



## Economy

### Annual inflation was 3.5% in May-25

In May-25, Georgia's annual inflation edged up to 3.5% from 3.4% in previous month. The uptick was mainly driven by domestic inflation, which climbed to 4.9% y/y (Apr-25: 4.7%), and by mixed-goods inflation, which rose to 5.8% y/y (Apr-25: 5.0%). In contrast, imported inflation stayed in deflation, slipping to -2.0% y/y (Apr-25: -1.0%), thereby cushioning overall price pressures. Core inflation, excluding food, energy and tobacco, eased further to 2.0% y/y from 2.3% y/y in the previous month.

By categories, annual inflation in May-25 was largely driven by price increases in food and non-alcoholic beverages (+8.3% y/y, +2.82ppts), healthcare (+9.0% y/y, +0.75ppts), education (+4.9% y/y, +0.25ppts), alcoholic beverages & tobacco (+3.3% y/y, +0.22ppts) and hotels & restaurants (+6.0% y/y, +0.20ppts) categories. In contrast, as in previous month, the communication category recorded a deflation of -12.8% y/y (-0.47ppts), followed by transport (-4.5% y/y, -0.54ppts) and furnishings, household equipment and maintenance (-2.3% y/y, -0.13ppts) in May-25.

On a monthly basis, there was a 0.4% y/y inflation in May-25, mainly due to price changes in food and non-alcoholic beverages (+1.6% m/m, +0.51ppts) and transport (-1.1% m/m, -0.12ppts) categories. We forecast average annual inflation at 3.7% in 2025.

### International reserves at US\$ 4.6bn in May-25

Gross international reserves decreased by 0.3% y/y to US\$ 4.6bn in May-25, according to NBG. Meanwhile, on a monthly basis, the reserves were up by 1.5% (+US\$ 66.7mn). 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 June). Notably, as of May-25, monetary gold accounted for 16.4% of total international reserves.

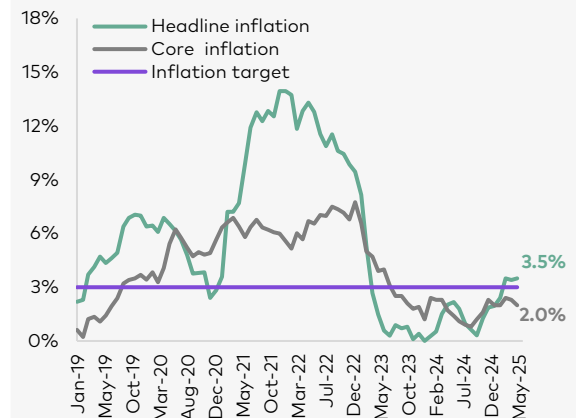
### Key macro indicators

	2024	2025F
Real GDP growth (% change)	9.4%	6.8%
GDP per capita (ppp)	28,258	31,601
GDP per capita (US\$)	9,141	9,836
Population (mn)	3.7	3.7
Inflation (average)	1.1%	3.7%
Gross reserves (US\$ bn)	4.4	4.9
CAD (% of GDP)	4.4%	5.1%
Fiscal deficit (% of GDP)	2.4%	2.5%
Total public debt (% of GDP)	36.1%	34.7%
Fitch/S&P/Moody's*	BB/BB/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

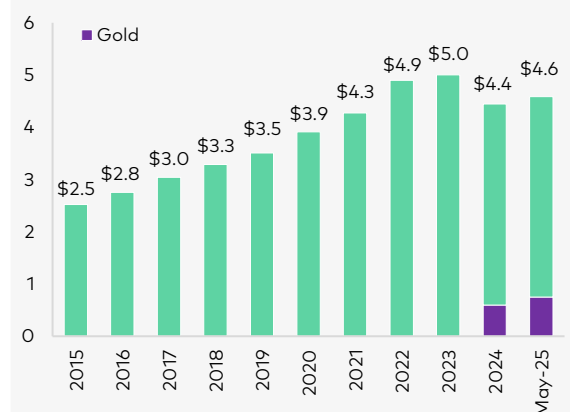
\*Latest sovereign credit ratings

### Annual inflation



Source: NBG, Geostat

### NBG's gross international reserves US\$ bn



Source: NBG



## Money market

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

2.6-year GEL 40.0mn (US\$ 14.6mn) treasury notes were sold at the auction held at NBG on June 3, 2025. Total demand was 1.5x higher and the weighted average yield was fixed at 8.993%, up by 0.117ppts from previous auction held in May-25.

6-month GEL 20.0mn (US\$ 7.3mn) treasury notes were sold at the auction held at NBG on June 3, 2025. Total demand was 3.4x higher and the weighted average yield was fixed at 7.370%, down by 0.033ppts from previous auction held in May-25.

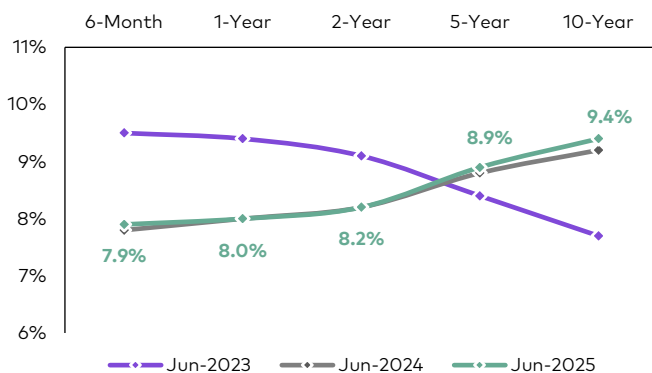
The nearest treasury security auction is scheduled for June 10, 2025, where GEL 20.0mn nominal value 1-year T-bills and GEL 30.0mn nominal value 11.3-year treasury notes will be sold.

### 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)	310	260	450
Long-term (over 1-year)	1,017	1,380	10,002
<b>Total</b>	<b>1,327</b>	<b>1,640</b>	<b>10,452</b>

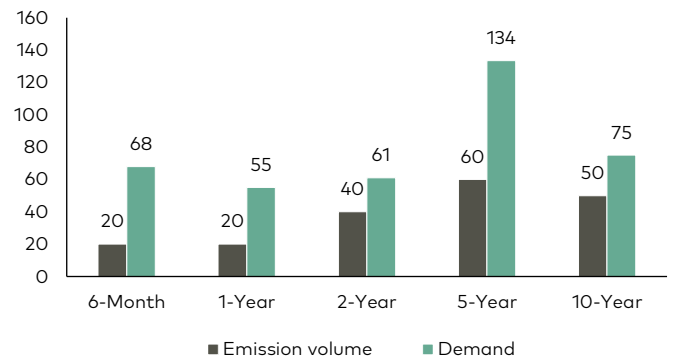
Source: MoF  
\*As of April 2025

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



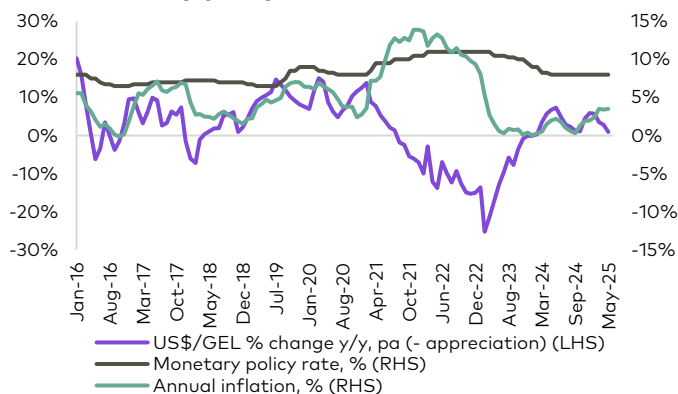
Source: NBG

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



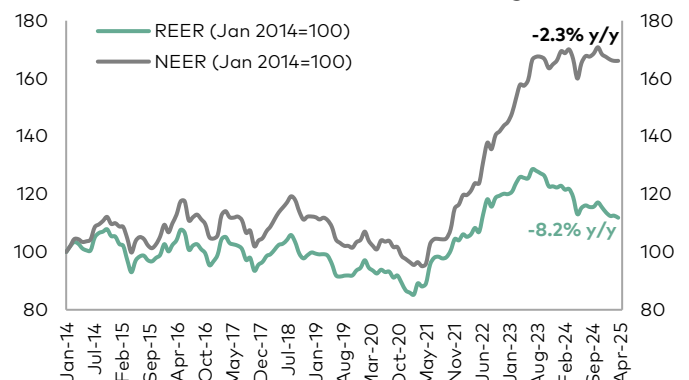
Source: NBG

### 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	96.91	6.47	231.00
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	89.45	8.00	424.87
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	99.04	9.79	603.32
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	101.28	7.52	198.91
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/B2	97.60	10.50	659.05
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	99.44	10.42	666.50
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	102.64	8.10	414.05

■ 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%
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-/B1	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

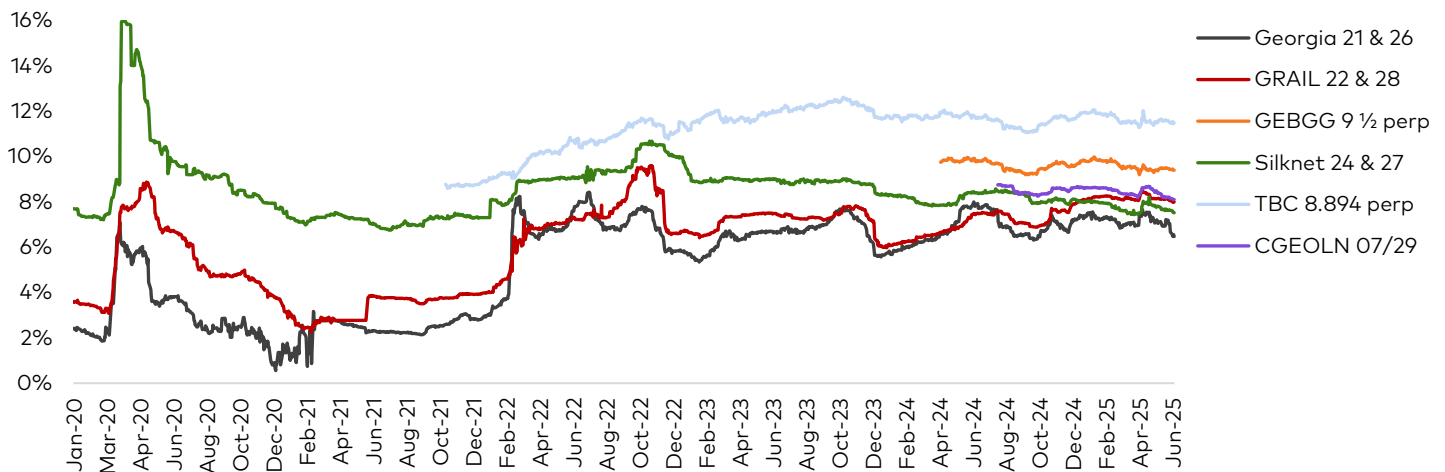
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/ Scope)	Mid price	Mid yield, %
<b>EUR</b>								
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	6.15%
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/-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



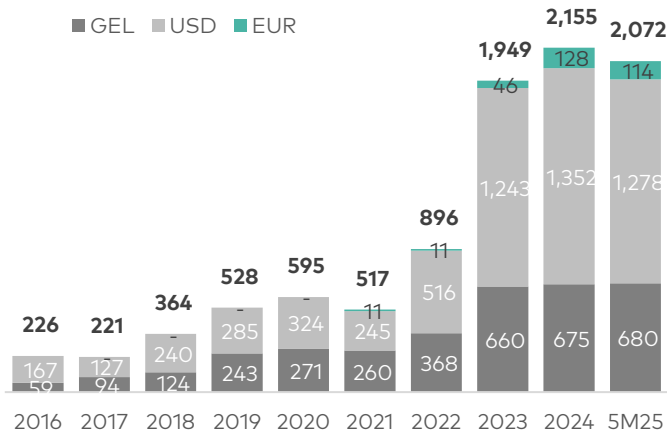
## Fixed income

**Georgian Eurobonds, YTM**



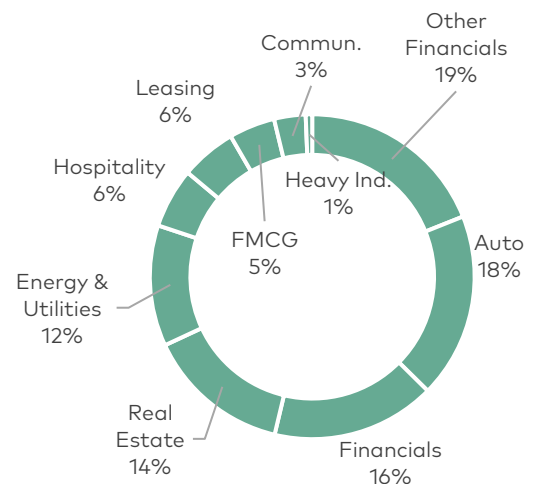
Source: Bloomberg

**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**

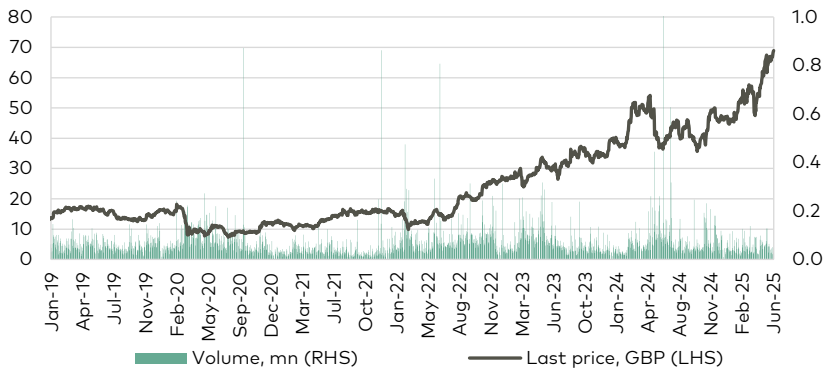


Source: Galt & Taggart



## Equities

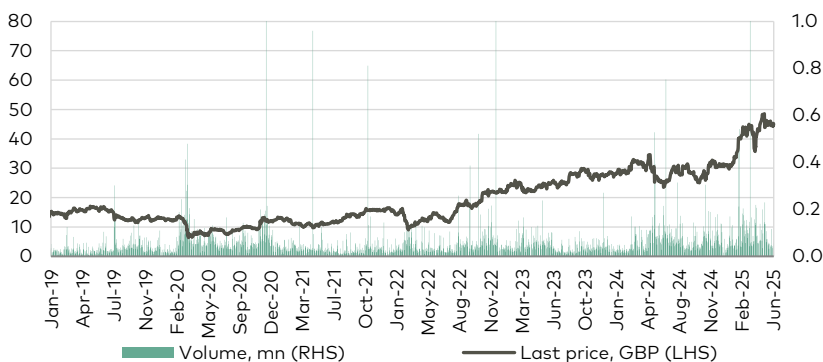
### Lion Finance Group (BGEO LN)



Source: Bloomberg

**Lion Finance Group (BGEO LN)** shares closed at GBP 68.90/share (+3.14% w/w and +8.93% m/m). More than 156k shares traded in the range of GBP 66.10 - 68.90/share. Average daily traded volume was 53k in the last 4 weeks. The volume of BGEO shares traded was at 0.35% of its capitalization.

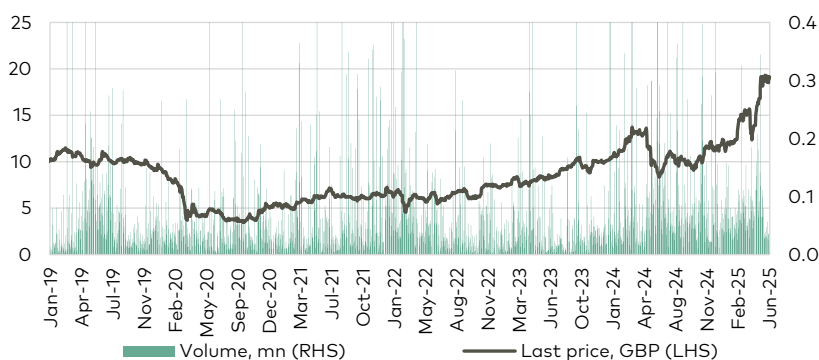
### TBC Bank Group (TBCG LN)



Source: Bloomberg

**TBC Bank Group (TBCG LN)** closed the week at GBP 45.10/share (+1.01% w/w and -6.24% m/m). More than 214k shares changed hands in the range of GBP 43.45 - 45.65/share. Average daily traded volume was 59k in the last 4 weeks. The volume of TBCG shares traded was at 0.38% of its capitalization.

### Georgia Capital (CGEO LN)



Source: Bloomberg

**Georgia Capital (CGEO LN)** shares closed at GBP 19.16/share (+2.24% w/w and +13.91% m/m). More than 163k shares traded in the range of GBP 18.46 - 19.30/share. Average daily traded volume was 50k in the last 4 weeks. The volume of CGEO shares traded was at 0.41% 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	68.90	3,062	49.3%	80.8%	46.3%	4.36x	2.92x	5.66x	1.25x	1.02x	1.45x
TBC	TBC	GBP	45.10	2,540	47.1%	75.8%	44.6%	4.68x	4.80x	6.42x	1.15x	1.12x	na
Halyk Bank	HSBK	USD	22.60	6,161	20.0%	26.5%	16.3%	2.57x	na	3.02x	0.72x	na	na
Akbank	AKBNK	TRY	56.25	292,500	-13.9%	-8.0%	-13.3%	2.86x	7.96x	4.16x	0.9x	1.4x	0.96x
Garanti	GARAN	TRY	116.10	487,620	-9.7%	13.0%	-6.7%	2.84x	5.73x	4.32x	1.00x	1.58x	1.13x
Isbank	ISCTR	TRY	11.42	285,500	-19.4%	-29.0%	-15.7%	3.23x	7.43x	2.93x	0.87x	1.06x	0.71x
PKO	PKO	PLN	69.04	86,300	13.2%	19.6%	15.5%	11.44x	na	6.91x	1.39x	na	1.37x
PEKAO	PEO	PLN	171.65	45,053	15.4%	7.3%	24.5%	5.99x	5.68x	6.67x	1.31x	1.13x	1.33x
Millennium	MIL	PLN	13.61	16,511	54.0%	56.5%	52.9%	17.78x	15.08x	6.23x	1.47x	1.39x	1.92x
Mbank	MBK	PLN	774.20	32,901	39.2%	25.5%	41.5%	na	10.36x	6.98x	1.65x	1.31x	1.69x
BRD	BRD	RON	19.94	13,896	9.0%	0.7%	7.0%	7.62x	8.52x	9.15x	1.42x	1.38x	1.33x
Banca Transilvania	TLV	RON	32.16	29,487	16.3%	13.1%	19.1%	6.69x	4.86x	7.70x	1.46x	na	1.68x
Komerční	KOMB	CZK	1,011.00	192,140	18.5%	30.5%	19.2%	8.76x	9.29x	11.47x	1.09x	1.27x	1.51x
<b>Mean</b>								<b>6.57x</b>	<b>7.51x</b>	<b>6.28x</b>	<b>1.21x</b>	<b>1.27x</b>	<b>1.37x</b>
<b>Median</b>								<b>5.34x</b>	<b>7.43x</b>	<b>6.42x</b>	<b>1.25x</b>	<b>1.29x</b>	<b>1.37x</b>

Source: Bloomberg, S&P Capital IQ



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