

## **Costs of the comprehensive review of the banking system**

In conjunction with the Ministry of Finance, the Bank of Slovenia conducted a comprehensive review of the banking system between August and December 2013. The comprehensive review encompassed an **asset quality review** (AQR) and **stress tests** (comprising a bottom-up approach and a top-down challenge) conducted by external providers. The project was executed on the basis of the [Council Recommendation](#) on Slovenia's 2013 national reform programme (ref: COM [2013] 374 final) and the Council Opinion on Slovenia's stability programme for 2012-2016 issued by the European Commission on 29 May 2013.

On the basis of an assessment of portfolio quality, market share and capital adequacy, **ten banks** accounting for **70.8%** of the Slovenian banking system's total assets were included in the review (Abanka Vipava, NKBM, NLB, Hypo Alpe-Adria-Bank, Banka Celje, Raiffeisen Bank, Gorenjska banka, UniCredit Banka Slovenija, Factor banka and Probanka).

The comprehensive review was conducted by the following external providers: **Oliver Wyman** (*bottom-up stress tests*); **Roland Berger** (*top-down stress tests*); **Ernst & Young and Deloitte** (*asset quality review*), in conjunction with sub-contractors (*real estate appraisers*) **Jones Lang LaSalle Limited, CBRE Limited, Savills, Cushman & Wakefield and Colliers International d.o.o.**

### **Bank of Slovenia's costs**

The Bank of Slovenia **signed contracts in the amount of EUR 21,226,870.34** for the execution of the project. Consultants Oliver Wyman worked on the project for five months with a total of 2,855 man days, while consultants Roland Berger worked on the project for three months with a total of 360 man days. Individuals from Deloitte (104) and Ernst & Young (132) also worked on the project.

<b>Content</b>	<b>Counterparty</b>	<b>Date of signing</b>	<b>Bank of Slovenia's costs</b>
<b><i>Bottom-up stress tests</i></b>			<b>EUR 11,205,590.30</b>
Execution of stress tests (bottom-up)	Oliver Wyman	16 August 2013	EUR 11,044,874.96
Support for organising team	Oliver Wyman	11 December 2013	EUR 23,533.74
Normalisation of results of real estate valuation	Oliver Wyman	4 September 2013	EUR 137,181.60
<b><i>Top-down stress tests</i></b>			<b>EUR 1,047,491.50</b>
Execution of stress tests (top-down challenge)	Roland Berger Strategy Consultants	23 September 2013	EUR 1,047,491.50
<b><i>Asset quality review</i></b>			<b>EUR 7,944,591.85</b>
Asset quality review	Deloitte	14 August 2013	EUR 1,733,449.40
Asset quality review	Ernst & Young	9 August 2013	EUR 6,211,142.45
<b><i>Real estate valuation</i></b>			<b>EUR 1,029,196.69</b>
Coordination of real estate appraisers	Deloitte	18 October 2013	EUR 520,344.01
Real estate valuation	CBRE Limited Colliers International d.o.o. Jones Lang LaSalle	3 October 2013	EUR 508,852.68
<b><i>TOTAL</i></b>			<b>EUR 21,226,870.34</b>