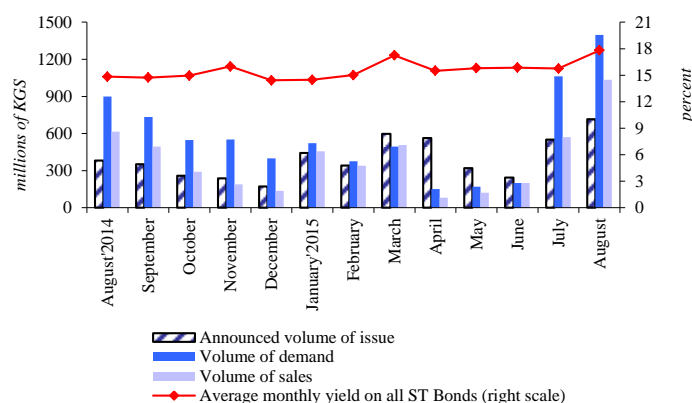


Market of State Treasury Bonds (August 2015)

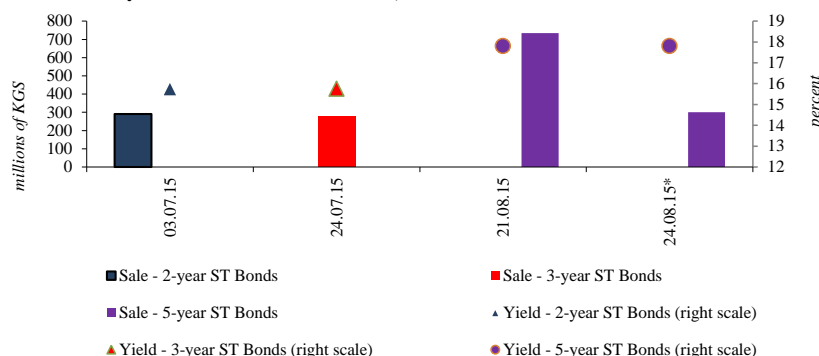
Chart 1. Dynamics of Volume of Supply, Demand and Yield of ST Bonds



In the reporting period, three auctions on placement of treasury bonds of the Ministry of Finance of the Kyrgyz Republic and one additional placement were held at the primary market. The total amount of the announced ST Bonds issue amounted to KGS 1.0 billion having increased by 84.5 percent as compared to the previous month. In the reporting period, market participants purchased only 5-year securities. The total volume of demand amounted to KGS 1.7 billion having increased by 64.5 percent.

The overall average monthly yield on ST Bonds in the reporting period was formed at the rate of 17.8 percent having decreased by 2.1 percentage points over the month.

Chart 2. Dynamics of Volume of Demand, Sales and Yield of ST Bonds



The volume of ST Bonds in circulation increased to KGS 8.7 billion (+21.1 percent) since the beginning of the year. At the same time, the share of core shareholders - institutional investors increased by 2.4 percentage points (up to 54.5 percent). The share of commercial banks, on the other hand, decreased by 2.5 percentage points and developed at the rate of 45.3 percent. The share of resident legal entities still remained at the level of 0.1 percent.

Over the month, the concentration index of the ST Bonds primary market was 0.31, which indicates a high level of concentration and corresponds to the presence of three investors with equal shares at the market.

In the reporting period, no transactions with ST Bonds were carried out at the secondary market.

Table 1. Structure of ST Bonds Holders at Face Value

thousands of KGS

| Date | TOTAL | including | | | | | | | | | |
|--------------|-------------|------------------|-------|-------------------------|-------|----------------------|-------|-------------------------|-------|-----------------------------|-------|
| | | Commercial Banks | | Institutional Investors | | Resident Individuals | | Resident Legal Entities | | Non-Resident Legal Entities | |
| | | Amount | Share | Amount | Share | Amount | Share | Amount | Share | Amount | Share |
| August'2014 | 6 994 600,0 | 3 084 681,3 | 44,1 | 3 903 218,7 | 55,8 | 6 700,0 | 0,1 | 0 | 0,0 | 0 | 0,0 |
| September | 7 208 100,0 | 3 318 252,5 | 46,0 | 3 883 147,5 | 53,9 | 6 700,0 | 0,1 | 0 | 0,0 | 0 | 0,0 |
| October | 7 229 000,0 | 3 368 300,4 | 46,6 | 3 853 999,6 | 53,3 | 6 700,0 | 0,1 | 0 | 0,0 | 0 | 0,0 |
| November | 7 218 400,0 | 3 390 223,4 | 47,0 | 3 821 476,6 | 52,9 | 6 700,0 | 0,1 | 0 | 0,0 | 0 | 0,0 |
| December | 7 156 300,0 | 3 420 223,4 | 47,8 | 3 729 376,6 | 52,1 | 6 700,0 | 0,1 | 0 | 0,0 | 0 | 0,0 |
| January'2015 | 7 493 150,0 | 3 523 928,0 | 47,0 | 3 902 472,0 | 52,1 | 6 700,0 | 0,1 | 60 000 | 0,8 | 50 | 0,0 |
| February | 7 717 100,0 | 3 601 628,0 | 46,7 | 4 108 772,0 | 53,2 | 6 700,0 | 0,1 | 0 | 0,0 | 0 | 0,0 |
| March | 8 103 650,0 | 3 706 678,3 | 45,7 | 4 390 221,7 | 54,2 | 6 700,0 | 0,1 | 0 | 0,0 | 50 | 0,0 |
| April | 8 009 150,0 | 3 612 178,3 | 45,1 | 4 390 221,7 | 54,8 | 6 700,0 | 0,1 | 0 | 0,0 | 50 | 0,0 |
| May | 7 977 150,0 | 3 475 792,3 | 43,6 | 4 494 607,7 | 56,3 | 6 700,0 | 0,1 | 0 | 0,0 | 50 | 0,0 |
| June | 7 672 150,0 | 3 435 898,4 | 44,8 | 4 229 501,6 | 55,1 | 6 700,0 | 0,1 | 0 | 0,0 | 50 | 0,0 |
| July | 8 126 150,0 | 3 685 898,4 | 45,4 | 4 433 501,6 | 54,6 | 6 700,0 | 0,1 | 0 | 0,0 | 50 | 0,0 |
| August | 8 663 450,0 | 3 928 014,9 | 45,3 | 4 723 685,1 | 54,5 | 11 700,0 | 0,1 | 0 | 0,0 | 50 | 0,0 |