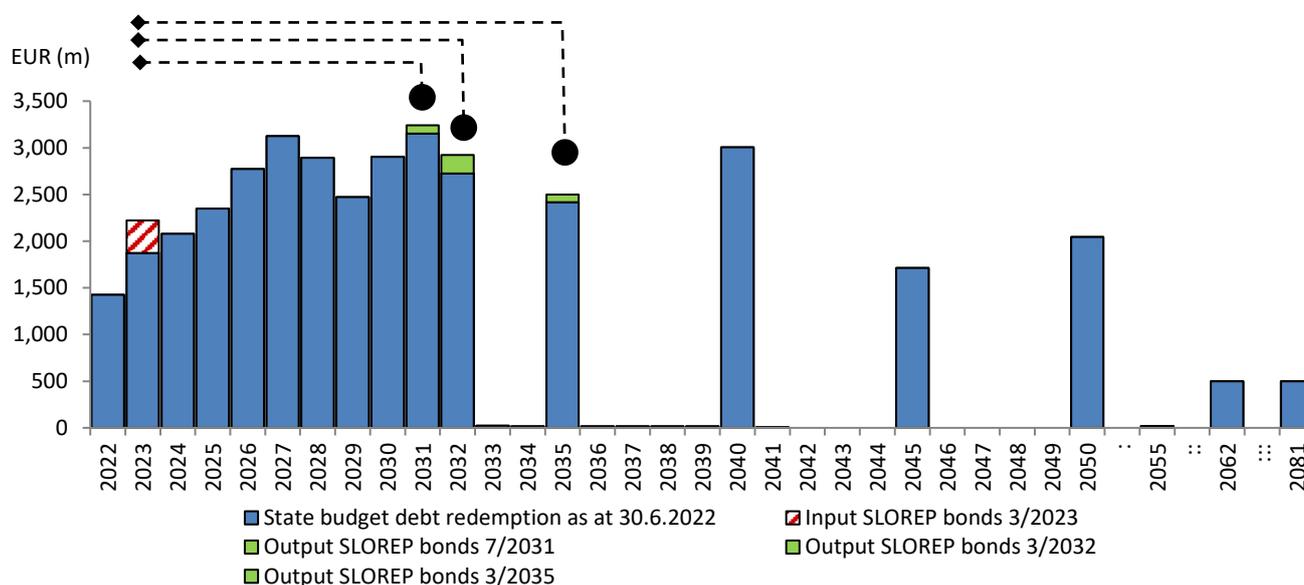




1 ACTIVE STATE BUDGET DEBT MANAGEMENT

On 5 July 2022 Ministry of finance RS executed bilateral liability management transaction by exchanging SLOREP EUR 350m 0.20% Mar-23 notes (re-offer price of 100.500) with SLOREP EUR 89.946m 0.125% Jul-31 notes (re-offer price: 83.800), with SLOREP EUR 200.919m 2.250% Mar-32 notes (re-offer price: 100.040) and with SLOREP EUR 84.605m 1.500% Mar-35 notes (re-offer price: 89.090). The LME resulted in a positive net present value. As a matter of policy, the decision for the liability debt management is reached when the net present value of LME is non-negative value.

Figure 1: Executed SLOREP bonds exchange through redemption profile optics



Source: Ministry of Finance, 8.7.2022

Liability debt management strategic objectives met:

Interest Savings (NPV)	✓
Locked-in favourable implied forward rates	✓
Debt portfolio duration extension	✓
Yield Curve Liquidity enhancement	✓
EUR DCM signaling an active debt management policy	✓
State Budget Debt Impact	✗

On 4 July 2022, the Ministry of Finance published the first Allocation and Impact Report relating to its inaugural Sovereign Sustainability Bond issued on 1 July 2021. The purpose of this Report is to justify the trust of investors with transparency and disclosure of details.

The report on the one hand shows the categories of sustainable projects that were financed with this bonds and on the other hand the impacts of these projects on the sustainable development of the Republic of Slovenia. The report refers to the budget years 2020 and 2021 and provides information on the allocation of slightly over 1.050 million EUR worth of environmental and social eligible expenditures. According to the report, the Republic is strongly committed to reducing emissions linked to transport by promoting public transportation, electromobility and other types of mobility that mitigate climate change and improve overall quality of life. Regarding the access to essential services, projects like promoting education, social inclusion, health care services, social activation, employment promotion and job training were fostered.

Proceeds under the bond have been allocated in line with the Sustainability Bond Framework that Slovenia published in June 2021. The alignment of the Framework and the allocation report have been independently assessed by Sustainalytics, a leading ESG ratings, research and analytics firm. Slovenia's Sustainability Bond Report and the Annual Review by Sustainalytics can be found here:

https://www.gov.si/assets/ministrstva/MF/Zakladnistvo/Trajnostna-obveznica-slo/Slovenian-Sustainability-Bond-Report-June-2022_final.pdf

By financing environmental and social transition with sustainable bond Slovenia follows practices of the advanced countries and the most recent European guidelines.

DISCLAIMER: The information included in this Newsletter corresponds to the best value obtained for each period at the date of publication, and has been carefully compiled. The possibility of any mistake cannot, however, be excluded. The Treasury bears no responsibility for losses incurred as a result of using this document. This document may not be copied, distributed for any commercial purposes or published in any other way without the consent of the Treasury. This document contains information which are for information purposes only. They do not constitute an offer or invitation to subscribe or to purchase securities, nor are the information contained thereon meant to serve as a basis for any kind of obligation, contractual or otherwise.