Economy

Georgia's economy surged by 10.7% y/y in Mar-26

Georgia's economy surged by 10.7% y/y in Mar-26, following 8.8% y/y growth in previous month. Overall, Georgia's economy grew by 9.1% y/y in 1Q26. While geopolitical tensions in the Middle East have weighed on the hospitality sector, the broader economy has shown notable resilience. Most sectors have continued to expand, supported by strong commodity prices, solid export performance, and steady remittance inflows, which have reinforced both external and domestic demand. Reflecting the stronger-than-expected 1Q performance, we have raised our 2026 GDP growth forecast to 7.0% from 6.0% (see latest macro forecasts **here**).

Bank lending growth accelerated to 14.9% y/y in Mar-26

In Mar-26, the banking sector loan portfolio growth accelerated to 14.9% y/y (+2.4% m/m) excluding FX effect, up from 14.2% y/y in previous month. In unadjusted terms, the loan portfolio rose by 14.7% y/y (+2.4% m/m) to GEL 72.7bn (US$ 26.9bn). By segment, lending to legal entities gained momentum, rising by 13.2% y/y (excluding FX effect) in Mar-26, compared to 12.0% y/y growth a month earlier, while retail loans growth remained strong at 16.5% y/y (+16.2% y/y in Feb-26). Loan dollarization edged up to 42.5% (+0.27ppts m/m and -0.61ppts y/y) in Mar-26.

On the funding side, deposit growth also strengthened, rising to 19.4% y/y (excluding FX effects) in Mar-26, from 18.5% y/y growth in previous month, reaching GEL 69.5bn (US$25.7bn). By currency, GEL deposits increased by 34.3% y/y (vs. 34.8% y/y in Feb-26), while FX deposits grew by 6.1% y/y (vs. 4.0% y/y in Feb-26). As a result, deposit dollarization stood at 46.6% (+0.63ppts m/m and -6.17ppts y/y) in Mar-26.

NBG's intervention was minimal in Mar-26

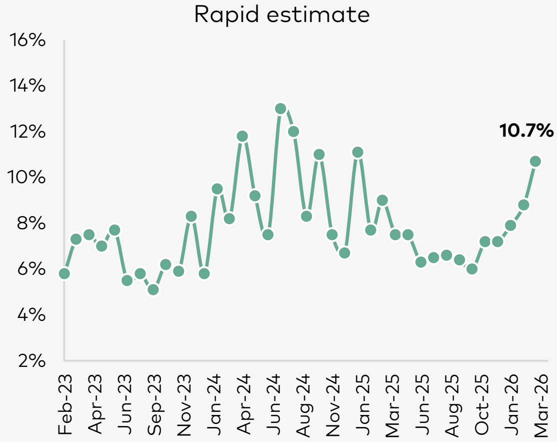
In Mar-26, the NBG intervened only modestly in the FX market, recording net FX sales of US$16.2mn. This followed a brief period of GEL depreciation of 2.7% after the Middle East conflict intensified in late February. Overall, in 1Q26 net cumulative purchases stood at US$ 499.7mn driven by FX purchases in January-February.

Key macro indicators

	2025	2026F
Real GDP growth (% change)	7.5%	7.0%
GDP per capita (ppp)	29,329	32,260
GDP per capita (US$)	9,678	10,985
Population (mn)	3.9	3.9
Inflation (average)	3.9%	4.8%
Gross reserves (US$ bn)	6.2	7.0
CAD (% of GDP)	2.6%	3.2%
Fiscal deficit (% of GDP)	1.4%	2.2%
Total public debt (% of GDP)	34.2%	33.5%
Fitch/S&P/Moody's*	BB/BB/Ba2	

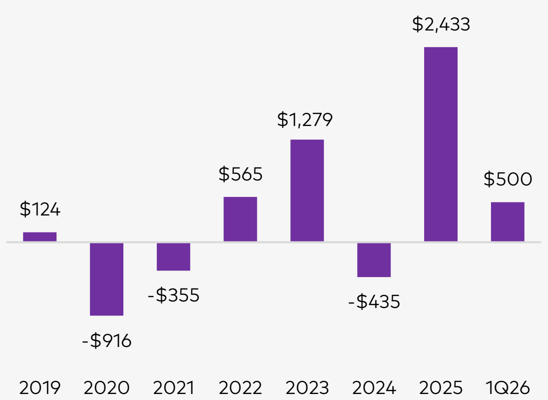
Source: Official data, Rating agencies, Galt & Taggart
*Latest sovereign credit ratings

Real GDP, % change y/y
Rapid estimate



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 45.0mn (US$ 16.7mn) treasury notes were sold at the auction held at NBG on April 28, 2026. Total demand was 3.1x higher and the weighted average yield was fixed at 8.549%, down by 0.052ppts from previous auction held in Mar-26.

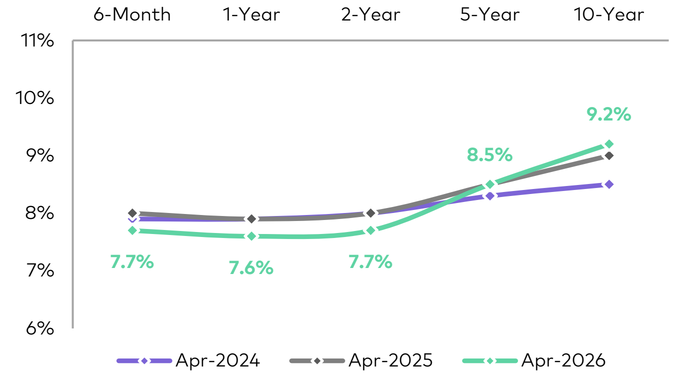
The nearest treasury security auction is scheduled for May 5, 2026, where GEL 20.0mn nominal value 6-month T-bills and GEL 40.0mn nominal value 2.8-year treasury notes will be sold.

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)	260	320	445
Long-term (over 1-year)	695	1,465	11,286
Total	**955**	**1,785**	**11,731**

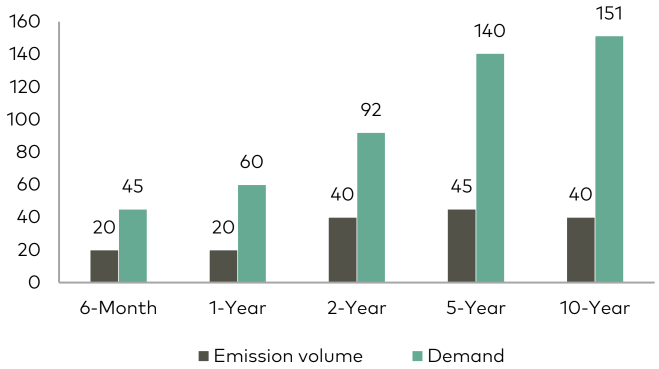
Source: MoF, Galt & Taggart
*As of March 2026

T-bills / T-notes, yield curve



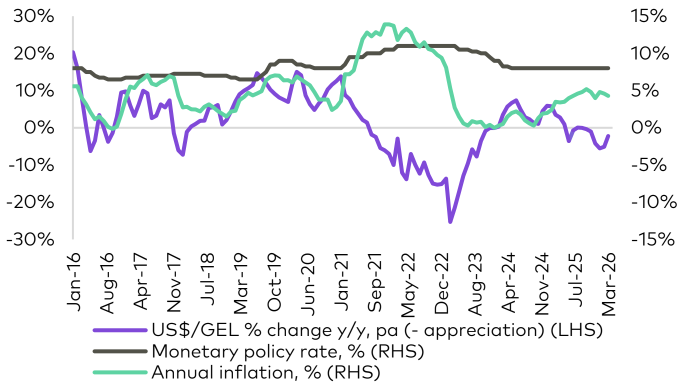
Source: NBG

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



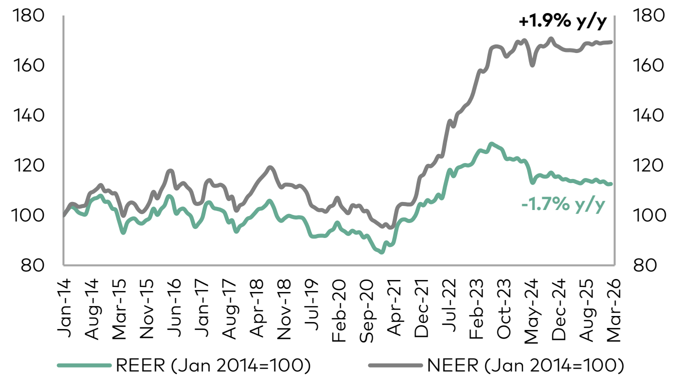
Source: NBG

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	97.28	5.79	205.55
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	96.43	5.82	208.02
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	104.61	8.97	413.60
GEBGG 11/28	GEL	450	11.500%	Nov-25	Nov-28	-/-/Ba2	100.62	11.21	n/a
SILKRDH 09/30	USD	400	7.500%	Sep-25	Sep-30	BB-/-/B1	101.05	7.21	342.80
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	100.98	6.88	313.22
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	106.91	9.18	409.02
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB-/BB-/-	104.33	7.34	300.72

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/-/-/-	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
Lopota	USD	1	7.75%	Apr-26	Apr-27	-/-/-/-	n/a	n/a
Bank of Georgia	USD	40	5.00%	Apr-26	Apr-27	-/-/-/-	n/a	n/a

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

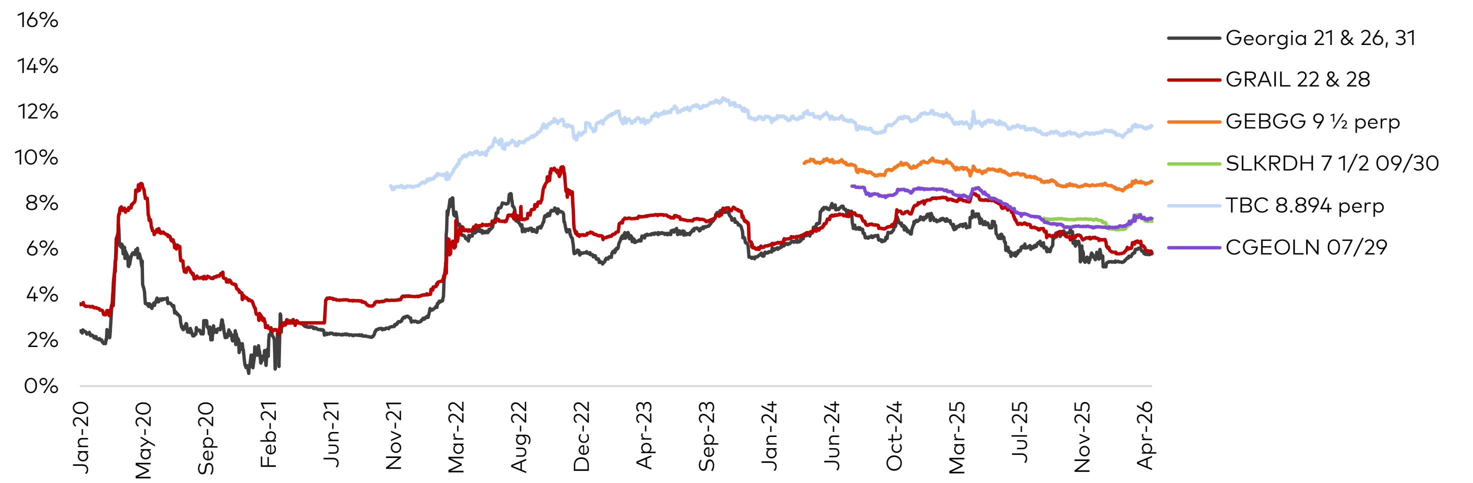
Fixed income

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	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				
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
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: Bloomberg, Galt & Taggart

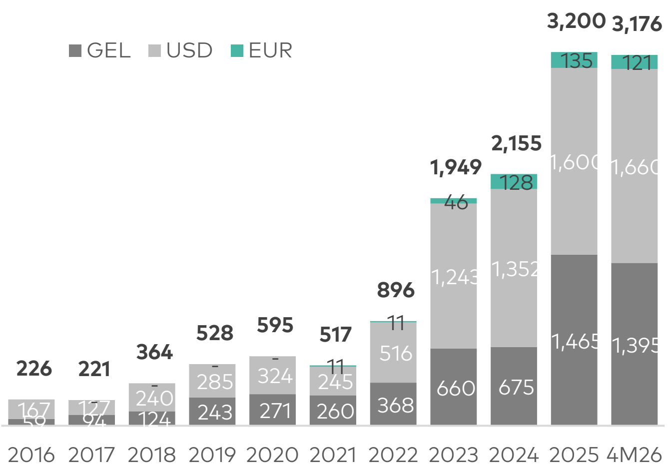
Fixed income

Georgian Eurobonds, YTM



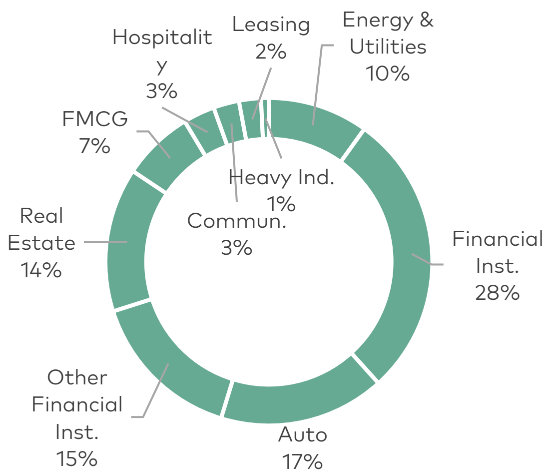
Source: Bloomberg

Georgian local corporate public bonds outstanding GEL mn



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

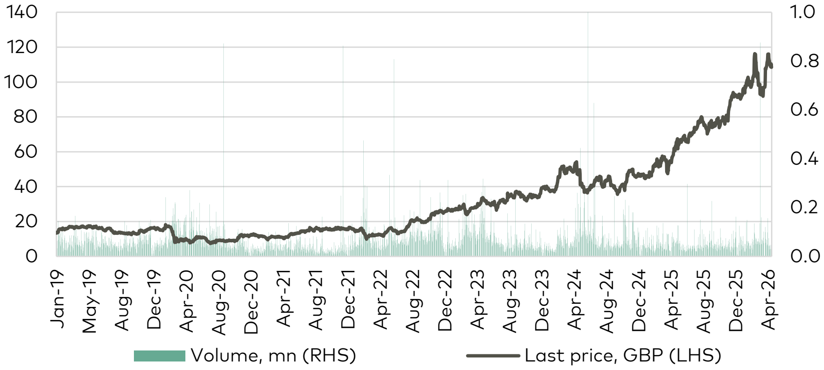
Georgian local corporate public bonds outstanding by sector



Source: Galt & Taggart

Equities

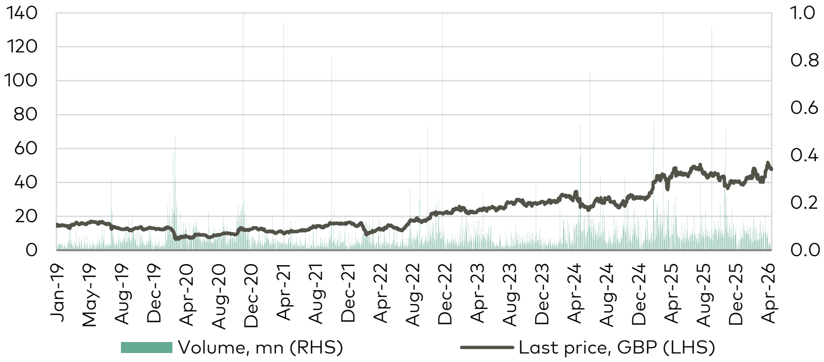
Lion Finance Group (BGEO LN)



Source: Bloomberg

Lion Finance Group (BGEO LN) shares closed at GBP 108.50/share (-1.72% w/w and +11.86% m/m). More than 169k shares traded in the range of GBP 104.90 - 111.40/share. Average daily traded volume was 61k in the last 4 weeks. The volume of BGEO shares traded was at 0.39% of its capitalization.

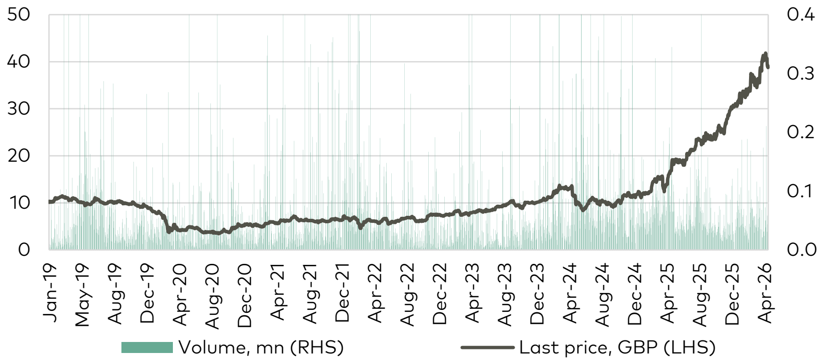
TBC Bank Group (TBCG LN)



Source: Bloomberg

TBC Bank Group (TBCG LN) closed the week at GBP 47.66/share (-2.14% w/w and +10.45% m/m). More than 142k shares changed hands in the range of GBP 46.70 - 49.80/share. Average daily traded volume was 52k in the last 4 weeks. The volume of TBCG shares traded was at 0.26% of its capitalization.

Georgia Capital (CGEO LN)



Source: Bloomberg

Georgia Capital (CGEO LN) shares closed at GBP 38.75/share (-4.67% w/w and +1.57% m/m). More than 188k shares traded in the range of GBP 38.15 - 41.05/share. Average daily traded volume was 58k in the last 4 weeks. The volume of CGEO shares traded was at 0.55% of its capitalization.

Equities, continued

Eastern European banks

	Ticker	Currency	Share price	Mcap, mn	6M chg	y/y chg	YTD chg	P/E 2026F	P/E 2027F	P/B 2026F	P/B 2027F
Lion Finance Group	BGEO	GBP	108.50	4,690	35.5%	74.9%	16.7%	7.06x	6.11x	1.65x	1.36x
TBC	TBC	GBP	47.66	2,656	9.4%	-1.5%	17.4%	6.18x	5.40x	1.35x	1.17x
Halyk Bank	HSBK	USD	35.10	9,564	31.5%	54.6%	17.2%	4.60x	5.01x	na	na
Akbank	AKBNK	TRY	73.20	380,640	20.4%	50.9%	4.9%	3.86x	2.75x	0.94x	0.73x
Garanti	GARAN	TRY	133.80	561,960	-0.6%	30.3%	-6.8%	3.48x	2.87x	0.93x	0.74x
Isbank	ISCTR	TRY	14.34	358,500	13.4%	39.2%	1.8%	2.96x	2.13x	0.68x	0.52x
PKO	PKO	PLN	94.64	118,300	25.0%	30.8%	11.1%	11.24x	9.32x	2.00x	1.84x
PEKAO	PEO	PLN	226.30	59,397	19.5%	20.1%	10.3%	10.26x	9.18x	1.66x	1.56x
Millennium	MIL	PLN	17.85	21,653	15.6%	22.3%	7.3%	16.53x	8.66x	2.03x	1.75x
Mbank	MBK	PLN	1,141.50	48,543	16.3%	38.7%	7.5%	10.77x	9.79x	2.11x	1.80x
BRD	BRD	RON	29.00	20,210	33.9%	56.9%	7.8%	12.31x	11.04x	1.77x	1.63x
Banca Transilvania	TLV	RON	36.28	39,557	29.6%	53.2%	20.1%	9.09x	8.47x	1.84x	1.67x
Komercni	KOMB	CZK	1,106.00	210,195	2.3%	3.8%	-4.8%	12.05x	11.44x	1.64x	1.54x
Mean								***8.49x***	***7.09x***	***1.55x***	***1.36x***
Median								***9.09x***	***8.47x***	***1.66x***	***1.55x***

Source: Bloomberg, S&P Capital IQ

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