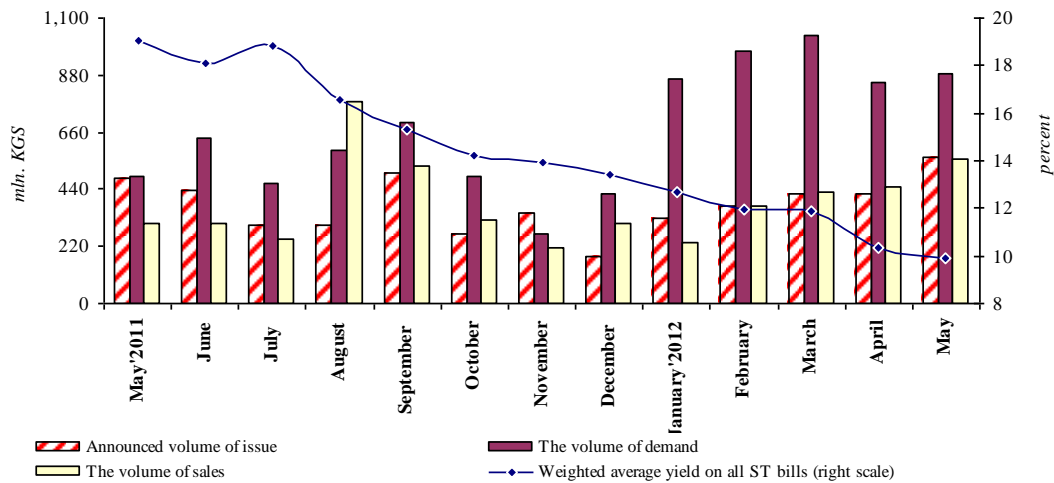


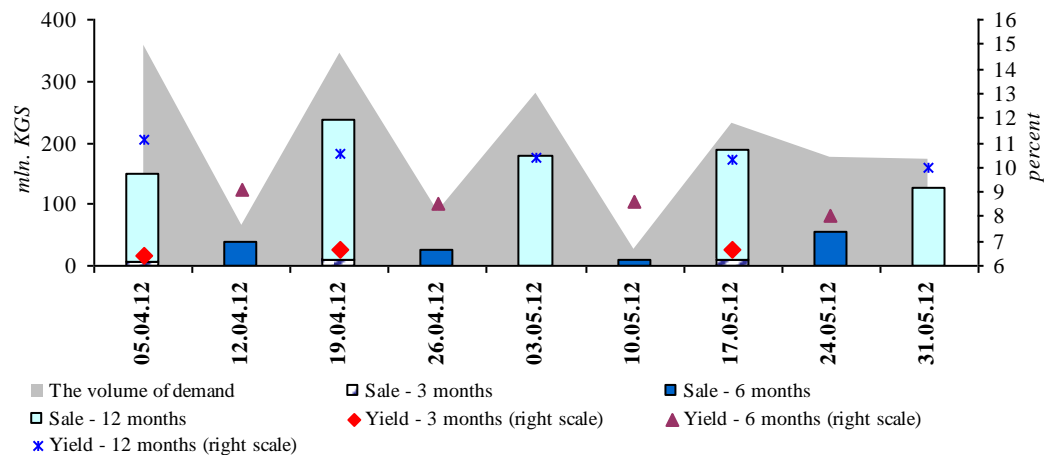
## Market of State Treasury Bills (May 2012)

**Graph 1. Demand and placement of state treasury bills**



In May compared with the previous month, there was an increase in sales of STBills by 24.5 percent and constituted 559.3 million KGS due to continued growth of demand for 12-month securities. Thus, the sale of 12-month treasury bills rose to 481.7 million KGS (+30.6 percent), in turn, the rate of placement of 6-month STBills increased by 8.0 percent and constituted 67.5 million KGS. The share of 3-month STBills remained insignificant in the total structure of sales; in the reporting period, the volume of placement of these securities amounted to only 10.1 million KGS, which is 43.6 percent lower than in the previous month. Besides, the downward dynamics of change in the total yield of STBills formed in mid-2011 persists. The aggregate indicator of the average month yield on all types of STBills in the reporting period amounted to 9.9 percent having decreased by 0.4 percentage points as a result of decrease in the yield on 6- and 12-month STBills by 0.7 percentage points to 8.1 percent, and 0.5 percentage points to 10.2 percent, respectively. Due to low demand, the yield on 3-month STBills increased during the month by 0.1 percentage points to 6.6 percent as a result.

**Graph 2. The dynamics of demand and sales and yield of the ST bills**



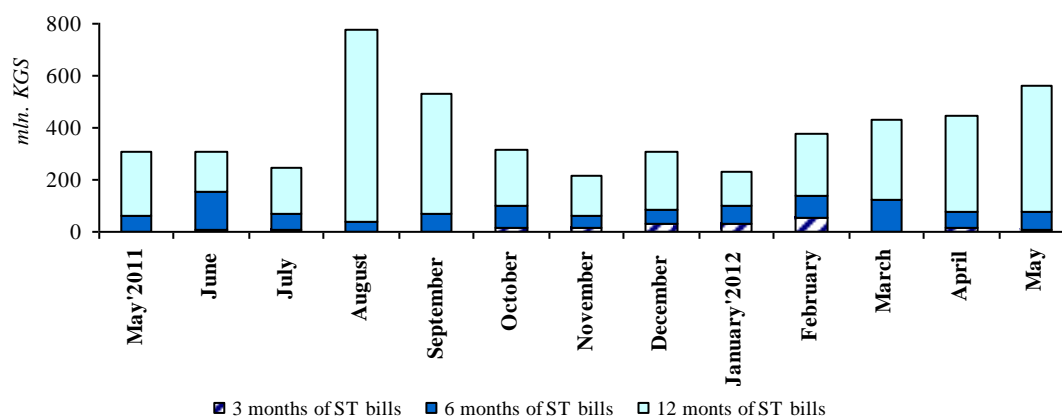
The average auction volume of demand<sup>1</sup> in May constituted 176.9 million KGS having decreased by 17.0 percent compared to the previous month; the average auction of sales decreased by 0.4 percent and constituted 111.9 million KGS.

The net financing of the budget deficit at the expense of funds from the sale of STBills in May fell by 25.6 percent to 97.1 million KGS. In the reporting period, the Ministry of Finance redeemed STBills at an actual cost in the amount of 299.1 million KGS. The effectiveness of the STBills market since the beginning of the year, calculated as the ratio of the total value of net

<sup>1</sup> This index is used instead of the general volume of demand/supply for the month since the number of auctions within a month is a constant value.

financing to total sales at an actual cost for the period from January to May constituted 25.1 percent having decreased compared to the end of April by 0.2 percentage points. The duration has increased over the last month from 170 to 171 days (in April, the duration increased by 3 days).

**Graph 3. The dynamics of sales of ST bills**



In May, compared with the previous month, the volume of STBills in circulation increased to 4.0 billion KGS (+2.2 percent). Positive change in the structure of the aggregate portfolio of STBills affected relevant indicators of institutional investors, whose share in the past month increased by 1.6 percentage points to 17.4 percent. At the same time, the share of commercial banks decreased to 79.0 percent (-1.3 percentage points). The share of resident individuals and resident legal entities constituted 3.6 percent also declined by 0.1 and 0.2 percentage points, respectively.

In the reporting period, one transaction with STBills took place in the secondary market at the amount of 2.0 million KGS.

**Table 1. The dynamics of average monthly yield of ST bills**

Period	Weighted average yield	By types of urgency		
		3-month ST bills	6-month ST bills	12-month ST bills
May'2011	19.0	9.3	14.1	20.3
June	18.1	9.3	15.5	21.1
July	18.8	9.2	15.0	20.5
August	16.5	-	13.6	17.0
September	15.3	-	13.3	15.6
October	14.2	8.1	13.4	15.0
November	14.0	6.9	13.4	15.0
December	13.4	6.6	13.3	14.9
January'2012	12.7	6.4	12.5	14.3
February	12.0	6.5	11.3	13.4
March	11.9	-	10.7	12.3
April	10.3	6.5	8.8	10.8
May	9.9	6.6	8.1	10.2

"-" all announced auctions were declared invalid

Table 2. The structure of ST bills holders at face value

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Date	TOTAL	Including											
		NBKR		Commercial Banks		Institutional Investor		Resident Individuals		Resident companies		Non-resident individuals	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Share	Amount	Share
01.06.2011	2,756,135.1	0.0	0%	2,679,623.4	97.2%	3,120.0	0.1%	4,701	0.2%	68,691.1	2.5%		
01.07.2011	2,827,026.1	0.0	0%	2,742,201.7	97.0%	0.0	0.0%	7,063.3	0.2%	77,761.1	2.8%	0.0	0.0%
01.08.2011	2,919,710.1	0.0	0%	2,786,906.7	95.5%	33,000.0	1.1%	9,884.3	0.3%	89,919.1	3.1%	0.0	0.0%
01.09.2011	3,366,523.0	0.0	0%	2,875,799.6	85.4%	355,307.9	10.6%	13,669.8	0.4%	121,745.7	3.6%	0.0	0.0%
01.10.2011	3,511,838.0	0.0	0%	2,926,944.6	83.3%	446,727.9	12.7%	14,114.8	0.4%	124,050.7	3.5%	0.0	0.0%
01.11.2011	3,608,998.0	0.0	0%	2,967,376.6	82.2%	504,377.9	14.0%	14,777.8	0.4%	122,465.7	3.4%	0.0	0.0%
01.12.2011	3,546,108.0	0.0	0%	2,896,673.4	81.7%	514,146.1	14.5%	14,122.8	0.4%	121,165.7	3.4%	0.0	0.0%
01.01.2012	3,579,218.0	0.0	0%	2,839,461.4	79.3%	584,286.1	16.3%	16,694.9	0.5%	138,775.6	3.9%	0.0	0.0%
01.02.2012	3,525,973.0	0.0	0%	2,801,197.9	79.4%	570,286.1	16.2%	17,172.4	0.5%	137,316.6	3.9%	0.0	0.0%
01.03.2012	3,642,003.0	0.0	0%	2,839,026.4	78.0%	637,663.9	17.5%	20,192.3	0.6%	145,120.4	4.0%	0.0	0.0%
01.04.2012	3,802,423.0	0.0	0%	3,005,516.9	79.0%	631,709.3	16.6%	18,898.8	0.5%	146,298.0	3.8%	0.0	0.0%
01.05.2012	3,931,115.0	0.0	0%	3,155,496.6	80.3%	623,228.2	15.9%	21,541.1	0.5%	130,849.1	3.3%	0.0	0.00%
01.06.2012	4,018,528.0	0.0	0%	3,174,357.1	79.0%	700,074.6	17.4%	17,004.5	0.4%	126,011.8	3.1%	1,080.0	0.03%