



GALT & TAGGART
CREATING OPPORTUNITIES

V Cbonds Emerging Markets Bond Conference

London, April 2016





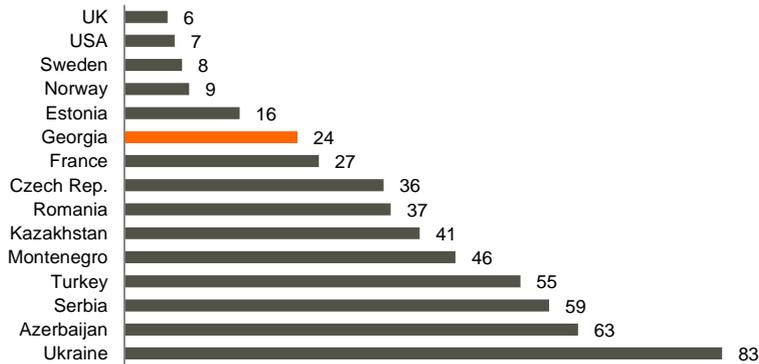
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Georgian Economic Overview



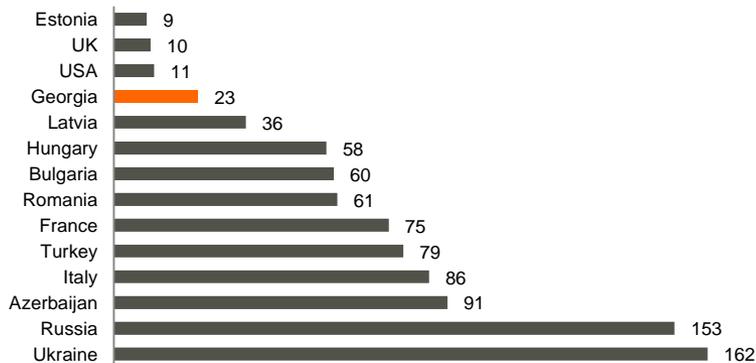
Georgian Economy: Growth Oriented Reforms

Ease of doing business, 2016



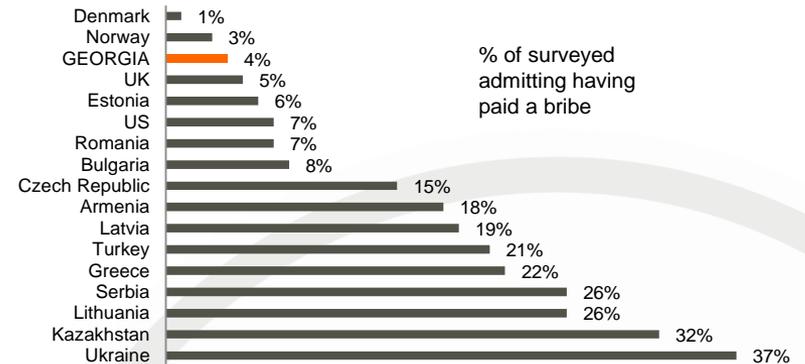
Source: WB

Economic Freedom Index, 2016



Source: Heritage Foundation

Global corruption barometer



Source: Transparency International

Georgia sovereign credit ratings

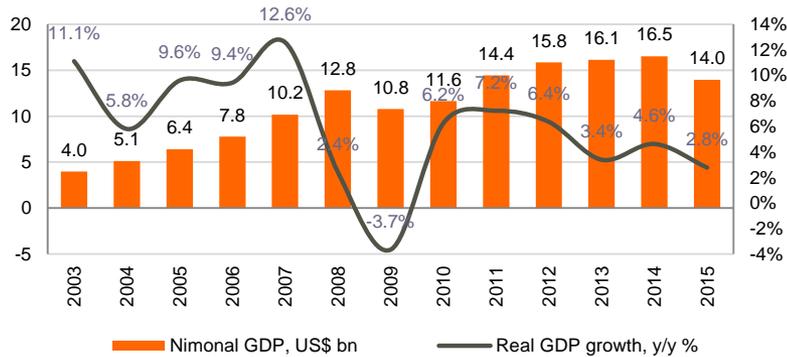


Source: Rating Agencies



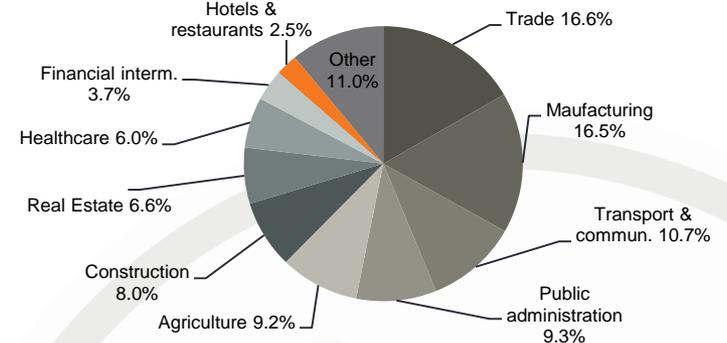
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Gross domestic product



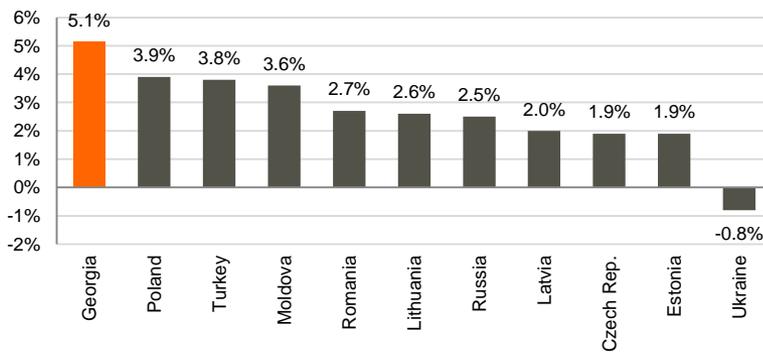
Source: GeoStat

Diversified nominal GDP structure, FY 2015



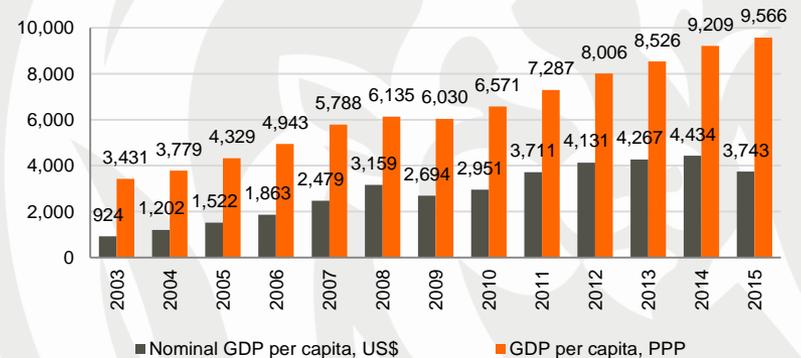
Source: GeoStat

Comparative GDP growth rates, 2006-2015, %



Source: IMF, GeoStat

GDP per capita

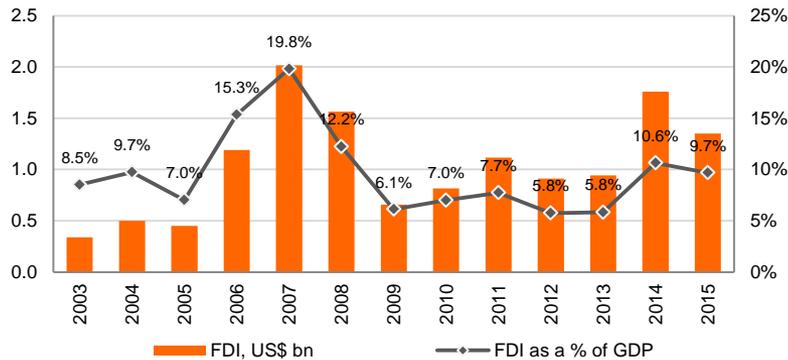


Source: IMF, GeoStat



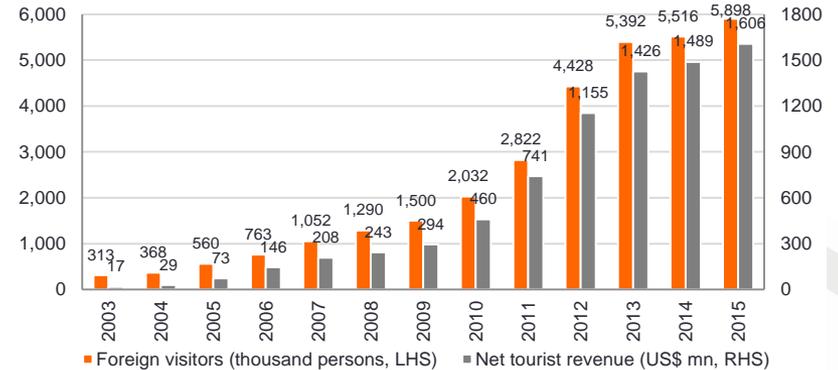
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FDI Inflows



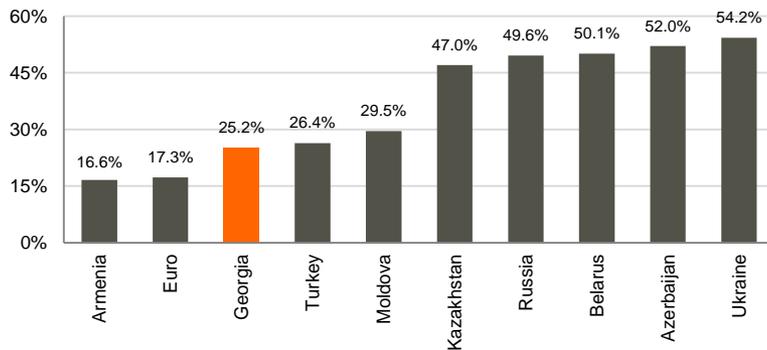
Source: GeoStat

Tourist arrivals and revenues



Source: GNTA, NBG

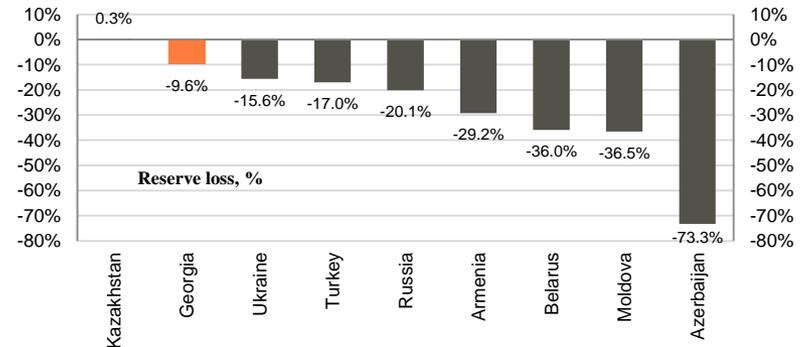
Currency weakening vs. USD



Source: Bloomberg

Note: US\$ per unit of national currency; 1 Aug 2014 – 15 Mar 2016

National bank reserves % change



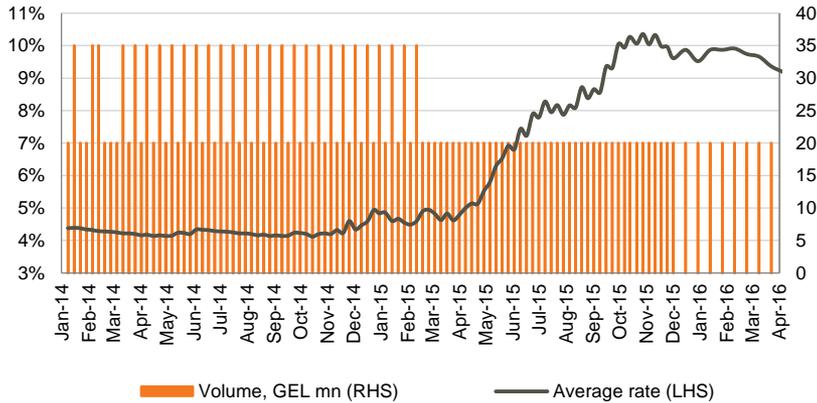
Source: IMF

Note: From Aug-2014 to Jan-2016, (Kazakhstan as of Dec-2015); Armenia's reserves exclude a US\$ 500mn Eurobond issued in March 2015

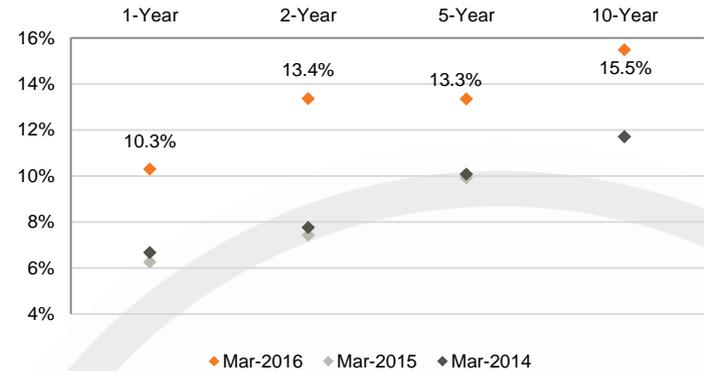


Georgian Government Treasury Bills and Notes

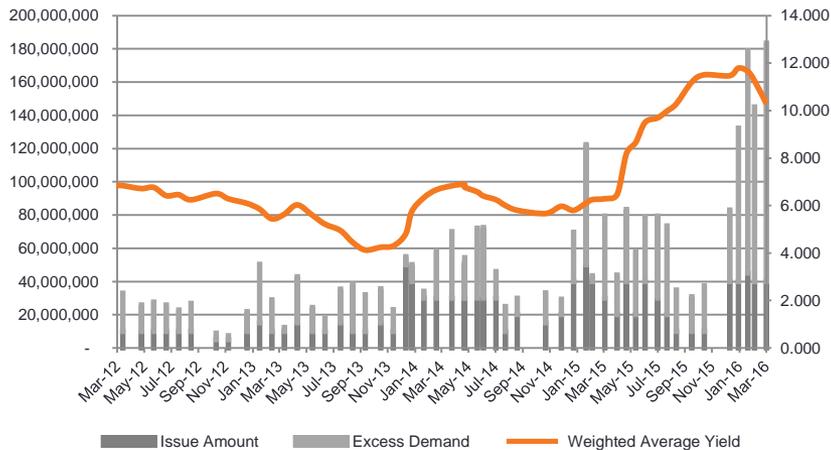
NBG Certificates of Deposits (weighted average rate)



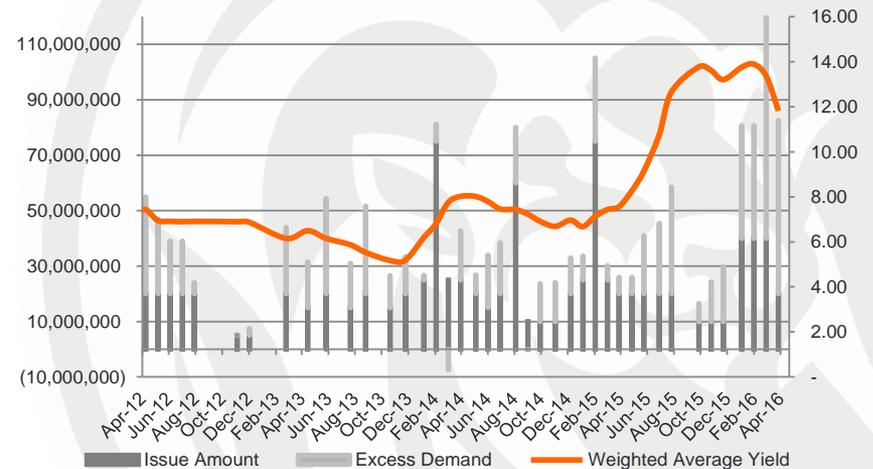
T-bills / T-notes, yield curve



1 Year T-Bills



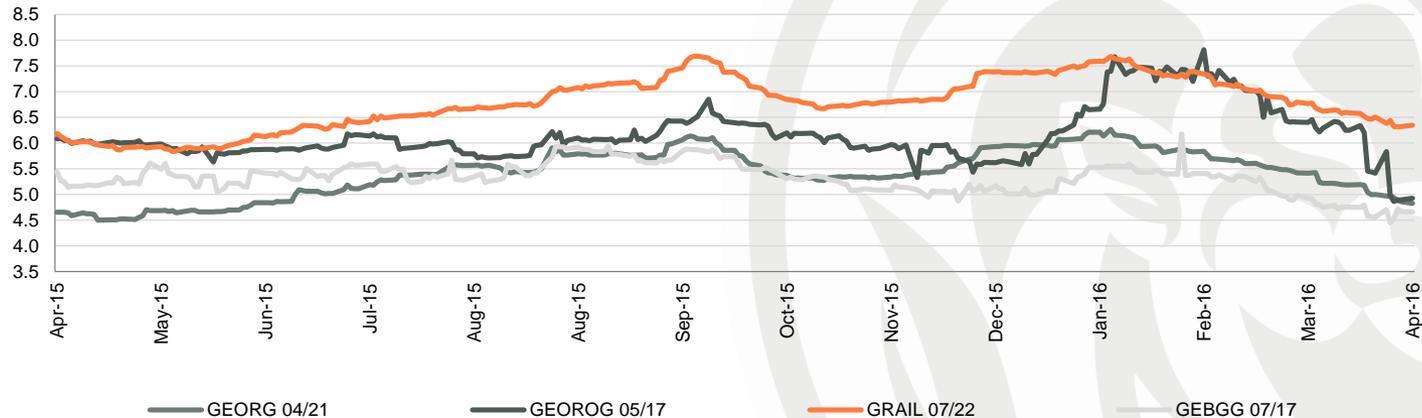
2 Year T-Notes



Georgian Quasi-sovereign Entities: *Leading in Eurobonds Issuances*

	 GEORG 04/21	 GOGC 05/17	 GRAIL 07/22	 GEBGG 07/17
Amount, US\$ mn	500	250	500	400
Issue date	Apr-11	May-12	Jul-12	Jul-12
Maturity date	Apr-21	May-17	Jul-22	Jul-17
Coupon, %	6.88%	6.88%	7.75%	7.75%
Fitch/S&P/ Moody's	BB-/BB-/Ba3	BB-/B+/-	BB-/BB/-	BB-/BB-/Ba3
Mid price, US\$	107.4	100.8	106.4	103.6
Mid yield, %	5.2	6.2	6.5	4.8
Z-spread, bps	374.3	486.4	503.7	391

Georgia Eurobonds, YTM (%)



Source: Bloomberg





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**Leading Investment Banking and Investment
Management Services Company in Georgia**



BGEO Group: At a glance

Group Structure



Banking Business



Retail Banking

Corporate and Investment Banking

#1 Retail Bank in Georgia

- 1.5mln retail clients
- 219 branches
- 2,239 Express Pay terminals
- 721,909 Express cards
- GEL 2,067mln net loans
- GEL 1,350mln client deposits

PrivatBank Georgia

- 436K retail clients
- 92 branches
- GEL 298mln net loans
- GEL 340mln client deposits

#1 Corporate Bank in Georgia

- 6k clients
- GEL 2,161mln loans
- GEL 1,186mln client deposits



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- Investment Banking
- Wealth Management
- Asset Management
- Brokerage Services
- Research
- AUM of GEL 1,027.1mln
- WM client deposits GEL 805mln
- Fee & commission income of GEL 8.8mln

Other Banking Businesses

EXPRESS TECHNOLOGIES

ALDAGI



Investment Business



GEORGIA HEALTHCARE GROUP



მძინარე ქონება REAL ESTATE

GGU

Water utility and hydro

Healthcare Business

Real Estate Business

Utilities (GGU)

#1 Healthcare company in Georgia

- Revenue of GEL 189.7mln
- EBITDA of 37.8mln

Healthcare services

- 39 healthcare facilities
- 2,140 beds
- Over 2/3 of population covered
- Market share of 22.0%

Health insurance

- 36.7% market share
- Insuring 192k people

#1 Real Estate company in Georgia

- 2 completed projects and 4 under construction
- Total sales 1,327 apartments worth US\$111.2mln since 2011
- 99% sale in completed project
- 66% pre-sales for on-going 4 projects
- Total mortgages sold GEL 58.3mln

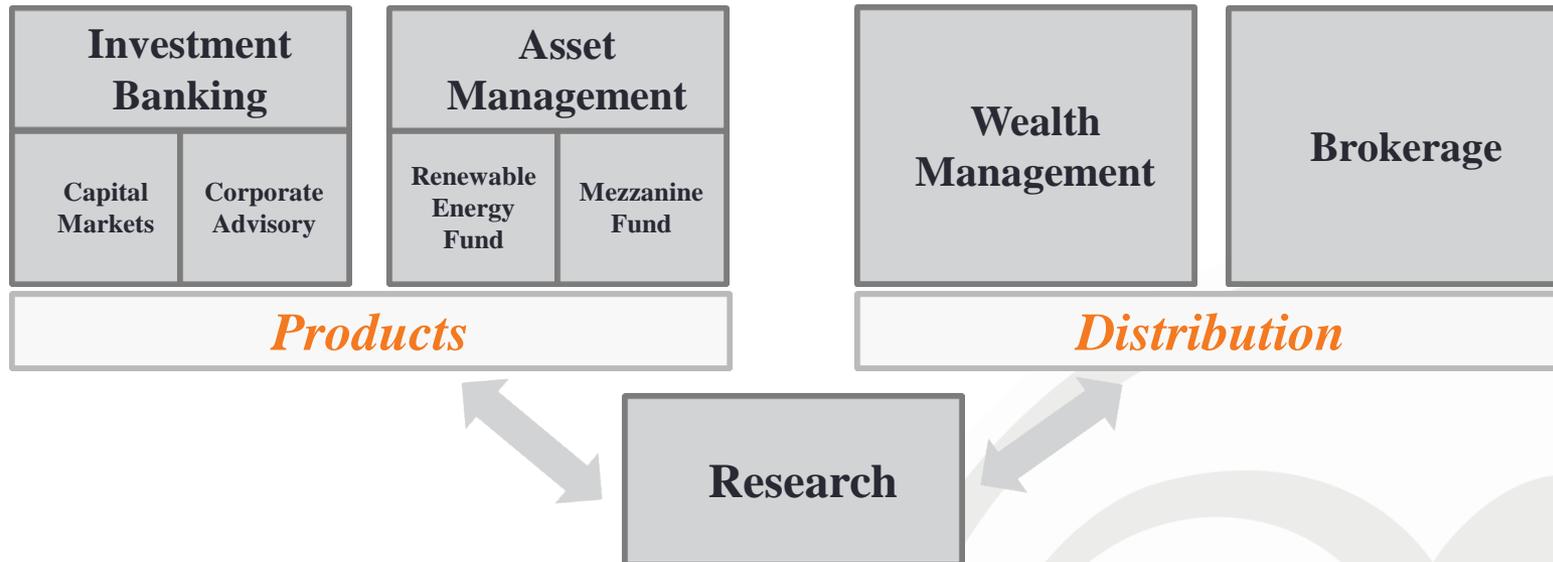
Major player on the market

- Provides water and wastewater services to 1.4mln people (1/3 of Georgia)
- Operates 3 hydro facilities with 143MW capacity
- Acquisition of 25% shareholding with an option to acquire additional 24.9%
- 2014 EBITDA of GEL49.1mln¹



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Galt & Taggart: A Full Spectrum of Financial Services



Best Investment Bank in Georgia 2016
 Best Corporate Advisory in Georgia 2016
 Best Corporate Advisory in Georgia 2015



Best Investment Bank in Georgia 2016
 Best Investment Bank in Georgia 2015



Best Investment Bank in Georgia 2015



Best Investment Bank in Georgia 2015
 Best Investment Bank in Georgia 2014





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Investment Banking – Debt Capital Markets



Debt Capital Markets: *Full Set of Services*

Local Bonds

GT assists the companies raise money on local debt capital markets by offering following services:

- Preparation of all required documentation for bond placement (prospectus, investor presentation, etc.)
- Co-ordination and implementation of marketing strategy, introducing the company to potential investors
- Co-ordination of book building process, pricing and allocation of Bonds
- Possibility of guaranteed underwriting (BoG backing)
- Assist the company in communicating with National Bank of Georgia and Georgian Stock Exchange

International Bonds

Leveraging on experience in Eurobond Issue process, GT has the capacity to act as a co-lead manager on large international bond projects by offering following services:

- Advise on rating strategy, objectives and timing, prepare rating agency presentation, follow-up with agencies on a constant basis.
- Prepare roadshow presentation
- Provide comments on preliminary and final Prospectus
- Plan roadshow and other marketing activities



Brokerage: *Unparalleled Regional Expertise*

Leading brokerage in the region

- Sales and trading execution capabilities on all major international exchanges, including LSE, NYSE, Frankfurt, OMX and NASDAQ
- Trading capabilities in regional frontier markets

G&T TRADER

- G&T TRADER - First multi-asset online trading platform in the region with SAXO Bank
- Opportunity to trade over 100,000 different instruments including Forex crosses, FX Options, CFDs, ETFs/ETCs, Stocks, Contract Options, Futures, etc.

International sub-custodian in the region

- Bank of Georgia custody is the only international sub-custodian (through State Street and Citi) in the region
- Direct participant in Euroclear and Clearstream safekeeping systems

Expanding access to international markets

- Our relationship with Bank of Georgia Wealth Management gives us access to a broad product distribution capacity unmatched by other regional brokerages
- Institutional backing from Bank of Georgia provides us with the support and ability to interact closely with international investors

High professional standards

- Our trading desk provides top-quality services to Georgian and international clients working in close co-operation with our research team
- High reporting standards and transparency ensure protection of our clients' assets

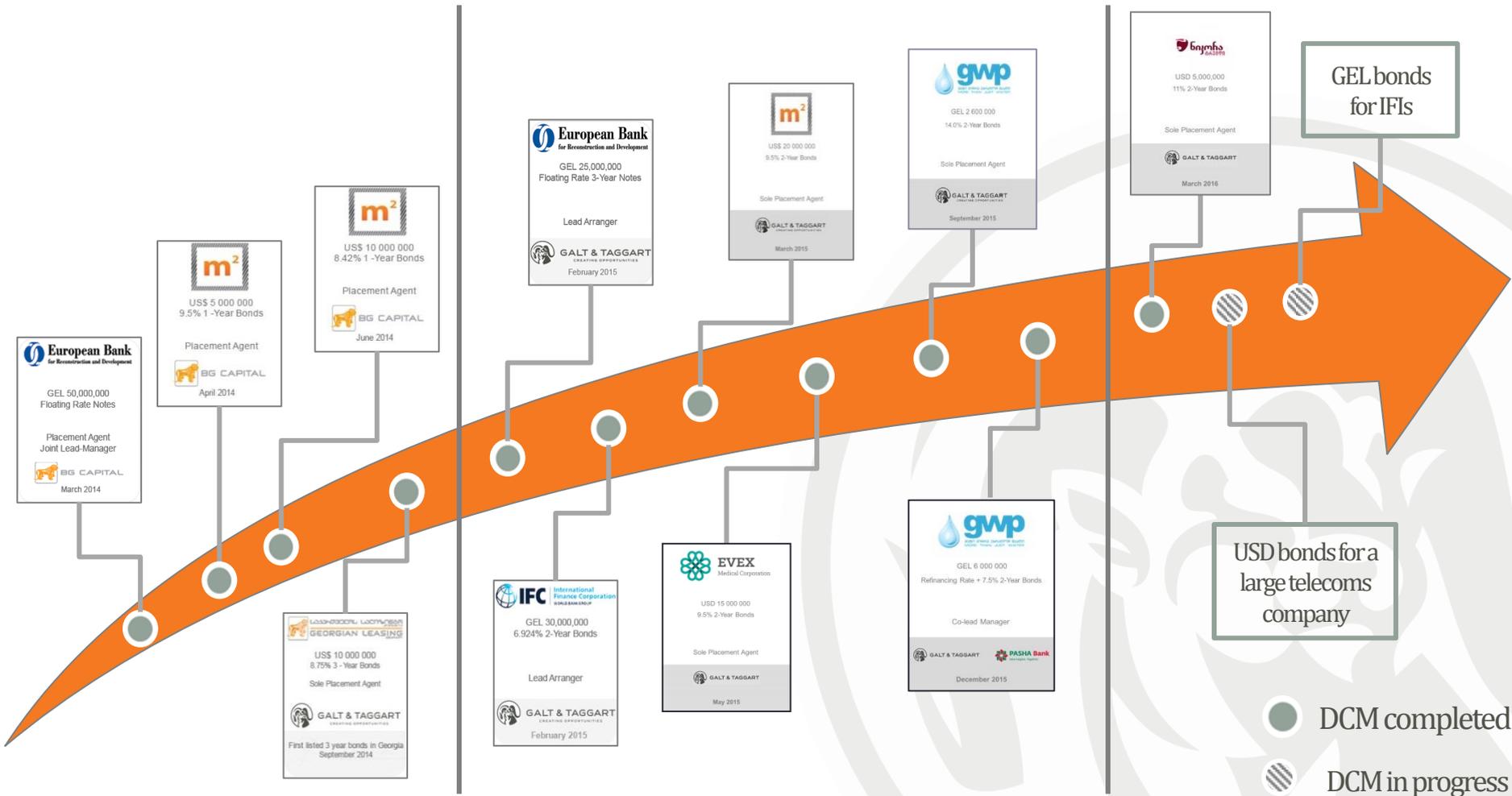


Completed & On-going Transactions

FY 2014: Placed **GEL 50 mln** and **USD 25 mln** bonds on local market

FY 2015: Placed **GEL 63.6 mln** and **USD 35 mln** bonds on local market

On-going projects



Recent Local Market Issuances: *Led by Galt & Taggart transactions*

	Bond Features	Type of issuance (public/private)	Issue date	Duration (years)	Coupon rate, %	Currency	Issue volume	Lead Manager
Corporates		Public	23/04/2014	1	9.5	USD	5,000,000	 GALT & TAGGART
		Public	11/6/2014	1	8.42	USD	10,000,000	 GALT & TAGGART
		Private	3/9/2014	2	8.42	USD	2,000,000	 TBC CAPITAL
		Public	20/09/2014	3	8.75	USD	10,000,000	 GALT & TAGGART
		Public	20/03/2015	2	9.5	USD	20,000,000	 GALT & TAGGART
		Public	19/05/2015	2	9.5	USD	15,000,000	 GALT & TAGGART
		Public	28/05/2015	3	10.1	GEL	20,000,000	 PASHA Bank
		Public	17/08/2015	2	14	GEL	2,600,000	 GALT & TAGGART
		Public	9/12/2015	2	NBG REF Rate + 750bps	GEL	6,000,000	 GALT & TAGGART  PASHA Bank
		Public	18/03/2016	2	11	USD	5,000,000	 GALT & TAGGART
IFIs		Private	3/1/2014	2	NBG 3 Month CD Rate	GEL	50,000,000	 GALT & TAGGART  TBC CAPITAL
		Private	2/1/2015	3	NBG 3 Month CD Rate + 20bps	GEL	25,000,000	 GALT & TAGGART
		Private	2/1/2015	2	0.06924	GEL	30,000,000	 GALT & TAGGART
		Private	2/1/2015	3	NBG 3 Month CD Rate	GEL	100,000,000	 TBC CAPITAL
		Private	11/1/2015	3	NBG 3 Month CD Rate	GEL	45,000,000	 TBC CAPITAL



Capital Markets: *Formation is Underway*

Supportiveness of the Government and regulatory authorities is giving a significant boost to Capital Market Formation in Georgia

Key Development Pillars

- | | |
|--|---|
| ▪ <i>Government approved a list of IFIs for which taxation is similar to that of Government bonds</i> | ✓ |
| ▪ <i>NBG agreed to consider IFI bonds as liquid assets (same as government bonds)</i> | ✓ |
| ▪ <i>NBG allowed USD transactions for USD denominated bonds</i> | ✓ |
| ▪ <i>Three cases of tax waiving for bondholders based on a free float ratio (GLC, M2 & Evex)</i> | ✓ |
| ▪ <i>NBG to accept GEL denominated corporate bonds as liquid and to agreed to allow borrowing against it</i> | ⚠ |
| ▪ <i>Ministry Of Finance to remove capital gains tax and income tax on bonds in any conditions</i> | ⚠ |
| ▪ <i>Government is working on developing regulation regarding Investment and Pension Funds</i> | ⚠ |
| ▪ <i>Government is working on developing public pension scheme to be launched in 2017/2018</i> | ⚠ |



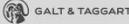


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Selected Transactions



Galt & Taggart's Selected Transactions

 <p>USD 5,000,000 11% 2-Year Bonds</p> <p>Sole Placement Agent</p>  <p>March 2016</p>	 <p>Initial Public Offering on London Stock Exchange Premium Listing</p> <p>GBP 218,000,000</p> <p>Co-Lead Manager</p>  <p>November 2015</p>	 <p>GEL 6 000 000 Refinancing Rate + 7.5% 2-Year Bonds</p> <p>Sole Placement Agent</p>  <p>November 2015</p>	 <p>GEL 2 600 000 14.0% 2-Year Bonds</p> <p>Sole Placement Agent</p>  <p>September 2015</p>	 <p>Medical Corporation</p> <p>USD 15 000 000 9.5% 2-Year Bonds</p> <p>Sole Placement Agent</p>  <p>May 2015</p>
 <p>USD 20 000 000 9.5% 2-Year Bonds</p> <p>Sole Placement Agent</p>  <p>March 2015</p>	 <p>GEL 25 000 000 Floating Rate 3-Year Notes</p> <p>Lead Arranger</p>  <p>February 2015</p>	 <p>GEL 30 000 000 6.924% 2-Year Bonds</p> <p>Lead Arranger</p>  <p>February 2015</p>	 <p>USD 26 250 000 Acquisition of a 25% stake in Georgian Global Utilities by Bank of Georgia Holdings</p> <p>Sole M&A Advisor</p>  <p>December 2014</p>	 <p>USD 10 000 000 8.75% 3-Year Bonds</p> <p>Sole Placement Agent</p>  <p>September 2014</p>
 <p>USD 10 000 000 8.42% 1-Year Bonds</p> <p>Sole Placement Agent</p>  <p>June 2014</p>	 <p>USD 5 000 000 9.5% 1-Year Bonds</p> <p>Sole Placement Agent</p>  <p>April 2014</p>	 <p>GEL 50 000 000 Floating Rate 2-Year Bonds</p> <p>Placement Agent Joint Lead Manager</p>  <p>March 2014</p>	 <p>Acquisition of 53.45% share capital of JSC POPULI by Ioli Supermarket Ltd</p> <p>Broker</p>  <p>July 2012</p>	 <p>GEL 99 790 245 23.63% of total issue of Georgian Government Treasury notes and bonds sold on auctions during 2012</p> <p>Broker</p>  <p>During 2012</p>





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THANK YOU

