Economy

Georgia's economy expanded by 6.3% y/y in Jun-25

In Jun-25, Georgia's economy recorded a 6.3% y/y growth, moderating from 7.5% y/y in May. This brought cumulative real GDP growth to 8.3% y/y in 1H25. The expansion was primarily driven by solid performance in ICT, manufacturing, financial & insurance, transport & storage, and trade sectors, while construction and energy sectors contracted. We forecast real GDP growth at 7.5% in 2025 (see latest macro forecasts **here**).

NBG kept its key rate unchanged at 8.0%

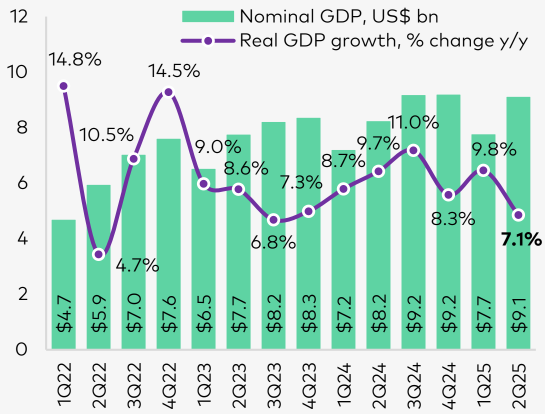
On 30 July 2025, the NBG kept the monetary policy rate unchanged at 8.0%, reflecting a cautious stance amid strong economic growth and moderate inflationary pressures. The central bank also revised its 2025 real GDP growth forecast upward - from 6.7% to 7.4%. With persistent global uncertainties posing inflationary risks, the NBG considers the current policy rate appropriate for ensuring medium-term price stability. The NBG expects inflation to temporarily exceed its 3.0% target in 2025, averaging around 3.8%, before gradually stabilizing at the target level over the medium term. The next monetary policy meeting is scheduled for 10 September 2025.

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

Real GDP growth, % change y/y



Source: Geostat

Money market

There was no treasury securities auction last week.

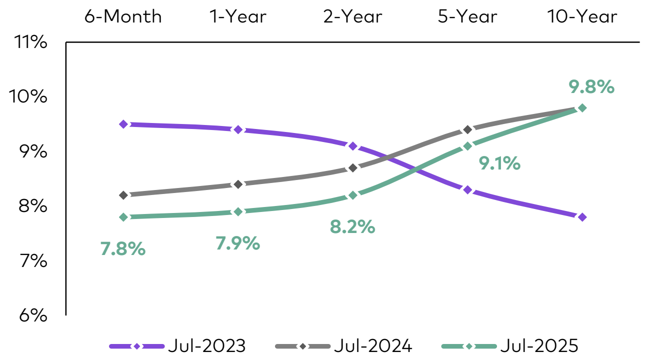
The nearest treasury security auction is scheduled for August 5, 2025, where GEL 20mn nominal value 6-month T-bills and GEL 50.0mn nominal value 4.1-year treasury notes will be sold.

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)	370	200	450
Long-term (over 1-year)	1,351	1,070	9,962
Total	**1,721**	**1,270**	**10,583**

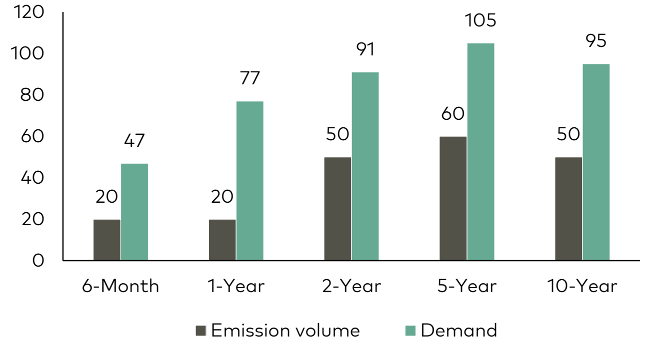
Source: MoF
*As of June 2025

T-bills / T-notes, yield curve



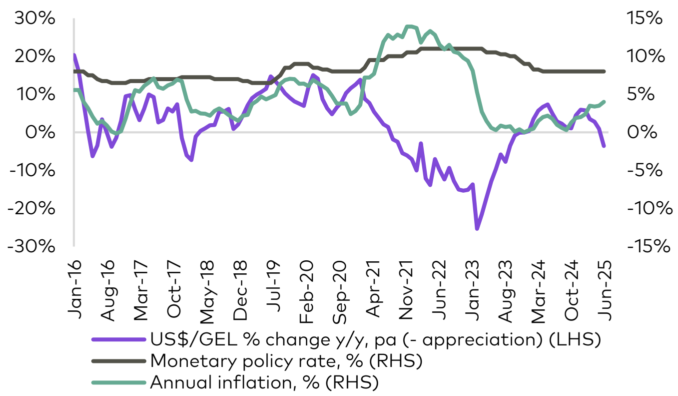
Source: NBG

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



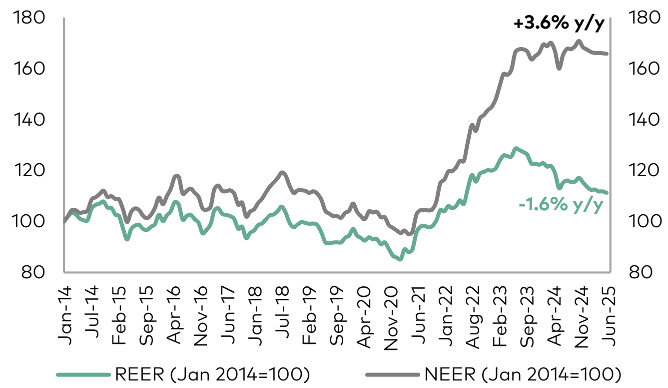
Source: NBG

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/Moody/Scope)	Mid price	Mid yield, %	Z-spread, bps
GEORG 04/26	USD	500	2.750%	Apr-21	Apr-26	BB/BB/Ba2	97.60	6.21	220.35
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	92.06	7.12	367.96
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	100.22	9.45	600.78
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	101.12	7.50	162.05
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	98.81	9.84	610.64
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	100.91	10.03	651.38
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	104.52	7.53	371.01

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

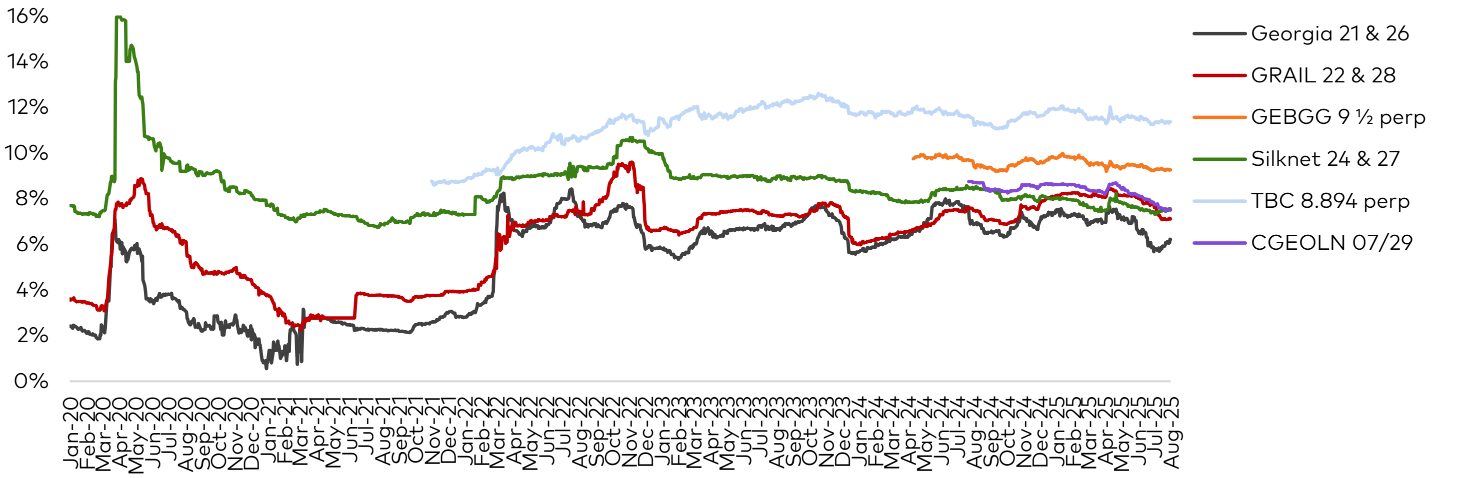
Georgian local bonds

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%
Silk Real Estate	EUR	7	7.00%	Aug-24	Aug-25	-/-/-/-	n/a	7.00%
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

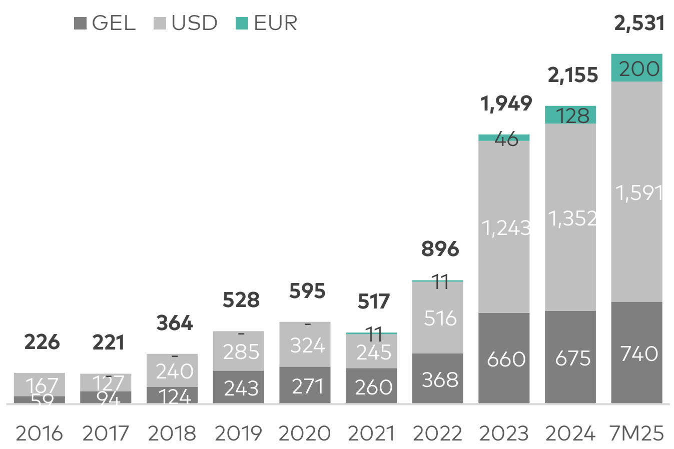
Fixed income

Georgian Eurobonds, YTM



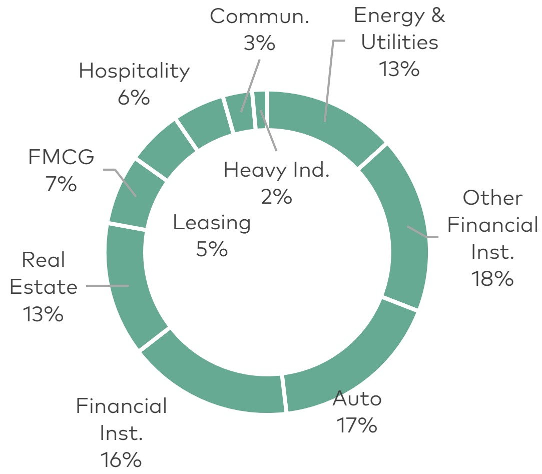
Source: Bloomberg

Georgian local corporate public bonds outstanding, GEL mn



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

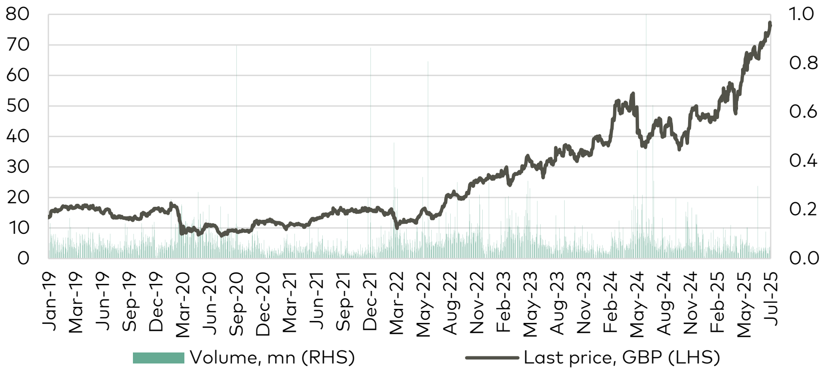
Georgian local corporate public bonds outstanding by sector



Source: Galt & Taggart

Equities

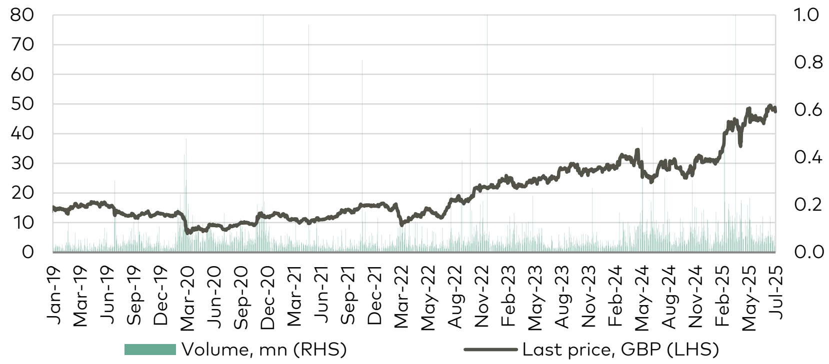
Lion Finance Group (BGEO LN)



Source: Bloomberg

Lion Finance Group (BGEO LN) shares closed at GBP 76.30/share (+3.74% w/w and +10.26% m/m). More than 241k shares traded in the range of GBP 74.60 - 78.15/share. Average daily traded volume was 41k in the last 4 weeks. The volume of BGEO shares traded was at 0.54% of its capitalization.

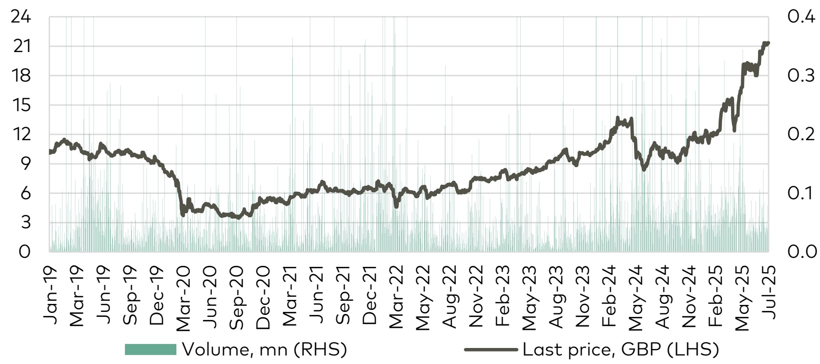
TBC Bank Group (TBCG LN)



Source: Bloomberg

TBC Bank Group (TBCG LN) closed the week at GBP 47.40/share (-1.96% w/w and +2.82% m/m). More than 244k shares changed hands in the range of GBP 47.00 - 49.20/share. Average daily traded volume was 61k in the last 4 weeks. The volume of TBCG shares traded was at 0.43% of its capitalization.

Georgia Capital (CGEO LN)



Source: Bloomberg

Georgia Capital (CGEO LN) shares closed at GBP 21.35/share (+0.95% w/w and +11.43% m/m). More than 381k shares traded in the range of GBP 20.95 - 21.65/share. Average daily traded volume was 61k in the last 4 weeks. The volume of CGEO shares traded was at 0.96% of its capitalization.

Equities, continued

Eastern European banks

								P/E			P/B		
	Ticker	**Currency**	**Share price**	**Mcap, mn**	**6M chg**	**y/y chg**	**YTD chg**	**2023**	**2024**	**2025F**	**2023**	**2024**	**2025F**
Lion Finance Group	BGEO	GBP	76.30	3,391	60.5%	74.0%	62.0%	4.36x	2.92x	6.01x	1.25x	1.02x	1.60x
TBC	TBC	GBP	47.40	2,670	41.9%	62.6%	51.9%	4.68x	4.80x	6.50x	1.15x	1.12x	na
Halyk Bank	HSBK	USD	24.55	6,693	28.0%	40.4%	26.3%	2.57x	na	3.34x	0.72x	na	na
Akbank	AKBNK	TRY	66.55	346,060	2.6%	5.3%	2.6%	2.86x	7.96x	5.02x	0.9x	1.4x	1.16x
Garanti	GARAN	TRY	145.50	611,100	14.3%	13.1%	17.0%	2.84x	5.73x	5.26x	1.00x	1.58x	1.44x
Isbank	ISCTR	TRY	14.93	373,250	5.4%	-3.9%	10.3%	3.23x	7.43x	4.45x	0.87x	1.06x	0.95x
PKO	PKO	PLN	81.16	101,450	21.3%	40.0%	35.8%	11.44x	na	8.23x	1.39x	na	1.73x
PEKAO	PEO	PLN	199.55	52,376	24.4%	27.9%	44.7%	5.99x	5.68x	7.66x	1.31x	1.13x	1.54x
Millennium	MIL	PLN	14.24	17,275	36.9%	60.0%	60.0%	17.78x	15.08x	7.15x	1.47x	1.39x	1.97x
Mbank	MBK	PLN	866.00	36,802	37.5%	42.8%	58.3%	na	10.36x	8.49x	1.65x	1.31x	1.95x
BRD	BRD	RON	19.76	13,771	9.1%	-11.2%	6.0%	7.62x	8.52x	9.00x	1.42x	1.38x	1.33x
Banca Transilvania	TLV	RON	27.48	25,196	19.0%	12.3%	21.0%	6.69x	4.86x	6.29x	1.46x	na	1.72x
Komercni	KOMB	CZK	1,005.00	191,000	12.8%	27.2%	18.4%	8.76x	9.29x	11.32x	1.09x	1.27x	1.50x
Mean								***6.57x***	***7.51x***	***6.83x***	***1.21x***	***1.27x***	***1.54x***
Median								***5.34x***	***7.43x***	***6.50x***	***1.25x***	***1.29x***	***1.54x***

Source: Bloomberg, S&P Capital IQ

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