

**BANKA
SLOVENIJE**
BANK OF SLOVENIA
EUROSYSTEM



**MONTHLY REPORT
ON BANK PERFORMANCE**



MAY 2020

COMMENTARY IN BRIEF

The monthly report outlines bank performance in the first quarter of 2020. The figures reflect only the very earliest effects of the coronavirus pandemic, and the accompanying economic shock. The sharp decline in economic activity and the downturn caused at home and abroad by coronavirus will gradually have an increasing impact on the banking system, which will be reflected in an increase in various risks and a deterioration in bank performance indicators. Although the banks entered the crisis with good capital adequacy, solid liquidity, and other performance indicators at high levels, and have seen their stability supported by measures by the ECB and Bank of Slovenia alike, the downturn in the domestic and international economic environment can be expected to be increasingly reflected in bank performance. Pre-tax profit in the first quarter of this year was already down significantly on the same period last year.

The banking system's **balance sheet total** increased sharply in March, by EUR 665 million, raising its year-on-year rate of growth to 6.7%. On the funding side, there was an above-average increase in corporate deposits and household deposits, and a decline in equity. On the investment side, the largest increase was recorded by assets at the central bank, but there were also increases in loans to the non-banking sector, corporate loans in particular, and in investments in securities.

Year-on-year growth in loans to the non-banking sector strengthened to 6.2% in March; this year's faster growth has been driven by corporate loans, which increased further in January and March in particular. Corporate loans increased by EUR 480 million in the first quarter of this year, of which EUR 197 million came in March alone. Short-term loans have accounted for almost half of this year's increase in corporate loans. Given the current economic situation, the following months can be expected to bring increased demand for corporate loans, while bank lending activity will also depend on how smoothly the procedures for approving corporate loans backed by government guarantee function.

Growth in household loans is slowing sharply this year: from 6.7% in December of last year, it had declined to 4.4% by March. The absolute stock of household loans has declined by EUR 37 million this year, driven largely by a decline in consumer loans and in other (non-housing) loans. Year-on-year growth in consumer loans had slowed to 4.3% by the end of March. Like in the broader European environment, another factor that has recently been driving down growth in household loans is the economic crisis caused by the coronavirus pandemic, and the growing uncertainty on the labour market. Year-on-year growth in housing loans slowed to 5.3% in March, similar to last year's average rate, although the net increase in housing loans was still positive in the first quarter.

The shutdown of large parts of the economy because of the pandemic had not yet had any impact on **average credit portfolio quality** by March. The NPE ratio remained at 2.2% over the first quarter, as the stock of NPEs continued to decline gently. The stock of NPEs and the NPE ratio in the corporate segment both continued to decline. There were however slight increases in NPEs in individual segments of the portfolio that are expected to be hardest hit by the epidemic: the NPE ratio was up 0.1 percentage points in the transport sector and the accommodation and food service sector (at 9.0% and 1.3% respectively), and 0.2 percentage points in professional, scientific and technical activities (at 5.1%). The NPE ratio in the consumer loans portfolio increased by 0.2 percentage points to 2.7%. Portfolio quality continued to improve in March in all other segments. These deteriorations are not necessarily attributable solely to the pandemic: a slightly larger inflow of NPEs was already evident in the corporate segment in the final quarter of 2019.

Year-on-year **growth in deposits by the non-banking sector** increased to 7.8% in March, outpacing growth in the balance sheet total by more than 1 percentage point. Household deposits and corporate deposits have made almost equal contributions to this year's increase. Year-on-year growth in household deposits stood at 7.8% in March, as they increased by EUR 272 million over the first quarter. Year-on-year growth in corporate deposits has surged, reaching 7.5% in March (as a result of a significant increase in March). The proportion of deposits by the non-banking sector accounted for by sight deposits increased again slightly, reaching 74.7% in March. Other bank funding was less of a factor in the increase in the balance sheet total. Deposits by the non-banking sector were equivalent to 75.3% of the balance sheet total in March, while liabilities to foreign banks and issued debt securities together accounted for 6.4%, and borrowing from the ECB for just 2.5%.

Pre-tax profit amounted to EUR 69.6 million over the first three months of this year, down more than a half on the same period last year. The decline in profit was driven by adverse developments on both the income side (gross income) and the expense side. Net interest income is up only minimally on last year, and net non-interest income is significantly down on last year in the worsening situation, while the rise in operating costs is only slightly less than the growth in the balance sheet total. The net interest margin over the preceding 12 months had declined to 1.77% by the end of March. The banking system's impairment and provisioning costs turned positive again in the first quarter, and amounted to EUR 12.5 million, still a very low ratio to gross income for the moment. The major downturn in the economy caused by the coronavirus pandemic can gradually be expected to bring a rise in impairment and provisioning costs, and a decline in bank profitability. Pre-tax ROE stood at 5.75%.

The **total capital ratio** increased to 18.5% on a consolidated basis in the final quarter of 2019, and the common equity Tier 1 capital ratio to 17.8%, both above their euro area averages. The ratio of assets in the most liquid forms to total assets increased to 13.5% and the ratio of secondary liquidity to total assets held at 18% in March. Meanwhile the liquidity coverage ratio (LCR) declined to 288%, but nevertheless remains almost three times higher than the regulatory requirement.

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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 March 2020

EUR million unless stated, growth rates in %	Stock	Breakdown	Stock	Breakdown	Stock	Breakdown	Increase		Growth in March 20, %	
	31.12.2008	(%)	31.12.2019	(%)	31.03.2020	(%)	in March 20	in 2020	monthly	year-on-year
Assets	47,948	100.0	41,213	100.0	42,144	100.0	665.2	931.2	1.6	6.7
Cash in hand, balances at central bank and sight deposits at banks*	1,250	2.6	5,783	14.0	5,698	13.5	323.4	-85.7	6.0	12.0
Loans to banks at amortised cost (including central bank)	4,101	8.6	1,592	3.9	1,618	3.8	-107.1	25.8	-6.2	5.6
domestic banks	2,673	5.6	758	1.8	672	1.6	5.3	-86.6	0.8	-13.6
foreign banks	1,428	3.0	834	2.0	946	2.2	-112.4	112.5	-10.6	25.4
short-term loans to banks	2,056	4.3	563	1.4	530	1.3	-109.6	-33.1	-17.1	1.8
long-term loans to banks	2,046	4.3	1,029	2.5	1,088	2.6	2.5	58.9	0.2	7.6
Loans to non-banking sector*	33,718	70.3	23,520	57.1	24,008	57.0	123.6	488.2	0.5	6.2
of which non-financial corporations	20,260	42.3	8,877	21.5	9,358	22.2	196.6	480.1	2.1	7.3
households	7,558	15.8	10,703	26.0	10,666	25.3	-62.7	-36.9	-0.6	4.4
government	506	1.1	1,634	4.0	1,609	3.8	-28.0	-25.1	-1.7	-5.2
other financial institutions	2,829	5.9	1,239	3.0	1,255	3.0	2.0	16.0	0.2	20.4
non-residents	2,515	5.2	1,036	2.5	1,091	2.6	16.5	55.3	1.5	22.5
Other financial assets classed as loans and receivables (at amortised cost)	0	0.0	148	0.4	324	0.8	179.8	176.4	124.4	90.6
Securities / financial assets**	7,323	15.3	8,838	21.4	8,705	20.7	145.3	-133.2	1.7	-0.9
a) Financial assets held for trading	1,177	2.5	63	0.2	80	0.2	5.2	17.3	6.9	0.0
of which debt securities held for trading	571	1.2	8	0.0	6	0.0	0.4	-1.3	6.2	-75.2
... government debt securities held for trading	56	0.1	8	0.0	6	0.0	0.4	-1.3	6.2	-75.2
b) Financial assets measured at fair value through P&L not held for trading	0	0.0	52	0.1	57	0.1	-6.4	5.1	-10.1	-11.6
of which debt securities measured at fair value through P&L not held for trading	0	0.0	0	0.0	0	0.0	0.0	0.0	0.0	0.0
c) Financial assets designated for measurement at fair value through P&L	179	0.4	6	0.0	6	0.0	-0.1	-0.1	-1.2	-0.3
of which debt securities designated for measurement at fair value through P&L	163	0.3	6	0.0	6	0.0	-0.1	-0.1	-1.2	-0.3
... 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	5,012	12.2	5,005	11.9	46.7	-7.1	0.9	-4.2
of which debt securities measured at fair value through other comprehensive income	4,318	9.0	4,807	11.7	4,803	11.4	49.7	-4.3	1.0	-4.2
... government debt securities measured at fair value through other comprehensive income	2,875	6.0	3,385	8.2	3,330	7.9	80.4	-54.3	2.5	-3.5
e) Debt securities at amortised cost	1,415	3.0	3,706	9.0	3,557	8.4	99.9	-148.5	2.9	4.4
of which government debt securities at amortised cost	1,182	2.5	2,862	6.9	2,810	6.7	149.3	-52.1	5.6	4.8
Investments in subsidiaries, joint ventures and associates	627	1.3	509	1.2	953	2.3	0.0	444.2	0.0	85.0
Other assets	928	1.9	823	2.0	839	2.0	0.3	15.5	0.0	5.2
Equity and liabilities	47,948	100.0	41,213	100.0	42,144	100.0	665.2	931.2	1.6	6.7
Financial liabilities measured at amortised cost (deposits)	41,895	87.4	35,803	86.9	36,778	87.3	812.8	974.6	2.3	7.6
a) Financial liabilities to central bank (Eurosystem)	1,229	2.6	983	2.4	1,043	2.5	61.0	60.3	6.2	0.2
b) Liabilities to banks	18,168	37.9	2,821	6.8	2,795	6.6	119.9	-26.4	4.5	-10.7
of which to domestic banks	2,065	4.3	856	2.1	814	1.9	30.6	-41.7	3.9	-2.9
of which to foreign banks	16,098	33.6	1,965	4.8	1,980	4.7	89.3	15.2	4.7	-13.5
c) Liabilities to non-banking sector (deposits by NBS)	20,883	43.6	31,069	75.4	31,719	75.3	618.1	650.0	2.0	7.8
of which to non-financial corporations	3,728	7.8	6,758	16.4	7,037	16.7	451.9	279.2	6.9	7.5
households	13,407	28.0	20,365	49.4	20,636	49.0	140.1	271.7	0.7	7.8
government	1,879	3.9	1,037	2.5	1,056	2.5	-4.7	19.3	-0.4	-9.0
other financial institutions	1,065	2.2	1,243	3.0	1,326	3.1	24.9	83.1	1.9	-0.7
non-residents	475	1.0	1,228	3.0	1,229	2.9	10.5	1.7	0.9	40.8
d) Debt securities	1,276	2.7	600	1.5	723	1.7	1.4	123.0	0.2	385.9
e) Other financial liabilities measured at amortised cost***	1,568	3.3	329	0.8	497	1.2	12.4	167.7	2.6	11.8
Provisions	176	0.4	187	0.5	181	0.4	-1.4	-6.2	-0.7	-8.2
Shareholder equity	4,010	8.4	4,963	12.0	4,908	11.6	-114.0	-55.0	-2.3	1.1
Other liabilities	1,867	3.9	260	0.6	277	0.7	-32.2	17.8	-10.4	19.2
BALANCE SHEET TOTAL	47,948	100.0	41,213	100.0	42,144	100.0	665.2	931.2	1.6	6.7

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

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

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

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 2018, 2019 and 2020

(EUR million unless stated)	2019	Breakdown	2019	Breakdown	2020	Breakdown	Annual growth, %
		(%)	Jan.-Mar	(%)	Jan.-Mar	v %	Jan.- Mar. 20/ Jan.- Mar. 19
Interest income	790.0		192.4		193.1		0.4
Interest expenses	107.3		26.7		27.3		2.2
Net interest	682.7	54.4	165.7	57.0	165.8	65.0	0.1
Non-interest income	573.4	45.6	124.8	43.0	89.3	35.0	-28.5
of which net fees and commission	333.8	26.6	83.3	28.7	83.1	32.6	-0.2
of which net gains/losses on financial assets and liabilities held for trading	12.1	1.0	3.9	1.3	3.0	1.2	-22.2
Gross income	1,256.1	100.0	290.5	100.0	255.1	100.0	-12.2
Operating costs	-709.3	-56.5	-162.9	-56.1	-172.9	-67.8	6.2
Net income	546.8	43.5	127.7	43.9	82.2	32.2	-35.6
Net impairments and provisions	45.7	3.6	21.8	7.5	-12.5	-4.9	-157.5
Pre-tax profit	592.5	47.2	149.5	51.4	69.6	27.3	-53.4
Taxes	-62.0		-19.2		-10.5		-45.6
Net profit	530.5		130.2		59.2		-54.6

Source: Bank of Slovenia

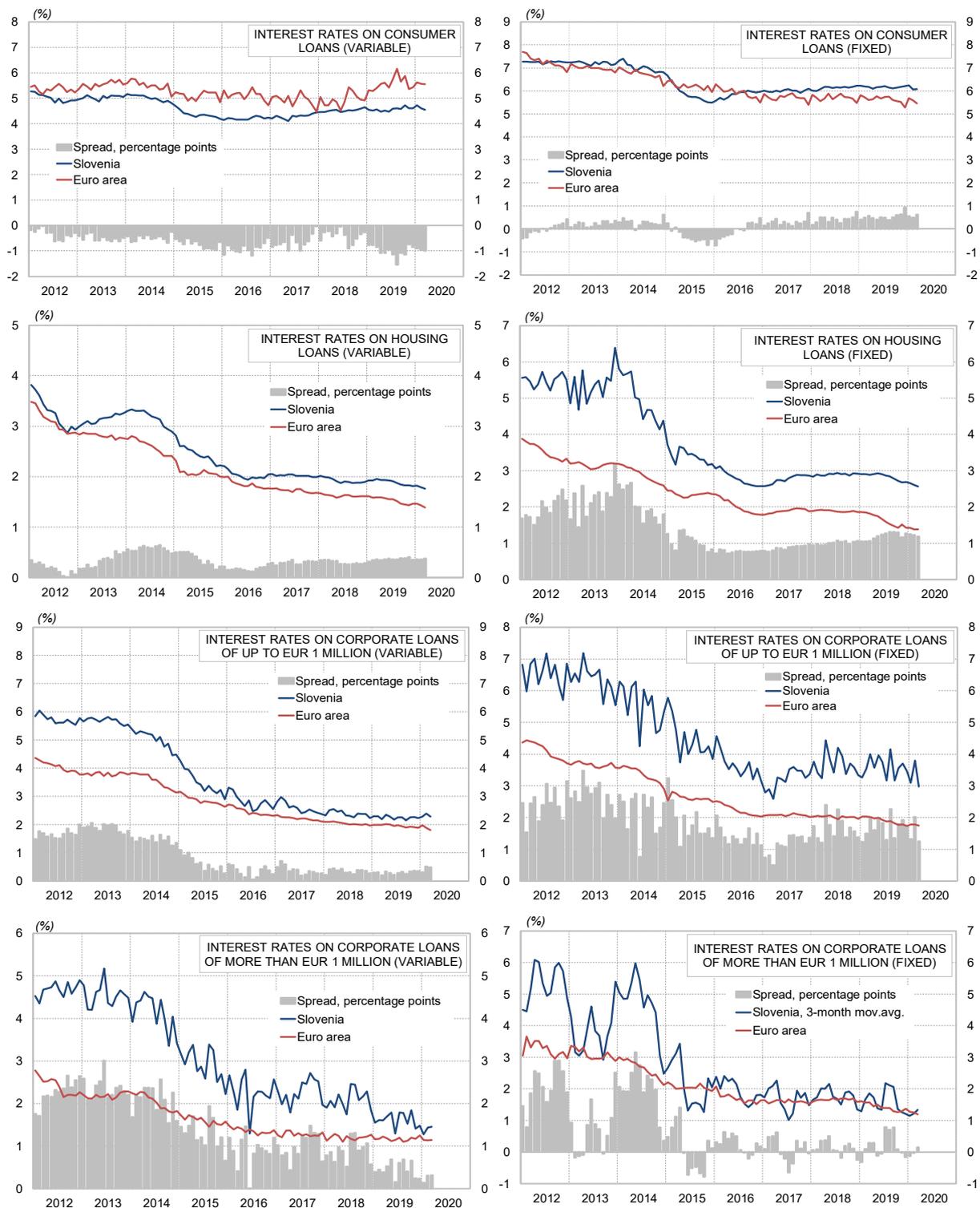
Table 1.3: Selected performance indicators

in %	2014		2015		2016		2017		2018		2019		2020	Mar-19	Mar-20
	2014	2015	2016	2017	2018	2019	Jan.-Mar.	Jan.-Mar.	(last 12 mon.)	(last 12 mon.)					
Profitability															
Financial intermediation margin*	3.10	3.05	3.05	2.88	3.01	3.13	3.04	2.49	2.98	3.00					
ROA	-0.27	0.42	0.99	1.19	1.39	1.48	1.56	0.67	1.39	1.26					
ROE	-2.69	3.63	7.96	9.58	11.07	12.16	13.27	5.75	11.18	10.42					
Interest margin on interest-bearing assets	2.18	2.06	1.91	1.83	1.84	1.79	1.82	1.71	1.86	1.77					
Net non-interest income / operating costs	58.05	60.05	68.53	62.67	71.93	80.84	76.65	51.64	69.81	74.76					
Operating costs															
Labour costs / average assets	0.92	0.97	1.01	1.02	1.02	1.00	0.97	0.94	1.01	0.99					
Other costs / average assets	0.81	0.84	0.80	0.78	0.73	0.77	0.71	0.72	0.73	0.77					
Asset quality															
Impairments of financial assets at amortised cost / gross assets	8.98	7.84	5.38	4.09	2.64	1.53	2.41	1.55	/	/					

* Gross income / average assets

Source: Bank of Slovenia

2. BANKS' INTEREST RATES

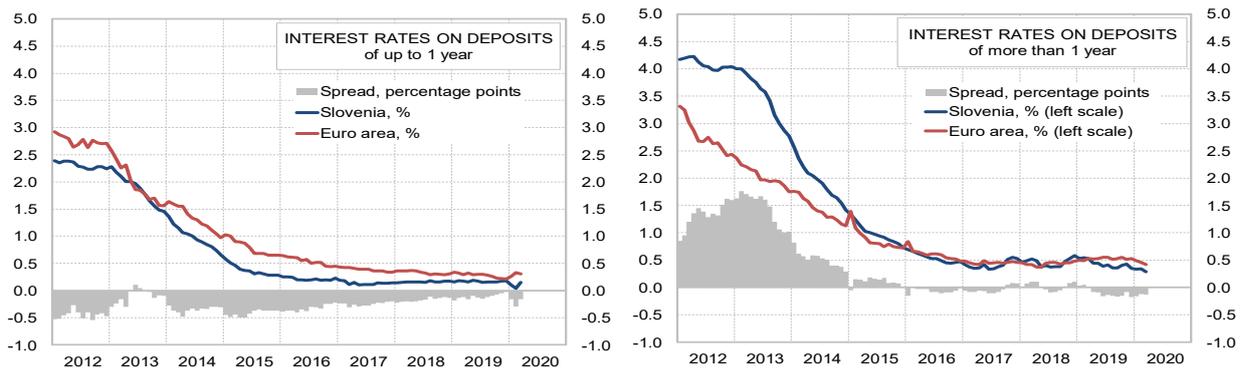
Figure 2.1: Comparison of interest rates on new loans in Slovenia with those across the euro area, variable¹ (left) and fixed² (right) rates, in percentages

Note: The following definitions apply to all interest rates in this appendix:

- 1) **variable-rate** loans are comprised of 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 are comprised of loans concluded with a fixed interest rate for a period of more than one year.

Source: Bank of Slovenia

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



Source: Bank of Slovenia, ECB

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

	ECB interest rate	Loans								Household deposits 1)			
		Households				Corporates				up to 1 year		over 1 year	
		Housing EMU	SLO	Consumer EMU	SLO	up to EUR 1m EMU	SLO	over EUR 1m EMU	SLO	EMU	SLO	EMU	SLO
Dec-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
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	1.5	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	1.5	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
Nov-19	0.00	1.4	1.8	5.4	4.6	1.9	2.3	1.2	1.4	0.2	0.2	0.5	0.4
Dec-19	0.00	1.5	1.8	5.4	4.6	1.9	2.2	1.2	1.4	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		1.8		4.5		2.3		1.4		0.2		0.3

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 EMU	SLO	Consumer EMU	SLO	up to EUR 1m EMU	SLO	over EUR 1m 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
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	3.5	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	3.6	1.4	1.5
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	3.2	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
Nov-19	1.5	2.7	5.5	6.2	1.8	3.7	1.3	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

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, %			amount, EUR million			ratio, %		
	Dec.19	Feb.20	Mar.20	Dec.19	Feb.20	Mar.20	Dec.19	Feb.20	Mar.20	Dec.19	Feb.20	Mar.20
NFCs	14,272	14,227	14,317	31.3	31.6	31.4	636	621	614	4.5	4.4	4.3
OFIs	1,372	1,383	2,461	3.0	3.1	5.4	11	11	11	0.8	0.8	0.4
Households	11,794	11,856	11,844	25.9	26.3	26.0	247	249	252	2.1	2.1	2.1
sole traders	691	690	691	1.5	1.5	1.5	28	28	28	4.0	4.1	4.1
individuals	11,104	11,165	11,153	24.4	24.8	24.5	219	221	224	2.0	2.0	2.0
Non-residents	7,587	7,794	7,700	16.6	17.3	16.9	99	97	96	1.3	1.2	1.2
Government	5,176	4,943	5,222	11.4	11.0	11.5	12	12	13	0.2	0.3	0.2
Banks and savings banks	897	811	907	2.0	1.8	2.0	0	0	0	0.0	0.0	0.0
Central bank	4,440	3,987	3,105	9.7	8.8	6.8	0	0	0	0.0	0.0	0.0
Total	45,592	45,055	45,600	100.0	100.0	100.0	1,005	991	986	2.2	2.2	2.2

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

	Classified claims						Claims more than 90 days in arrears					
	amount, EUR million			breakdown, %			amount, EUR million			ratio, %		
	Dec.19	Feb.20	Mar.20	Dec.19	Feb.20	Mar.20	Dec.19	Feb.20	Mar.20	Dec.19	Feb.20	Mar.20
NFCs	14,041	14,002	14,094	34.6	34.9	34.7	201	199	191	1.4	1.4	1.4
OFIs	1,369	1,382	1,374	3.4	3.4	3.4	5	5	5	0.3	0.3	0.3
Households	11,794	11,855	11,843	29.1	29.6	29.2	214	215	219	1.8	1.8	1.8
sole traders	691	690	691	1.7	1.7	1.7	20	20	20	2.9	2.9	2.9
individuals	11,103	11,165	11,153	27.4	27.8	27.5	194	195	199	1.8	1.7	1.8
Non-residents	4,846	5,068	5,061	11.9	12.6	12.5	41	44	44	0.8	0.9	0.9
Government	3,175	2,988	3,130	7.8	7.5	7.7	6	6	6	0.2	0.2	0.2
Banks and savings banks	916	828	910	2.3	2.1	2.2	0	0	0	0.0	0.0	0.0
Central bank	4,440	3,987	4,191	10.9	9.9	10.3	0	0	0	0.0	0.0	0.0
Total	40,581	40,110	40,603	100.0	100.0	100.0	466	469	464	1.1	1.2	1.1

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.19	Feb.20	Mar.20	Dec.19	Feb.20	Mar.20	Dec.19	Feb.20	Mar.20
Agriculture, forestry, fishing, mining	132	130	129	3	3	3	2.0	2.2	2.1
Manufacturing	4,037	4,002	4,007	114	102	95	2.8	2.6	2.4
Electricity, gas, water, remediation	1,296	1,301	1,383	8	8	8	0.6	0.6	0.6
Construction	1,160	1,164	1,164	84	83	82	7.2	7.1	7.1
Wholesale and retail trade	2,558	2,560	2,577	229	226	223	9.0	8.8	8.7
Transportation and storage	1,750	1,705	1,707	21	22	22	1.2	1.3	1.3
Accommodation and food service	451	457	461	40	40	42	8.9	8.9	9.0
Information and communication	656	651	612	6	6	5	0.9	0.9	0.9
Financial and insurance activities	62	66	69	0	0	0	0.7	0.8	0.6
Real estate activities	595	613	614	46	46	46	7.8	7.5	7.5
Professional, scientific and technical	1,315	1,325	1,348	65	66	68	4.9	5.0	5.1
Public services	261	253	245	20	19	19	7.8	7.4	7.8
Total	14,272	14,227	14,317	636	621	614	4.5	4.4	4.3

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 April 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.19	Feb.20	Mar.20	Dec.19	Feb.20	Mar.20	Dec.19	Feb.20	Mar.20
Agriculture, forestry, fishing, mining	132	131	130	1	1	1	0.6	0.7	0.8
Manufacturing	4,027	3,995	4,000	42	40	40	1.0	1.0	1.0
Electricity, gas, water, remediation	1,289	1,293	1,375	4	4	4	0.3	0.3	0.3
Construction	1,158	1,163	1,162	58	55	51	5.0	4.7	4.4
Wholesale and retail trade	2,435	2,440	2,456	36	37	34	1.5	1.5	1.4
Transportation and storage	1,719	1,674	1,677	5	6	5	0.3	0.4	0.3
Accommodation and food service	446	451	457	18	19	20	4.1	4.2	4.3
Information and communication	634	630	590	1	1	1	0.1	0.1	0.2
Financial and insurance activities	62	66	69	0	0	0	0.0	0.0	0.0
Real estate activities	591	610	611	5	5	5	0.9	0.9	0.8
Professional, scientific and technical	1,286	1,296	1,322	31	30	29	2.4	2.3	2.2
Public services	261	254	245	1	1	1	0.3	0.3	0.4
Total	14,041	14,002	14,094	201	199	191	1.4	1.4	1.4

Source: Bank of Slovenia

4. LEASING COMPANIES' PERFORMANCE ²

Table 4.1: New leasing business by type of leasing and institutional sector

	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
2019	5.3	0.1	1.0	0.0	6.4	558.8	531.7	2.2	7.2	1,099.9
2019 mar.	3.3	0.0	1.0	0.0	4.4	139.6	136.6	0.7	6.5	283.4
jun.	0.8		0.0		0.8	160.6	140.0	0.4	0.3	301.4
sep.	0.2	0.0			0.2	118.9	125.9	0.6	0.2	245.6
dec.	0.9	0.1	0.0		1.0	139.7	129.1	0.5	0.2	269.6
2020 mar.	1.3	0.1	0.1		1.5	105.5	124.7	0.1	0.1	230.4

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

	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
2019	165.3	27.9	21.8	0.7	215.8	908.8	1,151.0	13.3	7.5	2,080.6
2019 mar.	231.4	32.2	29.4	1.2	294.1	897.2	1,099.8	13.9	8.2	2,019.1
jun.	210.2	30.9	28.7	1.0	270.8	926.0	1,129.0	13.6	8.3	2,076.8
sep.	176.4	29.0	25.6	1.0	232.1	916.6	1,131.8	13.3	8.1	2,069.8
dec.	165.3	27.9	21.8	0.7	215.8	908.8	1,151.0	13.3	7.5	2,080.6
2020 mar.	161.7	26.7	17.3	0.6	206.3	866.3	1,164.6	12.6	7.2	2,050.7

Source: Bank of Slovenia.

² The data for the first quarter of 2020 are not final and do not yet include leasing companies that started reporting to Bank of Slovenia on 1st January 2020.

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
2019	226.9	1.5	371.7	0.3	501.1	1.5	0.3	3.1	1,099.9	6.4	1,106.3
2019 mar.	60.9	1.2	100.8	0.1	121.4	0.6	0.2	2.5	283.4	4.4	287.8
jun.	68.4	0.2	91.8	0.2	141.1		0.1	0.4	301.4	0.8	302.2
sep.	46.4	0.0	84.4	0.0	114.7	0.2		0.0	245.6	0.2	245.8
dec.	51.1	0.0	94.7	0.1	123.8	0.7		0.2	269.6	1.0	270.5
2020 mar.	41.2	0.1	79.0	0.3	109.7	0.0	0.4	1.1	230.4	1.5	231.8

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
2019	232.5	73.4	1,390.8	59.3	456.6	61.2	0.7	21.8	2,080.6	215.8	2,296.3
2019 mar.	235.8	104.9	1,355.5	71.5	427.7	84.6	0.8	33.1	2,019.7	294.1	2,313.8
jun.	252.0	96.0	1,376.9	65.9	447.1	78.8	0.7	30.0	2,076.8	270.8	2,347.6
sep.	247.3	72.5	1,374.8	62.3	447.0	74.7	0.7	22.5	2,069.8	232.1	2,301.9
dec.	232.5	73.4	1,390.8	59.3	456.6	61.2	0.7	21.8	2,080.6	215.8	2,296.3
2020 mar.	216.2	72.3	1,378.0	58.6	455.6	53.1	0.9	22.4	2,050.7	206.3	2,257.0

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
2019		11.4	0.5	4.6	74.7	5.0	8.4	3.1	2.2	13.1	28.5	13.8	165.3
2019 mar.		13.0	0.8	7.9	88.6	6.0	12.2	3.9	2.5	40.0	34.8	21.8	231.4
jun.		12.7	0.5	5.9	76.0	5.7	11.5	3.4	2.4	37.4	31.9	22.8	210.2
sep.		12.3	0.5	5.4	78.3	5.3	10.1	3.3	2.3	13.3	30.7	14.9	176.4
dec.		11.4	0.5	4.6	74.7	5.0	8.4	3.1	2.2	13.1	28.5	13.8	165.3
2020 mar.	0.0	11.2	0.8	4.4	73.4	4.7	8.1	2.9	2.2	12.6	28.0	13.4	161.7

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
2019 mar.	9.7	129.2	17.6	94.7	181.6	291.3	23.1	21.6	5.0	6.2	83.2	33.7	897.1
jun.	10.3	132.0	17.3	99.7	183.8	295.5	22.4	22.4	5.4	5.4	99.3	32.3	925.9
sep.	10.7	131.5	17.7	100.0	182.9	288.6	21.5	22.0	5.4	5.8	99.6	30.9	916.5
dec.	11.4	134.0	18.0	98.3	183.3	285.3	21.6	22.8	5.3	5.8	92.0	30.8	908.7
2020 mar.	12.6	127.8	18.0	95.8	174.7	275.9	19.6	18.8	5.1	6.1	82.3	29.5	866.2

Source: Bank of Slovenia.

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	
2019		11.6	0.0	21.5	21.5	2.3	27.6	0.0	2.2	32.8	74.0	1.1	28.0	7.5	
2019 mar.		14.0	0.0	48.1	18.2	1.9	27.8	0.1	2.0	69.5	46.7	1.3	30.1	9.9	
jun.		14.8	0.0	23.5	21.2	2.4	25.8	0.0	2.1	68.3	69.6	0.8	33.5	9.8	
sep.		15.3	0.0	23.9	20.6	2.3	27.6	0.0	2.1	36.1	72.4	1.2	28.0	8.2	
dec.		11.6	0.0	21.5	21.5	2.3	27.6	0.0	2.2	32.8	74.0	1.1	28.0	7.5	
2020 mar.	0.0	11.7	0.0	22.4	22.0	2.6	26.9	0.0	2.0	33.1	75.3	1.3	28.6	7.8	

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	
2019	4.6	5.3	6.0	4.2	2.4	4.4	1.9	4.7	0.5	1.5	1.4	4.4	3.8	7.5	
2019 mar.	5.0	5.5	6.5	10.7	2.8	4.5	2.6	4.8	0.9	1.4	1.6	4.1	4.6	9.9	
jun.	5.0	5.4	6.5	10.2	2.7	4.3	1.9	4.7	0.7	1.7	1.3	4.3	4.4	9.8	
sep.	4.8	5.4	6.6	10.1	2.4	4.5	2.0	4.8	0.7	1.5	1.3	4.4	4.4	8.2	
dec.	4.6	5.3	6.0	4.2	2.4	4.4	1.9	4.7	0.5	1.5	1.4	4.4	3.8	7.5	
2020 mar.	4.2	5.6	6.0	4.4	2.6	4.8	2.1	5.6	0.4	1.4	0.9	4.6	4.0	7.8	

Source: Bank of Slovenia.

Table 4.6: Leasing companies' performance and funding

								Growth, %						
	2014	2015	2016	2017	2018	2019	Q1 2020	2014	2015	2016	2017	2018	2019	Q1 2020
Total assets, EUR million	3,461	2,869	2,675	2,809	2,711	2,545	2,426.0	-9.5	-17.1	-6.7	5.0	-3.5	-6.1	-11.6
Shareholder equity, EUR million	288	260	400	479	527	551	448.1	5570.2	-9.7	53.9	19.7	10.0	4.6	-19.2
Net profit, EUR million	50	24	51	82	88	124	18.2	-81.1	-52.4	111.9	62.1	6.8	41.5	-30.8
ROA, %	1.3	0.7	1.8	3.0	3.1	4.6	4.6							
ROE, %	41.5	9.6	16.9	19.8	17.2	22.3	22.3							
Financial and operating liabilities, EUR million	3,061	2,518	2,189	2,259	2,133	1,946	1,928.0	-17.9	-17.7	-13.1	3.2	-5.6	-8.8	-9.2
liabilities to banks and undertakings in group / total assets, %	88	88	82	80	79	76	79.5							
Investment property	822	629	567	389	362	69	45.9	-18.0	-23.5	-9.8	-31.5	-7.0	-80.8	-86.4
investment property / assets, %	24	22	21	14	13	3	1.9							
Finance expenses from impairments and write-offs, EUR million	113	118	61	54	43	34	8.8	-45.7	4.8	-48.0	-11.4	-21.4	-20.2	-5.6

Source: Bank of Slovenia.