



Economy

Bank lending increased by 17.3% y/y in Mar-24

In Mar-24, the banking sector loan portfolio increased by 17.3% y/y (+2.4% m/m), excluding FX effect, after a 16.4% y/y growth in previous month. In unadjusted terms, loan portfolio rose by 19.9% y/y (+2.9% m/m), reaching GEL 53.8bn (US\$ 20.0bn), after growing 17.5% y/y in Feb-24. By sector, corporate loans growth accelerated, up by 20.7% y/y (exc. FX effect) in March and retail loans were up 14.6% y/y. Loan dollarization slightly increased to 44.8% (+0.26ppts y/y and +0.55ppts m/m) in Mar-24.

Bank deposits increased by 16.7% y/y (exc. FX effect) to GEL 51.8bn (US\$ 19.2bn) in Mar-24, after growing by 14.8% y/y in previous month. In terms of currency breakdown, GEL deposits increased by 29.5% y/y and FX deposits growth (exc. FX effect) stood at 5.6% y/y. As a result, the level of deposit dollarization came in at 49.7% (-3.85ppts y/y and -0.17ppts m/m) in Mar-24.

NBG purchased US\$ 127.9mn in Mar-24

In Mar-23, NBG purchased US\$ 127.9mn through the BMatch platform to build reserves. Overall, in 1Q24, NBG's net FX purchases reached US\$ 213.5mn.

Tourist arrival increased by 8.6% y/y in 1Q24

In 1Q24, international visitors to Georgia increased by 8.6% y/y to 1.16mn persons. This growth was mainly driven by a 11.0% y/y increase in tourist arrivals (81.1% of total arrivals), while same-day arrivals reduced by 0.7% y/y. Türkiye was the top source country by international arrivals (22.0% of total), followed by Russia (18.6% of total) and Armenia (16.6% of total). Most visitors traveled to Georgia via land (60.5% of total), followed by air (38.7% of total).

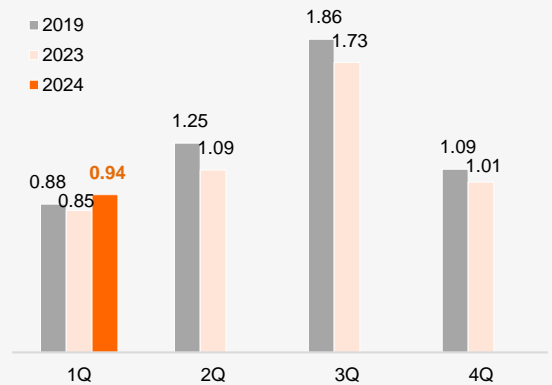
Key macro indicators

	2023	2024F
Real GDP growth (% change)	7.5%	6.0%
GDP per capita (ppp)	23,344	25,350
GDP per capita (US\$)	8,210	8,861
Population (mn)	3.7	3.7
Inflation (average)	2.5%	3.0%
Gross reserves (US\$ bn)	5.0	5.2
CAD (% of GDP)	4.3%	4.7%
Fiscal deficit (% of GDP)	2.4%	2.5%
Total public debt (% of GDP)	39.0%	38.0%
Fitch/S&P/Moody's*	BB/BB/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

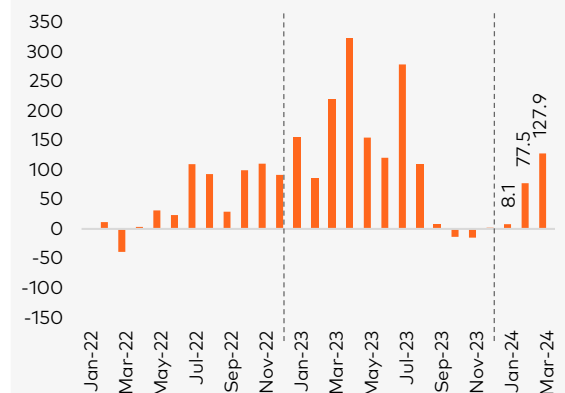
*Latest sovereign credit ratings

Tourist arrivals, mn persons



Source: GNTA

NBG's net FX purchases, US\$ mn



Source: NBG

Note: +/- means purchase/sale

Money market

Ministry of Finance T-bills/T-notes:

5-year GEL 85.0mn (US\$ 31.8mn) Benchmark bonds were sold at the auction held at NBG on April 23, 2024. Total demand was 1.9x higher and the weighted average yield was fixed at 8.324%, up by 0.346ppts from previous auction held in Mar-24.

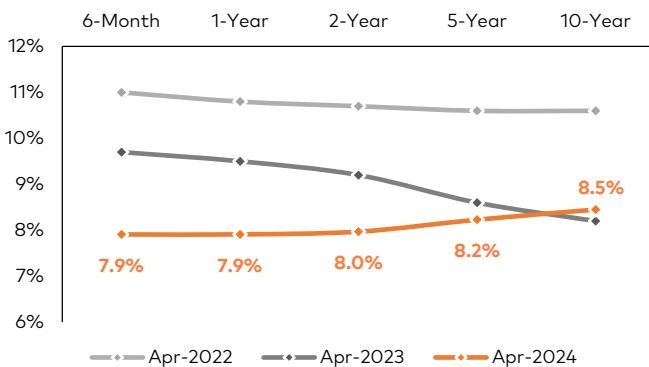
The nearest treasury security auction is scheduled for May 7, 2024, where GEL 20.0mn nominal value 6-month T-bills and GEL 40.0mn nominal value 2.7-year Benchmark Bonds will be sold.

T-bills / T-notes in 2024

Maturity	YTD placements, GEL mn	Remaining placements, GEL mn	Outstanding amount, GEL mn*
Short-term (less than 1-year)	210	320	410
Long-term (over 1-year)	1,123	2,235	7,972
Total	1,333	2,555	8,382

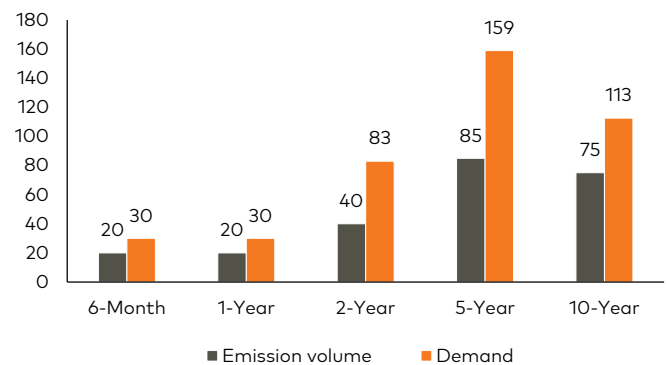
Source: MoF
*As of March 2024

T-bills / T-notes, yield curve



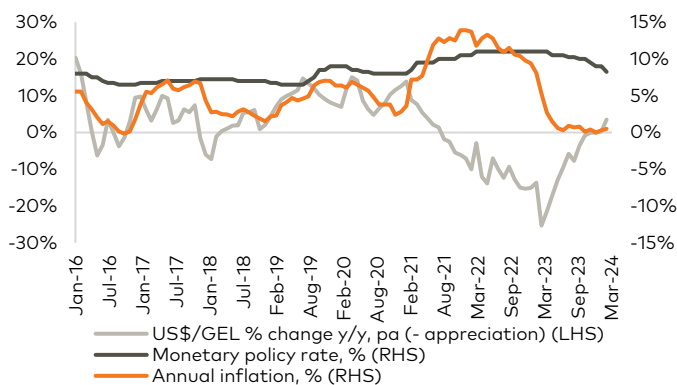
Source: NBG

Emission volume vs. demand on latest T-bills / T-notes auctions, GEL mn



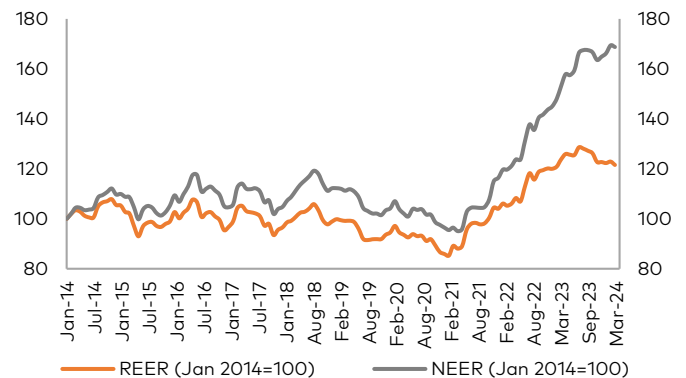
Source: NBG

Monetary policy rate, inflation and FX rate



Source: NBG, Geostat

Nominal and real effective exchange rates



Source: NBG

Note: Index growth/decline means appreciation/depreciation of exchange rate



Fixed income

Georgian Eurobonds performance

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Mood y/Scope)	Mid price	Mid yield, %	Z-spread, bps
GEORG 04/26	USD	500	2.750%	Apr-21	Apr-26	BB/BB/Ba2	92.84	6.68	175.41
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	90.22	6.75	220.78
GEBGG 11 1/8 PERP	USD	100	11.125%	Mar-19	n/a	B-/-/-	100.33	8.72	336.20
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	99.17	9.90	522.88
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/B1	101.15	7.90	264.28
TBC 06/24	USD	300	5.750%	Jun-19	Jun-24	BB-/Ba2	99.92	6.23	81.80
TBC PERP	USD	125	10.775%	Jul-19	n/a	B-/-/-	100.30	9.96	457.59

■ Galt & Taggart-led and/or co-managed deals
Source: Bloomberg

Georgian local bonds performance

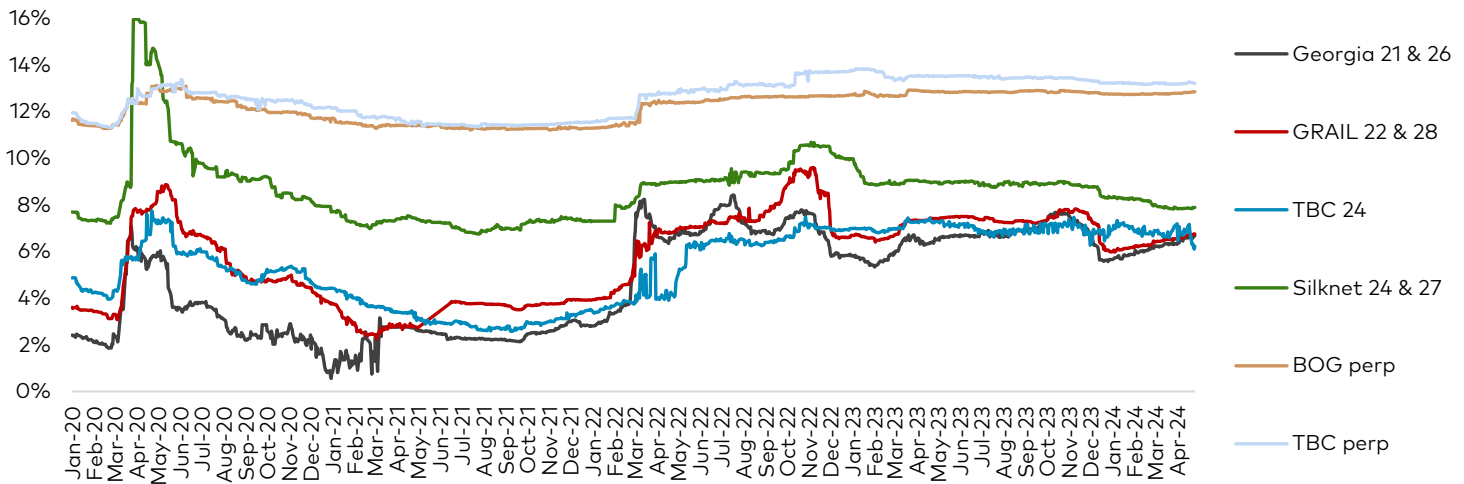
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/ Scope)	Mid price	Mid yield, %
USD								
Bakhvi Hydro Power	USD	1.2	9.40%	Nov-17	Nov-27	-/-/-	n/a	n/a
Lisi Lake Development	USD	12	6.50%	Dec-21	Dec-24	-/-/B+	n/a	n/a
IG Development	USD	15	8.50%	Jul-22	Jul-24	-/-/-	99.87	8.75
Georgia Real Estate	USD	35	8.50%	Oct-22	Oct-24	-/-/-	99.98	8.50
Geo. Renewable Power Oper.	USD	80	7.00%	Oct-22	Oct-27	-/-/-	99.99	7.00
Lisi Lake Development	USD	10	8.50%	Dec-22	Dec-24	-/-/B+	100.00	8.50
Geosteel	USD	15	9.00%	Apr-23	Apr-25	-/-/-	99.98	9.00
Silk Real Estate	USD	20	9.00%	Apr-23	Apr-26	-/-/-	99.99	9.00
Tegeta Motors	USD	20	8.50%	Apr-23	Apr-25	-/-/BB-	99.66	8.75
Energy Development Georgia	USD	10	8.50%	Jun-23	Jun-25	-/-/-	n/a	n/a
Georgia Capital	USD	150	8.50%	Aug-23	Aug-28	-/BB-/-	101.17	8.19
Silk Real Estate	USD	20	9.25%	Sep-23	Sep-26	-/-/-	101.14	8.63
Prime Concrete	USD	7.5	10.50%	Sep-23	Sep-27	-/-/-	n/a	n/a
Austrian-Georgian Development	USD	15	9.00%	Oct-23	Oct-25	-/-/-	n/a	n/a
MFO EuroCredit	USD	10	9.50%	Dec-23	Dec-27	-/-/-	n/a	n/a
Geosteel	USD	5	8.50%	Dec-23	Dec-25	-/-/-	99.57	8.75
IG Development	USD	20	8.50%	Dec-23	Dec-25	-/-/-	99.56	8.75
EUR								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/BB-	99.67	7.25
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.57	7.25
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.43	6.50
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/-	99.55	7.25
GEL								
Vian (Evex)	GEL	50	Ref rate + 3.10%	Nov-19	Nov-24	-/-/BB	n/a	n/a
Nikora Trade	GEL	35	TIBR3M + 3.50%	Nov-21	Nov-24	-/-/BB-	n/a	n/a
Nikora	GEL	35	TIBR3M + 3.50%	Nov-22	Nov-25	-/-/BB-	n/a	n/a
MFO MBC	GEL	15	TIBR3M + 4.50%	Dec-22	Dec-24	-/-/B	n/a	n/a
Tegeta Motors	GEL	150	TIBR3M + 3.50%	Dec-22	Dec-25	-/-/BB-	n/a	n/a
MFO Crystal	GEL	25	TIBR6M + 4.75%	Dec-22	Feb-25	B-/-/-	n/a	n/a
MFO Rico Express	GEL	130	TIBR1D + 2.00%	Mar-23	Mar-26	-/-/B+	n/a	n/a
TBC Leasing	GEL	100	TIBR3M + 3.00%	Mar-23	Mar-26	BB-/B-	n/a	n/a
TBC Leasing	GEL	15	TIBR3M + 2.75%	Jun-23	Jun-26	BB-/B-	n/a	n/a
Tegeta Motors	GEL	20	TIBR6M + 3.50%	Jun-23	Dec-25	-/-/BB-	n/a	n/a
Tegeta Motors	GEL	20	14.5%	Dec-23	Dec-25	-/-/BB-	n/a	n/a
Cellfie	GEL	65	TIBR6M + 3.50%	Dec-23	Dec-25	-/-/BB-	n/a	n/a

■ Galt & Taggart-led and/or co-managed deals
Source: Bloomberg, Galt & Taggart



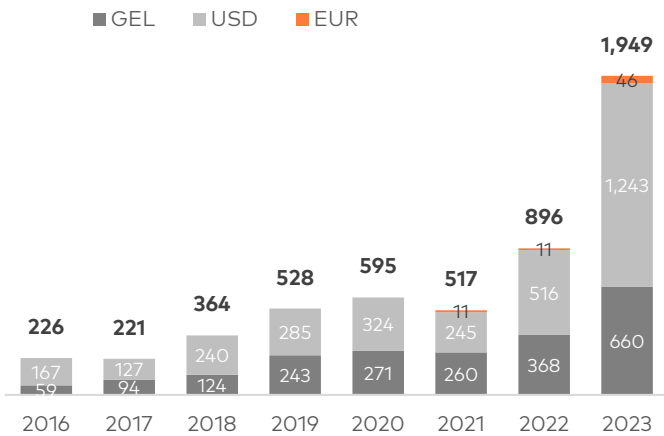
Fixed income

Georgian Eurobonds, YTM



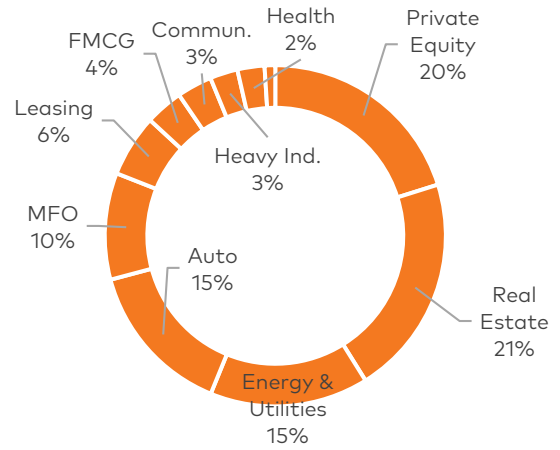
Source: Bloomberg

Georgian corporate public bonds outstanding, GEL mn



Source: Galt & Taggart
Note: USD and EUR bonds are converted into GEL as of issuance date

Georgian corporate public bonds outstanding by sector

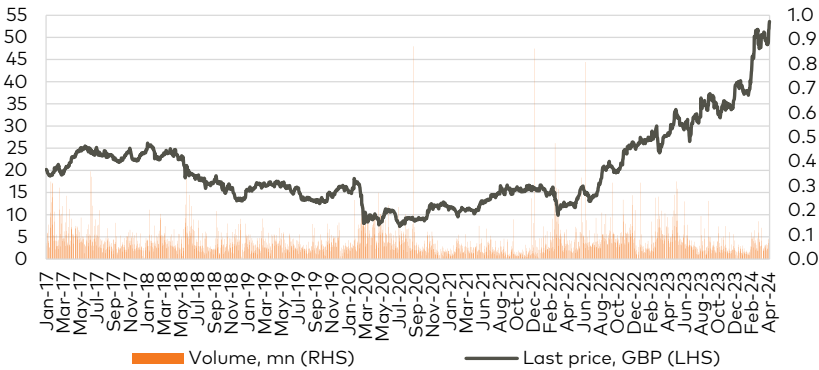


Source: Galt & Taggart



Equities

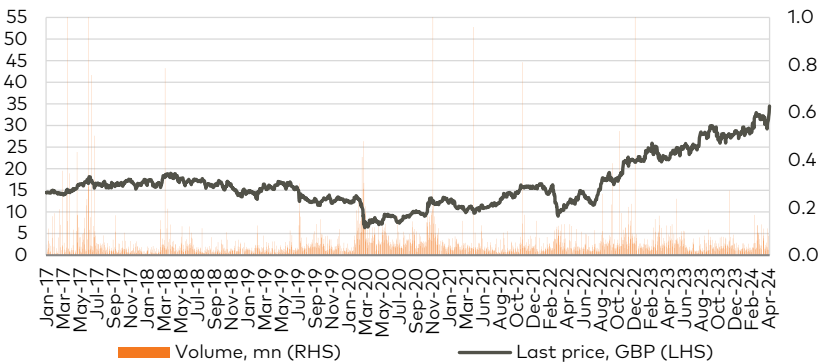
Bank of Georgia Group (BGEO LN)



Bank of Georgia Group (BGEO LN) shares closed at GBP 53.60/share (+10.86% w/w and +9.28% m/m). More than 463k shares traded in the range of GBP 48.30 - 53.90/share. Average daily traded volume was 59k in the last 4 weeks. The volume of BGEO shares traded was at 1.02% of its capitalization.

Source: Bloomberg

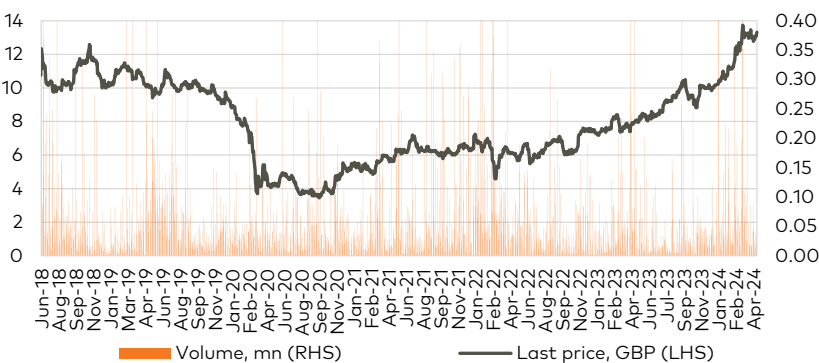
TBC Bank Group (TBCG LN)



TBC Bank Group (TBCG LN) closed the week at GBP 34.50/share (+12.56% w/w and +9.00% m/m). More than 329k shares changed hands in the range of GBP 30.65 - 34.50/share. Average daily traded volume was 56k in the last 4 weeks. The volume of TBCG shares traded was at 0.59% of its capitalization.

Source: Bloomberg

Georgia Capital (CGEO LN)



Georgia Capital (CGEO LN) shares closed at GBP 13.32/share (+3.26% w/w and +1.06% m/m). More than 124k shares traded in the range of GBP 12.78 - 13.40/share. Average daily traded volume was 33k in the last 4 weeks. The volume of CGEO shares traded was at 0.29% of its capitalization.

Source: Bloomberg

Equities, continued

Eastern European banks

	Ticker	Currency	Share price	Mcap, mn	6M chg	y/y chg	YTD chg	P/E			P/B		
								2023	2024F	2025F	2023	2024F	2025F
Bank of Georgia	BGEO	GBP	53.60	2,444	68.0%	82.6%	34.8%	4.36x	4.90x	4.99x	1.19x	na	na
TBC	TBC	GBP	34.50	1,911	33.2%	48.7%	21.9%	4.78x	5.16x	4.26x	1.15x	na	na
Halyk Bank	HSBK	USD	18.62	5,078	43.7%	43.7%	22.8%	2.57x	2.90x	2.99x	0.72x	0.89x	0.76x
Akbank	AKBNK	TRY	59.05	307,060	91.7%	250.2%	61.7%	2.86x	4.31x	2.86x	0.90x	1.14x	0.85x
Garanti	GARAN	TRY	80.85	339,570	69.4%	198.3%	38.6%	2.84x	3.89x	2.63x	1.00x	1.16x	0.87x
Isbank	ISCTR	TRY	13.29	332,250	49.0%	196.4%	42.2%	3.23x	4.02x	2.56x	0.87x	1.05x	0.76x
PKO	PKO	PLN	61.70	77,125	44.7%	94.1%	22.6%	11.44x	7.25x	7.86x	1.39x	1.51x	1.44x
PEKAO	PEO	PLN	173.05	45,420	35.6%	80.0%	13.8%	6.07x	7.56x	8.12x	1.32x	1.42x	1.37x
Millennium	MIL	PLN	9.15	11,099	23.1%	86.7%	9.5%	17.78x	4.17x	4.96x	1.47x	1.45x	1.22x
Mbank	MBK	PLN	678.00	28,791	30.6%	100.6%	26.7%	na	6.82x	6.55x	1.65x	1.75x	1.45x
BRD	BRD	RON	20.95	14,600	31.4%	65.5%	16.9%	7.62x	10.37x	10.30x	1.42x	1.54x	1.44x
Banca Transilvania	TLV	RON	28.40	22,682	29.9%	66.1%	17.1%	7.76x	8.72x	7.77x	1.82x	1.56x	1.34x
Komerčni	KOMB	CZK	862.00	163,822	29.6%	15.6%	19.0%	8.76x	10.89x	10.48x	1.09x	1.29x	1.27x
Mean								6.67x	6.23x	5.87x	1.23x	1.34x	1.16x
Median								5.43x	5.16x	4.99x	1.19x	1.42x	1.27x

Source: Bloomberg, S&P Capital IQ

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