



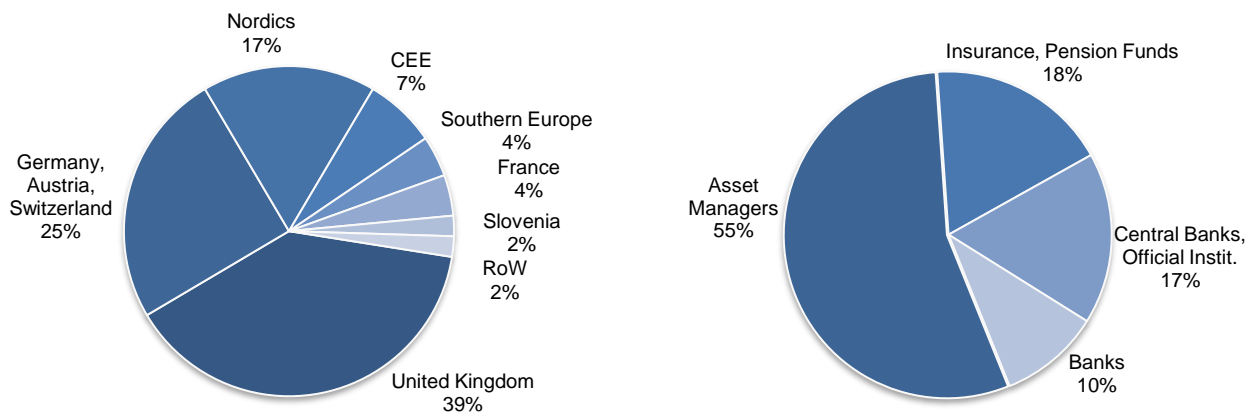
1 SLOVENIA SUCCESSFULLY ISSUED EUR 1bn 30-YEAR BENCHMARK BOND

At the start of the year, the Republic of Slovenia, which is rated AA- (positive) / A (stable) / A3 (positive) capitalized on strong investor demand for long-term financial instruments and issued a 30-year bond. This is Slovenia's first 30-year euro benchmark tranche since 2020 and the first sovereign issue in 2025.

On January 7, 2025, a EUR 1.0 billion bond, maturing on April 14, 2055, with a 3.5% coupon, was successfully priced at 99.1% in the euro debt capital market. The final spread was set at MS +128 basis points. Total demand exceeded EUR 3.2 billion, including EUR 505 million from the joint bookrunners. The final allocation was diversified across asset managers, insurance and pension funds, central banks and official institutions, as well as banks. Geographically, the UK accounted for the majority of the funds, followed by Germany, Austria, Switzerland and the Nordic countries (Figure 1).

With the issue of the 30-year bond, Slovenia has created a solid opening for its 2025 Financing programme execution. The Financing programme envisages a gross borrowing requirement of EUR 4.58 billion.

Figure 1: Investor Distribution– by geography and type



Source: Ministry of Finance, 20.1.2025

2 SLOVENIA'S 2024 PRELIMINARY STATE BUDGET DEFICIT LOWEST IN 5 YEARS

According to preliminary data, Slovenia recorded a state budget deficit of 1.2% of GDP in 2024, which corresponds to around EUR 800 million. This is the lowest budget deficit in the last five years. The improved fiscal outcome is due to higher-than-expected revenues of EUR 14.6 billion, driven by record employment levels, higher wages, and strong corporate profitability. In addition, budget expenditures were lower than planned, reaching EUR 15.4 billion instead of the planned EUR 16.2 billion, primarily due to lower spending on reconstruction after the 2023 floods. Slovenia spent approximately EUR 800 million less than expected in 2024. Underspending was due to delays in reconstruction projects, efficient cost management, support from the EU Solidarity Fund and prioritization of essential projects, postponing less critical to subsequent years.

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