



Economy

Georgia's economy grew by 6.6% y/y in Aug-25

In Aug-25, Georgia's economy grew by 6.6% y/y, after a 6.5% y/y growth posted in previous month. Cumulatively, real GDP increased by 7.9% y/y in 8M25. August's growth was supported by persistent activity in ICT, as well as financial & insurance, professional & scientific, energy and trade sectors, while construction and manufacturing contracted. We forecast real GDP growth at 7.5% in 2025 and at 6.0% in 2026 (see latest macro forecasts [here](#)).

Annual inflation at 4.8% in Sep-25

In September 2025, Georgia's annual inflation reached 4.8%, up from 4.6% in August. The main contribution came from domestic inflation, which increased by 6.3% y/y (Aug: 6.6%), followed by mixed-goods inflation, which accelerated to 7.8% y/y (Aug: 6.3%). In contrast, imported goods prices declined further by 1.1% y/y. Meanwhile, core inflation, excluding food, energy, and tobacco, eased to 2.1% y/y in Sep-25, down from 2.8% posted in previous month.

By categories, annual inflation in Sep-25 was largely driven by price increases in food and non-alcoholic beverages (+11.9% y/y, +3.89ppts), healthcare (+9.0% y/y, +0.76ppts), alcoholic beverages & tobacco (+4.1% y/y, +0.26ppts) and hotels & restaurants (+7.1% y/y, +0.23ppts) categories. Meanwhile, deflation was recorded in transport (-2.1% y/y, -0.26ppts), furnishings, household equipment & maintenance (-3.7% y/y, -0.21ppts), communication (-4.2% y/y, -0.14ppts) and clothing & footwear (-2.0% y/y, -0.13ppts).

We forecast average annual inflation at 3.7% in 2025 and 2.9% in 2026.

CA deficit was 3.0% of GDP in 2Q25

The Current Account (CA) deficit narrowed markedly to 3.0% of GDP in 2Q25, bringing the 1H25 CA deficit to 5.3% of GDP, down from 7.0% in 1H24. This improvement was mainly driven by stronger service inflows: the services surplus rose by 17.1% y/y to US\$ 1.9bn, supported by robust growth in ICT exports (+43.8% y/y to US\$ 560mn), followed by moderate gains in tourism (+3.8% y/y to US\$ 2.0bn) and transport (+4.6% y/y to US\$ 827mn). On the other hand, the merchandise trade deficit - the largest source of external imbalance - widened slightly by 0.5% y/y to US\$ 3.4bn, as exports increased by 13.7% y/y and imports were up by 7.5% y/y). Notably, net FDI remained the dominant source of financing, covering 65.3% of the CA deficit in 1H25. We forecast CA deficit at 5.0% of GDP in 2025, down from 5.4% posted in 2024.

Government targets a 2.5% deficit in the 2026 draft budget

The government has submitted an initial draft of the 2026 state budget to Parliament, targeting 5.0% economic growth and a 4.0% GDP deflator for 2026. Similar to 2025, the fiscal deficit is planned at 2.5% of GDP for 2026 at the consolidated level. Notably, tax revenues are expected to increase by 5.9% y/y, reaching 24.2% of GDP, while privatization revenues are set at GEL 350mn. Total expenditures for 2026 are budgeted at 29.4% of GDP, with capex accounting for 6.9% of GDP, down from the 7.9% in 2025E. Total public debt to GDP is projected at 34.9% (2025E 35.9%), reflecting reduced share of external debt (2026F 23.0% of GDP vs. 2025E 24.5%) and an increased share of domestic debt (2026F 11.9% of GDP vs. 2025E 11.4%).

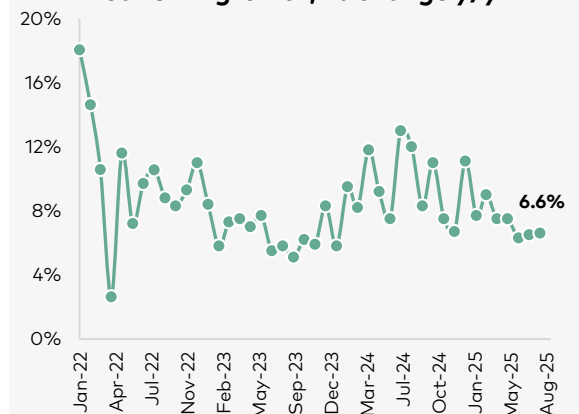
Key macro indicators

	2025E	2026F
Real GDP growth (% change)	7.5%	6.0%
GDP per capita (ppp)	32,365	36,515
GDP per capita (US\$)	10,074	11,015
Population (mn)	3.7	3.7
Inflation (average)	3.7%	2.9%
Gross reserves (US\$ bn)	5.0	5.3
CAD (% of GDP)	5.0%	4.8%
Fiscal deficit (% of GDP)	2.5%	2.5%
Total public debt (% of GDP)	35.9%	34.9%
Fitch/S&P/Moody's*	BB/BB/Ba2	

Source: Official data, Rating agencies, Galt & Taggart

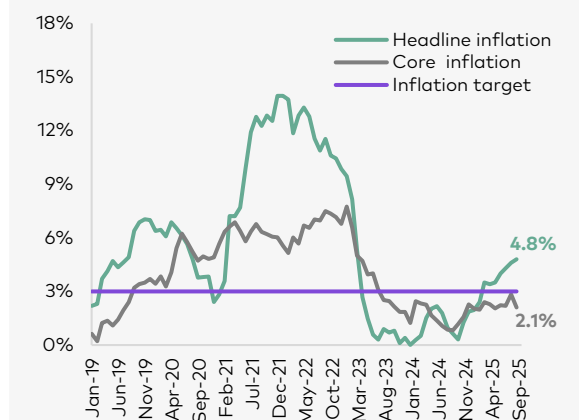
*Latest sovereign credit ratings

Real GDP growth, % change y/y



Source: Geostat

Annual inflation



Source: Geostat, NBG



Money market

There were no treasury securities auction last week.

The nearest treasury security auction is scheduled for October 7, 2025, where GEL 20.0mn nominal value 6-month T-bills and 50.0mn nominal value 3.9-year treasury notes will be sold.

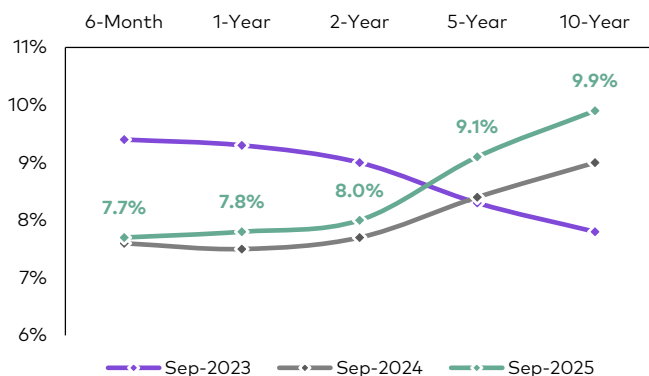
T-bills / T-notes in 2025

Maturity	YTD placements, GEL mn	Remaining placements, GEL mn	Outstanding amount, GEL mn*
Short-term (less than 1-year)	450	120	390
Long-term (over 1-year)	1,738	615	10,309
Total	2,188	735	10,699

Source: MoF

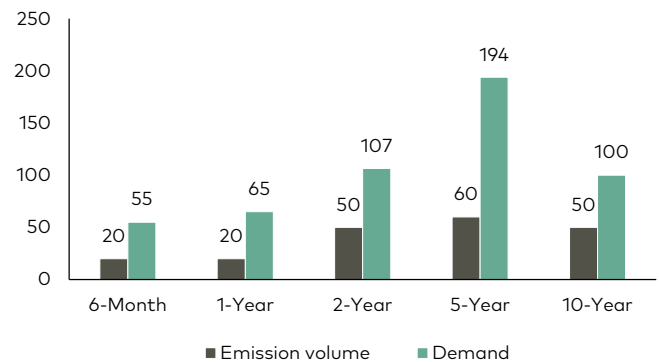
*As of August 2025

T-bills / T-notes, yield curve



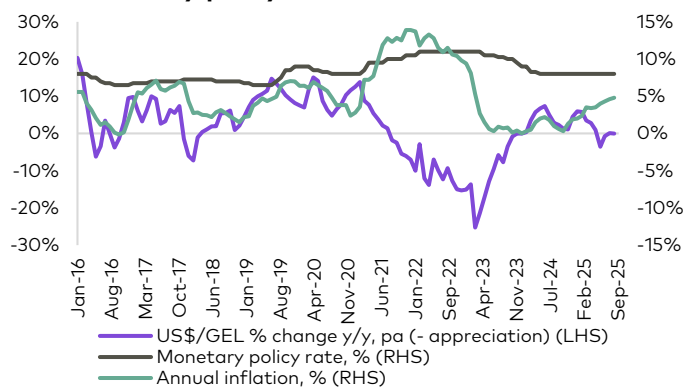
Source: NBG

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



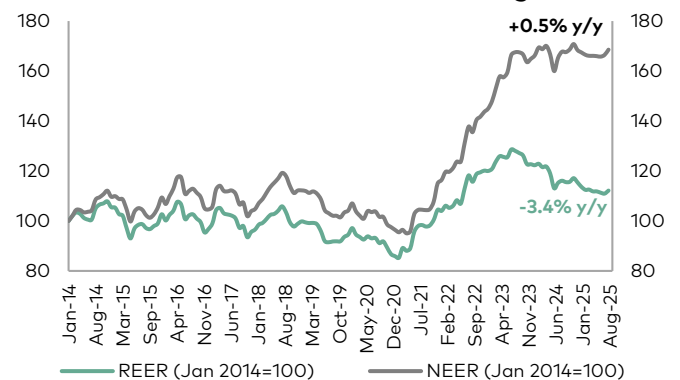
Source: NBG

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	98.05	6.45	263.77
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	93.71	6.57	324.40
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	101.69	8.95	558.31
SILKRDH 09/30	USD	400	7.500%	Sep-25	Sep-30	BB-/-/B1	100.75	7.32	394.26
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/B-	99.53	9.26	555.58
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	102.56	9.31	593.25
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	105.78	7.11	324.26

■ 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-/B-	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

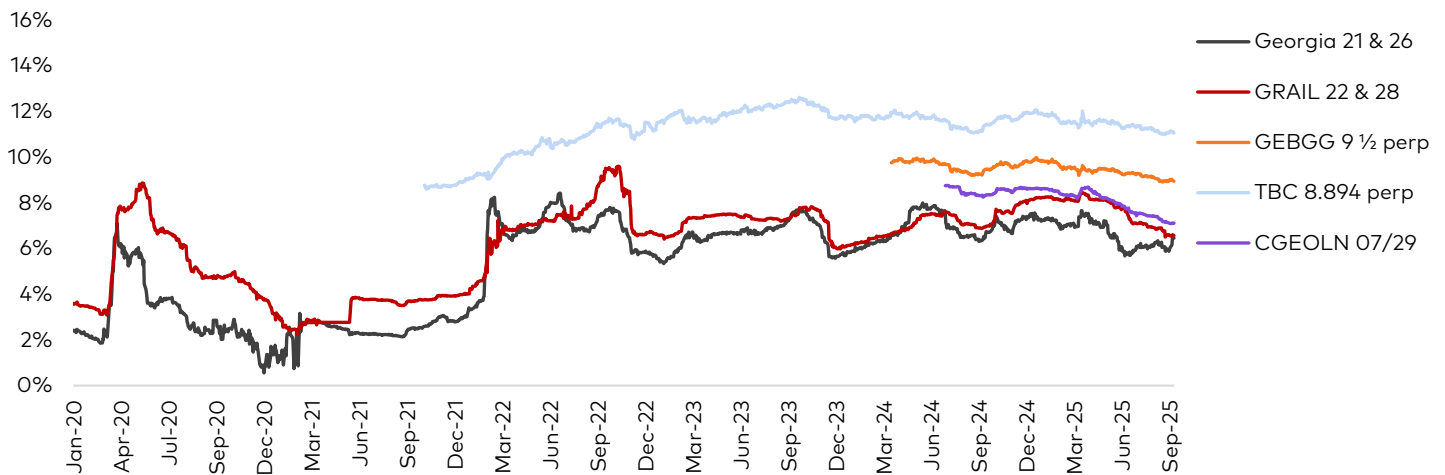
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/ Scope)	Mid price	Mid yield, %
EUR								
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/-/BB-	100.37	6.15%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/-/-	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
Georgian Healthcare Group	GEL	350	TIBR + 3.75%	Sep-25	Sep-30	-/-/-/BB-	n/a	n/a
Nikora	GEL	60	TIBR3M + 3.50%	Sep-25	Sep-30	-/-/-/BB-	n/a	n/a

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



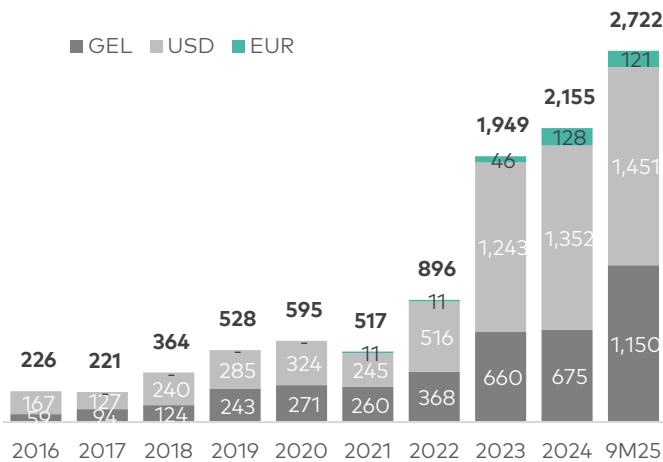
Fixed income

Georgian Eurobonds, YTM



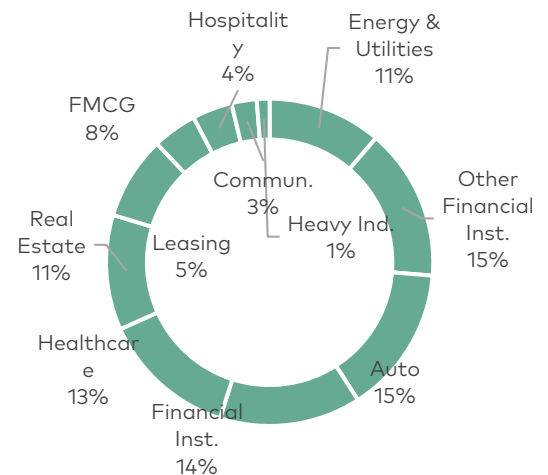
Source: Bloomberg

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

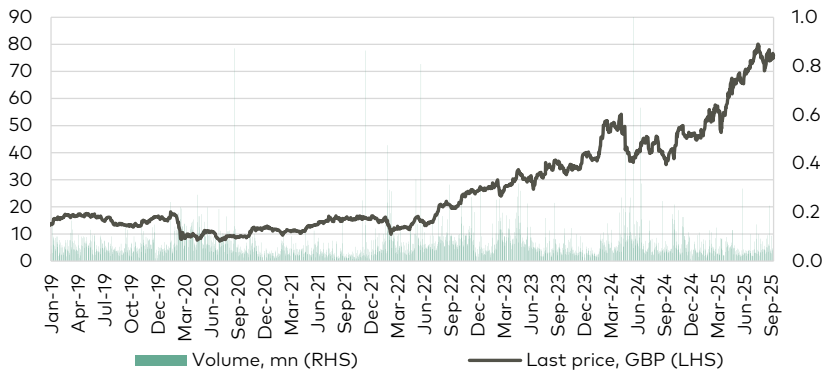


Source: Galt & Taggart



Equities

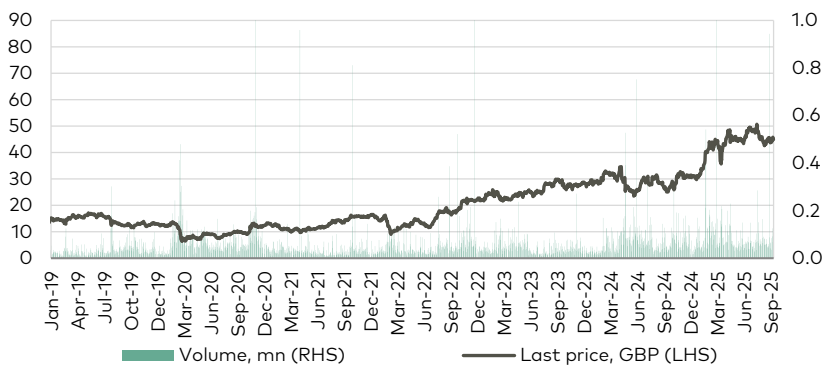
Bank of Georgia Group (BGEO LN)



Source: Bloomberg

Lion Finance Group (BGEO LN) shares closed at GBP 76.05/share (+2.29% w/w and +8.10% m/m). More than 226k shares traded in the range of GBP 74.00 - 77.30/share. Average daily traded volume was 64k in the last 4 weeks. The volume of BGEO shares traded was at 0.51% of its capitalization.

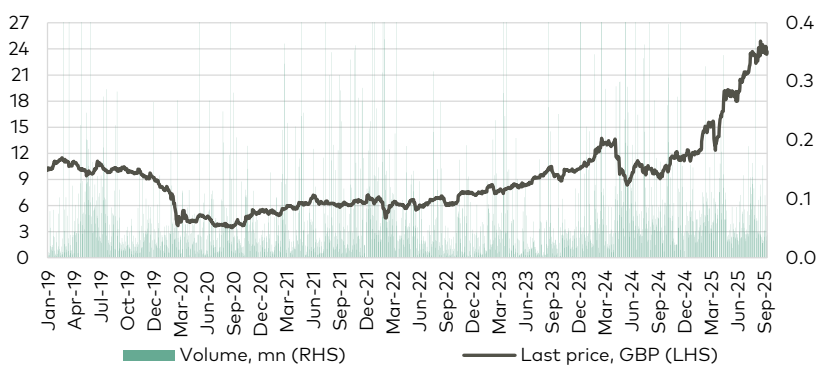
TBC Bank Group (TBCG LN)



Source: Bloomberg

TBC Bank Group (TBCG LN) closed the week at GBP 44.95/share (+2.51% w/w and +3.81% m/m). More than 462k shares changed hands in the range of GBP 43.80 - 46.30/share. Average daily traded volume was 112k in the last 4 weeks. The volume of TBCG shares traded was at 0.82% of its capitalization.

Georgia Capital (CGEO LN)



Source: Bloomberg

Georgia Capital (CGEO LN) shares closed at GBP 23.70/share (+0.85% w/w and +0.64% m/m). More than 264k shares traded in the range of GBP 23.10 - 24.60/share. Average daily traded volume was 58k in the last 4 weeks. The volume of CGEO shares traded was at 0.67% 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	76.05	3,380	43.8%	108.1%	61.5%	4.36x	2.92x	6.04x	1.25x	1.02x	1.65x
TBC	TBC	GBP	44.95	2,532	11.4%	79.1%	44.1%	4.68x	4.80x	6.37x	1.15x	1.12x	na
Halyk Bank	HSBK	USD	25.80	7,033	9.6%	51.8%	32.7%	2.57x	na	3.74x	0.72x	na	43.22x
Akbank	AKBNK	TRY	59.45	309,140	13.1%	15.3%	-8.3%	2.86x	7.96x	4.84x	0.9x	1.4x	1.03x
Garanti	GARAN	TRY	135.70	569,940	19.0%	21.2%	9.1%	2.84x	5.73x	4.96x	1.00x	1.58x	1.36x
Isbank	ISCTR	TRY	13.23	330,750	9.2%	8.9%	-2.3%	3.23x	7.43x	3.94x	0.87x	1.06x	0.83x
PKO	PKO	PLN	73.68	92,100	2.4%	36.6%	23.3%	11.44x	na	8.80x	1.39x	na	1.65x
PEKAO	PEO	PLN	181.20	47,560	4.8%	28.7%	31.4%	5.99x	5.68x	6.95x	1.31x	1.13x	1.39x
Millennium	MIL	PLN	14.93	18,112	6.6%	83.2%	67.8%	17.78x	15.08x	7.44x	1.47x	1.39x	2.07x
Mbank	MBK	PLN	930.00	39,522	16.8%	57.6%	70.0%	na	10.36x	8.50x	1.65x	1.31x	2.05x
BRD	BRD	RON	21.20	14,774	16.0%	5.5%	13.7%	7.62x	8.52x	9.75x	1.42x	1.38x	1.49x
Banca Transilvania	TLV	RON	28.08	25,746	17.8%	23.2%	23.7%	6.69x	4.86x	6.44x	1.46x	na	1.59x
Komerční	KOMB	CZK	1,040.00	197,651	-2.3%	33.0%	22.6%	8.76x	9.29x	11.47x	1.09x	1.27x	1.56x
Mean								6.57x	7.51x	6.86x	1.21x	1.27x	1.52x
Median								5.34x	7.43x	6.44x	1.25x	1.29x	1.56x

Source: Bloomberg, S&P Capital IQ



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