

Regional Fixed Income Market Watch

Georgia, Armenia, Azerbaijan, Belarus, Kazakhstan, Ukraine, Russia, Turkey, Uzbekistan

Regional | Fixed Income
Monthly Market Watch
September 3, 2021

Monetary policy: National Bank of Georgia raised the key rate by 50bps to 10.0% on 4 August, citing “unexpectedly high” inflation at 11.9% in July. This is the 3rd time NBG has raised interest rates in 2021. The regulator reiterated that it will maintain contractionary policy for a protracted period of time and/or will tighten it further, if necessary. NBG also revised economic growth projection upwards to 8.5% for 2021. **Armenian** Central Bank raised the key rate by 50bs to 7.0% in August 2021, making it the 4th rate increase this year. Higher than expected inflationary impacts from the international commodity markets and major trading partners, increased inflationary expectations and the country’s risk premium were cited as the main reasons behind the hike. Other central banks have maintained the key rates unchanged in August.

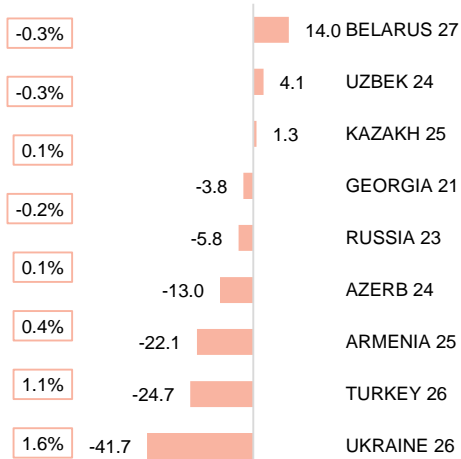
FX market: Regional currencies traded mixed in August. Turkish Lira continued strengthening, appreciating by 1.6% to 8.32/USD by end-August. Armenian Dram depreciated by 1.55% in August, likely related to increased tensions in Nagorno-Karabakh region. Other regional currencies depreciated in the range of 0.1%-0.6% vs dollar in the same period.

Rating update: In August, 2021 Fitch Ratings revised Georgia’s sovereign credit rating outlook to **Stable from Negative** and affirmed at BB. Much-improved macroeconomic baseline and Fitch’s confidence that the Georgian authorities will continue implementing policies supporting macroeconomic stability and medium-term sustainability of public finances were cited as the main reason for the revision. On 27th of August, **S&P Ratings affirmed Georgia’s rating at ‘BB’ and maintained the Negative outlook**. In August, Fitch also improved **Ukraine’s sovereign credit rating outlook to Positive from Stable** and affirmed at B, reflecting resilient credit fundamentals to the coronavirus shock, somewhat reduced near-term financing risks (successful Eurobond issuances, remittances and IMF special drawing rights), decreasing government debt (-3.9pp to 50% by 2021), resilient external position and improving fundamentals of banking sector. In addition, Fitch affirmed Kazakhstan and Turkey at ‘BBB’ and ‘BB-’, respectively.

Georgia money market: In August, GEL 55mn treasury notes were sold. Weighted average interest rates on 2-year instrument declined to 8.84% on the 5 August auction, when demand reached GEL 68.9mn representing c. 3.5x oversubscription. On 26 August auction interest rate on 5-year instrument increased and reached 9.4%, with demand reaching GEL 106.5mn (3.0x oversubscription). Weighted average interest rates on shorter term instruments increased slightly in August auctions, standing at 9.385% for 6-month instrument and at 9.19% for a 1-year instrument.

Change in sovereign Eurobond yields in August 2021, bps

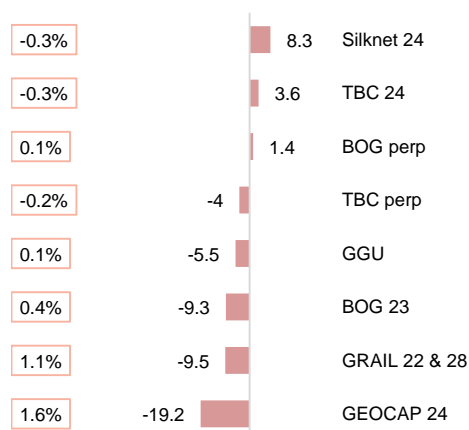
Change in price, %



Source: Bloomberg, Galt & Taggart

Change in Georgian Corporate Eurobond yields in August 2021, bps

Change in price, %



Source: Bloomberg, Galt & Taggart

Eva Bochorishvili - Head of Research
| evabochorishvili@gt.ge | +995 32 2401 111 ext. 8036

Ana Nachkebia - Senior Associate
| ananachkebia@gt.ge | +995 32 2401 111 ext. 8137

Giorgi Iremashvili - Head of Analytics
| giremashvili@gt.ge | +995 32 2401 111 ext. 4691

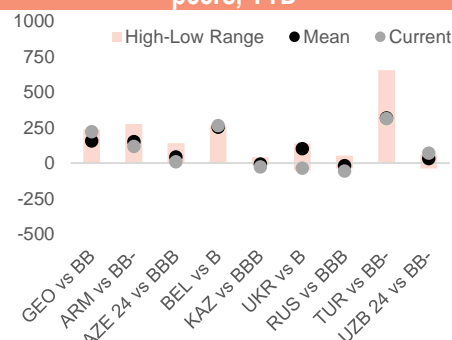
Regional sovereign Eurobond market: Yields on most of the regional Eurobonds tightened in August 2021. UKRAINE 26 was the best performer of the month with the yield narrowing by 42bps, followed by TURK 26 and ARMENIA 25, with yields down by 25bps and 22bps, respectively. Yields on other regional Eurobonds tightened in the range of 5-15bps. BELARUS 27 was the worst performer, with the yield widening by 14bps in August, while yield on Uzbekistan's 2024 Eurobond increased by 4bps in the same period.

Georgian corporate Eurobond market: In August, yields on most of the Georgian corporate Eurobonds tightened. GEOCAP 24 continued the strong performance, with the yield further tightening by 19bps in August. GRAIL 28 and BOG 23 also performed well, with the yields down by 9-9bps in the same period. From other corporate issuers, SILKNET 24 performed relatively poorly, with the yield widening by 8bps in August, 2021, while yields on other Eurobonds remained mostly unchanged.

Global markets: On its recent speech at the annual Jackson Hole forum, the Fed chairman Jerome Powell reassured global markets that the 'tapering' of the large-scale stimulus would be gradual. Powell also confirmed that both inflation and employment have made "substantial further progress" and are moving towards the Fed's target. Global markets rose on the news.

Eurozone inflation jumped to a 10-year high of 3% in August 2021, up from 2.2% in July and far above the analyst expectations (2.7%). Notably, this level of inflation is also above the ECB's target of 2%. The increase was fuelled by energy costs as well as rising food prices. Inflation in Germany, Eurozone's largest economy, reached 3.4% in August, the highest level since 2008. The surprising rise in inflation comes days before the ECB's scheduled 9 September meeting, where the future of monetary policy will be discussed.

Regional sovereign Eurobond spreads vs peers, YTD



Source: Bloomberg, Galt & Taggart Research

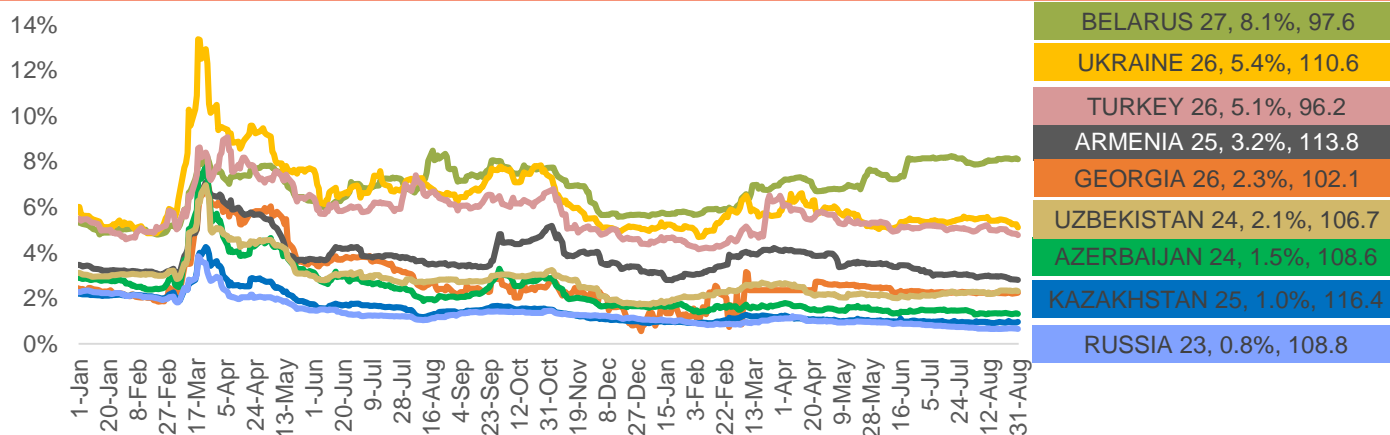
Country ratings

	Fitch	Moody's	S&P
Georgia	BB	Ba2	BB
Russia	BBB	Baa3	BBB-
Kazakhstan	BBB	Baa3	BBB-
Azerbaijan	BB+	Ba2	BB+
Armenia	B+	Ba3	n/a
Uzbekistan	BB-	B1	BB-
Turkey	BB-	B2	B+
Belarus	B	B3	B
Ukraine	B	B3	B

Source: Fitch, Moody's, S&P

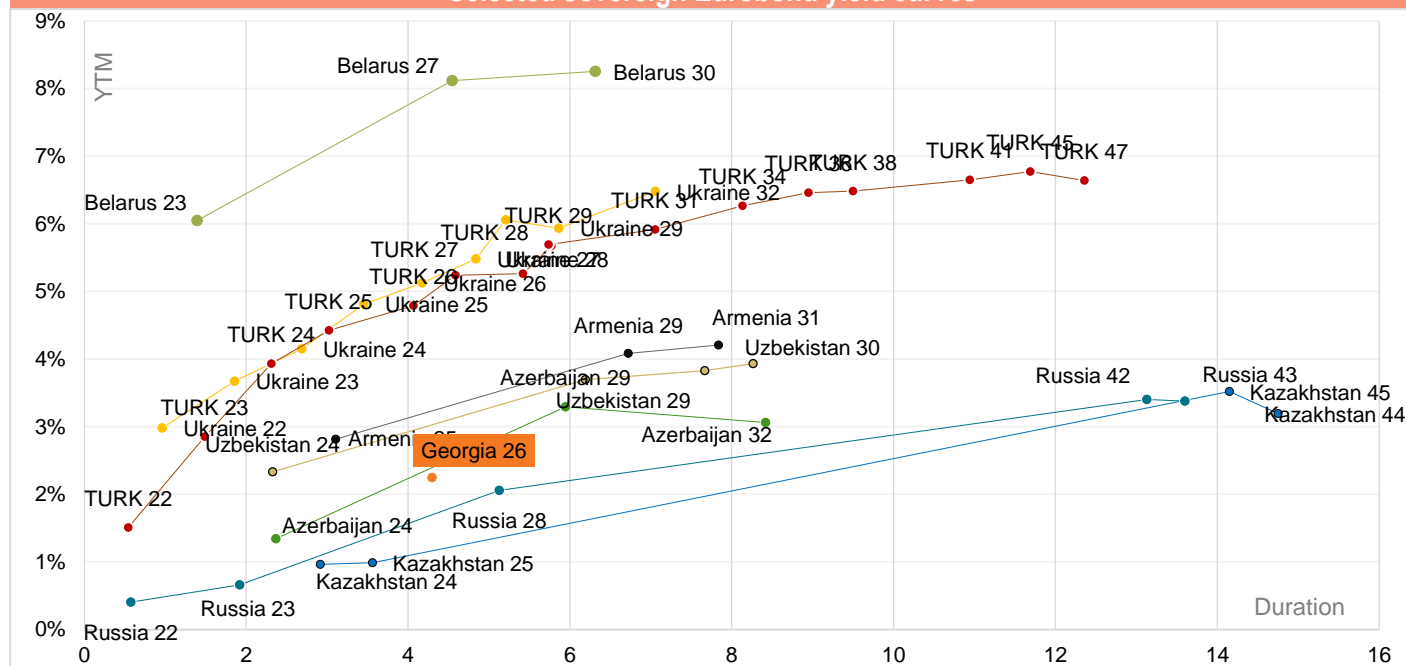
Sovereign Eurobond yields

Selected sovereign Eurobond YTM

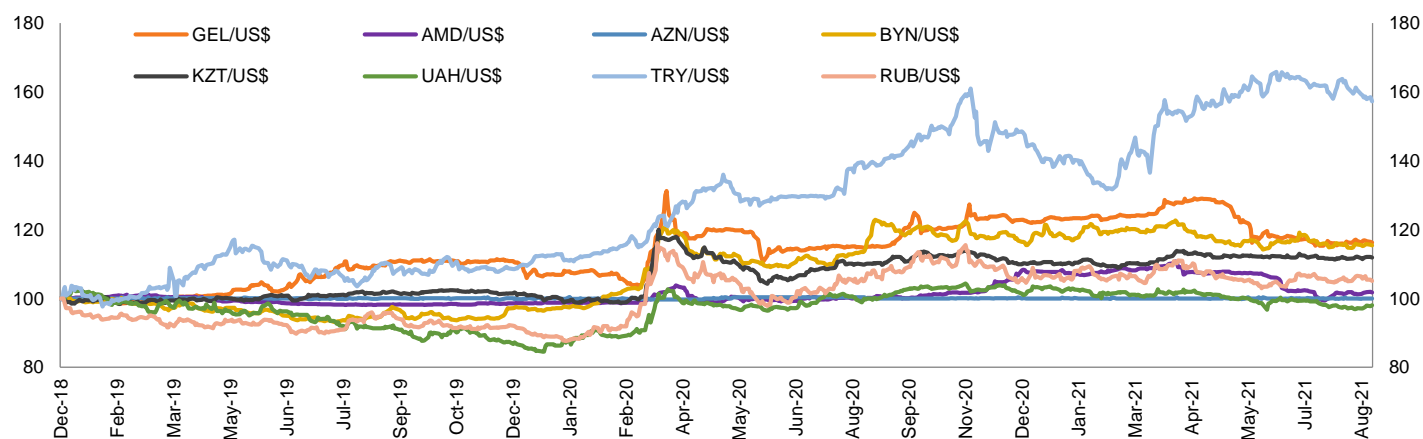


Source: Bloomberg

Selected sovereign Eurobond yield curves



Regional currencies vs. US\$



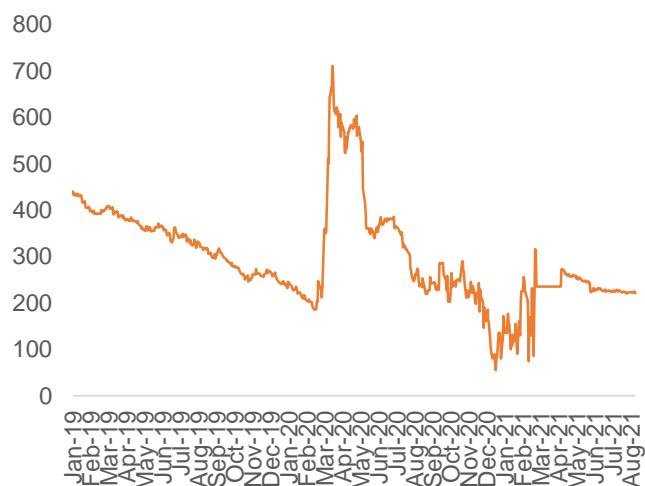
Central banks' monetary policy rates

	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21
Georgia	8.25%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.50%	9.50%	9.50%	9.50%	9.50%	10.00%
Armenia	4.50%	4.50%	4.25%	4.25%	4.25%	5.25%	5.25%	5.50%	5.50%	5.50%	6.00%	6.50%	6.50%	7.00%
Azerbaijan	6.75%	6.75%	6.75%	6.75%	6.50%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Belarus	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	7.75%	8.50%	8.50%	8.50%	9.25%	9.25%
Ukraine	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.00%	6.50%	7.50%	7.50%	7.50%	8.00%	8.00%
Kazakhstan	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%	9.25%	9.25%
Russia	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.50%	5.00%	5.00%	5.50%	6.50%	6.50%
Uzbekistan	15.00%	15.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%
Turkey	8.25%	8.25%	10.25%	10.25%	15.00%	17.00%	17.00%	17.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%
FED	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
ECB	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Central banks

Georgia

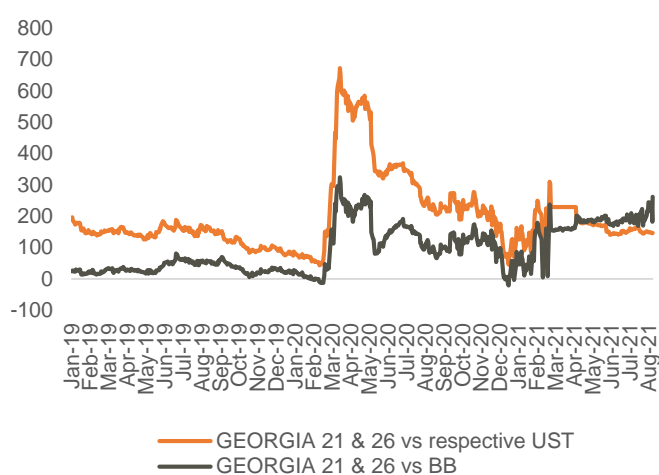
YTM on GEORGIA 21 & 26, bps



Source: Bloomberg

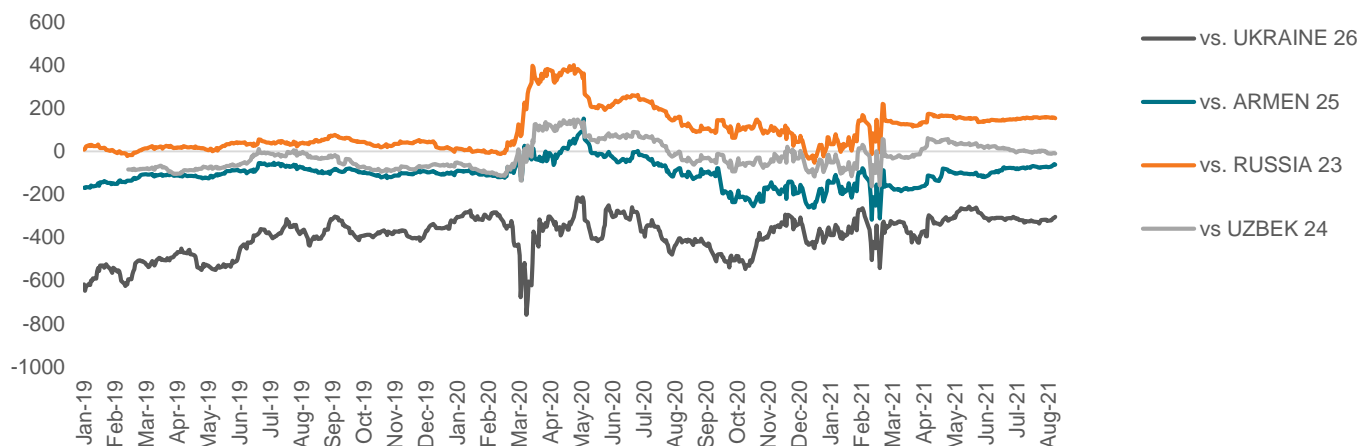
Note: For the period of 15 March-22 April 2021 a constant yield is taken for GEORGIA 21. From 22 April, GEORGIA 21 is replaced by a new GEORGIA 26 Eurobond

Georgia vs US treasury/BB peers, bps



Source: Bloomberg

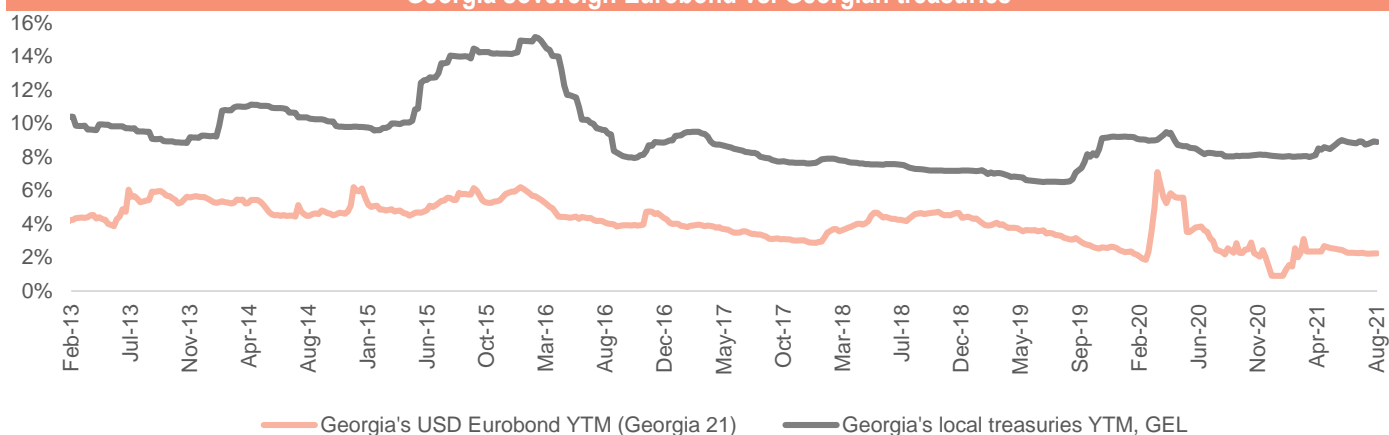
GEORGIA 21 & 26 vs regional peers, bps



Source: Bloomberg, Galt & Taggart Research

Georgian local treasury bonds

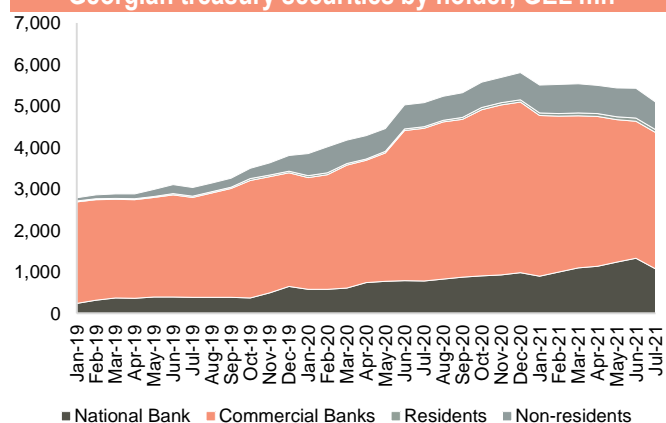
Georgia sovereign Eurobond vs. Georgian treasuries



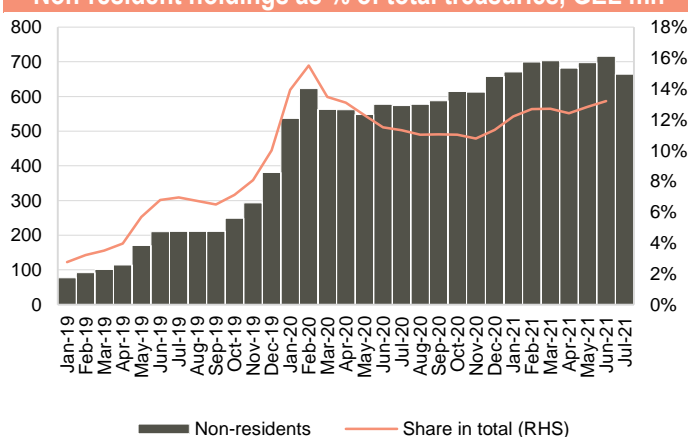
Source: Bloomberg, NBG, Galt & Taggart Research

Note: LC treasury yields are derived from daily yield curve information from NBG. From April 2021 calculation is based on a new GEORGIA 26 Eurobond

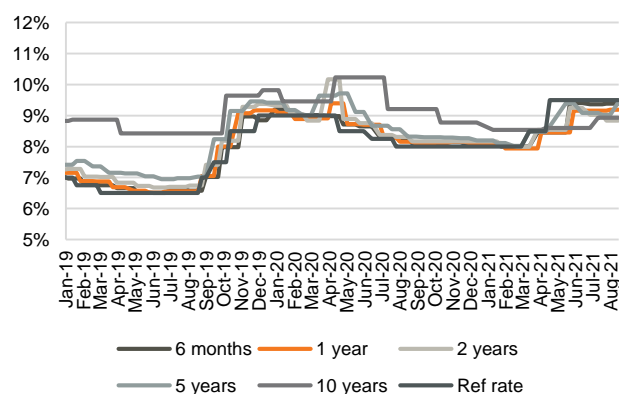
Georgian treasury securities by holder, GEL mn



Non-resident holdings as % of total treasuries, GEL mn



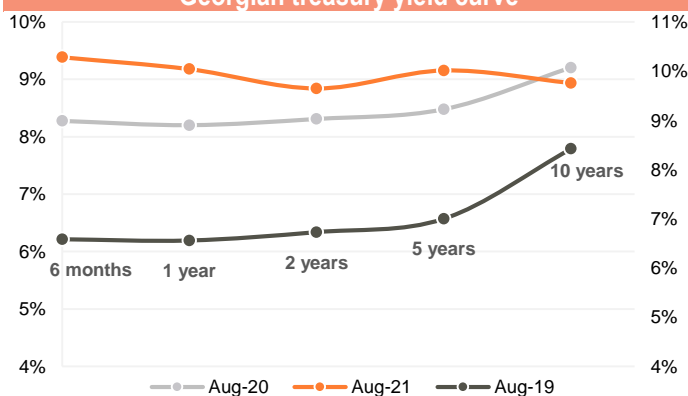
Interest rates on Georgian treasury securities



Source: NBG

Note: The interest rates are taken from actual auctions on T-bills and T-notes.

Georgian treasury yield curve

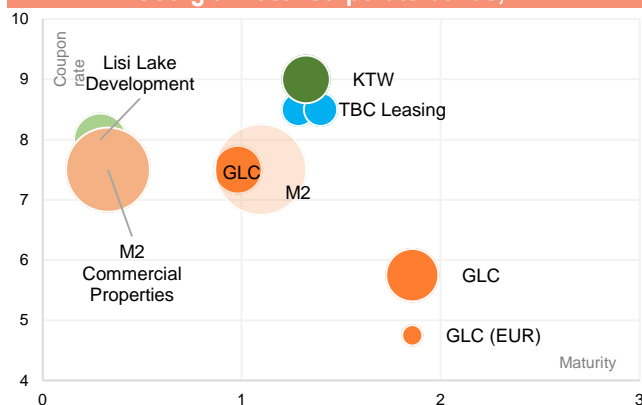


Source: NBG

Note: The interest rates are taken from actual auctions on T-bills and T-notes.

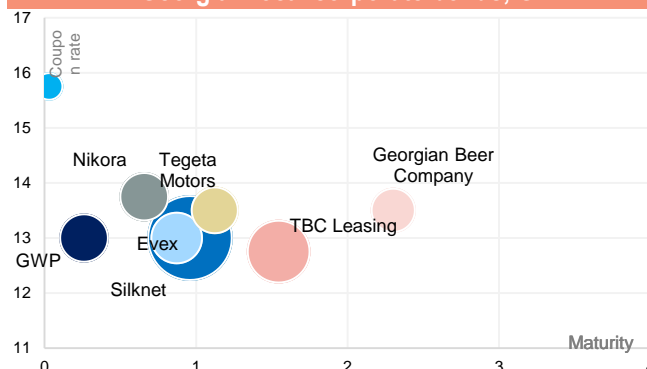
Georgian local corporate bonds

Georgian local corporate bonds, FX



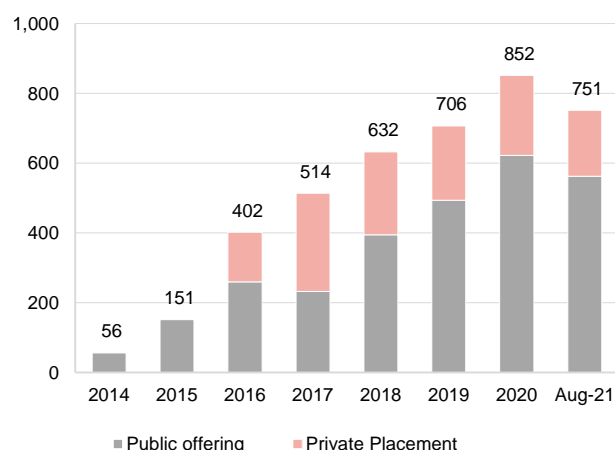
Source: NBG, Galt & Taggart Research
Note: the size of the bubble corresponds to the size of issuance, with max. at US\$ 35mn

Georgian local corporate bonds, GEL



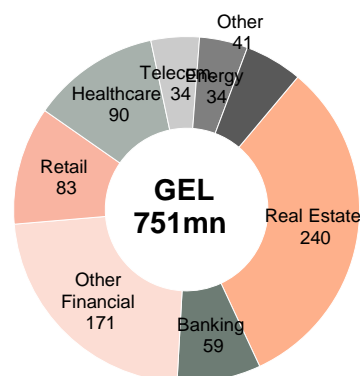
Source: NBG, Galt & Taggart Research
Note: the size of the bubble corresponds to the size of issuance, with max. at GEL 90mn
All GEL denominated bonds are floating, coupons are derived from adding spreads to a current 9.5% ref. rate

Georgian local corporate bonds outstanding, GEL mn



Source: NBG, Galt & Taggart Research

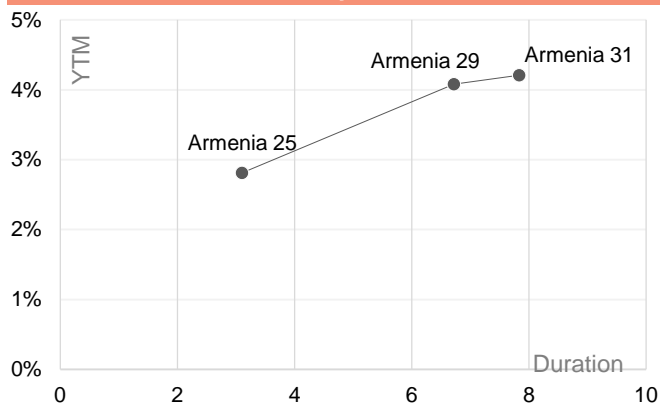
Local corporate bond distribution by sector, Aug-2021



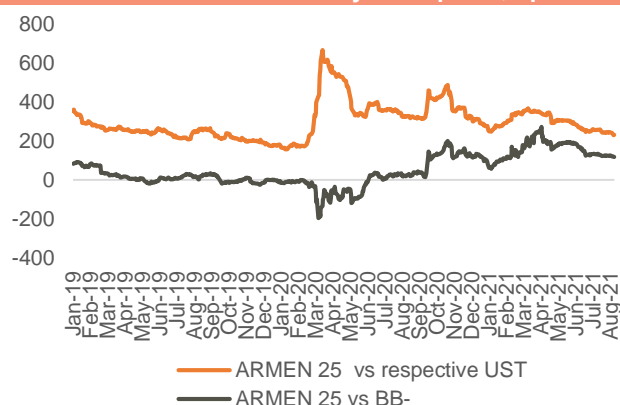
Source: NBG, Galt & Taggart Research

Regional economies

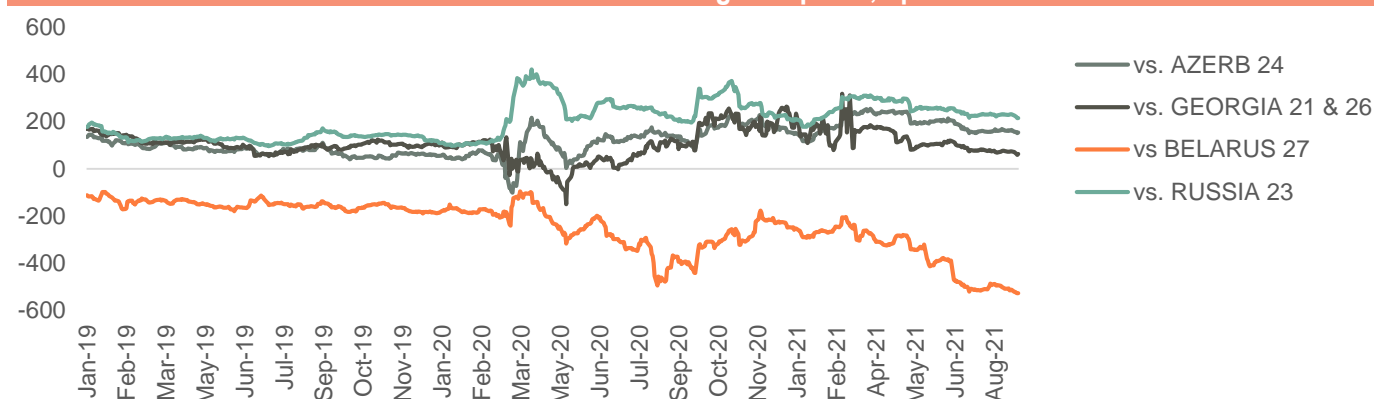
Armenia's yield curve



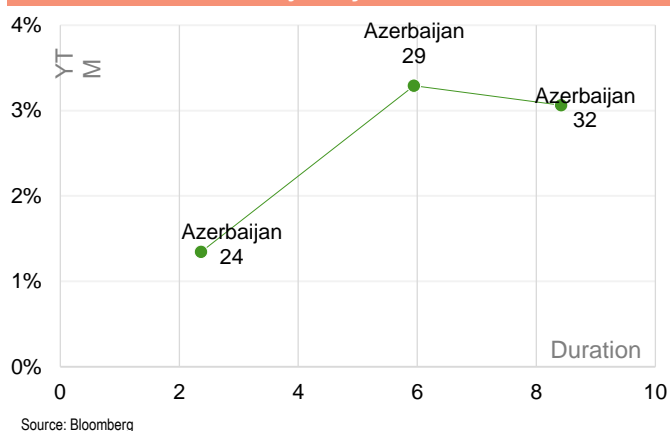
Armenia vs US treasury/BB/B peers, bps



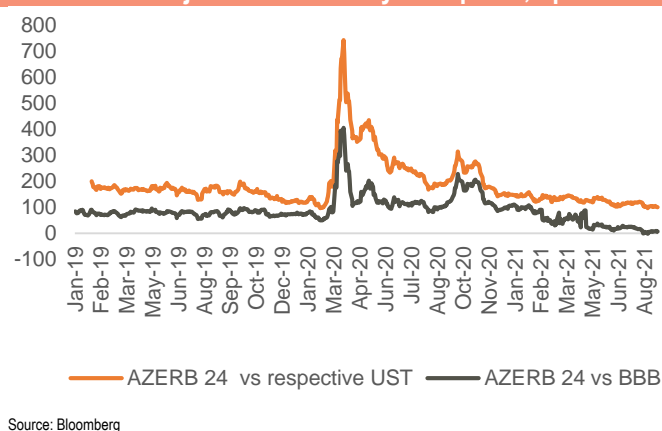
ARMENIA 25 vs regional peers, bps



Azerbaijan's yield curve

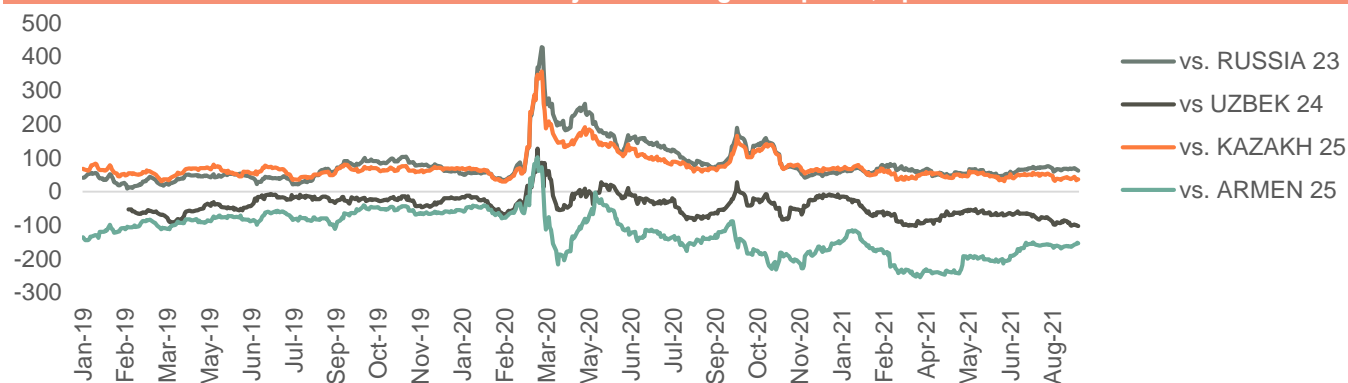


Azerbaijan vs US treasury/BBB peers, bps



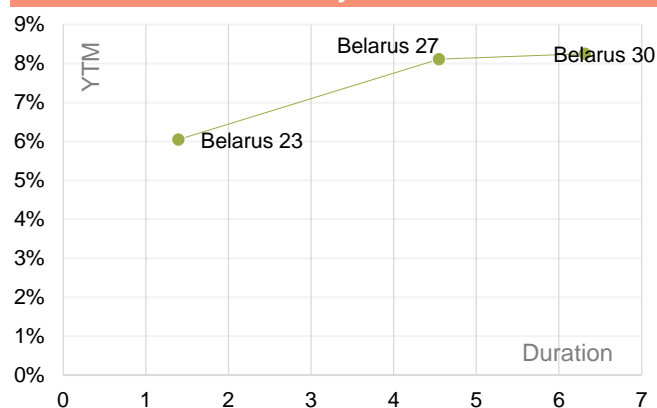


Azerbaijan 24 vs regional peers, bps



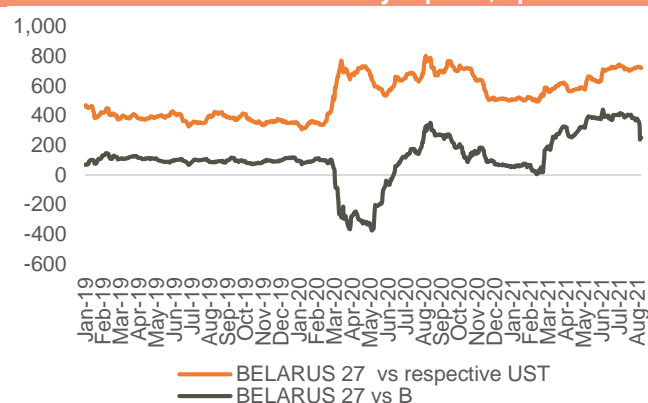
Source: Bloomberg, Galt & Taggart Research

Belarus's yield curve



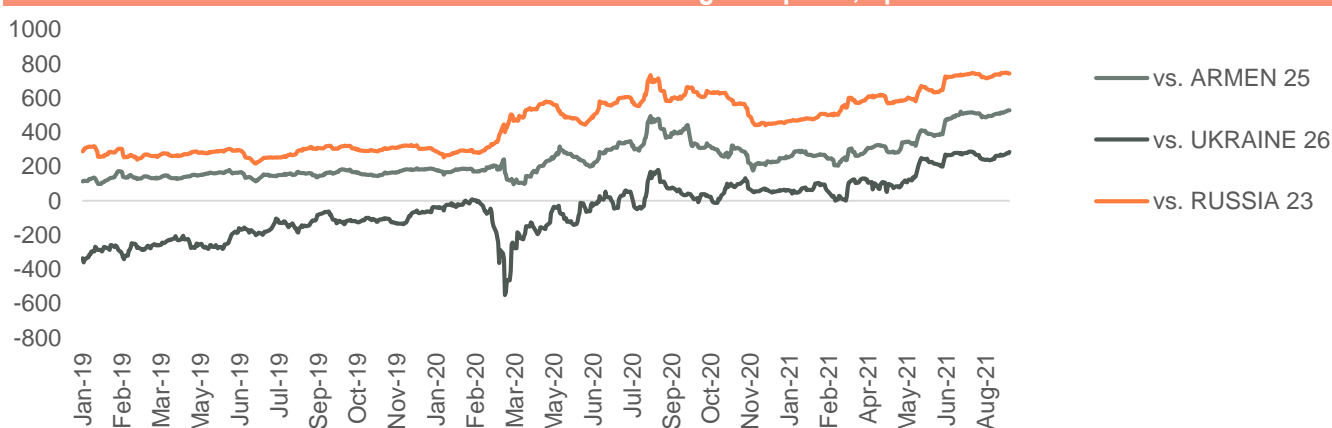
Source: Bloomberg

Belarus vs US treasury/B peers, bps



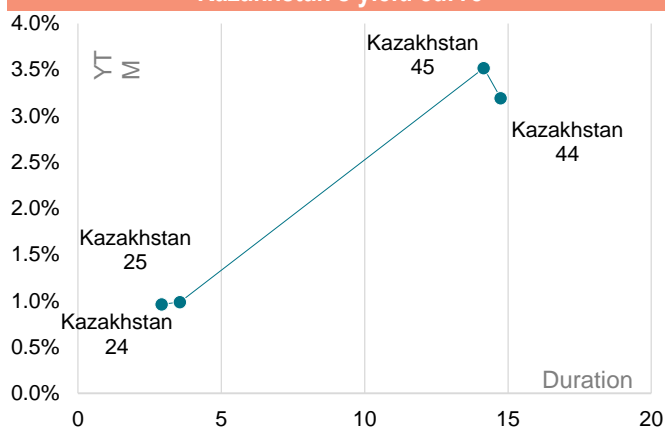
Source: Bloomberg

Belarus 27 vs regional peers, bps



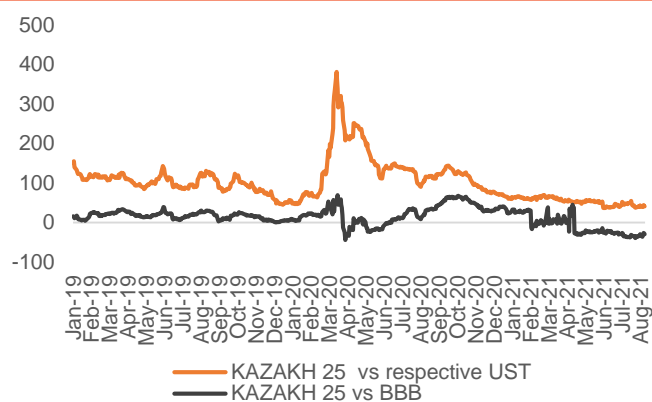
Source: Bloomberg, Galt & Taggart Research

Kazakhstan's yield curve



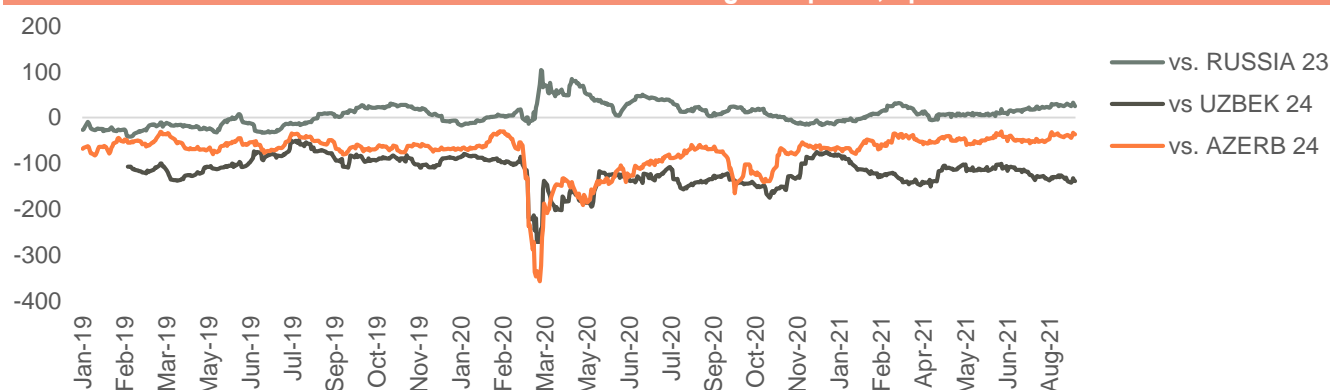
Source: Bloomberg

Kazakhstan vs US treasury/BBB peers, bps



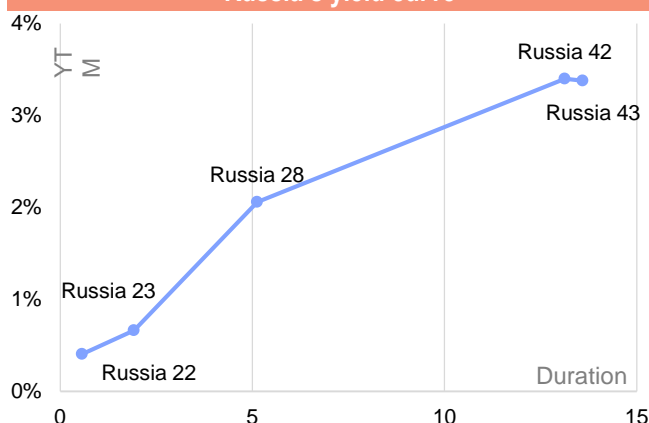
Source: Bloomberg

Kazakhstan 25 vs regional peers, bps



Source: Bloomberg, Galt & Taggart Research

Russia's yield curve



Source: Bloomberg

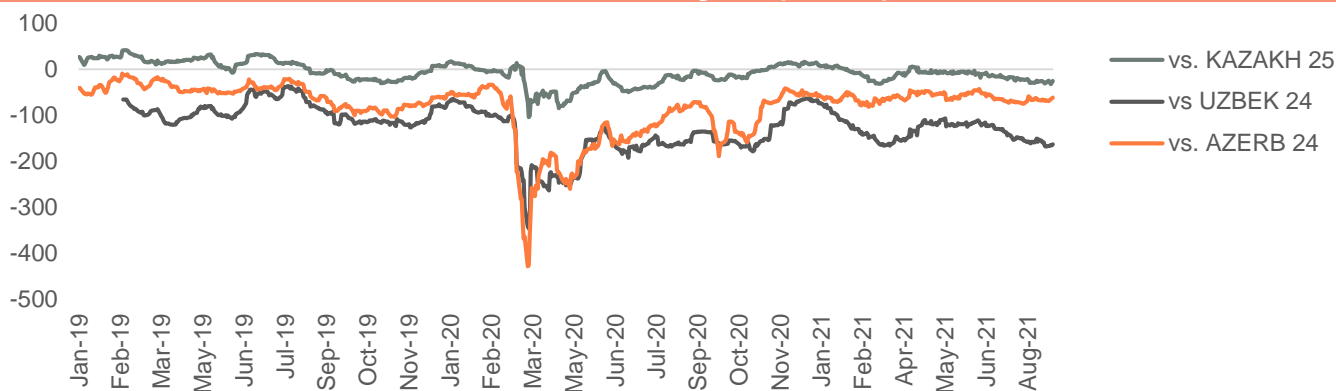
Russia vs US treasury/BBB peers, bps



Source: Bloomberg

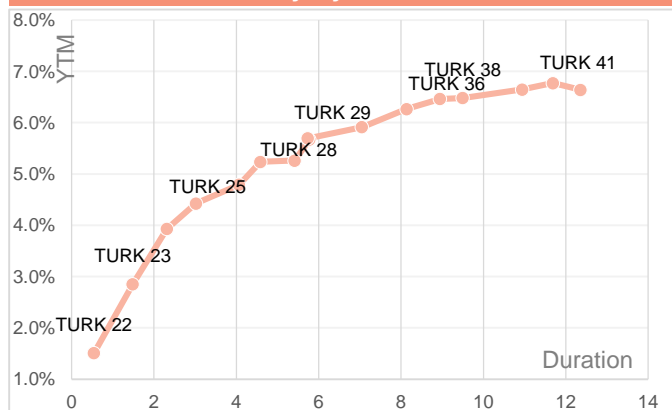


RUSSIA 23 vs regional peers, bps



Source: Bloomberg, Galt & Taggart Research

Turkey's yield curve



Source: Bloomberg

Turkey vs US treasury/BB- peers, bps



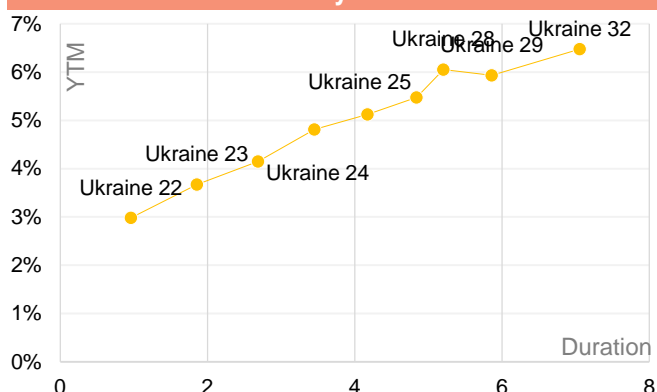
Source: Bloomberg

TURKEY 26 vs regional peers, bps



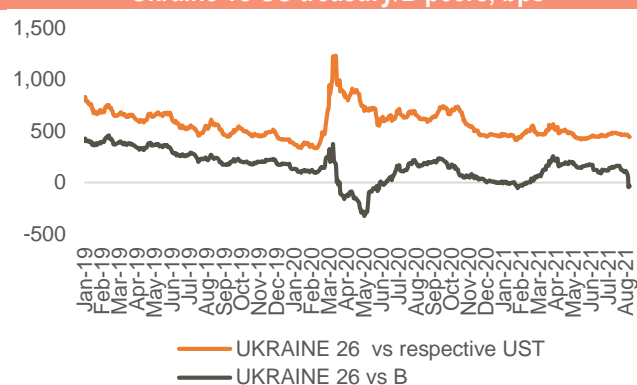
Source: Bloomberg, Galt & Taggart Research

Ukraine's yield curve



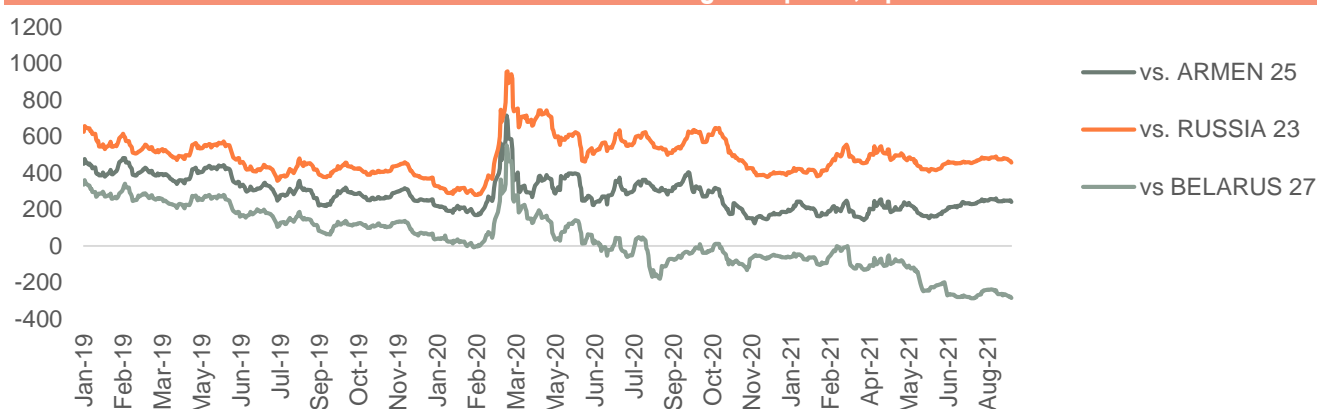
Source: Bloomberg

Ukraine vs US treasury/B peers, bps



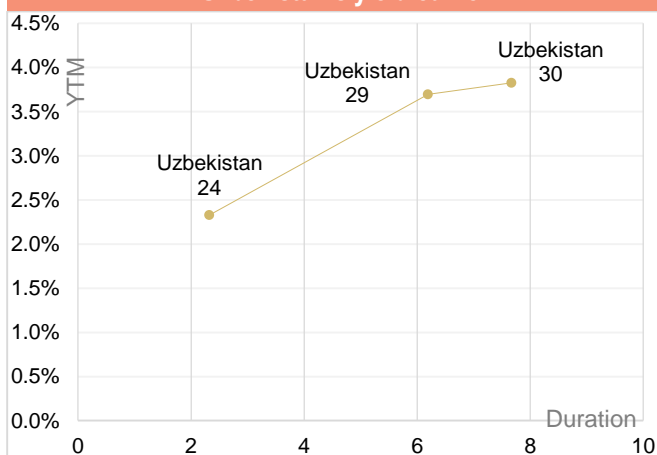
Source: Bloomberg

Ukraine 26 vs regional peers, bps



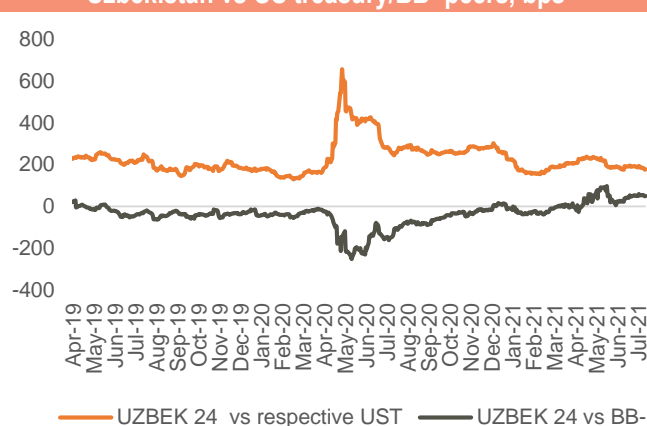
Source: Bloomberg, Galt & Taggart Research

Uzbekistan's yield curve



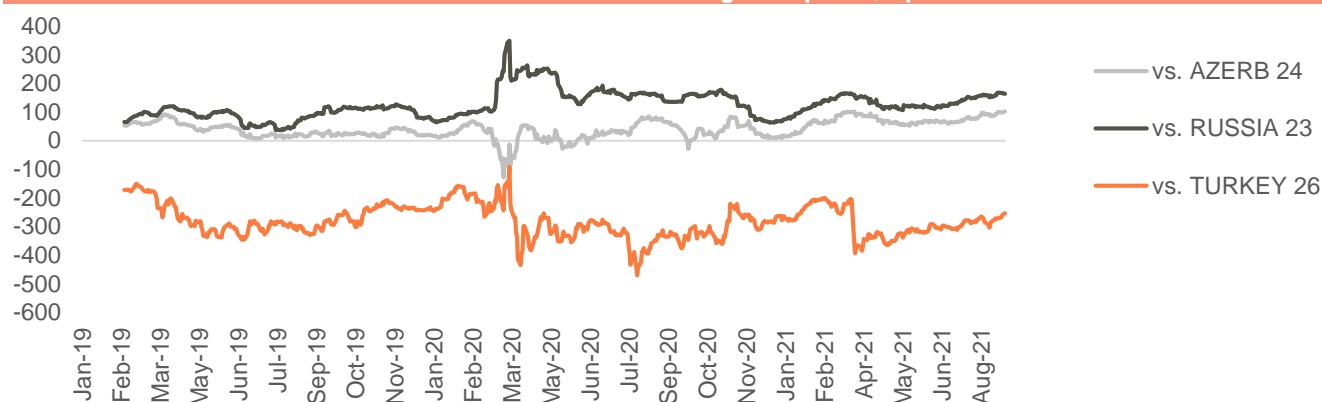
Source: Bloomberg

Uzbekistan vs US treasury/BB- peers, bps



Source: Bloomberg

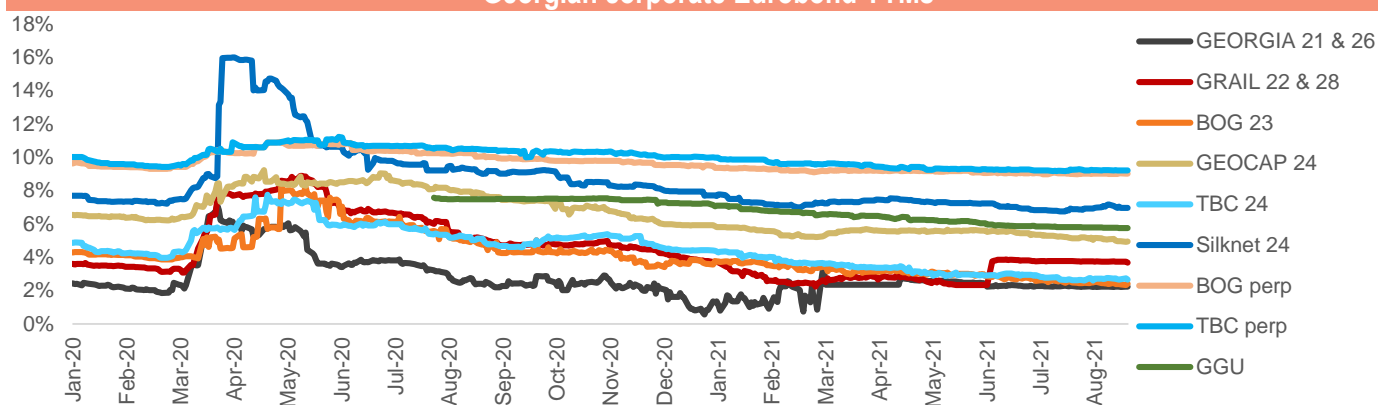
Uzbekistan 24 vs regional peers, bps



Source: Bloomberg, Galt & Taggart Research

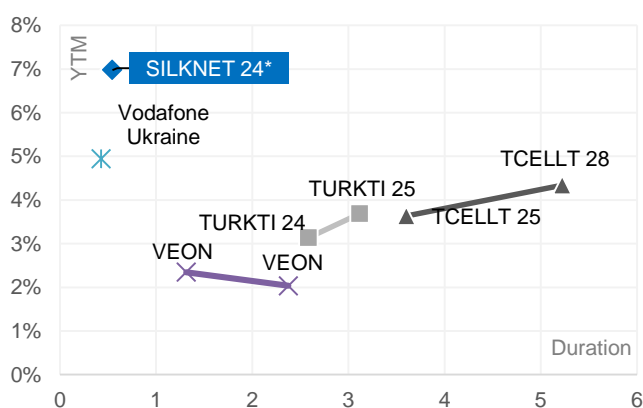
Georgian corporate Eurobonds

Georgian corporate Eurobond YTM



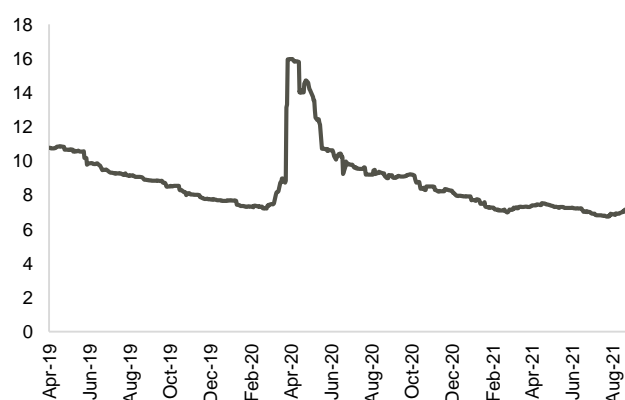
Source: Bloomberg

Regional telecom universe



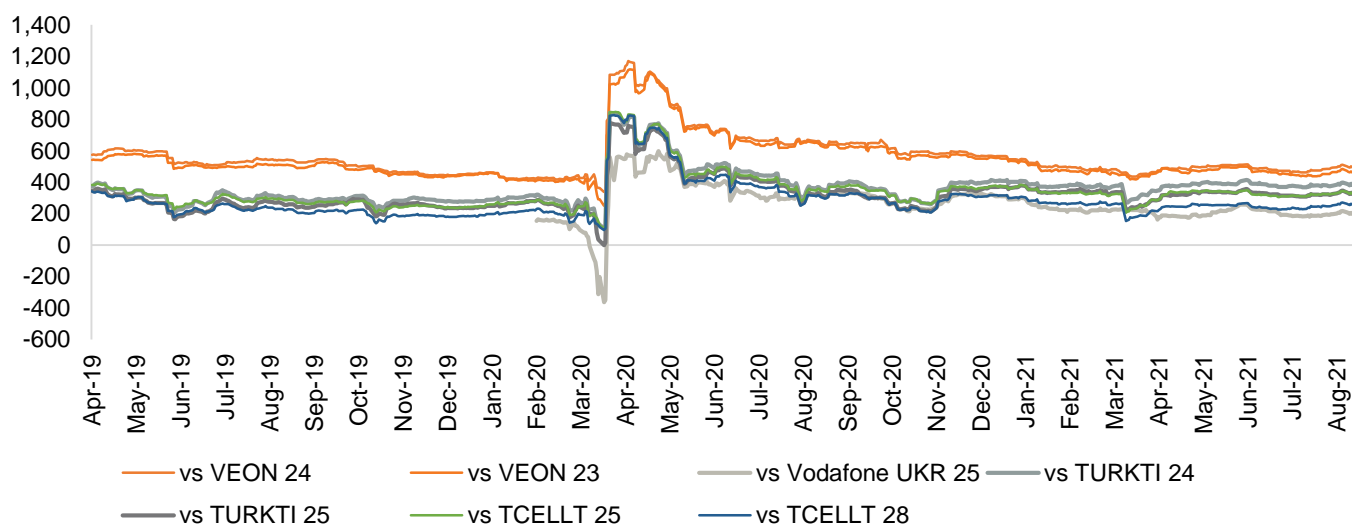
Source: Bloomberg
Note: For Silknet call date is taken as maturity

YTM on Silknet, bps



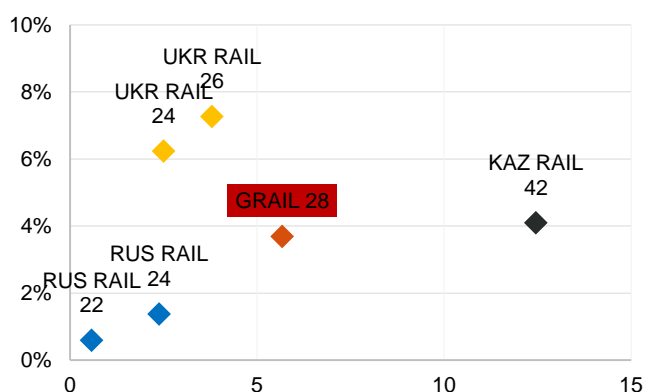
Source: Bloomberg

Silknet vs regional peer telecom operators, bps



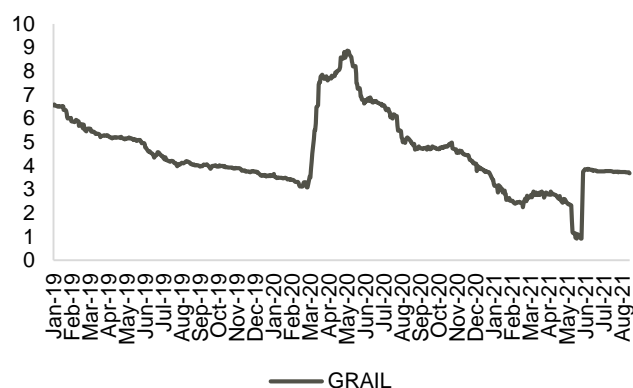
Source: Bloomberg, Galt & Taggart Research

YTM of regional railways



Source: Bloomberg

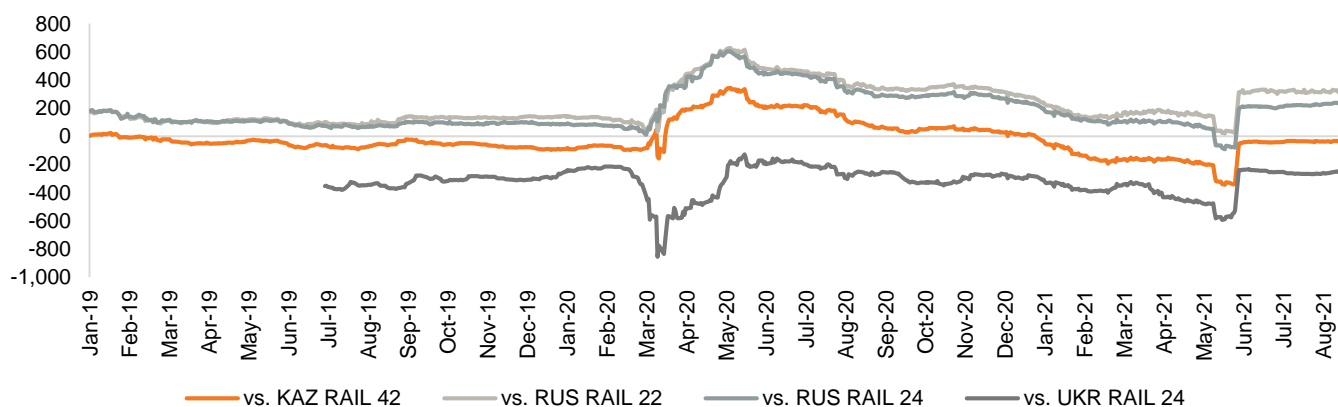
YTM on GRAIL 22 & 28, bps



Source: Bloomberg

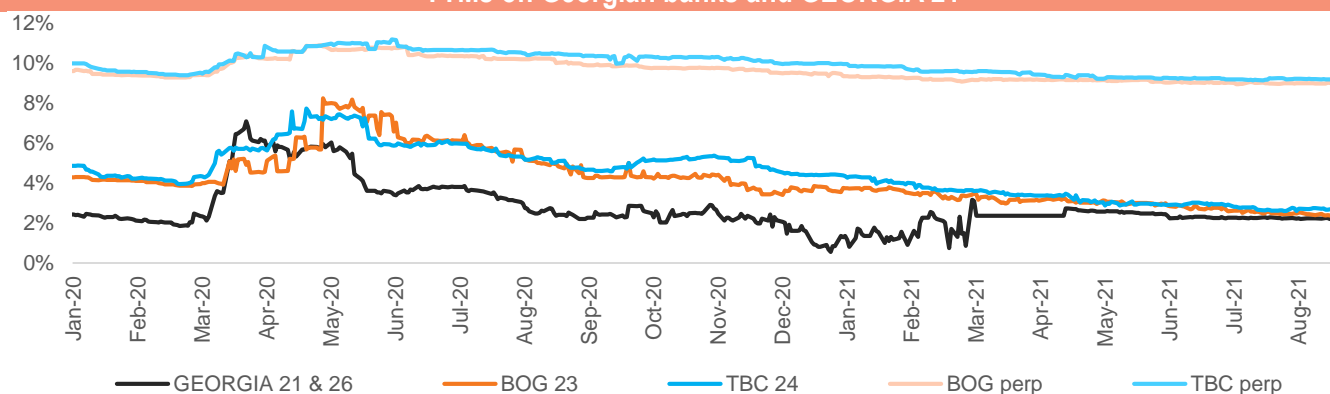
Note: The chart combines GRAIL 22 which was repurchased in June 2021 as well as the newly issued GRAIL 28 Eurobond.

GRAIL vs regional peer railways, bps



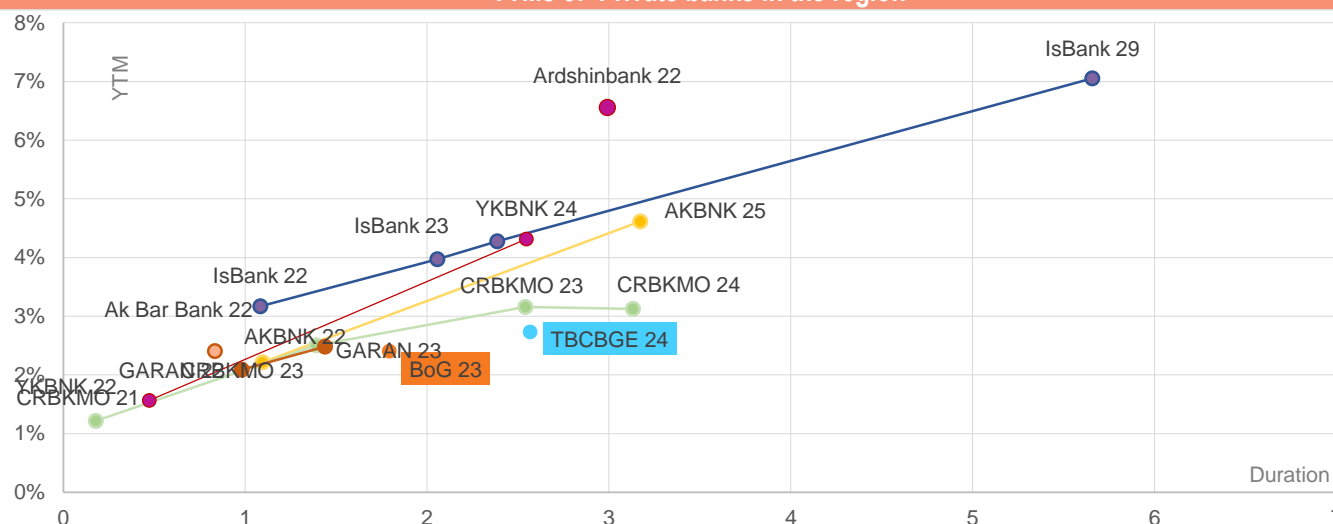
Source: Bloomberg, Galt & Taggart Research

YTM on Georgian banks and GEORGIA 21



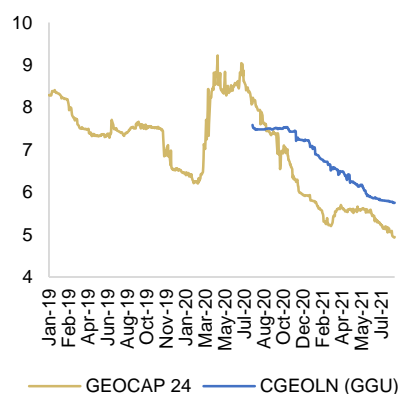
Source: Bloomberg

YTM of Private banks in the region



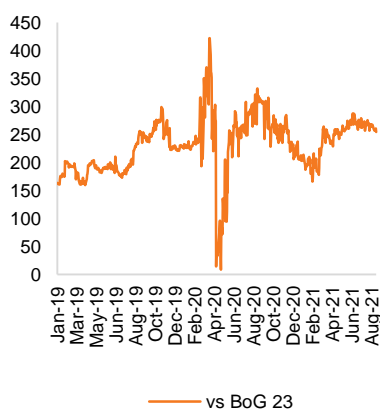
Source: Bloomberg, Galt & Taggart Research

YTM on GEOCAP and CGEOLN (GGU)



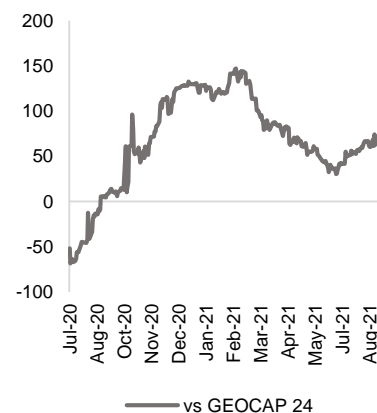
Source: Bloomberg

GEOCAP's spread over BoG 23, bps



Source: Bloomberg

CGEOLN's (GGU) spread over GEOCAP 24, bps



Source: Bloomberg

Appendix

Issuer	Ticker	ISIN	Currency	Coupon	Sector	Maturity	Duration	Amount, US\$ mn	Mid price	YTM Mid	Ratings (Fitch/S&P/Moody's)
Sovereign Eurobonds											
Republic of Azerbaijan	AZERBJ	XS1044540547	USD	4.75	Government	3/18/2024	2.4	1,250	108.5	1.3	BB+/-/Ba2u
Republic of Azerbaijan	AZERBJ	XS1678623064	USD	5.125	Government	9/1/2029	5.9	311	112.8	3.3	BB+/-/Ba2u
Republic of Azerbaijan	AZERBJ	XS1678623734	USD	3.5	Government	9/1/2032	8.4	1,077	104.1	3.1	BB+/-/Ba2u
Republic of Armenia	ARMEN	XS1207654853	USD	7.15	Government	3/26/2025	3.1	500	114.6	2.8	B+/-/Ba3
Republic of Armenia	ARMEN	XS2010043904	USD	3.95	Government	9/26/2029	6.7	500	99.1	4.1	B+/-/Ba3
Republic of Armenia	ARMEN	XS2010028939	USD	3.6	Government	2/2/2031	7.8	750	95.3	4.2	B+/-/Ba3
Republic of Belarus	BELRUS	XS1634369067	USD	6.875	Government	2/28/2023	1.4	800	101.2	6.0	B/B/B3u
Republic of Belarus	BELRUS	XS1634369224	USD	7.625	Government	6/29/2027	4.5	600	97.7	8.1	B/B/B3u
Republic of Belarus	BELRUS	XS1760804184	USD	6.2	Government	2/28/2030	6.3	600	87.6	8.3	B/B/B3u
Georgia	GEORG	XS2334109423	USD	2.75	Government	4/22/2026	4.3	500	102.2	2.2	BB/BB/Ba2
Kazakhstan	KAZAKS	XS1120709669	USD	3.875	Government	10/14/2024	2.9	1,500	108.9	1.0	BBB/BBB-/Baa3
Kazakhstan	KAZAKS	XS1263054519	USD	5.125	Government	7/21/2025	3.6	2,500	115.7	1.0	BBB/BBB-/Baa3
Kazakhstan	KAZAKS	XS1263139856	USD	6.5	Government	7/21/2045	14.1	1,500	147.9	3.5	BBB/BBB-/Baa3
Kazakhstan	KAZAKS	XS1120709826	USD	4.875	Government	10/14/2044	14.8	1,000	127.4	3.2	BBB/BBB-/Baa3
Russia	RUSSIA	XS0767472458	USD	4.5	Government	4/4/2022	0.6	2,000	102.4	0.4	BBB/BBB-/Baa3
Russia	RUSSIA	XS0971721450	USD	4.875	Government	9/16/2023	1.9	3,000	108.5	0.7	BBB/BBB-/Baa3
Russia	RUSSIA	XS0088543193	USD	12.75	Government	6/24/2028	5.1	2,500	167.6	2.1	BBB/BBB-/Baa3
Russia	RUSSIA	XS0767473852	USD	5.625	Government	4/4/2042	13.1	3,000	132.7	3.4	BBB/BBB-/Baa3
Russia	RUSSIA	XS0971721963	USD	5.875	Government	9/16/2043	13.6	1,500	138.6	3.4	BBB/BBB-/Baa3
Ukraine	UKRAIN	XS1303920083	USD	7.75	Government	9/1/2021	0.0	1,409	100.0	(1.2)	B/B/B3u
Ukraine	UKRAIN	XS1303921214	USD	7.75	Government	9/1/2022	1.0	1,384	104.6	3.0	B/B/B3u
Ukraine	UKRAIN	XS1303921487	USD	7.75	Government	9/1/2023	1.9	1,355	107.8	3.7	B/B/B3u
Ukraine	UKRAIN	XS1303925041	USD	7.75	Government	9/1/2024	2.7	1,339	110.0	4.1	B/B/B3u
Ukraine	UKRAIN	XS1303925470	USD	7.75	Government	9/1/2025	3.5	1,329	110.6	4.8	B/B/B3u
Ukraine	UKRAIN	XS1303926528	USD	7.75	Government	9/1/2026	4.2	1,318	111.4	5.1	B/B/B3u
Ukraine	UKRAIN	XS1303927179	USD	7.75	Government	9/1/2027	4.8	1,307	111.5	5.5	B/B/B3u
Ukraine	UKRAIN	XS1902171757	USD	9.75	Government	11/1/2028	5.2	1,600	121.2	6.1	B/B/-
Ukraine	UKRAIN	XS1577952952	USD	7.375	Government	9/25/2032	7.1	3,000	107.0	6.5	B/B/-
Ukraine	UKRAIN	XS2010028699	USD	6.876	Government	5/21/2029	5.9	1,250	105.7	5.9	-/B/-
Uzbekistan	UZBEK	XS1953916290	USD	4.75	Government	2/20/2024	2.3	500	105.8	2.3	BB-/BB-/B1u
Uzbekistan	UZBEK	XS1953915136	USD	5.375	Government	2/20/2029	6.2	500	110.9	3.7	BB-/BB/-
Uzbekistan	UZBEK	XS2263765856	USD	3.7	Government	11/25/2030	7.7	555	99.0	3.8	BB-/BB/-
Uzbekistan	GEORG	XS2334109423	USD	2.75	Government	4/22/2026	4.3	500	102.2	2.2	BB/BB/Ba2
Uzbekistan	UZBEK	XS2365195978	USD	3.9	Government	10/19/2031	8.3	635	99.7	3.9	BB-/BB/-

Issuer	Ticker	ISIN	Currency	Coupon	Sector	Maturity	Duration	Amount, US\$ mn	Mid price	YTM Mid (Moody's/Fitch/S&P)	Ratings
Turkey	TURKEY	US900123CA66	USD	3.25	Government	3/23/2023	1.5	1,500	100.6	2.9	BB-/B2
Turkey	TURKEY	US900123CF53	USD	5.75	Government	3/22/2024	2.3	2,500	104.4	3.9	BB-/B2
Turkey	TURKEY	US900123AW05	USD	7.375	Government	2/5/2025	3.0	3,250	109.3	4.4	BB-/B2
Turkey	TURKEY	US900123CJ75	USD	4.25	Government	4/14/2026	4.1	1,500	97.8	4.8	BB-/B2
Turkey	TURKEY	US900123CL22	USD	6	Government	3/25/2027	4.6	3,250	103.6	5.2	BB-/B2
Turkey	TURKEY	US900123CP36	USD	5.125	Government	2/17/2028	5.4	2,000	99.3	5.3	BB-/B2
Turkey	TURKEY	US900123AL40	USD	11.875	Government	1/15/2030	5.8	1,500	140.8	5.7	BB-/B2
Turkey	TURKEY	US900123CT57	USD	7.625	Government	4/26/2029	5.7	3,000	111.8	5.7	BB-/B2
Turkey	TURKEY	US900123DA57	USD	5.95	Government	1/15/2031	7.1	2,250	100.2	5.9	-/B2
Turkey	TURKEY	US900123AT75	USD	8	Government	2/14/2034	8.1	1,500	114.8	6.3	BB-/B2
Turkey	TURKEY	US900123AY60	USD	6.875	Government	3/17/2036	8.9	2,750	103.9	6.5	BB-/B2
Turkey	TURKEY	US900123BB58	USD	7.25	Government	3/5/2038	9.5	1,000	107.7	6.5	BB-/B2
Turkey	TURKEY	US900123BJ84	USD	6	Government	1/14/2041	10.9	3,000	93.0	6.6	BB-/B2
Turkey	TURKEY	US900123CG37	USD	6.625	Government	2/17/2045	11.7	3,000	98.3	6.8	BB-/B2
Turkey	TURKEY	US900123CM05	USD	5.75	Government	5/11/2047	12.4	3,500	89.1	6.6	BB-/B2
Corporate Eurobonds											
SILKNET JSC	SILNET	XS1843443430	USD	11	Communications	4/2/2024	0.5	200	109.3	7.0	B-/B1
TURK TELEKOMUNIKASYON AS	TURKTI	XS1028951264	USD	4.875	Communications	6/19/2024	2.6	500	104.6	3.1	BB-/BB-/
TURK TELEKOMUNIKASYON AS	TURKTI	XS1955059420	USD	6.875	Communications	2/28/2025	3.1	500	110.3	3.7	BB-/BB-/
TURKCELL ILETISIM HIZMET	TCELLT	XS1298711729	USD	5.75	Communications	10/15/2025	3.6	500	108.0	3.6	BB-/BB-/B2u
TURKCELL ILETISIM HIZMET	TCELLT	XS1803215869	USD	5.8	Communications	4/11/2028	5.2	500	108.3	4.3	BB-/BB-/
VEON	VIP	XS1625994618	USD	4.95	Communications	6/16/2024	2.4	900	107.9	2.0	BBB-/BB+/Ba2u
VEON	VIP	XS1400710726	USD	7.25	Communications	4/26/2023	1.3	700	107.9	2.3	BBB-/BB+/Ba2u
Vodafone Ukraine	VODUKR	XS2114201622	USD	6.2	Communications	2/11/2025	0.4	500	103.9	4.9	B/B/-
GEORGIAN RAILWAY JSC	GRAIL	XS2340149439	USD	4	Industrial	6/17/2028	5.7	500	101.9	3.7	BB-/B+/-
KAZAKHSTAN TEMIR ZHOLY	KTZKZ	XS0799658637	USD	6.95	Industrial	7/10/2042	12.5	1,100	139.9	4.1	BBB-/BB-/Baa3
Russian Railways	RURAIL	XS0764220017	USD	5.7	Industrial	4/5/2022	0.6	1,400	103.0	0.6	BBB-/BB-/Baa2
Russian Railways	RURAIL	XS1574068844	USD	4.375	Industrial	3/1/2024	2.4	500	107.3	1.4	BBB-/Baa2
Ukrainian Railway	RAILUA	XS1843433472	USD	8.25	Industrial	7/9/2024	2.5	595	105.2	6.2	B/-
Ukrainian Railway	RAILUA	XS2365120885	USD	7.875	Industrial	7/15/2026	3.8	300	102.5	7.3	B/-
BANK OF GEORGIA JSC	GEBGG	XS1405775880	USD	6	Financial	7/26/2023	1.8	350	106.6	2.4	BB-/Baa2
TBC BANK JSC	TBCBGE	XS1843434363	USD	5.75	Financial	6/19/2024	2.6	300	108.1	2.7	BB-/Baa2
Ak Bar Bank	AKBARS	XS0805131439	USD	8	Financial	7/13/2022	0.8	600	104.7	2.4	WD/-
AKBNK	AKBNK	USM0375YAK49	USD	5	Financial	10/24/2022	1.1	500	103.1	2.2	B+/-/B2
AKBNK	AKBNK	XS1210422074	USD	5.125	Financial	3/31/2025	3.2	500	101.7	4.6	B+/-/B2
AKBNK	ARBANK	XS2080321198	USD	6.5	Financial	1/28/2025	3.0	300	99.8	6.6	B+/-/Baa3
Credit Bank of Moscow	CRBKMO	XS1510534677	USD	5.875	Financial	11/7/2021	0.2	500	100.8	1.2	BB/BB/-
Credit Bank of Moscow	CRBKMO	XS1759801720	USD	5.55	Financial	2/14/2023	1.4	500	104.3	2.5	BB/BB/Baa3

Credit Bank of Moscow	CRBKMO	XS1964558339	USD	7.12	Financial	6/25/2024	2.5	500	110.6	3.2	BB/BB/-
Credit Bank of Moscow	CRBKMO	XS2099763075	USD	4.7	Financial	1/29/2025	3.1	600	105.0	3.1	BB/BB/-
Garanti Bank	GARAN	USM8931TAF68	USD	5.25	Financial	9/13/2022	1.0	750	103.2	2.1	B+/-/B2
Garanti Bank	GARAN	XS1576037284	USD	5.875	Financial	3/16/2023	1.4	500	105.1	2.5	B+/-/B2
TURKIYE IS BANKASI	ISCTR	XS0847042024	USD	6	Financial	10/24/2022	1.1	1,000	103.1	3.2	B-/-/Caa2
TURKIYE IS BANKASI	ISCTR	XS1003016018	USD	7.85	Financial	12/10/2023	2.1	400	108.3	4.0	B-/-/Caa3
TURKIYE IS BANKASI	ISCTR	XS1578203462	USD	6.125	Financial	4/25/2024	2.4	1,250	104.6	4.3	B+/-/B3
TURKIYE IS BANKASI	ISCTR	XS2041003901	USD	8.1	Financial	12/3/2029	5.7	50	106.4	7.0	B+/-/NR
Yapi Kredi Bank	YKBNK	XS1571399754	USD	5.75	Financial	2/24/2022	0.5	600	102.0	1.6	B+/-/B2
Yapi Kredi Bank	YKBNK	XS1634372954	USD	5.85	Financial	6/21/2024	2.5	500	104.0	4.3	B+/-/B2
Ziraat Bank	TCZIRA	XS1605397394	USD	5.125	Financial	5/3/2022	0.6	600	102.0	2.1	B+/-/B2
Ziraat Bank	TCZIRA	XS1691349010	USD	5.125	Financial	9/29/2023	1.9	500	103.2	3.5	B+/-/B2
Sberbank	SBERRU	XS0743596040	USD	6.125	Financial	2/7/2022	0.4	1,500	102.4	0.6	BBB-/Baa3
Sberbank	SBERRU	US78406JAD63	USD	5.25	Financial	5/23/2023	1.6	1,000	105.7	1.9	BBB-/Baa3
International Bank of Azerbaijan	IBAZAZ	XS1678463784	USD	3.5	Financial	9/1/2024	2.8	1,000	101.0	3.1	B-/B2
Alfa Bank	ALFARU	XS1760786340	USD	6.95	Financial	n/a	1.6	500	104.0	5.3	B+/-/B2
TINKOF	AKBHC	XS1631338495	USD	9.25	Financial	n/a	1.0	300	105.5	8.0	B-/B2
GEOCAP 24	GEOCAP	XS1778929478	USD	6.125	Financial	3/9/2024	2.3	300	102.8	4.9	-B/B2
Georgian Global Utilities	CGEOLN	XS2208644059	USD	7.75	Utilities	7/30/2025	1.9	250	105.8	6.1	B+/-/B2

Source: Bloomberg
Data as of 31 August, 2021

Disclaimer

This document is the property of and has been prepared by JSC Galt & Taggart ("Galt & Taggart"), a member of Bank of Georgia Group plc ("Group") solely for informational purposes and independently of the respective companies mentioned herein. This document does not constitute or form part of, and should not be construed as, an offer or solicitation or invitation of an offer to buy, sell or subscribe for any securities or assets and nothing contained herein shall form the basis of any contract or commitment whatsoever or shall be considered as a recommendation to take any such actions.

Galt & Taggart is authorized to perform professional activities on the Georgian market. The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by Galt & Taggart to inform themselves about and to observe any and all restrictions applicable to them. This document is not directed to, or intended for distribution, directly or indirectly, to, or use by, any person or entity that is a citizen or resident located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

Investments (or any short-term transactions) in emerging markets involve significant risk and volatility and may not be suitable for everyone. The recipients of this document must make their own investment decisions as they believe appropriate based on their specific objectives and financial situation. When doing so, such recipients should be sure to make their own assessment of the risks inherent in emerging market investments, including potential political and economic instability, other political risks including without limitation changes to laws and tariffs, and nationalization of assets, and currency exchange risk.

No representation, warranty or undertaking, express or implied, is or will be made by Galt & Taggart or any other member of the Group or their respective directors, employees, affiliates, advisers or agents or any other person as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of this document and the information contained herein (and whether any information has been omitted from this document) and no reliance should be placed on it. This document should not be considered as a complete description of the markets, industries and/or companies referred to herein. Nothing contained in this document is, is to be construed as, or shall be relied on as legal, investment, business or tax advice, whether relating to the past or the future, by Galt & Taggart any other member of the Group or any of their respective directors, employees, affiliates, advisers or agents in any respect. Recipients are required to make their own independent investigation and appraisal of the matters discussed herein. Any investment decision should be made at the investor's sole discretion. To the extent permitted by law, Galt & Taggart, any other member of the Group and their respective directors, employees, affiliates, advisers and agents disclaim all liability whatsoever (in negligence or otherwise) for any loss or damages however arising, directly or indirectly, from any use of this document or its contents or otherwise arising in connection with this document, or for any act, or failure to act, by any party, on the basis of this document.

The information in this document is subject to verification, completion and change without notice and Galt & Taggart is not under any obligation to update or keep current the information contained herein. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the information since the date hereof or the date upon which this document has been most recently updated, or that the information contained in this document is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. No representation or warranty, expressed or implied, is made by Galt & Taggart or any other member of the Group, or any of their respective directors, employees, affiliates, advisers or agents with respect to the accuracy or completeness of such information.

The information provided and opinions expressed in this document are based on the information available as of the issue date and are solely those of Galt & Taggart as part of its internal research coverage. Opinions, forecasts and estimates contained herein are based on information obtained from third party sources believed to be reliable and in good faith, and may change without notice. Third party publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. Accordingly, undue reliance should not be placed on any such data contained in this document. Neither Galt & Taggart, any other member of the Group, nor their respective directors, employees, affiliates, advisers or agents make any representation or warranty, express or implied, of this document's usefulness in predicting the future performance, or in estimating the current or future value, of any security or asset.

Galt & Taggart does, and seeks to do, and any other member of the Group may or seek to do business with companies covered in its research. As a result, investors should be aware of a potential conflict of interest that may affect the objectivity of the information contained in this document.

Unauthorized copying, distribution, publication or retransmission of all or any part of this document by any medium or in any form for any purpose is strictly prohibited.

The recipients of this document are responsible for protecting against viruses and other destructive items. Receipt of the electronic transmission is at risk of the recipient and it is his/her responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Galt & Taggart

Address: 3 Pushkin street, Tbilisi 0105, Georgia

Tel: + (995) 32 2401 111

Email: research@gt.ge