



Economy

Real GDP growth was 11.0% y/y in Oct-24

Georgia's economic growth accelerated, up by 11.0% in Oct-24, after growing by 8.3% in previous month. Cumulatively, real GDP growth came in at 10.0% in 10M24. In October, real growth was recorded in the construction, manufacturing, financial & insurance, ICT, transport and trade sectors. Considering stronger-than-expected growth in 10M24, we forecast 9.7% real GDP growth for full-2024.

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

In Oct-24, the banking sector loan portfolio increased by 18.6% y/y (+1.4% m/m), excluding FX effect, after a 18.8% y/y growth in previous month. In unadjusted terms, loan portfolio rose by 19.8% y/y (+1.2% m/m), reaching GEL 60.1bn (US\$ 21.9bn), after growing 20.8% y/y in Sep-24. By sector, corporate loans grew by 20.1% y/y (excluding FX effect), while retail loans increased by 17.4% y/y. Loan dollarization stood at 43.3% (-1.91ppts y/y and -0.63ppts m/m) in Oct-24.

On the deposits side, there was a 14.2% y/y increase (excluding FX effect) to GEL 57.5bn (US\$ 20.9bn) in Oct-24, following a 15.1% y/y growth in the previous month. In terms of currency breakdown, GEL deposits growth slowed further to 14.6% y/y (+20.1% y/y in Sep-24), while FX deposits (exc. FX effect) growth accelerated to 13.9% y/y (+10.2% y/y in Sep-24). Consequently, deposit dollarization increased to 50.7% (+0.37ppts y/y and +1.91ppts m/m) in Oct-24.

NBG sold US\$ 591.1mn in Oct-24

In Oct-24, the NBG intervened in the FX market by selling US\$ 591.1mn to mitigate sell-off pressure on the GEL due election-related uncertainties. Overall, the NBG was a net seller of US\$ 587.9mn in 10M24.

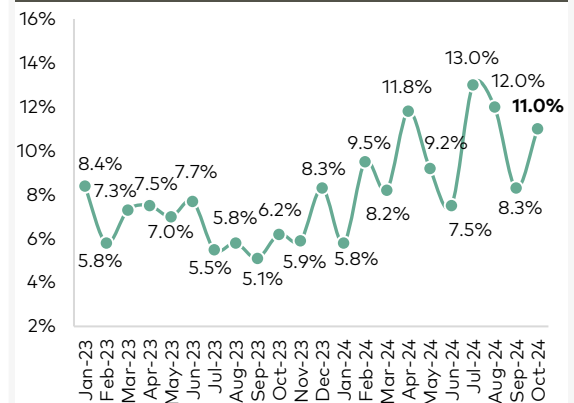
Key macro indicators

	2023	2024F
Real GDP growth (% change)	7.8%	9.7%
GDP per capita (ppp)	25,188	28,059
GDP per capita (US\$)	8,284	9,108
Population (mn)	3.7	3.7
Inflation (average)	2.5%	1.0%
Gross reserves (US\$ bn)	5.0	4.6
CAD (% of GDP)	5.6%	4.9%
Fiscal deficit (% of GDP)	2.4%	2.5%
Total public debt (% of GDP)	38.9%	36.8%
Fitch/S&P/Moody's*	BB/BB/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

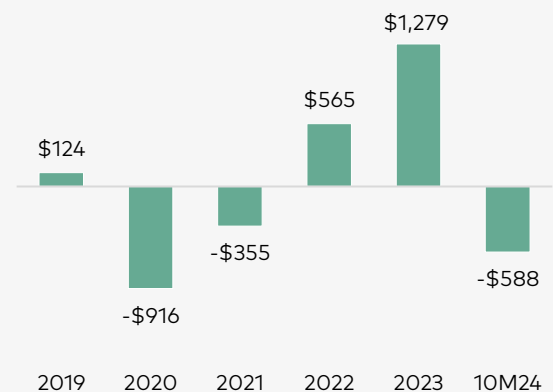
*Latest sovereign credit ratings

Real GDP growth, % change y/y



Source: Geostat

NBG's net FX interventions, US\$ mn



Source: NBG

Note: The + sign indicates that the NBG is accumulating reserves, while the - sign means that the NBG is selling reserves.

Money market

Ministry of Finance T-bills/T-notes:

5-year GEL 100.0mn (US\$ 36.5mn) Benchmark bonds were sold at the auction held at NBG on November 26, 2024. Total demand was 2.3x higher and the weighted average yield was fixed at 8.317%, down by 0.036ppts from previous auction held in Oct-24.

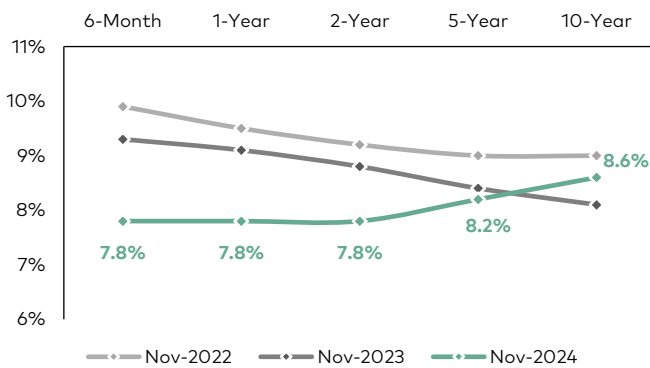
The nearest treasury security auction is scheduled for December 3, 2024, where GEL 20.0mn nominal value 6-month T-bills and GEL 50.0mn nominal value 3.1-year Benchmark Bonds will be sold.

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)	490	40	360
Long-term (over 1-year)	2,719	255	8,862
Total	3,209	295	9,222

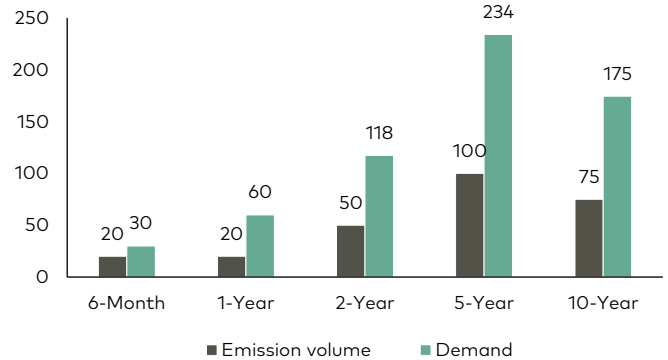
Source: MoF
*As of October 2024

T-bills / T-notes, yield curve



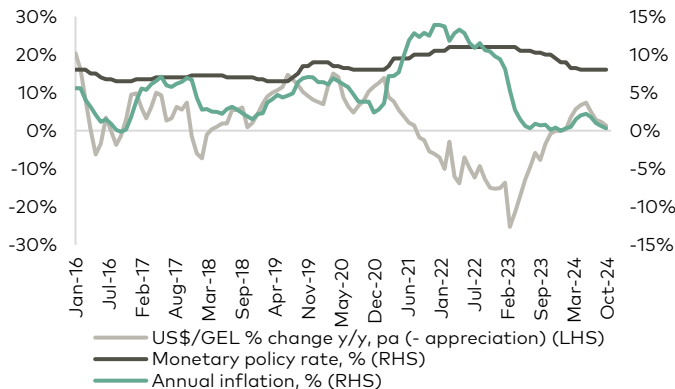
Source: NBG

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



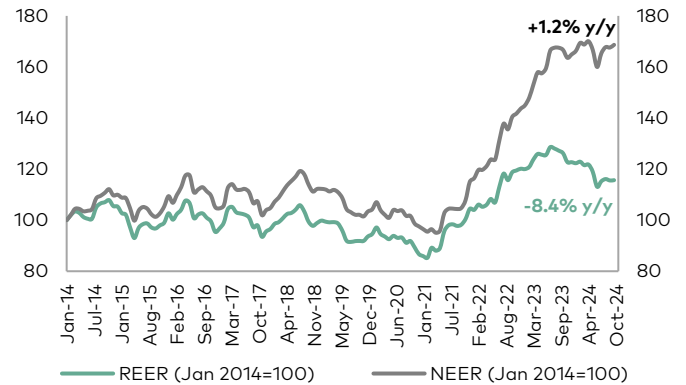
Source: NBG

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	94.72	6.80	267.32
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	89.04	7.59	373.24
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	98.66	9.78	587.79
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	100.91	7.90	331.49
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	96.00	11.02	683.29
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	99.60	10.28	637.36
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	101.46	8.48	453.35

■ 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

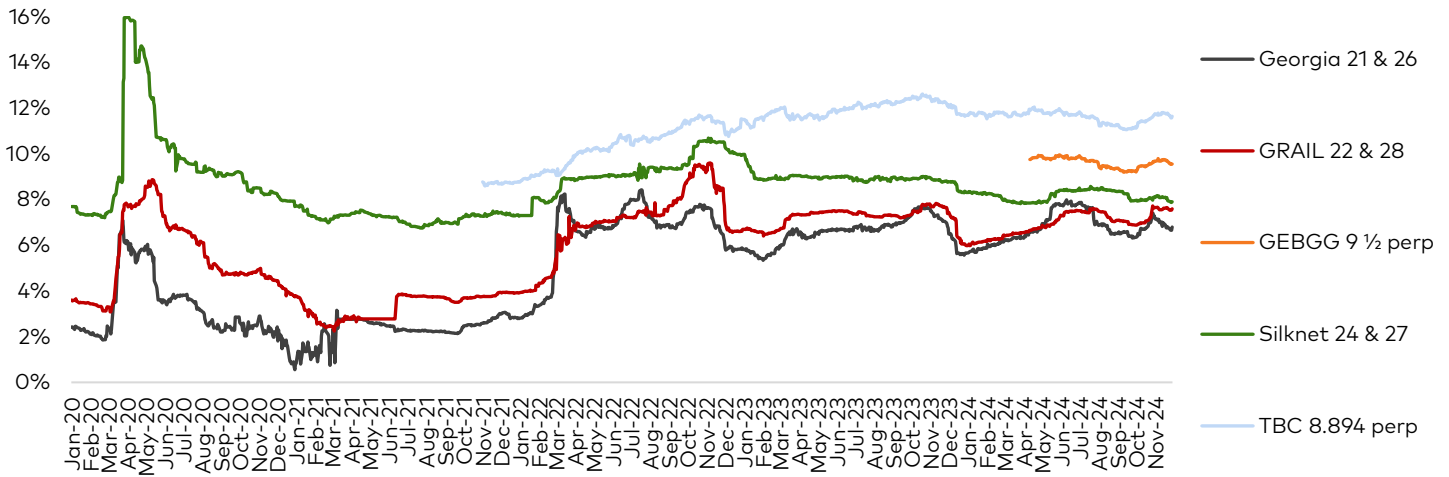
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
EUR								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/BB-	99.77	7.25%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	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	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	60	TIBR3M + 3.25%	Oct-24	Oct-29	-/-/BB-	n/a	n/a

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



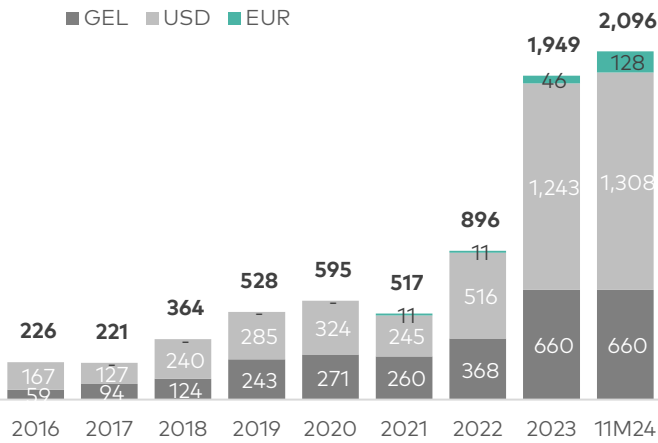
Fixed income

Georgian Eurobonds, YTM



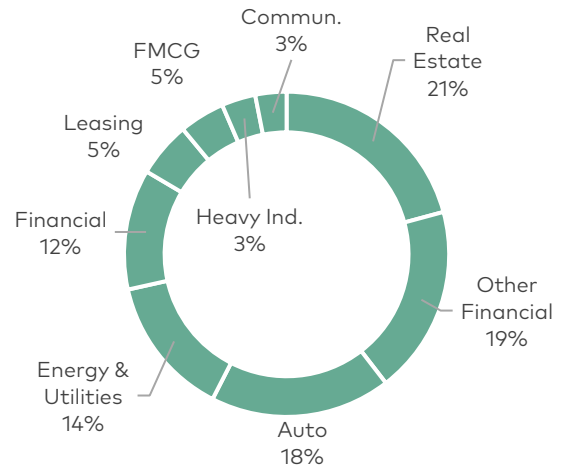
Source: Bloomberg

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

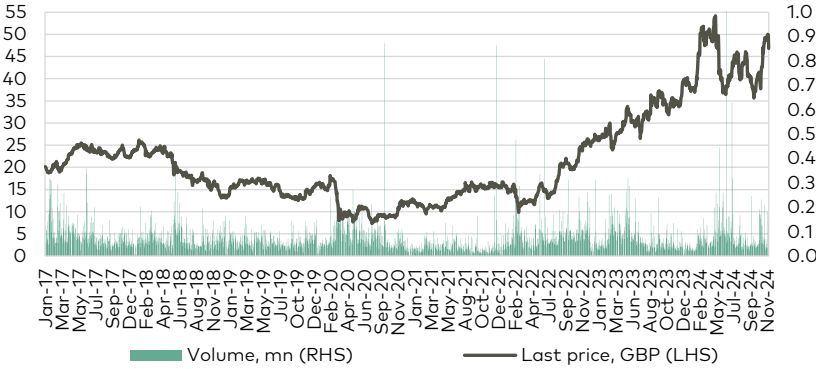


Source: Galt & Taggart



Equities

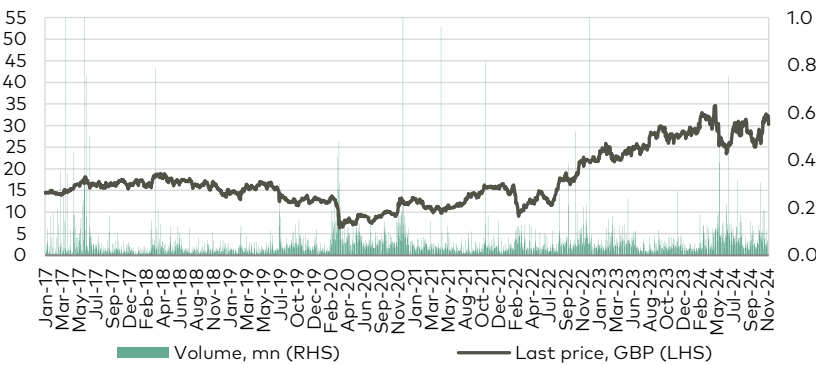
Bank of Georgia Group (BGEO LN)



Source: Bloomberg

Bank of Georgia Group (BGEO LN) shares closed at GBP 46.85/share (-4.29% w/w and +18.61% m/m). More than 675k shares traded in the range of GBP 45.80 - 51.20/share. Average daily traded volume was 84k in the last 4 weeks. The volume of BGEO shares traded was at 1.52% of its capitalization.

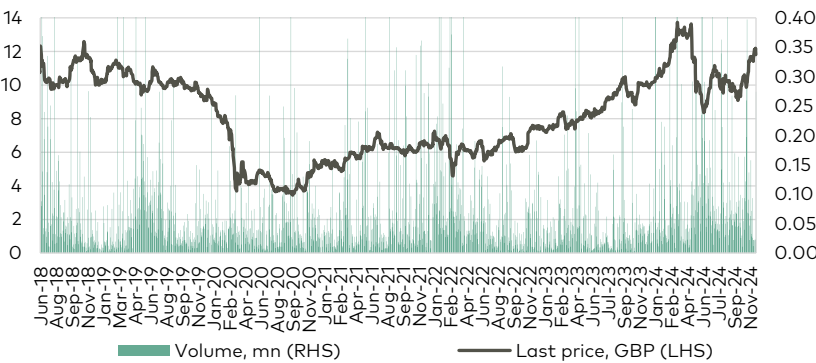
TBC Bank Group (TBCG LN)



Source: Bloomberg

TBC Bank Group (TBCG LN) closed the week at GBP 30.30/share (-5.16% w/w and +13.48% m/m). More than 411k shares changed hands in the range of GBP 29.65 - 32.65/share. Average daily traded volume was 79k in the last 4 weeks. The volume of TBCG shares traded was at 0.74% of its capitalization.

Georgia Capital (CGEO LN)



Source: Bloomberg

Georgia Capital (CGEO LN) shares closed at GBP 11.82/share (+0.68% w/w and +19.39% m/m). More than 364k shares traded in the range of GBP 11.26 - 12.24/share. Average daily traded volume was 63k in the last 4 weeks. The volume of CGEO shares traded was at 0.85% of its capitalization.



Equities, continued

Eastern European banks

	Ticker	Currency	Share price	Mcap, mn6M	chg	y/y chg	YTD chg	P/E			P/B		
								2023	2024F	2025F	2023	2024F	2025F
Bank of Georgia	BGEO	GBP	46.85	2,088	22.0%	34.0%	17.9%	4.36x	4.17x	3.61x	1.19x	na	na
TBC	TBC	GBP	30.30	1,695	18.6%	8.0%	7.1%	4.78x	4.75x	4.01x	1.15x	na	na
Halyk Bank	HSBK	USD	18.52	5,049	1.8%	26.0%	22.2%	2.57x	2.89x	2.79x	0.72x	na	na
Akbank	AKBNK	TRY	60.85	316,420	-7.8%	79.4%	66.6%	2.86x	6.08x	3.40x	0.90x	1.26x	0.95x
Garanti	GARAN	TRY	120.50	506,100	20.9%	122.1%	106.5%	2.84x	5.18x	3.51x	1.00x	1.55x	1.07x
Isbank	ISCTR	TRY	13.63	340,750	-12.2%	55.3%	45.9%	3.23x	5.78x	2.96x	0.87x	1.06x	0.79x
PKO	PKO	PLN	55.90	69,875	-2.7%	17.1%	11.1%	11.44x	6.47x	6.37x	1.39x	1.37x	1.26x
PEKAO	PEO	PLN	135.65	35,604	-13.6%	-3.2%	-10.8%	6.07x	5.63x	5.84x	1.32x	1.09x	1.05x
Millennium	MIL	PLN	8.44	10,239	-1.4%	3.1%	1.0%	17.78x	3.63x	4.14x	1.47x	1.31x	1.13x
Mbank	MBK	PLN	530.00	22,523	-14.4%	-5.9%	-0.9%	na	9.65x	5.35x	1.65x	1.42x	1.14x
BRD	BRD	RON	17.98	12,530	-5.9%	8.3%	0.3%	7.62x	8.69x	8.83x	1.42x	1.31x	1.22x
Banca Transilvania	TLV	RON	26.40	24,206	-1.6%	31.9%	24.9%	7.76x	6.03x	6.77x	1.82x	1.36x	1.42x
Komerčni	KOMB	CZK	815.00	154,890	4.8%	17.9%	12.5%	8.76x	9.93x	9.89x	1.09x	1.23x	1.23x
Mean								6.67x	6.07x	5.19x	1.23x	1.30x	1.13x
Median								5.43x	5.78x	4.14x	1.19x	1.31x	1.14x

Source: Bloomberg, S&P Capital IQ

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