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January to October 2025

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Methodological notes

The data in the tables and figures consists of data reported by banks to Banka Slovenije in accordance with the Guidelines for implementing the Regulation on reporting by monetary financial institutions (report on accounting items with interest rates [PORFI]). In 2020 banks changed over to a new way of disclosing interest on credit-impaired financial assets in accordance with the interpretation of the IFRS Interpretations Committee (IFRIC) of March 2019, and the application of that interpretation to a specific case of 22 July 2019, which can be found online at https://www.ifrs.org/news-and-events/news/2019/07/ifrs-9-webinar-curing-of-a-credit-impaired-financial-asset/.

Summary

The Slovenian banking system is continuing to perform well, despite the persistent uncertainty in the international environment. In the wake of the fall in interest rates, household lending is strengthening, but lending to non-financial corporations (NFCs) remains weak. Lower interest rates have as expected driven a decline in net interest income at the banks, but it remains above its long-term average. Non-interest income has increased further this year, driven in particular by increased dividends. Pre-tax profit is down just over a tenth on last year, as a result of a decline in income in recent months, and an increase in net impairments and provisions, which nevertheless remain low. The quality of bank assets has deteriorated slightly over recent months, but the deterioration remains limited to certain segments of the portfolio. The banking system's capital and liquidity positions remain good. The assessment of the general level of risks to the banking system remains stable in the final quarter, while the resilience of the banking system remains high. The outlook for credit risk was downgraded, while the outlook for income risk was revised to stable.

Deposits by the non-banking sector strengthened sharply over the first ten months of the year to reach EUR 43.5 billion, thanks to an increase in household deposits and deposits by NFCs. Following solid performance in the first half of the year, monthly inflows of household deposits were more modest over the summer and early autumn, which is in line with seasonal patterns as households spend more on leisure and on preparations for the new school year. The overall inflow of household deposits nevertheless amounted to EUR 1.2 billion over the first ten months of the year, almost three times higher than in the same period last year. Our expectation is for household deposits to have increased further by the end of the year, thanks to performance bonuses, winter leave payments, and the winter bonus for pensioners. In contrast to household deposits, deposits by NFCs declined over the first half of the year, before the monthly inflows strengthened between July and October. The summer months are a good time for a build-up of savings by firms in the tourism and food service activities in particular. The uncertain geopolitical and economic situation means that firms also remain more cautious when making decisions about new investments, which is most likely also driving an increase in their holdings of bank deposits. Amid the ongoing fall in interest rates on deposits, savers continue to have little appetite for fixing their savings, which drove the share of total deposits by the non-banking sector accounted for by sight deposits higher again to 81%.

Growth in loans to the non-banking sector over the first ten months of this year was higher than in the same period last year: the year-on-year rate stood at 7.0%, outpacing the European average of 2.7%. Loans to the non-banking sector account for an increasing share of the banking system's total assets. The majority of this year's increase in loans to the non-banking sector consisted of loans to the two largest customer segments, namely households and NFCs. Household lending remains the most important segment of growth in loans to the non-banking sector. The monthly volumes of new housing loans and new consumer loans both increased over the first ten months of the year. Of all customer segments, household loans were the largest factor in the growth in loans to the non-banking sector. Loans to NFCs have strengthened slightly in year-on-year terms, mainly in recent months, the stock of loans to NFCs having stagnated over the first half of the year. Loans to the government sector and to non-residents have also made positive contributions to this year's growth.

The quality of bank assets as measured by the NPE ratio has deteriorated this year, driven solely by a few manufacturing firms. The NPE ratio in the total portfolio rose to 1.2% in October (from 1.0% at the beginning of the year), with the largest rise coming in the NFCs portfolio (to 2.5%). Amid the buoyant labour market and the overall good financial position of households, the NPE ratio in the household portfolio meanwhile remains stable (at 1.5%), as do the NPE ratios in other customer segments. The deterioration in the NFCs portfolio was almost entirely driven by manufacturing firms, and in particular by a small number of firms engaged in the manufacture of basic metals and the manufacture of motor vehicles, trailers and semi-trailers. The share of Stage 2 exposures (increased credit risk) remains stable, and close to its lowest level of recent years (4.6% in October). The share of Stage 2 exposures in the household portfolio declined to 7.0%. The share of Stage 2 exposures in the manufacturing firms portfolio stood at 8.7% in October, having been relatively stable over the first ten months of the year.

Bank claims against NFCs in arrears have increased slightly this year, while the transition of exposures with lower impairments to non-performing status has reduced the coverage of NPEs by impairments and provisions. Despite the slight increase in their claims against NFCs in arrears, the banks were prompt in identifying and addressing these changes, largely reclassifying these exposures as Stage 2 or NPEs even before the 90-day arrears mark was reached. The decline in the overall coverage of NPEs by impairments and provisions was driven by NFCs in particular, their poorly covered exposures having been reclassified as NPEs, while coverage of the non-performing part of the household portfolio has not changed significantly since December of last year. Coverage of performing exposures (PEs) remained unchanged.

The decline in net interest income means that this year's income in the banking system is down slightly on last year, but remains above its long-term average. Gross income is down 3% in year-on-year terms, while net income is down just over 7%. Although down on last year, net interest income and thus the net interest margin are again at above-average levels this year, particularly in comparison with the period of low interest rates. Non-interest income is enjoying solid growth, increasing by 13% over the first ten months of the year, while growth in operating costs has slowed this year, partly as a result of a base effect from the allocation of the tax on total assets. Year-on-year growth in operating costs began to rise in 2022 and 2023, but this year's rate would be reduced from around 10% to below 4% if the tax on total assets were excluded.

Pre-tax profit over the first ten months of the year was down on the same period last year, but remains above its average level. This year's decline in profit (11.8%) is attributable to a decline in net income and an increase in net impairments and provisions. These have increased in the second half of the year, but still account for a relatively small 5% share of the disposal of gross income. Pre-tax ROE thus declined slightly, and stood at 16% over the first ten months of the year.

The solvency of the banking system remains solid in 2025. The total capital ratio stood at 19.6% at the end of the third quarter, while the CET1 ratio stood at 17.5%. The forecast for the end of 2025 is for stable and favourable developments in capital adequacy at the system level.

The liquidity of the banking system remains good, despite a deterioration in certain indicators. In the wake of an increase in net liquidity outflows and a simultaneous decline mostly in currency and in free reserves at the central bank, the liquidity coverage ratio (LCR) declined to 287%. Although the net stable funding ratio (NSFR) also deteriorated slightly, the banks have maintained relatively high funding capacity over the longer term. The shifts in the liquidity structure slowed slightly.

1 Macrofinancial Environment

The global economy is continuing to grow in the final quarter of this year, driven primarily by services. This is reflected in the composite PMI for the global economy, which remains in the zone of expansion, and above its average for the current year. The manufacturing PMI has again been in the zone of expansion since August, with average growth over the three months to November recording the highest rate since the middle of last year. Global economic growth (excluding the euro area) is forecast to hit 3.5% this year, before slowing to 3.3% next year.[1] Despite the persistent uncertainty in trade policy, the forecast for 2025 has been revised upwards by 0.2 percentage points since September, in reflection of the global economy's gradual acclimatisation to the harsher conditions of trade and a simultaneous decline in uncertainty.

Economic activity in the euro area strengthened again in the third quarter. GDP was up by 0.3% in quarterly terms, and by 1.4% in year-on-year terms.[2] According to the latest projections, GDP growth in the euro area is forecast to hit 1.4% this year, before slowing slightly to 1.2% next year and strengthening again to 1.4% in 2027.[3] The economic sentiment indicator in the euro area has gradually strengthened this year, and in November reached its highest level since April 2023, although it nevertheless remains below its long-term average. The confidence indicators improved slightly in the third quarter, but with the exception of the services indicator they all remained in the zone of contraction. The composite PMI had strengthened in the third quarter, and has continued to increase in the final quarter, driven largely by the increased activity in services. Inflation as measured by the HICP remained a fraction above its target rate of 2% in the third quarter.[4] The markets' increased expectations of the Fed potentially making significant cuts to its key interest rate next year drove a fall in yields on US treasuries. Yields on German government bonds rose by contrast, driven by the reduced expectation of further cuts in the ECB's key interest rates, but the spreads with euro area bonds with higher credit risk remained low over the observation period (see Figure 1.1, left).

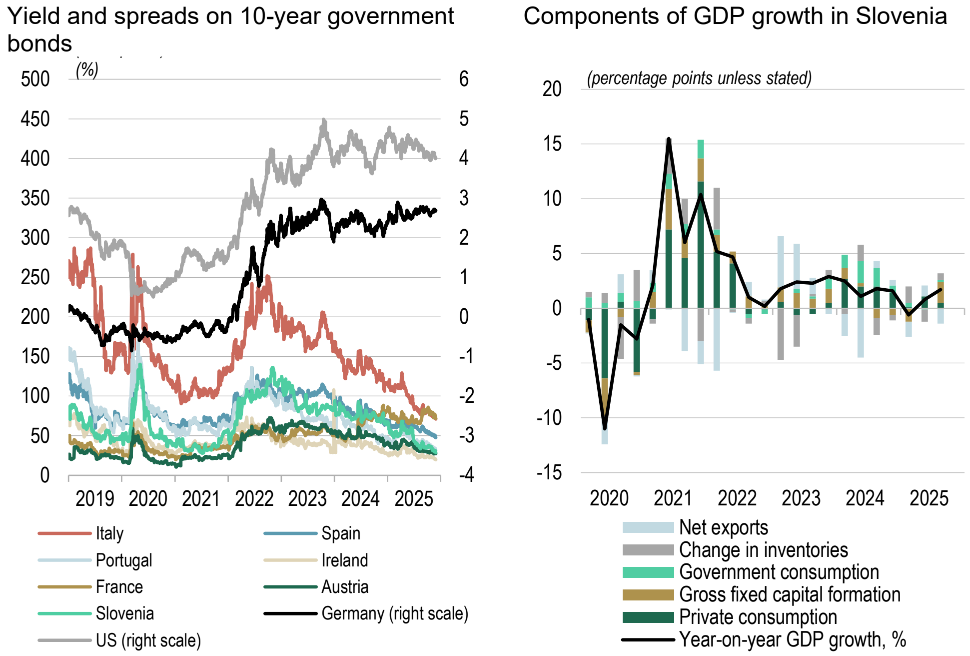
[1] Eurosystem staff macroeconomic projections, October 2025.

[2] Eurostat, November 2025. The figures are seasonally adjusted and calendar-adjusted.

[3] Eurosystem staff macroeconomic projections, December 2025.

[4] The rate stood at 2.2% in November.

Figure 1.1: **Financing costs and GDP in Slovenia**



Note: Data is to 30 November 2025. The spread in the left chart is calculated as the difference between the yield on the 10-year government bond and the yield on the benchmark (German bond) on a daily basis, and reflects the additional risk that the markets ascribe to the country in question. The data is illustrated as a 30-day moving average.
Sources: Bloomberg, Banka Slovenije calculations, SURS.

Activity in the domestic economy continued to increase in the third quarter, and the forecasts point to a further improvement in the economic situation. GDP was up 1.7% on the same period last year. Domestic final consumption was driven by private consumption and government consumption alike in the year-on-year comparisons. The largest factor in the year-on-year growth was gross fixed capital formation, particularly by the government, in connection with the increased impetus in public infrastructure projects. This drove a sharp increase in construction activity, while growth in manufacturing remained relatively weak in the third quarter. Activity in the export sector remained down in year-on-year terms, as the uncertainty in the global environment continued to curtail demand in key trading partners. The overall mood in the economy improved slightly in the third quarter, while the data for November points to a further improvement in the final quarter. Our latest projections forecast economic growth of 1.0% this year, followed by a rise to 2.2% in 2026 and 2.4% in 2027.[5] The projections show economic growth strengthening over the following years, but this might be curtailed by domestic structural challenges and by any increase in the uncertainty surrounding trade policy.

The international credit rating agencies are highlighting confidence in the stability and resilience of the Slovenian economy in this year's assessments. This year Slovenia received two upgrades from the largest global agencies. Standard & Poor's raised its rating to AA, making Slovenia the highest-ranked country in central and south-eastern Europe. The stable outlook reflects the agency's expectation that the Slovenian economy and the public finances will remain resilient to exogenous shocks over the next two years. The agency highlights the significant external buffers, in particular its repeating current account surpluses and favourable external debt. A similar rating was issued by Fitch, which upgraded Slovenia from A to A+. Its assessment is that this year's slowdown in economic growth is merely temporary, and it is forecasting moderate and stable growth over the next two years.

[5] Review of macroeconomic developments and projections, December 2025.

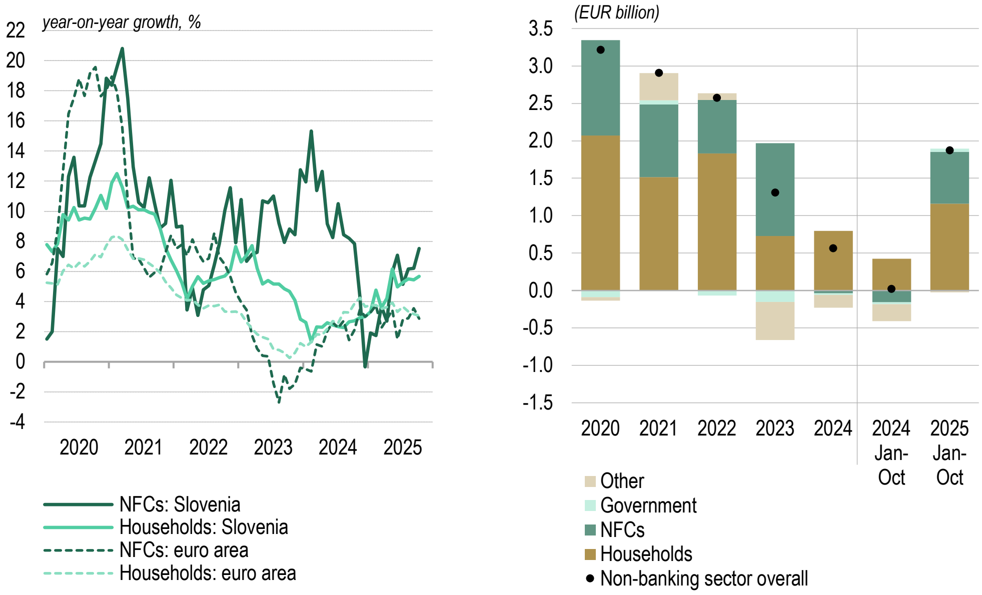
2 Bank Funding

The increase in deposits by the non-banking sector over the first ten months of this year was significantly larger than in the same period last year. Equivalent to more than three-quarters of total assets, they remained the most important source of funding for the Slovenian banking system. Household deposits and deposits by NFCs accounted for the majority of the increase of EUR 1.9 billion. After slowing last year, year-on-year growth in deposits by the non-banking sector had strengthened to 5.9% by October of this year. Given their large stock of deposits by the non-banking sector and liquid assets, the banks had no major need for wholesale funding. A number of banks borrowed small amounts from foreign banks or issued debt securities to replace maturing bonds and to meet their MREL requirements. Despite a slight increase, the importance of these two sources of funding remains minor on the balance sheet.

Figure 2.1: **Trends in deposits by the non-banking sector**

Growth in deposits by institutional sector

Change in stock of deposits by institutional sector



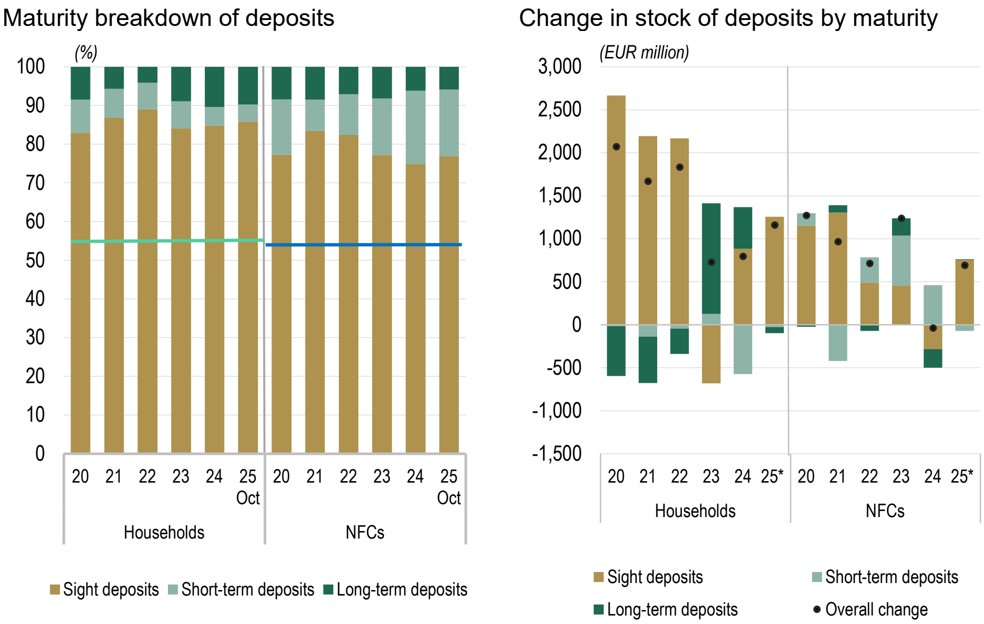
Sources: Banka Slovenije, ECB Data Portal.

The increase in household deposits of EUR 1.2 billion over the first ten months of this year was almost three times that in the same period last year. The majority of this increase came in the first half of the year, while the inflows between July and October were significantly lower. Alongside wage growth and weaker consumption, the increase in deposits over the spring was driven in particular by annual leave allowance payments and dividend payments by some firms. The trend turned over the summer, when the rise in household consumption during the holidays and preparations for the new school year reduced the opportunities to save. Year-on-year growth in household deposits more than doubled over the course of one year, reaching 5.7% in October, more than a third higher than the euro area average, which has slowed in recent months. A major increase in household deposits is also expected in the final part of the year as a result of payments of performance bonuses, the winter leave allowance, which will be made to all employees for the first time this year, and the winter bonus for pensioners.

After declining in the first half of the year, deposits by NFCs strengthened again between July and October, with pronounced monthly inflows. The geopolitical and economic uncertainty meant that firms were more cautious when deciding on new investment, while it is also likely that the summer holidays brought a slowdown in investment activity, and with it an increase in firms' savings at banks. The increased revenues at firms in the tourism and food service activities in particular were another likely factor. While deposits by NFCs declined over the first ten months of last year, this year saw an increase of EUR 693 million over the same period. After declining sharply at the end of last year, year-on-year growth in deposits by NFCs has strengthened gradually this year, reaching 7.5% in October, almost its level of one year earlier. It thus continued to outpace the euro area average, which was a half lower, albeit having increased slightly in recent months. Given the dynamics in deposits in previous years, deposits by NFCs can also be expected to increase in the final part of this year, when consumption rises during the holiday period. However, the increased burden on firms from the mandatory payment of winter leave allowance might have an adverse impact on growth in deposits by NFCs.

Interest rates on deposits continued to decline, leaving savers unmotivated to lock in their savings. Short-term and long-term deposits declined, with households and NFCs leaving the majority of their money in ordinary bank accounts. This increased the share of sight deposits, which accounted for 86% of total household deposits and 77% of total deposits by NFCs in October, well above the long-term averages.

Figure 2.2: **Maturity of deposits**



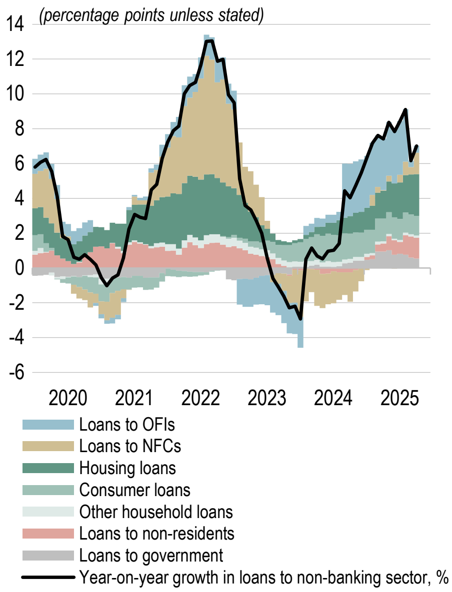
Note: The horizontal lines in the left chart denote the average share of sight deposits between 2000 and October 2025, which stood at 55.9% in the household segment and 54.3% in the NFCs segment. * For 2025 the change over the first ten months of the year is illustrated in the right chart.
Source: Banka Slovenije.

3 Bank Assets

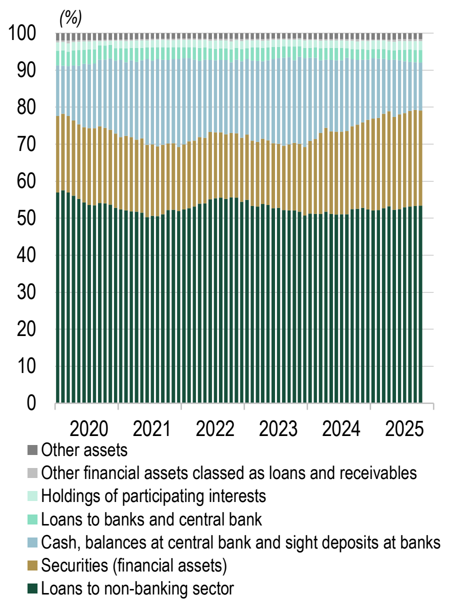
The banks saw an increase in the stock of loans to the non-banking sector over the first ten months of the year, most notably to households and NFCs. The year-on-year rate of growth hit 7.0%, thus significantly outpacing the euro area average of 2.7%. Household loans accounted for 3.7 percentage points of the overall growth in October, and loans to NFCs for 1.2 percentage points. Housing loans and consumer loans continue to play a core role in the household segment, with the former recording a larger year-on-year contribution. Loans to other financial institutions (OFIs) accounted for 0.4 percentage points of the growth. The one-off effect of lending to a leasing company, which had a significant impact on growth in this loan segment, dropped out of the calculation in September of this year. Following a period of decline over most of the year, loans to non-residents saw a reversal in the trend in November of last year. Since then the loan stock in this segment has increased, which is reflected in its positive contribution to year-on-year growth. Loans to the government sector have also contributed to this year's growth, the notable impact coming in March as a result of a one-off increase. There has been a significant change in the shares of bank assets accounted for by holdings of securities and liquid assets since last year.[6] The banks continued to reduce their holdings of low-yielding liquid assets over the first ten months of the year, while increasing their exposure to higher-yielding debt securities.

Figure 3.1: **Lending to the non-banking sector**

Contributions to credit growth by customer segment and loan type



Structure of financial assets

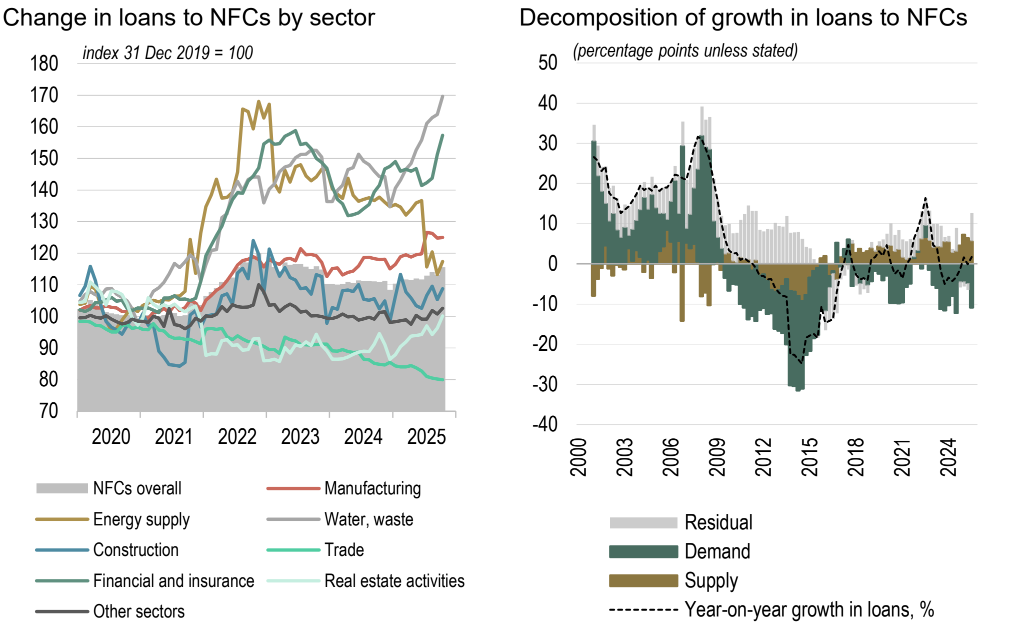


Note: OFIs: other financial institutions. The pronounced negative contribution by loans to OFIs between February 2023 and January 2024 was related to the sale of a leasing company and its repayment of a loan, while the pronounced positive contribution in September and October 2024 was attributable to lending to the same company.
Source: Banka Slovenije.

[6] Cash on hand, balances at the central bank and sight deposits at banks.

Year-on-year growth in loans to NFCs strengthened slightly. The year-on-year rate stood at 3.6% in October, compared with 2.8% in the euro area overall. The increase in the loan stock in recent months has been driven by the sectors of water supply, sewerage, waste management and remediation activities, and financial and insurance activities. The increase in the loan stock relative to 2019 was also largest with regard to firms in these two sectors. Loans to NFCs increased by just over 15% in nominal terms between December 2019 and April 2025, or 2.5% per year on average, while in real terms they declined by 8% or 1.5% per year. The loan stock has increased only moderately over the last five years in certain sectors, and declined in the sector of wholesale and retail trade. The uncertain economic situation and firms' increasing reliance on other sources of financing in previous years are being significantly reflected in developments in loans to NFCs at banks.[7]

Figure 3.2: **Loans to NFCs by sector and decomposition of growth in loans to NFCs into supply-side and demand-side factors**



Note: Gross figures. Other sectors comprise agriculture, forestry and fishing, information and communication, professional, scientific and technical activities, and public services.
Source: Banka Slovenije.

Developments in bank loans to NFCs were decomposed into supply-side and demand-side factors by means of econometric methods.[8] The updated decomposition based on data to September of this year shows growth in loans to have been mostly slowed by demand-side factors over the last year and a half, while the contributions by supply-side factors have remained positive (see Figure 3.2, right). This suggests that the current dynamics in loans primarily reflect subdued demand from firms, and not limits on the supply side, which is in line with the results of the Bank Lending Survey (BLS).[9]

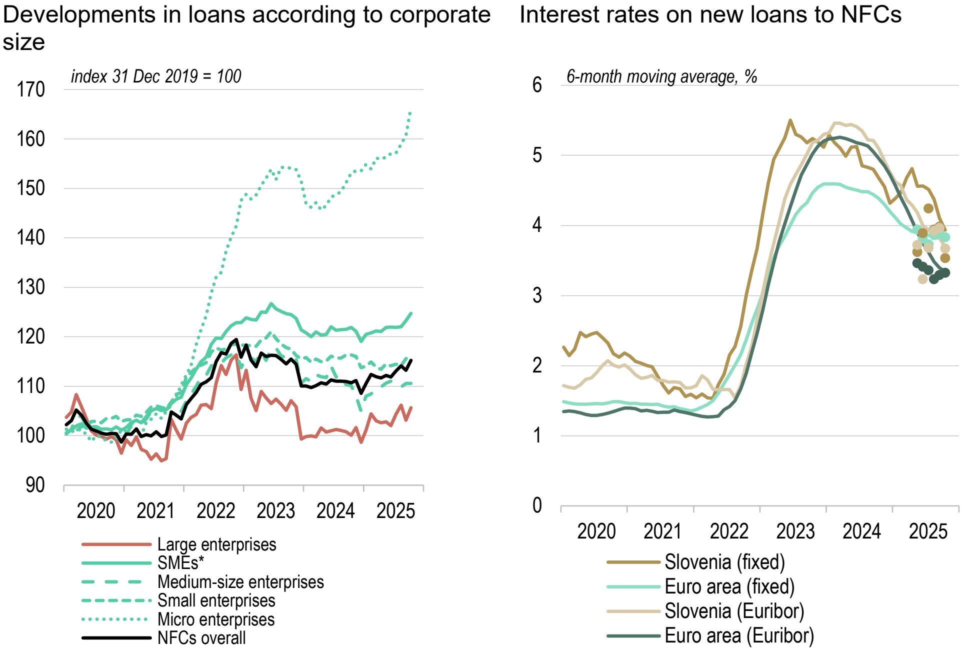
Loans to micro enterprises have recorded the highest growth this year and over the last five years. The stock of loans to SMEs was unchanged in year-on-year terms, but micro enterprises were notable for the largest increase in year-on-year growth (to 6.7%). The stock of loans to large enterprises, which accounts for almost half of the total stock of loans to NFCs, also increased. The stock of loans to large enterprises has

[7] Financial Stability Review, October 2025, Section 4.2.
[8] Expanded analysis was published in the October 2021 issue of the Financial Stability Review.
[9] For more, see Section 9.

recorded the smallest increase since the end of 2019, at just over 5%, while micro enterprises have seen the largest increase of 66%.

Interest rates on loans to NFCs have continued to fall this year. Interest rates on new variable-rate loans to NFCs, which are prevalent in new lending, have continued their trend of moderate decline this year, reaching just under 3.7% in October. The trend of decline was also evident in fixed-rate loans to NFCs, interest rates on which stood at close to 3.5% in October.

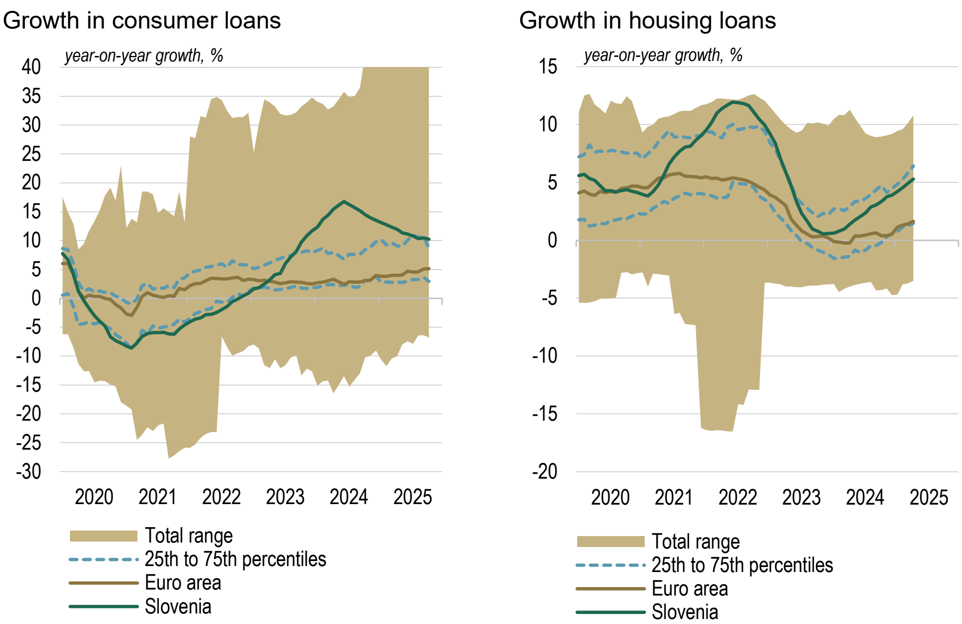
Figure 3.3: **Lending to NFCs and interest rates**



Note: The left chart illustrates gross figures. SMEs includes micro, small and medium-size enterprises.
Sources: Banka Slovenije, ECB Data Portal, Banka Slovenije calculations.

The monthly volumes of new housing loans and new consumer loans both increased over the first ten months of this year. Year-on-year growth in household loans had strengthened to 7.9% by October. The euro area average rate also strengthened, but was significantly lower compared with the rate in Slovenia at 2.6%. In addition to the relatively favourable economic situation with high employment and real wage growth, household lending was also significantly correlated with the level and dynamics of interest rates. There have been large monthly inflows of new consumer loans since the beginning of July 2023, when the modified macroprudential restrictions on consumer lending entered into force. The dynamics in year-on-year growth in the stock of consumer loans are also correlated: from a peak of 16.8% in June of last year, the rate had declined to 10.2% by October of this year, but was still strongly outpacing the euro area average (5.1%). Almost all new consumer loans carried a fixed interest rate, which had fallen to 5.7% by October of this year. Lower interest rates also drove growth in housing loans: October of this year saw the largest monthly inflow of new loans since 2022. Year-on-year growth in housing loans strengthened to 8.1%, significantly higher than the euro area average (2.6%). Fixed interest rates on new housing loans, which are far more common than variable rates, had fallen to 2.8% by October. Despite higher growth more recently, the ratio of housing loans to GDP in Slovenia remains significantly below the euro area average, while the ratio of consumer loans to GDP has risen again over the last two years, and is similar to the figure in the euro area overall.

Figure 3.4: **Growth in household lending**



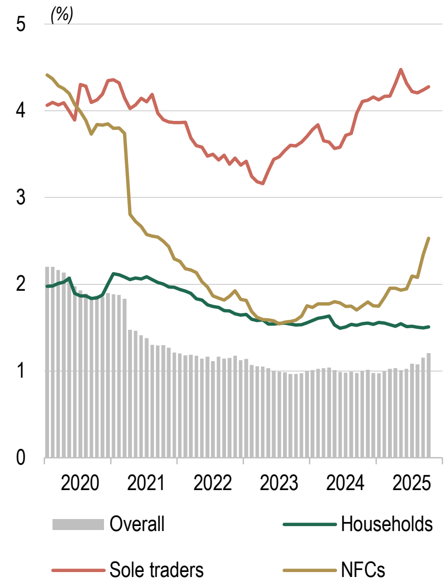
Source: Banka Slovenije.

4 Bank Asset Quality

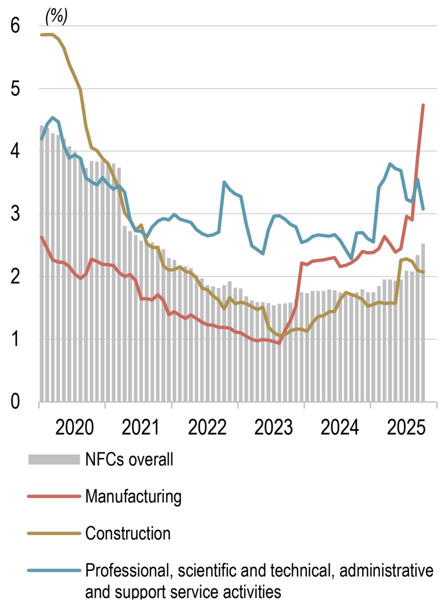
The quality of bank assets has deteriorated in the last few months, although this was attributable solely to a small number of manufacturing firms. The NPE ratio in the total portfolio stood at 1.2% in October, having moved slightly from its record low of 1.0% seen in June of this year. The largest increase over the first ten months of this year seen in any customer segment was recorded by the NFCs portfolio, where the NPE ratio stood at 2.5%, while the other customer segments mostly remained unchanged. The deterioration in the quality of the NFCs portfolio was almost exclusively attributable to manufacturing firms, where the NPE ratio increased to 4.7%. The increase in NPEs continued to be driven by a small number of firms engaged in the manufacture of basic metals and the manufacture of motor vehicles, trailers and semi-trailers, which did not constitute a broadly based deterioration in loan portfolio quality in manufacturing. The big uncertainty in the international environment and the difficult economic situation with falling orders might also drive a further increase in NPEs to manufacturing firms and firms that are primarily export oriented. Of all the customer segments, it is sole traders who are notable for the highest NPE ratio, which has increased further over the last few years.[10] Amid the buoyant labour market, and with households in a sound financial position overall, the NPE ratio in the household portfolio remains stable. It has been close to 1.5% since May of last year and stood at this figure in October of this year, the housing loans portfolio having seen a slight decline since December, and the consumer loans portfolio a slight increase.[11]

Figure 4.1: **NPE ratios in individual portfolio segments**

NPE ratios by customer segment



NPE ratios in the NFCs portfolio



Source: Banka Slovenije.

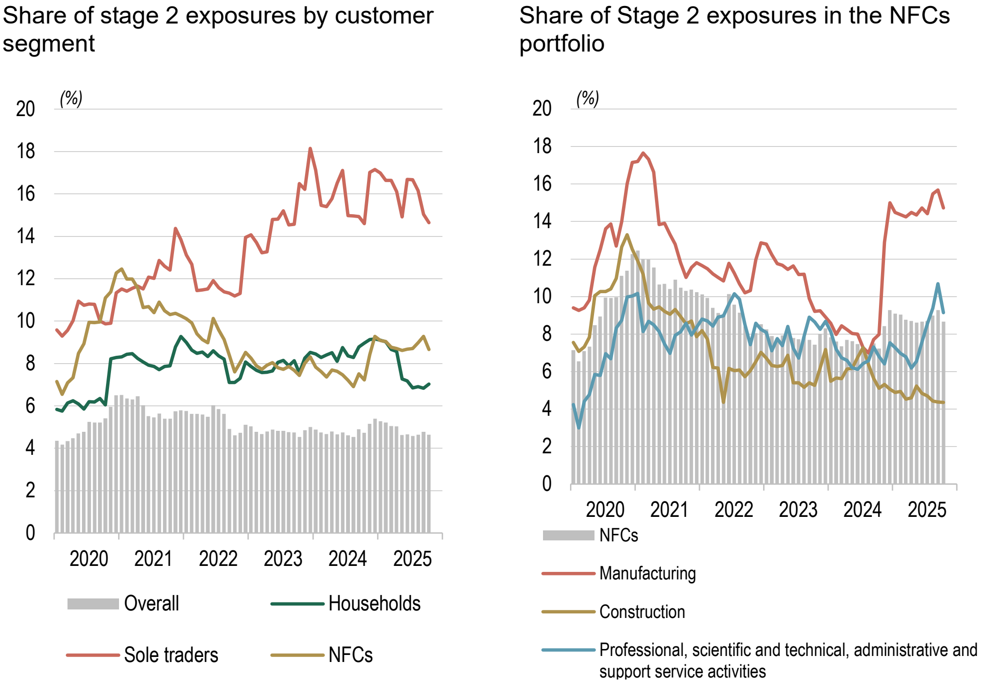
The share of Stage 2 exposures (increased credit risk) remains stable. After several notable changes in individual portfolio segments in the first half of the year, there

[10] Sole traders account for 4.4% of total NPEs, and 1.2% of total exposure in the banking system, and as such constitute a minor customer segment.

[11] The NPE ratio in the housing loans portfolio declined by 0.1 percentage points over the first ten months of this year to 0.9%, while the NPE ratio in the consumer loans portfolio rose by 0.1 percentage points to 3.2%.

have been no significant changes in the following months. The share of Stage 2 exposures in the total portfolio stood at 4.6% in October, close to its level of the last few years. Households accounted for the majority of the decline in Stage 2 exposures over the first ten months of this year, mainly via housing loans, which took the share of Stage 2 exposures in the household portfolio to 7.0%.[12] With the NPE ratio remaining stable, these developments are further evidence of the sound financial position of households, which the banks also recognise. The share of Stage 2 exposures has also declined significantly in the sole traders portfolio in recent months, reaching 14.6%, but remained within its range over the last two years. After the share of Stage 2 exposures in the NFCs portfolio rose significantly in the final quarter of last year, driven by an uptick in the manufacturing portfolio, it has remained relatively stable over the first ten months of this year, and stood at 8.7% in October. It has also been stable in the manufacturing portfolio, while the largest rises have come in professional, scientific and technical activities and administrative and support service activities since the beginning of the year, and in public services since June. The largest declines over the first ten months of this year were seen in electricity, gas, steam and air conditioning supply, where it almost halved, in arts, entertainment and recreation, and in other service activities.

Figure 4.2: **Share of Stage 2 exposures in individual portfolio segments**



Source: Banka Slovenije.

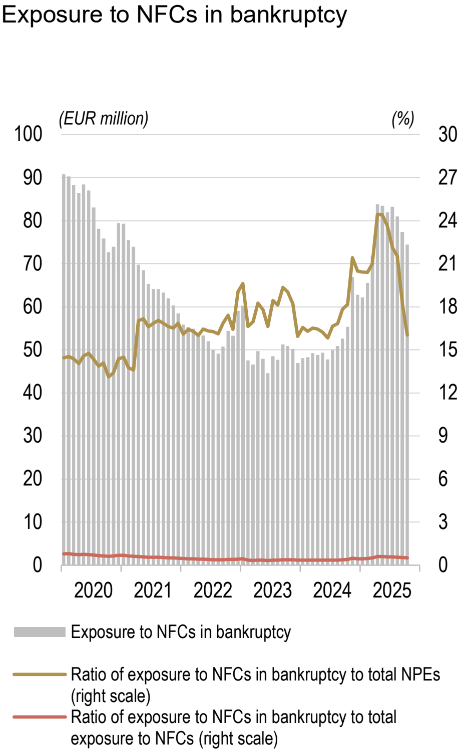
The stock of bank claims against NFCs that are in arrears is up slightly this year compared with previous years. In the years before the pandemic, it declined from a very high level, before rising somewhat noticeably in 2020, and then declining again to reach record low levels last year. The stock increased again towards the end of last year and in the early part of this year, mainly on account of claims more than 90 days in arrears, which reflected the increase in Stage 2 exposures and NPEs. A gradual increase in the stock of claims in arrears was evident even in 2024, with a discernible increase in arrears of less than 90 days in the early part of the year. These changes were promptly identified and addressed by banks: first there was an increase in the shares of exposures in arrears of less than 90 days and classified as Stage 2 in 2024,

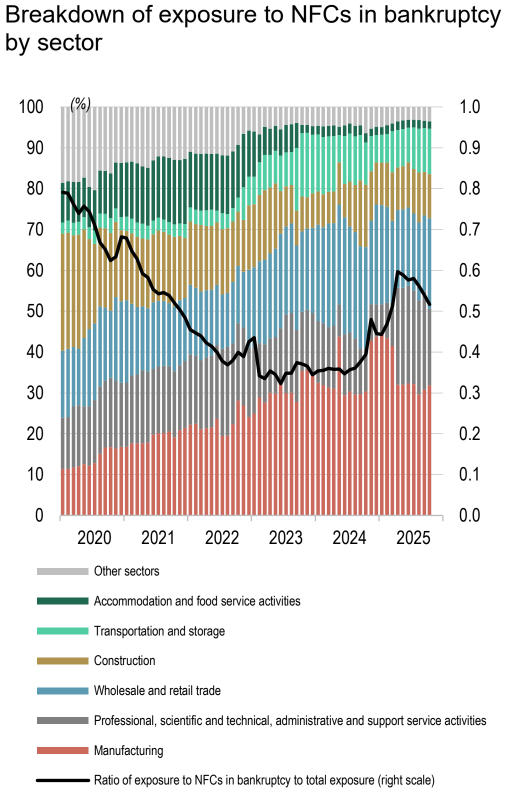
[12] The share of Stage 2 exposures in the housing loans portfolio declined by 2.4 percentage points over the first ten months of this year to 5.1%, while the figure in the consumer loans portfolio declined by 1.8 percentage points to 11.2%.

then this year brought an increase in the shares of exposures less than 90 days in arrears that are classified as NPEs.

The number of bankruptcies initiated has fallen in the last few months, and bank exposure to these firms has also declined. The difficult economic situation has since the beginning of last year been reflected in a rise in the number of firms against whom bankruptcy proceedings have been initiated, but the number of new bankruptcies fell slightly in September and October of this year. Bank exposures to firms in bankruptcy also increased from the summer of last year, and in April of this year reached their highest level since 2020, after which they have gradually declined. Despite a significant increase last year, exposure to firms in bankruptcy is relatively low compared with total exposure to NFCs: The ratio stood at 0.6% in April but had declined to 0.5% by October. Manufacturing continues to dominate the breakdown of exposures to firms in bankruptcy: its share has risen fastest over the last five years. The largest increase in the breakdown over the last year was recorded by firms in professional, scientific and technical activities and administrative and support service activities, while the share accounted for by wholesale and retail trade declined discernibly.

Figure 4.3: **Bank exposure to NFCs in bankruptcy**





Source: Banka Slovenije, Supreme Court.

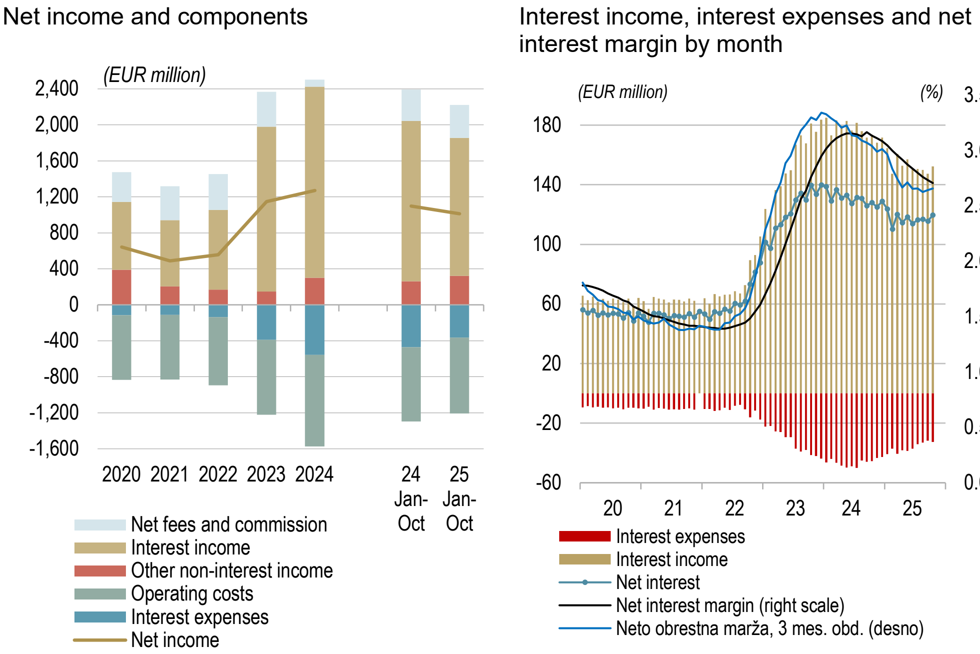
The stock of exposures to firms with frozen accounts has risen again slightly in recent months but remains low. In October it remained below its level from March of this year, when it increased significantly, although it was relatively small even then, accounting for less than 1% of total exposure. Compared with the summer, the breakdown by sector shows an increase in the share of exposures to manufacturing and construction firms versus other sectors.

Coverage of NPEs by impairments and provisions declined, while coverage of performing exposures (PEs) remained unchanged. While coverage of NPEs by impairments and provisions reached its highest level for several years in January at 62.1%, by October of this year it had declined to 54.3%. The decline was primarily driven by NFCs: in the wake of inflows of exposures with low impairments, coverage of NPEs against NFCs had declined by 11.4 percentage points by October to stand at 48.6%. Meanwhile coverage of NPEs in the household portfolio is broadly unchanged since December of last year at 67.7%, as the housing loans portfolio saw a slight decline, the consumer loans portfolio was virtually unchanged, and the other household loans portfolio saw an increase. Consumer loans remain notable for the coverage of performing exposures in the portfolio: the figure of 1.6% was unchanged from December of last year. Overall coverage of performing exposures by impairments and provisions was down only slightly compared to December of last year. It stood at 0.41% in October.

5 Bank Income Generation

Generated income in the banking system is down on last year, as expected. The decline is relatively stable, and income itself remains high. The banks generated gross income of EUR 1,856 million over the first ten months of the year, thereby remaining on course for a total of around EUR 2 billion for the third consecutive year. Net income amounted to EUR 1,014 million over the first ten months of the year. The trend of decline in income and net interest, which began last year, has continued this year, although it has showed signs of slowing in recent months.[13]

Figure 5.1: **Net income, monthly net interest, and net interest margin**



Note: The net interest margin at any point in the right chart is calculated over the preceding 12 months.
Source: Banka Slovenije.

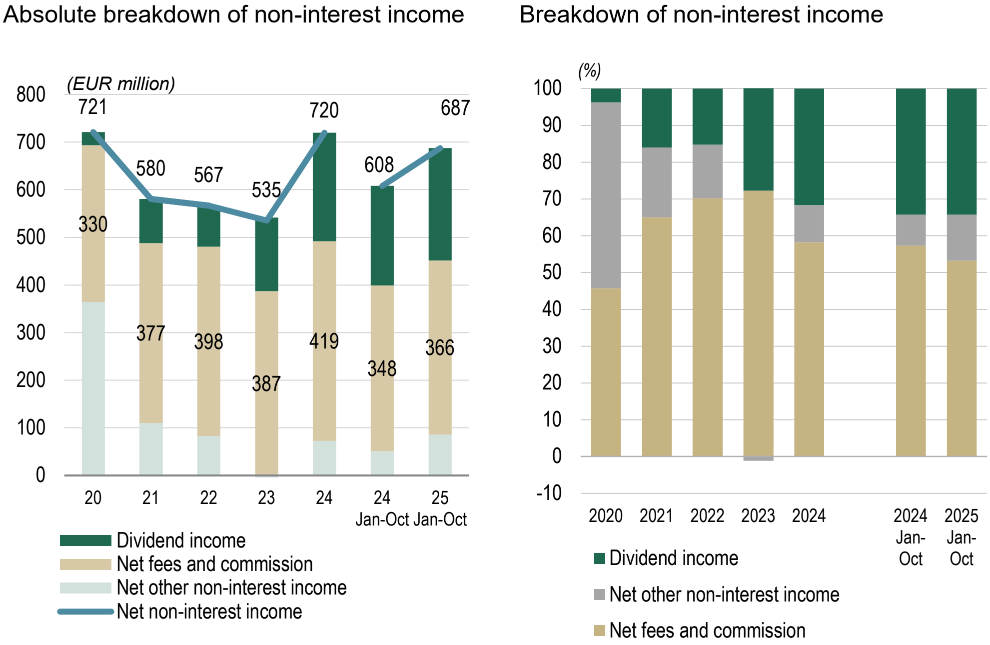
Net interest income is down 10.9% this year in the wake of falling interest rates. The banking system's net interest income was down EUR 142 million on the same period last year, following declines of EUR 249 million in interest income and EUR 107 million in interest expenses. The decline in net interest income was driven by the prevailing price effects on the asset side of the balance sheet, although the quantity effects on the asset side were once again moderately positive, which allowed the banks to compensate for around a quarter of the negative price effects on the asset side. The fall in interest rates on the liability side contributed to the increase in net interest. The running net interest margin calculated over the preceding 12 months is declining as expected, reaching 2.71% in October (down from 3.09% in December of last year), while the margin calculated over a three-month period has been relatively stable for the last few months, and stood at 2.66% in October. The net interest margin thus remains significantly higher than its long-term average.

Growth in net non-interest income is solid this year, while growth in net fees and commission remains stable. Growth in net non-interest income, which had stood at around 7% over the preceding three months, strengthened to 13% in October, thanks

[13] Gross income was down more than 5% in year-on-year terms between July and September, but by October the shortfall had narrowed to 3.3%. It was a similar story with net income, which was down by just over a tenth on last year in the third quarter, but by slightly less in October (7.5%).

to additional dividends received by one of the banks, and a decline in the one-off effect at another as a result of the derecognition of financial assets and liabilities. Net fees and commission remain stable: the year-on-year growth of 5.0% in October was comparable to the previous months. Dividend income has also been a major factor in the increase in net non-interest income in recent years. Even excluding the latter, the banking system would be recording comparable growth in non-interest income (15.3%).

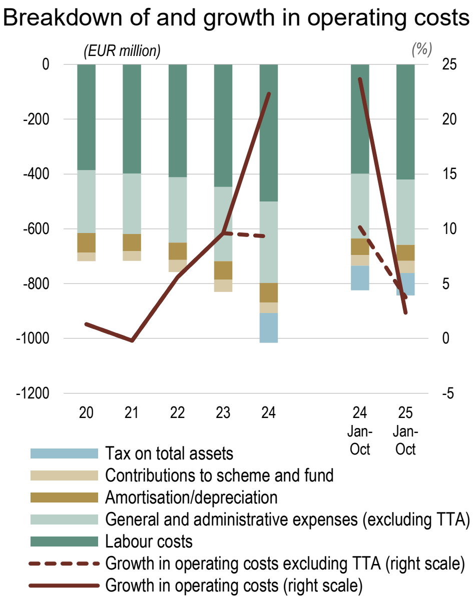
Figure 5.2: **Breakdown of net non-interest income**

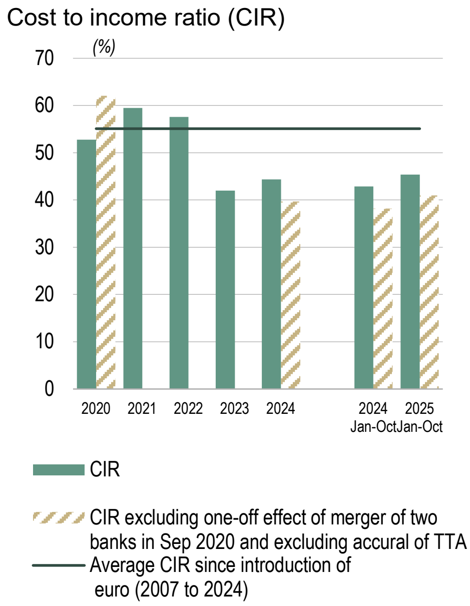


Source: Banka Slovenije.

Growth in operating costs is low, while the ratio of operating costs to gross income is below-average. Growth in operating costs slowed to 2.4% in October. It had stood at a high 22.3% in 2024, although this was partly attributable to accrued costs from the introduction of the tax on total assets; growth in operating costs would have stood at 9.7% without this effect. Total payments for this tax are expected to be lower this year, in that banks are able for the first time to reduce their tax payment by the difference between the new corporate income tax rate (22%) and the old rate (19%). According to the latest estimates, the costs accrued by the banks in connection with the tax on total assets over the first ten months of this year were down around 9% on the same period last year. Cost to income ratio (CIR) remains below average at 45.4% due to high income levels, albeit up slightly on the same period last year (42.9%).

Figure 5.3: **Breakdown and growth in operating costs, and CIR**





Source: Banka Slovenije.

The banks are currently generating stable income, although it is down on last year. Income and net interest were well above average in 2024. The main factor in this year's decline is the decline in net interest income, which nevertheless remains high in absolute terms. The running net interest margin over the preceding 12 months will decline slightly further by the end of the year, but will remain well above its long-term average. The fall in the ECB's monetary policy interest rates and in interest rates on the financial markets came to an end in the summer, and rates are no longer declining, which suggests that (net) interest income is increasingly stable at the new interest rate levels. Given the fall in the interest rates on their most liquid asset holdings (cash), the banks adapted by increasing their holdings of securities, which are replacing lower-yielding claims against the central bank. At the same time the banks' increased lending activity is, via quantity effects, slightly mitigating the decline in interest income driven by price effects. On the liability side interest expenses remain low, partly on account of the prevalence of sight deposits, and partly on account of the (extremely) low interest rates. Other income components in the banking system remain relatively stable: there is solid growth in net non-interest income, while growth in operating costs declined.

6 Capital Adequacy, Profitability and Liquidity in the Banking System

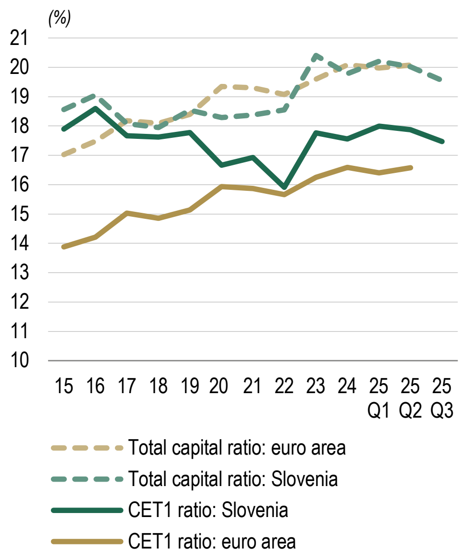
The solvency of the banking system remains solid in 2025, albeit to the backdrop of a slight but expected decline in the capital adequacy ratios. The total capital ratio on a consolidated basis stood at 19.6% in the third quarter of 2025, while the common equity Tier 1 capital (CET1) ratio stood at 17.5%. The former was down 0.2 percentage points on the end of 2024, while the latter was down 0.1 percentage points. The total risk-weighted exposure amount (RWEA) increased by 1.9% over the first three quarters of this year, and the RWEA for credit risk increased by 5.1%. Regulatory capital increased by 0.7% over the same period, with the largest increase of 1.4% being recorded by the highest-quality component (CET1). According to the data available for the euro area, the total capital ratio in Slovenia had fallen below the euro area average (20.1%) by the end of the first half of 2025, but the CET1 ratio remained above the average (16.6%). The total capital ratio in the Slovenian banking system on an individual basis stood at 21.8%, while the CET1 ratio stood at 19.2%, confirming the high level of solvency. Further evidence of the good solvency of the Slovenian banking system comes from the capital surplus above the overall capital requirement,[14] which amounted to 5.3 percentage points at the end of September 2025 (down 0.6 percentage points on the end of 2024), and the leverage ratio, which despite declining slightly (0.1 percentage points relative to the end of 2024) stood at a still-favourable 9.2%.

No major changes in the capital adequacy ratios are anticipated by the end of the year. Further downward pressure on the capital adequacy ratios will mainly come from RWEA for credit risk and operational risk, while regulatory capital might strengthen even before the end of the year if their good profitability encourages banks to make an early distribution of some of their profit to reserves and retained earnings. The internal accumulation of capital thus remains the primary driver of capital strengthening, while the ability to strengthen capital by issuing capital instruments on the financial markets is limited to individual banks.

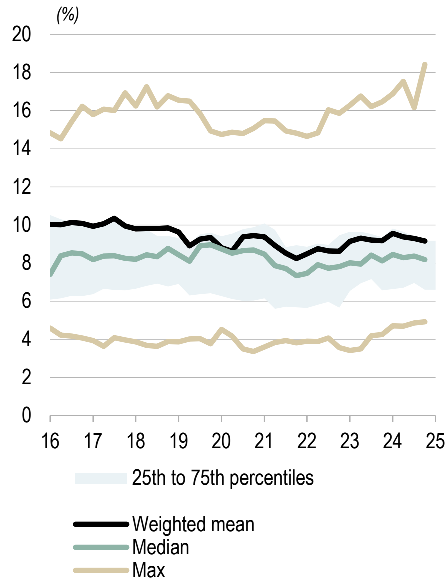
[14] The overall capital requirement encompasses the Pillar 1 and Pillar 2 capital requirements and the capital buffers, but not the Pillar 2 guidance.

Figure 6.1: **Capital ratios and leverage ratio**

Capital ratios, comparison with the euro area, consolidated basis



Distribution of the leverage ratio, consolidated basis



Sources: Banka Slovenije, ECB Data Portal, own calculations.

The banks have heterogeneous capital positions, and differing capacity to absorb sudden shocks from the environment. Despite the good resilience at system level, good management of capital adequacy at the level of the individual banks remains very important, particularly over the longer horizon, as banks will find it difficult to maintain good profitability over the long term in the uncertain environment.

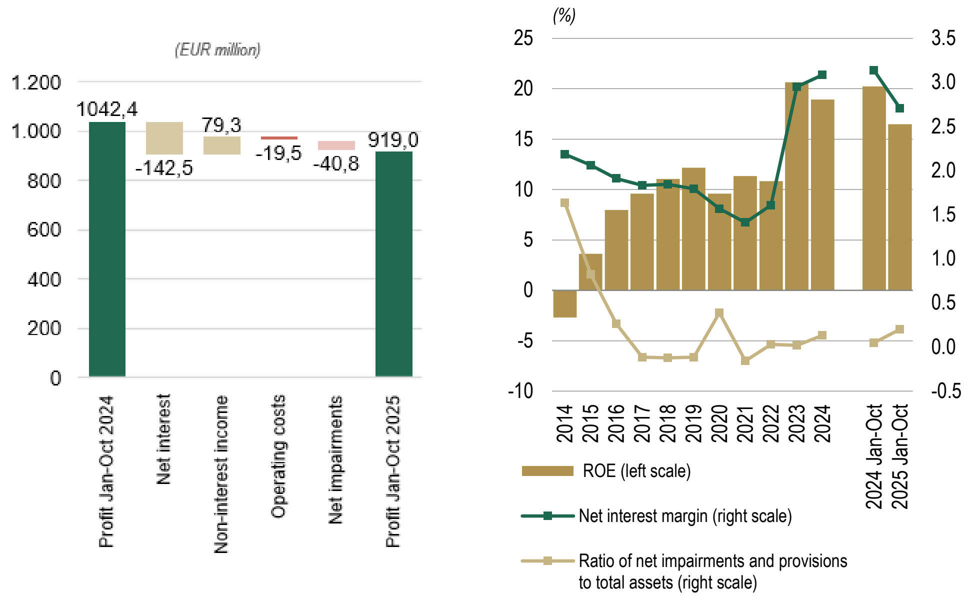
Pre-tax profit over the first ten months of this year was down more than a tenth on the same period last year, but nevertheless remains relatively high. The decline in profit (to EUR 919 million) was driven by a decline in income[15] (of EUR 82.6 million) and an increase in net impairments and provisions (of EUR 40.8 million). The share of the disposal of gross income accounted for by net impairments and provisions has doubled in recent months to 5.1%, but nevertheless remains low. Given the uncertain economic outlook, and the reclassification of certain firms as higher risks, the current higher level of net impairments and provisions can be expected to continue, which could also have an impact on ROE. This declined to 16.5% in October (compared with 21.2% over the first ten months of last year, and 18.9% across the whole of 2024), but is still well above the level seen before the rise in interest rates.

[15] See the section on income risk.

Figure 6.2: **Changes in components of profit and selected bank performance indicators**

Changes in components of profit, January to October 2024 to January to October 2025

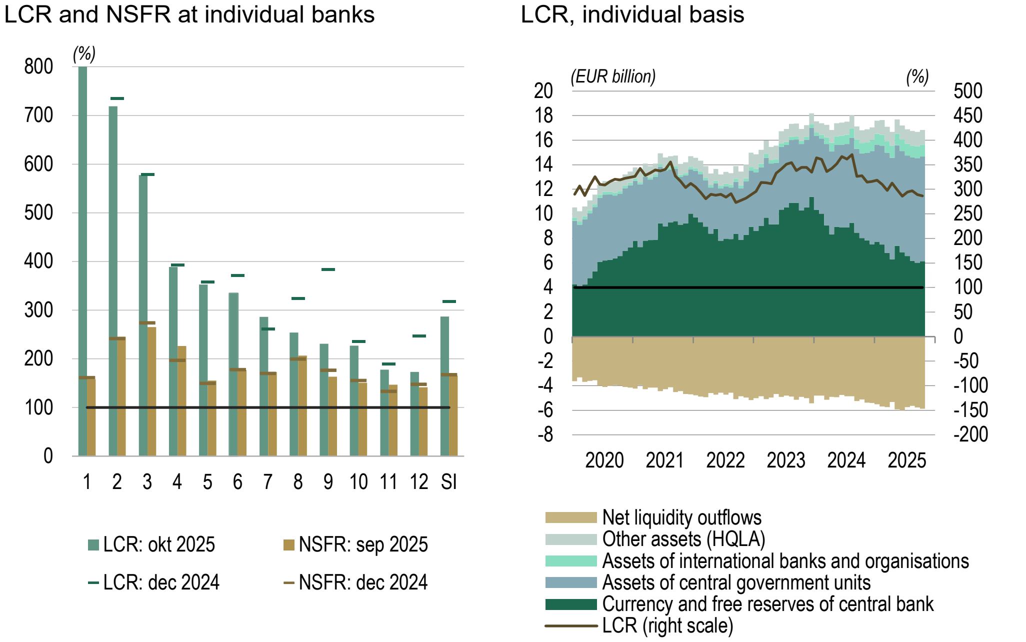
Selected bank performance indicators



Note: The net interest margin and the ratio of net impairments and provisions to the balance sheet total are calculated over the preceding 12 months in each instance.
Source: Banka Slovenije.

Although certain indicators have deteriorated slightly, the liquidity of the banking system remains good. The liquidity coverage ratio (LCR) on an individual basis has declined this year, reaching 287% in October, as a result of a decline in high-quality liquid assets and a simultaneous increase in net liquidity outflows. The capacity to cover net liquidity outflows over a short-term stress period nevertheless remains high at system level, as the LCR is far above the minimum regulatory requirement of 100%, and is among the highest figures in the euro area. Although there is still considerable variation from bank to bank in the size of the liquidity surplus, almost all of them have an LCR that is at least double the minimum regulatory requirement. Similarly to LCR, the net stable funding ratio (NSFR) at system level also declined slightly over the first nine months of this year. At 165% it nevertheless remains relatively high compared with the minimum regulatory requirement, which means that the capacity to fund the banking system over a longer period of one-year remains high.

Figure 6.3: **Liquidity indicators**



Note: The horizontal line in the left chart denotes the minimum requirements for the LCR and the NSFR in accordance with the CRR (100%). For the sake of clarity, the full values for one of the banks are not illustrated: its LCR stood at 3,886% in October 2025 and 4,181% in December 2024. In the right chart the net liquidity outflows are illustrated in the negative zone below the x axis for the sake of clarity, while the main categories of high-quality liquid assets are illustrated in the positive zone.
Source: Banka Slovenije.

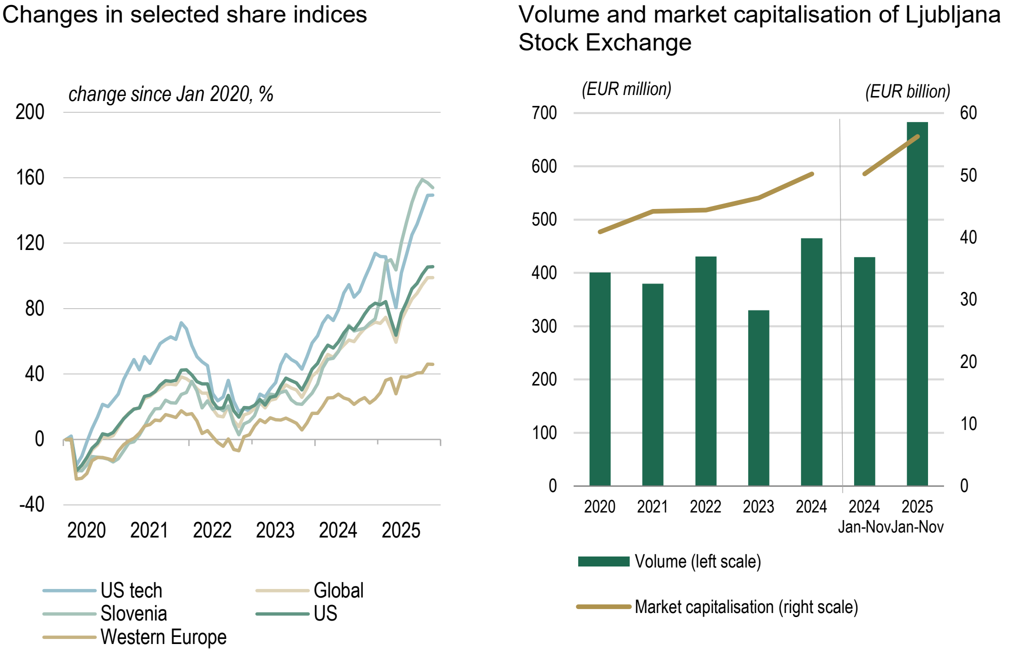
The shift in the structure of high-quality liquid assets (HQLA), which banks use to cover net liquidity outflows, has slowed slightly this year. In the wake of the gradual fall in interest rates on the deposit facility for placing liquid assets with the ECB, the banks have shifted some of their holdings of currency and free reserves from accounts at the central bank into holdings of debt securities, particularly last year and in the first quarter of this year. In so doing they are chasing better returns and compensating for lower income. This trend slowed slightly over the remainder of this year, as the ECB interest rates stabilised. The most liquid assets nevertheless declined by almost a fifth over the first ten months of this year, to stand at EUR 6.1 billion or 37% of total HQLA. Meanwhile purchases of government bonds drove an increase in the holdings of central government assets to half of total HQLA.

7 Capital Markets and Mutual Funds

Over the first eleven months of this year global stock markets saw pronounced volatility and increased uncertainty owing to geopolitical tensions and US trade measures. After initially rising in the early part of the year, global share indices slid sharply in April, following the announcement of tariffs against US trading partners. By May the indices had mostly returned to their levels from before the announcement of the tariffs, which was then followed by a period of rapid growth, mainly supported by tech shares. Slovenia's SBITOP gained 46% over the first eleven months of the year. The rise was supported by the good performance of Slovenian firms and the high dividends being paid by firms in the index. Over the same period the SPX in the US gained 12%, while the Western Europe SXXE gained 17%.

The high growth in the SBITOP seen last year has continued this year, which has had a positive impact in raising volume on the Ljubljana Stock Exchange. Volume excluding block trades amounted to EUR 683.2 million over the first eleven months of the year, up 59% on the same period last year. Despite the increase in volume, the number of securities traded on the exchange remains very limited. Shares account for the majority of the trading on the Ljubljana Stock Exchange. Market capitalisation on the domestic stock market amounted to EUR 56.2 billion at the end of November 2025, up 12% in year-on-year terms.

Figure 7.1: **Stock market indices, and volume and market capitalisation of the domestic stock market**



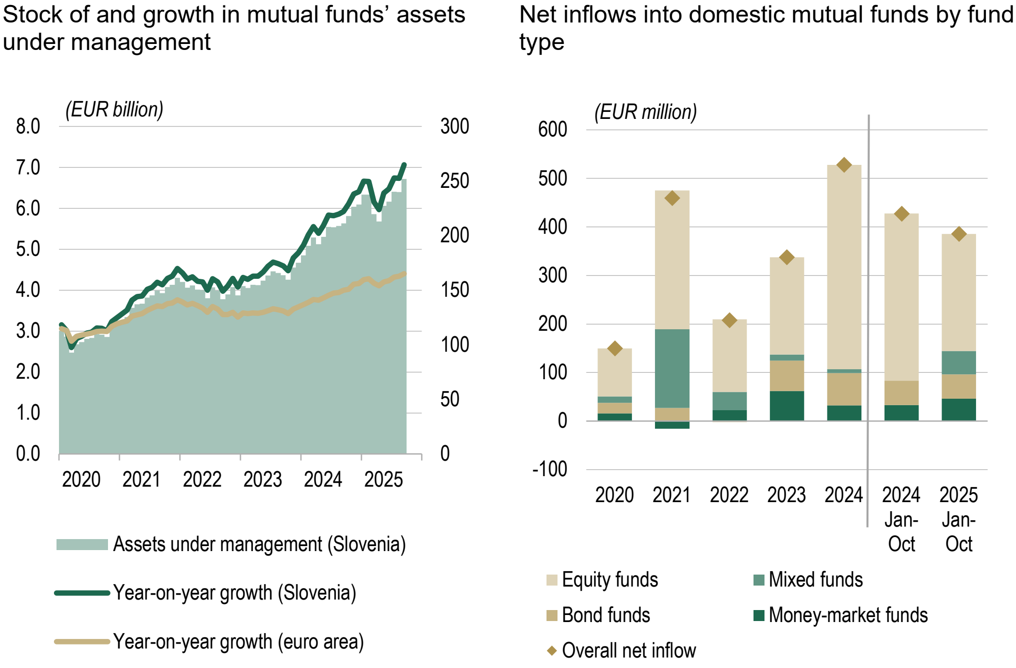
Note: The indices featured in the left chart are the NASDAQ New York for US tech, SPX for the US, the STOXX Europe 600 for western Europe, the SBITOP for Slovenia and the MSCI World Net Total Return Index for global equities. The data in the chart is up to November 2025 inclusive.
Sources: Eurostat, Banka Slovenije.

The increased uncertainty and volatility on the share markets had an impact on net inflows into mutual funds. The domestic mutual funds recorded net inflows of EUR 385.2 million over the first ten months of this year, down 9.8% on the same period last year. A pronounced decline in net inflows was evident in March, April and May, when share markets were hit by uncertainty owing to the announcements of US tariffs.

If these three months are excluded from the analysis, this year's inflows into mutual funds are higher than last year's. Amid the improved situation on the share markets, high net inflows have mainly been evident in recent months. Equity funds have again been favoured this year, while households remain the largest investors in the domestic mutual funds.

Favourable valuations on stock markets were a factor in the growth in the domestic mutual funds' assets under management. Assets under management increased by 15.6% over the first ten months of the year to reach EUR 7.2 billion. The main reason for the significant increase was revaluations of assets under management. Equity funds are prevalent, and account for 70.8% of the total assets under management of the domestic mutual funds. They were followed by mixed funds with 19.6%, bond funds with 6.5%, and money-market funds with the remaining 3.1%.

Figure 7.2: **Domestic mutual funds' assets under management and inflows**

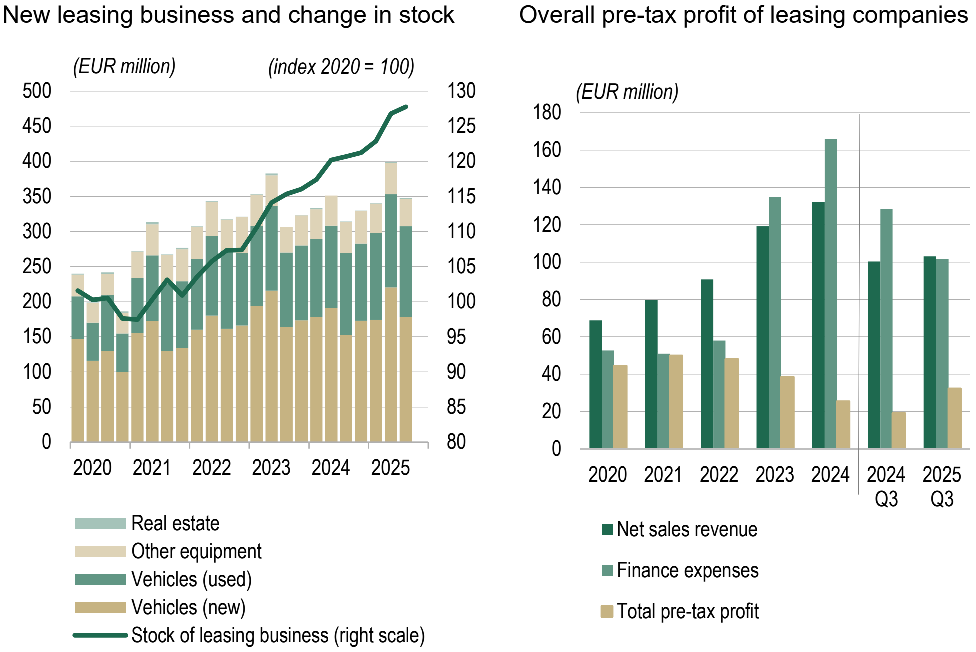


Note: The left chart does not include money-market funds. The data in the chart is up to September 2025 inclusive.
Sources: ECB SDW, SMA, Banka Slovenije.

8 Performance of Leasing Companies

New leasing business over the first three quarters of 2025 was up in year-on-year terms. New leasing business amounted to EUR 1.1 billion over the aforementioned period, up 8.7% in year-on-year terms. Just over half of the new business was entered into with households, and the remainder with NFCs. Leasing companies in Slovenia mostly finance vehicle purchases. Cars accounted for a large majority of new leases in terms of value (67.3%), and commercial and goods vehicles for 20.9%. The majority of the new business was entered into with an original maturity of one to five years. The share of new business with a fixed interest rate stood at 56.5% at the end of the third quarter of this year, down slightly (2 percentage points) on the second quarter. The stock of leasing business amounted to EUR 2.9 billion at the end of September of this year, up 5.9% in year-on-year terms. Households account for the majority of the stock (60.4%), and NFCs for 38.8%.

Figure 8.1: **New leasing business and profit of leasing companies**



Source: Banka Slovenije.

The fall in interest rates is improving the profitability of leasing companies. Leasing companies' pre-tax profit amounted to EUR 32.3 million over the first three quarters of this year, up 68.9% in year-on-year terms as a result of a decline in funding costs. Their total assets amounted to EUR 3.3 billion at the end of the aforementioned period, up 5.8% in year-on-year terms. The quality of leasing business remains high. The proportion of claims more than 90 days in arrears stood at 0.7% at the end of September. The arrears remain highly concentrated: three leasing companies account for more than 75% of the arrears.

9 Bank Lending Survey

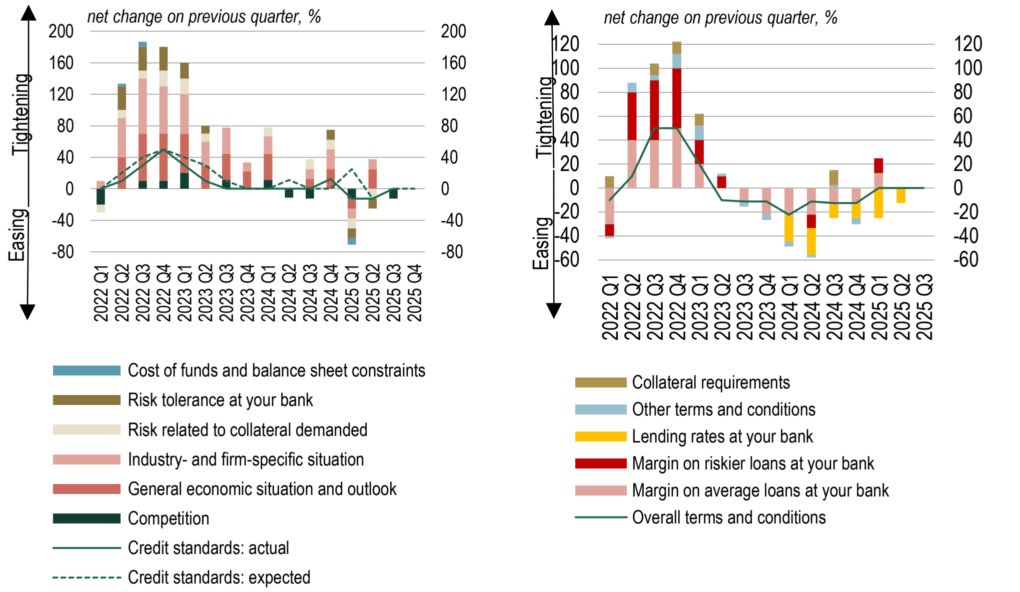
In the Bank Lending Survey (BLS) banks are reporting only minor changes in credit standards.[16] There were no changes in credit standards in the third quarter for either loans to NFCs or household loans,[17] minor change having been seen over the preceding three quarters. Overall credit standards showed no change vis-à-vis small enterprises or large enterprises. The only factors cited as driving a change in credit standards were a slight increase in competition from other banks; no other factors were cited. Over the preceding two years banks had cited the general economic situation and outlook and the industry-specific situation and outlook as factors driving a tightening of credit standards. Several banks cited the creditworthiness of consumers as a factor driving the tightening of credit standards for consumer loans.

In the previous quarter banks were forecasting a moderate tightening of credit standards for the third quarter for consumer loans alone, with standards otherwise unchanged. The realisation in the third quarter thus showed virtually no deviation from the banks' expectations, while a small number of banks are expecting a slight tightening of standards for consumer loans in the final quarter.[18]

Figure 9.1: **Credit standards and terms and conditions for corporate loans**

Credit standards for corporate loans

Terms and conditions for corporate loans



Note: Lending rates have been included among the loan terms and conditions as part of the BLS questionnaire since the first quarter of 2024 inclusive. "Margins" are defined as the spread over relevant market reference rates. "Other terms and conditions" is the simple average of "non-interest rate charges", "size of the loan or credit line", "loan covenants" and "maturity". The same applies everywhere below with regard to loan terms and conditions. For other notes in connection with credit standards and demand for loans, see the appendix on the BLS.
Source: Banka Slovenije.

[16] The euro area Bank Lending Survey (BLS). The banks in the BLS sample in Slovenia (eight banks as of August 2024) accounted for 83.0% of total corporate loans, 93.8% of total housing loans and 92.4% of total consumer loans in October 2025 according to data on an individual basis. For more on the definitions of credit standards, loan terms and conditions, and demand for loans within the framework of the BLS in the euro area as referred to below, see the ECB website (https://www.ecb.europa.eu//stats/pdf/ecbblsglossary.en.pdf).

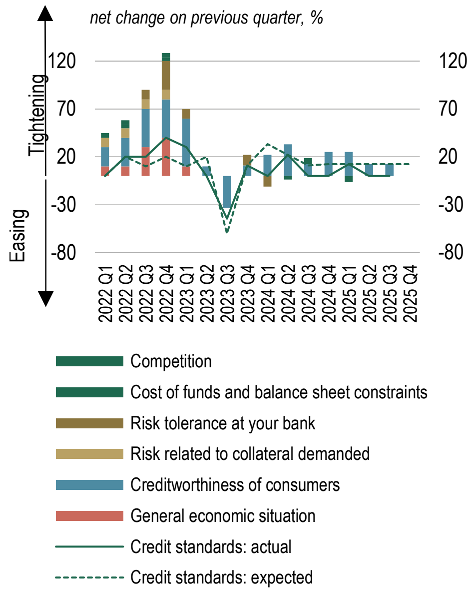
[17] In the BLS banks report changes in standards, terms and conditions, and demand with regard to the previous quarter. The changes are illustrated in net percentages. The net percentages for credit standards refer to the changes over the last three months, and are defined as the difference between the percentage of banks reporting a tightening and the percentage of banks reporting an easing of credit standards. The same applies to loan terms and conditions. Demand for loans is illustrated as net percentages defined as the difference between the total percentage of banks reporting for example an increase in demand and the total percentage of banks reporting a decrease in demand.

[18] A comprehensive overview of credit standards and demand for loans in Slovenia and in the euro area can be found in the appendix. Only the slightly more prominent disclosures are illustrated in the figures below.

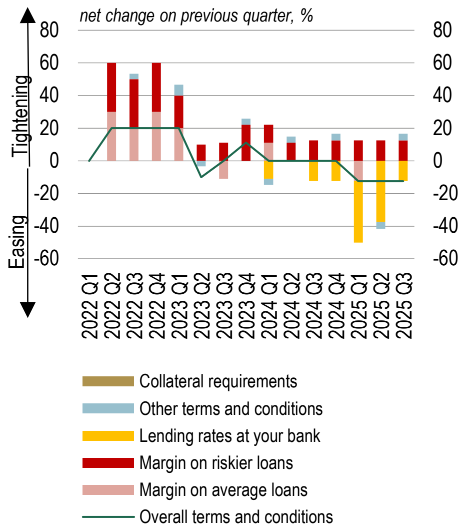
Loan terms and conditions remain virtually unchanged. For the third consecutive quarter banks did not report any changes in (overall) terms and conditions for corporate loans, these having eased over a longer period from the second quarter of 2023 to the end of 2024. In contrast to the preceding quarters, the interest rates and margins on average corporate loans in the third quarter of this year were no longer driving an easing of loan terms and conditions. Competition from other banks had been the key factor driving an easing of loan terms and conditions for more than a year and a half, but in the third quarter it was no longer cited. Banks are reporting a slight easing of terms and conditions for housing loans and consumer loans. Loan interest rates, which last year and this year have been the most important factor driving an easing of the terms and conditions, are currently having an impact solely on the terms and conditions for consumer loans. Pressure from competition remains an extremely important factor for household loans of both types.

Figure 9.2: **Credit standards and terms and conditions for consumer loans**

Credit standards for consumer loans



Terms and conditions for consumer loans

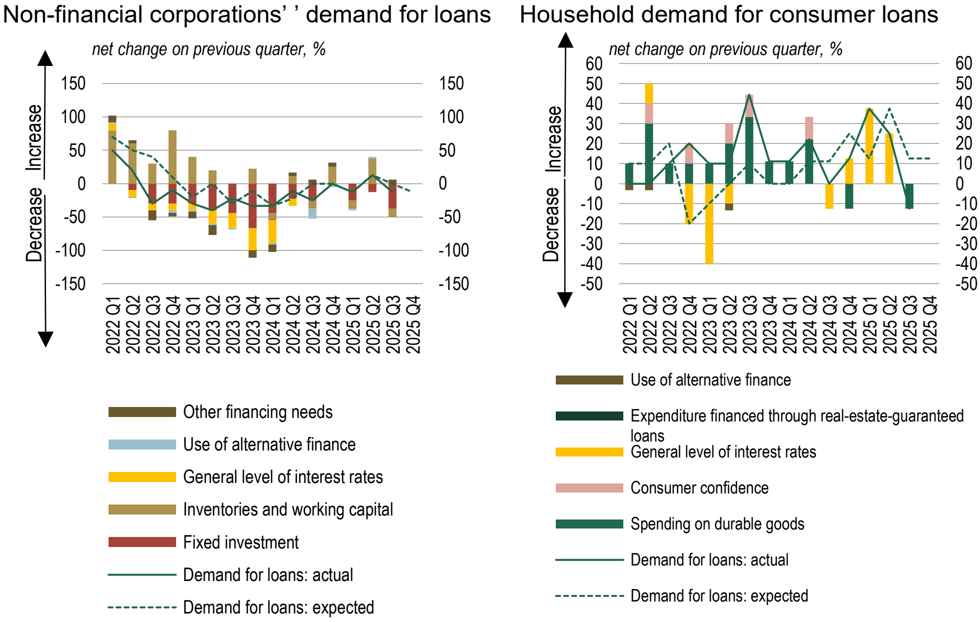


Note: “Margins” are defined as the spread over a relevant market reference rate. “Other terms and conditions” is the simple average of “size of the loan”, “non-interest rate charges” and “maturity”.
Source: Banka Slovenije.

Similarly to the last few years, individual banks are reporting reduced demand for corporate loans in the third quarter. The main factor cited by banks as driving a decline in demand was fixed investment, while some also cited inventories and working capital, both to a similar degree for SMEs and large enterprises. Banks last reported an increase in demand supported by fixed investment in the second quarter of 2022.

One bank reported a decline in demand for consumer loans, while one reported an increase in demand for housing loans in the third quarter. Consumer confidence and the general level of interest rates were still acting to increase demand for housing loans, while spending on durable goods was acting to reduce demand for consumer loans. Banks are expecting a decline in demand for corporate loans in the final quarter, a significant decline in demand for housing loans, and a moderate increase for consumer loans.

Figure 9.3: **Corporate demand for loans and household demand for consumer loans**



Source: Banka Slovenije.

Credit standards for corporate loans tightened slightly in the euro area overall,[19] as they did for consumer loans, while those for housing loans remained unchanged. The tightening of credit standards was related to perceived risks to the industry-specific situation and perceived risks to the economic outlook, and to the huge geopolitical uncertainty. Risk perception was also the main factor in the tightening for consumer loans. Banks are expecting no change in standards for corporate loans in the next quarter, and a slight tightening for housing loans and consumer loans. Overall terms and conditions for corporate loans remained unchanged, while standards in both household loan segments were eased. The loan margins on average loans are being reduced for corporate loans, while a fall in interest rates acted to ease terms and conditions for housing loans and consumer loans. Banks are also reporting an increase in application rejections for all types of loan.

Demand for corporate loans in the euro area once again increased by a fraction, but remained weak, while demand for housing loans strengthened further. Non-financial corporations' demand for loans was supported in the third quarter by falling lending rates and by increased financing needs for debt refinancing or debt restructuring. Several banks referred to a dampening impact on loan demand from global uncertainty and the related trade tensions. In the household segment banks in the euro area again reported a significant increase in demand for housing loans in the third quarter, while demand for consumer loans remained unchanged. Housing market prospects and falling interest rates were the primary drivers of the increase in demand for housing loans. The increase in demand for loans of this type was smaller than in the previous quarter, but nevertheless larger than expected.

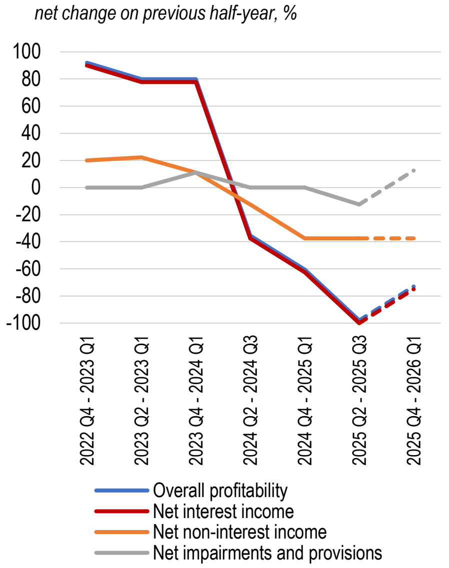
In the ad hoc section of the BLS Slovenian banks report a slight easing of the financing conditions, a tightening impact on credit standards from NPL ratios, and a negative impact on net interest income and profitability from the ECB's key interest rates, and it is a similar story with banks in the euro area overall. Banks saw an easing of financing conditions via deposits in the third quarter of this year. This applies to short-term financing, while they reported a slight tightening in the long-term segment. Banks are not citing any changes regarding the money market and wholesale

[19] For comparison, see also the appendix to the BLS at the end of the monthly report on bank performance, where the credit standards and demand for loans are illustrated for Slovenia and for the euro area overall.

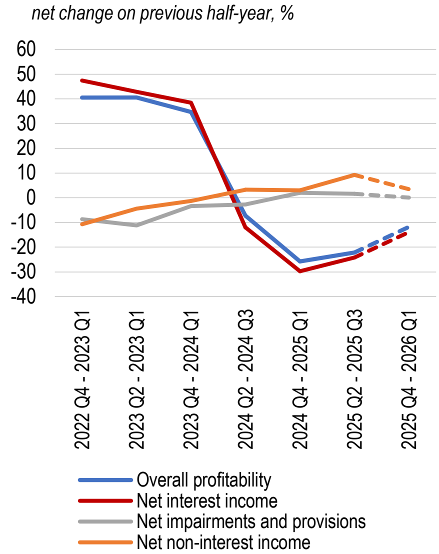
funding, while banks in the euro area overall identified an easing of financing conditions in the final quarter via securities. The NPL ratio and other loan quality indicators drove a tightening of loan policy and credit standards for all types of loan in Slovenia in the third quarter, most notably for corporate loans, while a moderate tightening impact on credit standards from a rise in the NPL ratio was cited by banks in the euro area for corporate loans, and also for consumer loans in the preceding two quarters. All banks in Slovenia included in the BLS stated that the ECB's key interest rate decisions had a negative impact on their net interest income, where the decisive factor that they cited was price effects (changes in bank interest rates). Banks also highlighted negative quantity effects as a result of change in the ECB's key interest rates (albeit to a lesser degree). Banks are expecting a similar, albeit less pronounced, impact on net interest income and profitability from interest rates over the next six months. Over the last six months banks have reported a moderate negative impact on net fees and commission from interest rates, and a pronounced decline in net non-interest income, but the balance sheet data does not confirm this. Regarding their expectations of developments in the aforementioned categories for the next six months, banks gave the same answers as for the last six months. Changes in interest rates did not have a significant impact on net impairments and provisions according to banks. They reported a moderate negative impact on profitability for the previous six months but are actually expecting a small positive impact on profitability over the next six months. The survey at euro area level also reveals a significant negative impact on net interest income and profitability from the ECB's key interest rates. Within the net interest income category, banks are citing a positive impact from volume, i.e. quantity effects. Banks in the euro area overall have reported a positive impact on non-interest income over the last year in contrast to banks in Slovenia, but see a very balanced impact on profitability from net impairments and provisions, similarly to banks in Slovenia.

Figure 9.4: **Impact of ECB key interest rate decisions on bank profitability in Slovenia and in the euro area**

Impact of ECB key interest rate decisions on categories in Slovenia



Impact of ECB key interest rate decisions on categories in the euro area



Note: The net percentages are defined as the difference between the sum of percentages of banks responding "increased considerably" and "increased somewhat" and the sum of the percentages of the banks responding "decreased somewhat" and "decreased considerably". The net percentages are inverted in the case of net impairments and provisions, where greater need for the net creation of impairments and provisions entails a decline in profitability, and reduced need for the net creation of impairments and provisions entails an increase. The final data denotes expectations for the next six months. The banks' responses for net interest income and profitability (in general) in Slovenia generally overlap, i.e. for much of the past they form a single line.
Source: Banka Slovenije.

10 Risk and Resilience Dashboard

The assessment of the general level of risks to the banking system remains stable in the final quarter, while the resilience of the banking system remains high. The uncertainties and risks present in the international environment are gradually being transmitted into the domestic economy. Bank performance nevertheless remains good approaching the end of 2025. Accumulated risks in the international environment are increasing uncertainty in the domestic economy, which is only being reflected in credit risk to a limited extent. Since the credit risk assessment was raised at the beginning of this year to moderate with a stable outlook, in recent months the situation has worsened slightly further, particularly at NFCs. Consequently, compared to the previous risk and resilience assessment published in the Financial Stability Report in October of 2025, the outlook for credit risk has been downgraded. However, these changes remain limited to a small number of sectors, or individual firms. By contrast, inflation in the euro area overall is close to its target rate, and there is therefore an expectation in the wake of the stabilisation of interest rates that income will remain above its level from before the interest rate rises in 2022. Income risk thus remains low, and the outlook has been upgraded to stable. The other risk assessments and outlooks remain unchanged.

Table 10.1: **Banka Slovenije's risk and resilience dashboard for the Slovenian financial system**

Risk and Resilience Dashboard

	Q4 2021	Q4 2022	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Trend of change
Systemic risks												
Risk inherent in the real estate market	elevated	elevated	moderate	moderate	moderate	moderate	moderate	moderate	moderate	moderate	moderate	⇨
Funding risk in the banking system	moderate	moderate	moderate	moderate	moderate	moderate	moderate	moderate	moderate	moderate	moderate	⇨
Interest rate risk in the banking system	moderate	elevated	elevated	moderate	moderate	moderate	moderate	moderate	moderate	moderate	moderate	⇧
Credit risk in the banking system	elevated	elevated	moderate	moderate	low	low	low	moderate	moderate	moderate	moderate	⇧
Income risk in the banking system	elevated	moderate	low	low	low	low	low	low	low	low	low	⇨
Risk inherent in the performance of leasing companies	moderate	moderate	low	low	low	low	low	low	low	low	low	⇨
Cyber risk	moderate	moderate	moderate	elevated	elevated	elevated	elevated	elevated	elevated	elevated	elevated	⇨
Climate risks	moderate	moderate	moderate	moderate	moderate	moderate	moderate	moderate	moderate	moderate	moderate	⇨
Resilience to systemic risks												
Solvency and profitability of the banking system	medium	medium	medium	high	high	high	high	high	high	high	high	⇨
Liquidity of the banking system	high	high	high	high	high	high	high	high	high	high	high	⇨

Colour code:

Risk	low	moderate	elevated	high
Resilience	high	medium	low	very low

Note: The colour code in the risk and resilience dashboard relates to the assessment for up to one quarter in advance. The arrow illustrates the expected change in risk or resilience in the scale (up or down) over a slightly longer horizon of around one year. For risks, an up arrow means an increase in risk, and vice-versa, while for resilience it means strengthening, and vice-versa. The risk and resilience dashboard is based on analysis of key risks and resilience in the Slovenian banking system, and is defined as the set of quantitative and qualitative indicators for defining and measuring systemic risks and resilience.
Source: Banka Slovenije

The banking system's resilience to systemic risks continues to be assessed as high and stable in the segment of solvency and profitability, and in the segment of liquidity. The solvency of the banking system remains sound, while although down on last year, this year's profits are still allowing for capital adequacy to be strengthened. Liquidity resilience also remains high, with no change in the outlook.

11 Appendix

Highlights of banks' performance and financial statements

Table 11.1: **Banking system balance sheet as at 31 October 2025**

	Stock	Breakdown	Stock	Breakdown	Stock	Breakdown	Increase		Growth, %	
(EUR million unless stated)	**Dec. 09**	**(%)**	**Dec. 24**	**(%)**	**Oct. 25**	**(%)**	**Oct. 25**	**in 2025**	**Oct. 25**	**y-o-y**
Assets	**52,009**	**100.0**	**54,236**	**100.0**	**56,791**	**100.0**	**485.9**	**2,554.6**	**0.9**	**5.3**
Cash on hand, balances at CB and sight deposits at banks	**1,468**	**2.8**	**8,854**	**16.3**	**7,349**	**12.9**	**112.1**	**-1,504.6**	**1.5**	**-21.9**
Loans to banks at amortised cost (including central bank)	**5,763**	**11.1**	**1,450**	**2.7**	**1,914**	**3.4**	**63.1**	**464.0**	**3.4**	**26.4**
domestic banks	3,531	6.8	181	0.3	120	0.2	-5.4	-61.4	-4.3	-42.2
foreign banks	2,232	4.3	1,269	2.3	1,795	3.2	68.5	525.4	4.0	37.2
short-term loans to banks	3,020	5.8	674	1.2	1,184	2.1	17.9	509.5	1.5	66.8
long-term loans to banks	2,743	5.3	776	1.4	731	1.3	45.2	-45.5	6.6	-9.3
Loans to non-banking sector*	**34,132**	**65.6**	**28,405**	**52.4**	**30,337**	**53.4**	**309.7**	**1,931.3**	**1.0**	**7.0**
of which non-financial corporations	20,201	38.8	9,762	18.0	10,373	18.3	205.3	610.8	2.0	3.5
households	8,072	15.5	13,311	24.5	14,243	25.1	125.5	932.2	0.9	7.9
of which housing			8,473	15.6	9,083	16.0	73.3	610.2	0.8	8.1
consumer			3,161	5.8	3,446	6.1	32.4	285.6	0.9	10.2
government	735	1.4	1,451	2.7	1,516	2.7	-7.8	64.4	-0.5	11.1
other financial institutions	2,719	5.2	1,968	3.6	2,047	3.6	-5.9	78.5	-0.3	5.7
non-residents	2,354	4.5	1,888	3.5	2,137	3.8	-6.6	248.8	-0.3	18.9
Other FA classed as loans and receivables (at amortised cost)	**0**	**0.0**	**195**	**0.4**	**289**	**0.5**	**17.7**	**94.2**	**6.5**	**-3.5**
Securities / financial assets (FA)**	**8,907**	**17.1**	**13,112**	**24.2**	**14,593**	**25.7**	**-25.1**	**1,481.2**	**-0.2**	**18.9**
a) FA held for trading	**890**	**1.7**	**90**	**0.2**	**82**	**0.1**	**-2.9**	**-8.6**	**-3.4**	**1.0**
of which debt securities	381	0.7	10	0.0	19	0.0	2.6	9.1	15.6	382.0
... government debt securities	30	0.1	10	0.0	19	0.0	2.6	9.1	15.6	382.0
b) FA measured at FV through P&L not held for trading	**0**	**0.0**	**88**	**0.2**	**44**	**0.1**	**-0.1**	**-43.7**	**-0.2**	**-46.1**
of which debt securities	0	0.0	1	0.0	0	0.0	0.0	-0.8	1.5	-57.4
c) FA designated for measurement at FV through P&L	**270**	**0.5**	**0**	**0.0**	**0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
of which debt securities	264	0.5	0	0.0	0	0.0	0.0	0.0	0.0	0.0
... government debt securities	0	0.0	0	0.0	0	0.0	0.0	0.0	0.0	0.0
d) FA measured at FV through other comprehensive income	**6,237**	**12.0**	**4,004**	**7.4**	**4,478**	**7.9**	**13.7**	**474.2**	**0.3**	**13.5**
of which debt securities	5,627	10.8	3,766	6.9	4,231	7.4	13.1	464.5	0.3	13.5
... government debt securities	3,870	7.4	2,871	5.3	3,112	5.5	-19.7	241.0	-0.6	10.1
e) Debt securities at amortised cost	**1,511**	**2.9**	**8,929**	**16.5**	**9,989**	**17.6**	**-35.8**	**1,059.2**	**-0.4**	**22.3**
of which government debt securities	1,231	2.4	6,178	11.4	7,247	12.8	-49.8	1,068.9	-0.7	31.4
Investments in subsidiaries, joint ventures and associates	**696**	**1.3**	**1,261**	**2.3**	**1,371**	**2.4**	**0.0**	**109.6**	**0.0**	**13.5**
Other assets	**1,042**	**2.0**	**958**	**1.8**	**937**	**1.6**	**8.5**	**-20.9**	**0.9**	**5.8**
Equity and liabilities	**52,009**	**100.0**	**54,236**	**100.0**	**56,791**	**100.0**	**485.9**	**2,554.6**	**0.9**	**5.3**
Financial liabilities measured at amortised cost (deposits)	**46,927**	**90.2**	**46,995**	**86.6**	**49,284**	**86.8**	**380.2**	**2,289.0**	**0.8**	**5.3**
a) Financial liabilities to central bank (Eurosystem)	**2,121**	**4.1**	**0**	**0.0**	**0**	**0.0**	**0.0**	**0.0**	**0**	
b) Liabilities to banks	**15,949**	**30.7**	**1,484**	**2.7**	**1,498**	**2.6**	**-52.8**	**13.6**	**-3.4**	**-10.0**
of which to domestic banks	2,920	5.6	286	0.5	232	0.4	-2.3	-53.4	-1.0	-39.5
foreign banks	13,024	25.0	1,199	2.2	1,266	2.2	-50.5	67.0	-3.8	-1.2
c) Liabilities to non-banking sector (deposits by NBS)	**23,892**	**45.9**	**41,625**	**76.7**	**43,497**	**76.6**	**204.5**	**1,871.9**	**0.5**	**5.9**
of which to non-financial corporations	3,850	7.4	10,910	20.1	11,604	20.4	293.1	693.3	2.6	7.5
households	14,049	27.0	27,309	50.4	28,470	50.1	-4.5	1,161.5	0.0	5.7
government	4,008	7.7	769	1.4	809	1.4	-37.0	39.9	-4.4	5.8
other financial institutions	1,130	2.2	824	1.5	745	1.3	-48.5	-79.3	-6.1	-0.6
non-residents	537	1.0	1,235	2.3	1,275	2.2	8.5	39.9	0.7	0.9
d) Debt securities	**3,442**	**6.6**	**3,504**	**6.5**	**3,704**	**6.5**	**76.1**	**199.3**	**2.1**	**4.9**
e) Other financial liabilities measured at amortised cost***	**1,523**	**2.9**	**381**	**0.7**	**586**	**1.0**	**152.3**	**204.3**	**35.2**	**12.2**
Provisions	**175**	**0.3**	**204**	**0.4**	**198**	**0.3**	**-1.0**	**-6.0**	**-0.5**	**8.8**
Shareholder equity	**4,310**	**8.3**	**6,681**	**12.3**	**6,989**	**12.3**	**89.2**	**308.0**	**1.3**	**5.7**
Other liabilities	**597**	**1.1**	**356**	**0.7**	**320**	**0.6**	**17.6**	**-36.4**	**5.8**	**-7.7**
Balance sheet total	**52,009**	**100.0**	**54,236**	**100.0**	**56,791**	**100.0**	**485.9**	**2,554.6**	**0.9**	**5.3**

Notes: * Loans to non-banking sector not held for trading are defined on the basis of the methodology for producing the recapitulation of the statement of financial position, and comprise loans and other financial assets at amortised cost (from A.VI), at fair value through profit or loss (from A.III) and at fair value through other comprehensive income (from A.IV).

** 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.20

Source: Banka Slovenije.

[20] 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.

Table 11.2: **Income statement for 2009, 2023, 2024 and 2025**

(EUR million unless stated)	2009	Breakdown (%)	2023	Breakdown (%)	2024	Breakdown (%)	2024 Jan-Oct	Breakdown (%)	2025 Jan-Oct	Breakdown (%)	Year-on-year change, % Jan-Oct 24 to Jan-Oct 25
Interest income	2,114.7		1,832.3		2,122.8		1,782.9		1,533.6		-14.0
Interest expenses	1,175.1		390.2		556.6		470.6		363.8		-22.7
Net interest	**939.6**	**65.2**	**1,442.1**	**72.9**	**1,566.2**	**68.5**	**1,312.3**	**68.3**	**1,169.8**	**63.0**	**-10.9**
Non-interest income	**500.5**	**34.8**	**535.4**	**27.1**	**720.0**	**31.5**	**608.1**	**31.7**	**687.4**	**37.0**	**13.0**
of which net fees and commission	342.7	23.8	387.0	19.6	419.4	18.3	348.2	18.1	365.7	19.7	5.0
of which net gains/losses on financial assets and liabilities held for trading	41.5	2.9	9.5	0.5	24.2	1.1	17.2	0.9	11.5	0.6	-33.2
Gross income	**1,440.2**	**100.0**	**1,977.5**	**100.0**	**2,286.1**	**100.0**	**1,920.4**	**100.0**	**1,857.2**	**100.0**	**-3.3**
Operating costs	**-777.0**	**-54.0**	**-830.2**	**-42.0**	**-1,015.7**	**-44.4**	**-824.1**	**-42.9**	**-843.5**	**-45.4**	**2.4**
Net income	**663.2**	**46.0**	**1,147.4**	**58.0**	**1,270.5**	**55.6**	**1,096.3**	**57.1**	**1,013.7**	**54.6**	**-7.5**
Net impairments and provisions	**-501.0**	**-34.8**	**-10.2**	**-0.5**	**-70.5**	**-3.1**	**-53.9**	**-2.8**	**-94.7**	**-5.1**	**75.7**
Pre-tax profit	**162.1**	**11.3**	**1,137.2**	**57.5**	**1,199.9**	**52.5**	**1,042.4**	**54.3**	**919.0**	**49.5**	**-11.8**
Taxes	-39.1		-38.9		-124.9		-135.9		-105.0		-22.8
Net profit	123.0		1,098.3		1,075.0		906.5		814.0		-10.2

Source: Banka Slovenije.

Table 11.3: **Selected performance indicators**

(%)	2019	2020	2021	2022	2023	2024	2024 Jan-Oct	2025 Jan-Oct	Oct.2024 (last 12 months)	Oct. 2025 (last 12 months)
Profitability										
Financial intermediation margin*	3.13	3.16	2.58	2.68	3.86	4.28	4.34	4.02	4.26	4.01
ROA	1.48	1.10	1.20	1.11	2.22	2.25	2.35	1.98	2.35	1.94
ROE	12.16	9.57	11.33	10.82	20.64	18.92	20.24	16.48	20.12	15.92
Net interest margin on interest-bearing assets	1.79	1.57	1.41	1.61	2.95	3.09	3.12	2.67	3.14	2.71
Net non-interest income / operating costs	80.84	100.35	80.95	74.89	64.50	70.88	73.79	81.49	68.58	77.21
Operating costs										
Labour costs / average assets	1.00	0.90	0.85	0.84	0.87	0.94	0.90	0.90	0.93	0.94
Other costs / average assets	0.77	0.77	0.69	0.71	0.75	0.96	0.95	0.92	0.93	0.93
Asset quality										
Ratio of allowances for credit losses on loans to banks and non-banking sector not held for trading to gross assets	1.53	1.59	1.14	1.03	0.98	1.09	1.04	1.13	/	/

* Gross income / average assets
Source: Banka Slovenije.

Bank interest rates

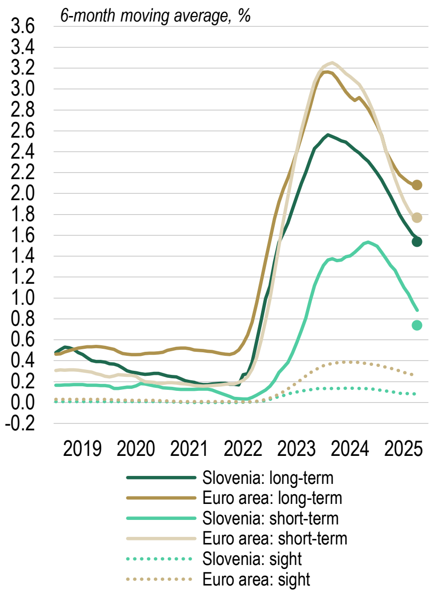
Table 11.4: **Comparison of interest rates on new variable-rate loans in Slovenia with the euro area overall**

	Interest rate	Loans								Household deposits			
		Households				Corporates				up to 1 year		over 1 year	
		Housing		Consumer		up to EUR 1m		over EUR 1m					
(%)	ECB	EA	SLO	EA	SLO	EA	SLO	EA	SLO	EA	SLO	EA	SLO
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	4.7	1.9	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	1.3	1.5	0.2	0.2	0.5	0.4
Dec 20	0.00	1.4	1.8	5.0	4.5	1.8	2.3	1.3	1.8	0.2	0.1	0.5	0.3
Dec 21	0.00	1.3	1.6	5.1	4.7	1.7	1.9	1.1	1.4	0.2	0.1	0.5	0.2
Dec 22	2.50	3.1	3.8	6.7	6.7	3.7	4.0	3.4	3.7	1.4	0.2	1.9	1.4
Jan 23	2.50	3.5	4.4	7.4	6.8	4.0	4.4	3.5	4.2	1.5	0.2	2.0	1.4
Feb 23	3.00	3.7	4.6	7.5	6.7	4.3	4.4	3.7	3.9	1.9	0.4	2.2	1.5
Mar 23	3.50	3.9	4.7	7.8	5.2	4.6	4.3	4.1	4.4	2.1	0.6	2.2	1.9
Apr 23	3.50	4.1	4.8	8.3	6.7	4.8	4.5	4.3	4.8	2.3	0.4	2.3	1.9
May 23	3.75	4.2	5.2	8.4	6.3	5.0	4.8	4.5	5.3	2.5	0.5	2.4	2.0
Jun 23	4.00	4.4	5.1	7.0	6.6	5.2	5.0	4.8	5.0	2.7	0.7	2.6	2.2
Jul 23	4.00	4.6	5.5	8.4	7.1	5.4	5.2	4.9	5.0	2.8	0.9	2.8	2.3
Aug 23	4.25	4.7	5.7	8.7	6.7	5.4	5.0	5.0	4.8	3.1	1.1	3.0	2.3
Sep 23	4.50	4.7	5.4	8.5	6.5	5.5	5.3	5.0	5.2	3.1	1.3	3.0	2.6
Oct 23	4.50	4.8	5.5	8.3	6.9	5.6	5.6	5.2	5.7	3.3	1.5	3.2	2.6
Nov 23	4.50	4.9	5.7	7.3	6.8	5.6	5.5	5.1	5.3	3.3	1.3	3.3	2.6
Dec 23	4.50	4.9	5.8	7.6	6.7	5.5	5.4	5.2	5.5	3.3	1.3	3.3	2.5
Jan 24	4.50	4.9	5.3	8.0	6.9	5.4	5.4	5.1	5.2	3.2	1.4	3.1	2.5
Feb 24	4.50	4.8	5.2	7.7	6.3	5.5	5.5	5.1	5.8	3.2	1.4	3.0	2.5
Mar 24	4.50	4.8	5.3	8.1	7.0	5.4	5.2	5.2	5.3	3.2	1.4	3.0	2.5
Apr 24	4.50	4.8	5.8	8.1	6.6	5.3	5.2	5.2	5.7	3.1	1.3	2.9	2.5
May 24	4.50	4.8	5.7	7.6	6.3	5.4	5.0	5.0	5.6	3.1	1.4	2.9	2.5
Jun 24	4.25	4.8	5.4	7.4	6.1	5.3	4.8	5.0	5.5	3.0	1.5	2.9	2.4
Jul 24	4.25	4.8	5.4	7.6	6.4	5.2	5.0	5.1	4.8	3.0	1.5	2.8	2.3
Aug 24	4.25	4.7	5.1	7.9	6.4	5.2	5.0	5.0	4.9	3.0	1.6	2.8	2.3
Sep 24	3.65	4.6	4.9	7.6	6.6	5.0	4.8	4.7	5.3	3.0	1.6	3.1	2.3
Oct 24	3.40	4.4	5.2	7.2	6.0	4.8	4.8	4.6	4.9	2.7	1.6	2.6	2.2
Nov 24	3.40	4.3	5.0	6.5	5.7	4.7	4.4	4.4	4.4	2.6	1.5	2.5	2.2
Dec 24	3.15	4.2	5.0	6.8	5.4	4.6	4.3	4.2	4.3	2.5	1.4	2.5	2.1
Jan 25	3.15	4.1	4.1	7.2	5.8	4.4	4.1	4.1	4.1	2.3	1.4	2.4	2.0
Feb 25	2.90	4.0	4.3	6.8	6.1	4.3	4.3	3.9	4.7	2.2	1.2	2.3	1.9
Mar 25	2.65	3.9	4.0	7.0	6.0	4.1	3.9	3.7	4.0	2.1	1.3	2.2	1.8
Apr 25	2.40	3.9	3.8	6.9	5.2	3.9	3.9	3.5	4.6	2.0	1.2	2.2	1.8
May 25	2.40	3.7	3.5	6.8	5.8	3.8	3.6	3.3	3.8	1.8	1.2	2.2	1.7
Jun 25	2.15	3.6	3.5	6.7	5.0	3.7	3.5	3.3	3.1	1.8	0.9	2.2	1.6
Jul 25	2.15	3.6	3.5	6.7	5.4	3.6	3.8	3.3	3.7	1.7	0.9	2.2	1.6
Aug 25	2.15	3.6	3.7	7.1	5.3	3.6	3.6	3.1	4.1	1.7	0.8	2.1	1.6
Sep 25	2.15	3.5	3.6	6.7	5.3	3.6	3.7	3.2	4.1	1.7	0.8	2.1	1.5
Oct 25	2.15	3.5	3.7	6.4	5.8	3.7	3.8	3.2	3.6	1.8	0.7	2.1	1.5

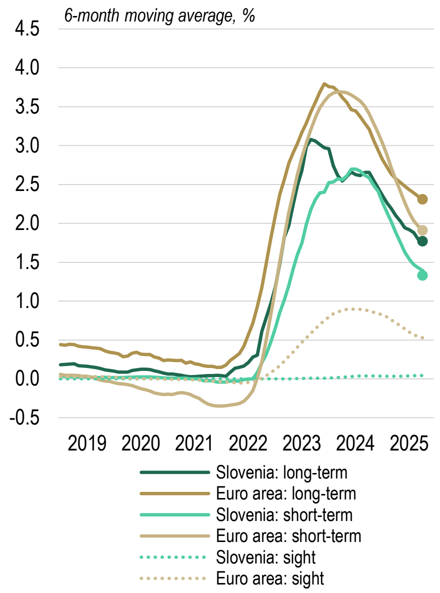
Note: Household deposits are itemised by maturity, irrespective of type of remuneration (fixed-rate and variable-rate deposits are combined).
Sources: Banka Slovenije, ECB.

Figure 11.1: **Average interest rates on new deposits**

Average interest rates on new household deposits



Average interest rates on new deposits by NFCs



Note: The dots denote the latest data.
Sources: Banka Slovenije, ECB SDW.

Table 11.5: **Comparison of interest rates on new fixed-rate loans in Slovenia with the euro area overall**

	Loans							
	Households				Corporates			
	Housing		Consumer		up to EUR 1m		over EUR 1m	
(%)	EA	SLO	EA	SLO	EA	SLO	EA	SLO
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
Dec 21	1.3	1.7	5.1	6.0	1.6	2.2	1.2	1.2
Dec 22	2.8	3.6	6.4	6.7	3.8	4.7	3.3	3.5
Jan 23	3.0	3.8	7.0	6.8	4.0	5.9	3.4	-
Feb 23	3.1	4.0	7.1	6.8	4.3	5.7	3.6	4.0
Mar 23	3.3	4.0	7.2	6.7	4.4	5.6	3.9	4.6
Apr 23	3.4	4.0	7.4	6.7	4.5	5.7	3.7	4.4
May 23	3.5	4.0	7.6	6.7	4.6	5.5	4.0	4.9
Jun 23	3.6	4.0	7.5	6.7	4.8	6.0	4.1	5.3
Jul 23	3.6	4.0	7.7	6.8	4.9	6.2	4.3	3.8
Aug 23	3.7	4.0	7.8	6.7	5.1	5.9	4.0	4.7
Sep 23	3.7	4.0	7.8	6.7	5.1	5.8	4.2	2.3
Oct 23	3.8	3.9	7.9	6.8	5.2	6.1	4.5	4.2
Nov 23	3.9	3.9	7.9	6.7	5.3	5.9	4.4	4.1
Dec 23	3.8	3.9	7.7	6.8	5.1	6.0	4.4	5.0
Jan 24	3.7	3.9	8.0	6.7	5.1	6.3	4.2	0.6
Feb 24	3.6	3.8	7.9	6.7	5.1	6.1	4.0	1.4
Mar 24	3.6	3.8	7.8	6.6	5.0	6.2	4.2	3.8
Apr 24	3.6	3.7	7.9	6.5	5.1	5.7	4.2	3.5
May 24	3.6	3.6	8.0	6.5	5.2	6.0	4.2	5.2
Jun 24	3.5	3.6	7.7	6.6	5.1	5.7	4.1	4.2
Jul 24	3.5	3.6	7.8	6.6	4.9	5.6	4.1	2.6
Aug 24	3.5	3.5	7.8	6.6	4.9	5.9	4.1	3.3
Sep 24	3.4	3.4	7.8	6.6	4.9	5.4	3.9	3.6
Oct 24	3.4	3.3	7.7	6.5	4.8	5.1	3.9	3.7
Nov 24	3.3	3.2	7.7	6.4	4.7	5.3	3.7	4.9
Dec 24	3.2	3.1	7.5	6.4	4.5	5.0	3.6	3.6
Jan 25	3.0	3.1	7.7	6.3	4.4	5.0	3.7	3.7
Feb 25	3.2	3.0	7.7	6.0	4.3	5.2	3.6	3.2
Mar 25	3.2	3.0	7.6	6.0	4.3	4.9	3.7	6.5
Apr 25	3.2	2.9	7.6	6.0	4.3	5.1	3.7	4.7
May 25	3.2	2.9	7.6	5.9	4.4	4.7	3.7	3.0
Jun 25	3.2	2.9	7.5	5.8	4.4	4.7	3.5	3.1
Jul 25	3.2	2.9	7.5	5.8	4.3	4.8	3.5	3.6
Aug 25	3.3	2.8	7.5	5.7	4.3	4.7	3.6	2.5
Sep 25	3.3	2.8	7.5	5.7	4.4	4.9	3.6	3.8
Oct 25	3.3	2.8	7.4	5.7	4.3	4.3	3.5	3.2

Sources: Banka Slovenije, ECB.

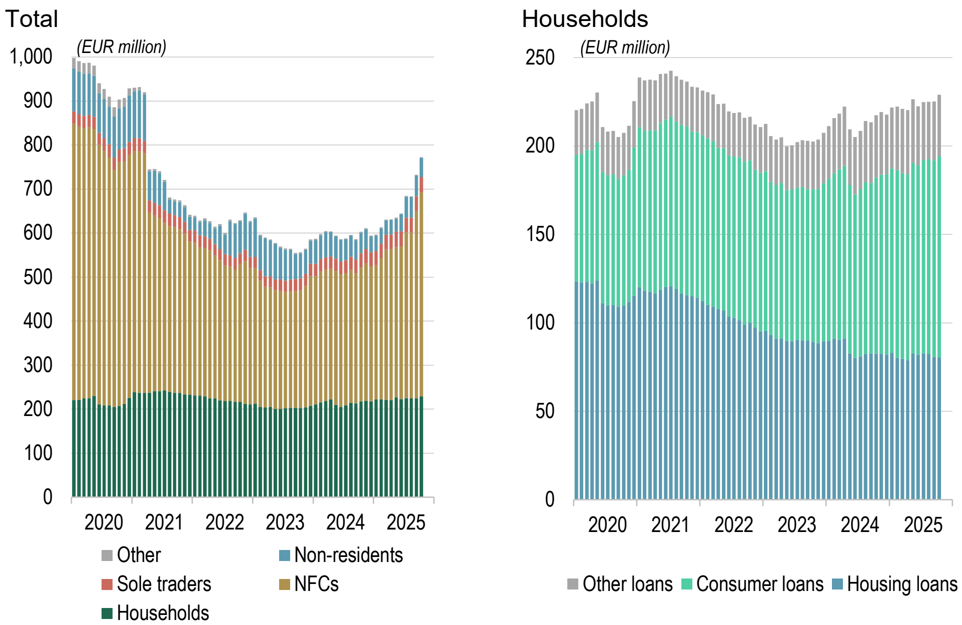
Quality of the banking system's credit portfolio

Table 11.6: **Non-performing exposures by customer segment**

	Exposures		Non-performing exposures (NPEs)							
	stock, EUR million	breakdown, %	stock, EUR million				NPE ratio, %			
	Oct 25	Oct 25	Dec 23	Dec 24	Sep 25	Oct 25	Dec 23	Dec 24	Sep 25	Oct 25
NFCs	18,369	28.7	295	306	425	464	1.8	1.8	2.3	2.5
- large enterprises	9,260	14.5	88	76	177	208	1.0	0.8	1.9	2.2
- SMEs	9,004	14.1	207	230	247	256	2.5	2.7	2.8	2.8
OFIs	2,390	3.7	2	1	1	1	0.2	0.1	0.0	0.0
Households	15,987	25.0	236	250	259	263	1.7	1.7	1.6	1.6
sole traders	797	1.2	28	33	34	34	3.7	4.2	4.2	4.3
individuals	15,189	23.7	207	218	225	229	1.6	1.5	1.5	1.5
- consumer loans	3,585	5.6	89	102	111	114	3.1	3.1	3.1	3.2
- housing loans	9,064	14.2	90	82	81	80	1.1	1.0	0.9	0.9
- other	2,541	4.0	27	32	32	34	1.2	1.3	1.3	1.3
Non-residents	15,152	23.7	53	36	47	43	0.5	0.3	0.3	0.3
Government	5,085	7.9	0	1	0	0	0.0	0.0	0.0	0.0
Banks and savings banks	650	1.0	0	0	0	0	0.0	0.0	0.0	0.0
Central bank	6,360	9.9	0	0	0	0	0.0	0.0	0.0	0.0
Total	**63,996**	**100.0**	**585**	**594**	**732**	**772**	**1.0**	**1.0**	**1.2**	**1.2**

Source: Banka Slovenije.

Figure 11.2: **NPEs**



Source: Banka Slovenije.

Table 11.7: **Non-performing exposures to NFCs by sector**

	Exposures		Non-performing exposures (NPEs)				NPE ratio			
	stock, EUR million	breakdown, %	stock, EUR million				(%)			
	Oct 25	**Oct 25**	**Dec 23**	**Dec 24**	**Sep 25**	**Oct 25**	**Dec 23**	**Dec 24**	**Sep 25**	**Oct 25**
Agriculture, forestry, fishing, mining	123	0.7	3	3	3	3	2.1	2.4	2.2	2.2
Manufacturing	5,376	29.3	109	121	210	255	2.2	2.4	3.9	4.7
Electricity, gas, water, remediation	1,497	8.2	1	3	8	8	0.1	0.2	0.6	0.6
Construction	1,978	10.8	17	26	41	41	1.2	1.5	2.1	2.1
Wholesale and retail trade	3,071	16.7	54	55	50	49	1.8	1.9	1.7	1.6
Transportation and storage	1,325	7.2	21	19	21	20	1.4	1.2	1.6	1.5
Accommodation and food service	567	3.1	32	22	18	18	6.6	4.0	3.1	3.1
Information and communication	863	4.7	3	4	3	3	0.5	0.5	0.4	0.4
Financial and insurance activities	194	1.1	0	0	1	1	0.0	0.0	0.5	0.7
Real estate activities	1,325	7.2	11	11	9	9	1.0	0.9	0.7	0.7
Professional, scientific and technical	1,726	9.4	36	38	58	53	2.5	2.6	3.6	3.1
Education, health, public administration	150	0.8	1	1	1	1	0.8	0.7	0.5	0.6
Arts, recreation and entertainment	174	0.9	6	4	3	3	3.5	2.1	1.7	1.5
Total	**18,369**	**100.0**	**295**	**306**	**425**	**464**	**1.8**	**1.8**	**2.3**	**2.5**

Source: Banka Slovenije.

Table 11.8: **Breakdown of exposures by credit risk stage and customer segment**

	Breakdown, %									Stage 2 exposures stock, EUR million		
	Stage 1			Stage 2			Stage 3					
	Dec 23	**Dec 24**	**Oct 25**	**Dec 23**	**Dec 24**	**Oct 25**	**Dec 23**	**Dec 24**	**Oct 25**	**Dec 23**	**Dec 24**	**Oct 25**
NFCs	89.9	89.0	88.8	8.3	9.3	8.7	1.8	1.7	2.5	1,397	1,623	1,591
- large enterprises	94.7	90.6	89.3	4.3	8.6	8.4	1.0	0.8	2.2	372	768	779
- SMEs	84.9	86.8	88.1	12.6	10.4	9.0	2.5	2.8	2.8	1,025	855	813
OFIs	98.6	99.7	99.8	1.3	0.2	0.1	0.2	0.1	0.0	17	6	3
Households	89.3	88.7	90.9	9.0	9.6	7.4	1.7	1.7	1.6	1,273	1,433	1,184
sole traders	78.2	78.5	81.1	18.1	17.2	14.6	3.7	4.3	4.3	138	135	117
individuals	89.9	89.3	91.5	8.5	9.2	7.0	1.6	1.5	1.5	1,135	1,298	1,067
- consumer loans	85.7	83.8	85.6	11.2	13.0	11.2	3.1	3.1	3.2	323	428	403
- housing loans	92.0	91.5	94.0	6.9	7.5	5.1	1.1	1.0	0.9	561	632	462
- other	88.1	88.9	90.7	10.7	9.7	8.0	1.2	1.4	1.4	251	238	203
Non-residents	97.7	98.2	98.6	1.7	1.5	1.1	0.5	0.3	0.3	174	194	173
Government	98.5	99.8	99.8	1.5	0.2	0.2	0.0	0.0	0.0	61	10	12
Total	**94.0**	**93.6**	**94.2**	**5.0**	**5.4**	**4.6**	**1.0**	**1.0**	**1.2**	**2,929**	**3,279**	**2,962**

Source: Banka Slovenije.

Table 11.9: **Breakdown of exposures to NFCs by credit risk stage and sector**

	Breakdown, %									Stage 2 exposures stock, EUR million		
	Stage 1			Stage 2			Stage 3					
	Dec 23	**Dec 24**	**Oct 25**	**Dec 23**	**Dec 24**	**Oct 25**	**Dec 23**	**Dec 24**	**Oct 25**	**Dec 23**	**Dec 24**	**Oct 25**
Agriculture, forestry, fishing, mining	86.5	87.7	88.7	11.4	9.9	9.0	2.1	2.4	2.2	15	12	11
Manufacturing	88.9	82.6	80.5	8.9	15.0	14.7	2.2	2.4	4.7	438	764	792
Electricity, gas, w ater, remediation	96.7	92.9	95.6	3.2	6.9	3.8	0.1	0.2	0.6	54	120	57
Construction	91.7	93.4	93.6	7.2	5.1	4.4	1.2	1.5	2.1	103	85	86
Wholesale and retail trade	88.3	91.4	93.0	9.9	6.7	5.4	1.8	1.9	1.6	298	197	165
Transportation and storage	93.6	94.1	93.3	5.1	4.7	5.1	1.4	1.2	1.5	78	70	68
Accommodation and food service	67.8	75.5	77.6	25.6	20.7	19.2	6.6	3.8	3.1	124	111	108
Information and communication	95.2	96.6	97.5	4.3	2.8	2.2	0.5	0.5	0.4	27	21	19
Financial and insurance activities	99.1	98.7	97.8	0.9	1.3	1.5	0.0	0.0	0.7	1	2	3
Real estate activities	92.6	94.0	95.0	6.4	5.1	4.3	1.0	0.9	0.7	73	63	57
Professional, scientific and technical	88.8	89.9	87.8	8.7	7.5	9.1	2.5	2.6	3.1	124	110	158
Education, health, public administration	78.8	79.7	79.2	20.4	19.6	20.2	0.8	0.7	0.6	31	29	31
Arts, recreation and entertainment	77.8	74.0	77.7	18.7	23.9	20.7	3.5	2.1	1.5	32	40	36
Total	**89.9**	**89.0**	**88.8**	**8.3**	**9.3**	**8.7**	**1.8**	**1.7**	**2.5**	**1,397**	**1,623**	**1,591**

Source: Banka Slovenije.

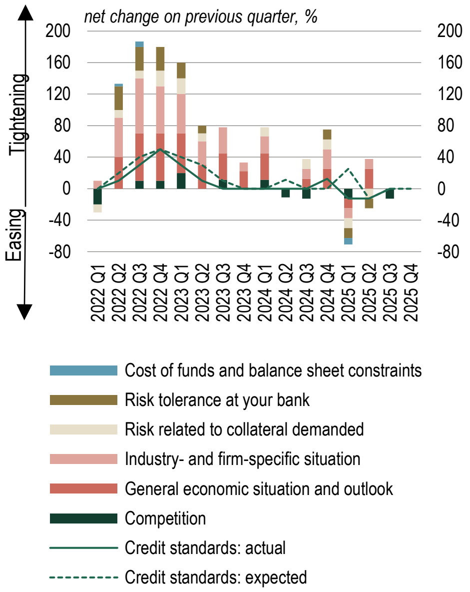
Table 11.10: **Coverage of NPEs and credit risk stages by impairments and provisions by customer segment**

	Credit risk stages									NPEs		
	Stage 1			Stage 2			Stage 3					
	Dec 23	Dec 24	Oct 25	Dec 23	Dec 24	Oct 25	Dec 23	Dec 24	Oct 25	Dec 23	Dec 24	Oct 25
NFCs	0.3	0.3	0.3	2.8	4.0	4.4	60.0	60.1	48.6	59.9	60.0	48.6
OFIs	0.2	0.2	0.2	2.3	1.4	2.9	97.2	93.6	95.0	97.2	93.6	95.0
Households	0.3	0.3	0.2	5.3	6.1	6.2	63.1	66.3	67.4	63.0	66.5	0.0
sole traders	0.7	0.7	0.7	4.4	4.2	4.7	60.0	61.9	64.9	59.9	63.8	64.9
individuals	0.2	0.3	0.2	5.5	6.3	6.4	63.5	67.0	67.7	63.5	67.0	67.7
consumer loans	0.4	0.5	0.5	7.3	8.5	9.5	69.5	74.1	74.9	69.5	74.0	74.9
housing loans	0.2	0.2	0.1	5.1	5.6	5.2	57.7	59.1	56.8	57.7	59.1	56.8
other	0.3	0.3	0.2	3.9	4.1	3.1	62.7	65.0	69.4	62.6	64.7	69.4
Non-residents	0.2	0.1	0.1	6.5	5.8	5.1	18.3	27.3	35.2	18.4	27.3	35.2
Government	0.1	0.1	0.1	1.8	6.1	6.7	80.4	74.5	99.6	80.4	74.5	99.6
Banks and savings banks	0.1	0.1	0.1	0.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Central bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.2	0.1	0.0	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0
Total	**0.2**	**0.2**	**0.2**	**4.1**	**5.0**	**5.2**	**57.6**	**60.9**	**54.3**	**57.6**	**60.9**	**54.3**

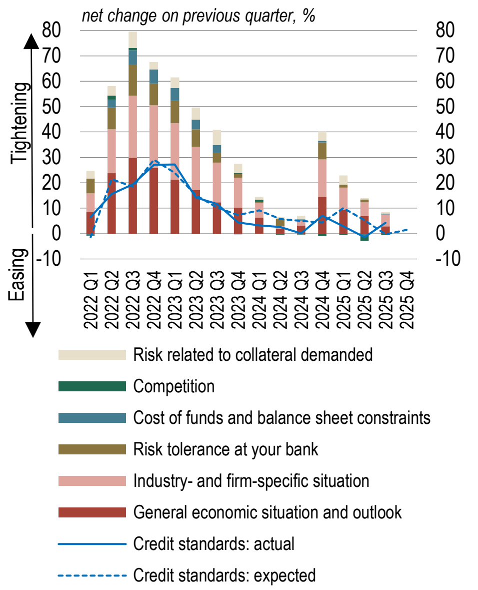
Source: Banka Slovenije.

Figure 11.3: **Changes in credit standards applied to loans or credit lines to NFCs, and factors therein**

Changes in credit standards for loans to NFCs in Slovenia and factors therein



Changes in credit standards for loans to NFCs in the euro area and factors therein

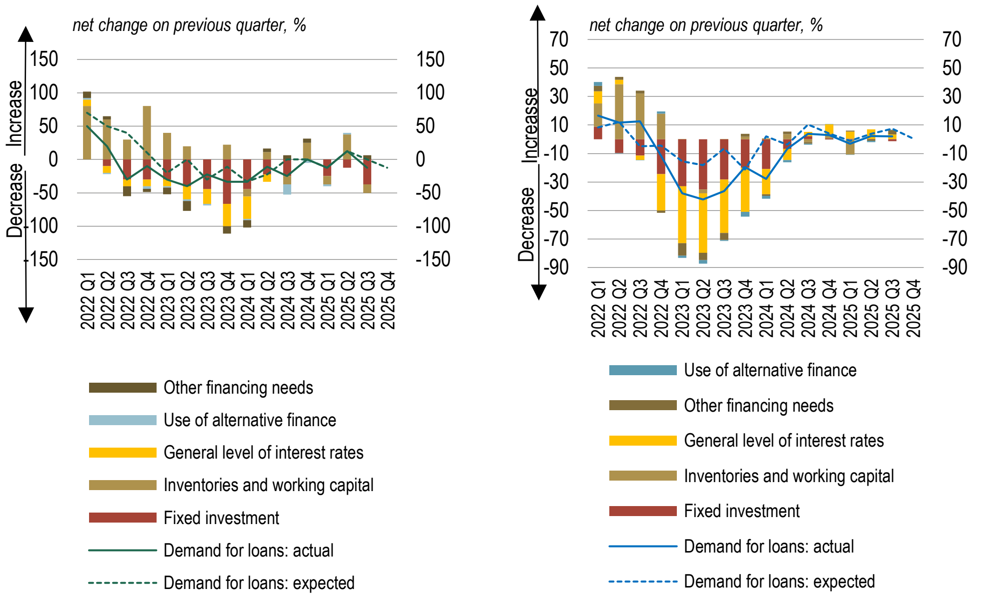


Note: "Actual" values are changes that have occurred, while "expected" values are changes anticipated by banks. The same applies in the remainder of this comparison. Net percentages are defined as the difference between the total percentage of banks answering "tightened considerably" and "tightened somewhat", and the total percentage of banks answering "eased considerably" and "eased somewhat". The same applies below, wherever standards are illustrated. In charts illustrating the euro area (right charts), the net percentage changes are weighted. The averages of certain categories are calculated as simple averages for Slovenia and the euro area: "Cost of funds and balance sheet constraints" is the simple average of "banks' capital and the costs related to banks' capital position", "access to market financing" and "liquidity position"; "Competition" is the simple average of "competition from other banks", "competition from non-banks" and "competition from market financing".
Source: Banka Slovenije.

Figure 11.4: **Changes in demand for loans to NFCs and factors therein**

Changes in demand for loans to NFCs in Slovenia and factors therein

Changes in demand for loans to NFCs in the euro area and factors therein

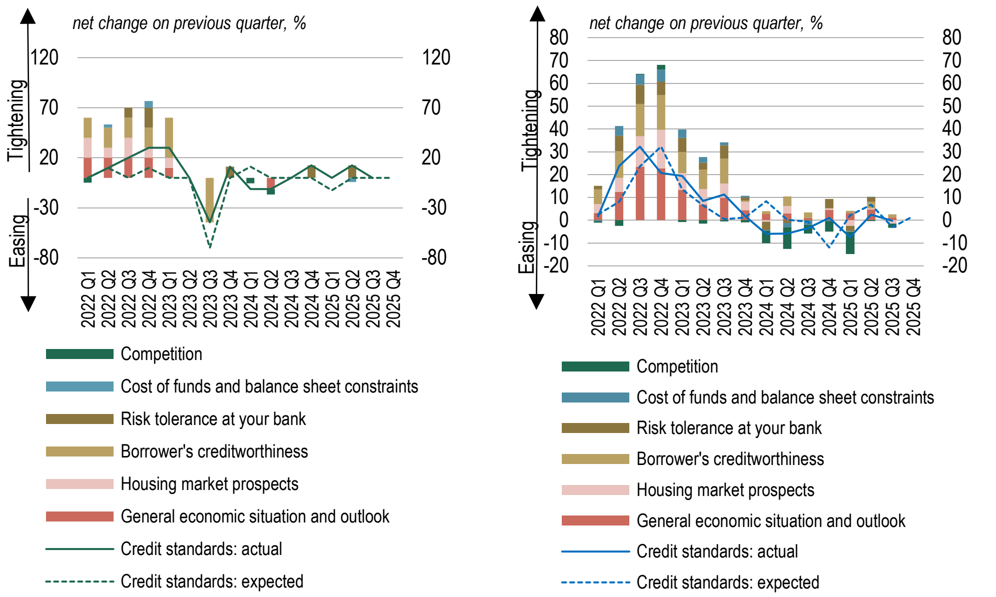


Note: Net percentages in questions about demand for loans are defined as the difference between the total percentage of banks answering "increased considerably" and "increased somewhat", and the total percentage of banks answering "decreased considerably" and "decreased somewhat". The same applies below. "Other financing needs" is the simple average of "mergers/acquisitions and corporate restructuring" and "debt refinancing/restructuring and renegotiation"; "Use of alternative finance" is the simple average of "internal financing", "loans from other banks", "loans from non-banks", "issuance/redemption of debt securities" and "issuance/redemption of equity".
Source: Banka Slovenije.

Figure 11.5: **Changes in credit standards for housing loans and factors therein**

Changes in credit standards for housing loans in Slovenia and factors therein

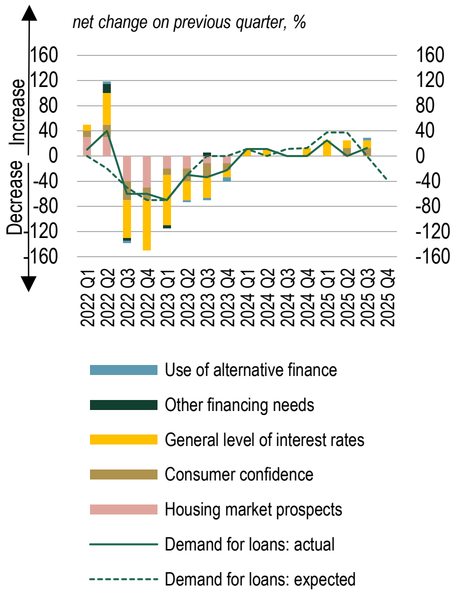
Changes in credit standards for housing loans in the euro area and factors therein



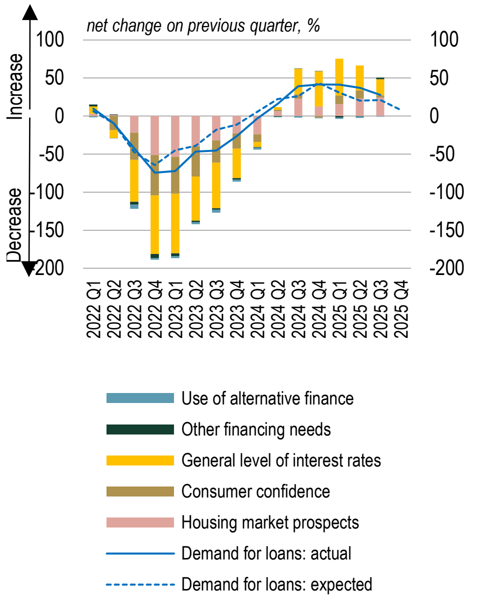
Note: "Cost of funds and balance sheet constraints" is the simple average of "banks' capital and the costs related to banks' capital position", "access to market financing" and "liquidity position"; "Competition" is the simple average of "competition from other banks" and "competition from non-banks".
Source: Banka Slovenije.

Figure 11.6:**Changes in demand for housing loans and factors therein**

Changes in demand for housing loans in Slovenia and factors therein



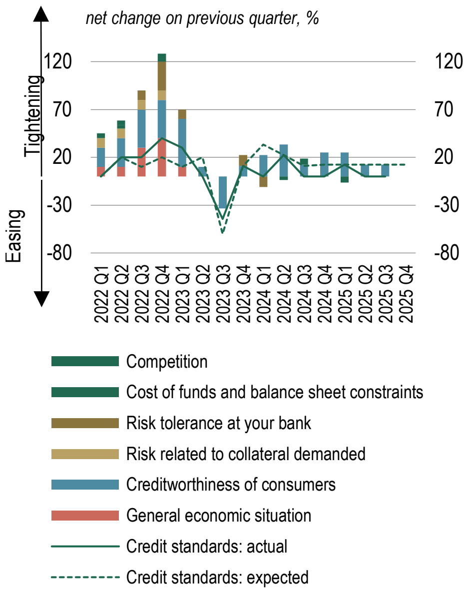
Changes in demand for housing loans in the euro area and factors therein



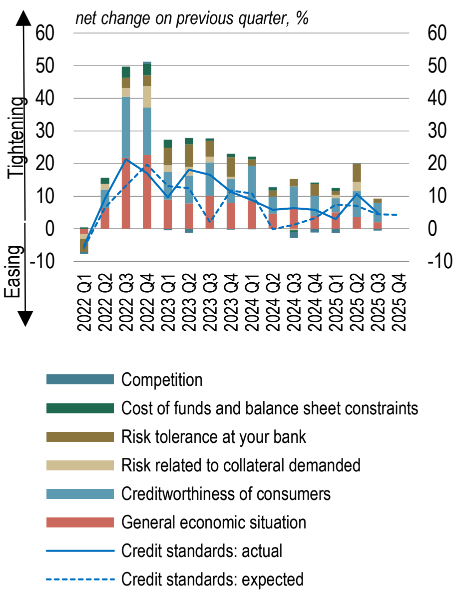
Note: “Other financing needs” is the simple average of “debt refinancing/restructuring and renegotiation” and “regulatory and fiscal regime of housing markets”. “Use of alternative finance” is the simple average of “internal finance of house purchase out of savings/down payment”, “loans from other banks” and “other sources of external finance”. Source: Banka Slovenije.

Figure 11.7:**Changes in credit standards for consumer loans and factors therein**

Changes in credit standards for consumer loans in Slovenia and factors therein



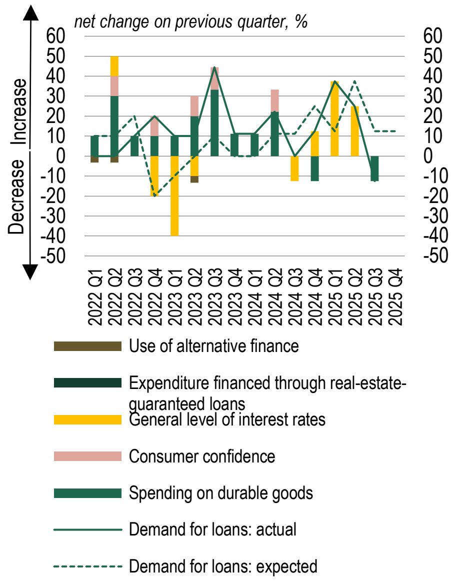
Changes in credit standards for consumer loans in the euro area and factors therein



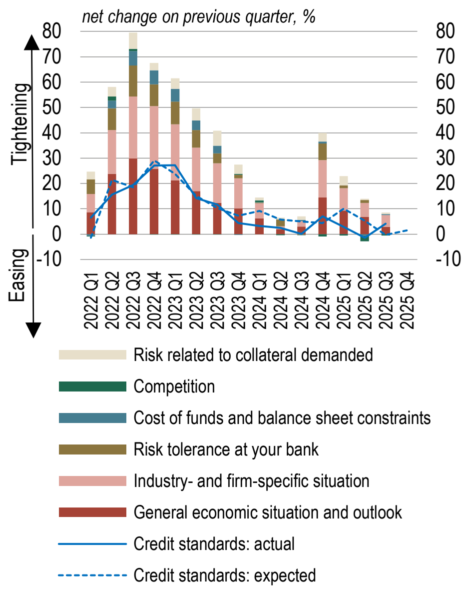
Note: “Cost of funds and balance sheet constraints” is the simple average of “banks’ capital and the costs related to banks’ capital position”, “access to market financing” and “liquidity position”; “Competition” is the simple average of “competition from other banks” and “competition from non-banks”. The detailed sub-factors under “Costs of funds and balance sheet constraints” were introduced in April 2024.
Source: Banka Slovenije.

Figure 11.8: **Changes in demand for consumer loans and factors therein**

Changes in demand for consumer loans in Slovenia and factors therein



Changes in demand for consumer loans in the euro area and factors therein



Note: "Use of alternative finance" is the simple average of "internal financing out of savings", "loans from other banks" and "other sources of external finance". "Consumption expenditure (real estate)" denotes "consumption expenditure financed through real estate-guaranteed loans".
Source: Banka Slovenije.