



Economy

Bank lending increased by 18.6% y/y in Aug-24

In Aug-24, the banking sector loan portfolio increased by 18.6% y/y (+1.1% m/m), excluding FX effect, after a 18.3% y/y growth in previous month. In unadjusted terms, loan portfolio rose by 20.1% y/y (+0.9% m/m), reaching GEL 57.7bn (US\$ 21.4bn), after growing 19.6% y/y in Jul-24. By sector, corporate loans grew by 20.7% y/y (excluding FX effect), while retail loans increased by 16.8% y/y. Loan dollarization reduced further to 43.9% (-1.03ppts y/y and -0.34ppts m/m) in Aug-24.

On the deposits side, there was a 15.3% y/y increase (excluding FX effect) to GEL 56.1bn (US\$ 20.9bn) in Aug-24, following a 15.0% y/y growth in the previous month. In terms of currency breakdown, GEL deposits increased by 21.2% y/y and FX deposits (exc. FX effect) were up 9.3% y/y. Consequently, deposit dollarization also reduced further to 47.8% (-1.91ppts y/y and -0.68ppts m/m) in Aug-24.

NBG purchased US\$ 41.0mn in Aug-24

In Aug-24, NBG purchased US\$ 41.0mn through the BMatch platform amid strong FX inflows. Overall, the NBG was a net buyer of US\$ 109.8mn in 8M24, having purchased US\$ 329.5mn and sold US\$ 219.8mn.

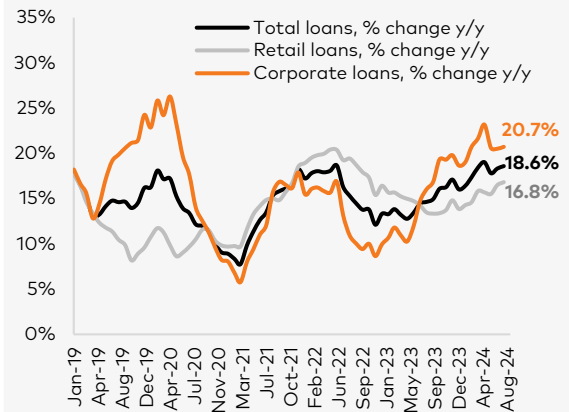
Key macro indicators

	2023	2024F
Real GDP growth (% change)	7.5%	8.0%
GDP per capita (ppp)	23,344	25,373
GDP per capita (US\$)	8,210	8,869
Population (mn)	3.7	3.7
Inflation (average)	2.5%	2.0%
Gross reserves (US\$ bn)	5.0	4.8
CAD (% of GDP)	4.4%	4.8%
Fiscal deficit (% of GDP)	2.5%	2.5%
Total public debt (% of GDP)	39.2%	38.6%
Fitch/S&P/Moody's*	BB/BB/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

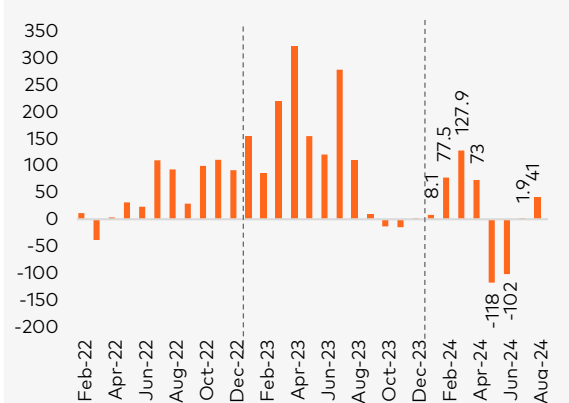
*Latest sovereign credit ratings

Bank loans growth (excluding FX-effect)



Source: NBG

NBG's net FX purchases, US\$ mn



Source: NBG

Money market

Ministry of Finance T-bills/T-notes:

5-year GEL 85.0mn (US\$ 31.2mn) Benchmark bonds were sold at the auction held at NBG on September 24, 2024. Total demand was 2.1x higher and the weighted average yield was fixed at 8.465%, down by 0.308ppts from previous auction held in Aug-24.

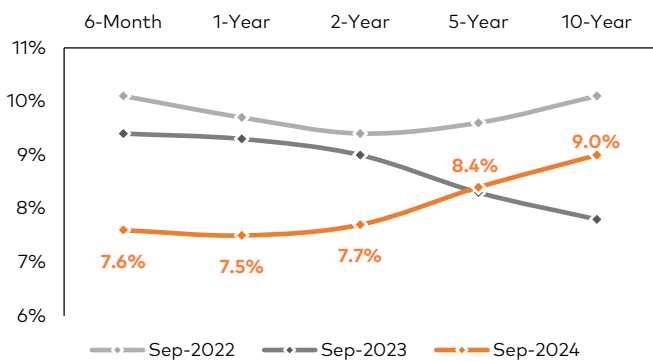
The nearest treasury security auction is scheduled for October 1, 2024, where GEL 20.0mn nominal value 6-month T-bills and GEL 50.0mn nominal value 3.3-year Benchmark Bonds will be sold.

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)	410	120	360
Long-term (over 1-year)	2,261	765	8,624
Total	2,671	886	8,984

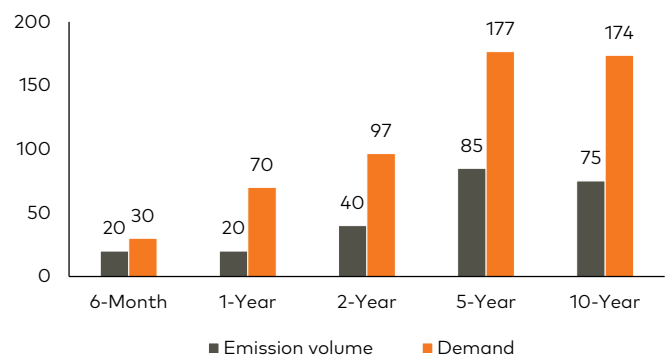
Source: MoF
*As of August 2024

T-bills / T-notes, yield curve



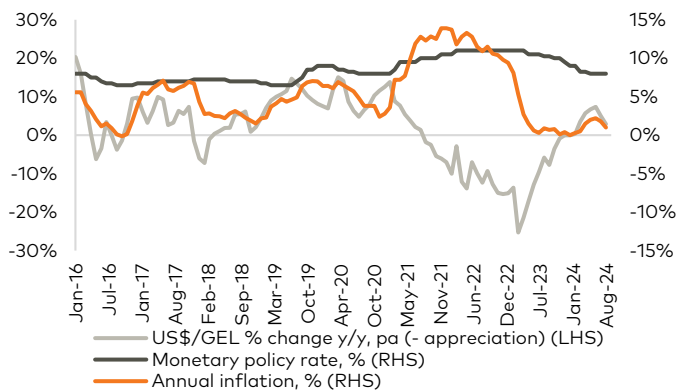
Source: NBG

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



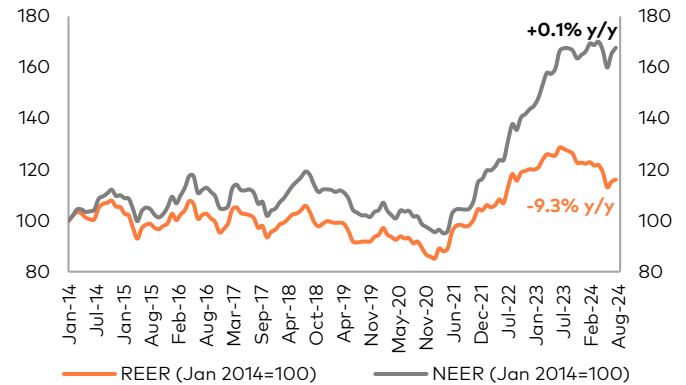
Source: NBG

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

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings	Mid price	Mid yield, %	Z-spread, bps
						(Fitch/S&P/Moody/Scope)			
GEORG 04/26	USD	500	2.750%	Apr-21	Apr-26	BB/BB/Ba2	94.76	6.33	281.39
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	90.69	6.88	361.46
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	98.25	9.97	670.54
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	100.88	7.95	401.85
TBC 10.775 PERP	USD	125	10.775%	Jul-19	n/a	B-/-/-	100.00	10.23	n/a
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	96.11	10.81	741.83
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	98.92	10.52	715.67
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	102.21	8.30	490.45

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

Georgian local bonds

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings	Mid price	Mid yield
						(Fitch/S&P/Moody/Scope)		
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	6.50%
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	8.40%
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	8.63%
Tegeta Motors	USD	3.3	8.50%	Jun-24	Jun-26	-/-/-/BB-	n/a	8.63%
IG Development	USD	19.5	8.50%	Jul-24	Jul-26	-/-/-/-	n/a	8.63%
Tegeta Motors	USD	5	8.50%	Jul-24	Jul-26	-/-/-/BB-	n/a	n/a
MP Development	USD	5	8.75%	Jul-24	Jul-26	-/-/-/-	n/a	8.75%
JSC BasisBank	USD	20	7.00%	Aug-24	Aug-27	-/-/-/-	n/a	7.00%
Georgia Real Estate	USD	25	8.50%	Aug-24	Aug-26	-/-/-/-	n/a	8.50%
Chavchavadze 64B	USD	10	8.75%	Aug-24	Aug-26	-/-/-/-	n/a	8.75%

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

Fixed income

Georgian local bonds

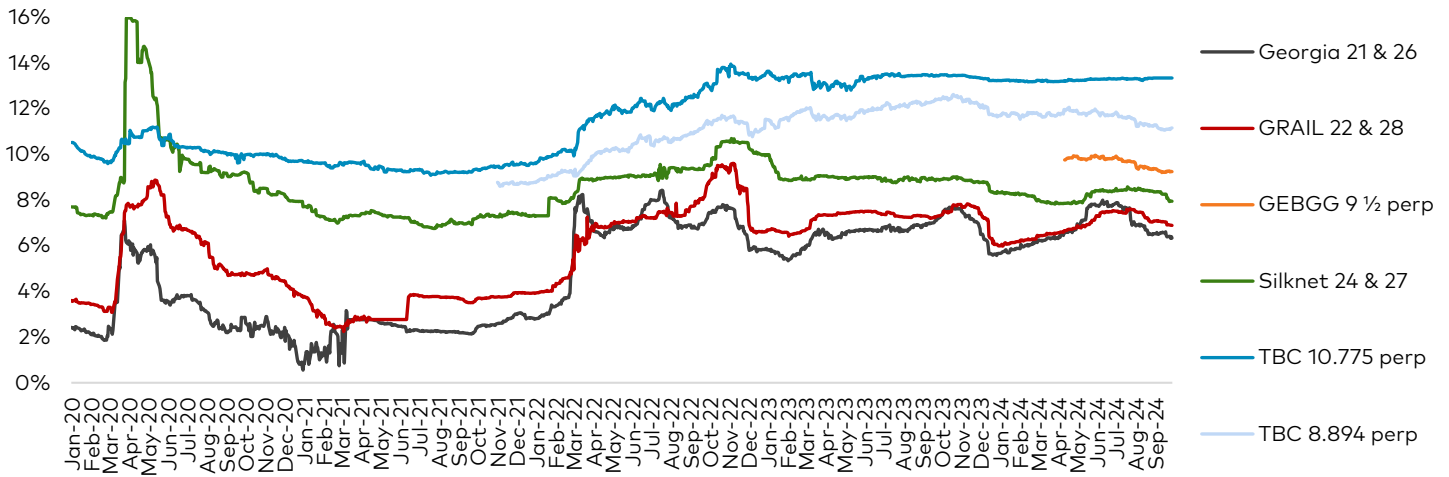
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
EUR								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/BB-	99.77	7.00%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.00%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.75%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/-	n/a	7.25%
Tegeta Motors	EUR	10	6.75%	May-24	May-26	-/-/BB-	n/a	n/a
MP Development	EUR	3	7.75%	Jul-24	Jul-26	-/-/-	n/a	7.75%
Silk Real Estate	EUR	7	7.00%	Aug-24	Aug-25	-/-/-	n/a	7.00%
Chavchavadze 64B	EUR	3	7.75%	Aug-24	Aug-26	-/-/-	n/a	7.75%
GEL								
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-	100.00	11.58%
MFO MBC	GEL	15	TIBR3M + 4.50%	Dec-22	Dec-24	-/-/B	100.00	12.83%
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-/-/-	100.00	13.22%
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-	100.00	12.33%
Tegeta Motors	GEL	10	13.50%	Jul-24	Jul-26	-/-/BB-	n/a	n/a
Tegeta Motors	GEL	15	13.50%	Aug-24	Aug-26	-/-/BB-	100.00	13.50%
Nikora Trade	GEL	35	TIBR3M + 3.50%	Nov-21	Nov-24	-/-/BB-	n/a	n/a

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



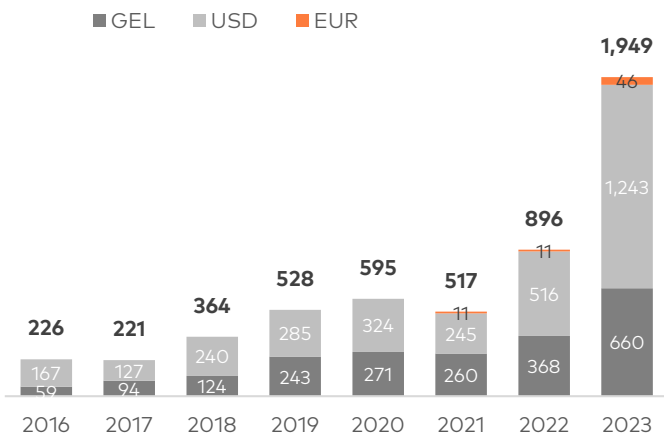
Fixed income

Georgian Eurobonds, YTM



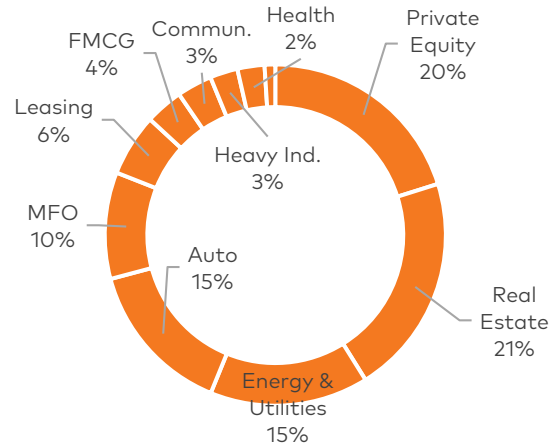
Source: Bloomberg

Georgian local corporate public bonds outstanding, GEL mn



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

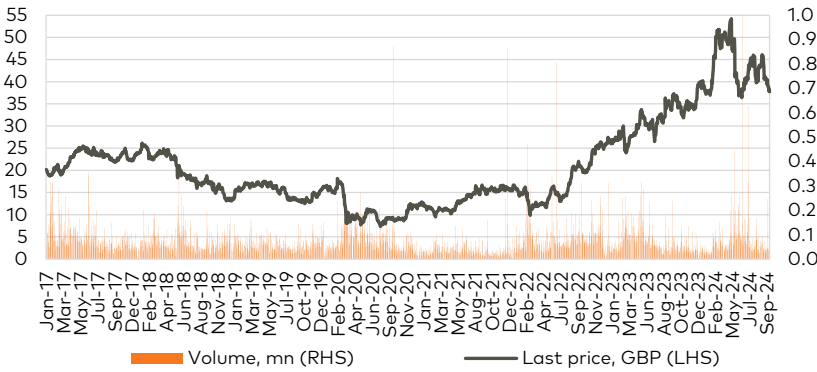
Georgian local corporate public bonds outstanding by sector



Source: Galt & Taggart

Equities

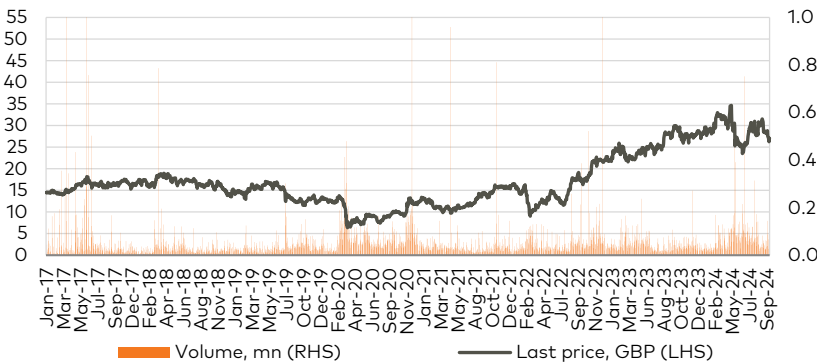
Bank of Georgia Group (BGEO LN)



Bank of Georgia Group (BGEO LN) shares closed at GBP 37.75/share (-3.33% w/w and -15.83% m/m). More than 217k shares traded in the range of GBP 37.10 - 39.55/share. Average daily traded volume was 52k in the last 4 weeks. The volume of BGEO shares traded was at 0.48% of its capitalization.

Source: Bloomberg

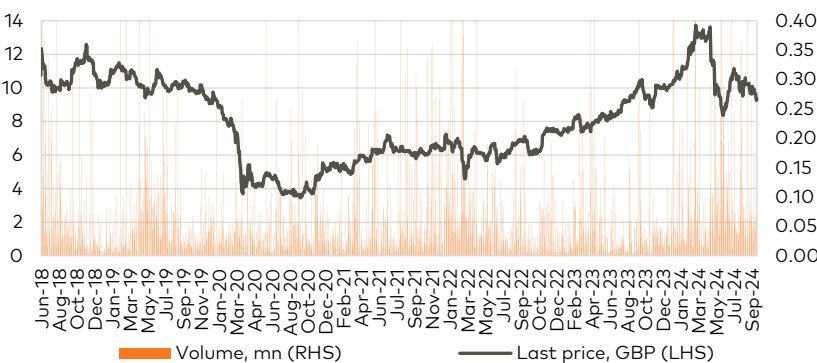
TBC Bank Group (TBCG LN)



TBC Bank Group (TBCG LN) closed the week at GBP 27.05/share (-1.81% w/w and -12.74% m/m). More than 350k shares changed hands in the range of GBP 26.15 - 27.70/share. Average daily traded volume was 56k in the last 4 weeks. The volume of TBCG shares traded was at 0.63% of its capitalization.

Source: Bloomberg

Georgia Capital (CGEO LN)



Georgia Capital (CGEO LN) shares closed at GBP 9.36/share (-3.21% w/w and -8.24% m/m). More than 335k shares traded in the range of GBP 9.21 - 9.80/share. Average daily traded volume was 78k in the last 4 weeks. The volume of CGEO shares traded was at 0.79% 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	37.75	1,721	-25.4%	5.7%	-5.0%	4.36x	3.50x	3.56x	1.19x	na	na
TBC	TBC	GBP	27.05	1,498	-14.5%	-9.4%	-4.4%	4.78x	4.46x	3.80x	1.15x	na	na
Halyk Bank	HSBK	USD	17.60	4,800	-1.5%	31.3%	16.1%	2.57x	2.75x	2.65x	0.72x	na	na
Akbank	AKBNK	TRY	63.55	330,460	43.1%	101.4%	74.0%	2.86x	4.91x	3.07x	0.90x	1.27x	0.90x
Garanti	GARAN	TRY	123.00	516,600	79.0%	142.1%	110.8%	2.84x	5.21x	3.43x	1.00x	1.58x	1.06x
Isbank	ISCTR	TRY	14.14	353,500	30.4%	38.6%	51.3%	3.23x	3.95x	2.44x	0.87x	1.08x	0.73x
PKO	PKO	PLN	58.26	72,825	-0.2%	71.3%	15.8%	11.44x	6.60x	6.52x	1.39x	1.44x	1.33x
PEKAO	PEO	PLN	152.55	40,040	-14.3%	55.9%	0.3%	6.07x	6.19x	6.61x	1.32x	1.27x	1.20x
Millennium	MIL	PLN	8.77	10,638	-16.5%	61.8%	5.0%	17.78x	3.88x	4.36x	1.47x	1.36x	1.18x
Mbank	MBK	PLN	631.60	26,821	-15.0%	65.5%	18.1%	na	6.14x	5.88x	1.65x	1.75x	1.38x
BRD	BRD	RON	21.05	14,670	0.0%	35.8%	17.5%	7.62x	10.02x	10.23x	1.42x	1.53x	1.43x
Banca Transilvania	TLV	RON	27.85	22,243	14.8%	45.3%	31.8%	7.76x	6.70x	6.75x	1.82x	1.57x	1.61x
Komerčni	KOMB	CZK	806.50	153,275	-3.1%	20.0%	11.3%	8.76x	9.79x	9.79x	1.09x	1.22x	1.22x
Mean								6.67x	5.70x	5.31x	1.23x	1.41x	1.20x
Median								5.43x	5.21x	4.36x	1.19x	1.40x	1.21x

Source: Bloomberg, S&P Capital IQ

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Galt & Taggart

Address: 3 A. Pushkin Street, Tbilisi 0105, Georgia
Tel: +995 32 2401 111

Research: research@gt.ge
Tel: +995 32 2401 111 (4298)

Brokerage: sales@gt.ge
Tel: +995 32 2401 111 (4132)

Investment Banking: ib@gt.ge
Tel: +995 32 2401 111 (7457)