



The Republic of Srpska

Investor Presentation

March 2026



01 | Overview of the Republic of Srpska

The Republic of Srpska at a Glance

The Republic of Srpska ("the RS") Is One of the Two Constituent Entities of Bosnia & Herzegovina ("BiH"), with Self-Governing Legislative, Executive and Judicial Structures, and Broad Autonomy over its Budget and Fiscal Affairs



Population

1.1mn (-0.4% YoY) - 2024 estimate



Territory

24,641 km² (49% of BiH)



Administrative Center

Banja Luka



Nominal GDP

EUR8,797mn - 2024



Real GDP Growth

3.1% - 2024



GDP per Capita

EUR7,922 (+7.4% YoY) - 2024



Unemployment

8.8% (-0.3pp YoY) - 2024



CPI Growth Rate

4.1% (+2.3pp YoY) - 2025



Net FDI

3.2% of GDP (-3.2pp YoY) - 2024



Exchange Rate

EURBAM: 1.95583 (pegged) - 2025



Public Debt to GDP

33.7% (+0.7pp YoY) - 2024



Budget Deficit to GDP

1.6% (-0.5pp YoY) - 2024



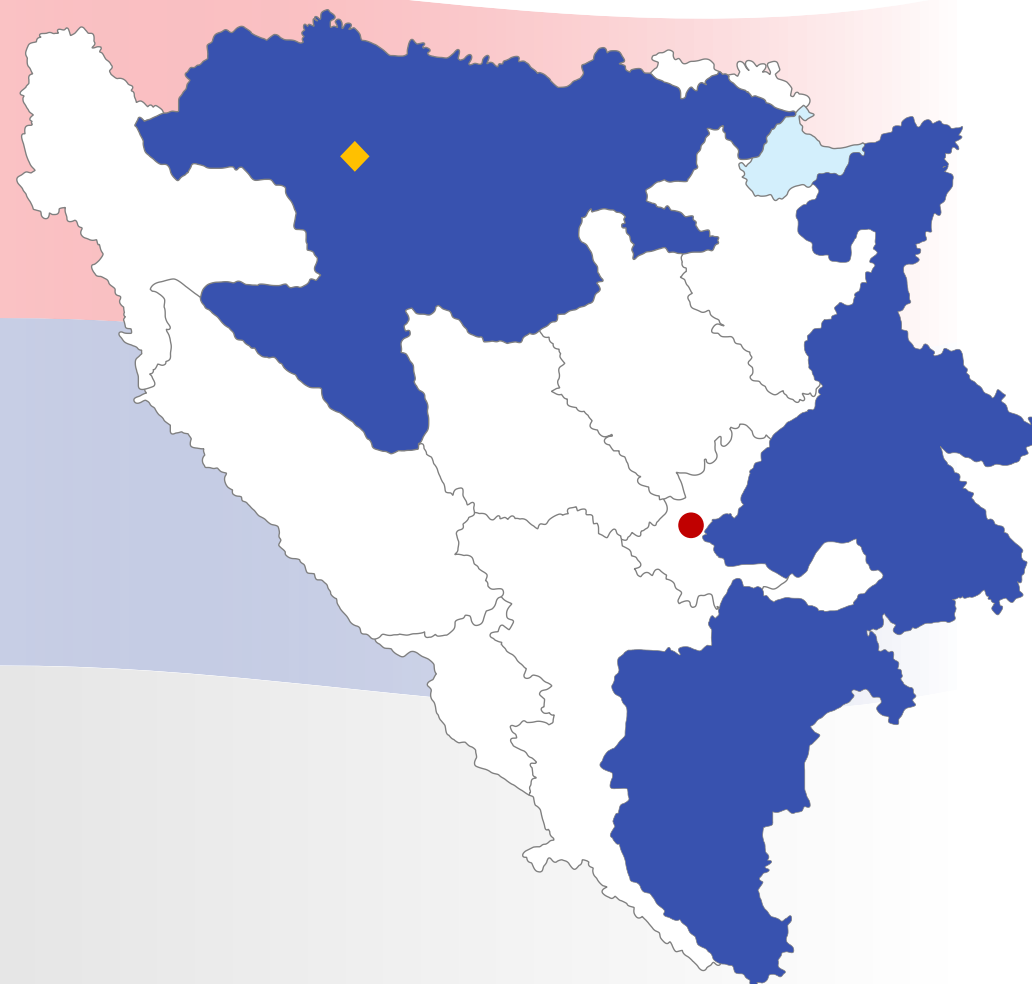
Credit Ratings⁽¹⁾

B3 (Stable) - Moody's
B (Negative) - S&P



EU Accession

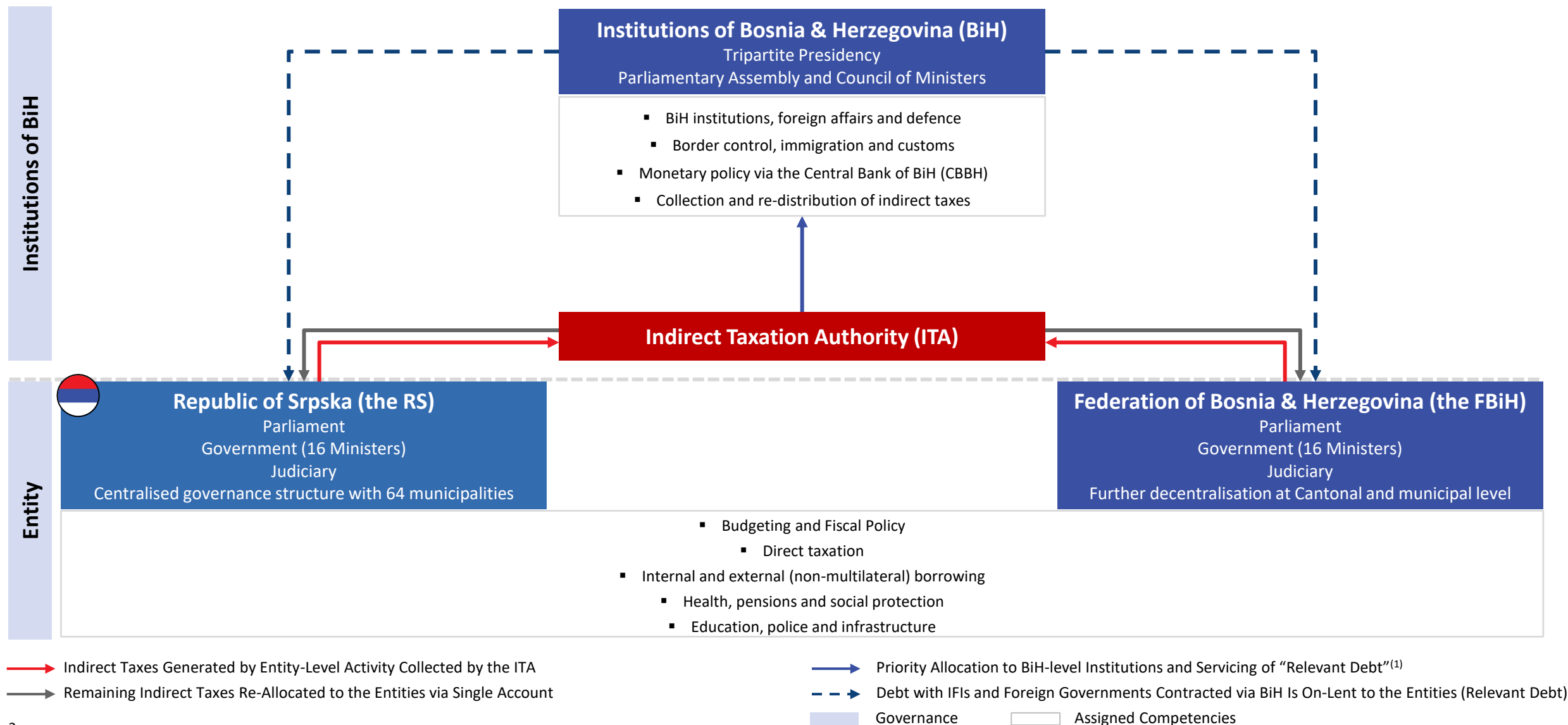
BiH is an EU accession candidate since 2022



■ The Republic of Srpska (the RS)
 ■ The Federation of Bosnia & Herzegovina (the FBiH)
 ◆ Banja Luka (RS administrative center)
 ● Sarajevo (BiH capital)
 ■ Brčko District

The RS Has Strong Autonomy within BiH's Institutional Structure

Stable Framework Defining BiH and Entity-Level Responsibilities and Economic Governance



1) Relevant Debt refers to debt which has been borrowed by the Ministry of Finance and Treasury of BiH for the purpose of on-lending to the RS

Key Investment Highlights

Forward-Looking Reform Agenda Supported by Strong Fiscal Governance, Diversified Funding Access, Financial and External Stability, and a Clear Commitment to BiH's EU Integration Path



Ambitious and Clearly Defined Economic Reform Programme

- ✓ Steady investment-led growth, with consistent and rising GDP growth supported by domestic demand and major projects in energy, transport, healthcare, and agriculture
- ✓ Macroeconomic stability anchored in continued fiscal discipline, with contained general government deficits
- ✓ Policy focus on competitiveness and resilience, including higher employment, rising wages, and support for export-oriented sectors while aligning with EU guidelines



Strong Fiscal and Governance Independence

- ✓ Autonomous governance and administrative structure, allowing the RS to design, implement, and manage policies with broad independence
- ✓ Control over budget formulation, execution, and financial management, ensuring that fiscal decisions and resource allocation are determined at the RS level within the broader BiH constitutional system
- ✓ Full legal authority to borrow independently on a direct basis across both international and domestic sources of funding



Track Record of Fiscal Discipline with Moderate and Declining Debt Burden

- ✓ Contained budget deficits, averaging 2.1% of GDP between the period 2020-2025
- ✓ Prudent fiscal rules with total debt capped at 60% of GDP, public debt limited at 55% of GDP; cap on guarantees at 15% of GDP
- ✓ Debt structure with +80% of debt denominated in BAM or EUR, and +80% contacted on a fixed rate basis as of 2024



Diversified Access to Domestic and International Funding

- ✓ Access to dedicated multilateral financing on-lent via BiH ("Relevant Debt"), ensuring long-term funding for priority development programmes
- ✓ Multiple bilateral and commercial funding avenues through established partnerships with foreign governments and access to the Eurobond market
- ✓ Well-functioning, developed and liquid domestic capital markets, with deep investor participation and strong absorption capacity



BiH-Level Monetary Framework and Resilient Banking System Ensure Stability

- ✓ Predictable monetary and external environment, underpinned by a credible currency board arrangement at the BiH level and supported by rising foreign-exchange reserves, and consistently positive net foreign assets
- ✓ BiH-level current account deficits largely covered by FDI inflows, of which the RS is also a significant recipient
- ✓ Robust and well-capitalised banking sector, characterised by strong liquidity, steady credit growth, and declining NPLs



Strong Commitment to Advancing BiH's EU Integration

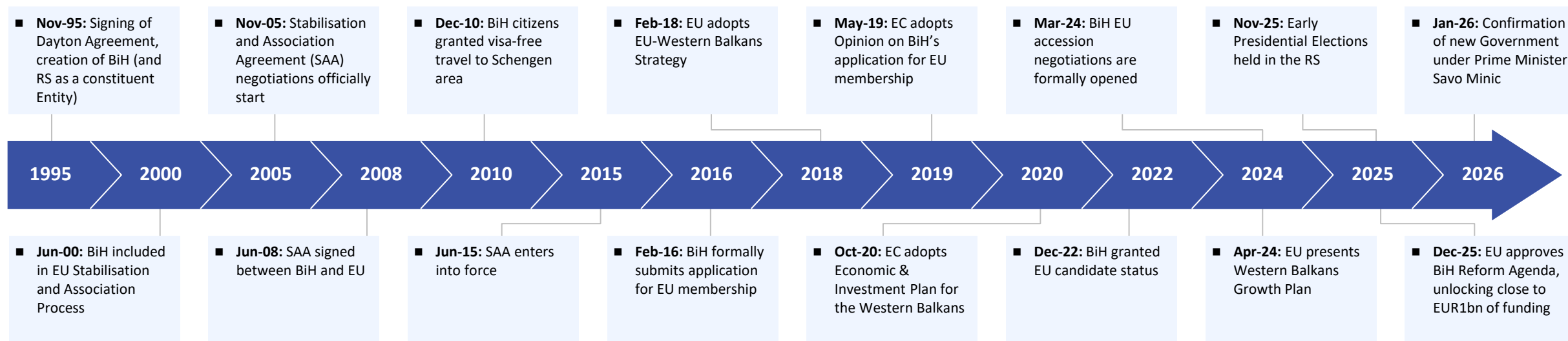
- ✓ Consistent alignment of RS legislation with the EU *acquis*, guided by structured annual alignment plans
- ✓ EU directives embedded into the RS Economic Reform Programme, ensuring reforms track the country's accession objectives
- ✓ Qualified recipient of EU accession-related funding, benefiting from facilities such as the EU Reform and Growth Facility, Western Balkans Investment Framework (WBIF)-supported infrastructure investments, and Instrument for Pre-accession Assistance ("IPA")-linked pre-accession financing

Commitment to the Dayton Framework and Advancing BiH's EU Path

The RS Is a Key Actor in BiH's EU Accession Journey by Aligning its Institutional Frameworks and Implementing Key Reforms



Timeline of Key Milestones and Events



EU Integration Is a Priority for BiH...

- ✓ EU candidate status granted in 2022; accession negotiations opened in 2024
- ✓ EU integration anchors the 2025–2027 Economic Reform Programme, including adoption of the Global Fiscal Framework and protection of CBBH independence
- ✓ Full alignment achieved with the EU's Common Foreign & Security Policy



... Which Is Actively Supported by the RS...

- ✓ EU integration units embedded across all RS-level Ministries
- ✓ Systematic alignment of RS legislation with the EU *acquis*, guided by the Annual *Acquis* Alignment Plan
- ✓ Active RS participation in EU-related bodies, including Stabilisation and Association Agreement (SAA) structures
- ✓ EU alignment positioned at the core of the RS Economic Reform Programme (2026–2028)



... Resulting in the Unlocking of EU Funding

- ✓ Approval of the BiH Reform Agenda unlocking up to EUR977mn under the EU Reform and Growth Facility
- ✓ WBIF funding unlocked for RS-level infrastructure, supporting projects across water and sanitation, motorway tolling systems, and other sectors
- ✓ Dedicated financing available through the EU Instrument for Pre-Accession Assistance (IPA) and the Reform Agenda



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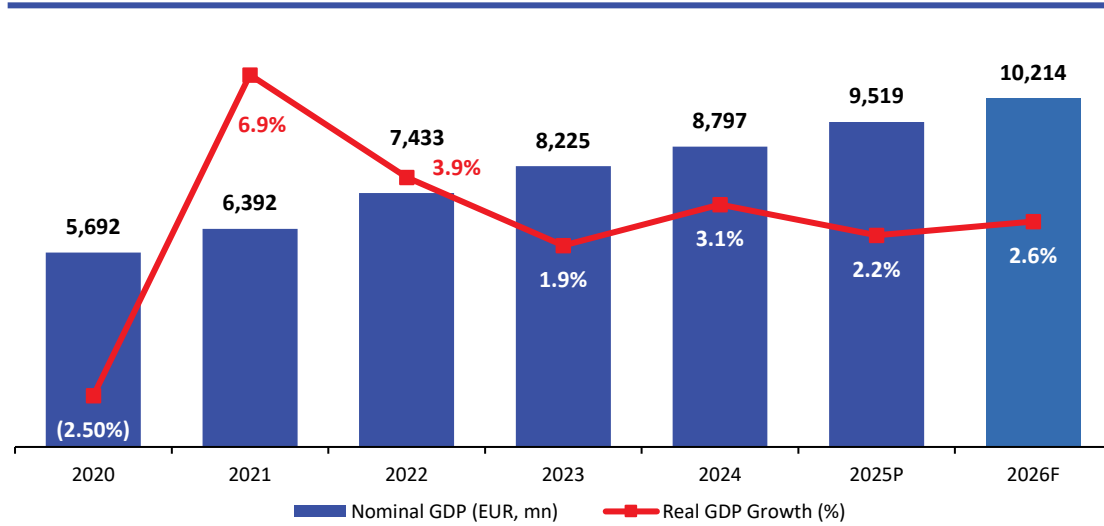
| Macroeconomy,
Trade & Energy

Growing Economy with Rising Income and Diversified Demand Drivers

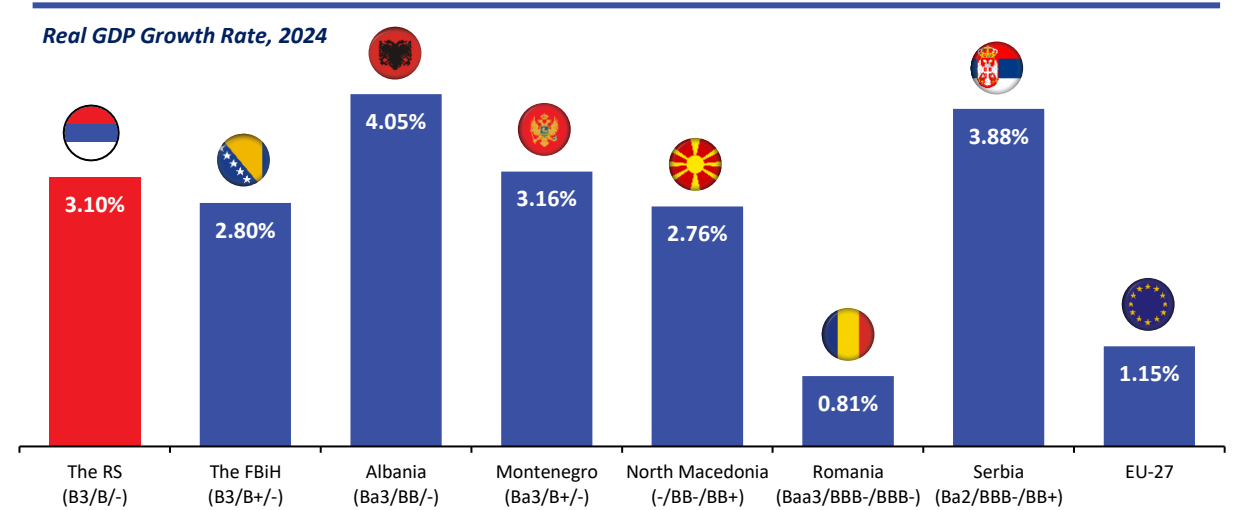


Consistent Economic Growth in Line with Regional Peers with Robust Consumption and Investment Trends

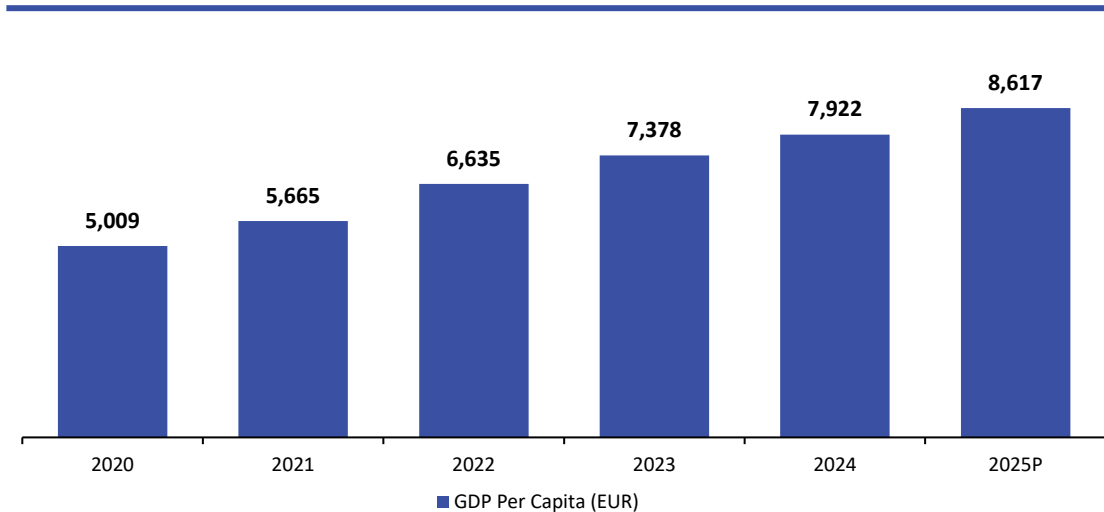
Consistently Growing Economy⁽¹⁾...



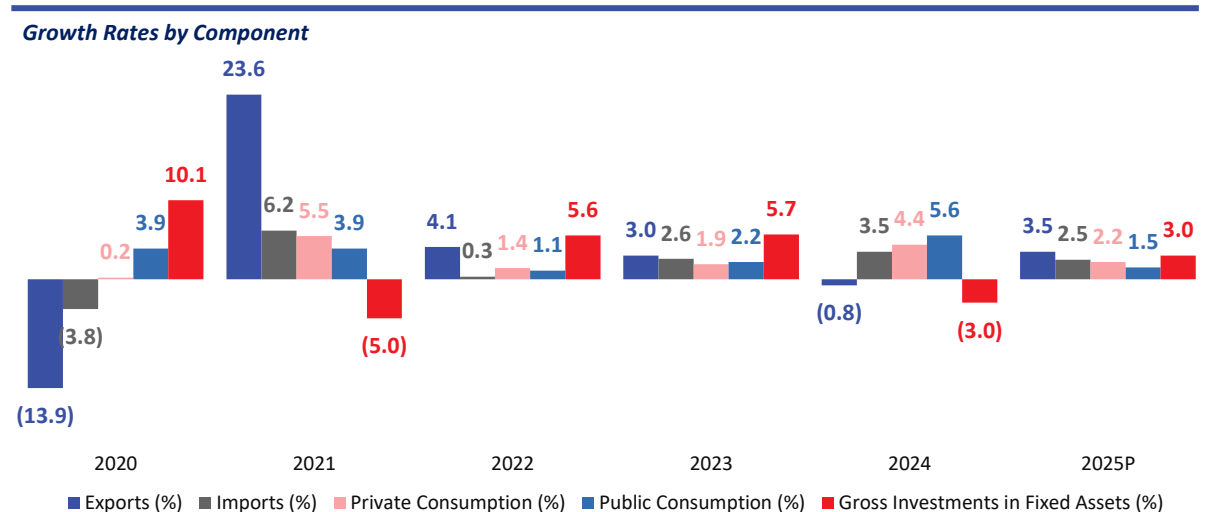
... In Line with or Above Regional Peers⁽²⁾



Income Levels Have Increased by +70% over the Past 5 Years⁽³⁾



Diversified Growth Drivers of Post-Covid Recovery⁽³⁾



1) The Institute of Statistics of the Republic of Srpska (2020-2024); the RS Ministry of Finance estimates (2025) and projections (2026-2028)
 2) The RS Ministry of Finance, the FBIH Federal Ministry of Finance, and IMF WEO data as of October 2025

3) The Institute of Statistics of the Republic of Srpska (2020-2024); the RS Ministry of Finance estimates (2025)

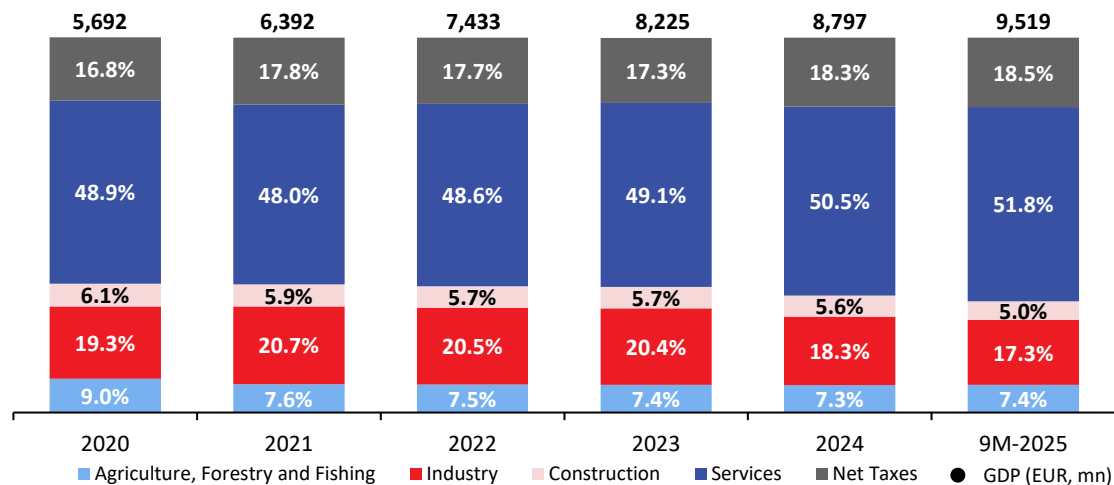
Robust Economy with Strengthening Fundamentals

Supportive Domestic Backdrop with a Stable GDP Mix, Record Low Unemployment, Strong Wage Growth and Moderate Inflation

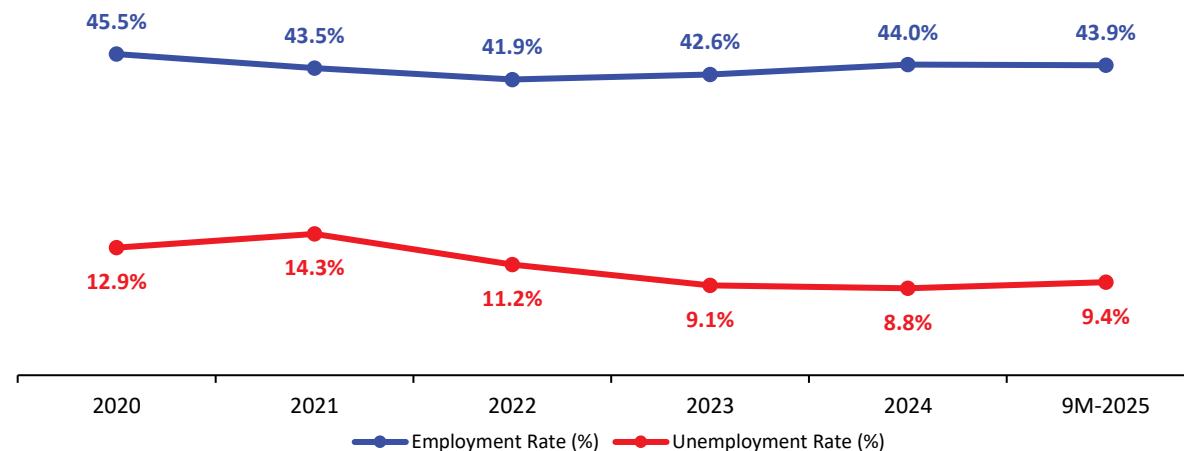


Diversified and Consistent Economic Structure Led by Services⁽¹⁾

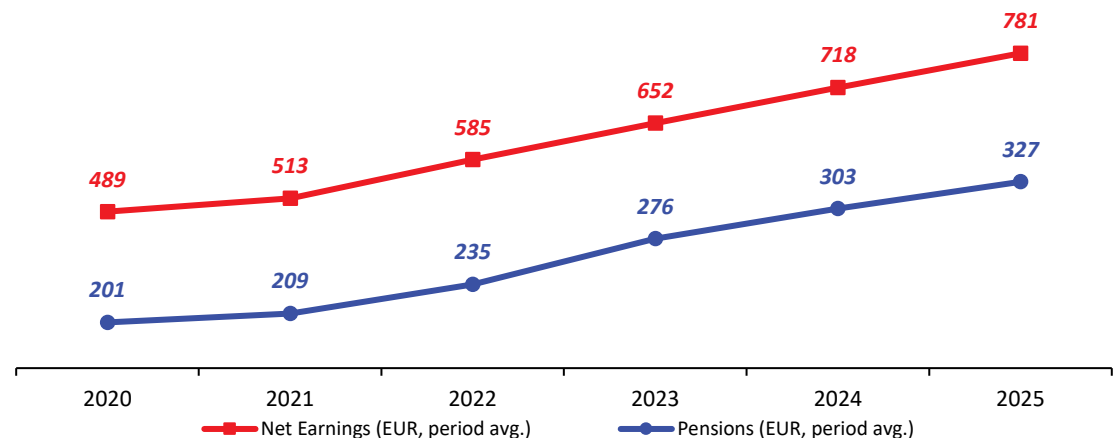
Structure of GDP, % of Total



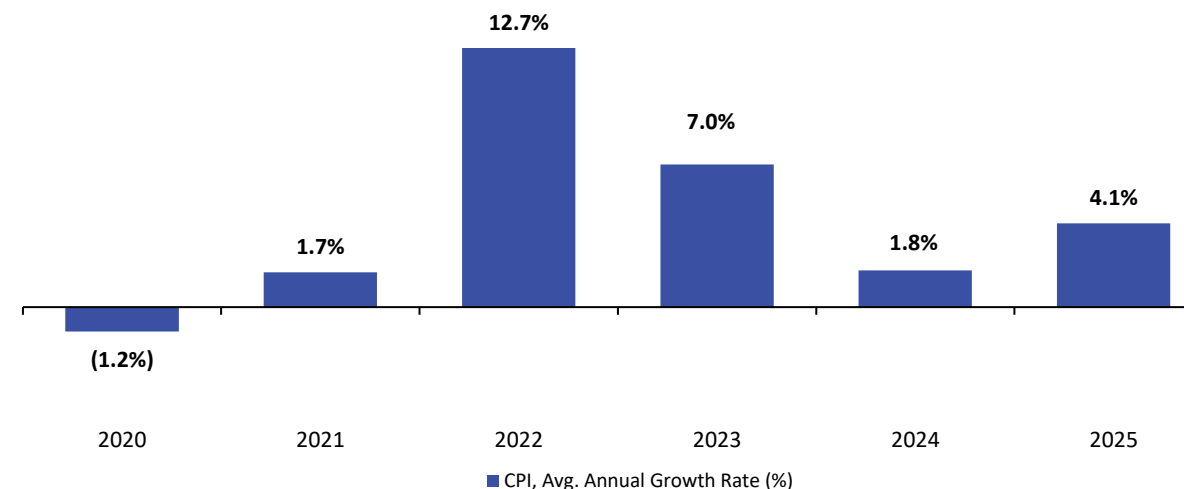
Strong Labour Market Trends with Unemployment at a 20 Years Low⁽¹⁾



Wage and Pension Growth Supporting Household Incomes...⁽¹⁾



... While Inflation Remains Moderate⁽¹⁾

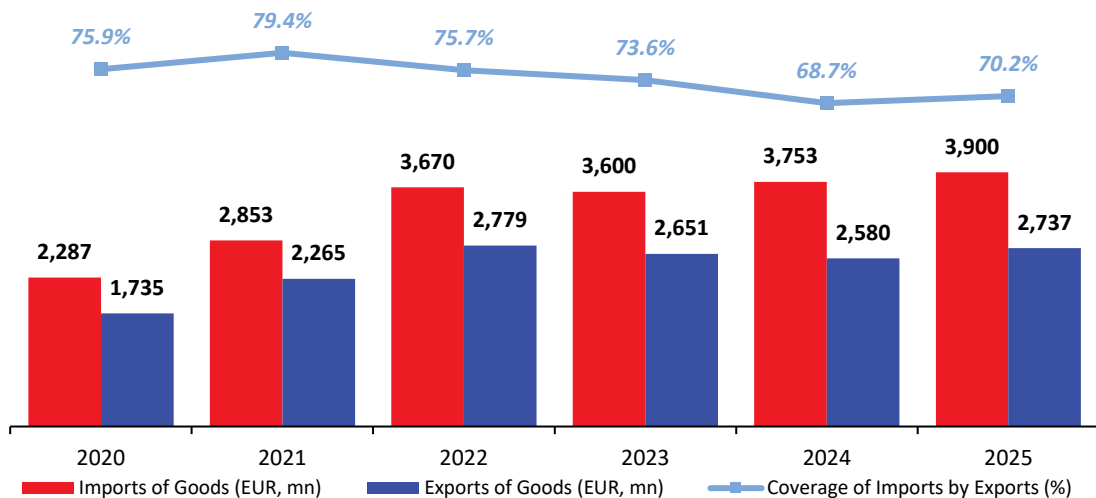


Open Economy with Broad Trade Relations, Strongly Anchored in the EU

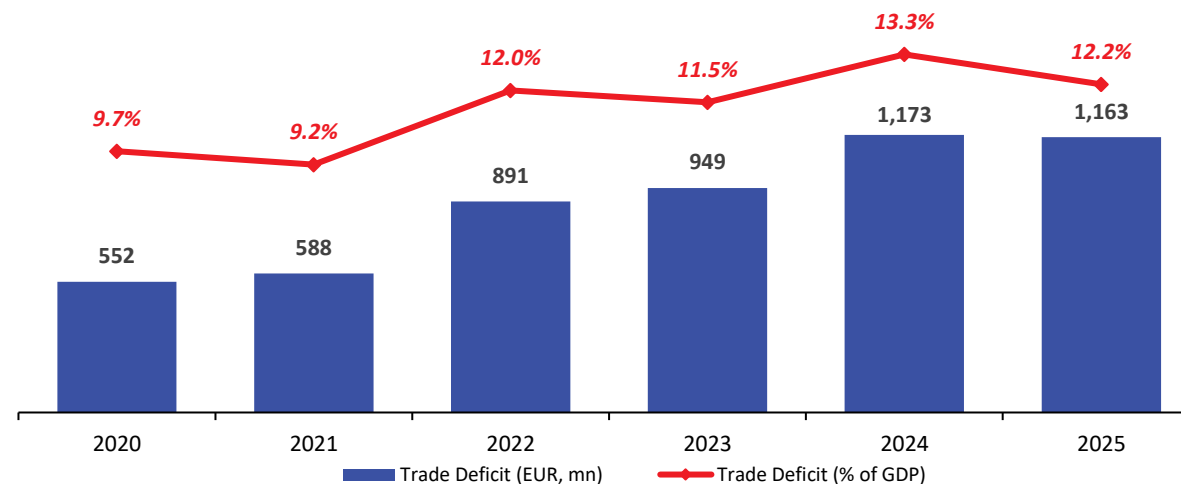
Healthy Trade Activity Underpinned by Domestic Demand, EU Connectivity, and Sectoral Diversity



Steady Growth in Trade Volumes Across Imports and Exports⁽¹⁾

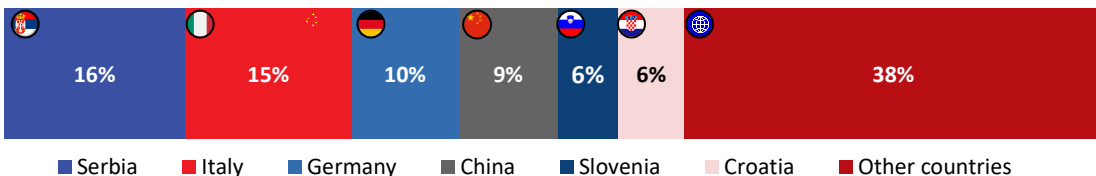


Rising Imports Reflect Strong Domestic Conditions and Growing Openness⁽¹⁾

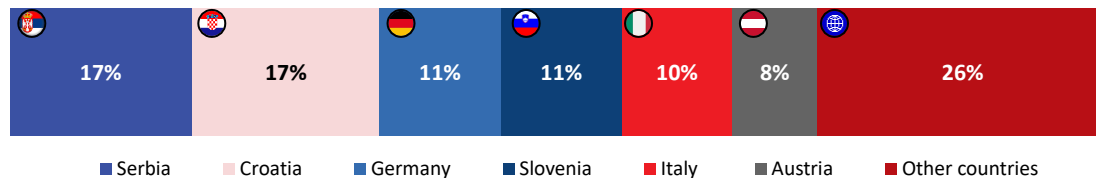


EU Partners Dominate Import and Export Shares⁽²⁾

Imports by Country as of 2024, % of Total

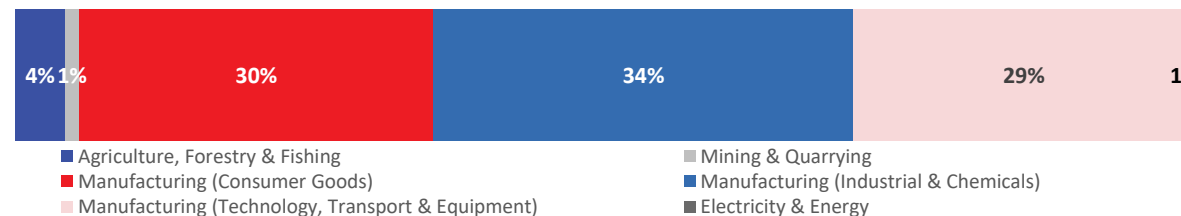


Exports by Country as of 2024, % of Total

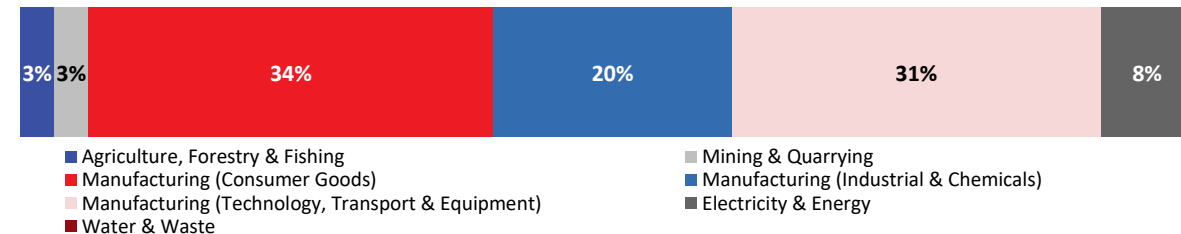


Manufacturing Accounts for the Majority of Trade Flows⁽²⁾

Imports by Sector as of 2024, % of Total



Exports by Sector as of 2024, % of Total



1) The RS Ministry of Finance, "The RS Macroeconomic Indicators" published as of January 2026 (2020-2025); annualised projected GDP used for 2025

2) The RS Ministry of Finance; figures may not sum to 100% due to rounding

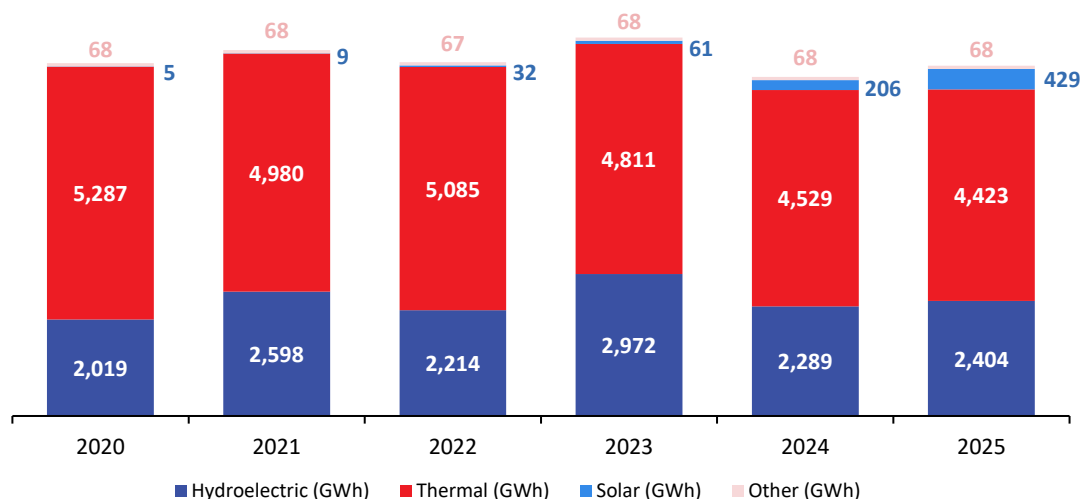
Energy Independence with Clear Transition Plan to Renewable Sources

Resilient Energy System Supported by Domestic Electricity Surplus, Large Renewable Potential, and Diversified Import Sources

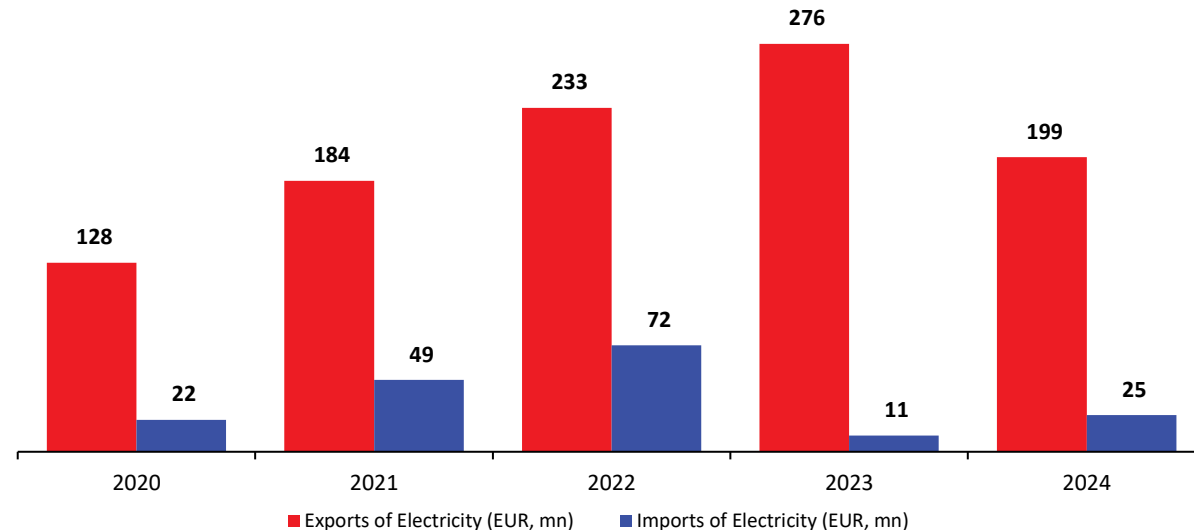


Thermal and Hydro Dominate Energy Production, with Solar Increasing Rapidly⁽¹⁾

Energy Production as of 2025, GWh



Net Exporter of Electricity, Ensuring Energy Independence⁽¹⁾



The RS Benefits from Secure Electricity Production, Expanding Renewables, Advancing EU-Aligned Reforms, and Low-Risk Import Exposure⁽¹⁾

The RS maintains energy independence through surplus electricity production

- ✓ Energy policy prioritises **domestic supply, system reliability, and energy independence**
- ✓ Approximately **100% of domestic electricity demand is supplied by MH Elektroprivreda RS** (100% state-owned entity)
- ✓ Focus on **electricity storage** to strengthen efficiency of electricity generation, particularly from renewable sources

Large untapped hydropower capacity and major expansion in renewables

- ✓ The RS has **significant unused hydropower potential**, enabling further low-carbon electricity expansion
- ✓ Government policy explicitly supports **wind, large solar, small solar, and biomass investments** to diversify the energy mix
- ✓ **By end-2025, facilities totalling 513 MW have been built**, and contracts have been concluded for renewable power plants with **over 2,300 MW** of total planned capacity (~EUR 2.7bn)

Implementation of EU-aligned market reforms and transition progress

- ✓ Implementation of **EU energy-market rules** is advancing
- ✓ New regulations for **storage and EV-charging infrastructure** support renewable integration and system modernisation
- ✓ **Environmental upgrades** already delivered at coal plants (e.g., Ugljevik FGD) to reduce emissions and lower transition risk

De-minimis gas imports while oil imports are well diversified

- ✓ Gas imports account for **less than 3%** of the overall energy mix of BiH
- ✓ Oil products are fully imported (no refinery in the RS), but **sourcing is highly diversified** across Croatia, Hungary, Italy, Serbia and others
- ✓ The RS 'electricity sector is domestically supplied, making overall **energy security strong**



03

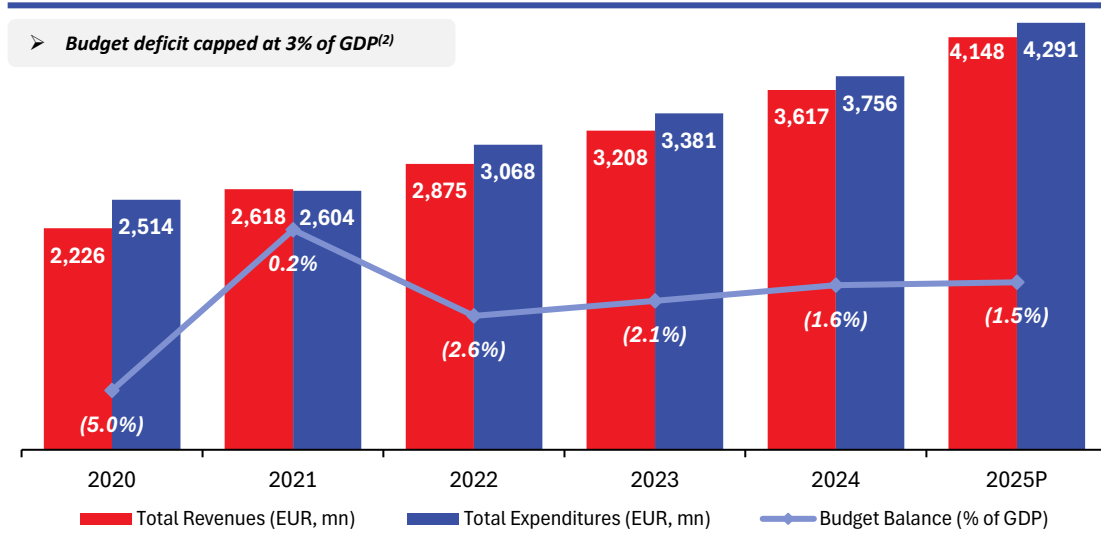
Debt & Fiscal Overview

Strong Fiscal Metrics with Disciplined Public Finances

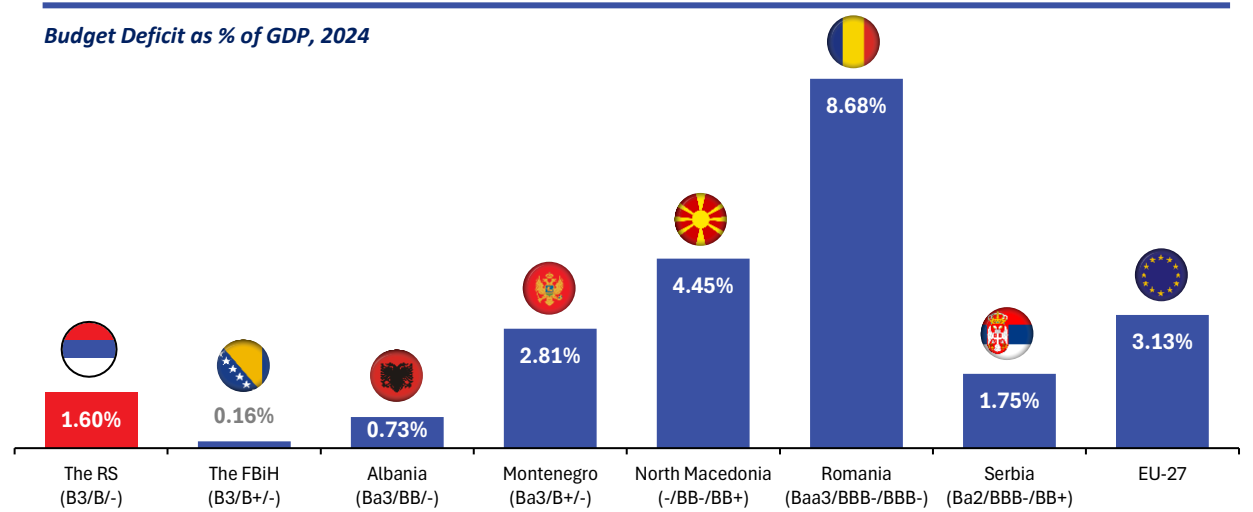


Contained Budget Deficits Well Below Peers and Underpinned by Established Fiscal Limits and Managed Funding Needs

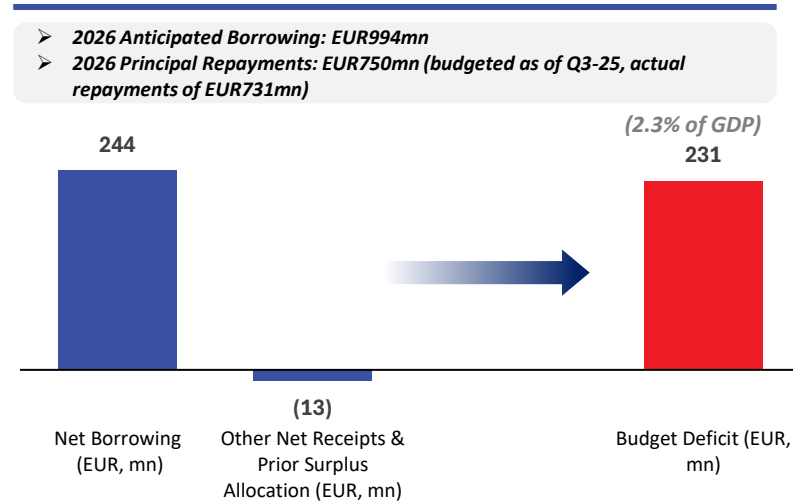
Track Record of Consistently Prudent Fiscal Policy⁽¹⁾



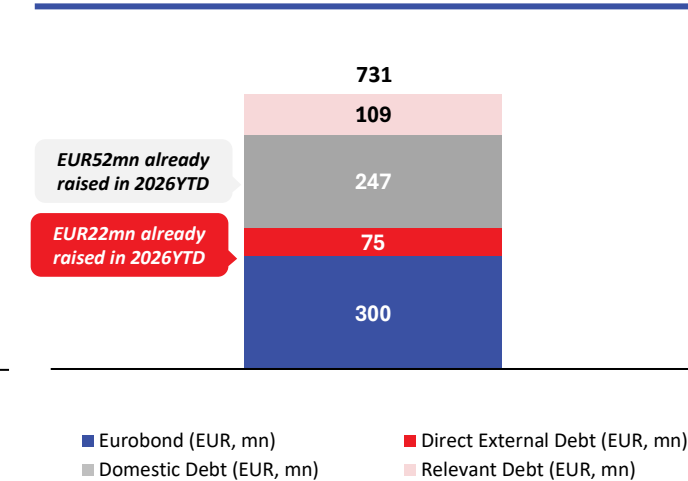
Fiscal Deficit Significantly Below Most Regional Peers⁽³⁾



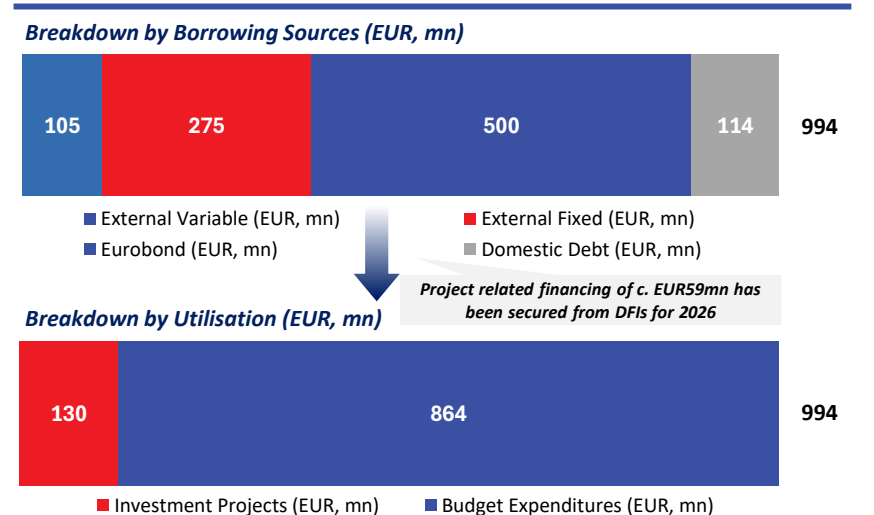
2026 General Govt. Deficit Driven by Net Borrowing⁽¹⁾



2026 Debt Repayment Profile⁽⁴⁾



2026 Total Anticipated Borrowing as per Budget⁽¹⁾



1) The RS Ministry of Finance; deficit figures at the general government level, including local self-governance units and social security funds
2) If the consolidated budget deficit exceeds 3% of GDP, the Law on Fiscal Responsibility foresees the creation of a Fiscal Consolidation Programme and the undertaking of fiscal measures to restore the deficit within the legal framework

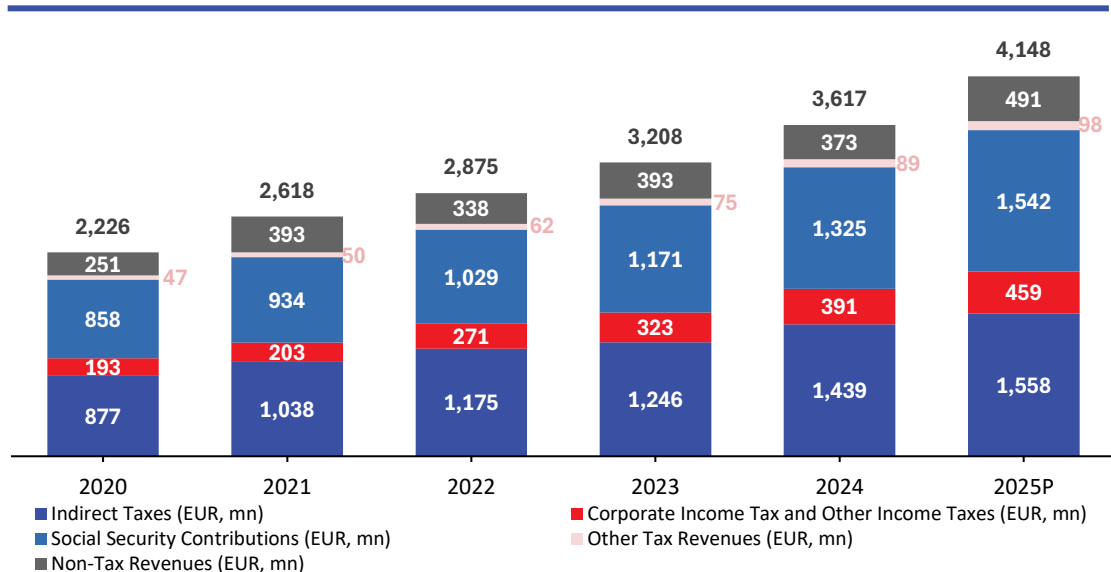
3) The RS Ministry of Finance, the FBiH Federal Ministry of Finance, and IMF WEO data as of October 2025
4) Relevant Debt refers to debt which has been borrowed by the Ministry of Finance and Treasury of BiH for the purpose of on-lending to the RS

Robust Fiscal Fundamentals and Performance Support Future Targets

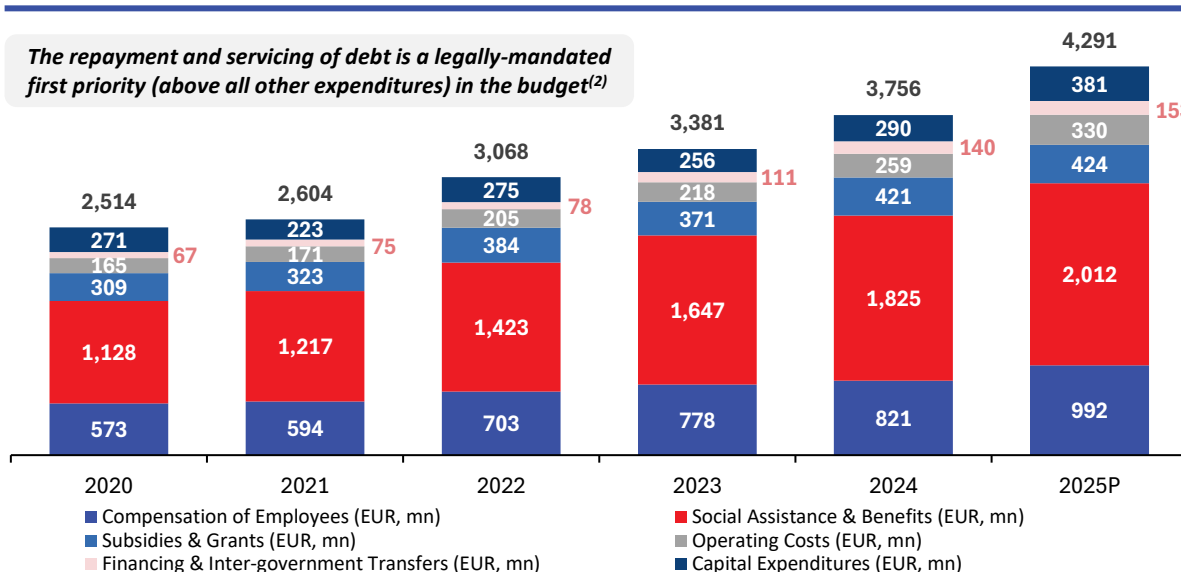
Sustainable Revenues, Consistent Expenditure Mix and Moderate Interest Bill Back Improving Fiscal Outlook



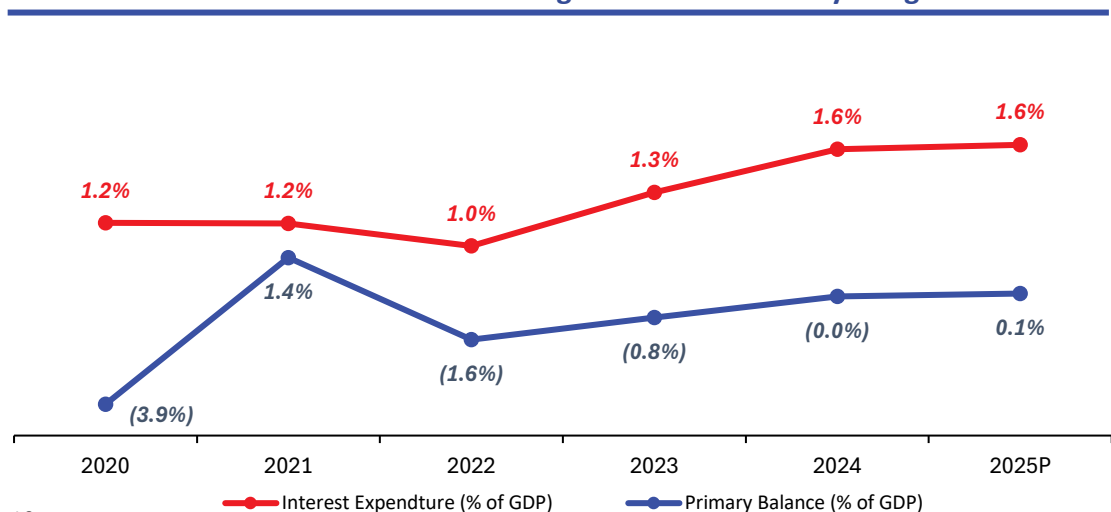
Stable and Growing Revenue Mix⁽¹⁾



Stable and Consistent Expenditure Structure⁽¹⁾



Contained Interest Bill Resulting in Balanced Primary Budgets⁽³⁾



Summary of Fiscal Projections for 2026⁽⁴⁾

(% of projected GDP)	2026F
Total Debt	38.4%
Public Debt	34.3%
Total Revenues	42.0%
Total Expenditures	44.3%
Budget Deficit	(2.3%)
Interest Expenditures	1.5%
Primary Balance	(0.7%)

1) The RS Ministry of Finance
2) Article 30 of the Law on Borrowing, Debt and Guarantees of the Republic of Srpska

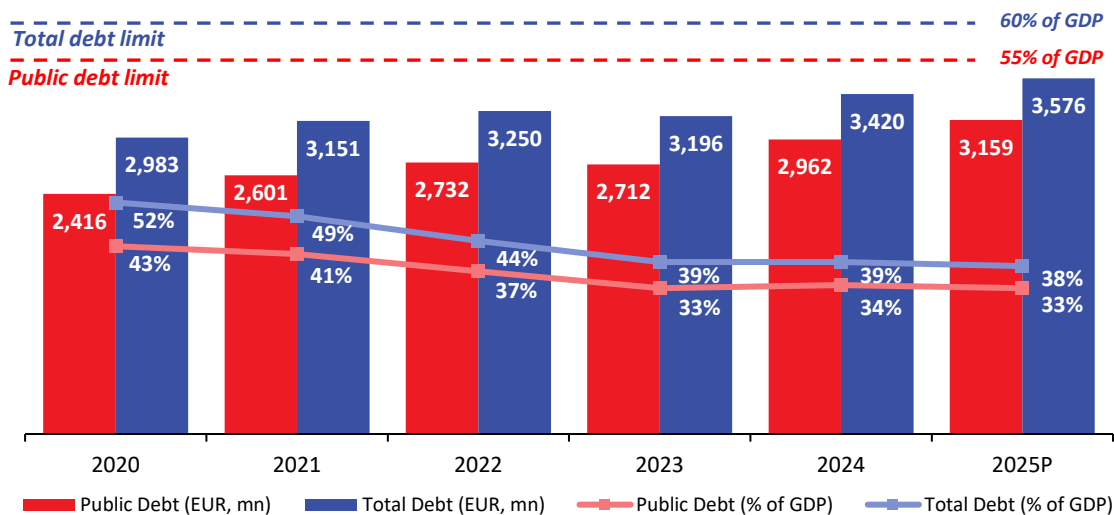
3) The RS Ministry of Finance; primary balance is defined as the budget balance net of interest payments on general government debt
4) The RS' Revised Medium-term Budget Framework for 2026-2028

Falling Debt Burden Underpinned by Strong Fiscal Rules

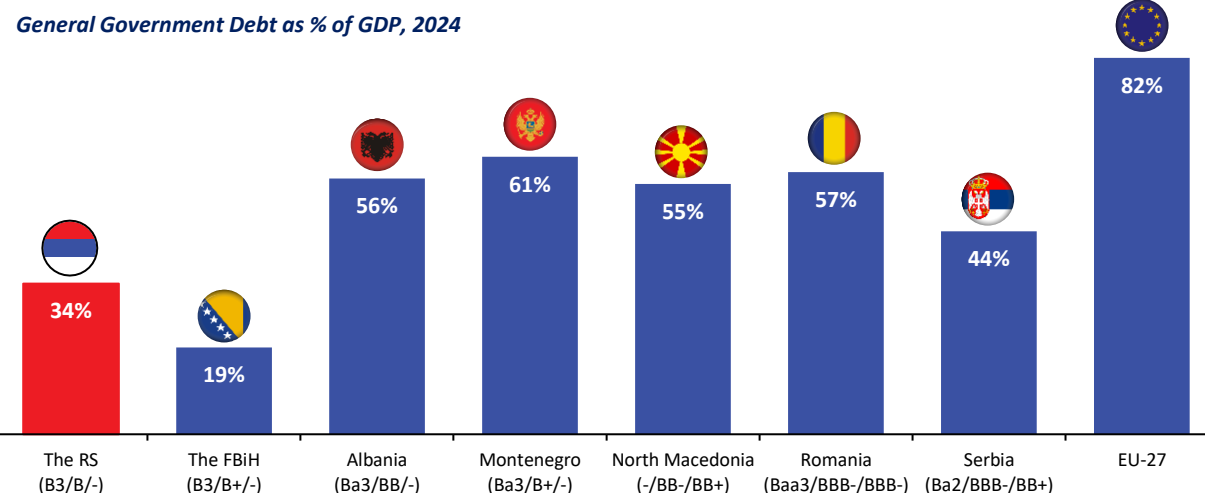
Debt Burden on Declining Trajectory, Below Most Regional Peers, and Balanced across External and Domestic Sources



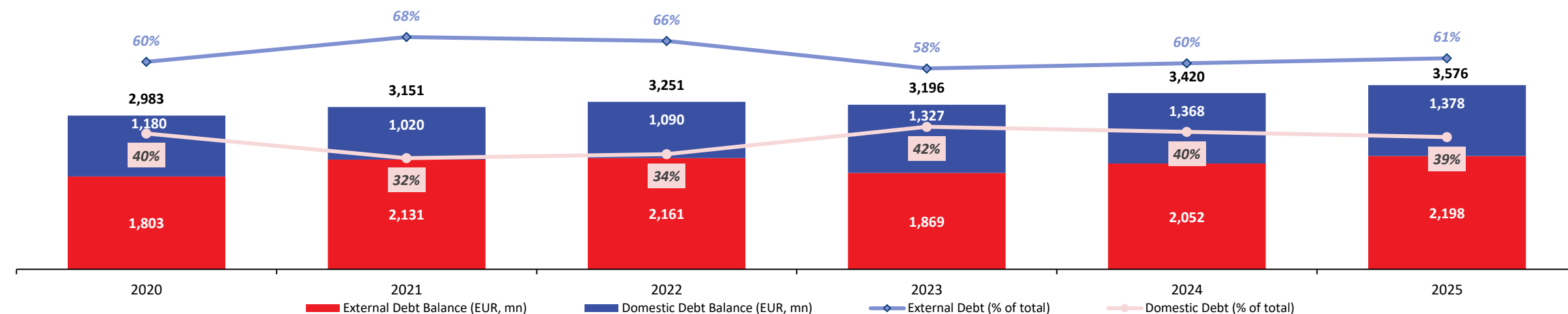
Debt-to-GDP Is at Historic Lows and Well within Legal Limits...⁽¹⁾



... And Significantly Below Most Regional Peers⁽²⁾



Healthy and Consistent Mix Mix of Domestic and External Debt⁽¹⁾

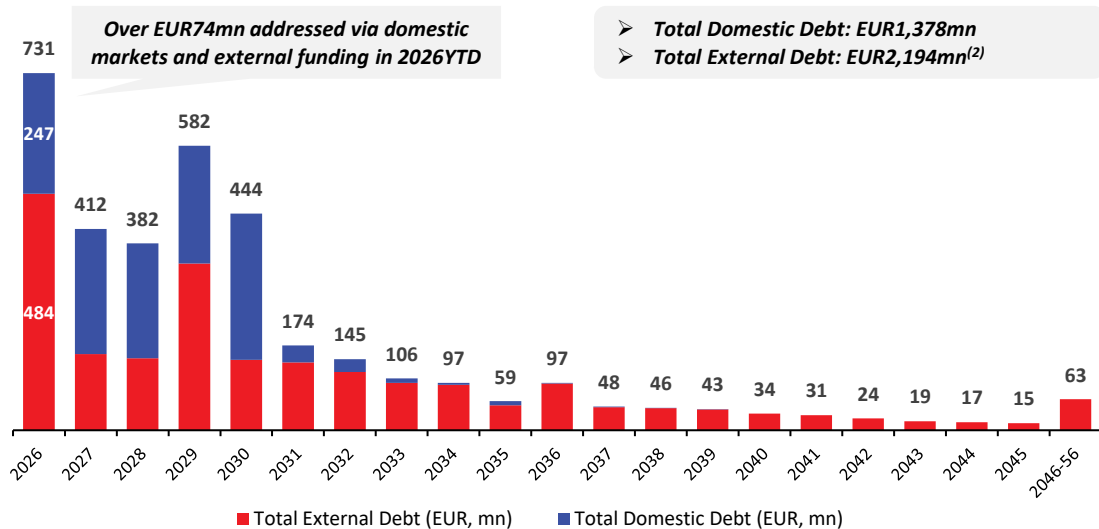


Diversified Debt Structure Well Positioned to Withstand Shocks

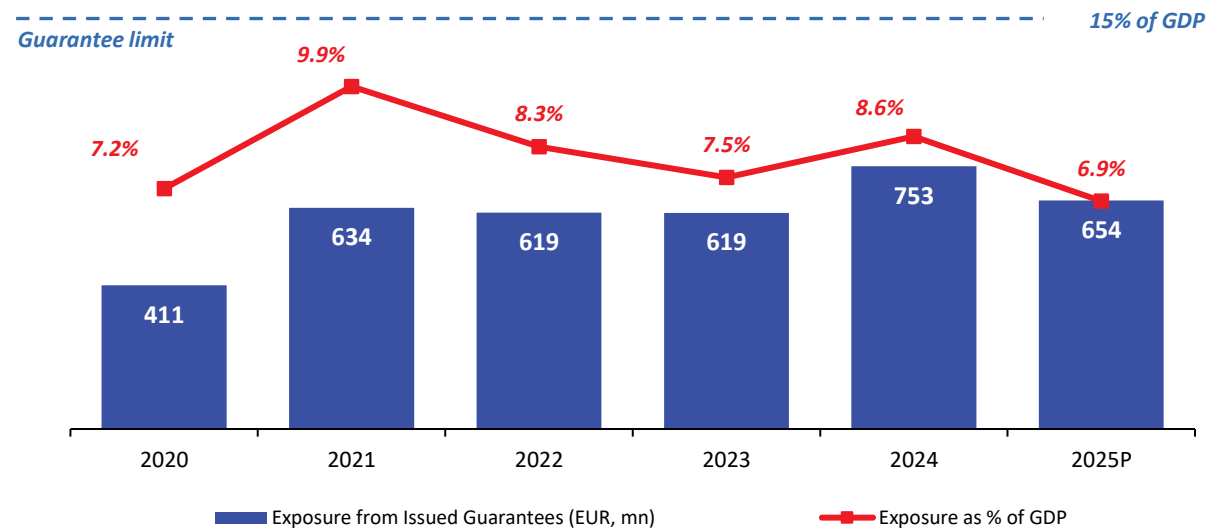
Debt Composition with Limited Refinancing, Interest Rate, Currency and Contingent Liability Exposure



Reduced Amortizations once the Apr '26 Eurobond Is Refinanced⁽¹⁾

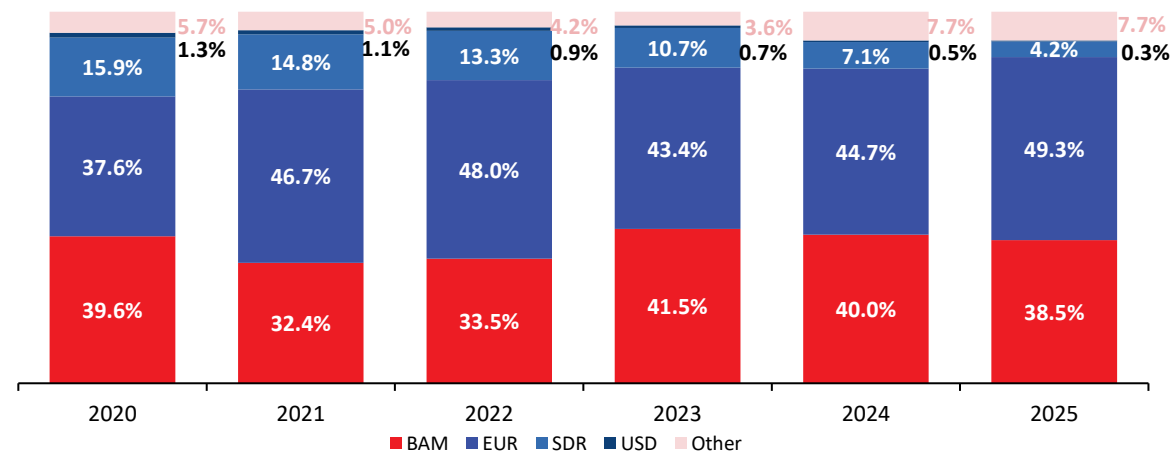


Contingent Exposure from Guarantees Remains Contained and Below Limits⁽¹⁾



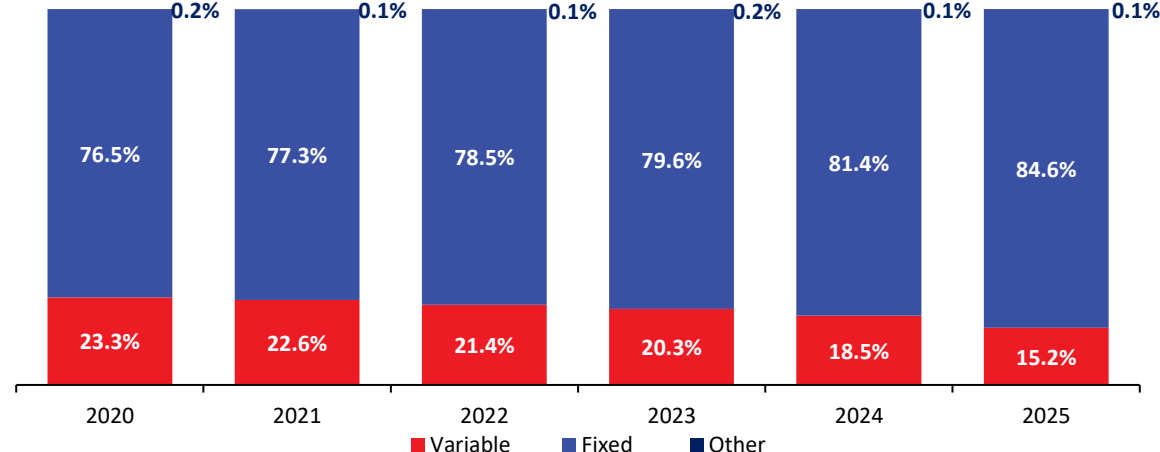
Debt Largely Denominated in BAM or EUR (pegged)...⁽¹⁾

Total Debt by Currency (% of total)



... Mostly on a Fixed Rate Basis⁽³⁾

Total Debt by Interest Rate Type (% of total)



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1) The RS Ministry of Finance; debt balance as of 31 December 2025
 2) Difference in total external debt compared to amount shown in P.12 and P.14 relates to "old debt" of the Republic of Srpska to some Paris Club creditors for which repayment terms have yet to be determined
 3) The RS Ministry of Finance; "Other" refers to a portion of debt to Paris Club creditors for which repayment terms have not been determined yet

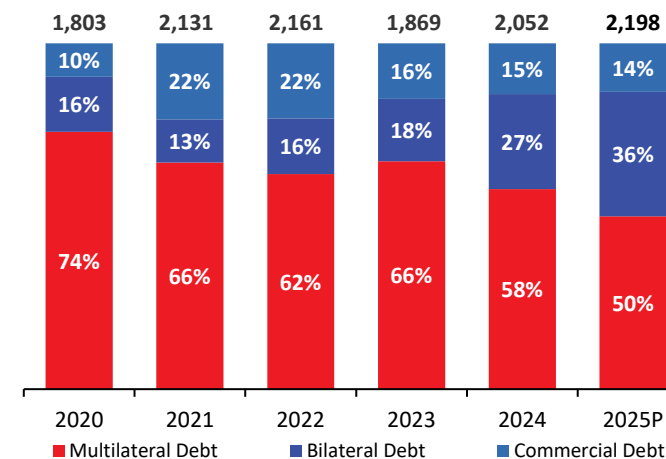
Sustainable and Diversified Funding Mix Ensuring Low Cost of Debt



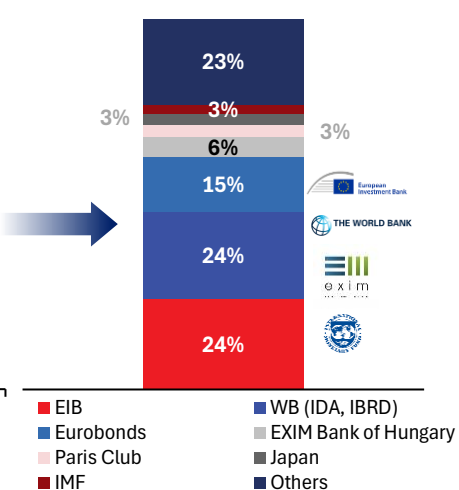
Strong Access to Multilateral and Domestic Funding Supports Liquidity and Debt Affordability

Multilateral Institutions Account for the Majority of External Funding⁽¹⁾...

External Debt by Creditor Type (%) and Total (EUR, mn)

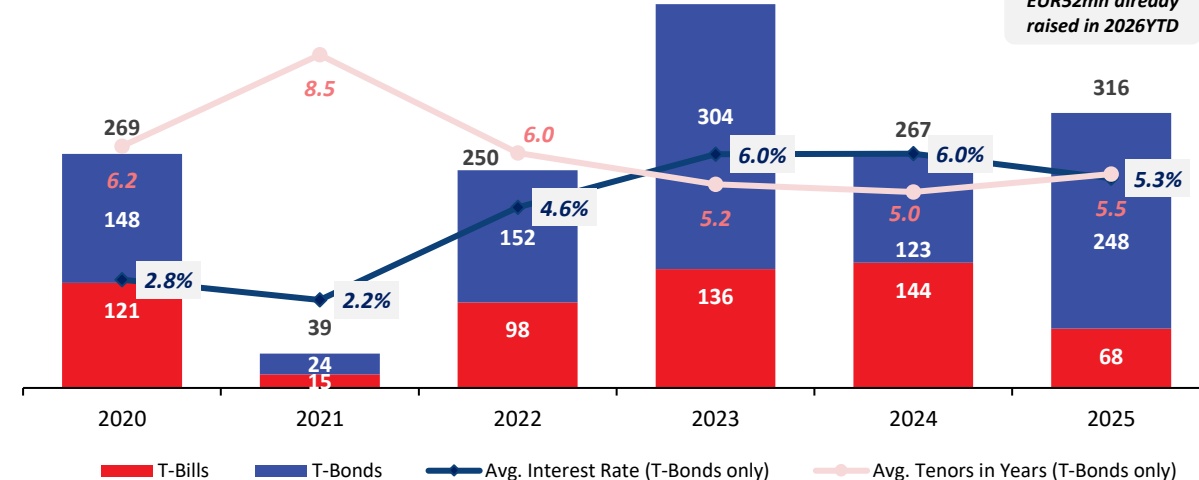


External Debt Creditor Breakdown, 2024

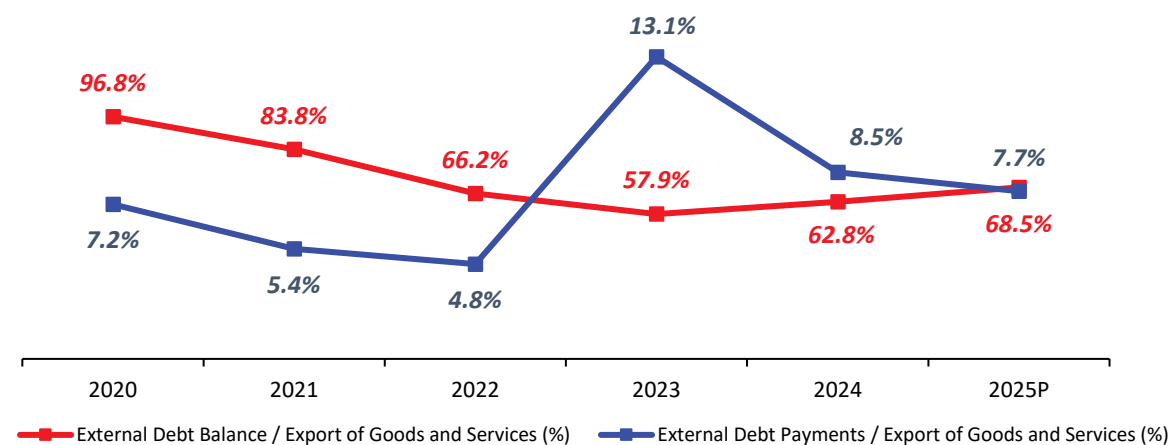


... With Deep and Liquid Domestic Markets Supporting the Financing Mix⁽¹⁾...

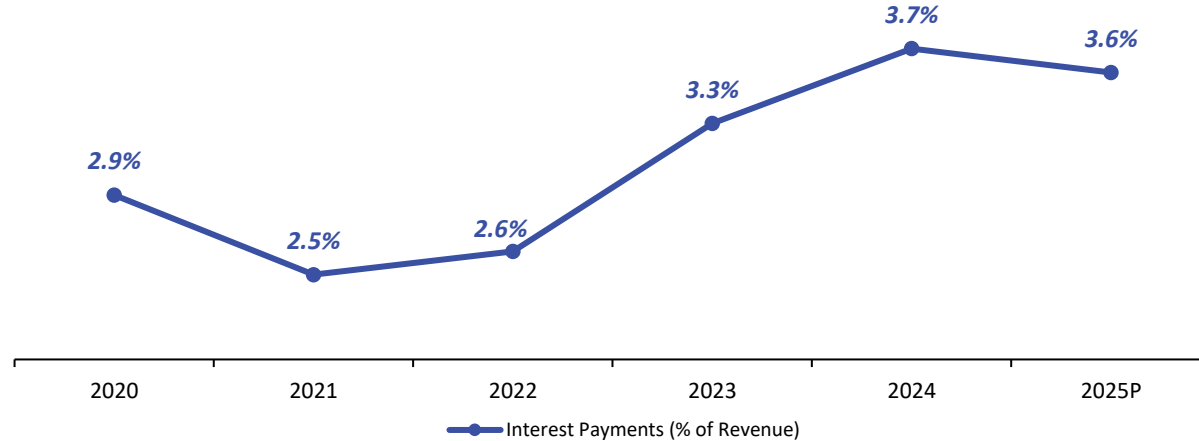
Realized Domestic Issuances, EUR mn equivalent



... Resulting in Robust External Liquidity⁽¹⁾...



... And Strong Debt Affordability⁽¹⁾





04

| External &
Financial Overview

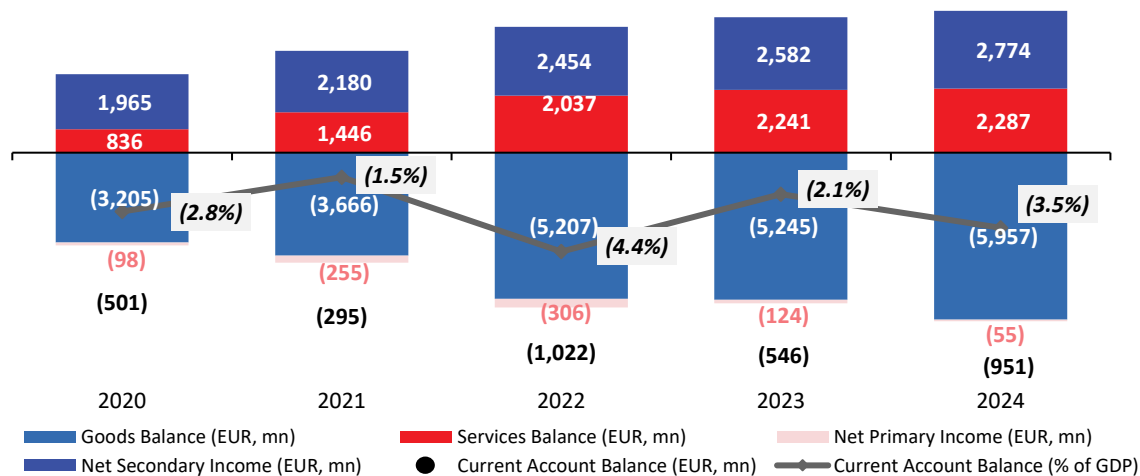
Healthy External Metrics with Contained Current Account Deficits



Moderate Current Account Deficits Relative to Peers and Largely Financed by FDIs

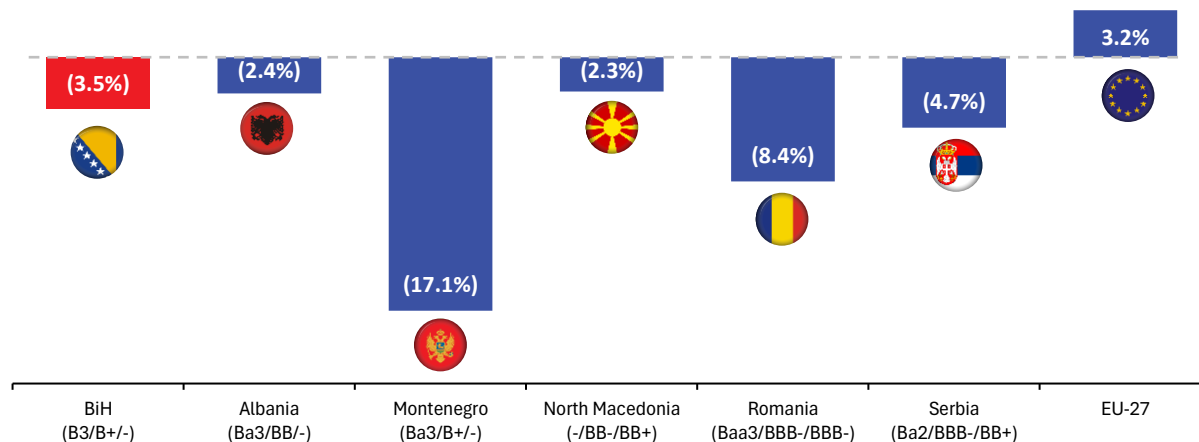
Contained Current Account Deficits Mitigated by Exports and Remittances...⁽¹⁾

BiH-Level Data, End of Period



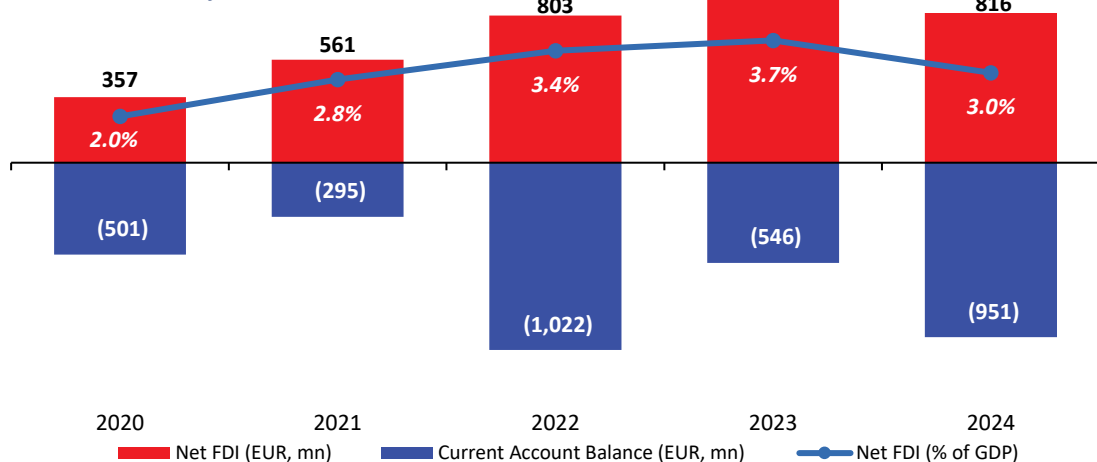
... In Line with or Below Most Regional Peers...⁽²⁾

Current Account Deficit as % of GDP, 2024



... And Largely or Fully Financed by FDI Inflows...⁽³⁾

BiH-Level Data, End of Period

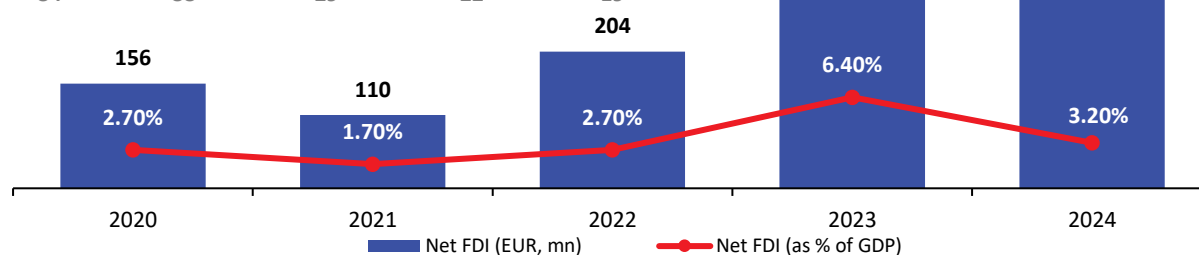


... Of which the RS Is a Significant Recipient⁽⁴⁾

Top FDI Source Countries, 2024 (EUR, mn)



Top FDI Sectors, 2024 (EUR, mn)



1) The Central Bank of Bosnia & Herzegovina (CBBH) database; external and monetary statistics available at BiH-level only
 2) The CBBH's 2024 Annual Report and IMF WEO data as of October 2025

3) The CBBH's database
 4) The Republic of Srpska Ministry of Economy and Entrepreneurship; the RS Macroeconomic Indicators published in January 2026

External Stability Anchored by Rising Reserves & Credible Currency Board

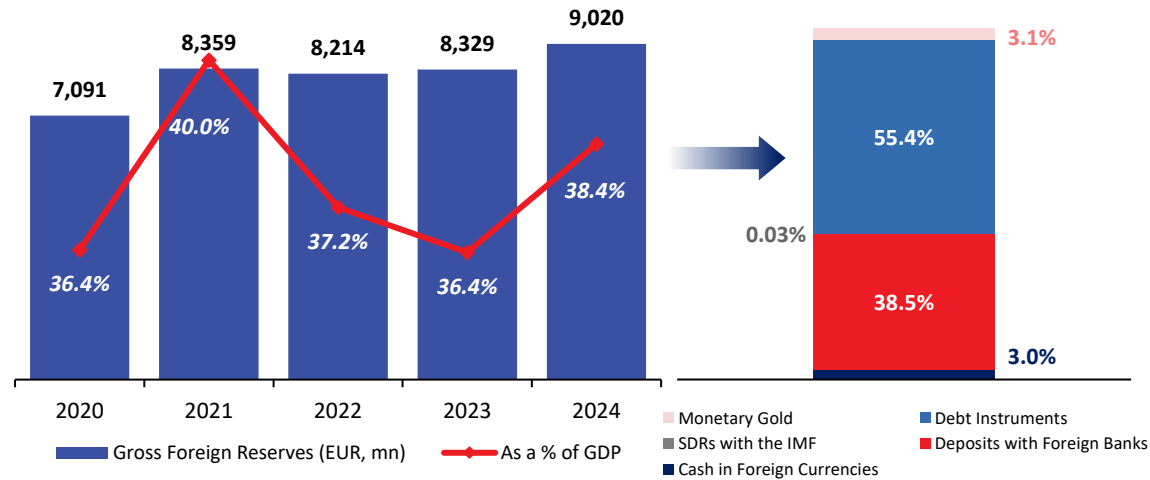


Consistent Reserve Accumulation and Rising Foreign Assets Strengthen External Fundamentals

Stable and Rising Foreign Exchange Reserves⁽¹⁾...

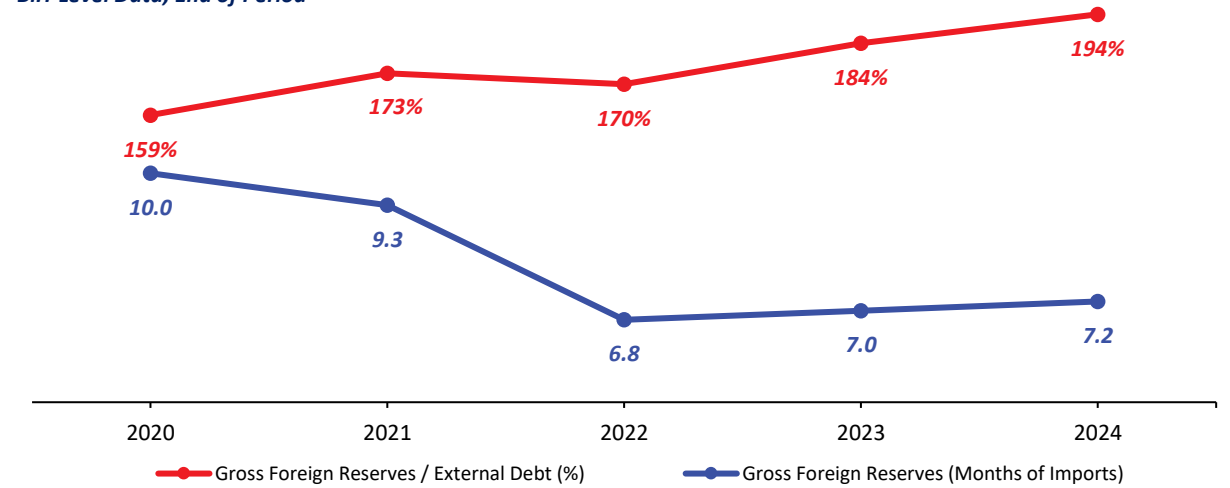
BiH-Level Data, End of Period

Reserves Breakdown, % of Total (2024)



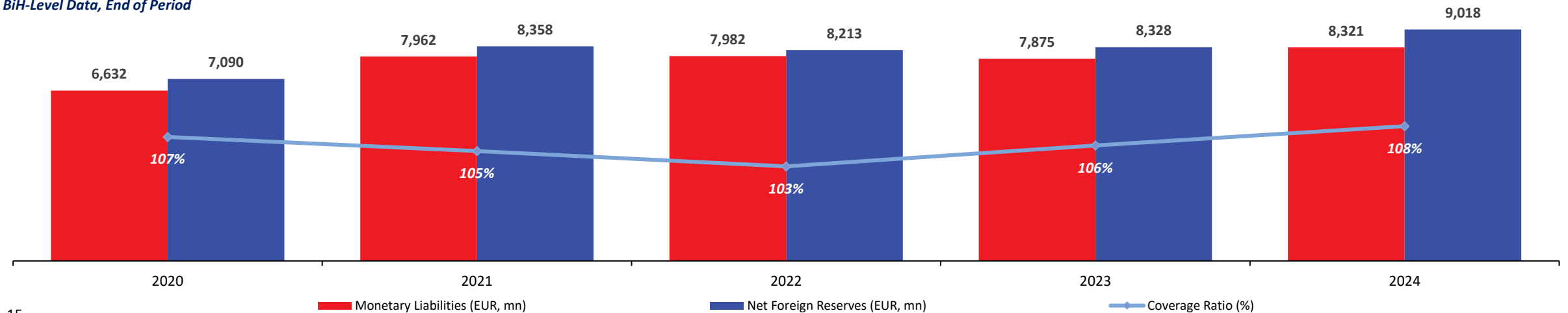
... Supporting Consistently Strong Reserve Adequacy Metrics⁽²⁾

BiH-Level Data, End of Period



Credible Currency Board Arrangement With Rising Net Foreign Assets⁽³⁾

BiH-Level Data, End of Period



1) The CBBH 2024 Annual Report; gross foreign reserves consist of balance sheet positions of short-term foreign assets and investments in securities
2) The CBBH 2024 Annual Report

3) The guaranteed convertibility of the BAM and the full coverage of monetary liabilities with convertible foreign currency reserves are the primary objectives of the CBBH; net foreign reserves represent the difference between gross foreign reserves and liabilities to non-residents

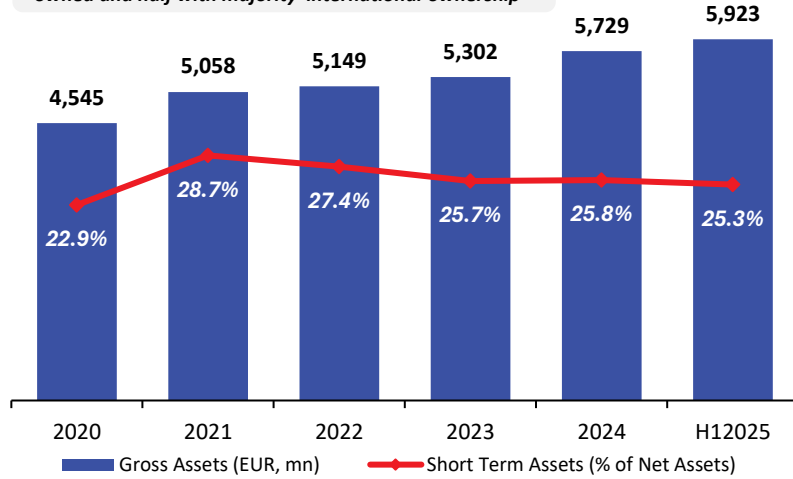
Stable and Resilient Banking Sector

Liquid, Well-Capitalized, Growing and Increasingly Creditworthy Banking System Is an Additional Anchor of Macroeconomic Stability

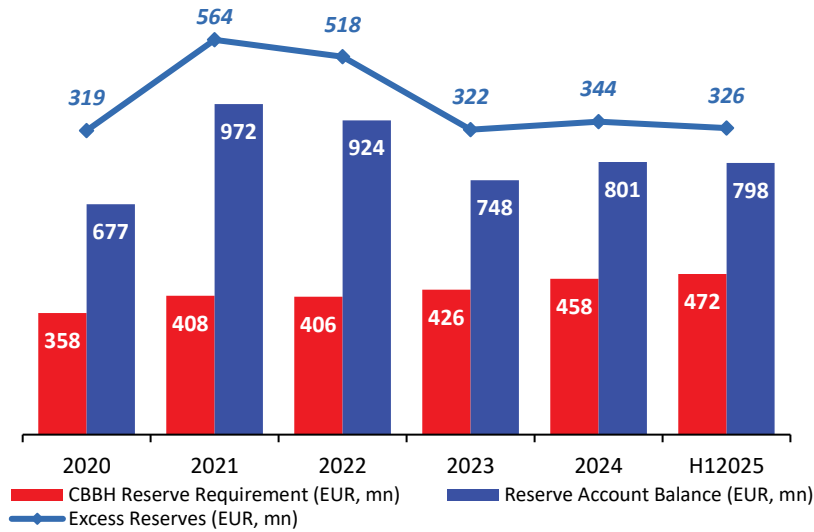


Growing Banking Sector with Stable Liquidity Metrics⁽¹⁾

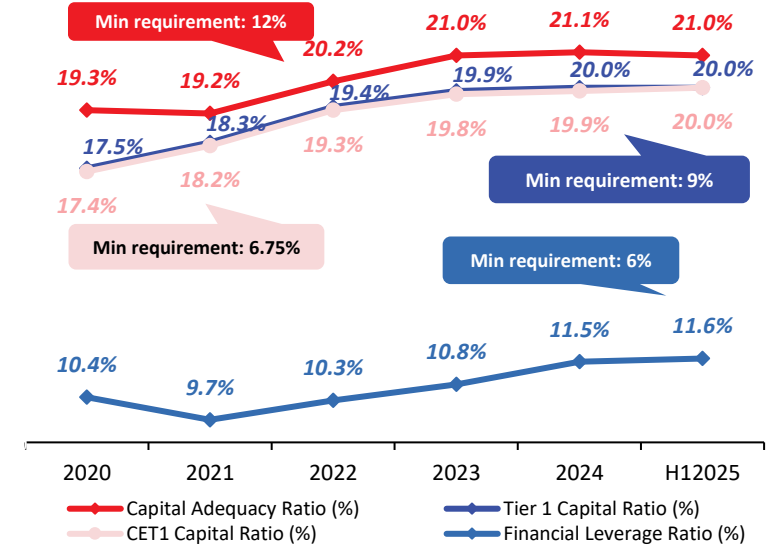
Banking sector composed of 8 banks, all privately owned and half with majority international ownership



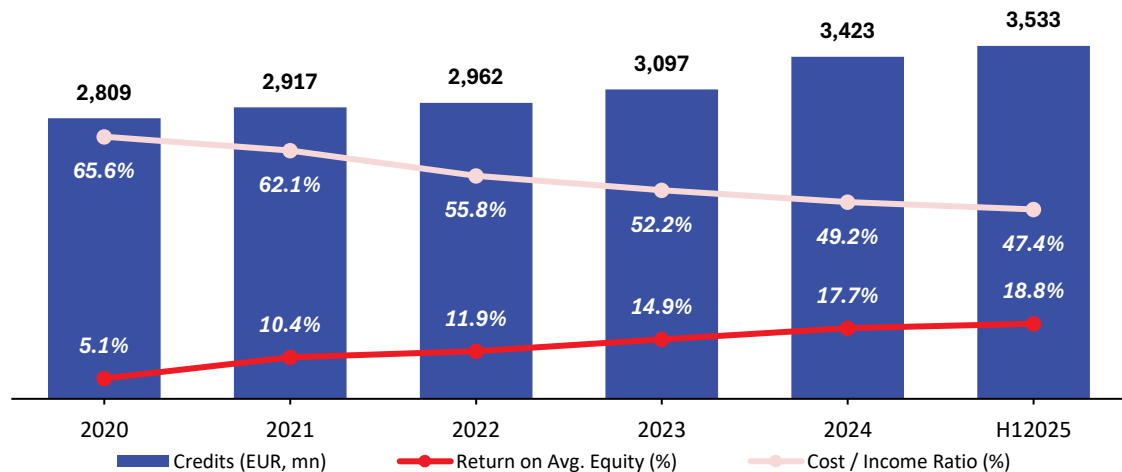
High Excess Reserves Act as an Important Safety Net⁽²⁾



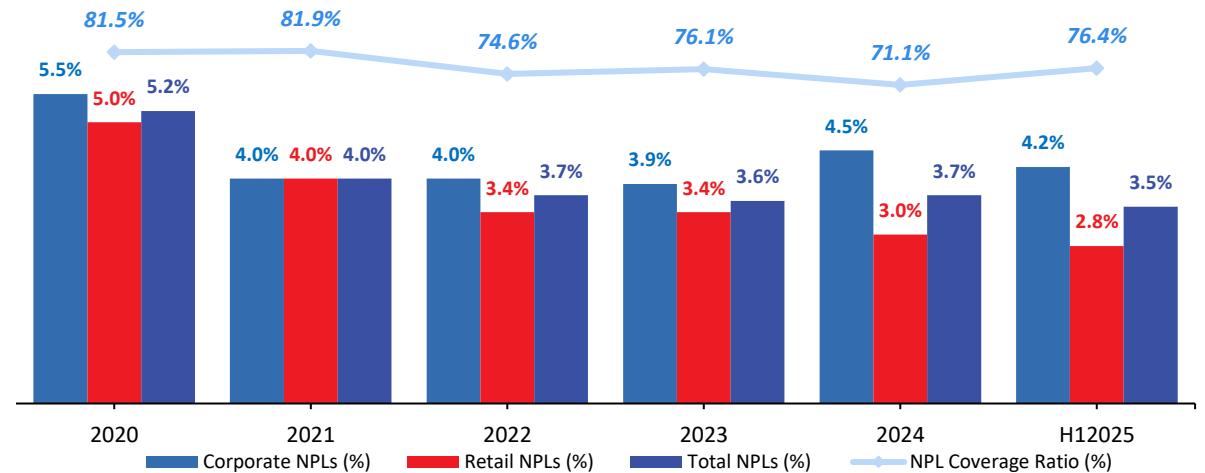
Capitalization Levels Well Above Requirements⁽¹⁾



Consistent Credit Growth and Rising Profitability⁽¹⁾...



... While NPLs Continue to Decline across Corporate and Retail Segments⁽¹⁾



1) The Banking Agency of the RS; short term assets refer to cash and deposits and other financial assets with a remaining maturity of less than three months, excluding interbank deposits

2) The CBBH