



## Economy

### Bank lending increased by 17.8% y/y in Jun-24

In Jun-24, the banking sector loan portfolio increased by 17.8% y/y (+1.7% m/m), excluding FX effect, after a 19.0% y/y growth in previous month. In unadjusted terms, loan portfolio rose by 21.2% y/y (+1.7% m/m), reaching GEL 57.3bn (US\$ 20.4bn), after growing 23.3% y/y in May-24. By sector, corporate loans grew by 20.6% y/y (excluding FX effect), while retail loans increased by 15.5% y/y. Loan dollarization slightly reduced to 45.2% (flat y/y and -0.45ppts m/m) in Jun-24.

On the deposits side, there was a 13.5% y/y increase (excluding FX effect) to GEL 54.8bn (US\$ 19.5bn) in Jun-24, following a 12.2% y/y growth in the previous month. In terms of currency breakdown, GEL deposits increased by 21.3% y/y and FX deposits (exc. FX effect) were up 5.9% y/y. As a result, the level of deposit dollarization reduced to 49.1% (-1.71ppts y/y and -0.74ppts m/m) in Jun-24.

### NBG sold US\$ 102.0mn in Jun-24

In Jun-24, NBG sold US\$ 102.0mn to curb GEL volatility. Overall, the NBG is a net buyer of US\$ 67mn in 1H24 (purchased US\$ 286.6mn during January-April and sold US\$ 219.8mn in May-June 2024).

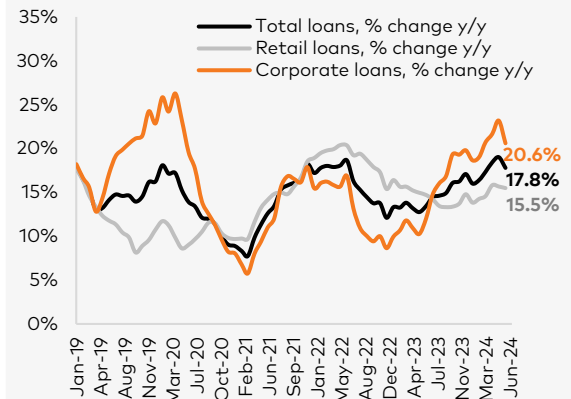
### Key macro indicators

	2023	2024F
Real GDP growth (% change)	7.5%	7.0%
GDP per capita (ppp)	23,344	24,870
GDP per capita (US\$)	8,210	8,693
Population (mn)	3.7	3.7
Inflation (average)	2.5%	2.5%
Gross reserves (US\$ bn)	5.0	4.8
CAD (% of GDP)	4.4%	5.6%
Fiscal deficit (% of GDP)	2.5%	2.5%
Total public debt (% of GDP)	39.2%	39.0%
Fitch/S&P/Moody's*	BB/BB/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

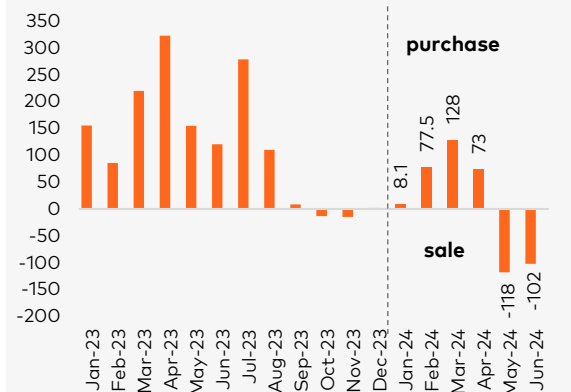
\*Latest sovereign credit ratings

### Bank loans growth (excluding FX-effect)



Source: NBG

### 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\$ 31.4mn) Benchmark bonds were sold at the auction held at NBG on July 23, 2024. Total demand was 2.6x higher and the weighted average yield was fixed at 9.481%, down by 0.150ppts from previous auction held in Jun-24.

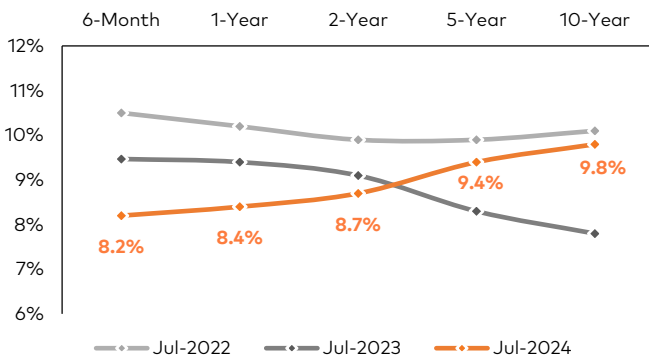
The nearest treasury security auction is scheduled for August 6, 2024, where GEL 20.0mn nominal value 6-month T-bills and GEL 40.0mn nominal value 3.4-year Benchmark Bonds will be sold.

## 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)	330	200	410
Long-term (over 1-year)	1,789	1,150	8,203
<b>Total</b>	<b>2,119</b>	<b>1,350</b>	<b>8,613</b>

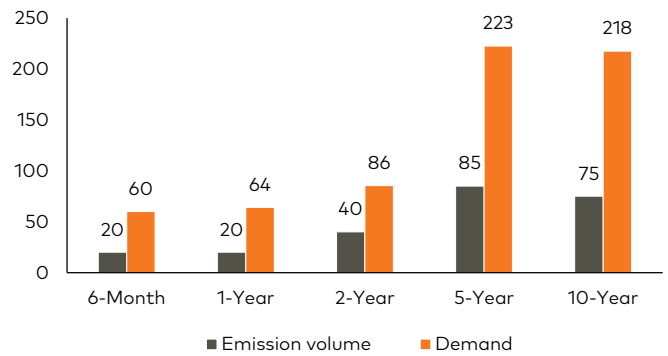
Source: MoF  
\*As of June 2024

## T-bills / T-notes, yield curve



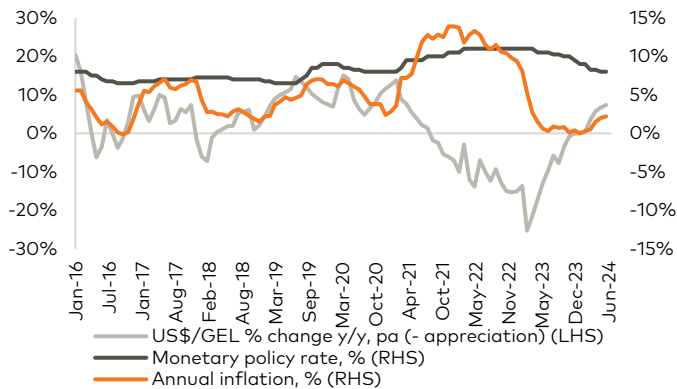
Source: NBG

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



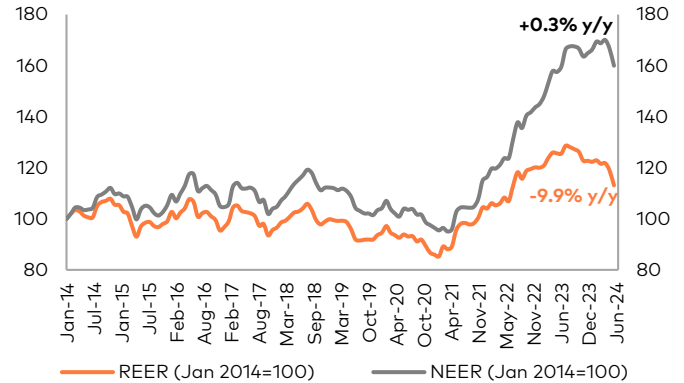
Source: NBG

## 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	93.18	7.01	265.71
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	88.11	7.59	369.37
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	97.62	10.12	626.33
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	99.83	8.45	431.67
TBC 10.775 PERP	USD	125	10.775%	Jul-19	n/a	B-/-/-	100.29	8.78	339.92
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	95.62	10.93	679.38
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	98.40	10.64	670.65

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

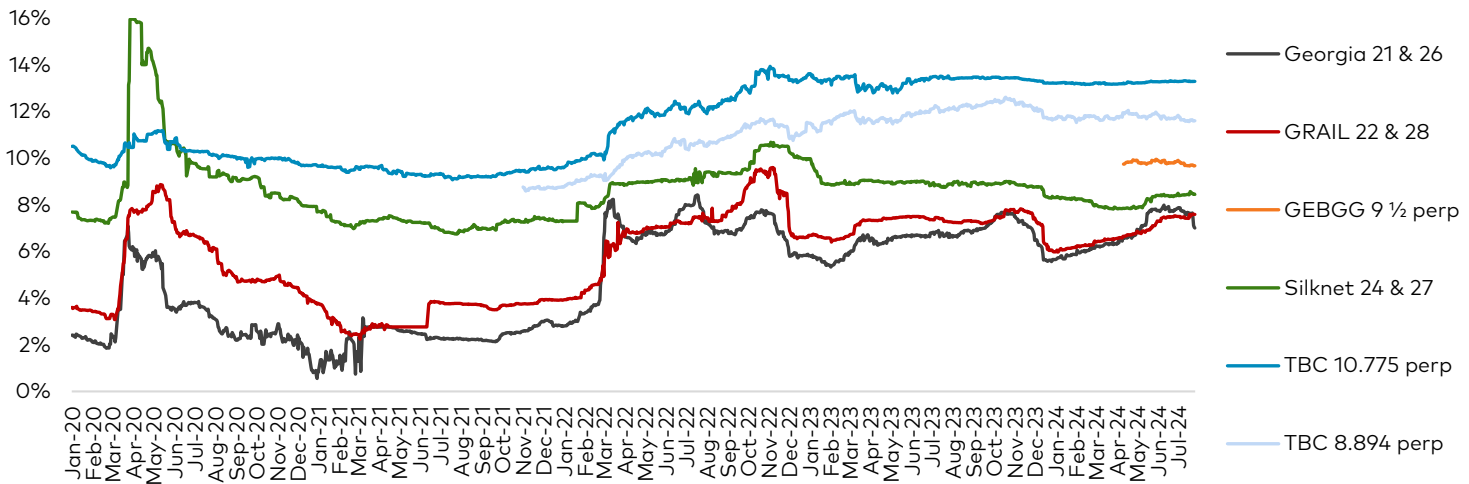
## Georgian local bonds performance

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/ Scope)	Mid price	Mid yield, %
<b>USD</b>								
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
Georgia Real Estate	USD	35	8.50%	Oct-22	Oct-24	-/-/-/-	99.97	8.50
Geo. Renewable Power Oper.	USD	80	7.00%	Oct-22	Oct-27	-/-/-/-	100.00	7.00
Lisi Lake Development	USD	10	8.50%	Dec-22	Dec-24	-/-/-/B+	99.99	8.50
Geosteel	USD	15	9.00%	Apr-23	Apr-25	-/-/-/-	99.99	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-	99.77	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-/-/-	101.08	8.19
Silk Real Estate	USD	20	9.25%	Sep-23	Sep-26	-/-/-/-	100.91	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	-/-/-/-	99.63	8.75
IG Development	USD	20	8.50%	Dec-23	Dec-25	-/-/-/-	99.61	8.75
Tegeta Motors	USD	5	8.50%	Jun-24	Jun-26	-/-/-/BB-	n/a	n/a
Tegeta Motors	USD	3.3	8.50%	Jun-24	Jun-26	-/-/-/BB-	n/a	n/a
IG Development	USD	19.5	8.50%	Jul-24	Jul-26	-/-/-/-	n/a	n/a
<b>EUR</b>								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/-/BB-	99.77	7.25
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/-/BB-	99.63	7.25
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/-/BB-	100.37	6.50
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/-/-	99.60	7.25
Tegeta Motors	EUR	10	6.75%	May-24	May-26	-/-/-/BB-	n/a	n/a
<b>GEL</b>								
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-/--/-	n/a	n/a
TBC Leasing	GEL	15	TIBR3M + 2.75%	Jun-23	Jun-26	BB-/--/-	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
Tegeta Motors	GEL	10	13.50%	Jul-24	Jul-26	-/-/-/BB-	n/a	n/a

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

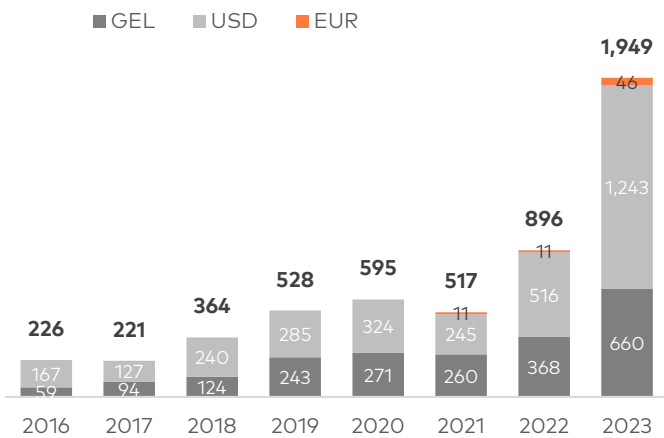
# Fixed income

**Georgian Eurobonds, YTM**



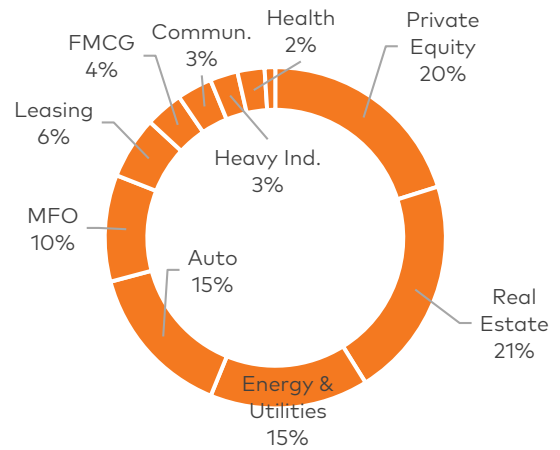
Source: Bloomberg

**Georgian corporate public bonds outstanding, GEL mn**



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

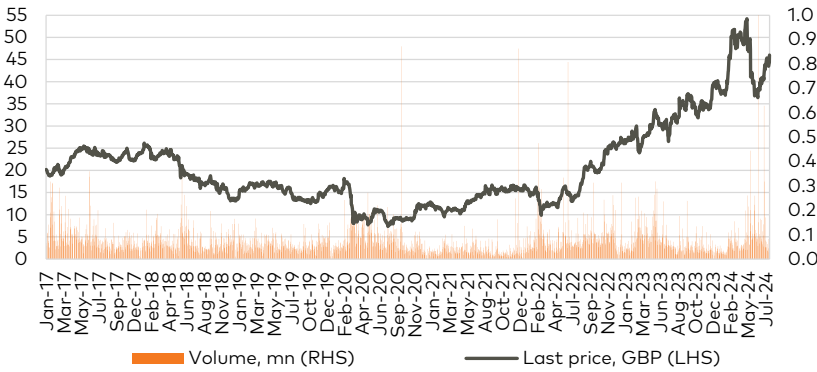
**Georgian corporate public bonds outstanding by sector**



Source: Galt & Taggart

# Equities

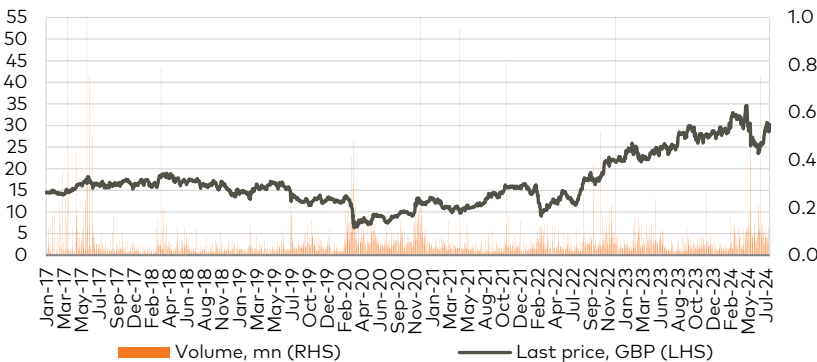
## Bank of Georgia Group (BGEO LN)



Source: Bloomberg

**Bank of Georgia Group (BGEO LN)** shares closed at GBP 46.00/share (+4.78% w/w and +16.31% m/m). More than 232k shares traded in the range of GBP 43.00 - 46.20/share. Average daily traded volume was 109k in the last 4 weeks. The volume of BGEO shares traded was at 0.51% of its capitalization.

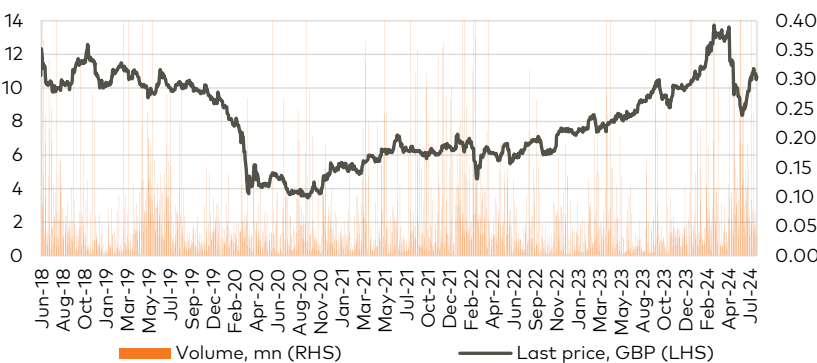
## TBC Bank Group (TBCG LN)



Source: Bloomberg

**TBC Bank Group (TBCG LN)** closed the week at GBP 30.25/share (+1.17% w/w and +19.09% m/m). More than 401k shares changed hands in the range of GBP 28.00 - 30.25/share. Average daily traded volume was 78k in the last 4 weeks. The volume of TBCG shares traded was at 0.73% of its capitalization.

## Georgia Capital (CGEO LN)



Source: Bloomberg

**Georgia Capital (CGEO LN)** shares closed at GBP 10.66/share (-1.66% w/w and +12.21% m/m). More than 241k shares traded in the range of GBP 10.44 - 11.00/share. Average daily traded volume was 90k in the last 4 weeks. The volume of CGEO shares traded was at 0.57% of its capitalization.

## 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	46.00	2,097	21.7%	42.4%	15.7%	4.36x	4.24x	4.35x	1.19x	na	na
TBC	TBC	GBP	30.25	1,676	8.6%	20.0%	6.9%	4.78x	4.82x	4.14x	1.15x	na	na
Halyk Bank	HSBK	USD	17.70	4,827	23.1%	21.2%	16.8%	2.57x	2.84x	2.71x	0.72x	na	na
Akbank	AKBNK	TRY	65.65	341,380	62.8%	162.6%	79.8%	2.86x	4.79x	3.03x	0.90x	1.29x	0.91x
Garanti	GARAN	TRY	124.80	524,160	97.6%	229.1%	113.9%	2.84x	5.46x	3.53x	1.00x	1.59x	1.09x
Isbank	ISCTR	TRY	15.50	387,500	53.2%	176.6%	65.9%	3.23x	4.37x	2.74x	0.87x	1.15x	0.79x
PKO	PKO	PLN	59.14	73,925	20.1%	49.4%	17.5%	11.44x	7.32x	7.14x	1.39x	1.45x	1.35x
PEKAO	PEO	PLN	160.65	42,166	8.5%	40.9%	5.7%	6.07x	6.75x	7.08x	1.32x	1.31x	1.25x
Millennium	MIL	PLN	8.97	10,881	15.1%	37.4%	7.4%	17.78x	4.17x	4.74x	1.47x	1.45x	1.27x
Mbank	MBK	PLN	615.60	26,142	21.5%	31.0%	15.1%	na	6.27x	5.90x	1.65x	1.74x	1.31x
BRD	BRD	RON	22.30	15,541	28.3%	61.6%	24.4%	7.62x	10.60x	10.95x	1.42x	1.64x	1.54x
Banca Transilvania	TLV	RON	28.35	22,642	36.7%	59.5%	34.2%	7.76x	7.61x	7.45x	1.82x	1.81x	1.55x
Komerčni	KOMB	CZK	799.00	151,849	7.1%	14.3%	10.3%	8.76x	9.90x	9.59x	1.09x	1.21x	1.20x
<b>Mean</b>								<b>6.67x</b>	<b>6.09x</b>	<b>5.64x</b>	<b>1.23x</b>	<b>1.46x</b>	<b>1.23x</b>
<b>Median</b>								<b>5.43x</b>	<b>5.46x</b>	<b>4.74x</b>	<b>1.19x</b>	<b>1.45x</b>	<b>1.26x</b>

Source: Bloomberg, S&amp;P Capital IQ

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