



Economy

Annual inflation at 4.6% in Aug-25

In August 2025, Georgia's annual inflation rose to 4.6%, up from 4.3% in July. The inflation was mainly driven by domestic inflation, which accelerated to 6.6% y/y (Jul-25: 5.4%), followed by mixed-goods inflation at 6.3% y/y (Jul-25: 7.5%). In contrast, imported goods prices declined by 0.8% y/y (Jul: -1.6% y/y). Meanwhile, core inflation, excluding food, energy, and tobacco, climbed to 2.8% y/y in Aug-25 from 2.2% posted in previous month.

By categories, annual inflation in Aug-25 was largely driven by price increases in food and non-alcoholic beverages (+10.0% y/y, +3.35ppts), healthcare (+9.3% y/y, +0.78ppts), alcoholic beverages & tobacco (+3.7% y/y, +0.30ppts), education (+4.6% y/y, +0.24ppts) and hotels & restaurants (+6.8% y/y, +0.22ppts) categories. Meanwhile, deflation was recorded in transport (-2.4% y/y, -0.31ppts), clothing & footwear (-2.9% y/y, -0.19ppts) and Furnishings, household equipment & maintenance (-1.4% y/y, -0.08ppts).

On a monthly basis, consumer prices increased by 0.3%, reflecting price rises in transport (+1.3% m/m, +0.14ppts), food and non-alcoholic beverages (+0.1% m/m, +0.07ppts) and alcoholic beverages & tobacco (+0.7% y/y, +0.05ppts) categories. These increases were tempered by price declines in clothing & footwear (-2.0% m/m, -0.09ppts) category.

We forecast average annual inflation at 3.7% in 2025.

International reserves at US\$ 5.2bn in Aug-25

Gross international reserves increased by 7.5% y/y to US\$ 5.2bn in Aug-25, according to NBG. On a monthly basis, the reserves were also up by 3.7% (+US\$ 183.9mn). Changes in reserves were attributed to the changes in government and/or banking sector FX operations, and likely also to NBG's FX purchases via BMatch platform (information will be available on 25 September). Notably, as of Aug-25, monetary gold accounted for 15.1% of total international reserves.

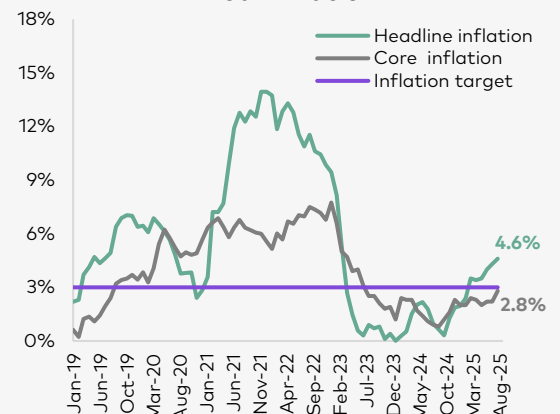
Key macro indicators

	2024	2025F
Real GDP growth (% change)	9.4%	7.5%
GDP per capita (ppp)	28,258	32,205
GDP per capita (US\$)	9,141	10,024
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

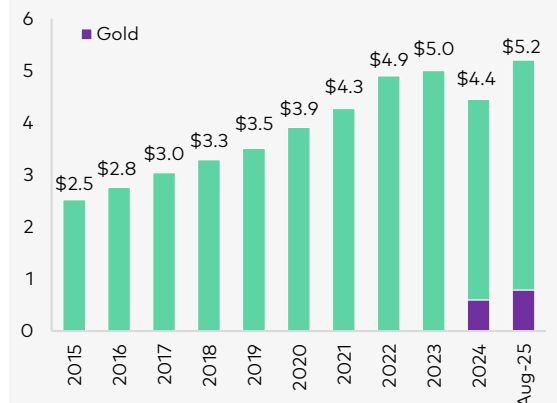
*Latest sovereign credit ratings

Annual inflation



Source: Geostat, NBG

NBG's gross international reserves US\$ bn



Source: NBG



Money market

Ministry of Finance T-bills/T-notes:

4.0-year GEL 50.0mn (US\$ 18.6mn) treasury notes were sold at the auction held at NBG on September 2, 2025. Total demand was 2.1x higher and the weighted average yield was fixed at 9.088%, down by 0.027ppts from previous auction held in Aug-25.

6-month GEL 20.0mn (US\$ 7.4mn) T-bills were sold at the auction held at NBG on September 2, 2025. Total demand was 2.8x higher and the weighted average yield was fixed at 7.393%, up by 0.210ppts from previous auction held in Aug-25.

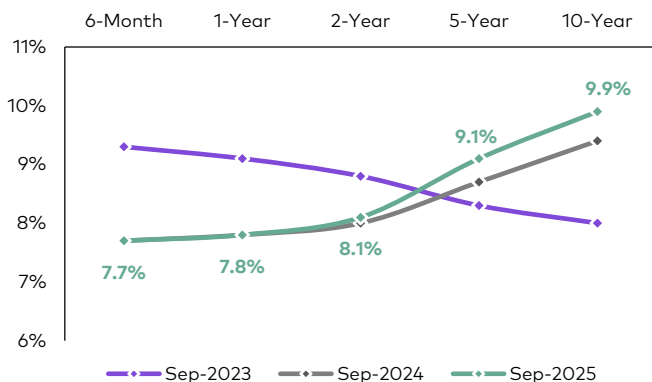
The nearest treasury security auction is scheduled for September 10, 2025, where GEL 20.0mn nominal value 1-year T-bills and GEL 30.0mn nominal value 11.0-year treasury notes will be sold.

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)	430	140	420
Long-term (over 1-year)	1,597	830	10,156
Total	2,027	970	10,576

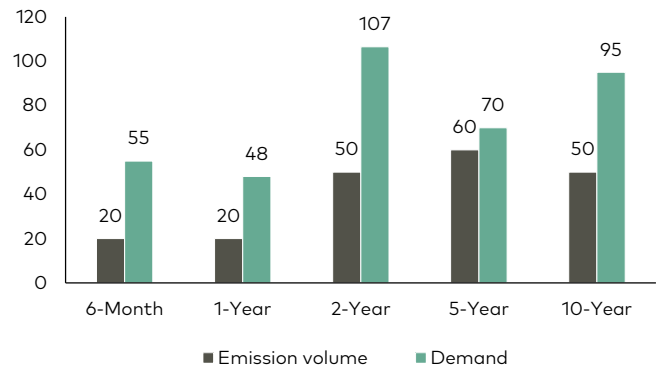
Source: MoF
*As of July 2025

T-bills / T-notes, yield curve



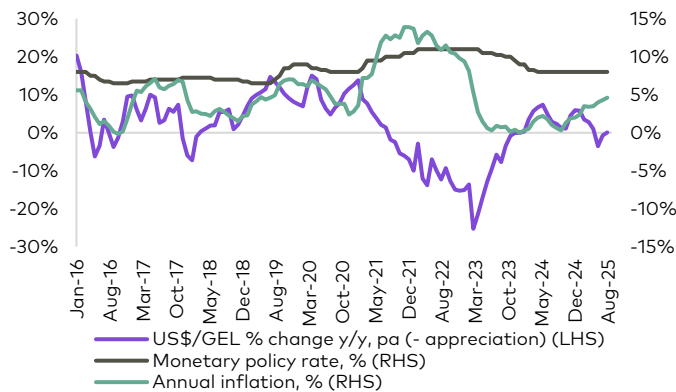
Source: NBG

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



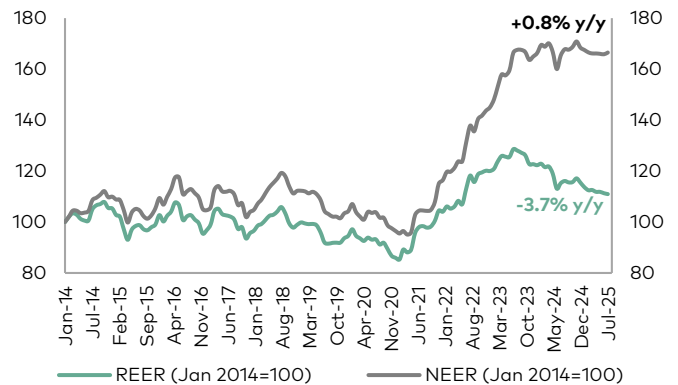
Source: NBG

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	97.90	6.15	234.04
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/	92.79	6.89	371.28
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	100.92	9.03	602.15
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	101.43	7.02	-22.20
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/	99.22	9.60	607.41
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	101.89	9.42	651.41
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/	105.16	7.29	364.03

■ 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

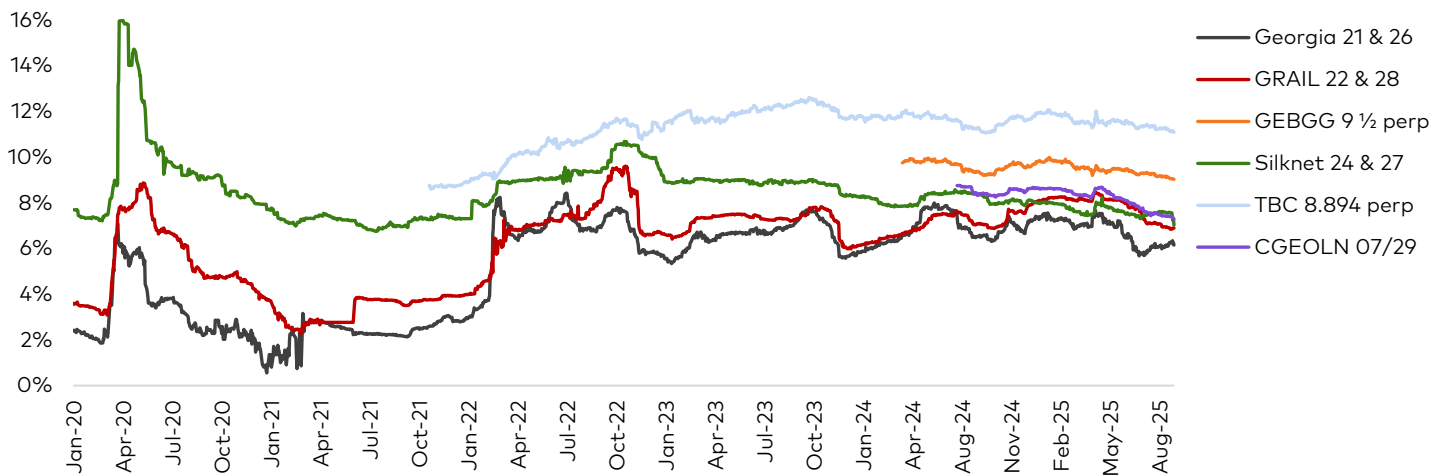
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/ Scope)	Mid price	Mid yield, %
EUR								
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.15%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/BB-	99.60	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%
Chavchavadze 64B	EUR	3	7.75%	Aug-24	Aug-26	-/-/BB-	n/a	7.75%
ALMA	EUR	8.5	7.25%	Jul-25	Jul-27	-/-/BB-	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	-/-/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
MFO MBC	GEL	30	TIBR3M + 4.00%	Apr-25	Apr-27	-/-/BB-	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



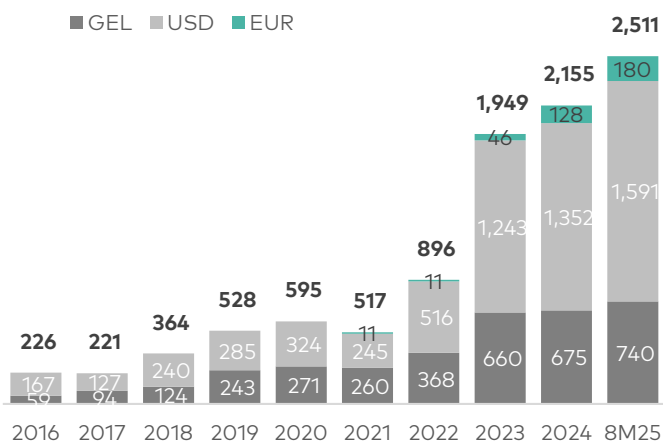
Fixed income

Georgian Eurobonds, YTM



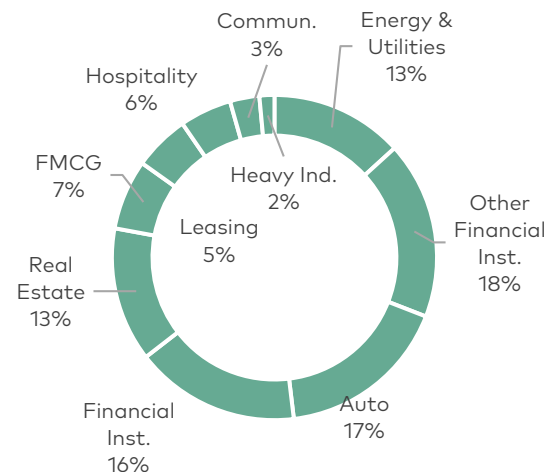
Source: Bloomberg

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

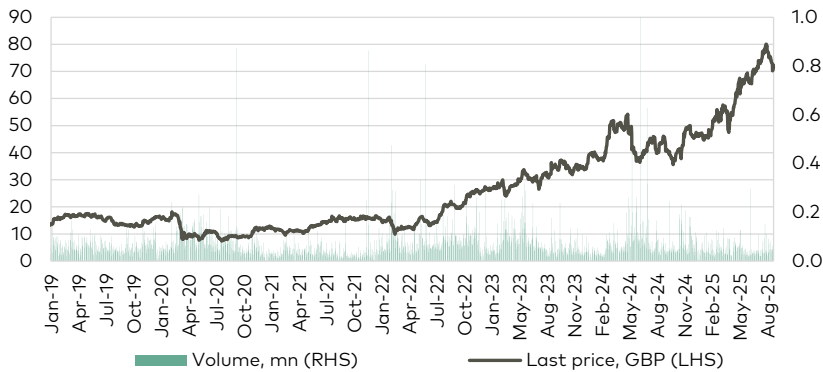


Source: Galt & Taggart



Equities

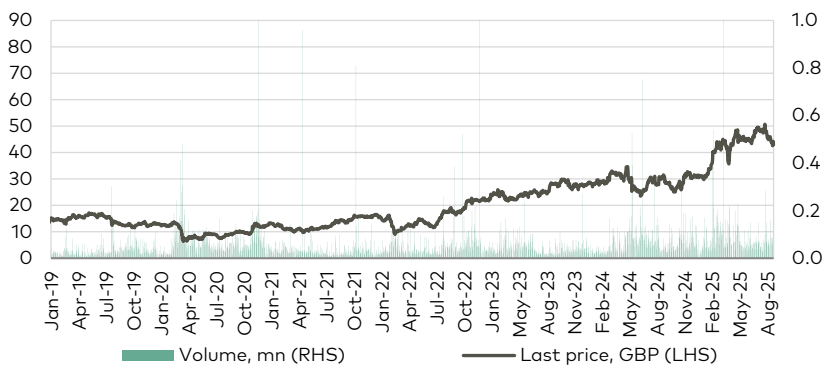
Bank of Georgia Group (BGEO LN)



Source: Bloomberg

Lion Finance Group (BGEO LN) shares closed at GBP 71.50/share (-2.46% w/w and -7.68% m/m). More than 229k shares traded in the range of GBP 69.20 - 74.00/share. Average daily traded volume was 51k in the last 4 weeks. The volume of BGEO shares traded was at 0.52% of its capitalization.

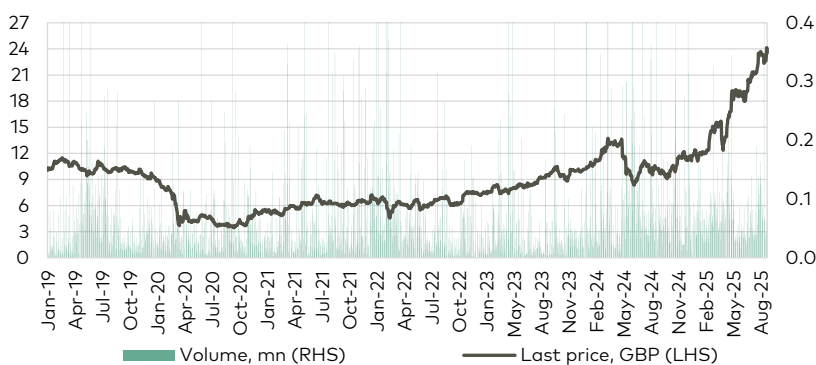
TBC Bank Group (TBCG LN)



Source: Bloomberg

TBC Bank Group (TBCG LN) closed the week at GBP 42.95/share (-1.83% w/w and -11.90% m/m). More than 334k shares changed hands in the range of GBP 42.05 - 44.95/share. Average daily traded volume was 79k in the last 4 weeks. The volume of TBCG shares traded was at 0.59% of its capitalization.

Georgia Capital (CGEO LN)



Source: Bloomberg

Georgia Capital (CGEO LN) shares closed at GBP 23.50/share (+3.30% w/w and +6.33% m/m). More than 288k shares traded in the range of GBP 22.30 - 24.90/share. Average daily traded volume was 132k in the last 4 weeks. The volume of CGEO shares traded was at 0.73% 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	71.50	3,177	33.4%	65.3%	51.8%	4.36x	2.92x	5.63x	1.25x	1.02x	1.54x
TBC	TBC	GBP	42.95	2,419	-1.0%	48.4%	37.7%	4.68x	4.80x	6.04x	1.15x	1.12x	na
Halyk Bank	HSBK	USD	26.70	7,279	32.2%	62.4%	37.3%	2.57x	na	3.87x	0.72x	na	na
Akbank	AKBNK	TRY	62.45	324,740	-14.6%	3.1%	-3.7%	2.86x	7.96x	4.71x	0.9x	1.4x	1.09x
Garanti	GARAN	TRY	138.80	582,960	-0.5%	22.3%	11.6%	2.84x	5.73x	5.11x	1.00x	1.58x	1.40x
Isbank	ISCTR	TRY	13.69	342,250	-14.4%	0.7%	1.1%	3.23x	7.43x	3.92x	0.87x	1.06x	0.86x
PKO	PKO	PLN	71.26	89,075	1.8%	22.9%	19.2%	11.44x	na	8.49x	1.39x	na	1.58x
PEKAO	PEO	PLN	180.10	47,271	5.8%	15.7%	30.6%	5.99x	5.68x	6.89x	1.31x	1.13x	1.38x
Millennium	MIL	PLN	14.22	17,251	21.5%	52.9%	59.8%	17.78x	15.08x	7.05x	1.47x	1.39x	1.97x
Mbank	MBK	PLN	877.20	37,278	19.2%	38.8%	60.3%	na	10.36x	7.98x	1.65x	1.31x	1.92x
BRD	BRD	RON	20.00	13,938	11.0%	-4.3%	7.3%	7.62x	8.52x	9.10x	1.42x	1.38x	1.40x
Banca Transilvania	TLV	RON	28.12	25,783	19.0%	18.8%	23.8%	6.69x	4.86x	6.43x	1.46x	na	1.59x
Komerční	KOMB	CZK	1,042.00	198,031	0.2%	34.0%	22.8%	8.76x	9.29x	11.65x	1.09x	1.27x	1.56x
Mean								6.57x	7.51x	6.68x	1.21x	1.27x	1.48x
Median								5.34x	7.43x	6.43x	1.25x	1.29x	1.54x

Source: Bloomberg, S&P Capital IQ



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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)