Economy

Bank lending increased by 14.8% y/y in Aug-26

Bank lending rose 14.8% y/y (excluding FX effects) to GEL 76.5bn (US$ 29.3bn) in Aug-26, up slightly from 14.7% y/y in July. Retail loans continued to lead the expansion, growing 17.5% y/y, while corporate loans increased 11.7% y/y. On the funding side, deposit growth picked up to 21.7% y/y (excluding FX effects) from 20.9% y/y a month earlier, bringing total deposits to GEL 75.6bn (US$ 28.9bn).

De-dollarization progressed further. Loan dollarization edged down 0.10ppts m/m to 41.2% in August, while deposit dollarization held steady at 43.2%. Both ratios stand below their year-ago levels, lower by 0.77ppts and 6.53ppts y/y, respectively.

NBG purchased US$ 555.6mn in Aug-26

The NBG continued its interventions in the FX market, buying US$ 555.6mn via the BMatch platform in Aug-26 and bringing its total net purchases to US$ 3.1bn in 8M26.

Trade deficit narrowed by 9.4% y/y in Aug-26

In Aug-26, goods exports increased by 24.7% y/y to US$ 752.4mn, following 30.0% y/y surge in previous month. Goods imports rose by 4.3% y/y to US$ 1.6bn, moderating from the 8.5% y/y growth posted in previous month. As a result, the trade deficit narrowed by 9.4% y/y to US$ 809.9mn in August.

The top 5 exported commodities were cars (-25.0% y/y), petroleum (+US$ 108.0mn y/y), precious metals (+29.6% y/y), aircraft (+US$ 46.0mn y/y) and ferro-alloys (+7.1% y/y) in Aug-26. A 15.1% of exports were directed to the EU (+52.5% y/y), 50.9% to the CIS (-13.0% y/y) and 34.0% to other countries (+190.0% y/y).

The top 5 imports were cars (-34.8% y/y), petroleum (+66.6% y/y), pharmaceuticals (-12.4% y/y), crude petroleum (+US$ 41.4mn y/y) and phones (-0.4% y/y) in Aug-26.

Overall, in 8M26 the trade deficit decreased by 7.4% y/y to US$ 7.1bn, as exports grew by 22.1% y/y to US$ 5.4bn and imports were up by 3.4% y/y to US$ 12.5bn.

Producer price index increased by 5.8% y/y in Aug-26

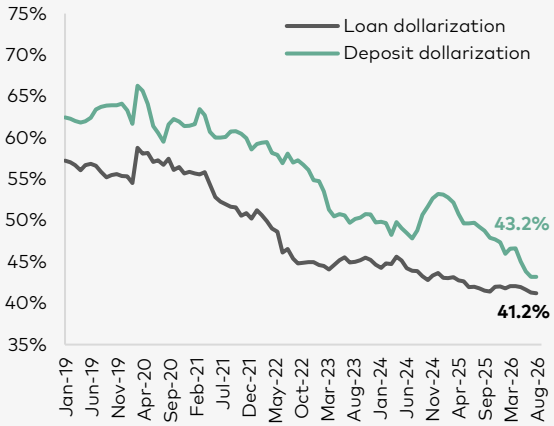
Annual PPI for industrial goods increased by 5.8% in Aug-26, after a 5.1% rise in previous month. The annual growth was mainly driven by an increase in prices in the manufacturing (+5.1% y/y) and mining (+20.1% y/y) sectors.

Key macro indicators

	2025	2026F
Real GDP growth (% change)	7.5%	7.5%
GDP per capita (ppp)	29,329	33,660
GDP per capita (US$)	9,678	11,146
Population (mn)	3.9	3.9
Inflation (average)	3.9%	5.1%
Gross reserves (US$ bn)	6.2	8.5
CAD (% of GDP)	2.6%	2.3%
Fiscal deficit (% of GDP)	1.4%	2.0%
Total public debt (% of GDP)	34.4%	33.0%
Fitch/S&P/Moody's*	BB/BB/Ba2	

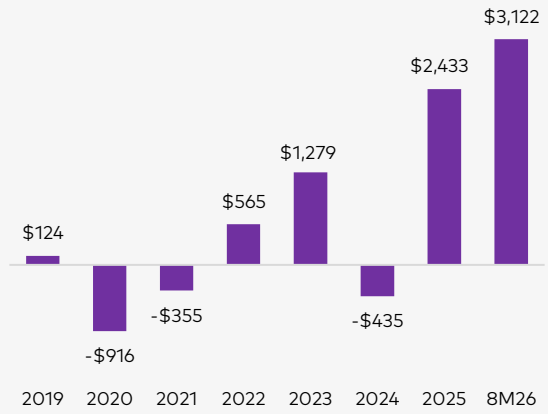
Source: Official data, Rating agencies, Galt & Taggart
*Latest sovereign credit ratings

Loan and deposit dollarization



Source: NBG

NBG's net FX interventions, US$ mn



Source: NBG
Note: +/- signs mean reserve accumulation/selling

Money market

Ministry of Finance T-bills/T-notes

4.8-year GEL 40.0mn (US$ 15.3mn) treasury notes were sold at the auction held at NBG on September 22, 2026. Total demand was 2.9x higher and the weighted average yield was fixed at 8.398%, down by 0.009ppts from previous auction held in Aug-26.

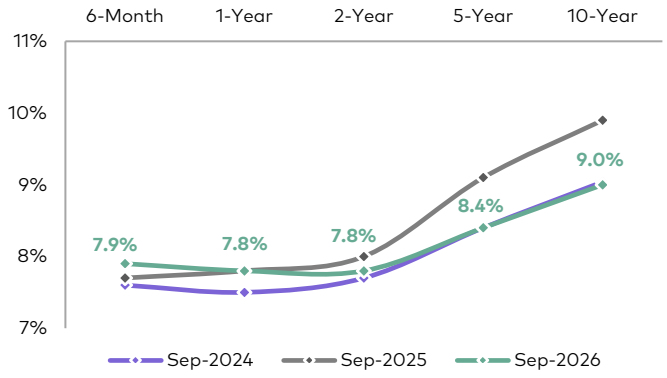
The nearest treasury security auction is scheduled for October 6, 2026, where GEL 20.0mn nominal value 6-month T-bills and GEL 40.0mn nominal value 2.4-year treasury notes will be sold.

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)	460	120	397
Long-term (over 1-year)	1,785	420	12,364
Total	**2,245**	**540**	**12,761**

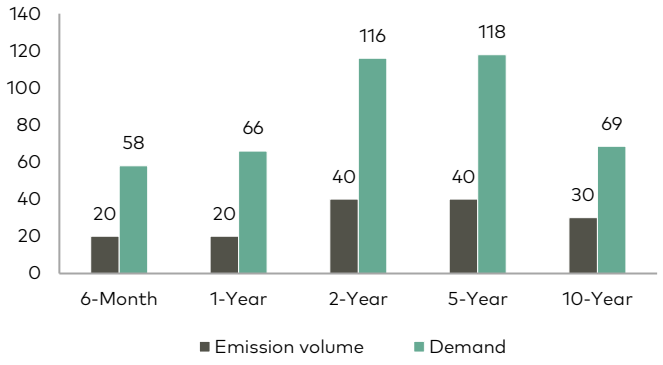
Source: MoF, Galt & Taggart
*As of August 2026

T-bills / T-notes, yield curve



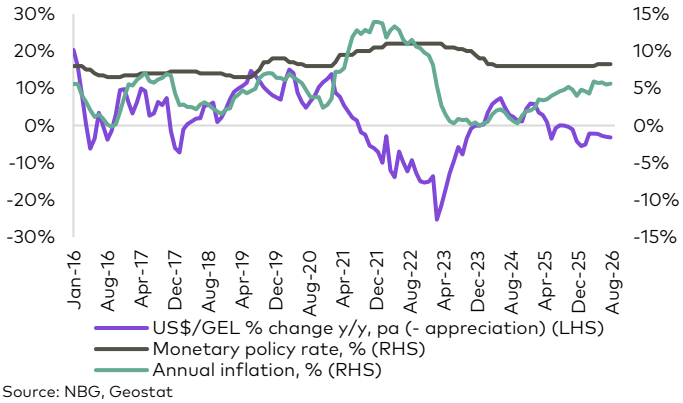
Source: NBG

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



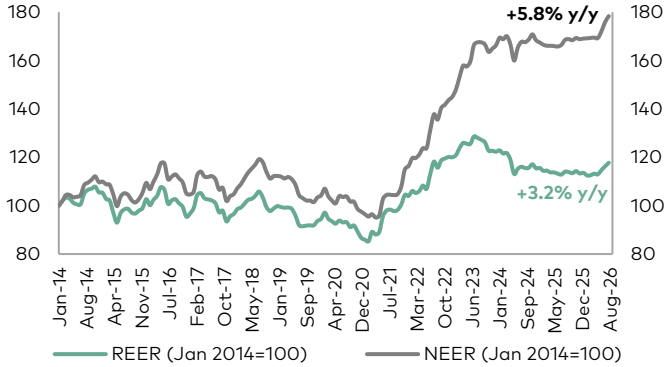
Source: NBG

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 01/31	USD	500	5.125%	Jan-26	Jan-31	BB/BB/Ba2	95.63	6.29	153.59
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	96.37	6.26	154.84
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	104.78	9.67	286.79
GEBGG 11/28	GEL	450	11.500%	Nov-25	Nov-28	-/-/Ba2	102.51	10.15	n/a
GEBGG 06/31	USD	300	6.500%	Jun-26	Jun-31	-/-/Ba2	98.54	6.87	212.11
SILKRDH 09/30	USD	400	7.500%	Sep-25	Sep-30	BB-/-/B1	99.28	7.71	289.11
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	100.63	2.87	n/a
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	106.61	9.90	295.91
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB/BB/-	103.94	7.30	188.19

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

Georgian local bonds

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Issuer Credit Rating	Mid price	Mid yield
USD								
Geo. Renewable Power Oper.	USD	73	7.00%	Oct-22	Oct-27	n/a	100.00	7.00%
Georgia Capital	USD	50	8.50%	Aug-23	Aug-28	BB-	101.08	8.13%
Silk Bank	USD	1	12.50%	Apr-24	Apr-29	n/a	n/a	n/a
JSC BasisBank	USD	20	7.00%	Aug-24	Aug-27	B+	n/a	7.00%
Liberty Bank	USD	3.6	11.00%	Sep-24	Sep-31	B+	n/a	n/a
Liberty Bank	USD	4	13.50%	Dec-24	n/a	B+	n/a	n/a
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	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	n/a
ALMA	USD	30	8.50%	Jul-25	Jul-27	n/a	n/a	n/a
Gudauri Lodge	USD	10	8.25%	Oct-25	Oct-27	n/a	n/a	n/a
IG Development	USD	25	7.75%	Dec-25	Dec-27	n/a	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	BB	n/a	n/a
Lopota	USD	1	7.75%	Apr-26	Apr-27	n/a	n/a	n/a
Bank of Georgia	USD	40	5.00%	Apr-26	Apr-27	BB	n/a	n/a
Nutrimax	USD	10	8.50%	May-26	May-28	n/a	n/a	n/a
Tegeta Motors	USD	5	5.75%	Jun-26	Dec-26	BB-	n/a	n/a
Tegeta Motors	USD	15	7.00%	Jun-26	Jun-28	BB-	n/a	n/a
IG Development Georgia	USD	39.5	7.25%	Jul-26	Jul-28	n/a	n/a	n/a
MP Development	USD	6.3	7.50%	Jul-26	Jul-27	n/a	n/a	n/a

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

Fixed income

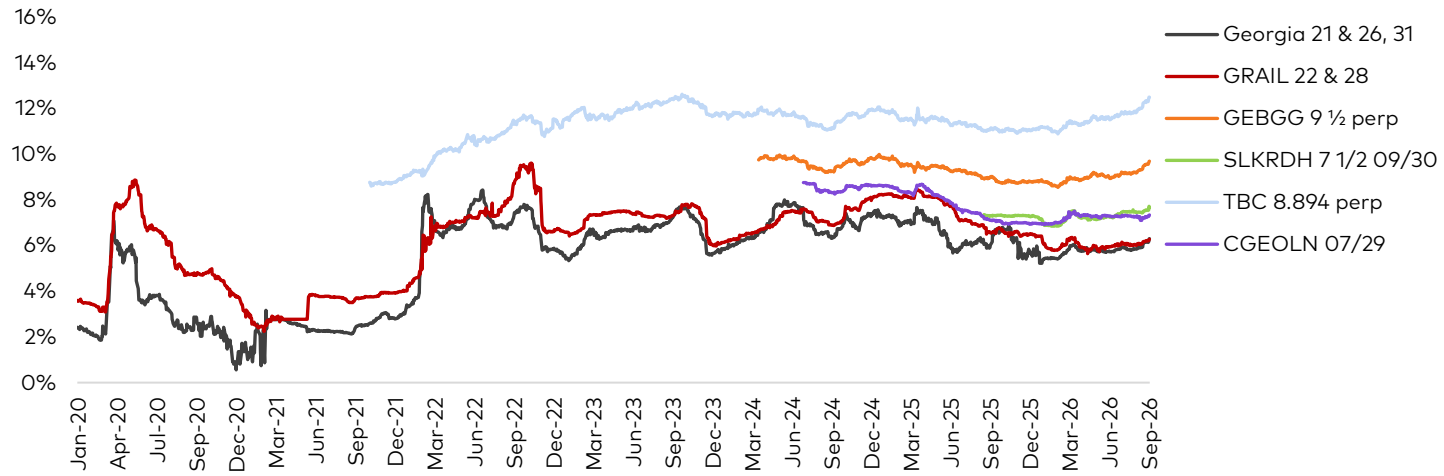
Georgian local bonds

Issuer	Currency	Amount, mn	Coupon	Issue date	Maturity date	Issuer Credit Rating	Mid price	Mid yield, %
EUR								
ALMA	EUR	8.5	7.25%	Jul-25	Jul-27	n/a	n/a	n/a
IG Development	EUR	15	6.50%	Dec-25	Dec-28	n/a	n/a	n/a
Tegeta Motors	EUR	7.5	6.25%	May-26	May-28	BB-	n/a	n/a
Tegeta Motors	EUR	3.5	6.25%	May-26	May-28	BB-	n/a	n/a
MP Development LLC	EUR	5.3	6.50%	Jul-26	Jul-27	n/a	n/a	n/a
GEL								
Cellfie	GEL	65	TIBR6M + 3.50%	Dec-23	Dec-26	BB-	100.00	12.33%
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	B+	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	B+	n/a	n/a
TBC Leasing	GEL	160	TIBR3M + 3.00%	Mar-26	Mar-31	BB	n/a	n/a

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

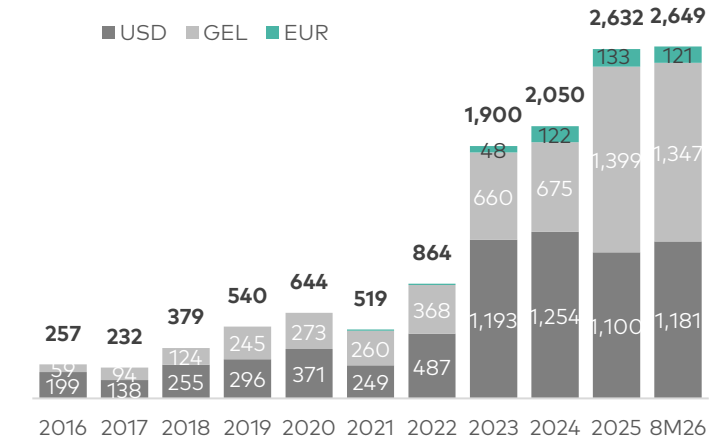
Fixed income

Georgian Eurobonds, YTM



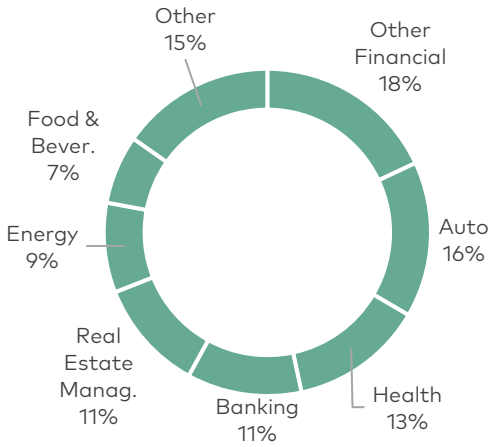
Source: Bloomberg

Georgian local corporate public bonds outstanding GEL mn



Source: NBG

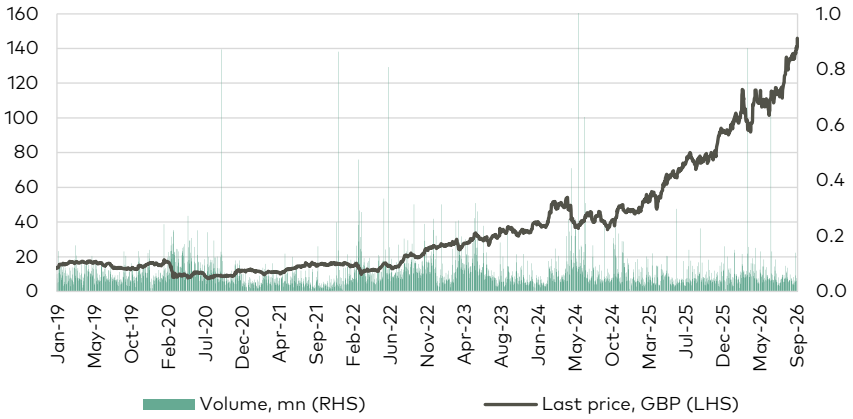
Georgian local corporate public bonds outstanding by sector



Source: NBG

Equities

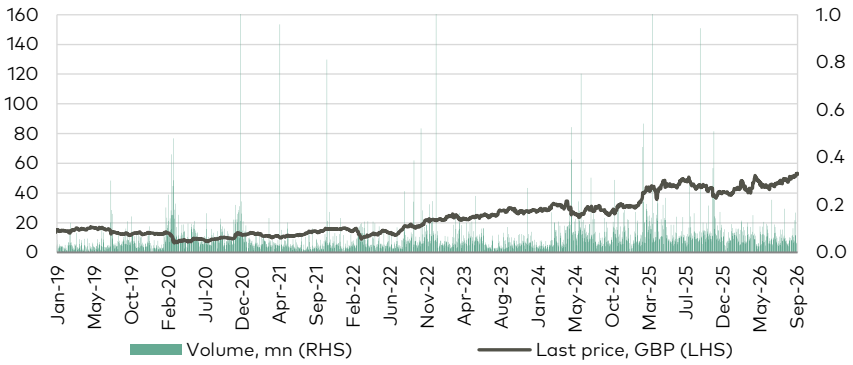
Lion Finance Group (BGEO LN)



Source: Bloomberg

Lion Finance Group (BGEO LN) shares closed at GBP 145.80/share (+6.42% w/w and +9.38% m/m). More than 241k shares traded in the range of GBP 137.10 - 145.80/share. Average daily traded volume was 46k in the last 4 weeks. The volume of BGEO shares traded was at 0.56% of its capitalization.

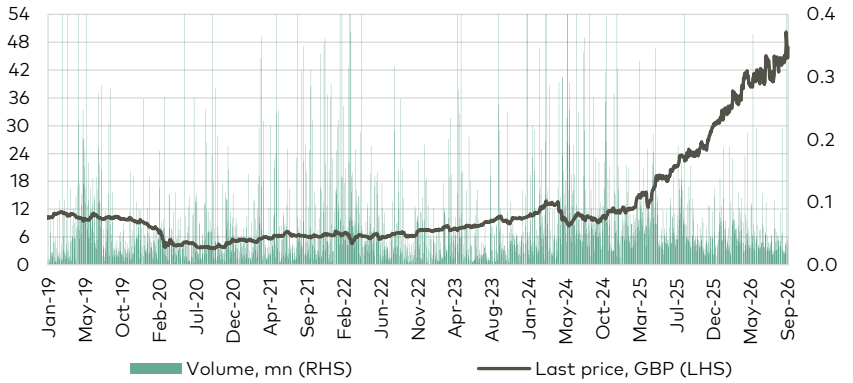
TBC Bank Group (TBCG LN)



Source: Bloomberg

TBC Bank Group (TBCG LN) closed the week at GBP 53.35/share (+3.39% w/w and +7.43% m/m). More than 239k shares changed hands in the range of GBP 52.10 - 53.95/share. Average daily traded volume was 68k in the last 4 weeks. The volume of TBCG shares traded was at 0.43% of its capitalization.

Georgia Capital (CGEO LN)



Source: Bloomberg

Georgia Capital (CGEO LN) shares closed at GBP 46.90/share (-6.57% w/w and +6.23% m/m). More than 178k shares traded in the range of GBP 44.20 - 48.85/share. Average daily traded volume was 88k in the last 4 weeks. The volume of CGEO shares traded was at 0.52% of its capitalization.

Equities

Eastern European banks

								P/E		P/B	
	Ticker	**Currency**	**Share price**	**Mcap, mn**	**6M chg**	**y/y chg**	**YTD chg**	**2027F**	**2028F**	**2027F**	**2028F**
Lion Finance Group	BGEO	GBP	145.80	6,302	50.6%	96.1%	56.8%	7.83x	6.71x	1.72x	1.42x
TBC	TBC	GBP	53.35	2,973	23.6%	21.8%	31.4%	5.74x	4.99x	1.24x	1.07x
Halyk Bank	HSBK	USD	34.00	9,265	12.2%	32.8%	13.5%	4.85x	5.14x	na	na
Akbank	AKBNK	TRY	70.90	368,680	0.0%	9.7%	1.6%	3.37x	2.82x	0.84x	0.66x
Garanti	GARAN	TRY	129.80	545,160	-0.5%	-8.9%	-9.5%	3.43x	2.86x	0.87x	0.70x
Isbank	ISCTR	TRY	13.07	326,750	-2.6%	-10.2%	-7.2%	2.57x	1.91x	0.57x	0.48x
PKO	PKO	PLN	124.54	155,675	43.7%	81.9%	46.2%	11.78x	10.69x	2.45x	2.25x
PEKAO	PEO	PLN	280.30	73,570	30.7%	63.0%	36.7%	11.18x	10.08x	1.97x	1.86x
Millennium	MIL	PLN	23.50	28,507	44.6%	63.3%	41.3%	12.72x	11.34x	2.29x	2.12x
Mbank	MBK	PLN	1,495.50	63,597	39.4%	72.2%	40.9%	13.11x	11.89x	2.49x	2.23x
BRD	BRD	RON	30.75	21,430	7.5%	53.4%	14.3%	12.64x	10.98x	1.82x	1.67x
Banca Transilvania	TLV	RON	34.44	37,551	8.2%	39.7%	30.5%	9.69x	8.83x	1.80x	1.63x
Komercni	KOMB	CZK	1,025.00	194,801	-5.9%	-0.5%	-11.8%	10.71x	10.07x	1.48x	1.43x
Mean								***8.43x***	***7.56x***	***1.63x***	***1.46x***
Median								***9.69x***	***8.83x***	***1.76x***	***1.53x***

Source: Bloomberg, S&P Capital IQ

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