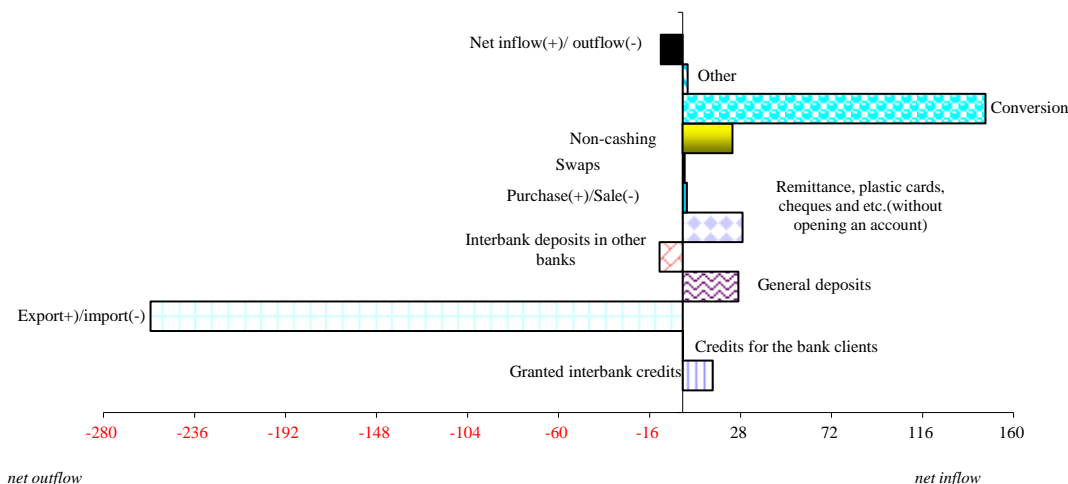
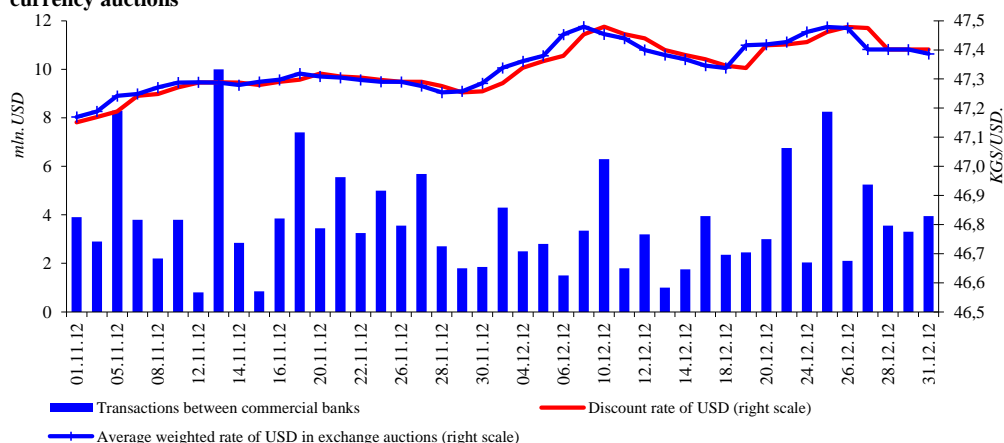


Foreign exchange market (December 2012)

Graph 1. Net inflow (outflow) of non-cash USD in comercial banks (mln.USD)



Graph 2. Dynamics of USD exchange and operations volume in the interbank currency auctions



In December, as in the previous month, the increase of USD exchange rate was 0.3 percent, and as a result the rate increased to KGS 47.4012 per USD (in December of 2011, the rate decreased by 0.7 percent). In general, multidirectional dynamics of the rate was observed during the month, characterized by the absence of sharp fluctuations. The volume of incoming trans-border remittances of individuals, restraining the pressure on the KGS rate from imports increased by 15.7 percent compared to the same indicator of the last month of 2011 and constituted USD 171.9 million¹.

The volume of operations on purchase and sale of foreign currency decreased by 8.9 percent to KGS 26.2 billion, due to the decrease of the activity in all segments of the market. Thus, the volume of non-cash transactions of commercial banks fell to KGS 4.0 billion, which is 21.1 percent lower than the analogous indicator of the previous month. The volume of cash transactions of commercial banks decreased by 6.4 percent to KGS 18.5 billion, and the reduction of cash transactions of exchange offices, established in the amount of KGS 3.7 billion, constituted 5.5 percent.

The aggregate turnover of interbank currency trading decreased to USD 75.4 million (-9.6 percent) due to the decrease of the volume of transactions between

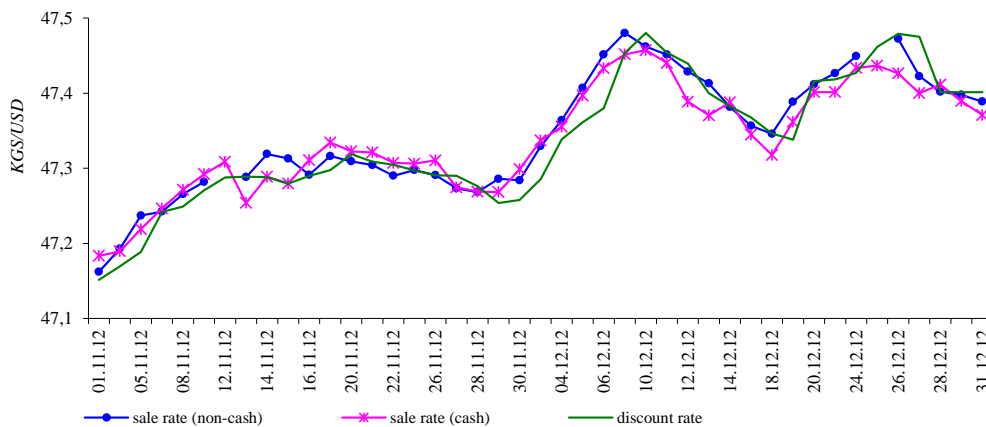
¹ Without outflow.

commercial banks. In the period under review, the interventions of the National Bank for the purpose of smoothing sharp fluctuations of the exchange rate were not carried out.

In the period under review, NBKR also did not carry out swaps with commercial banks.

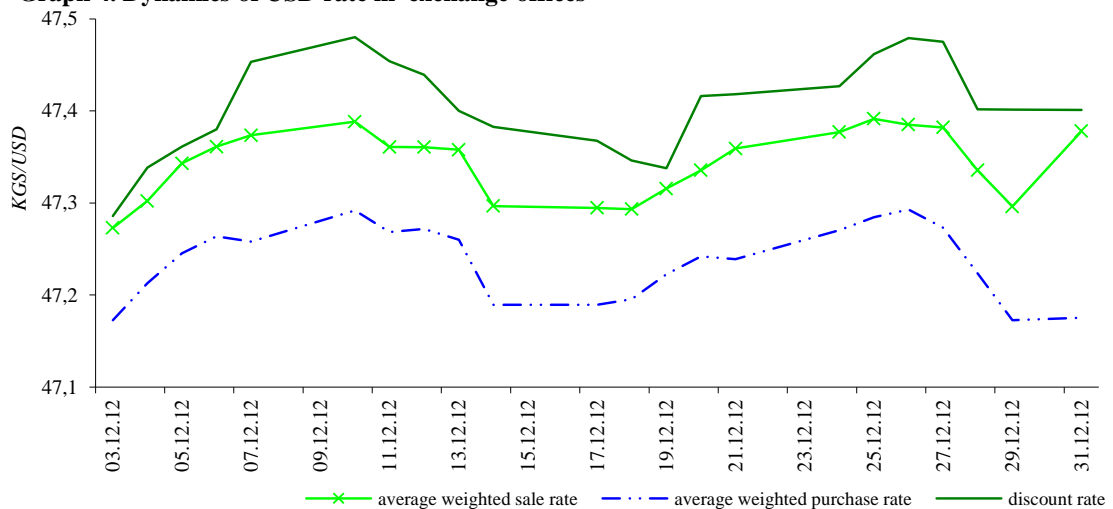
In the currency breakdown in December the decrease of the volume of operations in all major currency types was observed, except for Russian rubles. At the same time, the share ratio of currencies to the total performed operations was distributed as follows: the share of operations in USD decreased by 1.3 percentage points to 58.3 percent; euro – by 0.2 percentage points, to 3.1 percent; Kazakh tenge - by 1.8 percentage points to 8.9 percent. The share of operations in Russian rubles increased to 29.7 percent (+3.3 percentage points).

Graph 3. Dynamics of sale rates of non-cash and cash USD in commercial banks



**breakdowns in graph due to the absence of transactions*

Graph 4. Dynamics of USD rate in exchange offices



Graph 5. Dynamics of rate of changes in the rates of major currencies in exchange offices and USD rate on world markets

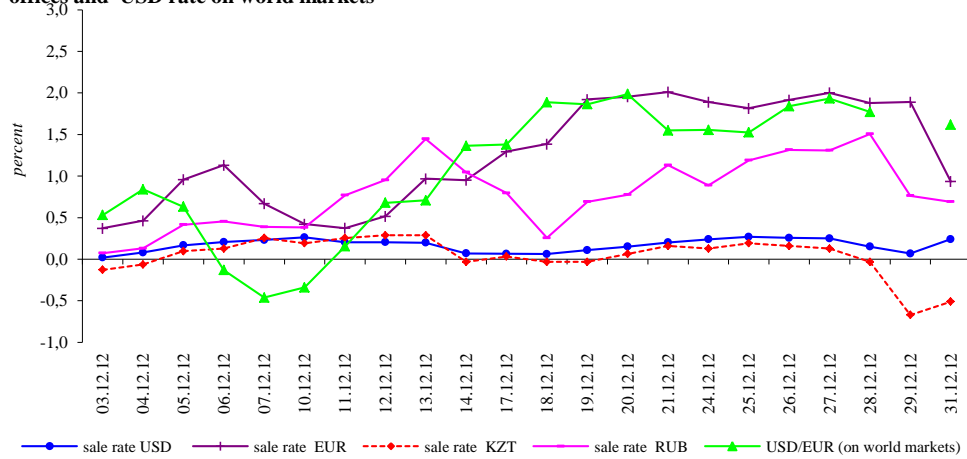


Table 1. Volume of purchase and sale of foreign exchange operations by type (in KGS equivalent)

mln.KGS

Period	Total volume of operations	non-cash operations of commercial banks		cash operations of commercial banks		cash operations of exchange offices	
		volume of operations	share (%)	volume of operations	share (%)	volume of operations	share (%)
December 2011	22,208.8	4,389.9	19.8	14,350.8	64.6	3,468.0	15.6
January 2012	16,603.8	3,735.1	22.5	10,272.7	61.9	2,596.0	15.6
February	17,006.6	2,779.5	16.3	11,123.2	65.4	3,103.9	18.3
March	19,121.0	3,583.7	18.7	12,287.9	64.3	3,249.3	17.0
April	20,350.6	3,357.6	16.5	13,811.8	67.9	3,181.1	15.6
May	22,178.7	4,749.7	21.4	14,164.9	63.9	3,264.1	14.7
June	21,816.2	3,649.6	16.7	14,943.6	68.5	3,223.1	14.8
July	26,251.1	4,816.3	18.4	17,906.6	68.2	3,528.2	13.4
August	27,886.3	5,568.0	20.0	18,670.4	67.0	3,647.9	13.1
September	26,294.6	5,115.6	19.5	17,689.1	67.3	3,489.9	13.3
October	29,651.0	6,215.6	21.0	19,649.2	66.3	3,786.2	12.8
November	28,722.7	5,018.0	17.5	19,820.7	69.0	3,884.0	13.5
December	26,180.1	3,958.3	15.1	18,549.8	70.9	3,672.1	14.0

Table 2. Volume of purchases and sales of foreign currency by currency (in KGS equivalent)

mln.KGS

Period	Total volume of operations	USD		Euro		RUB		KZT		Other	
		volume	share	volume	share	volume	share	volume	share	volume	share
December 2011	22,208.8	13,816.9	62.2	1,034.4	4.7	5,047.1	22.7	2,294.8	10.3	15.6	0.1
January 2012	16,603.8	10,613.6	63.9	804.8	4.8	3,840.3	23.1	1,340.1	8.1	5.1	0.0
February	17,006.6	9,995.9	58.8	799.3	4.7	4,612.5	27.1	1,593.0	9.4	5.9	0.0
March	19,121.0	11,570.1	60.5	738.8	3.9	5,208.2	27.2	1,597.7	8.4	6.1	0.0
April	20,350.6	11,828.5	58.1	851.6	4.2	6,054.5	29.8	1,609.5	7.9	6.5	0.0
May	22,178.7	13,619.2	61.4	763.8	3.4	5,899.4	26.6	1,887.6	8.5	8.7	0.0
June	21,816.2	12,853.2	58.9	725.5	3.3	5,871.4	26.9	2,354.9	10.8	11.2	0.1
July	26,251.1	15,332.9	58.4	852.5	3.2	7,261.0	27.7	2,789.6	10.6	15.1	0.1
August	27,886.3	16,310.4	58.5	783.4	2.8	7,674.5	27.5	3,109.5	11.2	8.4	0.0
September	26,294.6	15,579.2	59.2	895.6	3.4	7,392.4	28.1	2,417.6	9.2	9.8	0.0
October	29,651.0	17,967.8	60.6	1,011.8	3.4	7,754.5	26.2	2,906.2	9.8	10.8	0.0
November	28,722.7	17,122.7	59.6	931.1	3.2	7,595.5	26.4	3,065.3	10.7	8.0	0.0
December	26,180.1	15,270.4	58.3	799.9	3.1	7,780.8	29.7	2,322.7	8.9	6.3	0.0

Table 3. Data on the discount rate of foreign currencies to KGS

Period	Discount rate at the end of month				Change of the discount rate for the month			
	USD	Euro	RUB	KZT	USD	Euro	RUB	KZT
December'2011	46.4847	60.0652	1.4438	0.3132	-0.7%	-3.1%	-2.4%	-1.3%
January' 2012	46.7757	61.4773	1.5405	0.3148	0.6%	2.4%	6.7%	0.5%
February	46.4900	62.4547	1.6059	0.3149	-0.6%	1.6%	4.2%	0.0%
March	46.8275	62.4819	1.5967	0.3169	0.7%	0.0%	-0.6%	0.6%
April	46.8494	62.0428	1.5960	0.3169	0.0%	-0.7%	0.0%	0.0%
May	46.9352	58.4085	1.4463	0.3173	0.2%	-5.9%	-9.4%	0.1%
June	47.2445	59.4241	1.4396	0.3162	0.7%	1.7%	-0.5%	-0.4%
July	47.1487	57.7998	1.4640	0.3143	-0.2%	-2.7%	1.7%	-0.6%
August	46.0274	57.8127	1.4341	0.3081	-2.4%	0.0%	-2.0%	-2.0%
September	47.1484	61.0289	1.5250	0.3146	2.4%	5.6%	6.3%	2.1%
October	47.1513	60.9838	1.4952	0.3129	0.0%	-0.1%	-2.0%	-0.6%
November	47.2578	61.3170	1.5217	0.3140	0.3%	0.5%	1.8%	0.4%
December	47.4012	62.6573	1.5607	0.3145	0.3%	2.2%	2.6%	0.2%

Table 4. Data on the exchange rates to KGS in exchange offices

Period	Average margin for the month				Average daily derivation of the currency selling rate				Changing in the currency selling rate for the month			
	USD	Euro	RUB	KZT	USD	Euro	RUB	KZT	USD	Euro	RUB	KZT
December'2011	0,3%	0,5%	1,0%	0,9%	0,1%	0,2%	0,2%	0,2%	-0,1%	-3,6%	-3,0%	-1,0%
January' 2012	0,3%	0,5%	0,9%	0,7%	0,0%	0,3%	0,3%	0,1%	-0,3%	1,8%	6,6%	0,3%
February	0,3%	0,5%	1,0%	0,7%	0,1%	0,1%	0,3%	0,1%	-0,3%	1,7%	3,7%	0,2%
March	0,3%	0,6%	0,8%	0,7%	0,1%	0,3%	0,3%	0,1%	0,0%	0,4%	0,6%	-0,1%
April	0,2%	0,5%	0,6%	0,7%	0,0%	0,1%	0,2%	0,1%	0,4%	-0,6%	-1,1%	0,1%
May	0,3%	0,5%	0,8%	0,7%	0,1%	0,2%	0,4%	0,1%	0,4%	-5,2%	-9,3%	0,4%
June	0,3%	0,6%	0,8%	0,7%	0,0%	0,2%	0,4%	0,1%	0,6%	1,1%	-1,0%	-0,2%
July	0,2%	0,5%	0,7%	0,7%	0,0%	0,2%	0,3%	0,1%	0,2%	-2,6%	1,9%	-0,1%
August	0,3%	0,5%	0,8%	0,5%	0,1%	0,2%	0,2%	0,2%	-1,2%	0,3%	-1,0%	-2,0%
September	0,3%	0,5%	0,6%	1,0%	0,1%	0,2%	0,4%	0,2%	0,8%	4,9%	4,8%	1,3%
October	0,2%	0,4%	0,6%	0,7%	0,0%	0,1%	0,2%	0,1%	0,4%	0,6%	-0,2%	-0,2%
November	0,2%	0,4%	0,7%	0,7%	0,0%	0,1%	0,1%	0,1%	0,3%	0,3%	1,5%	0,4%
December	0,2%	0,4%	0,6%	0,7%	0,0%	0,1%	0,2%	0,1%	0,1%	0,9%	0,7%	-0,5%