

**BANKA
SLOVENIJE**
BANK OF SLOVENIA
EUROSYSTEM



**MONTHLY REPORT
ON BANK PERFORMANCE**



MAY 2018

BRIEF COMMENTARY ON DEVELOPMENTS IN THE BANKING SECTOR

The **banking system's total assets** amounted to just over EUR 38 billion at the end of March 2018, up 1.3% in year-on-year terms. The year-on-year rate of growth slowed, as a result of a base effect from last March, when total assets were increased by bank borrowing at the ECB.

Year-on-year growth in **loans to the non-banking sector (NBS)** stood at 5.1% in March, having strengthened since the end of 2017, despite a contraction in loans in March. This year's nominal increases in household loans and loans to non-financial corporations have been similar, in the context of different rates of growth. Year-on-year growth in **loans to non-financial corporations** remains moderate, and reached 3.4% in March. Growth in **household loans** has been slowing since last October, the year-on-year rate reaching 6.5% by the end of March. Growth is slowing in housing loans and consumer loans alike: year-on-year growth in the former slowed to 4.1%, while year-on-year growth in the latter slowed to 11.5%.

Deposits by the NBS at the end of March were up 4.2% on a year earlier. The year-on-year increase is still sufficient to fund growth in loans to the NBS. The significant increase in **household deposits** in the first quarter is primarily attributable to growth during the first two months of the year, when household deposits undergo a seasonal increase. Year-on-year growth in household deposits stood at 5.8% in March. The proportion of total deposits by the NBS accounted for by sight deposits approached 70%.

The **NPE ratio** declined to 5.4% in March, as NPEs declined to EUR 2.3 billion. The stock of NPEs in the non-financial corporations portfolio declined to EUR 1.6 billion (two-thirds of total NPEs at banks), but the NPE ratio remains high despite the decline, at 11.8%. The banks recorded a decline to 4.4% in NPEs to non-residents in March, to EUR 328 million.

The banks generated a **pre-tax profit** of EUR 143 million in the first quarter of this year. The figure was comparable to the same period last year. Gross income was up 2.8% in year-on-year terms, as a result of an increase in net non-interest income. Growth in net interest income remains negative, although the decline is slowing. The banks increased their impairments and provisions in March, reducing the total net release of impairments and provisions this year to EUR 8.7 million.

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1. MAIN FEATURES OF BANKS' PERFORMANCE AND FINANCIAL STATEMENTS¹

Table 1.1: Banking system's assets and liabilities, as at 31 March 2018

BALANCE SHEET (EUR million unless stated)	Stock		Breakdown		Stock		Breakdown		Increase		Growth in Mar. 18, %	
	31.12.2008	(%)	31.12.2017	(%)	31.03.2018	(%)	in Mar. 18	in 2018	monthly	year-on-year		
Assets	47.948	100,0	37.946	100,0	38.091	100,0	-7,0	145,1	0,0	1,3		
Cash in hand, balances at central bank and sight deposits at banks*	1.250	2,6	4.187	11,0	4.214	11,1	48,6	27,0	1,2	-7,3		
Loans to banks at amortised cost (including central bank)	4.101	8,6	2.085	5,5	2.266	5,9	149,6	180,6	7,1	1,9		
domestic banks	2.673	5,6	824	2,2	859	2,3	13,5	35,4	1,6	-3,0		
foreign banks	1.428	3,0	1.261	3,3	1.407	3,7	136,1	145,2	10,7	5,1		
short-term loans to banks	2.056	4,3	888	2,3	1.063	2,8	183,9	174,7	20,9	-4,8		
long-term loans to banks	2.046	4,3	1.197	3,2	1.203	3,2	-34,3	5,9	-2,8	8,7		
Loans to non-banking sector*	33.718	70,3	21.542	56,8	21.653	56,8	-58,2	111,0	-0,3	4,9		
of which non-financial corporations	20.260	42,3	8.288	21,8	8.424	22,1	-59,0	136,1	-0,7	3,4		
households	7.558	15,8	9.419	24,8	9.551	25,1	81,7	131,1	0,9	6,5		
government	506	1,1	1.980	5,2	1.894	5,0	-47,1	-86,4	-2,4	-4,0		
other financial institutions	2.829	5,9	1.142	3,0	1.109	2,9	-29,1	-32,5	-2,6	36,0		
non-residents	2.515	5,2	663	1,7	644	1,7	-5,4	-19,2	-0,8	-3,0		
Other financial assets classed as loans and receivables (at amortised cost)	0	0,0	161	0,4	175	0,5	-28,4	13,8	-14,0	-10,8		
Securities / financial assets**	7.307	15,2	8.776	23,1	8.574	22,5	-113,5	-201,4	-1,3	-3,7		
a) Financial assets held for trading	1.177	2,5	93	0,2	70	0,2	-22,5	-22,5	-14,1	-32,7		
of which debt securities held for trading	571	1,2	59	0,2	35	0,1	-9,9	-24,0	-22,0	-38,0		
... government debt securities held for trading	56	0,1	59	0,2	35	0,1	-9,9	-24,0	-22,0	-29,9		
b) Financial assets measured at fair value through P&L not held for trading	0	0,0	15	0,0	50	0,1	-3,7	35,2	-7,0	99,5		
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	163	0,3	9	0,0	6	0,0	0,0	-3,3	-0,1	-90,7		
of which debt securities designated for measurement at fair value through P&L	163	0,3	9	0,0	6	0,0	0,0	-3,3	-0,1	-90,7		
... government debt securities designated for measurement at fair value through P&L	0	0,0	3	0,0	979	2,6	-55,7	975,7	-5,4	1638,3		
d) Financial assets measured at fair value through other comprehensive income	4.552	9,5	7.314	19,3	5.575	14,6	-3,3	-1739,2	-0,1	-24,9		
of which debt securities measured at fair value through other comprehensive income	4.318	9,0	7.065	18,6	5.363	14,1	-3,8	-1701,7	-0,1	-25,3		
... government debt securities measured at fair value through other comprehensive income	2.875	6,0	4.965	13,1	3.831	10,1	-38,9	-1134,2	-1,0	-27,4		
e) Debt securities at amortised cost	1.415	3,0	1.345	3,5	2.874	7,5	-94,9	1528,4	-3,2	123,5		
of which government debt securities at amortised cost	1.182	2,5	1.163	3,1	2.071	5,4	-75,5	908,2	-3,5	85,8		
Interests in subsidiaries, joint ventures and associates	627	1,3	503	1,3	503	1,3	0,0	0,1	0,0	10,8		
Other assets	945	2,0	693	1,8	708	1,9	-5,0	14,1	-0,7	7,6		
Equity and liabilities	47.948	100,0	37.946	100,0	38.091	100,0	-7,0	145,1	0,0	1,3		
Financial liabilities measured at amortised cost (deposits)	41.895	87,4	32.832	86,5	32.909	86,4	-54,0	76,2	-0,2	1,2		
a) Financial liabilities to central bank (Eurosystem)	1.229	2,6	1.141	3,0	1.141	3,0	-0,1	-0,2	0,0	-1,0		
b) Liabilities to banks	18.168	37,9	3.250	8,6	3.323	8,7	-16,5	73,2	-0,5	-7,5		
of which to domestic banks	856	1,8	856	2,3	889	2,3	8,0	32,3	0,9	-2,1		
of which to foreign banks	2.393	5,0	2.393	6,3	2.434	6,4	-24,4	40,8	-1,0	-9,3		
c) Liabilities to non-banking sector (deposits by NBS)	20.883	43,6	27.528	72,5	27.593	72,4	-49,7	64,8	-0,2	4,2		
of which to non-financial corporations	3.728	7,8	6.369	16,8	6.273	16,5	47,6	-96,5	0,8	6,8		
households	13.407	28,0	17.535	46,2	17.831	46,8	-10,7	295,4	-0,1	5,8		
government	1.879	3,9	1.121	3,0	1.032	2,7	-82,2	-89,2	-7,4	-29,0		
other financial institutions	1.065	2,2	1.142	3,0	1.194	3,1	14,5	52,3	1,2	1,3		
non-residents	475	1,0	1.009	2,7	903	2,4	-17,6	-105,6	-1,9	13,3		
d) Debt securities	1.276	2,7	376	1,0	377	1,0	0,3	0,5	0,1	-51,6		
e) Other financial liabilities measured at amortised cost***	1.568	3,3	537	1,4	475	1,2	12,0	-62,0	2,6	-7,4		
Provisions	176	0,4	236	0,6	213	0,6	5,0	-23,4	2,4	-6,2		
Shareholder equity	4.010	8,4	4.738	12,5	4.826	12,7	40,5	88,8	0,8	3,7		
Other liabilities	1.867	3,9	140	0,4	143	0,4	1,5	3,5	1,1	-28,8		
BALANCE SHEET TOTAL	47.948	100,0	37.946	100,0	38.091	100,0	-7,0	145,1	0,0	1,3		

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

** 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

The bank performance data in this publication is based on the banks' own book figures, which differ in methodological terms from the published statistics. The data on loans also differs because the data in this publication includes loans to non-residents, applies the net principle (amounts are minus value adjustments), and does not include non-marketable securities.

Source: Bank of Slovenia

Table 1.2: Income statement for 2016, 2017 and 2018

INCOME STATEMENT (EUR million unless stated)	2016	Breakdown	2017	Jan.-Mar.17	Breakdown	2017	Breakdown	2018	Breakdown	Annual growth, %
		(%)			(%)	Jan.-Mar.17	(%)	Jan.-Mar.18	(%)	Jan.-Mar.18/ Jan.-Mar.17
Interest income	828.3		767.2	767.2		193.5		181.9		-6.0
Interest expenses	158.4		115.2	115.2		32.0		25.8		-19.4
Net interest	670.0	59.4	651.9	651.9	60.7	161.5	57.0	156.0	53.6	-3.3
Non-interest income	457.2	40.6	422.9	422.9	39.3	121.6	43.0	135.1	46.4	11.1
of which net fees and commission	307.4	27.3	313.5	313.5	29.2	78.8	27.8	78.5	27.0	-0.4
of which net gains/losses on financial assets and liabilities held for trading	11.5	1.0	29.6	29.6	2.8	3.3	1.2	3.8	1.3	15.4
Gross income	1,127.1	100.0	1,074.8	1,074.8	100.0	283.1	100.0	291.1	100.0	2.8
Operating costs	-667.1	-59.2	-673.7	-673.7	-62.7	-157.6	-55.7	-157.2	-54.0	-0.3
Net income	460.0	40.8	401.1	401.1	37.3	125.5	44.3	133.9	46.0	6.7
Net impairments and provisions	-96.3	-8.5	42.7	42.7	4.0	15.7	5.5	8.7	3.0	-44.9
Pre-tax profit	363.7	32.3	443.9	443.9	41.3	141.2	49.9	142.6	49.0	1.0
Taxes	-31.2		-18.4	-18.4		-13.0		-13.8		6.5
Net profit	332.4		425.5	425.5		128.2		128.8		0.4

Source: Bank of Slovenia

Table 1.3: Selected performance indicators

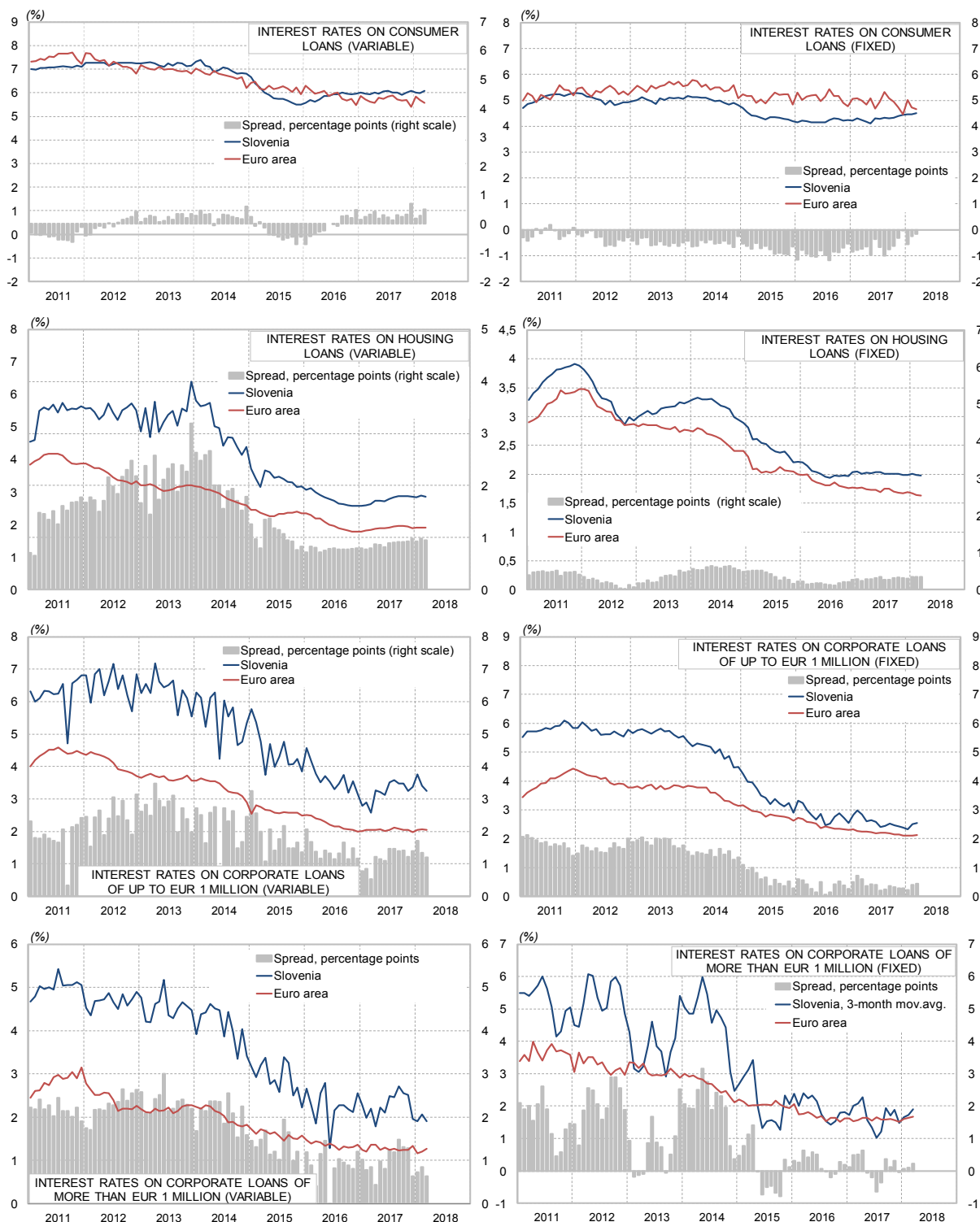
v %	2014	2015	2016	2017	2017	2018
					Jan.-Mar.	Jan.-Mar.
Profitability						
Financial intermediation margin*	3.10	3.05	3.05	2.88	3.13	3.14
ROA	-0.27	0.42	0.99	1.19	1.55	1.53
ROE	-2.69	3.63	7.96	9.60	12.99	12.68
Interest margin on interest-bearing assets	2.18	2.06	1.91	1.83	1.86	1.76
Net non-interest income / operating costs	58.05	60.05	68.53	62.77	77.19	85.94
Operating costs						
Labour costs / average assets	0.92	0.97	1.01	1.02	0.99	0.99
Other costs / average assets	0.81	0.84	0.80	0.78	0.72	0.68
Asset quality						
Impairments of financial assets at amortised cost / gross assets	8.98	7.84	5.38	4.09	5.20	3.35

* Gross income / average assets

Source: Bank of Slovenia

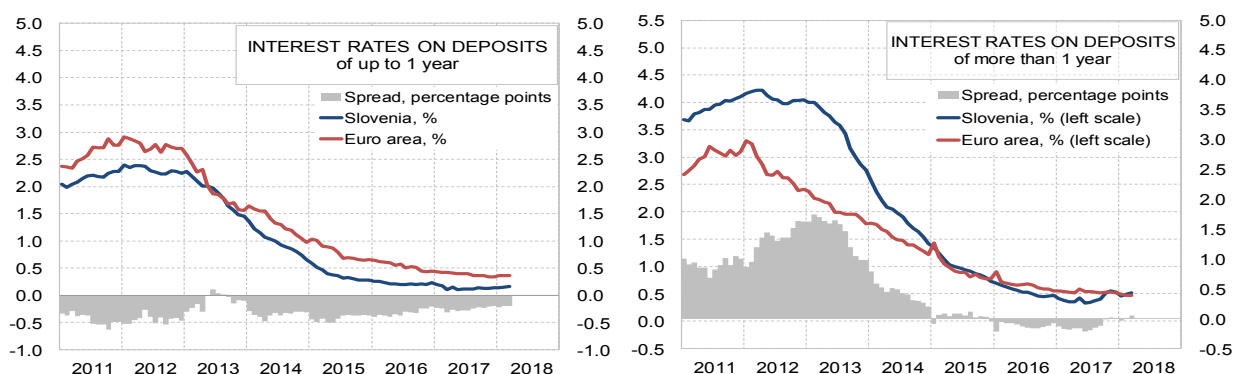
2. BANKS' INTEREST RATES

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



Note: The following definitions apply to all interest rates in this appendix: 1) **variable-rate** loans comprise loans concluded with a variable interest rate or with an interest rate fixed for less than one year (even if it is fixed for the entire term to maturity); 2) **fixed-rate** loans comprise loans concluded with a fixed interest rate for a period of more than one year.

Source: Bank of Slovenia

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

Source: Bank of Slovenia, ECB

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

	ECB interest rate	Loans								Household deposits 1)			
		Households				Corporates				up to 1 year		over 1 year	
		Housing		Consumer		up to EUR 1m		over EUR 1m		EMU	SLO	EMU	SLO
		EMU	SLO	EMU	SLO	EMU	SLO	EMU	SLO	EMU	SLO		
Dec. 11	1.00	3.5	3.9	5.2	5.3	4.4	5.8	3.2	5.1	2.8	2.3	3.1	4.1
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	4.8	4.2	2.3	2.5	1.4	2.6	0.4	0.2	0.5	0.5
Jan. 17	0.00	1.8	2.1	5.1	4.2	2.3	2.8	1.2	2.3	0.4	0.2	0.5	0.4
Feb. 17	0.00	1.8	2.0	5.1	4.3	2.3	3.0	1.2	2.0	0.4	0.2	0.5	0.4
Mar. 17	0.00	1.7	2.0	5.0	4.3	2.2	2.8	1.4	2.2	0.4	0.1	0.5	0.4
Apr. 17	0.00	1.7	2.0	4.8	4.2	2.2	2.6	1.4	1.8	0.4	0.1	0.5	0.4
Maj 17	0.00	1.7	2.0	5.1	4.1	2.2	2.6	1.2	2.2	0.4	0.1	0.6	0.4
Jun. 17	0.00	1.7	2.0	4.7	4.3	2.2	2.6	1.3	2.1	0.4	0.1	0.5	0.3
Jul. 17	0.00	1.8	2.0	5.0	4.3	2.2	2.4	1.2	2.5	0.4	0.1	0.5	0.3
Avg. 17	0.00	1.8	2.0	5.3	4.3	2.2	2.4	1.3	2.5	0.4	0.1	0.5	0.4
Sep. 17	0.00	1.7	2.0	5.1	4.3	2.2	2.5	1.2	2.7	0.4	0.1	0.5	0.4
Okt. 17	0.00	1.7	2.0	4.9	4.3	2.1	2.5	1.3	2.6	0.4	0.1	0.5	0.5
Nov. 17	0.00	1.7	2.0	4.7	4.4	2.2	2.4	1.2	2.5	0.3	0.1	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
jan. 18	0.00	1.7	2.0	5.0	4.5	2.1	2.3	1.2	1.9	0.4	0.1	0.5	0.5
feb. 18	0.00	1.6	2.0	4.7	4.5	2.1	2.5	1.2	2.1	0.4	0.2	0.5	0.5
mar. 18	0.00	1.6	2.0	4.7	4.5	2.1	2.6	1.3	1.9	0.4	0.2	0.5	0.5

Note 1: Household deposits are broken down by maturity, irrespective of the type of remuneration (fixed and variable interest rates are combined).

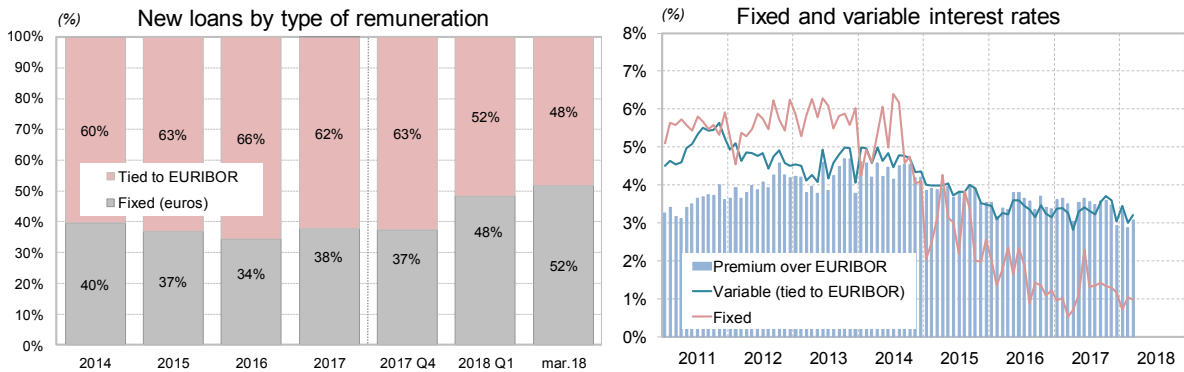
Table 2.2: Comparison of interest rates on new fixed-rate loans in Slovenia with those across the euro area, in percentages

	Loans ¹							
	Households				Corporates			
	Housing		Consumer		up to EUR 1m		over EUR 1m	
	EMU	SLO	EMU	SLO	EMU	SLO	EMU	SLO
Dec. 11	3.9	5.6	7.2	7.1	4.4	6.8	3.6	6.2
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
Jan. 17	1.8	2.6	5.9	6.0	2.0	2.8	1.6	1.6
Feb. 17	1.8	2.6	5.7	6.0	2.1	2.9	1.5	1.4
Mar. 17	1.8	2.6	5.6	5.9	2.1	2.6	1.6	3.0
Apr. 17	1.9	2.7	5.6	6.0	2.0	3.3	1.6	1.8
Maj 17	1.9	2.7	5.8	6.0	2.1	3.2	1.6	2.0
Jun. 17	1.9	2.7	5.7	6.1	2.0	3.1	1.6	0.9
Jul. 17	1.9	2.8	5.8	6.1	2.1	3.5	1.7	1.1
Avg. 17	1.9	2.8	5.9	6.0	2.1	3.6	1.6	-
Sep. 17	2.0	2.9	5.7	6.0	2.1	3.5	1.6	1.3
Okt. 17	2.0	2.9	5.7	5.9	2.1	3.5	1.6	2.6
Nov. 17	1.9	2.9	5.7	6.0	2.0	3.3	1.6	1.3
Dec. 17	1.9	2.9	5.4	6.1	2.0	3.4	1.5	1.8
jan. 18	1.9	2.8	5.8	6.0	2.0	3.8	1.6	1.4
feb. 18	1.9	2.9	5.7	6.0	2.1	3.4	1.6	1.8
mar. 18	1.9	2.9	5.6	6.1	2.0	3.2	1.7	2.0

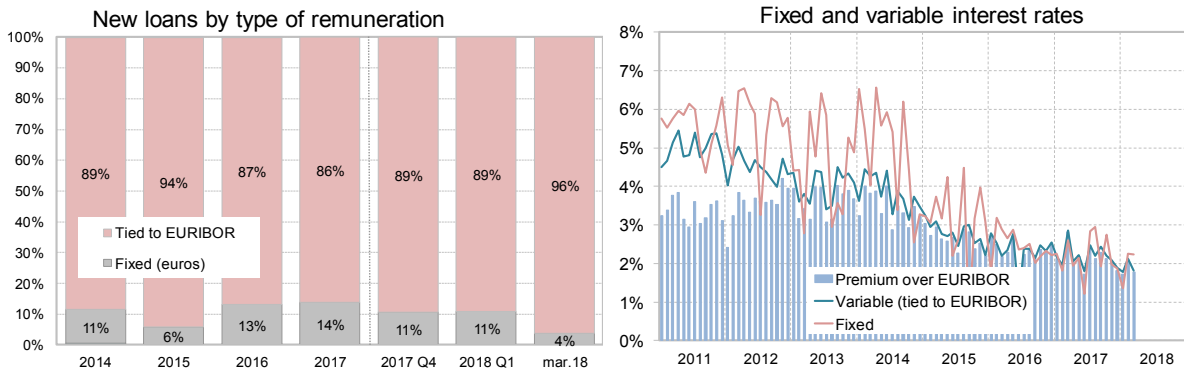
Source: Bank of Slovenia, ECB

Figure 2.3: Volumes and interest rates on new loans in Slovenian banks

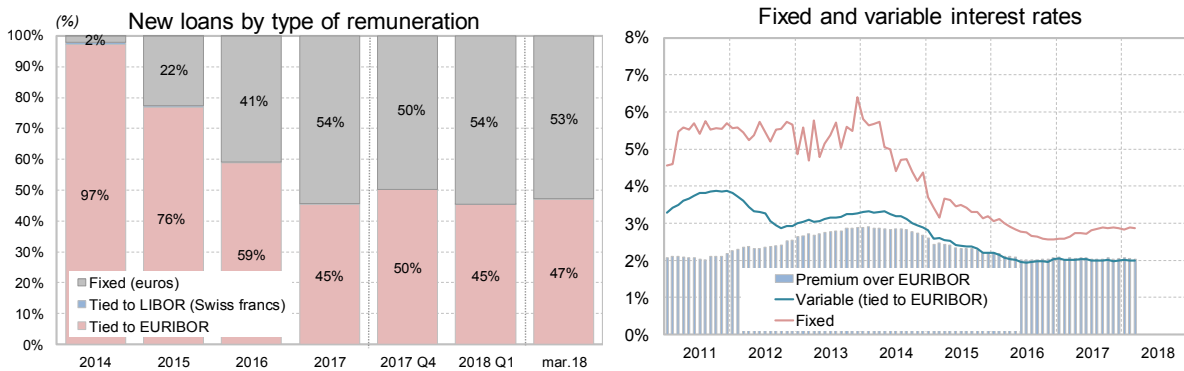
Short-term corporate loans



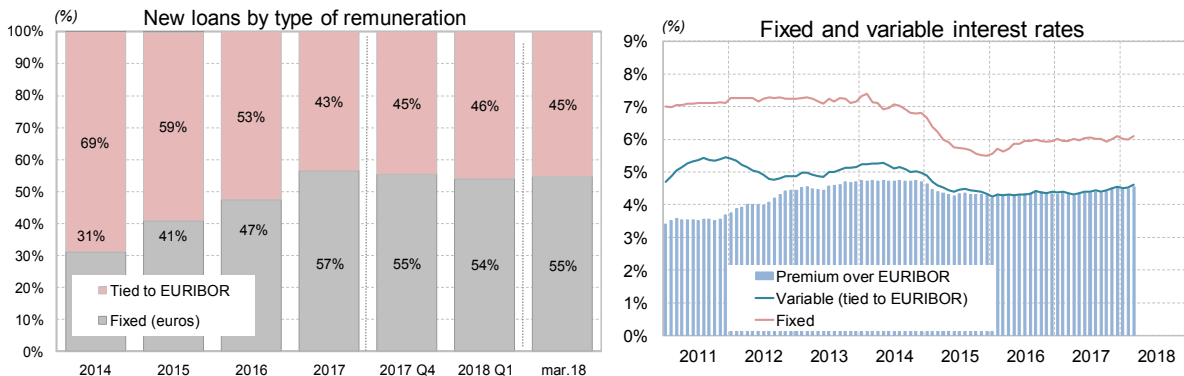
Long-term corporate loans



Long-term housing loans



Long-term consumer loans



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. 17	Feb. 18	Mar. 18	Dec. 17	Feb. 18	Mar. 18	Dec. 17	Feb. 18	Mar. 18	Dec. 17	Feb. 18	Mar. 18
NFCs	13,443	13,362	13,301	31.8	31.8	31.7	1,736	1,612	1,569	12.9	12.1	11.8
OFIs	1,320	1,325	1,255	3.1	3.2	3.0	33	32	25	2.5	2.4	2.0
Households	10,591	10,712	10,784	25.1	25.5	25.7	350	340	338	3.3	3.2	3.1
sole traders	505	502	504	1.2	1.2	1.2	58	57	57	11.5	11.3	11.3
individuals	10,085	10,210	10,280	23.9	24.3	24.5	292	283	281	2.9	2.8	2.7
Non-residents	7,423	7,383	7,469	17.6	17.6	17.8	396	360	328	5.3	4.9	4.4
Government	5,507	5,417	5,233	13.0	12.9	12.5	15	14	14	0.3	0.3	0.3
Banks and savings banks	1,055	1,035	1,055	2.5	2.5	2.5	0	0	0	0.0	0.0	0.0
Central bank	2,891	2,781	2,860	6.8	6.6	6.8	0	0	0	0.0	0.0	0.0
Total	42,229	42,015	41,955	100.0	100.0	100.0	2,530	2,358	2,274	6.0	5.6	5.4

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. 17	Feb. 18	Mar. 18	Dec. 17	Feb. 18	Mar. 18	Dec. 17	Feb. 18	Mar. 18	Dec. 17	Feb. 18	Mar. 18
NFCs	13,292	12,995	12,935	37.8	35.8	35.7	700	673	644	5.3	5.2	5.0
OFIs	1,317	1,327	1,253	3.7	3.7	3.5	22	21	14	1.7	1.6	1.1
Households	10,590	10,712	10,783	30.1	29.5	29.7	275	280	276	2.6	2.6	2.6
sole traders	505	502	503	1.4	1.4	1.4	38	38	37	7.4	7.6	7.3
individuals	10,085	10,210	10,280	28.7	28.1	28.3	238	242	239	2.4	2.4	2.3
Non-residents	3,188	4,299	4,338	9.1	11.8	12.0	245	218	203	7.7	5.1	4.7
Government	2,843	3,221	3,089	8.1	8.9	8.5	7	7	7	0.2	0.2	0.2
Banks and savings banks	1,010	996	1,016	2.9	2.7	2.8	0	0	0	0.0	0.0	0.0
Central bank	2,891	2,781	2,860	8.2	7.7	7.9	0	0	0	0.0	0.0	0.0
Total	35,132	36,332	36,273	100.0	100.0	100.0	1,250	1,199	1,143	3.6	3.3	3.2

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. 17	Feb. 18	Mar. 18	Dec. 17	Feb. 18	Mar. 18	Dec. 17	Feb. 18	Mar. 18
Agriculture, forestry, fishing, mining	158	155	152	25	25	22	16.1	16.0	14.7
Manufacturing	3,738	3,767	3,788	252	241	227	6.7	6.4	6.0
Electricity, gas, water, remediation	1,007	1,008	1,018	17	17	16	1.7	1.7	1.5
Construction	1,130	1,119	1,131	265	251	248	23.5	22.4	21.9
Wholesale and retail trade	2,535	2,497	2,502	537	507	501	21.2	20.3	20.0
Transportation and storage	1,733	1,735	1,742	99	92	90	5.7	5.3	5.2
Accommodation and food service	427	416	410	72	67	65	17.0	16.1	15.8
Information and communication	701	697	591	35	33	33	5.0	4.8	5.5
Financial and insurance activities	84	93	94	55	48	48	65.1	52.0	51.2
Real estate activities	562	527	524	226	188	177	40.3	35.6	33.8
Professional, scientific and technical	1,070	1,054	1,058	114	108	105	10.7	10.3	10.0
Public services	297	294	291	37	35	36	12.3	12.0	12.3
Total	13,443	13,362	13,301	1,736	1,612	1,569	12.9	12.1	11.8

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 February 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.17	Feb.18	Mar.18	Dec.17	Feb.18	Mar.18	Dec.17	Feb.18	Mar.18
Agriculture, forestry, fishing, mining	158	155	152	14	14	11	8.6	8.8	7.5
Manufacturing	3,731	3,749	3,775	142	142	136	3.8	3.8	3.6
Electricity, gas, water, remediation	1,001	1,002	1,012	7	7	7	0.7	0.7	0.7
Construction	1,131	1,118	1,130	227	211	211	20.0	18.9	18.7
Wholesale and retail trade	2,502	2,251	2,252	102	96	89	4.1	4.3	4.0
Transportation and storage	1,695	1,703	1,710	16	15	15	0.9	0.9	0.9
Accommodation and food service	426	411	406	36	34	32	8.3	8.2	7.8
Information and communication	667	673	567	22	20	20	3.3	3.0	3.5
Financial and insurance activities	84	87	89	3	1	3	3.0	1.4	2.9
Real estate activities	562	527	524	44	39	29	7.8	7.3	5.6
Professional, scientific and technical	1,040	1,025	1,029	72	78	76	6.9	7.6	7.4
Public services	296	294	291	17	17	16	5.7	5.7	5.5
Total	13,292	12,995	12,935	700	673	644	5.3	5.2	5.0

Source: Bank of Slovenia

IV. LEASING COMPANIES' PERFORMANCE

Overview of leasing companies' performance

Growth in new equipment leasing business remained stable in the first quarter of 2018, while new real estate leasing business was negligible. The stock of equipment leasing business was up 12.5% in year-on-year terms at EUR 275 million. Leasing companies are still focusing on leasing of cars, and commercial and goods vehicles, which accounted for 89.6% of new equipment leasing business in the first quarter of 2018. In recent years the performance of leasing companies has been primarily based on equipment leasing, while leasing companies have shown little interest in real estate leasing.

The positive trend in new equipment business is being reflected in gradual growth in the total stock of leasing business. In addition to increased demand for vehicles, demand for leasing of machinery and equipment has strengthened in the last year, while the stock of other equipment leasing business and real estate leasing business has declined. The total stock of leasing business amounted to EUR 2.4 billion¹ in March, up 3.3% in year-on-year terms.

The decline in the overall proportion of claims more than 90 days in arrears has continued. The figure stood at 6.6% at the end of March, down 0.5 percentage points in year-on-year terms. The concentration of claims more than 90 days in arrears is increasing: three leasing companies accounted for more than 75% of the claims more than 90 days in arrears in March.

Leasing companies' profitability and total assets are also increasing. Their total assets stood at EUR 2.9 billion in March, up 6.2% in year-on-year terms, while EBIT in the first quarter was up 3.5% at EUR 13 million, as a result of an increase in finance income from finance leases and operating leases, and an increase in income from the release of impairments.

¹ Three leasing companies have been added to the reporting population over the last two quarters, while one leasing company has ceased reporting and operations. The impact of the inclusion of the new reporting entities has been minimal: total assets increased by approximately 1.1% or EUR 32 million as a result.

Table IV.1: New leasing business by type of leasing and institutional sector

New leasing business by type of leasing and institutional sector, EUR million										
	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
2017 Q1	28.7	2.4	0.1	0.0	31.2	119.1	121.2	1.9	1.9	244.1
Q2	4.1	0.2	6.2	0.1	10.5	137.3	124.2	5.2	2.0	268.7
Q3	1.5	0.2			1.7	109.6	109.8	2.0	2.3	223.7
Q4	5.2	0.0	4.5	2.8	12.6	154.4	122.6	0.5	0.2	277.7
2018 Q1	0.9	0.1	0.1	0.0	1.0	138.6	135.5	0.3	0.3	274.6

Table IV.2: Stock of leasing business by type of leasing and institutional sector

Stock of leasing business by type of leasing and institutional sector, EUR million										
	Real estate leasing					Equipment leasing				
	NFCs	Households	Other sectors	Rest of world	Total	NFCs	Households	Other sectors	Rest of world	Total
2013	6,111.7	514.0	675.6	8.7	7,310.0	3,226.3	3,761.5	150.1	204.7	7,342.6
2014	4,893.5	435.6	537.4	6.8	5,873.3	3,057.6	3,775.0	34.1	197.2	7,063.7
2015	3,878.4	351.8	423.4	7.9	4,661.4	2,931.5	3,838.5	23.9	196.4	6,990.2
2016	2,514.4	267.3	236.3	8.3	3,026.4	2,917.9	3,850.6	18.0	170.3	6,956.8
2017	2,169.7	212.3	185.3	7.3	2,574.6	3,048.0	3,936.0	40.0	68.7	7,092.7
2017 Q1	539.2	56.2	50.0	0.5	645.8	714.4	952.9	5.5	24.1	1,696.9
Q2	517.3	53.3	42.0	2.5	615.0	742.1	976.2	10.1	24.5	1,752.8
Q3	644.5	53.6	49.3	2.3	749.8	775.0	988.1	12.0	15.6	1,790.7
Q4	468.8	49.2	44.0	2.0	564.0	816.5	1,018.8	12.5	4.4	1,852.2
2018 Q1	434.5	43.0	43.6	3.6	524.7	827.4	1,052.3	12.1	4.0	1,895.9

Table IV.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	99.6	295.3	12.3	297.5	15.8	2.8	37.1	721.3	164.8	886.1
2014	124.8	50.0	337.5	77.1	312.7	74.6	0.6	38.6	775.6	240.4	1,015.9
2015	150.9	13.6	347.8	9.4	350.1	12.0	4.3	9.7	853.1	44.7	897.7
2016	178.1	31.5	350.6	8.1	381.5	11.8	3.6	4.7	913.8	56.2	970.0
2017	210.7	31.2	366.6	3.8	430.2	2.0	0.4	16.1	1,007.9	53.1	1,060.9
2017 Q1	51.8	27.4	86.7	2.3	103.7	0.2		1.3	242.2	31.2	273.4
Q2	55.1	1.1	99.2	0.8	112.1	1.1	0.3	7.5	266.7	10.5	277.1
Q3	45.3	1.0	78.8	0.1	97.4	0.4	0.0	0.2	221.5	1.7	223.1
Q4	58.5	1.7	101.9	0.6	117.0	0.3	0.1	7.2	277.5	9.8	287.3
2018 Q1	55.5	0.1	94.4	0.1	124.3	0.2	0.2	0.7	274.3	1.0	275.3

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	50.5	79.6	607.9	215.1	989.3	333.7	81.6	992.9	1,729.3	1,621.2	3,350.5
2014	47.2	32.2	619.0	125.1	959.0	465.6	72.2	680.8	1,697.4	1,303.7	3,001.1
2015	52.4	29.4	626.2	126.7	943.9	410.4	59.5	508.8	1,682.0	1,075.3	2,757.4
2016	65.1	34.5	615.2	61.1	935.2	243.2	32.2	330.1	1,647.6	668.9	2,316.6
2017	93.8	62.2	685.9	46.8	1,050.5	99.7	17.5	353.3	1,847.8	562.0	2,409.8
2017 Q1	76.4	59.6	623.5	61.5	952.0	230.8	20.8	293.5	1,672.8	645.4	2,318.1
Q2	81.6	57.6	646.6	57.7	981.1	220.6	19.1	276.7	1,728.4	612.6	2,341.0
Q3	85.0	56.8	658.0	57.1	1,013.6	222.7	18.4	410.8	1,775.1	747.4	2,522.5
Q4	93.8	62.2	685.9	46.8	1,050.5	99.7	17.5	353.3	1,847.8	562.0	2,409.8
2018 Q1	92.3	39.2	697.1	41.6	1,084.6	94.3	17.9	346.0	1,891.9	521.1	2,413.0

Table IV.4: Stock of leasing business with non-financial corporations by type of leasing and sector

Stock of real estate leasing business with NFCs by sector, 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	
2017 Q1	5.6	25.0	0.8	23.3	186.8	7.1	19.0	5.4	3.3	202.3	38.6	21.0	538.1	
2017 Q2	0.1	19.5	0.8	22.8	184.2	7.0	19.8	5.2	3.1	197.3	36.5	20.0	516.3	
2017 Q3	0.1	33.1	1.2	25.3	226.9	10.8	23.8	7.3	5.0	234.1	43.6	32.3	643.5	
2017 Q4	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 Q1	0.1	29.4	1.1	21.4	135.0	10.0	18.2	6.8	4.8	138.1	37.3	32.1	434.1	

Stock of equipment leasing business with NFCs by sector, 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	
2017 Q1	10.8	95.1	26.7	66.7	147.3	196.9	44.1	12.0	4.8	4.9	69.2	35.8	714.4	
2017 Q2	8.2	98.4	27.6	64.1	151.2	207.5	44.6	12.2	5.4	5.1	80.8	36.9	742.1	
2017 Q3	7.8	109.7	27.2	68.1	158.2	219.6	44.1	12.2	5.6	5.4	79.2	37.8	775.0	
2017 Q4	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 Q1	8.5	111.0	27.4	74.7	170.6	241.4	49.7	24.6	5.2	4.7	73.6	36.1	827.4	

Table IV.5: Arrears in leasing business with non-financial corporations by type of leasing and sector

Proportion of arrears in real estate leasing business with NFCs by sector, %														
	Agri, mining	Manuf	Elec, gas, water	Construct	Trade	Trans, storage	Acco, food	Info, comms	Fin, insur	Real estate	PSTAs, ASSAs	Public services	Overall	Overall (all leasing)
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
2017 Q1	95.6	5.1	0.0	44.2	9.2	1.2	19.6	0.2	4.0	7.1	11.1	16.4	11.1	9.3
2017 Q2	49.6	9.7	0.0	45.0	9.8	1.3	18.0	0.3	4.3	6.5	9.0	12.6	10.2	8.4
2017 Q3	56.7	7.6	0.0	43.5	11.1	26.4	18.4	0.1	36.8	5.3	45.7	7.8	12.8	10.9
2017 Q4	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 Q1	70.2	6.5	0.0	31.6	13.2	29.2	23.2	0.0	36.8	7.8	45.9	7.7	15.1	9.8

Proportion of arrears in equipment leasing business with NFCs by sector, %														
	Agri, mining	Manuf	Elec, gas, water	Construct	Trade	Trans, storage	Acco, food	Info, comms	Fin, insur	Real estate	PSTAs, ASSAs	Public services	Overall	Overall (all leasing)
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
2017 Q1	8.5	6.9	16.2	26.3	6.3	1.9	7.2	9.2	18.4	20.8	7.9	7.2	7.9	9.3
2017 Q2	10.9	6.8	15.5	17.4	5.7	2.1	6.8	9.1	9.0	19.7	6.4	15.8	7.1	8.4
2017 Q3	11.3	12.2	14.3	17.8	6.1	6.8	6.8	9.0	8.6	18.7	7.0	17.4	9.4	10.9
2017 Q4	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 Q1	7.9	7.6	14.2	17.2	5.5	5.7	5.1	4.4	5.2	12.9	2.3	7.4	7.0	9.8

Table IV.6: Repossessions by type of leasing and transaction type, and sale of repossessed assets

Repossessions (new leasing business), EUR million											
	Finance leases		Operating leases		Loans		Total		Total (all leasing)		
	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment			
2013	17.7	5.9	2.6	2.1	0.0	0.0	20.3	7.9	28.2		
2014	8.7	4.4	0.0	1.1	0.0	0.0	8.7	5.5	14.2		
2015	10.3	7.0	0.0	0.8	0.0	0.0	10.3	7.9	18.2		
2016	8.8	3.9	0.0	1.1	1.4	0.1	10.2	5.1	15.3		
2017	2.9	1.0	0.0	1.0	0.4	0.0	3.3	2.0	5.3		
2017 Q1	0.0	0.2	0.0	0.3	0.0	0.0	0.0	0.5	0.5		
2017 Q2	0.3	0.3	0.0	0.2	0.4	0.0	0.7	0.6	1.3		
2017 Q3	1.7	0.1	0.0	0.1	0.0	0.0	1.7	0.3	2.0		
2017 Q4	0.9	0.3	0.0	0.3	0.0	0.0	0.9	0.6	1.5		
2018 Q1	0.0	0.3	0.0	0.4	0.0	0.0	0.0	0.7	0.7		

Repossessions (stock of leasing business), EUR million											
	Finance leases		Operating leases		Loans		Total		Total (all leasing)		
	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment			
2013	141.5	9.0	7.2	0.8	1.5	0.0	150.2	9.8	160.0		
2014	118.0	8.2	4.6	0.7	0.0	0.0	122.5	8.9	131.4		
2015	94.4	7.2	4.6	0.6	0.0	0.0	99.0	7.8	106.8		
2016	70.6	6.4	0.2	0.4	1.4	0.1	72.1	6.9	79.0		
2017	53.0	5.2	0.0	0.4	0.0	0.1	53.0	5.7	58.7		
2017 Q1	66.9	6.3	0.2	0.4	1.4	0.1	68.5	6.8	75.3		
2017 Q2	56.4	6.5	0.2	0.4	0.4	0.1	57.1	7.0	64.1		
2017 Q3	56.0	5.3	0.0	0.3	0.0	0.1	56.0	5.7	61.7		
2017 Q4	53.0	5.2	0.0	0.4	0.0	0.1	53.0	5.7	58.7		
2018 Q1	50.9	5.0	0.0	0.4	0.0	0.1	50.9	5.5	56.4		

Sale of repossessed items, EUR million			
	Real estate	Equipment	Total
2013	4.5	4.1	8.6
2014	12.4	6.2	18.6
2015	2.3	7.9	10.2
2016	6.0	4.1	10.2
2017	2.6	3.0	5.6
2017 Q1	0.4	0.6	1.0
2017 Q2	1.5	0.5	2.0
2017 Q3	0.4	0.6	1.0
2017 Q4	0.3	1.3	1.5
2018 Q1	0.4	0.6	1.1

Table IV.7: Leasing companies' performance and funding

								Growth, %					
	2013	2014	2015	2016	2017	Q1 2018	2013	2014	2015	2016	2017	Q1 2018	
Total assets, EUR million	3,826	3,461	2,869	2,675	2,809	2,879	-24.8	-9.5	-17.1	-6.7	5.0	2.5	
Shareholder equity, EUR million	5	288	260	400	479	496	-97.5	5570.2	-9.7	53.9	19.7	3.6	
Net profit, EUR million	266	50	24	51	82	13	-1475.8	-81.1	-52.4	111.9	62.1	-84.1	
ROA, %	6.9	1.5	0.7	1.8	3.0	0.5							
ROE, %	5228.7	17.5	9.6	16.9	19.8	2.6							
Financial and operating liabilities, EUR million	3,729	3,061	2,518	2,189	2,259	2,303	-19414.4	-17.9	-17.7	-13.1	3.2	1.9	
liabilities to banks and undertakings in group / total	97	88	88	82	80	80							
Investment property	1,002	822	629	567	389	388	7.9	-18.0	-23.5	-9.8	-31.5	-0.1	
investment property / assets, %	26	24	22	21	14	13							
Finance expenses from impairments and write-offs, E	208	113	118	61	54	12	63.0	-45.7	4.8	-48.0	-11.4	-77.7	