



Economy

IMF updates world economic outlook

On 22 April 2025, the IMF released an updated global economic outlook. In baseline scenario IMF projects global growth at 2.8% in 2025, a decrease of 0.5ppts from its previous estimate. This decline is mainly due to new tariff measures introduced by the US and countermeasures from its trading partners, which have raised effective tariff rates to levels not seen in a century. The IMF also forecasts global headline inflation to decline at a slightly slower pace compared to previous forecast, reaching 4.3% in 2025, down from 5.7% in 2024. For Georgia, the IMF maintains its growth forecast at 6.0% for 2025.

International visitors at 1.2mn in 1Q25

In 1Q25, international visitors to Georgia increased by 1.3% y/y to 1.2mn persons. This growth was mainly driven by a 2.2% y/y increase in tourist arrivals, which accounted for 81.8% of total arrivals. Meanwhile, same-day arrivals fell by 2.4% y/y in the same period. Visitors from Israel (+72.9% y/y) were the main contributors to the total arrival growth, followed by Azerbaijan (+25.9% y/y, despite the Azeri land border remaining closed for travel-related purposes) and India (+27.7% y/y). In contrast, overall arrivals growth was negatively affected by declines in visitors from Türkiye (-11.5% y/y) and Armenia (-5.7% y/y). Notably, most visitors traveled to Georgia via land (56.3% of total), followed by air (42.9% of total).

Based on NBG's estimate, tourism revenues increased by 2.3% y/y to US\$ 826.0mn in 1Q25. We forecast tourism revenues at US\$ 4.5bn for 2025 (see details in the tourism market watch [here](#)).

Bank lending increased by 16.6% y/y in Mar-25

In Mar-25, the banking sector loan portfolio increased by 16.6% y/y (+1.7% m/m), excluding FX effect, after a 17.4% y/y growth in previous month. In unadjusted terms, loan portfolio rose by 17.9% y/y (+1.3% m/m), reaching GEL 63.4bn (US\$ 22.9bn), after growing 19.8% y/y in Feb-25. By sector, corporate loans grew by 17.9% y/y (excluding FX effect), while retail loans increased by 15.5% y/y. Loan dollarization stood at 43.1% (flat m/m and -1.70ppts y/y) in Mar-25.

On the deposits side, there was a 11.3% y/y increase (excluding FX effect) to GEL 58.5bn (US\$ 21.1bn) in Mar-25, after a 11.8% y/y growth in previous month. In terms of currency breakdown, GEL deposits grew by 5.9% y/y (+7.4% y/y in Feb-25) and FX deposits (exc. FX effect) increased by 16.7% y/y (+16.3% y/y in Feb-25). As a result, deposit dollarization reduced by -0.35ppts m/m to 52.8% in Mar-25, but it is still up 3.10ppts y/y.

NBG purchased US\$ 101.7mn in Mar-25

In Mar-25, GEL appreciation trend enabled the NBG to intervene in the FX market by purchasing US\$ 101.7mn and build FX reverses. In 2024, the NBG was a net seller of US\$ 434.8mn.

Producer price index increased by 5.5% y/y in Mar-25

Annual PPI for industrial goods increased by 5.5% in Mar-25, after a 6.1% rise in previous month. The annual growth was mainly driven by an increase in prices in the manufacturing sector (+4.3% y/y), followed by mining (+22.3% y/y).

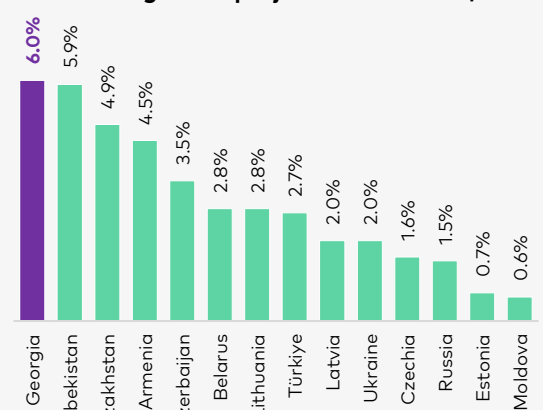
Key macro indicators

	2024	2025F
Real GDP growth (% change)	9.4%	6.8%
GDP per capita (ppp)	28,258	30,934
GDP per capita (US\$)	9,141	9,628
Population (mn)	3.7	3.7
Inflation (average)	1.1%	3.7%
Gross reserves (US\$ bn)	4.4	4.2
CAD (% of GDP)	4.4%	5.2%
Fiscal deficit (% of GDP)	2.4%	2.5%
Total public debt (% of GDP)	36.1%	35.9%
Fitch/S&P/Moody's*	BB/BB/Ba2	

Source: Official data, Rating agencies, Galt & Taggart

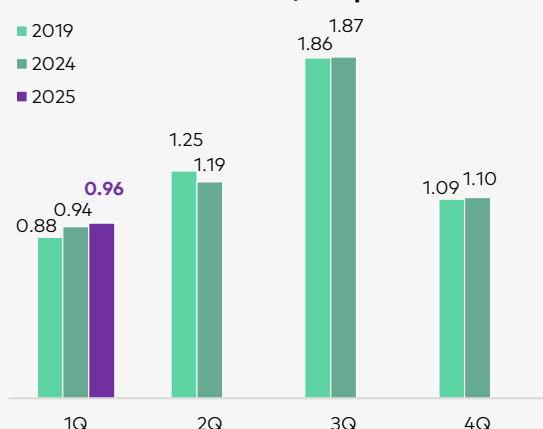
*Latest sovereign credit ratings

Real GDP growth projections for 2025, IMF



Source: IMF, WEO, April 2025

Tourist arrivals, mn persons



Source: GNTA

Money market

Ministry of Finance T-bills/T-notes:

5-year GEL 60.0mn (US\$ 21.8mn) treasury notes were sold at the auction held at NBG on April 22, 2025. Total demand was 2.0x higher and the weighted average yield was fixed at 8.728%, up by 0.178ppts from previous auction held in Mar-25.

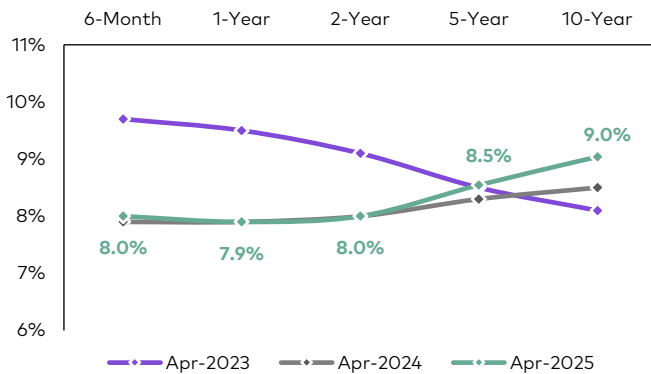
The nearest treasury security auction is scheduled for May 6, 2025, where GEL 20.0mn nominal value 6-month T-bills and GEL 40.0mn nominal value 2.7-year benchmark bonds will be sold.

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)	250	320	450
Long-term (over 1-year)	787	1,600	9,818
Total	1,037	1,920	10,268

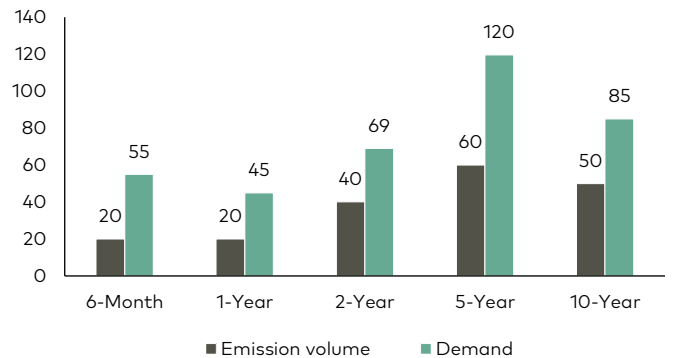
Source: MoF
*As of March 2025

T-bills / T-notes, yield curve



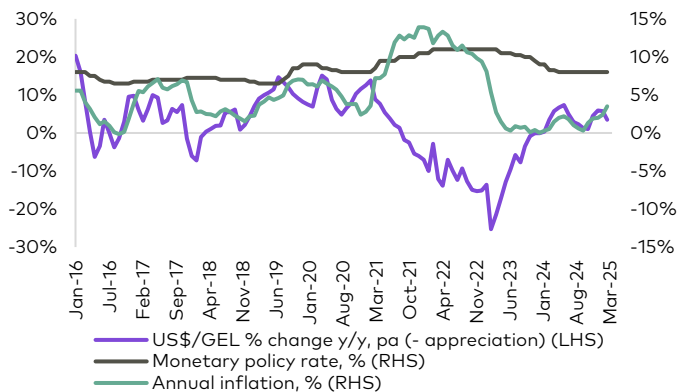
Source: NBG

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



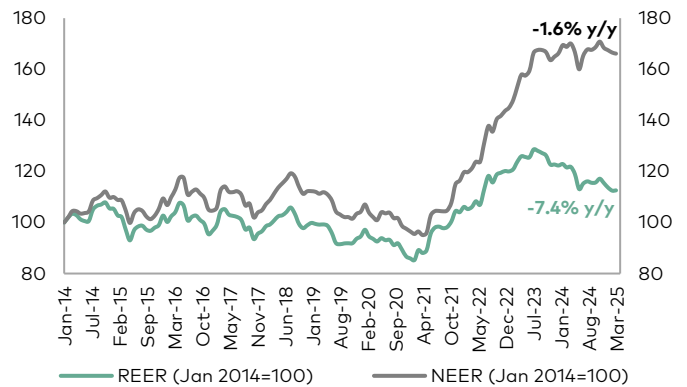
Source: NBG

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	95.84	7.22	360.76
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	88.62	8.19	482.92
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	98.46	9.96	636.04
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	100.76	7.89	324.50
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	96.38	11.19	740.82
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	97.41	11.04	756.99
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	101.12	8.55	513.60

■ 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								
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%
Silk Real Estate	USD	20	9.00%	Apr-23	Apr-26	-/-/-/-	99.99	9.00%
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
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

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



Fixed income

Georgian local bonds

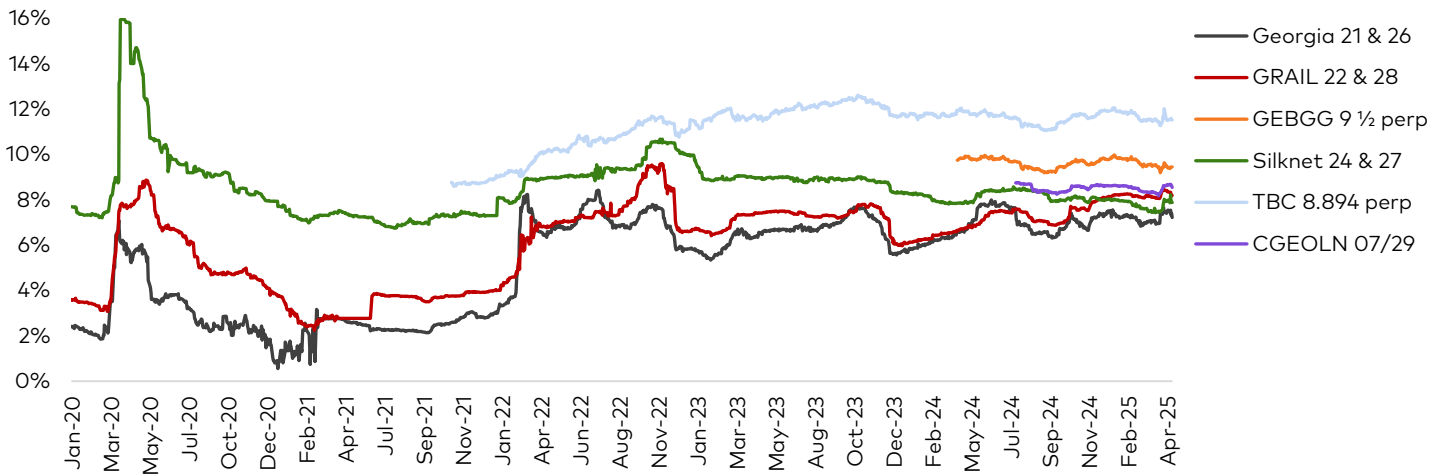
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
EUR								
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.15%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/BB-	99.60	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



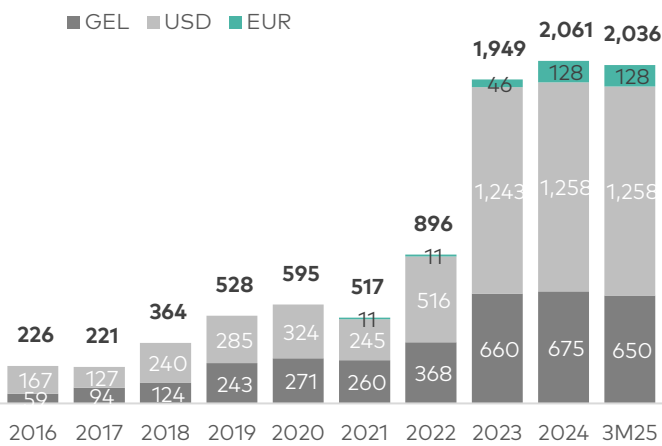
Fixed income

Georgian Eurobonds, YTM



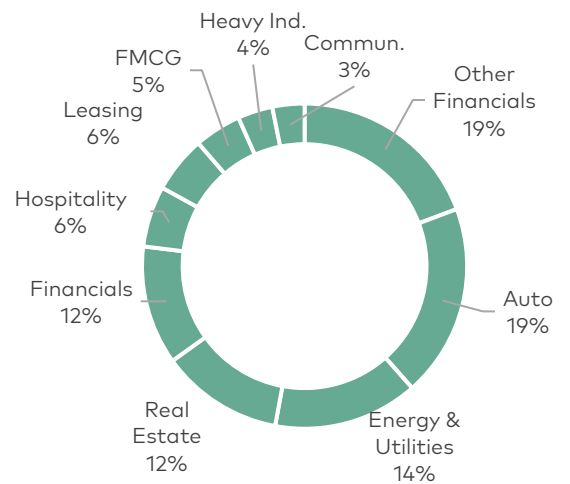
Source: Bloomberg

Georgian local corporate public bonds outstanding, GEL mn



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

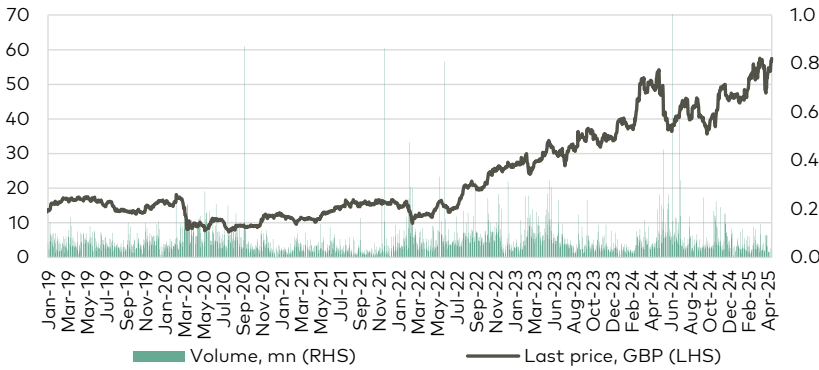
Georgian local corporate public bonds outstanding by sector



Source: Galt & Taggart

Equities

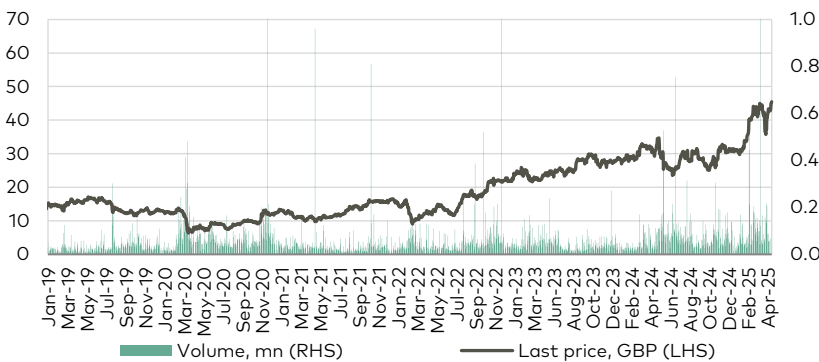
Lion Finance Group (BGEO LN)



Source: Bloomberg

Lion Finance Group (BGEO LN) shares closed at GBP 57.50/share (+6.88% w/w and +0.70% m/m). More than 272k shares traded in the range of GBP 53.25 - 57.85/share. Average daily traded volume was 54k in the last 4 weeks. The volume of BGEO shares traded was at 0.61% of its capitalization.

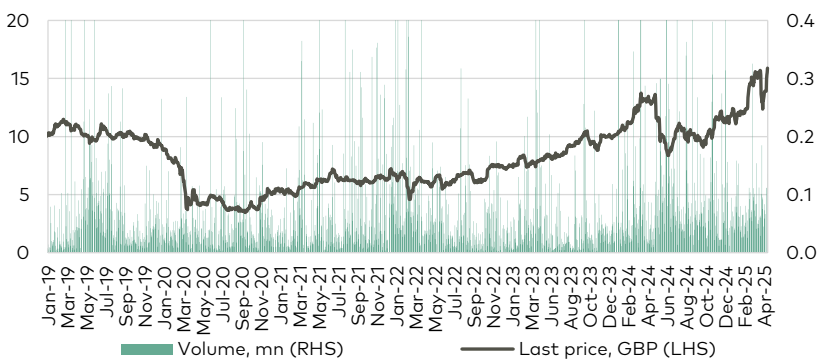
TBC Bank Group (TBCG LN)



Source: Bloomberg

TBC Bank Group (TBCG LN) closed the week at GBP 45.50/share (+6.31% w/w and +3.53% m/m). More than 341k shares changed hands in the range of GBP 42.40 - 45.55/share. Average daily traded volume was 100k in the last 4 weeks. The volume of TBCG shares traded was at 0.61% of its capitalization.

Georgia Capital (CGEO LN)



Source: Bloomberg

Georgia Capital (CGEO LN) shares closed at GBP 15.90/share (+14.22% w/w and +4.33% m/m). More than 519k shares traded in the range of GBP 13.96 - 15.90/share. Average daily traded volume was 89k in the last 4 weeks. The volume of CGEO shares traded was at 1.31% 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	57.50	2,535	43.8%	8.7%	22.1%	4.36x	2.92x	4.50x	1.25x	1.02x	1.21x
TBC	TBC	GBP	45.50	2,558	58.5%	37.7%	45.8%	4.68x	4.80x	6.27x	1.15x	1.12x	na
Halyk Bank	HSBK	USD	24.30	6,613	33.1%	32.8%	25.0%	2.57x	na	3.77x	0.72x	na	na
Akbank	AKBNK	TRY	51.50	267,800	3.0%	-10.4%	-20.6%	2.86x	7.96x	3.57x	0.9x	1.4x	0.87x
Garanti	GARAN	TRY	102.60	430,920	-7.7%	29.7%	-17.5%	2.84x	5.73x	3.66x	1.00x	1.58x	1.00x
Isbank	ISCTR	TRY	10.71	267,750	-9.5%	-15.7%	-20.9%	3.23x	7.43x	3.18x	0.87x	1.06x	0.67x
PKO	PKO	PLN	76.20	95,250	36.2%	22.9%	27.5%	11.44x	na	7.96x	1.39x	na	1.72x
PEKAO	PEO	PLN	191.70	50,315	32.4%	12.8%	39.0%	5.99x	5.68x	7.72x	1.31x	1.13x	1.44x
Millennium	MIL	PLN	15.00	18,195	90.5%	62.2%	68.5%	17.78x	15.08x	6.55x	1.47x	1.39x	1.97x
Mbank	MBK	PLN	864.40	36,734	49.6%	28.7%	58.0%	na	10.36x	7.70x	1.65x	1.31x	1.80x
BRD	BRD	RON	18.82	13,116	-10.0%	-9.1%	1.0%	7.62x	8.52x	8.64x	1.42x	1.38x	1.26x
Banca Transilvania	TLV	RON	28.14	25,801	0.7%	13.8%	4.2%	6.69x	4.86x	6.62x	1.46x	na	1.47x
Komerčni	KOMB	CZK	1,111.00	211,145	37.1%	29.0%	30.9%	8.76x	9.29x	12.53x	1.09x	1.27x	1.65x
Mean								6.57x	7.51x	6.36x	1.21x	1.27x	1.37x
Median								5.34x	7.43x	6.55x	1.25x	1.29x	1.44x

Source: Bloomberg, S&P Capital IQ

Disclaimer

This document is the property of and has been prepared by JSC Galt & Taggart ("Galt & Taggart"), a member of Lion Finance Group PLC ("Group") solely for informational purposes and independently of the respective companies mentioned herein. This document does not constitute or form part of, and should not be construed as, an offer or solicitation or invitation of an offer to buy, sell or subscribe for any securities or assets and nothing contained herein shall form the basis of any contract or commitment whatsoever or shall be considered as a recommendation to take any such actions.

Galt & Taggart is authorized to perform professional activities on the Georgian market. The distribution of this document in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by Galt & Taggart to inform themselves about and to observe any and all restrictions applicable to them. This document is not directed to, or intended for distribution, directly or indirectly, to, or use by, any person or entity that is a citizen or resident located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

Investments (or any short-term transactions) in emerging markets involve significant risk and volatility and may not be suitable for everyone. The recipients of this document must make their own investment decisions as they believe appropriate based on their specific objectives and financial situation. When doing so, such recipients should be sure to make their own assessment of the risks inherent in emerging market investments, including potential political and economic instability, other political risks including without limitation changes to laws and tariffs, and nationalization of assets, and currency exchange risk.

No representation, warranty or undertaking, express or implied, is or will be made by Galt & Taggart or any other member of the Group or their respective directors, employees, affiliates, advisers or agents or any other person as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of this document and the information contained herein (and whether any information has been omitted from this document) and no reliance should be placed on it. This document should not be considered as a complete description of the markets, industries and/or companies referred to herein. Nothing contained in this document is, is to be construed as, or shall be relied on as legal, investment, business or tax advice, whether relating to the past or the future, by Galt & Taggart any other member of the Group or any of their respective directors, employees, affiliates, advisers or agents in any respect. Recipients are required to make their own independent investigation and appraisal of the matters discussed herein. Any investment decision should be made at the investor's sole discretion. To the extent permitted by law, Galt & Taggart, any other member of the Group and their respective directors, employees, affiliates, advisers and agents disclaim all liability whatsoever (in negligence or otherwise) for any loss or damages however arising, directly or indirectly, from any use of this document or its contents or otherwise arising in connection with this document, or for any act, or failure to act, by any party, on the basis of this document.

The information in this document is subject to verification, completion and change without notice and Galt & Taggart is not under any obligation to update or keep current the information contained herein. The delivery of this document shall not, under any circumstances, create any implication that there has been no change in the information since the date hereof or the date upon which this document has been most recently updated, or that the information contained in this document is correct as at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. No representation or warranty, expressed or implied, is made by Galt & Taggart or any other member of the Group, or any of their respective directors, employees, affiliates, advisers or agents with respect to the accuracy or completeness of such information.

The information provided and opinions expressed in this document are based on the information available as of the issue date and are solely those of Galt & Taggart as part of its internal research coverage. Opinions, forecasts and estimates contained herein are based on information obtained from third party sources believed to be reliable and in good faith, and may change without notice. Third party publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but that there is no guarantee of the accuracy or completeness of such data. Accordingly, undue reliance should not be placed on any such data contained in this document. Neither Galt & Taggart, any other member of the Group, nor their respective directors, employees, affiliates, advisers or agents make any representation or warranty, express or implied, of this document's usefulness in predicting the future performance, or in estimating the current or future value, of any security or asset.

Galt & Taggart does, and seeks to do, and any other member of the Group may or seek to do business with companies covered in its research. As a result, investors should be aware of a potential conflict of interest that may affect the objectivity of the information contained in this document.

Unauthorized copying, distribution, publication or retransmission of all or any part of this document by any medium or in any form for any purpose is strictly prohibited.

The recipients of this document are responsible for protecting against viruses and other destructive items. Receipt of the electronic transmission is at risk of the recipient and it is his/her responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Galt & Taggart

Address: 3 A. Pushkin Street, Tbilisi 0105, Georgia

Tel: +995 32 2401 111

Research: research@gt.ge

Tel: +995 32 2401 111 (4298)

Brokerage: sales@gt.ge

Tel: +995 32 2401 111 (4132)

Investment Banking: ib@gt.ge

Tel: +995 32 2401 111 (7457)