



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.

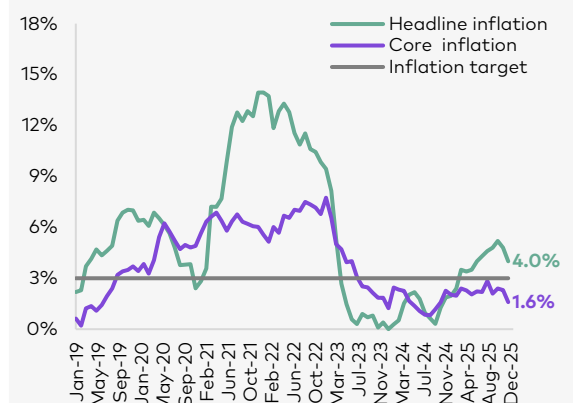
Key macro indicators

	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/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

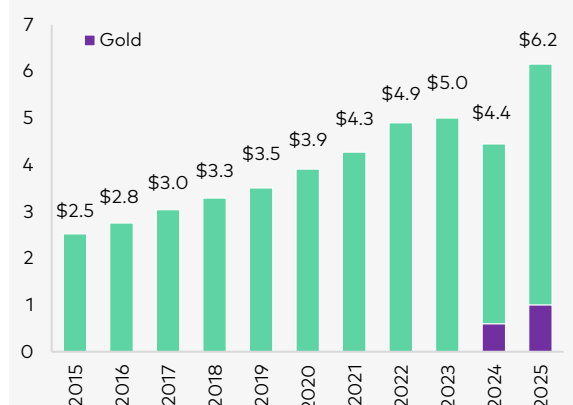
*Latest sovereign credit ratings

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 0.041ppts 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 0.070ppts from previous auction held in Dec-25.

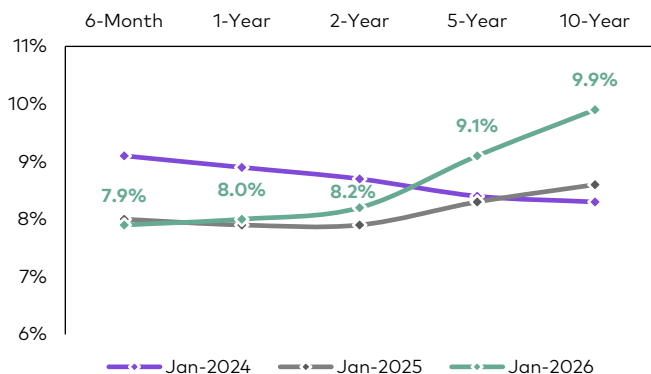
The nearest treasury security auction is scheduled for January 13, 2026, where GEL 70.0mn nominal value 1-year T-bills and GEL 30.0mn nominal value 10.7-year treasury notes will be sold.

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
Total	110	2,610	11,159

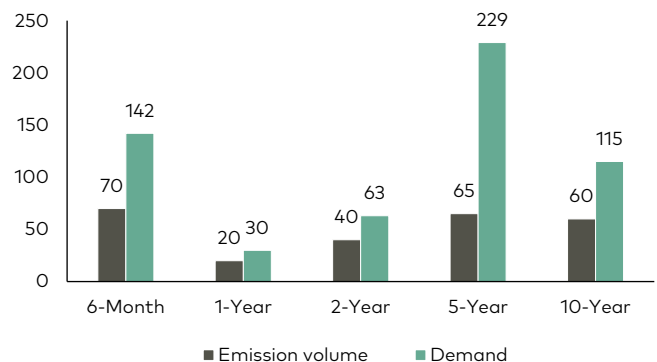
Source: MoF
*As of November 2025

T-bills / T-notes, yield curve



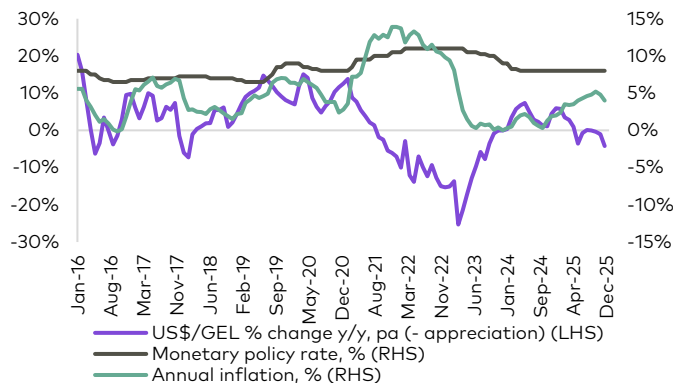
Source: NBG

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



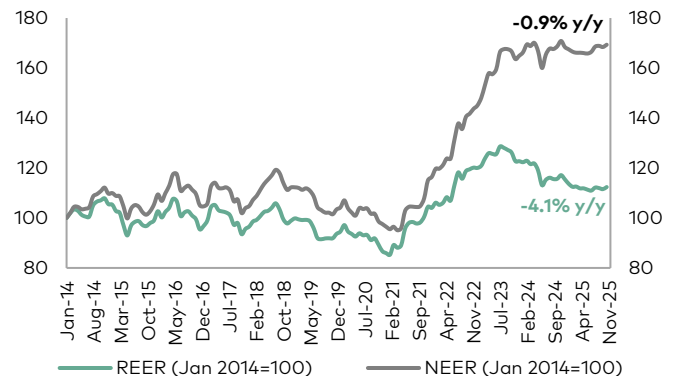
Source: NBG

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-/-/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
USD								
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-/-/B-	n/a	n/a
TBC Leasing	USD	15	7.25%	Dec-25	Dec-28	BB-/-/B-	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

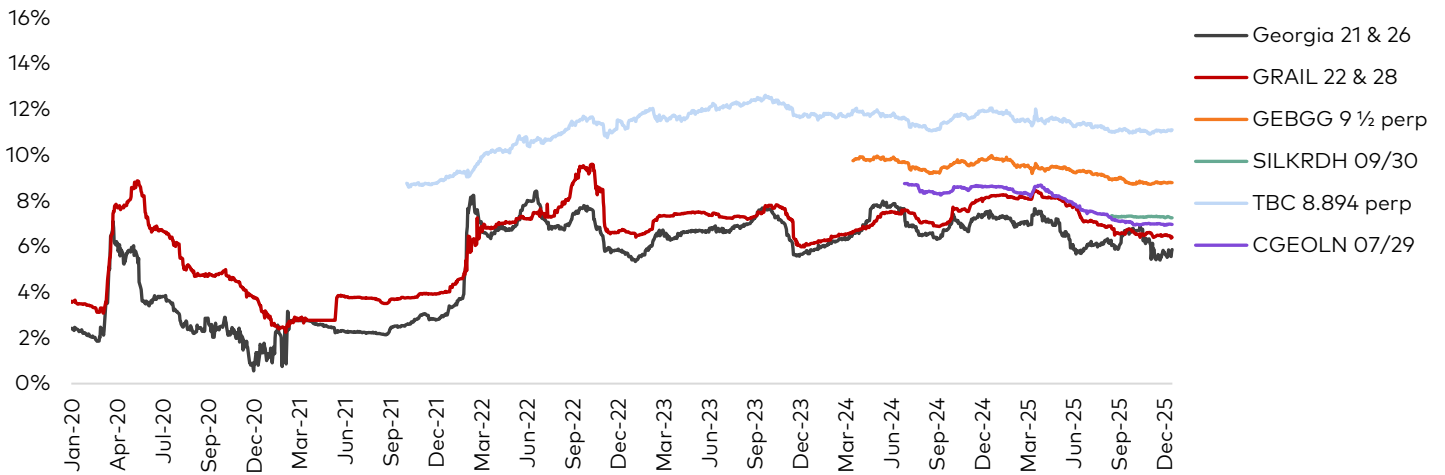
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings Fitch/S&P/Moody/ Scope	Mid price	Mid yield, %
EUR								
IG Development	EUR	5	7.00%	Jan-24	Jan-26	-/-/-/-	99.60	6.15%
Tegeta Motors	EUR	10	6.75%	May-24	May-26	-/-/-/BB-	n/a	n/a
MP Development	EUR	3	7.75%	Jul-24	Jul-26	-/-/-/-	n/a	7.75%
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
GEL								
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



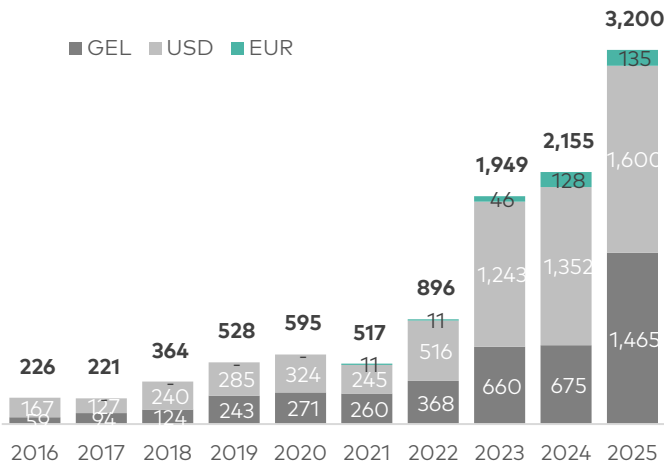
Fixed income

Georgian Eurobonds, YTM



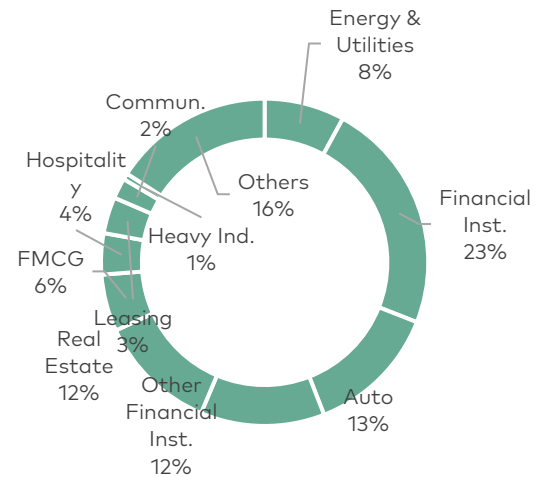
Source: Bloomberg

Georgian local corporate public bonds outstanding, GEL mn



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

Georgian local corporate public bonds outstanding by sector

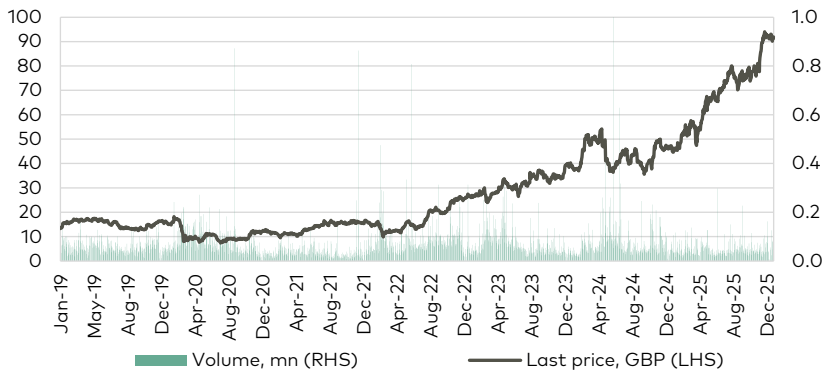


Source: Galt & Taggart



Equities

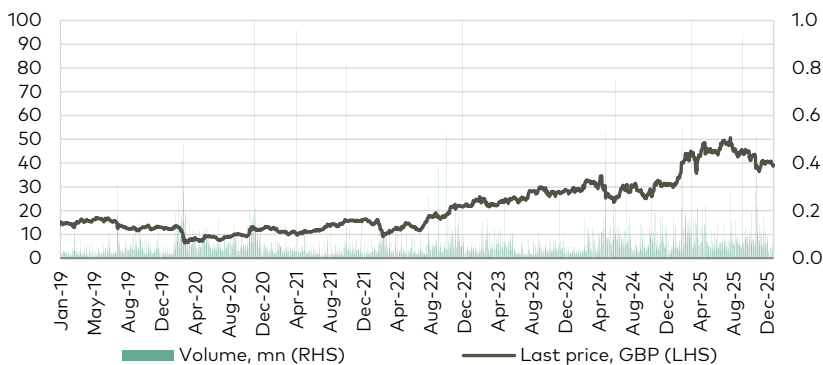
Bank of Georgia Group (BGEO LN)



Source: Bloomberg

Lion Finance Group (BGEO LN) shares closed at GBP 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.

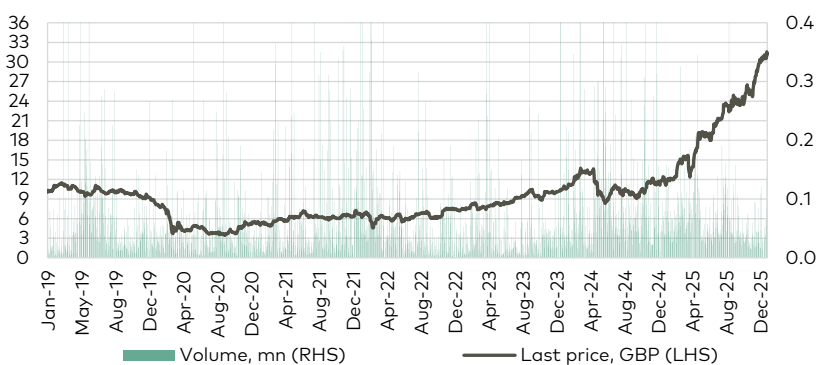
TBC Bank Group (TBCG LN)



Source: Bloomberg

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)



Source: Bloomberg

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

	Ticker	Currency	Share price	Mcap, mn	6M chg	y/y chg	YTD chg	P/E		P/B	
								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
Komerční	KOMB	CZK	1,207.00	229,390	17.0%	38.7%	3.9%	13.14x	12.35x	1.78x	1.68x
Mean								7.55x	6.79x	1.48x	1.31x
Median								8.57x	8.13x	1.60x	1.57x

Source: Bloomberg, S&P Capital IQ



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