

Regional Fixed Income Market Watch

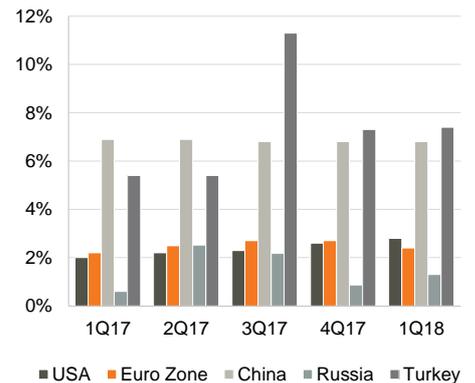
Georgia, Armenia, Azerbaijan, Belarus, Kazakhstan, Ukraine

Regional | Fixed Income
Monthly Bulletin
July 17, 2018

Highlights

- Real GDP growth in the US was revised down to an annualized 2.0% y/y (3rd estimate) in 1Q18 from an annualized 2.2% y/y (2nd estimate). In June 2018, unemployment rate increased by 0.2ppts to 4.0% from 3.8% recorded in previous month.
- Based on rapid estimates, in May 2018 economic growth came in at 7.5% y/y in Georgia, 5.4% y/y in Armenia, 4.9% y/y in Kazakhstan and 3.7% y/y in Russia. In 5M18, real GDP growth was 4.7% y/y in Belarus and 1.1% y/y in Azerbaijan.
- In June 2018, annual inflation in the US was 2.9% up from 2.8% in previous month. Based on the Eurostat flash estimate, annual inflation in EU19 was 2.0% in June 2018 up from 1.9% in May 2018.
- In June 2018, annual inflation was below to the target level in Armenia (0.9%), Georgia (2.2%), Russia (2.3%) and Belarus (4.1%); inflation was below expectation in Azerbaijan (1.9%); inflation was within the target in Kazakhstan (5.9%), and above the target in Ukraine (9.9%) and Turkey (15.4%).
- Monetary policy rate was cut to 10.0% (from 11.0%) in Azerbaijan and to 10.0% (from 10.5%) in Belarus in June 2018. The policy rate has remained unchanged in other countries.

GDP growth rate, y/y



Source: Central banks, Statistics Offices, Bloomberg

Key macro indicators

	GDP, % change			GDP, US\$ bn			GDP per capita, US\$			Inflation, period average			Fiscal balance, % of GDP			Current account balance, % of GDP		
	2017	2018F	2019F	2017	2018F	2019F	2017	2018F	2019F	2017	2018F	2019F	2017	2018F	2019F	2017	2018F	2019F
Armenia	7.5%	3.4%	3.5%	11.5	12.0	12.7	3,872	4,022	4,244	0.9%	3.5%	4.0%	-4.8%	-2.6%	-1.7%	-3.5%	-2.8%	-2.8%
Azerbaijan	0.1%	2.0%	3.9%	40.8	45.5	47.9	4,155	4,576	4,764	12.9%	7.0%	6.0%	0.9%	2.4%	2.1%	4.1%	5.6%	7.0%
Belarus	2.4%	2.8%	2.5%	54.4	59.2	61.5	5,760	6,301	6,575	6.0%	6.0%	6.0%	-1.7%	-2.4%	-3.0%	-1.7%	-2.5%	-2.7%
Georgia	5.0%	4.5%	4.8%	15.2	16.1	17.4	4,079	4,370	4,718	6.0%	3.6%	3.0%	-0.9%	-1.3%	-1.4%	-8.7%	-10.5%	-9.5%
Kazakhstan	4.0%	3.2%	2.8%	158.1	179.3	190.5	8,841	9,709	10,166	7.4%	6.4%	5.6%	-6.3%	-2.3%	-2.2%	-3.4%	-1.4%	-1.3%
Ukraine	2.5%	3.2%	3.3%	112.1	119.1	126.7	2,633	2,821	3,007	14.4%	11.0%	8.0%	-2.4%	-2.5%	-2.7%	-1.9%	-3.7%	-3.5%
Russia	1.5%	1.7%	1.5%	1,578.7	1,719.9	1,754.3	10,754	11,947	12,191	3.7%	2.8%	3.8%	-1.5%	0.0%	0.1%	2.2%	4.5%	3.8%
Turkey	7.4%	4.4%	4.0%	851.8	909.9	961.7	10,597	11,114	11,603	11.1%	11.4%	10.5%	-2.3%	-2.9%	-3.2%	-5.6%	-5.4%	-4.8%

Source: IMF, Statistic Offices, Central Banks

Sovereign credit ratings

	Fitch			Moody's			S&P		
	LC	FC	Outlook	LC	FC	Outlook	LC	FC	Outlook
Armenia	B+	B+	positive	B1	B1	positive	NA	NA	NA
Azerbaijan	BB+	BB+	stable	Ba2	Ba2	stable	BB+	BB+	stable
Belarus	B	B	stable	B3	B3	stable	B	B	stable
Georgia	BB-	BB-	positive	Ba2	Ba2	stable	BB-	BB-	stable
Kazakhstan	BBB	BBB	stable	Baa3	Baa3	stable	BBB-	BBB-	stable
Ukraine	B-	B-	stable	Caa2	Caa2	positive	B-	B-	stable
Russia	BBB-	BBB-	positive	Ba1	Ba1	positive	BBB	BBB-	stable
Turkey	BBB-	BB+	stable	Ba2	Ba2	stable	BB	BB-	stable

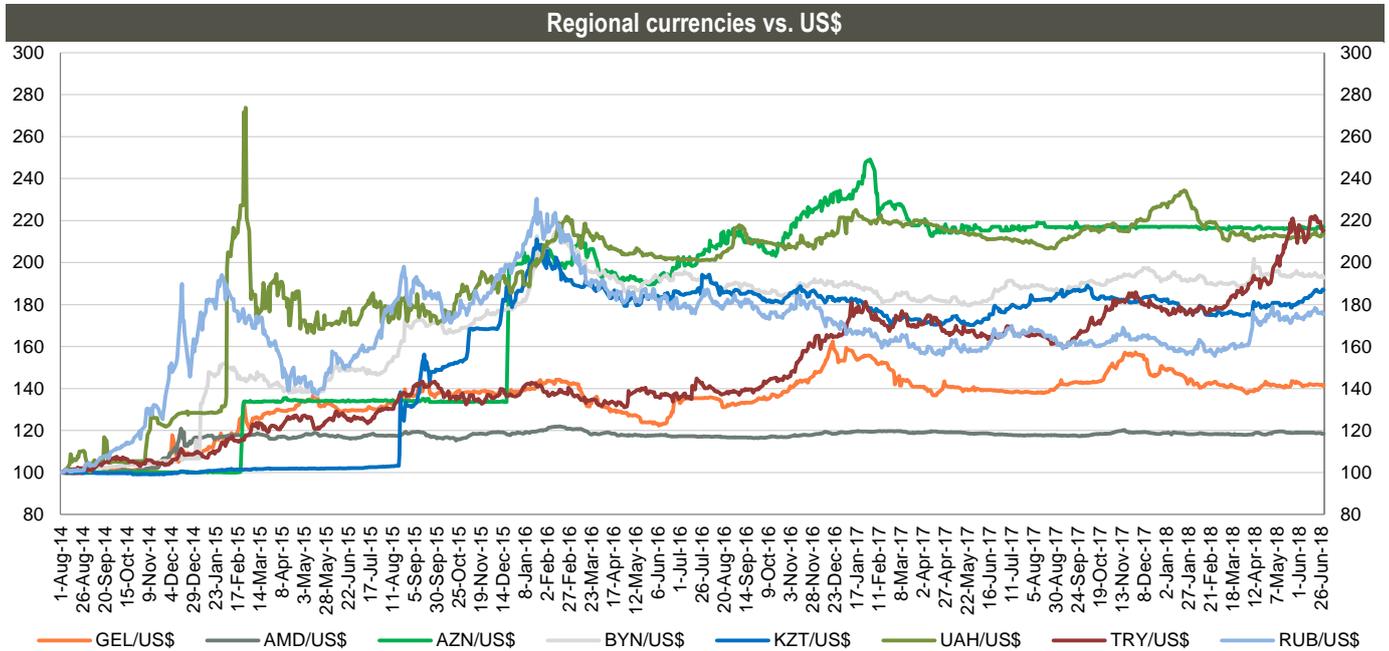
Source: Fitch Ratings, S&P Global, Moody's

Monetary stance

	Inflation, y/y		MPR
	Jun-18	Jun-18	
Armenia	0.9%	6.0%	
Azerbaijan	1.9%	10.0%	
Belarus	4.1%	10.0%	
Georgia	2.2%	7.25%	
Kazakhstan	5.9%	9.0%	
Ukraine	9.9%	17.0%	
Russia	2.3%	7.25%	
Turkey	15.3%	17.75%	

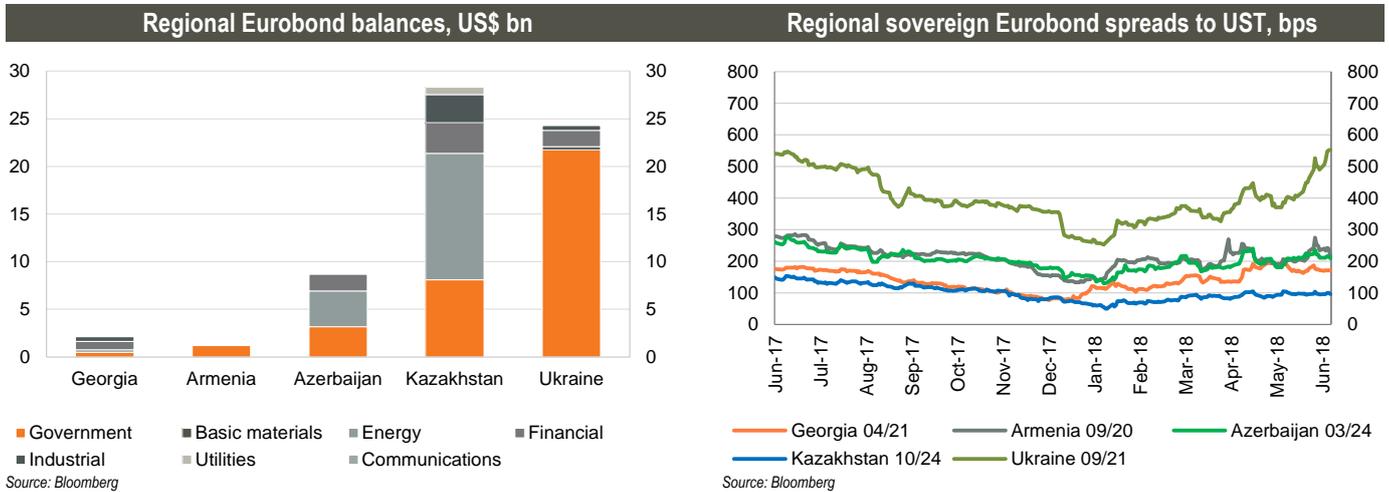
Source: Central banks, Statistics Offices

Eurobonds



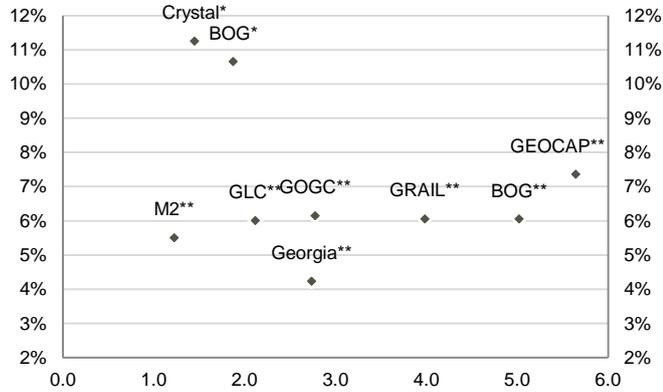
Source: Bloomberg

Note: National currency per US\$; Index growth means depreciation of the local currency, index decline means appreciation of the local currency; Aug-2014=100



Snapshot: Georgia

Yield curve



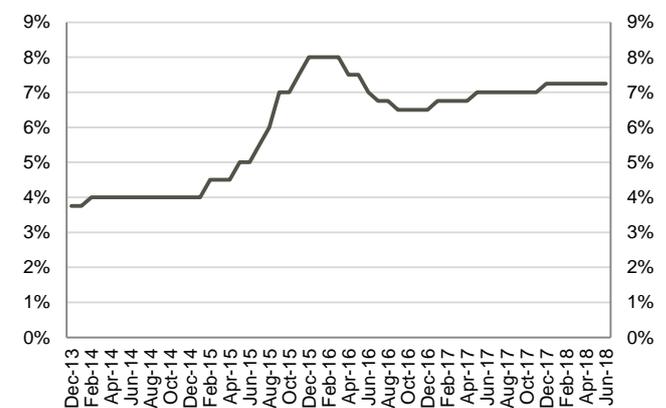
Remaining maturity

*In GEL

**In US\$

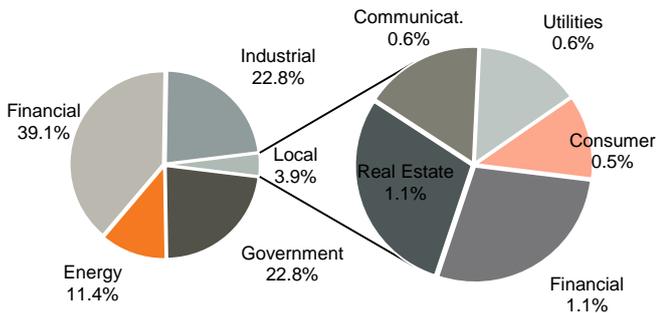
Source: Bloomberg, Galt & Taggart

Monetary policy rate



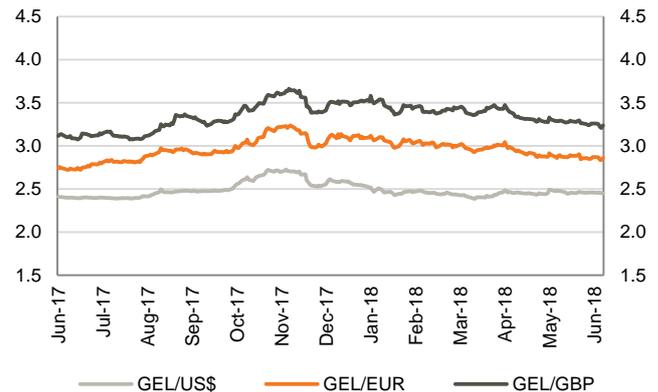
Source: National Bank of Georgia

Bond universe by sector (US\$ 2.2bn total)



Source: Bloomberg

Foreign exchange rates



Source: Bloomberg

Bond performance

Issuer	Currency	Sector	Ticker	Maturity	Coupon	Issue Ratings (Fitch/S&P/Moody's/Scope)	Size (Currency mn)	Bid price	YTM Mid	Exchange
Republic Of Georgia	US\$	Government	GEORG	Apr-21	6.88%	BB-/BB-/Ba2/-	500	106.64	4.23	London
Georgian Oil & Gas Corp	US\$	Energy	GEOROG	Apr-21	6.75%	BB-/B+/-/-	250	101.33	6.15	London
Bank Of Georgia	US\$	Financial	GEBGG	Jul-23	6.00%	BB-/B-/Ba2/-	350	99.57	6.04	Dublin
Bank Of Georgia	GEL	Financial	GEBGG	Jun-20	11.00%	BB-/B-/Ba2/-	500	99.48	10.65	Dublin
Georgian Railway	US\$	Industrial	GRAIL	Jul-22	7.75%	B+/B+/-/-	500	105.72	6.05	London
Georgia Capital	US\$	Financial	GEOCAP	Mar-24	6.13%	-B+/B2/-	300	94.07	7.36	Dublin
GWP	GEL	Utilities	GEWRPW	Dec-21	10.75%**	BB-*/-/-/-	30	N/A	N/A	Georgia
M2 Real Estate	US\$	Real Estate	\$M204J	Oct-19	7.50%	-/-/-	25	101.77	5.50	Georgia
Georgian Leasing Co	US\$	Financial	\$GLC02K	Aug-20	7.00%	-/-/-	10	100.98	6.00	Georgia
Georgian Leasing Co	US\$	Financial	\$GLC03L	Jun-21	6.50%	-/-/-	5	100.00	6.50	Georgia
Nikora	US\$	Consumer	\$NKR01J	Jun-19	9.00%	-/-/B+*	10	N/A	N/A	Georgia
Silknet	GEL	Communications	\$SLK01M	Aug-22	10.75%**	B+*/-/-/-	34	N/A	N/A	Georgia
MFO Crystal	GEL	Financial	\$CRS01J	Dec-19	11.75%**	B*/-/-/-	10	100.00	11.25	Georgia

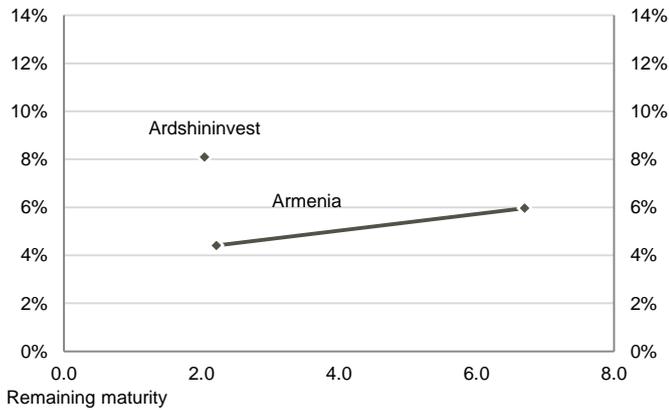
*Company ratings

**Floating rate

Source: Bloomberg, Galt & Taggart

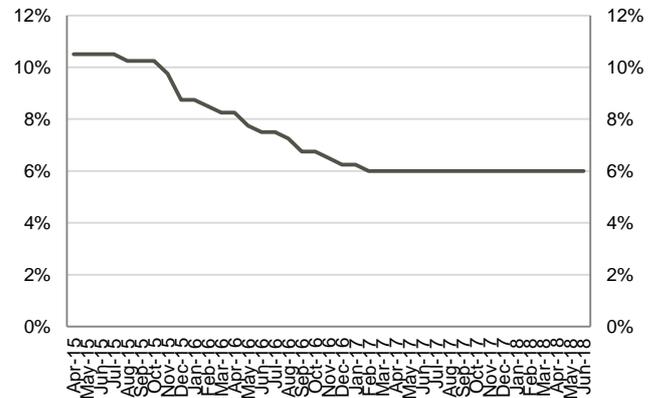
Snapshot: Armenia

Yield curve



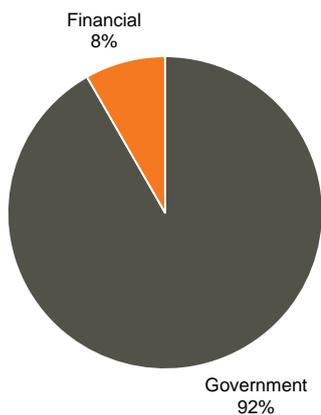
Source: Bloomberg

Monetary policy rate



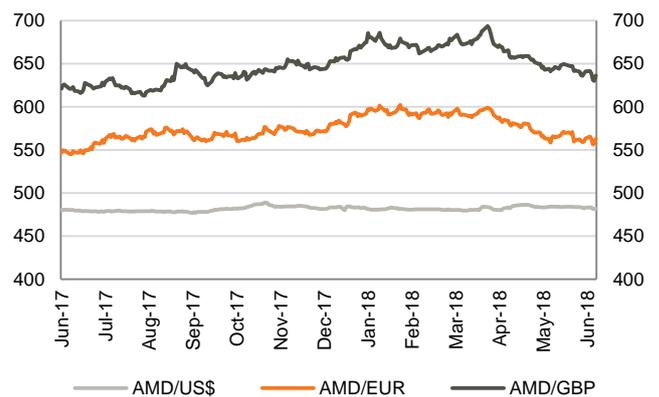
Source: Central Bank of Armenia

Bond universe by sector (US\$ 1.3bn total)



Source: Bloomberg

Foreign exchange rates



Source: Bloomberg

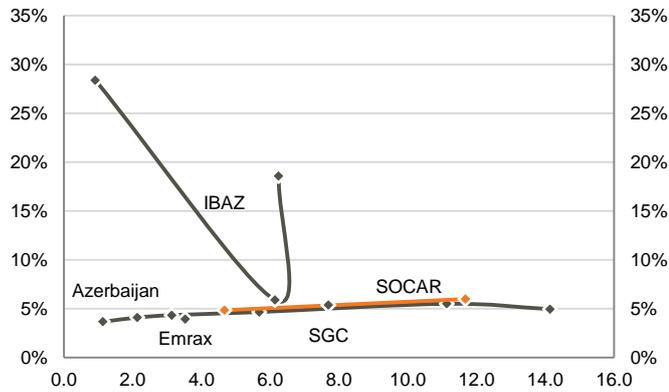
Bond performance

Issuer	Currency	Sector	Ticker	Maturity	Coupon	Issue Ratings (Fitch/S&P/Moody's)	Size (Currency mn)	Bid price	YTM Mid	Exchange
Republic Of Armenia	US\$	Government	ARMEN	Sep-20	6.00%	B+/-/B1	700	103.15	4.34	Dublin
Republic Of Armenia	US\$	Government	ARMEN	Mar-25	7.15%	B+/-/B1	500	107.29	5.79	Dublin
Ardshinvestbk	US\$	Financial	ARBANK	Jul-20	12.00%	B+/-/B1	100	106.23	8.11	Dublin
Armswissbank	US\$	Financial	ARMSWI	Apr-19	8.00%	-/-	5	N/A	N/A	Armenia
Armswissbank	US\$	Financial	ARMSWI	Apr-20	8.50%	-/-	5	N/A	N/A	Armenia

Source: Bloomberg

Snapshot: Azerbaijan

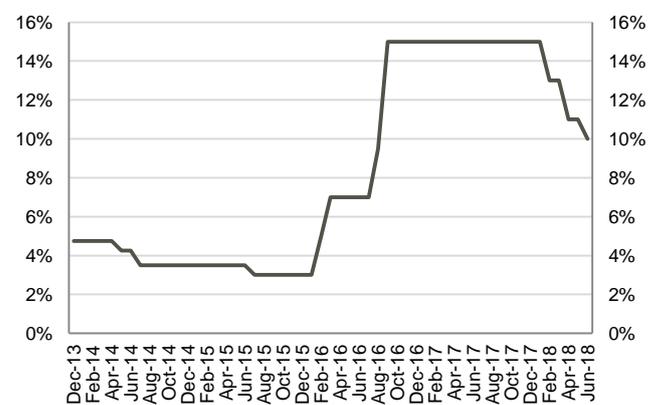
Yield curve



Remaining maturity

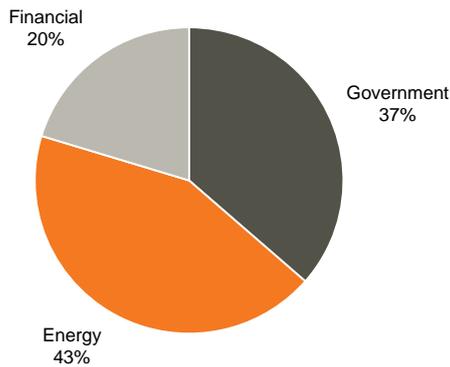
Source: Bloomberg

Monetary policy rate



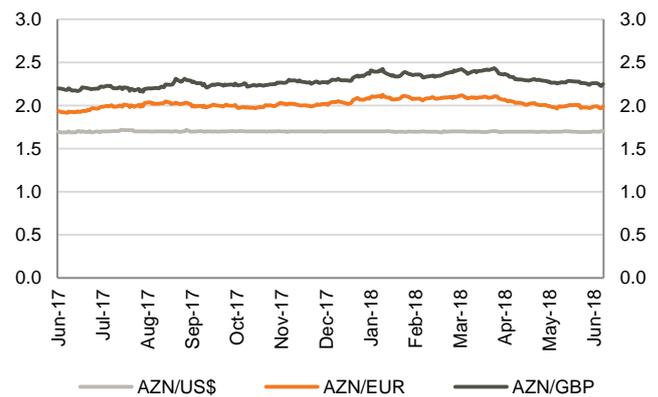
Source: Central Bank of Azerbaijan

Bond universe by sector (US\$ 8.7bn total)



Source: Bloomberg

Foreign exchange rates



Source: Bloomberg

Bond performance

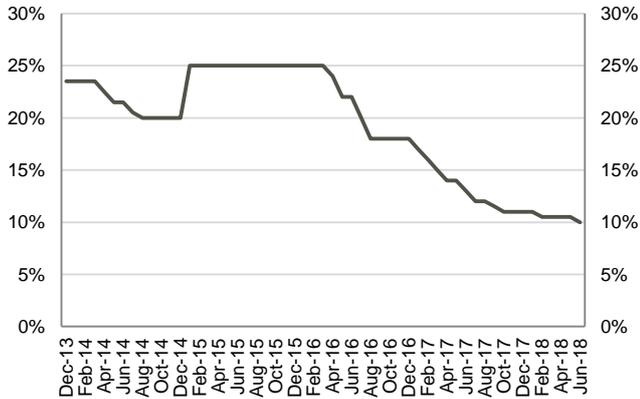
Issuer	Currency	Sector	Ticker	Maturity	Coupon	Issue Ratings (Fitch/S&P/Moody's)	Size (Currency mn)	Bid price	YTM Mid	Exchange
Republic Of Azerbaijan	US\$	Government	AZERBJ	Sep-19	2.82%	BB+/-/Ba2	174	98.81	3.69	Not Listed
Republic Of Azerbaijan	US\$	Government	AZERBJ	Sep-20	2.82%	BB+/-/Ba2	174	97.13	4.11	Not Listed
Republic Of Azerbaijan	US\$	Government	AZERBJ	Sep-21	2.82%	BB+/-/Ba2	174	95.09	4.30	Not Listed
Republic Of Azerbaijan	US\$	Government	AZERBJ	Mar-24	4.75%	BB+/-/Ba2	1,250	100.32	4.65	Stuttgart
Republic Of Azerbaijan	US\$	Government	AZERBJ	Sep-29	5.13%	BB+/-/Ba2	311	96.92	5.47	Not Listed
Republic Of Azerbaijan	US\$	Government	AZERBJ	Sep-32	3.50%	BB+/-/Ba2	1,077	85.07	4.95	Not Listed
Southern Gas Corridor	US\$	Energy	SGCAZE	Mar-26	6.88%	BB+/-/Ba2	2,000	109.21	5.37	Dublin
SOCAR	US\$	Energy	SOIAZ	Mar-23	4.75%	BB+/BB-/Ba2	1,000	99.67	4.80	London
SOCAR	US\$	Energy	SOIAZ	Mar-30	6.95%	BB+/BB-/NR	750	107.90	5.97	London
Emraxbank	US\$	Financial	EMRXAZ	Jan-22	9.00%	-/-	10	116.30	3.92	Baku
IBAZ	US\$	Financial	IBAZAZ	Jun-19	5.63%	WD/-/WR	500	82.48	28.47	Stuttgart
IBAZ	US\$	Financial	IBAZAZ	Sep-24	3.50%	B-/-	1,000	87.11	5.90	Not Listed
IBAZ	US\$	Financial	IBAZAZ	Oct-24	8.25%	-/-/WR	250	63.25	18.45	Dublin

Source: Bloomberg



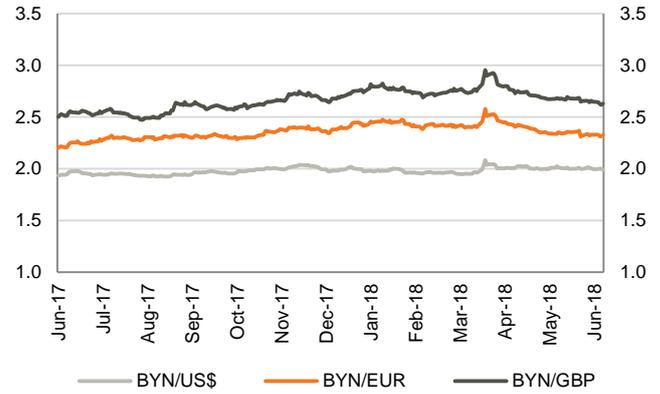
Snapshot: Belarus

Monetary policy rate



Source: National Bank of Belarus

Foreign exchange rates



Source: Bloomberg

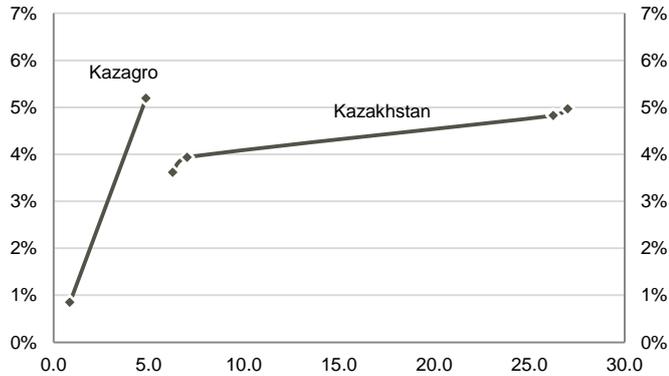
Bond performance

Issuer	Currency	Sector	Ticker	Maturity	Coupon	Issue Ratings (Fitch/S&P/Moody's)	Size (Currency mn)	Bid price	YTM Mid	Exchange
Republic Of Belarus	US\$	Government	BELRUS	Feb-23	6.88%	B/B/B3	800	104.50	5.69	Dublin
Republic Of Belarus	US\$	Government	BELRUS	Jun-27	7.63%	B/B/B3	600	106.50	6.62	Dublin
Republic Of Belarus	US\$	Government	BELRUS	Feb-30	6.20%	B/B/-	600	96.29	6.62	Dublin

Source: Bloomberg

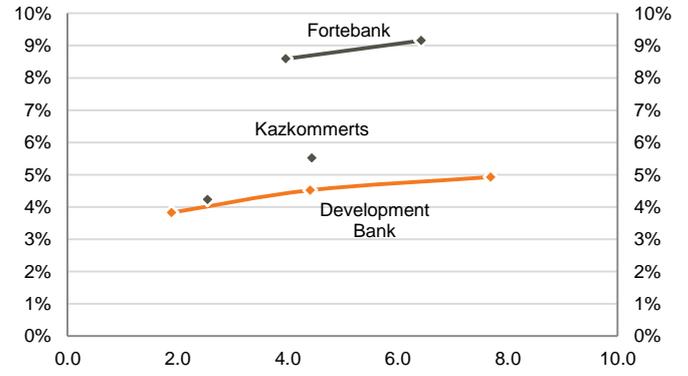
Snapshot: Kazakhstan

Yield curve (sovereign)



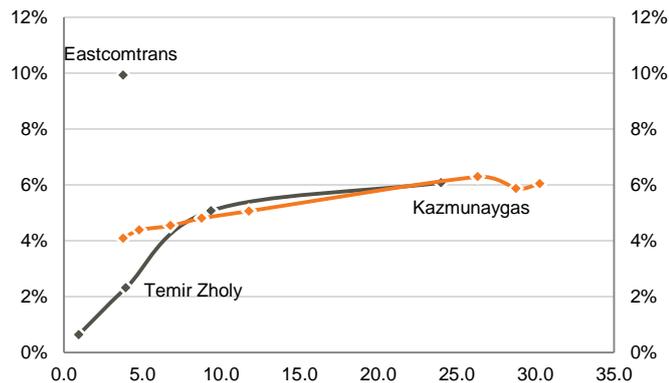
Remaining maturity
Source: Bloomberg

Yield curve (banks)



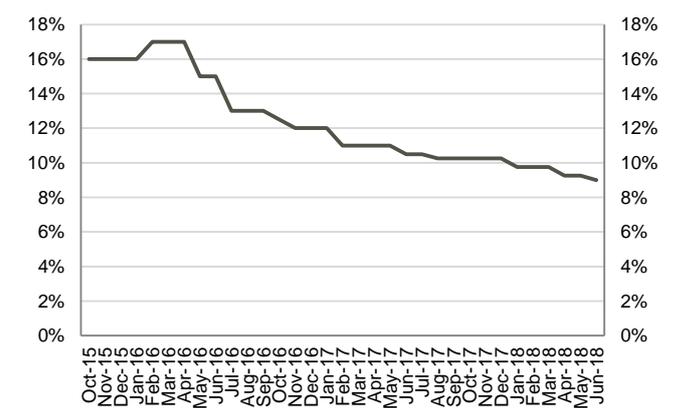
Remaining maturity
Source: Bloomberg

Yield curve (other sectors)



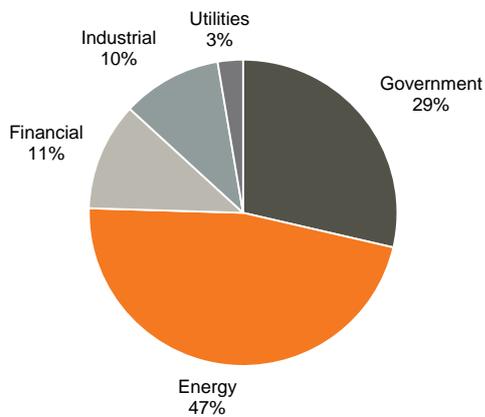
Remaining maturity
Source: Bloomberg

Monetary policy rate



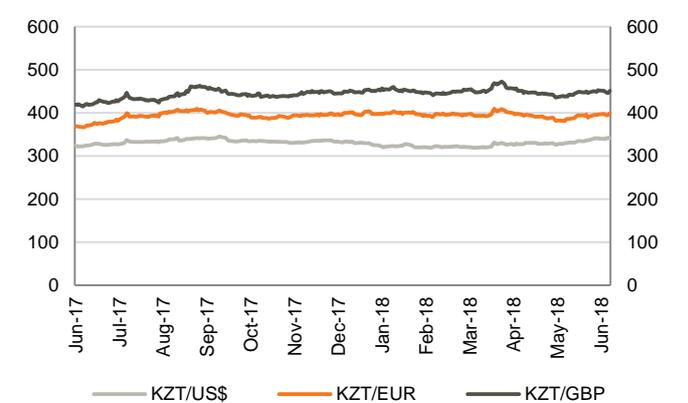
Source: National Bank of Kazakhstan

Bond universe by sector (US\$ 28.4bn total)



Source: Bloomberg

Foreign exchange rates



Source: Bloomberg

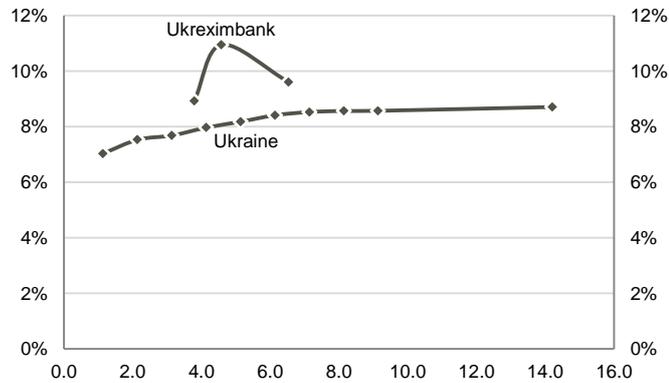
Bond performance

Issuer	Currency	Sector	Ticker	Maturity	Coupon	Issue Ratings (Fitch/S&P/Moody's)	Size (Currency mn)	Bid price	YTM Mid	Exchange
Republic Of Kazakhstan	US\$	Government	KAZAKS	Oct-24	3.88%	BBB/BBB-/Baa3	1,500	101.49	3.59	London
Republic Of Kazakhstan	US\$	Government	KAZAKS	Jul-25	5.13%	BBB/BBB-/Baa3	2,500	107.59	3.87	London
Republic Of Kazakhstan	US\$	Government	KAZAKS	Oct-44	4.88%	BBB/BBB-/Baa3	1,000	101.53	4.77	London
Republic Of Kazakhstan	US\$	Government	KAZAKS	Jul-45	6.50%	BBB/BBB-/Baa3	1,500	123.31	4.92	London
Kazagro Natl Mgmt Hldg	EUR	Government	KAZNMH	May-19	3.26%	BBB-/NR/Ba1	600	101.74	0.79	Dublin
Kazagro Natl Mgmt Hldg	US\$	Government	KAZNMH	May-23	4.63%	BBB-/NR/Ba1	1,000	97.50	5.18	Dublin
Kazmunaygas National Co	US\$	Energy	KZOKZ	May-20	7.00%	BBB-/BB-/WR	1,500	N/A	N/A	Frankfurt
Kazmunaygas National Co	US\$	Energy	KZOKZ	Apr-21	6.38%	BBB-/BB-/WR	1,250	N/A	N/A	London
Kazmunaygas National Co	US\$	Energy	KZOKZ	Apr-22	3.88%	BBB-/BB-/Baa3	500	99.08	4.08	London
Kazmunaygas National Co	US\$	Energy	KZOKZ	Apr-23	4.40%	BBB-/BB-/Baa3	1,000	99.96	4.37	Kazakhstan
Kazmunaygas National Co	US\$	Energy	KZOKZ	Apr-25	4.75%	BBB-/BB-/Baa3	500	101.30	4.50	London
Kazmunaygas National Co	US\$	Energy	KZOKZ	May-25	4.88%	BBB-/BB-/Baa3	500	N/A	N/A	London
Kazmunaygas National Co	US\$	Energy	KZOKZ	Apr-27	4.75%	BBB-/BB-/Baa3	1,000	100.07	4.73	London
Kazmunaygas National Co	US\$	Energy	KZOKZ	Apr-30	5.38%	BBB-/BB-/Baa3	1,250	103.05	5.01	London
Kazmunaygas National Co	US\$	Energy	KZOKZ	Apr-43	5.75%	BBB-/BB-/WR	2,000	N/A	N/A	Kazakhstan
Kazmunaygas National Co	US\$	Energy	KZOKZ	Nov-44	6.00%	BBB-/BB-/Baa3	1,000	96.39	6.24	London
Kazmunaygas National Co	US\$	Energy	KZOKZ	Apr-47	5.75%	BBB-/BB-/Baa3	1,250	98.68	5.83	London
Kazmunaygas National Co	US\$	Energy	KZOKZ	Oct-48	6.38%	BBB-/BB-/Baa3	1,500	105.03	6.00	London
Kaztransgas	US\$	Utilities	KZTGKZ	Sep-27	4.38%	BBB-/BB-/Baa3	750	93.78	5.19	Dublin
Development Bank Of Kaz.	US\$	Financial	DBKAZ	Jun-20	6.50%	BBB-/BB+/Baa3	100	104.59	3.79	Kazakhstan
Development Bank Of Kaz.	US\$	Financial	DBKAZ	Dec-22	4.13%	BBB-/BB+/Baa3	1,425	98.30	4.49	London
Development Bank Of Kaz.	US\$	Financial	DBKAZ	Mar-26	6.00%	BBB-/BB+/Baa3	150	106.55	4.93	Kazakhstan
Fortebank	US\$	Financial	ALLIBK	Jun-22	14.00%	NR/B/-	61	117.25	8.60	Kazakhstan
Fortebank	US\$	Financial	ALLIBK	Dec-24	11.75%	-/B/-	237	112.06	9.15	Kazakhstan
Halyk Savings Bank-Kaz.	US\$	Financial	HSBKKZ	Jan-21	7.25%	BB/BB/Ba3	500	107.02	4.19	London
Kazkommertsbank	US\$	Financial	KKB	Dec-22	5.50%	BB+/BB/-	750	99.79	5.53	Kazakhstan
Eastcomtrans	US\$	Industrial	EASTCM	Apr-22	8.00%	WD/-/B3	100	93.66	9.89	London
Kazakhstan Temir Zholy	CHF	Industrial	KTZKZ	Jun-19	2.59%	BBB-/BB-/Baa3	100	101.44	0.64	Zurich
Kazakhstan Temir Zholy	US\$	Industrial	KTZKZ	Oct-20	6.38%	WD/NR/WR	700	N/A	N/A	London
Kazakhstan Temir Zholy	CHF	Industrial	KTZKZ	Jun-22	3.64%	BBB-/BB-/Baa3	185	104.66	2.30	Zurich
Kazakhstan Temir Zholy	US\$	Industrial	KTZKZ	Nov-27	4.85%	BBB-/BB-/Baa3	780	98.64	5.02	Dublin
Kazakhstan Temir Zholy	US\$	Industrial	KTZKZ	Jul-42	3.88%	BBB-/BB-/Baa3	1,100	111.08	6.05	London

Source: Bloomberg

Snapshot: Ukraine

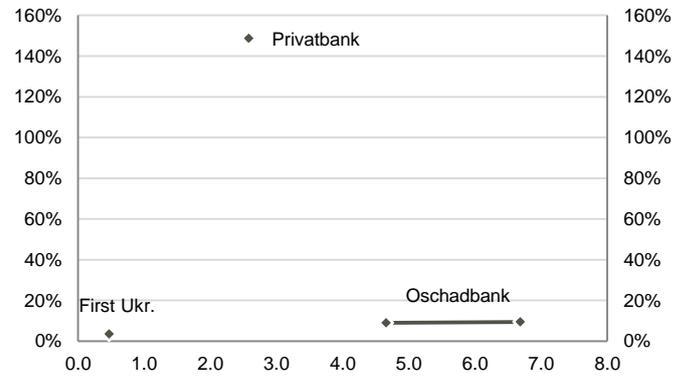
Yield curve (sovereign)



Remaining maturity

Source: Bloomberg

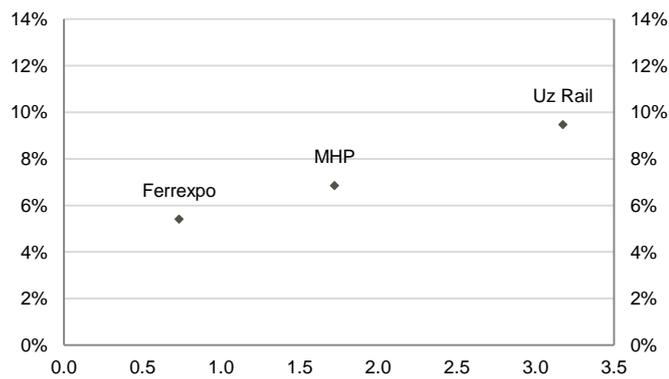
Yield curve (banks)



Remaining maturity

Source: Bloomberg

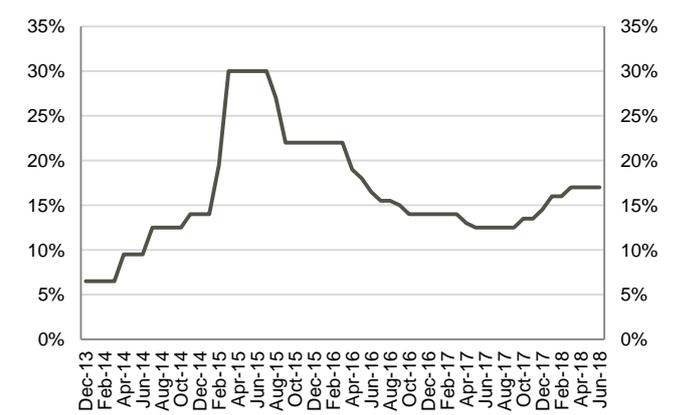
Yield curve (other sectors)



Remaining maturity

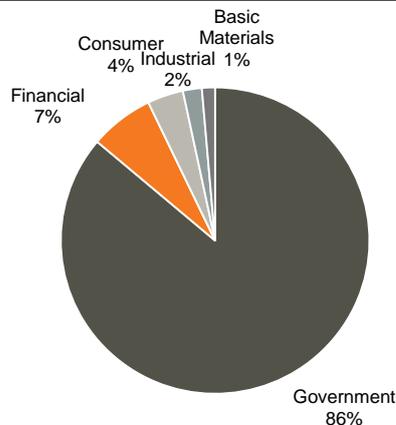
Source: Bloomberg

Monetary policy rate



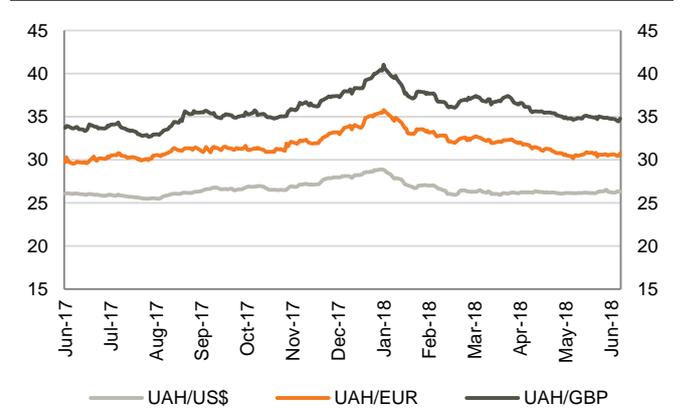
Source: National Bank of Ukraine

Bond universe by sector (US\$ 25.2bn total)



Source: Bloomberg

Foreign exchange rates



Source: Bloomberg

Bond performance

Issuer	Currency	Sector	Ticker	Maturity	Coupon	Issue Ratings (Fitch/S&P/Moody's)	Size (Currency mn)	Bid price	YTM Mid	Exchange
Ukraine Government	US\$	Government	UKRAIN	Sep-19	7.75%	B-/B-/Caa2	1,822	100.50	7.03	Dublin
Ukraine Government	US\$	Government	UKRAIN	Sep-20	7.75%	B-/B-/Caa2	1,780	100.51	7.35	Dublin
Ukraine Government	US\$	Government	UKRAIN	Sep-21	7.75%	B-/B-/Caa2	1,409	100.51	7.47	Dublin
Ukraine Government	US\$	Government	UKRAIN	Sep-22	7.75%	B-/B-/Caa2	1,384	99.76	7.74	Dublin
Ukraine Government	US\$	Government	UKRAIN	Sep-23	7.75%	B-/B-/Caa2	1,355	98.69	7.98	Dublin
Ukraine Government	US\$	Government	UKRAIN	Sep-24	7.75%	B-/B-/Caa2	1,339	97.54	8.22	Dublin
Ukraine Government	US\$	Government	UKRAIN	Sep-25	7.75%	B-/B-/Caa2	1,329	96.53	8.36	Dublin
Ukraine Government	US\$	Government	UKRAIN	Sep-26	7.75%	B-/B-/Caa2	1,318	96.12	8.38	Dublin
Ukraine Government	US\$	Government	UKRAIN	Sep-27	7.75%	B-/B-/Caa2	1,307	95.75	8.39	Dublin
Ukraine Government	US\$	Government	UKRAIN	Sep-32	7.38%	B-/B/-	3,000	90.34	8.54	Dublin
Ukraine Government	US\$	Government	UKRAIN	May-40	0.00%	-B/-	3,214	64.00	N/A	Dublin
Aid-Ukraine	US\$	Government	AID	Sep-21	1.47%	-/-	1,000	95.54	2.85	Frankfurt
Ukreximbank	US\$	Government	EXIMUK	Apr-22	9.63%	B-/Caa2	750	102.24	8.84	Dublin
Ukreximbank	US\$	Government	EXIMUK	Feb-23	9.00%	CCC-/Caa3	125	94.69	10.92	Dublin
Ukreximbank	US\$	Government	EXIMUK	Jan-25	9.75%	B-/Caa2	600	100.59	9.57	Dublin
Ferrexpo Finance	US\$	Basic Materials	FXPOLN	Apr-19	10.38%	B/B/Caa1	186	103.19	5.39	Dublin
Ferrexpo Finance	US\$	Basic Materials	FXPOLN	Apr-19	10.38%	B/B/Caa1	161	103.01	5.70	Dublin
Avangardco Investments	US\$	Consumer	AVINPU	Oct-18	10.00%	WD/-	200	N/A	N/A	London
MHP	US\$	Consumer	MHPSA	Apr-20	8.25%	B/B/-	750	101.87	6.81	Dublin
First Ukr.	US\$	Financial	PUMBUZ	Dec-18	11.00%	NR/-/WR	275	103.01	3.39	Zurich
Privatbank	US\$	Financial	PRBANK	Feb-21	11.00%	-/-	220	N/A	N/A	Channel Isl.
Oschadbank	US\$	Financial	OSCHAD	Mar-23	9.38%	B-/Caa2	700	101.29	8.93	Dublin
Oschadbank	US\$	Financial	OSCHAD	Mar-25	9.63%	B-/Caa2	500	100.75	9.42	Dublin
Uz Rail Via Shortline	US\$	Industrial	RAILUA	Sep-21	9.88%	CCC/CCC+/-	500	100.93	9.43	Dublin

Source: Bloomberg

Disclaimer

This document is strictly confidential and has been prepared by JSC Galt & Taggart ("Galt & Taggart"), a member of Bank of Georgia Group plc ("Group") solely for informational purposes and independently of the respective companies mentioned herein. This document does not constitute or form part of, and should not be construed as, an offer or solicitation or invitation of an offer to buy, sell or subscribe for any securities or assets and nothing contained herein shall form the basis of any contract or commitment whatsoever or shall be considered as a recommendation to take any such actions.

Galt & Taggart is authorized to perform professional activities on the Georgian market. The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by Galt & Taggart to inform themselves about and to observe any and all restrictions applicable to them. This document is not directed to, or intended for distribution, directly or indirectly, to, or use by, any person or entity that is a citizen or resident located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

Investments (or any short-term transactions) in emerging markets involve significant risk and volatility and may not be suitable for everyone. The recipients of this document must make their own investment decisions as they believe appropriate based on their specific objectives and financial situation. When doing so, such recipients should be sure to make their own assessment of the risks inherent in emerging market investments, including potential political and economic instability, other political risks including without limitation changes to laws and tariffs, and nationalization of assets, and currency exchange risk.

No representation, warranty or undertaking, express or implied, is or will be made by Galt & Taggart or any other member of the Group or their respective directors, employees, affiliates, advisers or agents or any other person as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of this document and the information contained herein (and whether any information has been omitted from this document) and no reliance should be placed on it. This document should not be considered as a complete description of the markets, industries and/or companies referred to herein. Nothing contained in this document is, is to be construed as, or shall be relied on as legal, investment, business or tax advice, whether relating to the past or the future, by Galt & Taggart any other member of the Group or any of their respective directors, employees, affiliates, advisers or agents in any respect. Recipients are required to make their own independent investigation and appraisal of the matters discussed herein. Any investment decision should be made at the investor's sole discretion. To the extent permitted by law, Galt & Taggart, any other member of the Group and their respective directors, employees, affiliates, advisers and agents disclaim all liability whatsoever (in negligence or otherwise) for any loss or damages however arising, directly or indirectly, from any use of this document or its contents or otherwise arising in connection with this document, or for any act, or failure to act, by any party, on the basis of this document.

The information in this document is subject to verification, completion and change without notice and Galt & Taggart is not under any obligation to update or keep current the information contained herein. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the information since the date hereof or the date upon which this document has been most recently updated, or that the information contained in this document is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. No representation or warranty, expressed or implied, is made by Galt & Taggart or any other member of the Group, or any of their respective directors, employees, affiliates, advisers or agents with respect to the accuracy or completeness of such information.

The information provided and opinions expressed in this document are based on the information available as of the issue date and are solely those of Galt & Taggart as part of its internal research coverage. Opinions, forecasts and estimates contained herein are based on information obtained from third party sources believed to be reliable and in good faith, and may change without notice. Third party publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. Accordingly, undue reliance should not be placed on any such data contained in this document. Neither Galt & Taggart, any other member of the Group, nor their respective directors, employees, affiliates, advisers or agents make any representation or warranty, express or implied, of this document's usefulness in predicting the future performance, or in estimating the current or future value, of any security or asset.

Galt & Taggart does, and seeks to do, and any other member of the Group may or seek to do business with companies covered in its research. As a result, investors should be aware of a potential conflict of interest that may affect the objectivity of the information contained in this document.

This document is confidential to clients of Galt & Taggart. Unauthorized copying, distribution, publication or retransmission of all or any part of this document by any medium or in any form for any purpose is strictly prohibited.

The recipients of this document are responsible for protecting against viruses and other destructive items. Receipt of the electronic transmission is at risk of the recipient and it is his/her responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Galt & Taggart

Address: 79 D. Agmashenebeli Avenue, Tbilisi 0102, Georgia

Tel: + (995) 32 2401 111

Email: gt@gt.ge