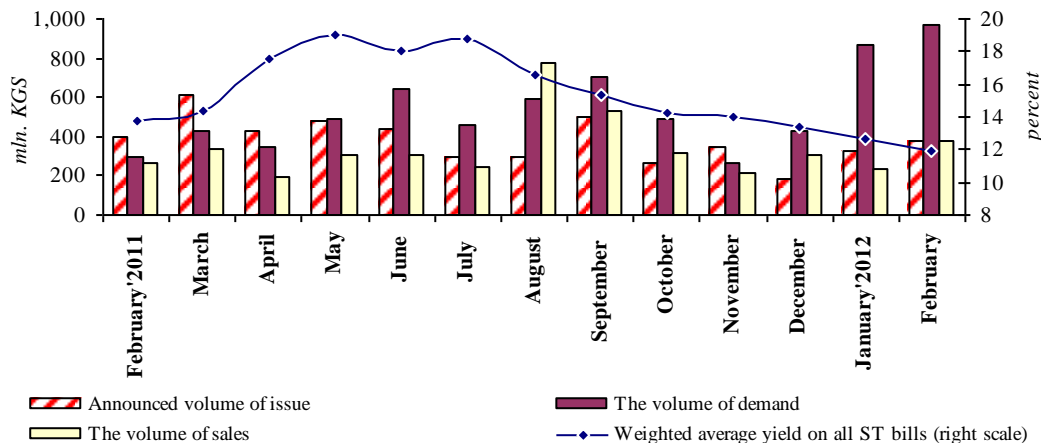


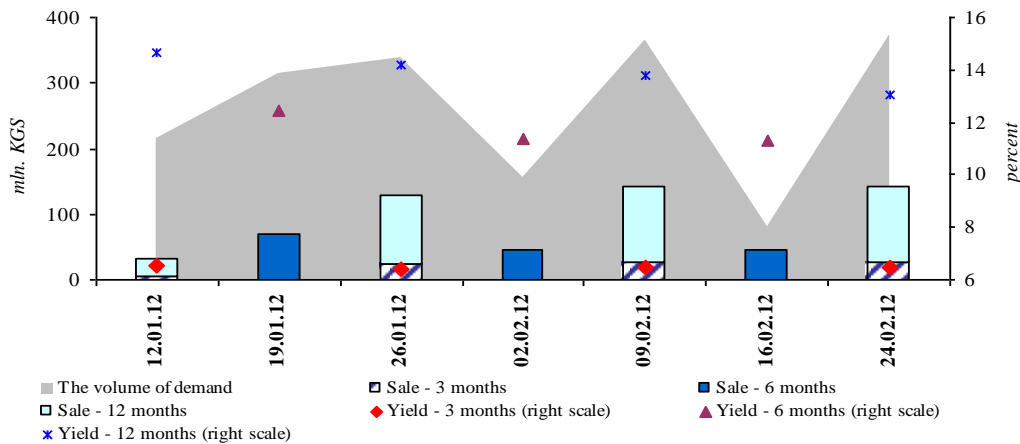
Market of State Treasury Bills (February 2012)

Graph 1. Demand and placement of state treasury bills



In February, compared to the previous month, there was an increase in sales of STBills by 61.2 percent and constituted 375.0 million KGS due to the growth in placing on the market of all types of securities. Thus, the sale of 12-month STBills that have the highest demand among the investors increased by 77.5 percent and constituted 233.0 million KGS. At the same time, the sales of 3-month STBills growing for the fifth consecutive month were formed in the amount of 52.0 million KGS (+66.1 percent), and 6-month STBills - from 70 to 90 million KGS (+28.6 percent). The aggregate measure of the average yield on all types of STBills in the reporting period amounted to 12.0 percent having decreased over the month by 0.7 percentage points due to decrease in the yields of 6- and 12-month STBills by 1.1 percentage points to 11.3 percent, and by 0.8 percentage points to 13.4 percent, respectively. The yield of 3-month STBills remained unchanged at 6.5 percent.

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



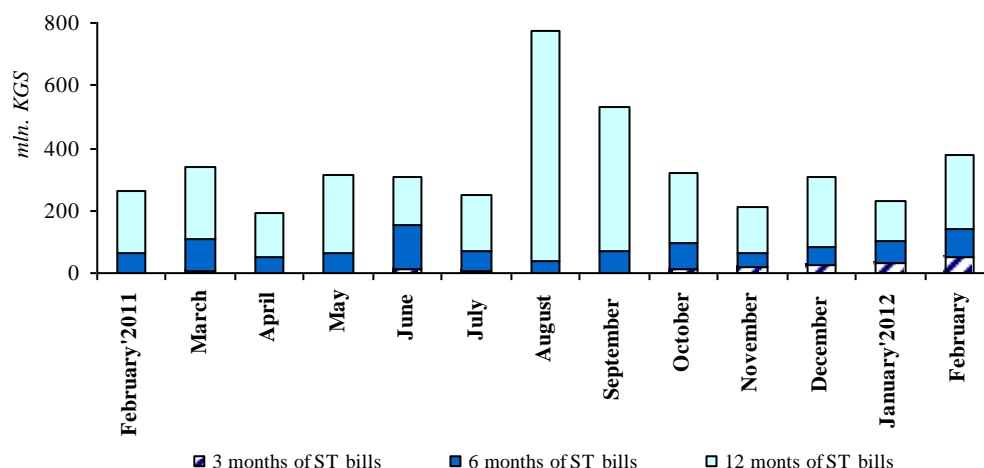
The average auction¹ volume of demand in February was 243.5 million KGS having decreased by 15.7 percent compared to the previous month; the average auction sales increased by 20.9 percent and constituted 93.8 million KGS.

The net finance of the budget deficit at the expense of funds from the sale of STBills in February increased from -45.7 million KGS to 111.4 million KGS. In the reporting period, the Ministry of Finance redeemed STBills in the amount of 230.1 million KGS. The effectiveness of the STBills market since the beginning of the year, calculated as the ratio of the total value of net financing to total sales volume at the actual cost for the first two months of 2012 constituted 11.9 percent having increased compared to the end of January by 33.5 percentage points. The duration

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.

has decreased over the last month from 175 to 170 days (in January the duration decreased by 11 days).

Graph 3. The dynamics of sales of ST bills



In February, compared with the previous month, the volume of STBills in circulation increased to 3.6 billion KGS (+3.3 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 1.3 percentage points to 17.5 percent, while the share of commercial banks decreased to 78.0 percent (-1.5 percentage points). The share of resident individuals and resident legal entities constituted 4.5 percent also increased by 0.1 percentage points each.

In the reporting period there was one transaction with STBills on the secondary market in the amount of 2.1 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
February'2011	13.7	-	10.6	14.7
March	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

"-" 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
01.03.2011	2,781,895.1	0.0	0%	2,443,365.0	87.8%	288,120.0	10.4%	2,082.0	0.1%	48,328.1	1.7%	0.0	0.0%
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%