

**BANKA
SLOVENIJE**

EVROSISTEM



**MONTHLY REPORT
ON BANK PERFORMANCE**



APRIL 2022

BRIEF COMMENTARY

The trend of increasing lending to the non-banking sector continued in February through larger volumes of loans to non-financial corporations and households. As regards loans to households, housing loans grew sharply year-on-year, with their growth rate being the fourth highest in the euro area, while a stable increase in new loans was recorded in consumer lending. The volume of deposits by the non-banking sector decreased, as the increase in household deposits and deposits by non-financial corporations did not exceed the outflow of deposits of other sectors. Therefore, banks financed their investment activity mainly through funds held in accounts with the central bank. Nevertheless, liquidity at the level of the banking system remained high. In February, the quality of the portfolio, measured in terms of the NPE ratio and the share of stage 2 credit risk, improved but with varying trends in different client segments. This year's profit before tax was comparable to last year's level as a result of both an increase in banks' income and a further net release of impairments and provisions (but to a lesser extent than in the same period last year).

Year-on-year growth in the balance sheet total slowed down to 6.6% in February due to a decrease in its volume (by EUR 14 million) and a base effect. The volume of the balance sheet total increased sharply in the first months of last year as a result of the growing deposits from households and non-financial corporations. These also increased in February this year among other sources of funding, but the volume of deposits from the non-banking sector decreased mainly due to the outflow of deposits from government and non-residents. As in January, lending to non-financial corporations and households increased, while banks also diverted part of the liquid assets held in accounts with the central bank to asset purchases.

In February, the year-on-year growth in loans to the non-banking sector rose to 7.9%, while the volume of loans increased by EUR 171 million compared to the previous month. The 8.7% year-on-year growth in loans to non-financial corporations was the third highest among euro area countries and similar to the growth rate in January. Loans to firms in electricity and water supply and manufacturing firms, and in terms of purpose, loans to fund working capital and loans for fixed capital formation, were the major contributors to the increase. Growth in loans to households continued to strengthen, reaching 6.4% year-on-year in February. A higher growth resulted mainly from a larger volume of housing loans (by EUR 53 million), whose year-on-year growth reached 10.2% in February, being the fourth highest compared to other euro area countries. While the inflow of new consumer loans (by EUR 75 million in February) remains stable, the year-on-year decline in consumer loans (-3.6%) continues to be affected by repayments of consumer loans granted during the period of above-average consumer lending. When compared to other euro area member countries three Member States recorded a higher year-on-year decrease in the volume of consumer lending.

The share of non-performing exposures (NPEs) stood at 1.2% for the third consecutive month. It remained unchanged for all customer groups, except for non-financial corporations, where it further decreased to 2.2%. As regards accommodation and food service activities, the share of NPEs of 12.9% remained unchanged after the decrease in January and is the highest among all sectors. There were no changes in the retail segment in February, with the share of NPEs remaining at 1.5% for housing loans and 3.7% for consumer loans. After the increase in the share of stage 2 (with increased credit risk) in December and January, it decreased again in February. At the level of the entire portfolio, this share decreased by 0.2 percentage points to 5.6%, with the reclassification taking place in non-financial corporations and sole traders, as well as housing and consumer loans. Since August, banks have reclassified exposures to companies from professional, commercial and technical services to stage 2, while the share of this stage in manufacturing, transportation and retail trade decreased slightly once again.

The coverage of NPEs with impairments and provisions maintained an upward trend, from 53.8% in April 2021 (when it surged by 5.2 percentage points due to a one-off event) to 57.6% in February. By contrast, the coverage of performing exposures remained low at 0.46% in the last three months, a significant decrease compared to the end of 2020, when it stood at 0.66%.

In February, deposits by the non-banking sector fell by EUR 31 million, as the increase in deposits from households and non-financial corporations did not exceed the reduction in deposits of other depositors (government, other financial institutions and non-residents). As a result, year-on-year growth in deposits by the non-banking sector went down to 5.9%. Household deposits also increased for the second month in a row this year, this time by EUR 23 million, which is only a fifth of last year's average monthly increase in household deposits. Despite the increase in February, year-on-year growth in household deposits slowed down to 5.2% and remained lower than the growth in deposits by non-financial corporations, which persisted at 9.0% in February even though the volume of deposits by non-financial corporations increased by EUR 91 million. Immediately before and after the suspension of Sberbank d.d.'s operations some savers of this bank decided to move their savings to other banks, but there was no significant outflow of deposits from the banking system thanks to the quick and successful solution of this bank's problems.

By the end of February this year, pre-tax profit of banks amounted to EUR 52.3 million and was almost completely comparable to last year's profit in the same period (-1,7%). It was EUR 1 million lower than last year. The income performance of banks improved and their gross income grew by 5.6% as a result of the positive growth in net interest (3.6%) and non-interest income (8.6%). As regards non-interest income, the relatively high growth rate in net fees and commissions (13.8%) continued. Net income of banks increased by one tenth (9.9%) in year-on-year terms, while operating costs grew by 4.1 percent. This year, the growth in net interest income, along with a higher growth of lending, is gradually increasing and was also positive over the last one-year period. As the growth in net interest rates is still lagging behind the growth in interest-bearing assets, the net interest margin slightly decreased further and amounted to 1.40% in February over the last 12 months. The fact that banks net released impairments and provisions still contributed to the overall profit, although this year the net release was lower than last year in the first two months of the year. Pre-tax ROE stood at 6.6% by the end of February, slightly below the last year's level in the same period (7.0%) or for the whole of last year (11.3%).

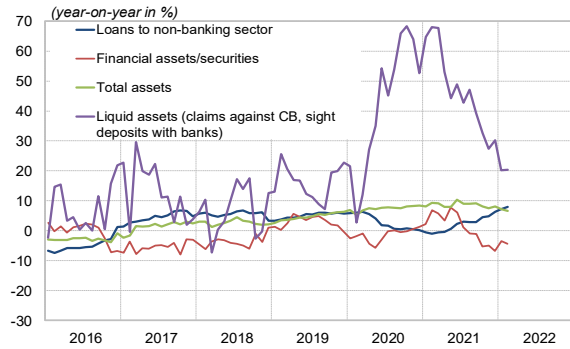
The banking system capitalisation remained at a solid level, albeit diverse as regards banks, while liquidity indicators deteriorated slightly in February. The total capital adequacy ratio at a consolidated level of 18.4% remained below the euro area average, while the Common Equity Tier 1 ratio (CET1) of 16.9% continued to exceed it. In February, banks financed their investment activities by reducing funds held in accounts with the central bank, which led to a decline in primary liquidity of EUR 433 million and in its share in the balance sheet total to 22.5%. Moreover, the decrease in liquid assets resulted in a deterioration of the liquidity coverage ratio (LCR), which fell by 11 percentage points to 294% in February. Nevertheless, the LCR is still well above the minimum regulatory requirement (100%), which means that the capacity to cover net liquidity outflows over a short-term stress period remains high at the banking system level.

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1. KEY TRENDS IN THE BANKING SECTOR

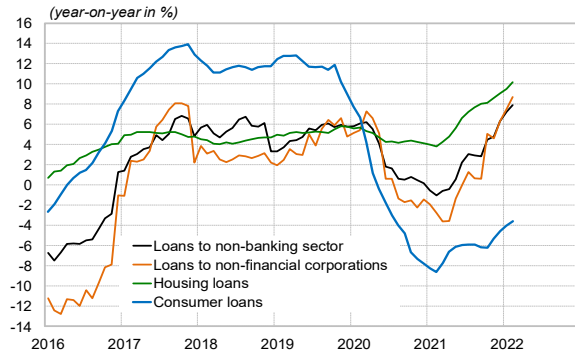
Figure 1.1: Growth in bank investments



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

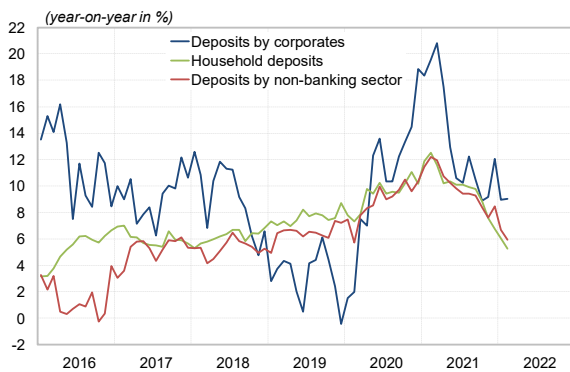
Source: Bank of Slovenia.

Figure 1.2: Loans by sector and loan type



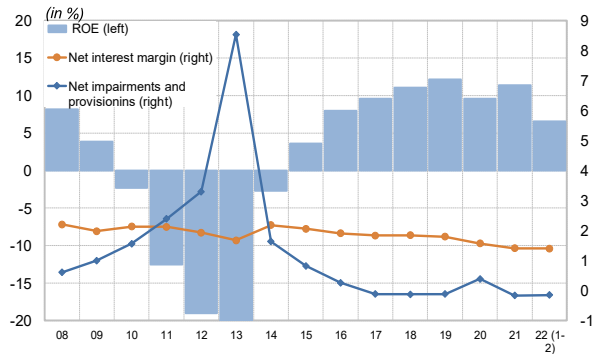
Source: Bank of Slovenia.

Figure 1.3: Deposits by sector



Source: Bank of Slovenia.

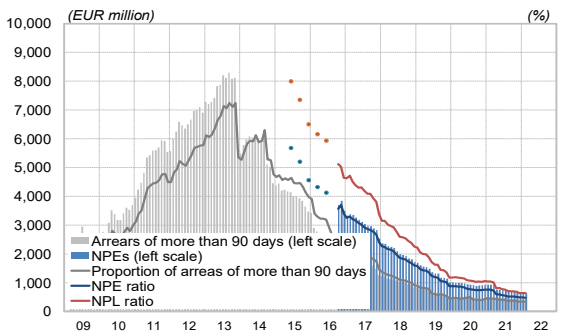
Figure 1.4: ROE, net interest margin, and ratio of impairment and provisioning costs to total assets



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.

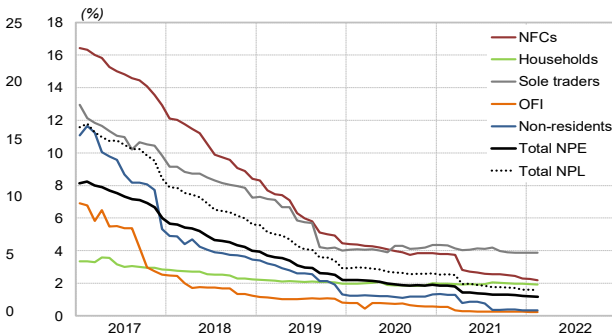
Source: Bank of Slovenia.

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



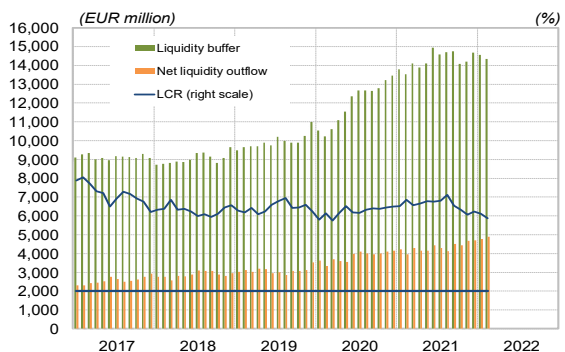
Source: Bank of Slovenia.

Figure 1.6: NPE ratio by client segment



Source: Bank of Slovenia.

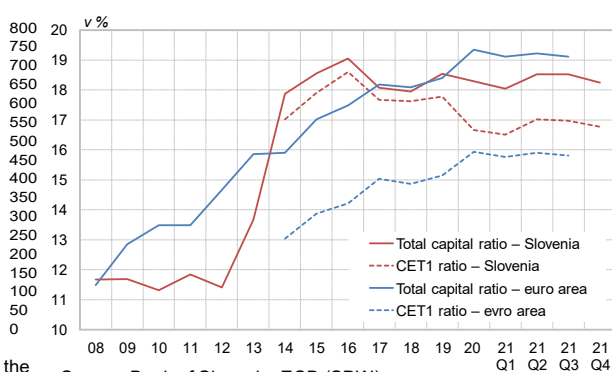
Figure 1.7: Liquidity coverage ratio (LCR)



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 28 February 2022

EUR million unless stated, growth rates in %	Stock		Breakdown		Stock		Breakdown		Increase in mio EUR		Growth in February 22, %	
	31.12.2008	(%)	31.12.2021	(%)	28.02.2022	(%)	in February 22	in 2022	monthly	year-on-year		
Assets	47,948	100.0	48,252	100.0	48,361	100.0	-13.8	109.2	0.0	6.6		
Cash in hand, balances at central bank and sight deposits at banks	1,250	2.6	11,495	23.8	10,865	22.5	-433.3	-629.9	-3.8	20.3		
Loans to banks at amortised cost (including central bank)	4,101	8.6	1,544	3.2	1,438	3.0	-3.9	-106.2	-0.3	-14.6		
domestic banks	2,673	5.6	466	1.0	459	0.9	-4.5	-6.7	-1.0	-28.2		
foreign banks	1,428	3.0	1,078	2.2	979	2.0	0.6	-99.5	0.1	-6.4		
short-term loans to banks	2,056	4.3	426	0.9	340	0.7	23.5	-85.6	7.4	-33.6		
long-term loans to banks	2,046	4.3	1,118	2.3	1,098	2.3	-27.4	-20.6	-2.4	-6.4		
Loans to non-banking sector*	33,718	70.3	25,045	51.9	25,505	52.7	171.4	459.5	0.7	7.9		
of which non-financial corporations	20,260	42.3	9,299	19.3	9,683	20.0	112.7	384.0	1.2	8.7		
households	7,558	15.8	11,263	23.3	11,342	23.5	51.1	79.2	0.5	6.4		
of which residential			7,373	15.3	7,473	15.5	53.0	100.5	0.7	10.2		
consumer			2,472	5.1	2,461	5.1	-2.4	-10.9	-0.1	-3.6		
government	506	1.1	1,481	3.1	1,468	3.0	-20.7	-13.0	-1.4	-1.6		
other financial institutions	2,829	5.9	1,365	2.8	1,402	2.9	21.6	36.3	1.6	16.1		
non-residents	2,515	5.2	1,611	3.3	1,584	3.3	6.5	-27.1	0.4	17.7		
Other financial assets classed as loans and receivables (at amortised cost)	0	0.0	148	0.3	163	0.3	-0.3	14.5	-0.2	-13.5		
Securities / financial assets**	7,323	15.3	8,355	17.3	8,738	18.1	258.4	382.6	3.0	-4.4		
a) Financial assets held for trading	1,177	2.5	50	0.1	71	0.1	14.0	21.0	24.3	-0.2		
of which debt securities held for trading	571	1.2	1	0.0	8	0.0	-2.4	7.0	-23.3	-27.2		
... government debt securities held for trading	56	0.1	1	0.0	8	0.0	-2.4	7.0	-23.3	-27.2		
b) Financial assets measured at fair value through P&L not held for trading	0	0.0	95	0.2	94	0.2	-1.8	-0.8	-1.9	-3.9		
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	-0.7	8.0		
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	4,913	10.2	-1.6	-28.6	0.0	-12.7		
of which debt securities measured at fair value through other comprehensive income	4,318	9.0	4,743	9.8	4,718	9.8	0.4	-25.8	0.0	-13.2		
... government debt securities measured at fair value through other comprehensive income	2,875	6.0	3,140	6.5	3,181	6.6	17.5	40.4	0.6	-13.2		
e) Debt securities at amortised cost	1,415	3.0	3,269	6.8	3,660	7.6	247.9	390.9	7.3	9.6		
of which government debt securities at amortised cost	1,182	2.5	2,248	4.7	2,467	5.1	133.4	219.2	5.7	-5.2		
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	718	1.5	707	1.5	-6.1	-11.2	-0.9	-9.3		
Equity and liabilities	47,948	100.0	48,252	100.0	48,361	100.0	-13.8	109.2	0.0	6.6		
Financial liabilities measured at amortised cost (deposits)***	41,895	87.4	42,850	88.8	43,010	88.9	20.5	160.2	0.0	7.2		
a) Financial liabilities to central bank (Eurosystem)	1,229	2.6	2,344	4.9	2,341	4.8	-1.6	-3.4	-0.1	69.9		
b) Liabilities to banks	18,168	37.9	1,716	3.6	1,675	3.5	28.8	-40.2	1.8	-28.5		
of which to domestic banks	2,065	4.3	649	1.3	646	1.3	-4.8	-3.3	-0.7	-19.8		
of which to foreign banks	16,098	33.6	1,066	2.2	1,029	2.1	33.7	-36.9	3.4	-33.1		
c) Liabilities to non-banking sector (deposits by NBS)	20,883	43.6	37,185	77.1	36,966	76.4	-31.3	-219.7	-0.1	5.9		
of which to non-financial corporations	3,728	7.8	8,998	18.6	8,583	17.7	91.2	-415.0	1.1	9.0		
households	13,407	28.0	23,953	49.6	24,269	50.2	23.4	315.9	0.1	5.2		
government	1,879	3.9	1,005	2.1	878	1.8	-104.8	-127.0	-10.7	-0.8		
other financial institutions	1,065	2.2	1,417	2.9	1,455	3.0	-5.4	37.8	-0.4	13.0		
non-residents	475	1.0	1,293	2.7	1,269	2.6	-30.6	-24.1	-2.4	-3.1		
d) Debt securities	1,276	2.7	1,250	2.6	1,545	3.2	-3.1	295.5	-0.2	46.4		
e) Other financial liabilities measured at amortised cost****	1,568	3.3	355	0.7	483	1.0	27.7	128.0	6.1	3.2		
Provisions	176	0.4	151	0.3	150	0.3	0.7	-2.0	0.5	-16.6		
Shareholder equity	4,010	8.4	5,061	10.5	5,036	10.4	-27.6	-24.9	-0.5	4.3		
Other liabilities	1,867	3.9	190	0.4	165	0.3	-7.4	-24.1	-4.3	-23.8		
BALANCE SHEET TOTAL	47,948	100.0	48,252	100.0	48,361	100.0	-13.8	109.2	0.0	6.6		

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.-Feb	(%)	Jan.-Feb	(%)	Jan.- Feb. 22/ Jan.- Feb. 21
Interest income	754.0		737.2		118.7		124.1		4.6
Interest expenses	114.9		112.0		19.2		21.0		9.6
Net interest	639.1	47.0	625.2	51.9	99.5	59.2	103.1	58.1	3.6
Non-interest income	721.0	53.0	580.5	48.1	68.6	40.8	74.5	41.9	8.6
of which net fees and commission	329.7	24.2	377.3	31.3	58.1	34.5	66.1	37.2	13.8
of which net gains/losses on financial assets and liabilities held for trading	16.0	1.2	17.7	1.5	3.0	1.8	6.1	3.4	100.2
Gross income	1,360.1	100.0	1,205.6	100.0	168.1	100.0	177.5	100.0	5.6
Operating costs	-718.4	-52.8	-717.1	-59.5	-124.3	-74.0	-129.5	-72.9	4.1
Net income	641.6	47.2	488.5	40.5	43.7	26.0	48.1	27.1	9.9
Net impairments and provisions	-169.6	-12.5	73.7	6.1	9.5	5.7	4.3	2.4	-55.3
Pre-tax profit	472.0	34.7	562.2	46.6	53.3	31.7	52.3	29.5	-1.7
Taxes	-21.7		-36.9		-5.6		-6.4		15.6
Net profit	450.3		525.3		47.7		45.9		-3.8

Source: Bank of Slovenia.

Table 2.3: Selected performance indicators

in %									2021	2022	Feb-21	Feb-22
	2014	2015	2016	2017	2018	2019	2020	2021	Jan.-Feb.	Jan.-Feb.	(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	2.33	2.29	3.14	2.57
ROA	-0.27	0.42	0.99	1.19	1.39	1.48	1.10	1.20	0.73	0.67	1.09	1.19
ROE	-2.69	3.63	7.96	9.58	11.07	12.16	9.57	11.33	7.04	6.58	9.65	11.23
Interest margin on interest-bearing assets	2.18	2.06	1.91	1.83	1.84	1.79	1.57	1.41	1.45	1.40	1.52	1.40
Net non-interest income / operating costs	58.05	60.05	68.53	62.67	71.93	80.84	100.35	80.95	55.15	57.52	101.74	81.19
Operating costs												
Labour costs / average assets	0.92	0.97	1.01	1.02	1.02	1.00	0.90	0.85	0.87	0.80	0.88	0.84
Other costs / average assets	0.81	0.84	0.80	0.78	0.73	0.77	0.77	0.69	0.83	0.85	0.79	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	1.53	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		Consumer		up to EUR 1m		over EUR 1m		EMU	SLO	EMU	SLO
		EMU	SLO	EMU	SLO	EMU	SLO	EMU	SLO	EMU	SLO	EMU	SLO
Dec-12	0.75	2.9	2.9	5.2	4.9	3.8	5.8	2.3	4.9	2.7	2.2	2.4	4.0
Dec-13	0.25	2.8	3.3	5.5	5.1	3.8	5.5	2.3	4.5	1.6	1.5	1.8	2.8
Dec-14	0.05	2.4	2.9	5.1	4.8	3.1	4.5	1.8	3.4	1.0	0.7	1.2	1.4
Dec-15	0.05	2.0	2.2	4.8	4.2	2.6	2.9	1.6	2.2	0.7	0.3	0.8	0.7
Dec-16	0.00	1.8	2.0	4.7	4.2	2.3	2.5	1.4	2.6	0.4	0.2	0.5	0.5
Dec-17	0.00	1.7	2.0	4.5	4.4	2.1	2.4	1.3	2.0	0.3	0.1	0.5	0.5
Dec-18	0.00	1.6	1.9	4.9	4.6	2.0	2.2	1.3	1.8	0.3	0.2	0.5	0.6
Dec-19	0.00	1.5	1.8	5.4	4.6	1.9	2.2	1.2	1.5	0.2	0.2	0.5	0.3
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	1.7	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
Feb-22	0.00	1.4	1.6	5.4	4.7	1.7	2.1	1.1	2.7	0.2	0.1	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		Consumer		up to EUR 1m		over EUR 1m	
	EMU	SLO	EMU	SLO	EMU	SLO	EMU	SLO
Dec-12	3.3	5.5	6.8	7.2	3.7	6.9	3.0	5.3
Dec-13	3.2	6.4	6.8	7.2	3.6	5.5	2.9	4.6
Dec-14	2.6	4.4	6.2	6.8	2.9	5.4	2.1	2.9
Dec-15	2.4	3.2	5.9	5.5	2.5	3.8	1.9	3.0
Dec-16	1.8	2.6	5.5	6.0	2.0	3.2	1.6	2.2
Dec-17	1.9	2.9	5.4	6.1	2.0	3.4	1.5	1.8
Dec-18	1.9	2.9	5.5	6.2	2.0	3.3	1.6	1.5
Dec-19	1.4	2.7	5.3	6.2	1.7	3.5	1.4	1.1
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
Feb-22	1.4	1.7	5.3	6.0	1.8	2.7	1.5	1.7

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, %		
			Feb.22	Feb.22	Dec.20	Dec.21	Jan.22	Feb.22	Dec.20	Dec.21
NFCs	15,444	29.0	552	347	347	337	3.9	2.3	2.3	2.2
- large NFCs	7,701	14.4	224	71	72	69	3.1	0.9	0.9	0.9
- SME	7,555	14.2	328	276	275	268	4.6	3.7	3.7	3.5
OFIs	1,735	3.3	8	4	4	4	0.6	0.2	0.2	0.2
Households	12,706	23.8	255	261	259	258	2.1	2.1	2.0	2.0
sole traders	715	1.3	30	27	27	28	4.3	3.9	3.9	3.9
individuals	11,992	22.5	225	233	231	230	2.0	2.0	1.9	1.9
- consumer loans	2,524	4.7	84	94	94	94	3.2	3.7	3.7	3.7
- housing loans	7,360	13.8	115	114	112	110	1.7	1.6	1.5	1.5
- other	2,108	4.0	25	24	24	25	1.3	1.2	1.2	1.2
Non-residents	8,894	16.7	106	30	30	30	1.3	0.3	0.3	0.3
Government	4,323	8.1	8	0	0	0	0.2	0.0	0.0	0.0
Banks and savings banks	775	1.5	0	0	0	0	0.0	0.0	0.0	0.0
Central bank	9,456	17.7	0	0	0	0	0.0	0.0	0.0	0.0
Total	53,333	100.0	929	641	640	629	1.9	1.2	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				(%)			
			Feb.22	Feb.22	Dec.20	Dec.21	Jan.22	Feb.22	Dec.20	Dec.21
Agriculture, forestry, fishing, mining	136	0.9	3	2	2	2	3.2	1.5	1.5	1.5
Manufacturing	4,179	27.1	93	61	64	62	2.3	1.5	1.6	1.5
Electricity, gas, water, remediation	1,562	10.1	9	8	8	7	0.6	0.5	0.5	0.5
Construction	1,495	9.7	61	41	41	41	4.8	2.8	2.8	2.8
Wholesale and retail trade	2,693	17.4	208	75	77	74	8.1	2.8	2.9	2.7
Transportation and storage	1,665	10.8	25	19	19	19	1.5	1.3	1.2	1.1
Accommodation and food service	577	3.7	61	77	75	74	9.8	13.3	12.9	12.9
Information and communication	619	4.0	5	4	4	4	0.9	0.7	0.7	0.7
Financial and insurance activities	147	0.9	0	0	0	0	0.0	0.1	0.1	0.1
Real estate activities	718	4.7	24	6	6	6	4.1	0.9	0.9	0.8
Professional, scientific and technical	1,397	9.0	50	43	42	41	3.7	2.9	3.0	2.9
Education, health, public admin.	147	1.0	5	4	4	4	3.8	2.8	2.7	2.7
Arts, recreation and entertainment	107	0.7	7	6	6	2	6.5	5.2	5.2	1.7
Total	15,444	100.0	552	347	347	337	3.9	2.3	2.3	2.2

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	Feb 22	Dec 20	Dec 21	Feb 22	Dec 20	Dec 21	Feb 22	Dec 20	Dec 21	Feb 22
NFCs	84.7	87.5	87.9	12.3	10.2	9.9	3.0	2.3	2.1	1,743	1,549	1,531
- large NFCs	88.4	91.9	92.1	10.0	7.2	7.0	1.5	0.9	0.9	718	527	524
- SME	80.9	83.1	83.6	14.6	13.3	13.0	4.6	3.6	3.4	1,026	1,022	1,007
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	89.1	8.5	9.5	8.9	2.1	2.1	2.0	1,010	1,199	1,125
sole traders	84.3	82.3	83.4	11.3	13.8	12.7	4.3	3.9	3.9	78	98	91
individuals	89.7	88.8	89.5	8.3	9.3	8.6	2.0	2.0	1.9	932	1,101	1,034
- consumer loans	89.6	85.1	86.4	7.2	11.2	9.8	3.2	3.7	3.7	189	283	248
- housing loans	88.3	89.5	89.9	10.0	8.9	8.6	1.7	1.6	1.5	660	644	630
- other	94.6	90.5	91.4	4.1	8.3	7.4	1.3	1.2	1.2	83	174	156
Non-residents	94.5	96.8	96.7	4.6	2.9	3.0	1.0	0.3	0.3	366	251	267
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	93.2	6.5	5.8	5.6	1.6	1.2	1.2	3,166	3,060	2,999

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	Feb 22	Dec 20	Dec 21	Feb 22	Dec 20	Dec 21	Feb 22	Dec 20	Dec 21	Feb 22
Agriculture, forestry, fishing, mining	85.0	91.0	91.5	11.8	7.4	7.0	3.2	1.5	1.5	12	10	10
Manufacturing	80.5	86.8	87.1	17.1	11.7	11.4	2.3	1.5	1.5	681	477	477
Electricity, gas, water, remediation	96.1	96.9	97.1	3.3	2.6	2.5	0.6	0.5	0.5	45	40	39
Construction	84.5	90.8	91.0	10.7	6.5	6.3	4.8	2.7	2.7	136	95	95
Wholesale and retail trade	88.1	89.2	89.7	8.2	7.9	7.6	3.8	2.8	2.7	199	210	205
Transportation and storage	93.8	92.2	93.0	4.7	6.5	5.9	1.5	1.3	1.1	78	100	98
Accommodation and food service	44.1	32.8	33.9	46.7	54.4	53.8	9.2	12.7	12.4	288	315	308
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	91.0	92.0	9.7	8.0	7.2	4.1	0.9	0.8	56	51	52
Professional, scientific and technical	85.5	86.6	86.1	10.8	10.5	11.0	3.7	2.9	2.9	145	154	153
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	47.8	38.6	38.6	45.7	56.2	59.7	6.5	5.2	1.7	48	61	64
Total	84.7	87.5	87.9	12.3	10.2	9.9	3.0	2.3	2.1	1,743	1,549	1,531

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	Feb.22	Dec.20	Dec.21	Feb.22	Dec.20	Dec.21	Feb.22	Dec.20	Dec.21	Feb.22
NFCs	0.7	0.4	0.4	5.6	4.4	4.4	52.5	57.2	57.8	46.5	57.4	57.9
OFIs	0.5	0.4	0.3	1.2	1.6	1.9	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	54.4	51.1	53.9	54.4
sole traders	1.0	0.9	0.9	5.8	5.1	5.7	46.4	52.6	51.4	46.4	52.8	51.6
individuals	0.3	0.2	0.2	4.6	4.2	4.3	51.8	54.0	54.8	51.7	54.0	54.7
- consumer loans	0.6	0.4	0.4	8.4	6.0	6.3	60.9	64.3	65.1	61.0	64.3	65.1
- housing loans	0.2	0.2	0.2	3.7	3.9	3.9	43.4	43.5	43.6	43.5	43.5	43.5
- other	0.3	0.2	0.2	3.3	2.7	2.9	58.8	62.8	63.9	58.0	63.6	64.7
Non-residents	0.3	0.2	0.2	3.7	4.3	3.9	78.1	77.2	76.9	65.1	77.2	77.0
Government	0.1	0.1	0.1	3.6	2.8	2.9	93.9	92.8	88.2	93.9	92.8	88.2
Total	0.35	0.22	0.23	5.1	4.3	4.3	55.0	57.0	57.5	50.3	57.1	57.6

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

Table 5.1: Loans as at 28 February 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	11,880	0	0.0	0	0.0	0	0.0	
Other financial organizations	1,877	9	0.5	0	0.0	9	0.5	
Government	1,511	0	0.0	0	0.0	0	0.0	
Non-financial corporations	11,101	1,491	13.4	1,202	10.8	289	2.6	
large companies	4,825	514	10.7	480	10.0	34	0.7	
micro, small and medium-sized companies	6,277	977	15.6	722	11.5	255	4.1	
Households	11,677	496	4.2	462	4.0	34	0.3	
sole traders	612	73	11.9	56	9.2	17	2.7	
other households	11,065	423	3.8	406	3.7	17	0.2	
Total	38,046	1,997	5.2	1,665	4.4	332	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 5.2: Loans to non-financial corporations as at 28 February 2022 by activity

	Total loans									
	Of which: Loans under moratoria					Of which: Newly approved loans as a result of the Covid-19 epidemic				
	Of which: Loans under legislative moratoria			Of which: Loans under bilaterally agreed moratoria						
	(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	52	1	2.6	1	1.9	0	0.8	1	1.7	
Mining and quarrying	82	10	11.7	3	3.4	7	8.3	0	0.1	
Manufacturing	3,118	484	15.5	444	14.2	41	1.3	113	3.6	
Electricity, gas, remediation	950	1	0.1	1	0.1	0	0.0	0	0.0	
Water supply	126	13	10.0	10	8.2	2	1.8	0	0.1	
Construction	589	52	8.8	27	4.6	24	4.1	11	1.9	
Wholesale and retail trade	1,759	135	7.7	114	6.5	21	1.2	34	1.9	
Transport and storage	1,303	91	7.0	79	6.1	12	0.9	19	1.5	
Accommodation and food service	555	308	55.5	239	43.0	69	12.5	36	6.4	
Information and communication	469	28	6.0	22	4.6	6	1.4	5	1.2	
Financial and insurance activities	169	0	0.2	0	0.1	0	0.2	0	0.0	
Real estate activities	824	184	22.4	114	13.9	70	8.5	0	0.0	
Professional, scientific and tech.	673	52	7.7	48	7.1	4	0.6	7	1.0	
Administrative and support service	170	26	15.1	15	8.6	11	6.5	10	5.6	
Public admini., defence, soc. sec.	1	1	61.3	1	61.3	0	0.0	0	0.0	
Education	20	9	47.2	3	14.9	6	32.3	0	0.8	
Health and social security	152	43	28.6	34	22.7	9	5.9	1	0.5	
Arts, entertainment and recreation	73	50	67.7	46	63.1	3	4.5	1	0.8	
Other services	17	4	23.4	2	12.1	2	11.3	0	2.9	
Total	11,101	1,491	13.4	1,202	10.8	289	2.6	238	2.1	

Note: Balance sheet exposures of banks, savings banks and branches are shown. They also include loans granted to foreigners. Loans under moratoria are loans in which banks have granted borrowers a deferral of payment of obligations under a credit agreement, regardless of whether the moratorium has already expired or not.

Source: Bank of Slovenia.

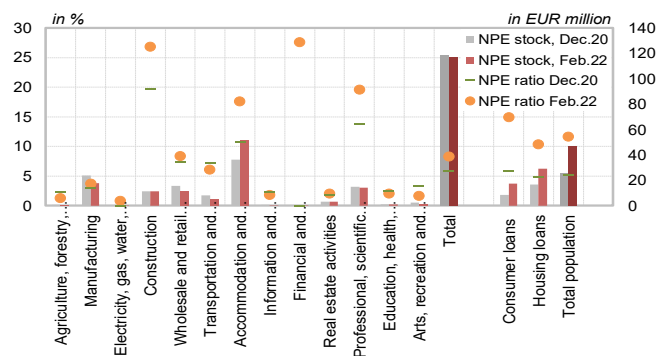
Table 5.3: Loans by moratoria according to the maturity of the deferral as at 28 February 2022 by activity

	Loans under legislative moratoria		Loans under bilaterally agreed moratoria							
	in mio EUR	in mio EUR	Of which: expired moratoria		Of which: active 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 % of 'loans under bilaterally agreed moratoria	in mio EUR	in % of 'loans under bilaterally agreed moratoria				
(1)	(2)	(3)	(4)=(3)/(2)	(5)	(6)=(5)/(2)	(7)	(8)	(9)	(10)	
Agriculture, forestry and fishing	1	0	0	100.0	0	0.0	0	0	0	0
Mining and quarrying	3	7	7	100.0	0	0.0	0	0	0	0
Manufacturing	444	41	39	97.2	1	2.8	1	0	0	0
Electricity, gas, remediation	1	0	0	0.0	0	0.0	0	0	0	0
Water supply	10	2	2	100.0	0	0.0	0	0	0	0
Construction	27	24	24	98.5	0	1.5	0	0	0	0
Wholesale and retail trade	114	21	21	99.2	0	0.8	0	0	0	0
Transport and storage	79	12	11	97.1	0	2.9	0	0	0	0
Accommodation and food service	239	69	47	68.2	22	31.8	16	0	1	4
Information and communication	22	6	6	100.0	0	0.0	0	0	0	0
Financial and insurance activities	0	0	0	100.0	0	0.0	0	0	0	0
Real estate activities	114	70	70	100.0	0	0.0	0	0	0	0
Professional, scientific and tech.	48	4	4	100.0	0	0.0	0	0	0	0
Administrative and support service	15	11	11	98.7	0	1.3	0	0	0	0
Public admini., defence, soc. sec.	1	0	0	0.0	0	0.0	0	0	0	0
Education	3	6	6	100.0	0	0.0	0	0	0	0
Health and social security	34	9	9	100.0	0	0.0	0	0	0	0
Arts, entertainment and recreation	46	3	2	69.6	1	30.4	0	0	1	0
Other services	2	2	2	100.0	0	0.0	0	0	0	0
Total	1,202	289	264	91.3	25	8.7	18	0	2	4

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 5.1: NPEs in exposures under moratoria in NFCs by activity and by type of loans to households



Source: Bank of Slovenia.