



## Economy

### Annual inflation at 4.0% in Dec-25

In December 2025, Georgia's annual inflation retreated to 4.0%, down from 4.8% in previous month. The moderation was mainly driven by a slowdown in mixed-goods inflation to 4.1% y/y in Dec-25 from 5.8% y/y posted a month earlier, along with a decline in imported goods prices by -0.2% y/y (vs. 0.8% y/y in Nov-25) and a modest easing in domestic inflation to 6.2% y/y (vs. 6.4% y/y in Nov-25). Notably, core inflation - excluding food, energy, and tobacco - also retreated to 1.6% y/y in Dec-25 from 2.3% in previous month.

By categories, annual inflation in Dec-25 was largely driven by price increases in food and non-alcoholic beverages (+8.8% y/y, +2.98ppts), healthcare (+7.0% y/y, +0.56ppts), alcoholic beverages & tobacco (+4.4% y/y, +0.28ppts) and hotels and restaurants (+6.9% y/y, +0.21ppts) categories. Meanwhile, deflation was recorded in communication (-4.7% y/y, -0.15ppts), furnishings, household equipment and maintenance (-1.6% y/y, -0.09ppts), recreation & culture (-1.6% y/y, -0.07ppts) and transport (-0.6% y/y, -0.06ppts) categories.

Measured over the entire year, average annual inflation came in at 3.9% in 2025, in line with our expectation. For 2026, we forecast average annual inflation at 3.0%.

### International reserves at US\$ 6.2bn in Dec-25

Gross international reserves increased by 38.4% y/y to a record US\$ 6.2bn in Dec-25, according to NBG. On a monthly basis, the reserves rose by 5.9% (+US\$ 342.6mn). Changes in reserves were attributed to the changes in the value of monetary gold (+US\$ 40.6mn m/m) along with the government and/or banking sector FX operations, and likely also to NBG's FX trading via BMatch platform (information will be available on 26 January). Notably, as of Dec-25, monetary gold accounted for 16.3% of total international reserves.

### Tourism revenues estimated at US\$ 280mn in Dec-25

Tourism revenues increased by 5.3% y/y to US\$ 280mn in Dec-25, according to our estimates. Overall, in 2025, tourism revenues came in at US\$ 4.6bn (+4.9% y/y), by our estimates.

We forecast tourism revenues at US\$ 4.9bn in 2026.

Georgia's exposure to Iran is limited mainly to tourism, with tourism revenues from Iran accounting for 2.7% of the total in 9M25. Given this low exposure, the impact of prolonged instability in Iran on Georgia's tourism sector is expected to be minimal.

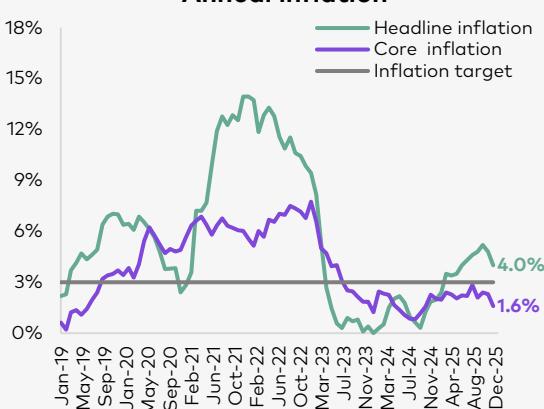
### Key macro indicators

	2025E	2026F
Real GDP growth (% change)	7.5%	6.0%
GDP per capita (ppp)	31,516	34,875
GDP per capita (US\$)	10,265	11,387
Population (mn)	3.7	3.7
Inflation (average)	3.9%	3.0%
Gross reserves (US\$ bn)	6.2	7.0
CAD (% of GDP)	3.2%	3.3%
Fiscal deficit (% of GDP)	2.5%	2.5%
Total public debt (% of GDP)	34.1%	33.5%
Fitch/S&P/Moody's*	BB/BB/Ba2	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

3.2-year GEL 40.0mn (US\$ 14.8mn) treasury notes were sold at the auction held at NBG on January 6, 2026. Total demand was 1.6x higher and the weighted average yield was fixed at 8.950%, up by 0.041pp from previous auction held in Dec-25.

6-month GEL 70.0mn (US\$ 26.0mn) treasury notes were sold at the auction held at NBG on January 6, 2026. Total demand was 2.0x higher and the weighted average yield was fixed at 8.132%, up by 0.070pp from previous auction held in Dec-25.

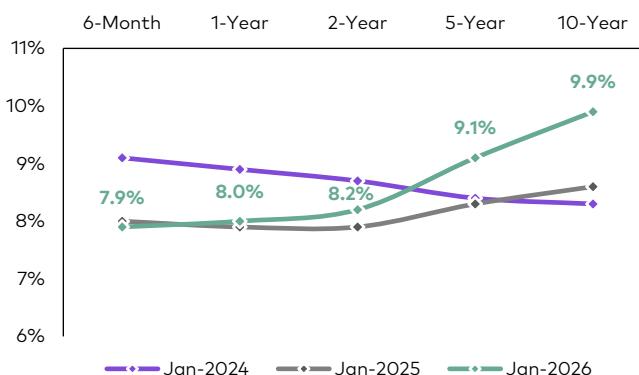
The nearest treasury security auction is scheduled for January 13, 2026, where GEL 70.0mn nominal value 1-year T-bills and GEL 30.0mn nominal value 10.7-year treasury notes will be sold.

## T-bills / T-notes in 2026

Maturity	YTD placements, GEL mn	Remaining placements, GEL mn	Outstanding amount, GEL mn*
Short-term (less than 1-year)	70	510	360
Long-term (over 1-year)	40	2,120	10,799
<b>Total</b>	<b>110</b>	<b>2,610</b>	<b>11,159</b>

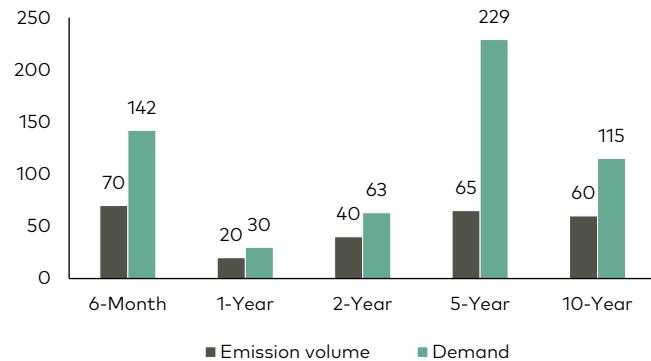
Source: MoF  
 \*As of November 2025

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



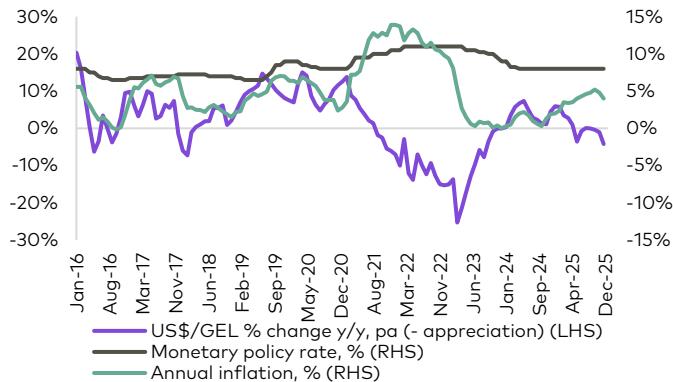
Source: NBG

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



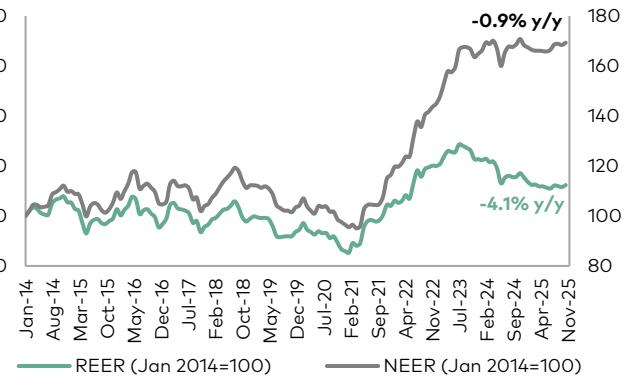
Source: NBG

## 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/Moody	Mid price	Mid yield, %	Z-spread, bps
GEORG 04/26	USD	500	2.750%	Apr-21	Apr-26	BB/BB/Ba2	99.17	5.87	222.67
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB/-	94.62	6.40	301.39
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	104.39	8.80	462.51
GEBGG 11/28	GEL	450	11.500%	Nov-25	Nov-28	-/-/Ba2	100.08	11.45	n/a
SILKRDH 09/30	USD	400	7.500%	Sep-25	Sep-30	BB-/-/B1	100.96	7.26	376.89
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	100.51	8.25	468.50
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	106.28	9.06	475.19
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB/-	105.89	6.96	217.60

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
<b>USD</b>								
Geo. Renewable Power Oper.	USD	73	7.00%	Oct-22	Oct-27	-/-/-	100.00	7.00%
Georgia Capital	USD	50	8.50%	Aug-23	Aug-28	-/BB/-/-	101.08	8.13%
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	8.00%	Apr-25	Apr-27	-/-/-/BB-	n/a	n/a
Tegeta Motors	USD	10	8.00%	Apr-25	Apr-27	-/-/-/BB-	n/a	n/a
Energy Development Georgia	USD	10	8.50%	Jun-25	Jun-27	-/-/-/-	n/a	n/a
ALMA	USD	30	8.50%	Jul-25	Jul-27	-/-/-/-	n/a	n/a
Gudauri Lodge	USD	10	8.25%	Oct-25	Oct-27	-/-/-/-	n/a	n/a
IG Development	USD	25	7.75%	Dec-25	Dec-27	-/-/-/-	n/a	n/a
TBC Leasing	USD	30	7.25%	Dec-25	Dec-28	BB/-/-/-	n/a	n/a
TBC Leasing	USD	15	7.25%	Dec-25	Dec-28	BB/-/-/-	n/a	n/a
Bank of Georgia	USD	15	4.20%	Dec-25	Dec-26	-/-/-/-	n/a	n/a

Galt & Taggart-led and/or co-managed deals

Source: Bloomberg, Galt & Taggart

## Fixed income

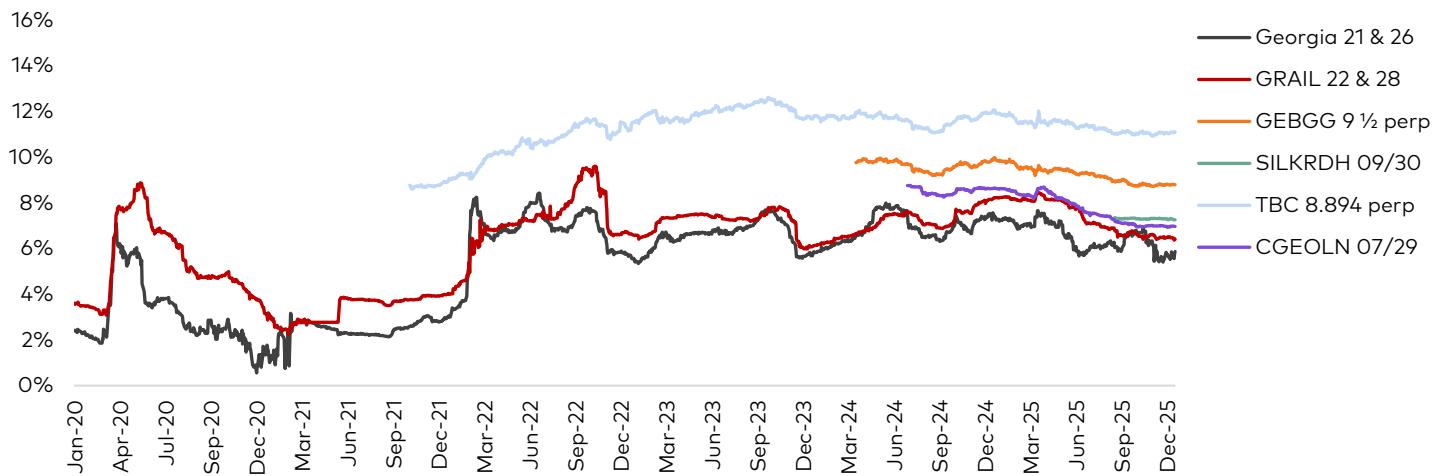
### Georgian local bonds

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings Fitch/S&P/Moody/Scope	Mid price	Mid yield, %
<b>EUR</b>								
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
IG Development	EUR	15	6.50%	Dec-25	Dec-28	-/-/-	n/a	n/a
<b>GEL</b>								
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
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
MFO MBC	GEL	30	TIBR3M + 4.00%	Oct-25	Oct-27	-/-/B+	n/a	n/a
MFO Rico Express	GEL	200	TIBR1D + 3.00%	Dec-25	Dec-30	-/-/B+	n/a	n/a
Tegeta Motors	GEL	260	TIBR6M + 3.00%	Dec-25	Dec-30	-/-/BB-	n/a	n/a
Nova	GEL	50	TIBR6M + 3.25%	Dec-25	Dec-30	-/-/-	n/a	n/a

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

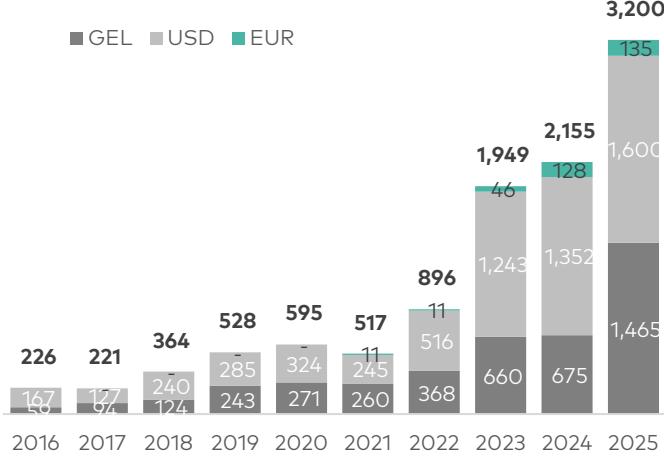
## Fixed income

### Georgian Eurobonds, YTM

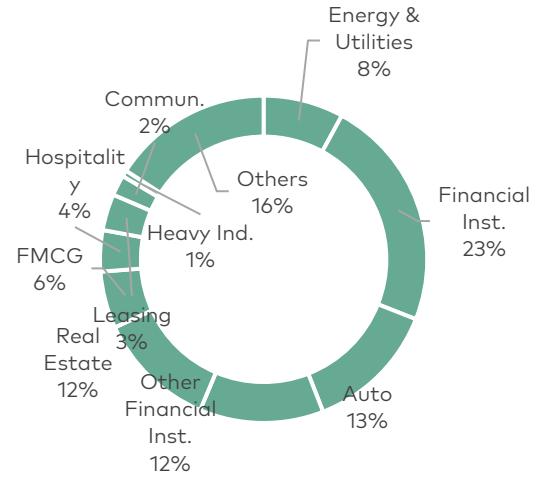


Source: Bloomberg

### Georgian local corporate public bonds outstanding, GEL mn



### Georgian local corporate public bonds outstanding by sector



Source: Galt & Taggart

Note: USD and EUR bonds are converted into GEL as of issuance date

Source: Galt & Taggart

# Equities

## Bank of Georgia Group (BGEO LN)



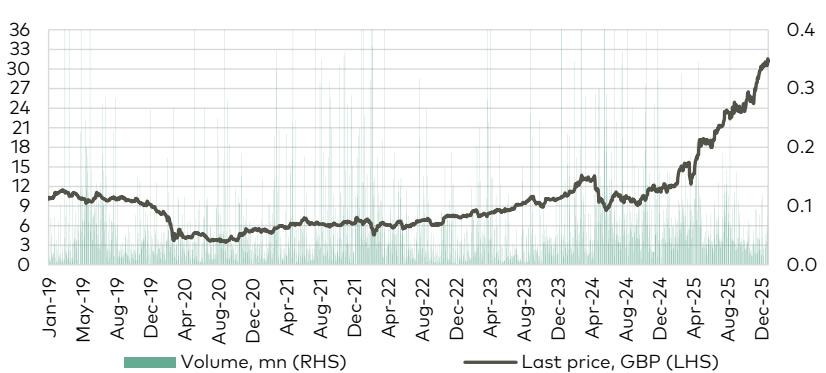
**Lion Finance Group** (BGEO LN) shares closed at GBP 91.90/share (-0.27% w/w and -1.55% m/m). More than 305k shares traded in the range of GBP 88.80 - 93.20/share. Average daily traded volume was 64k in the last 4 weeks. The volume of BGEO shares traded was at 0.70% of its capitalization.

## TBC Bank Group (TBCG LN)



**TBC Bank Group** (TBCG LN) closed the week at GBP 39.15/share (-1.63% w/w and -3.21% m/m). More than 293k shares changed hands in the range of GBP 38.00 - 40.50/share. Average daily traded volume was 53k in the last 4 weeks. The volume of TBCG shares traded was at 0.52% of its capitalization.

## Georgia Capital (CGEO LN)



**Georgia Capital** (CGEO LN) shares closed at GBP 31.15/share (+0.81% w/w and +5.24% m/m). More than 415k shares traded in the range of GBP 30.35 - 31.60/share. Average daily traded volume was 56k in the last 4 weeks. The volume of CGEO shares traded was at 1.19% of its capitalization.

## Equities, continued

### Eastern European banks

													P/E	P/B
	Ticker	Currency	Share price	Mcap, mn	6M chg	y/y chg	YTD chg	2026F	2027F	2026F	2027F			
Lion Finance Group	BGEO	GBP	91.90	3,994	30.5%	100.4%	-1.2%	5.96x	5.14x	1.36x	1.12x			
TBC	TBC	GBP	39.15	2,185	-19.4%	28.6%	-3.6%	4.93x	4.28x	na	na			
Halyk Bank	HSBK	USD	29.00	7,913	16.0%	45.9%	-3.2%	4.27x	4.47x	1.13x	na			
Akbank	AKBNK	TRY	73.80	383,760	6.5%	12.0%	5.7%	3.56x	2.82x	0.96x	0.72x			
Garanti	GARAN	TRY	145.50	611,100	4.2%	11.2%	1.4%	3.54x	2.94x	1.00x	0.75x			
Isbank	ISCTR	TRY	14.47	361,750	0.8%	-0.1%	2.7%	2.71x	2.22x	0.68x	0.52x			
PKO	PKO	PLN	87.38	109,225	10.1%	44.3%	2.6%	10.82x	9.04x	1.86x	1.72x			
PEKAO	PEO	PLN	210.70	55,302	10.0%	46.3%	2.7%	9.69x	8.92x	1.54x	1.45x			
Millennium	MIL	PLN	17.10	20,743	18.3%	76.3%	2.8%	8.57x	8.13x	1.95x	1.67x			
Mbank	MBK	PLN	1,048.50	44,588	32.4%	85.4%	-1.2%	10.47x	8.99x	1.94x	1.65x			
BRD	BRD	RON	26.50	18,468	42.2%	40.5%	-1.5%	11.55x	10.74x	1.67x	1.59x			
Banca Transilvania	TLV	RON	32.10	34,999	24.3%	37.6%	6.3%	8.93x	8.20x	1.85x	1.57x			
Komercki	KOMB	CZK	1,207.00	229,390	17.0%	38.7%	3.9%	13.14x	12.35x	1.78x	1.68x			
<b>Mean</b>								<b>7.55x</b>	<b>6.79x</b>	<b>1.48x</b>	<b>1.31x</b>			
<b>Median</b>								<b>8.57x</b>	<b>8.13x</b>	<b>1.60x</b>	<b>1.57x</b>			

Source: Bloomberg, S&amp;P Capital IQ

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**Galt & Taggart**

**Address:** 3 A. Pushkin Street, Tbilisi 0108, 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)