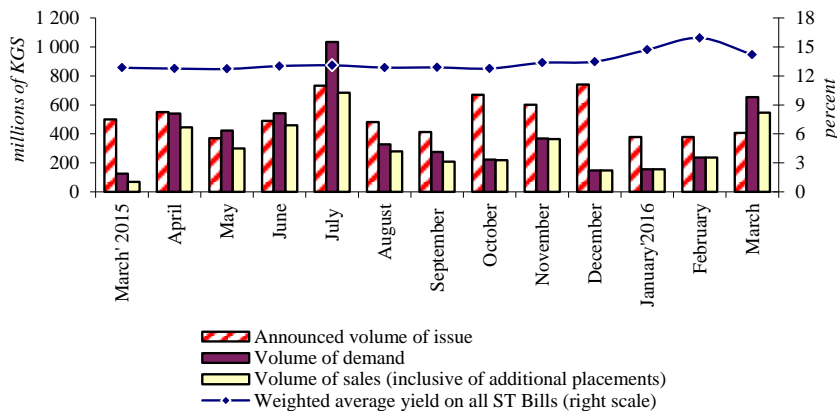


Market of State Treasury Bills (March 2016)

Chart 1. Demand and Placement of ST Bills

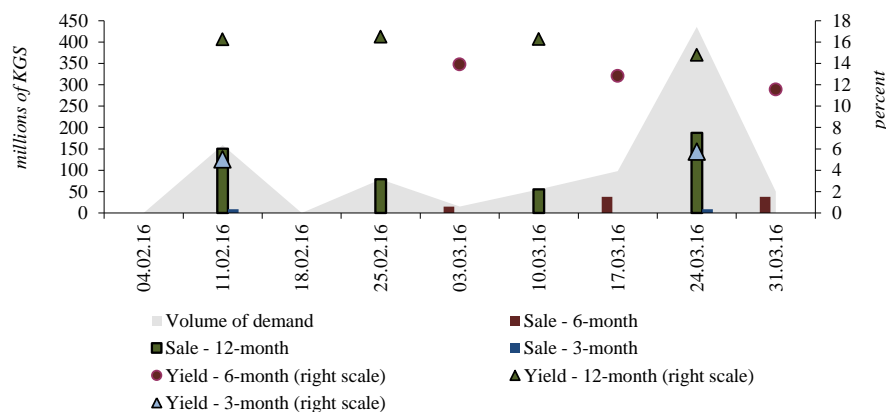


In the reporting period, five auctions on placement of treasury bills by the Ministry of Finance of the Kyrgyz Republic and three additional placements were held at the primary market. The total amount of the announced ST Bills issue at the auctions amounted to KGS 407.0 million having increased by 8.0 percent as compared to the previous month.

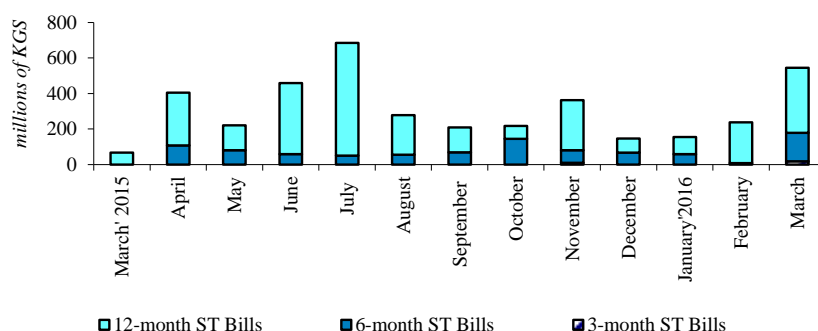
The volume of demand increased by 2.8 times, to KGS 653.6 million, due to increase in the activity of commercial banks in this segment of the financial market. At the same time, the sales of 12-month ST Bills increased by 60.5 percent and amounted to KGS 367.5 million, the sales of 6-month ST Bills amounted to KGS 160.0 million, the sales of 3-month ST Bills increased by 2.2 times and amounted to KGS 18.5 million.

In the reporting period, the overall weighted average yield on all types of ST Bills was observed at the rate of 14.2 percent having decreased by 1.7 percentage points over the month. The yield on 3-month securities was 5.7 percent (+0.7 percentage points), on 6-month securities constituted 12.5 percent, and on 12-month securities – 15.2 percent (-1.2 percentage points).

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



The net financing of the budget deficit within the reporting month was formed in the amount of KGS 353.3 million. In the reporting period, the Ministry of Finance redeemed previously issued ST Bills to the amount of KGS 124.9 million (-58.8 percent).

Chart 3. Dynamics of ST Bills Sales

In the reporting period, as compared to the beginning of this year, the volume of ST Bills in circulation increased to KGS 3.5 billion (+4.5 percent): the share of principal holders of ST Bills – commercial banks increased by 5.1 percentage points, to 59.6 percent. The share of institutional investors constituted 40.1 percent (-5.1 percentage points), the share of resident legal entities made 0.4 percent (having not changed since the beginning of the year).

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

percent

| Period | Weighted average yield | By types of urgency | | |
|--------------|------------------------|---------------------|------------------|-------------------|
| | | 3-month ST Bills | 6-month ST Bills | 12-month ST Bills |
| March'2015 | 12,9 | - | - | 12,9 |
| April | 12,8 | - | 11,9 | 13,1 |
| May | 12,7 | - | 11,9 | 13,2 |
| June | 13,0 | - | 11,8 | 13,2 |
| July | 13,1 | - | 12,0 | 13,2 |
| August | 12,9 | - | 12,0 | 13,1 |
| September | 12,9 | - | 12,2 | 13,2 |
| October | 12,8 | - | 12,4 | 13,6 |
| November | 13,4 | 11,5 | 12,7 | 13,6 |
| December | 13,5 | - | 13,2 | 13,7 |
| January'2016 | 14,7 | - | 14,0 | 15,2 |
| February | 15,9 | 5,0 | - | 16,3 |
| March | 14,2 | 5,7 | 12,5 | 15,1 |

"-" all announced auctions were declared invalid

Table 2. Structure of ST Bills Holders at Face Value

thousand KGS

| Date | TOTAL | including | | | | | | | |
|------------|-------------|------------------|-------|-------------------------|-------|----------------------|-------|-------------------------|-------|
| | | Commercial Banks | | Institutional Investors | | Resident Individuals | | Resident Legal Entities | |
| | | Amount | Share | Amount | Share | Amount | Share | Amount | Share |
| 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% |
| 01.06.2015 | 3 066 260,0 | 1 559 035,7 | 50,8% | 1 490 034,3 | 48,6% | 0,0 | 0,0% | 17 190,0 | 0,6% |
| 01.07.2015 | 3 398 360,0 | 1 675 842,8 | 49,3% | 1 697 227,2 | 49,9% | 0,0 | 0,0% | 25 290,0 | 0,7% |
| 01.08.2015 | 3 580 210,0 | 1 871 881,5 | 52,3% | 1 681 413,5 | 47,0% | 0,0 | 0,0% | 26 915,0 | 0,8% |
| 01.09.2015 | 3 925 210,0 | 2 087 081,8 | 53,2% | 1 804 663,2 | 46,0% | 0,0 | 0,0% | 33 465,0 | 0,9% |
| 01.10.2015 | 3 893 960,0 | 2 032 681,8 | 52,2% | 1 827 363,2 | 46,9% | 0,0 | 0,0% | 33 915,0 | 0,9% |
| 01.11.2015 | 3 789 040,0 | 1 956 331,8 | 51,6% | 1 798 793,2 | 47,5% | 0,0 | 0,0% | 33 915,0 | 0,9% |
| 01.12.2015 | 3 514 990,0 | 1 899 330,4 | 54,0% | 1 582 794,6 | 45,0% | 0,0 | 0,0% | 32 865,0 | 0,9% |
| 01.01.2016 | 3 353 030,0 | 1 825 700,7 | 54,4% | 1 513 964,3 | 45,2% | 0,0 | 0,0% | 13 365,0 | 0,4% |
| 01.02.2016 | 3 188 300,0 | 1 692 770,7 | 53,1% | 1 482 164,3 | 46,5% | 0,0 | 0,0% | 13 365,0 | 0,4% |
| 01.03.2016 | 3 142 570,0 | 1 685 144,1 | 53,6% | 1 444 910,9 | 46,0% | 0,0 | 0,0% | 12 515,0 | 0,4% |
| 01.04.2016 | 3 504 320,0 | 2 087 444,1 | 59,6% | 1 404 360,9 | 40,1% | 0,0 | 0,0% | 12 515,0 | 0,4% |