



## Economy

### Georgia's economy grew by 7.5% y/y in May-25

Georgia's economic growth was 7.5% y/y in May-25, maintaining the same growth rate as in April. Cumulatively, real GDP growth reached 8.8% y/y in 5M25. The May performance was mainly driven by increased activity in the ICT, manufacturing, trade, transport and storage, and construction sectors, while the energy sector posted a decline. Reflecting the upward revision to 1Q25 GDP data, we have raised our full-year 2025 real GDP growth forecast to 7.5%, up from the previous forecast of 6.8% (see latest macro forecasts [here](#)).

### Annual inflation hits 4.0% in Jun-25

In Jun-25, Georgia's annual inflation accelerate to 4.0%, up from 3.5% posted in previous month. The increase was mainly driven by domestic inflation, which rose to 5.2% y/y (May-25: 4.9%), and by mixed-goods inflation, which surged to 7.2% y/y (May-25: 5.8%). In contrast, imported goods continued to post deflation at -2.0% y/y, helping contain the overall inflation rate. Core inflation, excluding food, energy and tobacco, edged up slightly to 2.2% y/y from 2.0% y/y in the previous month.

By categories, annual inflation in Jun-25 was largely driven by price increases in food and non-alcoholic beverages (+10.1% y/y, +3.34ppts), healthcare (+9.4% y/y, +0.79ppts), alcoholic beverages & tobacco (+4.6% y/y, +0.30ppts), education (+4.6% y/y, +0.24ppts) and hotels & restaurants (+6.0% y/y, +0.19ppts) categories. Meanwhile, deflation was observed in the transport (-5.3% y/y, -0.64 ppts) and communication (-13.0% y/y, -0.48 ppts) sectors.

On a monthly basis, inflation was flat in Jun-25, as a price increase in alcoholic beverages and tobacco (+2.2% m/m, +0.14ppts) was offset by a decline prices of food and non-alcoholic beverages (-0.4% m/m, -0.15ppts). We forecast average annual inflation at 3.7% in 2025.

### CA deficit was 8.5% of GDP in 1Q25

The Current Account (CA) deficit widened to 8.5% of GDP in 1Q25, mainly due to a one-off import of paintings/drawings valued at US\$ 481mn. Excluding this extraordinary item, the underlying deficit narrows to just 2.3% of GDP, a notable improvement from 4.4% in 1Q24.

In 1Q25, merchandize trade deficit - traditionally the major driver of the CA deficit - increased by 15.1% y/y to US\$ 1.7bn, as exports grew by 5.5% y/y and imports rose by 10.0% y/y (including the one-off imports). The negative impact of the trade balance was partially offset by a sharp rise in the services surplus, which expanded by 15.8% y/y to US\$ 780.3mn. This growth was led by a strong increase in revenues from ICT services (+57.3% y/y to US\$ 300mn), followed by transport (+4.4% y/y to US\$ 386.3mn) and tourism (+2.3% y/y to US\$ 826.0mn). Meanwhile, the transfers balance stood at US\$ 843.3mn (-3.6% y/y), while the negative income balance widened to US\$ 537.5mn (+52.8% y/y) in 1Q25.

We project CA deficit at 5.0% of GDP in 2025, up from 4.5% of GDP in 2024.

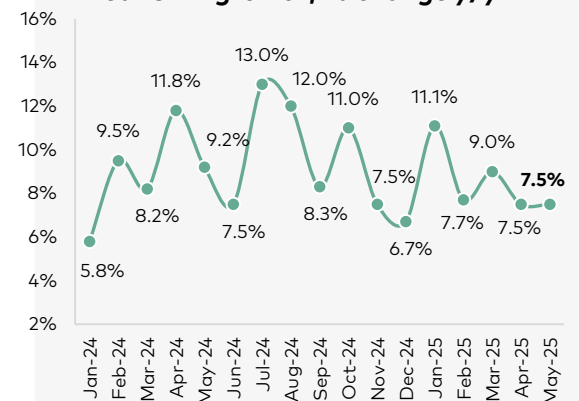
### Key macro indicators

	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

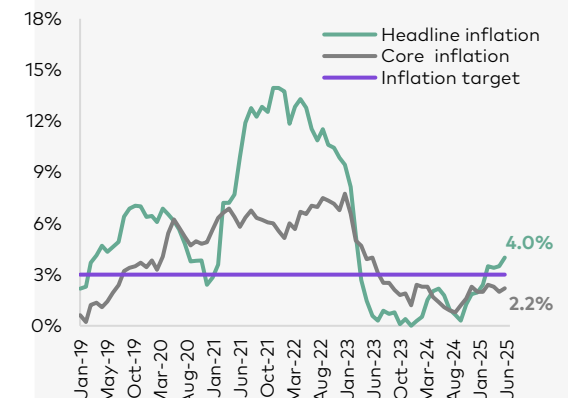
\*Latest sovereign credit ratings

### Real GDP growth, % change y/y



Source: Geostat

### Annual inflation



Source: Geostat, NBB



# Money market

## Ministry of Finance T-bills/T-notes:

4.2-year GEL 50.0mn (US\$ 18.4mn) treasury notes were sold at the auction held at NBG on July 1, 2025. Total demand was 1.8x higher and the weighted average yield was fixed at 9.083%, up by 0.090ppts from previous auction held in Jun-25.

6-month GEL 20.0mn (US\$ 7.3mn) T-bills were sold at the auction held at NBG on July 1, 2025. Total demand was 2.4x higher and the weighted average yield was fixed at 7.296%, down by 0.074ppts from previous auction held in Jun-25.

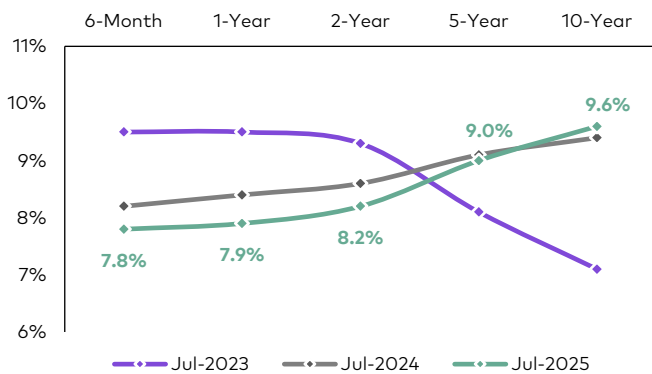
The nearest treasury security auction is scheduled for July 8, 2025, where GEL 20.0mn nominal value 1-year T-bills and GEL 30.0mn nominal value 11.2-year treasury notes will be sold.

## 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)	350	220	450
Long-term (over 1-year)	1,211	1,210	9,777
<b>Total</b>	<b>1,561</b>	<b>1,430</b>	<b>10,227</b>

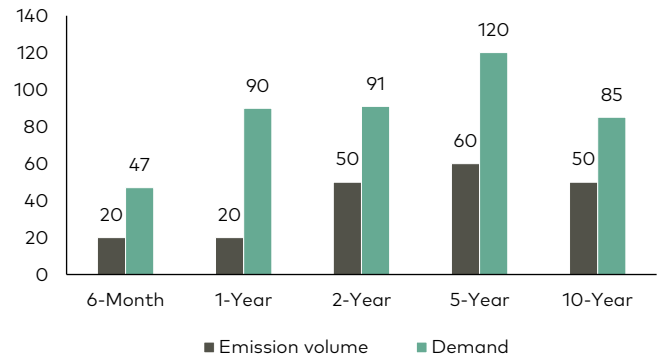
Source: MoF  
\*As of May 2025

## T-bills / T-notes, yield curve



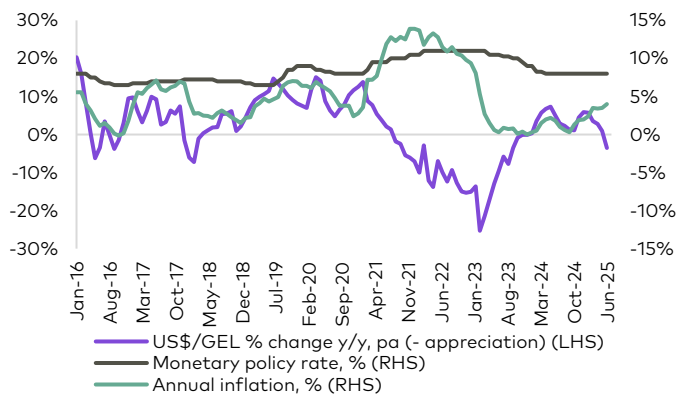
Source: NBG

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



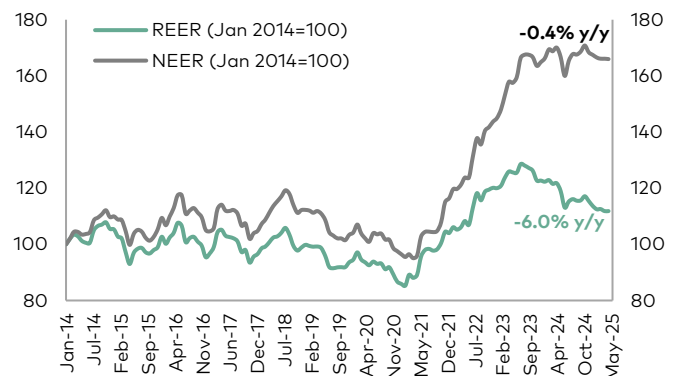
Source: NBG

## 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	97.67	5.82	172.49
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	90.51	7.66	409.89
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	99.80	9.56	599.68
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	101.54	7.31	127.50
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/B2	98.62	9.85	607.88
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	100.00	10.25	668.44
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	103.90	7.73	384.98

■ 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-/B2	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


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



## Fixed income

### Georgian local bonds

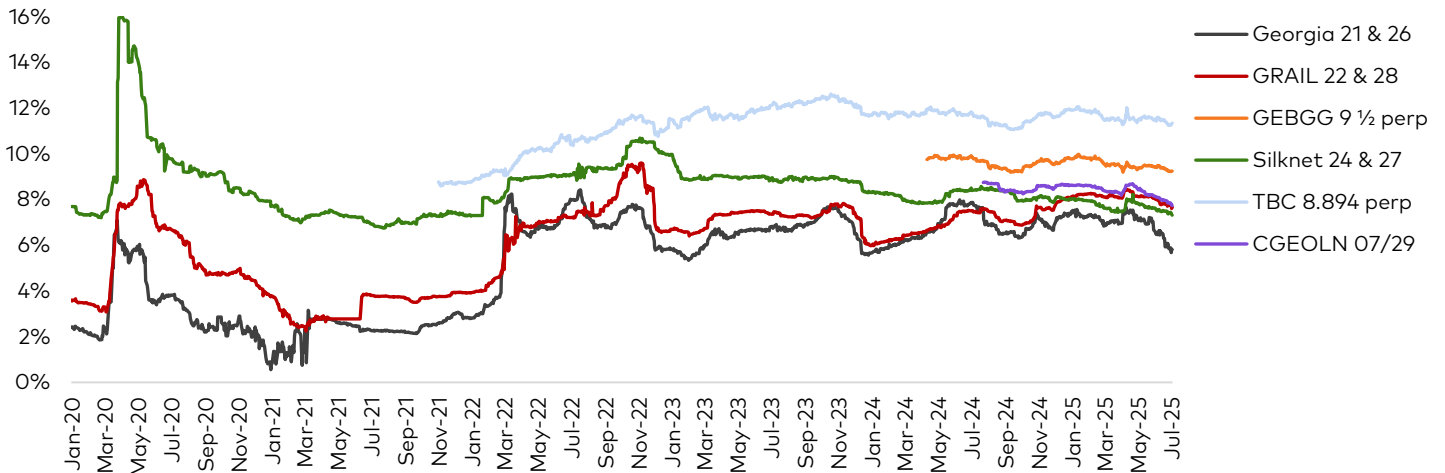
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/ Scope)	Mid price	Mid yield, %
<b>EUR</b>								
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.15%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/-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

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



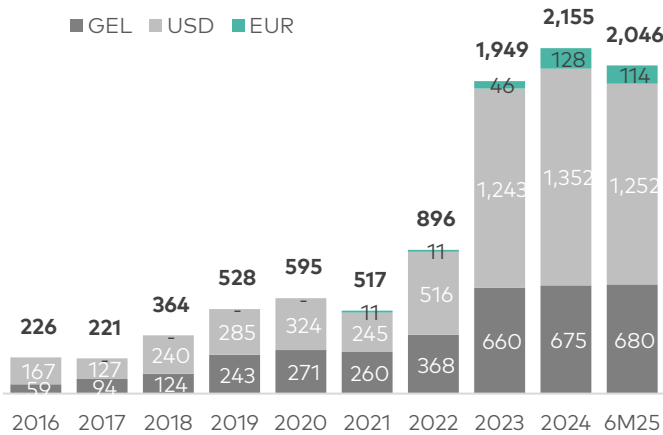
## Fixed income

Georgian Eurobonds, YTM



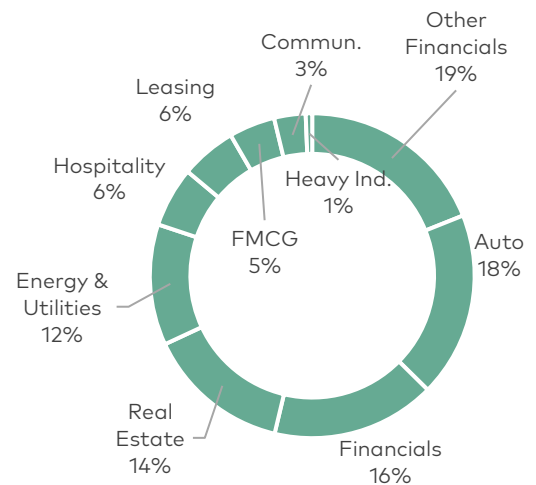
Source: Bloomberg

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

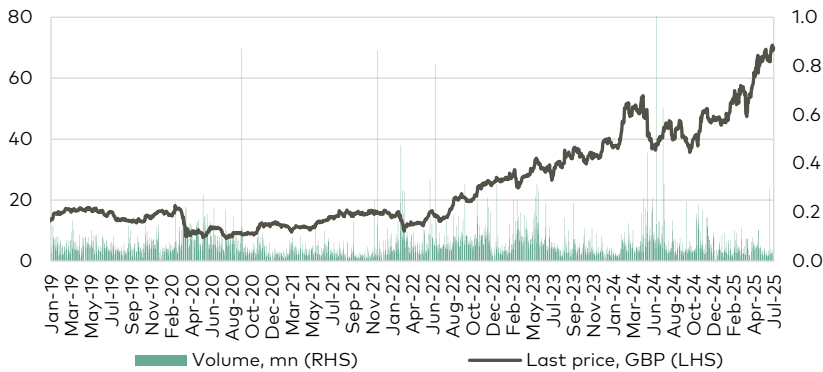


Source: Galt & Taggart



## Equities

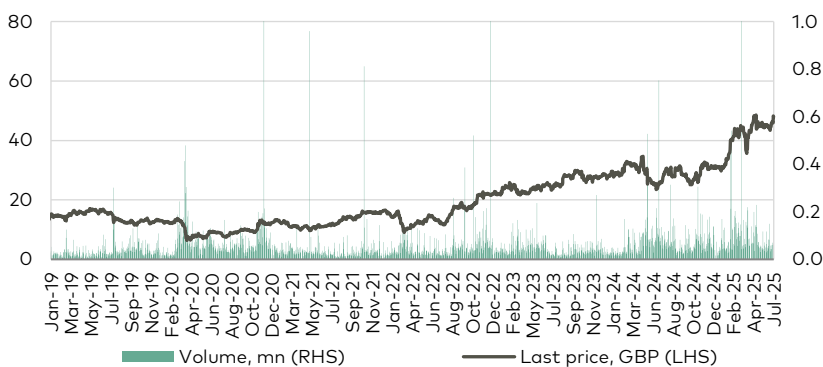
### Lion Finance Group (BGEO LN)



Source: Bloomberg

**Lion Finance Group (BGEO LN)** shares closed at GBP 69.85/share (-0.14% w/w and +2.42% m/m). More than 171k shares traded in the range of GBP 67.40 - 70.95/share. Average daily traded volume was 44k in the last 4 weeks. The volume of BGEO shares traded was at 0.39% of its capitalization.

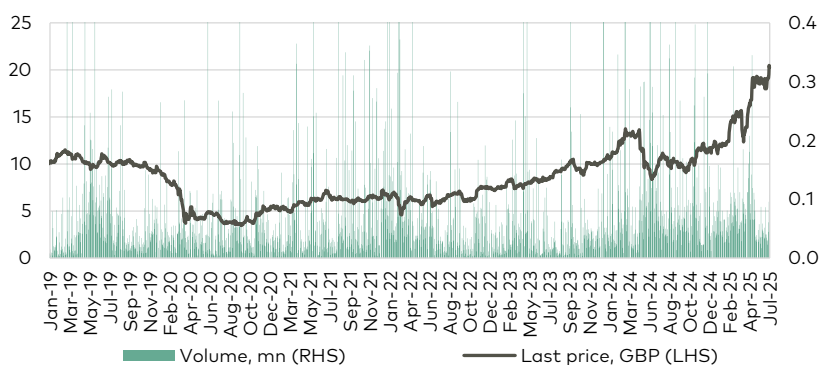
### TBC Bank Group (TBCG LN)



Source: Bloomberg

**TBC Bank Group (TBCG LN)** closed the week at GBP 47.90/share (+4.59% w/w and +5.74% m/m). More than 293k shares changed hands in the range of GBP 45.45 - 48.60/share. Average daily traded volume was 62k in the last 4 weeks. The volume of TBCG shares traded was at 0.52% of its capitalization.

### Georgia Capital (CGEO LN)



Source: Bloomberg

**Georgia Capital (CGEO LN)** shares closed at GBP 20.25/share (+6.58% w/w and +5.80% m/m). More than 340k shares traded in the range of GBP 18.98 - 20.60/share. Average daily traded volume was 49k in the last 4 weeks. The volume of CGEO shares traded was at 0.86% 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	69.85	3,104	50.2%	72.9%	48.3%	4.36x	2.92x	5.76x	1.25x	1.02x	1.47x
TBC	TBC	GBP	47.90	2,698	54.0%	79.1%	53.5%	4.68x	4.80x	6.85x	1.15x	1.12x	na
Halyk Bank	HSBK	USD	24.80	6,761	21.0%	39.5%	27.6%	2.57x	na	3.38x	0.72x	na	na
Akbank	AKBNK	TRY	69.70	362,440	5.3%	3.6%	7.5%	2.86x	7.96x	5.15x	0.9x	1.4x	1.18x
Garanti	GARAN	TRY	137.40	577,080	6.4%	15.5%	10.5%	2.84x	5.73x	5.11x	1.00x	1.58x	1.34x
Isbank	ISCTR	TRY	14.11	352,750	0.2%	-14.1%	4.2%	3.23x	7.43x	3.62x	0.87x	1.06x	0.88x
PKO	PKO	PLN	76.92	96,150	27.6%	24.3%	28.7%	11.44x	na	7.98x	1.39x	na	1.64x
PEKAO	PEO	PLN	188.50	49,476	34.3%	12.3%	36.7%	5.99x	5.68x	7.24x	1.31x	1.13x	1.46x
Millennium	MIL	PLN	14.74	17,881	60.6%	58.5%	65.6%	17.78x	15.08x	7.87x	1.47x	1.39x	2.04x
Mbank	MBK	PLN	787.00	33,445	42.6%	25.4%	43.8%	na	10.36x	7.45x	1.65x	1.31x	1.72x
BRD	BRD	RON	18.46	12,865	-3.7%	-11.9%	-1.0%	7.62x	8.52x	8.79x	1.42x	1.38x	1.23x
Banca Transilvania	TLV	RON	30.60	28,057	10.5%	7.6%	13.3%	6.69x	4.86x	7.15x	1.46x	na	1.76x
Komerční	KOMB	CZK	1,038.00	197,271	21.1%	31.6%	22.3%	8.76x	9.29x	11.75x	1.09x	1.27x	1.55x
<b>Mean</b>								<b>6.57x</b>	<b>7.51x</b>	<b>6.78x</b>	<b>1.21x</b>	<b>1.27x</b>	<b>1.48x</b>
<b>Median</b>								<b>5.34x</b>	<b>7.43x</b>	<b>7.15x</b>	<b>1.25x</b>	<b>1.29x</b>	<b>1.47x</b>

Source: Bloomberg, S&P Capital IQ



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