



# Georgia successfully priced US\$ 500mn 2.750% 5-year Eurobond

Georgia | Fixed Income  
April 16, 2021

On 15 April 2021, Georgia successfully priced a US\$ 500mn, 5-year Eurobond. The coupon rate for the bond was determined at 2.750%. The Eurobond was met with significant interest from investors, some of the largest asset managers globally, with orders reaching US\$ 2.0bn. After the book building the yield on the Eurobond was determined at 2.875%, representing c. 207bps spread over comparable US treasury (UST 0.750% due Mar 2026).

Notably, Georgia tapped international debt markets for the first time since 2011, when a 10-year US\$ 500mn, 6.875% Eurobond was issued. The Eurobond matured on 12 April 2021.

The transaction records several milestones for the country, namely:

- Securing the financing at the lowest coupon and yield in the history of Georgia;
- The lowest yield and coupon achieved by any country from the region (for reference in January 2021 Armenia tapped international debt markets, securing a 10-year, US\$ 750mn Eurobond at 3.6% coupon and 3.875% yield at the date of issuance);

Some of the comparable securities - Armenia 25 (B+/Ba3) and Uzbekistan 24 (BB-/B1/BB-) - are trading in the range of 2.5%-4.05% YTM as of 14 April. 5-year interpolated yields on Armenia and Uzbekistan stand at c. 4.26% and 3.15%, respectively, making Georgia's placement a huge success.

Goldman Sachs International and J.P. Morgan Securities plc acted as a Joint Global Coordinators and Joint Bookrunners on the transaction along with ICBC Standard Bank Plc (the "Joint Bookrunner") while local investment banks JSC Galt & Taggart and TBC Capital LLC acted as Co-managers.

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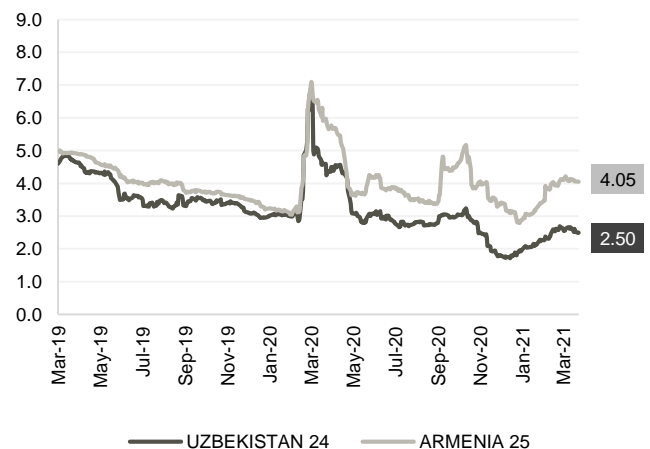
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## Transaction details

<b>Issuer:</b>	Republic of Georgia
<b>Issue Ratings:</b>	BB (Fitch) / Ba2 (Moody's)/BB S&P
<b>Status</b>	Senior unsecured
<b>Format</b>	RegS/144A
<b>Issue Size</b>	US\$ 500mn
<b>Settlement Date</b>	22 April 2021
<b>Maturity Date</b>	22 April 2026
<b>Coupon</b>	2.750%
<b>Yield</b>	2.875%
<b>Issue price</b>	99.422%
<b>Use of proceeds</b>	General budgetary purposes
<b>Listing/Law</b>	London Stock Exchange/ English Law

Source: Bloomberg, Galt & Taggart Research

## Yields on comparable regional peers, %



Source: Bloomberg

## Georgia's credit ratings



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