Economy

Annual inflation rose to 5.9% in Oct-26

Consumer prices increased by 0.9% m/m, bringing annual inflation to 5.9% y/y in Oct-26 (above our expectation), up from 5.6% y/y in September. The acceleration was driven by a surge in imported inflation to 9.4% y/y (from 7.8% in September), mainly due to higher gasoline and diesel prices, while price growth in domestic and mixed goods eased to 4.7% y/y each (from 4.9% and 4.8%, respectively). Excluding fuel, annual inflation remained broadly stable. Underlying pressures, however, edged up: core inflation (excluding food, energy and tobacco) rose to 3.9% y/y from 3.5%, and services inflation to 4.0% y/y from 3.7%.

By category, prices in transport accelerated further (+21.9% y/y; +2.54ppts contribution), followed by food and non-alcoholic beverages (+3.1% y/y; +1.07ppts), utilities (+10.1% y/y; +0.98ppts), healthcare (+8.4% y/y; +0.69ppts), alcoholic beverages and tobacco (+5.5% y/y; +0.36ppts), and hotels and restaurants (+7.3% y/y; +0.25ppts). Partially offsetting these, prices declined in education (-12.0% y/y; -0.53ppts) and communication (-2.5% y/y; -0.08ppts). iven the recent reversal in the inflation trend, we have revised our 2026 average annual inflation forecast up to 5.5% (from 5.3%), while keeping our 2027 forecast at 3.2%.

International reserves at US$ 8.25bn in Oct-26

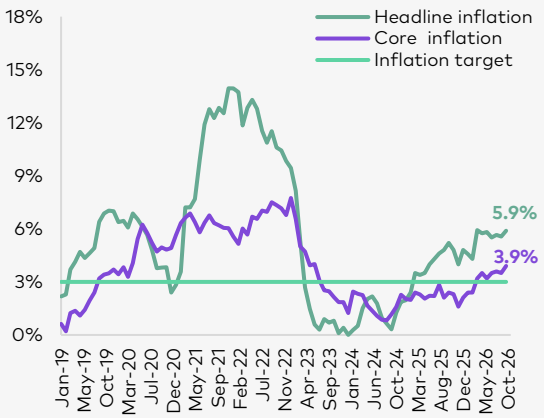
Gross international reserves rose by 47.2% y/y to a new record of US$ 8.25bn in Oct-26, equivalent to c.130% of the IMF's reserve adequacy (ARA) metric and comfortably above the 100% adequacy threshold. On a monthly basis, reserves grew by 1.0% (+US$ 82.6mn). The increase largely reflects government and banking-sector FX operations and the NBG's FX purchases on the BMatch platform (details due on 25 November), partly offset by a US$ 86.4mn decline in the value of monetary gold due to lower global gold prices. Notably, the NBG continued to increase its gold holdings: following a US$ 100mn purchase in June, it bought a further US$ 400mn of monetary gold in October, bringing total purchases this year to US$ 500mn. As a result, gold accounted for 16.6% of total reserves at end-Oct-26.

Key macro indicators

	2025	2026F
Real GDP growth (% change)	7.5%	7.5%
GDP per capita (ppp)	29,329	33,863
GDP per capita (US$)	9,678	11,213
Population (mn)	3.9	3.9
Inflation (average)	3.9%	5.5%
Gross reserves (US$ bn)	6.2	9.0
CAD (% of GDP)	2.9%	1.9%
Fiscal deficit (% of GDP)	1.4%	1.3%
Total public debt (% of GDP)	34.4%	31.1%
Fitch/S&P/Moody's*		BB/BB/Ba2

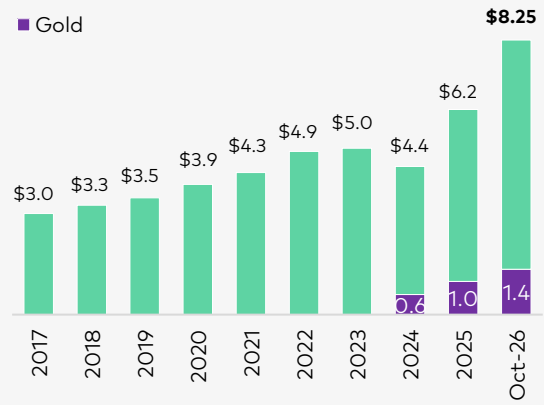
Source: Official data, Rating agencies, Galt & Taggart
*Latest sovereign credit ratings

Annual inflation



Source: Geostat, NBG

NBG's gross international reserves
US$ bn



Source: NBG

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Money market

Ministry of Finance T-bills/T-notes

2.3-year GEL 40.0mn (US$ 15.4mn) treasury notes were sold at the auction held at NBG on November 3, 2026. Total demand was 1.9x higher and the weighted average yield was fixed at 8.417%, up by 0.091ppts from previous auction held in Oct-26.

6-month GEL 20.0mn (US$ 7.7mn) treasury notes were sold at the auction held at NBG on November 3, 2026. Total demand was 3.5x higher and the weighted average yield was fixed at 8.269%, down by 0.053ppts from previous auction held in Oct-26.

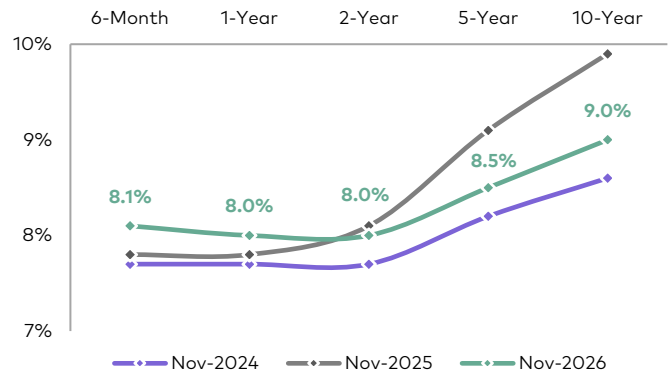
The nearest treasury security auction is scheduled for November 10, 2026, where GEL 20.0mn nominal value 1-year T-bills and GEL 30.0mn nominal value 9.8-year treasury notes will be sold.

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)	520	60	398
Long-term (over 1-year)	1,955	220	12,547
Total	**2,475**	**280**	**12,945**

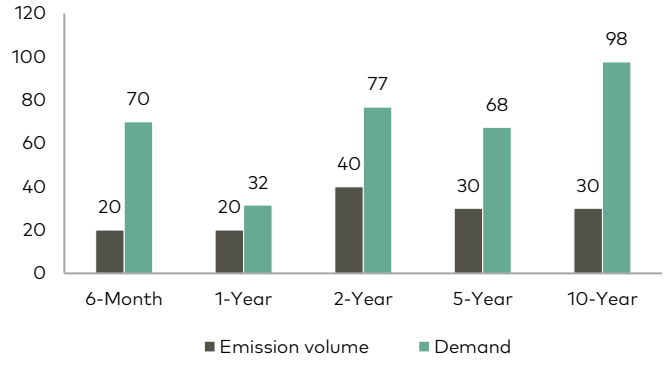
Source: MoF, Galt & Taggart
*As of September 2026

T-bills / T-notes, yield curve



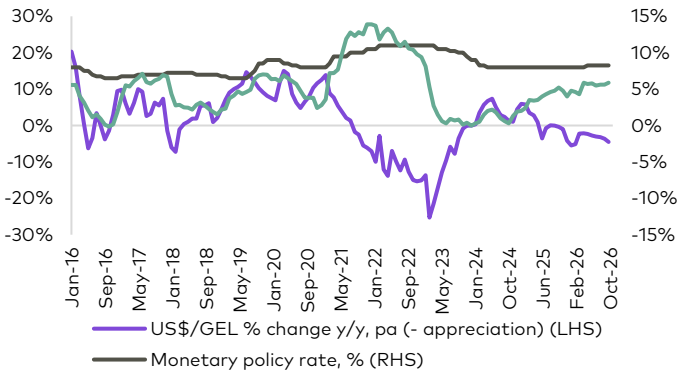
Source: NBG

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



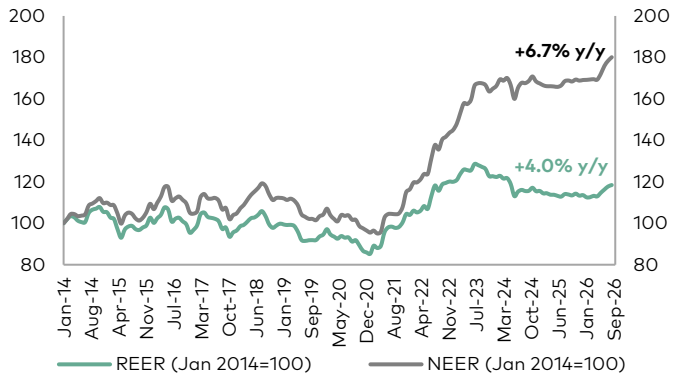
Source: NBG

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	95.88	6.25	183.81
GRAIL 06/28	USD	500	4.000%	Jun-21	Jun-28	BB-/BB-/-	96.49	6.33	192.84
GEBGG 9 1/2 PERP	USD	300	9.500%	Apr-24	n/a	B-/-/B2	104.36	9.43	343.55
GEBGG 11/28	GEL	450	11.500%	Nov-25	Nov-28	-/-/Ba2	102.58	10.06	n/a
GEBGG 06/31	USD	300	6.500%	Jun-26	Jun-31	-/-/Ba2	97.90	7.04	268.29
SILKRDH 09/30	USD	400	7.500%	Sep-25	Sep-30	BB-/-/B1	98.79	7.87	347.43
TBC 8.894 PERP	USD	75	8.894%	Nov-21	n/a	B-/-/-	100.35	4.11	7.26
TBC 10 1/4 PERP	USD	300	10.250%	Apr-24	n/a	-/-/B2	104.44	9.80	394.16
CGEOLN 07/29	USD	300	8.875%	Jul-24	Jul-29	BB/BB/-	103.35	7.48	239.78

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
MFO Rico Express	USD	10	7.00%	Sep-26	Sep-29	B+	n/a	n/a

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

Fixed income

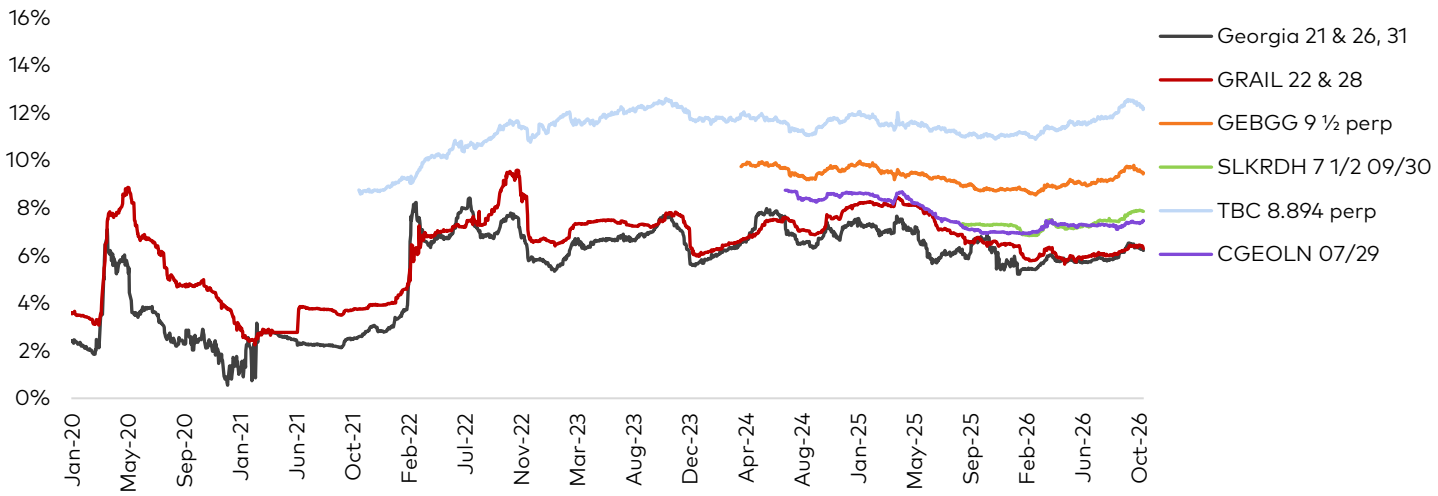
Georgian local bonds

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

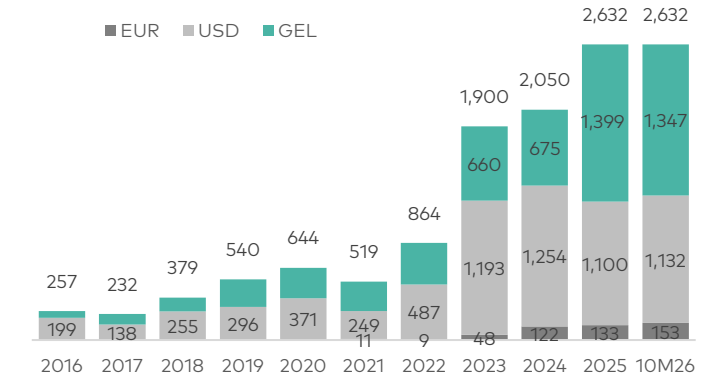
Fixed income

Georgian Eurobonds, YTM



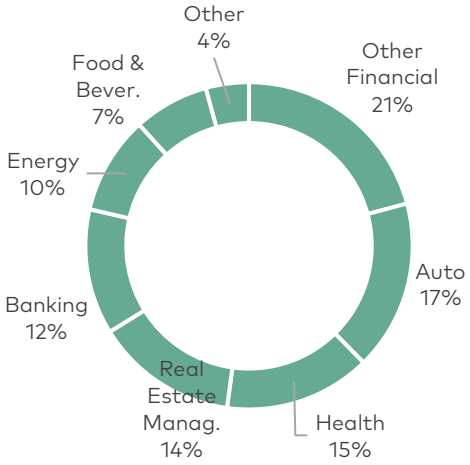
Source: Bloomberg

Georgian local corporate public bonds outstanding GEL mn



Source: NBG

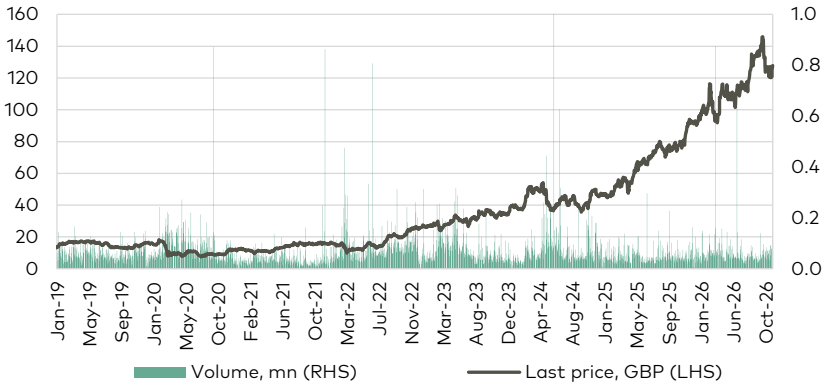
Georgian local corporate public bonds outstanding by sector



Source: NBG

Equities

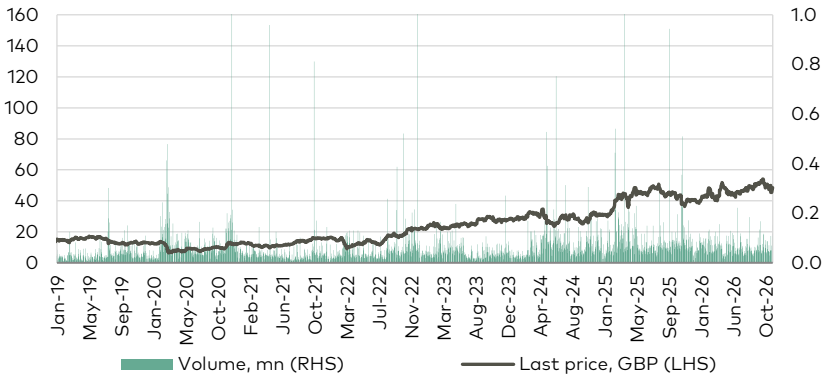
Lion Finance Group (BGEO LN)



Source: Bloomberg

Lion Finance Group (BGEO LN) shares closed at GBP 127.90/share (+6.32% w/w and -3.98% m/m). More than 468k shares traded in the range of GBP 117.50 - 131.10/share. Average daily traded volume was 69k in the last 4 weeks. The volume of BGEO shares traded was at 1.09% of its capitalization.

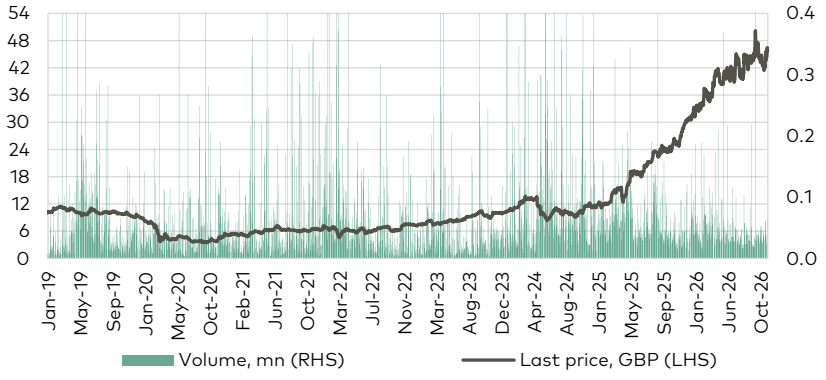
TBC Bank Group (TBCG LN)



Source: Bloomberg

TBC Bank Group (TBCG LN) closed the week at GBP 48.56/share (+6.77% w/w and -4.78% m/m). More than 497k shares changed hands in the range of GBP 43.92 - 52.35/share. Average daily traded volume was 67k in the last 4 weeks. The volume of TBCG shares traded was at 0.89% of its capitalization.

Georgia Capital (CGEO LN)



Source: Bloomberg

Georgia Capital (CGEO LN) shares closed at GBP 45.85/share (+5.16% w/w and +3.27% m/m). More than 242k shares traded in the range of GBP 43.10 - 48.55/share. Average daily traded volume was 42k in the last 4 weeks. The volume of CGEO shares traded was at 0.74% 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	127.90	5,497	14.3%	67.0%	37.5%	6.87x	5.88x	1.51x	1.25x
TBC	TBC	GBP	48.56	2,706	7.8%	28.3%	19.6%	5.23x	4.54x	1.13x	0.98x
Halyk Bank	HSBK	USD	33.00	9,004	-4.5%	28.9%	10.2%	4.71x	4.99x	na	na
Akbank	AKBNK	TRY	68.65	356,980	-7.7%	9.9%	-1.6%	3.27x	2.73x	0.82x	0.64x
Garanti	GARAN	TRY	144.30	606,060	5.6%	5.6%	0.6%	3.81x	3.18x	0.97x	0.78x
Isbank	ISCTR	TRY	13.29	332,250	-8.3%	0.3%	-5.7%	2.62x	1.94x	0.58x	0.49x
PKO	PKO	PLN	114.60	143,250	18.0%	49.2%	34.6%	10.84x	9.83x	2.25x	2.07x
PEKAO	PEO	PLN	260.50	68,373	9.8%	34.4%	27.0%	10.39x	9.37x	1.83x	1.73x
Millennium	MIL	PLN	22.73	27,573	20.9%	45.4%	36.7%	12.30x	10.97x	2.22x	2.05x
Mbank	MBK	PLN	1,634.00	69,523	36.7%	63.4%	53.9%	14.33x	12.99x	2.72x	2.44x
BRD	BRD	RON	30.90	21,534	4.4%	41.4%	14.9%	12.70x	11.04x	1.83x	1.67x
Banca Transilvania	TLV	RON	36.60	45,662	12.3%	45.6%	38.7%	10.30x	9.38x	1.92x	1.73x
Komercni	KOMB	CZK	995.00	189,099	-0.9%	-11.9%	-14.4%	10.40x	9.78x	1.44x	1.39x
Mean								***8.29x***	***7.43x***	***1.60x***	***1.43x***
Median								***10.30x***	***9.37x***	***1.67x***	***1.53x***

Source: Bloomberg, S&P Capital IQ

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