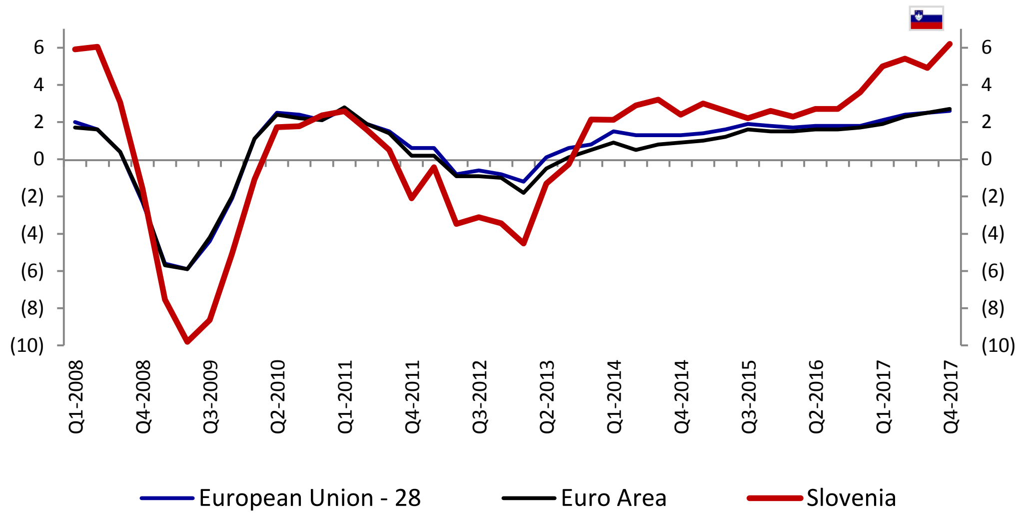
1 SLOVENIA'S STRONG GDP GROWTH WELL ABOVE EURO AREA AVERAGE: GDP GREW BY 6.2% IN THE FOURTH QUARTER OF 2017 AND BY 5.0% IN 2017

Seasonally adjusted gross domestic product (GDP) increased by 6.2% (YoY) in the fourth quarter of 2017. The GDP increased by 5% in 2017. The growth continues to be strongly supported by exports and by a growing domestic private consumption. The growth as seen below is well above the euro area average of 2.7% and the EU-28 average of 2.6%.

Figure 1: Real Quarterly GDP Growth Rate (SA % change Q/Q-4)



Source: Statistical Office of the Republic of Slovenia (SORS), Eurostat, (SA) Seasonally Adjusted data, 13.3.2018

Record High External Trade Balance

The faster increase in exports relative to imports resulted in record external trade surplus of 11.6% of GDP in 2017, which is the highest share since the data are available (that is since 1995).

Strong external demand and competitiveness gains continued to be reflected in the last quarter of 2017. Total exports increased by 12.3%. Exports of goods went up by 13.6% and exports of services by 7%. Imports increased by 11.1%: imports of goods went up by 12.1% and imports of services by 5.5%.

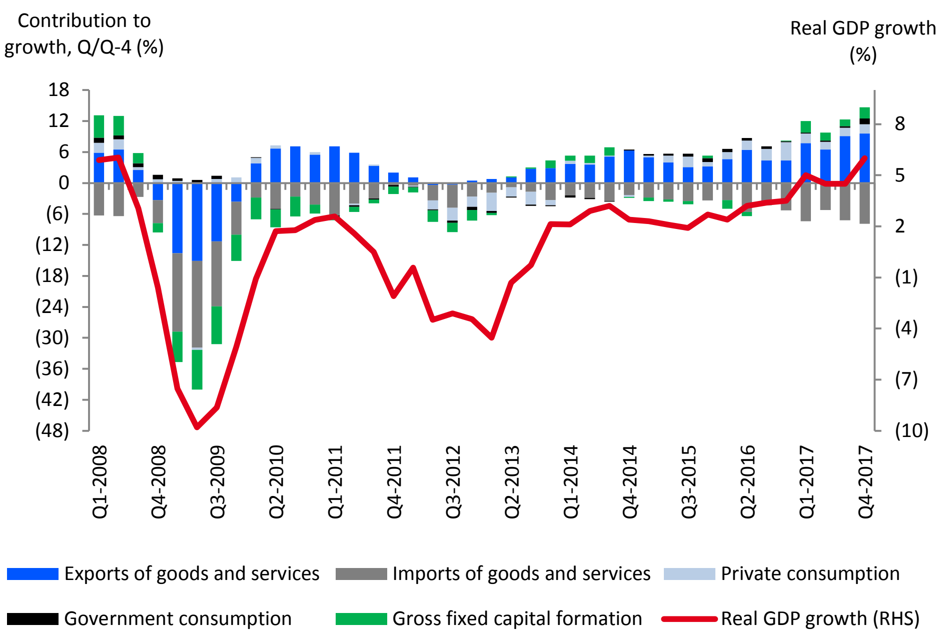
Domestic Consumption continues recovering

Domestic consumption increased by 4.5% in the last quarter of 2017. The significant increase was underpinned by private consumption expenditure (3.3%) and strong gross fixed capital formation (7.7%).

Total Employment Increased

Total employment increased by 2.8% or 27.000 persons in 2017. Most people were employed in manufacturing, followed by other business activities, transport and trade.

Figure 2: Contributions to Real GDP Growth (% chg. Q/Q-4)



Source: Statistical Office of the Republic of Slovenia (SORS), Original data, 13.3.2018

Notes

Unless otherwise specified, all comparisons in this text refer to original data, to volume or real changes and to changes compared with the same quarter of the previous year.

2 SLOVENIA IS NO LONGER EXPERIENCING MACROECONOMIC IMBALANCES AS STATED BY EUROPEAN COMMISSION REPORT

The European Commission concluded in its March 2017 in-depth review that Slovenia is after 6 years no longer experiencing economic imbalances. The Country Reports provide the Commission's assessment of the situation in each Member State. The report stated that the sources of imbalances that led to the deep crisis of 2012-2013 have rapidly receded underpinned by sustained policy action. The economy is now growing robustly. The report outlines achievements in many areas as follows:

The labour market continues strengthening. Unemployment further decreased. The tightening labour market is putting some upward pressure on wages, but wage growth remains moderate and in line with productivity developments. The better economic developments are reflected in the decrease of the rate of people at risk of poverty and social exclusion.

The banking sector is improving due to better solvency, profitability and asset quality. Non-performing loans declined by almost a third in 2017 compared to 2016. Credit growth has turned positive and investments are expected to drive Slovenia's economic growth in 2018 and 2019.

Government finances are expected to be in balance in 2018. Public debt continues to decline and is expected to reach 72 % of GDP in 2019, 10 percentage points below its peak in 2015.

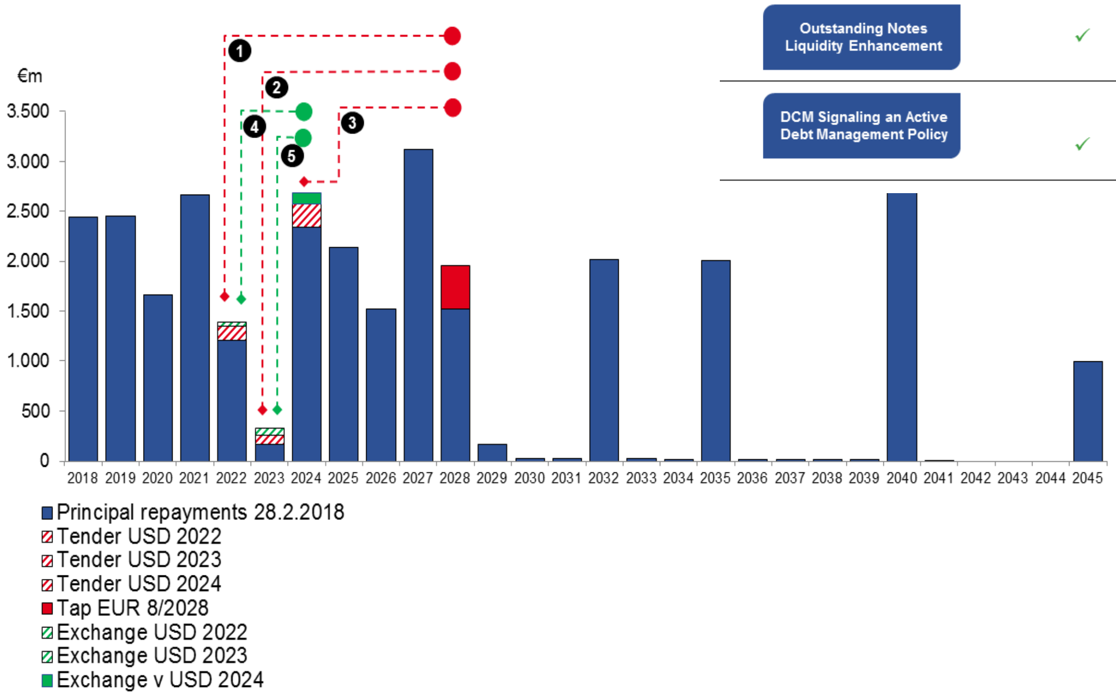
The strong economic performance is increasing the growth potential of the economy and resulting in good outlook.

3 LATEST (SEVENTH) LIABILITY MANAGEMENT EXERCISE IN FOCUS

The Republic of Slovenia ("Slovenia)" launched and executed a tender offer on its USD 2022, 2023 and 2024 note and also an exchange offer on the USD 2022s and 2023s, exchanging into the USD 2024s. This followed the 6th previous liability management transactions where Slovenia conducted a simultaneous tender and tap (via exchange) of the same note, (the 2024s).

Figure 3: 7th LM Effect on Slovenia Debt Redemption Profile

LM Strategic Objective	1	2	3	4	5
Interest Savings	✓	✓	✓	✓	✓
Locke-in Favourable Implied Forward Rates	✓	✓	✓	x	x
Debt Portfolio Duration Extention	✓	✓	✓	✓	✓
US$ Debt Stockpile Reduction in % GDP	✓	✓	✓	x	x
Outstanding Notes Liquidity Enhancement	✓	✓	✓	✓	✓
DCM Signaling an Active Debt Management Policy	✓	✓	✓	✓	✓



Source: Ministry of finance, 13.3.2018

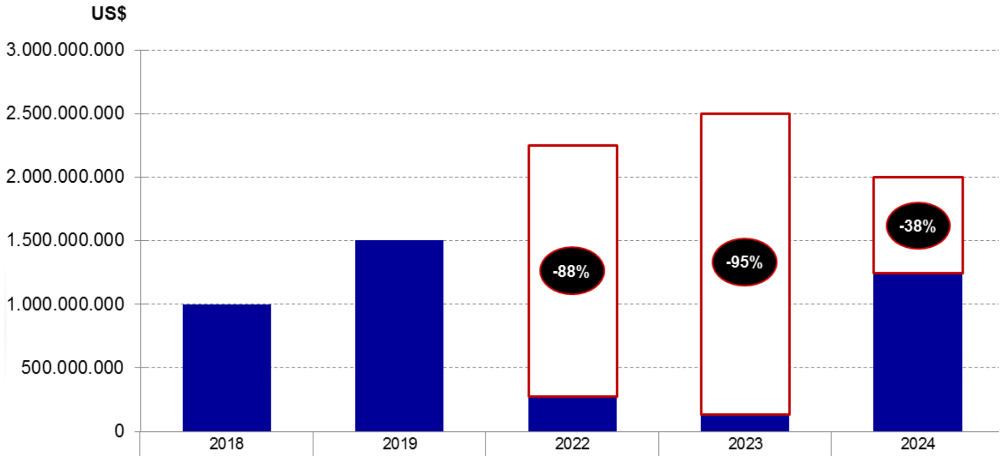
On February 20th 2018, the Republic of Slovenia announced a modified Dutch auction ("MDA"), offering options to purchase for cash Notes due 2022, 2023 and 2024 or exchange Notes due 2022 and 2023 for new 5.25% Notes due 2024, to be consolidated with the outstanding 5.25% Notes due 2024. The tender targeted the Slovenia's US$ 452.140m 5.500% Notes due 2022, US$ 293.358m 5.850% Notes due 2023 and US$ 1,368.381m 5.25% Notes due 2024, while the exchange targeted the 2022 and 2023 Notes into new 2024 Notes (the "Notes"). At the same time, Slovenia announced a potential EUR new issue to follow subject to market conditions. The offer was announced as part of the Republic's effective debt management strategy aimed at providing liquidity to accepted holders.

As at the expiration deadline on February 27th ,2018, the Republic received valid **tenders** for purchase of US$ 975.5m in aggregate nominal amount of Notes. In line with its effective government debt management objective, the Slovenia purchased US$ 459.8m in aggregate nominal amount of the Notes (the "Final Acceptance Amount"). No scaling factor was applied for the 2022 and 2023 Notes, but some scaling was applied for the 2024 Notes given USD1.25bn min size objective set for these Notes. The Notes were purchased on a Non-Competitive basis only i.e. at the relevant Maximum

Purchase Spread representing successful price and size outcome for the Slovenia. The cumulative take-out from the original issue sizes for the 2022s and 2023s are ~88% and ~ 95% respectively.

Furthermore, the Slovenia received valid **exchange offers** of US$ 122.6m in aggregate nominal amount of Notes. In line with its effective government debt management objective, the Slovenia purchased US$ 112.6m in aggregate nominal amount of the Notes (the “Final Acceptance Amount”). No scaling factor was applied. The Notes were purchased on a Non-Competitive basis only i.e. at the relevant Maximum Purchase Spread representing successful price and size outcome for the Slovenia. After applying the relevant exchange ratios, US$ 114.2m of new 2024 Notes were issued.

Figure 4: 1 to 7 LM Trades Influence on US$ Outstanding Portfolio



	2018	2019	2022	2023	2024
Reduction #1-7	0	0	1.977.490.000	2.366.833.000	750.000.000
US$ Size 7.3.2018	1.000.000.000	1.500.000.000	272.510.000	133.167.000	1.250.000.000

Source: Ministry of finance, 13.3.2018

EUR Taps of 2028s, 2035s and 2045s for Tender and Budget Execution Financing

On February 27th ,2018, Slovenia announced the mandate for increases of the outstanding 1.000% notes due 6 March 2028, the outstanding 1.500% notes due 25 March 2035, and the outstanding 3.125% notes due 7 August 2045 Regulation S transactions in dematerialized registered form. On the back of supportive market conditions the orderbooks grew steadily, reaching a combined demand at over EUR 3.7 bn (including EUR725m of Joint Lead Manager interest) which allowed Slovenia better pricing for the final size of notes, i.e. EUR 850m for March 2028 notes, a size of EUR 250m for March 2035 notes, and a size of EUR 150m for August 2045 notes.