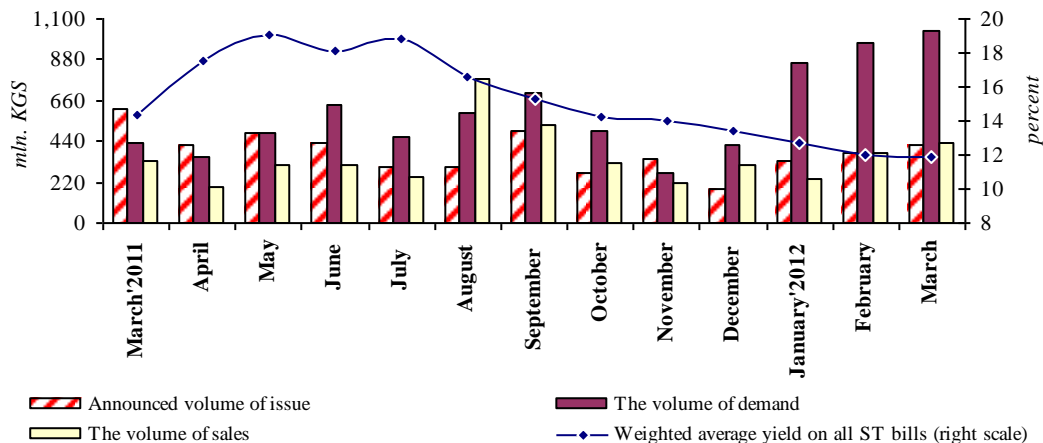


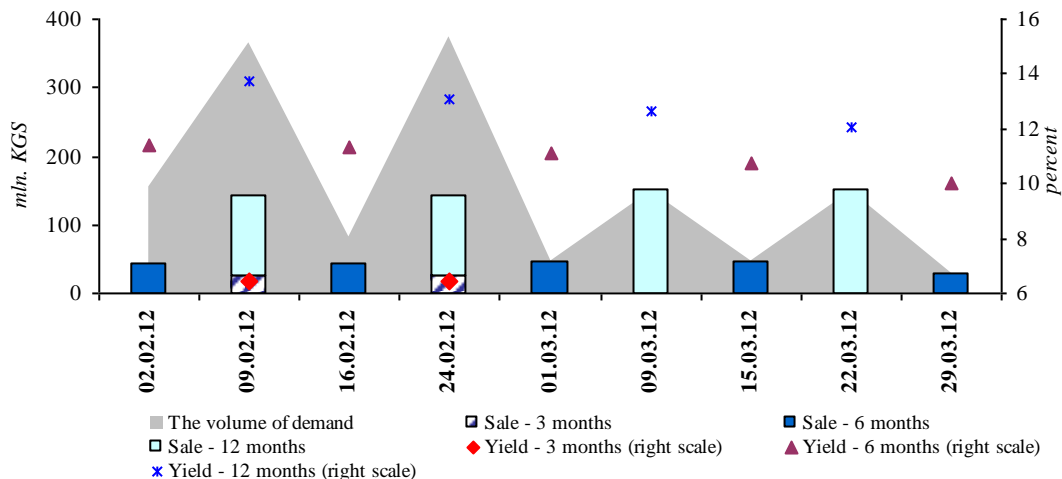
Market of State Treasury Bills (March 2012)

Graph 1. Demand and placement of state treasury bills



In March, compared with the previous month, there was an increase in the sales of STBills by 14.1 percent to 427.8 million KGS. The main reason of growth was an increase in sales of 12-month treasury bills that constituted 303.8 million KGS (+30.4 percent), while the sales of 6-month STBills increased to 124.0 million KGS (+ 37.8 percent). Despite the presence of a minor demand for 3-month STBills, the placement of these securities in the market did not take place. In the reporting period, the decreasing trend remained in the overall yield of STBills that took place from June of the previous year. The aggregate indicator of the average yield on all types of STBills in the reporting period constituted 11.9 percent having decreased over the month by 0.1 percentage points due to the decrease of yields on all types of securities in the market: the yield of 6-month STBills decreased by 0.6 percentage points to 10.7 percent; the yield of 12-month STBills fell to 12.3 percent (-1.1 percentage points).

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



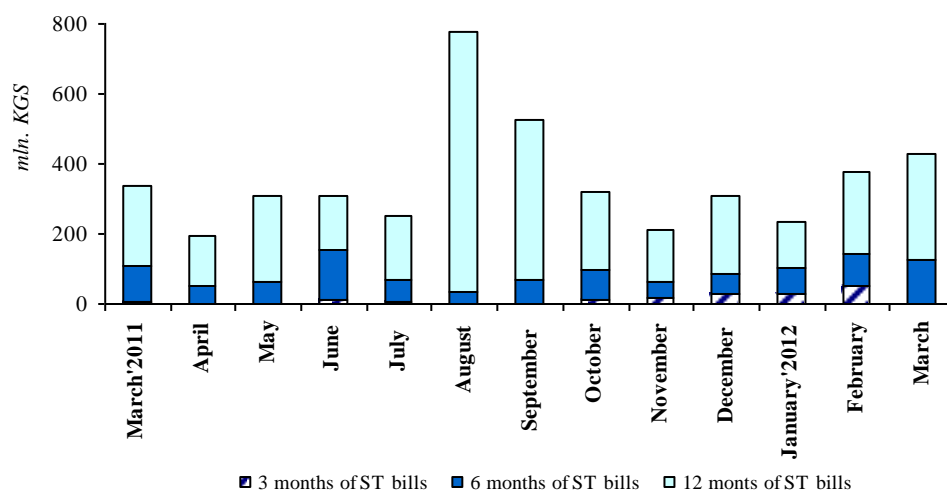
The average auction¹ demand volume in March constituted 206.4 million KGS having decreased by 15.3 percent compared to the previous month; the average auction of sales decreased by 8.7 percent and constituted 85.6 million KGS.

The net financing of the budget deficit at the expense of funds from the sale of STBills in March increased by 30.6 percent and constituted 145.4 million KGS. In this period, the Ministry of Finance redeemed STBills in the amount of 213.7 million KGS. The effectiveness of the STBills market since the beginning of the year calculated as the ratio of the total value of net financing to total sales at an actual cost for the first quarter of 2012 constituted 23.1 percent having increased

¹ 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.

compared to the end of February by 11.3 percentage points. The duration has decreased over the last month from 170 to 166 days (in February, a decrease was 5 days).

Graph 3. The dynamics of sales of ST bills



In March, compared with the previous month, the volume of STBills in circulation increased to 3.8 billion KGS (+4.4 percent). Positive change in the structure of the aggregate portfolio of STBills affected relevant indicators of commercial banks, whose share in the past month increased by 1.1 percentage points to 79.0 percent, while the share of institutional investors decreased to 16.6 percent (-0.9 percentage points). The share of resident individuals and resident legal entities resident constituted 4.3 percent also declined by 0.1 percentage points each.

In the reporting period, two transactions with STBills in the secondary market were held at the amount of 37.6 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
March'2011	14.4	8.7	11.3	15.9
April	17.6	-	12.7	19.2
May	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

"-" 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
01.04.2011	2,736,985.1	0.0	0%	2,669,267.0	97.5%	16,750.0	0.6%	0.0	0.0%	50,968.1	1.9%	0.0	0.0%
01.05.2011	2,808,128.1	0.0	0%	2,730,872.0	97.2%	11,250.0	0.4%	2,698.0	0.1%	63,308.1	2.3%	0.0	0.0%
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%	0.0	0.0%
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%