

SLOVENIAN CAPITAL MARKET

Tirana Business Forum "Future of Balkans"

Aleš Ipavec MSc, CEO

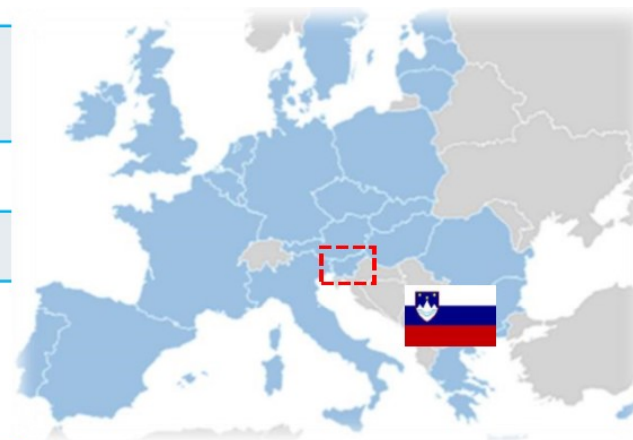


LJUBLJANSKA BORZA
LJUBLJANA *Stock Exchange*

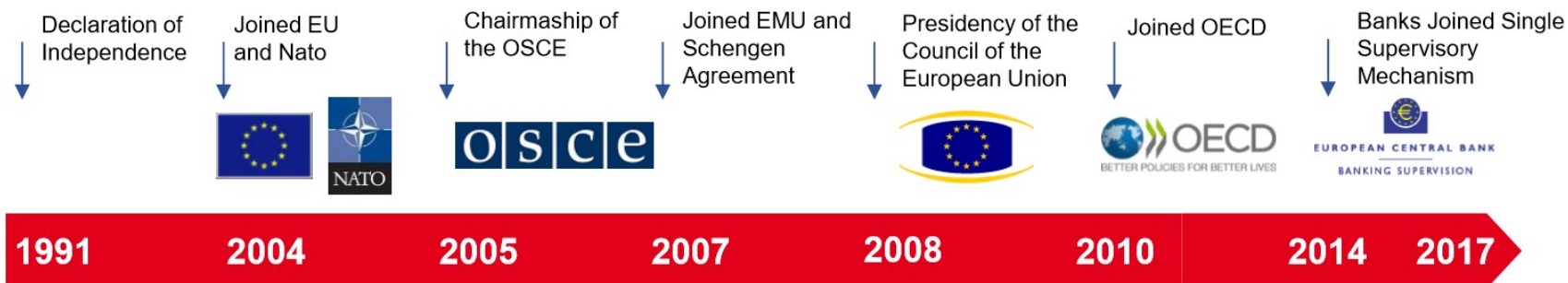
Tirana, 24.1.2018

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

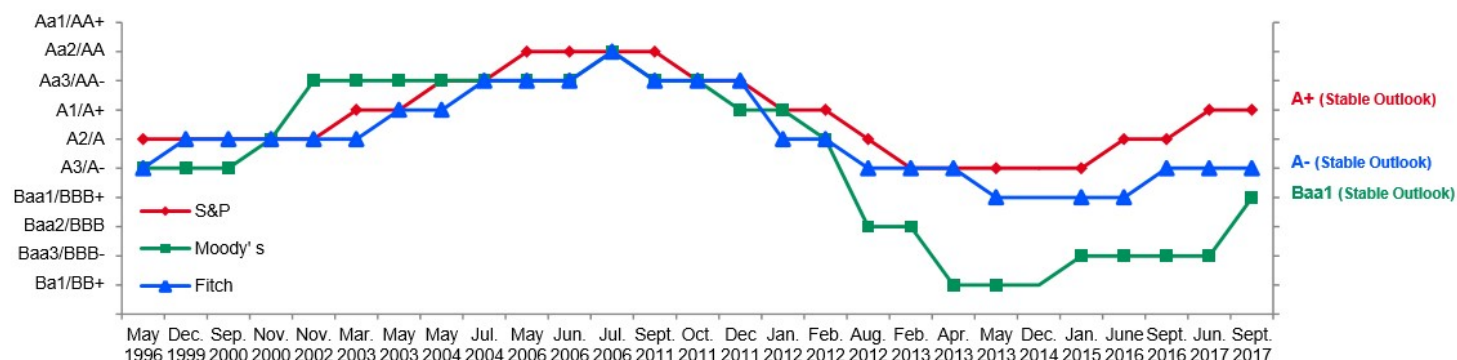
Location	<ul style="list-style-type: none"> Borders Austria, Italy, Hungary, Croatia and the Adriatic Sea
Territory	<ul style="list-style-type: none"> 20,256 sq. Km
Population	<ul style="list-style-type: none"> 2.06 Million (1 Jul. 2016)
GDP per capita:	<ul style="list-style-type: none"> 83% of EU28 average (2016); (Slovakia 77%, Portugal 77%, Poland 69%, Hungary 67%)(¹)



Recent Milestones and Political Stability



Slovenia sovereign rating



Positive Rating Drivers⁽¹⁾

- **Actively pursuing structural fiscal consolidation.**
- **Swift and credible bank resolution plan execution.**
- **Stable Government majority in the Parliament - decisive political leadership.**

Negative Rating Drivers⁽¹⁾

- **Deterioration of economic growth prospects, impairment of structural fiscal consolidation pace.**
- **Substantial government net debt increase** due to fiscal loosening or additional government support for the banking sector.

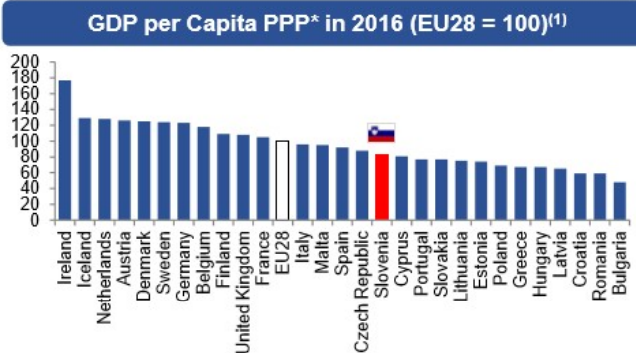
Sovereign ⁽²⁾	S&P	Fitch	Moody's
Germany	AAA	AAA	Aaa
Austria	AA+	AA+	Aa1
Czech Republic	AA-	A+	A1
Estonia	AA-	A+	A1
Slovakia	A+	A+	A2
Ireland	A+	A	A2
Latvia	A-	A-	A3
Lithuania	A-	A-	A3
Slovenia 🇸🇮	A+	A-	Baa1
Poland	BBB+	A-	A2
Spain	BBB+	BBB+	Baa2
Italy	BBB	BBB	Baa2
Hungary	BBB-	BBB-	Baa3
Portugal	BBB-	BB+	Ba1
Cyprus	BB+	BB	Ba3
Croatia	BB	BB	Ba2
Serbia	BB-	BB-	Ba3

1. Selected drivers highlighted by agencies: S&P, Moody's and Fitch

2. Source: S&P, Fitch and Moody's, 14.11.2017

High income country converging towards the EU average

The second highest GDP per capita PPP among CEE Countries (83% of the Average of EU28 as of 2016)



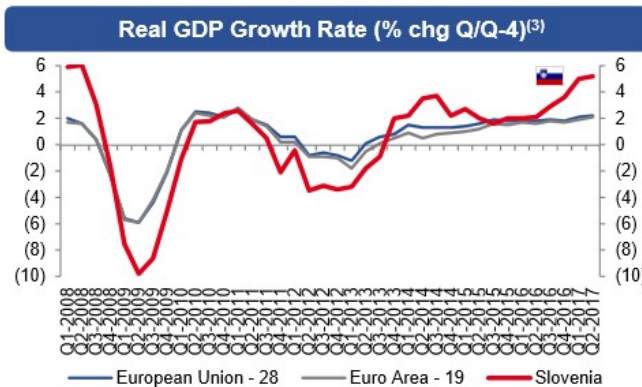
1. Source: Eurostat, 14.11.2017

*Purchasing Power Parity

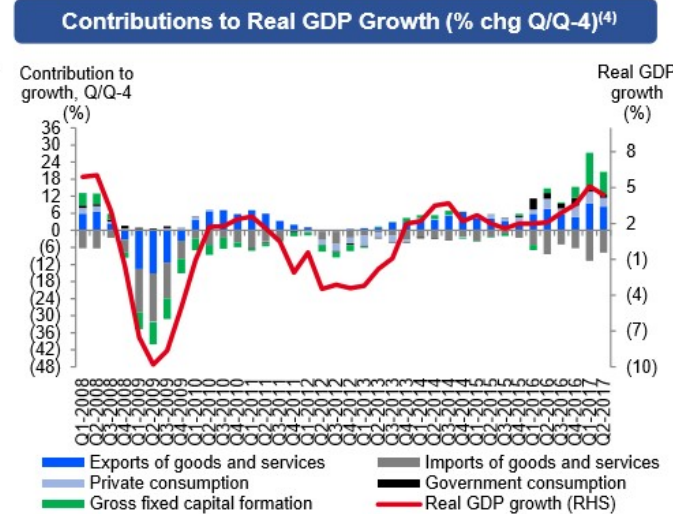


2. Source: IMF, 14.11.2017

- **Slovenia GDP growth** well above EU-28 and EA-18 average
- **Key growth drivers:** Strong exports performance and domestic demand recovery



3. Source: SORS, Eurostat, Seasonally Adjusted Data, 14.11.2017

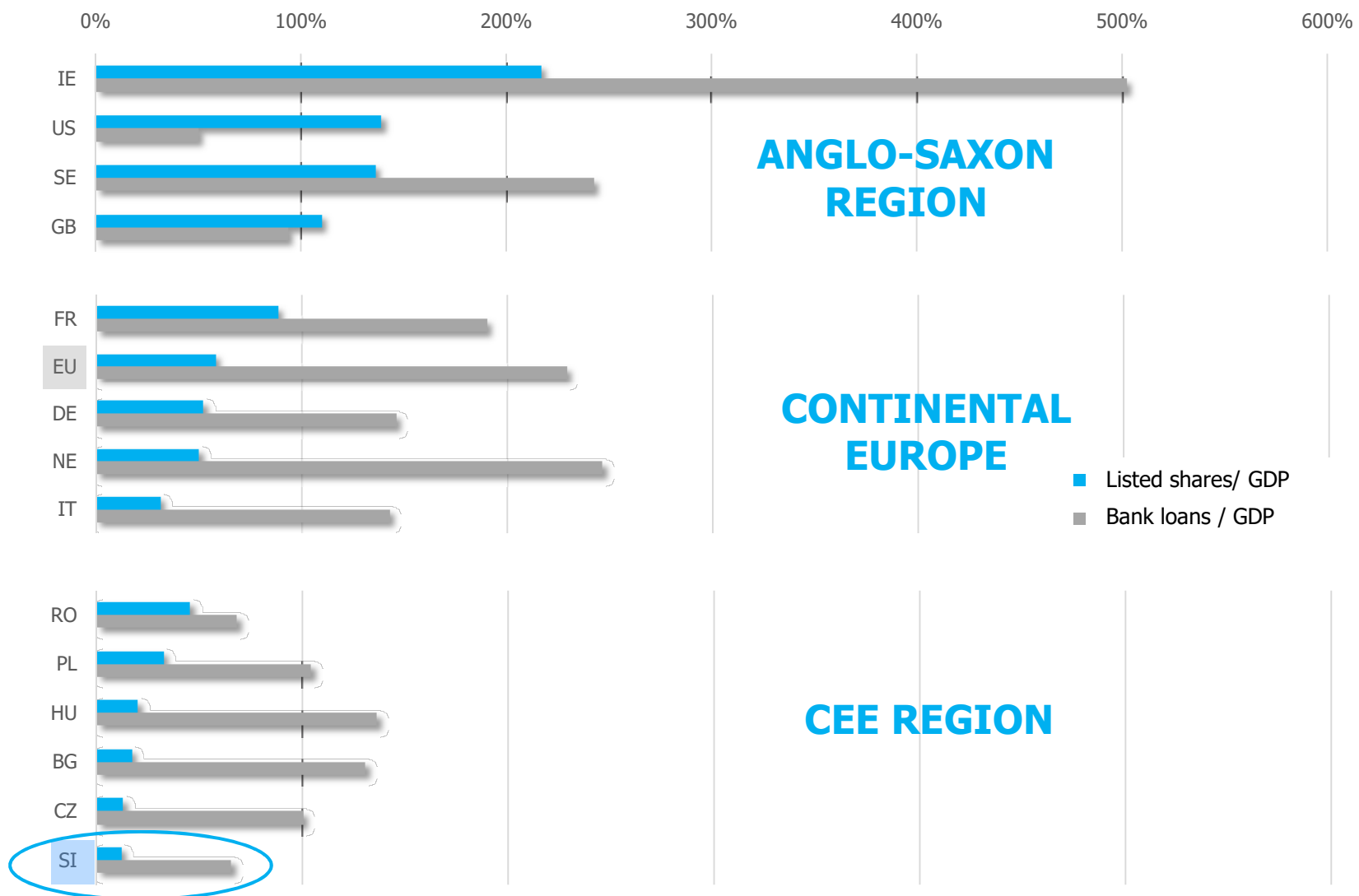


4. Source: SORS, Original Data, 14.11.2017

Ljubljana stock exchange – Basic statistics

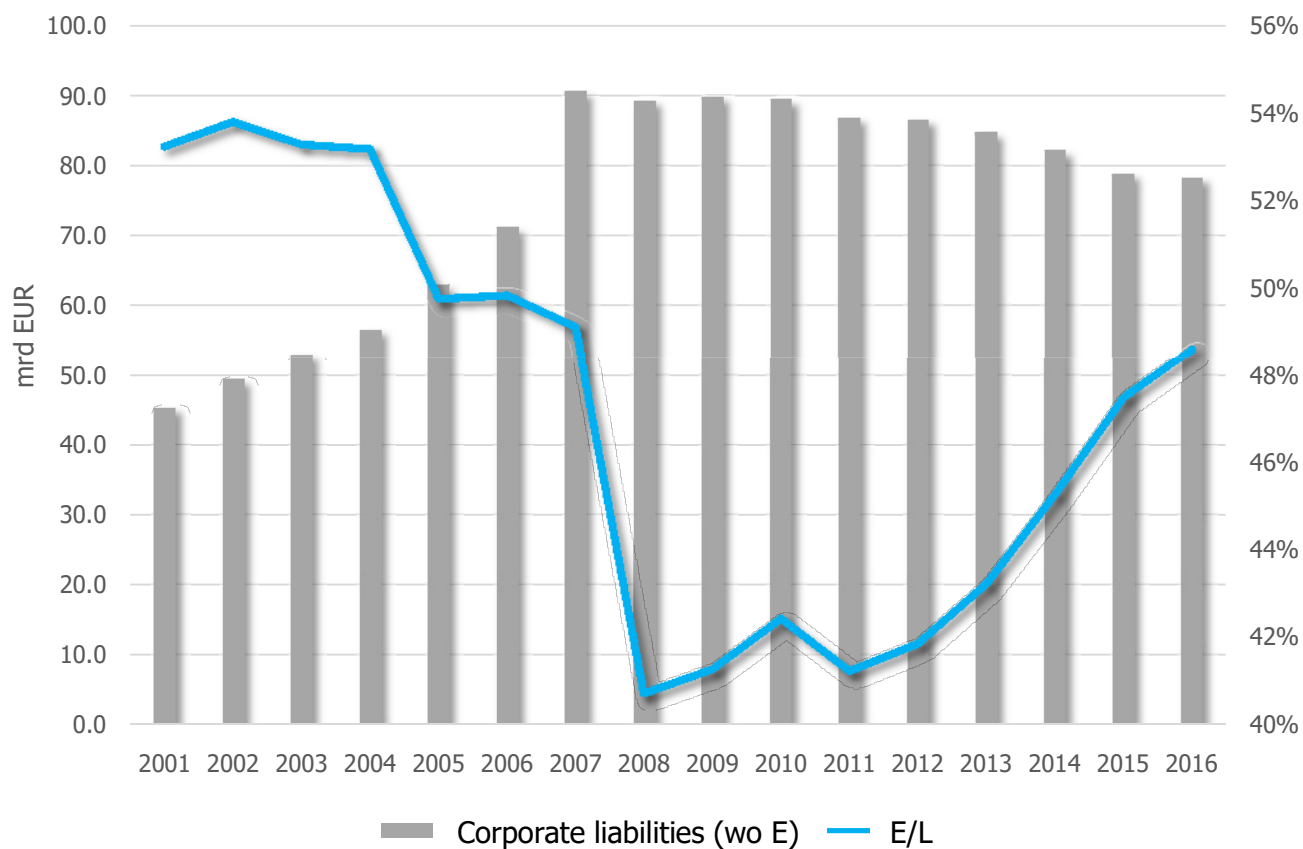
	2016	2017
Market Capitalisation – Stocks	4.99 bn EUR	5.27 bn EUR
Market Capitalisation – Bonds	21.12 bn EUR	24.39 bn EUR
Turnover	333.67 ml EUR	347.44 ml EUR
SBI TOP value	717.59	806.52
SBI TOP yearly return	3.08%	12.4%
SBI TOP P/E	9.5	worldwide 20-30
SBI TOP P/BV	0.9	worldwide 2,5-4

Bank and stock market financing



source: Eurostat, FESE, WFE, World Bank

Financing structure



source: Bank of Slovenia

Do we really need nonbanking sources?

Loans to nonbanking sector: 34 mrd -> 21 mrd

• Corporate loans 20 mrd -> 8 mrd

• Retail loans 7,5 mrd -> 9 mrd

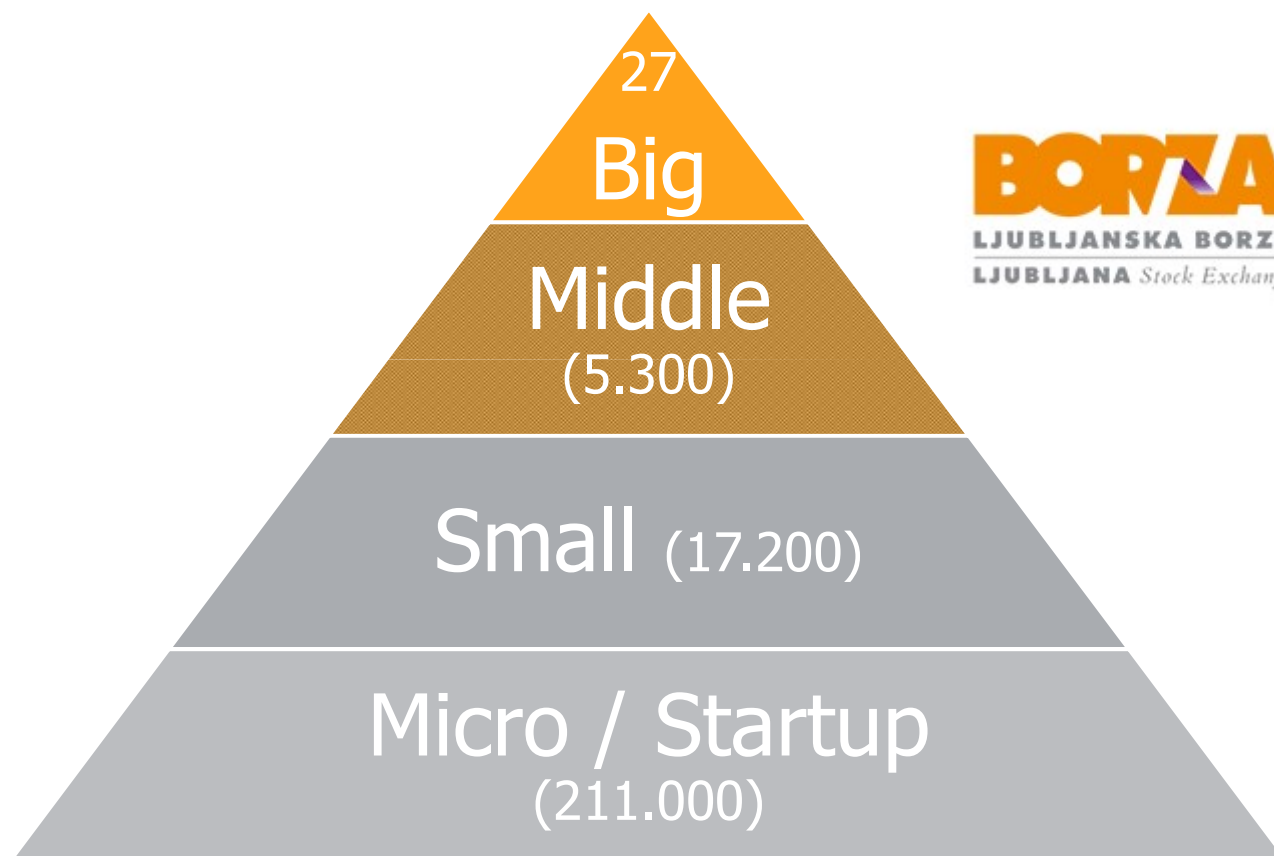
(dec08 -> dec17)

-12 mrd

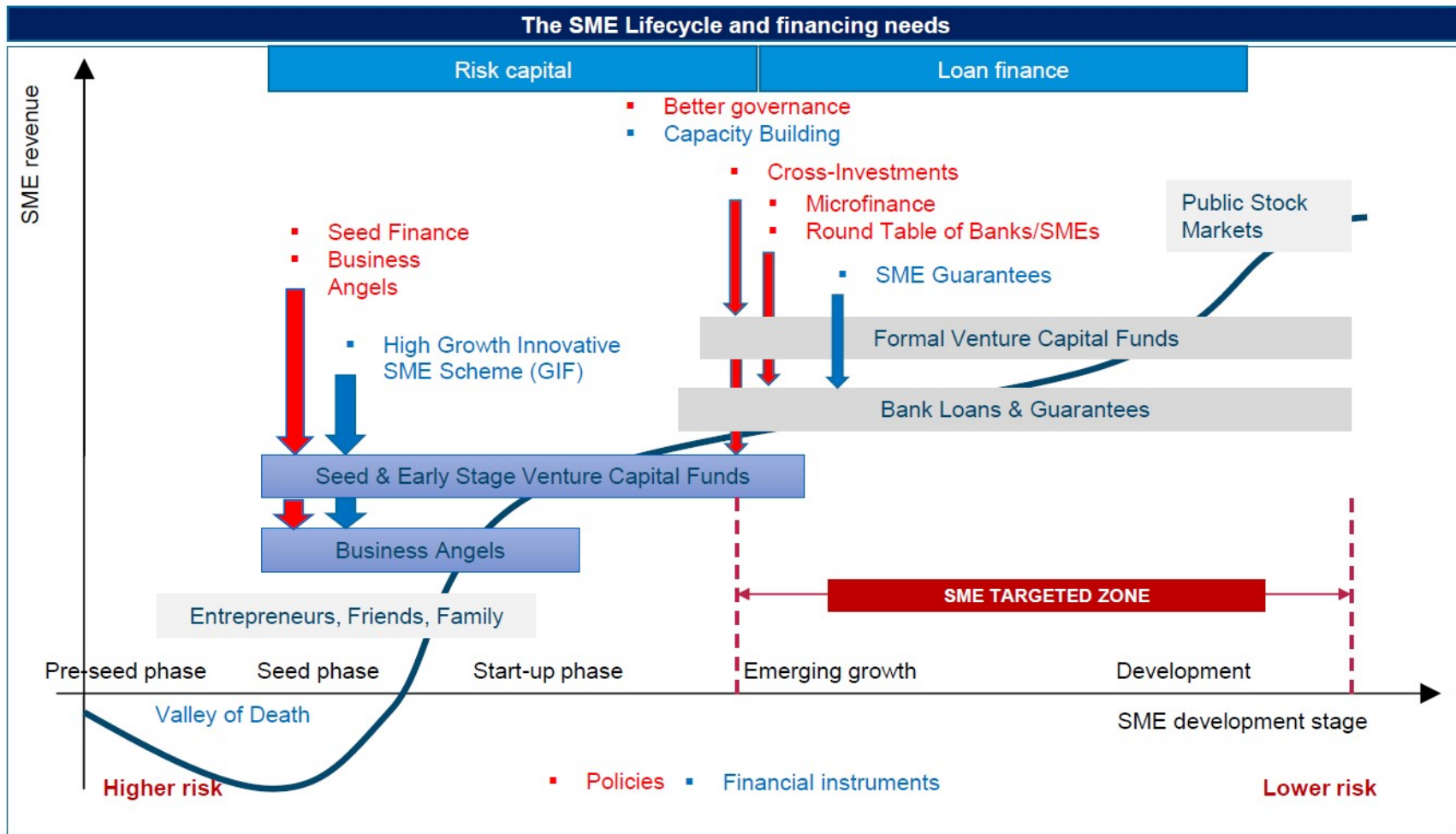
-60%

BANKA SLOVENIJE 4,3 mrd
EVROSISTEM

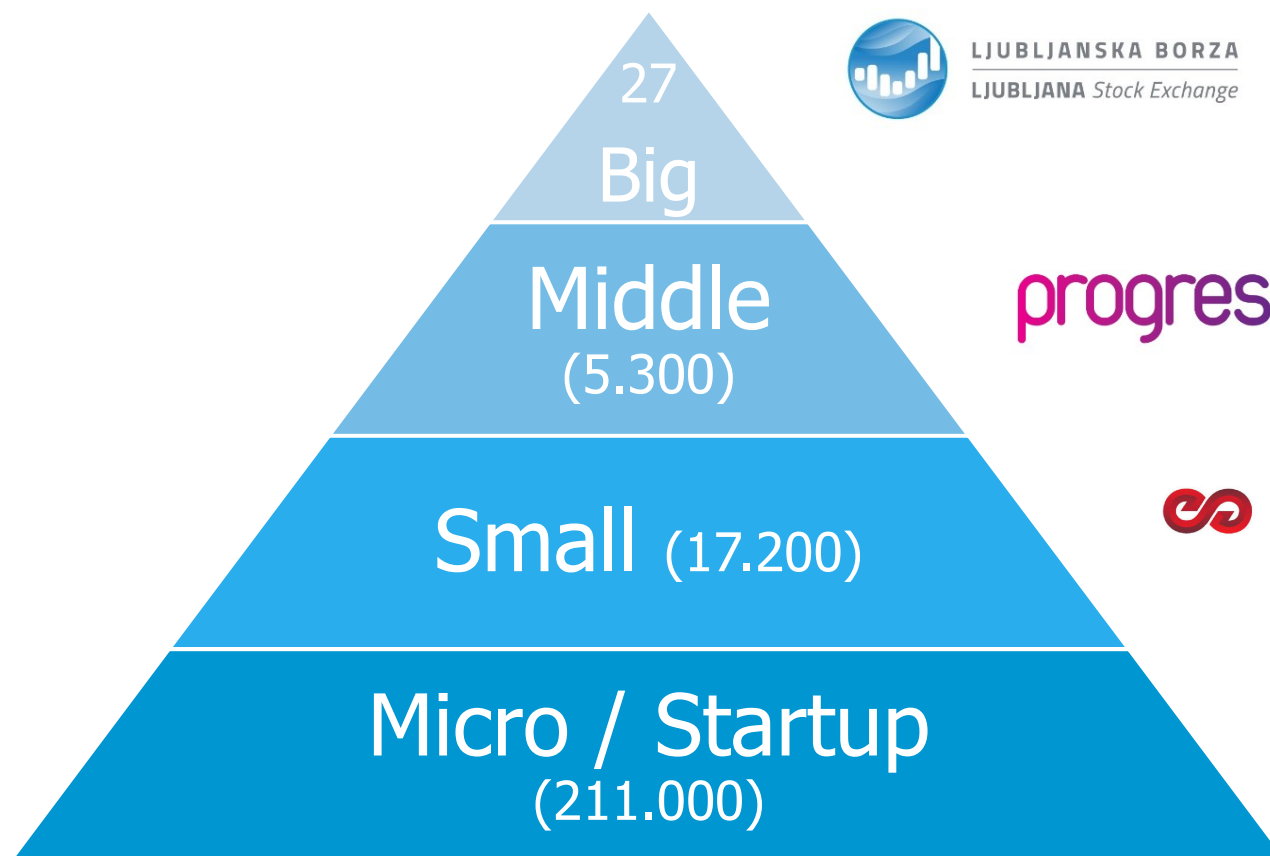
Stock Exchange - before



Regulation 654/2014/EU & MiFID II



Stock Exchange - after



LJUBLJANSKA BORZA
LJUBLJANA Stock Exchange



SIENTER
MULTILATERAL TRADING FACILITY



Uredba 654/2014/EU & MiFID II

PARTNER

LJUBLJANA *Stock Exchange*


European Bank
for Reconstruction and Development

 REPUBLIKA SLOVENIJA
MINISTRSTVO ZA GOSPODARSKI
RAZVOJ IN TEHNOLOGIJO



GO

1

2

3

4

5

6

1Y



Implementation 

2Y



Is there enough capital in Slovenia?

Retail deposits: 13,4 mrd -> 17,4 mrd

Corporate deposits: 3,7 mrd -> 6,3 mrd
(dec08 -> dec17)

+6,6 mrd
+39%

23,7 mrd

70% shortterm

SLOVENIAN CAPITAL MARKET

SWOT ANALISYS

STRENGTHS

- Country's geostrategic position
- Healthy Macroeconomics
- Governmental guidance
- EU, EUR, ESMA

WEAKNESSES

- Small Economy
- Lack of Foreign Investments
- Underdeveloped Capital Market

OPPORTUNITIES

- SME Growth Market
- Privatisation
- 17 bl EUR Savings
- LJSE Pipe Line

THREATS

- Global political tensions
- Macroeconomical destabilisation
- EU Issues (Brexit, Basque,...)

