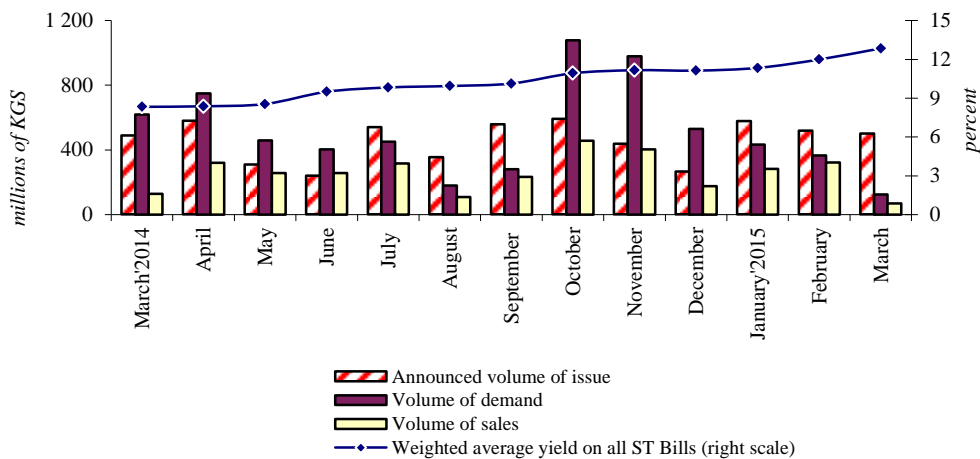


Market of State Treasury Bills (March 2015)

Chart 1. Demand and Placement of ST Bills

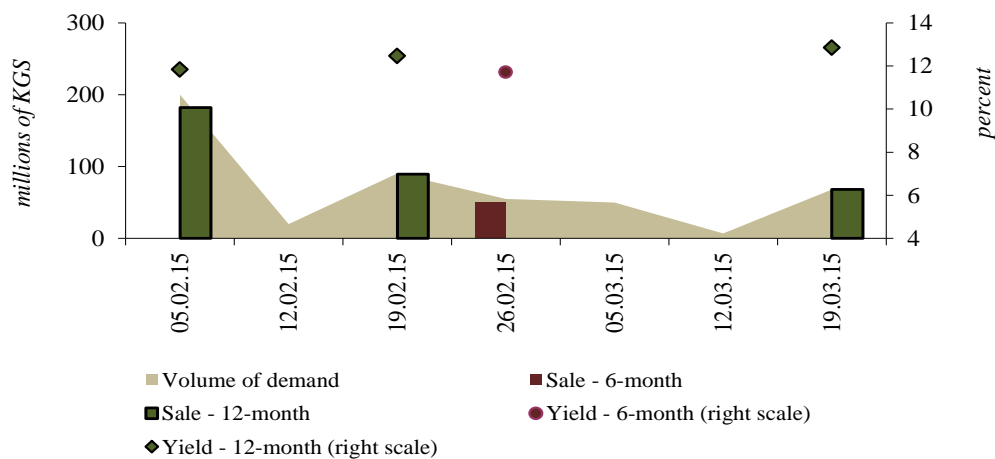


In the reporting period, as compared with the previous month, the announced volume of issue of state treasury bills of the Ministry of Finance was decreased by 3.5 percent and constituted KGS 500.0 million.

The volume of demand decreased by 65.8 percent, to KGS 125.0 million, due to decrease in the activity of commercial banks in this segment of the financial market. At the same time, only 12-month ST Bills could be placed in March, meanwhile, the sales thereof decreased by 74.9 times, to KGS 68.0 million.

In the reporting period, the overall weighted average yield was observed at the rate of 12.9 percent having increased by 0.8 percentage points over the month.

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

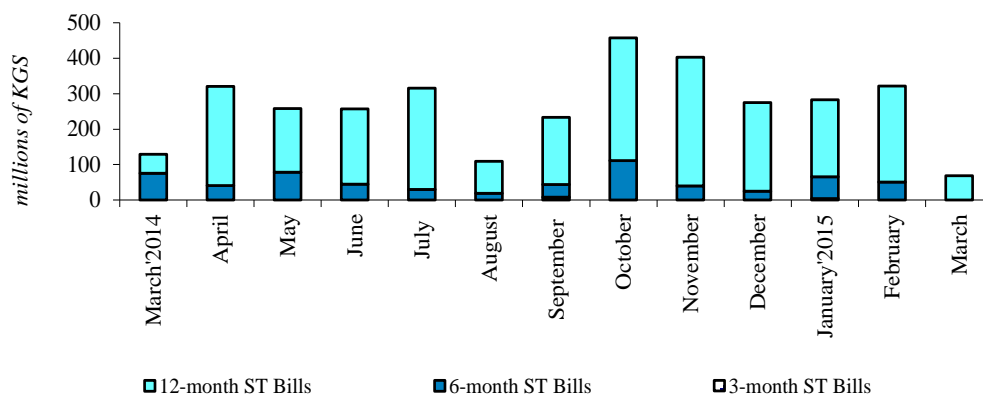


The average auction¹ volume of demand amounted to KGC 41.7 million having decreased by 54.4 percent as compared to the previous month, the average auction volume of sales decreased by 71.8 percent, to KGS 22.7 million.

The net financing of the budget deficit by means of bills within the reporting month was formed in the amount of KGS 24.6 million. In the reporting period, the Ministry of Finance redeemed previously issued ST Bills in the amount of KGS 82.8 million having decreased by 77.7 percent. 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 (-)3.2 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 decreased from 189 to 171 days due to an increase 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 decreased insignificantly to KGS 3.0 billion (-3.1 percent): the share of institutional investors increased to 42.1 percent (+0.8 percentage points) due to growth of the ST Bills portfolio by 5.5 percent. The share of principal holders of ST Bills –commercial banks decreased by 0.6 percentage points, to 57.1 percent. The share of resident legal entities decreased to 0.8 percent (-0.2 percentage points), meanwhile, the share of individuals was not significant.

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
March'2014	8,3	-	7,9	9,0
April	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

"-" 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
01.04.2014	4 049 410,0	3 096 123,4	76,5%	716 556,8	17,7%	3 494,2	0,1%	233 235,6	5,8%
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%