

REPUBLIC OF SLOVENIA

Investor Presentation



April 2025



Ministry of Finance
Republic of Slovenia



Disclaimer

By reading these presentation slides, you agree to be bound by the following limitations:

The information in this document has been prepared by and is the sole responsibility of the Republic of Slovenia (acting through its Ministry of Finance) (the "Issuer") solely for the purposes of investor education. It has not been approved or endorsed by any dealer or manager retained by the Issuer.

NOT FOR DISTRIBUTION IN THE UNITED STATES, AUSTRALIA, CANADA OR JAPAN

Neither this presentation nor any copy of it may be taken or transmitted into, or distributed, directly or indirectly in, the United States of America, its territories or possessions, any State of the United States or the District of Columbia (where "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands). Any offering of securities may not be offered or sold in the United States absent registration or an exemption from registration. The Issuer has not registered and does not intend to register any securities that may be described herein in the United States or to conduct a public offering of any securities in the United States. Any failure to comply with these restrictions may constitute a violation of United States securities laws. The distribution of this document in other jurisdictions may also be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

This presentation may be consulted or distributed, only by qualified institutional investors other than individuals and to whom such access is not restricted by the laws of any jurisdiction.

This document does not constitute an offer or invitation to sell, or a solicitation of an offer to buy, any securities, and nothing contained herein shall form the basis of any contract or commitment whatsoever. No reliance may be placed for any purposes whatsoever on the information contained in this presentation or any materials discussed verbally, or on its completeness, accuracy or fairness.

This document and its contents are strictly confidential and are being provided to you solely for your information and may not be retransmitted, further distributed to any other person or published, in whole or in part, by any medium or in any form for any purpose. The opinions presented herein are based on general information gathered at the time of writing and are subject to change without notice.

The communication of this document as a financial promotion is only being made to those persons falling within Article 12, Article 19(5) or Article 49(2)(a) to (d) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, or to other persons to whom this document may otherwise be distributed without contravention of section 21 of the Financial Services and Markets Act 2000, or any person to whom it may otherwise lawfully be made (all such persons being referred to as "relevant persons"). This communication is being directed only at relevant persons having professional experience in matters relating to investments and any investment or investment activity to which this communication relates will be engaged in only with relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents. This document is not intended for distribution to and must not be passed on to any retail client.

NO ACTION HAS BEEN MADE OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF ANY SECURITIES THAT MAY BE DESCRIBED HEREIN IN ANY JURISDICTION IN WHICH ACTION FOR THAT PURPOSE IS REQUIRED. NO OFFERS, SALES, REALES OR DELIVERY OF ANY SECURITIES THAT MAY BE DESCRIBED HEREIN OR DISTRIBUTION OF ANY OFFERING MATERIAL RELATING TO ANY SUCH SECURITIES MAY BE MADE IN OR FROM ANY JURISDICTION EXCEPT IN CIRCUMSTANCES WHICH WILL RESULT IN COMPLIANCE WITH ANY APPLICABLE LAWS AND REGULATIONS.

THIS DOCUMENT DOES NOT DISCLOSE ALL THE RISKS AND OTHER SIGNIFICANT ISSUES RELATED TO AN INVESTMENT IN ANY SECURITIES/TRANSACTION DESCRIBED HEREIN. PRIOR TO TRANSACTING, POTENTIAL INVESTORS SHOULD ENSURE THAT THEY FULLY UNDERSTAND THE TERMS OF ANY SECURITIES/TRANSACTION AND ANY APPLICABLE RISKS. THIS DOCUMENT IS NOT A PROSPECTUS FOR ANY SECURITIES DESCRIBED HEREIN. INVESTORS SHOULD ONLY SUBSCRIBE FOR ANY TRANSFERABLE SECURITIES DESCRIBED HEREIN ON THE BASIS OF INFORMATION IN THE OFFERING CIRCULAR AND NOT ON THE BASIS OF ANY INFORMATION PROVIDED HEREIN. INVESTORS AND PROSPECTIVE INVESTORS IN THE SECURITIES OF THE ISSUER ARE REQUIRED TO MAKE THEIR OWN INDEPENDENT INVESTIGATION AND APPRAISAL OF THE FINANCIAL CONDITION OF THE ISSUER AND THE NATURE OF THE SECURITIES. INVESTORS IN ANY SECURITIES OF THE ISSUER ARE STRONGLY ADVISED TO SEEK THEIR OWN INDEPENDENT ADVICE IN RELATION TO ANY INVESTMENT, FINANCIAL, LEGAL, TAX, ACCOUNTING OR REGULATORY ISSUES. THIS PRESENTATION DOES NOT CONSTITUTE A RECOMMENDATION REGARDING THE SECURITIES OF THE ISSUER.

This presentation may contain statements about future events and expectations that are "forward-looking statements". Such statements typically contain the words "anticipate", "believe", "intend", "estimate", "expect", "will", "may", "project", "plan" and words of similar meaning. All statements included in this presentation, other than statements of historical facts, including, without limitation, those regarding financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives) are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding present and future business strategies and the relevant future business environment. None of the future projections, expectations, estimates or prospects in this presentation should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such projections, expectations, estimates or prospects have been prepared are correct or exhaustive, or, in the case of the assumptions, fully stated in the presentation. These forward-looking statements speak only as of the date of this presentation and the Issuer expressly disclaims to the fullest extent permitted by law any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Nothing in the foregoing is intended to or shall exclude any liability for, or remedy in respect of, fraudulent misrepresentation.





Agenda

- **Country Overview**
- Fiscal Framework and Public Finances
- Business Environment and Robust Banking System
- Economic Performance
- Debt Profile Characteristics
- Recovery and Resilience Plan
- Sustainability-Linked Bond (SLBs) Framework
- Sustainability Bond Framework
- Inaugural digital bond



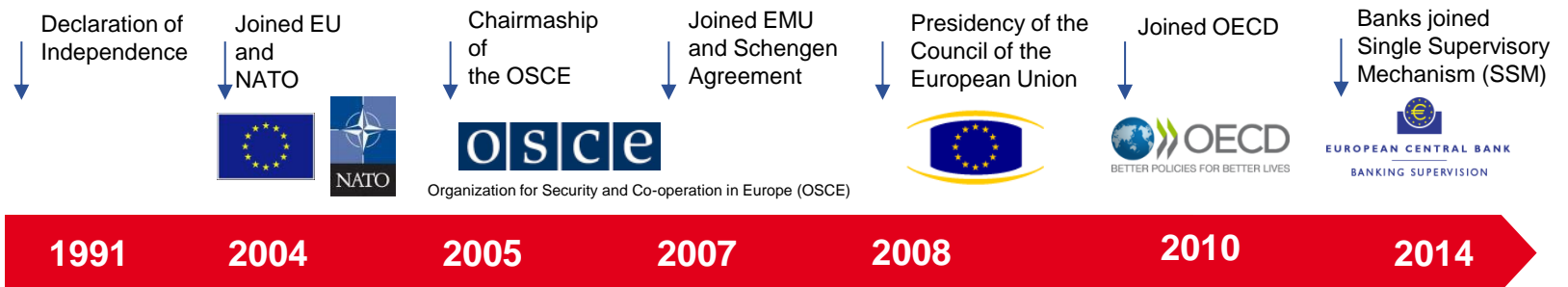


Slovenia: Member of the EU, NATO, EMU, OECD

Key Facts	
Location	▪ Borders Austria, Italy, Hungary, Croatia and the Adriatic Sea
Territory	▪ 20,271 km ² (¹)
Population	▪ 2.13 million (October 1, 2024)(¹)
GDP per capita in PPPs	▪ 92% of EU-27 average (2023); (Estonia 82%, Portugal 80%, Poland 79%, Croatia 75%, Hungary 75%, Slovakia 73%)(²)



Strong International Relationships



- Slovenia is a parliamentary republic
- Joined the EU in 2004 and adopted the Euro in 2007 as the first among new member countries. Slovenia is also part of Schengen, EEA and EFTA
- The Prime Minister of the Republic of Slovenia appointed in June 2022 was Dr. Robert Golob and the new President elected in November 2022 was Nataša Pirc Musar

1. Source: Statistical Office of the Republic of Slovenia (SORS), 16.4.2025
 2. Source: Eurostat, 16.4.2025





Slovenia: Highlights

Key Data

- **GDP growth in Q4/Q-4 (2024):** 1.1%* (1.2% EA-20 and 1.4% EU-27)⁽¹⁾
- **General Government balance in 2024:** -0.9% of GDP⁽²⁾ (-2.6% in 2023)⁽¹⁾
- **General Government debt in 2024:** 67.0% of GDP⁽²⁾ (68.4% in 2023)⁽¹⁾
- **Capital adequacy ratio 12/2024:** 19.7% (CET1 17.5%)⁽³⁾
- **NPE ratio 02/2025:** 1.0%⁽³⁾

Macro-Economic Strengths

- **Export-driven economy** with value-added export goods
- **Balance of Payments, Current Account Balance** 4.4% of GDP in 2024 (4.5% of GDP in 2023)⁽⁵⁾
- **Unemployment rate (ILO) at 3.2% end 02/2025** (EA-20 average of 6.1%)⁽¹⁾
- **One of the lowest private sector debt in EA-20** (non-consolidated of 63.7% of GDP in 2023)⁽¹⁾
- **One of the lowest gross Household Debt-to-Income Ratio** of 39.9% in 2023 (EA average of 88.1%)⁽¹⁾
- **Gross national savings** of 25.5% of GDP in 2023⁽⁴⁾

Prudent Debt Management

- **Treasury Directorate was awarded the title of "Sovereign Risk Manager" of the Year 2017** by the Risk magazine, London
- **Established yield curve in Euro Debt Capital Markets and efforts to expand presence across currencies**
- **Effective prefinancing strategy and proactive duration management**
- **Diversified investor base**
- **USD, JPY liabilities fully hedged back into EUR**
- **Strong debt affordability and ample liquidity buffers**

*Note: Growth rates of GDP in volume, based on seasonally adjusted data

1. Source: SORS, Eurostat, 16.4.2025
2. Source: SORS, 16.4.2025
3. Source: Bank of Slovenia, Monthly report on bank performance, 16.4.2025
4. Source: Eurostat, Non-financial transactions - quarterly data, 16.4.2025
5. Source: Bank of Slovenia, Balance of payments, 16.4.2025





Key Policy Reforms Implemented

- 1 Pension System Reform**

Pension reform* enhanced sustainability of public finances. The average age of retirement is continuously increasing. The average age of women upon retirement in 2023 was 61 years and 9 months (3 years and 3 months higher than in 2013). For men, the average age in 2023 rose to 62 years and 10 months (1 year and 11 months higher than in 2013). The effects of the pension reform from 2013, resulted in the change of growth rates of the average number of old-age pensioners decreasing from 4.0 per cent. in 2012 to 2.1 per cent. in 2024
- 2 Labour Market Reform**

Labour market reform streamlined employment protection, labour market flexibility, reduced labour market segmentation and equalized labour cost for people under 30. Public sector wage reform effective from 2025 aims to reduce wage disparities, set indexation dynamics and enhance fiscal transparency
- 3 Privatisation**

State Asset Management Strategy being implemented by Slovenian Sovereign Holding. In July 2024, the National Assembly adopted a new state asset management strategy, adapted to the current context and identifies raising the productivity of companies as a key economic objective. The management strategy is a basic tool for active ownership by the state
- 4 Strengthened Banking System**

Well-capitalized banking system. Stark reduction in non-performing loans ratio since 2013. Nova KBM d.d., NLB d.d. and Abanka d.d. (merged into Nova KBM d.d.) privatized. The new Banking Act adopted in 2021 relating to capital requirements and regulation of financial holding, remuneration and audit power. In November 2023 introduced amendment to the requirement to maintain a systematic risk buffer (syRB), in December a positive neutral CCyB set at 1%
- 5 Bank Asset Management Company**

Bank Asset Management Company (BAMC) restructured viable enterprises and ceased operations end of 2022. The SSH is the legal successor of the BAMC as of January 1, 2023. The BAMC's real estate proceeds will be used for affordable housing
- 6 Fiscal rule and Council**

A constitutionally mandated balanced budget has been in force since 2013. Fiscal Rule bylaw in place since July 2015. The Fiscal Council has been in operation since 2017. A new Fiscal Rule Act adopted in March 2025, aligns the national legislation with the amended EU's fiscal governance framework, which was adopted in April 2024 and changes the definition of the principle of medium-term fiscal balance enshrined in the Constitution

* Note: Slovenia implemented a significant pension reform with the enactment of the Pension and Disability Insurance Act (ZPIZ-2) in December 2012, which come into force in January 2013.
Source: Ministry of Finance, Pension Institute, 16.4.2025





Disastrous floods in August 2023

The severe flooding that hit Slovenia on August 4 was described as the worst natural disaster since independence. The government took swift action to accelerate flood relief to help people and economy.

First Flood Relief Measures

- Two-stage approach: first emergency law, then systematic measures (Reconstruction Act*) aimed at long-term mitigation and prevention of similar disasters.
- First intervention measures adopted by amending the Natural Disaster Recovery Act
- Emergency law** brings new intervention measures for reconstruction and aid
- A revised 2023 state budget to get flood relief funding underway

EU Funding

- €100m from the EU Solidarity Fund for 2023, and €328m for 2024-2025)
- Slovenia may also tap NGEU recovery fund and reprogramming of its cohesion funds
- For long- and medium-term reconstruction RRP and other sources

Slovenia Reconstruction Fund

- National fund for financing reconstruction set up according to emergency law
- A special facility will pool together various types of finance, from budget allocations to EU funds and special contributions levied on business and households and other sources

Post-flood Reconstruction

- Not only focus on the acute damage caused by recent floods but interdisciplinary in nature achieving future-proof vulnerable infrastructure
- Taking into account the realities of climate change

*Act on Reconstruction, Development, and the Provision of Financial Resources (adopted in December 2023, amended in 2024)

** Act Determining the Intervention Measures to Remedy the Consequences of the Floods and Landslides in August 2023





One-off floods relief measures and Fiscal Effects

Most emergency measures are complete, but major renovation and flood protection projects will take years. Funding will come from state and municipal budgets until mid-2025, then from the Slovenia Reconstruction Fund

Fiscal Effects of One-off Measures (% of GDP)

2023	0.7
E2024	1.0

Reconstruction focuses on improving and modernizing infrastructure to be resistant to the future climate risks and on supporting those affected by the floods

Assigned Revenue of the Reconstruction Fund

Temporary Measures to Provide Financial Resources*:

- temporary increase of **corporate income tax** by 3 percentage points to 22% (2024-2028)
- **new temporary tax on the profits of banks and credit institutions** (2024-2028)
- **temporary use of net and available profit** of the Slovenian Sovereign Holding (SSH)

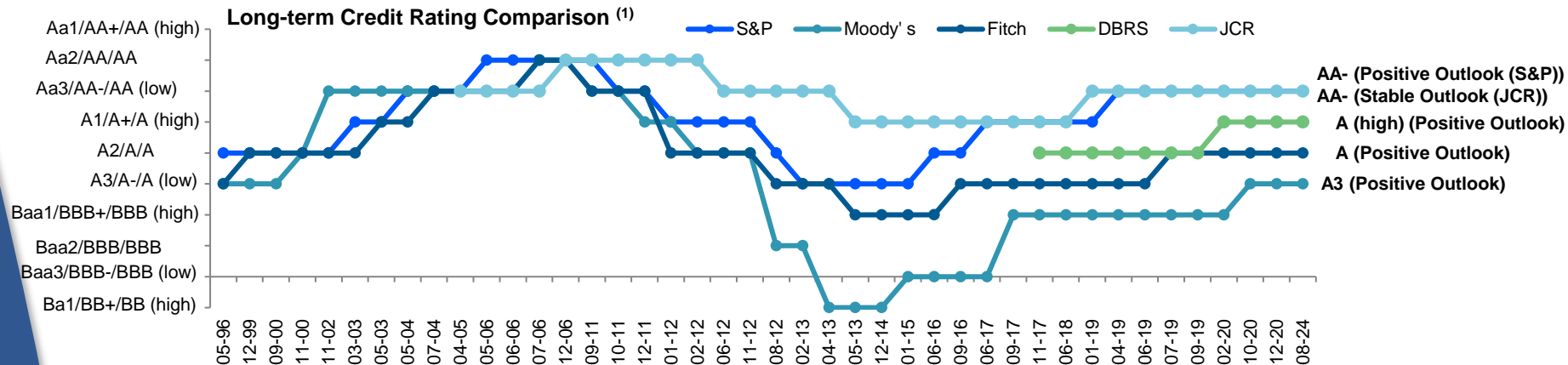
The tax reform aimed to boost state revenue to fund reconstruction for regions hit by the August 2023 floods.

*According to the Act on Reconstruction, Development, and the Provision of Financial Resources (adopted in December 2023 and amended in 2024)





Slovenia Sovereign Rating



Credit Strengths⁽²⁾

- Existing fiscal and external buffers, following years of robust growth, are expected to allow Slovenia to weather the external shocks
- High debt affordability, strong debt management and large liquidity buffers
- High levels of income per-capita, strong external position, EU and EMU membership

Credit Challenges⁽¹⁾

- Occasionally slow progress in implementing structural reforms related to population ageing
- Elevated government debt ratio compared to peers

Sovereign ⁽³⁾	S&P	Fitch	Moody's
Germany	AAA	AAA	Aaa
Austria	AA+	AA+	Aa1
Ireland	AA	AA	Aa3
Czech Republic	AA-	AA-	Aa3
Slovenia	AA-	A	A3
Estonia	A+	A+	A1
Slovakia	A+	A-	A3
Lithuania	A	A	A2
Latvia	A	A-	A3
Portugal	A	A-	A3
Spain	A	A-	Baa1
Poland	A-	A-	A2
Croatia	A-	A-	A3
Cyprus	A-	A-	A3
Italy	BBB+	BBB	Baa3
Hungary	BBB-	BBB	Baa2
Serbia	BBB-	BB+	Ba2

1. Source: Moody's, S&P, Fitch, DBRS, JCR, 16.4.2025
 2. Source: Selected drivers highlighted by rating agencies: S&P, Moody's and Fitch, 16.4.2025
 3. Source: Current credit ratings, Bloomberg, 16.4.2025



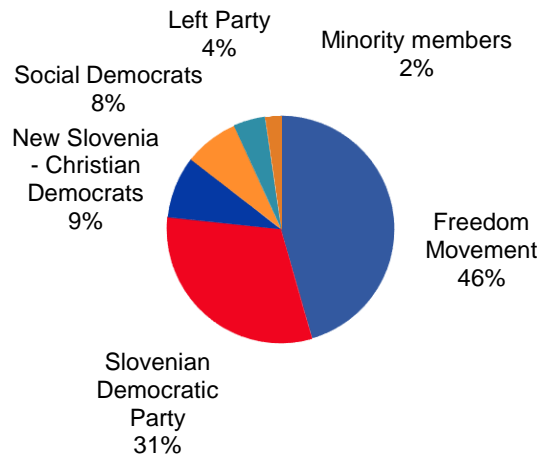


Political Leadership

Composition of the Government

- The 15th Government of the Republic of Slovenia, led by Dr. Robert Golob, was appointed by the National Assembly on June 1, 2022
- The 15th Government consists of the Freedom Movement, the Social Democrats and the Left Party
- Parliamentary elections were held in Slovenia on the April 24, 2022. The Freedom Movement won 41 seats in parliament, the Social Democrats 7, and the Left Party 5. coalition has 53 seats out of 90

Distribution of Seats at the National Assembly



Key Regular Election Dates

Parliamentary Election (April)

Local Election (November) *Mayors & Municipal Councils*

2026

Months

Jan	Feb	Mar
Apr	May	Jun
Jul	Aug	Sep
Oct	Nov	Dec

Presidential Election (October)

2027

Months

Jan	Feb	Mar
Apr	May	Jun
Jul	Aug	Sep
Oct	Nov	Dec





Government's Policy Agenda

Goals

Envisaged actions

*The government's **key priorities** focus on securing sustainable public finances, enhancing economic stability, and tackling both immediate and long-term challenges*

Fiscal Responsibility

- **The Medium-Term Fiscal-Structural Plan (2025-2028)** outlines a strategy to reduce the general government deficit and debt while complying with EU Fiscal Rules. It caps annual net expenditure growth at 4.5% and focuses on reforms and investments to address EU recommendations, promoting fiscal stability and sustainable growth
- **Public Sector Wage System Reform** setting mechanism in the public sector, aims to moderate long-term wage growth, contributing to fiscal sustainability
- **Introduction of Long-Term Care Contribution** to address the financial demands of an aging population, ensuring the adequacy and sustainability of long-term care services
- **The foreseen pension reform is currently in public debate as the social partners signed the agreement on the proposed changes.** The reform will have a positive impact on fiscal sustainability and also on pension adequacy.
- **A series of tax reforms** designed to optimize revenue collection, promote economic growth, and align with international tax standards
- **Undertaking comprehensive health sector reforms** to enhance the efficiency and quality of healthcare system while upholding fiscal responsibility. The health reform is ongoing and different changes have been already adopted.





Government's Policy Agenda cont.

Goals

Envisaged actions

*The government's **key priorities** aim to bolster economic resilience, improve labor market outcomes, and foster innovation and technological advancement*

Economic Resilience

- **Slovenia is diversifying its economy** by promoting innovation and supporting sectors like automotive manufacturing, pharmaceuticals, logistics, and tourism
- **Implementation of the Recovery and Resilience Plan**, supported by the EU, includes investments aimed at boosting productivity and innovation, including promoting environmental sustainability
- **Enhancing labor market functionality** through structural reforms to improve outcomes, increase employment rates of older workers, address skills mismatches, and promote lifelong learning. Legislative reforms also aim to attract foreign talent and ensure equal access to the labor market
- **Diversification of the Energy Mix** is essential for enhancing energy security and reducing dependence on imports and increasing resilience against external shocks, especially by renewable energy and nuclear power
- **Innovation and Access to Financing** are underway to foster a venture capital culture to support start-ups and innovative companies, addressing the underdeveloped ecosystem for new business ventures
- **Flood reconstruction plans** focus on restoring and upgrading infrastructure to withstand future extreme weather events, incorporating climate change adaptation measures
- **Addressing Housing Affordability** by increasing the supply of social housing crucial for enhancing social stability





Agenda

- Country Overview
- **Fiscal Framework and Public Finances**
- Business Environment and Robust Banking System
- Economic Performance
- Debt Profile Characteristics
- Recovery and Resilience Plan
- Sustainability-Linked Bond (SLBs) Framework
- Sustainability Bond Framework
- Inaugural digital bond





Fiscal Framework

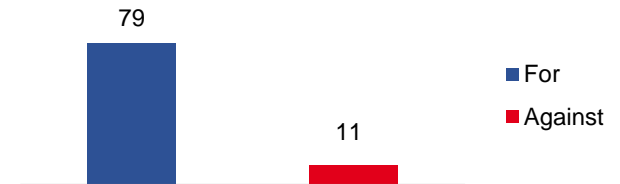
Fiscal Council has been in operation since 2017

At the end of May 2013, MPs supported constitutional change by a large majority: 79 out of 90 votes

Exceptions to the balanced budget rule only under two conditions:

- Extraordinary circumstances that are set down in the implementing law
- In special cases such as natural disasters and periods of significant economic contraction: **Covid-19**

Constitutional Change Vote in May 2013



In March 2025 86 Out of 90 MPs Supported a new Fiscal Rule Act

New Fiscal Rule Act in line with new EU Fiscal Rules (2024):

- **Medium-term fiscal-structural planning** General government revenue and expenditure are considered balanced in the medium term if the debt level remains <60% and the deficit <3%, and both below this limit in the medium term. If not, the growth path of the **net primary expenditure** must follow a medium-term fiscal-structural plan (central document of key medium term fiscal planning, both at national and EU level)
- **The independent Fiscal Council** monitors compliance and assesses national fiscal policy
- **Exceptional circumstances** define deviations from the medium-term balance and their management
- **Transparency and accountability** ensure clear and comprehensible fiscal policy practices

New Fiscal Rule Act Vote in March 2025



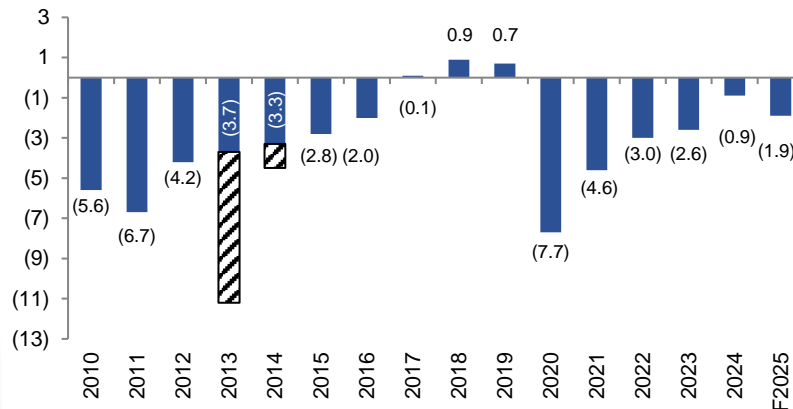


General Government Account (ESA 2010)

Fiscal Metrics

- **General Government deficit of -0.9% of GDP in 2024.** The GG deficit is expected to be -1.9 in 2025
- **General Government debt end 2024 of 67.0% of GDP,** below the EA-20 average of 89.1%*. It is expected to decrease to 66.0 % GDP by the end of 2025, with a plan to further reduce it to 61.5% by the end of 2028³⁾
- Active and prudent debt management operations

General Government Balance (% of GDP)^(1*)

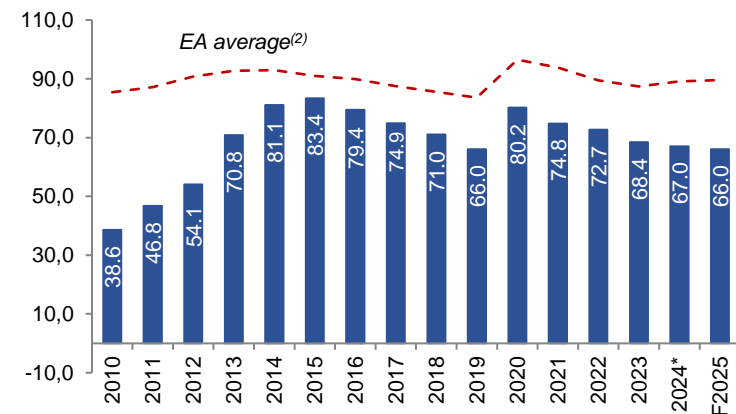


1. Source: Eurostat, SORS, Ministry of Finance, 16.4.2025

Headline deficit of -11.2% (one-offs of 7.5% of GDP due to banks recapitalization) in 2013. Headline deficit of -4.5% due (one-offs of 1.2% of GDP due to banks recapitalization) in 2014

Following the crises of 2020–2024, during which governments implemented extensive measures to mitigate COVID-19, the energy crisis, and inflation, as well as one-off flood relief measures in Slovenia, the general government deficit in 2024 decreased to 0.9% of GDP.

General Government Gross Debt (% of GDP)⁽²⁾



2. Source: Eurostat, SORS, Ministry of Finance, EC AMECO for EA, 16.4.2025

3. Source: Ministry of Finance, the Medium-term fiscal-structural plan (MTFSP) of the Republic of Slovenia 2025-2028, 16.4.2025

* Note: Estimate for EA-20 from EC's Autumn 2024 Economic Forecast



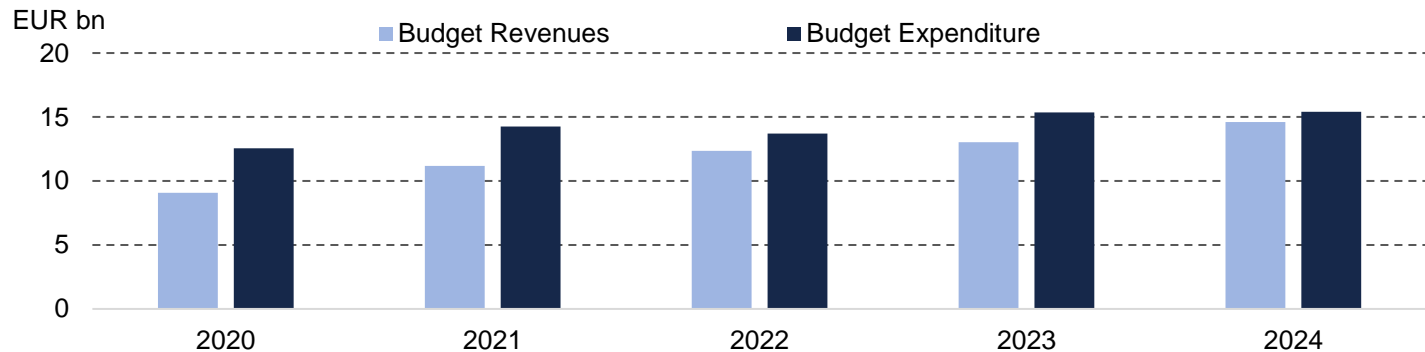


State Budget 2020 - 2024

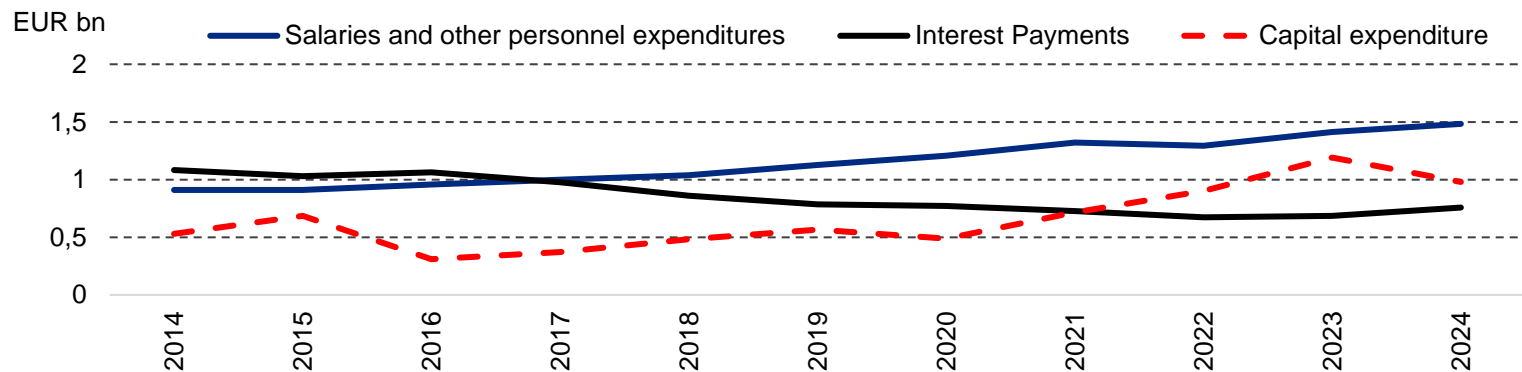
Fiscal Metrics

State Budget Balance of -1.2% of GDP in 2024, the lowest in the last 5 years. Revenues in 2024 driven by record employment, higher wages, and strong corporate profitability. Lower spending on flood reconstruction contributed to the reduced expenditures

State Budget Revenues & Expenditure in 2020 – 2024



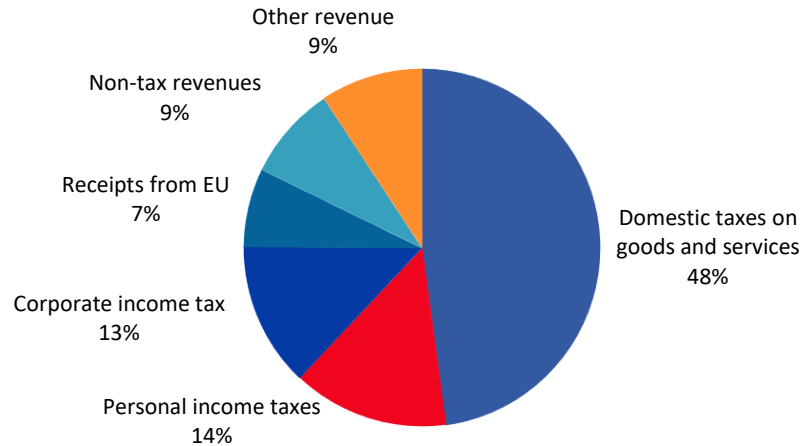
State Budget Expenditure Items in Focus 2014 – 2024





The structure of the State Budget 2024

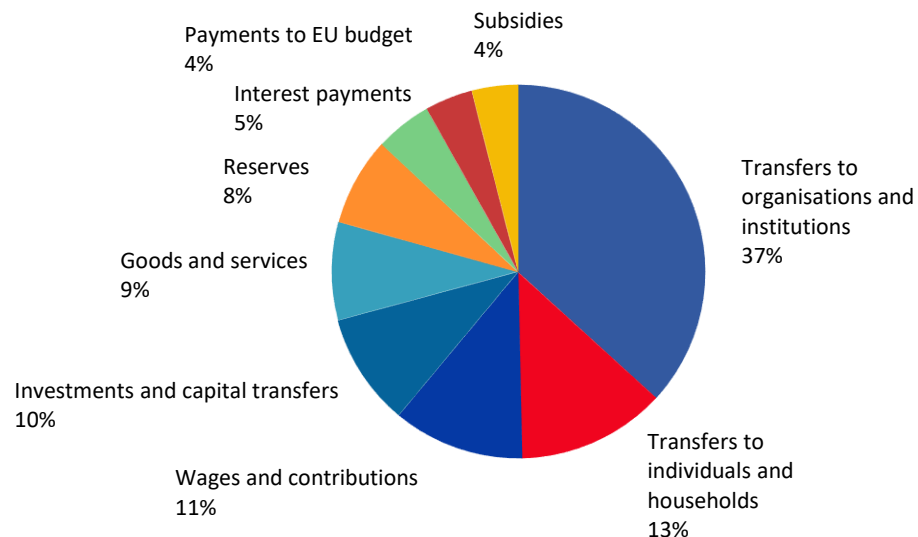
REVENUES totalled €14.60bn



In 2024, tax revenue amounted to 83 % of all revenue in the state budget. The most important tax revenues are

- Value Added Tax (VAT)
- Personal Income Tax (PIT)
- Corporate Income Tax (CIT)
- Excise duties

EXPENDITURE totalled €15.40bn



Of which:

- **Current expenditure** – wages and contributions, goods and services, reserves, interest payments – totalled 32% (€5bn)
- **Current transfers** – to organizations and institutions (i.e. public institutions, pension fund), to individuals and households, subsidies – totalled 54% (€8bn)



Medium Term Fiscal Policy

MEDIUM-TERM FISCAL STRUCTURAL PLAN 2025-2028 political and strategic document

The European Commission finds Slovenia's MTFSP compliant with EU rules and recommendations, as net expenditure stays within limits. In 2024, the plan was adopted by the Parliament, reviewed by the Commission, and approved by the Council of the EU. The new Slovenian Fiscal Rules Act mandates an **Annual Progress Report** each April to monitor the plan's implementation

- **Key variable for monitoring compliance with the fiscal targets is set at 4.5%** growth per year in-government **net primary expenditure** over the consolidation Plan period of 2025-2028 and a fixed limit for fiscal policy over this period
- **Net Expenditure** excludes interest expenditure, discretionary revenue measures, EU-funded programme expenditures, national co-financing, cyclical unemployment benefits, and temporary measures
- **The GG debt ratio** is one of the key indicators for **the sustainability of public finances** with planned 4-year fiscal consolidation 2025-2028
- **Structural changes** in the pension and disability systems aim to ensure adequate pensions and long-term sustainability, making future pension expenditure projections more favourable
- **Key priorities** will be given to strengthening the economy, healthcare reform, knowledge, innovation, housing and climate policy, supported also by EU funds
- **Key reforms:** pension reform, health reform, long-term care reform, public sector wage system reform, housing policy, changes in education and tax changes





State Budget Outline for 2025 and 2026

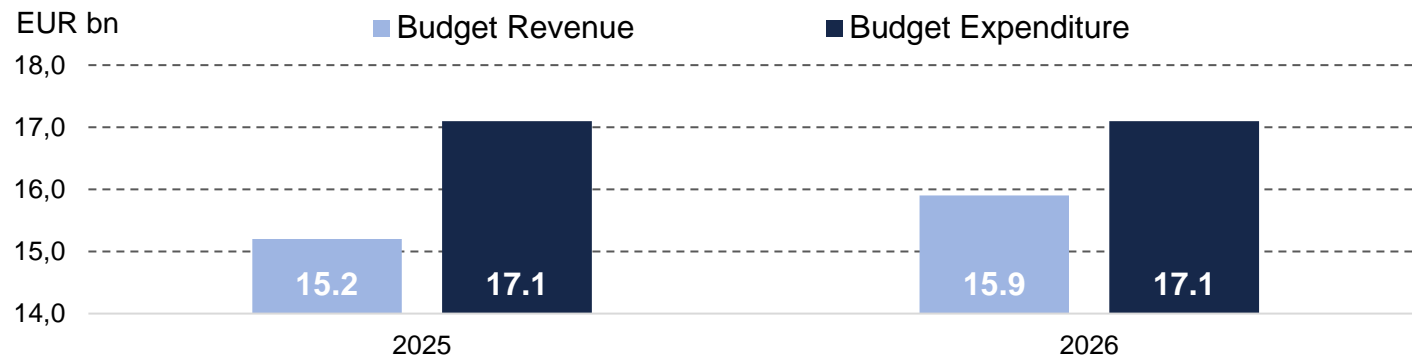
Adapting to Key Shocks and Trends

- Tightened **security** and **economic uncertainty**
- Consideration of the **Medium-Term Fiscal and Structural Plan (2025-2028)**
- Based on **new EU fiscal rules**
- **Focus on measures to strengthen economic development, health, innovation and housing policy**
- Post-flood measures will be mainly financed from the Budget Reconstruction Fund

Revenue & Expenditure in 2025 and 2026

**2025 Budget Deficit: EUR 1.9bn
(2.7% GDP)**

**2026 Budget Deficit: EUR 1.2bn
(1.6% GDP)**



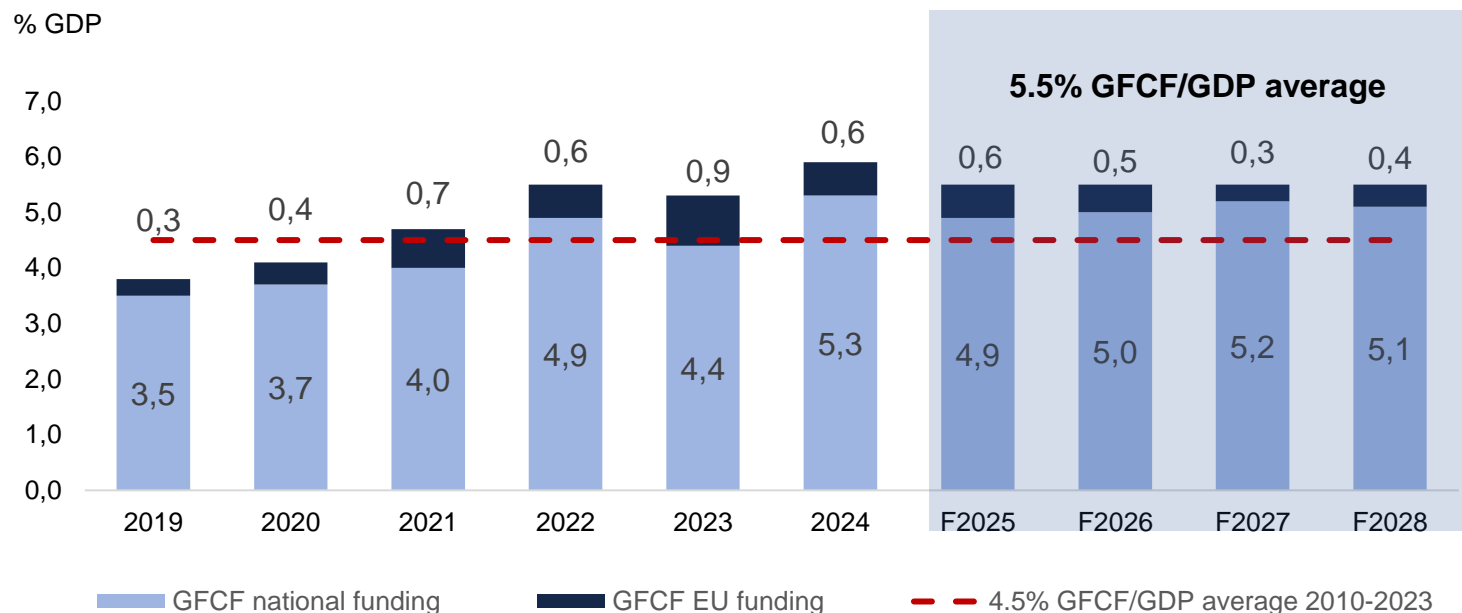
Source: Ministry of Finance, 16.4.2025





Investments will remain at a high level

- **GG investment plays a pivotal role** in bolstering productivity and fostering potential economic expansion
- Slovenia recognizes the importance of sustained public investment. The share of Gross Fixed Capital Formation (GFCF) remains above the long-term average, aligning with EU recommendations (planned **5.5% of GDP in 2025-2028**)
- **Fiscal policy in 2025** is aimed at ensuring high level of investment and will be still focused on the reconstruction of flood-affected areas. Due to rising geopolitical tensions defence policy is becoming one of the key priority areas
- **Priority measures are also in healthcare, the green transition, knowledge, research, innovation, incentives for competitiveness and housing policy**



Source: SORS; Ministry of Finance (Medium-term fiscal-structural plan of the Republic of Slovenia 2025-2028), 16.4.2025





Agenda

- Country Overview
- Fiscal Framework and Public Finances
- **Business Environment and Robust Banking System**
- Economic Performance
- Debt Profile Characteristics
- Recovery and Resilience Plan
- Sustainability-Linked Bond (SLBs) Framework
- Sustainability Bond Framework
- Inaugural digital bond





Enhancing the Business Environment

Slovenia is adapting its strategies to promote a dynamic and resilient business environment that addresses both current challenges and future opportunities

Digital transformation

- As part of the Recovery and Resilience Plan, Slovenia commits to investing in the digitalization of public administration, improving digital skills and supporting companies in the introduction of advanced technologies. The goal is to become a leading hub for advanced digital technologies by 2030

Increasing productivity and improving the investment environment

- Reorienting investment support to promote employment in high-value, sustainable and digitally oriented business models
- The development of the capital market to increase its liquidity and resilience, which in turn will stimulate economic growth

Sustainable development

- Slovenia emphasizes green and sustainable development through various initiatives. The Industrial Strategy 2021-2030 focuses on the transition to a green and smart economy for greater competitiveness

Financial incentives to promote the development of SMEs

- Slovenia supports the development of small and medium-sized enterprises (SMEs), which are the backbone of the economy. Financial incentives are managed by the Slovenian Enterprise Fund and SID Bank, while additional support is provided by SPIRIT Slovenia and the SPOT portal.





Performance of State-Owned Enterprises

- State-owned enterprises are crucial for the Slovenian economy. The State manages shares in a number of companies, including DRI, DARS, GEN Energija, Pošta Slovenije and Slovenian Railways
- In 2024, the National Assembly adopted **the Ordinance on State Assets Management Strategy**, aimed at actively managing state assets. It focuses on raising company productivity and serves as a tool for the state to communicate its management objectives to the Slovenian Sovereign Holding (SSH), shareholders, the capital market, and the public.

Key Performance Indicators for Aggregate Portfolio of Companies Owned by RS and SSH

RS + SSH	2019	2020	2021	2022	2023	E2024
Assets Book Value (EUR (bn))	10.3	9.9	10.3	11.2	12.2	n.a.
Dividends received (EUR (m))	252.9	85.9	151.3	190.7	175.5	487.1*
Dividend-to-Equity Ratio	2.50%	0.80%	1.50%	1.9%	1.6%	n.a.
Portfolio ROE	6.90%	4.30%	6.10%	2.80%	10.1%	n.a.

* In 2024, dividends are estimated at 487.1 million EUR, 26.9% above the planned 383.9 million EUR. The largest share will come from the Energy sector (56%), followed by Economy (19.6%) and Finance (18.4%).

Source: Slovenian Sovereign Holding (SSH), 16.4.2025





Slovenian Banking System

Banking System Highlights

- EUR 55.3bn Banking System Total Assets of 78.7% of GDP end 02/2025 (EUR 54.3 bn end of January 2024 (81.0% of GDP)⁽¹⁾
- Loan-to-deposit ratio (LTD) reduced from 161.5% in 2008 to 61.3% by February 2025⁽¹⁾
- After-tax profit of EUR 133m in 1-2/2025 (EUR 160m in 1-2/2024)⁽¹⁾
- Net impairments and provisions of EUR -8.7m in 1-2/2025 (EUR -70.5m in 2024)⁽¹⁾
- Stable banking sector: capitalization (CAR) at 19.7% and CET1 at 17.5% 02/2025⁽¹⁾
- Non-performing exposures (NPEs) at 1.0% 02/2025⁽¹⁾

Overhaul of the Banking System since 2013

- EUR 3.2bn capital increase at four banks: NLB, Nova KBM, Abanka and Banka Celje (2013-2014)
- Factor banka and Probanka winding down process concluded in 2015 (market share at that time of about 2%)
- Merger of Abanka and Banka Celje concluded in 2015
- Bank Resolution Authority and Fund established (banks provided EUR 195m funds)
- Resolution and Compulsory Dissolution of Credit Institutions Act adopted
- Nova KBM fully privatized in 2016, NLB (75% - 1 share) privatisation finalised in 2019, Abanka fully privatized in 2019
- Merger of Nova KBM and Abanka concluded in 2020. OTP Group: NKBM acquisition in February 2023, merger with SKB (OTP Group since 2019) in September 2024.
- The process of legal merger of N Banka d.d. (Sberbank d.d.) with NLB d.d. successfully closed to preserve financial stability

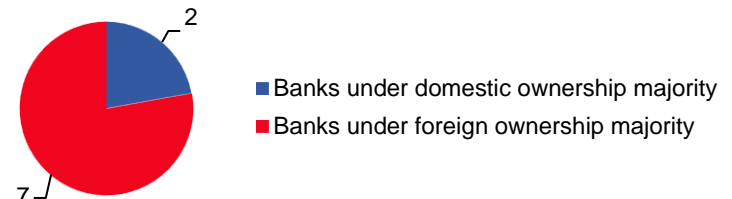
Composition of the Slovenian banking system



1. Source: Bank of Slovenia, Monthly report on bank performance, 16.4.2025

2. Source: Bank of Slovenia, Financial Stability Review, 16.4.2025

Ownership structure of the banking system





Agenda

- Country Overview
- Fiscal Framework and Public Finances
- Business Environment and Robust Banking System
- **Economic Performance**
- Debt Profile Characteristics
- Recovery and Resilience Plan
- Sustainability-Linked Bond (SLBs) Framework
- Sustainability Bond Framework
- Inaugural digital bond

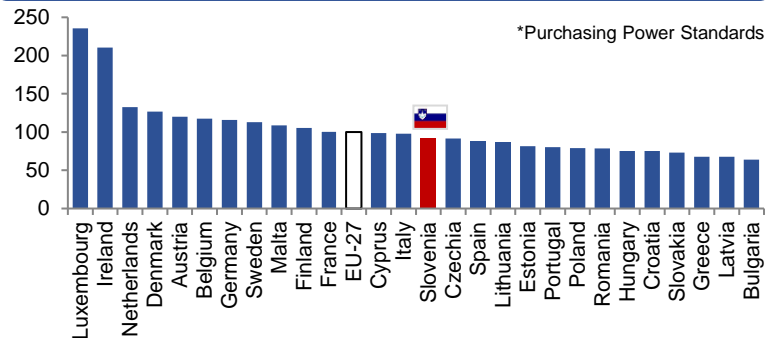




High Income Country Converging Towards the EU Average

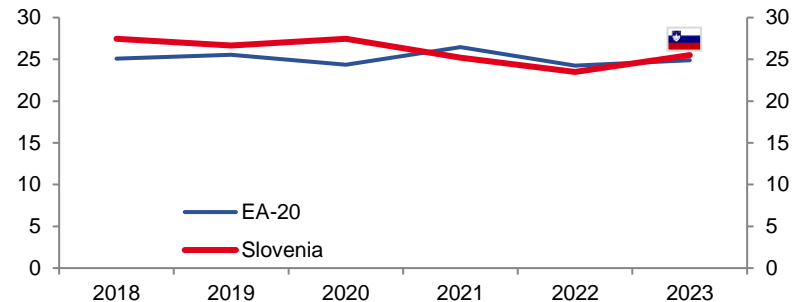
Among highest GDP per capita PPP among CEE Countries (92% of the Average of EU-27 as of 2023)

GDP per Capita PPS* in 2023 (EU27 = 100)



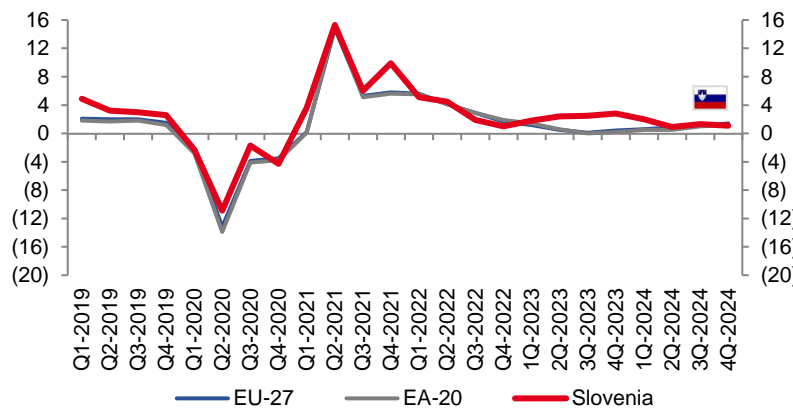
Source: Eurostat, 16.4.2025

Gross National Savings (% of GDP)



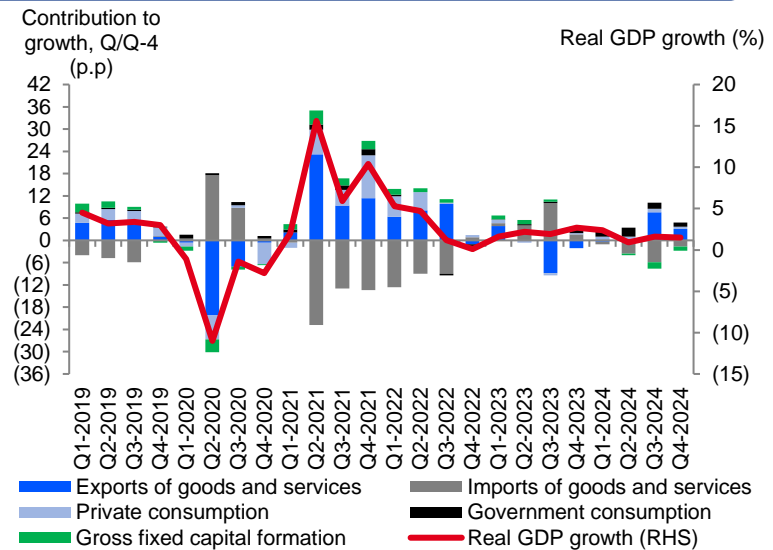
Source: Eurostat, 16.4.2025

GDP Growth Rate (% chg Q/Q-4)



Source: SORS, Eurostat, SA data, 16.4.2025

Contributions to Real GDP Growth (% chg Q/Q-4)



Source: SORS, Original Data, 16.4.2025

GDP annual volume change amounted to 1.6% (2.1% in 2023), and was thus above the EA-20 (0.9%) and the EU-27 (1.0%)

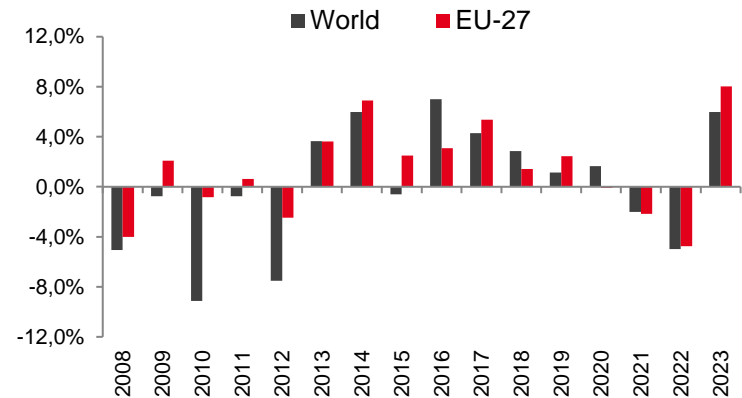




Current Account Position

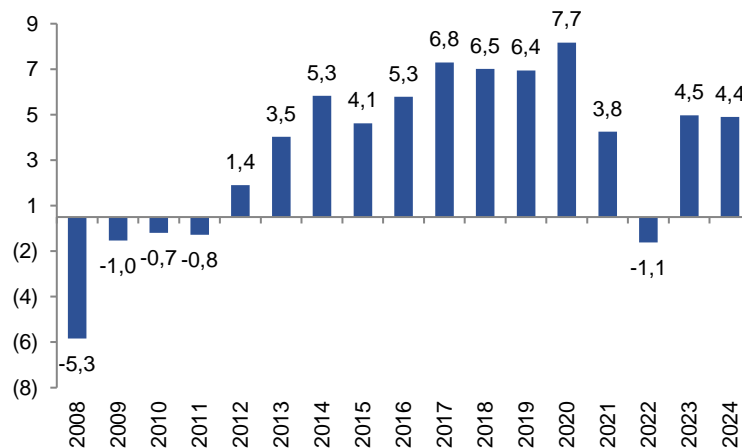
- Current Account surplus 4.4% of GDP 2024 (4.5% of GDP 2023)

Change in Slovenia's Market Shares on the Global Market and in the EU (% chg Y-o-Y)⁽²⁾



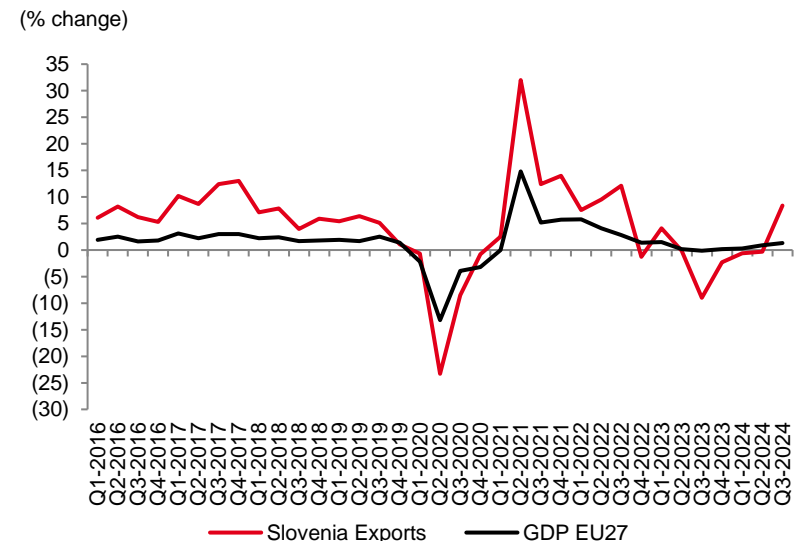
2. Source: UN Comtrade, Unctad, SORS, IMAD calculations, 16.4.2025

Current Account Balance (% of GDP)⁽¹⁾



1. Source: Bank of Slovenia, IMAD, Eurostat, 16.4.2025

Exports of Goods & Services (% chg Q/Q4)⁽³⁾



3. Source: SORS, Eurostat, Original data, 16.4.2025



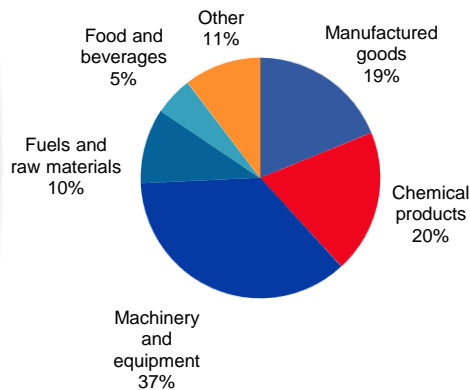


Diversified and Open Economy

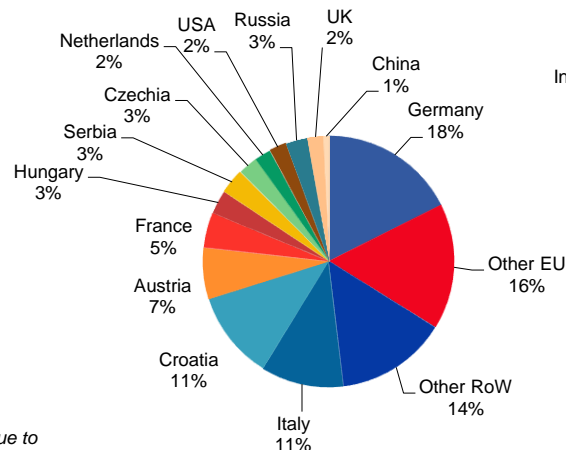
Manufacturing and Services Driven Growth

- EUR 54.6bn of exports of goods and services (81.5% of GDP) and EUR 50.2bn (74.9% of GDP) of imports of goods and services in 2024⁽¹⁾
- Exports of goods and services is driven by manufacturing, services, and the growing tourism industry
- ¾ of exports of goods is exported to EU
- More than 50% of goods are exported to Germany, Croatia, Italy, Austria and France
- Main trading partners are Germany, Croatia, Italy, and Austria. France, Serbia and the Russian Federation are also important partners
- In the period 2019-2023 annual inward foreign direct investment stock average growth was 7.1 % per year. The stock of inward FDI in Slovenia is estimated to EUR 21.4bn (33.5% GDP) at the end of 2023

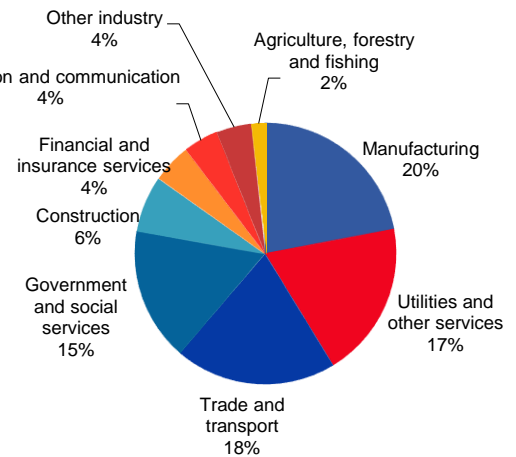
Exports of Goods (SITC)*



Geographic Distribution of Exports*



Breakdown by Sector of Total GVA*



* Note: By the Standard International Trade Classification. Due to rounding, might not add up to 100%. Data has been adjusted to account for the estimated impact of goods processing.

Source: SORS, Bank of Slovenia, 16.4.2025

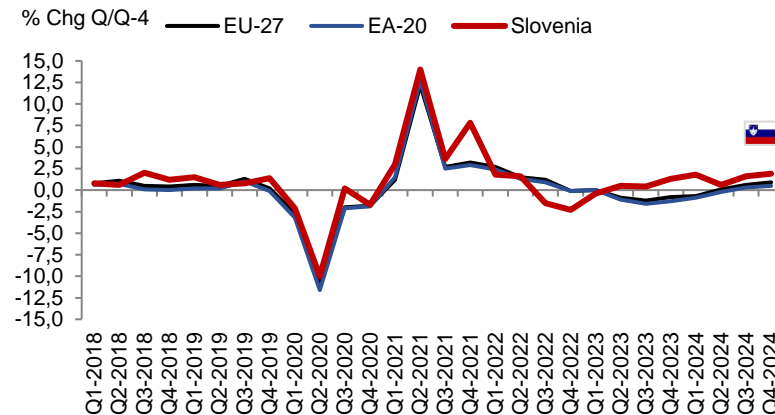




Educated Labour Force and Strong Labour Market Performance

- Productive and well-educated labour force
- One of the lowest unemployment rates in the EU and EA

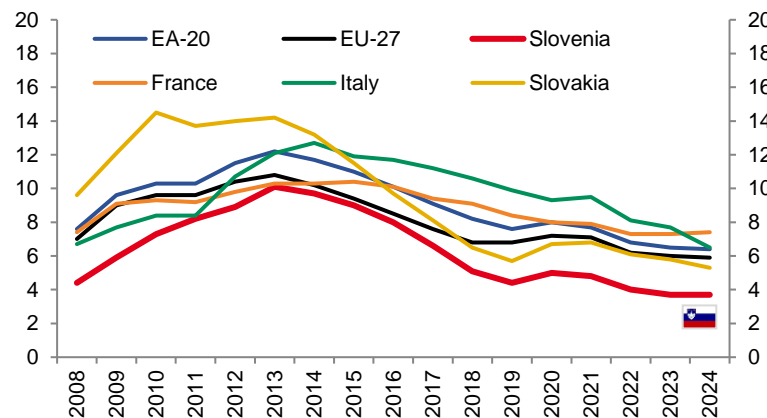
Real Labour Productivity per Person Employed (%chg Q/Q-4)



Source: Eurostat, 16.4.2025

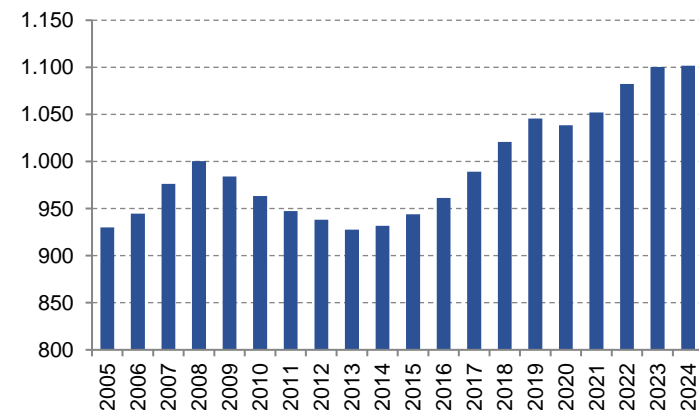
- **Real Labour productivity** in Slovenia, measured as GDP per person employed, increased by 1.9% in Q4/2024 compared to the same quarter of the previous year (in EA-20 decreased by 0.5% and in EU-27 by 0.9%).
- **One of the lowest unemployment rates in the EU.** Unemployment rate (ILO methodology) in 2024 stood at 3.7% (EA-20 average 6.4%, EU-27 average 5.9%)
- **Unemployment rate (ILO methodology) end 02/2025** stood at 3.2% in Slovenia (EA-20 average 6.1%, EU-27 average 5.7%)

Unemployment Rate (%)



Source: Eurostat, Total unemployment rate, 16.4.2025

Employment (Based on National Accounts, 000)



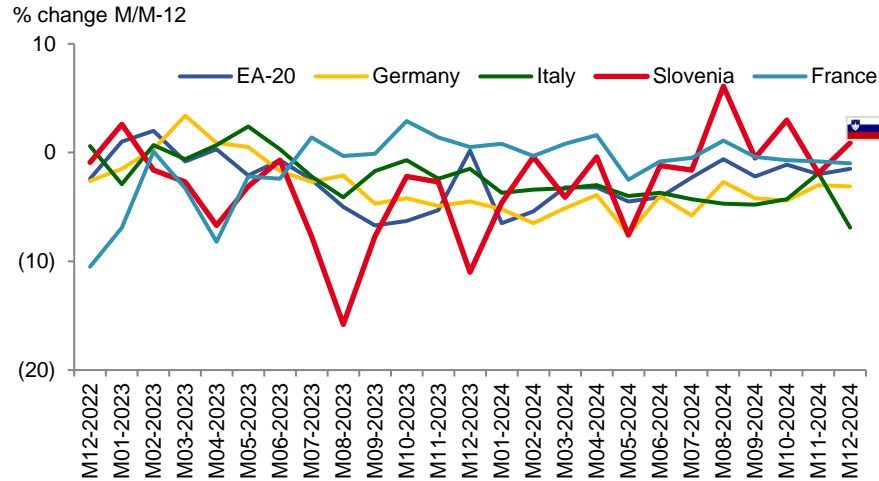
Source: SORS, 16.4.2025





Industry Production Performance and Prices Level

Industry Production Index*

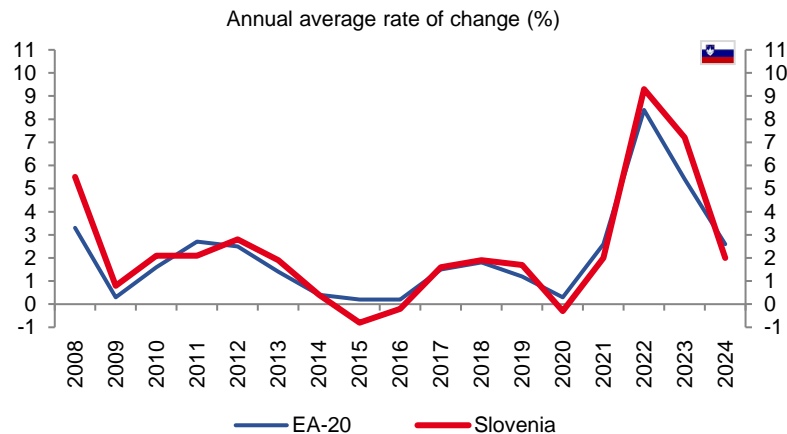


Source: Eurostat, 16.4.2025

*Industrial production encompasses Mining and quarrying, Manufacturing, Electricity, Gas, Steam and Air conditioning supply

- **Industrial growth** driven by high and medium technology-intensive industries
- **Foreign direct investments** are the most important in medium-high and high-tech segments of the manufacturing
- **Manufacturing sector** accounts for almost a quarter of gross value added

HICP – Inflation Rate



Source: Eurostat, 16.4.2025

- **HICP (average) inflation rate of 2.0% in 2024** (EA-20 2.4%, EU-27 2.6%)
- **HICP inflation in March 2025 2.2%** (in the same period last year was 3.4%); **EA-20** inflation was 2.2% (2.4% in March 2024)

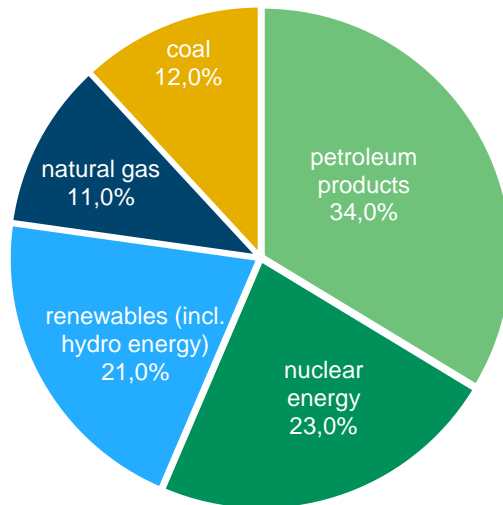




Sources of energy supply

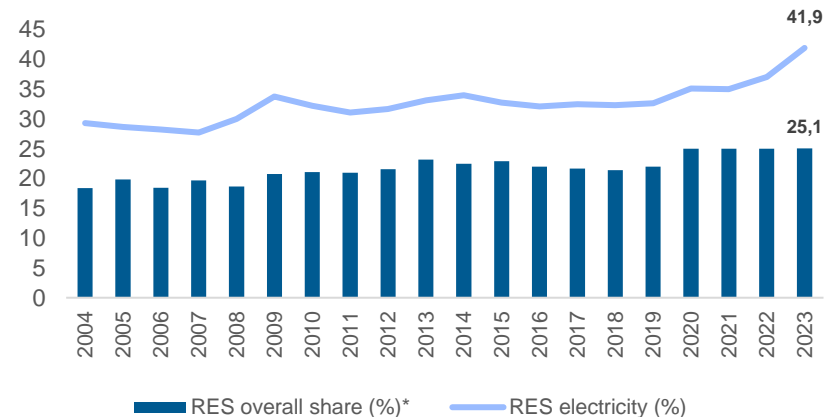
- **Domestic energy sources** covered 53% of domestic energy demand, the energy dependency ratio was 47.5% in 2023 and therefore lower than in 2022 (52.2%)
- In 2023 Slovenia for the first time reached the target **share of energy from renewable resources** (25.1%)
- **Petroleum products were fully covered by imports and dominated the energy supply** (46% of total share in final energy consumption)
- Between 2020 and 2023, households in Slovenia consumed between 215 and 400 GWh of electricity per month.

Energy Mix 2023*



*The total amount of domestic energy production in 2023 was almost 141,000 TJ

Renewable Energy Sources (%)



* Share of energy from renewable sources in gross final energy consumption (Directive 2009/28/EC)

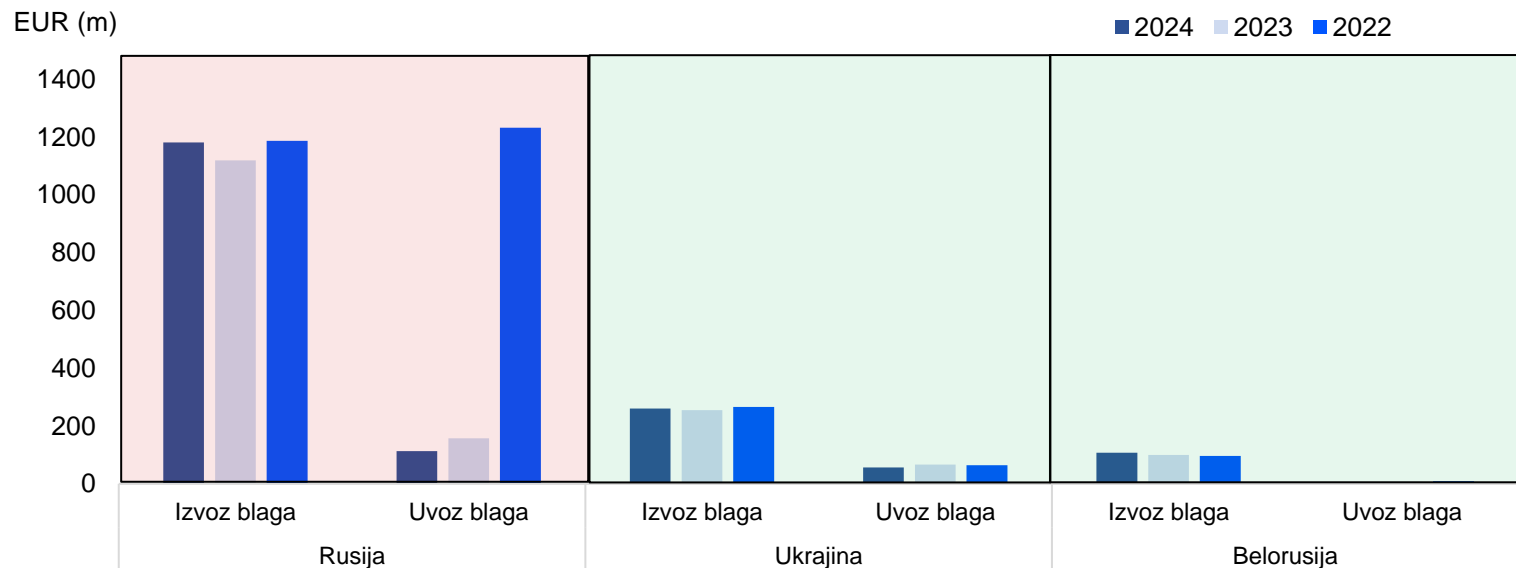
In Slovenia, the share of electricity from renewable energy sources (i.e. hydropower, solar energy, wood biomass, biogas, wind energy, etc.) in gross final energy consumption in 2023 was 42%





Slovenia External Trade with Russia, Ukraine and Belarus

- In 2024, Slovenia achieved a current account surplus of EUR 1.1bn (1.6% of GDP) with Russia, primarily driven by increased exports
- The direct exposure of the Slovenian economy to Russia and Ukraine was low before the war; the high dependence on fossil fuel imports and the exposure of Slovenian pharmaceutical and chemical activities
- In 2022, Slovenia saw a significant increase in the value of imports from Russia, particularly in petroleum products. However, from May 2023 onwards, these imports were nearly halted due to the EU's imposed sanctions





Agenda

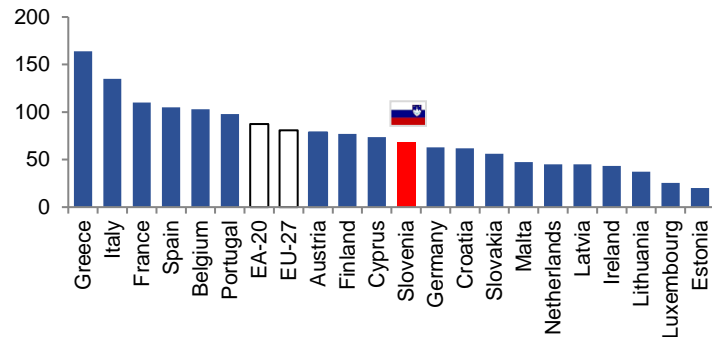
- Country Overview
- Fiscal Framework and Public Finances
- Business Environment and Robust Banking System
- Economic Performance
- **Debt Profile Characteristics**
- Recovery and Resilience Plan
- Sustainability-Linked Bond (SLBs) Framework
- Sustainability Bond Framework
- Inaugural digital bond





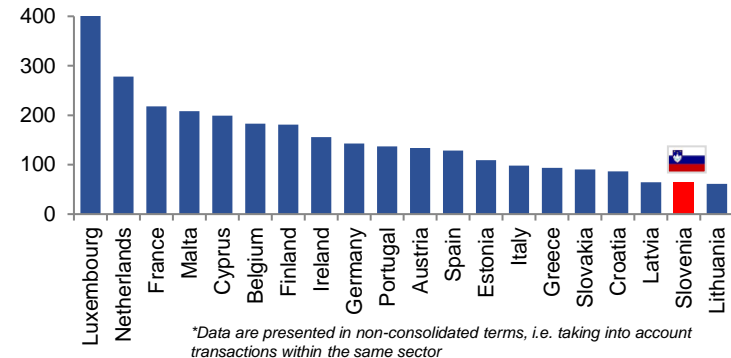
Private Sector is One of the Least Indebted in the Euro Area

General Government Gross Debt (% of GDP 2023)



Source: Eurostat, 16.4.2025

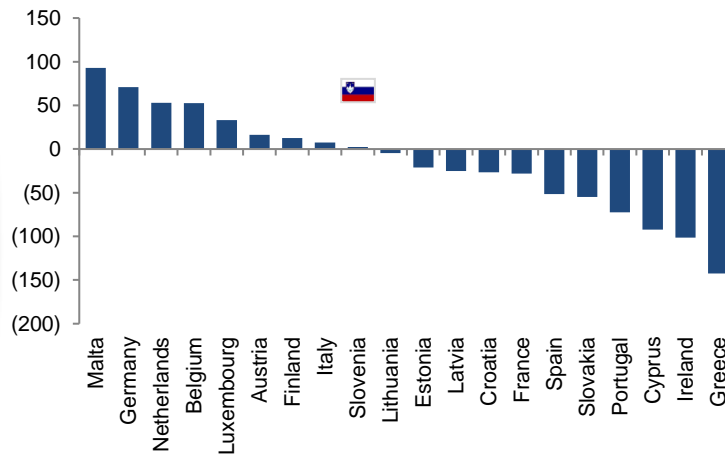
Private Sector Debt* (% of GDP 2023)



*Data are presented in non-consolidated terms, i.e. taking into account transactions within the same sector

Source: Eurostat, 16.4.2025

Net International Investment Position (% of GDP 2023)



Source: Eurostat, Bank of Slovenia, 16.4.2025

Indebtedness Compared to EMU Countries

- 2nd lowest non-consolidated* **private sector debt to GDP ratio** among EA countries in 2023 at 63.7% (70.8% of GDP in 2022)
- **Net international investment position** of 2.3% of GDP in 2023 (-1.6% of GDP in 2022)
- **Net External Debt-to-GDP ratio of -8.5% in 2023** (Italy 46.5%, Spain 52.4%, Austria 19.2% and Germany -9.1%)
- **One of the lowest Gross Household Debt-to-Income Ratio** of 39.3% in 2023 (EA-20 88.1%, Germany 78.2%, Austria 73.3%, Italy 52.2% and Spain 73.1%)



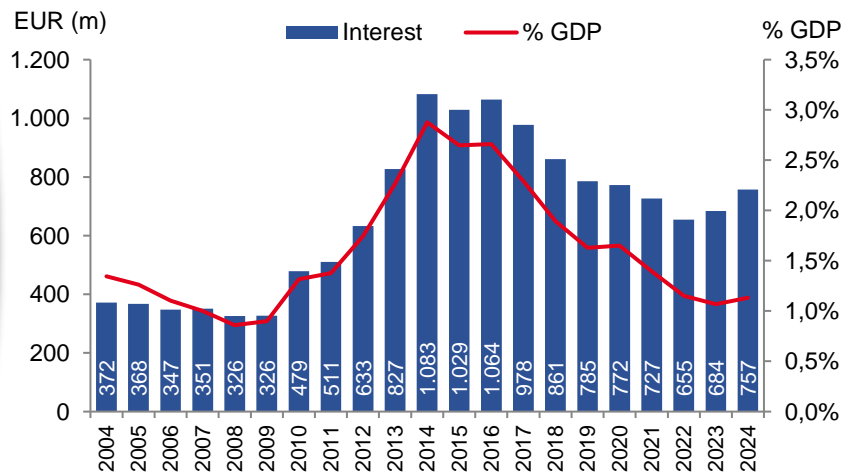


State Budget Debt Profile Key Servicing Figures

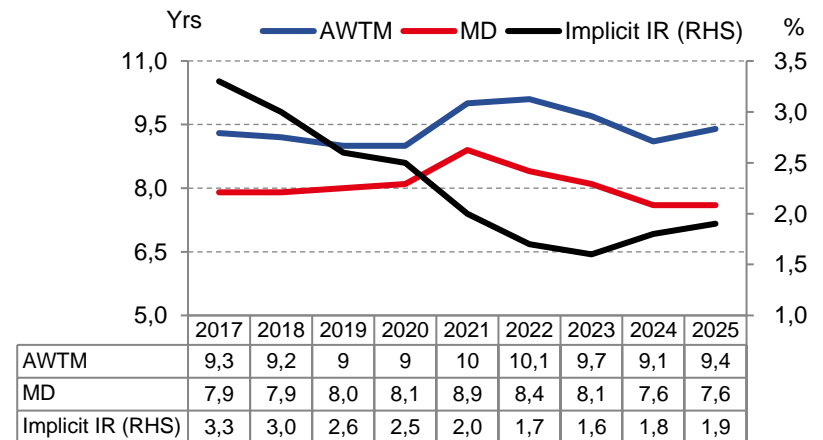
Following Key Treasury Objectives

- **Key focus of the state treasury was to extend the duration of the debt portfolio, hence reducing roll-over risk, while reducing implicit interest rate at the same time**
- Extended modified duration of the debt portfolio (from 4.7 yrs in 2014 to 7.6 yrs in 2025) while at the same time implicit interest rate was reduced (from 4.4% in 2014 to 1.9% in 2025)
- Since 2014 the long-term financing cost of the state budget has been reduced significantly. Interest bill of 2.9% GDP in 2014 reduced to 1.1% GDP in 2024

State budget Interest Servicing Cost



AWTM, MD and Implicit Interest Rate



Source: Ministry of Finance, Data as at 31.3.2025

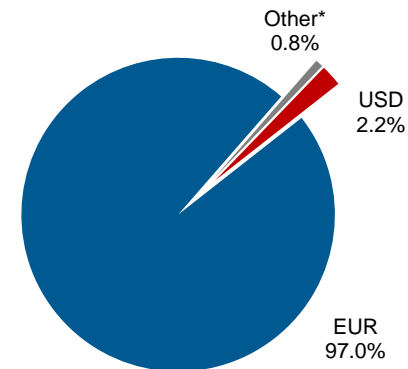




State Budget Debt Composition Profile

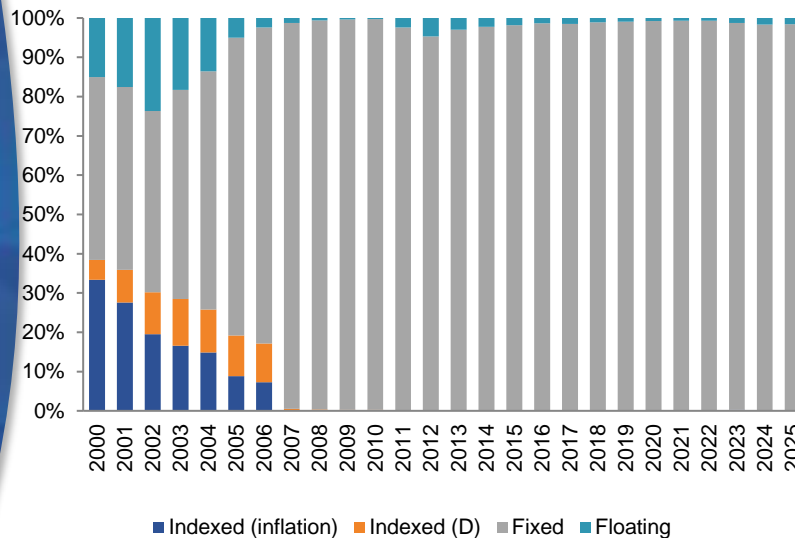
- High majority of outstanding the Central Government debt is denominated in domestic currency (euro)
- No exposure to FX volatility, as USD bonds are fully hedged into EUR
- 23.3% of existing budget debt has residual maturity of more than 10 years

Composition by Type of Currency



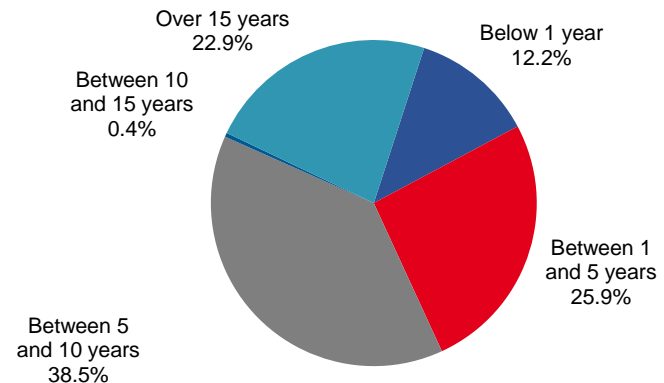
* including JPY

Composition by Interest Rate



Composition by Maturity

	Share	€ m
Bonds	93.3%	39,796.96
T-bills	1.2%	521.22
Loans	5.5%	2,352.14

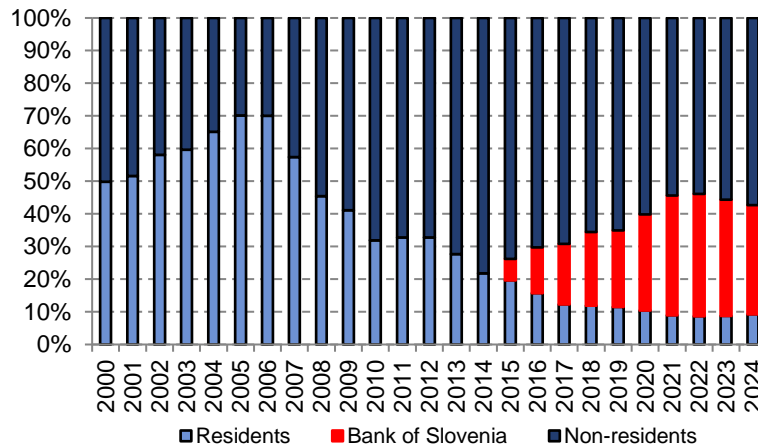




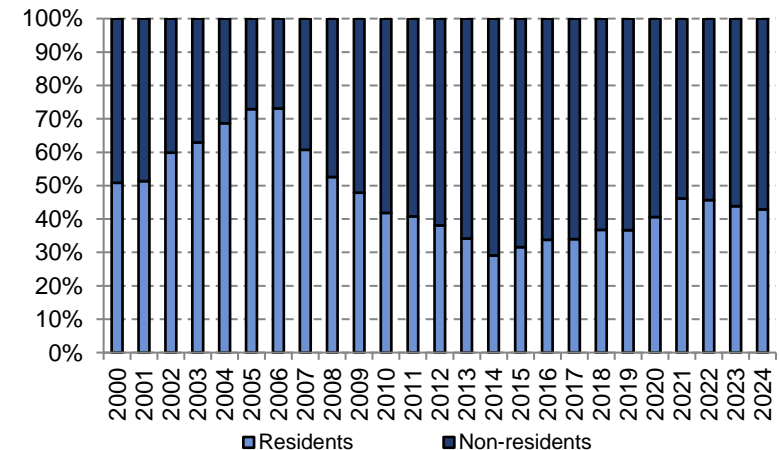
Debt Composition by Residence of Investors

- Share of Non-Resident Investors decreased from 80% in 2014 to 56% in 2024 taking into account the secondary market flows
- Since 2007, i.e. EUR adoption, well diversified domestic EUR investor base and liquidity premium reduced
- On the back of PSPP and PEPP Bank of Slovenia has become significant sole holder of SLOREP bonds (~33%)

**State Budget Debt by Residence of Investors
(Secondary Market)**



**General Government Debt by Residence of Investors
(Secondary Market)**

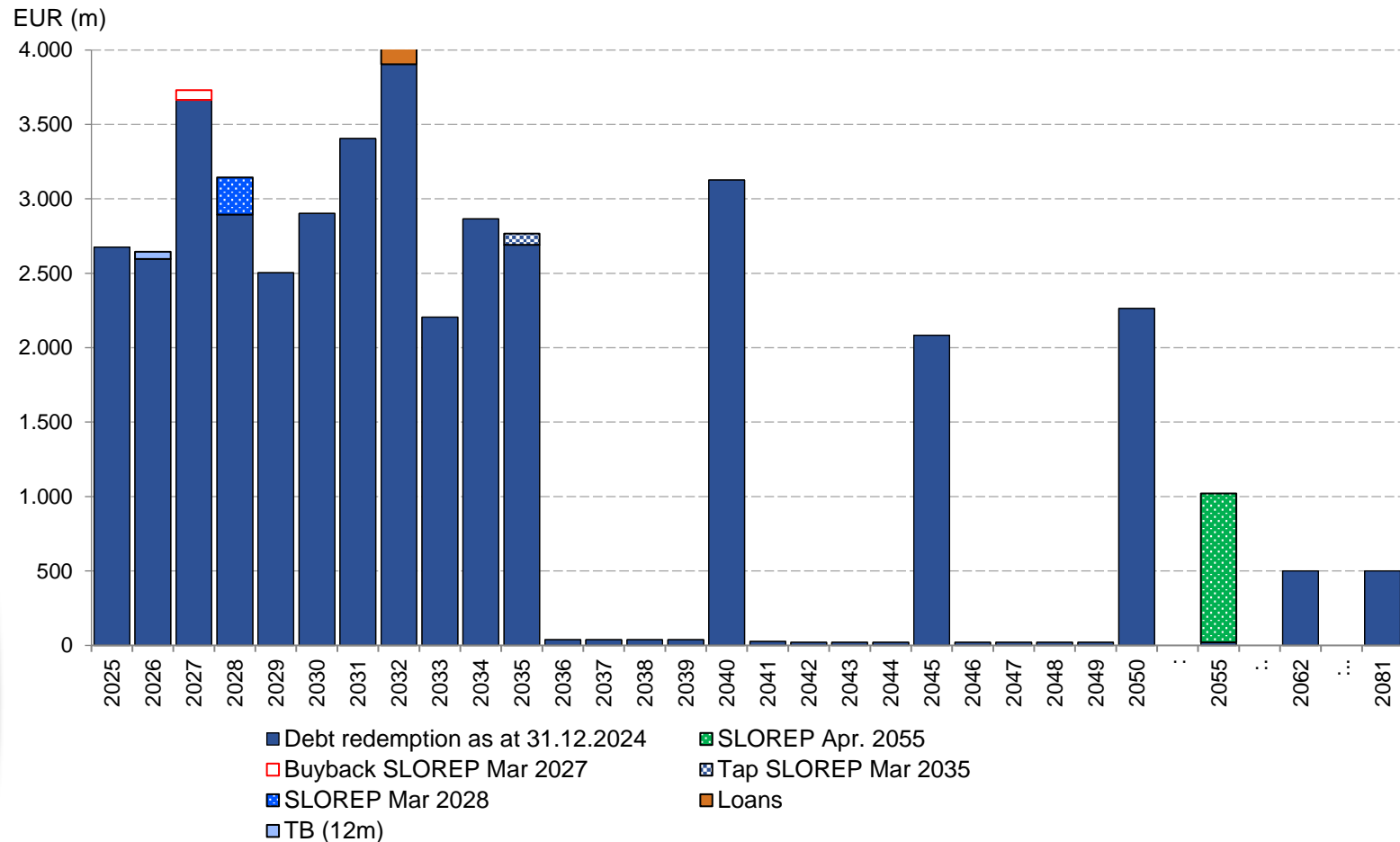


Source: Ministry of Finance, Data as at 31.3.2025





2025 Financing Programme Execution Through Redemption Optics



Note: Marked Maturity Buckets depict Newly Issued EUR debt (bonds and T-bills) in 2025.

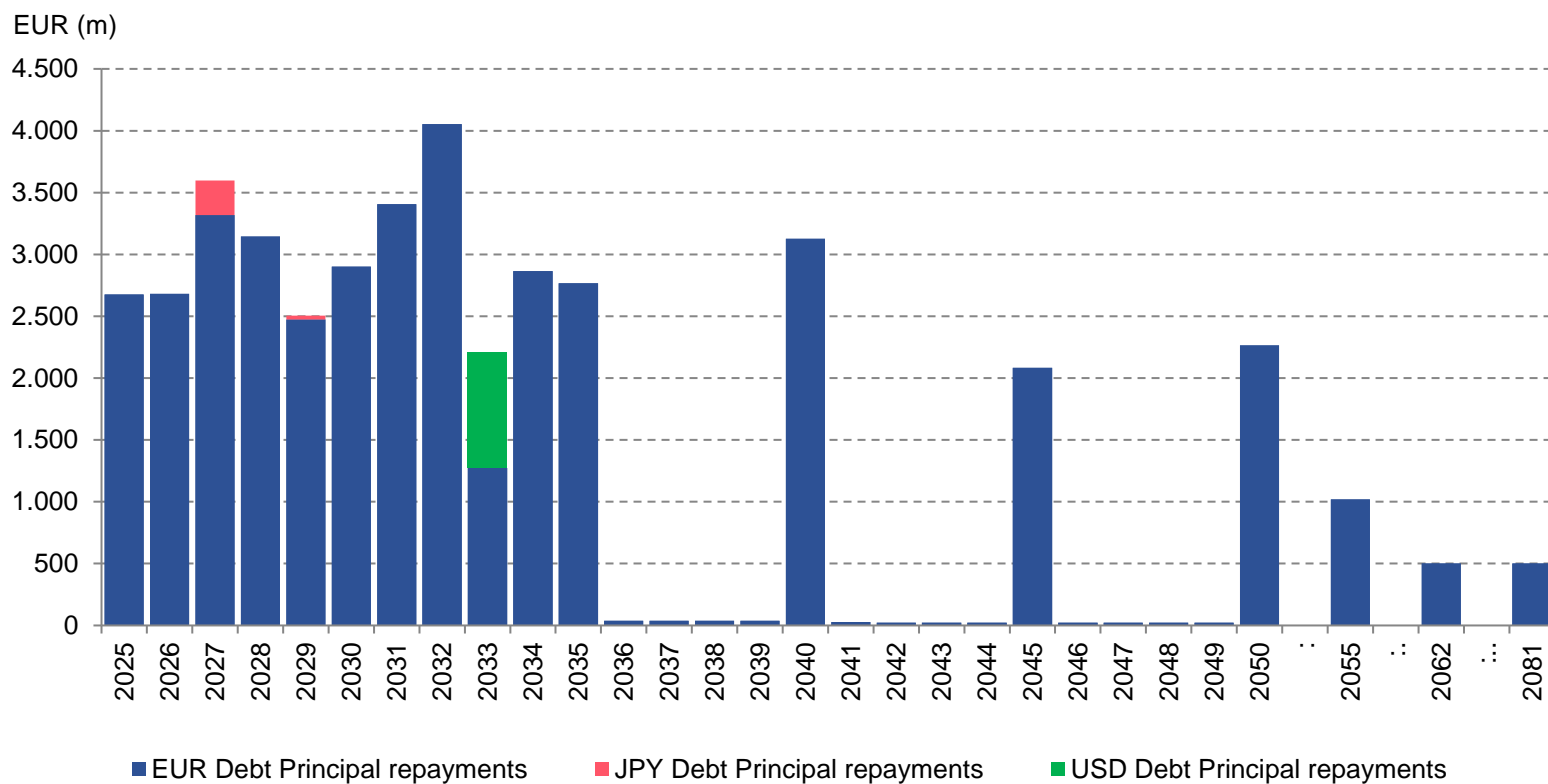
Source: Ministry of Finance, Data as at 31.3.2025





Central Budget Debt Maturity Profile

Prudently distributed redemption profile of the central budget debt

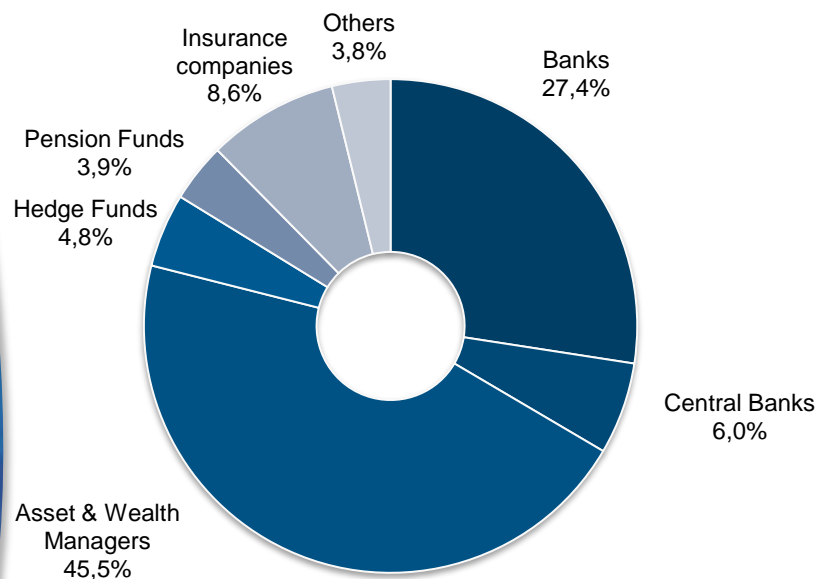




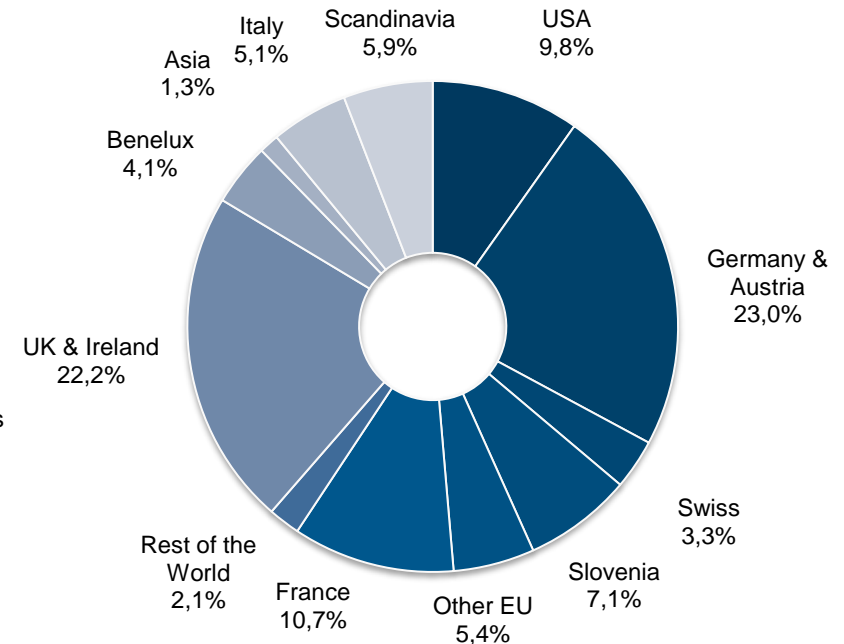
EUR Benchmark Size Bonds Issued on Primary Market

*Institutionally well diversified investor base by opted for long dated EUR bond issuances
(pension funds, insurance companies, fund managers etc...)*

Distribution by Investor Type



Geographic Distribution



Republic of Slovenia Contributions to EU Financial Assistance Programmes



Republic of Slovenia Contributions to EU Financial Assistance Programmes

Programme	2015 EUR (m)	2016 EUR (m)	2017 EUR (m)	2018 EUR (m)	2019 EUR (m)	2020 EUR (m)	2021 EUR (m)	2022 EUR (m)	2023 EUR (m)	2024 EUR (m)
EFSF⁽¹⁾	910	916	921	927	922	928	933	938	935	935
ESM⁽²⁾	342	342	342	342	377	377	376	376	376	376
GREECE (LFA⁽³⁾)	264	264	264	264	264	260	250	224	197	158
Total (part of General Government Debt)	1.516	1.521	1.527	1.532	1.563	1.565	1.559	1.537	1.509	1.468
% of GDP	3,9	3,8	3,6	3,4	3,2	3,3	3,0	2,7	2,4	2,2

1. European Financial Stability Facility (including interest expenditures)
2. European Stability Mechanism
3. Loan Facility Agreement

Republic of Slovenia contributions to EFSF, ESM and Greece were EUR 1.5 bn as end of 2024 which represents 2.2% of GDP

Source: Ministry of Finance, Data as at 31.3.2025





2025 State Budget Financing Programme

*Central Government financing operations will take into consideration meeting the target level of the General Government debt at the end of 2025 of 66.0% of GDP**

2025 Central Government Budget Financing Needs (- I. - II. + III. - IV. + V.= VI.)	EUR 4.58 bn
I. Deficit of Balance A	1.87
II. Deficit of Balance B (Lending and Repayment Account)	0.46
III. Change (reduction) of the state budget cash position	0.60
IV. Debt redemption in 2025	2.85
V. Prefinancing executed in 2024 and privatisation proceeds	0.00
VI. Central Government Budget Financing Needs for 2025	4.58

Estimated Central Government Budget Debt Principal Repayments in 2026 and 2027	EUR 6.26 bn
Central Government budget debt principal repayments in 2026	2.60
Central Government budget debt principal repayments in 2027	3.66

Source: Ministry of Finance, 16.4.2025

*Note: IMAD Spring 2025 Forecast for calculation of the ratio





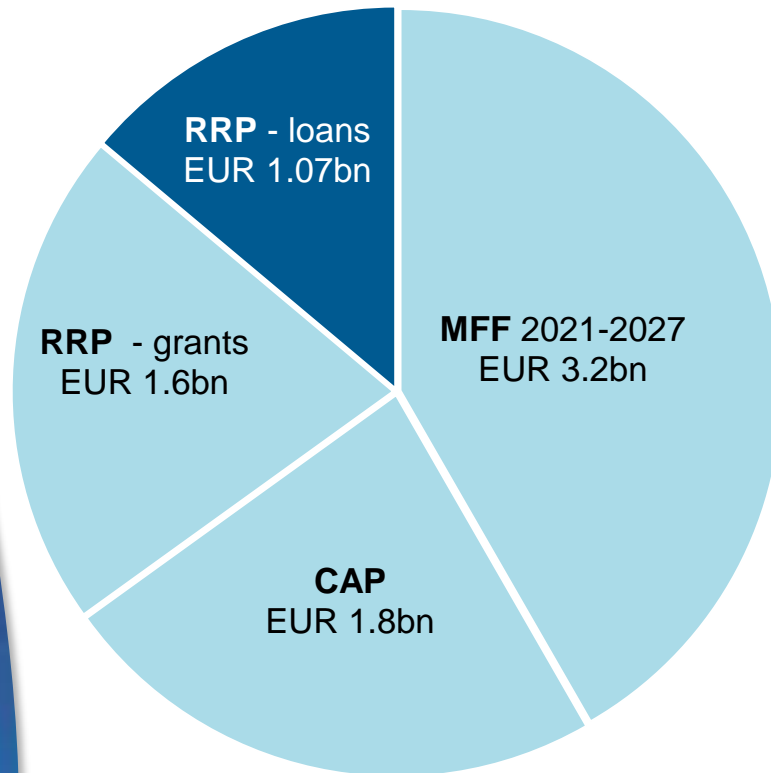
Agenda

- Country Overview
- Fiscal Framework and Public Finances
- Business Environment and Robust Banking System
- Economic Performance
- Debt Profile Characteristics
- **Recovery and Resilience Plan**
- Sustainability-Linked Bond (SLBs) Framework
- Sustainability Bond Framework
- Inaugural digital bond





Funds From EU Funding Mechanisms Available to Slovenia by 2030



- Grants Total: EUR 6.6bn
- Loans: EUR 1.07bn

Total funds from EU financial perspective 2021-2027 amounted EUR 7.7bn

Between 2017-2023, EUR 5.6bn was allocated to the Republic of Slovenia by various EU programmes. During the same period, EUR 5.4bn of allocated funds in the state budget were utilised

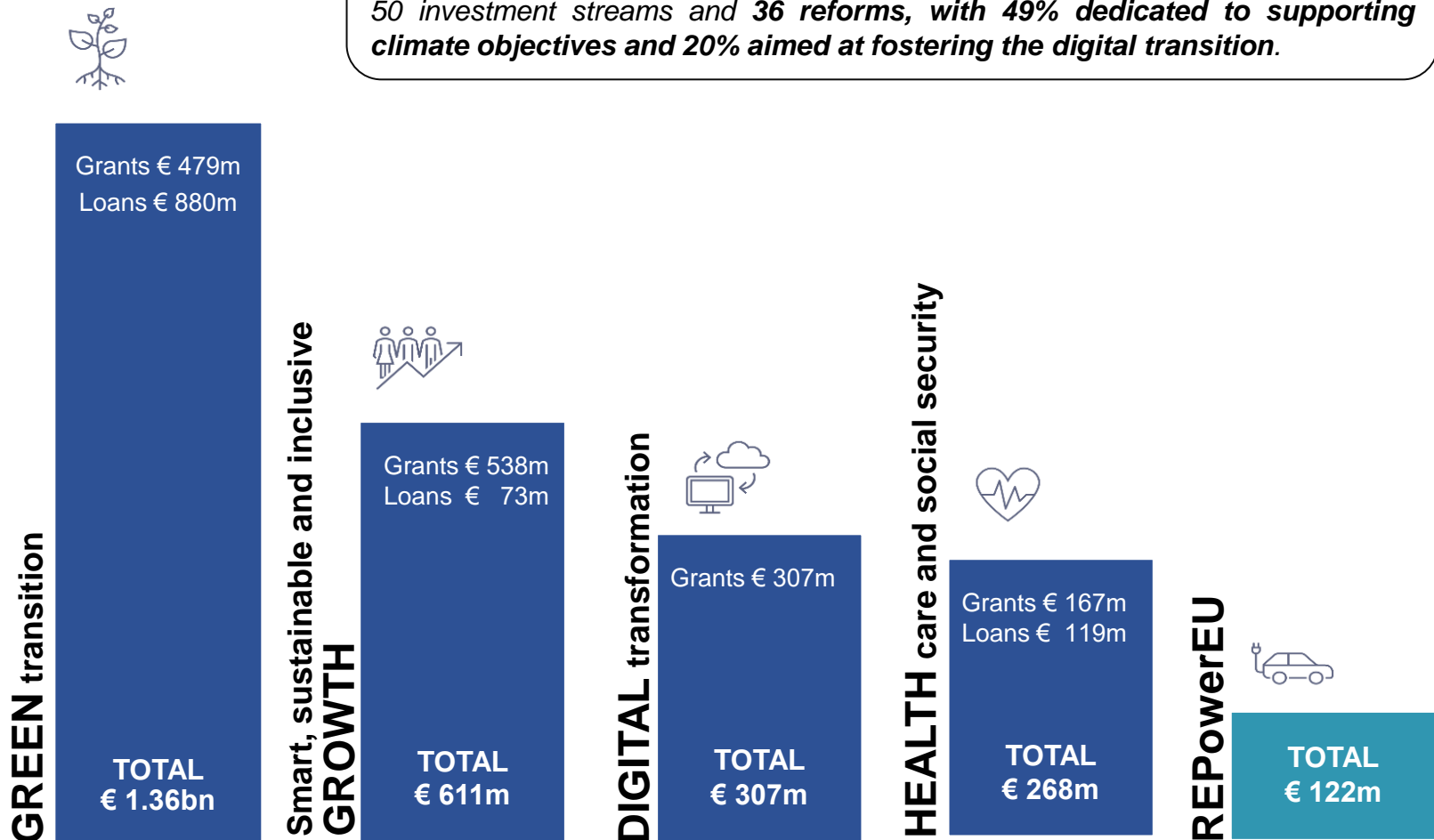
CAP – Common Agricultural Policy, MMF – Multiannual Financial Framework, RRP – Recovery and Resilience Plan





Recovery and Resilience Plan – EU NGEU

The reforms and investments in Slovenia's plan are driving the country towards greater sustainability, resilience, and readiness for the challenges and opportunities presented by **the green and digital transitions**. The plan includes 50 investment streams and **36 reforms**, with **49% dedicated to supporting climate objectives** and **20% aimed at fostering the digital transition**.



Source: Ministry of Finance, Office of the Republic of Slovenia for Recovery and Resilience, 16.4.2025





Transformative Impact of Slovenia's RRP

- **Updates:** Following the **Council's approval** on July 28, 2021, **1st update** was on October 17, 2023, to include a REPowerEU chapter. **The 2nd amendment** on October 21, 2024, addresses minor deviations in seven measures, keeping milestones and targets the same but changing implementation. **The 3rd amendment** aims to complete reforms and investments by August 2026, maintaining ambitious goals, especially for country-specific recommendations and green and digital objectives.
- **By adding REPowerEU chapter, plan further strengthened the focus on the green transition**, devoting 49% of the available funds to measures that support climate objectives (compared to 42.5% in the original plan) **Combination of reforms and investments to address Slovenia's specific macroeconomic challenges:** investment rates in research and innovation, sustainability of the pension system, long-term care system, weakness of the healthcare system
- **All measures must be completed by August 2026** in accordance with RRF Regulation

Economic and social resilience

Slovenia's RRP tackles specific challenges through:

- Support for boosting productivity and innovation to create a business-friendly environment for investors
- Investments coupled with reforms to improve the business environment, access to finance and cooperation between public and private research
- Investments to tourism and culture sector in the direction of environmental sustainability
- With investments in medical infrastructure and equipment to build resilience of the healthcare sector
- Access to more affordable housing supported with investments for those in or close to poverty and social exclusion





Transformative Impact of Slovenia's RRP (2)

Green Transition

Reforms and investments:

- Renewable energy, energy efficiency, and sustainable building renovations (including schools)
- Climate adaptation measures, wastewater collection, and drinking water provision
- Sustainable mobility initiatives
- Accelerating the transition to a circular economy

Digital Transition

Reforms in the digitalization of the public administration, in skills and cyber security, supported by investments:

- In public administration, including in key public sectors like health in increasing digital competences as well as other competencies required by the professions of the future
- For the digital transition of businesses by supporting the implementation of advanced digital technologies in companies

REPowerEU

To increase share of renewable energy, to accelerate decarbonisation of energy generation, building and transport sectors supported by:

- Removing regulative barriers to renewable energy installations (solar PV and wind) in areas like roadsides, water surfaces, and rooftops.
- Industry Decarbonisation
- Strengthening electricity distribution network
- District Heating Systems, i.e. to restructure with new RES technologies.
- Alternative Fuels and Zero-Emission Vehicles





RRP Milestones & Envisaged Draw Down

Slovenia has to date **received** EUR 1.1bn, of which EUR 673m of grants and EUR 426m of loans. This is 41 percent of the total recovery and resilience funds available to the country until the end of 2026. On the other hand, **the state budget has already paid** EUR 819m euros to the final recipients or project sponsors for the activities carried out.



RRP Envisaged Draw Down

RRF	2021	2022	2023	2024	2025	2026	Total
Grants EUR (m)	113.25	117.75	80.75	240.90	484.40	576.47	1,613.52
Loans EUR (m)	0.00	0.00	310.09	116.10	49.10	597.08	1,072.37
Total	113.25	117.75	390.84	357.00	533.50	1.173,55	2,685.89

* REPowerEU funds in the amount of EUR 122m are included in grants.

Source: Ministry of Finance, Office of the Republic of Slovenia for Recovery and Resilience, 16.4.2025





Agenda

- Country Overview
- Fiscal Framework and Public Finances
- Business Environment and Robust Banking System
- Economic Performance
- Debt Profile Characteristics
- Recovery and Resilience Plan
- **Sustainability-Linked Bond (SLBs) Framework**
- Sustainability Bond Framework
- Inaugural digital bond





Slovenia's Sustainability-Linked Bond Framework¹

Slovenia, the first European country to link its sustainability goals to financing, developed its Framework per ICMA Sustainability-Linked Bond Principles, with a positive review of S&P Global Ratings and KPIs based on the Slovenian NECP 2024

The KPIs and SPTs

As a sustainability-linked bond, interest paid is dependent on performance against one or more of the targets set out below

KPI 1: Total annual greenhouse gas emissions

S&P Global SPO Assessment	KPI 1: Advanced	SPTs: Advanced
--------------------------------------	------------------------	-----------------------

SPTs: of total GHG emissions

- 1.1) 35% decrease by 2030 relative to a 2005 baseline
- 1.2) 45% by 2030 relative to 2005 levels
- 1.3) 55% by 2033 relative to a 2005 baseline
- 1.4) 57.75% decrease by 2033 relative to 2005 levels

KPI 2: Share of renewable energy consumed

S&P Global SPO Assessment	KPI 2: Advanced	SPTs: Strong
--------------------------------------	------------------------	---------------------

SPTs: share in total energy consumption

- 2.1) 33% in 2030
- 2.2) 34.65% in 2030

KPI 3: Energy efficiency

S&P Global SPO Assessment	KPI 3: Advanced	SPTs: Advanced
--------------------------------------	------------------------	-----------------------

SPTs: Final energy consumption

- 3.1) in 2030 not exceeding 4,320 ktoe
- 3.2) in 2030 not exceeding 4,104 ktoe

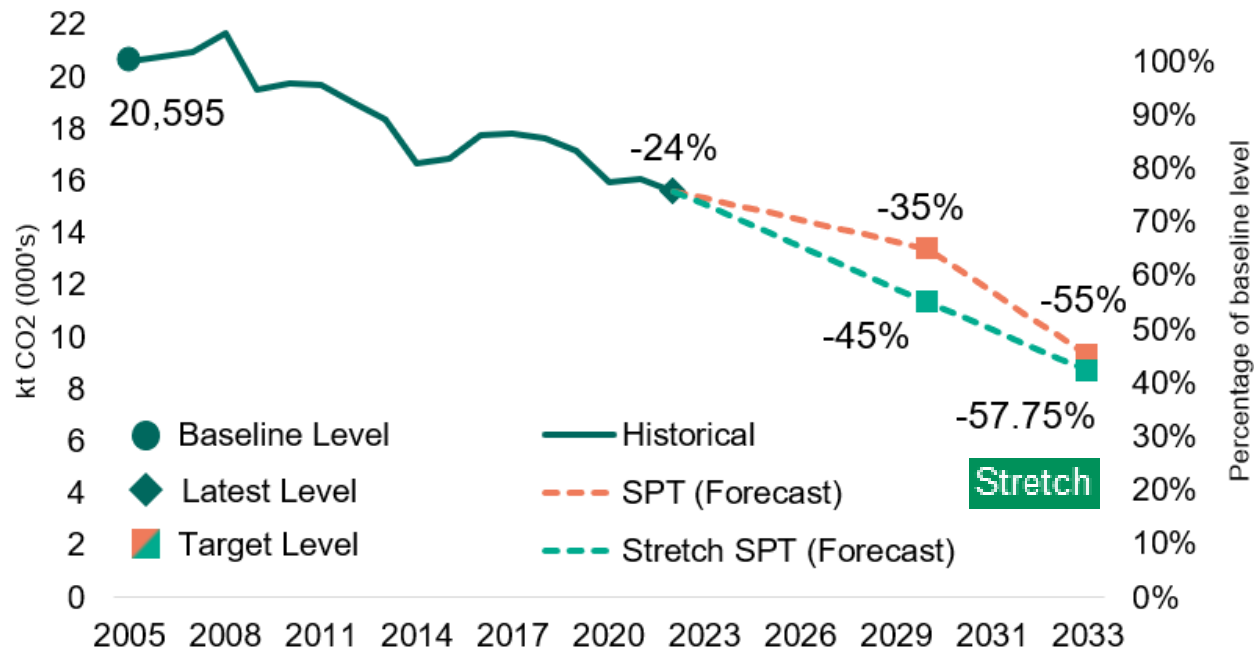
1. Source: Ministry of Finance, Framework: <https://www.gov.si/assets/ministrstva/MF/Zakladnistvo/Trajnostna-obveznica-ang/Slovenia-SLB-Framework.pdf>, 16.4.2025
 Source: Ministry of Finance, S&P Global SPO Assessment: <https://www.gov.si/assets/ministrstva/MF/Zakladnistvo/Trajnostna-obveznica-ang/Slovenia-SLBF-Second-Party-Opinion.pdf>, 16.4.2025





Slovenia's Sustainability-Linked Bond Framework

KPI 1: Total annual greenhouse gas emissions SPTs: of total GHG emissions



KPI1: the annual greenhouse gas emissions produced in Slovenia, including energy, industrial processes, agriculture, and waste. Land use, land use change and forestry emissions are excluded from the KPI

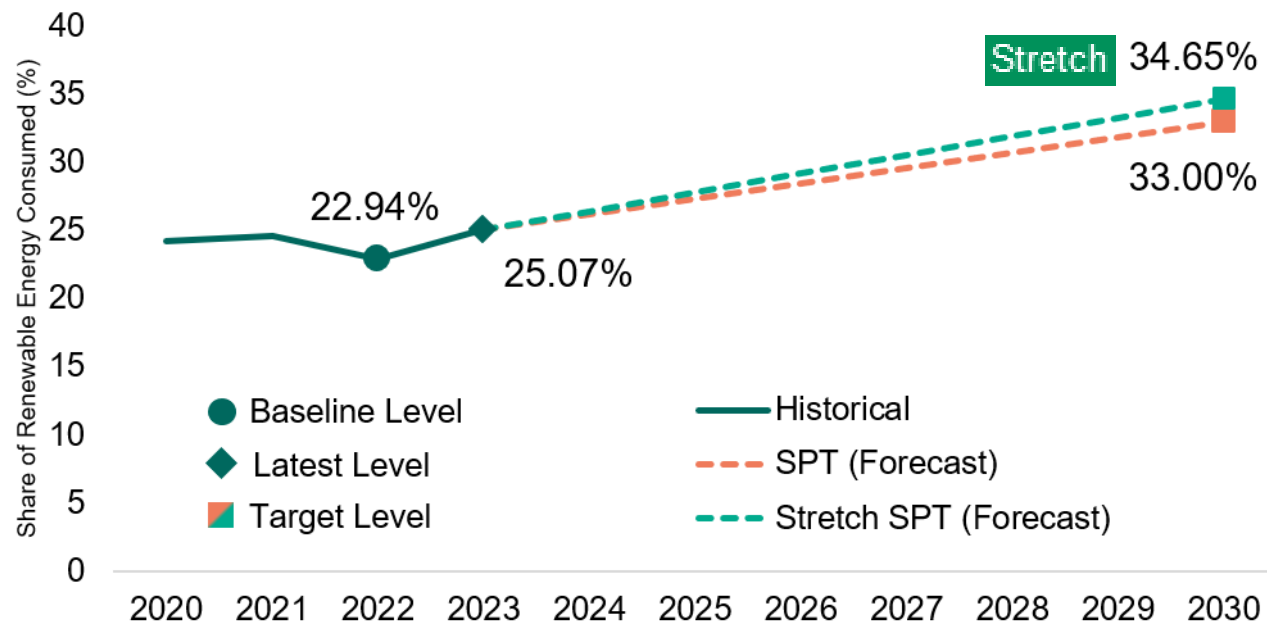




Slovenia's Sustainability-Linked Bond Framework

KPI 2: Share of renewable energy consumed

SPTs: share in total energy consumption



KPI2: a percentage all renewable energy delivered to final consumers over the gross final energy consumption of all energy sources. The share of renewable energy provided through the mechanism of statistical transfer from another EU Member State is excluded from the KPI

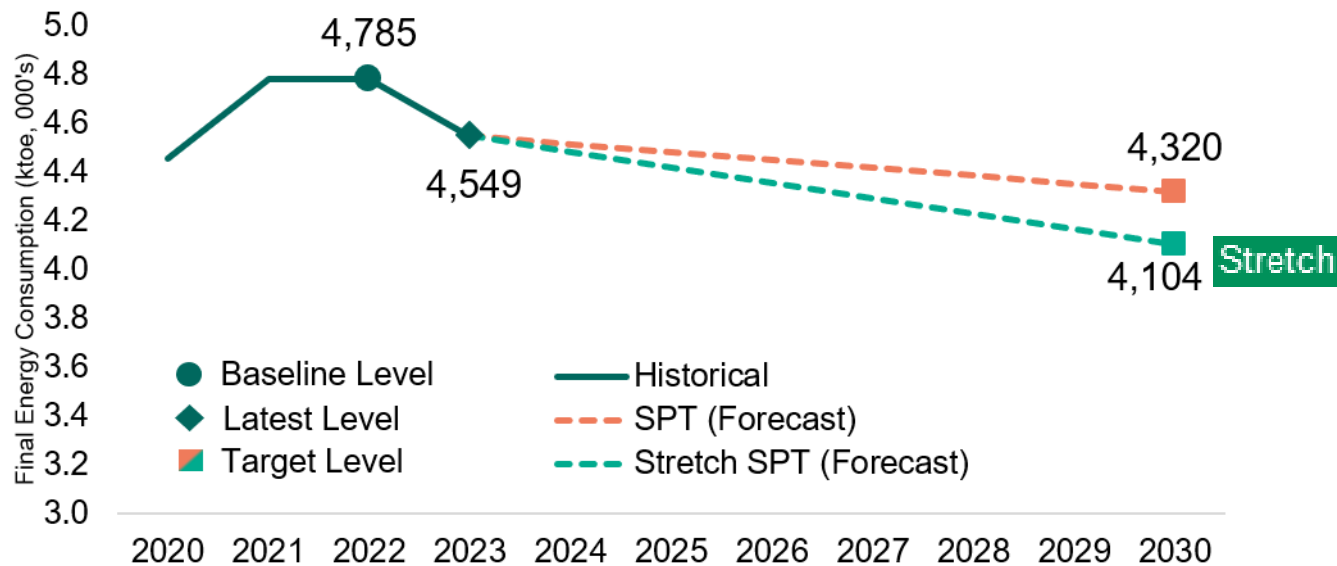




Slovenia's Sustainability-Linked Bond Framework

KPI 3: Energy efficiency

SPTs: Final energy consumption



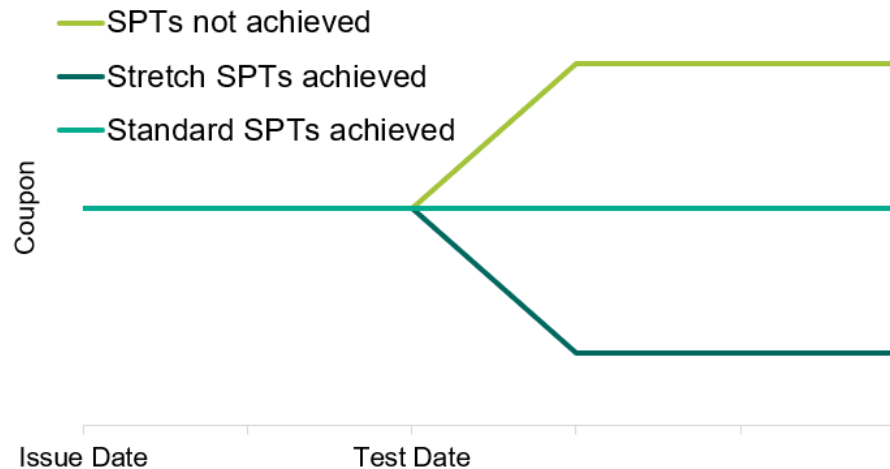
KPI3: all energy supplied to industry, transport, households, public and private services, agriculture, forestry, fishing and to other end-use sectors



Slovenia's Sustainability-Linked Bond Framework

Bond characteristics

As a sustainability-linked bond, the *interest payment is dependent on the performance of one or more targets*



The sustainability-linked bonds will have a feature that results in a coupon adjustment depending on whether Slovenia achieves its predefined SPTs.



Failure to satisfy one or more of the standard SPTs as of the relevant target date could trigger a **step-up coupon** adjustment or premium payment.



Achievement of one or more of the stretch SPTs as of the relevant target date may result in a **step-down coupon** adjustment or coupon discount.



Agenda

- Country Overview
- Fiscal Framework and Public Finances
- Business Environment and Robust Banking System
- Economic Performance
- Debt Profile Characteristics
- Recovery and Resilience Plan
- Sustainability-Linked Bond (SLBs) Framework
- **Sustainability Bond Framework**
- Inaugural digital bond





Sustainability Bond Framework Structure

Slovenia's Sustainability Bond Framework is aligned with Green Bond Principles 2021, Social Bond Principles 2021 and the Sustainability Bond Guidelines 2021.

Use of Proceeds	To finance or refinance sustainable projects: <ul style="list-style-type: none">• Eligible Green Projects (Green Bonds)• Eligible Social Projects (Social Bonds)• Both Eligible Green and Social Projects (Sustainability Bonds)
Process for Project Evaluation and Selection	A Sustainability Bond Working Group has been established to: <ul style="list-style-type: none">• Evaluate and select Eligible Green and Social Projects,• Monitor Eligible Green and Social Projects, and identify replacements as required• Approve Annual Allocation Reports,• Approve Annual Impact Reports.
Management of Proceeds	<ul style="list-style-type: none">• Ministry of Finance oversees and tracks the allocation of bond proceeds• Sustainability Bonds to be allocated to eligible expenditures from the budget year preceding issuance, the budget year of issuance, and the two budget years following issuance
Reporting	The Republic of Slovenia is committed to provide two levels of reporting until full allocation: <ul style="list-style-type: none">• Annual Allocation Report• Annual Impact Report
Framework	<ul style="list-style-type: none">• A Sustainability Bond Framework has been published• Available on Slovenia's debt management office website (https://www.gov.si/en/topics/investor-relations/)
External review	<ul style="list-style-type: none">• Second Party Opinion – obtained by external opinion provider Morningstar Sustainalytics• External verification on post issuance reporting

GBP/SBP core components

GBP/SBP key recommendations





Sustainability Bond Framework

Use of Proceeds

Issuance types

- Slovenia may issue **Green, Social and/or Sustainability Bonds**, where an amount equal to the net proceeds will be exclusively used to (re)finance eligible expenditures falling within, respectively, the Eligible Green categories, the Eligible Social categories, or both the Eligible Green and Social categories

Eligible **Green** categories:

1. Low carbon transport
2. Energy efficiency
3. Sustainable environmental management
4. Climate change adaptation

Eligible **Social** categories:

1. Access to essential services – Education
2. Access to essential services – Healthcare
3. Access to essential services – Social inclusion
4. Employment generation and socioeconomic advancement and empowerment

Expenditure exclusion criteria

- Expenditures already financed via a dedicated funding source, in order to avoid any “double counting”,
- Expenditures that support or promote the following activities:
 - Burning of fossil fuel for power generation and transportation
 - Rail infrastructure dedicated for transportation of fossil fuels
 - Nuclear power generation
 - Weapons, tobacco, gaming, or palm oil industries.





Sustainability Bond Framework

Management of Proceeds

Bond Proceeds

- Management of proceeds and preparation of reports will be the Ministry of Finance's responsibility
 - Allocation of proceeds within 2 budget years after the budget year of issuance, on a best efforts basis
 - The unallocated proceeds temporarily held in State Budget Account
 - Treasury Directorate and Budget Directorate oversee the full allocation and track expenditures - based on the public accounting rules
- **Payment of principal and interest** will be made from the State Budget Account and will not be conditional on the selection or performance of the Eligible Green and Social Projects. Accordingly, investors in SSSBs will not bear any project related risks in respect of Eligible Green and/or Social Projects. SSSBs will rank pari passu with each other and with other Slovenian Government Bonds.





Sustainability Bond Framework

Second Party Opinion

The Slovenian Sovereign Sustainability Bond Framework is credible and impactful and aligns with the Sustainability Bond Guidelines 2021, Green Bond Principles 2021 and Social Bond Principles 2021.

USE OF
PROCEEDS



PROJECT
EVALUATION AND
SELECTION



MANAGEMENT
OF PROCEEDS



REPORTING



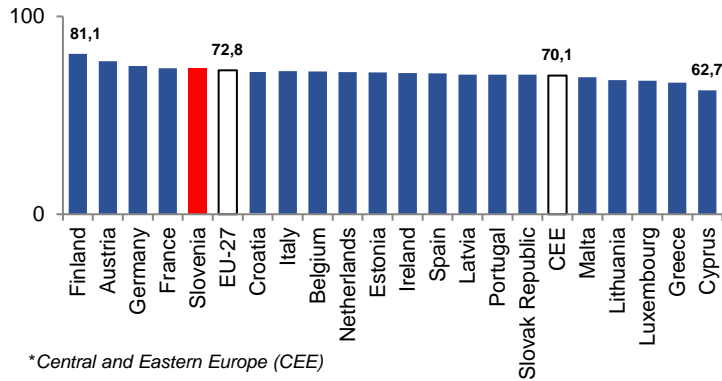
The Framework's four green use of proceeds categories, which map to 12 economic activities in the EU taxonomy, are aligned with the applicable TSC of the EU Taxonomy.





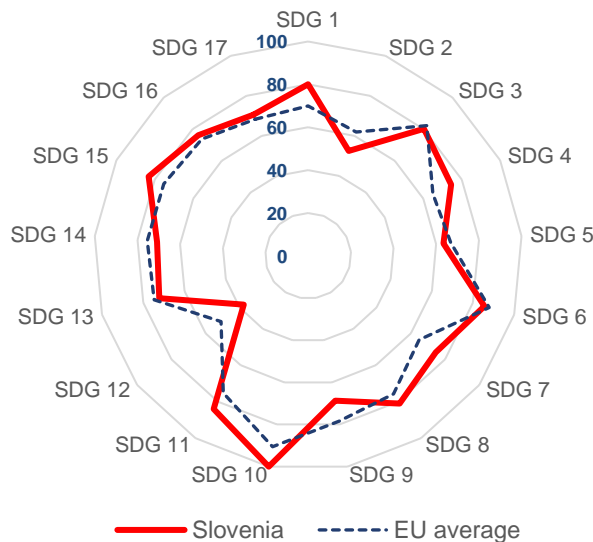
SDG Dashboards and Trends for Slovenia 2024

SDG Index Score (100 (best) to 0 (worst))



*Central and Eastern Europe (CEE)
Source: ESDR 2025, online database, 16.4.2025

Average performance by SDG



Overall Performance: **8/34** European countries*
Country score: **73.8** (in 2014 70.5)

PEOPLE



PLANET



PROSPERITY



PEACE & PARTNERSHIP



- Major challenges
- Significant challenges
- Challenges remain
- SDG achieved
- Decreasing
- Stagnating
- Moderately improving
- On track or maintaining SDG achievement

* Note: *The Europe Sustainable Development Report 2025* is the 6th edition of our independent quantitative report on the progress of the European Union and its member states towards Sustainable Development Goals (SDGs). The report was prepared by teams of independent experts at the Sustainable Development Solutions Network (SDSN).





Agenda

- Country Overview
- Fiscal Framework and Public Finances
- Business Environment and Robust Banking System
- Economic Performance
- Debt Profile Characteristics
- Recovery and Resilience Plan
- Sustainability-Linked Bond (SLBs) Framework
- Sustainability Bond Framework
- **Inaugural digital bond**





Inaugural digital bond Details

Details

On 25 July 2024, the Republic of Slovenia has issued the inaugural digital bond. The landmark transaction is the **first such transaction of an EU sovereign**, and one of the first sovereigns worldwide.

Issuance: 25 July 2024

Maturity: 25 November 2024

Nominal size: EUR 30m

Coupon: 3.65% p.a.; one full quarterly and one partial quarterly coupon

Issued on private and permissioned **CANTON** blockchain and administered by **BNP Paribas** via proprietary **Neobonds platform**.

- Issued in the context of the **ECB** wholesale central bank money settlement experimentation program.
- The settlement of the bond was performed **on-chain with wholesale central bank digital currency** through the Banque de France's (BdF) interoperable and tokenized cash solution (DL3S).

Neobonds & CANTON

- **Neobonds** is a platform for the issuance, corporate actions and full lifecycle management of securities developed and maintained by BNP Paribas. The functionality of the Neobonds platform brings a different approach to the established practices in custody, trading, settlement and corporate actions of conventional securities.
- **BNP Paribas acts as registrar** (maintaining the book of holders on the Neobonds DLT platform on behalf of the issuer) and paying agent for this transaction. The DLT Bond will not be registered with a Central Securities Depository.
- **CANTON** is a private permissioned blockchain that allows for native smart contracts written in DAML programming language. There are various access levels and optional privacy of transactions.





Key Takeaways

- **The major credit rating agencies upgraded the outlook on Slovenia's ratings to positive:** S&P, Moody's, Fitch Ratings and DBRS Morningstar, reflecting Slovenia's strong governance, credible policy framework and efforts to address fiscal challenges
- **In 2025, Slovenia has already provided EUR 1.325 billion in financing long-term euro bonds,** which includes issuing a 30-year bond and a second retail bond. Total average weighted issued yield stands at 3.369% with average weighted time to maturity 28.5 years
- **EUR 4.58bn gross borrowing needs in fiscal year 2025**
- **General Government Debt** at 67.0% of GDP in 2024, declining for the fourth year and nearing the pre-pandemic level. Estimated at 66.0 % GDP end of 2025
- Institutionally well **diversified investor base**
- **Slovenia bond market** is because of the measures taken to improve secondary market liquidity, perceived as **adequately liquid** compared to bond markets of similar size
- Slovenia as the first EU member issued a **sovereign digital bond**
- Smooth **redemption profile**, 23.3% of existing State Budget Debt has a residual maturity of more than 10 years
- **Slovenian GDP** grew by 1.1% (seasonally adjusted) in Q4 2024, slightly below the EA-20's figure of 1.2% and the EU-27's figure of 1.4%. The annual volume change amounted to 1.6%, and was thus above the EA-20 (0.9%) and the EU-27 (1.0%)
- **Stable banking sector, capital position** remained sound and liquidity solid





Republic of Slovenia
Ministry of Finance

