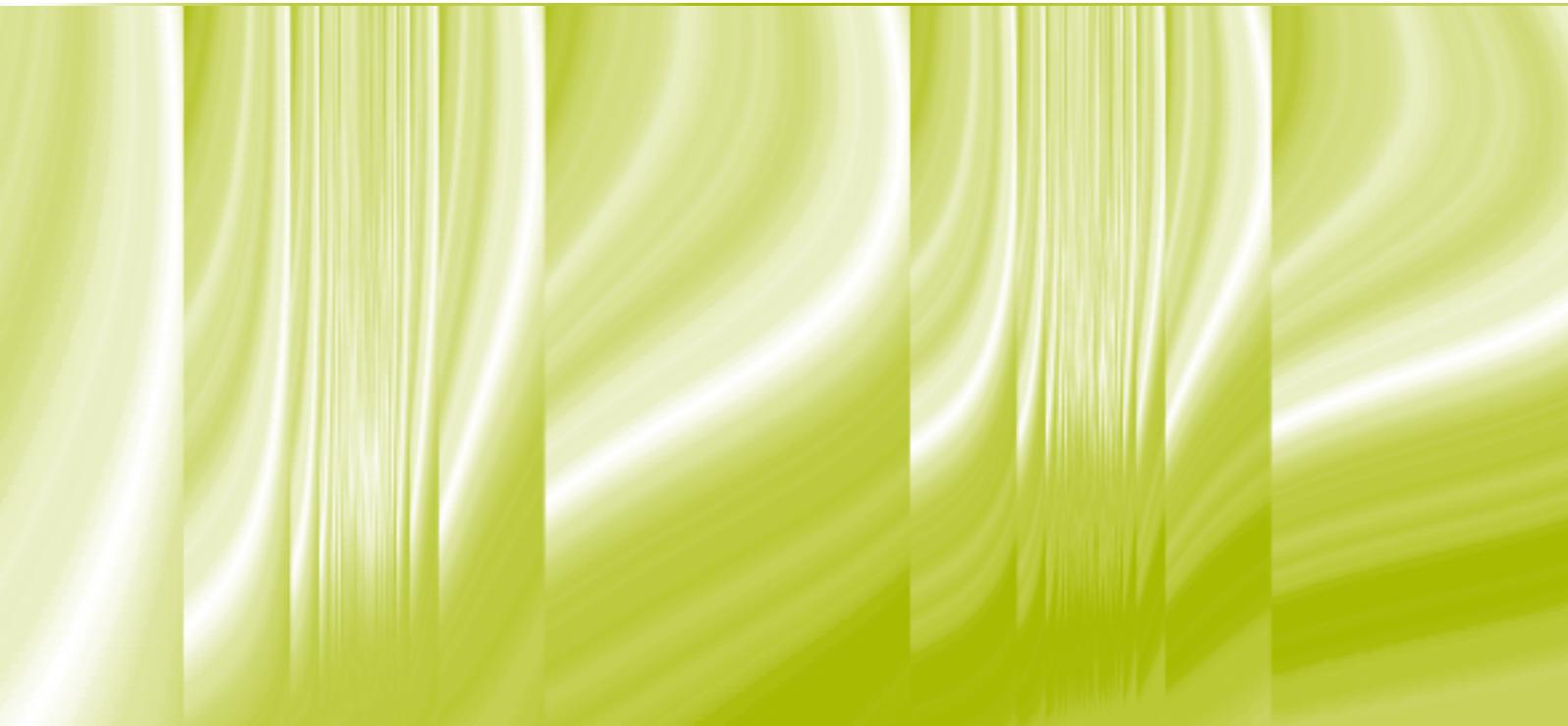


**BANKA  
SLOVENIJE**

EVROSISTEM



**MONTHLY REPORT  
ON BANK PERFORMANCE**



**JULY 2021**

After several months of decline, loans to the non-banking sector were up in year-on-year terms in May. Household lending has strengthened over the last three months as housing loans volume has expanded, while the year-on-year contraction in loans to non-financial corporations slowed in May. Driven primarily by one-off factors, the banking system's pre-tax profit significantly exceeded that recorded in the same period last year, but the sustainability of banks' profits generated in this way remains uncertain going forward. The increased profit was partly attributable to a net release of impairments and provisions at the majority of banks. The net interest margin has declined further this year. Portfolio quality indicators remain favourable, except in the non-financial corporations segment in the sectors hit hardest by the containment measures, and in the consumer loans portfolio. Amid the improving epidemiological situation, the current faster lifting of containment measures and the improving outlook for economic growth, banks can also be expected to see an improvement in their business conditions, although certain consequences of the crisis could become evident with a delay.

The balance sheet total increased by EUR 335 million in May to stand at EUR 46.3 billion, up 7.9% in year-on-year terms. The increase was driven on the liability side by an increase of EUR 221 million in deposits by the non-banking sector. Investments in debt securities recorded the largest increase (of EUR 338 million) on the asset side. Loans to the non-banking sector increased by EUR 63 million.

After several months of contraction, year-on-year growth in loans to the non-banking sector re-entered positive territory in May, at 0.6%. The increase in loans was moderate at best (at EUR 266 million) in comparison with the large inflow of deposits (EUR 1,337 million).

Year-on-year growth in the household loans sector increased for the third consecutive month in May to reach 2.2%. Household lending has strengthened over the last three months as the volume of housing loans has expanded. Housing loans were up EUR 65 million in May, and by EUR 175 million over the first five months of the year. The monthly increases have been picking up pace in recent months as the containment measures have been relaxed, and are well above those seen last year. The average increase stands at EUR 35 million this year, compared with EUR 22 million last year. Year-on-year growth in housing loans slowed last year, while between December and May it increased by 1.6 percentage points to reach 5.6%, returning to the levels seen before the crisis.

The year-on-year contraction in consumer loans slowed to 6.1% in May, with a decline in all months of this year other than March. May's contraction amounted to just EUR 1.3 million. With the economy gradually starting to operate at increasing capacity, spending opportunities are also increasing, and with them the demand for new consumer loans.

The year-on-year contraction in loans to non-financial corporations slowed to -1.3% in May, compared with the rate of -3.6% seen in the two previous months. This was the result of a net increase in the stock and also a base effect, loans to non-financial corporations having contracted sharply last May (by EUR 171 million).

After declining in April, the overall NPE ratio held at 1.4% in May; it fell further to 2.7% in the non-financial corporations' portfolio, but increased slightly in the non-residents portfolio to 0.9%. In accommodation and food service activities, one of the sectors hit hardest by the epidemic, the unfavourable trends have continued: NPE ratios have risen (by 4.2 percentage points since October of last year), while additional claims have transitioned to stage 2 (increased credit risk). The proportion of the portfolio classed as stage 2 surpassed 50% in May in accommodation and food service activities, while in arts, entertainment and recreation, which was also hit relatively hard by the crisis, it approached this mark very closely (49.9%). The deterioration in quality of the consumer loans portfolio is being reflected in the ongoing, albeit slow, sustained rise in the NPE ratio (which reached 3.3% in May), an additional increase in the proportion classed as stage 2, and the continued increase in coverage of performing exposures by impairments. The economic recovery and favourable forecasts are being reflected in other segments in the partial reclassification of claims to stages with lower credit risk, which is particularly evident in manufacturing, but also in wholesale and retail trade, various professional services, and the housing loans portfolio.

Year-on-year growth in deposits by the non-banking sector declined slightly to 10.2% in May. The largest component of the increase in deposits of EUR 221 million came from household deposits, which were up 10.3% in year-on-year terms (EUR 149 million). Deposits by non-financial corporations, which have fluctuated considerably from month to month, recorded relatively high year-on-year growth of 12.9%. The pronounced increase in sight deposits continued in May: they now account for more than 80% of all deposits, and 62% of total liabilities.

Pre-tax profit amounted to EUR 213 million over the first five months of this year, up 39.8% on the same period last year. Pre-tax ROE at system level stood at 10.9% (compared with 9.6% in 2020). While net interest income remains down on the same period last year, the increase in profit was driven by other categories, most notably the relatively high non-interest income, which was mostly of a one-off nature (mainly revaluations of bank assets), while dividend income for example is down sharply on last year. Net fees and commission are displaying a solid growth trend: the year-on-year rate stood at 13.1%. Net interest income is declining (by 4.6%), a reflection of the diminishing returns on bank assets and the banks' reduced lending activity. Net interest margin has declined this year, and stood at 1.49% in May for the preceding 12 months. The banking system's net income was comparable to the same period last year (up 0.5%), amid virtually unchanged operating costs. The net release of impairments and provisions is again prevailing, and reflects the improvement in the economic situation and in the banks' expectations. Eleven of the 16 credit institutions recorded a net release of impairments and provisions, which further increased system-wide profit. Because the high profitability is largely the result of the one-off factors described, the sustainability of the current level of profitability is questionable.

The banking system's total capital ratio stood at 18.0% on a consolidated basis at the end of the first quarter of 2021, while the common equity Tier 1 capital ratio stood at 16.5%, the figures having declined by 0.3 percentage points and 0.2 percentage points respectively. The declines in the capital ratios in the first quarter of this year were driven by an increase in risk-weighted assets at banks that increased their corporate and household lending during the period.

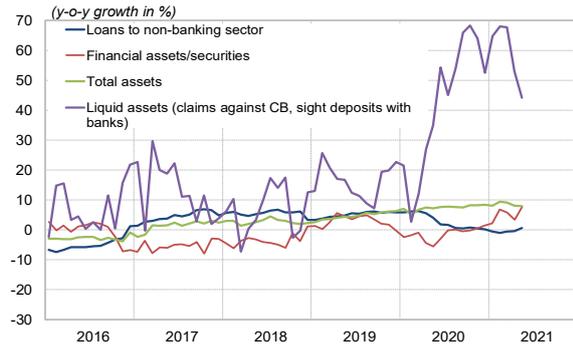
The liquidity coverage ratio (LCR) stood at 340% in May, up 6 percentage points on the previous month, and remains more than three times higher than the regulatory requirement of 100%. Growth in the most liquid forms of asset continued, and by March accounted for more than a fifth of the balance sheet total. The ratio of assets in the most liquid forms to the balance sheet total in the Slovenian banking system stood at 21.1% in May.

**APPENDICES**

1. Key trends in the banking sector	1
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4. Quality of the banking system's portfolio	5
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## 1. KEY TRENDS IN THE BANKING SECTOR

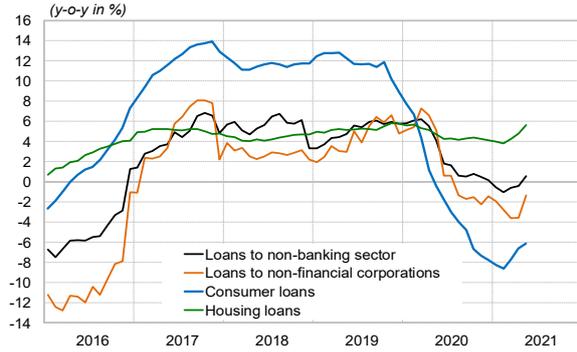
Figure 1.1: Growth in bank investments



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

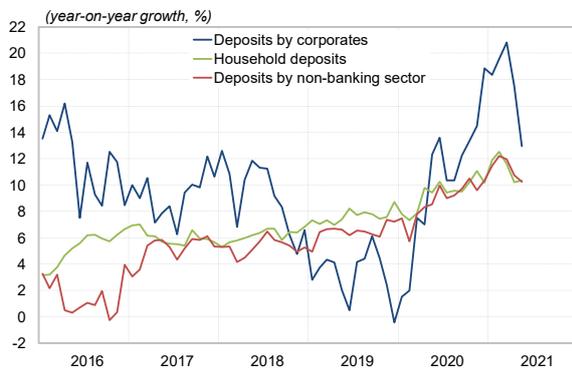
Source: Bank of Slovenia.

Figure 1.2: Loans by sector and loan type



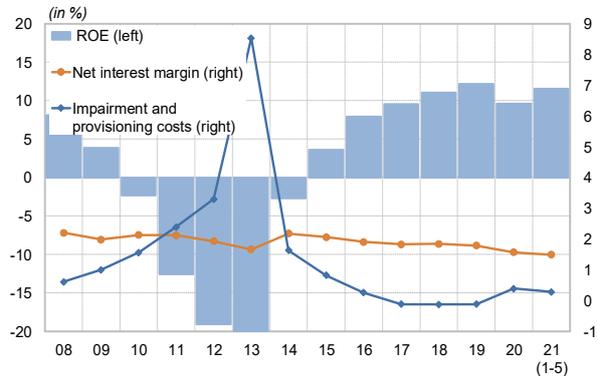
Source: Bank of Slovenia.

Figure 1.3: Deposits by sector



Source: Bank of Slovenia.

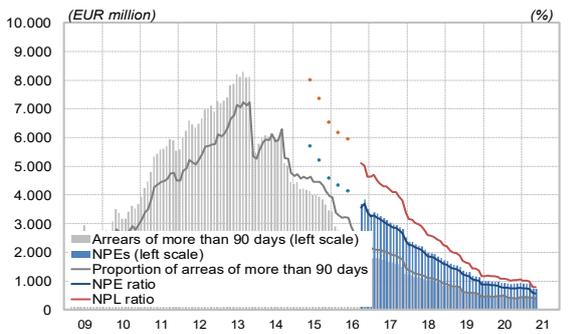
Figure 1.4: ROE, net interest margin, and ratio of impairment and provisioning costs to total assets



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 (September 2020).

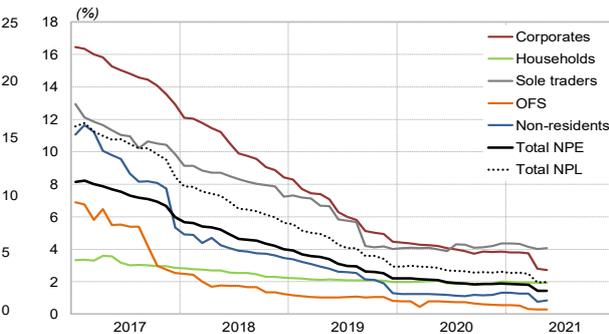
Source: Bank of Slovenia.

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



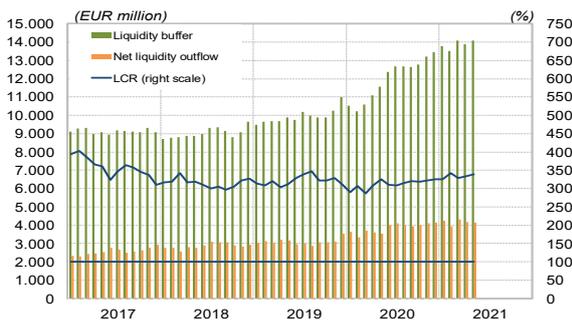
Source: Bank of Slovenia.

Figure 1.6: NPE ratio by client segment



Source: Bank of Slovenia.

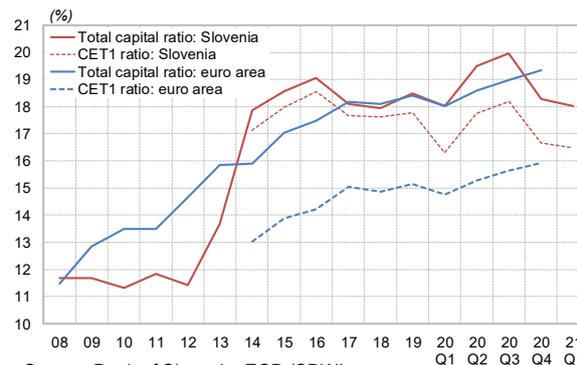
Figure 1.7: Liquidity coverage ratio (LCR)



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. May 2021

EUR million unless stated, growth rates in %	Stock		Breakdown		Stock		Breakdown		Increase		Growth in May 21, %	
	31.12.2008	(%)	31.12.2020	(%)	31.05.2021	(%)	in May 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>46,284</b>	<b>100.0</b>	<b>335.0</b>	<b>1,632.8</b>	<b>0.7</b>	<b>7.9</b>		
Cash in hand, balances at central bank and sight deposits at banks*	1,250	2.6	8,825	19.8	9,787	21.1	133.1	961.9	1.4	44.2		
Loans to banks at amortised cost (including central bank)	4,101	8.6	1,492	3.3	1,544	3.3	-204.8	51.2	-11.7	-15.1		
domestic banks	2,673	5.6	647	1.4	623	1.3	-7.4	-24.4	-1.2	-13.1		
foreign banks	1,428	3.0	845	1.9	921	2.0	-197.4	75.5	-17.6	-16.4		
short-term loans to banks	2,056	4.3	271	0.6	309	0.7	-194.3	38.1	-38.6	-55.3		
long-term loans to banks	2,046	4.3	1,222	2.7	1,235	2.7	-10.4	13.1	-0.8	9.6		
Loans to non-banking sector*	33,718	70.3	23,561	52.8	23,827	51.5	63.4	266.3	0.3	0.6		
of which non-financial corporations	20,260	42.3	8,750	19.6	8,965	19.4	37.1	214.9	0.4	-1.3		
households	7,558	15.8	10,712	24.0	10,830	23.4	72.1	117.8	0.7	2.2		
of which residential			6,760	15.1	6,935	15.0	64.6	174.5	0.9	5.6		
consumer			2,591	5.8	2,539	5.5	-1.3	-51.8	0.0	-6.1		
government	506	1.1	1,546	3.5	1,484	3.2	5.7	-62.9	0.4	-7.7		
other financial institutions	2,829	5.9	1,202	2.7	1,186	2.6	3.8	-17.0	0.3	-4.3		
non-residents	2,515	5.2	1,323	3.0	1,335	2.9	-55.4	12.0	-4.0	18.1		
Other financial assets classed as loans and receivables (at amortised cost)	0	0.0	113	0.3	153	0.3	4.8	39.8	3.3	-19.7		
Securities / financial assets**	7,323	15.3	8,958	20.1	9,280	20.0	337.7	321.2	3.8	7.7		
a) Financial assets held for trading	1,177	2.5	61	0.1	61	0.1	1.7	0.3	2.8	-19.6		
of which debt securities held for trading	571	1.2	3	0.0	3	0.0	2.0	-0.5	181.2	-70.0		
... government debt securities held for trading	56	0.1	3	0.0	3	0.0	2.0	-0.5	181.2	-70.0		
b) Financial assets measured at fair value through P&L not held for trading	0	0.0	92	0.2	85	0.2	-8.9	-7.7	-9.5	46.6		
of which debt securities measured at fair value through P&L not held for trading	0	0.0	3	0.0	3	0.0	0.0	-0.1	-0.1	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	-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	-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			
d) Financial assets measured at fair value through other comprehensive income	4,552	9.5	5,818	13.0	5,488	11.9	52.9	-329.8	1.0	12.7		
of which debt securities measured at fair value through other comprehensive income	4,318	9.0	5,625	12.6	5,291	11.4	53.0	-334.1	1.0	13.4		
... government debt securities measured at fair value through other comprehensive income	2,875	6.0	3,854	8.6	3,573	7.7	75.9	-280.9	2.2	10.1		
e) Debt securities at amortised cost	1,415	3.0	2,981	6.7	3,646	7.9	292.0	664.6	8.7	1.1		
of which government debt securities at amortised cost	1,182	2.5	2,314	5.2	2,742	5.9	152.0	427.8	5.9	-2.4		
Investments in subsidiaries, joint ventures and associates	627	1.3	903	2.0	927	2.0	1.6	24.7	0.2	-3.0		
Other assets	928	1.9	799	1.8	767	1.7	-0.8	-32.3	-0.1	-6.9		
<b>Equity and liabilities</b>	<b>47,948</b>	<b>100.0</b>	<b>44,651</b>	<b>100.0</b>	<b>46,284</b>	<b>100.0</b>	<b>335.0</b>	<b>1,632.8</b>	<b>0.7</b>	<b>7.9</b>		
Financial liabilities measured at amortised cost (deposits)	41,895	87.4	39,404	88.2	40,943	88.5	308.7	1,539.2	0.8	9.4		
a) Financial liabilities to central bank (Eurosystem)	1,229	2.6	1,380	3.1	1,396	3.0	-1.6	16.1	-0.1	20.1		
b) Liabilities to banks	18,168	37.9	2,378	5.3	2,350	5.1	-34.2	-28.4	-1.4	-14.4		
of which to domestic banks	2,065	4.3	799	1.8	800	1.7	-5.3	0.2	-0.7	-7.1		
of which to foreign banks	16,098	33.6	1,579	3.5	1,550	3.3	-28.9	-28.7	-1.8	-17.7		
c) Liabilities to non-banking sector (deposits by NBS)	20,863	43.6	34,281	76.8	35,618	77.0	221.4	1,336.7	0.6	10.2		
of which to non-financial corporations	3,728	7.8	8,031	18.0	8,290	17.9	10.7	258.9	0.1	12.9		
households	13,407	28.0	22,437	50.2	23,306	50.4	149.3	869.1	0.6	10.3		
government	1,879	3.9	948	2.1	894	1.9	21.8	-54.0	2.5	-11.0		
other financial institutions	1,065	2.2	1,172	2.6	1,288	2.8	38.8	116.1	3.1	4.0		
non-residents	475	1.0	1,217	2.7	1,359	2.9	-0.1	142.6	0.0	16.8		
d) Debt securities	1,276	2.7	1,058	2.4	1,183	2.6	124.9	125.1	11.8	63.4		
e) Other financial liabilities measured at amortised cost***	1,568	3.3	307	0.7	397	0.9	-1.8	89.7	-0.5	-15.9		
Provisions	176	0.4	186	0.4	174	0.4	-1.7	-11.8	-1.0	-4.7		
Shareholder equity	4,010	8.4	4,805	10.8	4,956	10.7	21.6	150.7	0.4	-1.3		
Other liabilities	1,867	3.9	257	0.6	211	0.5	6.3	-45.4	3.1	-20.8		
<b>BALANCE SHEET TOTAL</b>	<b>47,948</b>	<b>100.0</b>	<b>44,651</b>	<b>100.0</b>	<b>46,284</b>	<b>100.0</b>	<b>335.0</b>	<b>1,632.8</b>	<b>0.7</b>	<b>7.9</b>		

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

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

\*\*\* 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.

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

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)

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.-May	(%)	Jan.-May	(%)	Jan.- May 21/ Jan.- May 20
Interest income	790.0		754.0		318.1		309.9		-2.6
Interest expenses	107.3		114.9		45.8		50.0		9.2
<b>Net interest</b>	<b>682.7</b>	<b>54.4</b>	<b>639.1</b>	<b>47.0</b>	<b>272.2</b>	<b>56.7</b>	<b>259.8</b>	<b>52.7</b>	<b>-4.6</b>
<b>Non-interest income</b>	<b>573.4</b>	<b>45.6</b>	<b>721.0</b>	<b>53.0</b>	<b>207.7</b>	<b>43.3</b>	<b>233.5</b>	<b>47.3</b>	<b>12.4</b>
of which net fees and commission	333.8	26.6	329.7	24.2	132.7	27.6	150.1	30.4	13.1
of which net gains/losses on financial assets and liabilities held for trading	12.1	1.0	16.0	1.2	6.6	1.4	9.6	1.9	45.0
<b>Gross income</b>	<b>1,256.1</b>	<b>100.0</b>	<b>1,360.1</b>	<b>100.0</b>	<b>479.9</b>	<b>100.0</b>	<b>493.3</b>	<b>100.0</b>	<b>2.8</b>
<b>Operating costs</b>	<b>-709.3</b>	<b>-56.5</b>	<b>-718.4</b>	<b>-52.8</b>	<b>-282.3</b>	<b>-58.8</b>	<b>-294.7</b>	<b>-59.7</b>	<b>4.4</b>
<b>Net income</b>	<b>546.8</b>	<b>43.5</b>	<b>641.6</b>	<b>47.2</b>	<b>197.6</b>	<b>41.2</b>	<b>198.6</b>	<b>40.3</b>	<b>0.5</b>
<b>Net impairments and provisions</b>	<b>45.7</b>	<b>3.6</b>	<b>-169.6</b>	<b>-12.5</b>	<b>-45.3</b>	<b>-9.4</b>	<b>14.0</b>	<b>2.8</b>	<b>-130.9</b>
<b>Pre-tax profit</b>	<b>592.5</b>	<b>47.2</b>	<b>472.0</b>	<b>34.7</b>	<b>152.3</b>	<b>31.7</b>	<b>212.6</b>	<b>43.1</b>	<b>39.6</b>
Taxes	-62.0		-21.7		-11.5		-21.4		86.3
Net profit	530.5		450.3		140.8		191.2		35.8

Source: Bank of Slovenia.

Table 2.3: Selected performance indicators

in %	2014		2015		2016		2017		2018		2019		2020		2020	2021	May-20	May-21	
	2014	2015	2016	2017	2018	2019	2020	2020	Jan.-May.	Jan.-May.	(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	2.77	2.64	2.89	3.09								
ROA	-0.27	0.42	0.99	1.19	1.39	1.48	1.10	0.88	1.13	1.07	1.20								
ROE	-2.69	3.63	7.96	9.58	11.07	12.16	9.57	7.53	10.88	8.95	10.86								
Interest margin on interest-bearing assets	2.18	2.06	1.91	1.83	1.84	1.79	1.57	1.66	1.46	1.74	1.49								
Net non-interest income / operating costs	58.05	60.05	68.53	62.67	71.93	80.84	100.35	73.56	79.23	71.70	102.18								
<b>Operating costs</b>																			
Labour costs / average assets	0.92	0.97	1.01	1.02	1.02	1.00	0.90	0.92	0.85	0.97	0.87								
Other costs / average assets	0.81	0.84	0.80	0.78	0.73	0.77	0.77	0.69	0.71	0.76	0.77								
<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	1.59	1.37	/	/								

\* 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	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

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

Source: Bank of Slovenia, ECB.

**4. QUALITY OF THE BANKING SYSTEM'S PORTFOLIO**

 Table 4.1:<sup>1</sup> Banks' exposure by client segment

	Exposures			Non-performing exposures (NPEs)					
	amount, EUR million	breakdown, %	May.21	amount, EUR million			ratio, %		
	May.21	May.21		Dec.19	Dec.20	May.21	Dec.19	Dec.20	May.21
NFCs	14,661	28.8		636	552	399	4.5	3.9	2.7
- large NFCs	7,384	14.5		261	224	95	3.5	3.1	1.3
- SME	7,217	14.2		374	328	304	5.5	4.6	4.2
OFIs	1,372	2.7		11	8	4	0.8	0.6	0.3
Households	12,309	24.2		247	255	253	2.1	2.1	2.1
sole traders	690	1.4		28	30	28	4.0	4.3	4.1
individuals	11,620	22.8		219	225	225	2.0	2.0	1.9
- consumer loans	2,593	5.1		71	84	87	2.5	3.2	3.3
- housing loans	6,798	13.4		123	115	110	1.9	1.7	1.6
- other	2,197	4.3		24	25	27	1.3	1.3	1.2
Non-residents	8,521	16.7		99	106	73	1.3	1.3	0.9
Government	5,145	10.1		12	8	1	0.2	0.2	0.0
Banks and savings banks	935	1.8		0	0	0	0.0	0.0	0.0
Central bank	7,969	15.7		0	0	0	0.0	0.0	0.0
<b>Total</b>	<b>50,914</b>	<b>100.0</b>		<b>1,006</b>	<b>929</b>	<b>730</b>	<b>2.2</b>	<b>1.9</b>	<b>1.4</b>

 Table 4.2:<sup>1</sup> NPE ratios by client segment

	Exposures		Non-performing exposures (NPEs)				NPE ratio			
	(EUR million)	breakdown, %	(EUR million)				(%)			
	May.21	May.21	Dec.19	Dec.20	Apr.21	May.21	Dec.19	Dec.20	Apr.21	May.21
Agriculture, forestry, fishing, mining	114	0.8	3	3	3	3	2.1	2.8	2.8	2.4
Manufacturing	4,033	27.5	114	93	86	87	2.8	2.4	2.1	2.2
Electricity, gas, water, remediation	1,382	9.4	8	9	10	10	0.6	0.6	0.7	0.7
Construction	1,365	9.3	84	60	50	50	7.3	4.8	3.8	3.6
Wholesale and retail trade	2,620	17.9	229	209	89	80	9.0	8.1	3.4	3.1
Transportation and storage	1,618	11.0	20	25	23	22	1.2	1.5	1.4	1.4
Accommodation and food service	594	4.1	40	61	64	69	8.2	10.1	10.6	11.5
Information and communication	586	4.0	6	5	5	5	0.9	1.0	0.8	0.8
Financial and insurance activities	69	0.5	0	0	0	0	0.7	0.0	0.2	0.2
Real estate activities	596	4.1	46	24	19	20	7.9	4.1	3.4	3.3
Professional, scientific and technical	1,438	9.8	65	49	48	43	4.9	3.7	3.4	3.0
Education, health, public admin.	137	0.9	13	5	5	5	9.0	3.8	3.5	3.4
Arts, recreation and entertainment	108	0.7	8	8	7	7	6.6	7.2	6.4	6.2
<b>Total</b>	<b>14,661</b>	<b>100.0</b>	<b>636</b>	<b>552</b>	<b>409</b>	<b>399</b>	<b>4.5</b>	<b>3.9</b>	<b>2.8</b>	<b>2.7</b>

Table 4.3: NPE ratios by sector

	Share in %									Exposure to stage 2		
	S1			S2			S3			amount, EUR million		
	Dec 19	Dec 20	May 21	Dec 19	Dec 20	May 21	Dec 19	Dec 20	May 21	Dec 19	Dec 20	May 21
NFCs	89,5	84,7	86,7	6,9	12,3	10,6	3,6	3,0	2,7	976	1.743	1.558
- large NFCs	92,3	88,4	90,3	5,7	10,0	8,4	1,9	1,5	1,3	423	718	619
- SME	86,1	80,9	82,8	8,3	14,6	13,0	5,5	4,6	4,1	553	1.026	940
OFIs	98,8	99,2	99,5	0,4	0,3	0,2	0,8	0,6	0,3	5	4	3
Households	91,8	89,4	89,5	6,1	8,5	8,3	2,1	2,1	2,2	720	1.010	1.016
sole traders	86,3	84,3	84,4	9,7	11,3	11,5	4,0	4,3	4,1	67	78	79
individuals	92,1	89,7	89,8	5,9	8,3	8,1	2,0	2,0	2,1	653	932	936
- consumer loans	92,9	89,6	88,3	4,6	7,2	8,0	2,5	3,2	3,7	129	189	208
- housing loans	90,9	88,3	89,0	7,2	10,0	9,2	1,9	1,7	1,8	455	660	628
- other	95,1	94,6	94,2	3,6	4,1	4,5	1,3	1,3	1,3	69	83	101
Non-residents	96,4	94,5	93,8	2,7	4,6	5,3	0,9	1,0	0,9	207	366	455
Government	99,3	99,2	99,5	0,4	0,6	0,5	0,2	0,2	0,0	21	33	27
<b>Total</b>	<b>93,9</b>	<b>91,9</b>	<b>92,5</b>	<b>4,3</b>	<b>6,5</b>	<b>6,0</b>	<b>1,9</b>	<b>1,6</b>	<b>1,5</b>	<b>1.931</b>	<b>3.166</b>	<b>3.065</b>

Source: Bank of Slovenia.

<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).

Table 4.4: NPE ratios of household loans

	Share in %									Exposure to stage 2		
	S1			S2			S3			amount, EUR million		
	Dec 19	Dec 20	May 21	Dec 19	Dec 20	May 21	Dec 19	Dec 20	May 21	Dec 19	Dec 20	May 21
Agriculture, forestry, fishing, mining	87,6	80,9	82,6	10,4	16,3	15,0	2,1	2,8	2,4	13	19	17
Manufacturing	87,9	80,5	84,1	9,3	17,1	13,8	2,8	2,4	2,2	374	680	556
Electricity, gas, water, remediation	94,1	96,1	96,9	5,2	3,3	2,4	0,6	0,6	0,7	68	45	34
Construction	86,2	84,5	88,4	6,6	10,8	8,1	7,2	4,7	3,6	77	137	110
Wholesale and retail trade	91,2	88,0	90,3	4,4	8,2	6,7	4,5	3,8	3,1	106	201	174
Transportation and storage	92,7	93,8	94,1	6,1	4,7	4,5	1,2	1,5	1,4	106	77	74
Accommodation and food service	84,9	43,3	38,1	7,6	47,2	51,0	7,5	9,5	10,9	37	279	301
Information and communication	95,9	92,0	92,9	3,2	7,0	6,3	0,9	1,0	0,8	21	39	37
Financial and insurance activities	78,5	99,1	95,7	20,7	0,8	4,1	0,7	0,0	0,2	13	1	3
Real estate activities	82,8	86,3	87,2	9,3	9,6	9,5	8,0	4,1	3,3	54	56	56
Professional, scientific and technical	89,4	85,5	88,1	5,7	10,8	9,0	4,9	3,7	3,0	75	145	129
Education, health, public administration	82,5	85,4	86,4	8,5	10,8	10,2	9,0	3,8	3,4	12	15	14
Arts, recreation and entertainment	76,8	47,3	43,9	16,8	45,6	49,9	6,5	7,1	6,2	19	49	54
<b>Total</b>	<b>89,5</b>	<b>84,7</b>	<b>86,7</b>	<b>6,9</b>	<b>12,3</b>	<b>10,6</b>	<b>3,6</b>	<b>3,0</b>	<b>2,7</b>	<b>976</b>	<b>1.743</b>	<b>1.558</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 May 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	10,922	0	0.0	0	0.0	0	0.0	
Other financial organizations	1,577	9	0.6	9	0.6	0	0.0	
Government	1,521	1	0.0	1	0.0	0	0.0	
Non-financial corporations	10,304	1,978	19.2	1,634	15.9	343	3.3	
large companies	4,421	717	16.2	679	15.3	39	0.9	
micro, small and medium-sized companies	5,883	1,261	21.4	956	16.2	305	5.2	
Households	11,151	592	5.3	555	5.0	36	0.3	
sole traders	596	97	16.3	75	12.5	23	3.8	
other households	10,554	494	4.7	481	4.6	14	0.1	
<b>Total</b>	<b>35,475</b>	<b>2,580</b>	<b>7.3</b>	<b>2,200</b>	<b>6.2</b>	<b>380</b>	<b>1.1</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 May 2021 by activity

	Total loans									
	Of which: Loans under moratoria					Of which: Newly approved loans as a result of the Covid-19 epidemic				
	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	53	5	8.8	4	7.9	0	0.9	0	0.3	
Mining and quarrying	85	17	19.7	8	9.2	9	10.6	0	0.1	
Manufacturing	2,978	726	24.4	673	22.6	53	1.8	115	3.9	
Electricity, gas, remediation	710	1	0.1	1	0.1	0	0.0	0	0.0	
Water supply	110	15	13.5	12	10.9	3	2.6	0	0.3	
Construction	507	73	14.3	36	7.0	37	7.3	11	2.2	
Wholesale and retail trade	1,566	181	11.6	152	9.7	29	1.9	37	2.3	
Transport and storage	1,290	109	8.5	92	7.2	17	1.3	9	0.7	
Accommodation and food service	573	349	60.9	312	54.5	37	6.5	34	5.9	
Information and communication	429	37	8.7	30	7.1	7	1.6	5	1.1	
Financial and insurance activities	120	0	0.4	0	0.1	0	0.2	0	0.0	
Real estate activities	723	209	28.9	129	17.8	81	11.1	0	0.0	
Professional, scientific and tech.	698	59	8.5	55	7.8	5	0.7	8	1.1	
Administrative and support service	146	40	27.5	21	14.7	19	12.9	8	5.2	
Public admini., defence, soc. sec.	1	1	70.0	1	70.0	0	0.0	0	0.0	
Education	23	12	53.3	5	21.9	7	31.3	0	0.2	
Health and social security	153	56	36.8	47	30.5	10	6.3	1	0.5	
Arts, entertainment and recreation	120	80	66.1	50	41.9	29	24.2	2	1.8	
Other services	18	7	40.6	7	38.9	0	1.8	1	3.2	
<b>Total</b>	<b>10,304</b>	<b>1,978</b>	<b>19.2</b>	<b>1,634</b>	<b>15.9</b>	<b>343</b>	<b>3.3</b>	<b>229</b>	<b>2.2</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 May 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		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	Of which: Residual maturity of moratoria up to 3 months	Of which: Residual maturity of moratoria 3 - 6 months	Of which: Residual maturity of moratoria 6 - 9 months	Of which: Residual maturity of moratoria above 9 months	in mio EUR	in mio EUR	in % of loans under bilaterally agreed moratoria	in mio EUR	in % of loans under bilaterally agreed moratoria	Of which: Residual maturity of moratoria up to 3 months	Of which: Residual maturity of moratoria 3 - 6 months	Of which: Residual maturity of moratoria 6 - 9 months	Of which: Residual maturity of moratoria 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	4	4	84.9	1	15.1	0	1	0	0	0	100	0	0.0	0	0	0	0	
Mining and quarrying	8	8	100.0	0	0.0	0	0	0	0	9	9	100	0	0.0	0	0	0	
Manufacturing	673	504	74.9	169	25.1	78	76	13	2	53	46	87	7	13.2	2	3	0	
Electricity, gas, remediation	1	1	94.7	0	5.3	0	0	0	0	0	0	0	0	0.0	0	0	0	
Water supply	12	12	97.8	0	2.2	0	0	0	0	3	2	85	0	14.5	0	0	0	
Construction	36	34	94.2	2	5.8	1	1	0	0	37	20	55	17	45.4	8	9	0	
Wholesale and retail trade	152	128	84.4	24	15.6	10	9	4	1	29	24	81	6	18.9	1	1	4	
Transport and storage	92	82	88.8	10	11.2	2	7	2	0	17	14	81	3	19.3	1	0	2	
Accommodation and food service	312	200	64.0	113	36.0	93	8	11	0	37	9	23	28	76.9	5	3	10	
Information and communication	30	29	95.3	1	4.7	1	1	0	0	7	5	72	2	27.5	2	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	
Real estate activities	129	122	94.7	7	5.3	5	1	0	0	81	51	63	29	36.5	29	0	0	
Professional, scientific and tech.	55	44	81.5	10	18.5	1	8	0	0	5	3	73	1	27.1	1	0	0	
Administrative and support service	21	12	55.2	10	44.8	2	7	1	0	19	13	69	6	30.8	1	5	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	
Education	5	5	99.2	0	0.8	0	0	0	0	7	7	95	0	4.6	0	0	0	
Health and social security	47	17	36.5	30	63.5	7	18	5	0	10	10	100	0	0.4	0	0	0	
Arts, entertainment and recreation	50	19	38.2	31	61.8	0	29	2	0	29	27	94	2	5.8	1	1	0	
Other services	7	7	92.1	1	7.9	0	0	0	0	0	0	68	0	32.0	0	0	0	
<b>Total</b>	<b>1,634</b>	<b>1,227</b>	<b>75.1</b>	<b>408</b>	<b>24.9</b>	<b>199</b>	<b>167</b>	<b>39</b>	<b>3</b>	<b>343</b>	<b>241</b>	<b>70</b>	<b>102</b>	<b>29.7</b>	<b>50</b>	<b>23</b>	<b>16</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.