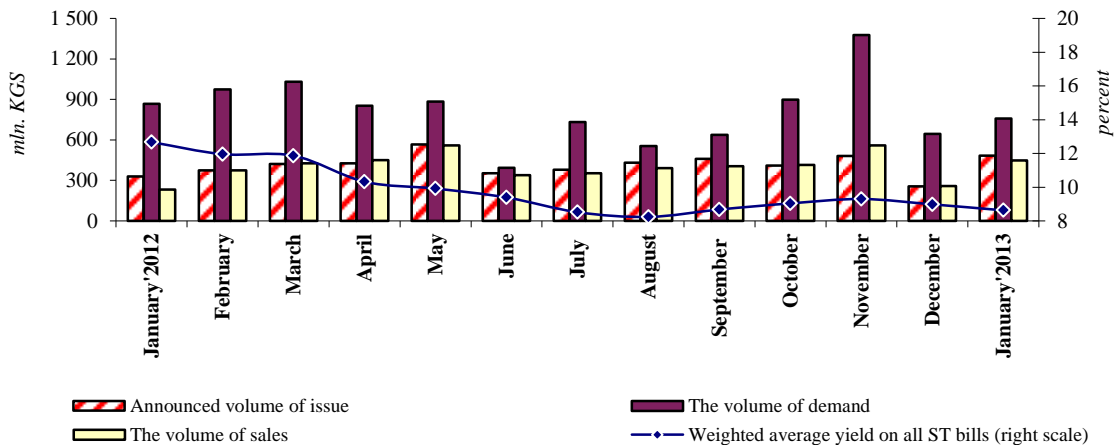


Market of State Treasury Bills (January 2013)

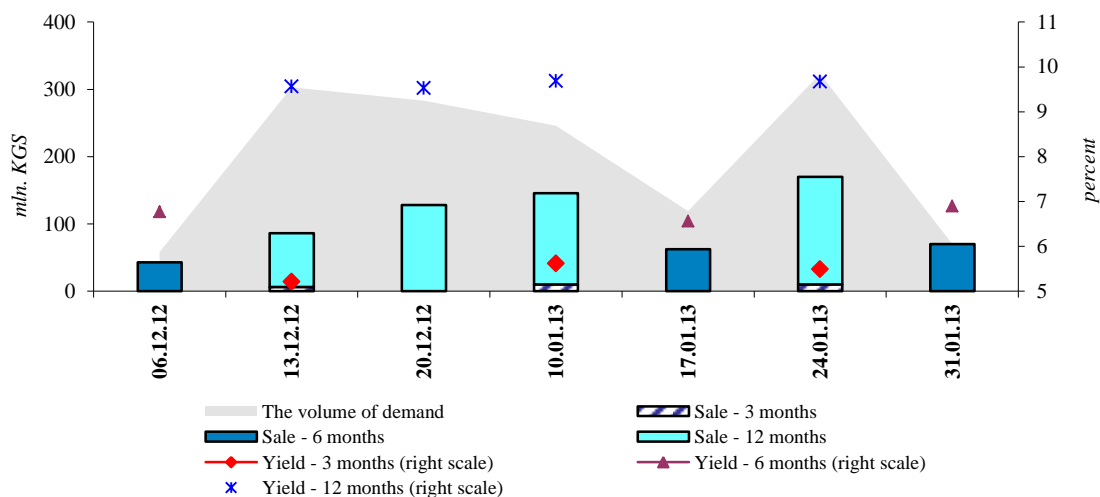
Graph 1. Demand and placement of state treasury bills



In January, the total volume placement of government treasury bills of the Ministry of Finance increased by 74.3 percent, constituted KGS 448.1 million. The volume of demand, due to the increased activity of commercial banks also increased (by 17.6 percent) to KGS 758.1 million. As a result, the sales of all types of ST-Bills increased. Thus, the sales of 3-month ST-Bills increased by 3.3 times, reaching KGS 20.0 million; the sales of 6-month ST-Bills increased by 3.1 times to KGS 132.6 million; the sales of 12-month ST-Bills increased by 42.0 percent, which amounted to KGS 295.5 million.

Total average yield for all types of ST-Bills in the period under review constituted 8.6 percent, decreased over the month by 0.4 percentage points. In December the yield of 12-month securities increased by 0.2 percentage points and constituted 9.7 percent, 3-month ST-Bills - by 0.4 percentage points, reaching 5.6 percent. The average monthly yield of 6-month ST-Bills, by contrast, decreased slightly (by 0.1 percentage points) and constituted 6.7 percent.

Graph 2. The dynamics of demand and sales and yield of the ST-Bills



In January the average auction¹ demand volume constituted KSG 189.5 million, having decreased by 11.8 percent compared to the previous month, the average auction sale volume, however, increased by 30.7 percent to KGS 112.0 million.

In January the net financing volume of the budget deficit increased to KGS 94.3 million. In the period under review the Ministry of Finance has been made significant repayment of previously issued ST-Bills valued at KGS 255.1 million. In this context, from the beginning of the year the market efficiency ST-Bills, calculated as the ratio of the total value of net financing to total sale

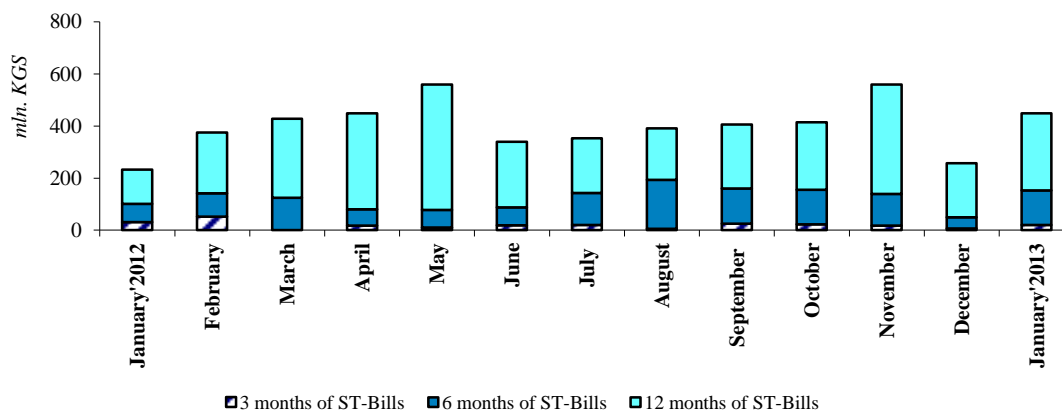
¹ This indicator is used instead of the total demand/supply for the month, as the number of auctions for the month is volatile variable.

volume at face value, increased as compared to the end of December by 12.2 percentage points, constituting 27.0 percent.

The index duration decreased from 167 to 162 days by reducing the share of 12-month ST-Bills in the total volume of issued ST-Bills.

In January, compared with the previous month, the volume of ST-Bills in circulation increased to KGS 4.2 billion (2.5 percent): increase affected only portfolio of commercial banks (+1.2 percentage points), constituting 84.2 percent.

Graph 3. The dynamics of sales of ST-Bills



The share of institutional investors, however, decreased by 1.1 percentage points, while the share of resident individuals - by 0.1 percentage points. The share of non-resident individuals with a small share of the total volume of securities in circulation, unchanged.

In comparing the share portfolio holders of ST-Bills the share of institutional investors decreased from 15.6 to 14.5 percent, the share of resident legal entities remained unchanged and constituted 1.1 percent.

In the period under review the operations with ST-Bills in the secondary market are not made.

Table 1. The dynamics of average monthly yield of ST-Bills

Period	Weighted average yield	By types of urgency		
		3-month ST-Bills	6-month ST-Bills	12-month ST-Bills
January'2012	12,7	6,4	12,5	14,3
February	12,0	6,5	11,3	13,4
March	11,9	-	10,7	12,3
April	10,3	6,5	8,8	10,8
May	9,9	6,6	8,1	10,2
June	9,4	6,6	7,8	10,0
July	8,5	6,3	7,3	9,4
August	8,2	6,0	7,1	9,4
September	8,7	5,5	7,0	9,9
October	9,0	6,1	7,2	10,2
November	9,3	5,7	7,0	10,1
December	9,0	5,2	6,8	9,5
January'2013	8,6	5,6	6,7	9,7

"-" all announced auctions were declared invalid

Table 2. The structure of ST-Bills holders at face value

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Date	TOTAL	Including											
		NBKR		Commercial Banks		Institutional Investor		Resident Individuals		Resident companies		Non-resident individuals	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Share
01.02.2012	3 525 973,0	0,0	0%	2 801 197,9	79,4%	570 286,1	16,2%	17 172,4	0,5%	137 316,6	3,9%	0,0	0,0%
01.03.2012	3 642 003,0	0,0	0%	2 839 026,4	78,0%	637 663,9	17,5%	20 192,3	0,6%	145 120,4	4,0%	0,0	0,0%
01.04.2012	3 802 423,0	0,0	0%	3 005 516,9	79,0%	631 709,3	16,6%	18 898,8	0,5%	146 298,0	3,8%	0,0	0,0%
01.05.2012	3 931 115,0	0,0	0%	3 155 496,6	80,3%	623 228,2	15,9%	21 541,1	0,5%	130 849,1	3,3%	0,0	0,0%
01.06.2012	4 018 528,0	0,0	0%	3 174 357,1	79,0%	700 074,6	17,4%	17 004,5	0,4%	126 011,8	3,1%	1 080,0	0,03%
01.07.2012	4 120 877,0	0,0	0%	3 210 203,8	77,9%	780 516,2	18,9%	14 226,7	0,3%	114 850,3	2,8%	1 080,0	0,03%
01.08.2012	4 358 327,0	0,0	0%	3 288 649,3	75,5%	953 330,3	21,9%	13 843,2	0,3%	101 424,2	2,3%	1 080,0	0,02%
01.09.2012	3 850 475,0	0,0	0%	3 156 830,1	82,0%	631 022,4	16,4%	8 565,8	0,2%	52 976,7	1,4%	1 080,0	0,03%
01.10.2012	3 783 180,0	0,0	0%	3 104 572,8	82,1%	610 877,4	16,1%	7 601,3	0,2%	59 048,5	1,6%	1 080,0	0,03%
01.11.2012	3 824 430,0	0,0	0%	3 136 291,6	82,0%	636 080,9	16,6%	5 034,0	0,1%	45 943,5	1,2%	1 080,0	0,03%
01.12.2012	4 056 400,0	0,0	0%	3 380 671,7	83,3%	616 562,8	15,2%	7 139,0	0,2%	50 946,5	1,3%	1 080,0	0,03%
01.01.2013	4 099 690,0	0,0	0%	3 406 475,2	83,1%	638 306,1	15,6%	7 119,0	0,2%	46 709,7	1,1%	1 080,0	0,03%
01.02.2013	4 201 340,0	0,0	0%	3 539 406,2	84,2%	609 356,1	14,5%	4 788,0	0,1%	46 709,7	1,1%	1 080,0	0,03%