



## Economy

### Real GDP growth was 13.0% y/y in Jul-24

Georgia's economy gained momentum, with real GDP up by 13.0% in Jul-24, after growing by 7.5% in previous month. Cumulatively, real GDP growth came in at 9.7% in 7M24. In July, real growth was recorded in the construction, manufacturing, ICT, professional & scientific activities and trade sectors. Meanwhile, the energy sector contracted in July. Due to the stronger-than-expected growth in 7M24, we are raising our real GDP growth forecast to 8.0% from 7.0% for the full-2024 year (see latest macro forecasts [here](#)).

### Bank lending increased by 18.3% y/y in Jul-24

In Jul-24, the banking sector loan portfolio increased by 18.3% y/y (+0.9% m/m), excluding FX effect, after a 17.8% y/y growth in previous month. In unadjusted terms, loan portfolio rose by 19.6% y/y (-0.4% m/m), reaching GEL 57.1bn (US\$ 21.0bn), after growing 21.2% y/y in Jun-24. By sector, corporate loans grew by 20.5% y/y (excluding FX effect), while retail loans increased by 16.5% y/y. Loan dollarization reduced further to 44.2% (-1.29ppts y/y and -0.93ppts m/m) in Jul-24.

On the deposits side, there was a 15.0% y/y increase (excluding FX effect) to GEL 55.7bn (US\$ 20.5bn) in Jul-24, following a 13.5% y/y growth in the previous month. In terms of currency breakdown, GEL deposits increased by 21.6% y/y and FX deposits (exc. FX effect) were up 8.7% y/y. Consequently, deposit dollarization also reduced further to 48.5% (-2.14ppts y/y and -0.56ppts m/m) in Jul-24.

### NBG purchased US\$ 1.9mn in Jul-24

In Jul-24, NBG purchased US\$ 1.9mn through the BMatch platform amid strong FX inflows. Overall, the NBG was a net buyer of US\$ 68.8mn in 7M24, having purchased US\$ 288.5mn and sold US\$ 219.8mn.

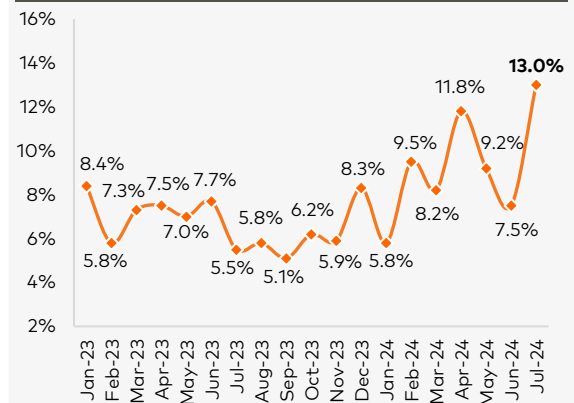
### Key macro indicators

	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

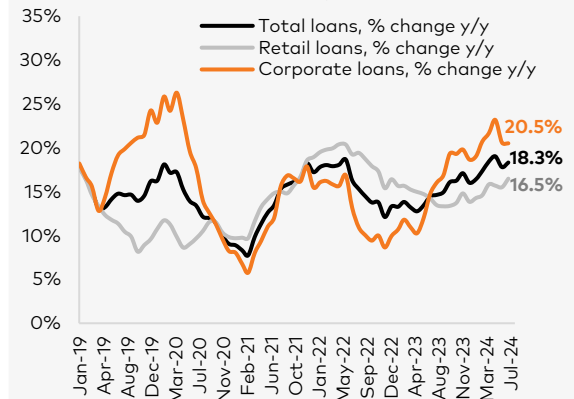
\*Latest sovereign credit ratings

### Real GDP growth, % change y/y



Source: Geostat

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



Source: NBG

# Money market

## Ministry of Finance T-bills/T-notes:

5-year GEL 85.0mn (US\$ 31.5mn) Benchmark bonds were sold at the auction held at NBG on August 27, 2024. Total demand was 3.1x higher and the weighted average yield was fixed at 8.773%, down by 0.708ppts from previous auction held in Jul-24.

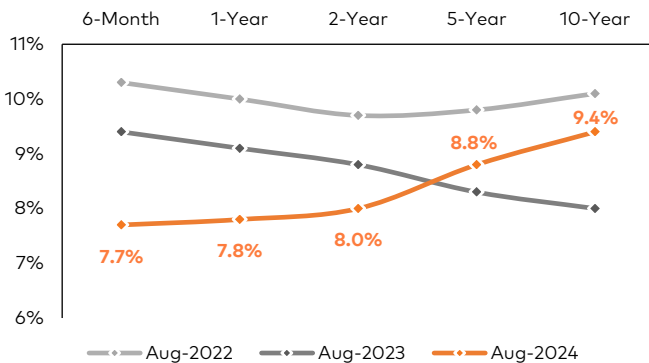
The nearest treasury security auction is scheduled for September 3, 2024, where GEL 20.0mn nominal value 6-month T-bills and GEL 40.0mn nominal value 3.4-year Benchmark Bonds will be sold.

## 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)	370	160	360
Long-term (over 1-year)	2,019	995	8,394
<b>Total</b>	<b>2,389</b>	<b>1,155</b>	<b>8,754</b>

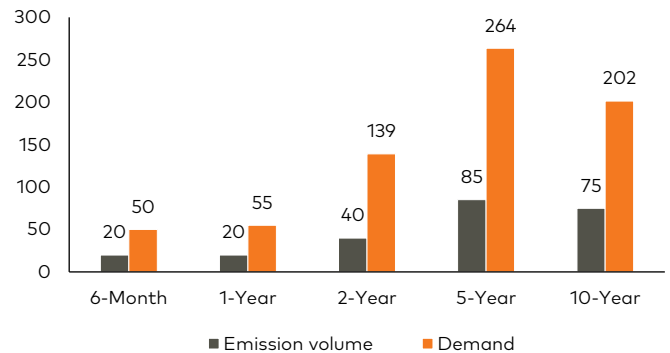
Source: MoF  
\*As of July 2024

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



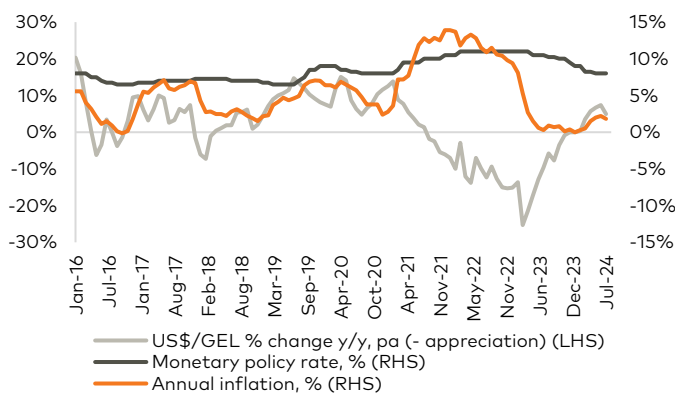
Source: NBG

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



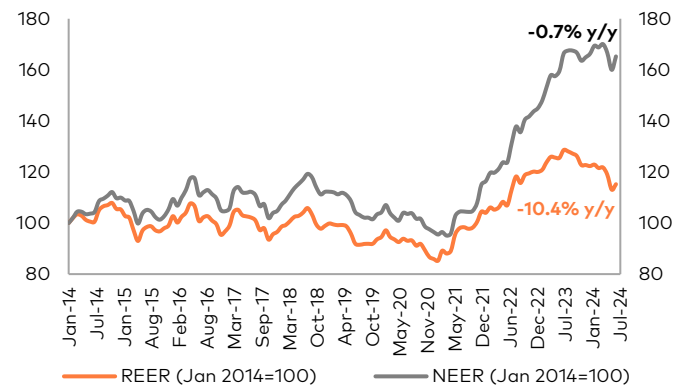
Source: NBG

## 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/Moody/ y/Scope)	Mid price	Mid yield, %	Z-spread, bps
GEORG 04/26	USD	500	2.750%	Apr-21	Apr-26	BB/BB/Ba2	94.26	6.51	265.87
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	89.92	7.08	362.50
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	98.00	10.03	659.85
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	100.05	8.35	434.81
TBC 10.775 PERP	USD	125	10.775%	Jul-19	n/a	B-/-/-	100.23	7.56	238.88
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	95.90	10.86	720.65
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	98.53	10.62	708.92
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	101.75	8.43	486.72

■ 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, %
<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
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	n/a
JSC BasisBank	USD	20	7.00%	Jul-24	Jul-27	-/-/-/-	n/a	n/a
m2	USD	25	8.50%	Jul-24	Jul-26	-/-/-/-	n/a	n/a

■ 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, %
<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
MP Development	EUR	3	7.75%	Jul-24	Jul-26	-/-/-	n/a	n/a
Silk Real Estate	EUR	7	7.00%	Aug-24	Aug-25	-/-/-	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
Tegeta Motors	GEL	15	13.50%	Aug-24	Aug-26	-/-/BB-	n/a	n/a

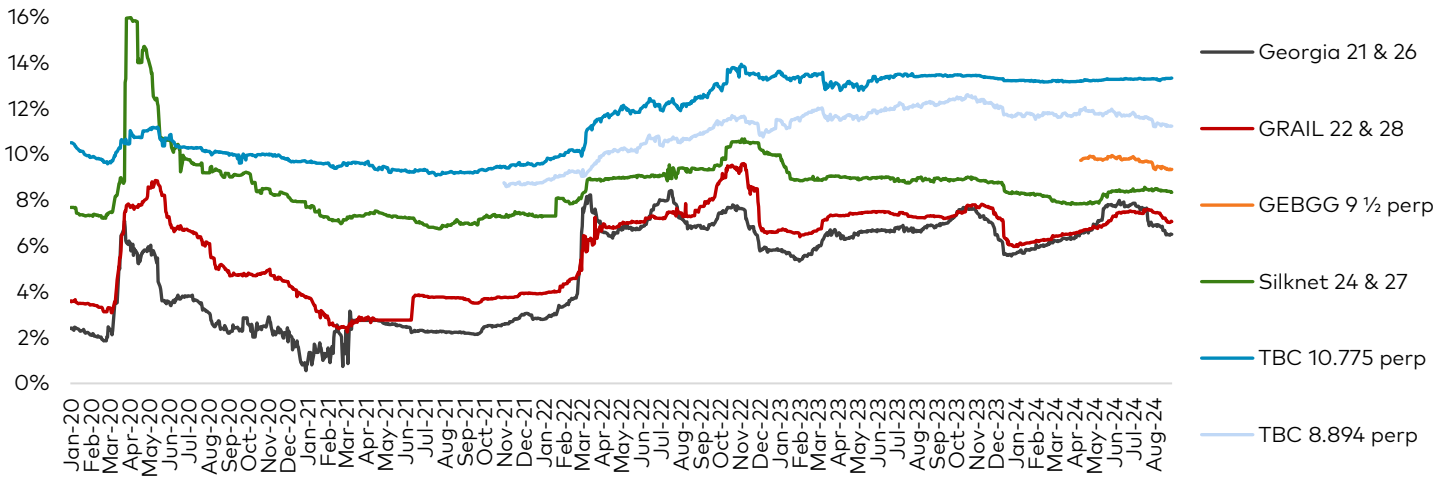
■ Galt & Taggart-led and/or co-managed deals

Source: Bloomberg, Galt & Taggart



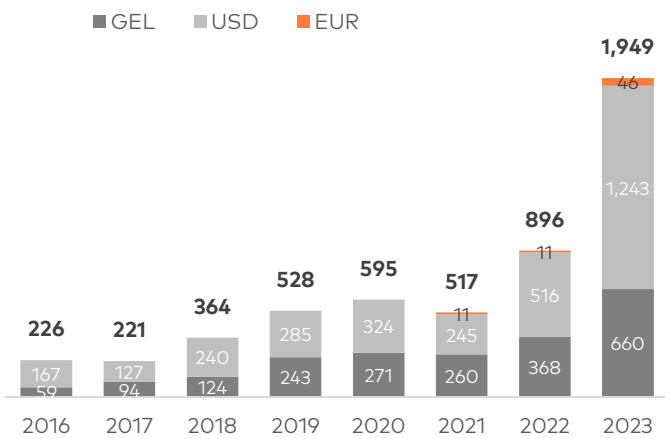
# Fixed income

**Georgian Eurobonds, YTM**



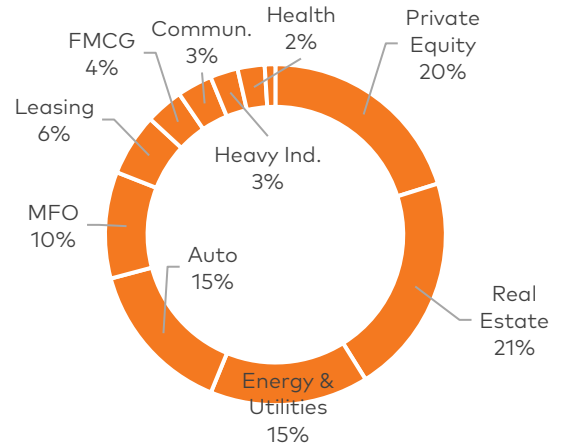
Source: Bloomberg

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



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

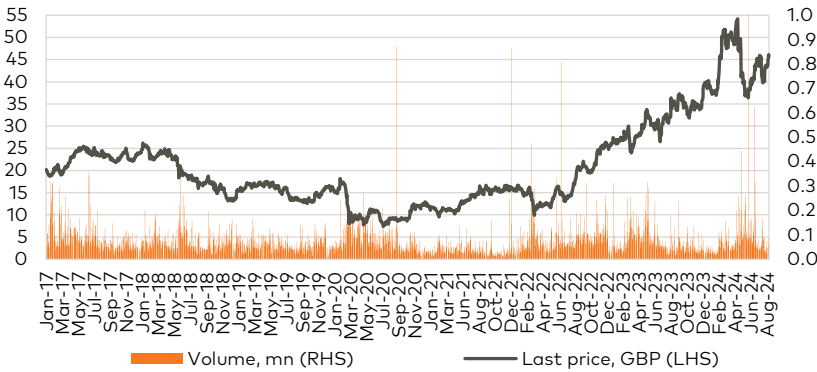
**Georgian local corporate public bonds outstanding by sector**



Source: Galt & Taggart

# Equities

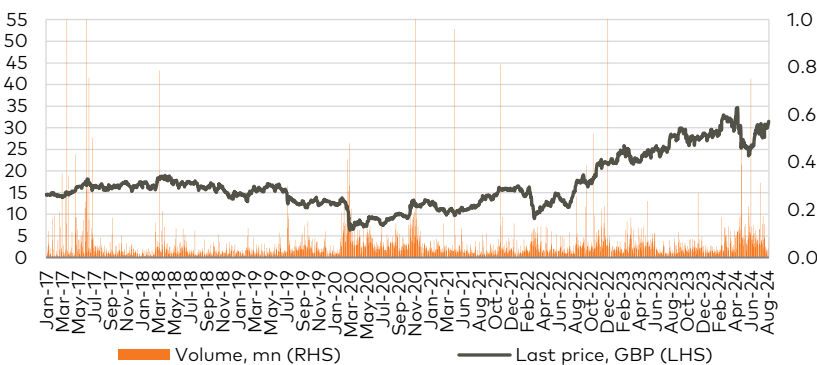
## Bank of Georgia Group (BGEO LN)



Source: Bloomberg

**Bank of Georgia Group (BGEO LN)** shares closed at GBP 45.50/share (+4.48% w/w and -0.44% m/m). More than 286k shares traded in the range of GBP 43.35 - 46.15/share. Average daily traded volume was 67k in the last 4 weeks. The volume of BGEO shares traded was at 0.63% of its capitalization.

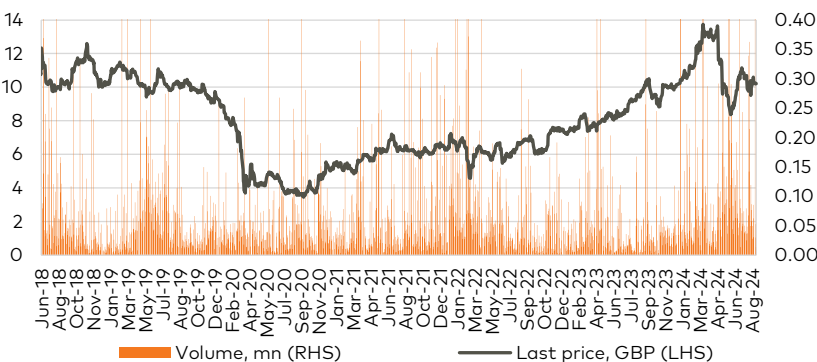
## TBC Bank Group (TBCG LN)



Source: Bloomberg

**TBC Bank Group (TBCG LN)** closed the week at GBP 31.50/share (+4.48% w/w and +2.77% m/m). More than 196k shares changed hands in the range of GBP 30.10 - 32.10/share. Average daily traded volume was 64k in the last 4 weeks. The volume of TBCG shares traded was at 0.35% of its capitalization.

## Georgia Capital (CGEO LN)



Source: Bloomberg

**Georgia Capital (CGEO LN)** shares closed at GBP 10.22/share (-0.20% w/w and -3.95% m/m). More than 1.1mn shares traded in the range of GBP 10.08 - 10.38/share. Average daily traded volume was 153k in the last 4 weeks. The volume of CGEO shares traded was at 2.64% 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	45.50	2,074	-3.4%	27.3%	14.5%	4.36x	3.92x	3.99x	1.19x	na	na
TBC	TBC	GBP	31.50	1,745	6.4%	11.3%	11.3%	4.78x	4.83x	4.11x	1.15x	na	na
Halyk Bank	HSBK	USD	17.50	4,772	1.7%	21.2%	15.4%	2.57x	2.79x	2.64x	0.72x	na	na
Akbank	AKBNK	TRY	58.30	303,160	40.2%	93.0%	59.6%	2.86x	4.72x	2.99x	0.90x	1.23x	0.87x
Garanti	GARAN	TRY	112.30	471,660	78.0%	118.5%	92.5%	2.84x	5.03x	3.41x	1.00x	1.52x	1.02x
Isbank	ISCTR	TRY	13.22	330,500	19.1%	49.1%	41.5%	3.23x	3.80x	2.49x	0.87x	1.04x	0.72x
PKO	PKO	PLN	57.88	72,350	4.2%	52.1%	15.0%	11.44x	5.94x	6.55x	1.39x	1.37x	1.27x
PEKAO	PEO	PLN	158.45	41,588	-8.4%	44.4%	4.2%	6.07x	6.38x	6.78x	1.32x	1.27x	1.20x
Millennium	MIL	PLN	9.02	10,936	-9.8%	46.0%	7.9%	17.78x	3.84x	4.49x	1.47x	1.36x	1.18x
Mbank	MBK	PLN	640.00	27,178	-7.9%	46.0%	19.6%	na	6.24x	5.94x	1.65x	1.72x	1.31x
BRD	BRD	RON	21.50	14,983	10.8%	48.7%	20.0%	7.62x	9.98x	10.30x	1.42x	1.54x	1.44x
Banca Transilvania	TLV	RON	28.75	22,961	26.9%	60.1%	36.1%	7.76x	6.74x	6.80x	1.82x	1.58x	1.62x
Komerčni	KOMB	CZK	767.50	145,863	-5.9%	8.2%	5.9%	8.76x	9.07x	8.96x	1.09x	1.12x	1.12x
<b>Mean</b>								<b>6.67x</b>	<b>5.64x</b>	<b>5.34x</b>	<b>1.23x</b>	<b>1.37x</b>	<b>1.18x</b>
<b>Median</b>								<b>5.43x</b>	<b>5.03x</b>	<b>4.49x</b>	<b>1.19x</b>	<b>1.36x</b>	<b>1.19x</b>

Source: Bloomberg, S&P Capital IQ

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