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2023 FINANCING PROGRAMME

Financing Programme of the Republic of Slovenia central budget for the fiscal year 2023 adopted by the Government

The Financing Programme sets the funding needs of the central government budget and operational orientations of the debt management operations for the fiscal year 2023. It was adopted by the Government on the 22 December 2022. The borrowing target for the fiscal year 2023 stands at EUR 4.97 bn.

The key figures of the Financing Programme are summarized in the following table:

2023 Central Government Budget Financing Needs (- I. - II. + III. - IV. + V.= VI.)	EUR 4.97 bn
I. Deficit of Balance A	- 3.31
II. Deficit of Balance B (Lending and Repayment Account)	- 0.67
III. Change (reduction) of the state budget cash position	1.00
IV. Debt redemption in 2023	1.98
V. Prefinancing executed in 2022 and privatisation proceeds	0.00
VI. Central Government Budget Financing Needs for 2023	4.97

According to the Public Finance Act, financing of a portion of the central government budget requirements for the next two years is permitted in addition to the 2023 budget financing. The maximal funding size permitted in 2023 for this purpose is the sum of 2024 and 2025 central government budget debt principal repayments.

Estimated Central Government Budget Debt Principal Repayments in 2024 and 2025	EUR 4.42 bn
Central government budget debt principal repayments in 2024	2.07
Central government budget debt principal repayments in 2025	2.35

The financing operations of the central government budget will take into the consideration meeting the target level of the general government debt at the end of 2023 of 71.0% of GDP.

Mid-term Debt Management Strategy for the period 2023-2025 adopted by the Government.

The Mid-term Debt Management Strategy sets the strategic goals of the central government budget debt management operations for the period 2023-2025. It was adopted by the Government on 22 December 2022.

The strategic goals are:

- 1 provision of sufficient and timely financing of the central government budget,
- 2 minimizing the long-term costs of financing, while maintaining acceptable refinancing, currency, interest rate and other market risks,
- 3 broadening of the investor base and ensuring a permanent and steady access to sources of financing, as well as effective communication with relevant international institutions,
- 4 improving liquidity of government securities and further development of the secondary market of government securities,
- 5 further centralization and consolidation of the assets of the state's Treasury Single Account (TSA),
- 6 ensuring the continuous development of the information system of the state's Treasury Single Account,
- 7 ensuring the continuous development, efficiency and responsiveness of the information system controls and data on the indebtedness of the state sector.

The key operational objectives of central government budget debt management, which will be pursued in the fiscal years 2023 - 2025 in the debt capital markets, are as follows:

- effective management of the maturity debt profile taking into account the trade-off between the financing costs and the risk of refinancing the debt of the central government budget,
- expansion and strengthening of the investment background, both in terms of the type of investor and in terms of geographical distribution, and by diversifying financing instruments, which includes a potential new issue of Slovenian bonds on the global markets (USA, Japan),
- central government budget debt management within the set targets of the general government debt,
- strengthening the liquidity of the Euro SLOREP yield curve of the Republic of Slovenia by implementing a Securities Lending Facility for SLOREP bonds, allowing primary dealers to borrow securities via repo transactions.

Mid-term general government debt targets:

	E2023	F2024	F2025
General government debt (EUR mln)	43.980	45.730	46.849
GDP (EUR mln)	61.951	65.311	68.388
General government debt (% GDP)	71.0	70.0	68.5

Source: Ministry of Finance, IMAD, 22.12.2022

Rating Agency: DBRS Morningstar (A (high), Stable Trend)

On 9 December 2022, DBRS Morningstar affirmed the unsolicited long-term sovereign rating of A (high) for the Republic of Slovenia. The trend remains stable. The full report can be found on the DBRS Morningstar website: <https://www.dbrsmorningstar.com/>

Rating Agency: Creditreform Rating (AA-, Stable Outlook)

On 16 December 2022, Creditreform Rating affirmed the unsolicited long-term sovereign rating of AA- for the Republic of Slovenia. The outlook remains stable. The full report can be found on the Creditreform Rating website: <https://www.creditreform-rating.de/en/>

Rating Agency: R&I (A, Stable Outlook)

On 19 December 2022, R&I affirmed the unsolicited rating of Slovenia at A and changed the rating outlook from positive to stable. More information is available on the R&I website: <https://www.r-i.co.jp/en/index.html/>

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