

Banka Slovenije
in cooperation with
the Research Centre of the School of Economics and Business
invites you to a seminar

***The Resilience of Banks' Exposure to the Commercial Real Estate Market in
Slovenia***

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The seminar will be held at the
Lecture Room (Cankarjeva 1) of Banka Slovenije
on Thursday 30 January 2025 at 14:00 CEST

Abstract:

The presented paper uses loan-level data on bank lending in Slovenia, coupled with borrowers characteristics to examine the resilience of banks' exposures to the commercial real estate market. The author explores whether bank behavior differs between various types of lending to non-financial corporations, that is lending by using commercial real estate as collateral, lending for the purchase or construction of real estate and lending to construction and real estate activities, compared to other lending to non-financial corporations. In the paper, it is estimated that banks are more likely to grant loans for construction of real estate to less leveraged and more profitable firms. Firms in construction were also more likely to have loans with the highest loan-to-value (LTV) ratios. In a simulation of an increase in non-performing loan obligations the author finds banks' capital adequacy may fall by 1.3 p.p. due to losses on loans, using commercial real estate as collateral.

About the speaker:

Jelena Ćirjaković is a Researcher at the Financial Stability and Macroprudential Policy department at the Banka Slovenije, where she was previously the Head of Analysis of Financial Stability Section. She has worked on Eurostats' research grants projects for Artemis Information Management, Luxembourg and was the Head of Eurostats' research grant project at the Statistical Office of the Republic of Slovenia. Jelena Ćirjaković holds a PhD in Economics at the University of Ljubljana, School of Economics and Business. Her work has been published by Banka Slovenije, ESRB, EMF, Journal of Industrial and Business Economics, Eastern European Economics and The Service Industries Journal.

How to sign up:

To sign up for the seminar, please send an email to seminar@bsi.si. You can sign up by Tuesday 28 January 2025. The seminar will be held in English.