



Economy

Georgia's economy grew by 9.5% in 2024

Georgia's economic growth was 6.7% y/y in Dec-24, following a 7.5% y/y growth in previous month. This growth was mainly driven by increased activity in the financial & insurance, professional & scientific, transport, trade and ICT sectors, while the manufacturing sector contracted.

Overall, Georgian economy grew by 9.5% in 2024, after a 7.8% posted in 2023. Nominal GDP increased by 13.5% to GEL 91.8bn (US\$ 33.7bn) and GDP per capita reached US\$ 9,124 in 2024.

For 2025, under our baseline scenario, we forecast Georgia's real GDP growth of 5.0% (see 2025 baseline and other macro scenarios in detail [here](#)).

Bank lending increased by 17.0% y/y in Dec-24

In Dec-24, the banking sector loan portfolio increased by 17.0% y/y (+2.4% m/m), excluding FX effect, after a 17.8% y/y growth in previous month. In unadjusted terms, loan portfolio rose by 18.2% y/y (+2.7% m/m), reaching GEL 62.2bn (US\$ 22.2bn), after growing 18.4% y/y in Nov-24. By sector, corporate loans grew by 17.8% y/y (excluding FX effect), while retail loans increased by 16.3% y/y. Loan dollarization rose to 43.3% (-1.92ppts y/y and +0.53ppts m/m) in Dec-24.

On the deposits side, there was a 13.4% y/y increase (excluding FX effect) to GEL 58.3bn (US\$ 20.8bn) in Dec-24, after a 14.0% y/y growth in previous month. In terms of currency breakdown, GEL deposits growth slowed further to 10.5% y/y (+12.8% y/y in Nov-24), while FX deposits (exc. FX effect) increased by 16.3% y/y (+15.2% y/y in Nov-24). Consequently, deposit dollarization increased further to 52.8% (+2.04ppts y/y and +1.08ppts m/m) in Dec-24.

NBG kept its key rate unchanged at 8.0%

On January 29, 2025, the Monetary Policy Committee of the NBG decided to maintain its key interest rate at 8.0%. While 2024 saw robust economic growth and inflation below the 3.0% target, the NBG cited considerable uncertainty as the primary factor in maintaining the rate. This uncertainty stems from both domestic economic factors and ongoing geopolitical instability. The regulator is cautious about future rate adjustments, aiming for a gradual normalization toward a neutral rate of 7.0%, depending on upcoming economic data and risk assessments. The next committee meeting is scheduled for March 12, 2025.

NBG purchased US\$ 28.6mn in Dec-24

In Dec-24, the NBG purchased US\$ 28.6mn on the FX market. Overall, the NBG was a net seller of US\$ 434.8mn in 2024.

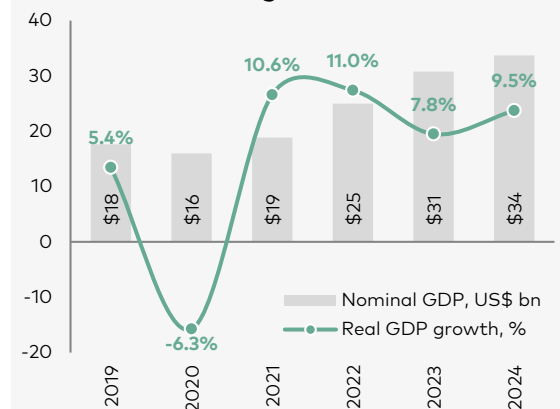
Key macro indicators

	2024E	2025F
Real GDP growth (% change)	9.5%	5.0%
GDP per capita (ppp)	28,106	29,154
GDP per capita (US\$)	9,124	9,466
Population (mn)	3.7	3.7
Inflation (average)	1.1%	3.9%
Gross reserves (US\$ bn)	4.4	4.2
CAD (% of GDP)	4.9%	5.5%
Fiscal deficit (% of GDP)	2.5%	2.5%
Total public debt (% of GDP)	36.8%	37.0%
Fitch/S&P/Moody's*	BB/BB/Baa2	

Source: Official data, Rating agencies, Galt & Taggart

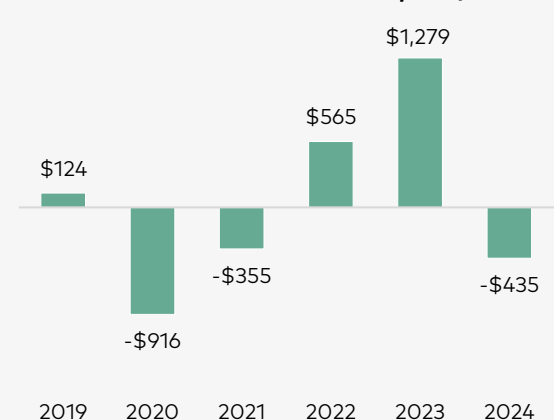
*Latest sovereign credit ratings

Georgia's GDP



Source: Geostat

NBG's net FX interventions, US\$ mn



Source: NBG

Note: +/- signs mean reserve accumulation/selling

Money market

Ministry of Finance T-bills/T-notes:

5.2-year GEL 80.0mn (US\$ 27.8mn) benchmark bonds were sold at the auction held at NBG on January 28, 2025. Total demand was 2.0x higher and the weighted average yield was fixed at 8.607%, up by 0.172ppts from previous auction held in Dec-24.

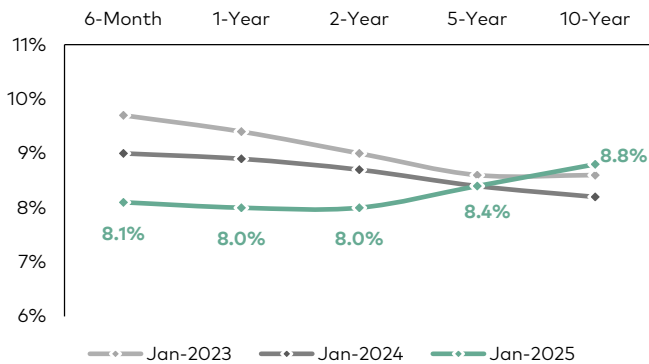
The nearest treasury security auction is scheduled for February 4, 2025, where GEL 50.0mn nominal value 6-month T-bills and GEL 40.0mn nominal value 2.9-year benchmark bonds will be sold.

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)	70	500	360
Long-term (over 1-year)	203	2,180	9,313
Total	273	2,680	9,673

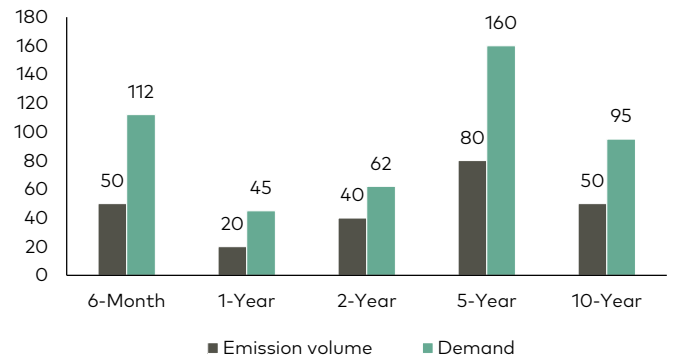
Source: MoF
*As of December 2024

T-bills / T-notes, yield curve



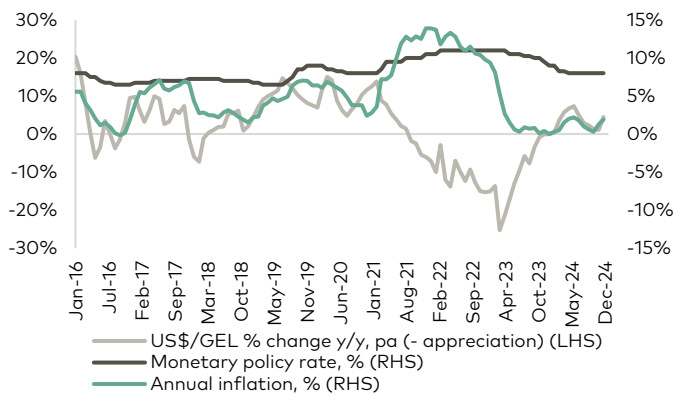
Source: NBG

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



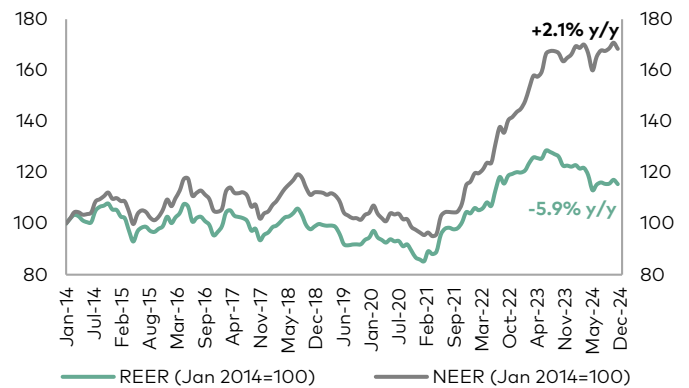
Source: NBG

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	94.89	7.21	308.00
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	87.72	8.25	420.37
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	97.87	10.10	606.13
SILKNET 01/27	USD	300	8.375%	Jan-22	Jan-27	BB-/-/B1	100.80	7.93	332.84
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	96.18	11.08	700.23
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	99.60	10.36	631.81
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	101.00	8.60	449.31

■ 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								
Bakhvi Hydro Power	USD	1.2	9.40%	Nov-17	Nov-27	-/-/-/-	n/a	n/a
Geo. Renewable Power Oper.	USD	80	7.00%	Oct-22	Oct-27	-/-/-/-	100.00	7.00%
Geosteel	USD	15	9.00%	Apr-23	Apr-25	-/-/-/-	99.99	9.00%
Silk Real Estate	USD	20	9.00%	Apr-23	Apr-26	-/-/-/-	99.99	9.00%
Tegeta Motors	USD	20	8.50%	Apr-23	Apr-25	-/-/-/BB-	99.77	8.75%
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-/-/-	101.08	8.13%
Silk Real Estate	USD	20	9.25%	Sep-23	Sep-26	-/-/-/-	100.91	8.63%
Prime Concrete	USD	7.5	10.50%	Sep-23	Sep-27	-/-/-/-	n/a	n/a
Austrian-Georgian Development	USD	15	9.00%	Oct-23	Oct-25	-/-/-/-	n/a	n/a
MFO EuroCredit	USD	10	9.50%	Dec-23	Dec-27	-/-/-/-	n/a	n/a
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

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



Fixed income

Georgian local bonds

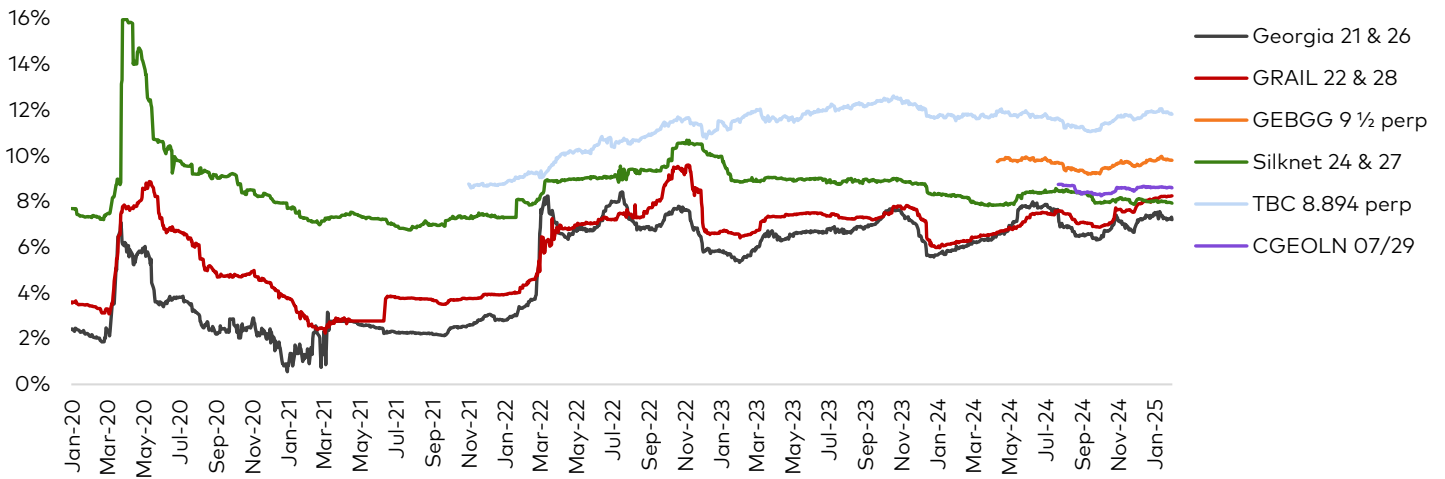
Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Ratings (Fitch/S&P/Moody/Scope)	Mid price	Mid yield, %
EUR								
Tegeta Motors	EUR	5	7.00%	Apr-23	Apr-25	-/-/BB-	99.77	7.25%
Tegeta Motors	EUR	4	7.00%	Dec-23	Dec-25	-/-/BB-	99.63	7.25%
Tegeta Motors	EUR	7	6.75%	Dec-23	Dec-25	-/-/BB-	100.37	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%
Silk Real Estate	EUR	7	7.00%	Aug-24	Aug-25	-/-/BB-	n/a	7.00%
Chavchavadze 64B	EUR	3	7.75%	Aug-24	Aug-26	-/-/BB-	n/a	7.75%
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 Crystal	GEL	25	TIBR6M + 4.75%	Feb-23	Feb-25	B-/BB-	100.00	13.22%
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

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



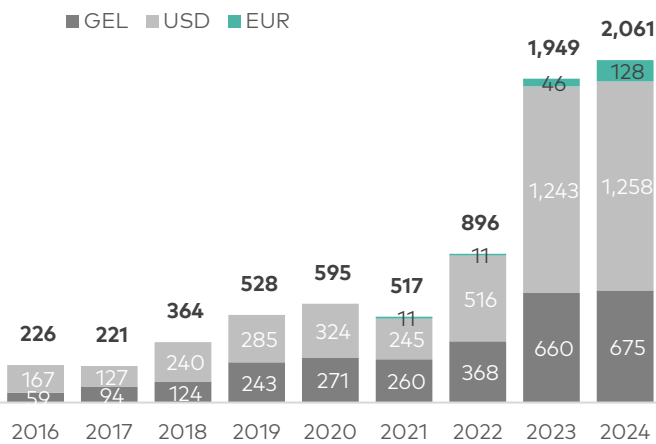
Fixed income

Georgian Eurobonds, YTM



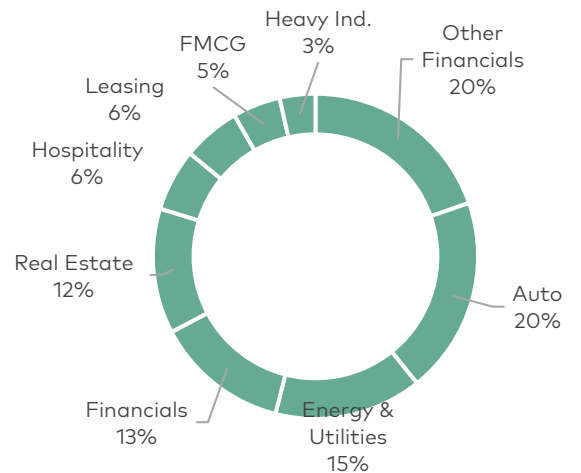
Source: Bloomberg

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

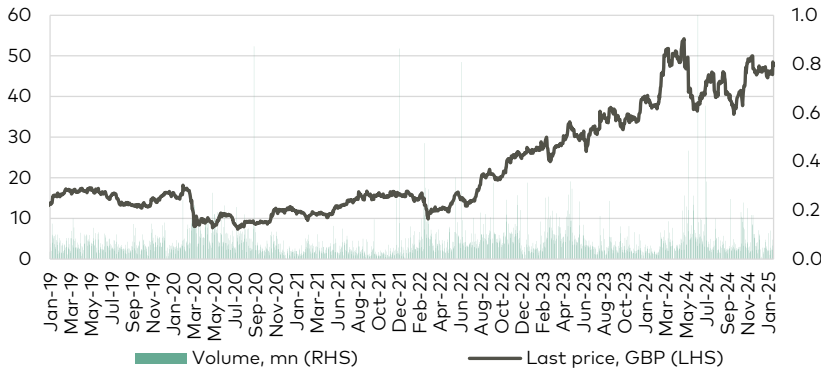


Source: Galt & Taggart



Equities

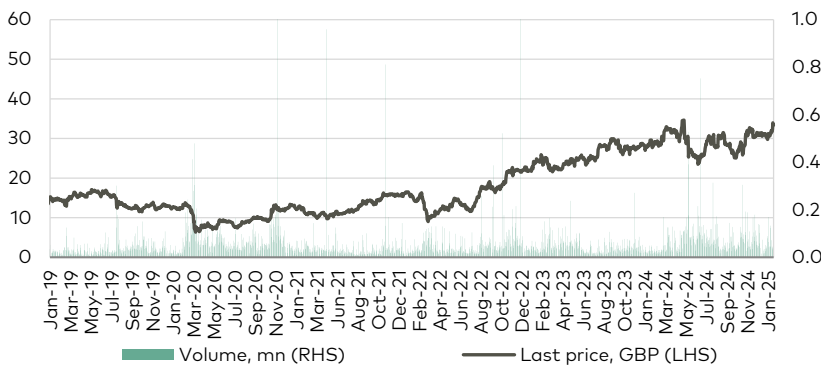
Bank of Georgia Group (BGEO LN)



Source: Bloomberg

Bank of Georgia Group (BGEO LN) shares closed at GBP 47.55/share (+2.70% w/w and +0.96% m/m). More than 237k shares traded in the range of GBP 45.00 - 49.75/share. Average daily traded volume was 51k in the last 4 weeks. The volume of BGEO shares traded was at 0.53% of its capitalization.

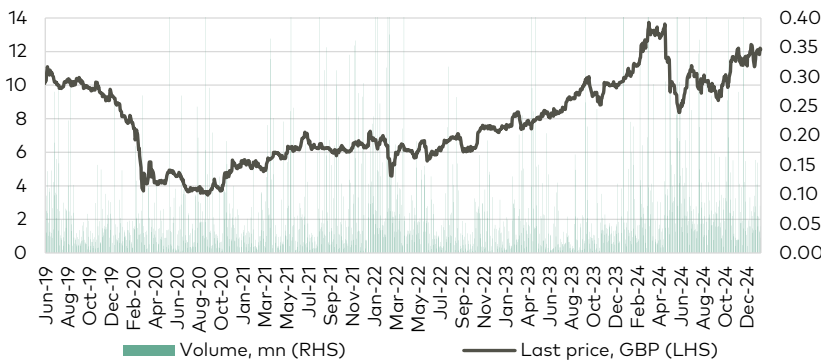
TBC Bank Group (TBCG LN)



Source: Bloomberg

TBC Bank Group (TBCG LN) closed the week at GBP 33.40/share (+4.38% w/w and +7.05% m/m). More than 213k shares changed hands in the range of GBP 31.60 - 34.25/share. Average daily traded volume was 64k 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 12.12/share (+1.00% w/w and +1.00% m/m). More than 225k shares traded in the range of GBP 11.80 - 12.40/share. Average daily traded volume was 68k in the last 4 weeks. The volume of CGEO shares traded was at 0.57% of its capitalization.



Equities, continued

Eastern European banks

	Ticker	Currency	Share price	Mcap, mn6M	chg	y/y chg	YTD chg	P/E			P/B		
								2023	2024F	2025F	2023	2024F	2025F
Bank of Georgia	BGEO	GBP	47.55	2,109	4.3%	25.3%	1.0%	4.36x	4.17x	3.75x	1.19x	na	na
TBC	TBC	GBP	33.40	1,878	7.7%	14.6%	7.1%	4.78x	5.15x	4.45x	1.15x	na	na
Halyk Bank	HSBK	USD	19.18	5,219	9.1%	33.9%	-1.3%	2.57x	3.13x	3.07x	0.72x	na	na
Akbank	AKBNK	TRY	64.85	337,220	4.8%	64.0%	0.0%	2.86x	7.52x	4.74x	0.90x	1.40x	1.08x
Garanti	GARAN	TRY	127.30	534,660	2.8%	100.5%	2.3%	2.84x	5.60x	4.44x	1.00x	1.60x	1.20x
Isbank	ISCTR	TRY	14.16	354,000	-5.6%	38.1%	4.6%	3.23x	7.81x	4.26x	0.87x	1.18x	0.90x
PKO	PKO	PLN	66.92	83,650	13.5%	31.2%	12.0%	11.44x	7.88x	7.44x	1.39x	1.68x	1.54x
PEKAO	PEO	PLN	160.35	42,087	0.0%	3.8%	16.3%	6.07x	6.60x	6.76x	1.32x	1.33x	1.23x
Millennium	MIL	PLN	10.40	12,615	14.8%	23.7%	16.9%	17.78x	4.60x	5.22x	1.47x	1.65x	1.41x
Mbank	MBK	PLN	629.80	26,765	1.1%	17.9%	15.1%	na	10.05x	8.98x	1.65x	1.73x	1.40x
BRD	BRD	RON	18.12	12,628	-18.0%	3.4%	-2.8%	7.62x	8.80x	8.90x	1.42x	1.32x	1.23x
Banca Transilvania	TLV	RON	27.45	25,168	-5.3%	26.8%	1.7%	7.76x	5.98x	6.92x	1.82x	1.55x	1.47x
Komerčni	KOMB	CZK	891.00	169,334	9.7%	18.0%	5.0%	8.76x	11.11x	10.87x	1.09x	1.35x	1.35x
Mean								6.67x	6.80x	6.14x	1.23x	1.48x	1.28x
Median								5.43x	6.60x	5.22x	1.19x	1.47x	1.29x

Source: Bloomberg, S&P Capital IQ

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