



Economy

Annual inflation was 2.4% in Feb-25

In Feb-25, annual inflation in Georgia rose to 2.4% y/y, up from 2.0% y/y in the previous month. This increase was mainly driven by a rise in domestic inflation to 3.0% y/y in Feb-25 (up from 2.3% y/y in Jan-25), alongside an increase in imported inflation (+0.5% y/y in Feb-25 vs. -0.4% y/y in Jan-25). Meanwhile, inflation for mixed goods slightly slowed to 3.1% y/y in February, down from 3.5% y/y in Jan-25. Notably, core inflation, excluding volatile food, energy and tobacco prices, remained unchanged at 2.0% y/y in Feb-25.

By categories, February's annual inflation was largely driven by price increases in food and non-alcoholic beverages (+3.7% y/y, +1.25ppts), healthcare (+5.4% y/y, +0.45ppts), alcoholic beverages & tobacco (+4.7% y/y, +0.32ppts), education (+5.2% y/y, +0.26ppts) and hotels & restaurants (+6.8% y/y, +0.23ppts) categories. In contrast, the communication category recorded a significant decrease (-12.2% y/y, contributing -0.45ppts), followed by furnishings, household equipment and maintenance (-2.1% y/y, -0.11ppts) in February.

On a monthly basis, there was a 0.4% y/y inflation in Feb-25, mainly due to rising prices in food and non-alcoholic beverages (+0.7% m/m, +0.20ppts) and healthcare (+2.3% m/m, +0.18ppts) categories.

We forecast average annual inflation at 3.9% in 2025.

Tourism revenues estimated at US\$ 246mn in Feb-25

Tourism revenues amounted to US\$ 246mn (flat y/y) in Feb-25, according to our estimates. Overall, in 2M25, tourism revenues increased by 0.7% y/y to US\$ 536mn, by our estimates. We forecast tourism revenues to reach US\$ 4.5bn in 2025.

International reserves at US\$ 4.2bn in Feb-25

Gross international reserves decreased by 10.8% y/y to US\$ 4.2bn in Feb-25, according to NBG. On a monthly basis, the reserves were down by 4.5% (-US\$ 201.8mn). Changes in reserves were attributed to the government and/or banking sector FX operations. Notably, as of Feb-25, monetary gold accounted for 15.4% of total international reserves.

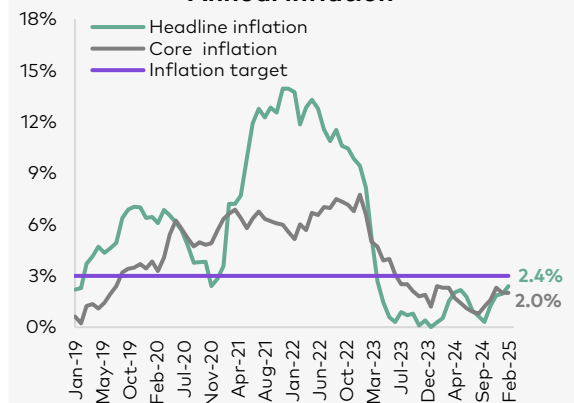
Key macro indicators

	2024E	2025F
Real GDP growth (% change)	9.5%	5.0%
GDP per capita (ppp)	28,106	29,154
GDP per capita (US\$)	9,124	9,466
Population (mn)	3.7	3.7
Inflation (average)	1.1%	3.9%
Gross reserves (US\$ bn)	4.4	4.2
CAD (% of GDP)	4.9%	5.5%
Fiscal deficit (% of GDP)	2.5%	2.5%
Total public debt (% of GDP)	36.2%	37.0%
Fitch/S&P/Moody's*	BB/BB/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

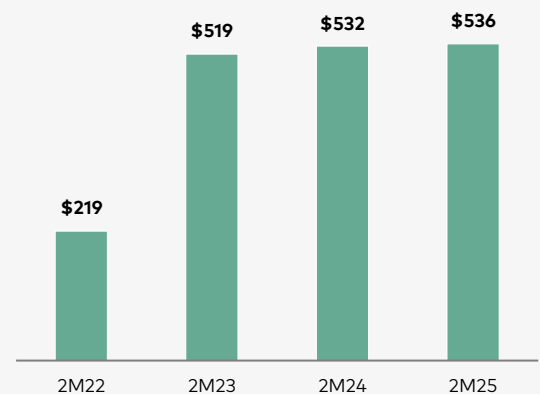
*Latest sovereign credit ratings

Annual inflation



Source: Geostat

Tourism revenues, US\$ mn



Source: Galt & Taggart

Money market

Ministry of Finance T-bills/T-notes:

2.9-year GEL 40.0mn (US\$ 14.3mn) treasury notes were sold at the auction held at NBG on March 4, 2025. Total demand was 2.0x higher and the weighted average yield was fixed at 8.447%, down by 0.026ppts from previous auction held in Feb-25.

6-month GEL 50.0mn (US\$ 17.9mn) treasury notes were sold at the auction held at NBG on March 4, 2025. Total demand was 2.1x higher and the weighted average yield was fixed at 7.565%, up by 0.027ppts from previous auction held in Feb-25.

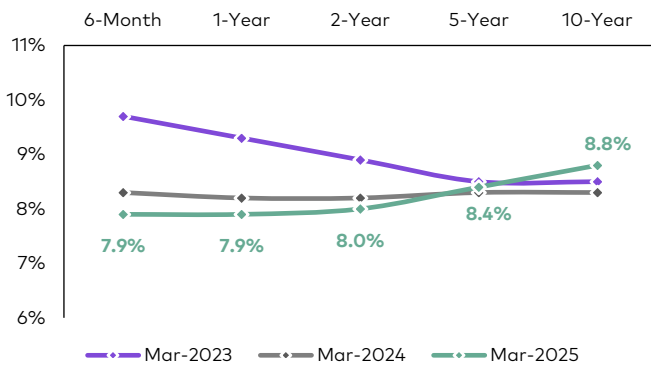
The nearest treasury security auction is scheduled for March 11, 2025, where GEL 20.0mn nominal value 1-year treasury bills and GEL 30.0mn nominal value 11.5-year treasury notes will be sold.

T-bills / T-notes in 2025

Maturity	YTD placements, GEL mn	Remaining placements, GEL mn	Outstanding amount, GEL mn*
Short-term (less than 1-year)	190	380	390
Long-term (over 1-year)	447	1,940	9,514
Total	637	2,320	9,904

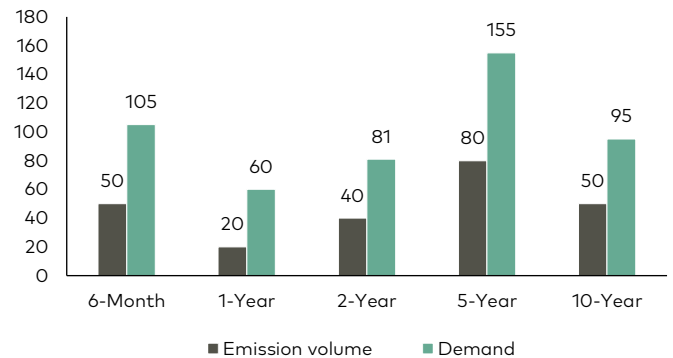
Source: MoF
*As of January 2025

T-bills / T-notes, yield curve



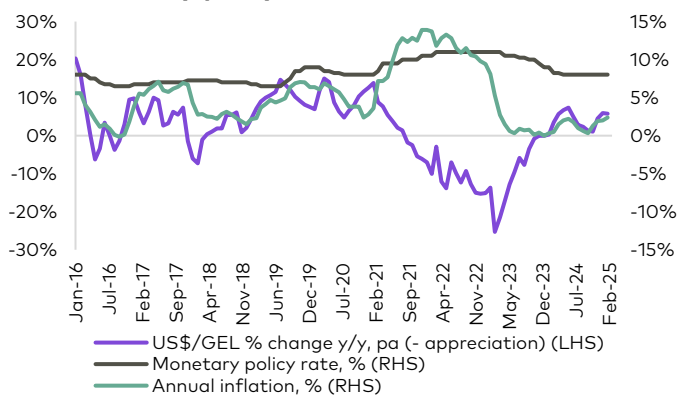
Source: NBG

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



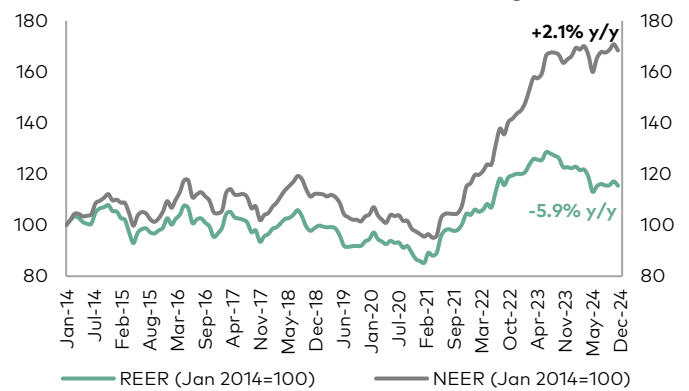
Source: NBG

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	Mid price	Mid yield, %	Z-spread, bps
						(Fitch/S&P/Moody/Scope)			
GEORG 04/26	USD	500	2.750%	Apr-21	Apr-26	BB/BB/Ba2	95.50	7.02	306.72
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	88.44	8.10	437.70
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	98.74	9.86	613.69
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	101.35	7.59	269.68
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/	97.37	10.45	664.56
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	101.04	9.95	622.41
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	101.88	8.35	449.59

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

Georgian local bonds

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings	Mid price	Mid yield
						(Fitch/S&P/Moody/Scope)		
USD								
Bakhvi Hydro Power	USD	1.2	9.40%	Nov-17	Nov-27	-/-/-/-	n/a	n/a
Geo. Renewable Power Oper.	USD	80	7.00%	Oct-22	Oct-27	-/-/-/-	100.00	7.00%
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%
Tegeta Motors	USD	5	8.25%	Dec-24	Dec-26	-/-/-/BB-	n/a	n/a

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



Fixed income

Georgian local bonds

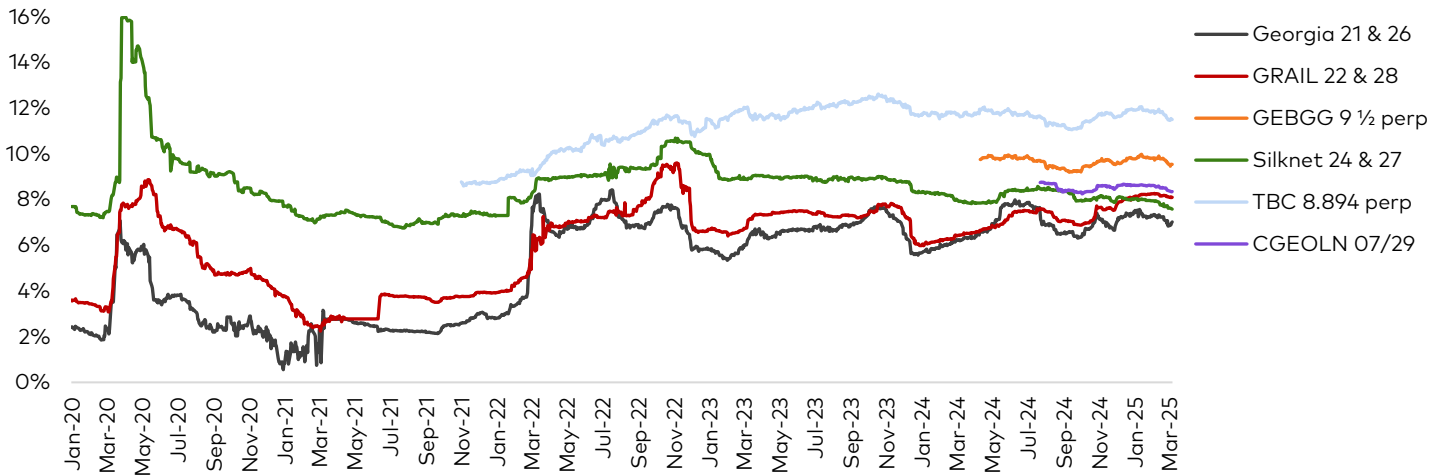
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
EUR								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/BB-	99.77	7.25%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.15%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/BB-	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	-/-/BB-	n/a	7.75%
Silk Real Estate	EUR	7	7.00%	Aug-24	Aug-25	-/-/BB-	n/a	7.00%
Chavchavadze 64B	EUR	3	7.75%	Aug-24	Aug-26	-/-/BB-	n/a	7.75%
GEL								
Nikora	GEL	35	TIBR3M + 3.50%	Nov-22	Nov-25	-/-/BB-	100.00	11.58%
Tegeta Motors	GEL	150	TIBR3M + 3.50%	Dec-22	Dec-25	-/-/BB-	n/a	n/a
MFO Rico Express	GEL	130	TIBR1D + 2.00%	Mar-23	Mar-26	-/-/BB+	n/a	n/a
TBC Leasing	GEL	100	TIBR3M + 3.00%	Mar-23	Mar-26	BB-/BB-	n/a	n/a
TBC Leasing	GEL	15	TIBR3M + 2.75%	Jun-23	Jun-26	BB-/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-26	-/-/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
MFO MBC	GEL	30	TIBR3M + 4.25%	Dec-24	Dec-26	-/-/BB+	n/a	n/a

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



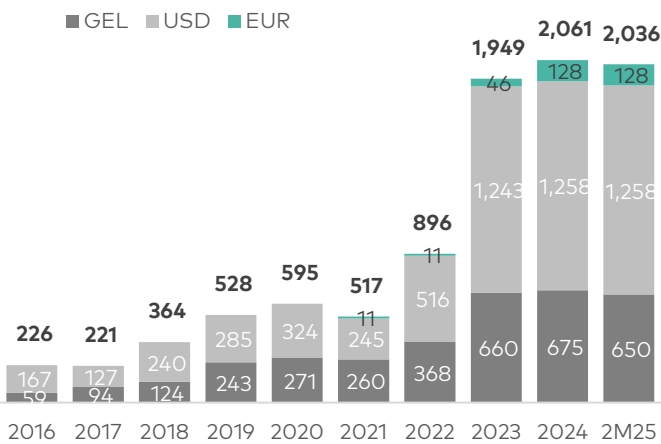
Fixed income

Georgian Eurobonds, YTM



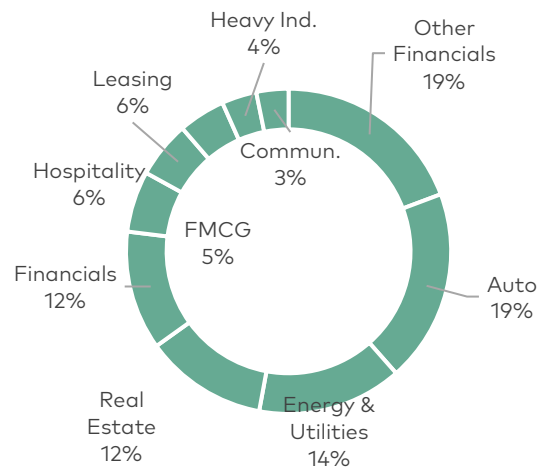
Source: Bloomberg

Georgian local corporate public bonds outstanding, GEL mn



Source: Galt & Taggart
Note: USD and EUR bonds are converted into GEL as of issuance date

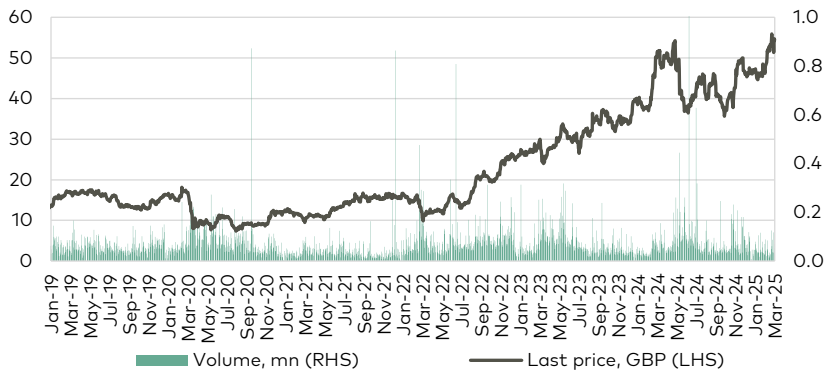
Georgian local corporate public bonds outstanding by sector



Source: Galt & Taggart

Equities

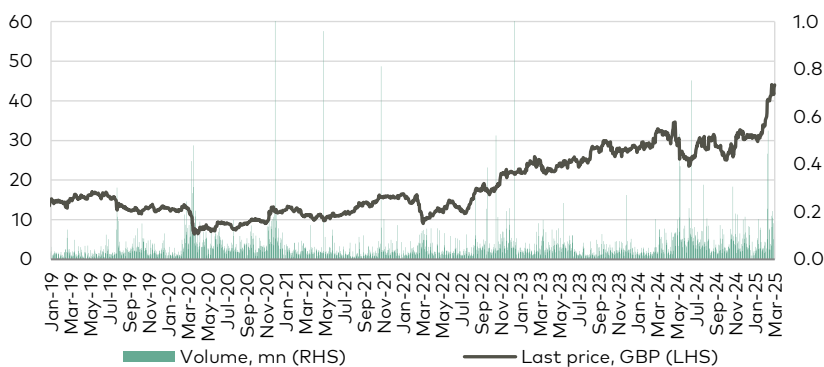
Lion Finance Group (BGEO LN)



Source: Bloomberg

Lion Finance Group (BGEO LN) shares closed at GBP 54.40/share (+2.84% w/w and +12.98% m/m). More than 307k shares traded in the range of GBP 50.50 - 54.70/share. Average daily traded volume was 51k in the last 4 weeks. The volume of BGEO shares traded was at 0.69% of its capitalization.

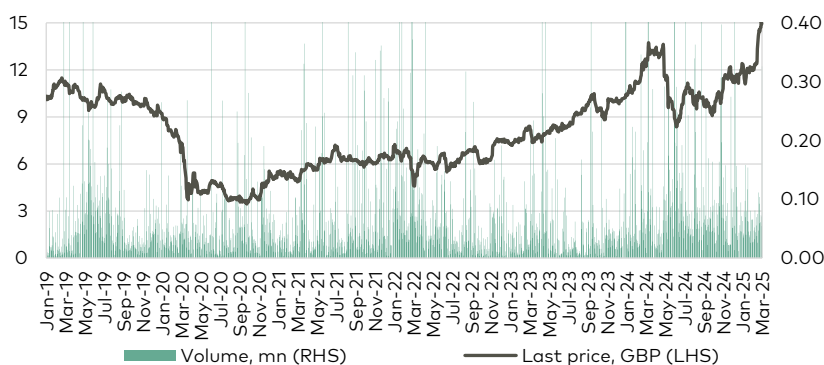
TBC Bank Group (TBCG LN)



Source: Bloomberg

TBC Bank Group (TBCG LN) closed the week at GBP 44.00/share (+2.33% w/w and +24.29% m/m). More than 496k shares changed hands in the range of GBP 41.10 - 44.25/share. Average daily traded volume was 149k in the last 4 weeks. The volume of TBCG shares traded was at 0.88% of its capitalization.

Georgia Capital (CGEO LN)



Source: Bloomberg

Georgia Capital (CGEO LN) shares closed at GBP 14.94/share (+3.46% w/w and +24.50% m/m). More than 584k shares traded in the range of GBP 14.42 - 15.78/share. Average daily traded volume was 76k in the last 4 weeks. The volume of CGEO shares traded was at 1.48% of its capitalization.



Equities, continued

Eastern European banks

	Ticker	Currency	Share price	Mcap, mn	6M chg	y/y chg	YTD chg	P/E			P/B		
								2023	2024	2025F	2023	2024	2025F
Lion Finance Group	BGEO	GBP	54.40	2,417	34.2%	5.6%	15.5%	4.36x	2.92x	4.21x	1.25x	1.02x	1.14x
TBC	TBC	GBP	44.00	2,478	54.9%	33.9%	41.0%	4.68x	4.80x	5.96x	1.15x	1.12x	na
Halyk Bank	HSBK	USD	20.55	5,602	25.0%	16.4%	5.7%	2.57x	na	3.30x	0.72x	na	na
Akbank	AKBNK	TRY	73.75	383,500	25.1%	80.1%	13.7%	2.86x	7.96x	5.04x	0.9x	1.4x	1.25x
Garanti	GARAN	TRY	141.90	595,980	28.4%	128.5%	14.1%	2.84x	5.73x	4.89x	1.00x	1.58x	1.38x
Isbank	ISCTR	TRY	16.24	406,000	22.7%	56.6%	19.9%	3.23x	7.43x	4.74x	0.87x	1.06x	1.02x
PKO	PKO	PLN	73.00	91,250	29.7%	36.5%	22.2%	11.44x	na	8.12x	1.39x	na	1.68x
PEKAO	PEO	PLN	175.45	46,050	16.0%	5.6%	27.2%	5.99x	5.68x	7.24x	1.31x	1.13x	1.34x
Millennium	MIL	PLN	12.16	14,752	36.8%	25.0%	36.6%	17.78x	15.08x	6.11x	1.47x	1.39x	1.52x
Mbank	MBK	PLN	765.60	32,536	26.5%	14.7%	39.9%	na	10.36x	7.80x	1.65x	1.31x	1.57x
BRD	BRD	RON	18.22	12,698	-11.6%	-8.6%	-2.3%	7.62x	8.52x	8.37x	1.42x	1.38x	1.22x
Banca Transilvania	TLV	RON	28.90	26,498	4.7%	23.3%	7.0%	6.69x	4.86x	6.80x	1.46x	na	1.53x
Komerčni	KOMB	CZK	1,082.00	205,633	40.3%	33.7%	27.5%	8.76x	9.29x	12.14x	1.09x	1.27x	1.62x
Mean								6.57x	7.51x	6.52x	1.21x	1.27x	1.39x
Median								5.34x	7.43x	6.11x	1.25x	1.29x	1.38x

Source: Bloomberg, S&P Capital IQ

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