

**BANKA
SLOVENIJE**
BANK OF SLOVENIA
EUROSYSTEM



**MONTHLY REPORT
ON BANK PERFORMANCE**



DECEMBER 2019

COMMENTARY IN BRIEF

In October 2019, consumer loans continued to stand out in terms of growth. Household lending and corporate lending both increased during the first ten months of this year. The largest increase on the funding side of the banking system's balance sheet was recorded by household deposits. Meanwhile the banking system's profit over the first ten months of the year almost reached last year's year-end figure. The rise in profit was mainly attributable to an increase in non-interest income, and the continued net release of impairments and provisions.

The balance sheet total increased by EUR 1.8 billion over the first ten months of the year, and was up 5.8% in year-on-year terms in October. On the investment side, the main increase was in loans to the non-banking sector, which were up EUR 1.3 billion. There was also positive growth in investments in securities: the rate stood at 2% in October.

Growth in consumer loans increased to 11.9% year-on-year in October. The net increase in consumer loans amounted to EUR 51 million in October, EUR 27 million more than the average monthly increase over the preceding 12 months. The expanding increase in consumer loans was most likely attributable to loan agreements being concluded at banks before the entry into force of the Regulation on macroprudential restrictions on lending in November 2019. Similarly, October's net increase in housing loans of EUR 45 million was fully EUR 19 million larger than the monthly average over the preceding 12 months. Year-on-year growth in housing loans has exceeded 5% since March of this year, and stood at 5.5% in October. This year, until the end of October, loans to households increased by 583 million.

This year, until the end of October, corporate loans increased by EUR 615 million. Large transactions at certain banks have seen growth in corporate loans increase since the middle of the year. The year-on-year rate stood at 5.9% in October. The proportion of the stock of loans to the non-banking sector carrying a fixed interest rate is increasing, and in October stood at 57% for consumer loans, 30% for housing loans and 17% for corporate loans.

After recording a large decline of EUR 146 million in September, non-performing exposures (NPEs) were down only EUR 6 million in October. The NPE ratio at the level of the banking system stood at 2.6%, unchanged from September, but down 0.3 percentage points on August. The main decline in NPEs over the two months was recorded by the corporate sector, where the NPE ratio declined to 5.0%. The NPE ratio in the non-residents sector stood at 2.1%. The major sectors notable for high NPE ratios includes trade (9.9%) and construction (9.0%), while the NPE ratio in the manufacturing sector is 2.8%.

Deposits by the non-banking sector, the primary source of bank funding that accounts for three-quarters of the balance sheet total, recorded slightly faster growth in October than the balance sheet total; the year-on-year rate stood at 6.1%. The increase in deposits by the non-banking sector over the first ten months of the year (EUR 1.15 billion) was slightly less than the increase in loans to the non-banking sector (EUR 1.28 billion). The main factor in the increase in deposits by the non-banking sector was household deposits, which were up EUR 1 billion over the first ten months of the year. Sight deposits in particular are increasing: the proportion of total deposits by the non-banking sector that they account for had reached almost 74% by the end of October.

The banking system's pre-tax profit over the first ten months of the year amounted to EUR 550 million, up more than a fifth on the same period last year. The largest factor in this year's increase was an increase in non-interest income, primarily as a result of one-off developments in the first half of the year. At 6.0%, year-on-year growth in net fees and commission, which is the most important component of net non-interest income, outpaced growth in the balance sheet total. Growth in net interest income was down by the end of October compared to the first half of the year, and the net interest margin also declined, to stand at 1.81% (calculated over the preceding 12 months).

The total capital ratio stood at 19.9% on an individual basis in the third quarter of 2019, while the figure of 18.2% on a consolidated basis was comparable to the euro area average. The common equity Tier 1 capital ratio (on a consolidated basis) was almost 3 percentage points higher than the euro area average, at 17.7%. The banking system's liquidity position in October remained at a similar level: the LCR stood at 320%, while the ratio of secondary liquidity to the balance sheet total stood at close to 20% and the highest-liquidity assets accounted for 12% of the balance sheet total.

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1. MAIN FEATURES OF BANKS' PERFORMANCE AND FINANCIAL STATEMENTS¹

Table 1.1: Banking system's assets and liabilities, as at 31 October 2019

EUR million unless stated, growth rates in %	Stock	Breakdown	Stock	Breakdown	Stock	Breakdown	Increase		Growth in October 19, %	
	31.12.2008	(%)	31.12.2018	(%)	31.10.2019	(%)	in October 19	in 2019	monthly	year-on-year
Assets	47.948	100,0	38.776	100,0	40.582	100,0	84,7	1.805,8	0,2	5,8
Cash in hand, balances at central bank and sight deposits at banks*	1.250	2,6	4.713	12,2	4.801	11,8	68,1	87,1	1,4	19,4
Loans to banks at amortised cost (including central bank)	4.101	8,6	1.596	4,1	1.712	4,2	-18,2	115,5	-1,1	-5,0
domestic banks	2.673	5,6	821	2,1	771	1,9	-9,1	-49,6	-1,2	-11,5
foreign banks	1.428	3,0	776	2,0	941	2,3	-9,1	165,1	-1,0	1,2
short-term loans to banks	2.056	4,3	598	1,5	697	1,7	7,1	99,2	1,0	0,3
long-term loans to banks	2.046	4,3	998	2,6	1.015	2,5	-25,3	16,3	-2,4	-8,3
Loans to non-banking sector*	33.718	70,3	22.236	57,3	23.514	57,9	79,1	1.277,8	0,3	5,7
of which non-financial corporations	20.260	42,3	8.470	21,8	9.085	22,4	11,1	615,0	0,1	5,9
households	7.558	15,8	10.078	26,0	10.661	26,3	114,7	583,4	1,1	6,7
government	506	1,1	1.740	4,5	1.633	4,0	-24,8	-106,8	-1,5	-6,5
other financial institutions	2.829	5,9	1.058	2,7	1.058	2,6	-6,0	0,4	-0,6	0,3
non-residents	2.515	5,2	858	2,2	1.046	2,6	-16,6	187,5	-1,6	25,2
Other financial assets classed as loans and receivables (at amortised cost)	0	0,0	127	0,3	205	0,5	0,6	78,1	0,3	-11,2
Securities / financial assets**	7.323	15,3	8.870	22,9	9.000	22,2	-49,4	130,5	-0,5	2,0
a) Financial assets held for trading	1.177	2,5	90	0,2	118	0,3	28,4	28,4	-21,2	60,6
of which debt securities held for trading	571	1,2	49	0,1	55	0,1	-19,8	6,0	-26,6	52,2
... government debt securities held for trading	56	0,1	49	0,1	55	0,1	-19,8	6,0	-26,6	52,2
b) Financial assets measured at fair value through P&L not held for trading	0	0,0	62	0,2	64	0,2	-0,1	2,3	-0,2	27,1
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	6	0,0	6	0,0	0,0	0,1	-0,2	0,9
of which debt securities designated for measurement at fair value through P&L	163	0,3	6	0,0	6	0,0	0,0	0,1	-0,2	0,9
... government debt securities designated for measurement at fair value through P&L	0	0,0	0	0,0	0	0,0	0,0	0,0	0,0	0,0
d) Financial assets measured at fair value through other comprehensive income	4.552	9,5	5.395	13,9	4.970	12,2	-6,2	-425,2	-0,1	-9,4
of which debt securities measured at fair value through other comprehensive income	4.318	9,0	5.189	13,4	4.755	11,7	-8,1	-434,4	-0,2	-9,7
... government debt securities measured at fair value through other comprehensive income	2.875	6,0	3.600	9,3	3.271	8,1	-17,5	-328,9	-0,5	-11,0
e) Debt securities at amortised cost	1.415	3,0	3.317	8,6	3.842	9,5	-11,3	524,9	-0,3	19,7
of which government debt securities at amortised cost	1.182	2,5	2.655	6,8	3.042	7,5	-38,2	387,1	-1,2	19,9
Interests in subsidiaries, joint ventures and associates	627	1,3	515	1,3	512	1,3	-1,0	-3,4	-0,2	-1,3
Other assets	928	1,9	717	1,9	838	2,1	5,5	120,2	0,7	17,2
Equity and liabilities	47.948	100,0	38.776	100,0	40.582	100,0	84,7	1.805,8	0,2	5,8
Financial liabilities measured at amortised cost (deposits)	41.895	87,4	33.663	86,8	35.156	86,6	105,9	1.492,4	0,3	5,5
a) Financial liabilities to central bank (Eurosystem)	1.229	2,6	1.092	2,8	970	2,4	-0,3	-122,1	0,0	-11,2
b) Liabilities to banks	18.168	37,9	3.193	8,2	3.090	7,6	-64,2	-103,0	-2,0	-6,1
of which to domestic banks	2.065	4,3	858	2,2	857	2,1	-10,1	-1,3	-1,2	-5,2
of which to foreign banks	16.098	33,6	2.335	6,0	2.233	5,5	-54,0	-101,8	-2,4	-6,5
c) Liabilities to non-banking sector (deposits by NBS)	20.883	43,6	28.979	74,7	30.130	74,2	-13,1	1.151,6	0,0	6,1
of which to non-financial corporations	3.728	7,8	6.788	17,5	6.772	16,7	-45,7	-16,1	-0,7	4,4
households	13.407	28,0	18.733	48,3	19.757	48,7	-15,6	1.023,9	-0,1	7,4
government	1.879	3,9	1.040	2,7	1.061	2,6	58,8	21,2	5,9	-6,0
other financial institutions	1.065	2,2	1.122	2,9	1.314	3,2	-4,1	191,4	-0,3	13,0
non-residents	475	1,0	911	2,3	808	2,0	-17,9	-102,4	-2,2	-6,0
d) Debt securities	1.276	2,7	148	0,4	483	1,2	89,9	334,6	22,9	538,2
e) Other financial liabilities measured at amortised cost***	1.568	3,3	251	0,6	482	1,2	93,6	231,2	24,1	8,2
Provisions	176	0,4	203	0,5	185	0,5	4,0	-17,5	2,2	-11,4
Shareholder equity	4.010	8,4	4.726	12,2	4.939	12,2	16,3	213,0	0,3	6,3
Other liabilities	1.867	3,9	184	0,5	302	0,7	-41,6	117,8	-12,1	64,1
BALANCE SHEET TOTAL	47.948	100,0	38.776	100,0	40.582	100,0	84,7	1.805,8	0,2	5,8

Notes: * Loans to non-banking sector not held for trading comprise "Loans and other financial assets at amortised cost" (from AVI 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 AV).

*** 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.

¹The 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 2017, 2018 and 2019

(EUR million unless stated)	2017	Breakdown	2018	Breakdown	2018	Breakdown	2019	Breakdown	Annual growth, %
		(%)		(%)	Jan.-Oct	(%)	Jan.-Oct	v %	Jan.- Oct. 19/ Jan.- Oct. 18
Interest income	767.2		775.3		641.4		653.2		1.8
Interest expenses	115.2		103.6		86.7		89.4		3.1
Net interest	651.9	60.7	671.7	58.2	554.6	58.5	563.8	53.2	1.6
Non-interest income	422.2	39.3	481.6	41.8	393.0	41.5	495.8	46.8	26.2
of which net fees and commission	313.5	29.2	315.4	27.3	263.3	27.8	279.1	26.3	6.0
of which net gains/losses on financial assets and liabilities held for trading	29.6	2.8	13.0	1.1	12.0	1.3	11.5	1.1	-4.5
Gross income	1,074.2	100.0	1,153.3	100.0	947.6	100.0	1,059.6	100.0	11.8
Operating costs	-673.7	-62.7	-669.5	-58.0	-540.4	-57.0	-568.9	-53.7	5.3
Net income	400.5	37.3	483.8	42.0	407.2	43.0	490.7	46.3	20.5
Net impairments and provisions	42.7	4.0	47.1	4.1	45.1	4.8	59.6	5.6	32.0
Pre-tax profit	443.2	41.3	530.9	46.0	452.3	47.7	550.2	51.9	21.6
Taxes	-18.4		-35.7		-42.7		-61.1		43.1
Net profit	424.8		495.2		409.6		489.2		19.4

Source: Bank of Slovenia

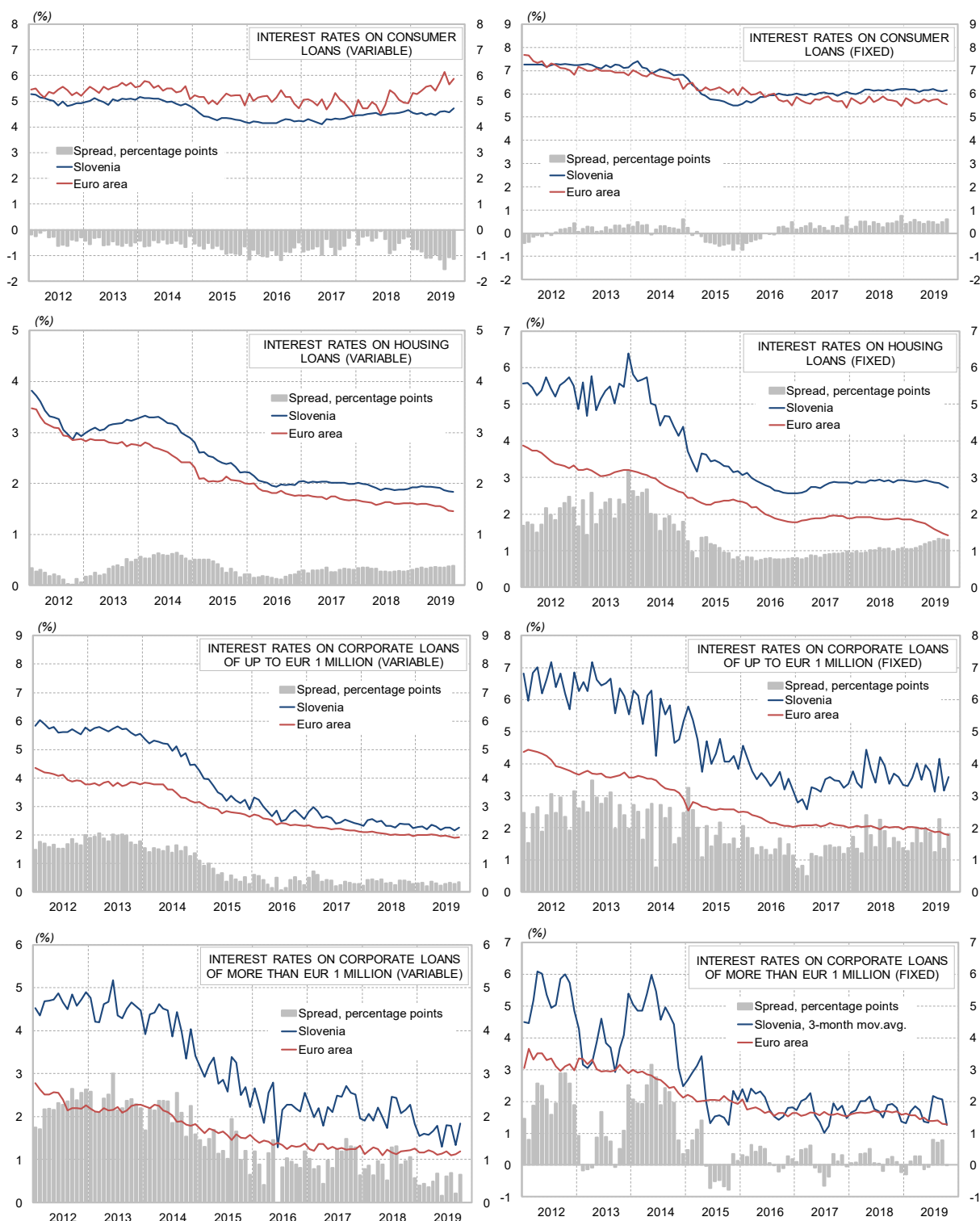
Table 1.3: Selected performance indicators

in %	2014	2015	2016	2017	2018	2018	2019	Oct-18	Oct-19
						Jan.-Oct.	Jan.-Oct.	(last 12 mon.)	(last 12 mon.)
Profitability									
Financial intermediation margin*	3.10	3.05	3.05	2.88	3.01	2.98	3.20	2.92	3.19
ROA	-0.27	0.42	0.99	1.19	1.39	1.42	1.66	1.25	1.59
ROE	-2.69	3.63	7.96	9.58	11.07	11.40	13.75	9.96	13.02
Interest margin on interest-bearing assets	2.18	2.06	1.91	1.83	1.84	1.83	1.79	1.84	1.81
Net non-interest income / operating costs	58.05	60.05	68.53	62.67	71.93	72.71	87.15	66.86	83.73
Operating costs									
Labour costs / average assets	0.92	0.97	1.01	1.02	1.02	1.00	0.98	1.02	1.00
Other costs / average assets	0.81	0.84	0.80	0.78	0.73	0.69	0.73	0.73	0.76
Asset quality									
Impairments of financial assets at amortised cost / gross assets	8.98	7.84	5.38	4.09	2.64	2.87	1.84	/	/

* Gross income / average assets

Source: Bank of Slovenia

2. BANKS' INTEREST RATES

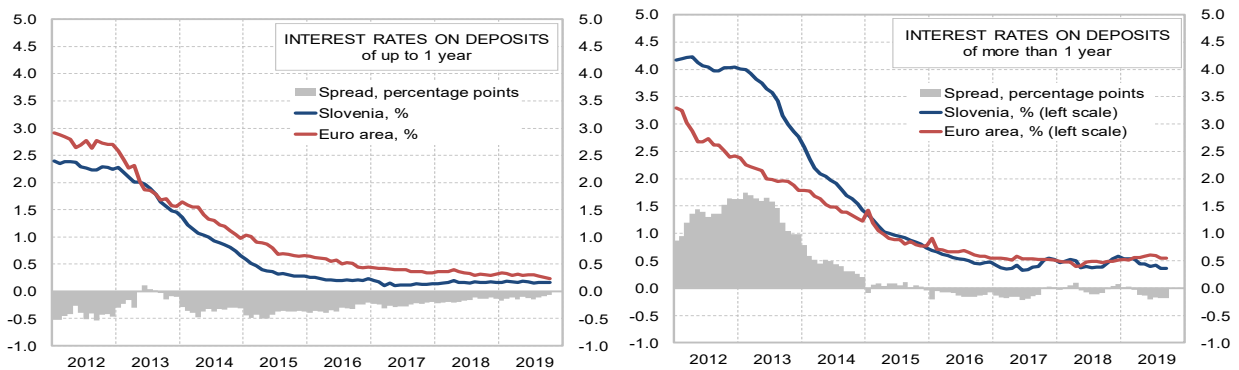
Figure 2.1: Comparison of interest rates on new loans in Slovenia with those across the euro area, variable¹ (left) and fixed² (right) rates, in percentages

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-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	4.7	4.2	2.3	2.5	1.4	2.6	0.4	0.2	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	1.1	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	5.0	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	4.9	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	5.3	4.5	2.0	2.4	1.2	2.1	0.3	0.2	0.5	0.4
Oct-18	0.00	1.6	1.9	5.1	4.5	2.0	2.4	1.2	2.2	0.3	0.2	0.5	0.4
Nov-18	0.00	1.6	1.9	4.9	4.6	2.0	2.4	1.2	2.3	0.3	0.2	0.5	0.5
Dec-18	0.00	1.6	1.9	4.9	4.6	2.0	2.2	1.3	1.8	0.3	0.2	0.5	0.6
Jan-19	0.00	1.6	1.9	5.3	4.5	2.0	2.3	1.2	1.5	0.3	0.2	0.5	0.5
Feb-19	0.00	1.6	1.9	5.3	4.5	2.0	2.3	1.2	1.6	0.3	0.2	0.5	0.5
Mar-19	0.00	1.6	2.0	5.4	4.6	2.0	2.2	1.2	1.6	0.3	0.2	0.6	0.5
Apr-19	0.00	1.6	1.9	5.6	4.5	2.0	2.4	1.2	1.7	0.3	0.2	0.6	0.4
May-19	0.00	1.6	1.9	5.6	4.5	2.0	2.3	1.1	1.8	0.3	0.2	0.6	0.4
Jun-19	0.00	1.6	1.9	5.4	4.5	1.9	2.2	1.1	1.3	0.3	0.2	0.6	0.4
Jul-19	0.00	1.6	1.9	5.7	4.6	2.0	2.2	1.2	1.8	0.3	0.2	0.6	0.4
Aug-19	0.00	1.5	1.9	6.2	4.6	1.9	2.3	1.1	1.8	0.3	0.2	0.5	0.4
Sep-19	0.00	1.5	1.8	5.6	4.6	1.9	2.2	1.1	1.3	0.3	0.2	0.6	0.4
Oct-19	0.00	1.4	1.8	5.9	4.7	1.9	2.3	1.2	1.8	0.2	0.2	0.6	0.4

Note: 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-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
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	2.0	4.4	1.6	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	2.0	3.9	1.7	1.6
Sep-18	1.9	2.9	5.7	6.2	2.0	3.4	1.7	1.9
Oct-18	1.9	2.9	5.7	6.1	2.0	3.7	1.7	2.2
Nov-18	1.9	2.9	5.7	6.2	2.0	3.6	1.7	1.7
Dec-18	1.9	2.9	5.5	6.2	2.0	3.3	1.6	1.5
Jan-19	1.9	2.9	5.8	6.2	2.0	3.3	1.6	0.9
Feb-19	1.9	2.9	5.7	6.2	2.0	3.6	1.6	1.5
Mar-19	1.8	2.9	5.6	6.2	2.0	4.0	1.6	2.6
Apr-19	1.8	2.9	5.6	6.1	2.0	3.5	1.4	1.4
May-19	1.7	2.9	5.8	6.2	2.0	4.0	1.5	1.1
Jun-19	1.7	2.9	5.7	6.2	1.9	3.8	1.4	1.6
Jul-19	1.6	2.9	5.7	6.2	1.9	3.1	1.4	1.3
Aug-19	1.5	2.8	5.8	6.1	1.9	4.2	1.4	3.7
Sep-19	1.5	2.8	5.6	6.1	1.8	3.2	1.3	1.4
Oct-19	1.4	2.7	5.6	6.2	1.8	3.6	1.3	1.2

Source: Bank of Slovenia, ECB

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 n, %			amount, EUR million			ratio, %		
	Dec.18	Sep.19	Oct.19	Dec.18	Sep.19	Oct.19	Dec.18	Sep.19	Oct.19	Dec.18	Sep.19	Oct.19
NFCs	13.676	14.113	14.275	31,8	31,8	32,0	1.150	721	715	8,4	5,1	5,0
OFIs	1.167	1.265	1.233	2,7	2,8	2,8	15	13	13	1,2	1,0	1,1
Households	11.281	11.699	11.805	26,3	26,3	26,4	288	258	260	2,6	2,2	2,2
sole traders	521	505	507	1,2	1,1	1,1	45	24	23	8,7	4,8	4,6
individuals	10.760	11.194	11.298	25,1	25,2	25,3	242	234	237	2,3	2,1	2,1
Non-residents	7.210	7.806	7.747	16,8	17,6	17,4	248	166	164	3,4	2,1	2,1
Government	5.375	5.446	5.403	12,5	12,3	12,1	13	12	13	0,2	0,2	0,2
Banks and savings banks	891	905	918	2,1	2,0	2,1	0	0	0	0,0	0,0	0,0
Central bank	3.345	3.203	3.261	7,8	7,2	7,3	0	0	0	0,0	0,0	0,0
Total	42.945	44.437	44.641	100,0	100,0	100,0	1.715	1.171	1.165	4,0	2,6	2,6

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 n, %			amount, EUR million			ratio, %		
	Dec.18	Sep.19	Oct.19	Dec.18	Sep.19	Oct.19	Dec.18	Sep.19	Oct.19	Dec.18	Sep.19	Oct.19
NFCs	13,354	13,869	14,038	35.6	35.1	35.4	448	253	246	3.4	1.8	1.8
OFIs	1,167	1,262	1,231	3.1	3.2	3.1	6	7	7	0.5	0.5	0.5
Households	11,282	11,699	11,805	30.1	29.6	29.7	239	224	227	2.1	1.9	1.9
sole traders	522	692	692	1.4	1.8	1.7	30	21	21	5.7	3.1	3.1
individuals	10,760	11,008	11,113	28.7	27.9	28.0	209	203	206	1.9	1.8	1.9
Non-residents	4,169	5,086	5,032	11.1	12.9	12.7	144	92	90	3.5	1.8	1.8
Government	3,282	3,461	3,412	8.7	8.8	8.6	7	6	6	0.2	0.2	0.2
Banks and savings banks	928	933	928	2.5	2.4	2.3	0	0	0	0.0	0.0	0.0
Central bank	3,345	3,203	3,261	8.9	8.1	8.2	0	0	0	0.0	0.0	0.0
Total	37,527	39,514	39,705	100.0	100.0	100.0	845	581	575	2.3	1.5	1.4

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.18	Sep.19	Oct.19	Dec.18	Sep.19	Oct.19	Dec.18	Sep.19	Oct.19
Agriculture, forestry, fishing, mining	143	134	143	16	5	5	11.3	3.9	3.6
Manufacturing	4,013	4,029	4,081	184	117	113	4.6	2.9	2.8
Electricity, gas, water, remediation	1,040	1,339	1,376	13	11	12	1.3	0.8	0.9
Construction	1,098	1,099	1,142	195	107	102	17.8	9.7	9.0
Wholesale and retail trade	2,564	2,517	2,530	411	249	250	16.0	9.9	9.9
Transportation and storage	1,749	1,763	1,760	49	30	32	2.8	1.7	1.8
Accommodation and food service	435	448	447	50	41	40	11.4	9.1	9.0
Information and communication	658	647	653	10	6	6	1.6	0.9	0.9
Financial and insurance activities	45	61	65	9	1	0	20.0	1.2	0.7
Real estate activities	555	610	585	106	73	73	19.2	12.0	12.4
Professional, scientific and technical	1,080	1,196	1,225	83	66	65	7.6	5.5	5.3
Public services	296	270	270	23	15	15	7.8	5.7	5.6
Total	13,676	14,113	14,275	1,150	721	715	8.4	5.1	5.0

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.18	Sep.19	Oct.19	Dec.18	Sep.19	Oct.19	Dec.18	Sep.19	Oct.19
Agriculture, forestry, fishing, mining	142	134	143	6	1	1	4.5	0.7	0.7
Manufacturing	4,003	4,022	4,075	90	53	49	2.2	1.3	1.2
Electricity, gas, water, remediation	1,030	1,332	1,368	6	6	6	0.5	0.5	0.4
Construction	1,097	1,098	1,140	150	76	74	13.7	6.9	6.5
Wholesale and retail trade	2,342	2,374	2,386	74	36	35	3.2	1.5	1.5
Transportation and storage	1,720	1,734	1,731	8	5	5	0.5	0.3	0.3
Accommodation and food service	432	443	443	22	18	18	5.2	4.0	4.0
Information and communication	634	625	631	2	1	1	0.3	0.2	0.1
Financial and insurance activities	45	61	65	5	0	0	10.6	0.1	0.0
Real estate activities	562	608	583	22	6	6	4.0	1.0	1.1
Professional, scientific and technical	1,053	1,170	1,201	55	50	50	5.2	4.3	4.1
Public services	296	269	270	8	1	1	2.6	0.4	0.3
Total	13,354	13,869	14,038	448	253	246	3.4	1.8	1.8

Source: Bank of Slovenia

4. LEASING COMPANIES' PERFORMANCE

Table 4.1: 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
2018	9.2	0.3	0.9	0.0	10.5	567.3	510.4	1.3	0.7	1,079.7
2018 mar.	0.9	0.1	0.1	0.0	1.0	138.6	135.5	0.3	0.3	274.6
jun.	3.4	0.0	0.3		3.7	153.4	135.8	0.4	0.0	289.7
sep.	1.0	0.1	0.0		1.1	119.9	118.7	0.4	0.1	239.1
dec.	3.9	0.2	0.5		4.6	155.4	120.4	0.3	0.2	276.3
2019 mar.	3.3	0.0	1.0	0.0	4.4	139.5	136.6	0.7	6.5	283.3
jun.	0.8		0.0		0.8	150.4	139.8	0.4	0.3	290.9
sep.	0.2	0.0			0.2	108.9	125.8	0.6	0.2	235.4

Table 4.2: Stock of leasing business by type of leasing and institutional sector

Obdobje	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
2018	286.3	35.8	29.7	1.3	353.1	888.4	1,074.2	14.5	2.6	1,979.7
2018 mar.	434.5	43.0	43.6	3.6	524.7	827.4	1,052.3	12.1	4.0	1,895.9
jun.	358.8	41.3	42.0	2.5	444.6	862.0	1,076.9	16.2	2.7	1,957.8
sep.	333.9	39.6	33.5	1.5	408.4	865.8	1,061.7	15.2	2.6	1,945.3
dec.	286.3	35.8	29.7	1.3	353.1	888.4	1,074.2	14.5	2.6	1,979.7
2019 mar.	231.4	32.2	29.4	1.2	294.1	897.4	1,100.1	14.0	8.2	2,019.7
jun.	210.2	30.9	28.7	1.0	270.8	925.9	1,128.9	13.6	8.5	2,076.9
sep.	176.4	29.0	25.6	1.0	232.1	916.6	1,131.9	13.3	8.3	2,070.1

Table 4.3: 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	
2018	211.7	0.3	371.4	0.5	496.3	2.5	0.4	7.2	1,079.7	10.5	1,090.2	
2018 mar.	55.5	0.1	94.5	0.1	124.5	0.2	0.2	0.7	274.6	1.0	275.6	
jun.	59.6	0.0	95.9	0.3	134.1	0.7	0.1	2.7	289.7	3.7	293.4	
sep.	45.5	0.0	76.8	0.1	116.7	0.2	0.0	0.8	239.1	1.1	240.3	
dec.	51.1	0.1	104.1	0.0	121.0	1.3	0.0	3.1	276.3	4.6	280.9	
2019 mar.	60.9	1.2	100.8	0.1	121.4	0.6	0.2	2.5	283.3	4.4	287.7	
jun.	58.2	0.2	91.7	0.2	140.9		0.1	0.4	290.9	0.8	291.7	
sep.	36.4	0.0	84.3	0.0	114.7	0.2		0.0	235.4	0.2	235.7	

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	
2018	226.6	106.1	1,332.9	109.2	419.6	102.6	0.7	35.3	1,979.7	353.1	2,332.9	
2018 mar.	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	
jun.	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	
sep.	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	
dec.	226.6	106.1	1,332.9	109.2	419.6	102.6	0.7	35.3	1,979.7	353.1	2,332.9	
2019 mar.	235.8	104.9	1,355.4	71.5	427.7	84.6	0.8	33.1	2,019.7	294.1	2,313.8	
jun.	251.9	96.0	1,377.0	65.9	447.2	78.8	0.7	30.0	2,076.9	270.8	2,347.7	
sep.	247.5	72.5	1,374.9	62.3	447.1	74.7	0.7	22.5	2,070.1	232.1	2,302.2	

Source: Bank of Slovenia

Table 4.4: Stock of leasing business with non-financial corporations by type of leasing and sector

Real estate leasing business, 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
2018		15.0	0.9	8.8	110.0	6.3	12.3	5.1	3.2	66.9	33.4	24.3	286.3
2018 mar.	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
jun.	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
sep.	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
dec.		15.0	0.9	8.8	110.0	6.3	12.3	5.1	3.2	66.9	33.4	24.3	286.3
2019 mar.	13.0	0.8	8.2	88.6	6.0	12.2	3.9	2.5	40.1	34.4	21.8	231.4	
jun.	12.7	0.5	5.6	76.0	5.7	11.5	3.4	2.4	37.4	32.2	22.8	210.2	
sep.	12.3	0.5	5.1	78.5	5.3	10.1	3.3	2.3	13.3	30.7	14.9	176.4	

Equipment leasing business, 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
2018	9.4	129.2	17.6	92.8	167.7	289.9	26.3	24.2	4.9	5.6	87.1	33.7	888.4
2018 mar.	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
jun.	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
sep.	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
dec.	9.4	129.2	17.6	92.8	167.7	289.9	26.3	24.2	4.9	5.6	87.1	33.7	888.4
2019 mar.	9.9	129.3	17.6	94.7	181.8	291.2	23.0	21.7	5.0	6.2	83.0	33.8	897.3
jun.	10.5	132.1	17.3	99.5	183.8	295.4	22.5	22.4	5.4	5.5	99.0	32.4	925.8
sep.	10.7	131.5	17.7	99.8	182.9	288.6	21.5	22.4	5.4	5.9	99.3	30.9	916.6

Table 4.5: Arrears in leasing business with non-financial corporations by type of leasing and sector

Real estate leasing business, %														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
2018		9.6	1.0	47.9	14.7	2.1	22.4	0.0	1.4	8.4	51.2	5.5	17.1	7.7
2018 mar.	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
jun.	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
sep.	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
dec.		9.6	1.0	47.9	14.7	2.1	22.4	0.0	1.4	8.4	51.2	5.5	17.1	7.7
2019 mar.		14.0	0.0	46.2	18.2	1.9	27.8	0.1	2.0	69.5	47.2	1.3	30.1	9.8
jun.		14.8	0.0	24.8	21.2	2.4	25.8	0.0	2.1	68.3	68.9	0.8	33.5	9.8
sep.		15.3	0.0	25.2	20.5	2.3	27.6	0.0	2.1	36.1	72.4	1.2	28.0	8.2

Equipment leasing business, %														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
2018	5.4	5.6	6.7	10.9	3.0	4.4	2.4	4.4	0.9	3.5	1.8	4.1	4.7	7.7
2018 mar.	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
jun.	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
sep.	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
dec.	5.4	5.6	6.7	10.9	3.0	4.4	2.4	4.4	0.9	3.5	1.8	4.1	4.7	7.7
2019 mar.	4.9	5.5	6.5	10.7	2.8	4.5	2.6	4.8	0.9	1.4	1.6	4.1	4.6	9.8
jun.	4.9	5.4	6.5	10.2	2.7	4.3	1.9	4.7	0.7	1.7	1.3	4.2	4.4	9.8
sep.	4.8	5.4	6.6	10.2	2.4	4.5	2.0	4.7	0.7	1.5	1.3	4.4	4.4	8.2

Source: Bank of Slovenia

Table 4.6: Repossessions by type of leasing and transaction type, and sale of repossessed assets

	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
2018	0.0	1.5	0.0	0.8	0.0	0.0	0.0	2.3	2.3
2018 mar.	0.0	0.3	0.0	0.4	0.0	0.0	0.0	0.7	0.7
jun.	0.0	0.3	0.0	0.2	0.0	0.0	0.0	0.4	0.4
sep.	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.2
dec.	0.0	0.7	0.0	0.3	0.0	0.0	0.0	1.0	1.0
2019 mar.	0.0	0.6	0.0	0.7	0.0	0.0	0.0	1.3	1.3
jun.	0.0	0.6	0.0	0.3	0.0	0.0	0.0	1.0	1.0
sep.	0.0	0.2	0.0	0.4	0.0	0.0	0.0	0.6	0.6

	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
2018	38.1	4.8	0.0	0.4	0.0	0.1	38.1	5.3	43.4
2018 mar.	50.9	5.0	0.0	0.4	0.0	0.1	50.9	5.5	56.4
jun.	51.0	5.1	0.0	0.3	0.0	0.1	51.0	5.4	56.4
sep.	49.2	4.7	0.0	0.1	0.0	0.1	49.2	4.8	54.0
dec.	38.1	4.8	0.0	0.4	0.0	0.1	38.1	5.3	43.4
2019 mar.	34.1	5.0	0.0	0.8	0.0	0.1	34.1	5.8	39.9
jun.	33.7	4.8	0.0	0.4	0.0	0.1	33.7	5.2	38.9
sep.	31.7	4.5	0.0	0.5	0.0	0.1	31.7	5.0	36.8

	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
2018 mar.	0.4	0.6	1.1
jun.	0.2	0.4	0.6
sep.	0.0	0.6	0.6
dec.	0.4	0.7	1.0
2019 mar.	0.0	0.5	0.5
jun.	0.0	0.7	0.8
sep.	0.1	1.0	1.1

Table 4.7: Leasing companies' performance and funding

	2014	2015	2016	2017	2018	Q3 2019	Growth, %					
							2014	2015	2016	2017	2018	Q3 2019
Total assets, EUR million	3,461	2,869	2,675	2,809	2,711	2,663	-9.5	-17.1	-6.7	5.0	-3.5	-5.5
Shareholder equity, EUR million	288	260	400	479	527	553	5570.2	-9.7	53.9	19.7	10.0	-7.5
Net profit, EUR million	50	24	51	82	88	87	-81.1	-52.4	111.9	62.1	6.8	60.9
ROA, %	1.3	0.7	1.8	3.0	3.1	4.4						
ROE, %	41.5	9.6	16.9	19.8	17.2	21.7						
Financial and operating liabilities, EUR million	3,061	2,518	2,189	2,259	2,133	2,054	-17.9	-17.7	-13.1	3.2	-5.6	-4.5
liabilities to banks and undertakings in group / total assets, %	88	88	82	80	79	77						
Investment property	822	629	567	389	362	269	-18.0	-23.5	-9.8	-31.5	-7.0	-27.4
investment property / assets, %	24	22	21	14	13	10						
Finance expenses from impairments and write-offs, EUR million	113	118	61	54	43	25	-45.7	4.8	-48.0	-11.4	-21.4	-25.4

Source: Bank of Slovenia