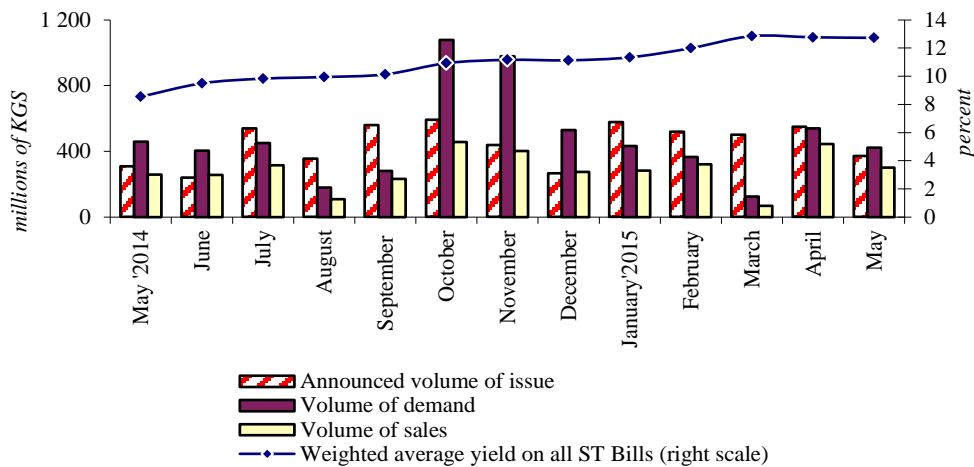


Market of State Treasury Bills (May 2015)

Chart 1. Demand and Placement of ST Bills

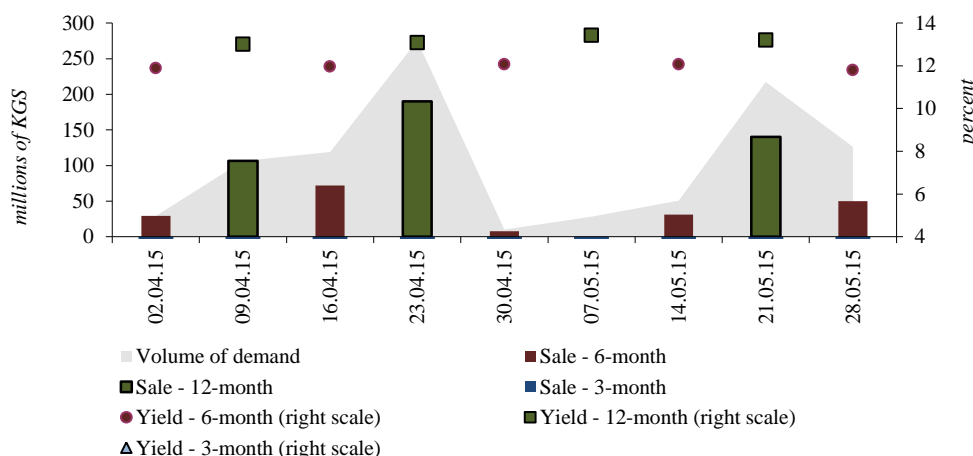


In the reporting period, as compared with the previous month, the announced volume of issue of state treasury bills of the Ministry of Finance decreased by 32.6 percent and constituted KGS 370.0 million.

The volume of demand decreased by 21.8 percent, to KGS 422.1 million, due to decrease in the activity of commercial banks in this segment of the financial market. At the same time, the sales of 6-month ST Bills increased by 29.8 percent and amounted to KGS 141.1 million, on the other hand, the sale of 12-month ST Bills decreased by 52.7 percent, to KGS 159.0 million, market participants did not use 3-month ST Bills.

In the reporting period, the overall weighted average yield on all types of ST Bills was observed at the rate of 12.7 percent having decreased by 0.01 percentage points over the month. The yield on 6-month securities was 11.9 percent (having not changed), on 12-month securities constituted 13.2 percent (+0.1 percentage point).

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

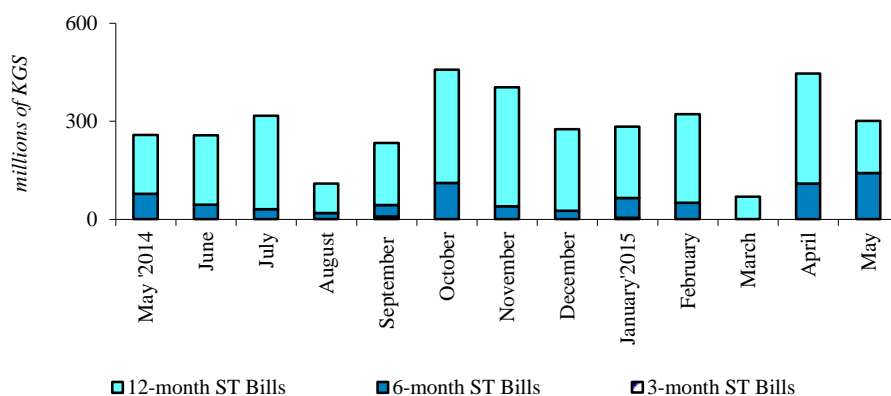


The average auction¹ volume of demand amounted to KGC 105.5 million (-2.3 percent), the average auction volume of sales decreased by 31.8 percent, to KGS 55.3 million.

The net financing of the budget deficit within the reporting month was formed in the amount of KGS - 25.5 million. In the reporting period, the Ministry of Finance redeemed previously issued ST Bills in the amount of KGS 202.1 million (-45.0 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



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 (+0.6 percent): the share of principal holders of ST Bills –commercial banks decreased by 6.9 percentage points, to 50.8 percent. The share of institutional investors constituted 48.6 percent (+7.3 percentage points), the share of resident legal entities made 0.6 percent (-0.4 percentage points).

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
May'2014	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'2014	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
May	12,7	-	11,9	13,2

"-" 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
01.06.2014	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	3 016 170,0	1 771 153,2	58,7%	1 213 890,9	40,2%	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%
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%