



Economy

Real GDP growth was 8.3% y/y in Sep-24

Georgia's economy grew by 8.3% in Sep-24, after growing by 12.0% in previous month. Cumulatively, real GDP growth came in at 9.8% in 9M24. In September, real growth was recorded in the construction, financial & insurance, transport and trade sectors. Meanwhile, the energy sector contracted in September. We are maintaining our real GDP growth forecast at 9.0% for 2024 and 6.0% for 2025 (see latest macro forecasts [here](#)).

Bank lending increased by 18.8% y/y in Sep-24

In Sep-24, the banking sector loan portfolio increased by 18.8% y/y (+2.2% m/m), excluding FX effect, after a 18.6% y/y growth in previous month. In unadjusted terms, loan portfolio rose by 20.8% y/y (+2.9% m/m), reaching GEL 59.4bn (US\$ 21.8bn), after growing 20.1% y/y in Aug-24. By sector, corporate loans grew by 21.3% y/y (excluding FX effect), while retail loans increased by 16.7% y/y. Loan dollarization stood at 43.9% (-1.09ppts y/y and flat m/m) in Sep-24. On the deposits side, there was a 15.1% y/y increase (excluding FX effect) to GEL 57.6bn (US\$ 21.1bn) in Sep-24, following a 15.3% y/y growth in the previous month. In terms of currency breakdown, GEL deposits growth slightly slowed to 20.1% y/y (+21.2% y/y in Aug-24), while FX deposits (exc. FX effect) growth accelerated to 10.2% y/y (+9.3% y/y in Aug-24). Consequently, deposit dollarization increased to 48.8% (-1.39ppts y/y and +0.97ppts m/m) in Sep-24.

Tourism revenues at US\$ 1.6bn in 3Q24

Tourism revenues increased by 8.0% y/y to US\$ 1.6bn in 3Q24, according to NBG. Overall, in 9M24 tourism revenues reached US\$ 3.5bn (+6.5% y/y). We forecast tourism revenues at US\$ 4.4bn for 2024, up from US\$ 4.1bn in 2023.

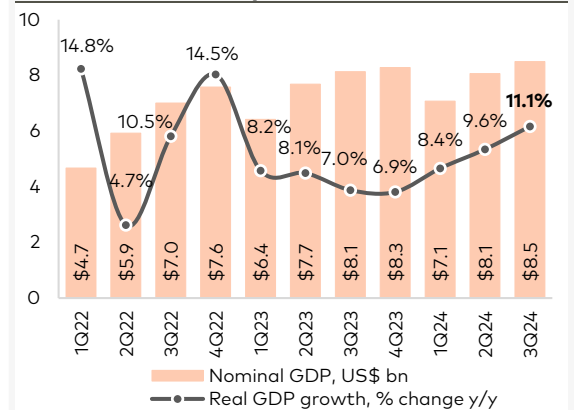
Key macro indicators

	2023	2024F
Real GDP growth (% change)	7.5%	9.0%
GDP per capita (ppp)	24,990	27,683
GDP per capita (US\$)	8,219	8,986
Population (mn)	3.7	3.7
Inflation (average)	2.5%	1.3%
Gross reserves (US\$ bn)	5.0	4.8
CAD (% of GDP)	5.6%	5.0%
Fiscal deficit (% of GDP)	2.5%	2.5%
Total public debt (% of GDP)	39.2%	36.5%
Fitch/S&P/Moody's*	BB/BB/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

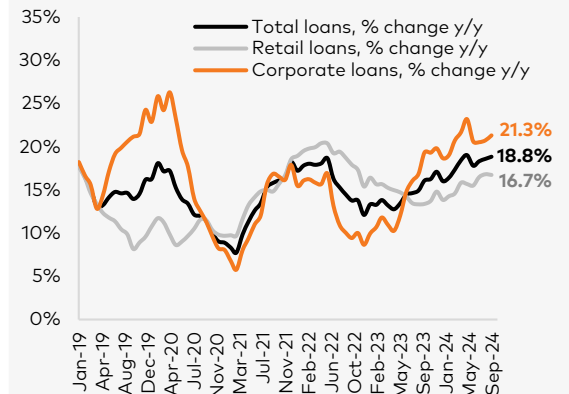
*Latest sovereign credit ratings

Nominal GDP and real GDP growth by quarter



Source: Geostat, Galt & Taggart

Bank loans growth (excluding FX-effect)



Source: NBG

Money market

There was no treasury securities auction last week.

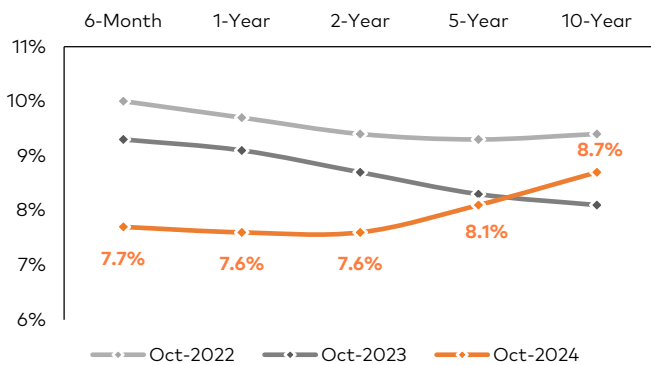
The nearest treasury security auction is scheduled for November 5, 2024, where GEL 20.0mn nominal value 6-month T-bills and GEL 50.0mn nominal value 3.2-year Benchmark Bonds will be sold.

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)	450	80	360
Long-term (over 1-year)	2,521	510	8,824
Total	2,976	590	9,184

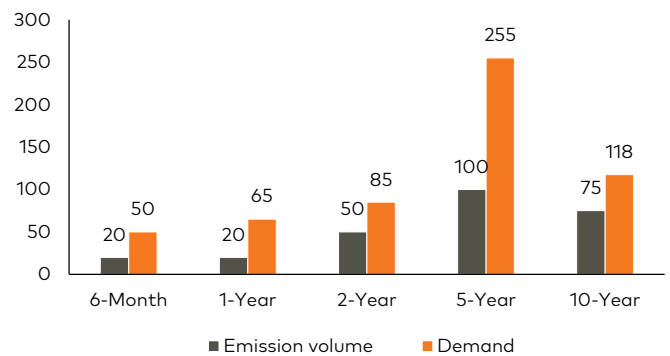
Source: MoF
*As of September 2024

T-bills / T-notes, yield curve



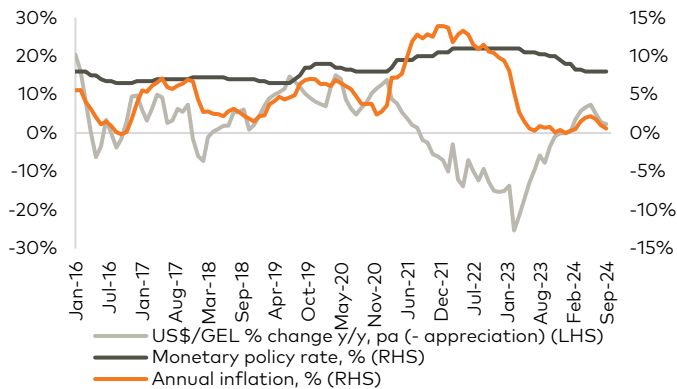
Source: NBG

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



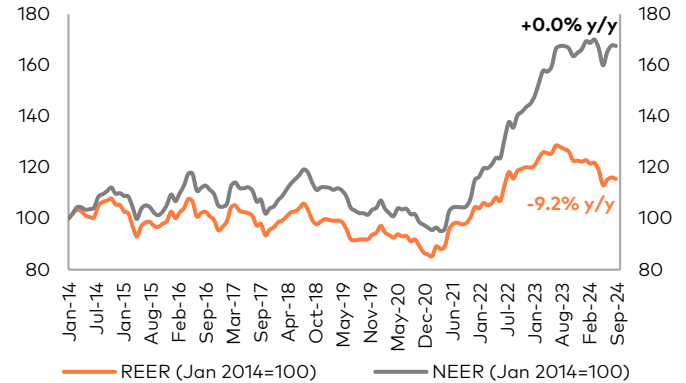
Source: NBG

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 (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	94.00	7.14	309.02
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	88.68	7.64	377.67
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	97.68	10.13	629.24
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	100.48	8.13	381.37
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	95.57	11.16	719.93
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	98.25	10.73	689.10
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	101.04	8.60	466.78

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

Georgian local bonds

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	6.75%
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	8.13%
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

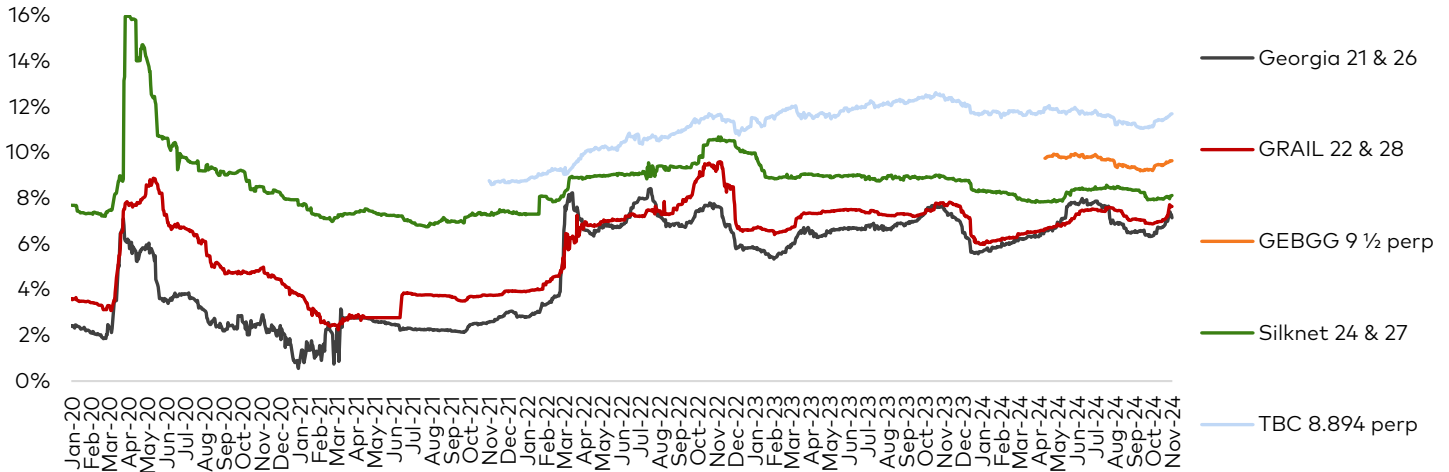
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
EUR								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/BB-	99.77	7.25%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.15%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/-	99.60	6.15%
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

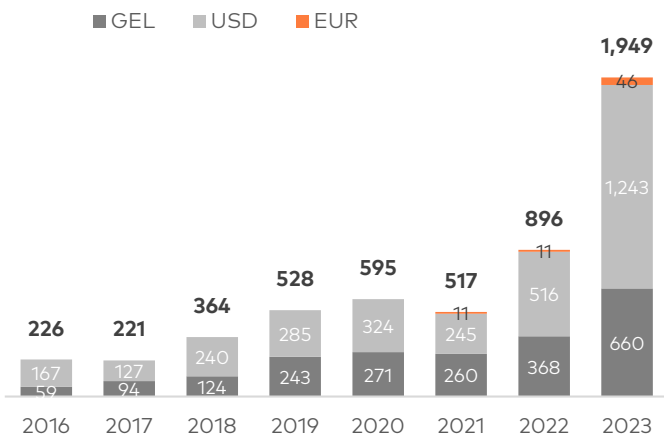
Fixed income

Georgian Eurobonds, YTM



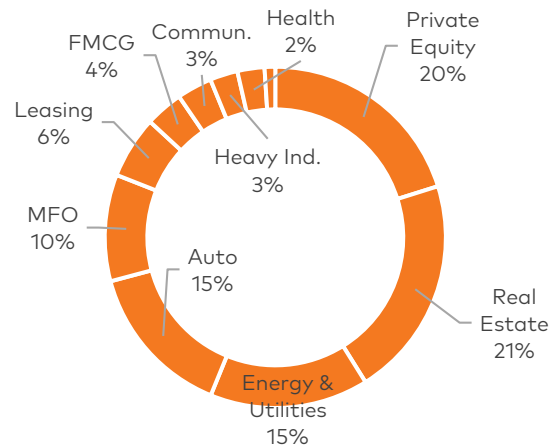
Source: Bloomberg

Georgian local corporate public bonds outstanding, GEL mn



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

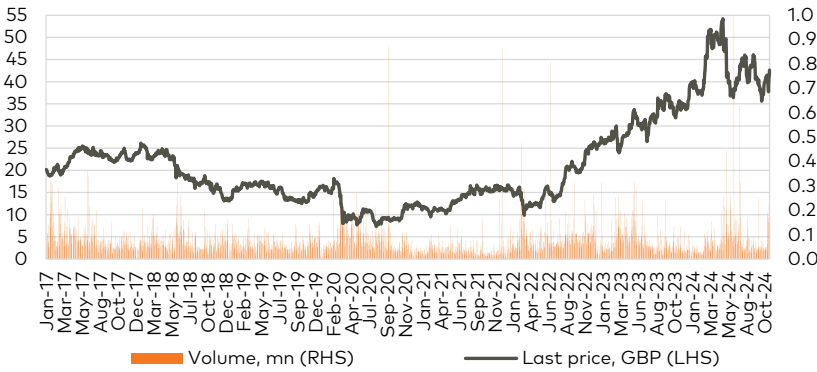
Georgian local corporate public bonds outstanding by sector



Source: Galt & Taggart

Equities

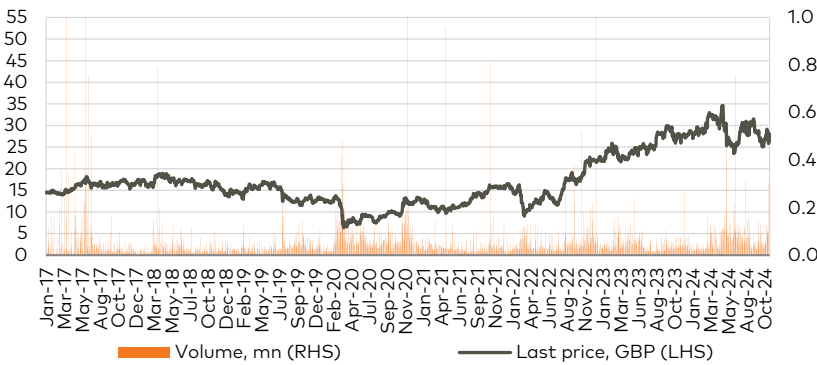
Bank of Georgia Group (BGEO LN)



Source: Bloomberg

Bank of Georgia Group (BGEO LN) shares closed at GBP 42.60/share (+6.50% w/w and +19.66% m/m). More than 736k shares traded in the range of GBP 36.05 - 42.70/share. Average daily traded volume was 84k in the last 4 weeks. The volume of BGEO shares traded was at 1.61% of its capitalization.

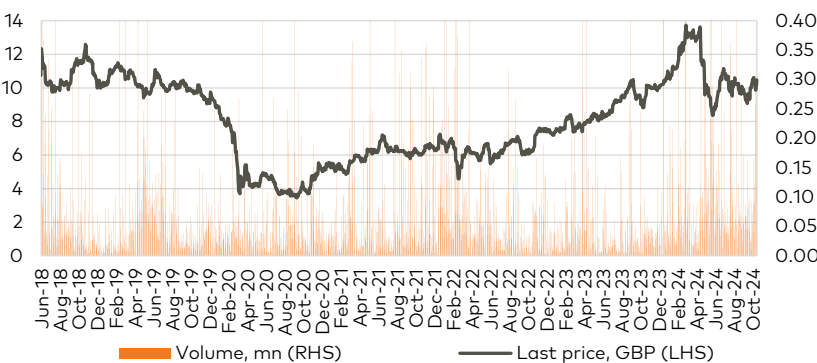
TBC Bank Group (TBCG LN)



Source: Bloomberg

TBC Bank Group (TBCG LN) closed the week at GBP 28.05/share (-2.26% w/w and +8.72% m/m). More than 621k shares changed hands in the range of GBP 24.50 - 28.80/share. Average daily traded volume was 78k in the last 4 weeks. The volume of TBCG shares traded was at 1.12% of its capitalization.

Georgia Capital (CGEO LN)



Source: Bloomberg

Georgia Capital (CGEO LN) shares closed at GBP 10.48/share (+1.35% w/w and +15.42% m/m). More than 1.2mn shares traded in the range of GBP 8.90 - 10.48/share. Average daily traded volume was 112k in the last 4 weeks. The volume of CGEO shares traded was at 2.88% 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	42.60	1,898	-21.4%	27.5%	7.2%	4.36x	3.75x	3.82x	1.19x	na	na
TBC	TBC	GBP	28.05	1,569	-19.0%	0.7%	-0.9%	4.78x	4.55x	3.87x	1.15x	na	na
Halyk Bank	HSBK	USD	18.48	5,038	-2.6%	48.8%	21.9%	2.57x	2.88x	2.78x	0.72x	na	na
Akbank	AKBNK	TRY	49.92	259,584	-16.0%	68.3%	36.7%	2.86x	4.95x	2.72x	0.90x	1.07x	0.77x
Garanti	GARAN	TRY	105.60	443,520	28.1%	126.3%	81.0%	2.84x	4.46x	3.07x	1.00x	1.40x	0.93x
Isbank	ISCTR	TRY	11.95	298,750	-12.8%	44.6%	27.9%	3.23x	3.92x	2.35x	0.87x	0.96x	0.68x
PKO	PKO	PLN	55.80	69,750	-8.1%	28.2%	10.9%	11.44x	6.46x	6.40x	1.39x	1.37x	1.27x
PEKAO	PEO	PLN	140.20	36,798	-17.0%	9.8%	-7.8%	6.07x	5.65x	5.99x	1.32x	1.16x	1.09x
Millennium	MIL	PLN	8.31	10,075	-10.5%	13.5%	-0.6%	17.78x	3.67x	4.11x	1.47x	1.28x	1.12x
Mbank	MBK	PLN	561.80	23,875	-18.1%	8.1%	5.0%	na	8.30x	5.22x	1.65x	1.56x	1.22x
BRD	BRD	RON	20.35	14,182	-2.2%	24.2%	13.6%	7.62x	9.67x	9.88x	1.42x	1.48x	1.38x
Banca Transilvania	TLV	RON	28.30	25,948	14.4%	47.3%	33.9%	7.76x	7.83x	7.87x	1.82x	1.59x	1.64x
Komerčni	KOMB	CZK	805.00	152,990	-7.4%	18.4%	11.1%	8.76x	9.96x	9.84x	1.09x	1.21x	1.21x
Mean								6.67x	5.85x	5.22x	1.23x	1.31x	1.13x
Median								5.43x	4.95x	4.11x	1.19x	1.33x	1.17x

Source: Bloomberg, S&P Capital IQ

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