



**GALT & TAGGART**

CREATING OPPORTUNITIES

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

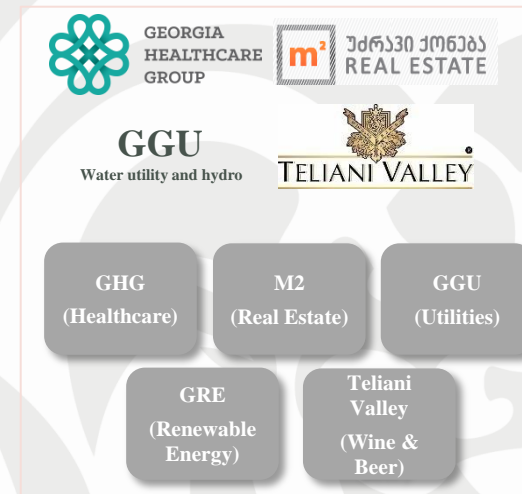
# BGEO Group: *At a glance*



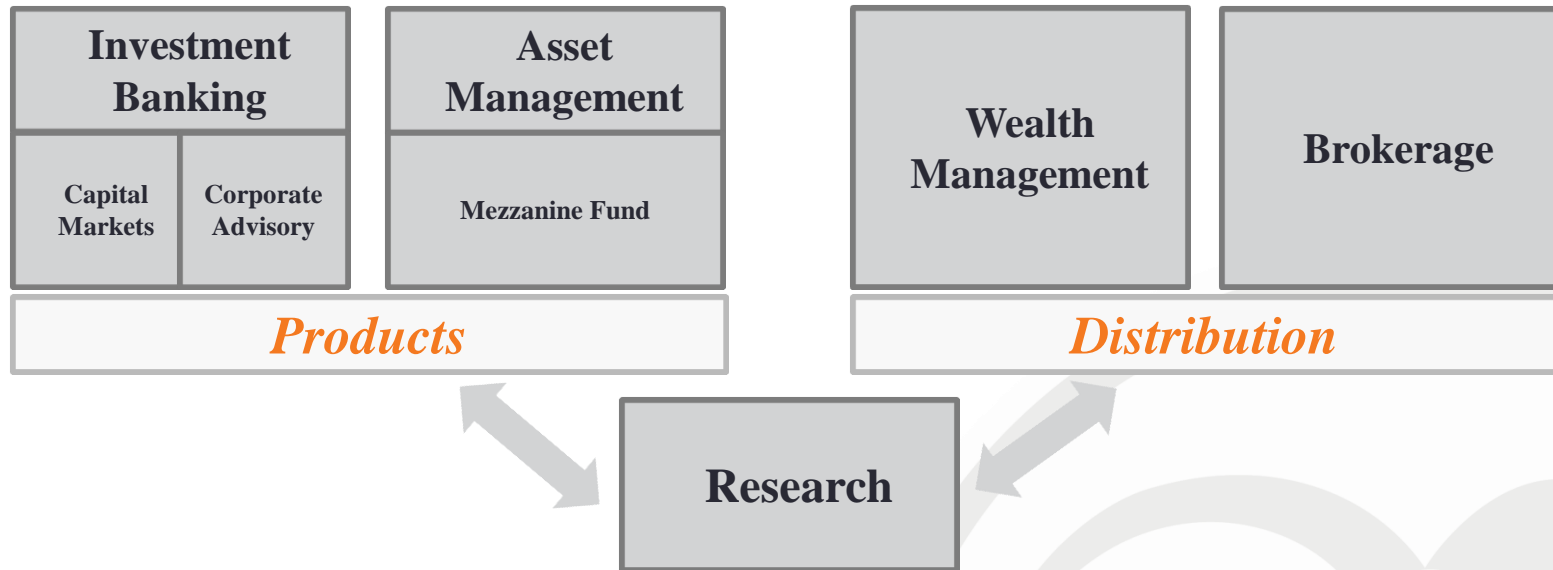
## Banking Business



## Investment Business



# 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**



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# Investment Banking Business: *Full Set of Services*

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## Debt Capital Markets- *What we offer*

### Local Bonds

We help 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

We have gained valuable experience in Eurobond Issue process and have capacity to act as a co-lead manager on large international bond projects by offering following services to our clients:

- 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



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



საქართველოს ნავთობისა და გაზის კორპორაცია  
Georgian Oil & Gas Corporation



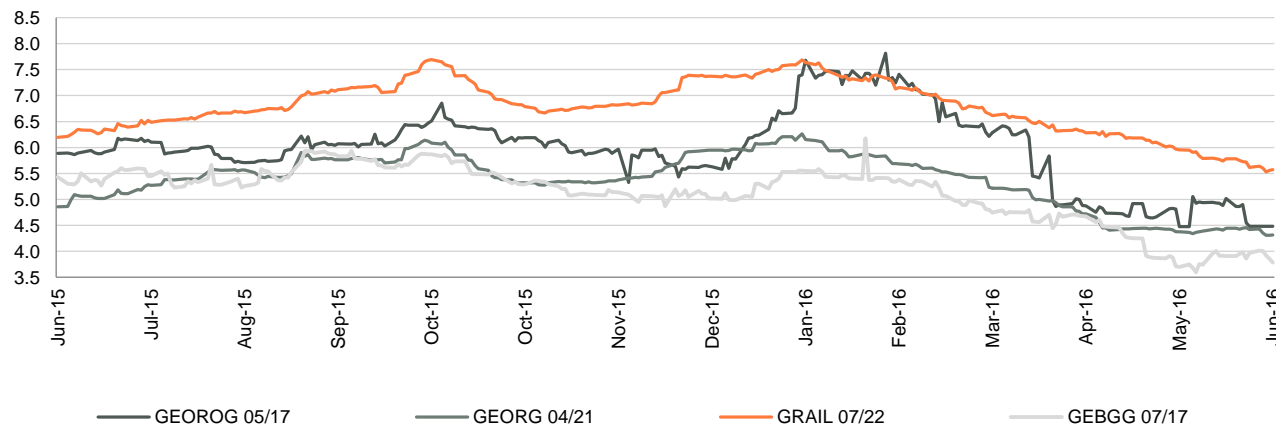
საქართველოს რკინიგზის კორპორაცია  
GEORGIAN RAILWAY



BANK OF GEORGIA

	GEORG 04/21	GOGC 04/21	GRAIL 07/22	GEBGG 07/17
Amount, US\$ mn	500	250	500	400
Issue date	Apr-11	Apr-16	Jul-12	Jul-12
Maturity date	Apr-21	Apr-21	Jul-22	Jul-17
Coupon, %	6.88%	6.75%	7.75%	7.75%
Fitch/S&P/ Moody's	BB-/BB-/Ba3	BB-/--	BB-/BB--	BB-/BB-/Ba3
Mid price, US\$	111.1	102.8	111.2	104.1
Mid yield, %	4.3	6.1	5.6	3.8
Z-spread, bps	308.6	484.0	433.5	327.7

## Georgia Eurobonds, YTM (%)


























Source: Bloomberg



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## Recent Corporate Issuances: *Led by Galt & Taggart transactions*

Issuer	Type of issuance (public/private)	Issue date	Duration (years)	Coupon rate, %	Currency	Issue volume	Lead Manager
	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 
	Public	18/03/2016	2	11.0	USD	5,000,000	 GALT & TAGGART
	Public	31/5/2016	3	3-months NBG CD rate	GEL	50,000,000	 GALT & TAGGART



## Recent IFI Issuances: *Galt & Taggart is one of the two major players*

	Issuer	Type of issuance (public/private)	Issue date	Duration (years)	Coupon rate, %	Currency	Issue volume	Lead Manager
IFIs	 European Bank for Reconstruction and Development	Private	3/1/2014	2	NBG 3 Month CD Rate	GEL	50,000,000	  TBC CAPITAL GALT & TAGGART
	 European Bank for Reconstruction and Development	Private	13/2/2015	3	NBG 3 Month CD Rate + 20bps	GEL	25,000,000	 GALT & TAGGART
	 IFC   International Finance Corporation WORLD BANK GROUP	Private	17/2/2015	2	6.9	GEL	30,000,000	 GALT & TAGGART
	 ADB	Private	18/2/2015	3	NBG 3 Month CD Rate	GEL	100,000,000	 TBC CAPITAL
	 Black Sea Trade & Development Bank	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 &amp; Evex)</i>          | ✓ |
| ▪ <i>NBG to accept GEL denominated corporate bonds as liquid and to agreed to allow borrowing against it</i> | ✓ |
| ▪ <i>Capital Market Development strategy and action plan approved by the Government of Georgia</i>           | ✓ |
| ▪ <i>Parliament of Georgia is discussing removal of public placement registration fee of 0.1%</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>               | ⚠ |





**GALT & TAGGART**

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**Securities & Brokerage**

*Unparalleled Regional Expertise*



## Brokerage: *Unparalleled Regional Expertise*



Multi-Asset  
Online Trading  
Platform  
“G&T TRADER”



Trading  
capabilities in  
regional, hard-to-  
reach, frontier  
markets



Access to fixed  
income markets



Expanding Access  
to International  
Investors  
Community



International sub-  
custodian in the  
region

- Sales and trading execution capabilities on all **major international exchanges**
- Opportunity to trade over **100,000 different instruments including:**
  - FX**
  - FX Options**
  - CFDs**
  - Stocks**
  - Stock Options**
  - ETFs & ETCs**
  - Futures**
  - Contract Options**
- Trading access through **10 counterparty** brokers
- Trading capabilities in regional, **hard-to-reach**, frontier markets, such as: **Georgia, Ukraine, Armenia, Azerbaijan, Turkey, Iran, Russia, Kazakhstan, Uzbekistan, etc.**
- Access to local as well as to **international fixed income markets**
- **Market maker** on the local fixed income instruments
- Our relationship with Bank of Georgia Wealth Management and other international financial institutions enable 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 further **interact closely with international investors**
- Bank of Georgia custody is the **only international sub-custodian**, through the State Street and Citi, in the region
- Direct participant in **Euroclear and Clearstream** safekeeping systems





**GALT & TAGGART**  
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**Research**

*A pioneer of investment research in Georgia*



# Galt & Taggart Research: *Unique Coverage, Trusted Analysis*

- Professional team of Georgian and Azerbaijani economists and finance experts
- Providing coverage of macro and corporate sectors of Georgia and Azerbaijan

## Macro coverage

- Georgian economy
- Azerbaijan economy
- Regional Macro Portal
- Weekly market news

## Sector coverage

- Energy
- Tourism
- Healthcare
- Agriculture
- Wine
- Real Estate

## Fixed Income coverage

- Georgian Oil and Gas Corp
- Georgian Railway
- Coverage to expand to regional issuers



*Galt & Taggart Research now available on leading proprietary platforms:  
Bloomberg, Thomson Reuters, and S&P Capital IQ*



































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## **Selected Transactions**



# Galt & Taggart's Selected Transactions

 <p>GEL 50 000 000 3-months NBG CD rate 3-Year Bonds</p> <p>Sole Placement Agent</p>  <p>June 2016</p>	 <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>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&amp;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>



# Awards and Accomplishments



**Best Corporate  
Finance Advisory  
in Georgia in 2015**



**Best Investment  
Bank in Georgia  
2015**



**Best Investment  
Bank in Georgia  
2015**



**Best Investment  
Bank in Georgia  
2014**



**Best Frontier  
Markets  
Investment Bank  
2010**



THOMSON REUTERS

**Top 5 Best  
Brokerage Firm  
Ukraine  
2008-2010**

**MADA**

**The Best Brokerage  
Company of the  
Georgian Stock  
Exchange  
2006-2007**



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