

REPUBLIC OF SLOVENIA

Investor Presentation



July 2025



Ministry of Finance
Republic of Slovenia



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Agenda

- **Country Overview**
- Fiscal Framework and Public Finances
- Business Environment and Robust Banking System
- Economic Performance
- Debt Profile Characteristics
- Recovery and Resilience Plan
- ESG labelled bonds
 - Sustainability-linked bond
 - Sustainability Bond Framework
- Inaugural digital bond





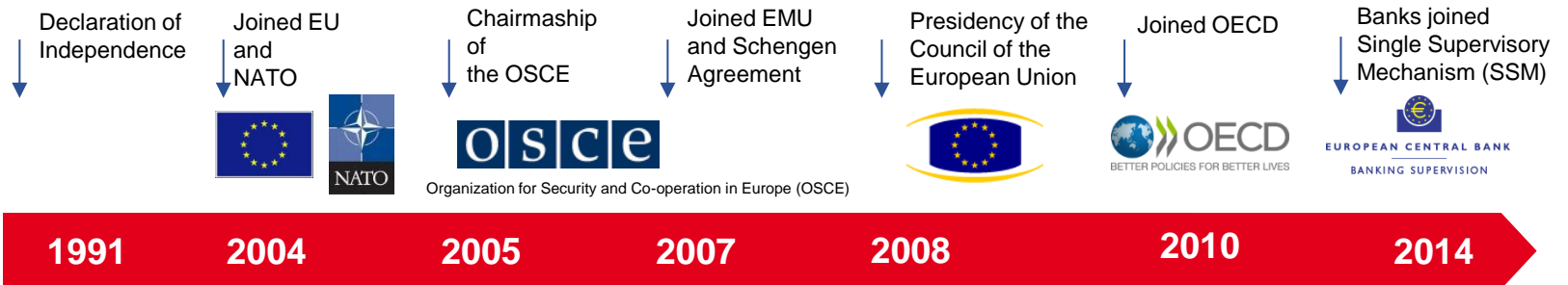
Slovenia: Member of the EU, NATO, EMU, OECD

Key Facts

Location	▪ Borders Austria, Italy, Hungary, Croatia and the Adriatic Sea
Territory	▪ 20,271 km ² (¹)
Population	▪ 2.13 million (January 1, 2025)(¹)
GDP per capita in PPPs	▪ 91% of EU-27 average (2024); (Portugal 82%, Estonia 79%, Poland 79%) Croatia 77%, Hungary 77%, Slovakia 75%)(²)



Strong International Relationships



- Slovenia is a parliamentary republic
- Joined the EU in 2004 and adopted the Euro in 2007 as the first among new member countries. Slovenia is also part of Schengen, EEA and EFTA
- The Prime Minister of the Republic of Slovenia appointed in June 2022 was Dr. Robert Golob and the new President elected in November 2022 was Nataša Pirc Musar

1. Source: Statistical Office of the Republic of Slovenia (SORS), 16.7.2025
2. Source: Eurostat, 16.7.2025





Slovenia: Highlights

Key Data

- **GDP growth in Q1/Q-4 (2025):** **-0.8%*** (1.5% EA-20 and 1.6% EU-27)⁽¹⁾
- **General Government balance in 2024:** **-0.9% of GDP**⁽²⁾ (-2.6% in 2023)⁽¹⁾
- **General Government debt in 2024:** **67.0% of GDP**⁽²⁾ (68.4% in 2023)⁽¹⁾
- **Capital adequacy ratio 12/2024:** **19.7% (CET1 17.5%)**⁽³⁾
- **NPE ratio 04/2025:** **1.0%**⁽³⁾

Macro-Economic Strengths

- **Export-driven economy** with value-added export goods
- **Balance of Payments, Current Account Balance** 4.4% of GDP in 2024 (4.5% of GDP in 2023)⁽⁵⁾
- **Unemployment rate (ILO) at 3.9% end 05/2025** (EA-20 average of 6.3%)⁽¹⁾
- **One of the lowest private sector debt in EA-20** (non-consolidated of 63.7% of GDP in 2023)⁽¹⁾
- **One of the lowest gross Household Debt-to-Income Ratio** of 39.3% in 2023 (EA average of 88.1%)⁽¹⁾
- **Gross national savings** of 26.3% of GDP in 2024⁽⁴⁾

Prudent Debt Management

- **Treasury Directorate was awarded the title of "Sovereign Risk Manager" of the Year 2017** by the Risk magazine, London
- **Established yield curve in Euro Debt Capital Markets and efforts to expand presence across currencies**
- **Effective prefinancing strategy and proactive duration management**
- **Diversified investor base**
- **USD, JPY liabilities fully hedged back into EUR**
- **Strong debt affordability and ample liquidity buffers**

**Note: Growth rates of GDP in volume, based on seasonally adjusted data*

1. Source: SORS, Eurostat, 16.7.2025
2. Source: SORS, 16.7.2025
3. Source: Bank of Slovenia, Monthly report on bank performance, 16.7.2025
4. Source: Eurostat, Non-financial transactions - quarterly data, 16.7.2025
5. Source: Bank of Slovenia, Balance of payments, 16.7.2025





Key Policy Reforms Implemented

- 1 Pension System Reform**

Pension reform* enhanced sustainability of public finances. The average age of retirement is continuously increasing. The average age of women upon retirement in 2024 was 61 years and 8 months (3 years and 2 months higher than in 2013). For men, the average age in 2024 rose to 62 years and 9 months (1 year and 10 months higher than in 2013). The effects of the pension reform from 2013, resulted in the change of growth rates of the average number of old-age pensioners decreasing from 4.0 per cent. in 2012 to 2.1 per cent. in 2024
- 2 Labour Market Reform**

Labour market reform streamlined employment protection, labour market flexibility, reduced labour market segmentation and equalized labour cost for people under 30. Public sector wage reform effective from 2025 aims to reduce wage disparities, set indexation dynamics and enhance fiscal transparency
- 3 Privatisation**

State Asset Management Strategy being implemented by Slovenian Sovereign Holding. In July 2024, the National Assembly adopted a new state asset management strategy, adapted to the current context and identifies raising the productivity of companies as a key economic objective. The management strategy is a basic tool for active ownership by the state
- 4 Strengthened Banking System**

Well-capitalized banking system. Stark reduction in non-performing loans ratio since 2013. Nova KBM d.d., NLB d.d. and Abanka d.d. (merged into Nova KBM d.d.) privatized. The new Banking Act adopted in 2021 relating to capital requirements and regulation of financial holding, remuneration and audit power. In November 2023 introduced amendment to the requirement to maintain a systematic risk buffer (syRB), in December a positive neutral CCyB set at 1%
- 5 Bank Asset Management Company**

Bank Asset Management Company (BAMC) restructured viable enterprises and ceased operations end of 2022. The SSH is the legal successor of the BAMC as of January 1, 2023. The BAMC's real estate proceeds will be used for affordable housing
- 6 Fiscal rule and Council**

A constitutionally mandated balanced budget has been in force since 2013. Fiscal Rule bylaw in place since July 2015. The Fiscal Council has been in operation since 2017. A new Fiscal Rule Act adopted in March 2025, aligns the national legislation with the amended EU's fiscal governance framework, which was adopted in April 2024 and changes the definition of the principle of medium-term fiscal balance enshrined in the Constitution

* Note: Slovenia implemented a significant pension reform with the enactment of the Pension and Disability Insurance Act (ZPIZ-2) in December 2012, which come into force in January 2013.
Source: Ministry of Finance, Pension Institute, 16.7.2025





Disastrous floods in August 2023

The severe flooding that hit Slovenia on August 4 was described as the worst natural disaster since independence. The government took swift action to accelerate flood relief to help people and economy.

First Flood Relief Measures

- Two-stage approach: first emergency law, then systematic measures (Reconstruction Act*) aimed at long-term mitigation and prevention of similar disasters.
- First intervention measures adopted by amending the Natural Disaster Recovery Act
- Emergency law** brings new intervention measures for reconstruction and aid
- A revised 2023 state budget to get flood relief funding underway

EU Funding

- €100m from the EU Solidarity Fund for 2023, and €328m for 2024-2025)
- Slovenia may also tap NGEU recovery fund and reprogramming of its cohesion funds
- For long- and medium-term reconstruction RRP and other sources

Slovenia Reconstruction Fund

- National fund for financing reconstruction set up according to emergency law
- A special facility will pool together various types of finance, from budget allocations to EU funds and special contributions levied on business and households and other sources

Post-flood Reconstruction

- Not only focus on the acute damage caused by recent floods but interdisciplinary in nature achieving future-proof vulnerable infrastructure
- Taking into account the realities of climate change

*Act on Reconstruction, Development, and the Provision of Financial Resources (adopted in December 2023, amended in 2024)

** Act Determining the Intervention Measures to Remedy the Consequences of the Floods and Landslides in August 2023



One-off floods relief measures and Fiscal Effects

Most emergency measures are complete, but major renovation and flood protection projects will take years. Funding will come from state and municipal budgets until mid-2025, then from the Slovenia Reconstruction Fund

Fiscal Effects of One-off Measures (% of GDP)

2023	0.7
E2024	0.7
F2025	0.7

Reconstruction focuses on improving and modernizing infrastructure to be resistant to the future climate risks and on supporting those affected by the floods

Assigned Revenue of the Reconstruction Fund

Temporary Measures to Provide Financial Resources*:

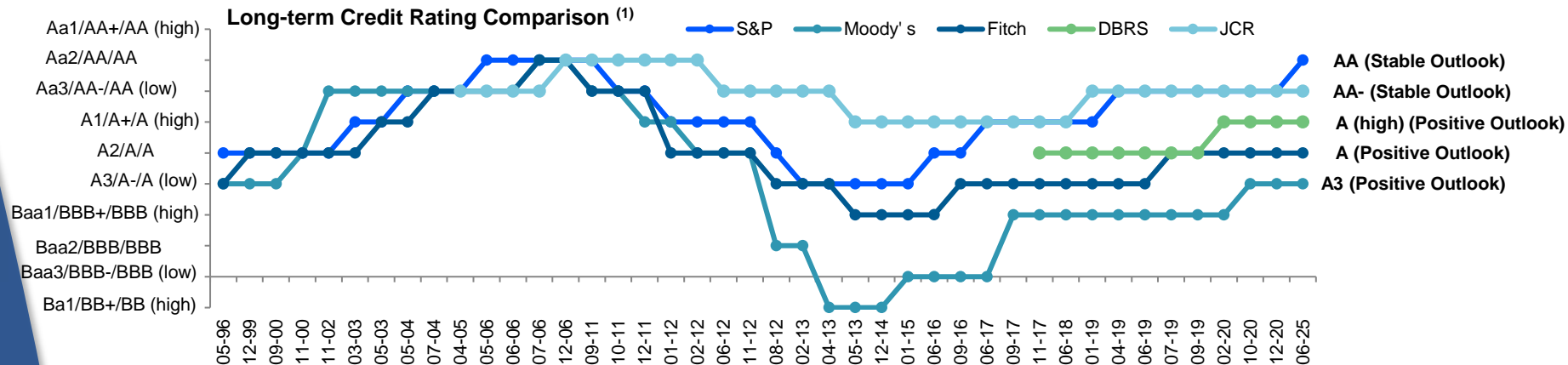
- temporary increase of **corporate income tax** by 3 percentage points to 22% (2024-2028)
- **new temporary tax on the profits of banks and credit institutions** (2024-2028)
- **temporary use of net and available profit** of the Slovenian Sovereign Holding (SSH)

The tax reform aimed to boost state revenue to fund reconstruction for regions hit by the August 2023 floods.

*According to the Act on Reconstruction, Development, and the Provision of Financial Resources (adopted in December 2023 and amended in 2024)



Slovenia Sovereign Rating




Credit Strengths⁽²⁾

- Existing fiscal and external buffers, following years of robust growth, are expected to allow Slovenia to weather the external shocks
- High debt affordability, strong debt management and large liquidity buffers
- High levels of income per-capita, strong external position, EU and EMU membership

Credit Challenges⁽¹⁾

- Occasionally slow progress in implementing structural reforms related to population ageing
- Elevated government debt ratio compared to peers

Sovereign ⁽³⁾	S&P	Fitch	Moody's
Germany	AAA	AAA	Aaa
Austria	AA+	AA	Aa1
Ireland	AA	AA	Aa3
Slovenia 	AA	A	A3
Czech Republic	AA-	AA-	Aa3
Estonia	A+	A+	A1
Slovakia	A+	A-	A3
Lithuania	A	A	A2
Latvia	A	A-	A3
Portugal	A	A-	A3
Spain	A	A-	Baa1
Poland	A-	A-	A2
Croatia	A-	A-	A3
Cyprus	A-	A-	A3
Italy	BBB+	BBB	Baa3
Hungary	BBB-	BBB	Baa2
Serbia	BBB-	BB+	Ba2

1. Source: Moody's, S&P, Fitch, DBRS, JCR, 16.7.2025
 2. Source: Selected drivers highlighted by rating agencies: S&P, Moody's and Fitch, 16.7.2025
 Source: Current credit ratings, Bloomberg, 16.7.2025



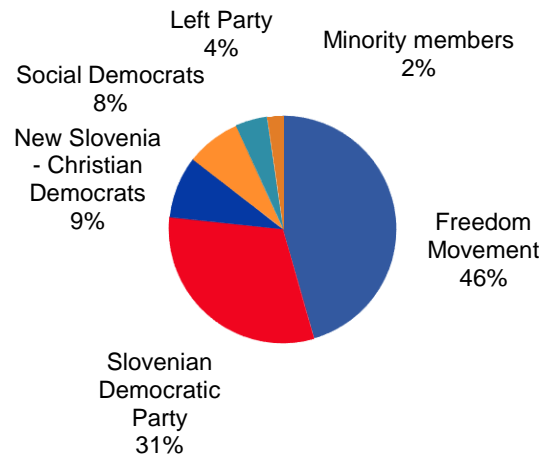


Political Leadership

Composition of the Government

- The 15th Government of the Republic of Slovenia, led by Dr. Robert Golob, was appointed by the National Assembly on June 1, 2022
- The 15th Government consists of the Freedom Movement, the Social Democrats and the Left Party
- Parliamentary elections were held in Slovenia on the April 24, 2022. The Freedom Movement won 41 seats in parliament, the Social Democrats 7, and the Left Party 5. coalition has 53 seats out of 90

Distribution of Seats at the National Assembly



Key Regular Election Dates

Parliamentary Election (April)

Local Election (November) *Mayors & Municipal Councils*

2026

Months

Jan	Feb	Mar
Apr	May	Jun
Jul	Aug	Sep
Oct	Nov	Dec

Presidential Election (October)

2027

Months

Jan	Feb	Mar
Apr	May	Jun
Jul	Aug	Sep
Oct	Nov	Dec





Government's Policy Agenda

Goals

Envisaged actions

*The government's **key priorities** focus on securing sustainable public finances, enhancing economic stability, and tackling both immediate and long-term challenges*

Fiscal Responsibility

- **The Medium-Term Fiscal-Structural Plan (2025-2028)** outlines a strategy to reduce the general government deficit and debt while complying with EU Fiscal Rules. It caps annual net expenditure growth at 4.5% and focuses on reforms and investments to address EU recommendations, promoting fiscal stability and sustainable growth
- **Public Sector Wage System Reform** setting mechanism in the public sector, aims to moderate long-term wage growth, contributing to fiscal sustainability
- **Introduction of Long-Term Care Contribution** to address the financial demands of an aging population, ensuring the adequacy and sustainability of long-term care services
- **The foreseen pension reform is currently in public debate as the social partners signed the agreement on the proposed changes.** The reform will have a positive impact on fiscal sustainability and also on pension adequacy.
- **A series of tax reforms** designed to optimize revenue collection, promote economic growth, and align with international tax standards
- **Undertaking comprehensive health sector reforms** to enhance the efficiency and quality of healthcare system while upholding fiscal responsibility. The health reform is ongoing and different changes have been already adopted.





Government's Policy Agenda cont.

Goals

Envisaged actions

*The government's **key priorities** aim to bolster economic resilience, improve labor market outcomes, and foster innovation and technological advancement*

Economic Resilience

- **Slovenia is diversifying its economy** by promoting innovation and supporting sectors like automotive manufacturing, pharmaceuticals, logistics, and tourism
- **Implementation of the Recovery and Resilience Plan**, supported by the EU, includes investments aimed at boosting productivity and innovation, including promoting environmental sustainability
- **Enhancing labor market functionality** through structural reforms to improve outcomes, increase employment rates of older workers, address skills mismatches, and promote lifelong learning. Legislative reforms also aim to attract foreign talent and ensure equal access to the labor market
- **Diversification of the Energy Mix** is essential for enhancing energy security and reducing dependence on imports and increasing resilience against external shocks, especially by renewable energy and nuclear power
- **Innovation and Access to Financing** are underway to foster a venture capital culture to support start-ups and innovative companies, addressing the underdeveloped ecosystem for new business ventures
- **Flood reconstruction plans** focus on restoring and upgrading infrastructure to withstand future extreme weather events, incorporating climate change adaptation measures
- **Addressing Housing Affordability** by increasing the supply of social housing crucial for enhancing social stability





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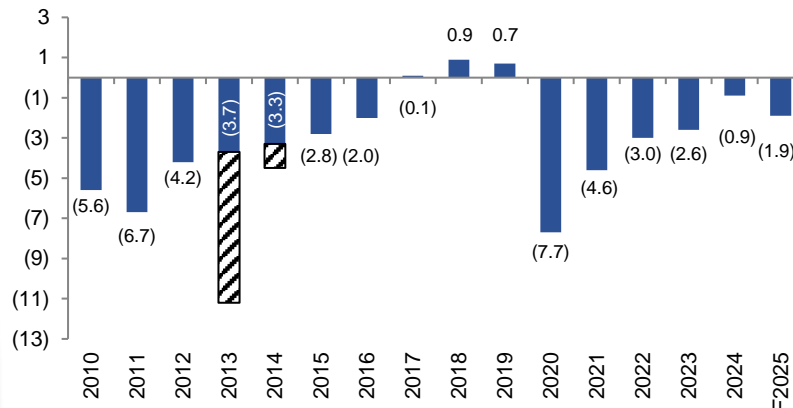


General Government Account (ESA 2010)

Fiscal Metrics

- **General Government deficit of -0.9% of GDP in 2024.** The GG deficit is expected to be -1.9 in 2025
- **General Government debt end 2024 of 67.0% of GDP**, below the EA-20 average of 87.4%. It is expected to decrease to 66.0 % GDP by the end of 2025, with a plan to further reduce it to 61.2% by the end of 2028³⁾
- **In 2024, GG deficit and GG debt developments correspond to a net expenditure growth rate of 4.5%⁴⁾**

General Government Balance (% of GDP)⁽¹⁾

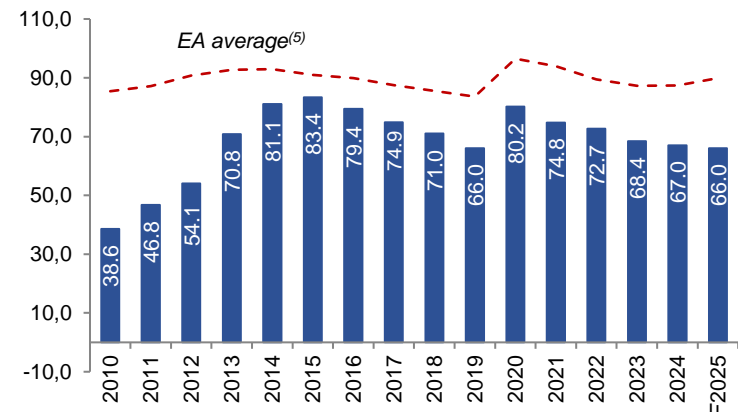


1. Source: Eurostat, SORS, Ministry of Finance, 16.7.2025

Headline deficit of -11.2% (one-offs of 7.5% of GDP due to banks recapitalization) in 2013. Headline deficit of -4.5% due (one-offs of 1.2% of GDP due to banks recapitalization) in 2014

Following the crises of 2020–2024, during which governments implemented extensive measures to mitigate COVID-19, the energy crisis, and inflation, as well as one-off flood relief measures in Slovenia, the general government deficit in 2024 decreased to 0.9% of GDP.

General Government Gross Debt (% of GDP)⁽²⁾



2. Source: Eurostat, SORS, Ministry of Finance, EC AMECO for EA, 16.7.2025

3. Source: Ministry of Finance, the Medium-term fiscal-structural plan (MTFSP) of the Republic of Slovenia 2025-2028, 16.7.2025

4. Source: EC, Council Recommendation on the economic, social, structural and budgetary policies of Slovenia, 4.6.2025 (published)

5. EA average F2025, European Commission, Spring 2025 Economic Forecast, 4.6.2025 (published)

Medium Term Fiscal Structural Plan 2025-2028

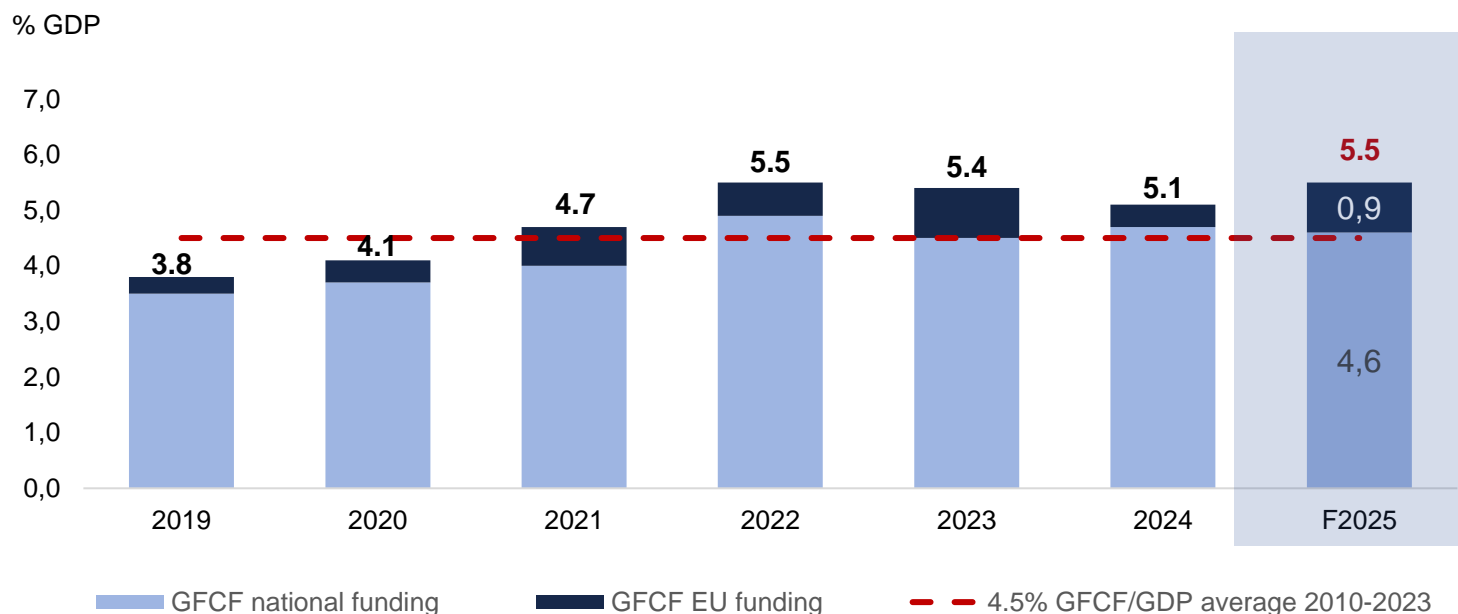
Slovenia's MTFSP complies with EU rules, and implementation monitored annually through progress reports—under the oversight of the Fiscal Council and the European Commission

- The EU's ECOFIN Council has activated **the national escape clause** for 15 member states, including Slovenia, **to support increased defence spending** while maintaining debt sustainability
- **Key variable for monitoring compliance with the fiscal targets is set at 4.5%** growth per year in-government **net primary expenditure*** over the consolidation Plan period of 2025-2028 and a fixed limit for fiscal policy over this period
- **The GG debt ratio** is one of the key indicators for **the sustainability of public finances** with planned **4-year fiscal consolidation** 2025-2028
- **Structural changes** in the pension and disability systems aim to ensure adequate pensions and long-term sustainability, making future pension expenditure projections more favourable
- **Key priorities** will be given to strengthening the economy, healthcare reform, knowledge, innovation, housing and climate policy, supported also by EU funds
- **Key reforms:** pension reform, health reform, long-term care reform, public sector wage system reform, housing policy, changes in education and tax changes

** Net primary expenditure excludes interest expenditure, discretionary revenue measures, EU-funded programme expenditures, national co-financing, cyclical unemployment benefits, and temporary measures*

Public Investments and Fiscal Priorities

- **Public investments boots Slovenia's productivity and long-term growth**
- **GFCF above the EU average:** 5.1% of GDP in 2024, 5.5% planned for 2025 vs. EU 3.6%, EA 3.4%
- **2025 Focus:** high investments continues, prioritizing defence and flood recovery
- **Defence Priority:** Elevated due to rising geopolitical tensions
- **Other key areas:** healthcare, green transition, R&D, competitiveness, and housing



Source: SORS; Ministry of Finance (Medium-term fiscal-structural plan of the Republic of Slovenia 2025-2028, Annual Progress Report 2025, 16.7.2025)

State Budget Outline for 2025 and 2026

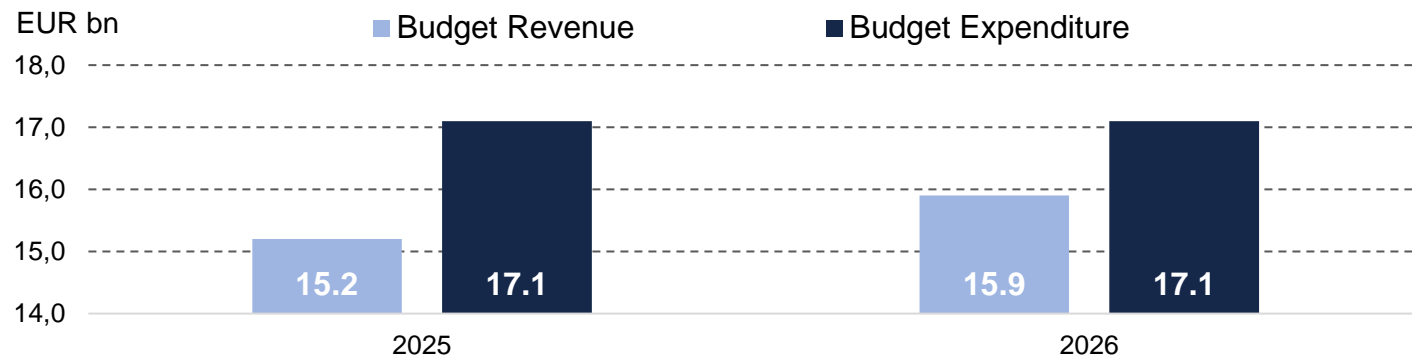
Adapting to Key Shocks and Trends

- Tightened **security** and **economic uncertainty**
- Consideration of the **Medium-Term Fiscal and Structural Plan** (2025-2028)
- Based on **new EU fiscal rules**
- **Focus on measures to strengthen economic development, health, innovation and housing policy**
- **Post-flood measures** will be mainly financed from the Budget Reconstruction Fund

Revenue & Expenditure in 2025 and 2026

2025 Budget Deficit: EUR 1.9bn
(2.7% of GDP)

2026 Budget Deficit: EUR 1.2bn
(1.6% of GDP)



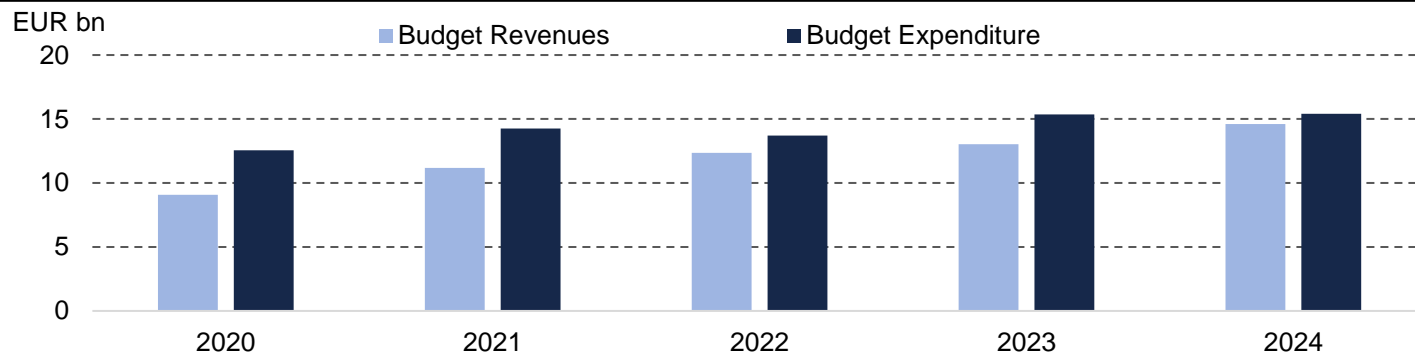


State Budget 2020 - 2024

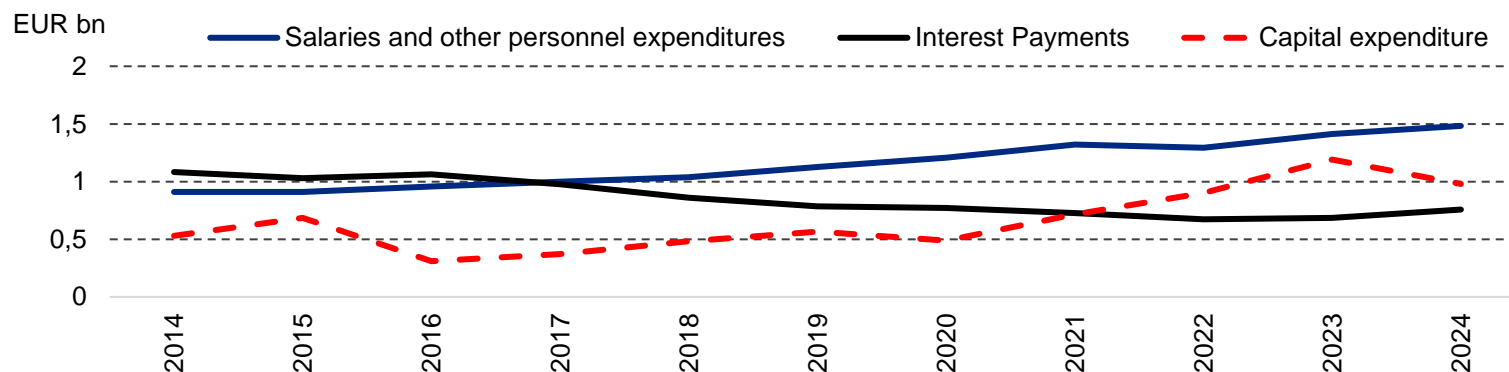
Fiscal Metrics

State Budget Balance of -1.2% of GDP in 2024, the lowest in the last 5 years. Revenues in 2024 driven by record employment, higher wages, and strong corporate profitability. Lower spending on flood reconstruction contributed to the reduced expenditures

State Budget Revenues & Expenditure in 2020 – 2024

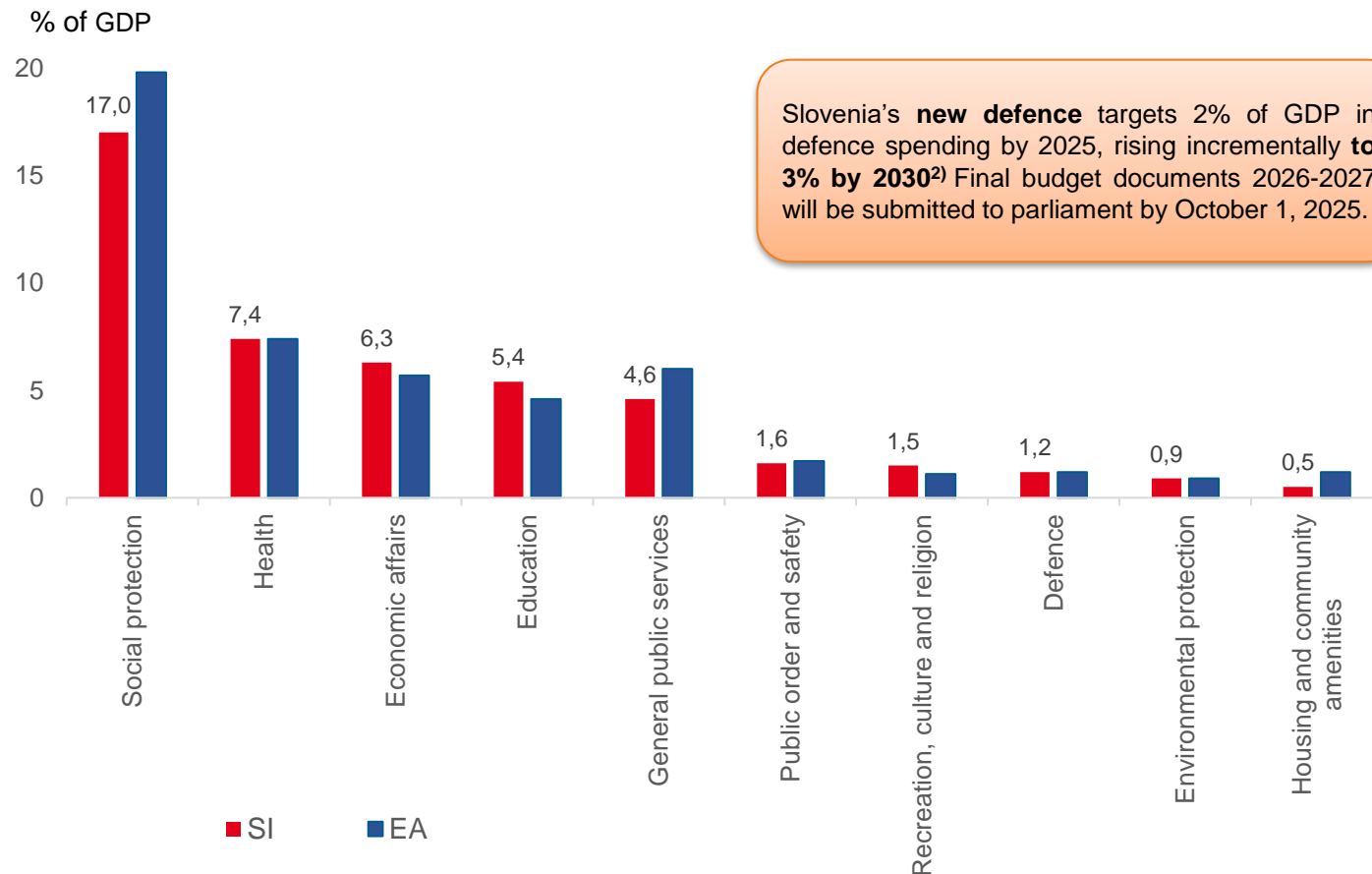


State Budget Expenditure Items in Focus 2014 – 2024



2023 Public Expenditure Patterns: Slovenia vs. the Euro area

In 2023, Slovenia demonstrated a clear policy orientation by allocating a larger share of its GDP to health and education compared to the Euro Area average. This reflects a strong national commitment to social infrastructure and human capital development



1. Source: Eurostat, General government expenditure by function (COFOG), 16.7.2025
2. Source: Resolucija o splošnem dolgoročnem programu razvoja in opremljanja Slovenske vojske do leta 2040 (ReDPROSV40-1), 16.7.2025



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Enhancing the Business Environment

Slovenia is adapting its strategies to promote a dynamic and resilient business environment that addresses both current challenges and future opportunities

Digital transformation

- As part of the Recovery and Resilience Plan, Slovenia commits to investing in the digitalization of public administration, improving digital skills and supporting companies in the introduction of advanced technologies. The goal is to become a leading hub for advanced digital technologies by 2030

Increasing productivity and improving the investment environment

- Reorienting investment support to promote employment in high-value, sustainable and digitally oriented business models
- The development of the capital market to increase its liquidity and resilience, which in turn will stimulate economic growth

Sustainable development

- Slovenia emphasizes green and sustainable development through various initiatives. The Industrial Strategy 2021-2030 focuses on the transition to a green and smart economy for greater competitiveness

Financial incentives to promote the development of SMEs

- Slovenia supports the development of small and medium-sized enterprises (SMEs), which are the backbone of the economy. Financial incentives are managed by the Slovenian Enterprise Fund and SID Bank, while additional support is provided by SPIRIT Slovenia and the SPOT portal.



Performance of State-Owned Enterprises

- State-owned enterprises are crucial for the Slovenian economy. The State manages shares in a number of companies, including DRI, DARS, GEN Energija, Pošta Slovenije and Slovenian Railways
- In 2024, the National Assembly adopted **the Ordinance on State Assets Management Strategy**, aimed at actively managing state assets. It focuses on raising company productivity and serves as a tool for the state to communicate its management objectives to the Slovenian Sovereign Holding (SSH), shareholders, the capital market, and the public.

Key Performance Indicators for Aggregate Portfolio of Companies Owned by RS and SSH

RS + SSH	2019	2020	2021	2022	2023	E2024
Assets Book Value (EUR (bn))	10.3	9.9	10.3	11.2	12.2	n.a.
Dividends received (EUR (m))	252.9	85.9	151.3	190.7	175.5	487.1*
Dividend-to-Equity Ratio	2.50%	0.80%	1.50%	1.9%	1.6%	n.a.
Portfolio ROE	6.90%	4.30%	6.10%	2.80%	10.1%	n.a.

* In 2024, dividends are estimated at 487.1 million EUR, 26.9% above the planned 383.9 million EUR. The largest share will come from the Energy sector (56%), followed by Economy (19.6%) and Finance (18.4%).

Source: Slovenian Sovereign Holding (SSH), 16.7.2025



Slovenian Banking System

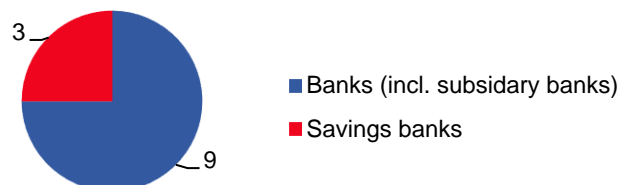
Banking System Highlights

- EUR 54.8bn Banking System Total Assets of 78.1% of GDP end 04/2025 (EUR 54.3 bn end of December 2024 (81.0% of GDP)⁽¹⁾
- Loan-to-deposit ratio (LTD) reduced from 161.5% in 2008 to 61.7% by April 2025⁽¹⁾
- After-tax profit of EUR 257m in 1-4/2025 (EUR 310m in 1-4/2024)⁽¹⁾
- Net impairments and provisions of EUR -25.6m in 1-4/2025 (EUR -70.5m in 2024)⁽¹⁾
- Stable banking sector: capitalization (CAR) at 19.7% and CET1 at 17.5% 12/2024⁽¹⁾
- Non-performing exposures (NPEs) at 1.0% 04/2025⁽¹⁾

Overhaul of the Banking System since 2013

- EUR 3.2bn capital increase at four banks: NLB, Nova KBM, Abanka and Banka Celje (2013-2014)
- Factor banka and Probanka winding down process concluded in 2015 (market share at that time of about 2%)
- Merger of Abanka and Banka Celje concluded in 2015
- Bank Resolution Authority and Fund established (banks provided EUR 195m funds)
- Resolution and Compulsory Dissolution of Credit Institutions Act adopted
- Nova KBM fully privatized in 2016, NLB (75% - 1 share) privatisation finalised in 2019, Abanka fully privatized in 2019
- Merger of Nova KBM and Abanka concluded in 2020. OTP Group: NKBM acquisition in February 2023, merger with SKB (OTP Group since 2019) in September 2024.
- The process of legal merger of N Banka d.d. (Sberbank d.d.) with NLB d.d. successfully closed to preserve financial stability

Composition of the Slovenian banking system



1. Source: Bank of Slovenia, Monthly report on bank performance, 16.7.2025

2. Source: Bank of Slovenia, Financial Stability Review, 16.7.2025

Ownership structure of the banking system





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- Inaugural digital bond

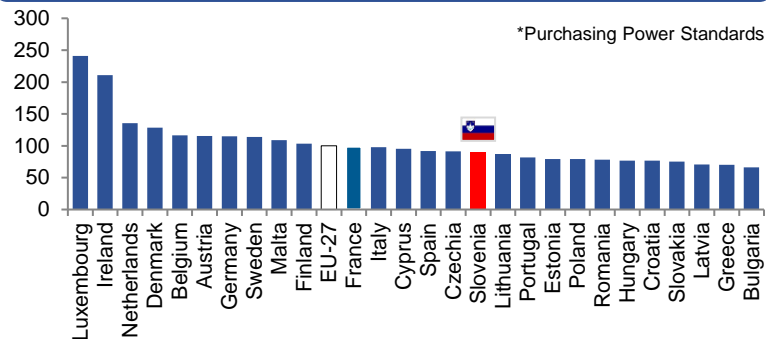




High Income Country Converging Towards the EU Average

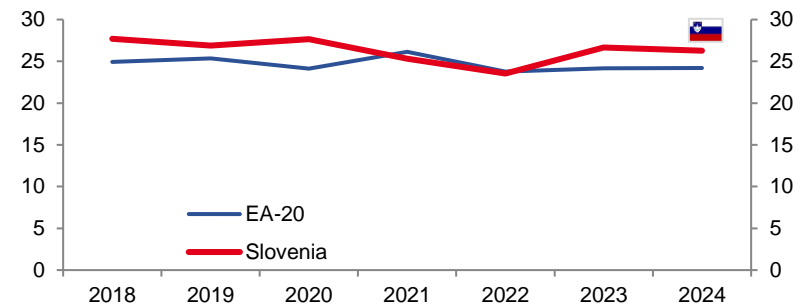
Among highest GDP per capita PPP among CEE Countries (91% of the Average of EU-27 as of 2024)

GDP per Capita PPS* in 2024 (EU27 = 100)



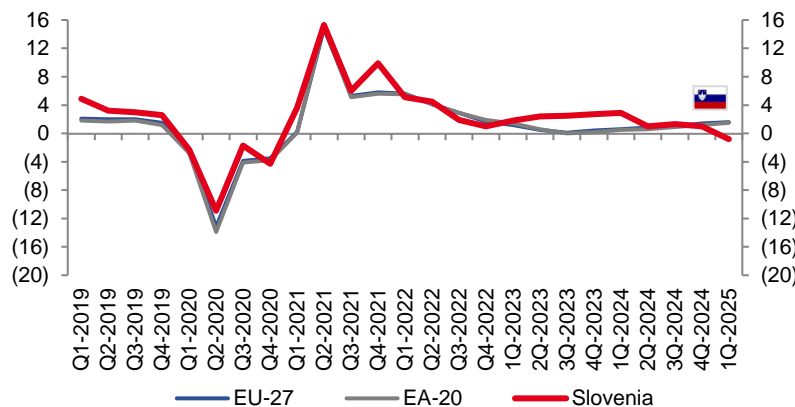
Source: Eurostat, 16.7.2025

Gross National Savings (% of GDP)



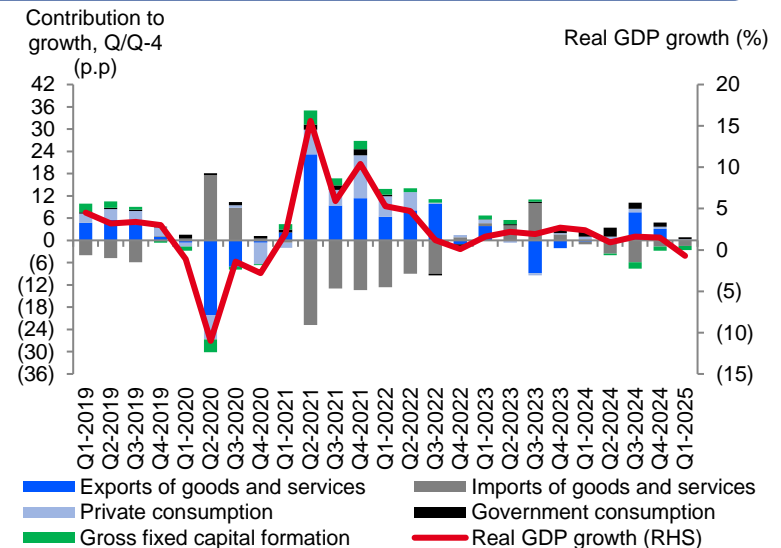
Source: Eurostat, 16.7.2025

GDP Growth Rate (% chg Q/Q-4)



Source: SORS, Eurostat, SA data, 16.7.2025

Contributions to Real GDP Growth (% chg Q/Q-4)



Source: SORS, Original Data, 16.7.2025

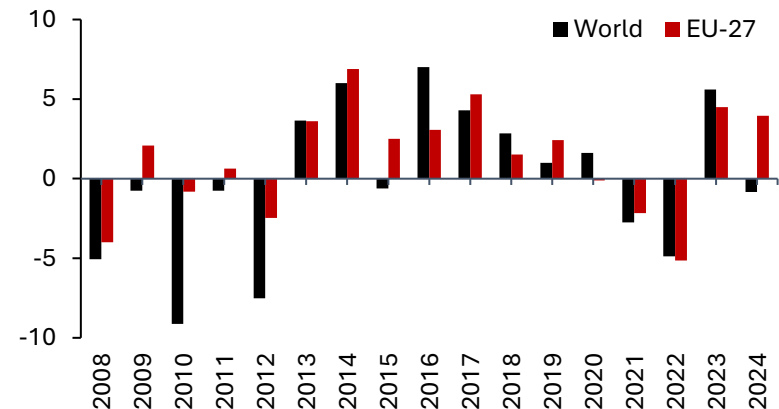
GDP annual volume change amounted to 1.6% (2.1% in 2023), and was thus above the EA-20 (0.9%) and the EU-27 (1.0%)



Current Account Position

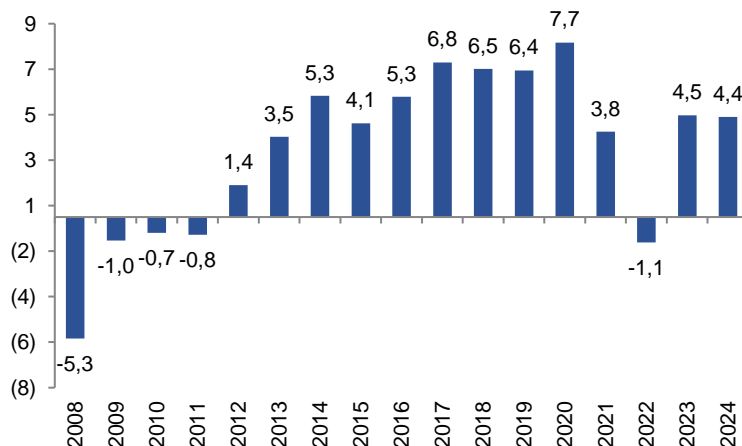
- Current Account surplus 4.4% of GDP 2024 (4.5% of GDP 2023)
- Current Account surplus 0.4% of GDP 1Q2025 (1.0% of GDP 1Q2024)

Change in Slovenia's Market Shares on the Global Market and in the EU (% chg Y-o-Y)⁽²⁾



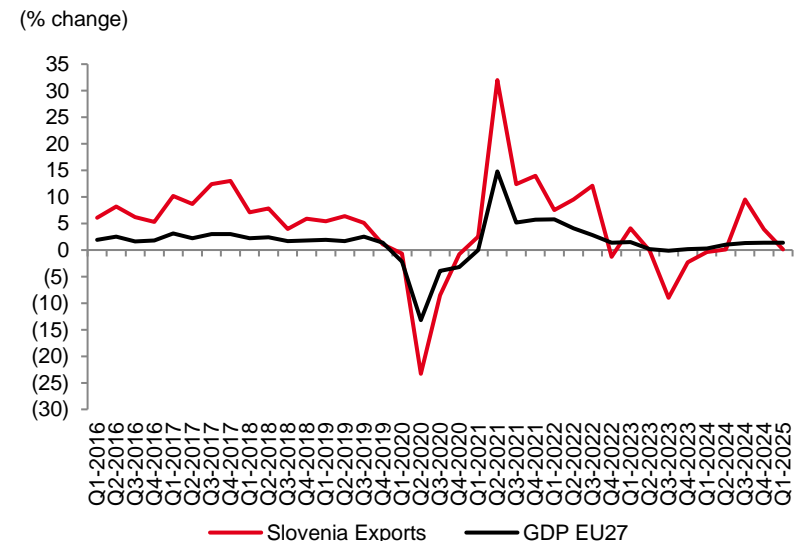
2. Source: UN Comtrade, Unctad, SORS, IMAD calculations, 16.7.2025

Current Account Balance (% of GDP)⁽¹⁾



1. Source: Bank of Slovenia, IMAD, Eurostat, 16.7.2025

Exports of Goods & Services (% chg Q/Q4)⁽³⁾



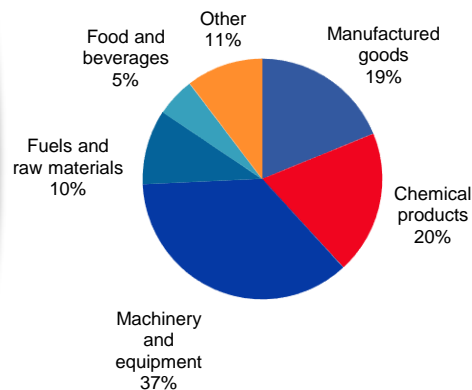
3. Source: SORS, Eurostat, Original data, 16.7.2025

Diversified and Open Economy

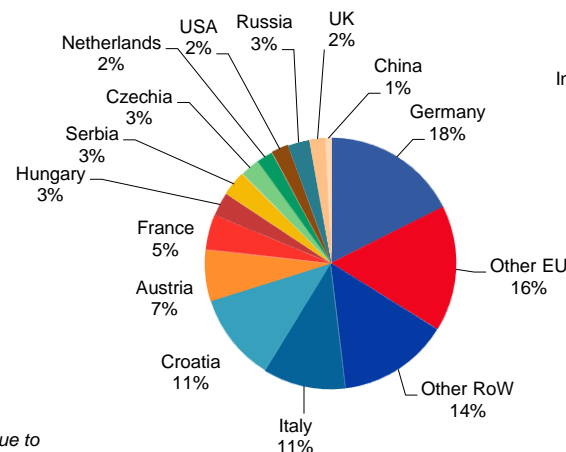
Manufacturing and Services Driven Growth

- EUR 54.6bn of exports of goods and services (81.5% of GDP) and EUR 50.2bn (74.9% of GDP) of imports of goods and services in 2024⁽¹⁾
- Exports of goods and services is driven by manufacturing, services, and the growing tourism industry
- $\frac{3}{4}$ of exports of goods is exported to EU
- More than 50% of goods are exported to Germany, Croatia, Italy, Austria and France
- Main trading partners are Germany, Croatia, Italy, and Austria. France, Serbia and the Russian Federation are also important partners
- In the period 2019-2023 annual inward foreign direct investment stock average growth was 7.1 % per year. The stock of inward FDI in Slovenia is estimated to EUR 21.4bn (33.5% GDP) at the end of 2023

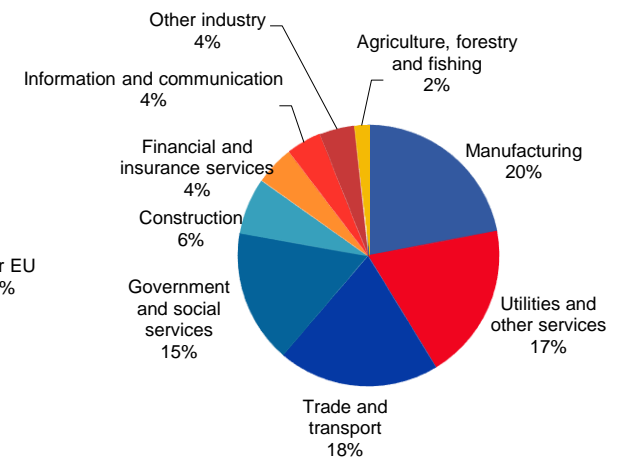
Exports of Goods (SITC)*



Geographic Distribution of Exports*



Breakdown by Sector of Total GVA*



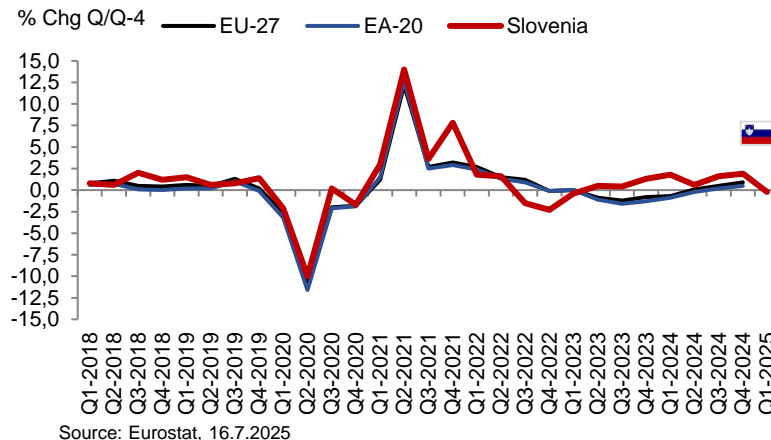
* Note: By the Standard International Trade Classification. Due to rounding, might not add up to 100%. Data has been adjusted to account for the estimated impact of goods processing.

Source: SORS, Bank of Slovenia, 16.7.2025

Educated Labour Force and Strong Labour Market Performance

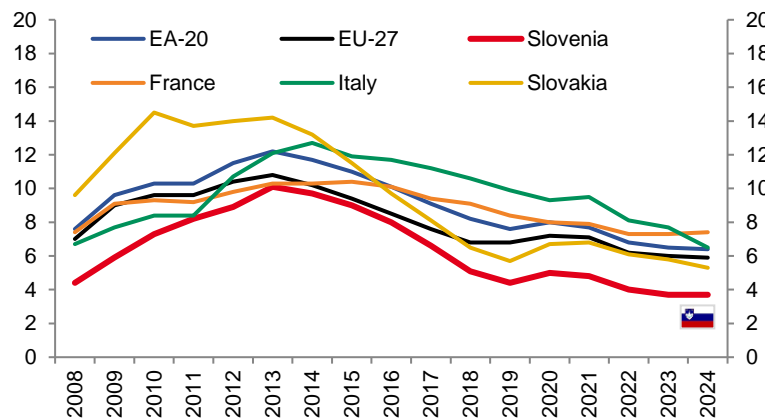
- Productive and well-educated labour force
- One of the lowest unemployment rates in the EU and EA

Real Labour Productivity per Person Employed (%chg Q/Q-4)

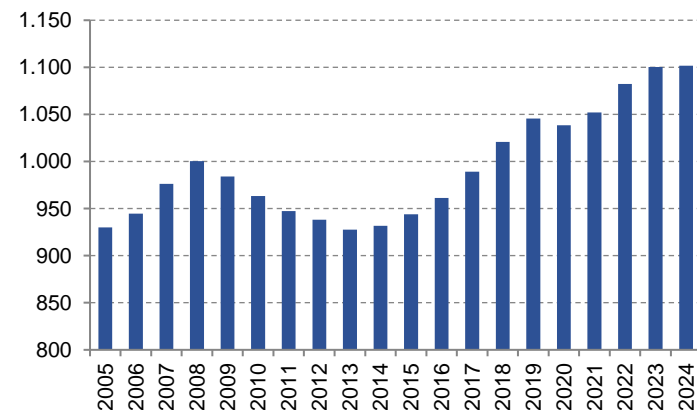


- **Real Labour productivity** in Slovenia, measured as GDP per person employed, increased by 1.9% in Q4/2024 compared to the same quarter of the previous year (in EA-20 decreased by 0.5% and in EU-27 by 0.9%).
- **One of the lowest unemployment rates in the EU.** Unemployment rate (ILO methodology) in 2024 stood at 3.7% (EA-20 average 6.4%, EU-27 average 5.9%)
- **Unemployment rate (ILO methodology) end 05/2025** stood at 3.9% in Slovenia (EA-20 average 6.3%, EU-27 average 5.9%)

Unemployment Rate (%)



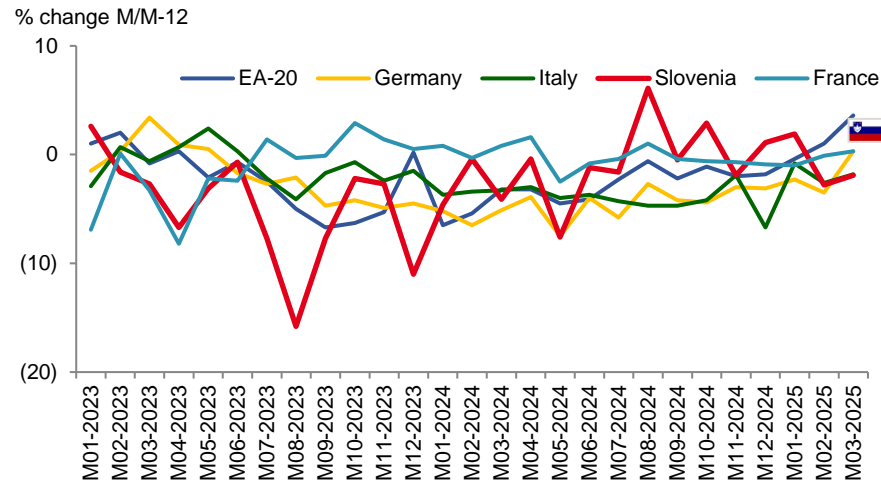
Employment (Based on National Accounts, 000)





Industry Production Performance and Prices Level

Industry Production Index*

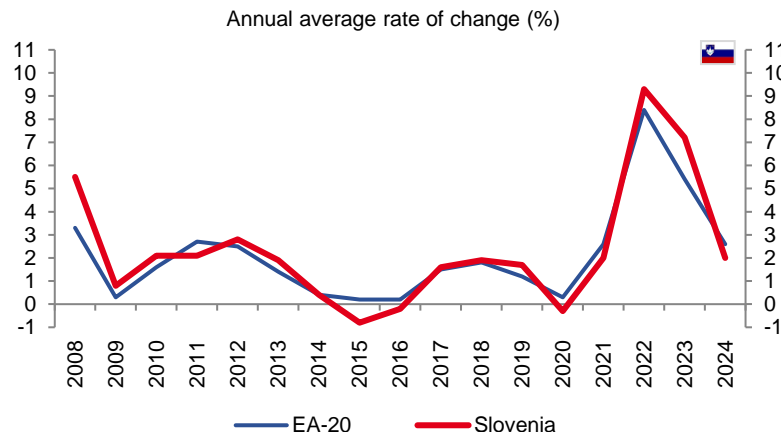


Source: Eurostat, 16.7.2025

*Industrial production encompasses Mining and quarrying, Manufacturing, Electricity, Gas, Steam and Air conditioning supply

- **Industrial growth** driven by high and medium technology-intensive industries
- **Foreign direct investments** are the most important in medium-high and high-tech segments of the manufacturing
- **Manufacturing sector** accounts for almost a quarter of gross value added

HICP – Inflation Rate



Source: Eurostat, 16.7.2025

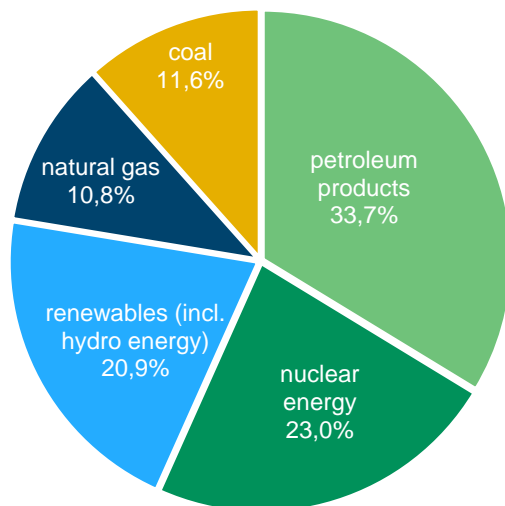
- **HICP (average) inflation rate of 2.0% in 2024** (EA-20 2.4%, EU-27 2.6%)
- **HICP inflation in June 2025 2.5%** (in the same period last year was 1.6%); **EA-20** inflation was 2.0% (2.5% in June 2024)



Sources of energy supply

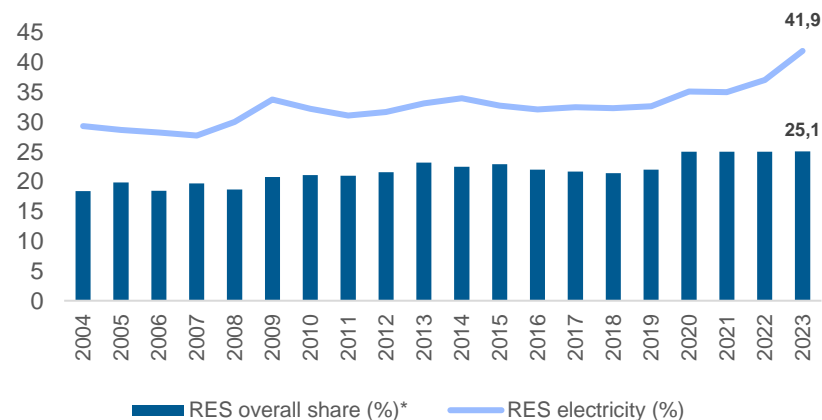
- **Domestic energy resources covered 56% of domestic energy needs in 2024** (up from 53% in 2023)
- **Energy dependency ratio in 2024 was 44.5%** (down from 47.5% in 2023)
- In 2023 Slovenia for the first time reached the target **share of energy from renewable resources** (25.07%)
- **Petroleum products were fully covered by imports and dominated the energy supply**
- Between 2020 and 2023, households in Slovenia consumed between 215 and 400 GWh of electricity per month

Energy Mix 2024*



*The total amount of domestic energy sources in Slovenia was 3.4 million toe (= 141 PJ), which is about as much as the year before.

Renewable Energy Sources (%)



* Share of energy from renewable sources in gross final energy consumption (Directive 2009/28/EC)

In Slovenia, the share of electricity from renewable energy sources (i.e. hydropower, solar energy, wood biomass, biogas, wind energy, etc.) in gross final energy consumption in 2023 was 42%



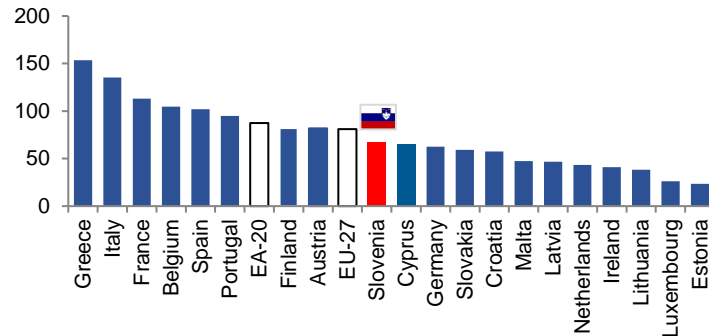
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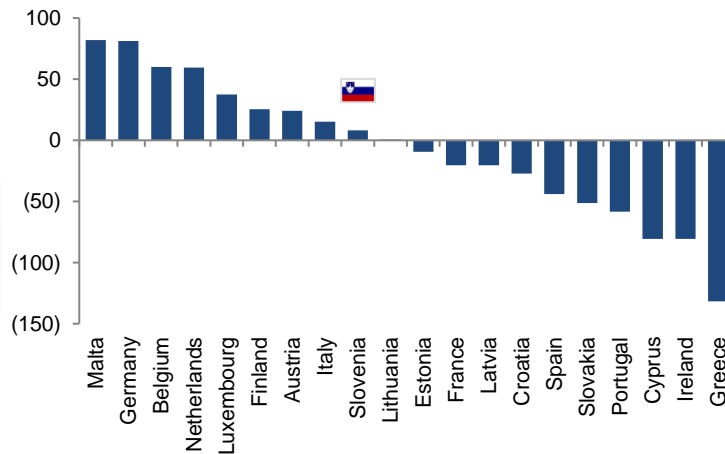
Private Sector is One of the Least Indebted in the Euro Area

General Government Gross Debt (% of GDP 2024)



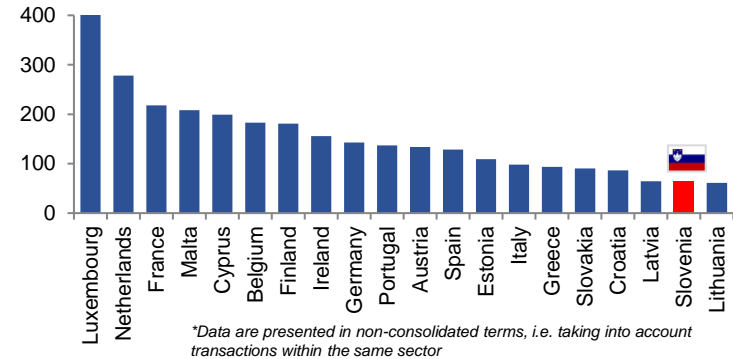
Source: Eurostat, 16.7.2025

Net International Investment Position (% of GDP 2024)



Source: Eurostat, Bank of Slovenia, 16.7.2025

Private Sector Debt* (% of GDP 2023)



*Data are presented in non-consolidated terms, i.e. taking into account transactions within the same sector

Source: Eurostat, 16.7.2025

Indebtedness Compared to EMU Countries

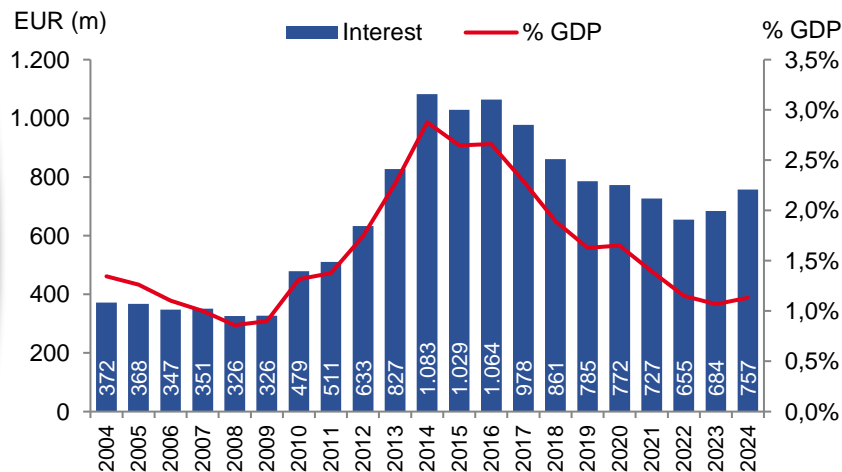
- 2nd lowest non-consolidated* **private sector debt to GDP ratio** among EA countries in 2023 at 63.7% (70.8% of GDP in 2022)
- **Net international investment position** of 8.2% of GDP in 2024 (2.3% of GDP in 2023)
- **Net External Debt-to-GDP ratio of -12.6% in 2024** (Italy 42.6%, Spain 47.7%, Austria 18.7% and Germany -11.9%)
- **One of the lowest Gross Household Debt-to-Income Ratio** of 39.3% in 2023 (EA-20 88.1%, Germany 78.2%, Austria 73.3%, Italy 52.2% and Spain 73.1%)

State Budget Debt Profile Key Servicing Figures

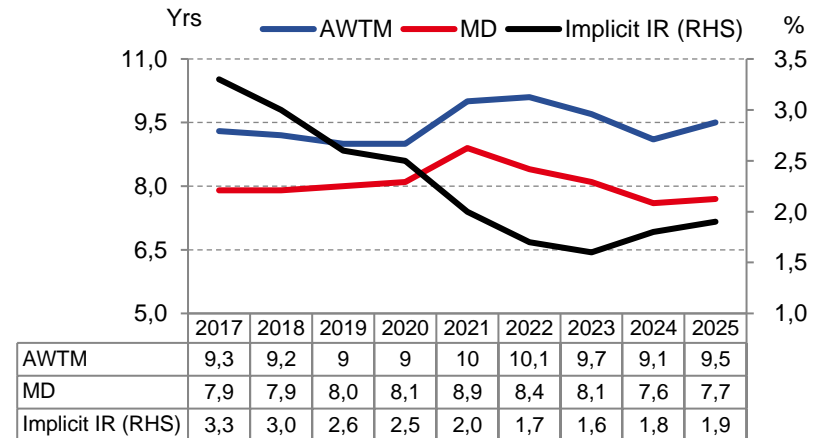
Following Key Treasury Objectives

- **Key focus of the state treasury was to extend the duration of the debt portfolio, hence reducing roll-over risk, while reducing implicit interest rate at the same time**
- Extended modified duration of the debt portfolio (from 4.7 yrs in 2014 to 7.7 yrs in 2025) while at the same time implicit interest rate was reduced (from 4.4% in 2014 to 1.9% in 2025)
- Since 2014 the long-term financing cost of the state budget has been reduced significantly. Interest bill of 2.9% GDP in 2014 reduced to 1.1% GDP in 2024

State budget Interest Servicing Cost



AWTM, MD and Implicit Interest Rate

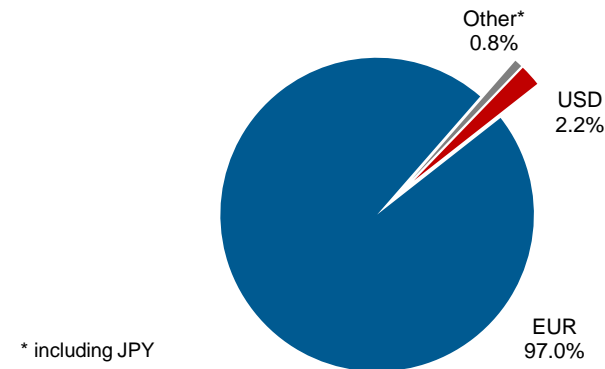


Source: Ministry of Finance, Data as at 31.7.2025

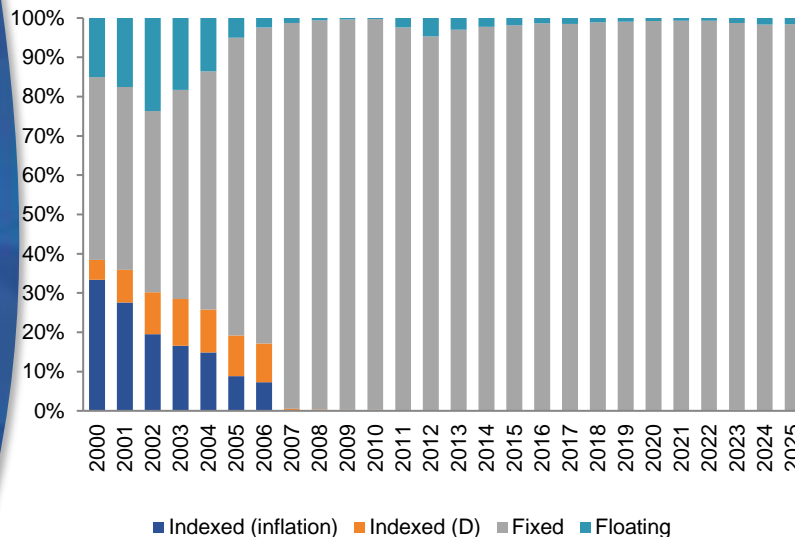
State Budget Debt Composition Profile

- High majority of outstanding the Central Government debt is denominated in domestic currency (euro)
- No exposure to FX volatility, as USD bonds are fully hedged into EUR
- 24.0% of existing budget debt has residual maturity of more than 10 years

Composition by Type of Currency

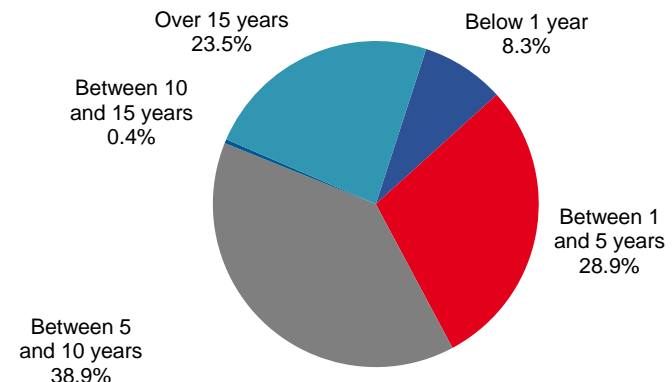


Composition by Interest Rate



Composition by Maturity

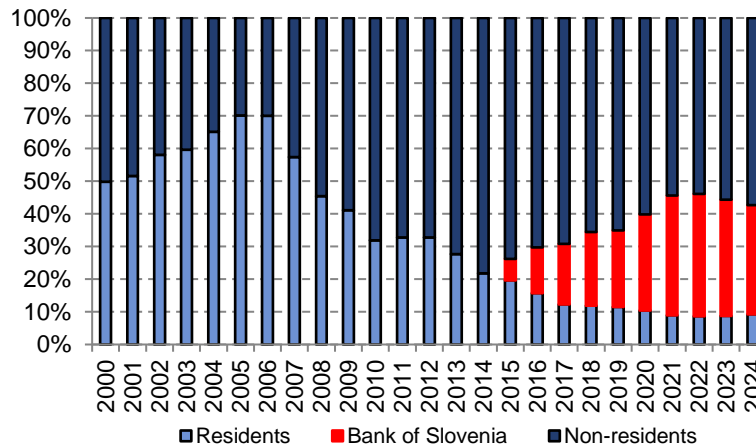
	Share	€ m
Bonds	92.7%	38,890.03
T-bills	1.9%	790.36
Loans	5.4%	2,265.46



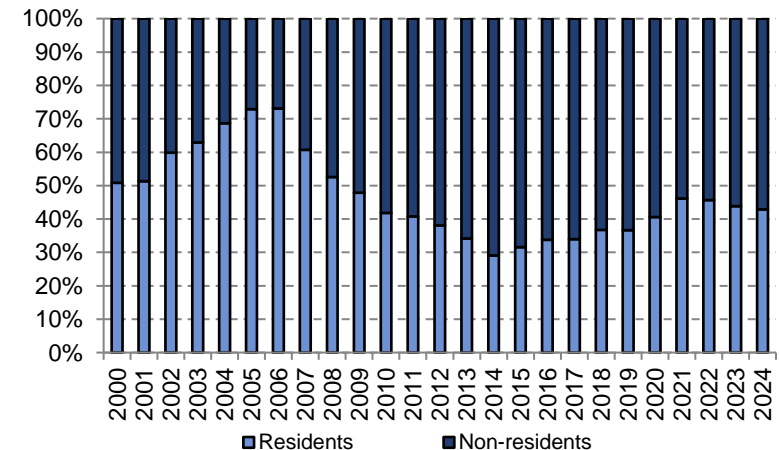
Debt Composition by Residence of Investors

- Share of Non-Resident Investors decreased from 80% in 2014 to 56% in 2024 taking into account the secondary market flows
- Since 2007, i.e. EUR adoption, well diversified domestic EUR investor base and liquidity premium reduced
- On the back of PSPP and PEPP Bank of Slovenia has become significant sole holder of SLOREP bonds (~33%)

**State Budget Debt by Residence of Investors
(Secondary Market)**



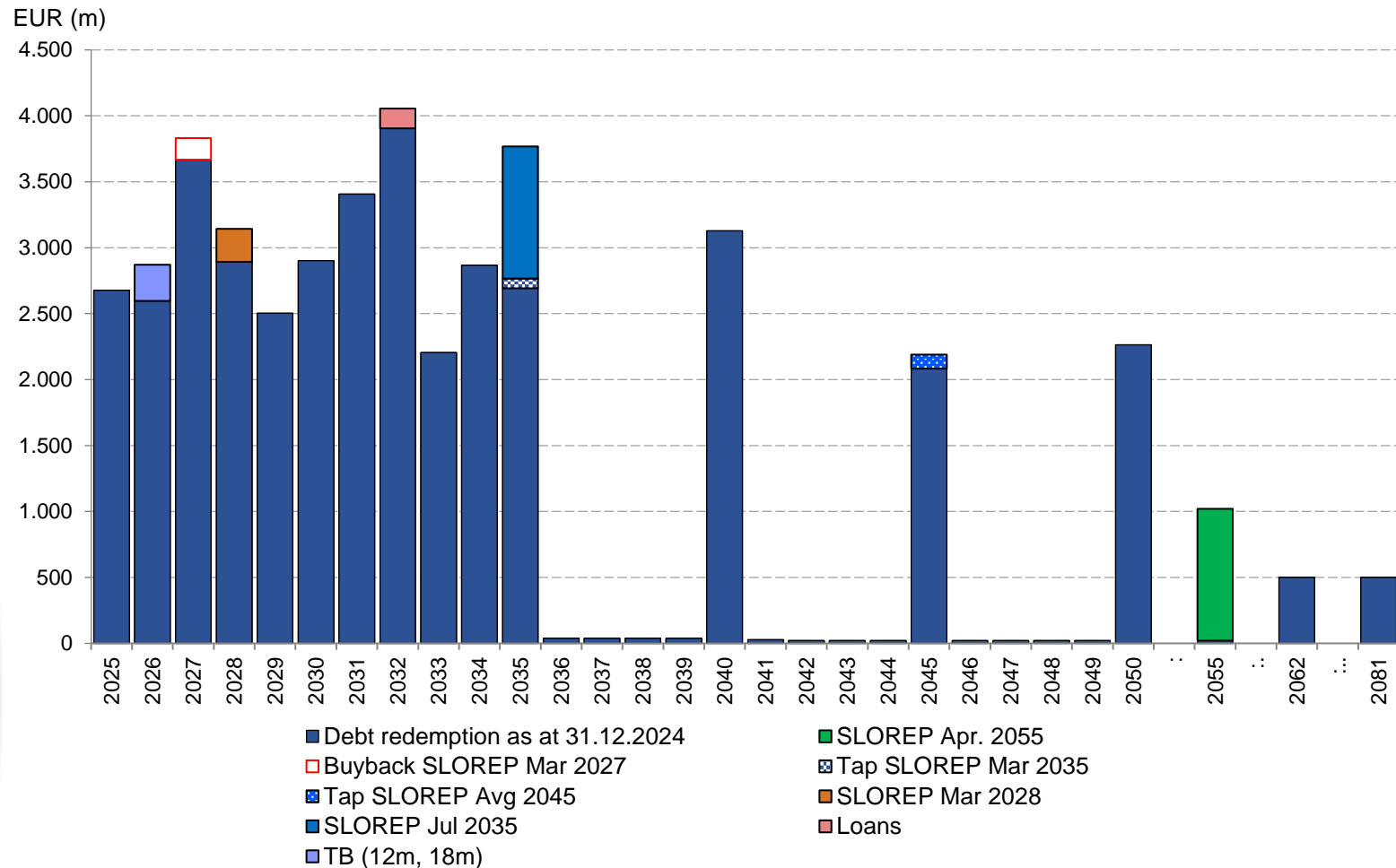
**General Government Debt by Residence of Investors
(Secondary Market)**



Source: Ministry of Finance, Data as at 31.7.2025



2025 Financing Programme Execution Through Redemption Optics

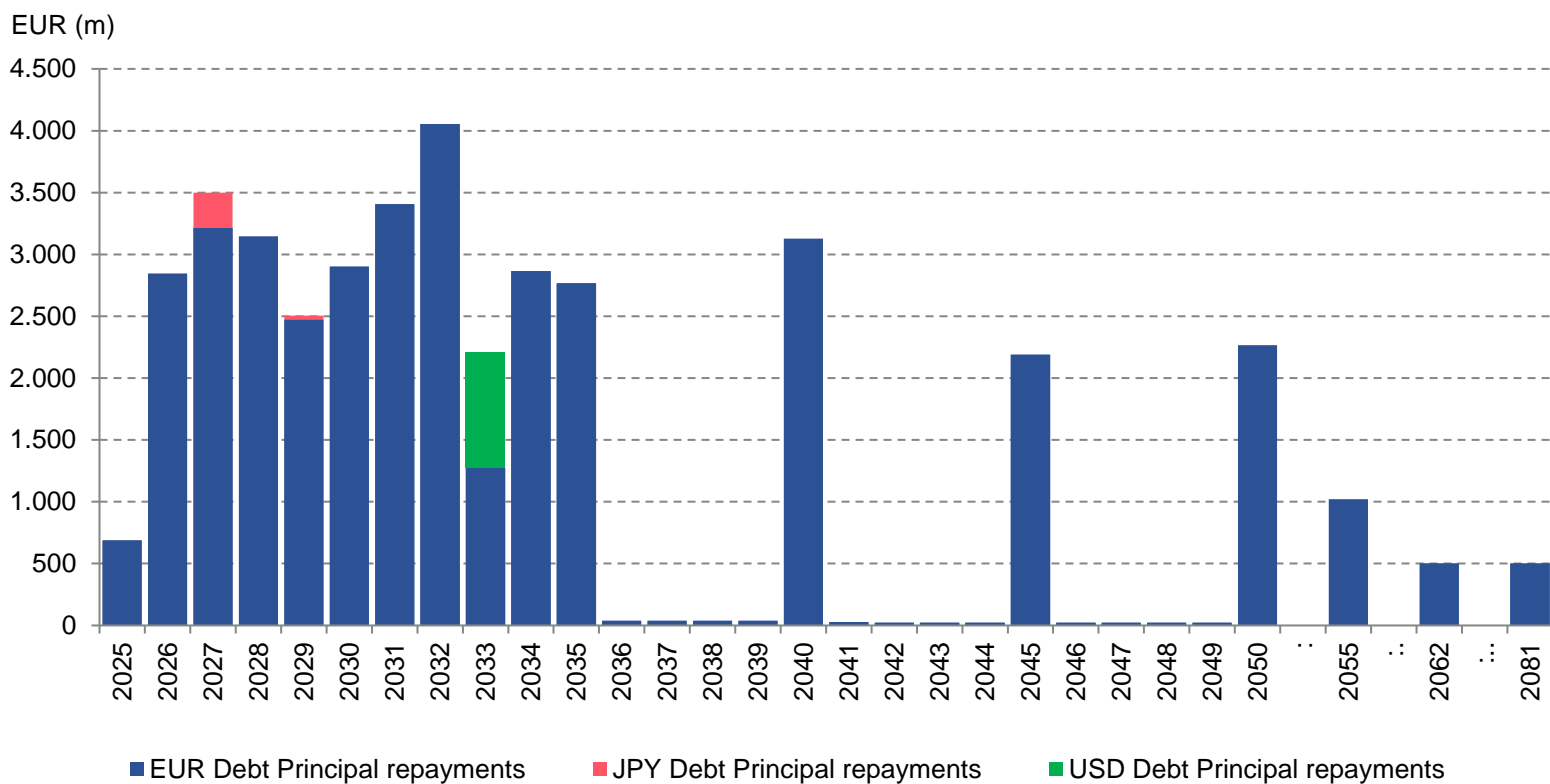


Note: Marked Maturity Buckets depict Newly Issued EUR debt (bonds and T-bills) in 2025.

Source: Ministry of Finance, Data as at 31.7.2025

Central Budget Debt Maturity Profile

Prudently distributed redemption profile of the central budget debt

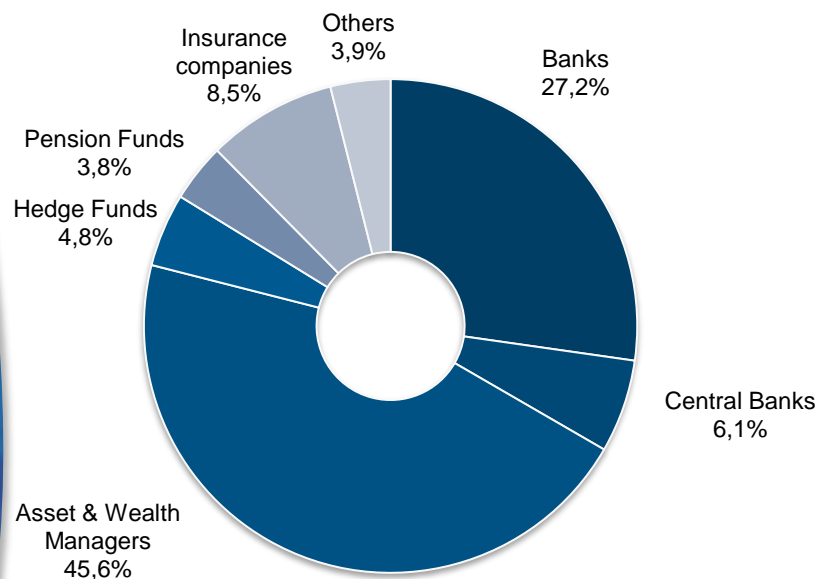




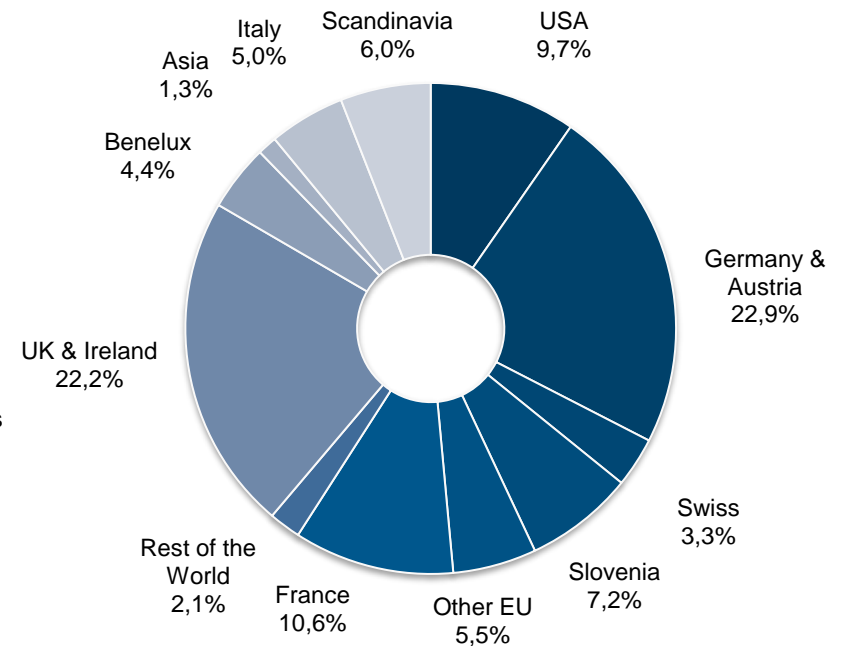
EUR Benchmark Size Bonds Issued on Primary Market

*Institutionally well diversified investor base by opted for long dated EUR bond issuances
(pension funds, insurance companies, fund managers etc...)*

Distribution by Investor Type



Geographic Distribution



Republic of Slovenia Contributions to EU Financial Assistance Programmes



Republic of Slovenia Contributions to EU Financial Assistance Programmes

Programme	2015 EUR (m)	2016 EUR (m)	2017 EUR (m)	2018 EUR (m)	2019 EUR (m)	2020 EUR (m)	2021 EUR (m)	2022 EUR (m)	2023 EUR (m)	2024 EUR (m)	1q2025 EUR (m)
EFSF ⁽¹⁾	910	916	921	927	922	928	933	938	935	935	930
ESM ⁽²⁾	342	342	342	342	377	377	376	376	376	376	376
GREECE (LFA ⁽³⁾)	264	264	264	264	264	260	250	224	197	158	158
Total (part of General Government Debt)	1.516	1.521	1.527	1.532	1.563	1.565	1.559	1.537	1.509	1.468	1.463
% of GDP	3,9	3,8	3,6	3,4	3,2	3,3	3,0	2,7	2,4	2,2	2,1

1. European Financial Stability Facility (including interest expenditures)

2. European Stability Mechanism

3. Loan Facility Agreement

Republic of Slovenia contributions to EFSF, ESM and Greece were EUR 1.5 bn as end of 1q2025 which represents 2.1% of GDP

Source: Ministry of Finance, Data as at 31.7.2025



2025 State Budget Financing Programme

*Central Government financing operations will take into consideration meeting the target level of the General Government debt at the end of 2025 of 66.0% of GDP**

2025 Central Government Budget Financing Needs (- I. - II. + III. - IV. + V.= VI.)	EUR 4.58 bn
I. Deficit of Balance A	1.87
II. Deficit of Balance B (Lending and Repayment Account)	0.46
III. Change (reduction) of the state budget cash position	0.60
IV. Debt redemption in 2025	2.85
V. Prefinancing executed in 2024 and privatisation proceeds	0.00
VI. Central Government Budget Financing Needs for 2025	4.58

Estimated Central Government Budget Debt Principal Repayments in 2026 and 2027	EUR 6.26 bn
Central Government budget debt principal repayments in 2026	2.60
Central Government budget debt principal repayments in 2027	3.66

Source: Ministry of Finance, 16.7.2025

*Note: IMAD Spring 2025 Forecast for calculation of the ratio

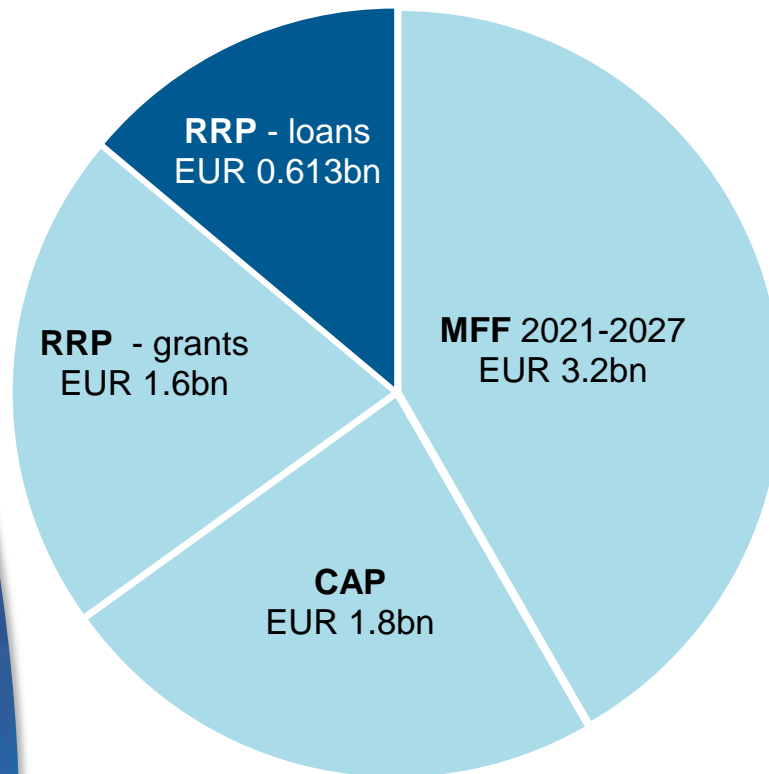


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Funds From EU Funding Mechanisms Available to Slovenia by 2030



- Grants Total: EUR 6.6bn
- Loans: EUR 0.613bn

Total funds from EU financial perspective 2021-2027 amounted EUR 7.7bn

Between 2017-2023, EUR 5.6bn was allocated to the Republic of Slovenia by various EU programmes. During the same period, EUR 5.4bn of allocated funds in the state budget were utilised

CAP – Common Agricultural Policy, MMF – Multiannual Financial Framework,
RRP – Recovery and Resilience Plan

Recovery and Resilience Plan – EU NGEU



The reforms and investments in Slovenia's plan are driving the country towards greater sustainability, resilience, and readiness for the challenges and opportunities presented by **the green and digital transitions**. The plan includes 50 investment streams and **36 reforms**, with **49% dedicated to supporting climate objectives** and **20% aimed at fostering the digital transition**.

GREEN transition

Grants € 479m
Loans € 880m

TOTAL
€ 1.36bn

Smart, sustainable and inclusive GROWTH



Grants € 538m
Loans € 73m

TOTAL
€ 611m

DIGITAL transformation



Grants € 307m

TOTAL
€ 307m

HEALTH care and social security



Grants € 167m
Loans € 119m

TOTAL
€ 268m

REPowerEU



TOTAL
€ 122m



Transformative Impact of Slovenia's RRP

- **Updates:** Following the **Council's approval** on July 28, 2021, **1st update** was on October 17, 2023, to include a **REPowerEU** chapter. **The 2nd amendment** on October 21, 2024, addresses minor deviations in seven measures, keeping milestones and targets the same but changing implementation. **The 3rd amendment on June 20, 2025** aims to complete reforms and investments by August 2026, maintaining ambitious goals, especially for country-specific recommendations and green and digital objectives.
- **By adding REPowerEU chapter, plan further strengthened the focus on the green transition**, devoting 49% of the available funds to measures that support climate objectives (compared to 42.5% in the original plan) **Combination of reforms and investments to address Slovenia's specific macroeconomic challenges:** investment rates in research and innovation, sustainability of the pension system, long-term care system, weakness of the healthcare system
- All measures **must be completed by August 2026** in accordance with RRF Regulation

Economic and social resilience

Slovenia's RRP tackles specific challenges through:

- Support for boosting productivity and innovation to create a business-friendly environment for investors
- Investments coupled with reforms to improve the business environment, access to finance and cooperation between public and private research
- Investments to tourism and culture sector in the direction of environmental sustainability
- With investments in medical infrastructure and equipment to build resilience of the healthcare sector
- Access to more affordable housing supported with investments for those in or close to poverty and social exclusion

Transformative Impact of Slovenia's RRP (2)

Green Transition

Reforms and investments:

- Renewable energy, energy efficiency, and sustainable building renovations (including schools)
- Climate adaptation measures, wastewater collection, and drinking water provision
- Sustainable mobility initiatives
- Accelerating the transition to a circular economy

Digital Transition

Reforms in the digitalization of the public administration, in skills and cyber security, supported by investments:

- In public administration, including in key public sectors like health in increasing digital competences as well as other competencies required by the professions of the future
- For the digital transition of businesses by supporting the implementation of advanced digital technologies in companies

REPowerEU

To increase share of renewable energy, to accelerate decarbonisation of energy generation, building and transport sectors supported by:

- Removing regulative barriers to renewable energy installations (solar PV and wind) in areas like roadsides, water surfaces, and rooftops.
- Industry Decarbonisation
- Strengthening electricity distribution network
- District Heating Systems, i.e. to restructure with new RES technologies.
- Alternative Fuels and Zero-Emission Vehicles



RRP Milestones & Envisaged Draw Down

Slovenia has to date **received** EUR 1.1bn, of which EUR 673m of grants (42%) and EUR 426m of loans (70%). This is 49 percent of the total recovery and resilience funds available to the country until the end of 2026. On the other hand, **the state budget has already paid** EUR 948m euros to the final recipients or project sponsors for the activities carried out

200 Milestones & Targets	84 Measures 36 Reforms 48 Investments	17 Components	TOTAL EUR 2.7bn*
--------------------------	---	---------------	------------------

RRP Envisaged Draw Down

RRF	2021	2022	2023	2024	2025	2026	Total
Grants EUR (m)	113.25	117.75	80.75	240.90	484.40	576.47	1.613.52
Loans EUR (m)	0.00	0.00	310.09	116.10	39.56	147.46	613.27
Total	113.25	117.75	390.84	357.00	523.96	723.93	2.226.79

* REPowerEU funds in the amount of EUR 122m are included in grants.

Source: Ministry of Finance, Office of the Republic of Slovenia for Recovery and Resilience, 16.7.2025





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Preliminary

Slovenia a consistent issuer of ESG labelled bonds since 2021

*Slovenia, committed to sustainable development since its 2021 debut in the Sustainability Bond market, became **the first European government in 2025 to link bond interest to environmental targets**—setting a regional benchmark*

Sustainability Bond (SB)

2021 1st
2023 2nd

2021: Bond proceeds financed projects with 33% environmental and 67% social impact

2023: The 2nd SB includes a commitment to align with the EU Taxonomy Regulation and Climate Delegated Act on Mitigation and Adaptation as fully as possible

Links (2nd SB 2023):

- [Framework](#)
- [SPO 2023](#)
- [Bond Report](#)
- [Allocation Review/Final Impact Report/ Final](#)
- [Allocation Spreadsheets](#)
- [Impact Reporting Spreadsheets](#)
- [ESG Investor Presentation](#)

2024 Sovereign Social Bond (Samurai)

This is the **first sovereign-issued Social Samurai Bond**. Proceeds will exclusively (re)finance eligible social projects under the 2023 Sustainability Bond Framework. With this successful issuance, Slovenia has established a strong presence in the Japanese market

Links:

- [Framework SB 2023](#)
- [SPO SB 2023](#)
- [Pre-issuance Review](#)
- [Social Bond Report](#)
- [Impact Report](#)
- [Allocation Review](#)
- [Impact Reporting Spreadsheets](#)
- [Allocation Spreadsheets](#)

2025 Sustainability-linked bond (SLB)

SLBs offer **flexibility by allowing unrestricted use of proceeds** while holding issuers accountable to **sustainability targets**, with performance-based incentives or penalties

Links:

- [Framework](#)
- [SPO](#)
- [NECP](#)
- [Annex to NECP](#)
- [Investor Presentation \(June 2025\)](#)





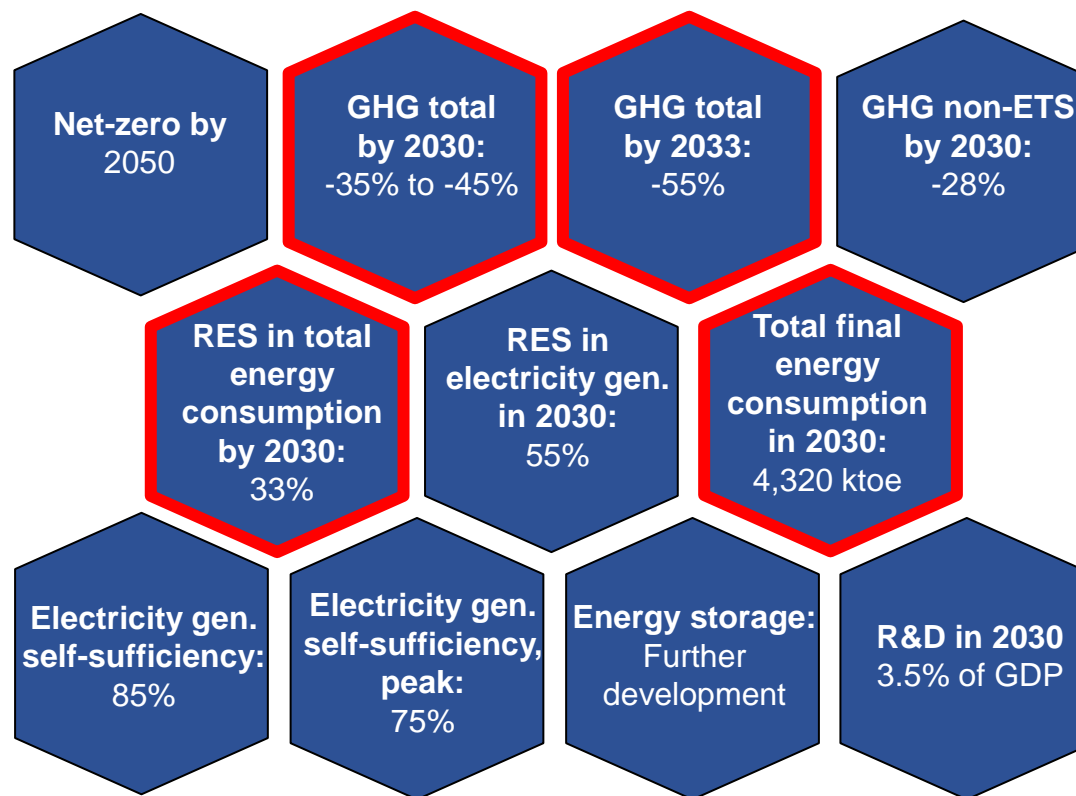
2025 Sustainability-linked bond

Key Environmental Policies National Energy and Climate Plan (NECP)

NECP serves as a operational medium-term blueprint for green transition

The NEPN is an operational document setting out objectives, policies and measures in the five dimensions of the Energy Union for the period up to 2030 (with a view to 2040): *decarbonisation, energy efficiency, energy security, internal market, and research, innovation and competitiveness*

It provides for the plan for reduction of the reliance on fossil fuels for electricity generation, as well as implementation of sustainable transport solutions, industrial transition and sustainable construction standards



Targets outlined in **red** are related to the Sustainability-Linked Bond Framework.

Link:

• [NECP](#)





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- ESG labelled bonds
 - **Sustainability-linked bond**
 - Sustainability Bond Framework
- Inaugural digital bond





2025 Sustainability-linked bond

Key transaction terms and highlights

- On 24 June 2025, the Republic of Slovenia successfully issued inaugural 10-year Sustainability-linked bond. The landmark transaction is the **first from a European sovereign**. Exceptional investor demand pushed the orderbook beyond EUR 6.5 billion, allowing Slovenia to tighten pricing at MS+61 bps—demonstrating **strong market confidence in the issuance**

Issuance: 24 June 2025

Maturity: 2 July 2025

Issue size: EUR 1bn

Coupon: 3.125% fixed; annual

SLB financial characteristics: +/- 50bps on last coupon

Target observation date:
December 31, 2030

Reporting on target achievement—and any step-up/step-down adjustment—is due within 36 months of the observation date, by 31 December 2033

KPI: Total annual greenhouse emission

- SPT 1.1:** 35% decrease of total GHG emissions by 2030 relative to 2005 baseline

>> **Interest rate step up:** The interest rate payable on the note shall increase 50 bps starting in July 2034 if SPT 1.1 has not been achieved

SPT 1.2: 45% decrease of total GHG emissions by 2030 relative to 2005 baseline

>> **Interest rate step down:** The interest rate payable on the note shall decrease 50 basis points starting in July 2034 if SPT 1.2 has been achieved

*Key Performance Indicators ("KPIs")
Sustainability Performance Targets ("SPTs")*

- In March 2025, Slovenia unveiled its landmark **Sustainability-Linked Bond (SLB) Framework**, developed in alignment with the 2024 ICMA SLB Principles. The Framework received a Second Party Opinion from S&P Global, affirming its credibility and alignment with international best practices
- This SLB issuance underscores **Slovenia's strong commitment to sustainable finance and global climate goals**. By broadening its investor base and aligning with international emissions reduction efforts, Slovenia reinforces its role as a proactive contributor to the global transition toward a low-carbon economy



2025 Sustainability-linked bond

Overview of the KPI and SPTs

KPI 1: Total annual greenhouse gas emissions

The KPI is defined as the annual greenhouse gas emissions produced in Slovenia, including energy, industrial processes, agriculture, and waste. Land use, land use change and forestry emissions are excluded from the KPI.



SPTs 1.1 – 1.2: Total Greenhouse Gas Emissions

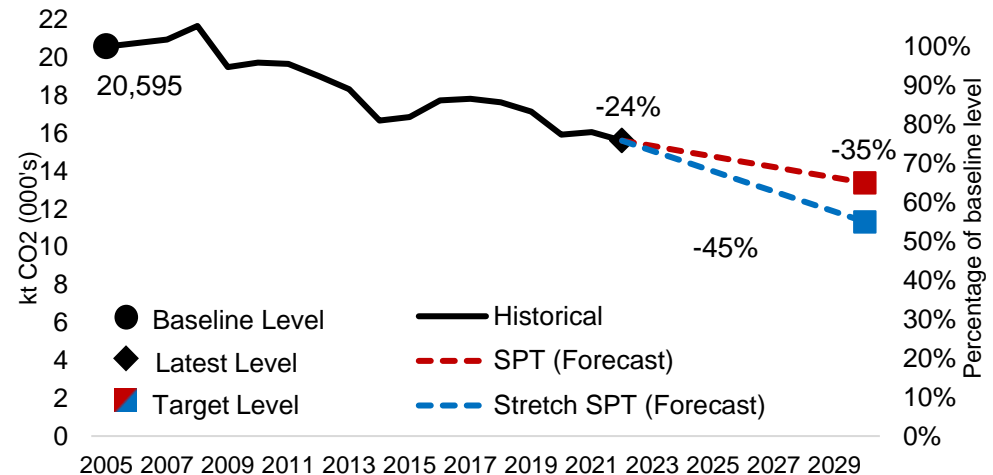
Target observation date: 31st December 2030

- **SPT 1.1:** 35% decrease of total GHG emissions by 2030 relative to 2005 baseline.
- **SPT 1.2:** **Stretch** for step-down: 45% decrease of total GHG emissions by 2030 relative to 2005 baseline.

Action plan and levers to achieve the SPT:

- EU Emissions Trading System
- Prioritisation of rail transport and sustainable mobility
- Phase out of coal mining and use of coal for energy by 2033

For the avoidance of doubt, SPTs 1.3. and 1.4 will not be used for this specific transaction.

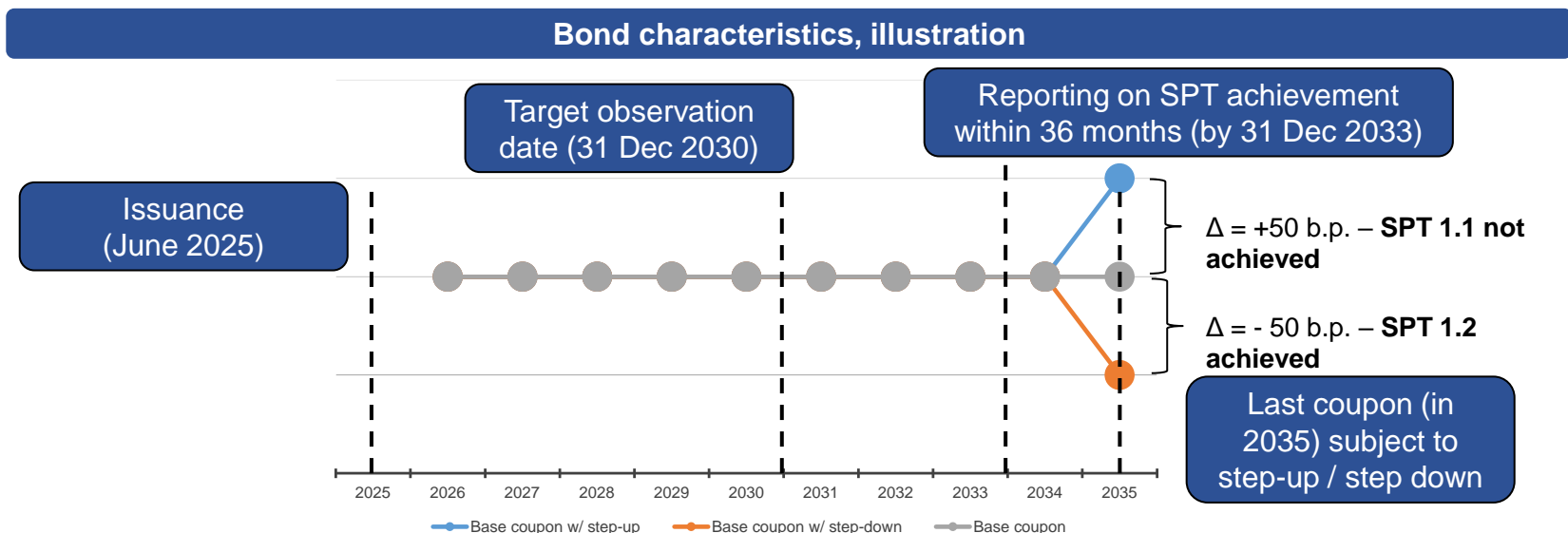


Ambitiousness of the SPT: S&P rating of Advanced stating “We think the targets are ambitious, as they require greater effort in terms of absolute emissions reduction rates than Slovenia has achieved previously..... the issuer’s targets demonstrate stronger-than-average performance than peers.... we positively note that under ASCOR, Slovenia’s SPT 1.1 and SPT 1.2 are aligned with a 1.5° C fair share scenario.”



2025 Sustainability-linked bond

Bond Characteristics, Recalculation & Reporting



Recalculation

KPI(s) and/or Baseline(s) shall be adjusted as a result of any material:

- changes in the calculation methodology of KPI(s); and/or
- discovery of significant data errors or material improvement in data accessibility;



in each case, if the External Verifier deems the adjustment to be materially relevant to ensure at least the same level of ambitiousness as the existing SPTs

Reporting

Slovenia will publish and keep easily accessible annual Sustainability-Linked Bond Progress Reports on the Ministry of Finance's website. The reports will contain quantitative and/or qualitative information on the KPIs and will be published within 36 months after each year-end





2025 Sustainability-linked bond

Pre- and Post-Issuance Verification

Pre-issuance verification

The SLB framework has been reviewed by S&P Global, who has provided a Second-Party Opinion on the alignment of the Framework and the associated documentation with the ICMA Sustainability-Linked Bond Principles 2024, as well as an assessment of the relevance of selected KPIs and the ambition of the proposed SPTs. The SPO is available at the [Ministry of Finance](#) website

S&P Global SPO Summary:

Framework is aligned with Sustainability-Linked Bond Principles, ICMA, 2024

By component:

KPI 1 – GHG emissions	Not aligned	Aligned	Strong	Advanced
KPI 2 – Renewable energy	Not aligned	Aligned	Strong	Advanced
KPI 3 – Energy efficiency	Not aligned	Aligned	Strong	Advanced
SPT 1 - GHG emissions	Not aligned	Aligned	Strong	Advanced
SPT 2 - Renewable energy	Not aligned	Aligned	Strong	Advanced
SPT 3 - Energy efficiency	Not aligned	Aligned	Strong	Advanced
Instrument Characteristics	Not Aligned		Aligned	
Reporting	Not aligned	Aligned	Strong	Advanced
Post-issuance Review	Not Aligned		Aligned	

Relevant to this issuance

S&P Global
Ratings

Second Party Opinion
Republic of Slovenia Sustainability-Linked Bond
Framework

March 25, 2025

Editor's view: The SPO report assesses the Republic of Slovenia's Sustainability-Linked Bond Framework against the ICMA Sustainability-Linked Bond Principles 2024. The Republic of Slovenia, in central Europe, is a member country of the EU. It has been independent since 1991, has a population of 2.1 million inhabitants, and covers 20,273 square kilometers. Slovenia's GDP was about \$54 billion in 2023, with key sectors being services, manufacturing, other industrial activities, and agriculture. The economy is open, with exports accounting for over 80% of its GDP. Its main trading partners include Germany, Switzerland, China, and Italy. In 2022, the greatest share of greenhouse gas (GHG) emissions in Slovenia came from the transport sector (38%), followed by energy (22%) and industry (38%).

In our view, the Republic of Slovenia's Sustainability-Linked Bond Framework, published on March 25, 2025, is aligned with:

✓ Sustainability-Linked Bond Principles, ICMA, 2024

Issuer's Sustainability Objectives

Slovenia's sustainability strategy aims to develop its economy while aligning with the UN Sustainable Development Goals (SDGs). The country's key sustainability focus is decarbonization, with a net-zero commitment by 2050 outlined in the Slovenian Climate Strategy 2050 and the Environmental Protection Act. The Climate Act, currently being drafted, anticipates the overarching target to reach climate neutrality by 2040, five years earlier than the official commitment. The new physical climate risk as a key threat for Slovenia, particularly in terms of heat waves, forest fires, floods, and droughts. In August 2023, the country faced severe floods, with total estimated costs of about €10 billion for 10% of 2023 GDP, which enhanced its urgency in focusing on both climate change mitigation and adaptation. The National Energy and Climate Plan (NECP) 2024, an updated version of the original 2022 plan, outlines measures to achieve EU and international climate commitments. The NECP is the document through which Slovenia, in line with the other EU member states, communicates to the EU its targets and initiatives, to contribute to the EU-wide National Determined Contribution (NDC). The NECP focuses on a medium-term horizon (up to 2030), with a view to 2040 and sets targets in five areas: decarbonization, energy efficiency, energy security, internal energy markets, and research, innovation, and competitiveness. In its 2024 NECP, Slovenia has set the following targets:

- Reduce GHG emissions by at least 50% by 2030, and 50%-60% by 2050, from 2018 levels.

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Post-issuance verification

- Reported KPI performance and input data are subject to reviews by the European Union, UNFCCC and/or Eurostat. An additional annual post-issuance verification report will be obtained for the purposes of reporting on the progress against the SPTs
- The external verification will be conducted for each KPI at the reporting date. These reports will be published on the Ministry of Finance's website
- As the Sustainability-Linked finance market continues to evolve, Slovenia's Framework may be subsequently revised or updated to remain consistent best market practices and regulatory requirements. Any material revision of the Framework will be subject to a new Second Party Opinion





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2023 Sustainability Bond Framework Structure

Slovenia's Sustainability Bond Framework is aligned with Green Bond Principles 2021, Social Bond Principles 2021 and the Sustainability Bond Guidelines 2021.

Use of Proceeds	To finance or refinance sustainable projects: <ul style="list-style-type: none"> • Eligible Green Projects (Green Bonds) • Eligible Social Projects (Social Bonds) • Both Eligible Green and Social Projects (Sustainability Bonds) 	GBP/SBP core components
Process for Project Evaluation and Selection	A Sustainability Bond Working Group has been established to: <ul style="list-style-type: none"> • Evaluate and select Eligible Green and Social Projects, • Monitor Eligible Green and Social Projects, and identify replacements as required • Approve Annual Allocation Reports, • Approve Annual Impact Reports. 	
Management of Proceeds	<ul style="list-style-type: none"> • Ministry of Finance oversees and tracks the allocation of bond proceeds • Sustainability Bonds to be allocated to eligible expenditures from the budget year preceding issuance, the budget year of issuance, and the two budget years following issuance 	
Reporting	The Republic of Slovenia is committed to provide two levels of reporting until full allocation: <ul style="list-style-type: none"> • Annual Allocation Report • Annual Impact Report 	
Framework	<ul style="list-style-type: none"> • A Sustainability Bond Framework has been published • Available on Slovenia's debt management office website (https://www.gov.si/en/topics/investor-relations/) 	GBP/SBP key recommendations
External review	<ul style="list-style-type: none"> • Second Party Opinion – obtained by external opinion provider Morningstar Sustainalytics • External verification on post issuance reporting 	

2023 Sustainability Bond Framework

Use of Proceeds

Issuance types

- Slovenia may issue **Green, Social and/or Sustainability Bonds**, where an amount equal to the net proceeds will be exclusively used to (re)finance eligible expenditures falling within, respectively, the Eligible Green categories, the Eligible Social categories, or both the Eligible Green and Social categories

Eligible **Green** categories:

1. Low carbon transport
2. Energy efficiency
3. Sustainable environmental management
4. Climate change adaptation

Eligible **Social** categories:

1. Access to essential services – Education
2. Access to essential services – Healthcare
3. Access to essential services – Social inclusion
4. Employment generation and socioeconomic advancement and empowerment

Expenditure exclusion criteria

- Expenditures already financed via a dedicated funding source, in order to avoid any “double counting”,
- Expenditures that support or promote the following activities:
 - Burning of fossil fuel for power generation and transportation
 - Rail infrastructure dedicated for transportation of fossil fuels
 - Nuclear power generation
 - Weapons, tobacco, gaming, or palm oil industries.

2023 Sustainability Bond Framework

Second Party Opinion

The Slovenian Sovereign Sustainability Bond Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021 and Social Bond Principles 2021.

USE OF PROCEEDS



PROJECT EVALUATION AND SELECTION



MANAGEMENT OF PROCEEDS



REPORTING

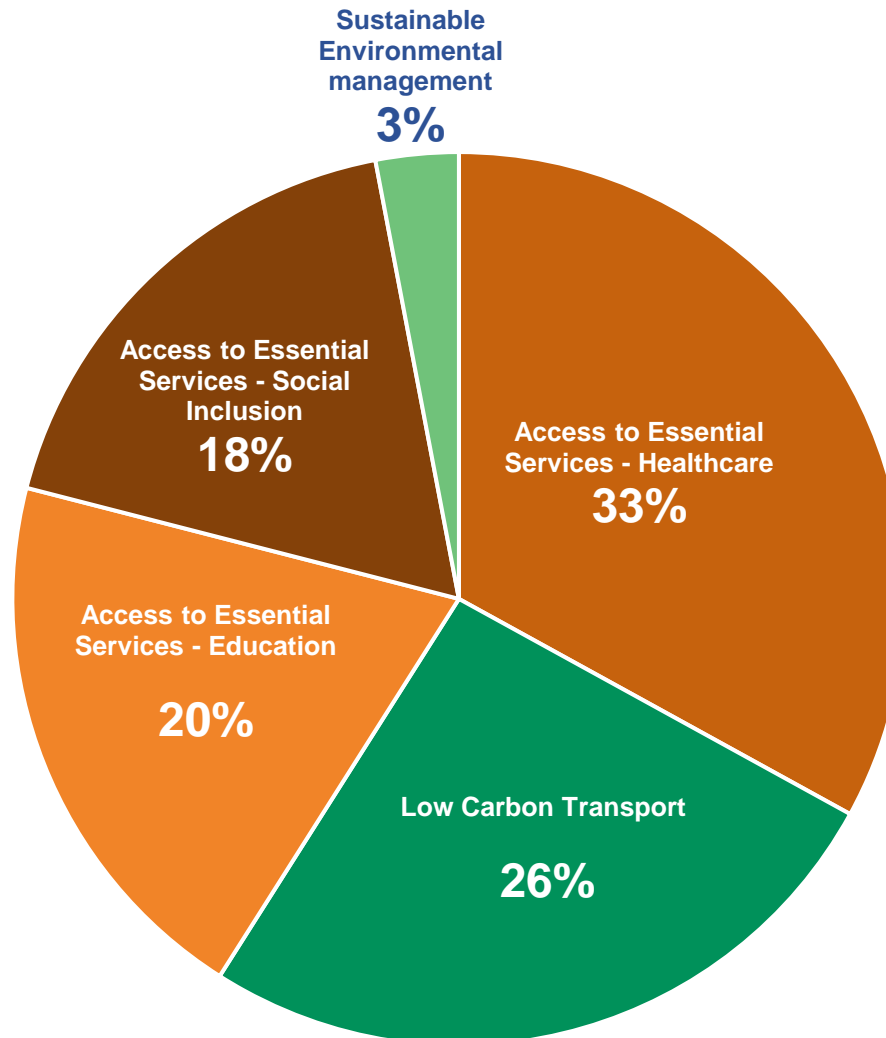


The Framework's four green use of proceeds categories, which map to 12 economic activities in the EU taxonomy, are aligned with the applicable TSC of the EU Taxonomy.



2023 Sustainability Bond Report

Allocation summary



Since the issuance of the Slovenia's 2023 Sovereign Sustainability Bond in January 2023, **EUR 1.25 billion** have been allocated to 2022 and 2023 eligible expenditures within **5 green and social categories***:

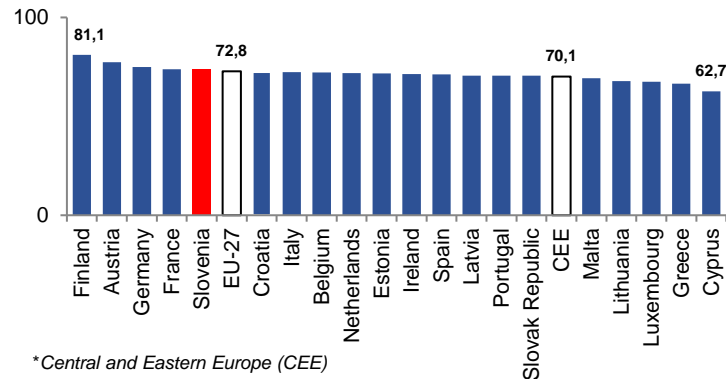
1. Clean Transportation,
2. Education,
3. Healthcare,
4. Social Inclusion and
5. Sustainable Environmental Management

Morningstar Sustainalytics calculated **social and environmental impacts** for the three of the five Use of proceeds categories: Low Carbon Transport / Clean Transport, Access to Essential Services – Education and Access to Essential Services – Healthcare, to which Slovenia has **allocated a total of EUR 990 million**



SDG Dashboards and Trends for Slovenia 2024

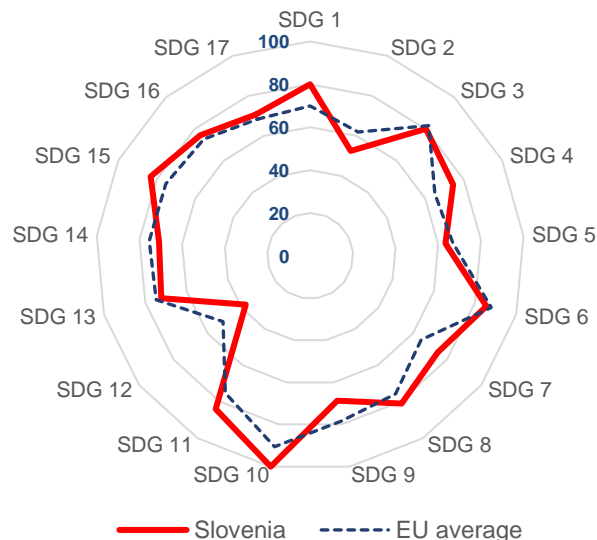
SDG Index Score (100 (best) to 0 (worst))



*Central and Eastern Europe (CEE)

Source: ESDR 2025, online database, 16.7.2025

Average performance by SDG



Overall Performance: **8/34** European countries*
Country score: **73.8** (in 2014 70.5)

PEOPLE



PLANET



PROSPERITY



PEACE & PARTNERSHIP



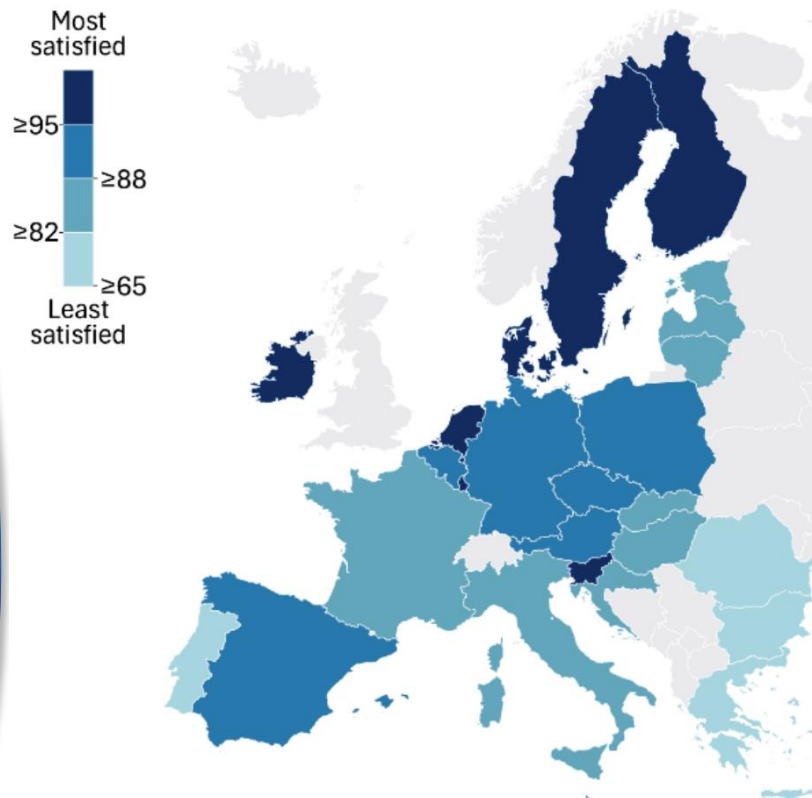
- Major challenges (red square)
- Significant challenges (orange square)
- Challenges remain (yellow square)
- SDG achieved (green square)
- Decreasing (red down arrow)
- Stagnating (orange right arrow)
- Moderately improving (yellow up arrow)
- On track or maintaining SDG achievement (green up arrow)

* Note: **The Europe Sustainable Development Report 2025** is the 6th edition of our independent quantitative report on the progress of the European Union and its member states towards Sustainable Development Goals (SDGs). The report was prepared by teams of independent experts at the Sustainable Development Solutions Network (SDSN).

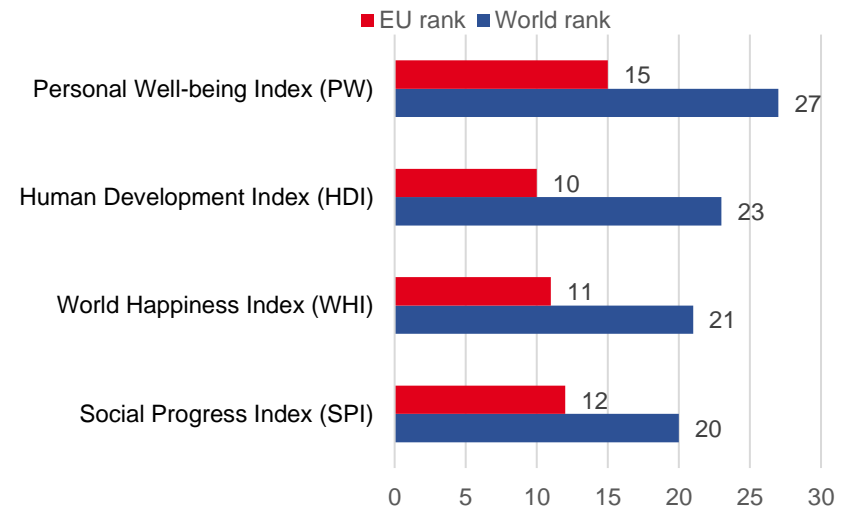
Quality of life in Slovenia

*Slovenia ranks **in the top half of EU countries on most global quality of life indicators**. High quality of life is also reflected in perceived life satisfaction, where Slovenia consistently ranks among the best in the EU.*

Perceived life satisfaction (2024):
7th among EU countries ⁽¹⁾



Slovenia ranks in the top half of EU countries for most quality-of-life indicators





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Inaugural digital bond

Details

On 25 July 2024, the Republic of Slovenia has issued the inaugural digital bond. The landmark transaction is the **first such transaction of an EU sovereign**, and one of the first sovereigns worldwide.

Issuance: 25 July 2024

Maturity: 25 November 2024

Nominal size: EUR 30m

Coupon: 3.65% p.a.; one full quarterly and one partial quarterly coupon

Issued on private and permissioned **CANTON** blockchain and administered by **BNP Paribas** via proprietary **Neobonds platform**.

- Issued in the context of the **ECB** wholesale central bank money settlement experimentation program.
- The settlement of the bond was performed **on-chain with wholesale central bank digital currency** through the Banque de France's (BdF) interoperable and tokenized cash solution (DL3S).

Neobonds & CANTON

- **Neobonds** is a platform for the issuance, corporate actions and full lifecycle management of securities developed and maintained by BNP Paribas. The functionality of the Neobonds platform brings a different approach to the established practices in custody, trading, settlement and corporate actions of conventional securities.
- **BNP Paribas acts as registrar** (maintaining the book of holders on the Neobonds DLT platform on behalf of the issuer) and paying agent for this transaction. The DLT Bond will not be registered with a Central Securities Depository.
- **CANTON** is a private permissioned blockchain that allows for native smart contracts written in DAML programming language. There are various access levels and optional privacy of transactions.





Key Takeaways

- **Slovenia reaches a historic credit milestone with its first-ever double-A rating from S&P Global.** SCOPE Ratings also upgraded its outlook to A+, while Moody's, Fitch Ratings, and DBRS Morningstar revised their outlooks to positive
- **Slovenia leads in sustainability-linked sovereign financing with Europe's first SLB issuance** and has been an active ESG bond issuer since 2021
- In 2025, Slovenia has already **provided EUR 2.325 billion** in financing **long-term euro bonds**, which includes issuing **a SLB, 30-year bond** and a **2nd retail bond**. Total average weighted issued yield stands at 3.043% with average weighted time to maturity 16.7 years
- **EUR 4.58bn gross borrowing needs in fiscal year 2025**
- **General Government Debt** at 67.0% of GDP in 2024, declining for the fourth year and nearing the pre-pandemic level. Estimated at 66.0 % GDP end of 2025
- Institutionally well **diversified investor base**
- **Slovenia bond market** is because of the measures taken to improve secondary market liquidity, perceived as **adequately liquid** compared to bond markets of similar size
- Smooth **redemption profile**, 23.9% of existing State Budget Debt has a residual maturity of more than 10 years
- **Slovenian GDP** fell by 0.8% (seasonally adjusted) in Q1 2025, below the EA-20 growth rate of 1.2% and the EU-27 growth rate of 1.4%. Slovenia's economy expanded by 1.6% in 2024, outperforming the EA-20 (0.9%) and the EU-27 (1.0%)
- **Stable banking sector, capital position** remained sound and liquidity solid



Republic of Slovenia

Ministry of Finance

