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MOODY'S UPGRADES SLOVENIA'S CREDIT RATING TO A2 (STABLE) FROM A3 (POSITIVE)

On Friday, 27 February 2026, the rating agency Moody's upgraded Slovenia's sovereign rating from A3 (positive) to A2 and assigned it a stable outlook. The upgrade reflects Slovenia's credit fundamentals, including the pension reform adopted in September 2025, a continued decline in public debt as a share of gross domestic product, and strong debt management. The rating agency acknowledged progress on Slovenia's structural reforms and highlighted the country's institutional strength, stating that it enables the adoption of politically demanding reforms and supports macroeconomic stability.

The full report is available on the Moody's website: <https://www.moody.com>

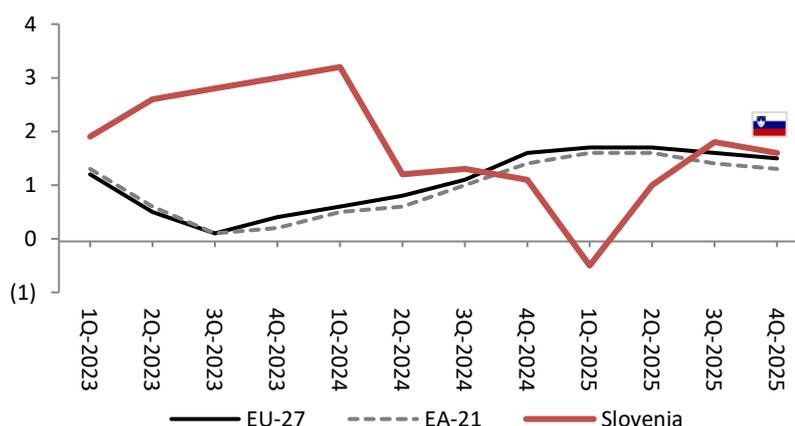
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2025 GDP PERFORMANCE: STABLE DOMESTIC FUNDAMENTALS, WEAKER EXPORT CONTRIBUTION

According to the latest release from the Statistical Office of the Republic of Slovenia (SORS), Slovenia's real GDP grew by 2.0% year on year (1.6% seasonally adjusted) in Q4 2025 and by 1.1% for the full year (0.9% seasonally adjusted). Quarter on quarter, GDP rose by 0.4%, indicating slower momentum towards the end of the year. Full-year growth slightly exceeded the IMAD autumn forecast (0.8%) but remained below the 2024 figure (1.7%). The Eurostat flash estimate shows euro area GDP up 1.3% year on year in Q4 (EU: 1.5%) and 0.3% quarter on quarter in both regions, with annual growth at 1.5% for the euro area and 1.6% for the EU.

In Slovenia, domestic consumption was the main driver in 2025, supported by strong construction investment – especially in public and infrastructure projects – and resilient household spending. Export performance weakened: goods exports lagged behind import growth, and manufacturing recorded the sharpest decline in value added.

Figure 1: Real Quarterly GDP Growth Rate (% chg y-o-y)



Source: Eurostat, SORS – Seasonally Adjusted Data (SA), 3.3.2026

Total Employment

Total employment in the fourth quarter of 2025 was 1,103,000 persons, down 0.2% year-on-year (2,700 fewer jobs). The largest decreases were in manufacturing (−4,000 persons or −1.8%), trade, transportation and catering (−1,300 persons or −0.5%), and construction (−1,200 persons or −0.5%), while the strongest increase was in public administration, education, health, and social work (+4,400 persons or +2.0%). According to the latest release from SORS, the unemployment rate in Slovenia was 4.1% at the end of the fourth quarter of 2025.

Private Consumption and Investment Growth

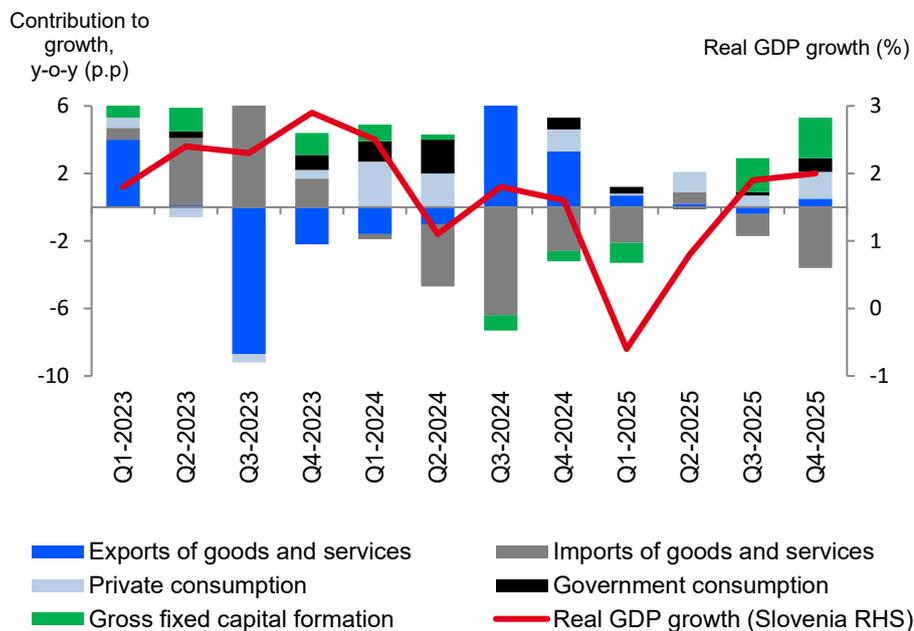
Investment activity strengthened last year, rising by 4.1%. After a surprising decline in the first quarter (-5.3%), investment increased during the rest of the year, with year-on-year growth of 10% and 12% in the third and fourth quarters. Household consumption growth more than halved last year to 1.7%, after increasing by 3.8% in 2024. Government consumption growth moderated to 1.6% in 2025, following strong expansion in 2024.

External Trade and Value Added

Total export growth slowed sharply in 2025, rising 0.3% above the 2024 level. Goods exports fell in the first half of the year and recovered only modestly towards year-end, while both exports and imports increased in Q4. Import growth (2.1%) outpaced export growth, particularly in the final quarter, resulting in a negative net trade contribution to GDP of -1.3 percentage points for the year.

In manufacturing, where most exporters operate, international conditions, structural factors, and higher cost pressures reduced value added by 1.3%, with the automotive and metal industries contributing most to the decline. By contrast, construction recorded strong growth, with value added rising 7.3% for the year. Overall, value added in the Slovenian economy increased by 1.8% in Q4 2025 and by 1.1% for the year as a whole.

Figure 2: Contributions to Real GDP Growth (% change y-o-y)



Source: SORS, Original data, 3.3.2026

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SLOVENIA'S INCREASED 2036 BOND ISSUANCE

On 16 February 2026, the Republic of Slovenia, successfully executed a tap issuance of the existing RS98 euro bond maturing on 12 March 2036 with a 3.275% coupon, strengthening Slovenia's funding position for 2026. Slovenia issued an additional EUR 750 million, successfully priced at 101.348% in the euro debt capital market, increasing the total outstanding size of the bond from EUR 1.75 billion to EUR 2.5 billion.

Investor demand was very strong: the order book exceeded EUR 6.8 billion at closing, allowing the spread to tighten to MS+35bps, 2 bps tighter than the January 2026 initial issue. The final allocation was diversified, dominated by banks (41%) and asset managers (32%). Geographically, France/Benelux (19%), UK/Ireland (18%), DACH (17%), Southern Europe (17%) and Slovenia (14%) accounted for the majority of the funds.

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