

4/26/2023

GEORGIA BIWEEKLY MARKET REPORT

Weekly Highlights

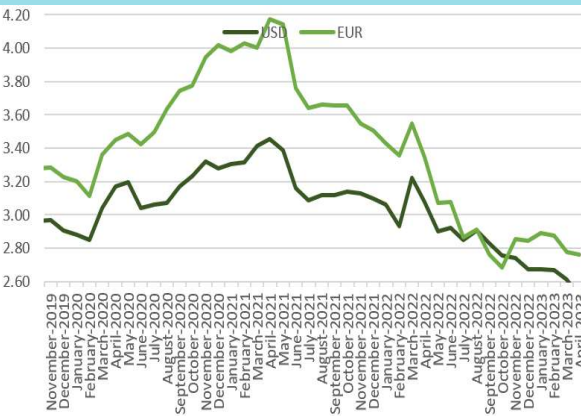
Money transfers increased by 127.1% y/y in Mar-23

Money transfers were up by 127.1% y/y to US\$ 438.4mn in Mar-23, after growing by 103.0% y/y in previous month, according to NBG. From major remitting countries, money transfers increased from Russia (+728.0% y/y, accounting for 51.0% of total), followed by Italy (+20.4% y/y, 9.9% of total), USA (+40.4% y/y, 8.2% of total), Greece (+3.3% y/y, 4.5% of total), Israel (+10.5% y/y, 4.3% of total), Germany (+55.2% y/y, 4.0% of total), Kazakhstan (+130.8% y/y, 4.0% of total) and Turkey (+22.1% y/y, 2.3% of total). Overall, in 1Q23 remittances increased by 130.3% y/y to US\$ 1.3bn.

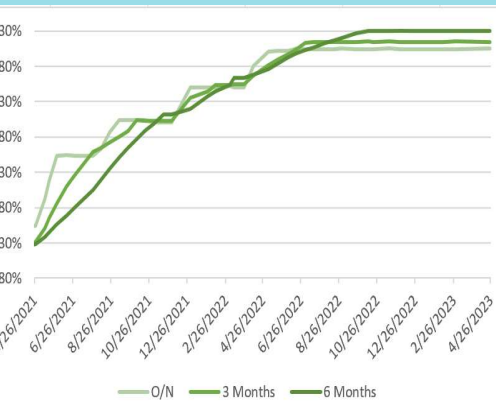
Producer price index reduced in Mar-23

Annual PPI for industrial goods reduced by 5.2% in Mar-23, after falling by 1.0% in previous month, according to Geostat. This decline was mainly driven by price reduction in manufacturing (-3.2% y/y) and mining (-22.5% y/y) sectors.

Georgian Lari (GEL) spot FX rates



GEL Interbank Deposit Rates (TIBR)



Customer deposit rates

% p.a.	BGEO	TBC
GEL		
3 months	10.70	10.70
1 year	11.60	10.95
2 years	12.35	10.75
USD		
3 months	0.25	0.25
1 year	0.60	0.60
2 years	0.85	1.95
EUR		
3 months	0.00	0.00
1 year	0.45	0.00
2 years	0.00	0.00

Georgia Macro-Economic Data

Inflation Rate		
	11.50%	Jul-22
	10.90%	Aug-22
	11.50%	Sep-22
	10.60%	Oct-22
	10.40%	Nov-22
	9.80%	Dec-22
	9.40%	Jan-23
GDP Growth		
	14.90%	2022(I)
	7.20%	2022(II)
	9.80%	2022(III)
		2022(IV)
Unemployment		
	19.50%	2021 (III)
	19.00%	2021 (IV)
	19.40%	2022 (I)
	18.10%	2022 (II)
	15.60%	2022 (III)
Foreign Trade Balance		
	\$ (0.63)	Jul-22
USD bn +/-		
	\$ (0.79)	Aug-22
	\$ (0.57)	Sep-22
	\$ (0.67)	Oct-22
	\$ (0.76)	Nov-22
	\$ (0.82)	Dec-22
FX Reserves		
	\$ 3.45	Jun-22
USD bn +/-		
	\$ 3.59	Jul-22
	\$ 3.80	Aug-22
	\$ 3.80	Sep-22
	\$ 3.90	Oct-22
	\$ 4.18	Nov-22
	\$ 3.41	Dec-22

Issuer	Currency	Size of issue(mn)	Maturity	coupon rate	Rating (Fitch)	Coupon rate terms
ADB	GEL	30	15-Jul-24	10.05%	AAA	3m GEL CD NBG Rate + 20 bps
EBRD	GEL	92	20-Oct-26	11.15%	AAA	3m TIBR
EBRD	GEL	93	20-Jul-24	11.15%	AAA	3m TIBR

Georgian Issuer	Currency	Amount (mn)	First Reset Date	Current coupon	Rating (Fitch)	%	Z-Spread (bps)
TBC AT1	USD	125	3-Oct-24	10.775%	B-	13.20%	953
BGEO AT1	USD	100	28-Jun-24	11.125%	B-	12.44%	756

Issuer	Currency	Amount (mn)	Maturity	Yield	Rating (Fitch)	Coupon	Z-spread (bps)
Geo. Beer Company	GEL	25	Dec-23	n/a	--	15.5%	n/a
EVEX	GEL	50	Nov-24	n/a	--	13.60%	n/a
Nikora trade	GEL	35	Nov-24	n/a	--	13.62%	n/a
TBC Leasing	GEL	58.4	Mar-23	n/a	--	13.37%	n/a

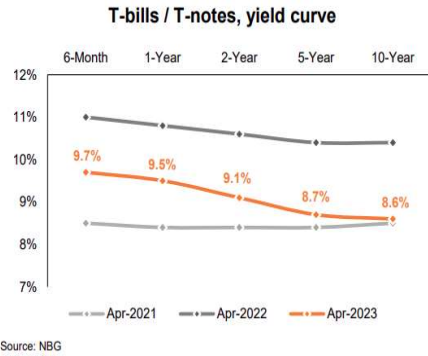
Issuer	Currency	Amount (mn)	Maturity	Yield	Rating (Fitch)	Coup. rate	Z-spread (bps)
Georgia Real Estate	USD	35	Oct-22	7.50%	--	8.50%	n/a
GLC Georgia	USD	12	Jul-23	n/a	--	5.75%	n/a
GLC Georgia	EUR	3	Jul-23	n/a	--	4.75%	n/a
Lisi Lake Development	USD	12	Dec-23	n/a	--	8%	n/a
Nikora Trade	USD	35	Nov-24	n/a	--	13.60%	n/a
Evex Hospitals	USD	50	Dec-22	n/a	--	13.60%	n/a
KTW	USD	10	Dec-23	n/a	--	9.00%	n/a
IG Development	USD	15	Jan-24	9%	--	6.75%	n/a
IG Development	USD	15	Jul-24	8.60%	--	8.50%	n/a

Georgian Issuer	Currency	Amount (mn)	Maturity	Mid yield	Rating (Fitch)	Coupon rate	Z-Spread (bps)
GEO Sovereign	USD	500	Apr-26	5.81%	BB	2.75%	256
GEORAIL	USD	500	Jul-28	6.67%	BB-	4.00%	396
Georgia Capital	USD	300	Mar-28	10.56%	-	6.13%	391
BGEO	USD	350	Jul-23	5.18%	BB-	6%	n/a
TBC	USD	300	Jun-24	6.99%	BB-	5.70%	256
Silknet	USD	300	Jan-27	9.96%	B	8.37%	528

Short Term Central Bank Facilities

	O/N	6 months	2 years	Issuer
GEL	9.00%	9.10%	10.17%	NBG
USD	0.00%	0.21%	0.27%	US FED
EUR	n/a	-0.55%	-0.64%	ECB

Geo Ministry of Finance T-Bills				
Maturity	Currency	Outstanding amount	%	Remaining placements
6-month	GEL	420	9.7	160
1-year	GEL		9.5	160
2-year	GEL		9.1	320
5-year	GEL	6424	8.7	810
10-year	GEL		8.6	780
Total		6844		2230



Bond market news

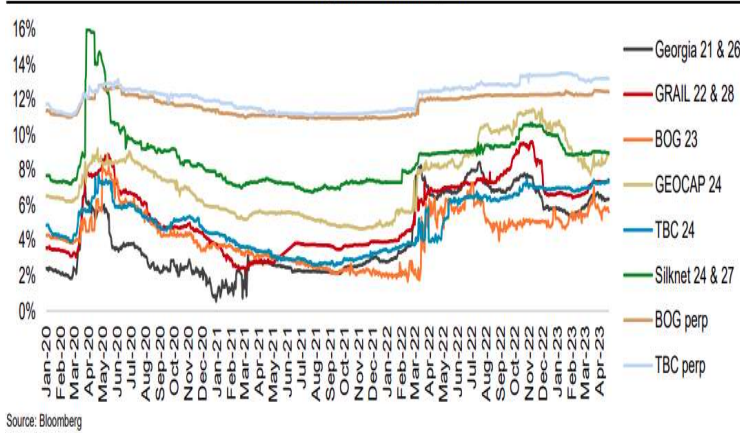
Ministry of Finance T-Bills:

10-year GEL 60.0mn (US\$ 23.8mn) Benchmark bonds were sold at the auction held at NBG on April 18, 2023. Total demand was 1.5x higher and the weighted average yield was fixed at 8.736%, up by 0.034ppts from previous auction held in Mar-23.

Corporate Eurobonds: Bank of Georgia Group Eurobonds (GEBGG) closed at 5.64% yield, trading at 100.07 (+0.02% w/w). Georgia Capital Eurobonds (GEOCAP) were trading at 97.70 (-0.28% w/w), yielding 8.91%. Georgian Railway Eurobonds (GRAIL) traded at 85.52 (-0.35% w/w), yielding 7.44%.

Georgian Sovereign Eurobonds (GEORG) closed at 90.32 (-0.01% w/w) at 6.36% yield to maturity.

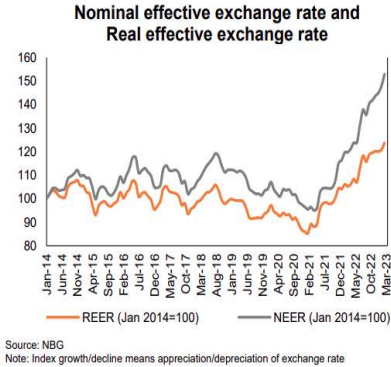
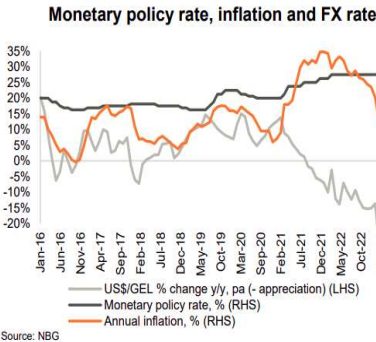
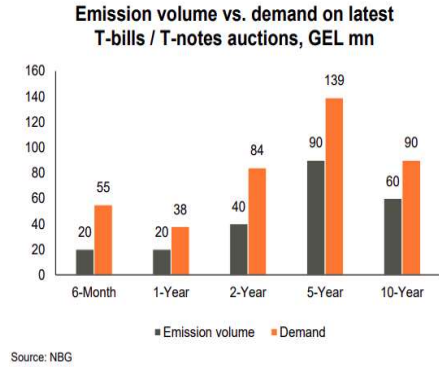
Georgian Eurobonds, YTM



Weekly Highlights

Goods exports surged by 32.9% y/y in Mar-23

In Mar-23, goods exports surged by 32.9% y/y to US\$ 546.7mn, after a modest growth of 6.3% y/y in previous month. Similarly, imports also showed a marked increase, soaring by 33.4% y/y to US\$ 1.2bn in March, after falling by 4.5% y/y in February. As a result, the trade deficit increased by 33.7% y/y to US\$ 688.3mn, after a 12.3% y/y decline in February. Exports and imports figures suggest that both the external and domestic markets are experiencing a robust demand for goods. The top 5 exported commodities were cars (+683.6% y/y), copper (-45.7% y/y), fertilizers (+86.5% y/y), wine (+74.4% y/y) and spirits (+187.5% y/y) in Mar-23. A 17.9% of exports were directed to the EU (+97.9% y/y), 59.1% to the CIS (+205.7% y/y) and 23.0% to other countries (-51.0% y/y). The top 5 imports were cars (+82.8% y/y), petroleum (+13.4% y/y), gases (-24.2% y/y), pharmaceuticals (+33.0% y/y) and telephones (+112.0% y/y) in Mar-23. Overall, in 1Q23, trade deficit increased by 18.2% y/y to US\$ 1.9bn, as exports increased by 24.7% y/y to US\$ 1.5bn, while imports were up by 21.0% y/y to US\$ 3.3bn.



Sources: TBC Capital, Galt & Taggart, Bank of Georgia, NBG, GEOSTAT, MarketWatch, Trading Economics...

*n/a – currently not available, subject of further research



What was the year 2022 for the insurance industry - www.bm.ge

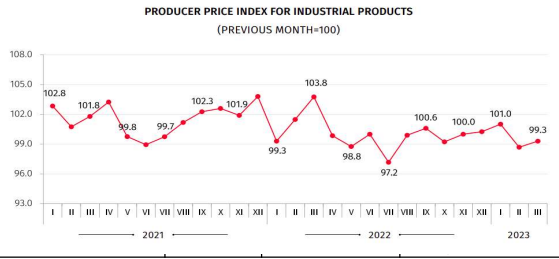
According to the head of the State Insurance Supervision Service, Davit Onofrishvili, the year 2022 was post-pandemic, but still sustainable for the insurance industry. He said while visiting the BMGTV program that despite the stability, the market needs new insurance products.

"The year 2022 was not particularly distinguished from the year 2021. The market as a whole is sustainable, it's just that the market needs new insurance products that are already being developed around the world - the two main products being life insurance and motor third party liability insurance. The introduction of third-party liability insurance for automobiles will increase the market to 30%, which obviously means a lot and will be a new stimulus for the market," he said, adding that the total premiums collected by the insurance company, which amounts to 910 million GEL as of 2022, will include third-party liability In case of introduction of insurance, this number will increase by 300 million.

Reminder: insurance companies operating in Georgia have already submitted their financial statements for 2022. According to them, during the last year, the total premium collected by 18 insurance companies increased by 18% annually to 910 million GEL. The total profit decreased slightly and it decreased from 40 million GEL to 39 million GEL last year.

Among the insurance companies, the largest premium was attracted by "GPI Holding", which increased its income from 140 million to 165 million GEL. The net profit of "GPI" amounted to 3.6 million GEL. In terms of profit, "TBS Insurance" is on the first place, having generated a net profit of 15.7 million GEL last year. 12 out of 18 companies ended 2022 with a profit, while 6 insurance companies were at a loss.

Global Equity Indexes			
Prev. Close	Div. Yield	Performance	Date
DJIA			
34,302.61	--	4.00%	17-Jan-23
34,156.69	--	-0.43%	9-Feb-23
32,656.70	--	-4.59%	1-Mar-23
32,432.08	--	-0.69%	28-Mar-23
33,875.40	--	4.26%	26-Apr-23
DAX			
15,187.07	--	4.95%	17-Jan-23
15,588.00	--	2.57%	9-Feb-23
15,365.14	--	-1.45%	1-Mar-23
15,141.14	--	-1.48%	28-Mar-23
15,763.18	--	3.95%	26-Apr-23
MSCI EAFE			
2,080.35	2.85%	5.74%	17-Jan-23
2,088.94	2.85%	0.41%	9-Feb-23
2,056.90	2.85%	-1.56%	1-Mar-23
2,017.13	2.85%	-1.97%	28-Mar-23
2,153.00	2.85%	6.31%	26-Apr-23



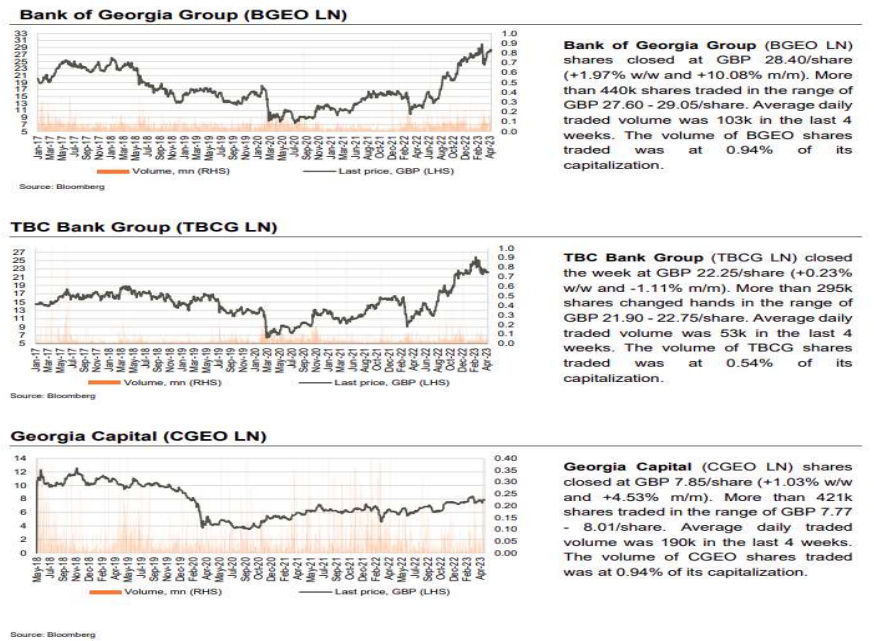
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Georgian Equities

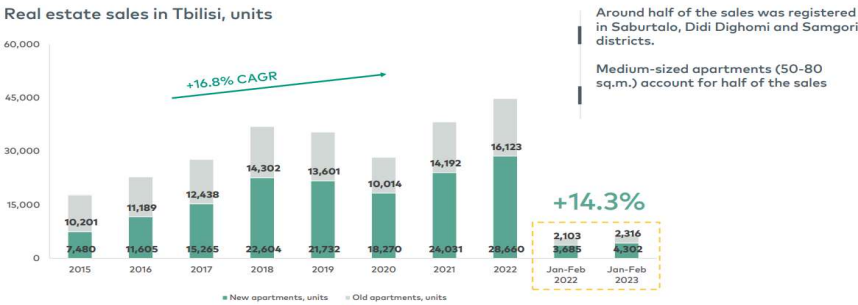
Equities					
London StEx					
Issuer	Price (GBX)	MarkCap (£ mn)	Div. Yield	Rec.Date	Earnings per share
BGEO	2,840.00	£ 1,325.92	-	26-Apr-23	15.2
CGEO	793.0	£ 354.10	-	26-Apr-23	15.7
TBCG	2405.0	£ 1,267.55	-	26-Apr-23	14.7
Total Top 4		£ 2,947.57			
GeoStEx					
Issuer	Size of Issue (GEL)	volume (GEL)			
BGEO	43,308,125	27,993,660			
Liberty Bank	29,000,000,000.00	5,502,254,354.00			
Green Insurance Georgia	9,000,000	4,000,944.00			
Metro Euphoria Hotel Batumi	54,476,929	54,476,929.00			
Admitted to Trading					
Issuer	volume (mn GEL)	MarkCap (mn GEL)			
Telasi	112.429	224.858			
Sarajishvili	1.8	11.661			
Isani-Kartu	2.38	0.358			
Khasuri Glass Tare	2.74	0.137			
Tramsmsheni	0.9	1.450			
VTB Bank Georgia	209.008	209.000			

Total Stock Market Cap. 447.46 €



Georgia's real estate market overview by Galt&Taggart

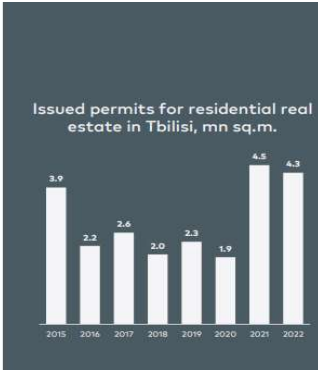
Real estate sales in Tbilisi are steadily increasing



Increased construction cost affects real estate prices the most in Tbilisi



Share of Russian citizens in real estate sales in Tbilisi in 2022



Local currency appreciation eased the pressure of real estate price growth



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