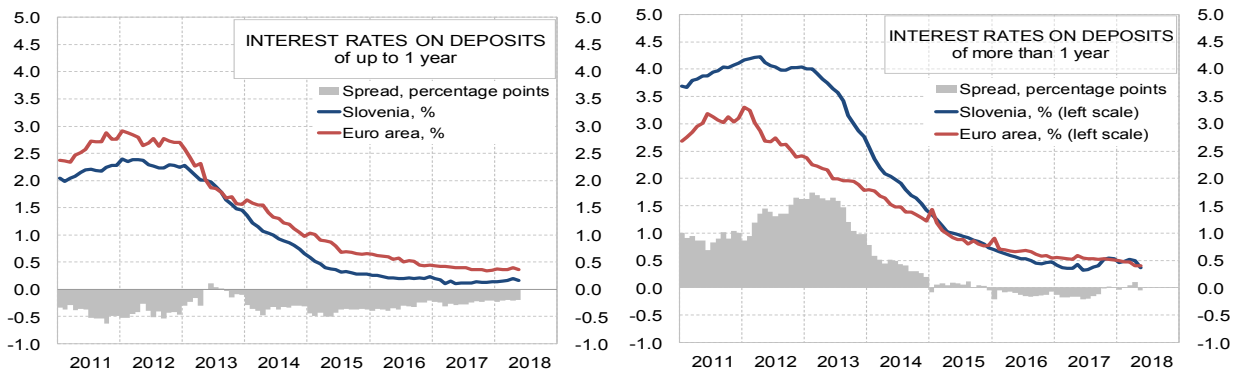
Figure 2.1: Comparison of interest rates on new loans in Slovenia with those across the euro area, variable¹ (left) and fixed² (right) rates, in percentages



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		Consumer		up to EUR 1m		over EUR 1m		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

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

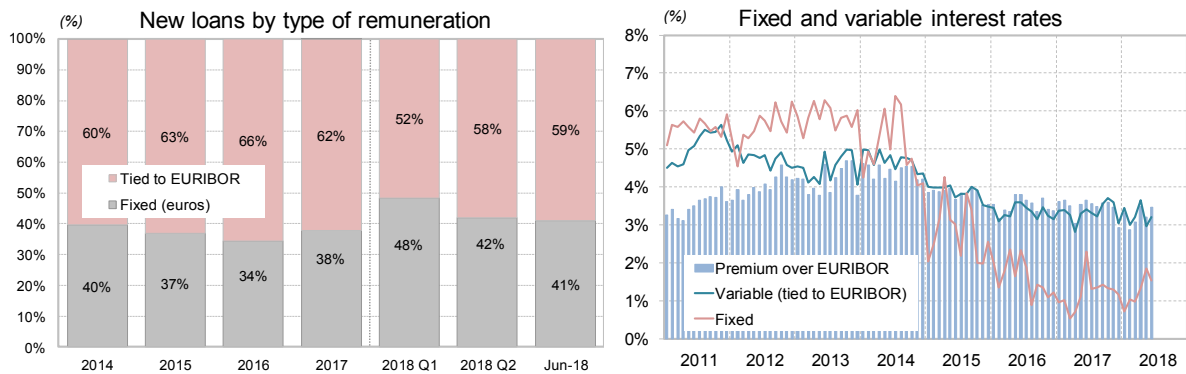
Table 2.2: Comparison of interest rates on new fixed-rate loans in Slovenia with those across the euro area, in percentages

	Loans ¹							
	Households				Corporates			
	Housing		Consumer		up to EUR 1m		over EUR 1m	
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	2.91	5.64	6.13	2.01	3.41	1.71	2.47

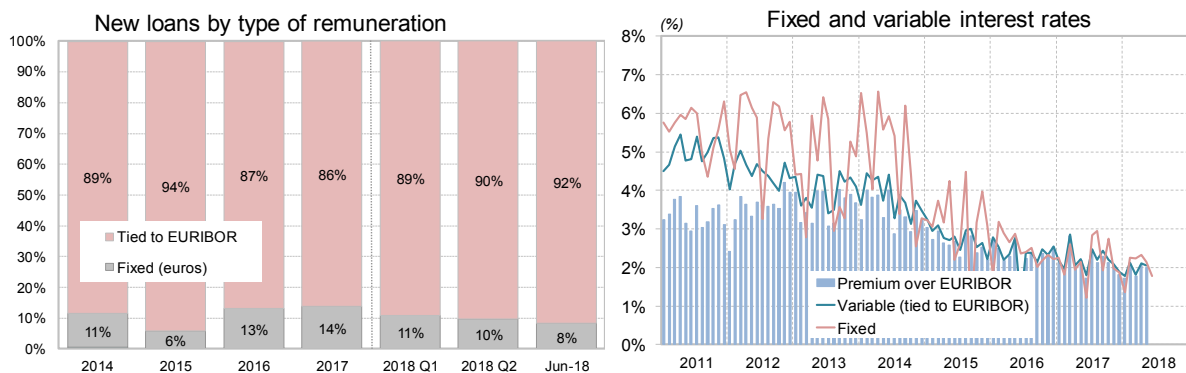
Source: Bank of Slovenia, ECB

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

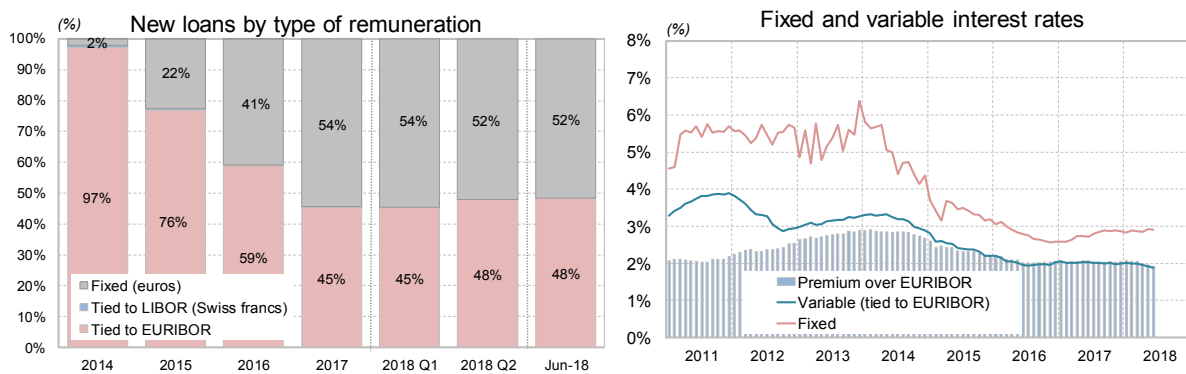
Short-term corporate loans



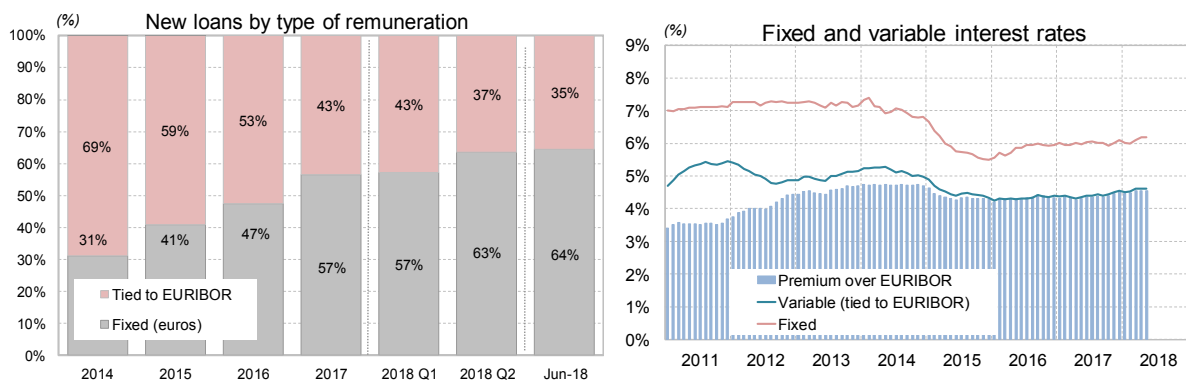
Long-term corporate loans



Long-term housing loans



Long-term consumer loans



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	May. 18	Jun. 18	Dec. 17	May. 18	Jun. 18	Dec. 17	May. 18	Jun. 18	Dec. 17	May. 18	Jun. 18
NFCs	13,443	13,403	13,589	31.9	31.7	31.9	1,736	1,500	1,434	12.9	11.2	10.6
OFIs	1,320	1,255	1,215	3.1	3.0	2.9	33	22	21	2.5	1.8	1.7
Households	10,591	10,916	10,977	25.1	25.8	25.8	350	336	322	3.3	3.1	2.9
sole traders	505	507	509	1.2	1.2	1.2	58	54	54	11.5	10.6	10.6
individuals	10,085	10,409	10,468	23.9	24.6	24.6	292	282	268	2.9	2.7	2.6
Non-residents	7,423	7,719	7,571	17.6	18.3	17.8	396	328	308	5.3	4.2	4.1
Government	5,507	5,207	5,353	13.1	12.3	12.6	15	14	14	0.3	0.3	0.3
Banks and savings banks	1,014	956	984	2.4	2.3	2.3	0	0	0	0.0	0.0	0.0
Central bank	2,891	2,786	2,913	6.9	6.6	6.8	0	0	0	0.0	0.0	0.0
Total	42,188	42,244	42,603	100.0	100.0	100.0	2,530	2,199	2,099	6.0	5.2	4.9

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	May. 18	Jun. 18	Dec. 17	May. 18	Jun. 18	Dec. 17	May. 18	Jun. 18	Dec. 17	May. 18	Jun. 18
NFCs	13,292	13,034	13,178	37.8	35.6	35.6	700	426	588	5.3	3.3	4.5
OFIs	1,317	1,253	1,215	3.7	3.4	3.3	22	12	12	1.7	0.9	1.0
Households	10,590	10,916	10,976	30.1	29.8	29.7	275	264	268	2.6	2.4	2.4
sole traders	505	507	508	1.4	1.4	1.4	38	26	35	7.4	5.1	6.9
individuals	10,085	10,409	10,468	28.7	28.4	28.3	238	238	232	2.4	2.3	2.2
Non-residents	3,188	4,526	4,475	9.1	12.4	12.1	245	157	200	7.7	3.5	4.5
Government	2,843	3,150	3,239	8.1	8.6	8.8	7	6	7	0.2	0.2	0.2
Banks and savings banks	1,010	969	1,015	2.9	2.6	2.7	0	0	0	0.0	0.0	0.0
Central bank	2,891	2,786	2,913	8.2	7.6	7.9	0	0	0	0.0	0.0	0.0
Total	35,132	36,634	37,010	100.0	100.0	100.0	1,250	864	1,073	3.6	2.4	2.9

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	May. 18	Jun. 18	Dec. 17	May. 18	Jun. 18	Dec. 17	May. 18	Jun. 18
Agriculture, forestry, fishing, mining	158	148	147	25	22	22	16.2	14.9	14.8
Manufacturing	3,739	3,788	3,854	252	209	202	6.7	5.5	5.2
Electricity, gas, water, remediation	1,007	1,028	1,031	17	15	16	1.7	1.5	1.5
Construction	1,135	1,142	1,148	265	237	234	23.4	20.8	20.4
Wholesale and retail trade	2,530	2,495	2,631	537	500	496	21.2	20.0	18.8
Transportation and storage	1,733	1,780	1,792	99	78	77	5.7	4.4	4.3
Accommodation and food service	427	417	418	72	66	66	16.9	15.9	15.8
Information and communication	702	591	587	35	32	31	5.0	5.4	5.3
Financial and insurance activities	84	88	58	55	41	11	65.1	46.6	19.4
Real estate activities	563	531	528	226	170	154	40.2	32.1	29.2
Professional, scientific and technical	1,068	1,113	1,108	114	102	96	10.7	9.1	8.6
Public services	297	283	287	37	28	29	12.3	9.9	10.2
Total	13,443	13,403	13,589	1,736	1,500	1,434	12.9	11.2	10.6

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	May.18	Jun.18	Dec.17	May.18	Jun.18	Dec.17	May.18	Jun.18
Agriculture, forestry, fishing, mining	158	148	147	14	4	11	8.6	2.5	7.7
Manufacturing	3,731	3,775	3,841	142	78	121	3.8	2.1	3.1
Electricity, gas, water, remediation	1,001	1,023	1,021	7	7	8	0.7	0.7	0.7
Construction	1,131	1,141	1,145	227	145	191	20.0	12.7	16.7
Wholesale and retail trade	2,499	2,239	2,372	102	62	86	4.1	2.8	3.6
Transportation and storage	1,696	1,748	1,759	16	14	14	0.9	0.8	0.8
Accommodation and food service	427	412	413	36	16	29	8.3	3.8	7.0
Information and communication	667	566	563	22	5	20	3.3	1.0	3.5
Financial and insurance activities	84	84	55	3	5	5	3.0	5.4	8.8
Real estate activities	562	531	496	44	20	28	7.9	3.8	5.6
Professional, scientific and technical	1,040	1,085	1,079	72	61	65	6.9	5.6	6.0
Public services	296	283	287	17	10	10	5.7	3.5	3.5
Total	13,292	13,034	13,177	700	426	588	5.3	3.3	4.5

Source: Bank of Slovenia

IV. LEASING COMPANIES' PERFORMANCE

New equipment leasing business continued to grow in the first half of 2018, while new real estate leasing business was again negligible. New equipment leasing business amounted to EUR 564 million over the first six months of the year, up 10.1% in year-on-year terms. Leasing companies are still focusing on leasing of cars, and commercial and goods vehicles, which accounted for 89.9% of new equipment leasing business in the first half of 2018. Leasing companies' new business is primarily with corporates and households: their new business amounted to EUR 296 million (52% of the total) and EUR 271 million (48%) respectively in the first half of the year.

The positive trend in new equipment business is being reflected in gradual growth in the total stock of leasing business. The stock of leasing business stood at EUR 2.4 billion at the end of June 2018, up 1.5% in year-on-year terms, but down 0.8% in quarterly terms. The stock of equipment leasing business stood at EUR 1.96 billion, and was up in both year-on-year and quarterly terms, by 12% and 3% respectively, while the stock of real estate leasing business stood at EUR 445 million, having declined by a further 15% in quarterly terms. The ongoing increase in the stock of equipment leasing business is primarily attributable to an increase in leasing of commercial and goods vehicles and leasing of cars.

The decline in claims more than 90 days in arrears is continuing. The proportion of claims more than 90 days in arrears stood at 6.3% at the end of June, down 0.2 percentage points in year-on-year terms. The concentration of claims more than 90 days in arrears increased further: three leasing companies accounted for more than 76% of the claims more than 90 days in arrears, while one leasing company accounted for 60% of all arrears.

Leasing companies' balance sheet total and equity increased. The balance sheet total stood at EUR 2.8 billion in June, up 3.1% in year-on-year terms, while equity was up 31% at EUR 556 million. Leasing companies' profitability in terms of ROE declined, as a result of the increase in equity, while total profit was up 6% in year-on-year terms at EUR 34 million.

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

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

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	

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	

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

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

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	Overall (all leasing)
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

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	Overall (all leasing)
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

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		

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		

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

Table IV.7: Leasing companies' performance and funding

								Growth, %					
	2013	2014	2015	2016	2017	Q1 2018	2013	2014	2015	2016	2017	Q1 2018	
Total assets, EUR million	3,826	3,461	2,869	2,675	2,809	2,840	-24.8	-9.5	-17.1	-6.7	5.0	1.1	
Shareholder equity, EUR million	5	288	260	400	479	556	-97.5	5570.2	-9.7	53.9	19.7	16.1	
Net profit, EUR million	266	50	24	51	82	34	-1475.8	-81.1	-52.4	111.9	62.1	-58.3	
ROA, %	6.9	1.5	0.7	1.8	3.0	1.2							
ROE, %	5228.7	17.5	9.6	16.9	19.8	6.2							
Financial and operating liabilities, EUR million	3,729	3,061	2,518	2,189	2,259	2,212	-19414.4	-17.9	-17.7	-13.1	3.2	-2.1	
liabilities to banks and undertakings in group / total	97	88	88	82	80	78							
Investment property	1,002	822	629	567	389	382	7.9	-18.0	-23.5	-9.8	-31.5	-1.6	
investment property/ assets, %	26	24	22	21	14	13							
Finance expenses from impairments and write-offs, E	208	113	118	61	54	21	63.0	-45.7	4.8	-48.0	-11.4	-61.2	