



REPUBLIC OF SRPSKA
MINISTRY OF FINANCE

Trg Republike Srpske , Banja Luka; Tel.: 051/339-155, 051/339-179; Fax: 051/339-655; www.vladars.net; e-mail: mf@mf.vladars.net

Ref.: 06.01/020-1721/11

Date: 24 October 2011

Pursuant to the State Indebtedness, Debt and Guarantees Act ("Official Gazette of Republic of Srpska", no. 30/07 and 29/10), and the Decision on long-term indebtedness of the Republic of Srpska by the bond issue, no.: 01-1407/11, date: 23 September 2011 ("Official Gazette of Republic of Srpska", no. 99/11) and the Decision on the first issue of the Republic of Srpska bonds by public invitation, number 04/1-012-2-2283/11 ("Official Gazette of Republic of Srpska", no. 30/07 and 103//11) Ministry of Finance issues:

PUBLIC INVITATION
FOR SUBSCRIPTION AND PAYMENT OF FIRST ISSUE OF THE REPUBLIC OF
SRPSKA BONDS BY PUBLIC INVITATION
For all domestic and foreign natural persons and legal entities

1. We are hereby inviting all interested natural persons and legal entities to participate in the public offering of the first issue of the Republic of Srpska bonds
2. Pursuant to the Decision on the first issue of the Republic of Srpska bonds by public invitation, number 04/1-012-2-2283/11, the basic elements of the issue are:
 - The issuer: The Republic of Srpska;
 - Description of the issue: the first issue of long-term bonds by public invitation;
 - Number of Securities: 1.200.000;
 - Nominal value of a single Security: 100 BAM;
 - Planned amount of the issue: 120.000.000,00 BAM;
 - Interest rate: fixed 5,00 % annual;
 - Payment of the principal: bullet repayment after 7 (seven) years from the date of the registration of the issue;
 - Payment of the interest rate: twice a year, after every six-month period from the date of registration of issue
3. Information about the public invitation:
 - Start date of subscription: 08 November 2011;
 - Place of Subscription: subscription shall be done at authorized stock brokers, at Banja Luka Stock Exchange;
 - Entry of Sales order: 15 November 2011 until 12 h;
 - Period of the transaction conclusion: from 15 November 2011 until 12 h, to 17 November 2011 until 12, at unique selling price;
 - End of subscription 17 November 2011 at 12 h.
4. Payment and subscription:
 - Date of subscription: until 18 November 2011, not later than 12 h;
 - Payment: at Komercijalna banka a.d. Banja Luka, Veselina Masleše 6, 78 000 Banja Luka, account number: **571010-00002100-69**;

- Subscription date of Securities: not later than 23 November 2011, at Central Registry of Securities.
5. Early repayment:
- i. Ministry of Finance will, pursuant to the special decision of the Government of the Republic of Srpska, perform early repayment and organize regular repo auctions.
6. Other information:
- Public invitation is issued on 25 October 2011, in daily newspapers, on the internet site of the Government of Republic of Srpska www.vladars.net segment Ministry of Finance and on the internet site of Banja Luka Stock Exchange www.blberza.com.
 - Information material for investors is on the internet site of the Government of Republic of Srpska www.vladars.net segment Ministry of Finance.
 - Authorized person of the issuer for administering the issue is the Minister of Finance, PhD Zoran Tegeltija.
 - For further information about the Republic of Srpska bonds, please contact Ministry of Finance of the Republic of Srpska, Trg Republike Srpske 1, 78000 Banja Luka, Tel.: 051/339-135, 051/339-134 and 051/339-128.

Ministry of Finance
PhD Zoran Tegeltija