



Economy

Georgia's economy grew by 7.7% y/y in Feb-25

Georgia's economy grew by 7.7% y/y in Feb-25, after a 11.1% y/y growth in previous month. Cumulatively, real GDP growth came in at 9.4% y/y in 2M25. This growth was mainly driven by increased activity in the professional & scientific, ICT, transport, energy and mining sectors, while the manufacturing and construction sectors contracted.

Given the stronger-than-expected growth in 2M25, we raised our baseline real GDP growth forecast to 6.8% from previous projection of 5.0% for 2025 (see latest macro forecasts [here](#)).

Annual inflation was 3.5% in Mar-25

In Mar-25, annual inflation in Georgia rose to 3.5% y/y, up from 2.4% y/y in the previous month. This increase was mainly driven by a further rise in domestic inflation to 4.0% y/y in Mar-25 (up from 3.0% y/y in Feb-25), along with a 5.7% y/y rise in mixed goods inflation (up from 3.1% y/y in Feb-25). Meanwhile, imported inflation was just 0.2% y/y in March (down from 0.5% y/y in Feb-25). Notably, core inflation, excluding volatile food, energy and tobacco prices, increased to 2.4% y/y in Mar-25, following a 2.0% posted in previous month.

By categories, annual inflation in Mar-25 was largely driven by price increases in food and non-alcoholic beverages (+6.6% y/y, +2.20ppts), healthcare (+8.8% y/y, +0.74ppts), alcoholic beverages & tobacco (+4.2% y/y, +0.28ppts), education (+4.9% y/y, +0.25ppts) and hotels & restaurants (+6.6% y/y, +0.22ppts) categories. In contrast, as in the previous month, the communication category recorded a deflation of -12.4% y/y (contributing -0.46ppts to overall inflation), followed by furnishings, household equipment and maintenance (-2.1% y/y, -0.12ppts) in Mar-25.

On a monthly basis, there was a 1.1% y/y inflation in Mar-25, mainly due to rising prices in food and non-alcoholic beverages (+2.8% m/m, +0.93ppts) and healthcare (+1.7% m/m, +0.15ppts) categories.

We forecast average annual inflation at 3.7% in 2025.

CA deficit narrowed to 4.4% of GDP in 2024

Current account (CA) deficit reduced by 12.7% y/y to US\$ 1.5bn or 4.4% of GDP in 2024, down from 5.6% posted in 2023. This improvement was supported by a strong positive balance in services (+12.3% y/y), particularly driven by tourism (+7.3% y/y) and transport services (+16.1% y/y), along with a 10.1% y/y decrease in the negative income balance. Meanwhile, goods trade deficit increased by 6.6% y/y, reaching US\$ 6.5bn, as goods exports increased by 6.1% y/y and goods imports were up by 6.3% y/y in the same period. Net FDI amounting to US\$ 905.9mn (-43.9% y/y), covered only 60.7% of the CA deficit in 2024. Notably, excluding reinvestments (recorded in both CA and its funding categories), CA deficit stood at 1.0% in 2024 (it was 0.4% of GDP in 2023).

We forecast CA deficit at 5.2% of GDP in 2025.

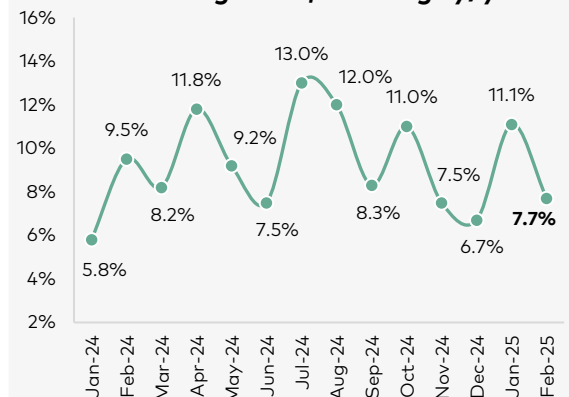
Key macro indicators

	2024	2025F
Real GDP growth (% change)	9.4%	6.8%
GDP per capita (ppp)	28,161	29,582
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/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

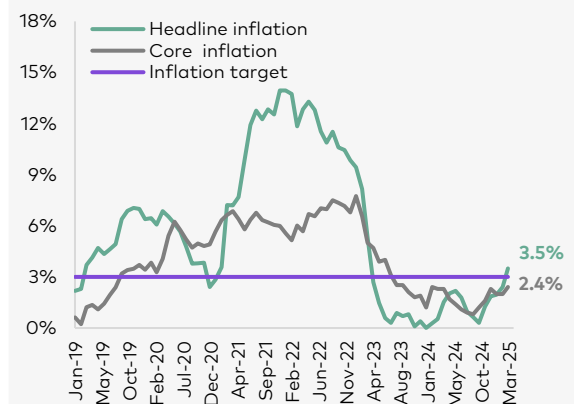
*Latest sovereign credit ratings

Real GDP growth, % change y/y



Source: Geostat

Annual inflation



Source: Geostat

Money market

Ministry of Finance T-bills/T-notes:

2.8-year GEL 40.0mn (US\$ 14.5mn) benchmark bonds were sold at the auction held at NBG on April 1, 2025. Total demand was 1.7x higher and the weighted average yield was fixed at 8.456%, unchanged from previous auction held in Mar-25.

6-month GEL 20.0mn (US\$ 7.2mn) T-bills were sold at the auction held at NBG on April 1, 2025. Total demand was 2.8x higher and the weighted average yield was fixed at 7.488%, down by 0.077ppts from previous auction held in Mar-25.

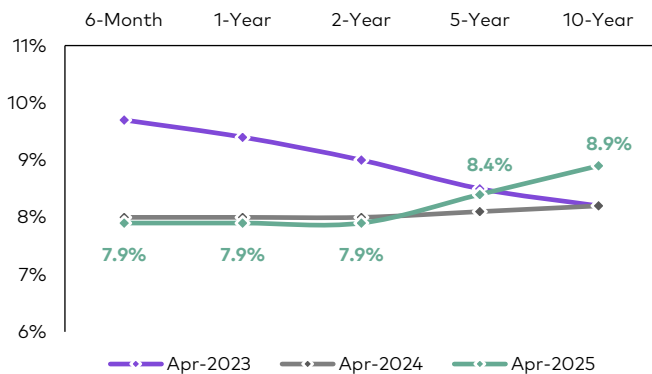
The nearest treasury security auction is scheduled for April 8, 2025, where GEL 20.0mn nominal value 1-year T-bills and GEL 30.0mn nominal value 11.4-year treasury notes will be sold.

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)	230	340	420
Long-term (over 1-year)	647	1,740	9,615
Total	877	2,080	10,035

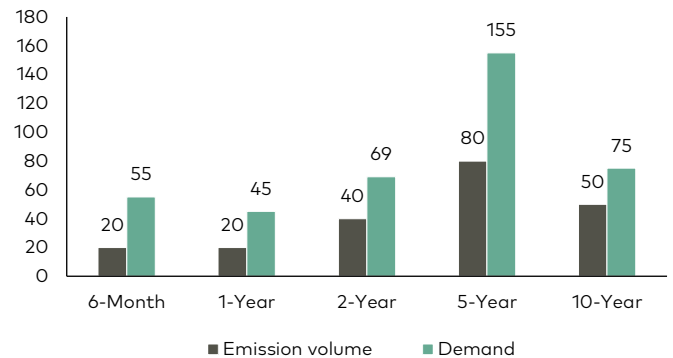
Source: MoF
*As of February 2025

T-bills / T-notes, yield curve



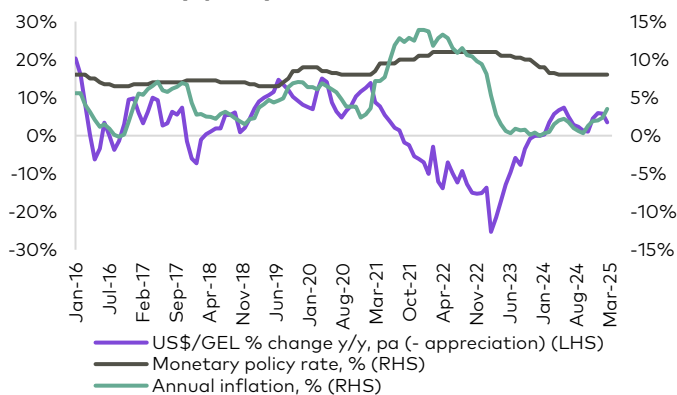
Source: NBG

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



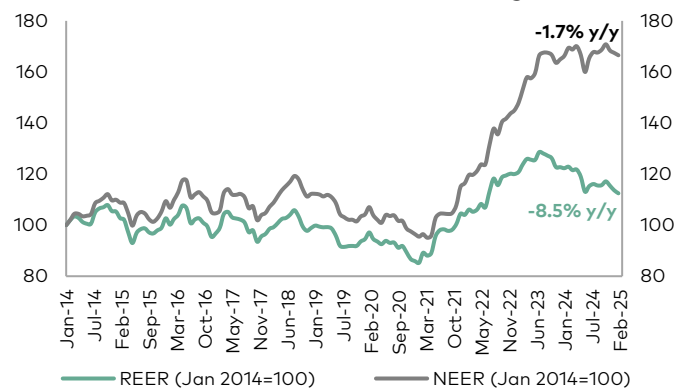
Source: NBG

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	95.62	7.20	345.57
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	88.55	8.14	481.58
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	98.30	10.00	667.59
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	101.45	7.49	259.03
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	97.18	10.62	714.13
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	100.68	10.05	672.59
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	102.10	8.28	479.61

■ 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

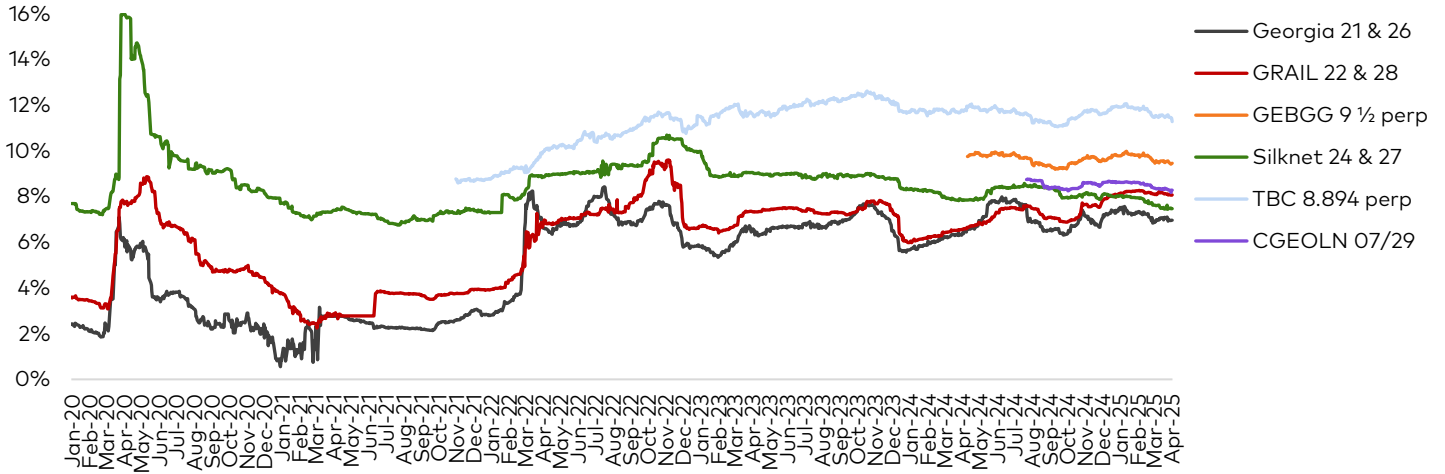
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
EUR								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/BB-	99.77	7.25%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	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



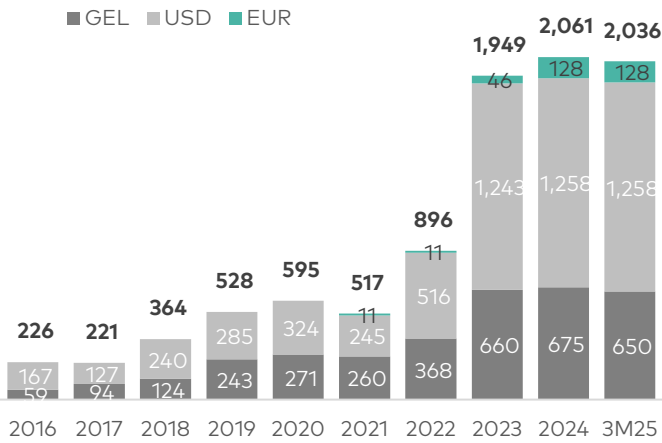
Fixed income

Georgian Eurobonds, YTM



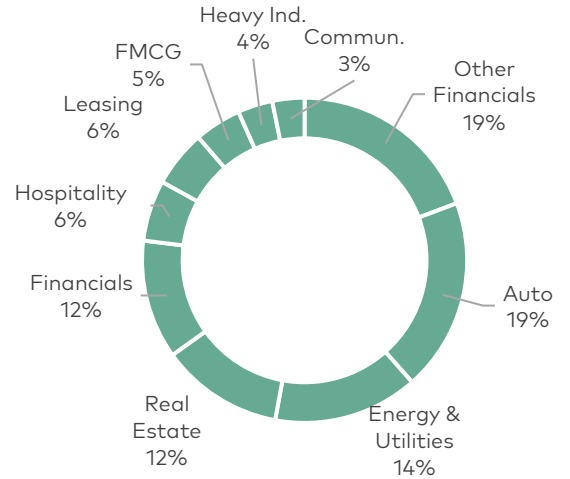
Source: Bloomberg

Georgian local corporate public bonds outstanding, GEL mn



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

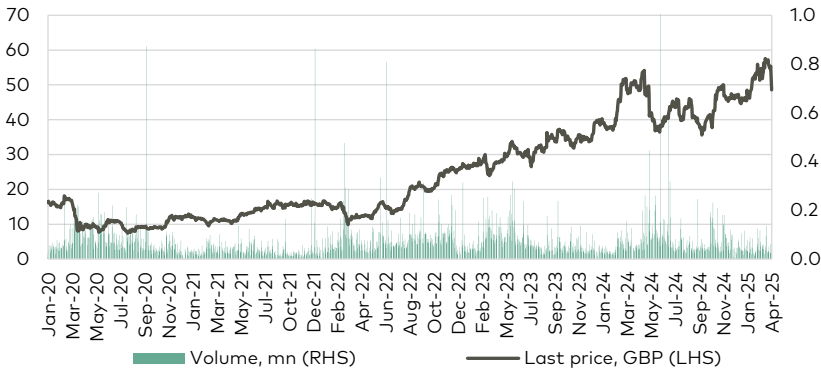
Georgian local corporate public bonds outstanding by sector



Source: Galt & Taggart

Equities

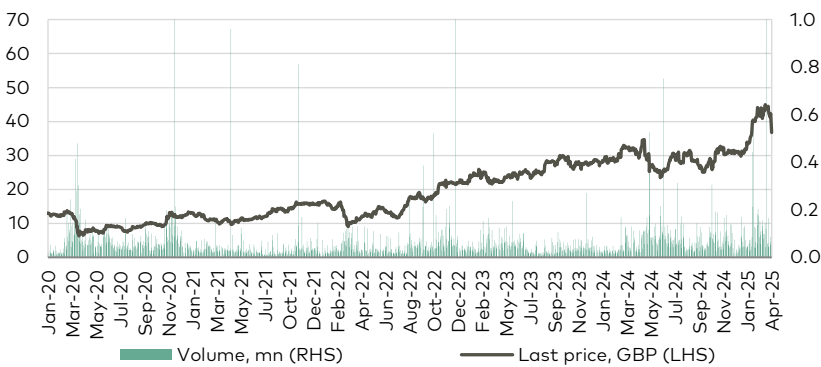
Lion Finance Group (BGEO LN)



Source: Bloomberg

Lion Finance Group (BGEO LN) shares closed at GBP 48.56/share (-12.66% w/w and -5.34% m/m). More than 234k shares traded in the range of GBP 47.64 - 56.00/share. Average daily traded volume was 50k in the last 4 weeks. The volume of BGEO shares traded was at 0.53% of its capitalization.

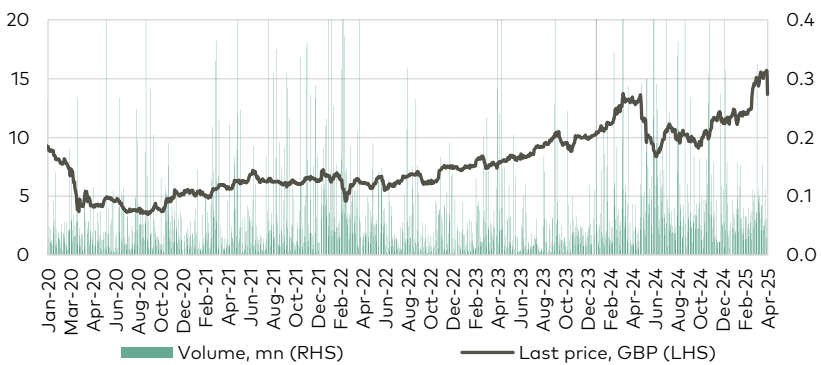
TBC Bank Group (TBCG LN)



Source: Bloomberg

TBC Bank Group (TBCG LN) closed the week at GBP 36.80/share (-13.51% w/w and -11.54% m/m). More than 421k shares changed hands in the range of GBP 36.00 - 43.00/share. Average daily traded volume was 153k in the last 4 weeks. The volume of TBCG shares traded was at 0.75% of its capitalization.

Georgia Capital (CGEO LN)



Source: Bloomberg

Georgia Capital (CGEO LN) shares closed at GBP 13.66/share (-11.98% w/w and -7.20% m/m). More than 314k shares traded in the range of GBP 13.44 - 15.76/share. Average daily traded volume was 76k in the last 4 weeks. The volume of CGEO shares traded was at 0.80% 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	48.56	2,158	28.5%	-4.6%	3.1%	4.36x	2.92x	3.73x	1.25x	1.02x	1.02x
TBC	TBC	GBP	36.80	2,073	45.5%	16.3%	17.9%	4.68x	4.80x	4.95x	1.15x	1.12x	na
Halyk Bank	HSBK	USD	21.75	5,929	28.7%	21.4%	11.9%	2.57x	na	3.49x	0.72x	na	na
Akbank	AKBNK	TRY	52.25	271,700	-3.9%	-0.3%	-19.4%	2.86x	7.96x	3.62x	0.9x	1.4x	0.88x
Garanti	GARAN	TRY	110.80	465,360	-4.1%	53.1%	-10.9%	2.84x	5.73x	3.87x	1.00x	1.58x	1.07x
Isbank	ISCTR	TRY	12.02	300,500	-5.1%	-3.8%	-11.2%	3.23x	7.43x	3.45x	0.87x	1.06x	0.75x
PKO	PKO	PLN	64.04	80,050	18.4%	6.7%	7.2%	11.44x	na	6.73x	1.39x	na	1.47x
PEKAO	PEO	PLN	155.70	40,867	9.6%	-15.4%	12.9%	5.99x	5.68x	6.34x	1.31x	1.13x	1.18x
Millennium	MIL	PLN	12.30	14,921	51.1%	15.3%	38.2%	17.78x	15.08x	5.38x	1.47x	1.39x	1.62x
Mbank	MBK	PLN	713.00	30,300	22.1%	-2.5%	30.3%	na	10.36x	6.52x	1.65x	1.31x	1.48x
BRD	BRD	RON	17.96	12,516	-10.6%	-17.4%	-3.6%	7.62x	8.52x	8.26x	1.42x	1.38x	1.20x
Banca Transilvania	TLV	RON	27.30	25,031	-0.2%	11.9%	1.1%	6.69x	4.86x	6.43x	1.46x	na	1.43x
Komerčni	KOMB	CZK	1,011.00	192,140	28.5%	18.2%	19.2%	8.76x	9.29x	11.41x	1.09x	1.27x	1.51x
Mean								6.57x	7.51x	5.71x	1.21x	1.27x	1.24x
Median								5.34x	7.43x	5.38x	1.25x	1.29x	1.20x

Source: Bloomberg, S&P Capital IQ

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