REPUBLIC OF SRPSKA
MINISTRY OF FINANCE

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Under Article 17, Paragraph 5, of the Law on Borrowing, Debt and Guarantees of the Republic of Srpska ("Official Gazette of the Republic of Srpska", number: 71/12, 52/14, 114/17, 131/20, 28/21 and 90/21), Regulation on Requirements, Issuance Procedure and Elements of Primary Market for Treasury Bills ("Official Gazette of the Republic of Srpska", number: 58/15), Decision on the Republic of Srpska Short-Term Borrowing by the Issue of Treasury Bills in 2026 ("Official Gazette of the Republic of Srpska", number: 114/25) and Article 82, Paragraph 2, of the Law on Republic Administration ("Official Gazette of the Republic of Srpska", number: 115/18, 111/21, 15/22, 56/22, 132/22 и 90/23), the Minister of Finance hereby passes the following:

DECISION
On the Issue of the Republic of Srpska Treasury Bills

1. Republic of Srpska issues treasury bills (T-bills) in order to ensure funds for the purposes prescribed by Article 13 of the Law on borrowing, debt and guarantees of the Republic of Srpska.
2. Basic elements of treasury bills referred to in paragraph 1 hereof are as follows:
   - Issuer: Republic of Srpska;
   - Issue Volume: 30.000.000,00 BAM;
   - T-Bills Face Value: 10.000,00 BAM;
   - Auction Date: November 18, 2026;
   - Registration Date: November 19, 2026;
   - Maturity Date:May 18, 2026;

   – before the final maturity of the bond, the bond holder has the right to submit a request for concluding an agreement with the Ministry of Finance regarding the amortization of the bond with a currency clause,

   – in the event of concluding an agreement, the euro currency clause shall apply, and in the event of a change in the official exchange rate of the convertible mark against the euro, determined by the Central Bank of Bosnia and Herzegovina (hereinafter: CBBiH), the bonds that are the subject of this decision and the concluded agreement shall be converted and paid in the equivalent of the convertible mark for the euro, according to the middle exchange rate in CBBiH valid on the day of the auction,

   – in the event of a change in the official exchange rate of the convertible mark for the euro, determined by CBBiH, the bonds that are the subject of this decision and the concluded agreement shall be converted and paid in the equivalent of the convertible mark for the euro, according to the middle exchange rate in CBBiH, which is valid two days before the maturity date.
3. The Republic of Srpska Ministry of Finance (hereinafter: Ministry) shall announce a public call for participation in the treasury bill auction on the websites of the Ministry and Banja Luka Stock Exchange not later than seven days before the auction.
4. Treasury bills shall be issued as non-material securities (electronic entries) and registered with the Central Registry of Securities, JSC Banja Luka (hereinafter: the Central Registry).
5. Treasury bills shall be registered in the name of their holder.
6. Uniform discounted price of treasury bills shall be determined in the primary sale of treasury bills at the auction.

   The amount of treasury bills discounted price is calculated on a yearly basis, using the following formula:

$$C = 100 - \frac{100 * d * i}{365 + d * i}$$

C = discounted price,
d = number of days remaining until maturity, and

i = interest rate / 100.

Discounted price shall be expressed with four decimal places in the bid.

The discounted value of the bid shall represent the product of the discounted price and the volume of treasury bills that an auction participant intends to purchase.

7. The Ministry reserves the right to accept or reject any or all purchase bids.
8. Ownership of treasury bills shall be acquired on the day of treasury bills registration in the corresponding securities accounts kept with the Central Registry.
9. Treasury bills referred to in paragraph 2 hereof may be redeemed before their maturity date, in accordance with Article 17 of the Regulation on Requirements, Issuance Procedure and Elements of Primary Market for Treasury Bills.

R a t i o n a l e

Republic of Srpska treasury bills auction is planned for November 18, 2026, in accordance with conditions defined hereof. The auction of Republic of Srpska treasury bills is to be held in order to provide funds for the purposes prescribed by Article 13 of the Law on borrowing, debt and guarantees of the Republic of Srpska pursuant to Decision on the Republic of Srpska Short-Term Borrowing by the Issue of Treasury Bills in 2026 ("Official Gazette of the Republic of Srpska", number: 114/25).

The above-mentioned decision defines that, during the budget year, a treasury-bill-based borrowing will comply with the following criteria:

- Maximum amount of short-term debt in 2026 may not exceed 8% of ordinary revenues of the previous fiscal year,
- Maximum interest rate may not be higher than the relevant Euribor + 1.5 %,(if relevant EURIBOR turns negative, than it shall be counted as 0%) and
- Maturity may not be longer than one year.

The scheduled amount of this auction is 30 million BAM maximum, whilst the real amount of the issue shall be known after closing the auction at uniform equilibrium price.

The payments of the accepted bids shall be executed on November 19, 2026, not later than 10:00 am.

After the payments have been executed, the RS Ministry of Finance shall submit a request to the Central Registry for registering the securities. The registration shall be conducted on November 19, 2026.

Having completed the registration, the Central Registry shall notify the Banja Luka Stock Exchange thereof, which shall list the treasury bills on the stock exchange.

If necessary, the RS Ministry of Finance may announce a public call for an early redemption of treasury bills referred to in paragraph 2 hereof. The Minister of Finance shall pass the decision on an early redemption, and the public call for an early redemption shall be posted on the websites of the Ministry and the Banja Luka Stock Exchange, five working days prior to the redemption.

MINISTER

Zora Vidovic