



Central Government Budget Debt Management

Key Political Events

In the past days there have been some further developments on the referendum initiatives of the two reform laws (Slovenia Sovereign Holding Law, Banking Stability Law).

- On November 19th the Government of the Republic of Slovenia and the leading MPs of the main opposition party who filed the referendum initiative on the Slovenia Sovereign Holding Law defined six open issues which, if resolved, the referendum initiative would be withdrawn. There is a strong willingness that an agreement can be reached within the next three weeks. In case of an agreement, amendments to the Slovenia Sovereign Holding Law reflecting the agreement can be adopted by the National Assembly before the end of this year but without impairing its purposes and main solutions. Previously, on November 6th, the National Assembly voted in favour of initiating a procedure to challenge the legality of the Slovenia Sovereign Holding Law referendum initiative before the Constitutional Court, which has been initiated the same day. The decision of the Constitutional Court can be expected within 30 days of the National Assembly's filing of the request. Within this period the Government has started to conduct talks with leading MPs of the main opposition party to possibly reach an agreement on withdrawing the initiative.
- With reference to the referendum initiative on The Banking Stability Law, the current state is the following. On November 19th, the trade union started to collect the 40.000 voters' signatures that need to be handed in till December 23rd in order for the referendum to take place. The National Assembly will vote in favour of a dispute of the The Banking Stability Law on the extraordinary session on Friday November 23rd. Similarly, the verdict of the Constitutional Court on the Banking Stability Law can be expected within 30 days of the National Assembly's filing, which most likely is going to be filed on November 26th. The Ministry of Finance and the trade union continue to hold negotiations to avoid a referendum. The timeframe for an agreement with the trade union remains open until December 23rd. Previously, the trade union's signatures in favour of the referendum call were handed in on October 30th, but the Ministry of Interior declared that not all signatures in a referendum call were valid. After a complaint by the trade union, the President of the National Assembly established a possibility of a counting error and the recount results on November 9th showed that sufficient signatures were submitted.

In case the Government's intentions of reaching an agreement will not be supported and the Constitutional Court allows the referendums to be held, the Government is confident in its arguments to convince the voters to approve the law at the referendum. In any case, even in a scenario of a potential rejection of the Slovenia Sovereign Holding Law at the referendum, the government's planned privatisation processes can be carried out on the basis of existing legislation. Similarly, the banking stability measures will remain executable even in the case of a Banking Stability Law rejection at the referendum.

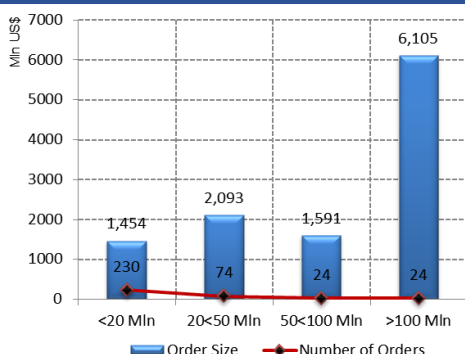
Event Calendar

- 19th October - Republic of Slovenia successfully priced a \$2.25bn 10-year bond
- 30th October - Main opposition party filed 30 MP signatures for calling a referendum on two laws: (1) The Law on establishing the Slovenia Sovereign Holding and (2) The Law on the Stability of the Banking Sector.
- 6th November - the National Assembly voted in favour of challenging the Slovenia Sovereign Holding Law referendum call before the Constitutional Court (Constitutional Court has to rule within 30 days)
- 6th November - S&P announces the possibility of a downgrade of the credit rating of Slovenia on the basis of referendum initiatives (Credit Watch Negative)
- 23rd November - National Assembly's extraordinary session on the dispute of The Law on the Stability of the Banking Sector referendum initiative
- 26th November - Indicative date to fill a motion for challenging the legality of The Law on the Stability of the Banking Sector referendum initiative before the Constitutional Court
- 2nd December - Presidential elections – second leg
- 23rd December - Deadline for the collection of 40.000 voters' signatures in order for the referendum on The Law on the Stability of the Banking Sector to take place

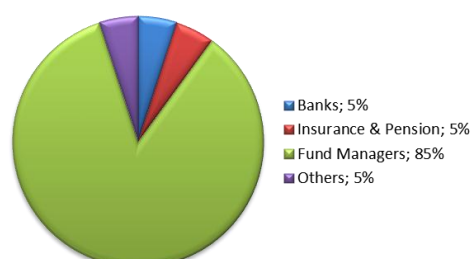
US\$ 144A / Reg S Inaugural Bond Issue

Issuer:	Republic of Slovenia	Settlement Date:	26.10.2012	Benchmark:	UST 1.625% due Aug. 2022
Ratings:	Baa2 (Moody's)/ A (S&P)/ A- (Fitch)	Maturity Date:	26.10.2022	Spread to benchmark:	389.7bps
Issue Format:	144A / Reg S	Coupon:	5,500%	Spread to MID Swaps:	386.9bps
Issue Size:	US\$ 2,250 Mln	Price:	98.491%	Governing Law:	English
Pricing Date:	19.10.2012	Yield:	5.700%	Listing:	Luxembourg

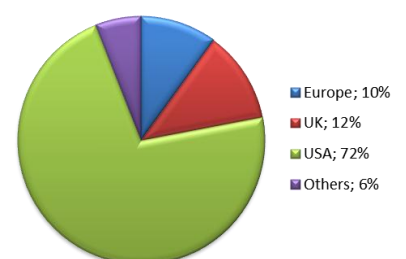
Order Analysis



Investor Type Distribution

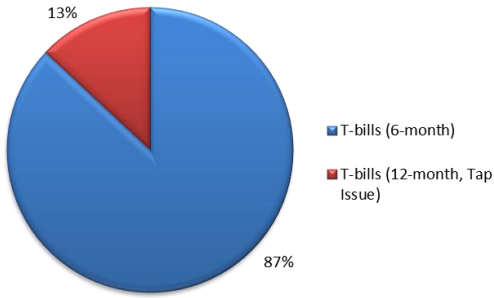


Geographic Distribution

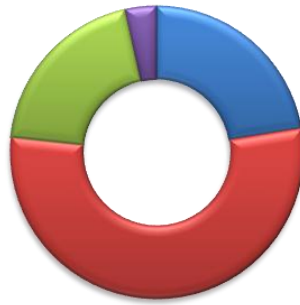


T-bills Auction Results (Auction Date: 6. 11. 2012)

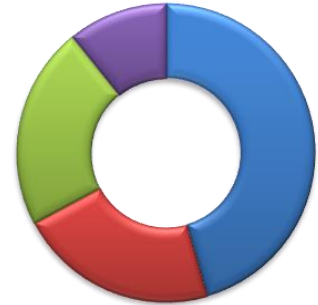
Issued T-bills Breakdown by Maturity



T-bills 6-month Distribution by Investor Type



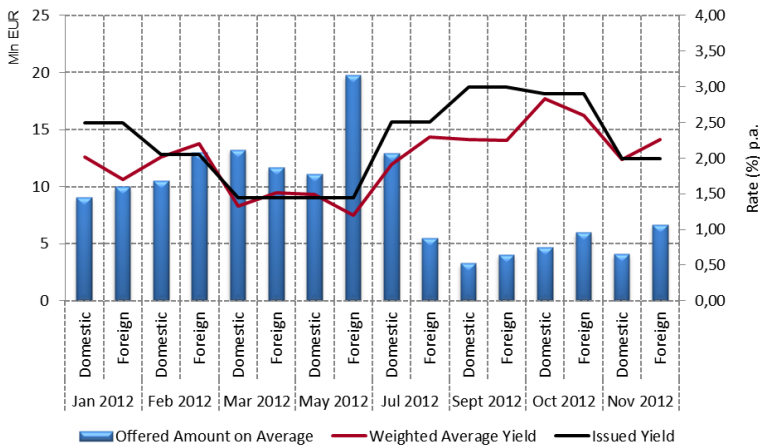
T-bills 12-month (Tap 4th Issue) Distribution by Investor Type



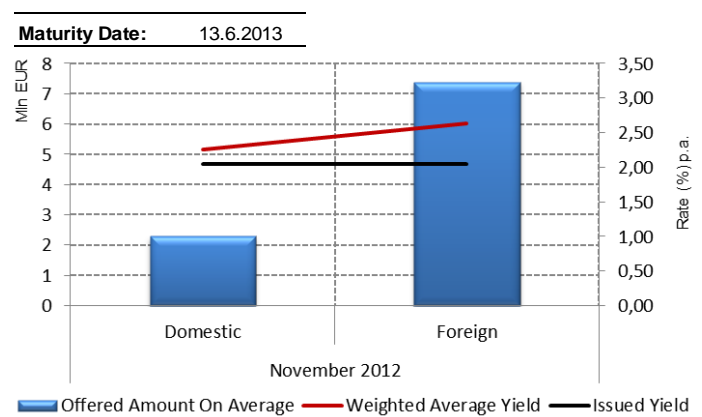
	Amount (EUR)
T-bills (6-month)	31.300.000
T-bills (12-month, Tap Issue)	4.620.000
Total	35.920.000

- S.12202 Other monetary FI - national private; 22.4%
- S.12201 Other monetary FI - public; 54.3%
- S.12502 Insurance Corp. & pension funds; 19.8%
- Other; 3.5%
- S.21100 The member states of the EU; 45.5%
- S.12202 Other monetary FI - private; 21.7%
- S.12201 Other monetary FI - public; 22.0%
- S.12501 Insurance Corp. & Pension funds; 10.8%

6-month T-bills Characteristics Breakdown by Investors Residential Status



12-month (Tap 4th Issue) T-bills Characteristics Breakdown by Investors Residential Status

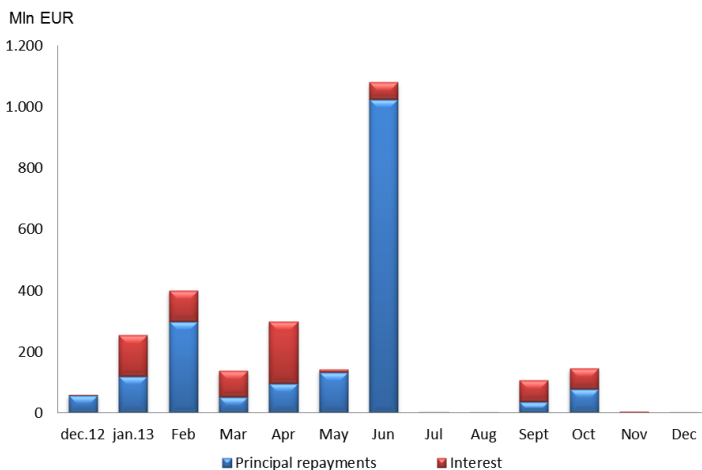


Indicative Treasury Bills Issuance Calendar for 2012

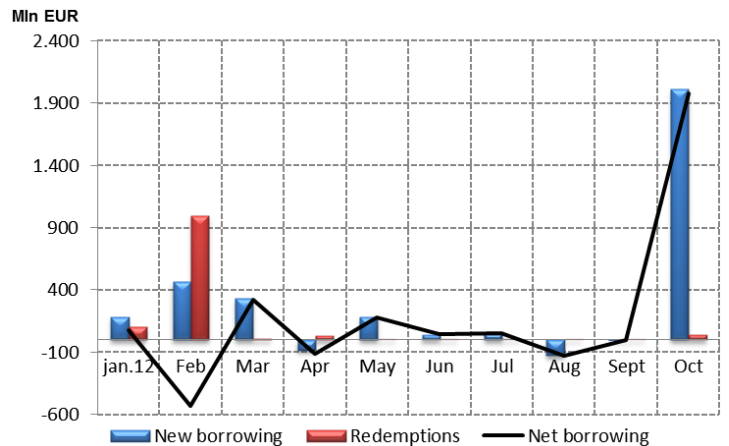
December			
T-Bill	Tenor (Months)	Auction Date	Maturity Date
TZ141	3	11.12.2012	14.3.2013

Debt Portfolio Characteristics

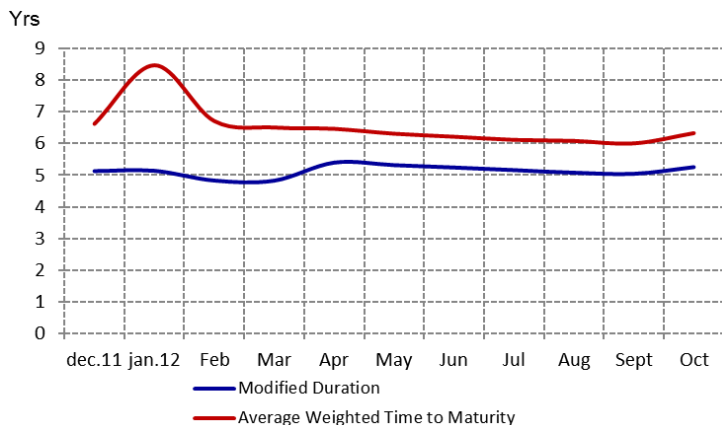
Government Budget Redemption Profile



Net Borrowing



Duration and Average Life of Debt Portfolio

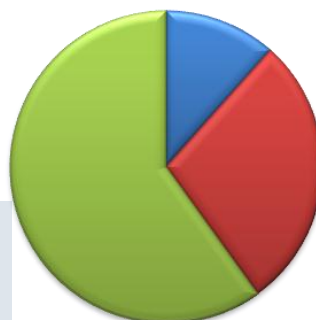


	dec.11	jan.12	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct
MD	5,1	5,1	4,8	4,8	5,4	5,3	5,2	5,2	5,1	5	5,3
AWTM	6,6	8,5	6,7	6,5	6,5	6,3	6,2	6,1	6,1	6	6,3

Debt Outstanding by Instruments

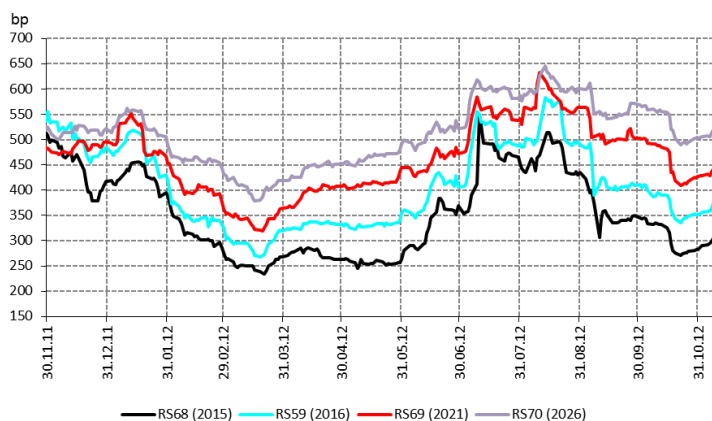
	%
Bonds	90.2
T-bills	4.8
Loans	5.0

Residual Maturity of Debt

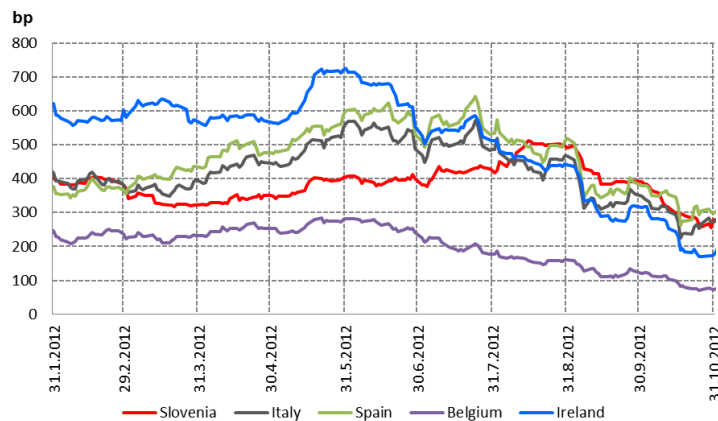


- Below 1 year; 11.6%
- between 1 and 5 years; 28.5%
- Over 5 years; 59.9%

Slovenian Bonds Spread vs. Benchmark



5 Year CDS Performance



3, 5, 10 & 15 YTM RS Bonds (M-o-M % Change)

Bond	30.9.2012 (YTM)	31.10.2012 (YTM)	Δ
RS68 (2015)	3,467%	2,858%	-0,6%
RS59 (2016)	4,183%	3,615%	-0,6%
RS69 (2021)	6,224%	5,415%	-0,8%
RS70 (2026)	6,837%	6,176%	-0,7%

Credit Rating Updates

Agency	Credit Rating	Outlook	Last Change	Recent Rating Development
S&P	A	Negative	6.11.2012	Due to developments of the referendum calls on the two Laws, Slovenia was assigned Negative Watch.
Fitch	A-	Negative	8.8.2012	/
Moody's	Baa2	Negative	2.8.2012	/

Key Macroeconomic Indicators and Projections

Year	Real GDP growth (% y-o-y)*	Unemployment Rate (% ILO Methodology)*	Inflation (annual average)*	Current Account Balance (% of GDP)*	General Government Balance (% of GDP, ESA95)**	General Government Gross Debt (% of GDP, ESA95)**
2012E	-2.0	8.3	2.8	2.3	-3.5	51.9
2013E	-1.4	9.1	2.2	3.8	-2.5	53.1

* Institute of Macroeconomic Analysis and Development (Autumn Forecast of Economic Trends 2012, October 2012)

http://www.umar.gov.si/fileadmin/user_upload/publikacije/aanaliza/ajesen2012/a_JNNG_2012.pdf; Next Forecast of Economic Trends will be available on April 2013; Contact: gonzalo.capriolo@gov.si

** For 2012 and 2013 Stability Programme 2012 Update.

CONTACT: The Treasury of the Republic of Slovenia, Župančičeva 3, 1000 Ljubljana, http://www.mf.gov.si/en/investor_relations/

OTHER USEFUL LINKS: Institute of Macroeconomic Analysis and Development: http://www.umar.gov.si/en/o_umar/, Bank of Slovenia: <http://www.bsi.si/en/>, Statistical Office of The Republic of Slovenia: http://www.stat.si/eng/tema_ekonomsko_nacionalni.asp

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