

Georgian Weekly Digest

25 August 2017 - 1 September 2017

Economy

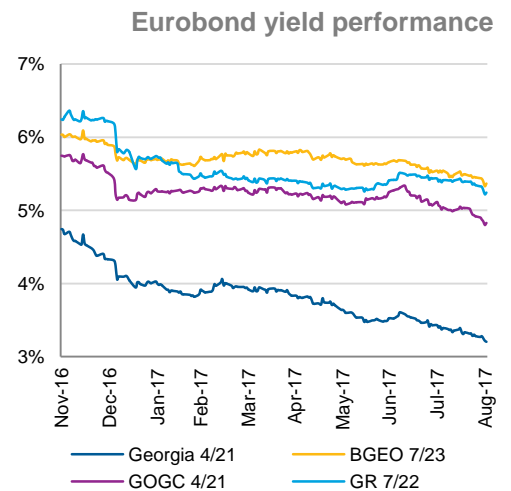
Georgia's real GDP growth rate was 3.8% in July 2017 while average real GDP growth 7M 2017 was 4.4%. The rapid estimates for GDP growth are calculated by GeoStat based on VAT numbers, together with fiscal and monetary statistics.

Commercial banks' loan portfolio increased 0.8% m/m to GEL 19.0bn in July 2017 according to the NBG (increased 1.0% m/m excluding exchange rate effect). GEL-denominated loans increased 2.7% m/m while foreign currency denominated loans decreased 0.5% m/m (excluding exchange rate effect - decreased 0.2% m/m). Larisation ratio for total loan portfolio stood at 41.75% in July 2017.

Non-banking deposits increased 0.6% m/m (increased 0.8% m/m excluding exchange rate effect) to GEL 16.9bn in July 2017. Larisation ratio for total deposits stood at 34.49% in July 2017. Average interest rate on GEL-denominated term deposits stood at 8.3% while average interest rate for foreign currency denominated term deposits was 3.0%. Out of foreign currency denominated deposits 84.8% were in US\$ and 12.2% were in EUR.

Debt and Money Market

Eurobonds: during the week Georgia's Sovereign Eurobond (GEORG 4/21) price was up 0.2% w/w to 112.3 (YTM 3.2%). BGEO Group JSC (BGEOLN 7/23) price was up 0.4% w/w to 103.2 (YTM 5.4%), Georgian Oil & Gas Corporation (GEOROG 4/21) price was up 0.2% w/w to 106.3 (YTM 4.8%), while Georgian Railway (GRAIL 7/22) price was up 0.3% w/w at 110.6 (YTM 5.2%).



Source: Bloomberg

Equity Market

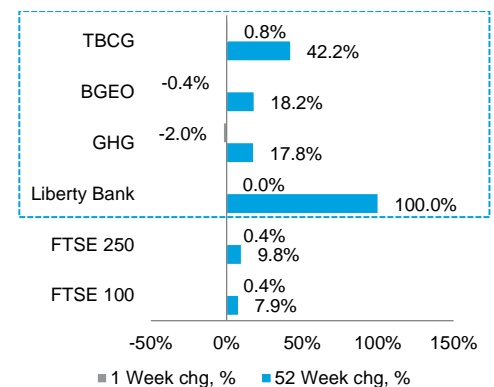
On Friday's trading session, **TBC Bank Group PLC (TBCG LN)** shares closed at GBP 16.18, up 0.8% w/w. During the week 101.7 thousand shares traded on the London Stock Exchange.

During the week 257.6 thousand of **BGEO Group PLC (BGEO LN)** shares traded, closing at GBP 34.66 (down by 0.4% w/w) on Friday's trading session.

Georgia Healthcare Group PLC (GHG LN) shares were down by 2.0% w/w closing at GBP 3.48 on Friday. During the week 63.9 thousand GHG shares changed hands on the LSE.

On **Georgian Stock Exchange** 360.0 thousand **Liberty Bank (BANK GG)** shares were traded at 0.03 GEL per share (unchanged from previous trade).

Georgian stock & index performance



Source: Bloomberg

Georgian Stock Performance

Name	Ccy	Mcap, mn	Price	Change			Multiples		
				1W	YTD	52W	12t P/E	12f P/E	P/B
TBC Bank	GBP	856	16.18	0.8%	11.4%	42.2%	7.90x	6.86x	1.63x
BGEO Group	GBP	1,365	34.66	-0.4%	16.2%	18.2%	9.50x	8.05x	1.93x
Georgia Healthcare Group	GBP	458	3.48	-2.0%	-2.7%	17.8%	50.60x	18.10x	3.00x
Liberty Bank	GEL	165	0.0300	0.0%	76.5%	100.0%	5.24x	n/a	1.33x

Source: Bloomberg, TBC Capital

Georgian and Eastern European Sovereign Eurobond Price Performance

Name	Size, mn	YTM (mid)	Price (mid)	Change			Key Parameters		
				1W	YTD	52W	Dur.	S&P/Moody's/Fitch	Z-Spread, bps
Georgia 6.875% 4/2021	500	3.2%	112.3	0.2%	2.3%	0.1%	3.2	BB-/Ba3/BB-	137
BGEO Group 6.00% 7/2023	350	5.4%	103.2	0.4%	2.6%	0.2%	5.0	-/B1/BB-	346
GOGC 6.75% 4/2021	250	4.8%	106.3	0.2%	1.6%	1.0%	3.2	B+/-/BB-	294
Georgian Railway 7.75% 7/2022	500	5.2%	110.6	0.3%	3.3%	-1.6%	4.1	B+/-/B+	338
Azerbaijan 4.75% 3/2024	1,250	4.0%	103.3	2.3%	4.9%	1.6%	5.6	-/Ba2/BB+	199
Armenia 6% 9/2020	500	3.8%	106.3	0.2%	2.4%	2.6%	2.8	-/B1/B+	192
Belarus 8.95% 1/2018	800	2.3%	102.6	-0.2%	-1.6%	-2.3%	0.4	B-/Caa1/-	47
Kazakhstan 3.875% 10/2024	1,500	3.2%	104.0	0.5%	3.5%	0.3%	6.2	BBB-/Baa3/BBB	127
Romania 6.75% 2/2022	2,250	2.7%	116.8	0.1%	2.5%	-3.6%	3.9	BBB-/Baa3/BBB-	92
Russia 5% 4/2020	3,500	2.6%	106.2	0.0%	-0.1%	-1.5%	2.5	BB+/Ba1/BBB-	87
Slovenia 5.5% 10/2022	823	2.5%	114.7	0.1%	3.6%	-1.0%	4.5	A+/Baa3/A-	65
Turkey 5.625% 3/2021	2,000	3.1%	110.2	0.1%	2.4%	-0.8%	2.5	NR/Ba1/BB+	150

Source: Bloomberg

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