



MONTHLY REPORT ON BANK PERFORMANCE



MARCH 2021

COMMENTARY IN BRIEF

Despite the gradual improvement in the epidemiological situation, the economic recovery is uncertain, particularly in the hardest hit sectors by the epidemic, and banks are seeing no improvement in their business conditions. Their profits in January were up slightly on the same month of last year, but this was largely attributable to a net release of impairments and provisions, as net income declined. The stock of corporate loans increased in January, while loans intended for financing consumption declined. The sharp increase in household deposits has continued in the early part of this year, the banks again placing the majority of this money with the central bank. NPE ratios declined slightly in January. The banking system's liquidity remains good, while the decline in capital adequacy was attributable to a decline at one bank in particular.

The balance sheet total increased by EUR 448 million in January to stand at EUR 45 billion, up 8.1% in year-on-year terms. The sharp increase in deposits by the non-banking sector continued in the early part of this year, and as in previous months was reflected in an increase in balances at the central bank. On the asset side, the stock of loans to the non-banking sector increased in January relative to the previous month, while securities holdings declined as the RS69 government bonds matured.

Despite January's monthly increase, year-on-year growth in loans to the non-banking sector turned negative for the first time since November 2016, in the amount of 0.6%. Only housing loans and loans to non-residents continued to record positive growth. The latter were up more than a quarter in year-on-year terms, but the proportion of total loans to the non-banking sector that they account for nevertheless remained low, at 5.7%. Short-term and long-term corporate loans both increased in January, and were up EUR 154 million on the previous month in total. Despite the monthly increase, year-on-growth in corporate loans remains negative, and stood at -1.9% in January.

Growth in household loans slowed sharply last year, turning negative in January for the first time in five years: it stood at -0.4%. This was driven by a further contraction in consumer loans (8.3% in year-on-year terms), and a sharper decline in other loans (5.2%). The decline in the latter continued to be primarily attributable to current account overdrafts and to borrowing via credit cards and payment cards. Year-on-year growth in housing loans remained positive, at 4.0%, although January's monthly increase of EUR 15 million was a third less than last year's average monthly increase.

Non-performing exposures (NPEs) declined by EUR 15 million in January. The NPE ratio and NPL ratio both declined by 0.1 percentage points, to 1.8% and 2.5% respectively. The changes in each customer segment are small. NPEs in the corporate segment declined by EUR 5 million, taking the NPE ratio down by 0.1 percentage points to 3.8%. The largest decline in the NPE ratio of 0.2 percentage points came in the accommodation and food service activities sector, albeit only as a result of growth in bank exposure to the sector. The NPE ratio in professional, scientific and technical activities declined by 0.1 percentage points for the same reason. NPEs also declined slightly in the household portfolio, by EUR 3 million, but without any impact on the NPE ratio: the NPE ratio for housing loans has remained at 1.7 % since June of last year, while the NPE ratio for consumer loans reached 3.2% in January after rising in November and December of last year. Amid the decline in NPEs, January saw the continuing reallocation of customers to the stage with increased credit risk: the share of the portfolio classified as Stage 2 increased to 6.5%, reaching 12.3% in the non-financial corporations segment and 11.5% in the sole traders segment, while remaining unchanged at 8.3% in the household portfolio.

Year-on-year growth in deposits by the non-banking sector increased to 11.5% in January, driven primarily by household deposits (with year-on-year growth of 11.9%). The stock of household deposits increased by EUR 426 million, which is attributable to the limited possibilities for spending, and also in part to the government's crisis payments to support households. Year-on-year growth in corporate deposits remained well above its average of recent years, at 18.4%.

Pre-tax profit amounted to approximately EUR 22 million in January (compared with just over EUR 15 million in January of last year). With returns on assets falling and lending activity slowing, net interest income continued to decline, and in January was down 7.8% on the same month of last year. Amid the decline in net interest and high growth in the balance sheet total, particularly in the most liquid and lowest-yielding assets, the net interest margin is continuing to decline, and stood at 1.55% in January measured over the preceding 12 months. January's high growth in non-interest income and operating costs was primarily the result of methodological reclassifications: until June of last year, banks' payments into the deposit guarantee fund and the bank resolution fund were not classed as operating costs, but were deducted from non-interest income. Net fees and commission, the main component of non-interest income, increased by 2.3% in year-on-year terms in January. The banking system's net income in January was down 13.2% on the same month of last year. For the first time since February of last year, the banks recorded a net release of impairments and provisions in January, in the amount of EUR 5 million.

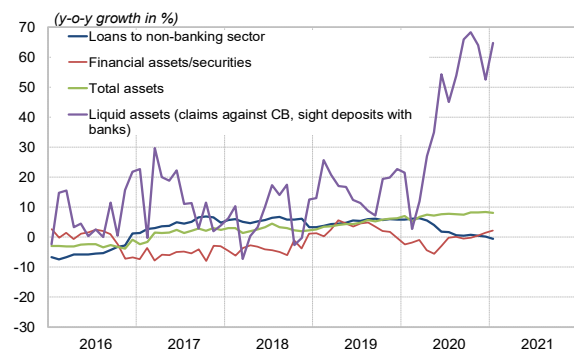
The banking system's total capital ratio on a consolidated basis declined by 1.7 percentage points in the final quarter of last year to 18.3%, while the common equity Tier 1 capital ratio declined by 1.5 percentage points to 16.7%, albeit primarily as a result of a sharp increase in risk-weighted assets at one bank in particular. The total capital ratio on an individual basis declined by 0.2 percentage points in the final quarter of last year to 20.4%, while the common equity Tier 1 capital ratio was also down 0.2 percentage points at 18.4%. The liquidity coverage ratio (LCR) increased to 326% in January, and remains well above the regulatory requirement of 100%. The sharp growth in deposits by the non-banking sector continued to drive up the share of the balance sheet total accounted for by the most liquid assets, which reached a record high of 19.8% in January.

APPENDICES

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1. KEY TRENDS IN THE BANKING SECTOR

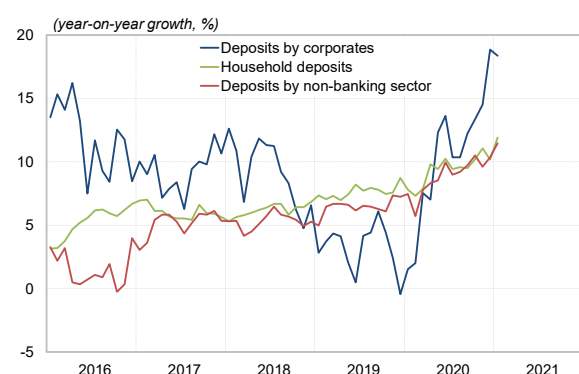
Figure 1.1: Growth in bank investments



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

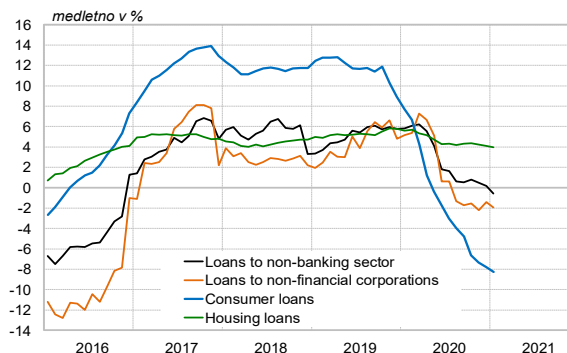
Source: Bank of Slovenia.

Figure 1.3: Deposits by sector



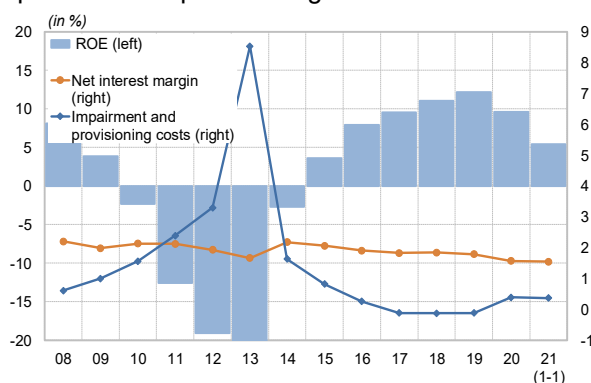
Source: Bank of Slovenia.

Figure 1.2: Loans by sector and loan type



Source: Bank of Slovenia.

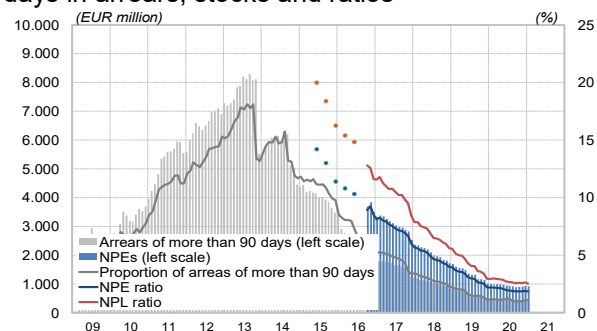
Figure 1.4: ROE, net interest margin, and ratio of impairment and provisioning costs to total assets



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).

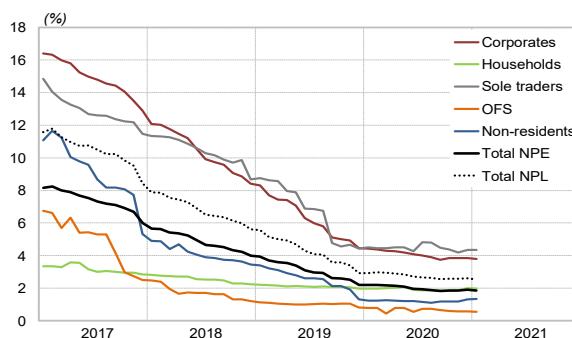
Source: Bank of Slovenia.

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



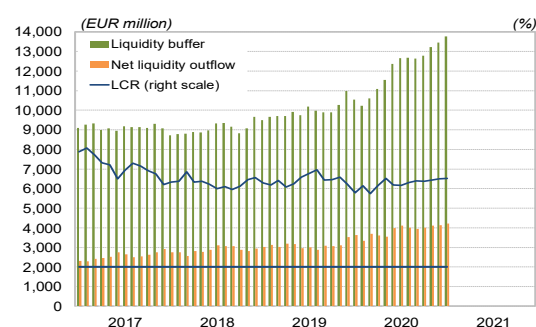
Source: Bank of Slovenia.

Figure 1.6: NPE ratio by client segment



Source: Bank of Slovenia.

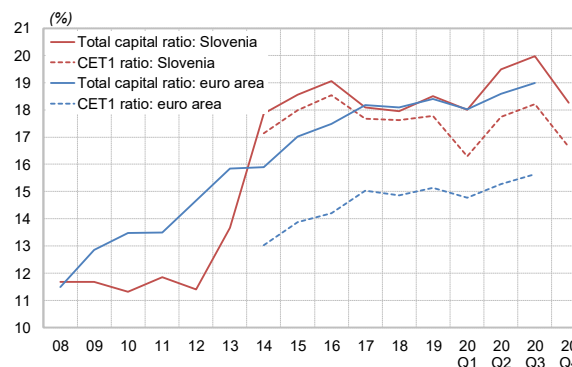
Figure 1.7: Liquidity coverage ratio (LCR)



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 31 January 2021

EUR million unless stated, growth rates in %	Stock	Breakdown	Stock	Breakdown	Stock	Breakdown	Increase		Growth in January 21, %	
	31.12.2008	(%)	31.12.2020	(%)	31.01.2021	(%)	in January 21	in 2021	monthly	year-on-year
Assets	47,948	100.0	44,651	100.0	45,099	100.0	448.0	448.0	1.0	8.1
Cash in hand, balances at central bank and sight deposits at banks*	1,250	2.6	8,825	19.8	9,399	20.8	574.4	574.4	6.5	64.7
Loans to banks at amortised cost (including central bank)	4,101	8.6	1,492	3.3	1,444	3.2	-48.7	-48.7	-3.3	-13.2
domestic banks	2,673	5.6	647	1.4	645	1.4	-2.4	-2.4	-0.4	-4.3
foreign banks	1,428	3.0	845	1.9	799	1.8	-46.2	-46.2	-5.5	-19.2
short-term loans to banks	2,056	4.3	271	0.6	260	0.6	-10.9	-10.9	-4.0	-56.2
long-term loans to banks	2,046	4.3	1,222	2.7	1,184	2.6	-37.8	-37.8	-3.1	10.7
Loans to non-banking sector*	33,718	70.3	23,561	52.8	23,626	52.4	65.1	65.1	0.3	-0.6
of which non-financial corporations	20,260	42.3	8,750	19.6	8,904	19.7	153.9	153.9	1.8	-1.9
households	7,558	15.8	10,712	24.0	10,659	23.6	-53.0	-53.0	-0.5	-0.4
of which residential			6,760	15.1	6,775	15.0	14.6	14.6	0.2	4.0
consumer			2,591	5.8	2,567	5.7	-24.1	-24.1	-0.9	-8.3
government	506	1.1	1,546	3.5	1,495	3.3	-51.0	-51.0	-3.3	-9.1
other financial institutions	2,829	5.9	1,202	2.7	1,196	2.7	-6.7	-6.7	-0.6	-4.5
non-residents	2,515	5.2	1,323	3.0	1,345	3.0	21.9	21.9	1.7	28.3
Other financial assets classed as loans and receivables (at amortised cost)	0	0.0	113	0.3	151	0.3	38.3	38.3	34.0	-24.1
Securities / financial assets**	7,323	15.3	8,958	20.1	8,789	19.5	-169.1	-169.1	-1.9	2.2
a) Financial assets held for trading	1,177	2.5	61	0.1	65	0.1	4.3	4.3	7.1	-3.1
of which debt securities held for trading	571	1.2	3	0.0	12	0.0	8.9	8.9	253.8	249.3
... government debt securities held for trading	56	0.1	3	0.0	12	0.0	8.9	8.9	253.8	249.3
b) Financial assets measured at fair value through P&L not held for trading	0	0.0	92	0.2	93	0.2	0.1	0.1	0.1	44.5
of which debt securities measured at fair value through P&L not held for trading	0	0.0	3	0.0	3	0.0	0.0	0.0	1.2	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	0.2	0.9
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	0.2	0.9
... 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	5,542	12.3	-275.9	-275.9	-4.7	11.6
of which debt securities measured at fair value through other comprehensive income	4,318	9.0	5,625	12.6	5,349	11.9	-275.5	-275.5	-4.9	12.3
... government debt securities measured at fair value through other comprehensive income	2,875	6.0	3,854	8.6	3,613	8.0	-240.9	-240.9	-6.3	9.3
e) Debt securities at amortised cost	1,415	3.0	2,981	6.7	3,084	6.8	102.2	102.2	3.4	-11.8
of which government debt securities at amortised cost	1,182	2.5	2,314	5.2	2,382	5.3	67.4	67.4	2.9	-10.7
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	787	1.7	-12.0	-12.0	-1.5	-4.7
Equity and liabilities	47,948	100.0	44,651	100.0	45,099	100.0	448.0	448.0	1.0	8.1
Financial liabilities measured at amortised cost (deposits)	41,895	87.4	39,404	88.2	39,864	88.4	460.5	460.5	1.2	10.0
a) Financial liabilities to central bank (Eurosystem)	1,229	2.6	1,380	3.1	1,379	3.1	-0.6	-0.6	0.0	40.3
b) Liabilities to banks	18,168	37.9	2,378	5.3	2,347	5.2	-31.1	-31.1	-1.3	-12.3
of which to domestic banks	2,065	4.3	799	1.8	806	1.8	6.8	6.8	0.8	2.7
of which to foreign banks	16,098	33.6	1,579	3.5	1,541	3.4	-37.9	-37.9	-2.4	-18.5
c) Liabilities to non-banking sector (deposits by NBS)	20,883	43.6	34,281	76.8	34,681	76.9	400.0	400.0	1.2	11.5
of which to non-financial corporations	3,728	7.8	8,031	18.0	7,794	17.3	-236.5	-236.5	-2.9	18.4
households	13,407	28.0	22,437	50.2	22,863	50.7	426.1	426.1	1.9	11.9
government	1,879	3.9	948	2.1	930	2.1	-18.1	-18.1	-1.9	-12.9
other financial institutions	1,065	2.2	1,172	2.6	1,306	2.9	133.2	133.2	11.4	-4.9
non-residents	475	1.0	1,217	2.7	1,316	2.9	99.2	99.2	8.2	7.9
d) Debt securities	1,276	2.7	1,058	2.4	1,059	2.3	1.3	1.3	0.1	76.2
e) Other financial liabilities measured at amortised cost***	1,568	3.3	307	0.7	398	0.9	90.9	90.9	29.6	-54.0
Provisions	176	0.4	186	0.4	181	0.4	-4.7	-4.7	-2.5	-2.0
Shareholder equity	4,010	8.4	4,805	10.8	4,821	10.7	16.1	16.1	0.3	-3.4
Other liabilities	1,867	3.9	257	0.6	233	0.5	-23.9	-23.9	-9.3	-19.8
BALANCE SHEET TOTAL	47,948	100.0	44,651	100.0	45,099	100.0	448.0	448.0	1.0	8.1

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

** Financial assets / securities on the asset side comprise total financial assets from A.II, including loans held for trading, while equities and debt securities other than loans are captured from other categories of financial asset (A.III, A.IV and A.V).

*** 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-Jan	(%)	Jan-Jan	v %	Jan.-Jan. 21/ Jan.-Jan.20
Interest income	790.0		754.0		65.6		61.9		-5.6
Interest expenses	107.3		114.9		9.4		10.1		7.5
Net interest	682.7	54.4	639.1	47.0	56.1	75.1	51.8	60.5	-7.8
Non-interest income	573.4	45.6	721.0	53.0	18.6	24.9	33.8	39.5	82.1
of which net fees and commission	333.8	26.6	329.7	24.2	28.6	38.3	29.2	34.2	2.3
of which net gains/losses on financial assets and liabilities held for trading	12.1	1.0	16.0	1.2	0.0	0.1	0.4	0.5	890.2
Gross income	1,256.1	100.0	1,360.1	100.0	74.7	100.0	85.6	100.0	14.6
Operating costs	-709.3	-56.5	-718.4	-52.8	-55.7	-74.6	-69.1	-80.7	24.0
Net income	546.8	43.5	641.6	47.2	19.0	25.4	16.5	19.3	-13.2
Net impairments and provisions	45.7	3.6	-169.6	-12.5	-3.6	-4.8	5.1	6.0	-242.3
Pre-tax profit	592.5	47.2	472.0	34.7	15.4	20.6	21.6	25.2	40.0
Taxes	-62.0		-21.7		-7.9		-4.2		-46.7
Net profit	530.5		450.3		7.6		17.4		130.1

Source: Bank of Slovenia.

Table 2.3: Selected performance indicators

	2014	2015	2016	2017	2018	2019	2020	2020	2021	Jan-20	Jan-21
in %								Jan.-Jan.	Jan.-Jan.	(last 12 mon.)	(last 12 mon.)
Profitability											
Financial intermediation margin*	3.10	3.05	3.05	2.88	3.01	3.13	3.16	2.15	2.27	3.09	3.17
ROA	-0.27	0.42	0.99	1.19	1.39	1.48	1.10	0.44	0.57	1.41	1.10
ROE	-2.69	3.63	7.96	9.58	11.07	12.16	9.57	3.72	5.41	11.60	9.72
Interest margin on interest-bearing assets	2.18	2.06	1.91	1.83	1.84	1.79	1.57	1.70	1.44	1.78	1.55
Net non-interest income / operating costs	58.05	60.05	68.53	62.67	71.93	80.84	100.35	33.34	48.94	78.93	100.59
Operating costs											
Labour costs / average assets	0.92	0.97	1.01	1.02	1.02	1.00	0.90	0.93	0.84	1.00	0.89
Other costs / average assets	0.81	0.84	0.80	0.78	0.73	0.77	0.77	0.64	0.96	0.77	0.80
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	1.54	/	/

* 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	1.4	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

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

Source: Bank of Slovenia, ECB.

4. QUALITY OF THE BANKING SYSTEM'S PORTFOLIO¹Table 4.1:² Non-performing exposures by client segment

	Exposures						Non-performing exposures (NPEs)					
	amount, EUR million			breakdown, %			amount, EUR million			ratio, %		
	Dec.19	Dec.20	Jan.21	Dec.19	Dec.20	Jan.21	Dec.19	Dec.20	Jan.21	Dec.19	Dec.20	Jan.21
NFCs	14,272	14,339	14,409	31.3	29.3	29.2	636	552	547	4.5	3.9	3.8
OFIs	1,372	1,367	1,368	3.0	2.8	2.8	11	8	7	0.8	0.6	0.5
Households	11,794	11,949	11,943	25.9	24.4	24.2	247	255	252	2.1	2.1	2.1
sole traders	691	688	690	1.5	1.4	1.4	28	30	30	4.0	4.3	4.4
individuals	11,104	11,261	11,252	24.4	23.0	22.8	219	225	222	2.0	2.0	2.0
Non-residents	7,587	8,030	7,949	16.6	16.4	16.1	99	106	106	1.3	1.3	1.3
Government	5,176	5,161	4,975	11.4	10.5	10.1	12	8	1	0.2	0.2	0.0
Banks and savings banks	897	867	902	2.0	1.8	1.8	0	0	0	0.0	0.0	0.0
Central bank	4,440	7,230	7,842	9.7	14.8	15.9	0	0	0	0.0	0.0	0.0
Drugo	53	12	0	0.1	0.0	0.0	0	0	0	0.0	0.0	0.1
Total	45,592	48,956	49,389	100.0	100.0	100.0	1,006	929	914	2.2	1.9	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, %			amount, EUR million			ratio, %		
	Dec.19	Dec.20	Jan.21	Dec.19	Dec.20	Jan.21	Dec.19	Dec.20	Jan.21	Dec.19	Dec.20	Jan.21
NFCs	14,041	14,126	14,196	34.6	32.8	32.4	201	177	176	1.4	1.3	1.2
OFIs	1,369	1,366	1,367	3.4	3.2	3.1	5	3	3	0.3	0.2	0.2
Households	11,794	11,948	11,943	29.1	27.7	27.2	214	209	241	1.8	1.7	2.0
sole traders	691	688	690	1.7	1.6	1.6	20	18	20	2.9	2.7	2.9
individuals	11,103	11,260	11,252	27.4	26.1	25.7	194	190	221	1.8	1.7	2.0
Non-residents	4,846	4,604	4,603	11.9	10.7	10.5	41	57	59	0.8	1.2	1.3
Government	3,175	3,037	3,049	7.8	7.0	7.0	6	8	0	0.2	0.3	0.0
Banks and savings banks	916	820	843	2.3	1.9	1.9	0	0	0	0.0	0.0	0.0
Central bank	4,440	7,230	7,842	10.9	16.8	17.9	0	0	0	0.0	0.0	0.0
Total	40,581	43,131	43,843	100.0	100.0	100.0	466	455	479	1.1	1.1	1.1

Table 4.3:² Non-performing exposures to non-financial corporations by sector

	Exposures			Non-performing exposures (NPEs)			NPE ratio		
	(EUR million)			(EUR million)			(%)		
	Dec.19	Dec.20	Jan.21	Dec.19	Dec.20	Jan.21	Dec.19	Dec.20	Jan.21
Agriculture, forestry, fishing, mining	128	124	123	3	3	3	2.0	2.7	2.8
Manufacturing	4,019	3,976	3,978	114	93	92	2.8	2.4	2.3
Electricity, gas, water, remediation	1,297	1,376	1,408	8	9	7	0.6	0.6	0.5
Construction	1,159	1,267	1,250	84	60	59	7.3	4.8	4.7
Wholesale and retail trade	2,559	2,573	2,574	229	209	210	9.0	8.1	8.1
Transportation and storage	1,749	1,638	1,631	20	25	24	1.2	1.5	1.5
Accommodation and food service	477	586	608	40	60	61	8.4	10.3	10.1
Information and communication	654	564	576	6	5	6	0.9	1.0	1.0
Financial and insurance activities	61	64	67	0	0	0	0.7	0.0	0.0
Real estate activities	586	586	584	46	24	24	7.9	4.1	4.0
Professional, scientific and technical	1,324	1,339	1,366	65	50	49	4.9	3.7	3.6
Public services	258	246	245	20	13	13	7.8	5.3	5.2
Total	14,272	14,339	14,409	636	552	547	4.5	3.9	3.8

Source: Bank of Slovenia.

¹ In 2020 banks are changing 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/2019/07/ifrs-9-webinar-curing-of-a-credit-impaired-financial-asset/>. As a result of the changeover the gross exposure increased by EUR 66.7 million as at 31 December 2020, the accumulated impairment allowances by EUR 58.8 million and adjustments to fair value due to credit risk by EUR 7.9 million.

² 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.19	Dec.20	Jan.21	Dec.19	Dec.20	Jan.21	Dec.19	Dec.20	Jan.21
Agriculture, forestry, fishing, mining	128	124	123	1	1	1	0.7	0.7	0.8
Manufacturing	4,009	3,967	3,970	42	32	30	1.1	0.8	0.8
Electricity, gas, water, remediation	1,290	1,369	1,402	4	5	4	0.3	0.3	0.3
Construction	1,157	1,266	1,248	58	39	40	5.0	3.1	3.2
Wholesale and retail trade	2,434	2,455	2,456	36	37	36	1.5	1.5	1.5
Transportation and storage	1,721	1,624	1,616	5	6	7	0.3	0.4	0.4
Accommodation and food service	471	581	603	18	21	21	3.9	3.7	3.5
Information and communication	633	536	548	1	1	1	0.1	0.2	0.2
Financial and insurance activities	61	64	67	0	0	0	0.0	0.0	0.0
Real estate activities	582	582	580	5	10	10	0.9	1.8	1.8
Professional, scientific and technical	1,298	1,311	1,338	31	24	23	2.4	1.8	1.8
Public services	257	247	246	1	1	1	0.3	0.5	0.3
Total	14,041	14,126	14,196	201	177	176	1.4	1.3	1.2

Source: Bank of Slovenia.