



Economy

Annual inflation at 4.3% in Jul-25

In Jul-25, Georgia's annual inflation increased to 4.3%, following a 4.0% posted in previous month. The increase was mainly driven by domestic inflation, which rose further to 5.4% y/y (Jun-25: 5.2%), and by mixed-goods inflation, which climbed to 7.5% y/y (Jun-25: 7.2%). In contrast, imported goods continued to see price declines, though the pace of deflation eased to -1.6% y/y from -2.0% y/y in June, moderating headline inflation. Core inflation, excluding food, energy and tobacco prices, remained steady at 2.2% y/y in July.

By categories, annual inflation in Jul-25 was largely driven by price increases in food and non-alcoholic beverages (+10.4% y/y, +3.45ppts), healthcare (+9.5% y/y, +0.80ppts), alcoholic beverages & tobacco (+3.7% y/y, +0.24ppts), education (+4.6% y/y, +0.24ppts) and hotels & restaurants (+6.7% y/y, +0.21ppts) categories. Meanwhile, deflation was observed in the transport (-3.8% y/y, -0.48ppts), communication (-6.9% y/y, -0.24ppts) and clothing & footwear (-2.8% y/y, -0.17ppts) sectors.

On a monthly basis, consumer prices fell by 0.2%, reflecting declines in clothing & footwear (-4.1% m/m, -0.19ppts) and food and non-alcoholic beverages (-0.4% m/m, -0.14ppts) categories, partially offset by higher transport costs (+1.8% m/m, +0.19ppts).

We forecast average annual inflation at 3.7% in 2025.

International reserves at US\$ 5.0bn in Jul-25

Gross international reserves increased by 7.5% y/y to US\$ 5.0bn in Jul-25, according to NBG. On a monthly basis, the reserves were also up by 7.1% (+US\$ 331.3mn). Changes in reserves were attributed to the changes in government and/or banking sector FX operations, and likely also to NBG's FX purchases via BMatch platform (information will be available on 25 August). Notably, as of Jul-25, monetary gold accounted for 15.1% of total international reserves.

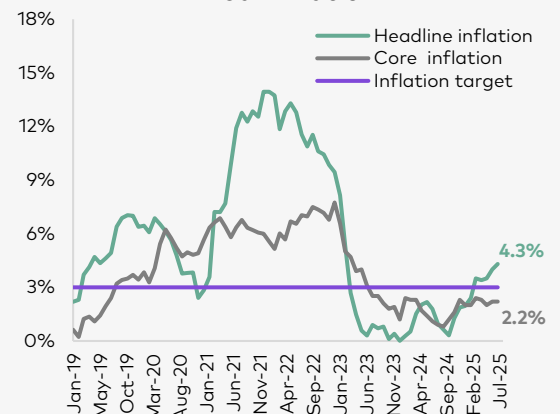
Key macro indicators

	2024	2025F
Real GDP growth (% change)	9.4%	7.5%
GDP per capita (ppp)	28,258	31,932
GDP per capita (US\$)	9,141	9,939
Population (mn)	3.7	3.7
Inflation (average)	1.1%	3.7%
Gross reserves (US\$ bn)	4.4	4.9
CAD (% of GDP)	4.5%	5.0%
Fiscal deficit (% of GDP)	2.4%	2.5%
Total public debt (% of GDP)	36.1%	34.7%
Fitch/S&P/Moody's*	BB/BB/Ba2	

Source: Official data, Rating agencies, Galt & Taggart

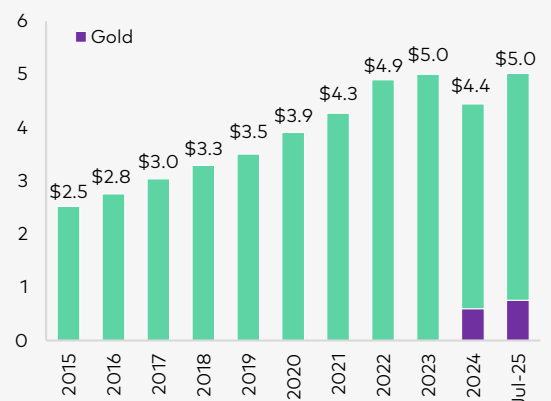
*Latest sovereign credit ratings

Annual inflation



Source: Geostat, NBG

NBG's gross international reserves US\$ bn



Source: NBG



Money market

Ministry of Finance T-bills/T-notes:

4.1-year GEL 50.0mn (US\$ 18.5mn) treasury notes were sold at the auction held at NBG on August 5, 2025. Total demand was 2.7x higher and the weighted average yield was fixed at 9.115%, up by 0.032ppts from previous auction held in Jul-25.

6-month GEL 20.0mn (US\$ 7.4mn) T-bills were sold at the auction held at NBG on August 5, 2025. Total demand was 3.4x higher and the weighted average yield was fixed at 7.183%, down by 0.113ppts from previous auction held in Jul-25.

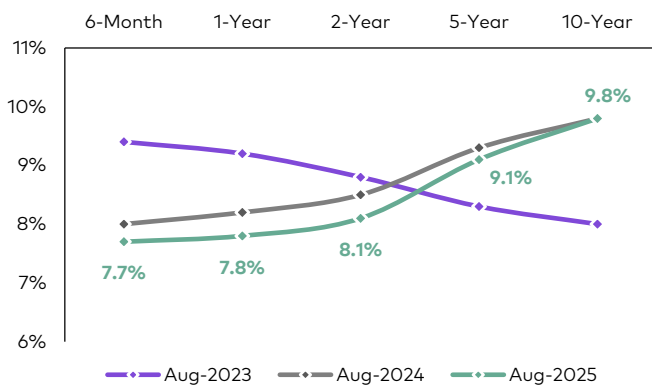
The nearest treasury security auction is scheduled for August 12, 2025, where GEL 20.0mn nominal value 1-year T-bills and GEL 30.0mn nominal value 11.1-year treasury notes will be sold.

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)	390	180	450
Long-term (over 1-year)	1,401	1,020	9,962
Total	1,791	1,200	10,583

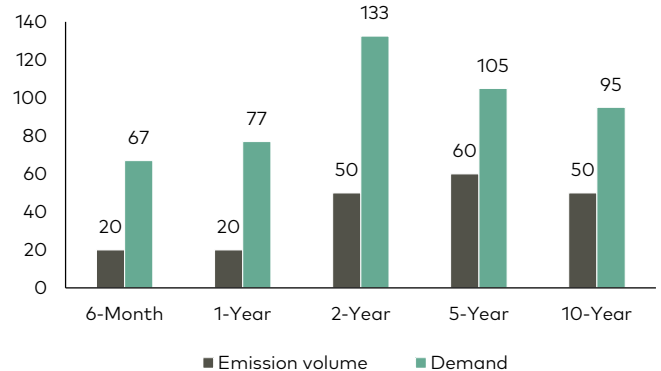
Source: MoF
*As of June 2025

T-bills / T-notes, yield curve



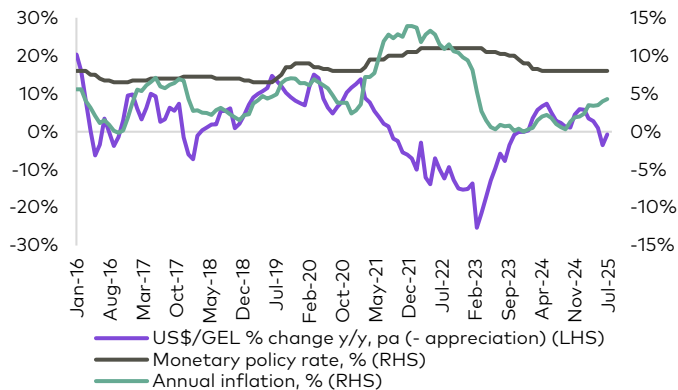
Source: NBG

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



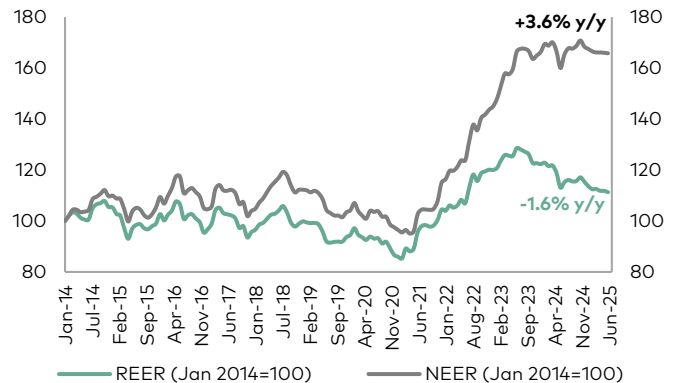
Source: NBG

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 (Fitch/S&P/Mood y/Scope)	Mid price	Mid yield, %	Z-spread, bps
GEORG 04/26	USD	500	2.750%	Apr-21	Apr-26	BB/BB/Ba2	97.75	6.11	210.68
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/	92.17	7.08	361.80
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	100.14	9.16	596.23
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	101.20	7.57	177.36
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/	98.83	9.84	608.86
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	101.08	9.59	645.98
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/	104.70	7.48	361.96

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

Georgian local bonds

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/ Scope)	Mid price	Mid yield
USD								
Geo. Renewable Power Oper.	USD	80	7.00%	Oct-22	Oct-27	-/-/-/-	100.00	7.00%
Silk Real Estate	USD	20	9.00%	Apr-23	Apr-26	-/-/-/-	99.99	9.00%
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%
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
MP Development	USD	17.7	8.50%	Apr-25	Apr-27	-/-/-/-	n/a	n/a
Tegeta Motors	USD	10.0	8.00%	Apr-25	Apr-27	-/-/-/BB-	n/a	n/a
Tegeta Motors	USD	10.0	8.00%	Apr-25	Apr-27	-/-/-/BB-	n/a	n/a
Energy Development Georgia	USD	10.0	8.50%	Jun-25	Jun-27	-/-/-/-	n/a	n/a
ALMA	USD	30.0	8.50%	Jul-25	Jul-27	-/-/-/-	n/a	n/a

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



Fixed income

Georgian local bonds

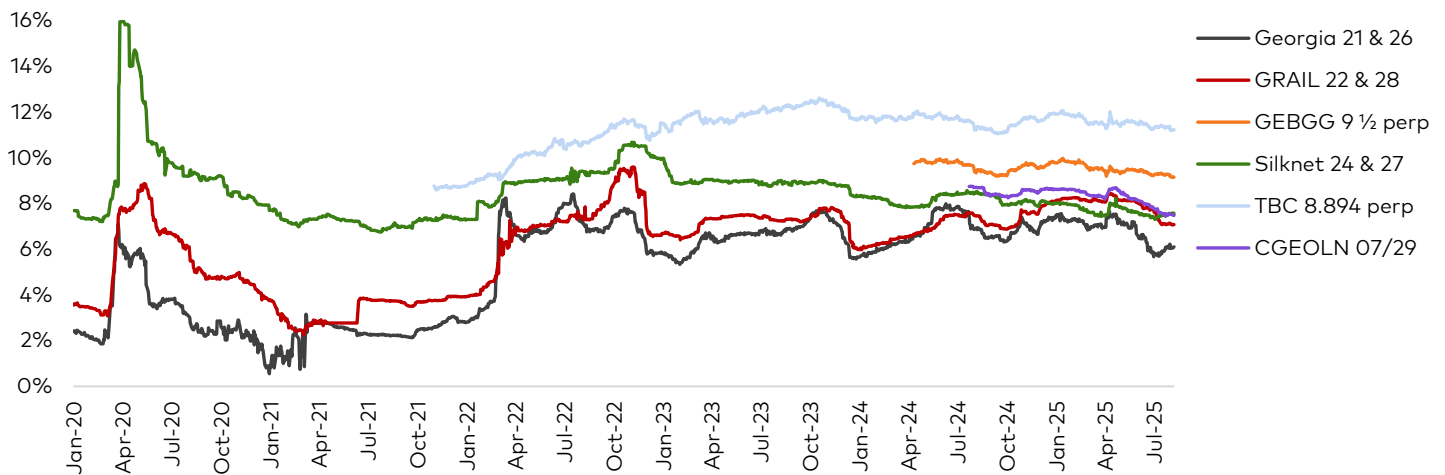
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/ Scope)	Mid price	Mid yield, %
EUR								
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.15%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/-/-	99.60	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	-/-/-/-	n/a	7.75%
Chavchavadze 64B	EUR	3	7.75%	Aug-24	Aug-26	-/-/-/-	n/a	7.75%
ALMA	EUR	8.5	7.25%	Jul-25	Jul-27	-/-/-/-	n/a	n/a
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	-/-/B+	n/a	n/a
TBC Leasing	GEL	100	TIBR3M + 3.00%	Mar-23	Mar-26	BB/-/-/-	n/a	n/a
TBC Leasing	GEL	15	TIBR3M + 2.75%	Jun-23	Jun-26	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	-/-/B+	n/a	n/a
MFO MBC	GEL	30	TIBR3M + 4.00%	Apr-25	Apr-27	-/-/B+	n/a	n/a
Nikora Trade	GEL	60	TIBR3M + 3.50%	Jul-25	Jul-30	-/-/BB-	n/a	n/a

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



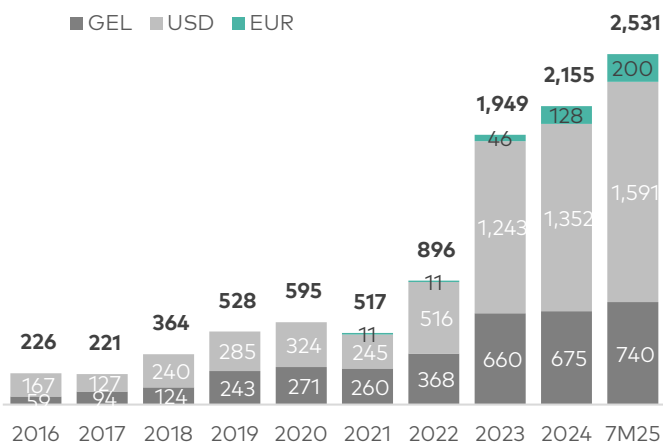
Fixed income

Georgian Eurobonds, YTM



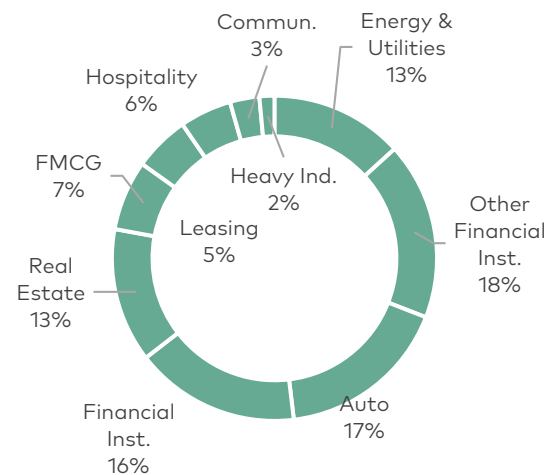
Source: Bloomberg

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

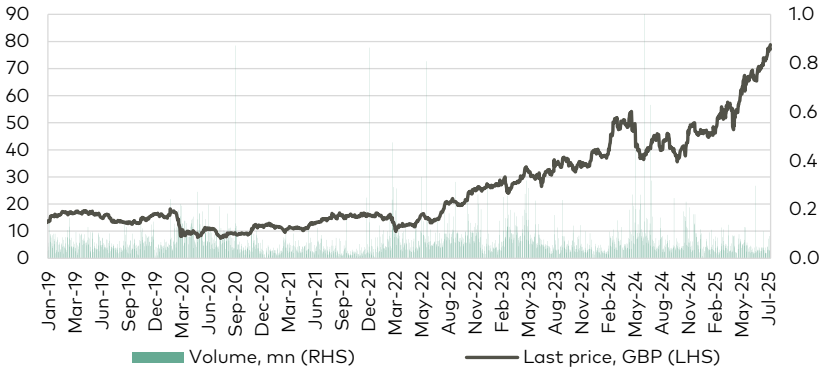


Source: Galt & Taggart



Equities

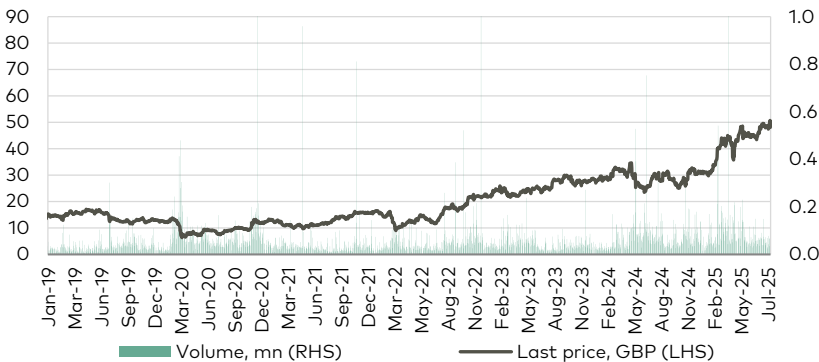
Lion Finance Group (BGEO LN)



Source: Bloomberg

Lion Finance Group (BGEO LN) shares closed at GBP 78.80/share (+3.28% w/w and +10.99% m/m). More than 350k shares traded in the range of GBP 76.15 - 79.85/share. Average daily traded volume was 49k in the last 4 weeks. The volume of BGEO shares traded was at 0.79% of its capitalization.

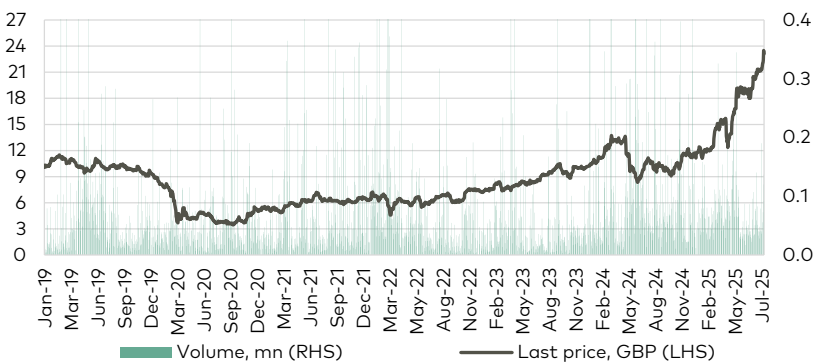
TBC Bank Group (TBCG LN)



Source: Bloomberg

TBC Bank Group (TBCG LN) closed the week at GBP 48.10/share (+1.48% w/w and +0.10% m/m). More than 556k shares changed hands in the range of GBP 42.20 - 50.70/share. Average daily traded volume was 72k in the last 4 weeks. The volume of TBCG shares traded was at 0.99% of its capitalization.

Georgia Capital (CGEO LN)



Source: Bloomberg

Georgia Capital (CGEO LN) shares closed at GBP 23.10/share (+8.20% w/w and +14.36% m/m). More than 477k shares traded in the range of GBP 21.90 - 23.65/share. Average daily traded volume was 72k in the last 4 weeks. The volume of CGEO shares traded was at 1.21% 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	78.80	3,502	63.7%	97.2%	67.3%	4.36x	2.92x	6.28x	1.25x	1.02x	1.66x
TBC	TBC	GBP	48.10	2,709	35.9%	72.4%	54.2%	4.68x	4.80x	6.69x	1.15x	1.12x	na
Halyk Bank	HSBK	USD	25.20	6,870	31.0%	47.2%	29.6%	2.57x	na	3.43x	0.72x	na	na
Akbank	AKBNK	TRY	67.90	353,080	6.9%	21.6%	4.7%	2.86x	7.96x	5.12x	0.9x	1.4x	1.18x
Garanti	GARAN	TRY	146.50	615,300	13.9%	28.4%	17.8%	2.84x	5.73x	5.32x	1.00x	1.58x	1.47x
Isbank	ISCTR	TRY	14.91	372,750	7.8%	9.5%	10.1%	3.23x	7.43x	4.44x	0.87x	1.06x	0.95x
PKO	PKO	PLN	83.52	104,400	23.8%	64.7%	39.8%	11.44x	na	8.50x	1.39x	na	1.79x
PEKAO	PEO	PLN	222.10	58,295	35.1%	54.5%	61.1%	5.99x	5.68x	8.92x	1.31x	1.13x	1.70x
Millennium	MIL	PLN	16.02	19,434	56.4%	97.3%	80.0%	17.78x	15.08x	8.07x	1.47x	1.39x	2.23x
Mbank	MBK	PLN	961.60	40,865	43.9%	72.6%	75.7%	na	10.36x	9.47x	1.65x	1.31x	2.17x
BRD	BRD	RON	20.30	14,147	9.6%	-0.2%	8.9%	7.62x	8.52x	9.25x	1.42x	1.38x	1.37x
Banca Transilvania	TLV	RON	28.72	26,333	24.4%	24.9%	26.5%	6.69x	4.86x	6.58x	1.46x	na	1.81x
Komerční	KOMB	CZK	1,040.00	197,651	6.4%	37.1%	22.6%	8.76x	9.29x	11.75x	1.09x	1.27x	1.56x
Mean								6.57x	7.51x	7.22x	1.21x	1.27x	1.62x
Median								5.34x	7.43x	6.69x	1.25x	1.29x	1.65x

Source: Bloomberg, S&P Capital IQ



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