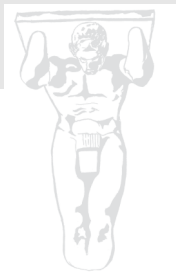


**BANKA
SLOVENIJE**

EVROSISTEM



**MONTHLY REPORT
ON BANK PERFORMANCE**



MARCH 2022

Similarly to previous months, lending to the non-banking sector strengthened again in January, largely as a result of an increase in loans to non-financial corporations on this occasion. Banks also continued to increase their housing loans, while the year-on-year contraction in consumer loans is primarily attributable to repayments of loans from previous years, given the solid volume of new loans. Portfolio quality as measured by the NPE ratio and the share of Stage 2 exposures in January remained at its level of the previous month, with individual segments of the portfolio displaying different trends. After increasing sharply in December, deposits by non-financial corporations plummeted in January, while the stock of household deposits increased again in the early part of this year. Following the quick resolution of Sberbank banka d.d. in Slovenia, which was shut down after the Russian military aggression, deposits by the non-banking sector remained a stable source of funding for the banking system. January's pre-tax profit was up a fifth on the same month last year, thanks to higher income and the renewed net release of impairments and provisions. The banking system's capital adequacy remained solid, despite a slight decline over the final quarter of last year. The banking system's liquidity remained high in January.

The balance sheet total increased by EUR 123 million in January to stand at EUR 48.4 billion. Despite the monthly increase, the year-on-year rate of growth slowed to 7.3%, as a result of a base effect from a monthly increase almost three times larger in January of last year. On the funding side there were increases in issued debt securities and household deposits, while on the investment side there were increased purchases of securities and increased lending to the non-banking sector, non-financial corporations in particular.

Loans to the non-banking sector increased by EUR 288 million in January, which raised the year-on-year rate of growth to 7.2%. Lending to non-financial corporations strengthened in particular, raising the year-on-year rate of growth to 7.5%, a level similar to that at the outbreak of the pandemic in March 2020. Year-on-year growth in household loans, which has been strengthening continually since March 2021, reached 5.9% in January. Once again the growth was driven by housing loans (which were up 9.5% in year-on-year terms), while the year-on-year contraction in the stock of consumer loans further diminished. Amid stable monthly inflows of new consumer loans, the year-on-year contraction in their stock (in the amount of 4.0%) remains primarily attributable to the repayment of consumer loans approved during the period of above-average consumer lending.

The NPE ratio in January remained unchanged from December at 1.2%. It was also unchanged in the non-financial corporations portfolio, at 2.3%. The NPE ratio in accommodation and food service activities declined slightly, but remains significantly higher than in other sectors at 12.9%. There was a small decline in the household portfolio, where the NPE ratio reached 1.9%, as a result of a further decline in the NPE ratio for housing loans (1.5%), while the NPE ratio in the consumer loans portfolio has remained at 3.7% since July. There was evidence of increased dynamics in Stages 1 and 2 of credit risk. The share of exposure classed as Stage 2 (increased credit risk) at the level of the total portfolio remained unchanged in January (at 5.8%), but there have been notable reclassifications to Stage 2 for several months now in the sectors of professional, scientific and technical activities, and an ongoing rise in arts, entertainment and recreation. The latter recorded the highest share of Stage 2 exposures in the non-financial corporations portfolio in January (55.5%), slightly higher than in accommodation and food service activities, where it has been declining slightly since September of last year but remains extremely high at 54.0%.

With NPEs declining at the level of the total portfolio, they continued to increase in the portfolio of moratoria approved during the pandemic. The NPE ratio in the non-financial corporations portfolio covered by a moratorium reached 8.4% in January. Here too there are notably high figures in the sectors of accommodation and food service activities, and professional, scientific and technical activities, and also in construction. There have also been notable increases in NPEs in the segment covered by a moratorium in the consumer loans portfolio (the NPE ratio reaching 14.4%) and the housing loans portfolio (10.1%). Exposures for which moratoria have been approved because of the pandemic still accounted for 3.7% of the banking system's total exposure in January.

January's decline of EUR 188 million in deposits by the non-banking sector slowed their year-on-year rate of growth to 6.7%. Monthly volatility remains high in deposits by non-financial corporations: after surging in December, they declined sharply again in January (by EUR 506 million). At 8.9%, year-on-year growth in deposits by non-financial corporations nevertheless continues to outpace year-on-year growth in household deposits, which slowed again in January, reaching 6.0%. There was a seasonally high increase in household deposits in January (EUR 292 million), but it did not exceed the sharp increase in January of last year (EUR 426 million), when saving was still under the strong influence of pandemic-related measures. The quick and successful resolution of Sberbank banka d.d. in Slovenia, which was forced to temporarily suspend operations following Russia's military aggression, meant that deposits by the non-banking sector, the banking system's main source of funding, remained stable.

The banking system's pre-tax profit in January amounted to EUR 25.8 million, up a fifth on January of last year. Year-on-year growth in gross income (8.8%) outpaced year-on-year growth in operating costs (4.6%) in January, which meant that the banking system's net income was up more than a quarter in year-on-year terms. Alongside a net release of impairments and provisions, the increased profit was also attributable to improved income performance. Income increased due to positive growth in net interest income, and a rise in aggregate non-interest income, driven largely by a year-on-year increase in net fees and commission. The higher lending activity is gradually being reflected in positive growth in net interest income, which was up 1.3% in year-on-year terms. The net interest margin declined below 1.41% as growth in interest-bearing assets remained relatively high, but its decline has slowed over recent months. Similarly to January of last year, banks recorded a net release of impairments and provisions in January, in the amount of EUR 5 million. Pre-tax ROE stood at 6.2% in January, compared with 5.4% in January of last year, and at 11.3% for the entire year of 2021.

Capital ratios declined slightly in late 2021. Liquidity remained high in January, despite a deterioration in certain indicators. The banking system's total capital ratio on a consolidated basis declined by 0.3 percentage points in the final quarter of last year to 18.2%, and remained below the euro area average (19.1%). The common equity Tier 1 capital (CET1) ratio also declined, by 0.2 percentage points to 16.8%, but remained above the euro area average (15.8%), albeit below the median value of individual countries. The decline in the capital ratios was attributable to an increase in risk-weighted assets, and a decline in regulatory capital. With the liquidity buffer declining and net liquidity outflows increasing at the same time, the liquidity coverage ratio (LCR) at the level of the banking system declined by 7 percentage points in January to stand at 305%, but remained well above the regulatory requirement of 100%. Despite declining in January (by EUR 197 million), primary liquidity remained high, at 23.4% of the balance sheet total.

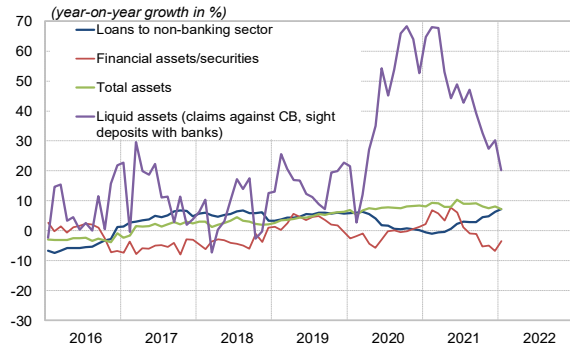
The banking environment has seen two major events in recent weeks. The aforementioned solution for customers of the former Slovenian subsidiary Sberbank banka allows all customers to transact as normal and have their funds at their full disposal as of 2 March 2022. An agreement was reached for the sale of Sberbank banka to the largest banking group in Slovenia, Nova Ljubljanska banka. This maintained financial stability in Slovenia without burdening other banks or taxpayers. The Constitutional Court ruled unanimously on 10 March 2022 that the implementation of the Act on the Mitigation and Allocation of Currency Risk Between Lenders and Borrowers in Swiss Francs (Official Gazette of the Republic of Slovenia, No. 17/22; the ZOPVTKK) should be stayed until a final decision is issued, as the implementation of any unconstitutional elements of the new law would cause multiple harmful consequences that would be difficult or impossible to rectify. Banka Slovenije has also repeatedly warned of the unconstitutionality of the solution.

APPENDICES

1. Key trends in the banking sector	1
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1. KEY TRENDS IN THE BANKING SECTOR

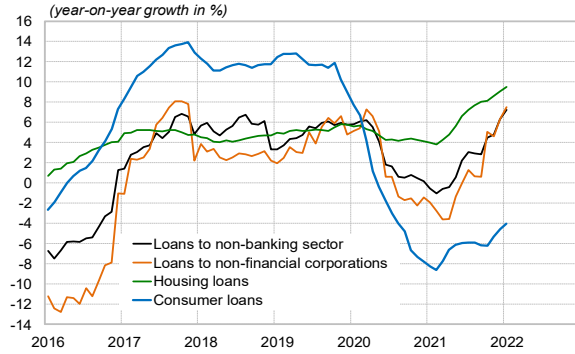
Figure 1.1: Growth in bank investments



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

Source: Bank of Slovenia.

Figure 1.2: Loans by sector and loan type



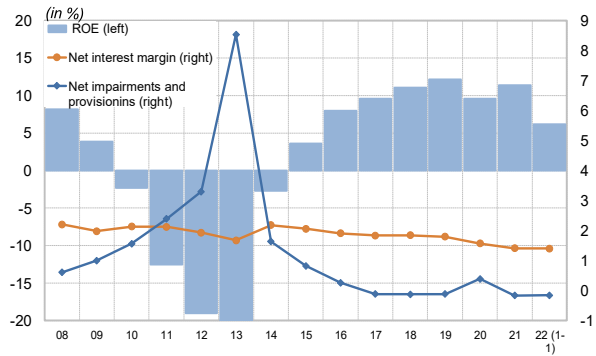
Source: Bank of Slovenia.

Figure 1.3: Deposits by sector



Source: Bank of Slovenia.

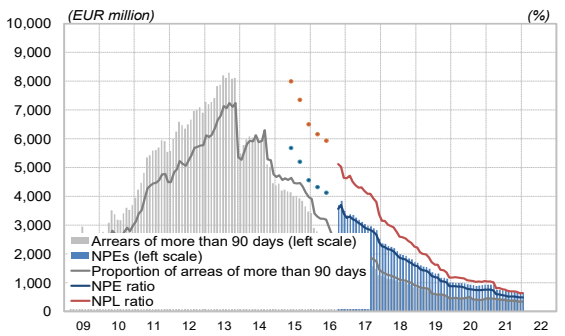
Figure 1.4: ROE, net interest margin, and ratio of impairment and provisioning costs to total assets



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

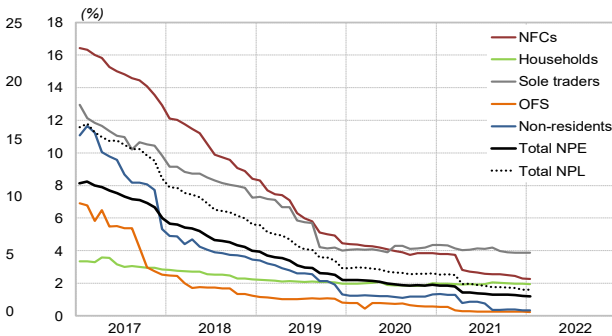
Source: Bank of Slovenia.

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



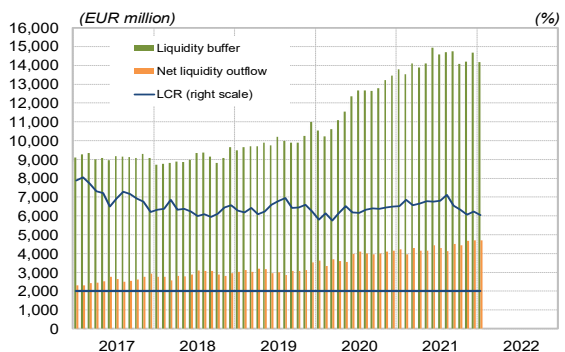
Source: Bank of Slovenia.

Figure 1.6: NPE ratio by client segment



Source: Bank of Slovenia.

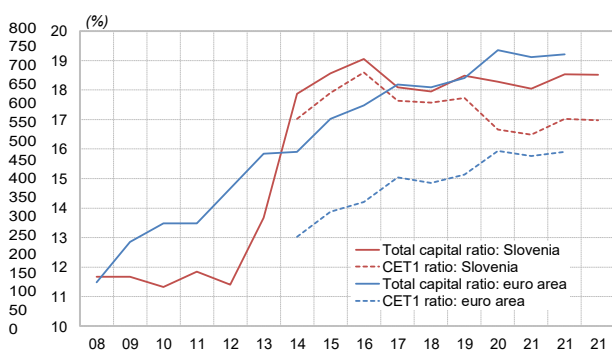
Figure 1.7: Liquidity coverage ratio (LCR)



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

Source: Bank of Slovenia.

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



Source: Bank of Slovenia, ECB (SDW).

2. MAIN FEATURES OF BANKS' PERFORMANCE AND FINANCIAL STATEMENTS¹

Table 2.1: Banking system's assets and liabilities, as at 31 Januar 2022

EUR million unless stated, growth rates in %	Stock		Breakdown		Stock		Breakdown		Increase in mio EUR		Growth in January 22, %	
	31.12.2008	(%)	31.12.2021	(%)	31.01.2022	(%)	in January 22	in 2022	monthly	year-on-year		
Assets	47,948	100.0	48,253	100.0	48,376	100.0	123.5	123.5	0.3	7.3		
Cash in hand, balances at central bank and sight deposits at banks	1,250	2.6	11,495	23.8	11,299	23.4	-196.5	-196.5	-1.7	20.2		
Loans to banks at amortised cost (including central bank)	4,101	8.6	1,544	3.2	1,442	3.0	-102.3	-102.3	-6.6	-0.1		
domestic banks	2,673	5.6	466	1.0	464	1.0	-2.2	-2.2	-0.5	-28.0		
foreign banks	1,428	3.0	1,078	2.2	978	2.0	-100.1	-100.1	-9.3	22.4		
short-term loans to banks	2,056	4.3	426	0.9	317	0.7	-109.0	-109.0	-25.6	22.0		
long-term loans to banks	2,046	4.3	1,118	2.3	1,125	2.3	6.7	6.7	0.6	-5.0		
Loans to non-banking sector*	33,718	70.3	25,045	51.9	25,334	52.4	288.4	288.4	1.2	7.2		
of which non-financial corporations	20,260	42.3	9,299	19.3	9,571	19.8	271.4	271.4	2.9	7.5		
households	7,558	15.8	11,263	23.3	11,292	23.3	28.3	28.3	0.3	5.9		
of which residential			7,373	15.3	7,420	15.3	47.4	47.4	0.6	9.5		
consumer			2,472	5.1	2,463	5.1	-8.5	-8.5	-0.3	-4.0		
government	506	1.1	1,481	3.1	1,489	3.1	7.7	7.7	0.5	-0.4		
other financial institutions	2,829	5.9	1,365	2.8	1,380	2.9	14.8	14.8	1.1	15.4		
non-residents	2,515	5.2	1,611	3.3	1,577	3.3	-33.7	-33.7	-2.1	17.3		
Other financial assets classed as loans and receivables (at amortised cost)	0	0.0	148	0.3	163	0.3	14.8	14.8	10.0	7.9		
Securities / financial assets**	7,323	15.3	8,355	17.3	8,480	17.5	124.1	124.1	1.5	-3.5		
a) Financial assets held for trading	1,177	2.5	50	0.1	57	0.1	7.0	7.0	14.0	-11.7		
of which debt securities held for trading	571	1.2	1	0.0	10	0.0	9.4	9.4	954.5	-15.7		
... government debt securities held for trading	56	0.1	1	0.0	10	0.0	9.4	9.4	954.5	-15.7		
b) Financial assets measured at fair value through P&L not held for trading	0	0.0	95	0.2	95	0.2	1.0	1.0	1.0	3.1		
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	0.0	1.8	8.9		
c) Financial assets designated for measurement at fair value through P&L	179	0.4	0	0.0	0	0.0	0.0	0.0	0.0	-100.0		
of which debt securities designated for measurement at fair value through P&L	163	0.3	0	0.0	0	0.0	0.0	0.0	0.0	-100.0		
... government debt securities designated for measurement at fair value through P&L	0	0.0	0	0.0	0	0.0	0.0	0.0	0.0	0.0		
d) Financial assets measured at fair value through other comprehensive income	4,552	9.5	4,941	10.2	4,914	10.2	-26.9	-26.9	-0.5	-11.3		
of which debt securities measured at fair value through other comprehensive income	4,318	9.0	4,743	9.8	4,717	9.8	-26.2	-26.2	-0.6	-11.8		
... government debt securities measured at fair value through other comprehensive income	2,875	6.0	3,140	6.5	3,163	6.5	22.8	22.8	0.7	-12.4		
e) Debt securities at amortised cost	1,415	3.0	3,269	6.8	3,412	7.1	143.1	143.1	4.4	10.7		
of which government debt securities at amortised cost	1,182	2.5	2,248	4.7	2,334	4.8	85.8	85.8	3.8	-2.0		
Investments in subsidiaries, joint ventures and associates	627	1.3	945	2.0	945	2.0	0.0	0.0	0.0	4.6		
Other assets	928	1.9	719	1.5	714	1.5	-5.0	-5.0	-0.7	-9.2		
Equity and liabilities	47,948	100.0	48,253	100.0	48,376	100.0	123.5	123.5	0.3	7.3		
Financial liabilities measured at amortised cost (deposits)***	41,895	87.4	42,850	88.8	42,990	88.9	140.2	140.2	0.3	7.8		
a) Financial liabilities to central bank (Eurosystem)	1,229	2.6	2,344	4.9	2,342	4.8	-1.8	-1.8	-0.1	69.8		
b) Liabilities to banks	18,168	37.9	1,715	3.6	1,646	3.4	-69.0	-69.0	-4.0	-29.9		
of which to domestic banks	2,065	4.3	649	1.3	651	1.3	1.7	1.7	0.3	-19.3		
of which to foreign banks	16,098	33.6	1,066	2.2	996	2.1	-70.6	-70.6	-6.6	-35.4		
c) Liabilities to non-banking sector (deposits by NBS)	20,883	43.6	37,185	77.1	36,997	76.5	-188.4	-188.4	-0.5	6.7		
of which to non-financial corporations	3,728	7.8	8,998	18.6	8,492	17.6	-506.2	-506.2	-5.6	8.9		
households	13,407	28.0	23,953	49.6	24,245	50.1	292.5	292.5	1.2	6.0		
government	1,879	3.9	1,005	2.1	983	2.0	-22.2	-22.2	-2.2	5.8		
other financial institutions	1,065	2.2	1,417	2.9	1,461	3.0	43.1	43.1	3.0	11.9		
non-residents	475	1.0	1,293	2.7	1,300	2.7	6.4	6.4	0.5	-1.2		
d) Debt securities	1,276	2.7	1,250	2.6	1,548	3.2	298.7	298.7	23.9	46.1		
e) Other financial liabilities measured at amortised cost****	1,568	3.3	356	0.7	456	0.9	100.7	100.7	28.3	14.7		
Provisions	176	0.4	151	0.3	149	0.3	-2.7	-2.7	-1.8	-17.8		
Shareholder equity	4,010	8.4	5,061	10.5	5,063	10.5	2.7	2.7	0.1	5.0		
Other liabilities	1,867	3.9	191	0.4	174	0.4	-16.7	-16.7	-8.7	-25.2		
BALANCE SHEET TOTAL	47,948	100.0	48,253	100.0	48,376	100.0	123.5	123.5	0.3	7.3		

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).

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

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

Source: Bank of Slovenia.

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.

Table 2.2: Income statement for 2020, 2021 and 2022

(EUR million unless stated)	2020	Breakdown	2021	Breakdown	2021	Breakdown	2022	Breakdown	Annual growth, %
		(%)		(%)	Jan.-Jan	(%)	Jan.-Jan	(%)	Jan.- Jan. 22/ Jan.- Jan. 21
Interest income	754.0		737.2		61.9		63.9		3.3
Interest expenses	114.9		112.0		10.1		10.5		4.0
Net interest	639.1	47.0	625.1	51.8	51.8	60.5	53.4	57.3	3.1
Non-interest income	721.0	53.0	580.6	48.2	33.8	39.5	39.7	42.7	17.5
of which net fees and commission	329.7	24.2	377.3	31.3	29.2	34.2	34.2	36.8	17.0
of which net gains/losses on financial assets and liabilities held for trading	16.0	1.2	17.7	1.5	0.4	0.5	2.7	2.8	552.7
Gross income	1,360.1	100.0	1,205.7	100.0	85.6	100.0	93.1	100.0	8.8
Operating costs	-718.4	-52.8	-717.1	-59.5	-69.1	-80.7	-72.2	-77.6	4.6
Net income	641.6	47.2	488.6	40.5	16.5	19.3	20.9	22.4	26.5
Net impairments and provisions	-169.6	-12.5	73.6	6.1	5.1	6.0	5.0	5.3	-2.7
Pre-tax profit	472.0	34.7	562.2	46.6	21.6	25.2	25.8	27.7	19.6
Taxes	-21.7		-37.0		-4.2		-2.7		-35.9
Net profit	450.3		525.3		17.4		23.1		33.0

Source: Bank of Slovenia.

Table 2.3: Selected performance indicators

in %									2021	2022	Jan-21	Jan-22
	2014	2015	2016	2017	2018	2019	2020	2021	Jan.-Jan.	Jan.-Jan.	(last 12 mon.)	(last 12 mon.)
Profitability												
Financial intermediation margin*	3.10	3.05	3.05	2.88	3.01	3.13	3.16	2.58	2.27	2.29	3.17	2.58
ROA	-0.27	0.42	0.99	1.19	1.39	1.48	1.10	1.20	0.57	0.63	1.10	1.21
ROE	-2.69	3.63	7.96	9.58	11.07	12.16	9.57	11.33	5.41	6.18	9.72	11.37
Interest margin on interest-bearing assets	2.18	2.06	1.91	1.83	1.84	1.79	1.57	1.41	1.44	1.38	1.55	1.41
Net non-interest income / operating costs	58.05	60.05	68.53	62.67	71.93	80.84	100.35	80.96	48.94	54.99	100.59	81.43
Operating costs												
Labour costs / average assets	0.92	0.97	1.01	1.02	1.02	1.00	0.90	0.85	0.84	0.78	0.89	0.85
Other costs / average assets	0.81	0.84	0.80	0.78	0.73	0.77	0.77	0.69	0.96	0.97	0.80	0.69
Asset quality												
Impairments of financial assets at amortised cost / gross assets	8.98	7.84	5.38	4.09	2.64	1.53	1.59	1.14	1.54	1.13	/	/

* 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 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
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	4.8	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	5.4	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	5.2	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	5.1	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	5.0	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	4.9	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	5.1	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	5.2	4.5	1.8	2.4	1.3	1.8	0.2	0.1	0.5	0.3
May-21	0.00	1.3	1.6	5.2	4.5	1.8	2.2	1.2	2.1	0.2	0.1	0.5	0.2
Jun-21	0.00	1.3	1.5	5.2	4.6	1.8	2.0	1.2	1.4	0.1	0.1	0.5	0.2
Jul-21	0.00	1.3	1.6	5.4	4.8	1.8	2.0	1.3	1.4	0.2	0.1	0.5	0.2
Aug-21	0.00	1.3	1.6	5.8	4.7	1.7	2.1	1.2	1.2	0.1	0.1	0.5	0.1
Sep-21	0.00	1.3	1.6	5.5	4.6	1.7	2.0	1.3	1.7	0.2	0.1	0.5	0.1
Oct-21	0.00	1.3	1.5	5.6	4.6	1.7	1.9	1.2	1.8	0.2	0.1	0.5	0.2
Nov-21	0.00	1.3	1.5	5.1	4.6	1.7	2.1	1.1	1.5	0.2	0.2	0.5	0.2
Dec-21	0.00	1.3	1.6	5.1	4.7	1.7	1.9	1.1	1.4	0.2	0.0	0.5	0.2
Jan-22	0.00	1.3	1.5	5.6	4.7	1.8	2.1	1.2	1.7	0.2	0.0	0.4	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 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
Dec-19	1.4	2.7	5.3	6.2	1.7	3.5	1.4	1.1
Jan-20	1.4	2.7	5.7	6.2	1.8	3.1	1.3	1.0
Feb-20	1.4	2.6	5.6	6.1	1.8	3.8	1.3	1.4
Mar-20	1.4	2.6	5.5	6.1	1.7	3.0	1.2	1.3
Apr-20	1.4	2.8	5.5	6.1	1.6	2.9	1.3	2.9
May-20	1.4	2.6	5.3	6.1	1.6	2.8	1.3	1.8
Jun-20	1.4	2.5	5.1	6.1	1.7	2.8	1.4	1.2
Jul-20	1.4	2.4	5.3	6.1	1.7	3.5	1.4	2.3
Aug-20	1.4	2.3	5.4	6.1	1.7	2.9	1.2	1.9
Sep-20	1.4	2.3	5.3	6.0	1.7	3.2	1.3	1.2
Oct-20	1.4	2.2	5.3	6.1	1.7	3.4	1.4	1.4
Nov-20	1.4	2.2	5.3	6.0	1.7	3.0	1.3	1.5
Dec-20	1.3	2.2	5.1	6.0	1.7	3.3	1.3	1.7
Jan-21	1.4	2.1	5.3	6.1	1.7	3.1	1.3	1.7
Feb-21	1.3	2.1	5.3	6.1	1.7	3.4	1.2	1.8
Mar-21	1.3	2.0	5.1	6.0	1.7	2.6	1.2	1.1
Apr-21	1.3	1.9	5.2	5.9	1.7	2.6	1.4	1.6
May-21	1.3	1.9	5.3	6.0	1.7	2.6	1.3	1.2
Jun-21	1.3	1.8	5.2	6.0	1.8	2.7	1.2	1.0
Jul-21	1.3	1.8	5.3	6.0	1.7	2.6	1.2	1.1
Aug-21	1.3	1.8	5.3	6.0	1.7	2.8	1.1	0.9
Sep-21	1.3	1.8	5.3	6.0	1.7	2.4	1.3	1.6
Oct-21	1.3	1.7	5.2	6.0	1.7	2.8	1.2	1.3
Nov-21	1.3	1.7	5.2	5.9	1.7	2.8	1.2	0.5
Dec-21	1.3	1.7	5.1	6.0	1.6	2.2	1.2	1.2
Jan-22	1.3	1.7	5.3	6.0	1.7	2.6	1.3	1.1

Source: Bank of Slovenia, ECB.

4. QUALITY OF THE BANKING SYSTEM'S PORTFOLIO

 Table 4.1:¹ Non-performing exposures by client segment

	Exposures		Non-performing exposures (NPEs)							
	amount, EUR million	breakdown, in %	amount, EUR million			ratio, %				
			Jan.22	Dec.19	Dec.20	Dec.21	Jan.22	Dec.19	Dec.20	Dec.21
NFCs	15,312	28.7	636	552	347	347	4.5	3.9	2.3	2.3
- large NFCs	7,647	14.4	261	224	71	72	3.5	3.1	0.9	0.9
- SME	7,508	14.1	374	328	276	275	5.5	4.6	3.7	3.7
OFIs	1,689	3.2	11	8	4	4	0.8	0.6	0.2	0.2
Households	12,633	23.7	247	255	261	259	2.1	2.1	2.1	2.0
sole traders	710	1.3	28	30	27	27	4.0	4.3	3.9	3.9
individuals	11,923	22.4	219	225	233	231	2.0	2.0	2.0	1.9
- consumer loans	2,525	4.7	71	84	94	94	2.5	3.2	3.7	3.7
- housing loans	7,304	13.7	123	115	114	112	1.9	1.7	1.6	1.5
- other	2,093	3.9	24	25	24	52	1.2	1.3	1.2	2.5
Non-residents	8,733	16.4	99	106	30	30	1.3	1.3	0.3	0.3
Government	4,295	8.1	12	8	0	0	0.2	0.2	0.0	0.0
Banks and savings banks	774	1.5	0	0	0	0	0.0	0.0	0.0	0.0
Central bank	9,827	18.5	0	0	0	0	0.0	0.0	0.0	0.0
Total	53,264	100.0	1,006	929	641	640	2.2	1.9	1.2	1.2

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

	Exposures		Non-performing exposures (NPEs)				NPE ratio			
	EUR million	breakdown, in %	EUR million				(%)			
			Jan.22	Jan.22	Dec.19	Dec.20	Dec.21	Jan.22	Dec.19	Dec.20
Agriculture, forestry, fishing, mining	140	0.9	3	3	2	2	2.3	3.1	1.5	1.5
Manufacturing	4,111	26.8	114	93	61	64	2.8	2.3	1.5	1.6
Electricity, gas, water, remediation	1,565	10.2	8	9	8	8	0.6	0.6	0.5	0.5
Construction	1,479	9.7	85	61	41	41	7.4	4.8	2.8	2.8
Wholesale and retail trade	2,674	17.5	228	208	75	77	9.0	8.1	2.8	2.9
Transportation and storage	1,664	10.9	20	25	19	19	1.2	1.5	1.3	1.2
Accommodation and food service	579	3.8	41	61	77	75	8.0	9.8	13.2	12.9
Information and communication	622	4.1	6	5	4	4	0.9	0.9	0.7	0.7
Financial and insurance activities	147	1.0	0	0	0	0	0.7	0.0	0.1	0.1
Real estate activities	683	4.5	46	24	6	6	7.9	4.1	0.9	0.9
Professional, scientific and technical	1,396	9.1	65	50	43	42	4.9	3.7	2.9	3.0
Education, health, public admin.	147	1.0	13	5	4	4	8.6	3.8	2.8	2.7
Arts, recreation and entertainment	104	0.7	7	7	6	6	6.6	6.7	5.3	5.4
Total	15,312	100.0	636	552	347	347	4.5	3.9	2.3	2.3

 Table 4.3:¹ Exposures by credit risk stages by client segment

	Share in %									Exposure to stage 2		
	S1			S2			S3			amount, EUR million		
	Dec 20	Dec 21	Jan 22	Dec 20	Dec 21	Jan 22	Dec 20	Dec 21	Jan 22	Dec 20	Dec 21	Jan 22
NFCs	84.7	87.5	87.6	12.3	10.2	10.1	3.0	2.3	2.2	1,743	1,549	1,548
- large NFCs	88.4	91.9	92.0	10.0	7.2	7.1	1.5	0.9	0.9	718	527	527
- SME	80.9	83.1	83.3	14.6	13.3	13.2	4.6	3.6	3.5	1,026	1,022	1,021
OFIs	99.2	99.5	99.6	0.3	0.2	0.2	0.6	0.2	0.2	4	3	3
Households	89.4	88.4	88.7	8.5	9.5	9.2	2.1	2.1	2.1	1,010	1,199	1,166
sole traders	84.3	82.3	83.0	11.3	13.8	13.1	4.3	3.9	3.9	78	98	93
individuals	89.7	88.8	89.1	8.3	9.3	9.0	2.0	2.0	1.9	932	1,101	1,072
- consumer loans	89.6	85.1	85.7	7.2	11.2	10.5	3.2	3.7	3.7	189	283	266
- housing loans	88.3	89.5	89.7	10.0	8.9	8.8	1.7	1.6	1.5	660	644	643
- other	94.6	90.5	91.0	4.1	8.3	7.8	1.3	1.2	1.2	83	174	164
Non-residents	94.5	96.8	96.5	4.6	2.9	3.1	1.0	0.3	0.3	366	251	271
Government	99.2	99.1	98.9	0.6	0.9	1.1	0.2	0.0	0.0	33	39	48
Total	91.9	93.0	93.1	6.5	5.8	5.8	1.6	1.2	1.2	3,166	3,060	3,064

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).

Source: Bank of Slovenia.

Table 4.4: Exposures by credit risk stages by sector

	Share in %									Exposure to stage 2		
	S1			S2			S3			amount, EUR million		
	Dec 20	Dec 21	Jan 22	Dec 20	Dec 21	Jan 22	Dec 20	Dec 21	Jan 22	Dec 20	Dec 21	Jan 22
Agriculture, forestry, fishing, mining	84.7	90.7	91.2	12.2	7.8	7.3	3.1	1.5	1.5	13	11	10
Manufacturing	80.6	86.8	86.9	17.1	11.7	11.6	2.3	1.5	1.6	680	476	476
Electricity, gas, water, remediation	96.1	96.9	97.0	3.3	2.6	2.5	0.6	0.5	0.5	45	40	39
Construction	84.5	90.8	90.3	10.7	6.5	7.0	4.8	2.7	2.7	136	95	104
Wholesale and retail trade	88.0	89.2	89.2	8.2	8.0	8.0	3.8	2.8	2.9	200	211	213
Transportation and storage	93.8	92.3	92.9	4.7	6.5	5.9	1.5	1.3	1.2	77	100	98
Accommodation and food service	44.4	32.7	33.4	46.4	54.6	54.3	9.2	12.7	12.4	288	318	313
Information and communication	92.1	96.8	97.0	7.0	2.5	2.3	0.9	0.7	0.7	39	16	14
Financial and insurance activities	99.1	95.7	96.7	0.8	4.2	3.2	0.0	0.1	0.1	1	5	5
Real estate activities	86.1	91.1	91.7	9.7	8.0	7.5	4.1	0.9	0.9	56	51	51
Professional, scientific and technical	85.5	86.6	85.9	10.8	10.5	11.1	3.7	2.9	3.0	145	154	154
Education, health, public admin.	85.3	88.5	88.7	10.9	8.7	8.6	3.8	2.8	2.7	15	13	13
Arts, recreation and entertainment	46.2	39.6	39.1	47.0	55.1	55.5	6.7	5.3	5.4	48	58	58
Total	84.7	87.5	87.6	12.3	10.2	10.1	3.0	2.3	2.2	1,743	1,549	1,548

Source: Bank of Slovenia.

Table 4.5: Coverage of NPEs and credit risk stages with impairments and provisions

	Credit risk stages											
	S1			S2			S3			NPE		
	Dec.20	Dec.21	Jan.22	Dec.20	Dec.21	Jan.22	Dec.20	Dec.21	Jan.22	Dec.20	Dec.21	Jan.22
NFCs	0.7	0.4	0.4	5.6	4.4	4.4	52.5	57.2	56.5	46.5	57.4	56.7
OFIs	0.5	0.4	0.3	1.2	1.6	1.2	54.3	92.8	92.6	54.2	92.8	92.6
Households	0.3	0.2	0.2	4.7	4.3	4.4	51.2	53.9	54.0	51.1	53.9	54.1
sole traders	1.0	0.9	0.8	5.8	5.1	5.5	46.4	52.6	50.9	46.4	52.8	51.1
individuals	0.3	0.2	0.2	4.6	4.2	4.3	51.8	54.0	54.4	51.7	54.0	54.4
- consumer loans	0.6	0.4	0.4	8.4	6.0	6.1	60.9	64.3	64.7	61.0	64.3	64.8
- housing loans	0.2	0.2	0.2	3.7	3.9	3.9	43.4	43.5	43.5	43.5	43.5	43.5
- other	0.3	0.2	0.2	3.3	2.7	2.8	58.8	62.8	63.8	58.0	63.6	64.7
Non-residents	0.3	0.2	0.2	3.7	4.3	3.6	78.1	77.2	77.3	65.1	77.2	77.3
Government	0.1	0.1	0.1	3.6	2.8	3.2	93.9	92.8	87.1	93.9	92.8	87.1
Total	0.35	0.22	0.22	5.1	4.3	4.2	55.0	57.0	56.7	50.3	57.1	56.8

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

Table 5.1: Loans as at 31 January 2022 by sector

	Total loans		Of which: Loans under moratoria		Of which: Loans under legislative moratoria		Of which: Loans under bilaterally agreed moratoria	
	(EUR million)	(EUR million)	in % of total loans	(EUR million)	in % of total loans	(EUR million)	in % of total loans	
	(1)	(2)	(3) = (2) / (1)	(4)	(5) = (4) / (1)	(6)	(7) = (6) / (1)	
Central banks and credit institutions	12,333	0	0.0	0	0.0	0	0.0	
Other financial organizations	1,866	9	0.5	0	0.0	9	0.5	
Government	1,533	0	0.0	0	0.0	0	0.0	
Non-financial corporations	10,965	1,511	13.8	1,219	11.1	292	2.7	
large companies	4,774	518	10.9	484	10.1	34	0.7	
micro, small and medium-sized companies	6,191	993	16.0	735	11.9	258	4.2	
Households	11,618	506	4.4	471	4.1	35	0.3	
sole traders	606	74	12.3	57	9.5	17	2.8	
other households	11,012	431	3.9	414	3.8	18	0.2	
Total	38,315	2,027	5.3	1,691	4.4	336	0.9	

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 6.2: Loans to non-financial corporations as at 31 January 2022 by activity

	Total loans		Of which: Loans under moratoria		Of which: Loans under legislative moratoria		Of which: Loans under bilaterally agreed moratoria		Of which: Newly approved loans as a result of the Covid-19 epidemic	
	(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	1	2.6	1	1.8	0	0.8	1	1.8	
Mining and quarrying	84	10	11.7	3	3.4	7	8.3	0	0.1	
Manufacturing	3,069	490	16.0	449	14.6	41	1.3	113	3.7	
Electricity, gas, remediation	923	1	0.1	1	0.1	0	0.0	0	0.0	
Water supply	124	13	10.3	10	8.4	2	1.9	0	0.1	
Construction	567	53	9.3	28	4.9	25	4.3	12	2.0	
Wholesale and retail trade	1,754	138	7.9	116	6.6	22	1.2	34	2.0	
Transport and storage	1,300	92	7.1	80	6.2	12	0.9	19	1.4	
Accommodation and food service	568	310	54.5	240	42.3	70	12.2	36	6.3	
Information and communication	477	31	6.4	24	5.0	6	1.4	5	1.1	
Financial and insurance activities	174	0	0.2	0	0.1	0	0.2	0	0.0	
Real estate activities	811	186	22.9	116	14.3	70	8.7	0	0.0	
Professional, scientific and tech.	635	52	8.3	48	7.6	4	0.6	7	1.1	
Administrative and support service	169	26	15.6	15	9.0	11	6.7	10	5.7	
Public admini., defence, soc. sec.	1	1	64.3	1	64.3	0	0.0	0	0.0	
Education	20	10	47.1	3	15.0	7	32.1	0	0.8	
Health and social security	148	44	29.6	35	23.5	9	6.1	1	0.5	
Arts, entertainment and recreation	71	50	70.3	47	65.6	3	4.7	1	0.8	
Other services	16	4	25.5	2	13.2	2	12.2	0	3.0	
Total	10,965	1,511	13.8	1,219	11.1	292	2.7	239	2.2	

Source: Bank of Slovenia.

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.

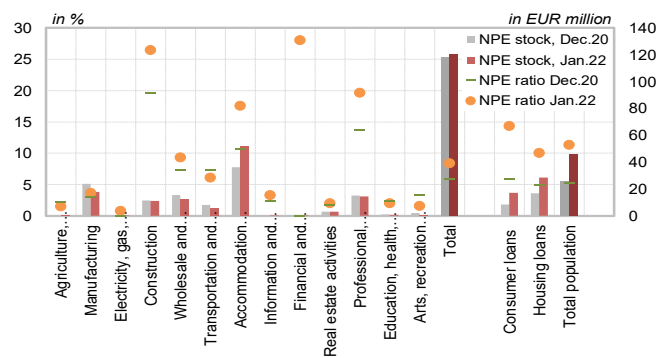
Table 6.3: Loans by moratoria according to the maturity of the deferral as at 31 January 2022 by activity

	Loans under legislative moratoria								Loans under bilaterally agreed moratoria								
	Of which: expired moratoria				Of which: active moratoria				Of which: expired moratoria				Of which: active moratoria				
	in mio EUR	in mio EUR	in % of 'loans under legislative moratoria	in mio EUR	in % of 'loans under legislative moratoria	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
(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	1	1	100.0	0	0.0	0	0	0	0	0	100	0	0.0	0	0	0	0
Mining and quarrying	3	3	100.0	0	0.0	0	0	0	0	7	7	100	0	0.0	0	0	0
Manufacturing	449	448	99.9	1	0.1	1	0	0	0	41	40	97	1	2.9	1	0	0
Electricity, gas, remediation	1	1	100.0	0	0.0	0	0	0	0	0	0	0	0	0.0	0	0	0
Water supply	10	10	100.0	0	0.0	0	0	0	0	2	2	100	0	0.0	0	0	0
Construction	28	28	100.0	0	0.0	0	0	0	0	25	24	99	0	1.5	0	0	0
Wholesale and retail trade	116	116	100.0	0	0.0	0	0	0	0	22	21	99	0	0.7	0	0	0
Transport and storage	80	80	100.0	0	0.0	0	0	0	0	12	12	97	0	2.8	0	0	0
Accommodation and food service	240	240	100.0	0	0.0	0	0	0	0	70	48	68	22	31.6	15	1	4
Information and communication	24	24	100.0	0	0.0	0	0	0	0	6	6	100	0	0.0	0	0	0
Financial and insurance activities	0	0	100.0	0	0.0	0	0	0	0	0	0	100	0	0.0	0	0	0
Real estate activities	116	116	100.0	0	0.0	0	0	0	0	70	70	100	0	0.0	0	0	0
Professional, scientific and tech.	48	48	100.0	0	0.0	0	0	0	0	4	4	100	0	0.0	0	0	0
Administrative and support service	15	15	100.0	0	0.0	0	0	0	0	11	11	99	0	1.3	0	0	0
Public administr., defence, soc. sec.	1	1	100.0	0	0.0	0	0	0	0	0	0	0	0	0.0	0	0	0
Education	3	3	100.0	0	0.0	0	0	0	0	7	7	100	0	0.0	0	0	0
Health and social security	35	35	100.0	0	0.0	0	0	0	0	9	9	100	0	0.0	0	0	0
Arts, entertainment and recreation	47	46	99.1	0	0.9	0	0	0	0	3	2	70	1	30.1	0	0	1
Other services	2	2	100.0	0	0.0	0	0	0	0	2	2	100	0	0.0	0	0	0
Total	1,219	1,218	99.9	1	0.1	1	0	0	0	292	267	91	25	8.6	17	2	1

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.

Figure 6.1: NPEs in exposures under moratoria in NFCs by sector and by type of loans to households



Source: Bank of Slovenia.