
BOSNIA REGION SELLS \$28 MLN FIVE-YEAR BOND AT HIGHER COST

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May 3 Bosnia's autonomous Serb Republic sold 50 million Bosnian marka (\$27.9 million) of five-year bonds at a higher yield on Wednesday to help plug a budget gap in the absence of cash from the International Monetary Fund (IMF).

Bids for the bonds, which carry an annual coupon of 3.50 percent, totalled 65.7 million marka, against 50 million marka offered, data from the Banja Luka Stock Exchange (BLSE) showed.

They sold at a weighted average yield of 3.49 percent, up from 2.50 percent when last auctioned in March.

The IMF has halted disbursements under its 553 million euro (\$604 million) three-year extended loan arrangement for Bosnia, which was approved last September to support the country's economic reforms, because of reform delays .

Bosnia's two regions, the Serb Republic and the Bosniak-Croat Federation, need the IMF money to cover their respective budget gaps and to finance maturing debt.

The lender has already paid out 79.2 million euros. But to access the next tranche of 80 million euros, Bosnia must pass a law raising excise taxes and four other economic measures. (\$1 = 0.9166 euros) (\$1 = 1.789 Bosnian marka) (Reporting by Daria Sito-Sucic; Editing by Keith Weir)

<http://www.reuters.com/article/bosnia-treasury-idUSL8N1I54AT>

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