

MONTHLY REPORT ON BANK PERFORMANCE



COMMENTARY IN BRIEF

Pre-tax profit over the first two months of this year was up on the same period last year. Amid a decline in net interest income, the increase in profit was mainly attributable to a rise in fees and commission, and also to a net release of impairments and provisions. The banking system's liquidity remained good, but a number of banks saw a decline in capital adequacy ratios.

Year-on-year developments in lending in February were similar to previous months: corporate lending in particular remains weak, and the contraction in the stock of corporate loans deepened further in February. In the household lending segment, the stock of housing loans increased further in year-on-year terms in February, while the stock of consumer loans slightly declined. Preliminary figures for March show new housing loans and new consumer loans to be up around 50% on the monthly average of new loans in the preceding year.

The main contrast in developments in lending in Slovenia compared with other countries is seen in the corporate loans segment: in the majority of euro area countries the stock remains up in year-on-year terms after rising last year. This is indicative of a weaker transfer of the liquidity available at extremely favourable terms via the Slovenian banking system to the economy.

The balance sheet total increased by EUR 264 million in February to stand at EUR 45.4 billion, up 9.4% in year-on-year terms. The growth was primarily driven by a further increase in deposits by the non-banking sector (of EUR 0.6 billion) over the first two months of the year. The main increases on the investment side in February were in holdings of securities and claims against banks. Claims against the central bank now account for a fifth of the balance sheet total, an above average proportion. The net increase in loans has been modest this year: February's increase of EUR 13 million took the total over the first two months of the year to EUR 90 million.

Year-on-year growth in the stock of loans to the non-banking sector declined to -1.0% in February. Similar to January, of the main types of loans to the non-banking sector, it was only housing loans and loans to banks in the rest of the world that recorded positive growth in February. The high growth in the latter was primarily driven by increases in previous months, as the stock remained unchanged in February.

The year-on-year contraction in corporate loans deepened further in February, reaching -2.8%. Short-term and long-term loans alike are declining. Thanks to January's increase, the stock of loans has increased by EUR 157 million this year, two-thirds of which was driven by short-term loans. February's increase in the stock of corporate loans was just EUR 3 million.

Year-on-year growth in the stock of household loans was already slowing last year, and February of this year was the second consecutive month to see a year-on-year contraction, by 0.7%. February also saw further year-on-year contractions in the stock of housing loans (8.3%) and other loans (5.6%). Year-on-year growth in the stock of housing loans has slowed slightly in recent months, reaching 3.8%. At EUR 8 million, February's increase was less than last year's monthly average increase (EUR 22 million). The year-on-year contraction is partly attributable to the high base that resulted from the extremely high growth in consumer loans in particular until the end of 2019. Based on current data for loan approvals from the SISBON database, March of this year is thought to have recorded new housing loans and new consumer loans that were 50% above the monthly average in the previous year, following the lifting of certain containment measures.

After declining in January, non-performing exposures (NPEs) in the banking system increased by EUR 2 million in February, although the NPE ratio remained unchanged at 1.8%. February saw further rises in the NPE ratios in accommodation and food service activities, to 11.0%, and in arts, entertainment and recreation, to 7.1%. These sectors also have the highest share of exposures with increased credit risk (Stage 2 under the IFRS): the figure stood at just under 44% in February. Reclassifications to Stage 2 otherwise slowed in January, and the share of total bank exposure classed as Stage 2 declined by 0.2 percentage points in February to 6.3%. The NPE ratios in the household segment in the first two months of this year remained unchanged from the end of last year, at 3.2% for consumer loans and 1.7% for housing loans, while the share of consumer loan exposure classed as Stage 2 increased slightly, by 0.1 percentage points to 7.3% (the figure for housing loans remained unchanged at 10.0%).

Year-on-year growth in deposits by the non-banking sector increased further in February to 12.2%. Year-on-year growth in household deposits increased to 12.5%, while year-on-year growth in corporate deposits remains above-average at 19.6% in February. This year's overall increase in deposits (EUR 610 million) was driven by household deposits (which were up EUR 622 million), and in maturity terms by sight deposits (which were up EUR 701 million). The proportion of total bank funding accounted for by deposits increased to 77%, of which sight deposits accounted for 79%. Amid the significant increase in deposits, which across the entire banking system amounted to fully EUR 3.8 billion over the last 12 months (EUR 2.6 billion of which was household deposits), and the decline in loans (in the amount of EUR 0.25 billion), the LTD ratio has continued to decline, and fell below 68% in February.

Pre-tax profit over the first two months of this year amounted to EUR 53.3 million, up 3.3% on the same period last year. The pace of decline in net interest income relative to the same period last year increased slightly in February, reaching -9.7%. Alongside price effects, the decline in net interest is also gradually being driven by quantity effects, bank lending activity having declined sharply. The net interest margin over the preceding 12 months declined to 1.52%. Net fees and commission, the principal and most stable component of non-interest income, is up 3.4% in year-on-year terms this year. The banking system's net income is down on last year (by 1.2%). Labour costs are also lower this year (by 3.0%). Similarly to the same period last year, banks recorded a net release of impairments and provisions over the first two months of this year, which was a factor in the increase in profit.

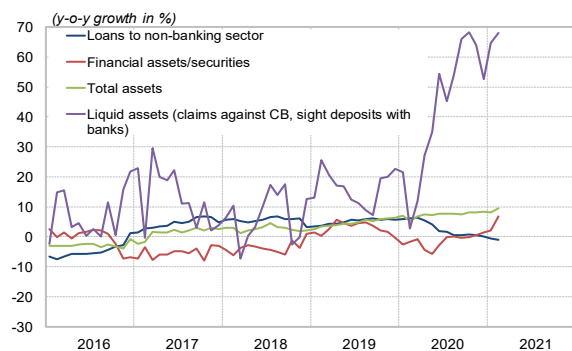
Driven by a decline at individual banks, the banking system's total capital ratio fell to 18.3% on a consolidated basis at the end of 2020, while the common equity Tier 1 capital ratio declined to 16.7%. Most banks saw an improvement in their common equity Tier 1 capital ratios, as regulatory capital increased primarily via retained earnings and other reserves. The liquidity coverage ratio (LCR) increased to 342% in February, and remains well above the regulatory requirement of 100%. The proportion of the balance sheet total accounted for by the most liquid assets increased to 19.9%.

APPENDICES

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1. KEY TRENDS IN THE BANKING SECTOR

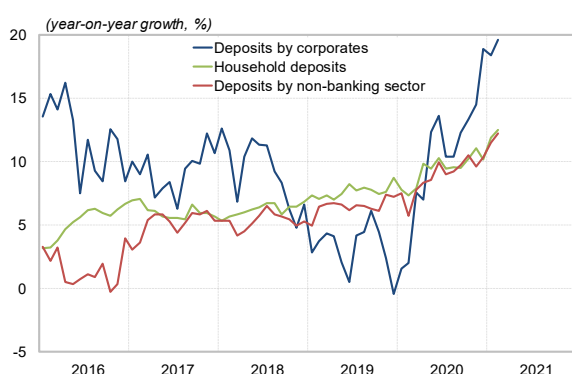
Figure 1.1: Growth in bank investments



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

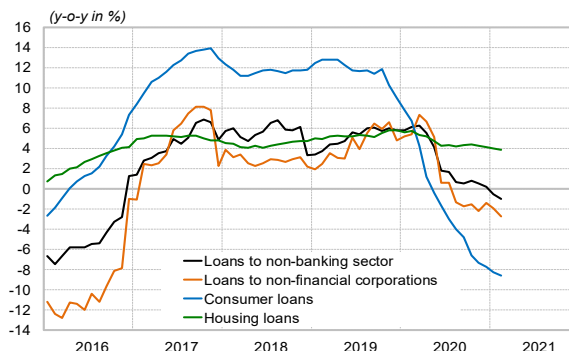
Source: Bank of Slovenia.

Figure 1.3: Deposits by sector



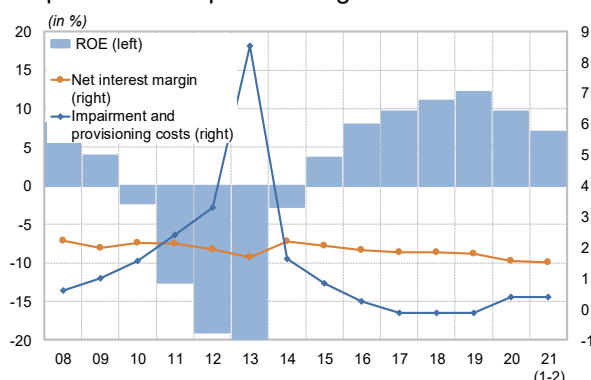
Source: Bank of Slovenia.

Figure 1.2: Loans by sector and loan type



Source: Bank of Slovenia.

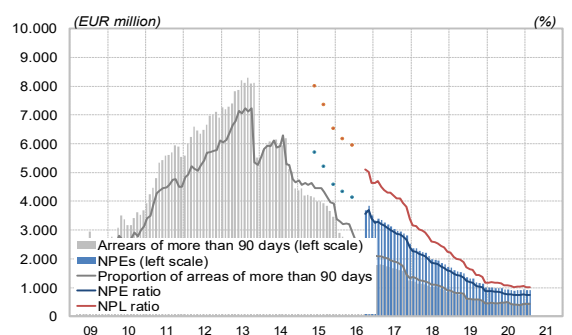
Figure 1.4: ROE, net interest margin, and ratio of impairment and provisioning costs to total assets



Note: The ratios of net interest margin to interest-bearing assets and net impairment and provisioning costs to total assets are always calculated for the preceding 12 months. Pre-tax ROE is calculated during the year on a cumulative basis up to the most recent data available (September 2020).

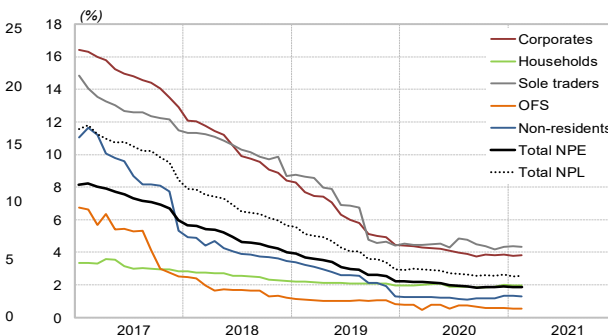
Source: Bank of Slovenia.

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



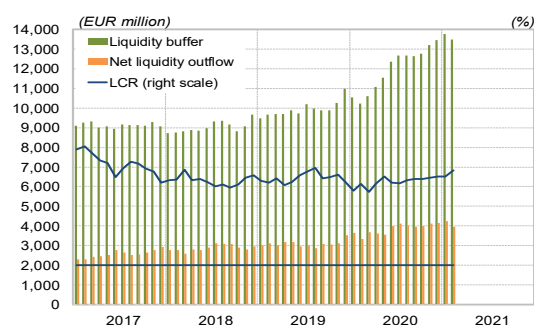
Source: Bank of Slovenia.

Figure 1.6: NPE ratio by client segment



Source: Bank of Slovenia.

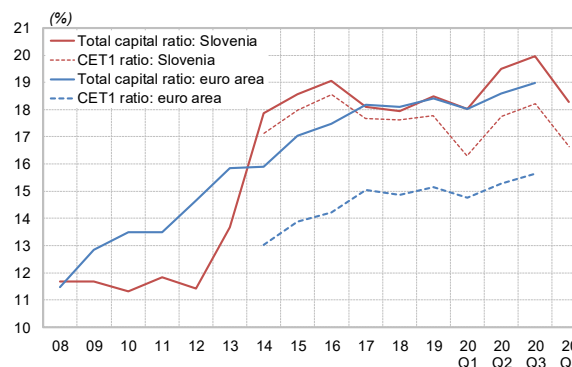
Figure 1.7: Liquidity coverage ratio (LCR)



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

Source: Bank of Slovenia.

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



Source: Bank of Slovenia, ECB (SDW).

2. MAIN FEATURES OF BANKS' PERFORMANCE AND FINANCIAL STATEMENTS¹

Table 2.1: Banking system's assets and liabilities, as at 28 February 2021

EUR million unless stated, growth rates in %	Stock	Breakdown	Stock	Breakdown	Stock	Breakdown	Increase		Growth in February 21, %	
	31.12.2008	(%)	31.12.2020	(%)	28.02.2021	(%)	in February 21	in 2021	monthly	year-on-year
Assets	47,948	100.0	44,651	100.0	45,363	100.0	264.4	712.4	0.6	9.4
Cash in hand, balances at central bank and sight deposits at banks*	1,250	2.6	8,825	19.8	9,029	19.9	-370.2	204.2	-3.9	68.0
Loans to banks at amortised cost (including central bank)	4,101	8.6	1,492	3.3	1,685	3.7	241.3	192.6	16.7	-2.3
domestic banks	2,673	5.6	647	1.4	640	1.4	-5.0	-7.4	-0.8	-4.0
foreign banks	1,428	3.0	845	1.9	1,045	2.3	246.3	200.0	30.8	-1.3
short-term loans to banks	2,056	4.3	271	0.6	513	1.1	252.7	241.8	97.2	-19.8
long-term loans to banks	2,046	4.3	1,222	2.7	1,172	2.6	-11.4	-49.2	-1.0	8.0
Loans to non-banking sector*	33,718	70.3	23,561	52.8	23,639	52.1	12.6	77.7	0.1	-1.0
of which non-financial corporations	20,260	42.3	8,750	19.6	8,907	19.6	3.0	156.8	0.0	-2.8
households	7,558	15.8	10,712	24.0	10,658	23.5	-0.4	-53.4	0.0	-0.7
of which residential			6,760	15.1	6,783	15.0	8.0	22.6	0.1	3.8
consumer			2,591	5.8	2,553	5.6	-13.7	-37.7	-0.5	-8.6
government	506	1.1	1,546	3.5	1,492	3.3	-3.1	-54.1	-0.2	-8.8
other financial institutions	2,829	5.9	1,202	2.7	1,208	2.7	11.8	5.1	1.0	-3.7
non-residents	2,515	5.2	1,323	3.0	1,345	3.0	0.9	22.8	0.1	25.2
Other financial assets classed as loans and receivables (at amortised cost)	0	0.0	113	0.3	188	0.4	37.0	75.3	24.5	30.1
Securities / financial assets**	7,323	15.3	8,958	20.1	9,141	20.1	351.5	182.4	4.0	6.8
a) Financial assets held for trading	1,177	2.5	61	0.1	72	0.2	6.5	10.9	10.0	-4.8
of which debt securities held for trading	571	1.2	3	0.0	11	0.0	-1.4	7.5	-11.2	84.6
... government debt securities held for trading	56	0.1	3	0.0	11	0.0	-1.4	7.5	-11.2	84.6
b) Financial assets measured at fair value through P&L not held for trading	0	0.0	92	0.2	97	0.2	4.8	5.0	5.2	54.4
of which debt securities measured at fair value through P&L not held for trading	0	0.0	3	0.0	3	0.0	0.0	0.0	0.2	0.0
c) Financial assets designated for measurement at fair value through P&L	179	0.4	6	0.0	6	0.0	0.0	0.0	0.0	1.2
of which debt securities designated for measurement at fair value through P&L	163	0.3	6	0.0	6	0.0	0.0	0.0	0.0	1.2
... government debt securities designated for measurement at fair value through P&L	0	0.0	0	0.0	0	0.0	0.0	0.0	0.0	0.0
d) Financial assets measured at fair value through other comprehensive income	4,552	9.5	5,818	13.0	5,626	12.4	83.9	-192.0	1.5	13.5
of which debt securities measured at fair value through other comprehensive income	4,318	9.0	5,625	12.6	5,434	12.0	84.1	-191.4	1.6	14.3
... government debt securities measured at fair value through other comprehensive income	2,875	6.0	3,854	8.6	3,664	8.1	50.8	-190.1	1.4	12.7
e) Debt securities at amortised cost	1,415	3.0	2,981	6.7	3,340	7.4	256.3	358.6	8.3	-3.4
of which government debt securities at amortised cost	1,182	2.5	2,314	5.2	2,602	5.7	220.7	288.1	9.3	-2.2
Investments in subsidiaries, joint ventures and associates	627	1.3	903	2.0	903	2.0	0.0	0.0	0.0	-5.3
Other assets	928	1.9	799	1.8	779	1.7	-7.9	-19.9	-1.0	-7.0
Equity and liabilities	47,948	100.0	44,651	100.0	45,363	100.0	264.4	712.4	0.6	9.4
Financial liabilities measured at amortised cost (deposits)	41,895	87.4	39,404	88.2	40,137	88.5	272.8	733.3	0.7	11.6
a) Financial liabilities to central bank (Eurosystem)	1,229	2.6	1,380	3.1	1,378	3.0	-1.3	-1.9	-0.1	40.3
b) Liabilities to banks	18,168	37.9	2,378	5.3	2,344	5.2	-2.8	-34.0	-0.1	-12.3
of which to domestic banks	2,065	4.3	799	1.8	806	1.8	-0.1	6.6	0.0	2.8
of which to foreign banks	16,098	33.6	1,579	3.5	1,538	3.4	-2.7	-40.6	-0.2	-18.6
c) Liabilities to non-banking sector (deposits by NBS)	20,883	43.6	34,281	76.8	34,891	76.9	210.0	610.1	0.6	12.2
of which to non-financial corporations	3,728	7.8	8,031	18.0	7,873	17.4	78.8	-157.8	1.0	19.6
households	13,407	28.0	22,437	50.2	23,058	50.8	195.8	621.8	0.9	12.5
government	1,879	3.9	948	2.1	886	2.0	-44.1	-62.2	-4.7	-16.5
other financial institutions	1,065	2.2	1,172	2.6	1,288	2.8	-18.0	115.3	-1.4	-1.1
non-residents	475	1.0	1,217	2.7	1,310	2.9	-5.4	93.8	-0.4	7.5
d) Debt securities	1,276	2.7	1,058	2.4	1,056	2.3	-3.8	-2.5	-0.4	46.3
e) Other financial liabilities measured at amortised cost***	1,568	3.3	307	0.7	468	1.0	70.7	161.6	17.8	-3.4
Provisions	176	0.4	186	0.4	179	0.4	-1.6	-6.2	-0.9	-1.8
Shareholder equity	4,010	8.4	4,805	10.8	4,830	10.6	8.8	24.9	0.2	-3.8
Other liabilities	1,867	3.9	257	0.6	217	0.5	-15.7	-39.6	-6.8	-29.8
BALANCE SHEET TOTAL	47,948	100.0	44,651	100.0	45,363	100.0	264.4	712.4	0.6	9.4

Notes: * Loans to non-banking sector not held for trading comprise "Loans and other financial assets at amortised cost" (from A.VI of the "Methodology for compiling the recapitulation of the statement of financial position", the category of "Loans (and other financial assets) designated for measurement at fair value through profit and loss" (from A.III), the category of "Loans (and other financial assets) designated for measurement at fair value through other comprehensive income" (from A.IV) and the category of "Loans (and other financial assets) measured at fair value through other comprehensive income".

** Financial assets / securities on the asset side comprise total financial assets from A.III, 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.

¹The bank performance data in this publication is based on the banks' own book figures, which differ in methodological terms from the published statistics. The data on loans also differs because the data in this publication includes loans to non-residents, applies the net principle (amounts are minus value adjustments), and does not include non-marketable securities.

Source: Bank of Slovenia.

Table 2.2: Income statement for 2019, 2020 and 2021

	2019	Breakdown	2020	Breakdown	2020	Breakdown	2021	Breakdown	Annual growth, %
(EUR million unless stated)		(%)		(%)	Jan.-Feb	(%)	Jan.-Feb	(%)	Jan.- Feb. 21/ Jan.- Feb.20
Interest income	790.0		754.0		128.1		118.7		-7.4
Interest expenses	107.3		114.9		17.9		19.2		6.9
Net interest	682.7	54.4	639.1	47.0	110.2	69.9	99.5	59.2	-9.7
Non-interest income	573.4	45.6	721.0	53.0	47.5	30.1	68.6	40.8	44.3
of which net fees and commission	333.8	26.6	329.7	24.2	56.1	35.6	58.1	34.5	3.4
of which net gains/losses on financial assets and liabilities held for trading	12.1	1.0	16.0	1.2	1.6	1.0	3.0	1.8	93.6
Gross income	1,256.1	100.0	1,360.1	100.0	157.7	100.0	168.1	100.0	6.6
Operating costs	-709.3	-56.5	-718.4	-52.8	-113.4	-71.9	-124.3	-74.0	9.6
Net income	546.8	43.5	641.6	47.2	44.3	28.1	43.7	26.0	-1.2
Net impairments and provisions	45.7	3.6	-169.6	-12.5	7.3	4.6	9.5	5.7	29.9
Pre-tax profit	592.5	47.2	472.0	34.7	51.6	32.7	53.3	31.7	3.3
Taxes	-62.0		-21.7		-12.6		-5.6		-55.9
Net profit	530.5		450.3		39.0		47.7		22.4

Source: Bank of Slovenia.

Table 2.3: Selected performance indicators

	2014	2015	2016	2017	2018	2019	2020	2020	2021	Feb-20	Feb-21
in %								Jan.-Feb.	Jan.-Feb.	(last 12 mon.)	(last 12 mon.)
Profitability											
Financial intermediation margin*	3.10	3.05	3.05	2.88	3.01	3.13	3.16	2.34	2.33	3.03	3.14
ROA	-0.27	0.42	0.99	1.19	1.39	1.48	1.10	0.76	0.73	1.35	1.09
ROE	-2.69	3.63	7.96	9.58	11.07	12.16	9.57	6.47	7.04	11.08	9.65
Interest margin on interest-bearing assets	2.18	2.06	1.91	1.83	1.84	1.79	1.57	1.73	1.45	1.78	1.52
Net non-interest income / operating costs	58.05	60.05	68.53	62.67	71.93	80.84	100.35	41.88	55.15	75.58	101.74
Operating costs											
Labour costs / average assets	0.92	0.97	1.01	1.02	1.02	1.00	0.90	0.96	0.87	1.00	0.88
Other costs / average assets	0.81	0.84	0.80	0.78	0.73	0.77	0.77	0.70	0.83	0.78	0.79
Asset quality											
Impairments of financial assets at amortised cost / gross assets	8.98	7.84	5.38	4.09	2.64	1.53	1.59	1.53	1.53	/	/

* Gross income / average assets

Source: Bank of Slovenia.

3. BANKS' INTEREST RATES

Table 3.1: Comparison of interest rates on new variable-rate loans in Slovenia with those across the euro area, in percentages

	ECB interest rate	Loans								Household deposits 1)			
		Households				Corporates				up to 1 year		over 1 year	
		Housing EMU	SLO	Consumer EMU	SLO	up to EUR 1m EMU	SLO	over EUR 1m EMU	SLO	EMU	SLO	EMU	SLO
Dec-12	0.75	2.9	2.9	5.2	4.9	3.8	5.8	2.3	4.9	2.7	2.2	2.4	4.0
Dec-13	0.25	2.8	3.3	5.5	5.1	3.8	5.5	2.3	4.5	1.6	1.5	1.8	2.8
Dec-14	0.05	2.4	2.9	5.1	4.8	3.1	4.5	1.8	3.4	1.0	0.7	1.2	1.4
Dec-15	0.05	2.0	2.2	4.8	4.2	2.6	2.9	1.6	2.2	0.7	0.3	0.8	0.7
Dec-16	0.00	1.8	2.0	4.7	4.2	2.3	2.5	1.4	2.6	0.4	0.2	0.5	0.5
Dec-17	0.00	1.7	2.0	4.5	4.4	2.1	2.4	1.3	2.0	0.3	0.1	0.5	0.5
Dec-18	0.00	1.6	1.9	4.9	4.6	2.0	2.2	1.3	1.8	0.3	0.2	0.5	0.6
Jan-19	0.00	1.6	1.9	5.3	4.5	2.0	2.3	1.2	1.5	0.3	0.2	0.5	0.5
Feb-19	0.00	1.6	1.9	5.3	4.5	2.0	2.3	1.2	1.6	0.3	0.2	0.5	0.5
Mar-19	0.00	1.6	2.0	5.4	4.6	2.0	2.2	1.2	1.6	0.3	0.2	0.6	0.5
Apr-19	0.00	1.6	1.9	5.6	4.5	2.0	2.4	1.2	1.7	0.3	0.2	0.6	0.4
May-19	0.00	1.6	1.9	5.6	4.5	2.0	2.3	1.1	1.8	0.3	0.2	0.6	0.4
Jun-19	0.00	1.5	1.9	5.4	4.5	1.9	2.2	1.1	1.3	0.3	0.2	0.6	0.4
Jul-19	0.00	1.5	1.9	5.7	4.6	2.0	2.2	1.2	1.8	0.3	0.2	0.6	0.4
Aug-19	0.00	1.5	1.9	6.2	4.6	1.9	2.3	1.1	1.8	0.3	0.2	0.5	0.4
Sep-19	0.00	1.5	1.8	5.6	4.6	1.9	2.2	1.1	1.3	0.3	0.2	0.6	0.4
Oct-19	0.00	1.4	1.8	5.9	4.7	1.9	2.3	1.2	1.8	0.2	0.2	0.6	0.4
Nov-19	0.00	1.4	1.8	5.4	4.6	1.9	2.3	1.2	1.4	0.2	0.2	0.5	0.4
Dec-19	0.00	1.5	1.8	5.4	4.6	1.9	2.2	1.2	1.5	0.2	0.2	0.5	0.3
Jan-20	0.00	1.5	1.8	5.6	4.7	2.0	2.3	1.1	1.3	0.3	0.1	0.5	0.3
Feb-20	0.00	1.4	1.8	5.5	4.6	1.9	2.4	1.1	1.4	0.3	0.0	0.5	0.3
Mar-20	0.00	1.4	1.8	5.5	4.5	1.8	2.3	1.1	1.4	0.3	0.2	0.4	0.3
Apr-20	0.00	1.3	2.0	3.6	4.4	1.4	2.7	1.2	2.0	0.2	0.2	0.5	0.2
May-20	0.00	1.5	2.0	4.1	4.4	1.4	2.4	1.2	1.9	0.2	0.2	0.5	0.3
Jun-20	0.00	1.4	1.9	4.4	4.6	1.6	2.3	1.2	1.5	0.2	0.2	0.5	0.3
Jul-20	0.00	1.4	1.8	4.7	4.6	1.7	2.3	1.2	1.9	0.2	0.2	0.5	0.3
Aug-20	0.00	1.4	1.7	5.3	4.7	1.7	2.2	1.3	2.4	0.2	0.2	0.5	0.3
Sep-20	0.00	1.4	1.7	5.1	4.7	1.8	2.2	1.2	2.0	0.2	0.1	0.5	0.3
Oct-20	0.00	1.4	1.7	5.1	4.6	1.8	2.3	1.3	1.6	0.2	0.1	0.5	0.3
Nov-20	0.00	1.4	1.7	5.0	4.6	1.8	2.4	1.2	1.8	0.2	0.2	0.5	0.3
Dec-20	0.00	1.3	1.8	4.9	4.5	1.8	2.3	1.3	1.8	0.2	0.1	0.5	0.3
Jan-21	0.00	1.4	1.7	4.9	4.7	1.9	2.3	1.2	1.3	0.2	0.1	0.5	0.2
Feb-21			1.7		4.7		2.2		1.7		0.1		0.2

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

Table 3.2: Comparison of interest rates on new fixed-rate loans in Slovenia with those across the euro area, in percentages

	Loans ¹							
	Households				Corporates			
	Housing EMU	SLO	Consumer EMU	SLO	up to EUR 1m EMU	SLO	over EUR 1m EMU	SLO
Dec-12	3.3	5.5	6.8	7.2	3.7	6.9	3.0	5.3
Dec-13	3.2	6.4	6.8	7.2	3.6	5.5	2.9	4.6
Dec-14	2.6	4.4	6.2	6.8	2.9	5.4	2.1	2.9
Dec-15	2.4	3.2	5.9	5.5	2.5	3.8	1.9	3.0
Dec-16	1.8	2.6	5.5	6.0	2.0	3.2	1.6	2.2
Dec-17	1.9	2.9	5.4	6.1	2.0	3.4	1.5	1.8
Dec-18	1.9	2.9	5.5	6.2	2.0	3.3	1.6	1.5
Jan-19	1.9	2.9	5.8	6.2	2.0	3.3	1.6	0.9
Feb-19	1.9	2.9	5.7	6.2	2.0	3.5	1.6	1.5
Mar-19	1.8	2.9	5.6	6.2	2.0	4.0	1.6	2.6
Apr-19	1.8	2.9	5.6	6.1	2.0	3.6	1.4	1.5
May-19	1.7	2.9	5.8	6.2	2.0	4.0	1.5	1.1
Jun-19	1.7	2.9	5.7	6.2	1.9	3.8	1.4	1.6
Jul-19	1.6	2.9	5.7	6.2	1.9	3.2	1.4	1.3
Aug-19	1.5	2.8	5.8	6.1	1.9	4.2	1.4	3.7
Sep-19	1.5	2.8	5.6	6.1	1.8	3.2	1.3	1.4
Oct-19	1.4	2.7	5.6	6.2	1.8	3.6	1.3	1.2
Nov-19	1.5	2.7	5.5	6.2	1.8	3.7	1.3	1.5
Dec-19	1.4	2.7	5.3	6.2	1.7	3.5	1.4	1.1
Jan-20	1.4	2.7	5.7	6.2	1.8	3.1	1.3	1.0
Feb-20	1.4	2.6	5.6	6.1	1.8	3.8	1.3	1.4
Mar-20	1.4	2.6	5.5	6.1	1.7	3.0	1.2	1.3
Apr-20	1.4	2.8	5.5	6.1	1.6	2.9	1.3	2.9
May-20	1.4	2.6	5.3	6.1	1.6	2.8	1.3	1.8
Jun-20	1.4	2.5	5.1	6.1	1.7	2.8	1.4	1.2
Jul-20	1.4	2.4	5.3	6.1	1.7	3.5	1.4	2.3
Aug-20	1.4	2.3	5.4	6.1	1.7	2.9	1.2	1.9
Sep-20	1.4	2.3	5.3	6.0	1.7	3.2	1.3	1.2
Oct-20	1.4	2.2	5.3	6.1	1.7	3.4	1.4	1.4
Nov-20	1.4	2.2	5.3	6.0	1.7	3.0	1.3	1.5
Dec-20	1.3	2.2	5.1	6.0	1.7	3.3	1.3	1.7
Jan-21	1.4	2.1	5.3	6.1	1.7	3.1	1.3	1.7
Feb-21	1.3	2.1	5.2	6.1	1.7	3.4	1.2	1.8

Source: Bank of Slovenia, ECB.

4. QUALITY OF THE BANKING SYSTEM'S PORTFOLIO

Table 4.1:¹ Non-performing exposures by client segment

	Exposures						Non-performing exposures (NPEs)					
	amount, EUR million			breakdown n, %			amount, EUR million			ratio, %		
	Dec.20	Jan.21	Feb.21	Dec.20	Jan.21	Feb.21	Dec.20	Jan.21	Feb.21	Dec.20	Jan.21	Feb.21
NFCs	14,339	14,409	14,426	29.3	29.2	29.1	552	547	549	3.9	3.8	3.8
OFIs	1,367	1,368	1,370	2.8	2.8	2.8	8	7	7	0.6	0.5	0.5
Households	11,949	11,943	11,938	24.4	24.2	24.1	255	252	251	2.1	2.1	2.1
sole traders	688	690	689	1.4	1.4	1.4	30	30	30	4.3	4.4	4.3
individuals	11,261	11,252	11,248	23.0	22.8	22.7	225	222	221	2.0	2.0	2.0
Non-residents	8,030	7,949	8,434	16.4	16.1	17.0	106	106	108	1.3	1.3	1.3
Government	5,161	4,975	5,207	10.5	10.1	10.5	8	1	1	0.2	0.0	0.0
Banks and savings banks	867	902	909	1.8	1.8	1.8	0	0	0	0.0	0.0	0.0
Central bank	7,230	7,842	7,341	14.8	15.9	14.8	0	0	0	0.0	0.0	0.0
Drugo	12	0	0	0.0	0.0	0.0	0	0	0	0.0	0.1	0.0
Total	48,956	49,389	49,625	100.0	100.0	100.0	929	914	915	1.9	1.8	1.8

Table 4.2: Classified claims more than 90 days in arrears by client segment

	Classified claims						Claims more than 90 days in arrears					
	amount, EUR million			breakdown n, %			amount, EUR million			ratio, %		
	Dec.20	Jan.21	Feb.21	Dec.20	Jan.21	Feb.21	Dec.20	Jan.21	Feb.21	Dec.20	Jan.21	Feb.21
NFCs	14,126	14,196	14,213	32.8	32.4	32.3	177	176	175	1.3	1.2	1.2
OFIs	1,366	1,367	1,369	3.2	3.1	3.1	3	3	3	0.2	0.2	0.2
Households	11,948	11,943	11,937	27.7	27.2	27.1	209	241	239	1.7	2.0	2.0
sole traders	688	690	689	1.6	1.6	1.6	18	20	19	2.7	2.9	2.8
individuals	11,260	11,252	11,248	26.1	25.7	25.6	190	221	220	1.7	2.0	2.0
Non-residents	4,604	4,603	5,072	10.7	10.5	11.5	57	59	61	1.2	1.3	1.2
Government	3,037	3,049	3,211	7.0	7.0	7.3	8	0	0	0.3	0.0	0.0
Banks and savings banks	820	843	850	1.9	1.9	1.9	0	0	0	0.0	0.0	0.0
Central bank	7,230	7,842	7,341	16.8	17.9	16.7	0	0	0	0.0	0.0	0.0
Total	43,131	43,843	43,993	100.0	100.0	100.0	455	479	478	1.1	1.1	1.1

Table 4.3:¹ Non-performing exposures to non-financial corporations by sector

	Exposures			Non-performing exposures (NPEs)			NPE ratio		
	(EUR million)			(EUR million)			(%)		
	Dec.20	Jan.21	Feb.21	Dec.20	Jan.21	Feb.21	Dec.20	Jan.21	Feb.21
Agriculture, forestry, fishing, mining	124	123	123	3	3	3	2.7	2.8	2.8
Manufacturing	3,975	3,978	3,975	93	92	91	2.4	2.3	2.3
Electricity, gas, water, remediation	1,376	1,408	1,401	9	7	7	0.6	0.5	0.5
Construction	1,267	1,249	1,286	60	59	58	4.8	4.7	4.5
Wholesale and retail trade	2,570	2,571	2,563	209	210	208	8.1	8.2	8.1
Transportation and storage	1,638	1,631	1,623	25	24	24	1.5	1.5	1.5
Accommodation and food service	586	608	614	60	61	67	10.3	10.1	11.0
Information and communication	564	576	577	5	6	5	1.0	1.0	0.9
Financial and insurance activities	64	67	54	0	0	0	0.0	0.0	0.0
Real estate activities	587	585	586	24	24	23	4.1	4.0	4.0
Professional, scientific and technical	1,341	1,369	1,378	50	49	48	3.7	3.6	3.5
Public services	246	244	244	13	13	13	5.3	5.2	5.1
Total	14,339	14,409	14,426	552	547	549	3.9	3.8	3.8

Source: Bank of Slovenia.

¹ The data on non-performing exposures is calculated on the basis of the banks' modified reporting under the Guidelines for implementing the Regulation on reporting by monetary financial institutions in accordance with the CRD IV and the EBA definition published in Commission Implementing Regulation (EU) 2015/227 (OJ L 48 of 20 April 2015).

Table 4.4: Classified claims against non-financial corporations more than 90 days in arrears

	Classified claims			Classified claims more than 90 days in arrears			Proportion of classified claims more than 90 days in arrears		
	(EUR million)			(EUR million)			(%)		
	Dec.20	Jan.21	Feb.21	Dec.20	Jan.21	Feb.21	Dec.20	Jan.21	Feb.21
Agriculture, forestry, fishing, mining	124	123	123	1	1	1	0.7	0.8	0.8
Manufacturing	3,965	3,967	3,966	32	30	31	0.8	0.8	0.8
Electricity, gas, water, remediation	1,369	1,402	1,395	5	4	4	0.3	0.3	0.3
Construction	1,266	1,248	1,284	39	40	40	3.1	3.2	3.1
Wholesale and retail trade	2,455	2,456	2,446	37	36	34	1.5	1.5	1.4
Transportation and storage	1,624	1,616	1,609	6	7	7	0.4	0.4	0.5
Accommodation and food service	582	604	610	21	21	21	3.7	3.5	3.4
Information and communication	536	548	549	1	1	1	0.2	0.2	0.2
Financial and insurance activities	64	67	54	0	0	0	0.0	0.0	0.0
Real estate activities	583	581	583	10	10	11	1.8	1.8	1.8
Professional, scientific and technical	1,313	1,340	1,350	24	23	24	1.8	1.8	1.8
Public services	246	244	244	1	1	1	0.5	0.3	0.3
Total	14,126	14,196	14,213	177	176	175	1.3	1.2	1.2

Source: Bank of Slovenia.