

**BANKA
SLOVENIJE**
BANK OF SLOVENIA
EUROSYSTEM



**MONTHLY REPORT
ON BANK PERFORMANCE**



NOVEMBER 2020

COMMENTARY IN BRIEF

The profit generated by the banking system over the first nine months of this year was down by a fifth relative to the same period last year. Profit was up in September due to the effect of the merger of two banks; without that, effect it would have been down by 60% in year-on-year terms. With the worsening of the situation due to the Covid-19 pandemic, conditions generating revenue have deteriorated further, while impairment and provisioning costs have risen as well.

After declining for months, all major lending segments recorded a slight increase in September: loans to corporates were up for the first time since March of this year, while loans to households have been recording growth since July. Liquid assets were up, while the NPE ratio was down again. The banking system's liquidity and capital position remains good.

The banking system's total assets declined by EUR 320 million in September to EUR 43.5 billion, which slowed year-on-year growth slightly to 7.5%. Investments in the capital of subsidiaries decreased, while cash at the central bank and loans to the non-banking sector increased. On the liability side, equity was down due to the merger of two banks, while deposits by the non-banking sector continued to grow.

Loans to the non-banking sector increased by EUR 96 million in September, bringing an end to their rapid decline. Growth in said loans remained positive in September at 0.5%.

Loans to corporates were up by EUR 33 million in September, the first monthly increase at the level of the banking system since the declaration of the pandemic in March of this year. Nevertheless, year-on-year growth in loans to corporates remained negative for the second consecutive month in September, at -1.7%.

Growth in loans to households was unchanged in September at 1.4% in year-on-year terms, and was down 5 percentage points relative to a year earlier. The decline in loans to households was particularly evident during the first half of this year, while their stock has risen since July and was up by EUR 55 million in September. Year-on-year growth in housing loans remained at 4.3% in September, while the contraction in consumer loans continued (-4.8% in year-on-year terms). The stock of other loans was up during the third quarter of this year, in particular negative balances on clients' current accounts.

The stock of non-performing exposures (NPE) was down in September despite the pandemic, and stood at EUR 886 million, while the NPE ratio was 1.8%. The NPE ratio declined to 3.7% in the corporate portfolio, while that ratio remains higher for SMEs compared to large enterprises. The NPE ratio in the housing loans segment has stabilised at 1.7% and at 2.7% in the consumer loans segment since June. The latter remains 0.2 percentage points higher relative to the end of 2019, due to a rise during the first half of the year. The NPE ratio was up by 0.1 percentage points in September in the non-residents sector, due to an increase in non-performing loans to foreign non-financial corporations.

Year-on-year growth in deposits by the non-banking sector rose to 9.7% in September, primarily due to growth in corporate deposits (12.2%). Growth in the stock of household deposits slowed in the third quarter relative to the second quarter, probably on account of the revival of spending on goods and services, and the deteriorating situation on the labour market. Nevertheless, year-on-year growth remained high and stood at 9.5% in September.

Profitability of the banking system was up sharply in September relative to previous months, which was the result of the one-off effect of the merger of two banks. Net non-interest income was up by nearly a quarter in year-on-year terms, but would have been down by a fifth on the previous year excluding the effect of the aforementioned merger. Net interest income was down by 5% in year-on-year terms, primarily due to the decline in lending activity. Net interest margin over the preceding twelve months declined to 1.65%. Banks' operating costs were up by 5%, with the growth slowing in recent months. Impairment and provisioning costs have increased this year, and accounted for a low 10% of the banks' gross income over the first nine months of the year. Pre-tax profit over the first nine months of the year amounted to EUR 414 million (compared with EUR 524 million in the same period last year). Return on equity at the level of the banking system rose to 11.3% in September, but would have been approximately one half lower at 5.7% without the effect of the merger.

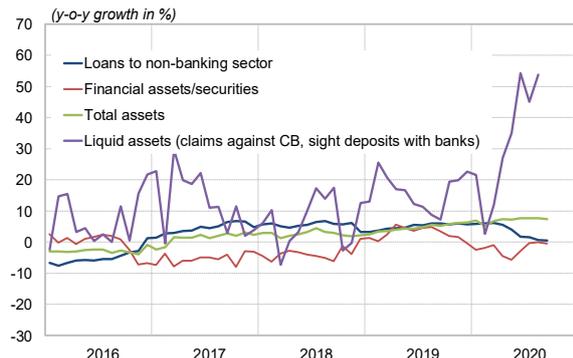
The total capital ratio stood at 19.5% on a consolidated basis in June 2020, while the common equity Tier 1 capital ratio stood at 17.7%, both above their euro area averages. Banks increased their regulatory capital during the first half of the year through retained earnings from the previous year and issued debt securities. The liquidity coverage ratio rose to 320% in September, which is more than three times higher than the regulatory requirement. Liquid forms of investments continue to strengthen and in September rose to a historically high proportion of total assets at 18%, while the proportion of total assets accounted for by secondary liquidity remained at 18.2%

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1. KEY TRENDS IN THE BANKING SECTOR

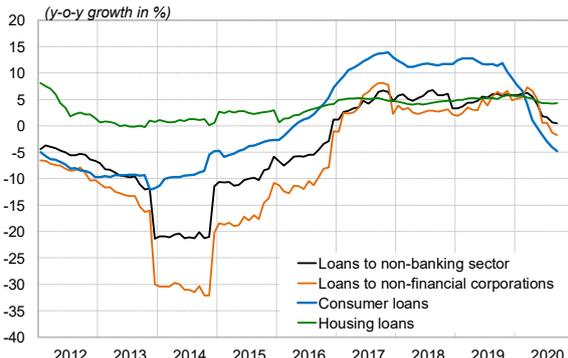
Figure 1.1: Growth in bank investments



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

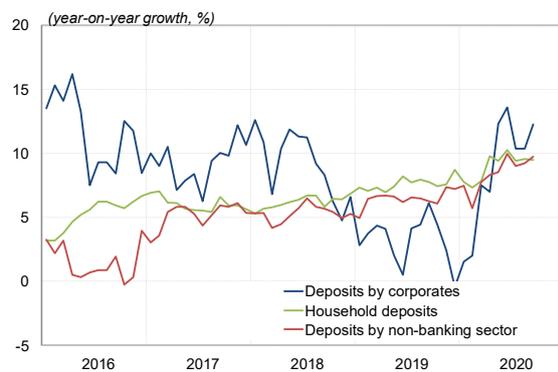
Source: Bank of Slovenia.

Figure 1.2: Loans by sector and loan type



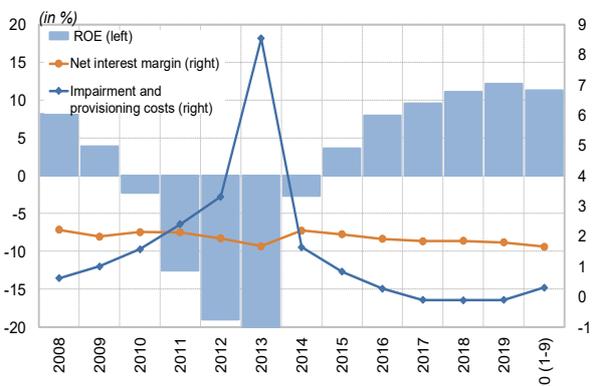
Source: Bank of Slovenia.

Figure 1.3: Deposits by sector



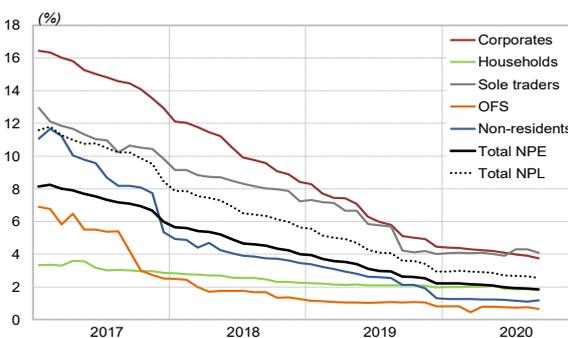
Source: Bank of Slovenia.

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



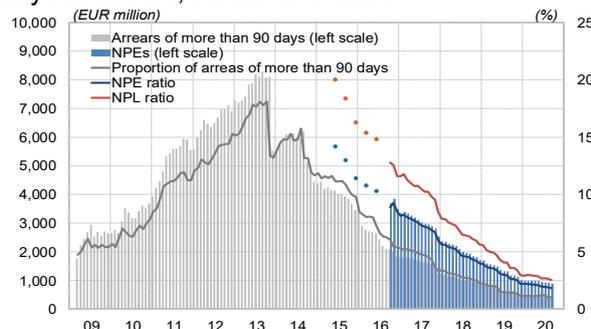
Note: The ratios of net interest margin to interest-bearing assets and net impairment and provisioning costs to total assets are always calculated for the preceding 12 months. Pre-tax ROE is calculated during the year on a cumulative basis up to the most recent data available (September 2020).

Figure 1.6: NPE ratio by client segment



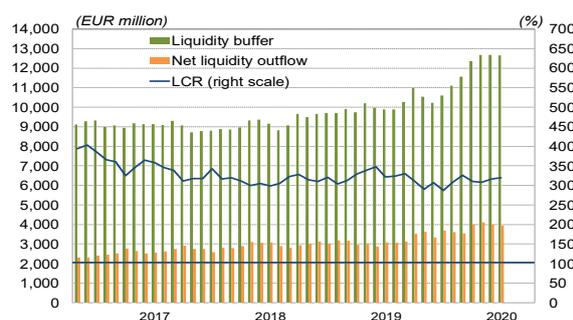
Source: Bank of Slovenia.

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



Source: Bank of Slovenia.

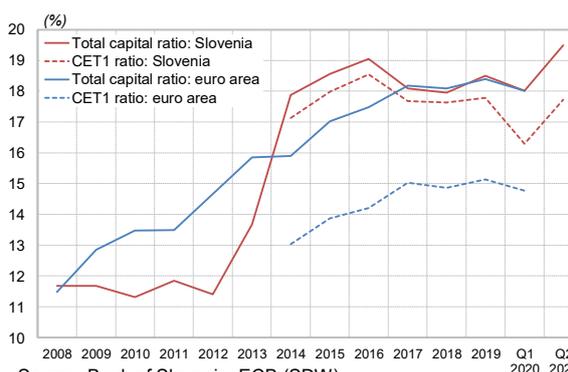
Figure 1.7: Liquidity coverage ratio (LCR)



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 STATEMENTS¹

Table 2.1: Banking system's assets and liabilities, as at 30 September 2020

EUR million unless stated, growth rates in %	Stock		Breakdown		Stock		Breakdown		Stock		Breakdown		Increase		Growth in September 20, %	
	31.12.2008	(%)	31.12.2019	(%)	30.09.2020	(%)	in September 20	in 2020	monthly	year-on-year						
Assets	47,948	100.0	41,213	100.0	43,519	100.0			-320.4	2,306.1	-0.7					7.5
Cash in hand, balances at central bank and sight deposits at banks*	1,250	2.6	5,783	14.0	7,853	18.0			188.5	2,070.2	2.5					66.0
Loans to banks at amortised cost (including central bank)	4,101	8.6	1,592	3.9	1,663	3.8			-30.2	70.7	-1.8					-3.9
domestic banks	2,673	5.6	758	1.8	639	1.5			-12.0	-119.4	-1.9					-18.1
foreign banks	1,428	3.0	834	2.0	1,024	2.4			-18.2	190.1	-1.7					7.8
short-term loans to banks	2,056	4.3	563	1.4	447	1.0			-47.1	-115.2	-9.5					-35.2
long-term loans to banks	2,046	4.3	1,029	2.5	1,215	2.8			16.9	185.9	1.4					16.8
Loans to non-banking sector*	33,718	70.3	23,520	57.1	23,555	54.1			96.0	35.5	0.4					0.5
of which non-financial corporations	20,260	42.3	8,877	21.5	8,918	20.5			33.3	40.1	0.4					-1.7
households	7,558	15.8	10,703	26.0	10,696	24.6			55.2	-6.9	0.5					1.4
of which residential			6,493	15.8	6,663	15.3			36.6	169.6	0.6					4.3
consumer			2,809	6.8	2,661	6.1			-3.6	-147.9	-0.1					-4.8
government	506	1.1	1,634	4.0	1,536	3.5			-30.7	-98.2	-2.0					-7.4
other financial institutions	2,829	5.9	1,239	3.0	1,238	2.8			-10.2	-1.0	-0.8					16.4
non-residents	2,515	5.2	1,036	2.5	1,139	2.6			48.1	103.2	4.4					7.3
Other financial assets classed as loans and receivables (at amortised cost)	0	0.0	148	0.4	116	0.3			-24.3	-32.0	-17.3					-43.4
Securities / financial assets**	7,323	15.3	8,838	21.4	9,007	20.7			-102.8	168.8	-1.1					-0.5
a) Financial assets held for trading	1,177	2.5	63	0.2	63	0.1			-9.0	0.0	-12.5					-58.0
of which debt securities held for trading	571	1.2	8	0.0	0	0.0			-5.0	-7.6	-100.0					-100.0
... government debt securities held for trading	56	0.1	8	0.0	0	0.0			-5.0	-7.6	-100.0					-100.0
b) Financial assets measured at fair value through P&L not held for trading	0	0.0	52	0.1	68	0.2			1.9	16.6	2.9					6.8
of which debt securities measured at fair value through P&L not held for trading	0	0.0	0	0.0	0	0.0			0.0	0.0	0.0					0.0
c) Financial assets designated for measurement at fair value through P&L	179	0.4	6	0.0	6	0.0			0.0	0.0	0.2					0.7
of which debt securities designated for measurement at fair value through P&L	163	0.3	6	0.0	6	0.0			0.0	0.0	0.2					0.7
... 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	5,907	13.6			621.6	895.3	11.8					18.7
of which debt securities measured at fair value through other comprehensive income	4,318	9.0	4,807	11.7	5,707	13.1			626.1	899.4	12.3					19.8
... government debt securities measured at fair value through other comprehensive income	2,875	6.0	3,385	8.2	3,890	8.9			357.1	505.3	10.1					18.3
e) Debt securities at amortised cost	1,415	3.0	3,706	9.0	2,963	6.8			-717.4	-743.1	-19.5					-23.1
of which government debt securities at amortised cost	1,182	2.5	2,862	6.9	2,316	5.3			-483.7	-546.1	-17.3					-24.8
Investments in subsidiaries, joint ventures and associates	627	1.3	509	1.2	517	1.2			-439.3	7.9	-46.0					0.8
Other assets	928	1.9	823	2.0	808	1.9			-8.3	-15.0	-1.0					-2.9
Equity and liabilities	47,948	100.0	41,213	100.0	43,519	100.0			-320.4	2,306.1	-0.7					7.5
Financial liabilities measured at amortised cost (deposits)	41,895	87.4	35,803	86.9	38,343	88.1			39.0	2,540.4	0.1					9.4
a) Financial liabilities to central bank (Eurosystem)	1,229	2.6	983	2.4	1,383	3.2			27.2	400.0	2.0					42.5
b) Liabilities to banks	18,168	37.9	2,821	6.8	2,462	5.7			-65.1	-359.2	-2.6					-21.9
of which to domestic banks	2,065	4.3	856	2.1	798	1.8			-3.8	-58.0	-0.5					-8.0
of which to foreign banks	16,098	33.6	1,965	4.8	1,664	3.8			-61.3	-301.3	-3.6					-27.3
c) Liabilities to non-banking sector (deposits by NBS)	20,883	43.6	31,069	75.4	33,074	76.0			87.9	2,005.0	0.3					9.7
of which to non-financial corporations	3,728	7.8	6,758	16.4	7,653	17.6			171.4	895.1	2.3					12.2
households	13,407	28.0	20,365	49.4	21,648	49.7			-2.7	1,283.7	0.0					9.5
government	1,879	3.9	1,037	2.5	940	2.2			14.8	-97.0	1.6					-6.3
other financial institutions	1,065	2.2	1,243	3.0	1,191	2.7			-97.7	-52.1	-7.6					-9.6
non-residents	475	1.0	1,228	3.0	1,186	2.7			-1.8	-41.7	-0.2					43.5
d) Debt securities	1,276	2.7	600	1.5	1,064	2.4			1.9	464.3	0.2					170.7
e) Other financial liabilities measured at amortised cost***	1,568	3.3	329	0.8	360	0.8			-12.9	30.4	-3.5					-7.4
Provisions	176	0.4	187	0.5	183	0.4			3.8	-4.5	2.1					0.8
Shareholder equity	4,010	8.4	4,963	12.0	4,728	10.9			-369.5	-235.4	-7.2					-4.0
Other liabilities	1,867	3.9	260	0.6	265	0.6			6.2	5.6	2.4					-22.9
BALANCE SHEET TOTAL	47,948	100.0	41,213	100.0	43,519	100.0			-320.4	2,306.1	-0.7					7.5

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 2.2: Income statement for 2018, 2019 and 2020

(EUR million unless stated)	2018	Breakdown	2019	Breakdown	2019	Breakdown	2020	Breakdown	Annual growth, %
		(%)		(%)	Jan-Sep	(%)	Jan-Sep	v%	Jan.-Sep 20/ Jan.-Sep. 19
Interest income	775.3		790.0		587.8		568.1		-3.3
Interest expenses	103.6		107.3		80.1		85.7		7.0
Net interest	671.7	58.2	682.7	54.4	507.7	52.2	482.4	45.6	-5.0
Non-interest income	481.6	41.8	573.4	45.6	464.2	47.8	576.3	54.4	24.1
of which net fees and commission	315.4	27.3	333.8	26.6	252.0	25.9	244.1	23.1	-3.1
of which net gains/losses on financial assets and liabilities held for trading	13.0	1.1	12.1	1.0	9.1	0.9	11.8	1.1	30.2
Gross income	1,153.3	100.0	1,256.1	100.0	971.9	100.0	1,058.7	100.0	8.9
Operating costs	-669.5	-58.0	-709.3	-56.5	-510.5	-52.5	-535.8	-50.6	5.0
Net income	483.8	42.0	546.8	43.5	461.5	47.5	522.9	49.4	13.3
Net impairments and provisions	47.1	4.1	45.7	3.6	62.5	6.4	-109.2	-10.3	-274.7
Pre-tax profit	530.9	46.0	592.5	47.2	524.0	53.9	413.7	39.1	-21.0
Taxes	-35.7		-62.0		-56.0		-20.7		-63.1
Net profit	495.2		530.5		468.0		393.1		-16.0

Source: Bank of Slovenia.

Table 2.3: Selected performance indicators

in %	2014	2015	2016	2017	2018	2019	2019	2020	Sep-19	Sep-20
							Jan.-Sep.	Jan.-Sep.	(last 12 mon.)	(last 12 mon.)
Profitability										
Financial intermediation margin*	3.10	3.05	3.05	2.88	3.01	3.13	3.28	3.33	3.19	3.18
ROA	-0.27	0.42	0.99	1.19	1.39	1.48	1.76	1.30	1.60	1.14
ROE	-2.69	3.63	7.96	9.58	11.07	12.16	14.70	11.26	13.12	9.71
Interest margin on interest-bearing assets	2.18	2.06	1.91	1.83	1.84	1.79	1.80	1.60	1.81	1.65
Net non-interest income / operating costs	58.05	60.05	68.53	62.67	71.93	80.84	90.94	107.56	83.24	93.31
Operating costs										
Labour costs / average assets	0.92	0.97	1.01	1.02	1.02	1.00	0.98	0.90	1.01	0.94
Other costs / average assets	0.81	0.84	0.80	0.78	0.73	0.77	0.73	0.78	0.75	0.80
Asset quality										
Impairments of financial assets at amortised cost / gross assets	8.98	7.84	5.38	4.09	2.64	1.53	1.86	1.47	/	/

* Gross income / average assets

Source: Bank of Slovenia.

3. QUALITY OF THE BANKING SYSTEM'S CREDIT PORTFOLIO

Table 3.1:¹ Non-performing exposures by client segment

	Exposures						Non-performing exposures (NPEs)					
	amount, EUR million			breakdown, %			amount, EUR million			ratio, %		
	Dec.19	Aug.20	Sep.20	Dec.19	Aug.20	Sep.20	Dec.19	Aug.20	Sep.20	Dec.19	Aug.20	Sep.20
NFCs	14,272	14,480	14,426	31.3	30.1	30.0	636	563	539	4.5	3.9	3.7
OFIs	1,372	1,411	1,379	3.0	2.9	2.9	11	11	9	0.8	0.7	0.7
Households	11,794	11,856	11,868	25.9	24.6	24.7	247	238	233	2.1	2.0	2.0
sole traders	691	686	686	1.5	1.4	1.4	28	29	28	4.0	4.3	4.1
individuals	11,104	11,170	11,182	24.4	23.2	23.3	219	208	205	2.0	1.9	1.8
Non-residents	7,587	7,851	7,881	16.6	16.3	16.4	99	86	93	1.3	1.1	1.2
Government	5,176	5,504	5,329	11.4	11.4	11.1	12	12	12	0.2	0.2	0.2
Banks and savings banks	897	878	853	2.0	1.8	1.8	0	0	0	0.0	0.0	0.0
Central bank	4,440	6,186	6,350	9.7	12.8	13.2	0	0	0	0.0	0.0	0.0
Total	45,592	48,165	48,086	100.0	100.0	100.0	1,006	910	886	2.2	1.9	1.8

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	Aug.20	Sep.20	Dec.19	Aug.20	Sep.20	Dec.19	Aug.20	Sep.20	Dec.19	Aug.20	Sep.20
NFCs	14,041	14,264	14,206	34.6	33.3	33.7	201	195	193	1.4	1.4	1.4
OFIs	1,369	1,410	1,378	3.4	3.3	3.3	5	4	3	0.3	0.3	0.2
Households	11,794	11,856	11,867	29.1	27.6	28.1	214	202	189	1.8	1.7	1.6
sole traders	691	686	686	1.7	1.6	1.6	20	19	18	2.9	2.7	2.6
individuals	11,103	11,170	11,181	27.4	26.0	26.5	194	183	171	1.8	1.6	1.5
Non-residents	4,846	5,015	4,507	11.9	11.7	10.7	41	44	44	0.8	0.9	1.0
Government	3,175	3,338	3,087	7.8	7.8	7.3	6	5	5	0.2	0.2	0.2
Banks and savings banks	916	827	794	2.3	1.9	1.9	0	0	0	0.0	0.0	0.0
Central bank	4,440	6,186	6,350	10.9	14.4	15.1	0	0	0	0.0	0.0	0.0
Total	40,581	42,895	42,190	100.0	100.0	100.0	466	450	433	1.1	1.0	1.0

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	Aug.20	Sep.20	Dec.19	Aug.20	Sep.20	Dec.19	Aug.20	Sep.20
Agriculture, forestry, fishing, mining	130	134	131	3	3	3	2.0	2.0	2.0
Manufacturing	4,015	4,036	4,043	114	85	87	2.8	2.1	2.2
Electricity, gas, water, remediation	1,297	1,426	1,412	8	9	9	0.6	0.7	0.6
Construction	1,159	1,227	1,222	84	70	64	7.3	5.7	5.2
Wholesale and retail trade	2,559	2,579	2,550	229	213	204	9.0	8.3	8.0
Transportation and storage	1,751	1,649	1,667	20	22	23	1.2	1.3	1.4
Accommodation and food service	475	542	538	40	42	40	8.4	7.7	7.5
Information and communication	654	639	632	6	5	5	0.9	0.8	0.8
Financial and insurance activities	61	60	66	0	0	0	0.7	0.0	0.0
Real estate activities	585	603	589	46	38	36	7.9	6.3	6.2
Professional, scientific and technical	1,327	1,337	1,327	65	58	49	4.9	4.3	3.7
Public services	258	249	248	20	18	18	7.8	7.4	7.3
Total	14,272	14,480	14,426	636	563	539	4.5	3.9	3.7

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	Aug.20	Sep.20	Dec.19	Aug.20	Sep.20	Dec.19	Aug.20	Sep.20
Agriculture, forestry, fishing, mining	132	134	131	1	1	1	0.6	0.7	0.7
Manufacturing	4,029	4,030	4,034	42	37	35	1.0	0.9	0.9
Electricity, gas, water, remediation	1,289	1,419	1,405	4	5	5	0.3	0.4	0.4
Construction	1,157	1,225	1,220	58	39	38	5.0	3.2	3.1
Wholesale and retail trade	2,435	2,461	2,438	36	35	44	1.5	1.4	1.8
Transportation and storage	1,719	1,619	1,636	5	7	7	0.3	0.5	0.4
Accommodation and food service	455	538	535	18	20	20	4.0	3.8	3.7
Information and communication	634	618	605	1	1	1	0.1	0.1	0.1
Financial and insurance activities	61	60	66	0	0	0	0.0	0.3	0.0
Real estate activities	588	599	586	5	12	10	0.9	2.0	1.8
Professional, scientific and technical	1,284	1,313	1,302	31	37	31	2.4	2.8	2.4
Public services	258	249	248	1	1	1	0.3	0.4	0.4
Total	14,041	14,264	14,206	201	195	193	1.4	1.4	1.4

Source: Bank of Slovenia.

4. BANKS' INTEREST RATES

Table 4.1: 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	5.6	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	5.6	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	3.7	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	4.2	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	4.5	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	4.8	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	5.5	4.7	1.7	2.2	1.3	2.4	0.2	0.2	0.5	0.3
Sep-20	0.00		1.7		4.7		2.2		2.0		0.1		0.3

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

Table 4.2: 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
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

Source: Bank of Slovenia, ECB.

5. LEASING COMPANIES' PERFORMANCE

Table 5.1: 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	111.6	126.5	0.1	0.1	238.4
jun.	0.9	0.0	0.2		1.1	78.1	118.1	1.7	0.2	198.0
sep.	2.1	0.1			2.2	99.0	139.6	0.6	0.3	239.5

Table 5.2: 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	909.1	1,151.0	13.3	7.5	2,080.9
2019 mar.	231.4	32.2	29.4	1.2	294.1	897.2	1,099.8	13.9	8.2	2,019.2
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	1,131.9	13.3	8.1	2,069.8
dec.	165.3	27.9	21.8	0.7	215.8	909.1	1,151.0	13.3	7.5	2,080.9
2020 mar.	161.7	26.7	17.3	0.6	206.3	904.1	1,171.2	12.6	7.2	2,095.1
jun.	152.2	25.8	18.1	0.4	196.5	877.5	1,178.9	12.8	5.7	2,075.0
sep.	149.9	25.5	15.5	0.3	191.1	865.0	1,202.3	12.7	5.7	2,085.7

Source: Bank of Slovenia.

Table 5.3: 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.	42.2	0.1	84.9	0.3	110.8	0.0	0.4	1.1	238.4	1.5	239.8
jun.	18.2	0.0	75.8	0.0	104.0			1.1	198.0	1.1	199.1
sep.	34.7	0.1	84.6	0.0	120.1	0.0	0.1	2.1	239.5	2.2	241.7

Stock of leasing business by maturity, EUR million											
	Up to 1 year		1 to 5 years		5 to 10 years		Over 10 years		Total		
	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	All leasing
2013	353.2	358.2	1,124.7	471.0	268.8	476.1	37.6	317.5	1,784.3	1,622.9	3,407.2
2014	316.3	215.2	1,125.7	519.8	288.5	365.8	14.8	204.7	1,745.3	1,305.5	3,050.7
2015	305.0	172.3	1,099.0	504.2	315.7	295.7	12.3	105.1	1,732.0	1,077.3	2,809.3
2016	228.2	164.0	1,113.8	290.3	322.9	155.5	6.4	62.3	1,671.3	672.2	2,343.5
2017	251.1	161.4	1,243.3	189.6	353.0	157.5	4.8	55.5	1,852.2	564.0	2,416.2
2018	226.6	106.1	1,332.9	109.2	419.6	102.6	0.7	35.3	1,979.7	353.1	2,332.9
2019	232.8	73.4	1,390.8	59.3	456.6	61.2	0.7	21.8	2,080.9	215.8	2,296.7
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.	232.8	73.4	1,390.8	59.3	456.6	61.2	0.7	21.8	2,080.9	215.8	2,296.7
2020 mar.	218.7	72.3	1,418.0	58.6	457.5	53.1	0.9	22.4	2,095.1	206.3	2,301.4
jun.	197.8	72.6	1,411.7	56.4	464.8	46.3	0.6	21.2	2,075.0	196.5	2,271.5
sep.	192.9	70.8	1,424.1	49.8	468.1	50.0	0.6	20.6	2,085.7	191.1	2,276.9

Source: Bank of Slovenia.

Table 5.4: 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
jun.		11.0	0.7	4.3	67.6	4.4	8.0	2.8	2.1	12.6	27.0	11.8	152.2
sep.		10.7	0.6	4.4	66.5	6.0	6.2	2.6	2.0	12.1	26.5	12.3	149.9

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	23.1	5.3	5.8	92.0	30.8	909.1
2020 mar.	12.6	127.9	18.0	99.2	175.1	275.9	19.6	18.8	5.1	6.2	116.1	29.5	904.0
jun.	11.9	126.3	18.0	102.0	163.4	265.7	18.5	18.1	5.0	6.0	113.2	29.3	877.5
sep.	11.6	124.9	17.6	100.4	164.3	255.7	17.8	18.5	4.5	6.6	114.0	28.9	865.0

Source: Bank of Slovenia.

Table 5.5: 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	7.6	
jun.		12.1	0.0	23.0	23.9	2.8	27.7	0.0	2.0	33.9	76.0	1.5	30.1	7.7	
sep.		12.6	0.0	27.7	23.0	1.5	35.4	0.0	2.1	34.6	77.3	0.2	29.9	7.7	

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	4.6	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	4.6	0.5	1.5	1.4	4.4	3.8	7.5	
2020 mar.	4.2	5.6	6.0	4.2	2.6	4.8	2.1	5.6	0.4	1.4	0.7	4.6	3.8	7.6	
jun.	4.3	5.3	6.0	3.9	2.7	5.0	2.3	5.9	0.5	1.4	0.7	4.6	3.8	7.7	
sep.	4.4	5.2	6.2	4.0	2.7	5.1	2.8	5.7	0.5	1.3	0.7	4.7	3.8	7.7	

Source: Bank of Slovenia.

Table 5.6: Leasing companies' performance and funding

							Growth, %					
	2015	2016	2017	2018	2019	Q3 2020	2015	2016	2017	2018	2019	Q3 2020
Total assets, EUR million	2,869	2,675	2,809	2,711	2,548	2,428	-17.1	-6.7	5.0	-3.5	-6.0	-8.8
Shareholder equity, EUR million	260	400	479	527	551	436	-9.7	53.9	19.7	10.0	4.6	-21.1
Net profit, EUR million	24	51	82	88	124	39	-52.4	111.9	62.1	6.8	41.4	-55.1
ROA, %	0.7	1.8	3.0	3.1	4.6	3.0						
ROE, %	9.6	16.9	19.8	17.2	22.3	15.4						
Financial and operating liabilities, EUR million	2,518	2,189	2,259	2,133	1,947	1,943	-17.7	-13.1	3.2	-5.6	-8.7	-5.3
liabilities to banks and undertakings in group / total assets, %	88	82	80	79	76	80						
Investment property	629	567	389	362	69	43	-23.5	-9.8	-31.5	-7.0	-80.8	-84.0
investment property / assets, %	22	21	14	13	3	2						
Finance expenses from impairments and write-offs, EUR million	118	61	54	43	34	27	4.8	-48.0	-11.4	-21.4	-20.2	6.2

Source: Bank of Slovenia.