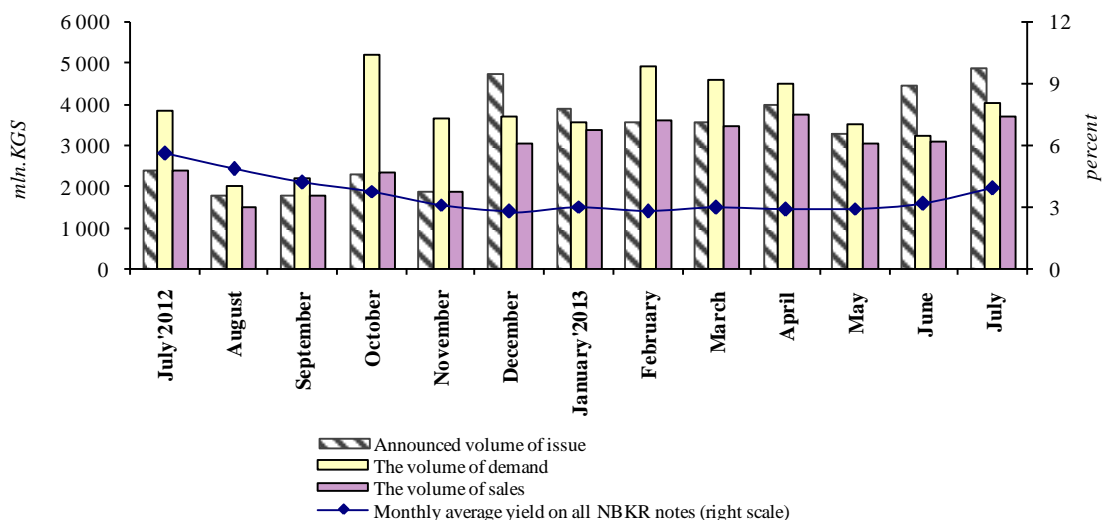


Notes of the National Bank of the Kyrgyz Republic (July, 2013)

Graph 1. Demand and placement of the NBKR notes

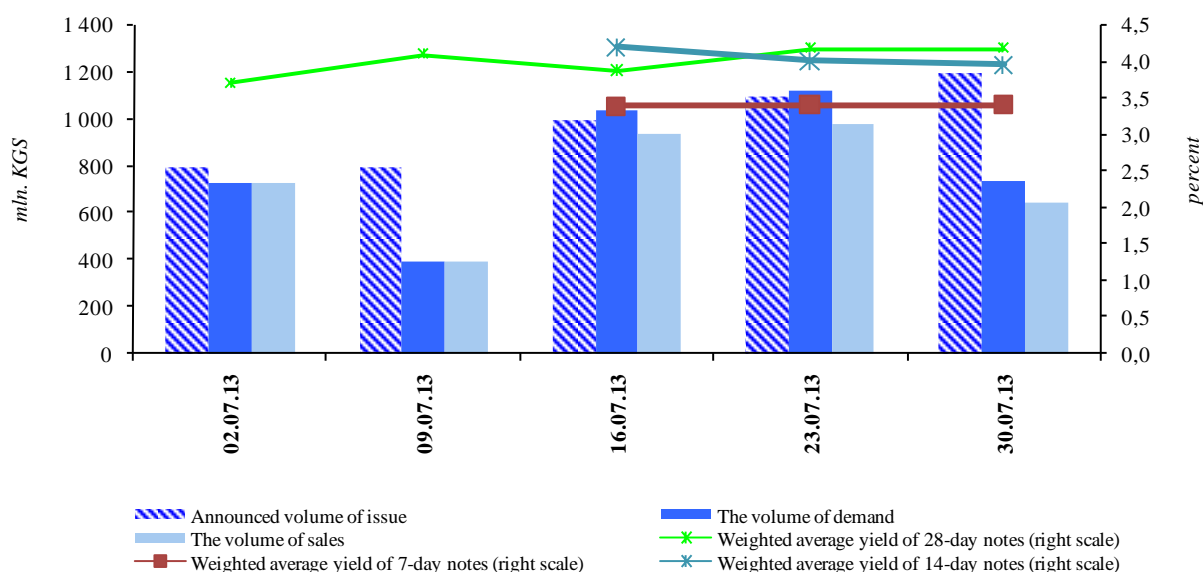


In the reporting period there were five auctions of the National Bank notes, which total amount of the announced issue was 4.9 billion soms, having increased in relation to the same period of the previous month by 8.9 percent.

Average auction¹ demand in July decreased by 1.2 percent and amounted to 805.8 billion soms. In the reporting period all sales were represented by 7 -, 14 - and 28-day notes, most of which was acquired by three commercial banks with a total share in the structure of sales at 81.9 percent. Average auction sales in the reporting period amounted to 738.1 million soms, having decreased by 4.9 percent compared to the previous month. In the reporting period the demand for notes in most of the auctions conducted by the issuer exceeds the volume of supply in accordance with the objectives of the monetary policy conducted by the National Bank.

Overall weighted average yield of the NBKR notes in July was 3.9 percent (+0.2 percentage points). Average weighted yield of 7-day notes amounted to 3.4 percent, 14-day – 4.1 percent, 28-day – 4.0 percent.

Graph 2. Dynamics of demand, sales and yield of the NBKR notes



¹ This indicator is used instead of the total demand/ supply over the month, as the number of auctions over the month is not constant value.

In this period, the volume of notes in circulation fell by 13.7 percent, was at 2.7 billion soms, mainly due to the decline in the share of commercial banks, which are as before the main holders of the NBKR notes, by 23.3 percent points, to 35.8 percent while simultaneously increasing the share of portfolio of resident legal entities from 40.9 to 61.0 percent. Proportion of institutional investors accounted for 3.1 percent. Individuals and non-resident legal entities in the auction did not participate.

Graph 3. Dynamics of the NBKR notes sales

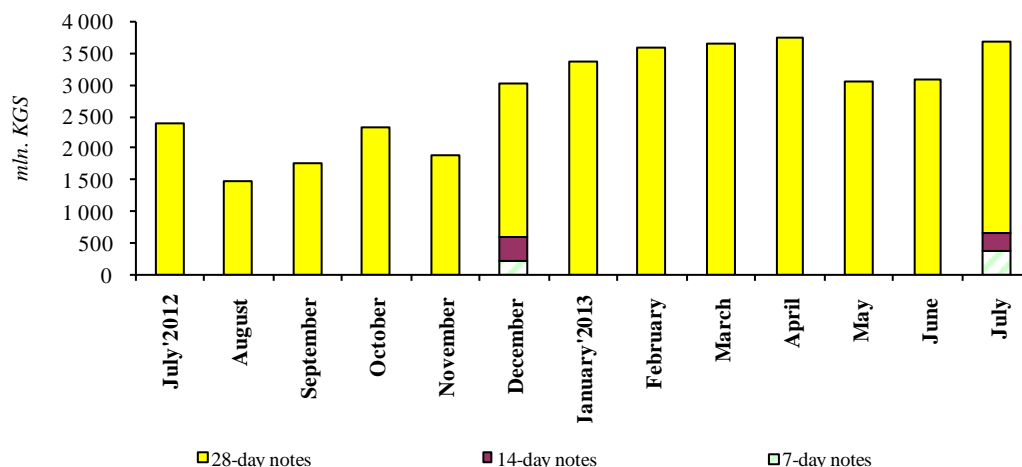


Table 1. Structure of the NBKR notes holders for nominal cost

Date	TOTAL	Including								Institutional investors	
		Commercial Banks		Resident companies		Resident individuals		Amount	Share	Amount	Share
		Amount	Share	Amount	Share	Amount	Share				
01.08.2012	1 950,0	1 646,8	84,5%	171,5	8,8%	2,0	0,1%	129,7	6,7%		
01.09.2012	1 494,4	780,3	52,2%	588,9	39,4%	2,0	0,1%	123,2	8,2%		
01.10.2012	1 775,4	1 492,2	84,0%	218,4	12,3%	2,0	0,1%	62,8	3,5%		
01.11.2012	1 900,0	1 689,7	88,9%	146,1	7,7%	1,3	0,1%	62,9	3,3%		
01.12.2012	1 900,0	1 640,0	86,3%	139,0	7,3%	-	0,0%	121,0	6,4%		
01.01.2013	3 050,0	3 006,4	98,6%	13,5	0,4%	-	0,0%	30,1	1,0%		
01.02.2013	3 379,5	3 316,9	98,1%	40,6	1,2%	-	0,0%	22,0	0,7%		
01.03.2013	3 600,0	2 562,7	71,2%	1 036,0	28,8%	1,3	0,0%	-	0,0%		
01.04.2013	3 673,1	2 019,8	55,0%	1 653,3	45,0%	-	0,0%	-	0,0%		
01.05.2013	3 143,0	2 140,5	68,1%	1 002,5	31,9%	-	0,0%	-	0,0%		
01.06.2013	3 073,0	1 811,0	58,9%	1 262,0	41,1%	-	0,0%	-	0,0%		
01.07.2013	3 105,5	1 836,0	59,1%	1 269,5	40,9%	-	0,0%	-	0,0%		
01.08.2013	2 680,6	960,5	35,8%	1 636,1	61,0%	-	0,0%	84,0	3,1%		