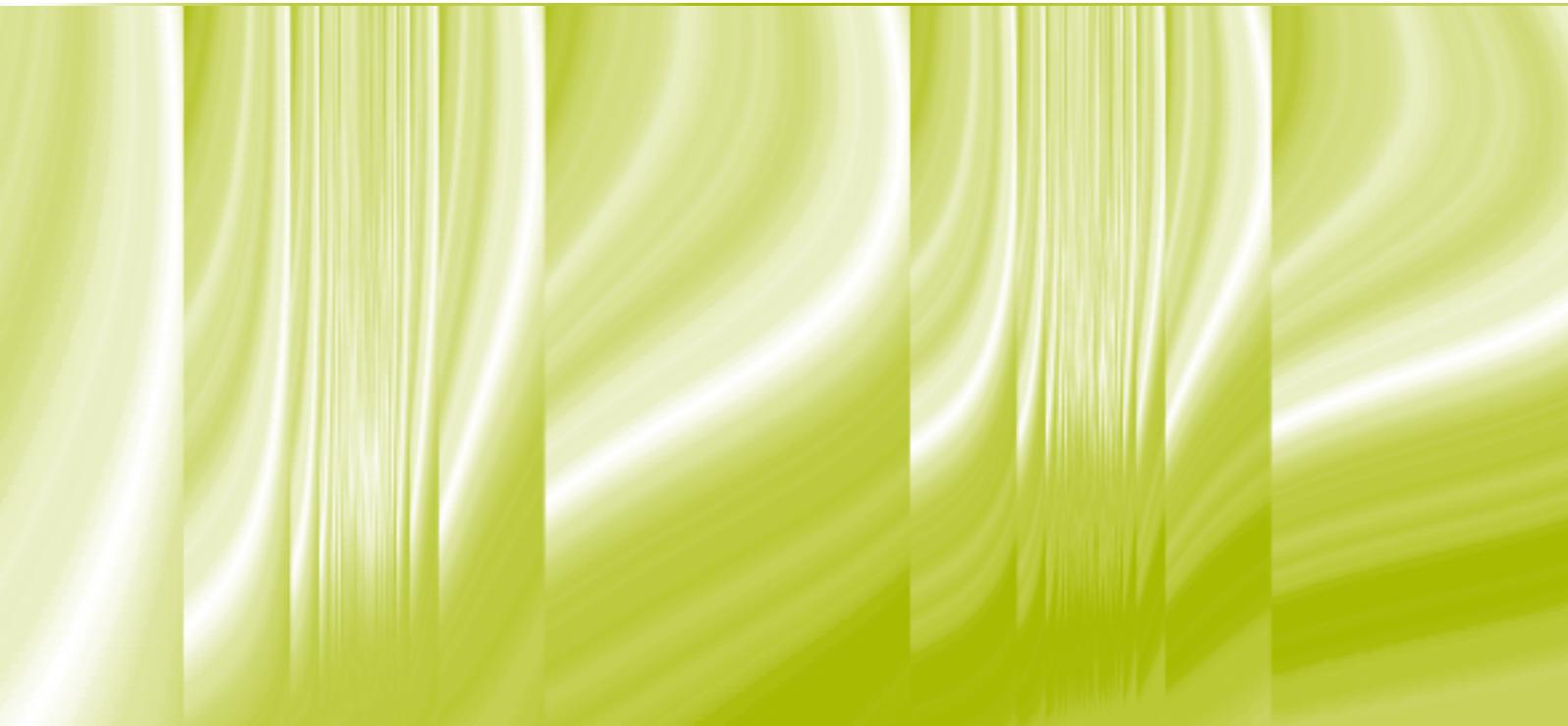


**BANKA  
SLOVENIJE**

EVROSISTEM



**MONTHLY REPORT  
ON BANK PERFORMANCE**



**SEPTEMBER 2021**

## COMMENTARY IN BRIEF

**Growth in loans to the non-banking sector strengthened again in July 2021. Year-on-year growth in loans to non-financial corporations (NFCs) was positive again after one year, while growth in housing loans was up slightly and the contraction in consumer loans eased. The NPE ratio at the level of the entire portfolio fell further, as did the shares of exposures with increased credit risk. Net income generated by the banks this year was down relative to the same period last year as the result of a decline in net interest. The main factor in the relatively high pre-tax profit was the net release of impairments and provisions. Capital ratios on a consolidated basis improved during the second quarter of 2021, while the liquidity of the banking system remained high.**

The Slovenian banking system's total assets in July were comparable to the previous month (EUR -2.3 million). Total assets were up by 9% in year-on-year terms to stand at EUR 47.7 billion. This year's increase in total assets by EUR 3 billion is the result of an increase in deposits by the non-banking sector (EUR 1.7 billion) and June's increase in banks' liabilities to the Eurosystem (EUR 1.1 billion). The assets held by banks on accounts at the central bank were up by EUR 2 billion, while loans to the non-banking sector were up by EUR 0.6 billion. In terms of bank funding, deposits by the non-banking sector were up in July, while liabilities to banks were down. On the investment side, there was an increase in loans to the non-banking sector and banks, while the most liquid forms of investment and the stock of securities recorded a decline.

Similar to the previous month, loans to the non-banking sector were up in July, by EUR 168 million. Year-on-year growth in loans rose by 0.9 percentage points in July to stand at 3.1%. Loans to households (EUR 87.7 million) and loans to NFCs (EUR 75.4 million) contributed equally to that increase in relative terms. Growth in loans to households is increasing gradually, and stood at 3.2% in July in year-on-year terms. Contributing to that growth are housing loans, which were up by 7.2% in July in year-on-year terms. The stock of housing loans was up by EUR 74.7 million in July, while this year's average growth in those loans (EUR 46.8 million) is already twice as high as last year's growth (EUR 22.3 million). With a 5.9% year-on-year decline, the stock of consumer loans was down again in July. Other loans to households, primarily current account overdrafts, were up by EUR 22.7 million in July. Year-on-year growth in loans to NFCs has been improving since March, and was positive again in July, at 1.3%, after a year. Those loans were up by EUR 75.4 million in July.

Non-performing exposures (NPEs) at banks were also down in July. The stock of NPEs fell to EUR 706 million, resulting in an NPE ratio of 1.3%. Contributing significantly to the aforementioned decline were NFCs, which still accounted for EUR 381 million in NPEs in July or 2.6% of total exposure to that sector. The trend of NPE growth in the accommodation and food service sector continues, with an 11.8% ratio in July, while NPEs were also up slightly in the transportation sector, but remained low at 1.6%. Also low at 1.8% and demonstrating a declining trend were NPEs in manufacturing. After rising temporarily in June, the shares of exposures with increased credit risk (Stage 2 under the IFRS) fell again to stand at 10.4%. A slight decrease is also evident in the hardest-hit sectors, as operating conditions during the summer, with fewer restrictions, were more favourable for those sectors. A deterioration in the quality of the portfolio is evident in the transportation and trade sectors, where reclassifications to Stage 2 have risen in the last two months. The NPE ratio rose to 2.0% in the household portfolio, where the trend of slow but sustained growth in consumer loans continued (growth having risen to 3.4% in July) and the NPE ratio for housing loans remained stable at 1.6%.

In terms of the banking system's funding, deposits by the non-banking sector were up by EUR 124 million in July, while year-on-year growth fell to 9.4%. Contributing most to the increase in total deposits were deposits by NFCs (EUR 84.8 million), which otherwise fluctuate considerably, while the latest increase in household deposits was moderate (EUR 42.4 million), particularly compared with June when deposits were up due to the payment of annual leave allowances. Growth in deposits is otherwise seasonably higher in June and July. Year-on-year growth in deposits by NFCs (10.2%) and households (10.1%) continues to exceed pre-epidemic growth, particularly at corporates (for example, year-on-year growth in deposits by NFCs and households was 2.0% and 7.3%, respectively, last February).

Pre-tax profit over the first seven months of the year amounted to EUR 290 million, an increase of 88% relative to the same period last year, but primarily due to this year's net release of impairments and provisions by nearly all banks (only three credit institutions recorded a net increase in impairments and provisions, while thirteen recorded a net release). Pre-tax ROE at the system level thus stood at 10.4% and was up sharply relative to the same period last year (5.4%) and relative to the entire year (9.6%). Net interest income continues to decline (by 4.3% in year-on-year terms). However, higher growth in lending, which turned positive in May, is gradually slowing that decline somewhat. In the context of growth in total assets, i.e. interest-bearing assets, the net interest margin is still falling and stood at 1.45% at the end of July. Year-on-year growth in non-interest income fell to 2.4% and thus remains significantly lower than in the spring, when one-off effects from the recognition and revaluation of certain bank investments resulted in higher non-interest income. Net fees and commissions are recording solid growth, and have risen by 14.6% this year. Operating costs remain comparable to the first half of last year (-0.5%), while banks' net income continues to decline moderately (-2.6%). The net release of impairments and provisions amounted to EUR 36 million at the system level, compared with an increase of EUR 107 million in the same period last year. The year-on-year difference in impairments and provisions was reflected in higher profit.

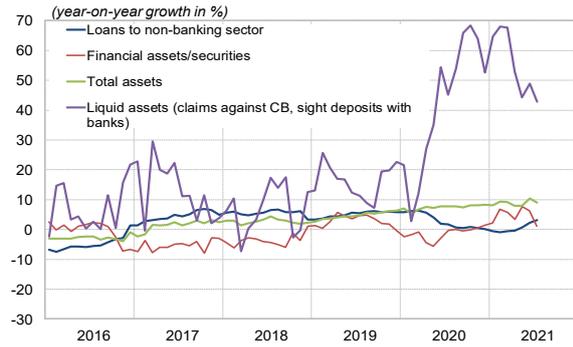
The banking system's total capital ratio and CET1 ratio on a consolidated basis increased by 0.5 percentage points during the second quarter of 2021 to stand at 18.5% and 17.0% respectively, as the increase in capital outstripped the increase in risk-weighted assets. According to the latest available figures, the Slovenian banking system's total capital ratio remained below the euro area average, while the CET1 ratio remained above the euro area average. The capacity to cover net liquidity outflows during a short-term stress period remained high, as the LCR was up by four percentage points in July relative to the previous month to stand at 340%, and was significantly higher than the regulatory requirement (of 100%). Despite declining in July, the proportion of the banking system's total assets accounted for by primary liquidity (cash on hand and, cash balances at central banks and sight deposits at banks) remained high, at 22.7%.

**APPENDICES**

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## 1. KEY TRENDS IN THE BANKING SECTOR

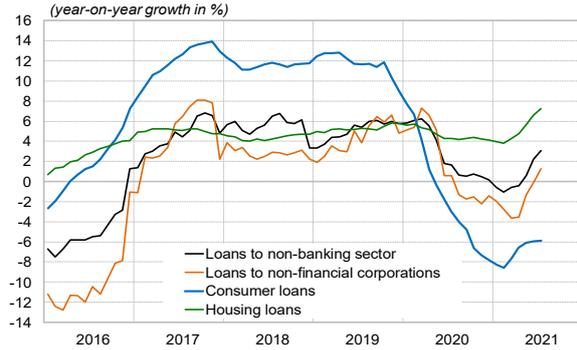
Figure 1.1: Growth in bank investments



Note: The category 'Financial assets/securities' also includes debt securities from the category of loans and receivables.

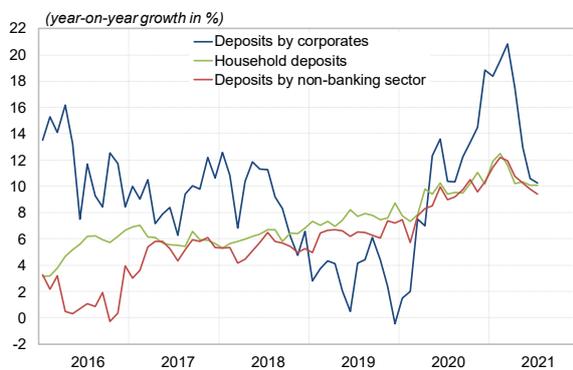
Source: Bank of Slovenia.

Figure 1.2: Loans by sector and loan type



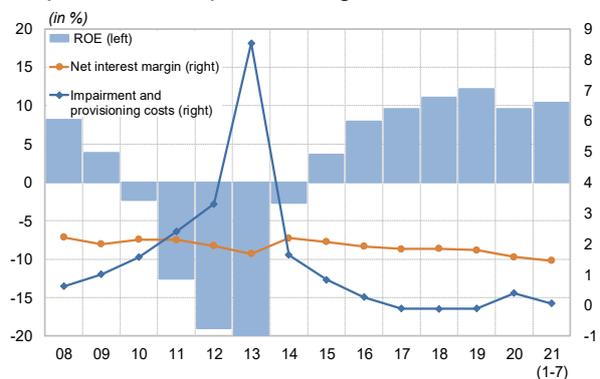
Source: Bank of Slovenia.

Figure 1.3: Deposits by sector



Source: Bank of Slovenia.

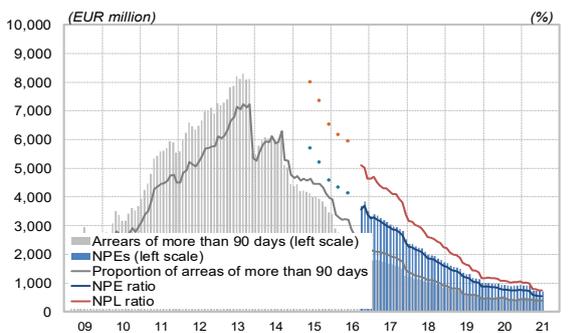
Figure 1.4: ROE, net interest margin, and ratio of impairment and provisioning costs to total assets



Note: The ratios of net interest margin to interest-bearing assets and net impairment and provisioning costs to total assets are always calculated for the preceding 12 months. Pre-tax ROE is calculated during the year on a cumulative basis up to the most recent data available.

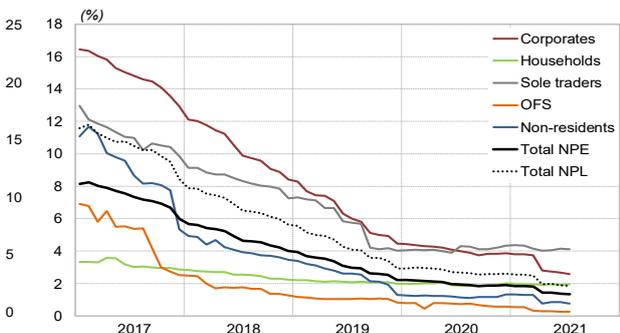
Source: Bank of Slovenia.

Figure 1.5: NPEs, NPLs and claims more than 90 days in arrears, stocks and ratios



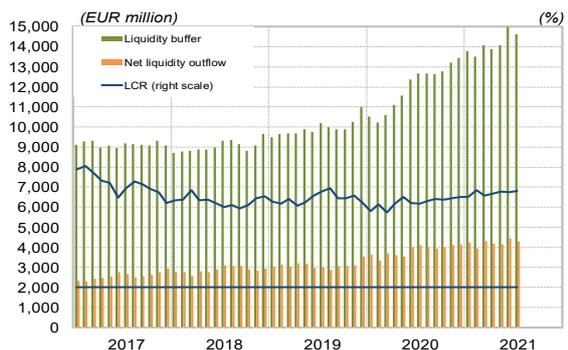
Source: Bank of Slovenia.

Figure 1.6: NPE ratio by client segment



Source: Bank of Slovenia.

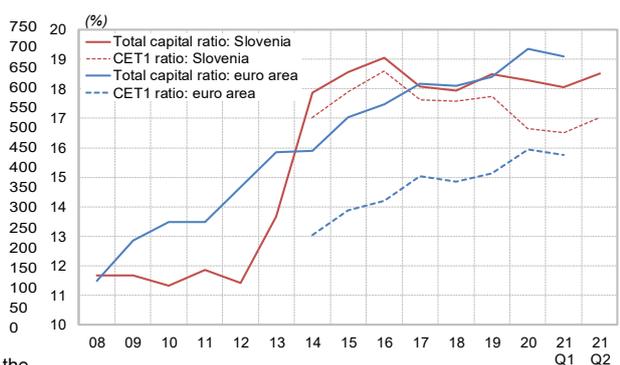
Figure 1.7: Liquidity coverage ratio (LCR)



Note: The horizontal line denotes the minimum requirement for the LCR (100%) in accordance with the CRR.

Source: Bank of Slovenia.

Figure 1.8: Capital ratios compared with the euro area, consolidated basis



Source: Bank of Slovenia, ECB (SDW).

2. MAIN FEATURES OF BANKS' PERFORMANCE AND FINANCIAL STATEMENTS<sup>1</sup>

Table 2.1: Banking system's assets and liabilities, as at 31 July 2021

EUR million unless stated, growth rates in %	Stock	Breakdown	Stock	Breakdown	Stock	Breakdown	Increase in mio EUR		Growth in July 21, %	
	31.12.2008	(%)	31.12.2020	(%)	31.07.2021	(%)	in July 21	in 2021	monthly	year-on-year
<b>Assets</b>	<b>47,948</b>	<b>100.0</b>	<b>44,651</b>	<b>100.0</b>	<b>47,695</b>	<b>100.0</b>	<b>-2.3</b>	<b>3,044.0</b>	<b>0.0</b>	<b>9.0</b>
Cash in hand, balances at central bank and sight deposits at banks	1,250	2.6	8,825	19.8	10,804	22.7	-251.9	1,978.9	-2.3	42.8
Loans to banks at amortised cost (including central bank)	4,101	8.6	1,492	3.3	1,704	3.6	225.5	211.9	15.2	-0.5
domestic banks	2,673	5.6	647	1.4	571	1.2	-16.8	-75.8	-2.9	-12.9
foreign banks	1,428	3.0	845	1.9	1,133	2.4	242.3	287.7	27.2	7.2
short-term loans to banks	2,056	4.3	271	0.6	455	1.0	208.4	183.9	84.6	-14.5
long-term loans to banks	2,046	4.3	1,222	2.7	1,250	2.6	17.1	28.0	1.4	5.8
Loans to non-banking sector*	33,718	70.3	23,561	52.8	24,155	50.6	168.0	594.0	0.7	3.1
of which non-financial corporations	20,260	42.3	8,750	19.6	9,023	18.9	75.4	272.5	0.8	1.3
households	7,558	15.8	10,712	24.0	10,937	22.9	87.7	225.5	0.8	3.2
of which residential			6,760	15.1	7,081	14.8	74.7	320.5	1.1	7.2
consumer			2,591	5.8	2,518	5.3	-9.6	-72.9	-0.4	-5.9
government	506	1.1	1,546	3.5	1,453	3.0	-0.6	-93.3	0.0	-6.9
other financial institutions	2,829	5.9	1,202	2.7	1,269	2.7	-6.8	67.0	-0.5	1.8
non-residents	2,515	5.2	1,323	3.0	1,444	3.0	12.2	121.1	0.9	32.2
Other financial assets classed as loans and receivables (at amortised cost)	0	0.0	113	0.3	156	0.3	-4.2	43.7	-2.6	4.1
Securities / financial assets**	7,323	15.3	8,958	20.1	9,196	19.3	-120.7	237.7	-1.3	1.1
a) Financial assets held for trading	1,177	2.5	61	0.1	56	0.1	-4.5	-4.5	-7.5	-17.5
of which debt securities held for trading	571	1.2	3	0.0	2	0.0	-0.9	-1.3	-29.1	0.0
... government debt securities held for trading	56	0.1	3	0.0	2	0.0	-0.9	-1.3	-29.1	0.0
b) Financial assets measured at fair value through P&L not held for trading	0	0.0	92	0.2	93	0.2	6.0	0.6	6.9	36.8
of which debt securities measured at fair value through P&L not held for trading	0	0.0	3	0.0	8	0.0	5.1	5.3	176.4	0.0
c) Financial assets designated for measurement at fair value through P&L	179	0.4	6	0.0	0	0.0	0.0	-6.1	0.0	-100.0
of which debt securities designated for measurement at fair value through P&L	163	0.3	6	0.0	0	0.0	0.0	-6.1	0.0	-100.0
... 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	5,818	13.0	5,428	11.4	-34.1	-389.5	-0.6	3.3
of which debt securities measured at fair value through other comprehensive income	4,318	9.0	5,625	12.6	5,230	11.0	-34.9	-394.8	-0.7	3.6
... government debt securities measured at fair value through other comprehensive income	2,875	6.0	3,854	8.6	3,545	7.4	-36.5	-308.4	-1.0	-0.1
e) Debt securities at amortised cost	1,415	3.0	2,981	6.7	3,619	7.6	-88.1	637.3	-2.4	-2.1
of which government debt securities at amortised cost	1,182	2.5	2,314	5.2	2,708	5.7	-96.1	393.7	-3.4	-3.9
Investments in subsidiaries, joint ventures and associates	627	1.3	903	2.0	927	1.9	0.0	24.7	0.0	-3.0
Other assets	928	1.9	799	1.8	752	1.6	-18.9	-47.0	-2.5	-9.2
<b>Equity and liabilities</b>	<b>47,948</b>	<b>100.0</b>	<b>44,651</b>	<b>100.0</b>	<b>47,695</b>	<b>100.0</b>	<b>-2.3</b>	<b>3,044.0</b>	<b>0.0</b>	<b>9.0</b>
Financial liabilities measured at amortised cost (deposits)***	41,895	87.4	39,404	88.2	42,280	88.6	-57.7	2,876.5	-0.1	10.6
a) Financial liabilities to central bank (Eurosystem)	1,229	2.6	1,380	3.1	2,474	5.2	-1.4	1,093.8	-0.1	82.4
b) Liabilities to banks	18,168	37.9	2,378	5.3	2,227	4.7	-164.4	-151.4	-6.9	-12.5
of which to domestic banks	2,065	4.3	799	1.8	771	1.6	-11.3	-28.1	-1.4	-5.3
of which to foreign banks	16,098	33.6	1,579	3.5	1,456	3.1	-153.1	-123.2	-9.5	-15.9
c) Liabilities to non-banking sector (deposits by NBS)	20,883	43.6	34,281	76.8	35,987	75.5	124.3	1,706.2	0.3	9.4
of which to non-financial corporations	3,728	7.8	8,031	18.0	8,177	17.1	84.8	145.9	1.0	10.2
households	13,407	28.0	22,437	50.2	23,835	50.0	42.4	1,397.9	0.2	10.1
government	1,879	3.9	948	2.1	777	1.6	-46.8	-171.1	-5.7	-16.0
other financial institutions	1,065	2.2	1,172	2.6	1,310	2.7	-1.5	137.6	-0.1	3.9
non-residents	475	1.0	1,217	2.7	1,401	2.9	43.4	184.8	3.2	18.4
d) Debt securities	1,276	2.7	1,058	2.4	1,186	2.5	1.7	128.1	0.1	11.8
e) Other financial liabilities measured at amortised cost****	1,568	3.3	307	0.7	406	0.9	-17.9	99.7	-4.2	8.1
Provisions	176	0.4	186	0.4	165	0.3	-6.7	-20.4	-3.9	-11.0
Shareholder equity	4,010	8.4	4,805	10.8	5,020	10.5	47.3	215.1	1.0	-0.7
Other liabilities	1,867	3.9	257	0.6	230	0.5	14.8	-27.2	6.9	-15.6
<b>BALANCE SHEET TOTAL</b>	<b>47,948</b>	<b>100.0</b>	<b>44,651</b>	<b>100.0</b>	<b>47,695</b>	<b>100.0</b>	<b>-2.3</b>	<b>3,044.0</b>	<b>0.0</b>	<b>9.0</b>

Notes: \* Loans to non-banking sector not held for trading comprise "Loans and other financial assets at amortised cost" (from AIV 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 AIII), the category of "Loans (and other financial assets) designated for measurement at fair value through other comprehensive income" (from AIV) 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 AII, including loans held for trading, while equities and debt securities other than loans are captured from other categories of financial asset (AIII, AIV and AV).

\*\*\* Total financial liabilities measured at amortised cost in 2008 also include banks' liabilities to the central bank.

\*\*\*\* 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.

Source: Bank of Slovenia.

<sup>1</sup> 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.

Table 2.2: Income statement for 2019, 2020 and 2021

(EUR million unless stated)	2019	Breakdown	2020	Breakdown	2020	Breakdown	2021	Breakdown	Annual growth, %
		(%)		(%)	Jan.-Jul	(%)	Jan.-Jul	(%)	Jan.- July 21/ Jan.- July 20
Interest income	790.0		754.0		443.9		434.1		-2.2
Interest expenses	107.3		114.9		65.3		71.6		9.6
<b>Net interest</b>	<b>682.7</b>	<b>54.4</b>	<b>639.1</b>	<b>47.0</b>	<b>378.6</b>	<b>55.3</b>	<b>362.4</b>	<b>53.6</b>	<b>-4.3</b>
<b>Non-interest income</b>	<b>573.4</b>	<b>45.6</b>	<b>721.0</b>	<b>53.0</b>	<b>306.6</b>	<b>44.7</b>	<b>313.9</b>	<b>46.4</b>	<b>2.4</b>
of which net fees and commission	333.8	26.6	329.7	24.2	188.9	27.6	216.5	32.0	14.6
of which net gains/losses on financial assets and liabilities held for trading	12.1	1.0	16.0	1.2	9.1	1.3	12.0	1.8	31.9
<b>Gross income</b>	<b>1,256.1</b>	<b>100.0</b>	<b>1,360.1</b>	<b>100.0</b>	<b>685.2</b>	<b>100.0</b>	<b>676.4</b>	<b>100.0</b>	<b>-1.3</b>
<b>Operating costs</b>	<b>-709.3</b>	<b>-56.5</b>	<b>-718.4</b>	<b>-52.8</b>	<b>-424.4</b>	<b>-61.9</b>	<b>-422.4</b>	<b>-62.5</b>	<b>-0.5</b>
<b>Net income</b>	<b>546.8</b>	<b>43.5</b>	<b>641.6</b>	<b>47.2</b>	<b>260.8</b>	<b>38.1</b>	<b>254.0</b>	<b>37.5</b>	<b>-2.6</b>
<b>Net impairments and provisions</b>	<b>45.7</b>	<b>3.6</b>	<b>-169.6</b>	<b>-12.5</b>	<b>-106.8</b>	<b>-15.6</b>	<b>36.3</b>	<b>5.4</b>	<b>-134.0</b>
<b>Pre-tax profit</b>	<b>592.5</b>	<b>47.2</b>	<b>472.0</b>	<b>34.7</b>	<b>154.0</b>	<b>22.5</b>	<b>290.3</b>	<b>42.9</b>	<b>88.4</b>
Taxes	-62.0		-21.7		-11.1		-28.1		153.7
<b>Net profit</b>	<b>530.5</b>		<b>450.3</b>		<b>143.0</b>		<b>262.2</b>		<b>83.4</b>

Source: Bank of Slovenia.

Table 2.3: Selected performance indicators

in %	2014	2015	2016	2017	2018	2019	2020	2020	2021	Jul-20	Jul-21
								Jan.-Jul.	Jan.-Jul.	(last 12 mon.)	(last 12 mon.)
<b>Profitability</b>											
Financial intermediation margin*	3.10	3.05	3.05	2.88	3.01	3.13	3.16	2.80	2.54	2.75	2.99
ROA	-0.27	0.42	0.99	1.19	1.39	1.48	1.10	0.63	1.09	0.71	1.34
ROE	-2.69	3.63	7.96	9.58	11.07	12.16	9.57	5.36	10.41	6.01	12.42
Interest margin on interest-bearing assets	2.18	2.06	1.91	1.83	1.84	1.79	1.57	1.63	1.43	1.69	1.45
Net non-interest income / operating costs	58.05	60.05	68.53	62.67	71.93	80.84	100.35	72.25	74.32	65.01	101.65
<b>Operating costs</b>											
Labour costs / average assets	0.92	0.97	1.01	1.02	1.02	1.00	0.90	0.91	0.85	0.95	0.86
Other costs / average assets	0.81	0.84	0.80	0.78	0.73	0.77	0.77	0.80	0.72	0.81	0.72
<b>Asset quality</b>											
Impairments of financial assets at amortised cost / gross assets	8.98	7.84	5.38	4.09	2.64	1.53	1.59	1.63	1.28	/	/

\* Gross income / average assets

Source: Bank of Slovenia.

3. BANKS INTEREST RATES

Table 3.1: 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			
		Households				Corporates				up to 1 year		over 1 year	
		Housing		Consumer		up to EUR 1m		over EUR 1m		EMU	SLO	EMU	SLO
		EMU	SLO	EMU	SLO	EMU	SLO	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
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
Dec-19	0.00	1.5	1.8	5.4	4.6	1.9	2.2	1.2	1.5	0.2	0.2	0.5	0.3
Jan-20	0.00	1.5	1.8	5.6	4.7	2.0	2.3	1.1	1.3	0.3	0.1	0.5	0.3
Feb-20	0.00	1.4	1.8	5.5	4.6	1.9	2.4	1.1	1.4	0.3	0.0	0.5	0.3
Mar-20	0.00	1.4	1.8	5.5	4.5	1.8	2.3	1.1	1.4	0.3	0.2	0.4	0.3
Apr-20	0.00	1.3	2.0	3.6	4.4	1.4	2.7	1.2	2.0	0.2	0.2	0.5	0.2
May-20	0.00	1.5	2.0	4.1	4.4	1.4	2.4	1.2	1.9	0.2	0.2	0.5	0.3
Jun-20	0.00	1.4	1.9	4.4	4.6	1.6	2.3	1.2	1.5	0.2	0.2	0.5	0.3
Jul-20	0.00	1.4	1.8	4.7	4.6	1.7	2.3	1.2	1.9	0.2	0.2	0.5	0.3
Aug-20	0.00	1.4	1.7	5.3	4.7	1.7	2.2	1.3	2.4	0.2	0.2	0.5	0.3
Sep-20	0.00	1.4	1.7	5.1	4.7	1.8	2.2	1.2	2.0	0.2	0.1	0.5	0.3
Oct-20	0.00	1.4	1.7	5.1	4.6	1.8	2.3	1.3	1.6	0.2	0.1	0.5	0.3
Nov-20	0.00	1.4	1.7	5.0	4.6	1.8	2.4	1.2	1.8	0.2	0.2	0.5	0.3
Dec-20	0.00	1.3	1.8	4.9	4.5	1.8	2.3	1.3	1.8	0.2	0.1	0.5	0.3
Jan-21	0.00	1.4	1.7	4.8	4.7	1.9	2.3	1.2	1.3	0.2	0.1	0.5	0.2
Feb-21	0.00	1.3	1.7	5.0	4.7	1.8	2.2	1.2	1.7	0.2	0.1	0.5	0.2
Mar-21	0.00	1.3	1.6	4.9	4.6	1.8	2.2	1.0	1.6	0.2	0.1	0.5	0.2
Apr-21	0.00	1.3	1.6	5.1	4.5	1.8	2.4	1.3	1.8	0.2	0.1	0.5	0.3
May-21	0.00	1.3	1.6	5.2	4.5	1.8	2.2	1.2	2.1	0.2	0.1	0.5	0.2
Jun-21	0.00	1.3	1.5	5.2	4.6	1.8	2.0	1.2	1.4	0.1	0.1	0.5	0.2
Jul-21	0.00	1.4	1.6	5.3	4.7	1.8	2.0	1.3	1.4	0.2	0.1	0.5	0.2

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

Table 3.2: Comparison of interest rates on new fixed-rate loans in Slovenia with those across the euro area, in percentages

	Loans							
	Households				Corporates			
	Housing		Consumer		up to EUR 1m		over EUR 1m	
	EMU	SLO	EMU	SLO	EMU	SLO	EMU	SLO
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
Dec-18	1.9	2.9	5.5	6.2	2.0	3.3	1.6	1.5
Dec-19	1.4	2.7	5.3	6.2	1.7	3.5	1.4	1.1
Jan-20	1.4	2.7	5.7	6.2	1.8	3.1	1.3	1.0
Feb-20	1.4	2.6	5.6	6.1	1.8	3.8	1.3	1.4
Mar-20	1.4	2.6	5.5	6.1	1.7	3.0	1.2	1.3
Apr-20	1.4	2.8	5.5	6.1	1.6	2.9	1.3	2.9
May-20	1.4	2.6	5.3	6.1	1.6	2.8	1.3	1.8
Jun-20	1.4	2.5	5.1	6.1	1.7	2.8	1.4	1.2
Jul-20	1.4	2.4	5.3	6.1	1.7	3.5	1.4	2.3
Aug-20	1.4	2.3	5.4	6.1	1.7	2.9	1.2	1.9
Sep-20	1.4	2.3	5.3	6.0	1.7	3.2	1.3	1.2
Oct-20	1.4	2.2	5.3	6.1	1.7	3.4	1.4	1.4
Nov-20	1.4	2.2	5.3	6.0	1.7	3.0	1.3	1.5
Dec-20	1.3	2.2	5.1	6.0	1.7	3.3	1.3	1.7
Jan-21	1.4	2.1	5.3	6.1	1.7	3.1	1.3	1.7
Feb-21	1.3	2.1	5.3	6.1	1.7	3.4	1.2	1.8
Mar-21	1.3	2.0	5.1	6.0	1.7	2.6	1.2	1.1
Apr-21	1.3	1.9	5.2	5.9	1.7	2.6	1.4	1.6
May-21	1.3	1.9	5.3	6.0	1.7	2.6	1.3	1.2
Jun-21	1.3	1.8	5.2	6.0	1.8	2.7	1.3	1.0
Jul-21	1.3	1.8	5.2	6.0	1.7	2.6	1.2	1.1

Source: Bank of Slovenia, ECB.

4. QUALITY OF THE BANKING SYSTEM'S PORTFOLIO

Table 4.1:<sup>1</sup> Non-performing exposures by client segment

	Exposures		Non-performing exposures (NPEs)							
	amount, EUR million	breakdown, %	amount, EUR million				ratio, %			
			Jul.21	Jul.21	Dec.19	Dec.20	Jun.21	Jul.21	Dec.19	Dec.20
NFCs	14,793	28.3	636	552	394	381	4.5	3.9	2.7	2.6
- large NFCs	7,376	14.1	261	224	92	84	3.5	3.1	1.2	1.1
- SME	7,346	14.1	374	328	302	297	5.5	4.6	4.1	4.0
OFIs	1,489	2.8	11	8	4	4	0.8	0.6	0.3	0.3
Households	12,309	23.6	247	255	254	255	2.1	2.1	2.0	2.1
sole traders	695	1.3	28	30	29	29	4.0	4.3	4.1	4.1
individuals	11,614	22.2	219	225	225	227	2.0	2.0	1.9	2.0
- consumer loans	2,576	4.9	71	84	87	88	2.5	3.2	3.4	3.4
- housing loans	6,951	13.3	123	115	112	113	1.9	1.7	1.6	1.6
- other	2,056	3.9	24	25	26	25	1.3	1.3	1.2	1.2
Non-residents	8,623	16.5	99	106	73	65	1.3	1.3	0.9	0.8
Government	5,100	9.8	12	8	1	1	0.2	0.2	0.0	0.0
Banks and savings banks	866	1.7	0	0	0	0	0.0	0.0	0.0	0.0
Central bank	9,087	17.4	0	0	0	0	0.0	0.0	0.0	0.0
<b>Total</b>	<b>52,266</b>	<b>100.0</b>	<b>1,006</b>	<b>929</b>	<b>724</b>	<b>706</b>	<b>2.2</b>	<b>1.9</b>	<b>1.4</b>	<b>1.3</b>

Table 4.2: Non-performing exposures to non-financial corporations by sector

	Exposures		Non-performing exposures (NPEs)				NPE ratio			
	EUR million	breakdown, %	EUR million				ratio (%)			
			Jul.21	Jul.21	Dec.19	Dec.20	Jun.21	Jul.21	Dec.19	Dec.20
Agriculture, forestry, fishing, mining	114	0.8	3	3	2	2	2.2	3.0	2.3	2.1
Manufacturing	4,046	27.4	114	94	83	72	2.8	2.4	2.1	1.8
Electricity, gas, water, remediation	1,434	9.7	8	9	10	10	0.6	0.6	0.7	0.7
Construction	1,422	9.6	84	60	49	50	7.3	4.8	3.5	3.5
Wholesale and retail trade	2,594	17.5	229	209	79	78	9.0	8.1	3.0	3.0
Transportation and storage	1,587	10.7	20	25	25	25	1.2	1.5	1.6	1.6
Accommodation and food service	602	4.1	40	61	71	71	8.0	10.0	11.7	11.8
Information and communication	664	4.5	6	5	5	5	0.9	0.9	0.7	0.7
Financial and insurance activities	78	0.5	0	0	0	0	0.7	0.0	0.2	0.2
Real estate activities	589	4.0	46	24	18	17	8.0	4.1	3.1	2.8
Professional, scientific and technical	1,415	9.6	65	50	40	40	4.9	3.7	2.8	2.8
Education, health, public admin.	139	0.9	13	5	5	5	8.9	3.8	3.3	3.3
Arts, recreation and entertainment	109	0.7	8	7	6	6	6.6	6.8	5.7	5.6
<b>Total</b>	<b>14,793</b>	<b>100.0</b>	<b>636</b>	<b>552</b>	<b>394</b>	<b>381</b>	<b>4.5</b>	<b>3.9</b>	<b>2.7</b>	<b>2.6</b>

Table 4.3:<sup>1</sup> Exposures by credit risk stages by client segment

	Share in %									Exposure to stage 2		
	S1			S2			S3			amount, EUR million		
	Dec 19	Dec 20	Jul 21	Dec 19	Dec 20	Jul 21	Dec 19	Dec 20	Jul 21	Dec 19	Dec 20	Jul 21
NFCs	89.5	84.7	87.1	6.9	12.3	10.4	3.6	3.0	2.5	976	1,743	1,537
- large NFCs	92.3	88.4	91.1	5.7	10.0	7.7	1.9	1.5	1.1	423	718	569
- SME	86.1	80.9	82.9	8.3	14.6	13.2	5.5	4.6	4.0	553	1,026	968
OFIs	98.8	99.2	99.3	0.4	0.3	0.4	0.8	0.6	0.3	5	4	7
Households	91.8	89.4	89.7	6.1	8.5	8.1	2.1	2.1	2.2	720	1,010	993
sole traders	86.3	84.3	83.9	9.7	11.3	12.0	4.0	4.3	4.1	67	78	84
individuals	92.1	89.7	90.0	5.9	8.3	7.8	2.0	2.0	2.1	653	932	910
- consumer loans	92.9	89.6	88.5	4.6	7.2	7.7	2.5	3.2	3.8	129	189	199
- housing loans	90.9	88.3	89.4	7.2	10.0	8.8	1.9	1.7	1.8	455	660	615
- other	95.1	94.6	94.1	3.6	4.1	4.6	1.3	1.3	1.3	69	83	96
Non-residents	96.4	94.5	96.0	2.7	4.6	3.3	0.9	1.0	0.8	207	366	282
Government	99.3	99.2	99.6	0.4	0.6	0.4	0.2	0.2	0.0	21	33	19
<b>Total</b>	<b>93.9</b>	<b>91.9</b>	<b>93.2</b>	<b>4.3</b>	<b>6.5</b>	<b>5.4</b>	<b>1.9</b>	<b>1.6</b>	<b>1.4</b>	<b>1,931</b>	<b>3,166</b>	<b>2,845</b>

<sup>1</sup> 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 April 2015).

Source: Bank of Slovenia.

Table 4.4: Exposures by credit risk stages by sector

	Share in %									Exposure to stage 2		
	S1			S2			S3			amount, EUR million		
	Dec 19	Dec 20	Jul 21	Dec 19	Dec 20	Jul 21	Dec 19	Dec 20	Jul 21	Dec 19	Dec 20	Jul 21
Agriculture, forestry, fishing, mining	90.6	83.4	86.1	7.2	13.5	11.8	2.2	3.0	2.1	8	15	13
Manufacturing	87.9	80.5	85.1	9.3	17.1	13.2	2.8	2.4	1.8	374	680	532
Electricity, gas, water, remediation	94.1	96.1	96.4	5.2	3.3	2.9	0.6	0.6	0.7	68	45	42
Construction	86.2	84.5	89.0	6.7	10.8	7.5	7.1	4.7	3.5	77	137	107
Wholesale and retail trade	91.2	88.0	89.1	4.4	8.2	7.9	4.5	3.8	3.0	106	201	204
Transportation and storage	92.7	93.8	92.6	6.1	4.7	5.9	1.2	1.5	1.6	106	77	93
Accommodation and food service	84.3	43.7	38.6	8.4	47.0	50.2	7.3	9.4	11.2	42	286	300
Information and communication	95.9	92.1	98.0	3.2	7.0	1.3	0.9	0.9	0.7	21	39	9
Financial and insurance activities	78.5	99.1	96.1	20.7	0.8	3.7	0.7	0.0	0.2	13	1	3
Real estate activities	82.6	86.3	88.2	9.3	9.6	9.0	8.0	4.1	2.8	54	56	53
Professional, scientific and technical	89.5	85.6	89.3	5.7	10.7	7.9	4.9	3.7	2.8	75	143	112
Education, health, public admin.	82.6	85.1	86.6	8.5	11.1	10.1	8.9	3.8	3.2	12	15	14
Arts, recreation and entertainment	76.5	47.5	44.3	16.9	45.7	50.0	6.6	6.8	5.6	19	49	55
<b>Total</b>	<b>89.5</b>	<b>84.7</b>	<b>87.1</b>	<b>6.9</b>	<b>12.3</b>	<b>10.4</b>	<b>3.6</b>	<b>3.0</b>	<b>2.5</b>	<b>976</b>	<b>1,743</b>	<b>1,537</b>

Source: Bank of Slovenia.

**5. LOANS UNDER MORATORIA AND NEWLY APPROVED LOANS AS A RESULT OF THE COVID-19 EPIDEMIC**

Table 5.1: Loans as at 31 July 2021 by sector

	Total loans							
	Of which: Loans under moratoria			Of which: Loans under legislative moratoria		Of which: Loans under bilaterally agreed moratoria		
	(EUR million)	(EUR million)	in % of total loans	(EUR million)	in % of total loans	(EUR million)	in % of total loans	
	(1)	(2)	(3) = (2) / (1)	(4)	(5) = (4) / (1)	(6)	(7) = (6) / (1)	
Central banks and credit institutions	12,081	0	0.0	0	0.0	0	0.0	
Other financial organizations	1,718	9	0.6	9	0.5	0	0.0	
Government	1,495	1	0.0	1	0.0	0	0.0	
Non-financial corporations	10,410	1,860	17.9	1,514	14.5	347	3.3	
large companies	4,402	669	15.2	633	14.4	37	0.8	
micro, small and medium-sized companies	6,008	1,191	19.8	881	14.7	310	5.2	
Households	11,258	570	5.1	534	4.7	36	0.3	
sole traders	598	89	14.9	70	11.8	19	3.2	
other households	10,660	480	4.5	463	4.3	17	0.2	
<b>Total</b>	<b>36,963</b>	<b>2,440</b>	<b>6.6</b>	<b>2,057</b>	<b>5.6</b>	<b>383</b>	<b>1.0</b>	

Note: Balance sheet exposures of banks, savings banks and branches are shown. They also include loans granted to foreigners. Loans under moratoria are loans in which banks have granted borrowers a deferral of payment of obligations under a credit agreement, regardless of whether the moratorium has already expired or not.

Source: Bank of Slovenia.

Table 5.2: Loans to non-financial corporations as at 31 July 2021 by activity

	Total loans									
	Of which: Loans under moratoria					Of which: Newly approved loans as a result of the Covid-19				
	Of which: Loans under legislative moratoria		Of which: Loans under bilaterally agreed moratoria			Of which: Loans under legislative moratoria		Of which: Loans under bilaterally agreed moratoria		
	(EUR million)	(EUR million)	in % of total loans	(EUR million)	in % of total loans	(EUR million)	in % of total loans	(EUR million)	in % of total loans	
(1)	(2)	(3) = (2) / (1)	(4)	(5) = (4) / (1)	(6)	(7) = (6) / (1)	(8)	(9) = (8) / (1)		
Agriculture, forestry and fishing	50	2	4.0	2	3.1	0	0.9	1	1.8	
Mining and quarrying	80	12	14.7	3	4.2	8	10.5	0	0.1	
Manufacturing	3,019	656	21.7	604	20.0	51	1.7	116	3.8	
Electricity, gas, remediation	708	1	0.1	1	0.1	0	0.0	0	0.0	
Water supply	121	14	11.9	12	9.6	3	2.3	0	0.2	
Construction	538	69	12.9	33	6.1	36	6.7	11	2.1	
Wholesale and retail trade	1,538	168	10.9	140	9.1	28	1.8	35	2.3	
Transport and storage	1,261	105	8.3	89	7.1	16	1.3	12	1.0	
Accommodation and food service	580	348	60.0	299	51.5	49	8.5	35	6.0	
Information and communication	489	34	7.0	27	5.6	7	1.4	5	1.0	
Financial and insurance activities	146	0	0.3	0	0.1	0	0.2	0	0.0	
Real estate activities	693	202	29.1	123	17.8	78	11.3	0	0.0	
Professional, scientific and tech.	729	58	7.9	54	7.3	4	0.6	7	1.0	
Administrative and support service	152	38	25.3	20	12.9	19	12.4	10	6.5	
Public admini., defence, soc. sec.	1	1	60.8	1	60.8	0	0.0	0	0.0	
Education	23	12	52.3	5	21.9	7	30.4	0	0.2	
Health and social security	152	55	36.3	46	30.1	9	6.2	1	0.5	
Arts, entertainment and recreation	112	79	70.4	50	44.9	29	25.5	2	1.4	
Other services	18	6	35.2	6	33.6	0	1.7	0	2.5	
<b>Total</b>	<b>10,410</b>	<b>1,860</b>	<b>17.9</b>	<b>1,514</b>	<b>14.5</b>	<b>347</b>	<b>3.3</b>	<b>236</b>	<b>2.3</b>	

Note: Balance sheet exposures of banks, savings banks and branches are shown. They also include loans granted to foreigners. Loans under moratoria are loans in which banks have granted borrowers a deferral of payment of obligations under a credit agreement, regardless of whether the moratorium has already expired or not.

Source: Bank of Slovenia.

Table 5.3: Loans by moratoria according to the maturity of the deferral as at 31 July 2021 by activity

	Loans under legislative moratoria								Loans under bilaterally agreed moratoria									
	Of which: expired moratoria				Of which: active moratoria				Of which: expired moratoria				Of which: active moratoria					
	in mio EUR	in mio EUR	in % of 'loans under legislative moratoria	in mio EUR	in % of 'loans under legislative moratoria	Residual	Residual	Residual	Residual	in mio EUR	in mio EUR	in % of 'loans under bilaterally agreed moratoria	in mio EUR	in % of 'loans under bilaterally agreed moratoria	Residual	Residual	Residual	Residual
						maturity up to 3 months	maturity of 3 - 6 months	maturity of 6 - 9 months	maturity of above 9 months						maturity up to 3 months	maturity of 3 - 6 months	maturity of 6 - 9 months	maturity of above 9 months
(1)	(2)	(3) = (2) / (1)	(4)	(5) = (4)/(1)	(6)	(7)	(8)	(9)	(10)	(11)	(12)=(11)/(10)	(13)	(14)=(13)/(10)	(15)	(16)	(17)	(18)	
Agriculture, forestry and fishing	2	1	66.5	1	33.5	1	0	0	0	0	0	100	0	0.0	0	0	0	0
Mining and quarrying	3	3	100.0	0	0.0	0	0	0	0	8	8	100	0	0.0	0	0	0	0
Manufacturing	604	512	84.7	93	15.3	24	61	7	0	51	47	92	4	7.7	3	0	0	0
Electricity, gas, remediation	1	1	94.4	0	5.6	0	0	0	0	0	0	0	0	0.0	0	0	0	0
Water supply	12	12	98.8	0	1.2	0	0	0	0	3	2	86	0	14.1	0	0	0	0
Construction	33	31	95.8	1	4.2	1	0	0	0	36	27	74	9	25.8	9	0	0	0
Wholesale and retail trade	140	125	89.5	15	10.5	10	5	0	0	28	23	83	5	16.8	0	4	0	0
Transport and storage	89	81	90.6	8	9.4	7	2	0	0	16	14	84	3	15.8	0	2	0	0
Accommodation and food service	299	282	94.6	16	5.4	2	14	0	0	49	12	25	37	75.4	9	10	7	10
Information and communication	27	26	97.5	1	2.5	0	0	0	0	7	5	70	2	30.0	2	0	0	0
Financial and insurance activities	0	0	100.0	0	0.0	0	0	0	0	0	0	100	0	0.0	0	0	0	0
Real estate activities	123	122	98.5	2	1.5	1	0	0	0	78	78	100	0	0.4	0	0	0	0
Professional, scientific and tech.	54	45	84.1	8	15.9	8	1	0	0	4	3	80	1	20.2	1	0	0	0
Administrative and support service	20	12	62.6	7	37.4	2	6	0	0	19	14	73	5	26.5	5	0	0	0
Public admini., defence, soc. sec.	1	1	100.0	0	0.0	0	0	0	0	0	0	0	0	0.0	0	0	0	0
Education	5	5	95.0	0	5.0	0	0	0	0	7	7	100	0	0.0	0	0	0	0
Health and social security	46	23	50.0	23	50.0	4	19	0	0	9	9	100	0	0.3	0	0	0	0
Arts, entertainment and recreation	50	19	38.7	31	61.3	1	29	0	0	29	28	97	1	3.3	1	0	0	0
Other services	6	6	96.0	0	4.0	0	0	0	0	0	0	68	0	32.5	0	0	0	0
<b>Total</b>	<b>1,514</b>	<b>1,307</b>	<b>86.4</b>	<b>206</b>	<b>13.6</b>	<b>62</b>	<b>137</b>	<b>7</b>	<b>0</b>	<b>347</b>	<b>279</b>	<b>81</b>	<b>68</b>	<b>19.5</b>	<b>31</b>	<b>18</b>	<b>8</b>	<b>11</b>

Note: Loans include on-balance sheet exposures of banks, savings banks and branches of Member State banks. They include loans to non-residents.

Source: Bank of Slovenia.