

**BANKA
SLOVENIJE**
BANK OF SLOVENIA
EUROSYSTEM



**MONTHLY REPORT
ON BANK PERFORMANCE**



SEPTEMBER 2019

BRIEF COMMENTARY ON DEVELOPMENTS IN THE BANKING SECTOR

Growth in loans to corporates rose in June, primarily due to specific major transactions with one company, but was otherwise at the level of previous months. Growth in loans to non-residents is high, but the proportion of total loans to the non-banking sector they account for is low. The stock of non-performing exposures continues to decline. Few NPEs arise in connection with new transactions, but the actual quality of this part of the banking system's credit portfolio will be seen in the context of a major cooling of economic growth. Year-on-year growth in household deposits, which was previously high but stable, rose in June. The banks' profit remains high, but uncertainty lingers in the banking system regarding the generation of stable revenue in the future.

Growth in the banking system's total assets has risen this year, to stand at 4.4% in year-on-year terms in June. On the investment side, banks have primarily increased loans to the non-banking sector by EUR 812 million during the year, and by EUR 292 million in June alone. Growth in loans to non-residents, which account for 4.3% of all loans to the non-banking sector, began to rise rapidly last year, and stood at 35% in year-on-year terms in June. The banking system's investments in securities, which account for one quarter of total assets, were also up during the first half of 2019, by EUR 163 million.

Growth in housing loans remains moderate and stable as growth in residential real estate prices slows. According to the *Bank Lending Survey* (BLS), growth in demand for housing loans is also slowing. Growth in consumer loans remains high with 11.7% in year-on-year terms in June. While primarily loans to households contributed to the overall increase in loans last year, loans to corporates are contributing an increasing amount to growth this year. Growth in loans to corporates was low yet stable last year, but rose to 5% year-on-year in June 2019. Contributing to increased growth in lending were major one-off transactions in the trade sector, without which growth in loans to corporates would have remained at the level of previous months (2.9%). Slowing activity in manufacturing is being seen in slower growth in loans raised at banks. According to the BLS, credit standards at Slovenian banks for loans to corporates and households did not change during the first half of 2019.

Total NPEs in the banking system amounted to EUR 1.4 billion in June, with EUR 863 million accounted for by the corporate sector, where NPEs are declining fastest. The proportion of new NPEs from transactions concluded in the last two and a half years is low. The actual quality of the portfolio of new loans will be seen with the reversal of the economic cycle. In that respect, it is also necessary to monitor the macroeconomic environment of countries to which banks are increasing their exposure, as well as activities that are more sensitive to changes in the economic cycle.

The banking system continues to finance its investment activities primarily through deposits by the non-banking sector. Year-on-year growth in household deposits was stable until May of this year at 7%, but rose to 8.2% in June, which was most likely due in part to a tax break on payments of annual leave allowances. Year-on-year growth in corporate deposits at banks has been slowing since the middle of last year, when it stood at 12% in year-on-year terms, and had fallen to 0.5% by the end of this June. At EUR 6.4 billion, the stock of corporate deposits remains high.

The banks' recorded high profit during the first half of the year, but uncertainty remains in the banking system regarding the generation of stable revenue in the future. The banking system's pre-tax profit during the first half of the year amounted to EUR 402 million, an increase of one quarter relative to the same period last year. Contributing to that high profit was an above-average increase in net non-interest income, moderate growth in net interest income, and the continued net release of impairments and provisions. The level of lending activity will be of increasing importance for the profitability of banks in the future due to low margins and still-low interest rates.

According to the latest available figures, the Slovenian banking system's overall capital adequacy on a consolidated basis was slightly below the euro area average during the first quarter of 2019, while the CET1 ratio was 2.8 percentage points above the euro area average, at 17.6%. The banking system's liquidity coverage ratio (LCR) remained high and relatively stable during the first half of 2019, but there are still significant differences between the liquidity positions of individual banks.

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1. MAIN FEATURES OF BANKS' PERFORMANCE AND FINANCIAL STATEMENTS¹

Table 1.1: Banking system's assets and liabilities, as at 30 June 2019

EUR million unless stated, growth rates in %	Stock	Breakdown	Stock	Breakdown	Stock	Breakdown	Increase		Growth in June 19, %	
	31.12.2008	(%)	31.12.2018	(%)	30.06.2019	(%)	in June 19	in 2019	monthly	year-on-year
Assets	47,948	100.0	38,777	100.0	40,152	100.0	165.5	1,375.9	0.4	4.4
Cash in hand, balances at central bank and sight deposits at banks*	1,250	2.6	4,733	12.2	4,803	12.0	-223.0	90.0	-4.4	12.2
Loans to banks at amortised cost (including central bank)	4,101	8.6	1,577	4.1	1,720	4.3	203.7	123.1	13.4	-21.6
domestic banks	2,673	5.6	802	2.1	813	2.0	77.6	-7.2	10.5	-6.6
foreign banks	1,428	3.0	774	2.0	906	2.3	126.2	130.3	16.2	-31.4
short-term loans to banks	2,056	4.3	578	1.5	678	1.7	133.7	79.7	24.6	-28.8
long-term loans to banks	2,046	4.3	998	2.6	1,042	2.6	70.1	43.4	7.2	-16.0
Loans to non-banking sector*	33,718	70.3	22,236	57.3	23,048	57.4	292.4	811.8	1.3	5.6
of which non-financial corporations	20,260	42.3	8,470	21.8	8,901	22.2	257.2	430.9	3.0	5.0
households	7,558	15.8	10,078	26.0	10,354	25.8	21.1	275.8	0.2	6.5
government	506	1.1	1,740	4.5	1,696	4.2	-30.6	-44.4	-1.8	-5.5
other financial institutions	2,829	5.9	1,058	2.7	1,074	2.7	15.7	16.1	1.5	0.7
non-residents	2,515	5.2	858	2.2	993	2.5	29.6	135.0	3.1	34.8
Other financial assets classed as loans and receivables (at amortised cost)	0	0.0	128	0.3	216	0.5	-19.7	88.3	-8.4	13.8
Securities / financial assets**	7,323	15.3	8,870	22.9	9,033	22.5	-99.8	163.0	-1.1	3.6
a) Financial assets held for trading	1,177	2.5	90	0.2	178	0.4	88.0	88.0	47.1	93.1
of which debt securities held for trading	571	1.2	49	0.1	108	0.3	50.2	58.9	87.5	103.8
... government debt securities held for trading	56	0.1	49	0.1	99	0.2	41.2	49.9	71.8	86.8
b) Financial assets measured at fair value through P&L not held for trading	0	0.0	62	0.2	64	0.2	4.1	2.1	6.9	17.0
of which debt securities measured at fair value through P&L not held for trading	0	0.0	0	0.0	0	0.0	0.0	0.0	0.0	0.0
c) Financial assets designated for measurement at fair value through P&L	179	0.4	6	0.0	6	0.0	0.0	0.1	0.2	0.7
of which debt securities designated for measurement at fair value through P&L	163	0.3	6	0.0	6	0.0	0.0	0.1	0.2	0.7
... 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	5,395	13.9	5,062	12.6	-216.3	-332.7	-4.1	-8.2
of which debt securities measured at fair value through other comprehensive income	4,318	9.0	5,189	13.4	4,850	12.1	-219.1	-338.7	-4.3	-8.5
... government debt securities measured at fair value through other comprehensive income	2,875	6.0	3,600	9.3	3,320	8.3	-187.0	-279.3	-5.3	-10.1
e) Debt securities at amortised cost	1,415	3.0	3,317	8.6	3,723	9.3	55.4	405.7	1.5	22.0
of which government debt securities at amortised cost	1,182	2.5	2,655	6.8	2,950	7.3	52.0	295.6	1.8	28.7
Interests in subsidiaries, joint ventures and associates	627	1.3	515	1.3	516	1.3	1.0	1.0	0.2	-7.3
Other assets	928	1.9	717	1.9	816	2.0	10.9	98.6	1.4	16.9
Equity and liabilities	47,948	100.0	38,777	100.0	40,152	100.0	165.5	1,375.9	0.4	4.4
Financial liabilities measured at amortised cost (deposits)	41,895	87.4	33,663	86.8	34,842	86.8	242.4	1,178.7	0.7	4.9
a) Financial liabilities to central bank (Eurosystem)	1,229	2.6	1,092	2.8	1,041	2.6	-0.4	-51.6	0.0	-6.8
b) Liabilities to banks	18,168	37.9	3,193	8.2	3,196	8.0	15.6	3.4	0.5	-5.3
of which to domestic banks	2,065	4.3	858	2.2	887	2.2	96.3	28.9	12.2	-1.2
of which to foreign banks	16,098	33.6	2,335	6.0	2,309	5.8	-80.6	-25.5	-3.4	-6.8
c) Liabilities to non-banking sector (deposits by NBS)	20,883	43.6	28,979	74.7	29,709	74.0	-59.2	730.0	-0.2	6.2
of which to non-financial corporations	3,728	7.8	6,788	17.5	6,442	16.0	-93.2	-346.3	-1.4	0.5
households	13,407	28.0	18,733	48.3	19,602	48.8	296.7	868.6	1.5	8.2
government	1,879	3.9	1,040	2.7	1,074	2.7	-144.7	33.4	-11.9	8.5
other financial institutions	1,065	2.2	1,122	2.9	1,356	3.4	-116.3	234.0	-7.9	18.3
non-residents	475	1.0	911	2.3	851	2.1	-6.8	-59.6	-0.8	-10.4
d) Debt securities	1,276	2.7	148	0.4	393	1.0	199.3	244.8	102.8	7.0
e) Other financial liabilities measured at amortised cost***	1,568	3.3	251	0.6	503	1.3	87.0	252.1	20.9	35.6
Provisions	176	0.4	203	0.5	189	0.5	-1.8	-13.6	-0.9	-10.3
Shareholder equity	4,010	8.4	4,726	12.2	4,826	12.0	-109.1	100.0	-2.2	-0.9
Other liabilities	1,867	3.9	184	0.5	295	0.7	34.0	110.9	13.0	67.3
BALANCE SHEET TOTAL	47,948	100.0	38,777	100.0	40,152	100.0	165.5	1,375.9	0.4	4.4

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.II, including loans held for trading, while equities and debt securities other than loans are captured from other categories of financial asset (A.III, A.IV and A.V).

*** Includes subordinated debt until 31 December 2017. Under the IFRS 9 methodology, the item of "subordinated debt" is abolished, and these liabilities are included under liabilities to banks. The bank performance data in this publication is based on the banks' own book figures, which differ in methodological terms from the published statistics. The data on loans also differs because the data in this publication includes loans to non-residents, applies the net principle (amounts are minus value adjustments), and does not include non-marketable securities.

Source: Bank of Slovenia

Table 1.2: Income statement for 2017, 2018 and 2019

(EUR million unless stated)	2017	Breakdown	2018	Breakdown	2018	Breakdown	2019	Breakdown	Annual growth, %
	Jan.-Dec. 17	(%)	Jan.-Dec. 18	(%)	Jan.-Jun. 18	(%)	Jan.-Jun. 19	v %	Jan.- Jun 19/ Jan.- Jun 18
Interest income	767.2		775.3		380.0		389.9		2.6
Interest expenses	115.2		103.6		52.3		52.9		1.1
Net interest	651.9	60.7	671.7	58.2	327.7	55.3	337.0	47.8	2.8
Non-interest income	422.2	39.3	481.6	41.8	265.5	44.8	367.9	52.2	38.6
of which net fees and commission	313.5	29.2	315.4	27.3	159.5	26.9	168.1	23.9	5.4
of which net gains/losses on financial assets and liabilities held for trading	29.6	2.8	13.0	1.1	7.3	1.2	6.4	0.9	-12.7
Gross income	1,074.2	100.0	1,153.3	100.0	593.1	100.0	704.9	100.0	18.8
Operating costs	-673.7	-62.7	-669.5	-58.0	-323.3	-54.5	-338.3	-48.0	4.6
Net income	400.5	37.3	483.8	42.0	270.1	45.5	366.7	52.0	35.9
Net impairments and provisions	42.7	4.0	47.1	4.1	53.1	9.0	35.5	5.0	-33.1
Pre-tax profit	443.2	41.3	530.9	46.0	322.9	54.4	402.2	57.1	24.5
Taxes	-18.4		-35.7		-27.3		-46.3		69.6
Net profit	424.8		495.2		295.7		355.9		20.4

Source: Bank of Slovenia

Table 1.3: Selected performance indicators

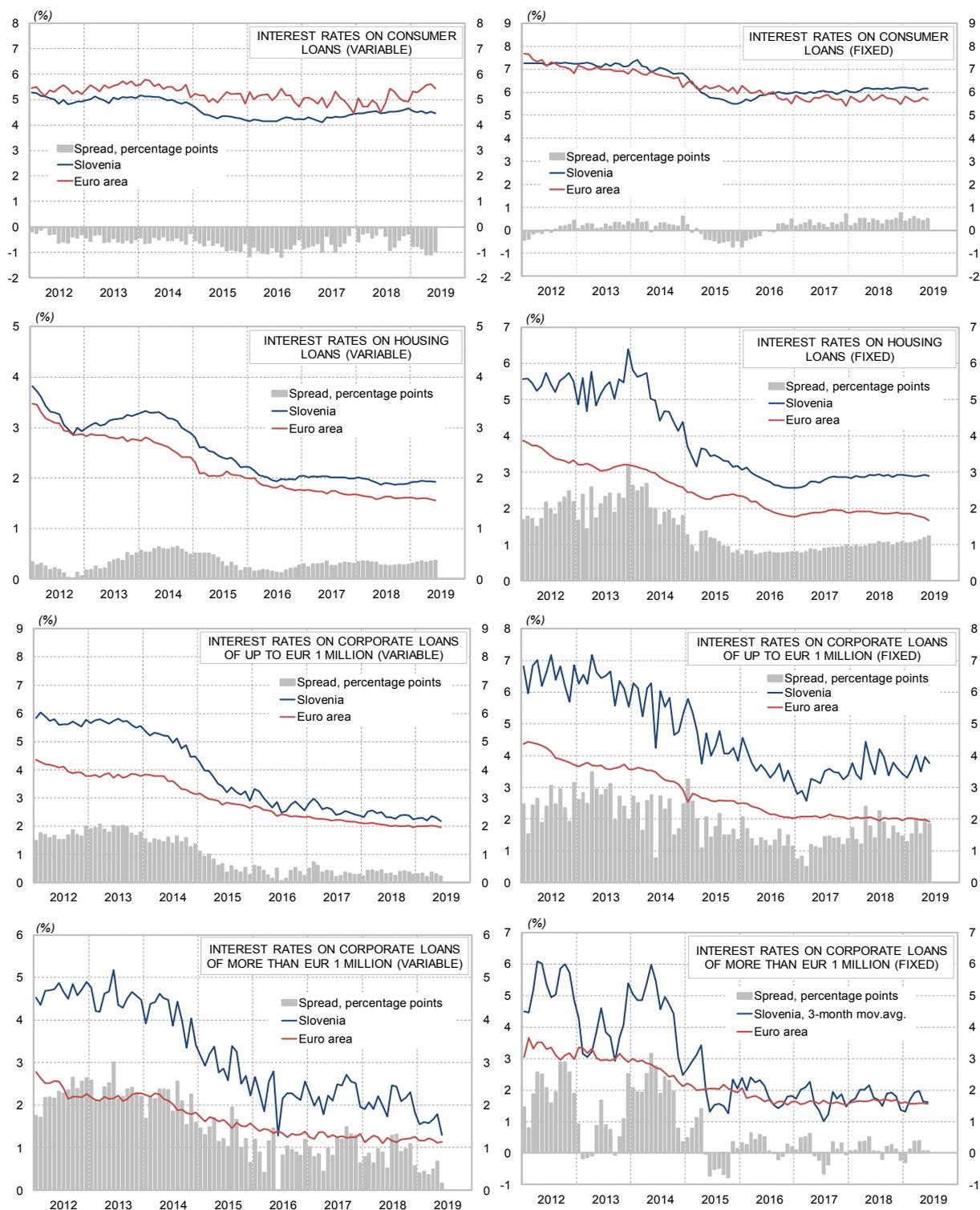
in %	2014	2015	2016	2017	2018	2018	2019	Jun-18	Jun-19
					Jan.-Jun.	Jan.-Jun.	Jan.-Jun.	(last 12 mon.)	(last 12 mon.)
Profitability									
Financial intermediation margin*	3.10	3.05	3.05	2.88	3.01	3.16	3.63	2.93	3.24
ROA	-0.27	0.42	0.99	1.19	1.39	1.72	2.06	1.35	1.56
ROE	-2.69	3.63	7.96	9.58	11.07	14.03	17.49	10.81	12.65
Interest margin on interest-bearing assets	2.18	2.06	1.91	1.83	1.84	1.83	1.82	1.83	1.84
Net non-interest income / operating costs	58.05	60.05	68.53	62.67	71.93	82.10	108.77	66.82	85.33
Operating costs									
Labour costs / average assets	0.92	0.97	1.01	1.02	1.02	1.00	0.99	1.02	1.01
Other costs / average assets	0.81	0.84	0.80	0.78	0.73	0.70	0.73	0.75	0.74
Asset quality									
Impairments of financial assets at amortised cost / gross assets	8.98	7.84	5.38	4.09	2.64	3.10	1.95	/	/

* Gross income / average assets

Source: Bank of Slovenia

2. BANKS' INTEREST RATES

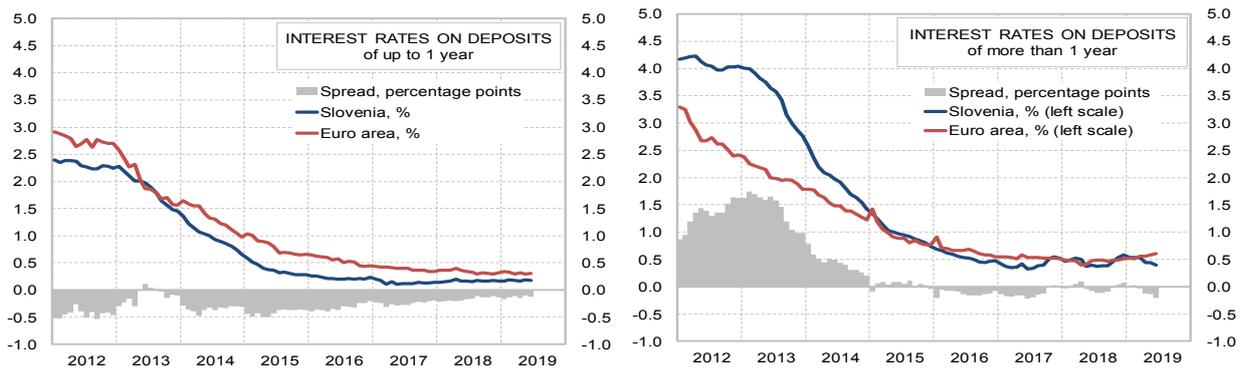
Figure 2.1: Comparison of interest rates on new loans in Slovenia with those across the euro area, variable¹ (left) and fixed² (right) rates, in percentages



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

Source: Bank of Slovenia

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



Source: Bank of Slovenia, ECB

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

	ECB interest rate	Loans								Household deposits 1)			
		Households				Corporates				up to 1 year		over 1 year	
		Housing 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
Jan-18	0.00	1.7	2.0	5.0	4.5	2.1	2.3	1.1	1.9	0.4	0.1	0.5	0.5
Feb-18	0.00	1.6	2.0	4.7	4.5	2.1	2.5	1.2	2.1	0.4	0.2	0.5	0.5
Mar-18	0.00	1.6	2.0	4.7	4.5	2.1	2.6	1.3	1.9	0.4	0.2	0.5	0.5
Apr-18	0.00	1.6	2.0	5.0	4.5	2.1	2.5	1.2	2.2	0.4	0.2	0.4	0.5
May-18	0.00	1.6	1.9	4.9	4.6	2.1	2.5	1.1	2.0	0.4	0.2	0.4	0.4
Jun-18	0.00	1.6	1.9	4.5	4.5	2.0	2.3	1.2	1.7	0.3	0.2	0.5	0.4
Jul-18	0.00	1.6	1.9	4.9	4.5	2.0	2.3	1.2	2.5	0.3	0.2	0.5	0.4
Aug-18	0.00	1.6	1.9	5.4	4.5	2.0	2.3	1.1	2.4	0.3	0.2	0.5	0.4
Sep-18	0.00	1.6	1.9	5.3	4.5	2.0	2.4	1.2	2.1	0.3	0.2	0.5	0.4
Oct-18	0.00	1.6	1.9	5.1	4.5	2.0	2.4	1.2	2.2	0.3	0.2	0.5	0.5
Nov-18	0.00	1.6	1.9	4.9	4.6	2.0	2.4	1.2	2.3	0.3	0.2	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	1.6	1.9	5.4	4.5	2.0	2.2	1.1	1.3	0.3	0.2	0.6	0.4

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

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

	Loans ¹							
	Households				Corporates			
	Housing 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
Jan-18	1.9	2.8	5.8	6.0	2.0	3.8	1.6	1.4
Feb-18	1.9	2.9	5.7	6.0	2.1	3.4	1.6	1.8
Mar-18	1.9	2.9	5.6	6.1	2.0	3.2	1.7	2.0
Apr-18	1.9	2.9	5.7	6.2	2.0	4.4	1.6	2.2
May-18	1.9	2.9	5.9	6.2	2.1	3.8	1.7	1.8
Jun-18	1.9	2.9	5.6	6.1	2.0	3.4	1.7	2.5
Jul-18	1.9	2.9	5.8	6.2	2.0	4.2	1.7	1.0
Aug-18	1.9	2.9	5.9	6.1	2.0	3.9	1.7	1.6
Sep-18	1.9	2.9	5.7	6.2	2.0	3.4	1.7	1.9
Oct-18	1.9	2.9	5.7	6.1	2.0	3.8	1.7	2.2
Nov-18	1.9	2.9	5.7	6.2	2.0	3.6	1.7	1.7
Dec-18	1.9	2.9	5.5	6.2	2.0	3.4	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	3.6	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	3.5	1.4	1.4
May-19	1.7	2.9	5.8	6.2	2.0	4.0	1.5	1.1
Jun-19	1.67	2.9	5.67	6.17	1.92	3.76	1.37	1.6

Source: Bank of Slovenia, ECB

3. QUALITY OF THE BANKING SYSTEM'S CREDIT PORTFOLIO

Table 3.1:¹ Non-performing exposures by client segment

	Exposures						Non-performing exposures (NPEs)					
	amount, EUR million			breakdown n, %			amount, EUR million			ratio, %		
	Dec.18	May.19	Jun.19	Dec.18	May.19	Jun.19	Dec.18	May.19	Jun.19	Dec.18	May.19	Jun.19
NFCs	13,676	13,718	13,704	31.8	31.3	31.2	1,150	971	863	8.4	7.1	6.3
OFIs	1,167	1,287	1,289	2.7	2.9	2.9	15	13	13	1.2	1.0	1.0
Households	11,281	11,496	11,562	26.3	26.2	26.3	288	277	270	2.6	2.4	2.3
sole traders	521	515	516	1.2	1.2	1.2	45	41	36	8.7	7.9	6.9
individuals	10,760	10,981	11,047	25.1	25.0	25.1	242	236	234	2.3	2.2	2.1
Non-residents	7,210	7,626	7,745	16.8	17.4	17.6	248	214	202	3.4	2.8	2.6
Government	5,375	5,448	5,393	12.5	12.4	12.3	13	13	13	0.2	0.2	0.2
Banks and savings banks	891	804	966	2.1	1.8	2.2	0	0	0	0.0	0.0	0.0
Central bank	3,345	3,508	3,290	7.8	8.0	7.5	0	0	0	0.0	0.0	0.0
Total	42,945	43,886	43,948	100.0	100.0	100.0	1,715	1,488	1,361	4.0	3.4	3.1

Table 3.2: Classified claims more than 90 days in arrears by client segment

	Classified claims						Claims more than 90 days in arrears					
	amount, EUR million			breakdown n, %			amount, EUR million			ratio, %		
	Dec.18	May.19	Jun.19	Dec.18	May.19	Jun.19	Dec.18	May.19	Jun.19	Dec.18	May.19	Jun.19
NFCs	13,352	13,426	13,386	35.6	34.8	34.5	449	389	264	3.4	2.9	2.0
OFIs	1,168	1,285	1,288	3.1	3.3	3.3	6	7	7	0.5	0.5	0.5
Households	11,281	11,496	11,552	30.1	29.8	29.8	239	235	222	2.1	2.0	1.9
sole traders	521	515	506	1.4	1.3	1.3	30	26	16	5.7	5.0	3.3
individuals	10,760	10,981	11,046	28.7	28.4	28.5	209	209	206	1.9	1.9	1.9
Non-residents	4,170	4,700	4,925	11.1	12.2	12.7	144	126	99	3.5	2.7	2.0
Government	3,287	3,378	3,401	8.8	8.7	8.8	6	6	5	0.2	0.2	0.2
Banks and savings banks	928	838	975	2.5	2.2	2.5	0	0	0	0.0	0.0	0.0
Central bank	3,345	3,508	3,290	8.9	9.1	8.5	0	0	0	0.0	0.0	0.0
Total	37,532	38,631	38,816	100.0	100.0	100.0	845	762	597	2.3	2.0	1.5

Table 3.3:¹ Non-performing exposures to non-financial corporations by sector

	Exposures			Non-performing exposures (NPEs)			NPE ratio		
	(EUR million)			(EUR million)			(%)		
	Dec.18	May.19	Jun.19	Dec.18	May.19	Jun.19	Dec.18	May.19	Jun.19
Agriculture, forestry, fishing, and hunting	142	137	138	16	14	11	11.3	10.0	7.9
Manufacturing	4,014	3,974	3,996	184	160	155	4.6	4.0	3.9
Electricity, gas, water, and heat supply	1,041	1,089	1,087	13	12	12	1.3	1.1	1.1
Construction	1,098	1,120	1,109	195	169	139	17.8	15.1	12.5
Wholesale and retail trade	2,564	2,556	2,473	411	337	268	16.0	13.2	10.9
Transportation and storage	1,748	1,719	1,780	49	45	45	2.8	2.6	2.5
Accommodation and food service activities	435	458	454	50	44	43	11.4	9.6	9.6
Information and communication	658	656	642	10	8	7	1.6	1.1	1.1
Financial and insurance activities	45	40	40	9	2	2	20.0	4.9	4.9
Real estate activities	555	584	598	106	89	89	19.2	15.3	14.8
Professional, scientific and technical activities	1,079	1,092	1,103	83	71	75	7.7	6.5	6.8
Public services	297	293	284	23	19	17	7.8	6.6	5.9
Total	13,676	13,718	13,704	1,150	971	863	8.4	7.1	6.3

Source: Bank of Slovenia

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

Table 3.4: Classified claims against non-financial corporations more than 90 days in arrears

	Classified claims			Classified claims more than 90 days in arrears			Proportion of classified claims more than 90 days in arrears		
	(EUR million)			(EUR million)			(%)		
	Dec.18	May.19	Jun.19	Dec.18	May.19	Jun.19	Dec.18	May.19	Jun.19
Agriculture, forestry, fishing, min	142	137	135	6	5	1	4.5	3.6	1.0
Manufacturing	4,001	3,963	3,958	90	74	48	2.3	1.9	1.2
Electricity, gas, water, remediat	1,031	1,079	1,080	6	6	6	0.5	0.6	0.6
Construction	1,096	1,119	1,093	150	136	93	13.7	12.2	8.5
Wholesale and retail trade	2,353	2,375	2,319	74	61	33	3.2	2.6	1.4
Transportation and storage	1,714	1,686	1,747	8	7	7	0.5	0.4	0.4
Accommodation and food service	429	453	447	22	19	17	5.2	4.1	3.7
Information and communication	633	631	616	2	2	1	0.3	0.4	0.1
Financial and insurance activities	45	40	40	5	1	1	10.5	2.8	2.3
Real estate activities	548	583	598	23	20	12	4.2	3.4	2.1
Professional, scientific and techn	1,068	1,067	1,069	55	54	43	5.1	5.0	4.0
Public services	292	293	283	8	4	1	2.7	1.2	0.4
Total	13,352	13,426	13,386	449	389	264	3.4	2.9	2.0

Source: Bank of Slovenia

4. LEASING COMPANIES' PERFORMANCE

Table 4.1: New leasing business by type of leasing and institutional sector

New leasing business by type of leasing and institutional sector, EUR million										
	Real estate leasing					Equipment leasing				
	NFCs	Households	Other sectors	Rest of world	Total	NFCs	Households	Other sectors	Rest of world	Total
2013	152.6	9.6	2.6	1.0	165.9	346.4	373.7	1.2	3.6	724.9
2014	213.8	4.4	22.2	0.4	240.8	356.5	416.7	2.3	3.4	779.0
2015	39.5	3.9	1.3	0.3	45.0	407.2	444.1	1.8	5.8	858.9
2016	49.4	4.4	2.4	0.0	56.2	472.4	440.3	1.1	6.3	920.0
2017	39.5	2.8	10.8	2.9	56.0	520.5	477.8	9.6	6.3	1,014.2
2018	9.2	0.3	0.9	0.0	10.5	567.3	510.4	1.3	0.7	1,079.7
2018 mar.	0.9	0.1	0.1	0.0	1.0	138.6	135.5	0.3	0.3	274.6
2018 jun.	3.4	0.0	0.3		3.7	153.4	135.8	0.4	0.0	289.7
2018 sep.	1.0	0.1	0.0		1.1	119.9	118.7	0.4	0.1	239.1
2018 dec.	3.9	0.2	0.5		4.6	155.4	120.4	0.3	0.2	276.3
2019 mar.	3.3	0.0	1.0	0.0	4.4	139.5	136.6	0.7	6.5	283.3
2019 jun.	0.8		0.0		0.8	150.4	139.8	0.4	0.3	290.9

Table 4.2: Stock of leasing business by type of leasing and institutional sector

Obdobje	Real estate leasing					Equipment leasing				
	NFCs	Households	Other sectors	Rest of world	Total	NFCs	Households	Other sectors	Rest of world	Total
2013	1,342.9	120.0	158.2	1.7	1,622.9	781.9	936.7	10.7	55.0	1,784.3
2014	1,087.3	97.6	118.7	1.7	1,305.5	745.2	945.1	7.2	47.8	1,745.3
2015	899.4	79.2	96.7	2.0	1,077.3	712.7	963.8	5.6	50.0	1,732.0
2016	556.5	59.9	52.5	3.2	672.2	710.6	933.4	3.7	23.7	1,671.3
2017	468.8	49.2	44.0	2.0	564.0	816.5	1,018.8	12.5	4.4	1,852.2
2018	286.3	35.8	29.7	1.3	353.1	888.4	1,074.2	14.5	2.6	1,979.7
2018 mar.	434.5	43.0	43.6	3.6	524.7	827.4	1,052.3	12.1	4.0	1,895.9
2018 jun.	358.8	41.3	42.0	2.5	444.6	862.0	1,076.9	16.2	2.7	1,957.8
2018 sep.	333.9	39.6	33.5	1.5	408.4	865.8	1,061.7	15.2	2.6	1,945.3
2018 dec.	286.3	35.8	29.7	1.3	353.1	888.4	1,074.2	14.5	2.6	1,979.7
2019 mar.	231.4	32.2	29.4	1.2	294.1	897.4	1,100.1	14.0	8.2	2,019.7
2019 jun.	210.2	30.9	28.7	1.0	270.8	925.9	1,128.9	13.6	8.5	2,076.9

Table 4.3: Leasing business by type of leasing and maturity

New leasing business by maturity, EUR million											
	Up to 1 year		1 to 5 years		5 to 10 years		Over 10 years		Total		
	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	All leasing
2013	125.7	100.4	296.8	12.3	299.6	15.8	2.8	37.4	724.9	165.9	890.8
2014	124.9	50.0	339.0	77.1	314.6	74.9	0.6	38.8	779.0	240.8	1,019.8
2015	151.1	13.7	350.3	9.6	353.3	12.0	4.3	9.7	858.9	45.0	903.9
2016	178.2	31.5	352.8	8.1	385.5	11.8	3.6	4.7	920.0	56.2	976.2
2017	210.8	34.0	368.7	3.8	434.2	2.0	0.4	16.2	1,014.2	56.0	1,070.2
2018	211.7	0.3	371.4	0.5	496.3	2.5	0.4	7.2	1,079.7	10.5	1,090.2
2018 mar.	55.5	0.1	94.5	0.1	124.5	0.2	0.2	0.7	274.6	1.0	275.6
2018 jun.	59.6	0.0	95.9	0.3	134.1	0.7	0.1	2.7	289.7	3.7	293.4
2018 sep.	45.5	0.0	76.8	0.1	116.7	0.2	0.0	0.8	239.1	1.1	240.3
2018 dec.	51.1	0.1	104.1	0.0	121.0	1.3	0.0	3.1	276.3	4.6	280.9
2019 mar.	60.9	1.2	100.8	0.1	121.4	0.6	0.2	2.5	283.3	4.4	287.7
2019 jun.	58.2	0.2	91.7	0.2	140.9		0.1	0.4	290.9	0.8	291.7

Stock of leasing business by maturity, EUR million											
	Up to 1 year		1 to 5 years		5 to 10 years		Over 10 years		Total		
	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	All leasing
2013	353.2	358.2	1,124.7	471.0	268.8	476.1	37.6	317.5	1,784.3	1,622.9	3,407.2
2014	316.3	215.2	1,125.7	519.8	288.5	365.8	14.8	204.7	1,745.3	1,305.5	3,050.7
2015	305.0	172.3	1,099.0	504.2	315.7	295.7	12.3	105.1	1,732.0	1,077.3	2,809.3
2016	228.2	164.0	1,113.8	290.3	322.9	155.5	6.4	62.3	1,671.3	672.2	2,343.5
2017	251.1	161.4	1,243.3	189.6	353.0	157.5	4.8	55.5	1,852.2	564.0	2,416.2
2018	226.6	106.1	1,332.9	109.2	419.6	102.6	0.7	35.3	1,979.7	353.1	2,332.9
2018 mar.	249.2	137.9	1,265.7	181.3	378.2	164.8	2.8	40.7	1,895.9	524.7	2,420.7
2018 jun.	252.3	136.0	1,304.8	135.2	399.7	135.9	1.0	37.5	1,957.8	444.6	2,402.4
2018 sep.	233.3	125.8	1,301.3	119.6	409.8	126.2	0.8	36.8	1,945.3	408.4	2,353.7
2018 dec.	226.6	106.1	1,332.9	109.2	419.6	102.6	0.7	35.3	1,979.7	353.1	2,332.9
2019 mar.	235.8	104.9	1,355.4	71.5	427.7	84.6	0.8	33.1	2,019.7	294.1	2,313.8
2019 jun.	251.9	96.0	1,377.0	65.9	447.2	78.8	0.7	30.0	2,076.9	270.8	2,347.7

Source: Bank of Slovenia

Table 4.4: Stock of leasing business with non-financial corporations by type of leasing and sector

Real estate leasing business, EUR million													
	Agri, mining	Manuf	Elec, gas, water	Construct	Trade	Trans, storage	Acco, food	Info, comms	Fin, insur	Real estate	PSTAs, ASSAs	Public services	Total
2013	6.2	53.5	6.5	106.7	637.2	14.0	56.2	8.8	3.5	344.6	64.8	41.0	1,342.9
2014	5.6	39.3	2.8	102.3	462.6	13.5	40.5	7.5	6.3	308.7	60.7	37.6	1,087.3
2015	5.5	33.8	7.4	86.1	399.7	11.2	35.7	7.2	1.8	242.2	43.3	25.6	899.4
2016	5.5	27.2	0.9	21.1	204.2	7.3	22.7	7.2	2.8	213.9	18.6	22.3	553.7
2017	0.1	30.0	1.1	25.2	135.9	10.5	19.3	7.1	4.8	158.9	41.3	33.6	467.9
2018		15.0	0.9	8.8	110.0	6.3	12.3	5.1	3.2	66.9	33.4	24.3	286.3
2018 mar.	0.1	29.4	1.1	21.4	135.0	10.0	18.2	6.8	4.8	138.1	37.3	32.1	434.1
jun.	0.1	26.8	1.0	12.8	128.8	9.7	17.7	6.7	2.8	84.2	36.6	31.2	358.5
sep.	0.1	16.6	0.9	10.7	122.2	9.3	17.0	6.3	3.4	83.3	34.8	29.2	333.9
dec.		15.0	0.9	8.8	110.0	6.3	12.3	5.1	3.2	66.9	33.4	24.3	286.3
2019 mar.		13.0	0.8	8.2	88.6	6.0	12.2	3.9	2.5	40.1	34.4	21.8	231.4
jun.		12.7	0.5	5.6	76.0	5.7	11.5	3.4	2.4	37.4	32.2	22.8	210.2

Equipment leasing business, EUR million													
	Agri, mining	Manuf	Elec, gas, water	Construct	Trade	Trans, storage	Acco, food	Info, comms	Fin, insur	Real estate	PSTAs, ASSAs	Public services	Total
2013	9.4	148.4	51.6	77.8	153.8	152.3	29.9	20.9	6.0	9.9	77.1	44.7	781.8
2014	10.1	132.4	41.9	75.5	146.0	163.5	34.4	22.9	3.6	9.4	68.0	37.6	745.2
2015	9.5	113.2	38.8	71.0	145.9	162.8	43.4	13.4	3.6	6.2	70.5	34.4	712.7
2016	11.9	96.7	27.2	65.7	139.1	196.4	52.5	12.3	4.4	4.9	66.4	33.1	710.6
2017	8.6	107.1	28.4	73.0	163.4	237.0	46.6	27.5	5.5	4.8	76.0	38.6	816.5
2018	9.4	129.2	17.6	92.8	167.7	289.9	26.3	24.2	4.9	5.6	87.1	33.7	888.4
2018 mar.	8.5	111.0	27.4	74.7	170.6	241.4	49.7	24.6	5.2	4.7	73.6	36.1	827.4
jun.	8.7	115.2	26.7	81.1	169.1	254.3	49.9	23.2	4.8	5.0	86.4	37.6	862.0
sep.	9.3	116.4	24.5	87.8	165.6	256.7	47.4	22.9	5.2	5.0	87.4	37.4	865.7
dec.	9.4	129.2	17.6	92.8	167.7	289.9	26.3	24.2	4.9	5.6	87.1	33.7	888.4
2019 mar.	9.9	129.3	17.6	94.7	181.8	291.2	23.0	21.7	5.0	6.2	83.0	33.8	897.3
jun.	10.5	132.1	17.3	99.5	183.8	295.4	22.5	22.4	5.4	5.5	99.0	32.4	925.8

Table 4.5: Arrears in leasing business with non-financial corporations by type of leasing and sector

Real estate leasing business, %														
	Agri, mining	Manuf	Elec, gas, water	Construct	Trade	Trans, storage	Acco, food	Info, comms	Fin, insur	Real estate	PSTAs, ASSAs	Public services	Overall	Overall (all leasing)
2013	85.3	10.3	0.0	15.7	2.8	0.4	15.7	4.3	9.2	2.2	13.3	6.0	5.5	9.5
2014	93.7	17.2	0.0	42.9	5.2	3.5	21.2	4.9	5.3	4.2	20.4	7.4	10.8	13.1
2015	95.2	14.5	4.3	45.8	5.5	7.1	23.9	5.6	3.9	8.9	23.1	13.5	13.0	13.5
2016	96.6	4.3	0.5	38.7	8.1	1.1	14.2	0.2	4.6	6.3	14.1	12.3	9.6	9.1
2017	63.6	6.3	0.0	41.0	13.9	27.6	23.1	0.2	36.0	6.6	48.3	7.4	15.6	10.6
2018		9.6	1.0	47.9	14.7	2.1	22.4	0.0	1.4	8.4	51.2	5.5	17.1	7.7
2018 mar.	70.2	6.5	0.0	31.6	13.2	29.2	23.2	0.0	36.8	7.8	45.9	7.7	15.1	9.8
jun.	76.9	5.7	0.0	45.0	13.4	30.1	24.2	0.0	1.6	12.5	46.7	8.1	17.3	9.7
sep.	83.2	8.5	0.0	40.5	14.2	30.9	25.6	0.0	1.4	9.6	49.2	8.6	17.4	8.5
dec.		9.6	1.0	47.9	14.7	2.1	22.4	0.0	1.4	8.4	51.2	5.5	17.1	7.7
2019 mar.		14.0	0.0	46.2	18.2	1.9	27.8	0.1	2.0	69.5	47.2	1.3	30.1	9.8
jun.		14.8	0.0	24.8	21.2	2.4	25.8	0.0	2.1	68.3	68.9	0.8	33.5	9.8

Equipment leasing business, %														
	Agri, mining	Manuf	Elec, gas, water	Construct	Trade	Trans, storage	Acco, food	Info, comms	Fin, insur	Real estate	PSTAs, ASSAs	Public services	Overall	Overall (all leasing)
2013	18.6	11.7	12.4	46.7	11.9	9.9	21.3	3.0	13.2	26.6	19.5	17.9	16.5	9.5
2014	15.0	13.8	15.8	43.6	12.4	7.5	21.4	2.3	31.1	33.4	23.7	9.7	16.3	13.1
2015	15.0	10.7	13.4	39.0	11.6	5.3	18.4	7.2	32.6	42.2	19.2	9.5	14.3	13.5
2016	13.3	7.9	15.8	26.7	6.9	2.0	10.3	9.0	20.7	20.9	8.5	7.8	8.6	9.1
2017	7.8	8.1	13.7	15.8	5.8	5.6	5.4	3.9	8.8	13.5	6.2	15.4	7.7	10.6
2018	5.4	5.6	6.7	10.9	3.0	4.4	2.4	4.4	0.9	3.5	1.8	4.1	4.7	7.7
2018 mar.	7.9	7.6	14.2	17.2	5.5	5.7	5.1	4.4	5.2	12.9	2.3	7.4	7.0	9.8
jun.	7.8	7.3	14.5	15.8	5.1	5.3	5.0	4.7	2.8	11.5	2.3	6.6	6.6	9.7
sep.	5.3	7.1	4.7	11.7	3.1	5.2	1.8	4.7	3.1	8.4	1.8	4.5	5.1	8.5
dec.	5.4	5.6	6.7	10.9	3.0	4.4	2.4	4.4	0.9	3.5	1.8	4.1	4.7	7.7
2019 mar.	4.9	5.5	6.5	10.7	2.8	4.5	2.6	4.8	0.9	1.4	1.6	4.1	4.6	9.8
jun.	4.9	5.4	6.5	10.2	2.7	4.3	1.9	4.7	0.7	1.7	1.3	4.2	4.4	9.8

Source: Bank of Slovenia

Table 4.6: Repossessions by type of leasing and transaction type, and sale of repossessed assets

	Finance leases		Operating leases		Loans		Total		Total (all leasing)
	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment	
2013	17.7	5.9	2.6	2.1	0.0	0.0	20.3	7.9	28.2
2014	8.7	4.4	0.0	1.1	0.0	0.0	8.7	5.5	14.2
2015	10.3	7.0	0.0	0.8	0.0	0.0	10.3	7.9	18.2
2016	8.8	3.9	0.0	1.1	1.4	0.1	10.2	5.1	15.3
2017	2.9	1.0	0.0	1.0	0.4	0.0	3.3	2.0	5.3
2018	0.0	1.5	0.0	0.8	0.0	0.0	0.0	2.3	2.3
2018 mar.	0.0	0.3	0.0	0.4	0.0	0.0	0.0	0.7	0.7
jun.	0.0	0.3	0.0	0.2	0.0	0.0	0.0	0.4	0.4
sep.	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.2	0.2
dec.	0.0	0.7	0.0	0.3	0.0	0.0	0.0	1.0	1.0
2019 mar.	0.0	0.6	0.0	0.7	0.0	0.0	0.0	1.3	1.3
jun.	0.0	0.6	0.0	0.3	0.0	0.0	0.0	1.0	1.0

	Finance leases		Operating leases		Loans		Total		Total (all leasing)
	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment	Real estate	Equipment	
2013	141.5	9.0	7.2	0.8	1.5	0.0	150.2	9.8	160.0
2014	118.0	8.2	4.6	0.7	0.0	0.0	122.5	8.9	131.4
2015	94.4	7.2	4.6	0.6	0.0	0.0	99.0	7.8	106.8
2016	70.6	6.4	0.2	0.4	1.4	0.1	72.1	6.9	79.0
2017	53.0	5.2	0.0	0.4	0.0	0.1	53.0	5.7	58.7
2018	38.1	4.8	0.0	0.4	0.0	0.1	38.1	5.3	43.4
2018 mar.	50.9	5.0	0.0	0.4	0.0	0.1	50.9	5.5	56.4
jun.	51.0	5.1	0.0	0.3	0.0	0.1	51.0	5.4	56.4
sep.	49.2	4.7	0.0	0.1	0.0	0.1	49.2	4.8	54.0
dec.	38.1	4.8	0.0	0.4	0.0	0.1	38.1	5.3	43.4
2019 mar.	34.1	5.0	0.0	0.8	0.0	0.1	34.1	5.8	39.9
jun.	33.7	4.8	0.0	0.4	0.0	0.1	33.7	5.2	38.9

	Real estate	Equipment	Total
2013	4.5	4.1	8.6
2014	12.4	6.2	18.6
2015	2.3	7.9	10.2
2016	6.0	4.1	10.2
2017	2.6	3.0	5.6
2018 mar.	0.4	0.6	1.1
jun.	0.2	0.4	0.6
sep.	0.0	0.6	0.6
dec.	0.4	0.7	1.0
2019 mar.	0.0	0.5	0.5
jun.	0.0	0.7	0.8

Table 4.7: Leasing companies' performance and funding

								Growth, %					
	2014	2015	2016	2017	2018	Q2 2019	2014	2015	2016	2017	2018	Q2 2019	
Total assets, EUR million	3,461	2,869	2,675	2,809	2,711	2,768	-32.0	-17.1	-6.7	5.0	-3.5	-3.8	
Shareholder equity, EUR million	288	260	400	479	527	560	41.1	-9.7	53.9	19.7	10.0	12.8	
Net profit, EUR million	50	24	51	82	88	53	-360.5	-52.4	111.9	62.1	6.8	302.3	
ROA, %	1.5	0.8	1.8	3.0	3.1	1.9							
ROE, %	17.5	9.2	16.9	19.8	17.2	9.4							
Financial and operating liabilities, EUR million	3,061	2,518	2,189	2,259	2,133	2,147	-17.9	-17.7	-13.1	3.2	-5.6	-6.8	
liabilities to banks and undertakings in group / total assets, %	88	88	82	80	79	78							
Investment property	822	629	567	389	362	334	-11.5	-23.5	-9.8	-31.5	-7.0	-13.9	
investment property / assets, %	24	22	21	14	13	12							
Finance expenses from impairments and write-offs, EUR million	113	118	61	54	43	17	-11.5	4.8	-48.0	-11.4	-21.4	40.0	

Source: Bank of Slovenia