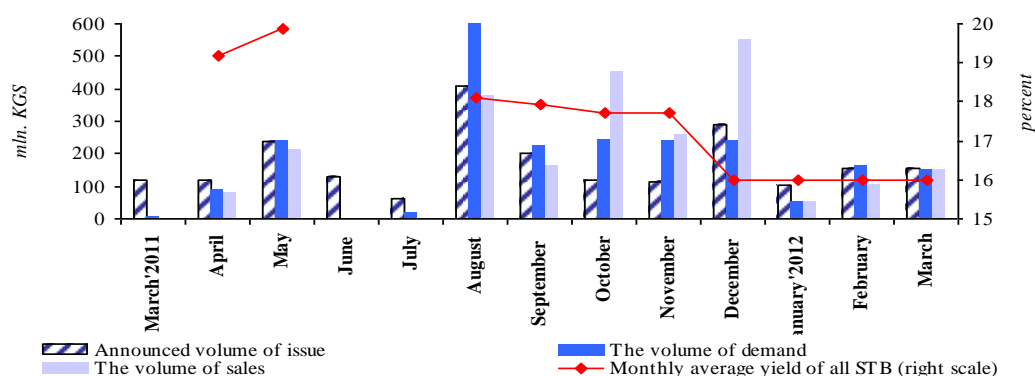


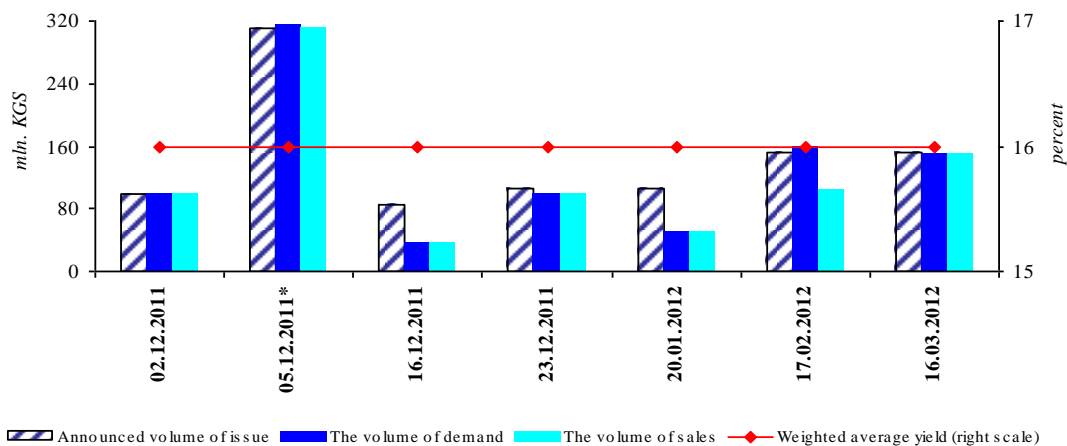
Market of State Treasury Bonds (March 2012)

According to the prevailing trends in the current year, one auction of treasury bonds of the Ministry of Finance was held in the primary market in March. According to the results of the auction, the market participants purchased securities at the amount of 150.1 million KGS, which is 44.2 percent higher than the previous month indicator. Almost the entire volume of sales fell under one of the largest commercial banks that retain its leading position in the market. The yield on the securities amounted to 16.0 percent and remained at the same level for the fourth consecutive month.

Graph 1. The dynamics of volume of supply and demand and yield of STB



Graph 2. Dynamics of volume of demand and supply and yield of STB auctions



* Additional placement

In March, the volume of STBonds in circulation amounted to 3.1 billion KGS having decreased over the month by 1.2 percent. The share of commercial banks increased by 1.0 percentage points (to 62.9 percent) due to an equivalent decrease in the share of institutional investors to 37.0 percent. The share of resident legal entities still remained at the level of 0.1 percent.

Within the reporting period, the concentration index¹ of the primary market of STBonds constituted 0.48, which indicates to a high level of concentration and corresponds to the presence of two investors with equal shares in the market.

¹ This index indicated to the degree of concentration of securities in the bank portfolio. The concentration index is calculated with the use of the Herfindahl-Hirschman method, by adding index share squares in the total volume. The index values vary from 0 to 1. Index value below 0.10

In the reporting period, no transactions of commercial banks in the secondary market of STBonds on the purchase / sale of securities before the maturity took place.

Table 1. The structure of the STB holders at face value

thous. KGS

Date	TOTAL	Including							
		NBKR		Commercial Banks		Institutional Investors		Resident companies	
		Amount	Share	Amount	Share	Amount	Share	Amount	Share
March 2011	1,919,792.0	0.0	0.0%	1,367,706.5	71.2%	549,140.5	28.6%	2,945.0	0.2%
April	1,999,792.0	0.0	0.0%	1,447,706.5	72.4%	549,140.5	27.5%	2,945.0	0.1%
May	2,213,792.0	0.0	0.0%	1,661,706.5	75.1%	549,140.5	24.8%	2,945.0	0.1%
June	2,213,792.0	0.0	0.0%	1,661,706.5	75.1%	549,140.5	24.8%	2,945.0	0.1%
July	2,213,792.0	70,685.7	3.2%	1,661,706.5	75.1%	478,454.8	21.6%	2,945.0	0.1%
August	2,593,792.0	70,685.7	2.7%	1,966,437.7	75.8%	553,723.6	21.3%	2,945.0	0.1%
September	2,752,012.0	70,685.7	2.6%	1,861,097.7	67.6%	817,283.6	29.7%	2,945.0	0.1%
October	2,927,012.0	500,940.7	17.1%	1,888,929.5	64.5%	532,494.6	18.2%	4,605.2	0.2%
November	3,056,703.0	500,940.7	16.4%	1,881,130.5	61.5%	671,484.6	22.0%	3,105.2	0.1%
December	3,035,970.0	0.0	0.0%	1,857,228.9	61.2%	1,175,593.9	38.7%	3,105.2	0.1%
January 2012	3,047,170.0	0.0	0.0%	1,868,428.9	61.3%	1,175,593.9	38.6%	3,105.2	0.1%
February	3,092,940.0	0.0	0.0%	1,914,198.9	61.9%	1,175,593.9	38.0%	3,105.2	0.1%
March	3,055,690.0	0.0	0.0%	1,921,038.9	62.9%	1,131,503.9	37.0%	3,105.2	0.1%

corresponds to the low value of concentration, from 0.10 to 0.18 – to the medium level; and above 0.18 – to the high level of concentration. For example, the concentration index of 0.5 is equivalent to the presence of 2 market players with equal shares, 0.3 – to the presence of 3 players, etc.