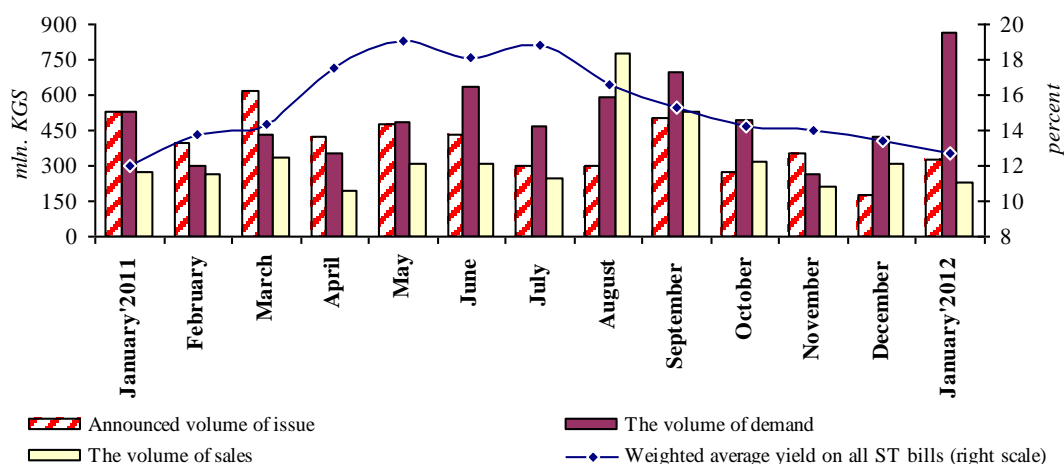


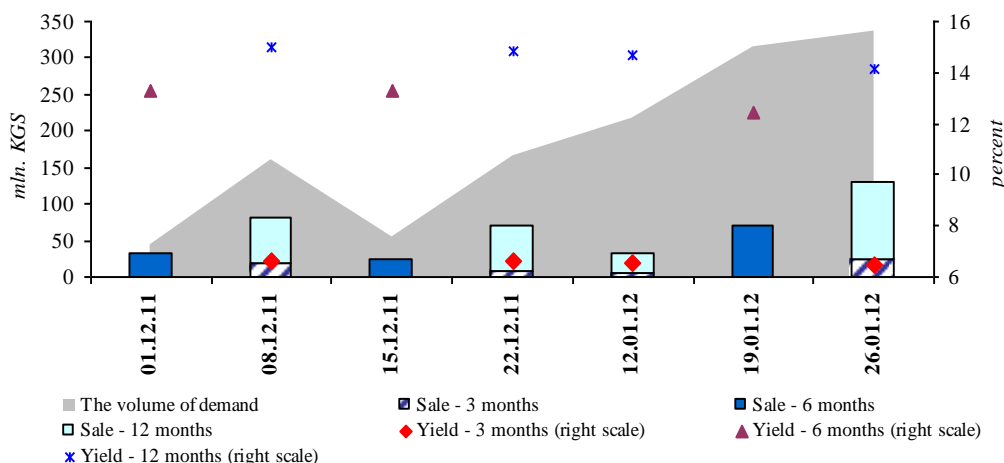
## Market of State Treasury Bills (January 2012)

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



In January, there was a decrease in sales of STBills compared to December 2011 by 24.7 percent and constituted 232.6 million KGS as a result of reducing the corresponding index on the 12-month securities. The volume of offers of 3- and 6-month STBills continued to grow and constituted 31.3 million KGS (14.0 percent) and 70.0 million KGS (24.4 percent), respectively. The aggregate measure of the average yield on all types of STBills in the reporting period amounted to 12.7 percent having decreased by 0.7 percentage points over the month due to lower yields on all types of securities: the yield of 3-month STBills decreased by 0.1 percentage points and constituted 6.4 percent; 6-month STBills by 0.8 percentage points and constituted 12.5 percent and 12-month STBills by 0.7 percentage points to 14.3 percent.

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



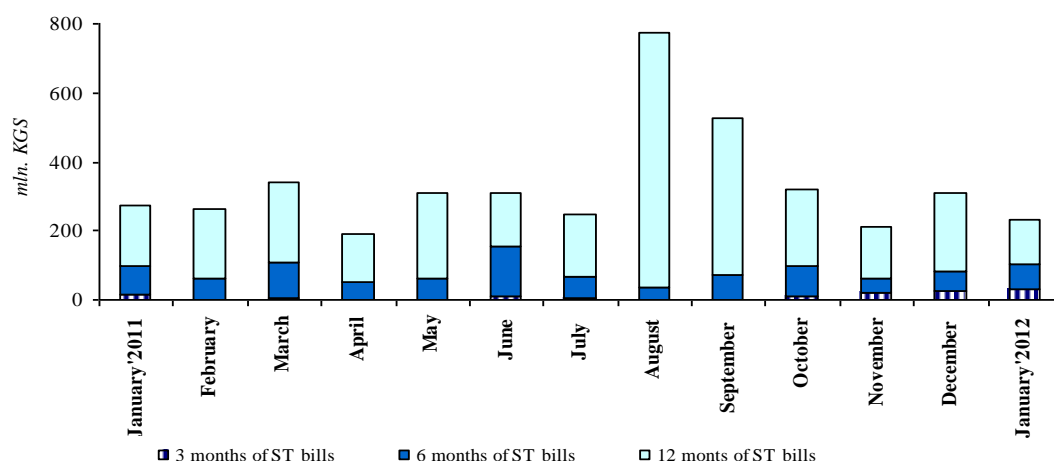
The average auction<sup>1</sup> demand volume amounted to 289.0 million KGS having increased by 2.7 times compared to the previous month; the average auction sales increased by 48.6 percent and constituted 77.5 million KGS.

The net finance of the budget deficit at the expense of the sales of STBills for the month decreased from 27.5 to -45.7 million KGS. In the reporting period, the Ministry of Finance redeemed STBills in the amount of 257.0 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 the actual costs amounted to -21.6 percent. Negative performance indicator was the result of exceeding the size of repayments on previously offered STBills over the January volume of proceeds from the sale of new securities.

<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.

The duration decreased from 186 days in December of the previous year to 175 days in this month.

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



In January, compared with the previous month, the volume of STBills in circulation amounted to 3.5 billion KGS (-1.5 percent). The main reason for the decline was the decrease in the portfolio of institutional investors, whose share fell by 0.2 percentage points to 16.2 percent. At the same time the share of commercial banks, on the other hand, rose to 79.4 percent (+0.1 percentage points). The share of resident individuals and resident legal entities that amounted to 4.4 percent, have not changed and remained at the level of appropriate indicators of December of the previous year.

In the reporting period, no transactions of commercial banks in the secondary market of STBills on the purchase / sale of securities before the maturity were made.

**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
January'2011	12.1	6.3	9.5	13.8
February	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

"-" 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
01.02.2011	2,808,313.1	0.0	0%	2,455,545.0	87.4%	309,360.0	11.0%	2,570.0	0.1%	40,838.1	1.5%	0.0	0.0%
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%