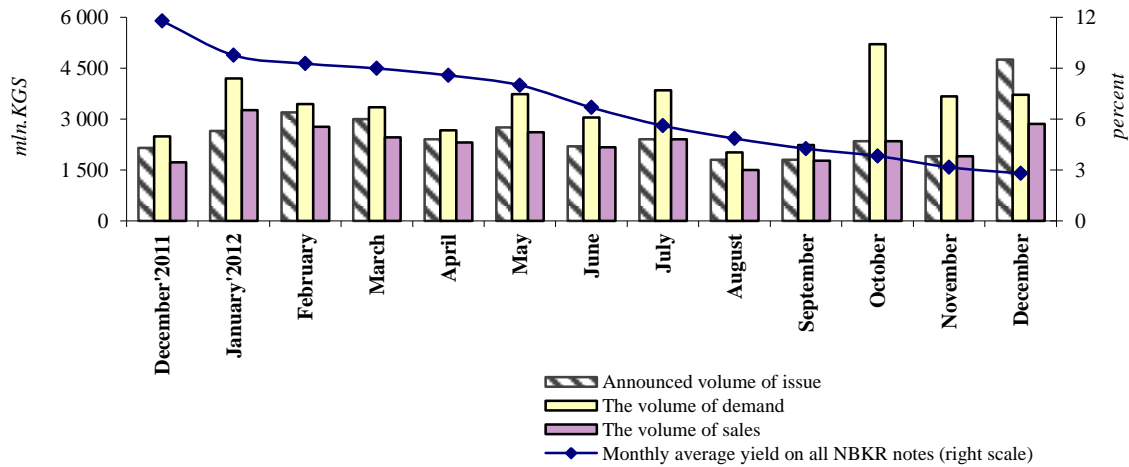


NBKR Notes
(December 2012)

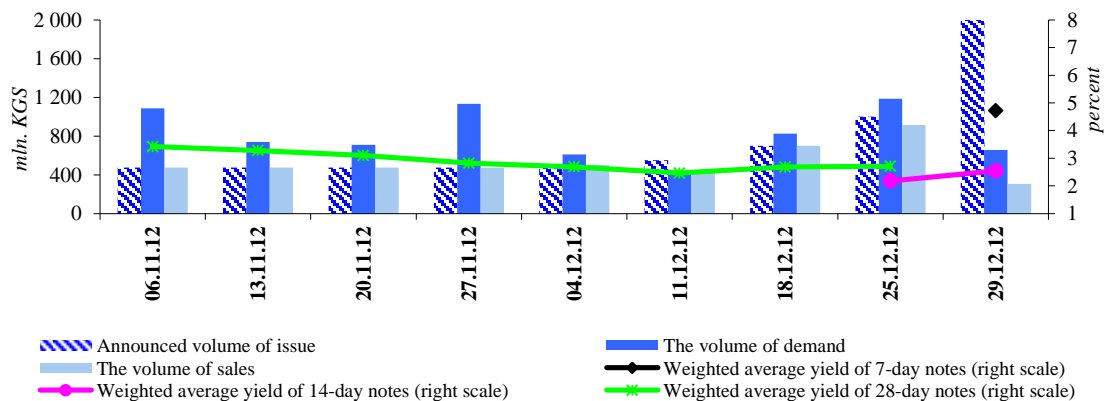
Graph 1. Demand and placement of NBKR notes



At the five auctions of placement of NBKR notes held in December, securities of the total amount of KGS 4.8 billion were placed, which is 2.5 time higher than the analogous indicator of the previous month. At that the average auction volume of demand in December fell by 18.9 percent to KGS 743.3 million. As in December, the entire volume of sales was represented by 7, 14 and 28-day notes the most of them were purchased by three commercial banks with a total share in the structure of sales of 83.6 percent. As a result the average auction¹ volume of sales in December constituted KGS 572.0 mln., increased by 20.4 percent compared to the indicator of the previous month. In the period under review demand for notes in the most of conducted auctions by the issuer exceeded volume of supply, reduced from the last decade of December to KGS 915.0 mln. for the auction, according the objectives of conducted monetary policy of the National Bank.

The total average yield of NBKR notes in December, represented by the yield of only 7, 14 and 28-day notes, decreased by 0.8 percentage points, and constituted 2.8 percent.

Graph 2. The dynamics of demand, sales and yield of NBKR notes



In the period under review the volume of notes in circulation increased by 60.5 percent, constituted on the level of KGS 3.1 billion. As a result, share of commercial banks, the main holders of NBKR notes, increased by 12.3 percentage points, to 98.6 percent on the background of simultaneous decrease of the share of portfolio of resident legal entities from 7.3 to 0.4 percent. At the same time, share of institutional investors decreased by 6.4 to 1.0 percent. The resident individuals in the auctions did not participate.

¹ This indicator is used instead of the total volume of demand / supply for the month, as the number of auctions for the month is the non-permanent value.

Graph 3. Dynamics of sale of NBKR notes

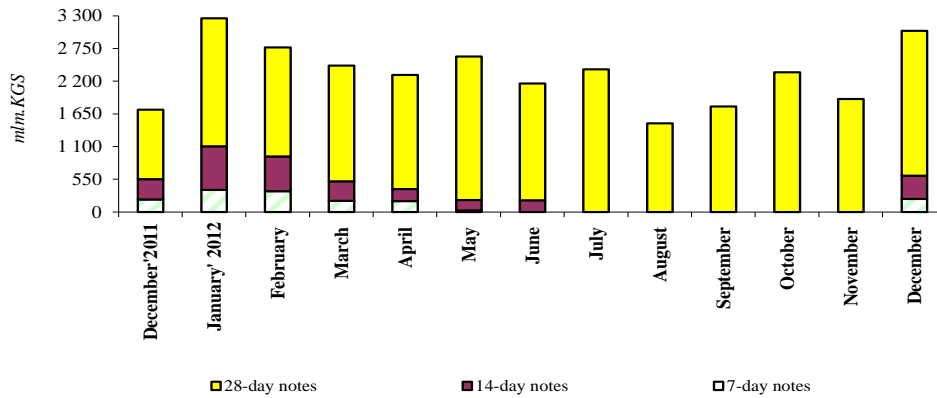


Table 1. Structure of the holders of NBKR notes at face value

mln.KGS

| Date | TOTAL | Including | | | | | | | |
|------------|---------|------------------|-------|-------------------------|-------|----------------------|-------|-------------------------|-------|
| | | Commercial banks | | Resident legal entities | | Resident individuals | | Institutional investors | |
| | | Amount | Share | Amount | Share | Amount | Share | Amount | Share |
| 01.01.2012 | 1 366,4 | 1 065,3 | 78,0% | 19,4 | 1,4% | 0,2 | 0,0% | 281,5 | 20,6% |
| 01.02.2012 | 2 209,5 | 1 666,1 | 75,4% | 88,0 | 4,0% | 10,3 | 0,5% | 445,1 | 20,1% |
| 01.03.2012 | 2 313,0 | 1 527,6 | 66,0% | 162,9 | 7,0% | 1,1 | 0,0% | 621,5 | 26,9% |
| 01.04.2012 | 2 113,8 | 1 507,0 | 71,3% | 237,3 | 11,2% | 2,4 | 0,1% | 367,1 | 17,4% |
| 01.05.2012 | 2 072,4 | 1 424,6 | 68,7% | 224,5 | 10,8% | 2,3 | 0,1% | 421,0 | 20,3% |
| 01.06.2012 | 2 196,2 | 1 471,2 | 67,0% | 129,2 | 5,9% | 4,8 | 0,2% | 591,0 | 26,9% |
| 01.07.2012 | 2 063,9 | 1 477,8 | 71,6% | 341,7 | 16,6% | - | 0,0% | 244,3 | 11,8% |
| 01.08.2012 | 1 950,0 | 1 646,8 | 84,5% | 171,5 | 8,8% | 2,0 | 0,1% | 129,7 | 6,7% |
| 01.09.2012 | 1 494,4 | 780,3 | 52,2% | 588,9 | 39,4% | 2,0 | 0,1% | 123,2 | 8,2% |
| 01.10.2012 | 1 775,4 | 1 492,2 | 84,0% | 218,4 | 12,3% | 2,0 | 0,1% | 62,8 | 3,5% |
| 01.11.2012 | 1 900,0 | 1 689,7 | 88,9% | 146,1 | 7,7% | 1,3 | 0,1% | 62,9 | 3,3% |
| 01.12.2012 | 1 900,0 | 1 640,0 | 86,3% | 139,0 | 7,3% | - | 0,0% | 121,0 | 6,4% |
| 01.01.2013 | 3 050,0 | 3 006,4 | 98,6% | 13,5 | 0,4% | - | 0,0% | 30,1 | 1,0% |