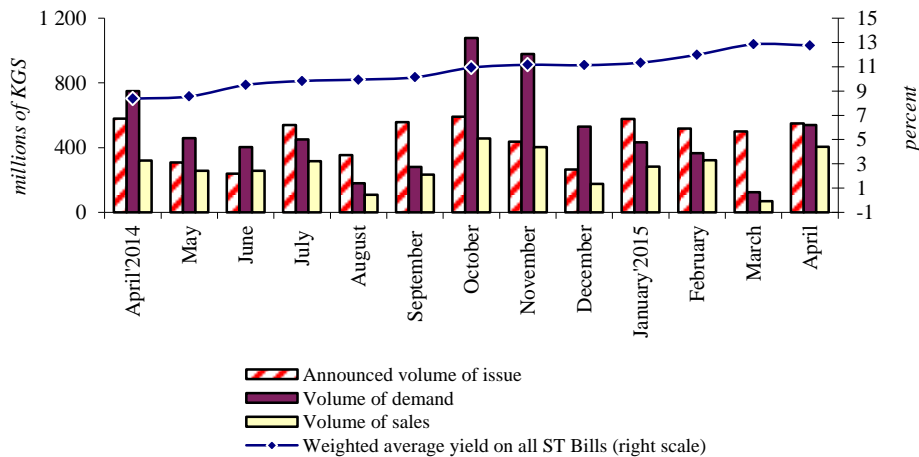


Market of State Treasury Bills (April 2015)

Chart 1. Demand and Placement of ST Bills

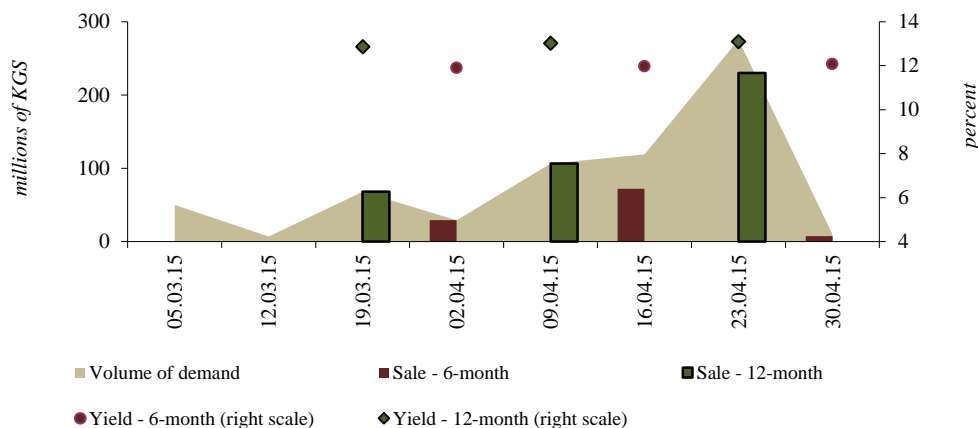


In the reporting period, as compared with the previous month, the announced volume of issue of state treasury bills of the Ministry of Finance was increased by 9.8 percent and constituted KGS 549.0 million.

The volume of demand increased by 4.3 times, to KGS 540.0 million, due to increase in the activity of commercial banks in this segment of the financial market. At the same time, the sales of 6-month ST Bills were resumed and amounted to KGS 108.7 million, 12-month ST Bills increased by 4.9 times, to KGS 336.4 million. There was no demand for 3-month bills on the part of market participants due to short-term resource base.

The overall weighted average yield on all types of ST Bills was observed at the rate of 12.8 percent having decreased by 0.1 percentage points over the month. The yield on 6-month securities was 11.9 percent, on 12-month securities constituted 13.1 percent (+0.2 percentage points).

Chart 2. Dynamics of Volume of Supply, Demand and Yield of ST Bills

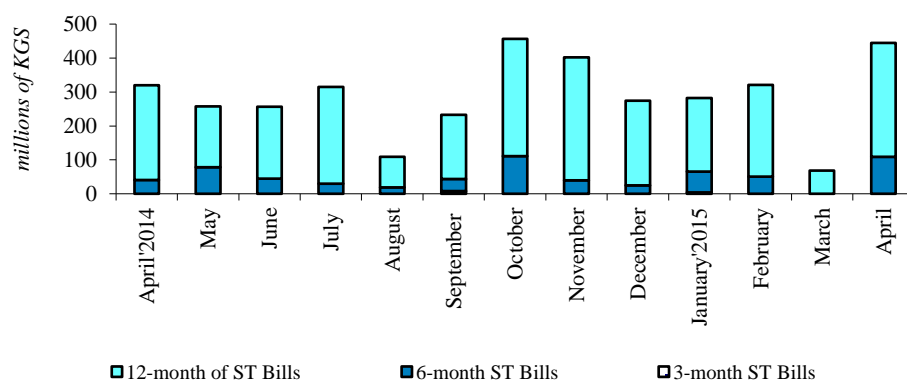


The average auction¹ volume of demand amounted to KGS 108.0 million having increased by 2.6 times as compared to the previous month, the average auction volume of sales increased by 3.6 times, up to KGS 81.0 million.

The net financing of the budget deficit by means of bills within the reporting month was formed in the amount of KGS 25.1 million. In the reporting period, the Ministry of Finance redeemed previously issued ST Bills in the amount of KGS 367.4 million (increase by 4.4 times). In this regard, ST Bills market efficiency from the beginning of the year calculated as the ratio of the total value of net financing to total sales at actual cost amounted to 0.6 percent.

¹ This index is used instead of total volume of demand/supply for a month as the quantity of auctions held during the month is not constant.

Chart 3. Dynamics of ST Bills Sales



The duration index within the reporting month increased from 171 to 186 days due to a decrease in the share of 12-month ST Bills in the total volume of issued ST Bills.

In the reporting period, as compared to the beginning of this year, the volume of ST Bills in circulation increased insignificantly to KGS 3.1 billion (+1.3 percent): the share of institutional investors increased up to 48.3 percent (+7.0 percentage points) due to growth of the ST Bills portfolio by 18.5 percent. The share of ST Bills principal holders – commercial banks decreased by 6.6 percentage points, to 51.2 percent. The share of resident legal entities decreased to 1.5 percent (-0.5 percentage points), the share of individuals was insignificant.

In the reporting period, no transactions with ST Bills were carried out in the secondary market.

Table 1. Dynamics of ST Bills Average Monthly Yield

Period	Weighted average yield	By types of urgency		
		3-month ST Bills	6-month ST Bills	12-month ST Bills
April'2014	8,4	-	7,3	8,5
May	8,6	-	7,5	9,0
June	9,5	-	8,5	9,7
July	9,8	-	9,0	9,9
August	9,9	-	9,4	10,1
September	10,1	5,8	10,1	10,3
October	10,9	-	10,0	11,2
November	11,2	10,2	11,3	-
December	11,1	-	10,6	11,2
January'2015	11,3	4,6	11,2	11,5
February	12,0	-	11,7	12,0
March	12,9	-	-	12,9
April	12,8	-	11,9	13,1

"-" all announced auctions were declared invalid

Table 2. Structure of ST Bills Holders at Face Value

thousands of KGS

Date	TOTAL	including							
		Commercial Banks		Institutional Investors		Resident Individuals		Resident Legal Entities	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share
01.05.2014	3 945 410,0	3 014 351,7	76,4%	769 808,3	19,5%	750,0	0,0%	160 500,0	4,1%
01.06.2014	3 733 550,0	2 775 476,7	74,3%	795 678,3	21,3%	1 400,0	0,0%	160 995,0	4,3%
01.07.2014	3 360 300,0	2 529 906,7	75,3%	683 068,3	20,3%	1 400,0	0,0%	145 925,0	4,3%
01.08.2014	3 393 700,0	2 515 653,0	74,1%	814 382,0	24,0%	1 400,0	0,0%	62 265,0	1,8%
01.09.2014	3 137 510,0	2 350 153,0	74,9%	751 332,0	23,9%	1 400,0	0,0%	34 625,0	1,1%
01.10.2014	3 060 110,0	2 175 413,0	71,1%	822 132,0	26,9%	1 400,0	0,0%	61 165,0	2,0%
01.11.2014	2 979 360,0	2 039 143,0	68,4%	879 052,0	29,5%	1 000,0	0,0%	60 165,0	2,0%
01.12.2014	3 036 650,0	1 797 448,0	59,2%	1 180 052,0	38,9%	1 000,0	0,0%	58 150,0	1,9%
01.01.2015	3 048 150,0	1 758 855,4	57,7%	1 258 168,7	41,3%	1 000,0	0,0%	30 125,9	1,0%
01.02.2015	3 084 670,0	1 763 575,4	57,2%	1 289 968,7	41,8%	1 000,0	0,0%	30 125,9	1,0%
01.03.2015	2 952 170,0	1 707 153,2	57,8%	1 213 890,9	41,1%	1 000,0	0,0%	30 125,9	1,0%
01.04.2015	3 045 170,0	1 737 808,8	57,1%	1 281 075,3	42,1%	1 000,0	0,0%	25 285,9	0,8%
01.05.2015	3 087 710,0	1 579 420,3	51,2%	1 491 149,7	48,3%	1 000,0	0,0%	16 140,0	0,5%