Macroeconomics Review
October 2025

LIBERTY

Monetary Policy & Reserves	Inflation Rates	Annual inflation reached 5.2% in October, up 0.4pp from September.
	Monetary Policy Rates	NBG kept its policy rate at 8%, and we expect no changes at the next meeting.
	International Reserves	International reserves rose by $175 million, totaling $5.6 billion in October.
Macroeconomic Outlooks	Real GDP	Real GDP witnessed a 6.4% annual growth in September.
	Tourism	Tourism revenues reached $1.7 billion in the third quarter of 2025.
	Residential Real Estate	Tbilisi's real estate market size amounted to $310 mln in September (+25% y/y).
External Trade	Exports Dynamics	Exports increased by 14.2% annually in September, amounting to $703 million.
	Imports Dynamics	In September, imports reached $1.44 billion, marking a 0.3% annual decline.
	Other Observations	Precious Metals exports totaled $37 million in September, up 69% y/y.
Additional Observations	Remittance Inflows	Remittances in September increased by 12.1% y/y, amounting to $318 mln.
	Exchange Rates	The Georgian lari (GEL) appreciated by 0.4% vs USD and by 1.9% vs EUR.
	Market Watch	S&P 500 rose 0.8% m/m, after hitting an all-time high of 6,900 in October.

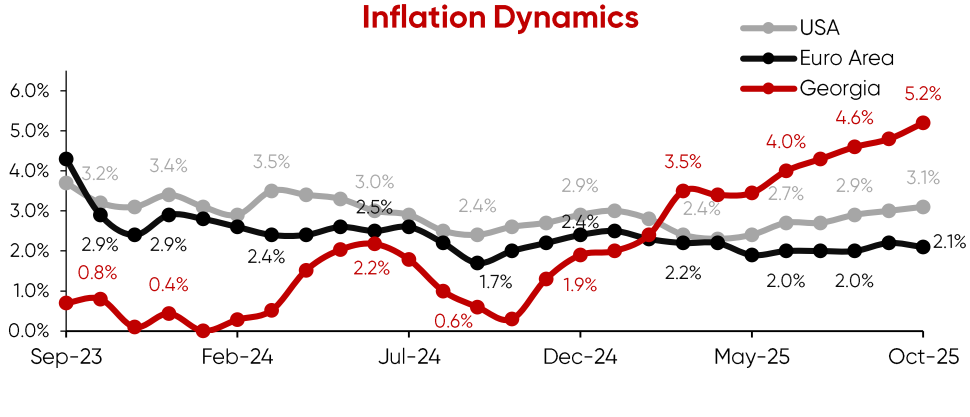
Report was created by Macroeconomics & Research Unit

Report owners
Aleksandre Akhaladze | aleksandre.akhaladze@lb.ge | +995 592 37 13 69
Zura Akhvlediani| zura.akhvlediani@lb.ge | +995 514 05 03 01

Address: 74 Chavchavadze Ave.
Email: Macronewsletter@lb.ge

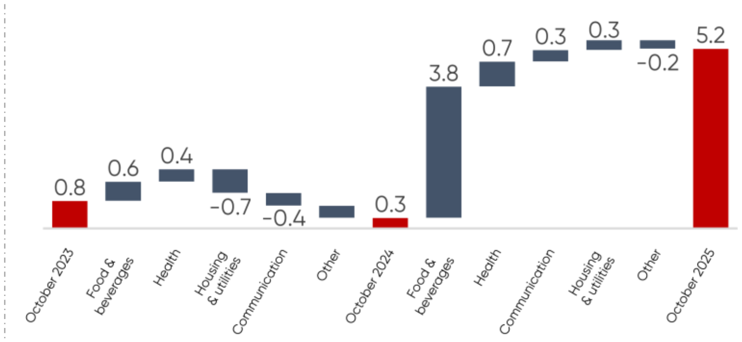
Inflation

Inflation Dynamics



Note: Oct-25 figure of USA & Euro are estimations

Contributors to Y/Y Change of Annual Inflation Changes in Georgia



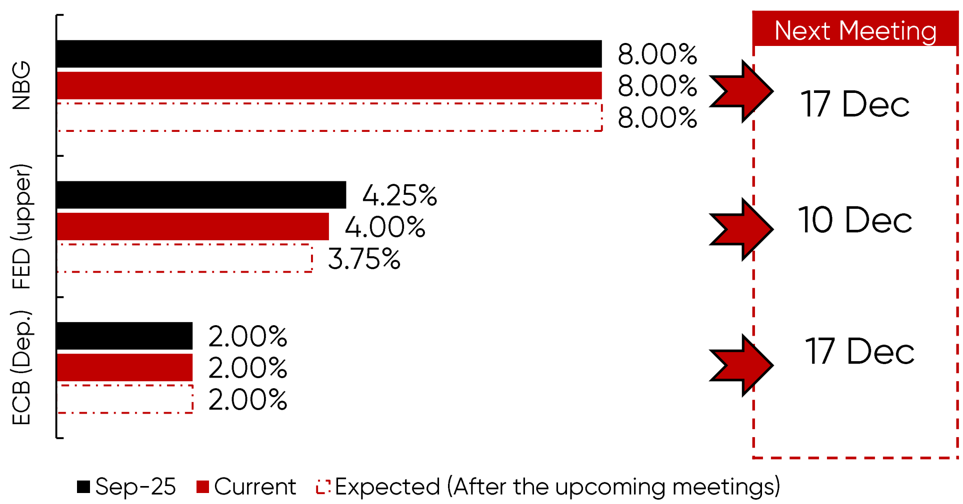
- In October, Georgia's annual inflation rose to 5.2%, driven mainly by higher prices in food and non-alcoholic beverages (+3.88pp contribution) and Healthcare (+0.75p).
- Domestic inflation amounted to 6.2% (2.9PP contribution in total) in October, mixed* 8.2% (2.4PP) and imported 0.0% (0.0PP).
- Monthly inflation amounted to 0.6%, mainly influenced by price changes in Clothing and footwear (+0.37PP).

*Including products that are imported as well as those produced domestically.

Sources: Geostat, NBG, Eurostat, US Bureau of Labor Statistics.

Monetary Policy Rates

Monetary Policy Rate Trends and Expectations

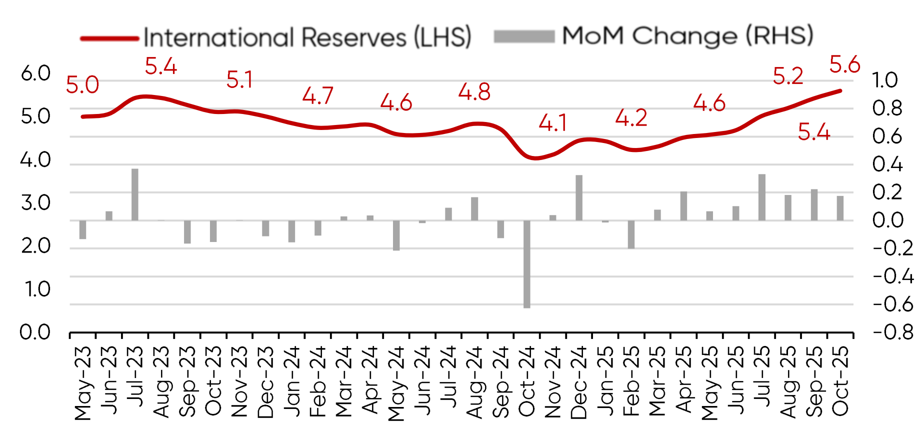


- Despite inflation at 5.2%, the NBG kept its policy rate unchanged, expecting inflation to stabilize near 5% in Q4. The Bank views the current 8% rate as sufficiently tight. We expect the NBG to hold steady, with disinflation likely to start in the coming months.
- The Fed cut rates twice this year amid weak labor data, while the government shutdown adds uncertainty as new figures remain unavailable. Inflation rose to 3%, but given the very weak labor market, we expect another rate cut at the next meeting.
- The ECB has kept its rate at 2% for three meetings, maintaining a steady policy stance. With inflation easing to 2.1% and Q3 growth at 1.3%, the eurozone economy looks stable, and no rate change is expected.

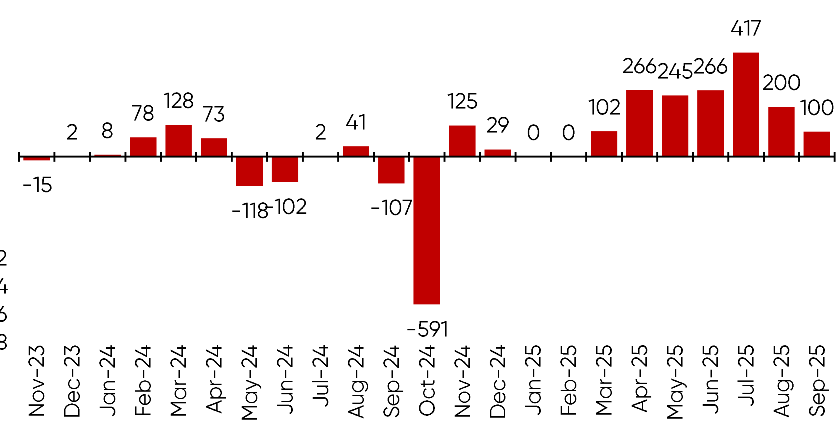
Sources: NBG, Bloomberg, ECB, CME Group.

International Reserves Dynamics

NBG Reserves Dynamics (US$ bln)



NBG Net Purchases (US$ mln)

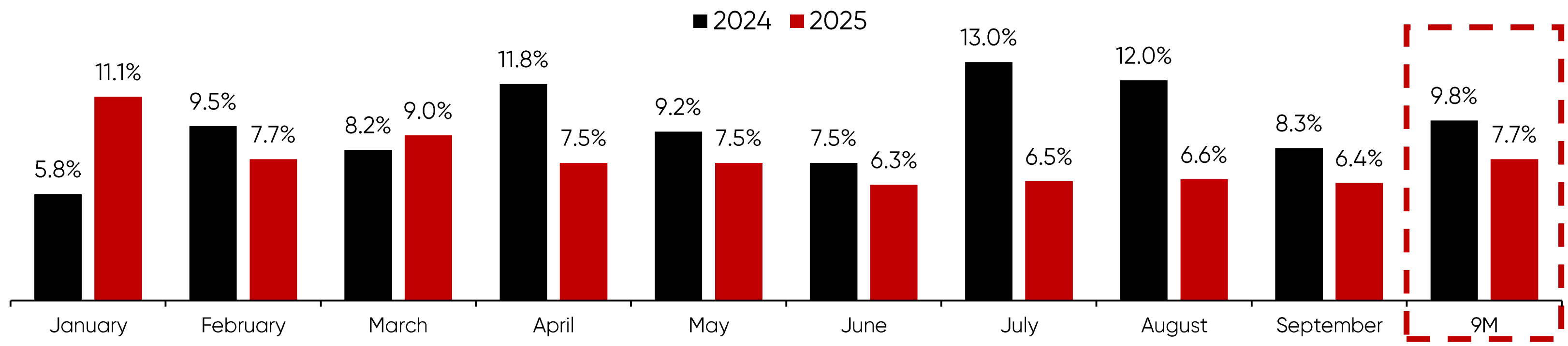


- As of October, national reserves amounted to $5.6 billion, reflecting an increase of $175 million from the previous month.
- In September, the NBG purchased $100 million via the Bmatch platform.
- Year-over-Year national reserves increased by $1.5 billion.

Source: NBG.

Real GDP Growth Dynamics

Real GDP Estimated Growth

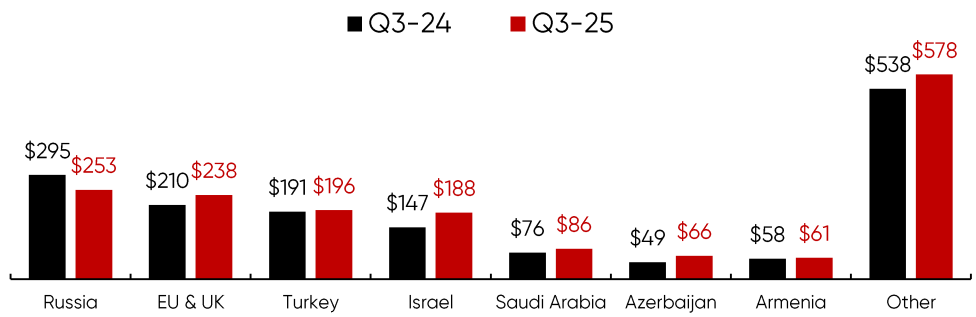


- Yearly real GDP grew by 6.4% in September 2025, while the estimated growth for the third quarter stood at 6.5%, marking the lowest quarterly rate this year.
- Economic growth in Georgia is gradually moderating, though the average growth over the first nine months (7.7%) remains above forecasts by various economic institutions.
- In September, manufacturing and transportation saw the strongest gains, while construction and energy weakened.

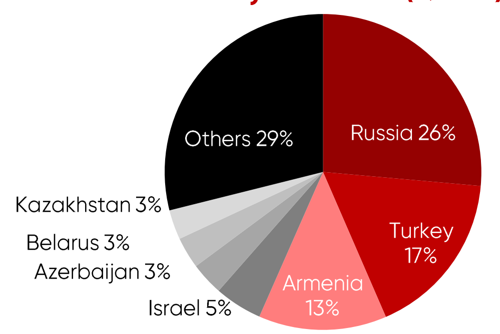
Sources: Geostat , NBG.

Tourism

Tourism Income by Countries (US$ mln)



Visitors by Countries (Q3-25)



- In Q3 2025, tourism income reached $1.7 billion—up 6.6% year-over-year—while international visitors totaled 2.5 million, marking a 6.8% increase.

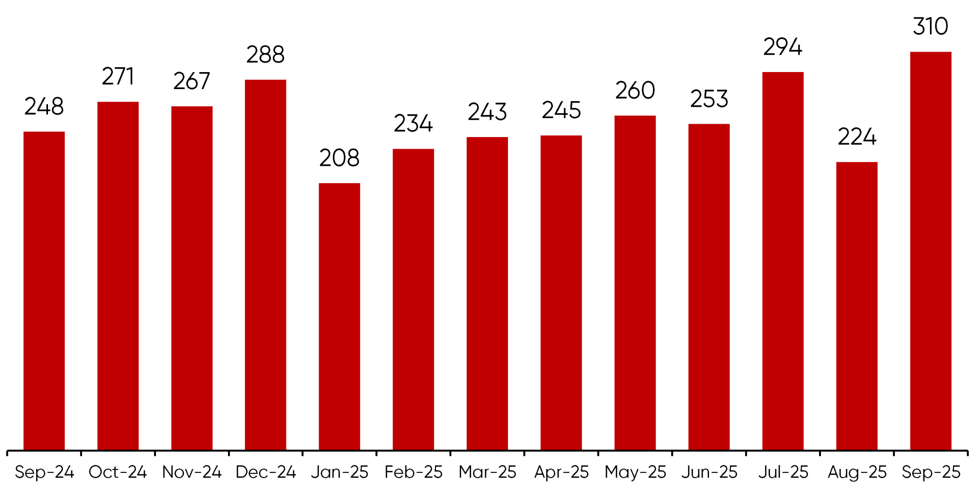
Source: GNTA, NBG

Tbilisi Residential Real Estate Market

Tbilisi Residential Estate Market (Sep-25)

AVG. Sell Price		Transactions	
$1,183		4,054	
M/M	Y/Y	M/M	Y/Y
▼1.4%	▲10.1%	▲40.3%	▲14.8%
AVG. Rent Price		**Rental Yield**	
$8.8		8.5%	
M/M	Y/Y	M/M	Y/Y
▲0.9%	▼10.2%	▲0.01PP	▼0.1PP

Dynamics of Tbilisi's Housing Market Size (US$ mln)

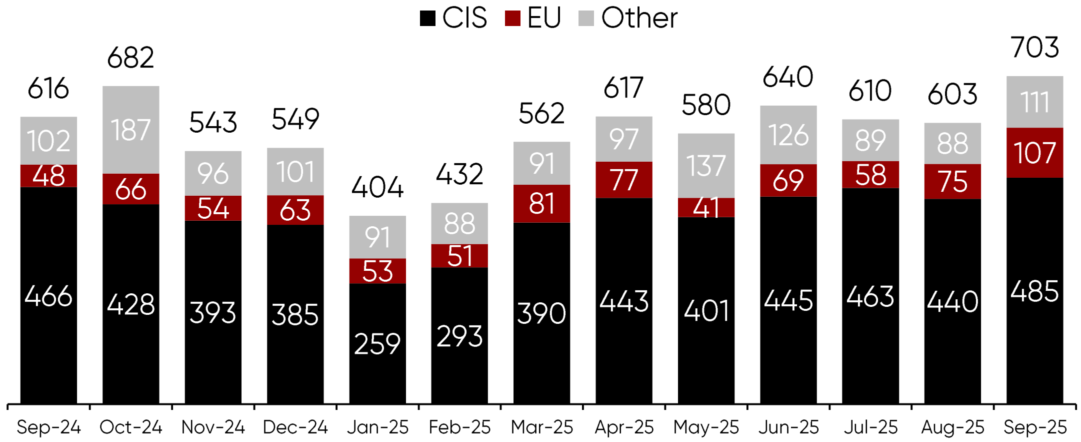


- In September 2025, Tbilisi's market size reached $310 mln, up 38.1% m/m and 25.0% y/y — the highest level in seven years. However, given last month's unexpected drop and possible delays in registering primary transactions, part of this sharp rise may reflect methodological factors rather than real growth.
- The number of transactions in new projects in Tbilisi rose by 17.1% y/y, driven by a 16.6% increase in newly built flats and a 17.8% rise in the secondary market, while transactions in old projects grew by 8.3%.

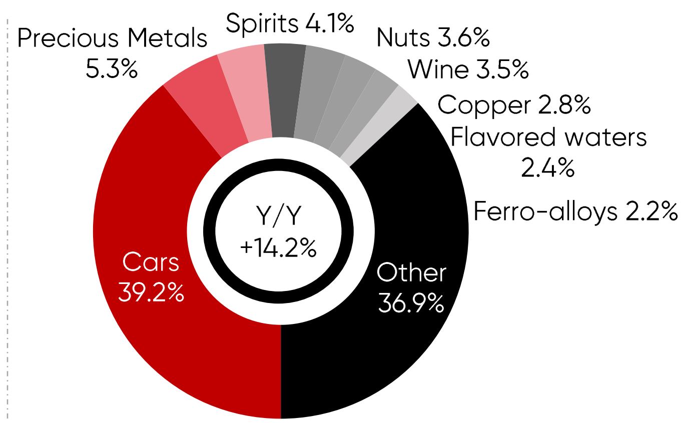
Source: Colliers, Geostat.

Export Dynamics

Export Dynamics (US$ mln)



Exports by Products

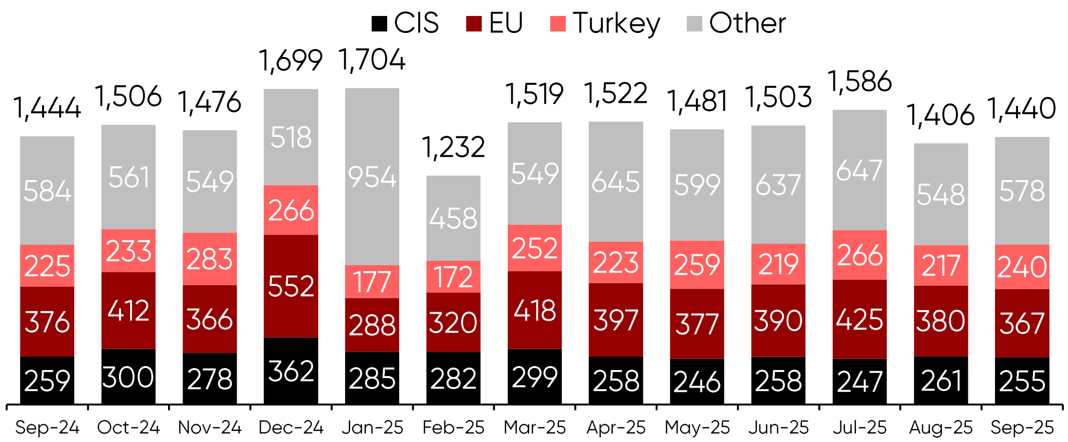


- In September, exports amounted to $703 million, up 14.2% year-over-year. The increase was mainly driven by a 123% surge in exports to the European Union, largely due to a $29 million rise in precious metal exports, absent in last year's September.
- Key contributors to this increase were Precious Metals (+2.5 PP effect in total) and Nuts (+1.6PP), while Cars (-1.4PP), had the biggest positive impact.

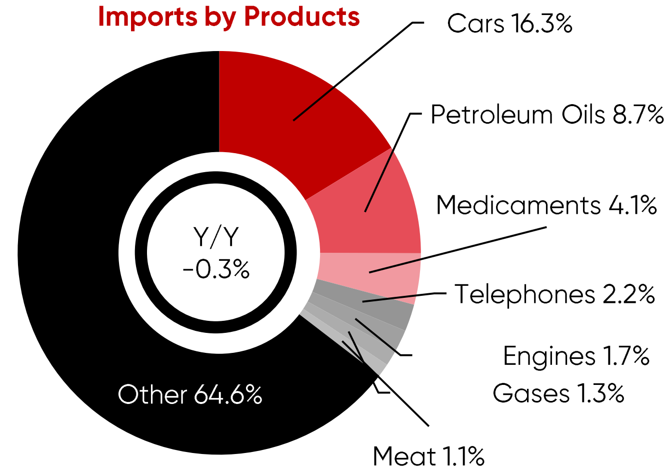
Source: Geostat.

Import Dynamics

Import Dynamics (US$ mln)



Imports by Products



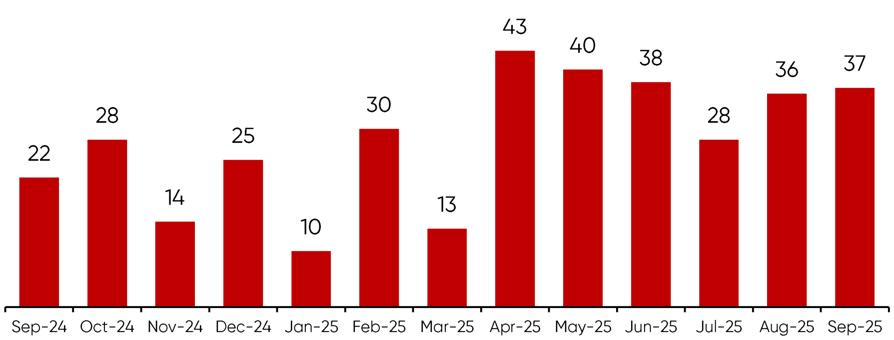
- In September, imports to Georgia amounted to $1.44 billion, reflecting a 0.3% decrease compared to September 2024. Imports from Turkey increased by 6.8%, while imports from the European Union and CIS countries fell by 2.5% and 1.4%, respectively.
- The main contributors to the decrease were Cars (-7.3pp impact on overall growth) and Iron bars (-2.0pp), while Petroleum (+1.7pp) accounted for the largest increase.

Note: Import statistics are subject to revision, and figures will likely be updated upward.

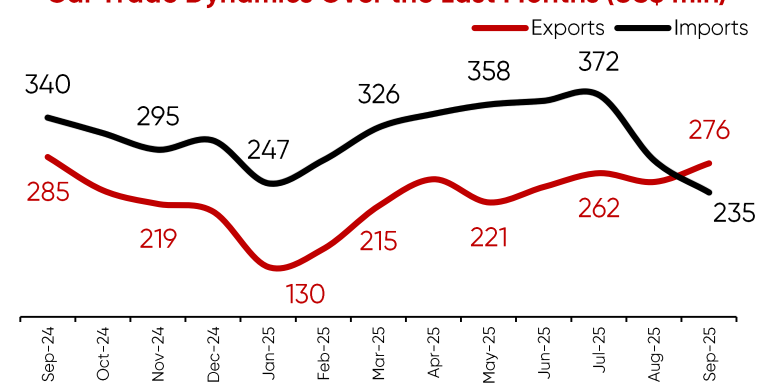
Source: Geostat.

Other Observations

Precious Metals Export Over the Last Months (US$ mln)



Car Trade Dynamics Over the Last Months (US$ mln)



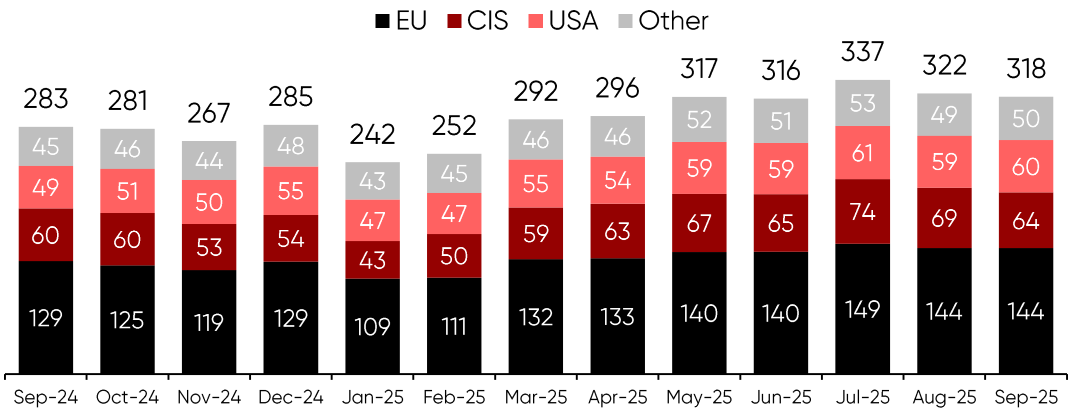
- Exports of Precious Metals rose 69% compared to September 2024, while the cumulative eight-month figure is up by 62%.
- Motor car exports decreased by 3.1% compared to the previous year, while imports decreased by 30.9%.

Note: Import statistics are subject to revision, and figures will likely be updated upward.

Source: Geostat.

Remittance Inflows

Remittances Inflow Dynamics (US$ mln)



Top 5 Countries and Y/Y Change (September 25)

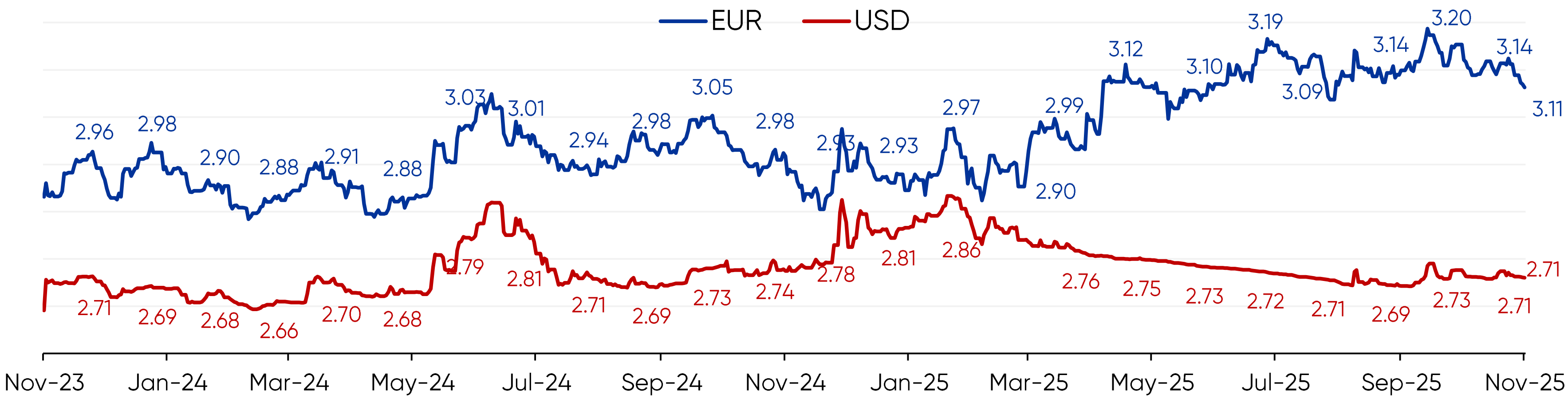
#	Country	Amount	Y/Y Gr.
1	USA	$60 mln	21.7%
2	Italy	$54 mln	9.0%
3	Russia	$39 mln	10.2%
4	Germany	$30 mln	16.8%
5	Greece	$26 mln	5.2%
	Total	$318 mln	12.1%

- In September, remittance inflows to Georgia amounted to $318 million, marking a 12.1% year-over-year increase.
- The largest increases came from the US (+$10.6 mln) and Italy (+4.5 mln).

Source: NBG

Exchange Rates

GEL Exchange Rate Dynamics



- As of November 5, the USD/GEL rate stood at 2.71 (down 0.4% MoM), while EUR/GEL was 3.11 (down 1.9% MoM).

Source: NBG

Market Watch

Market Watch (Last Prices as of November 5, 2025)

	S&P 500	Gold	WTI Crude Oil	Bitcoin
Price	$6,796	$3,986	$59.71	$103,382
M/M	▲ 1%	▲ 1%	▼ 2%	▼ 17%
MA100	$6,793	$3,990	$60.39	$105,840

	TBC	BOG	G Capital
Price	£43.0	£78.7	£25.6
M/M	▼ 1%	▲ 2%	▲ 9%
MA100	$43.0	$78.0	$25.5

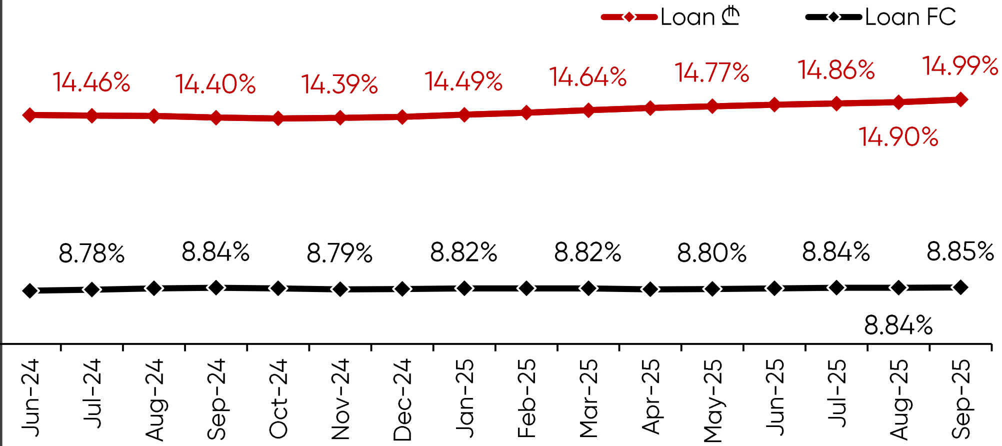
MA100 refers to the moving average price over the last 100 days

- The S&P 500 rose 0.8% m/m, after hitting an all-time high of 6,900 in October on Fed rate-cut hopes and strong corporate earnings. Following Jerome Powell's cautious remarks and weak ISM manufacturing PMI data, the index retreated.
- WTI crude oil fell 2% m/m, but U.S. sanctioned two major Russian oil companies, and OPEC+ announced it will hold production steady in the first half of 2026. As a result, major institutions raised their 2026 oil price forecasts.
- Bitcoin fell 17% m/m, after reaching an all-time high of $126K earlier in the month. The decline came after Fed policymakers signaled uncertainty over the December rate decision.

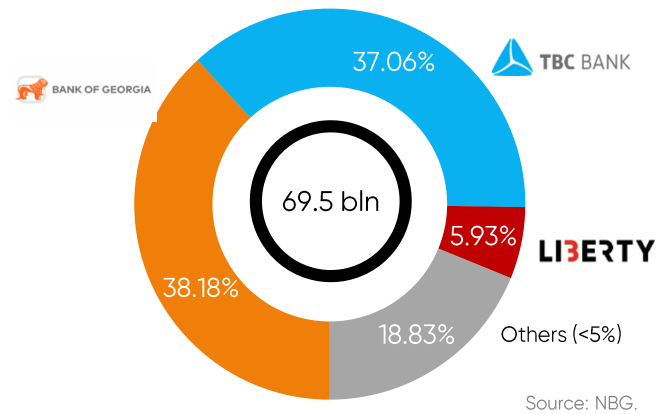
Sources: Bloomberg, LSE.

Loan Tendencies

Loan Yields (Stock)



Loan Market Shares

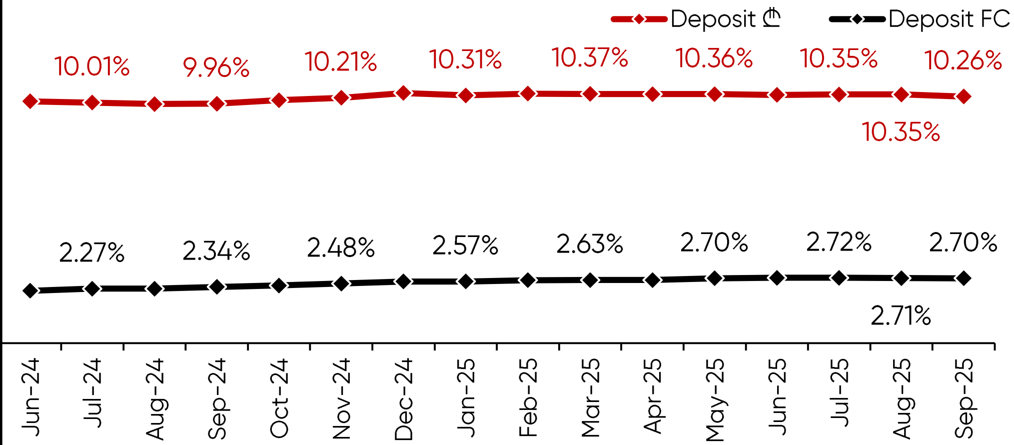


Source: NBG.

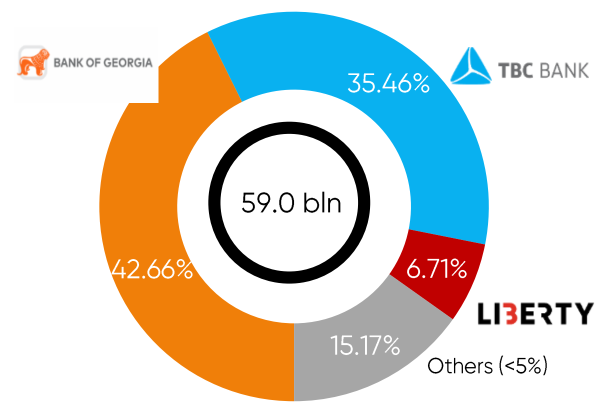
- On a monthly basis, GEL loan yields rose by 9BP, while FC yields edged up 1BP. Year-on-year, GEL yields increased 59BP, and FC yields saw a slight rise of 1BP.
- In September, TBC's loan market share declined by 9BP, while BOG's share increased by 9BP. Liberty's share remained stable at 5.93%.

Deposit Tendencies

Deposit Rates (Stock)



Non Banking Deposit Market Shares

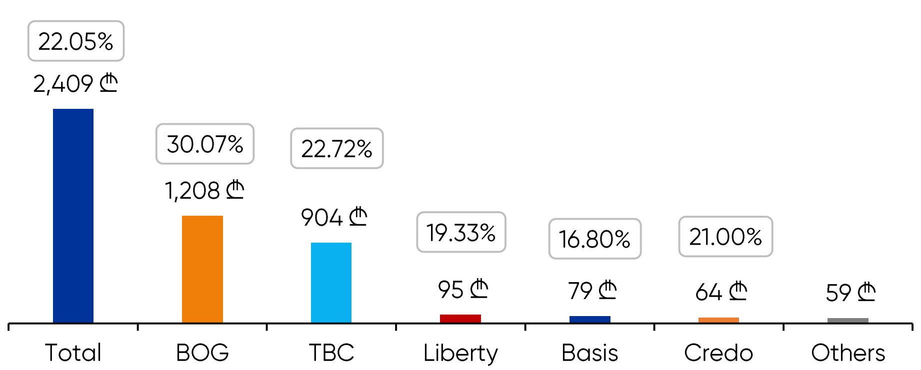


Source: NBG.

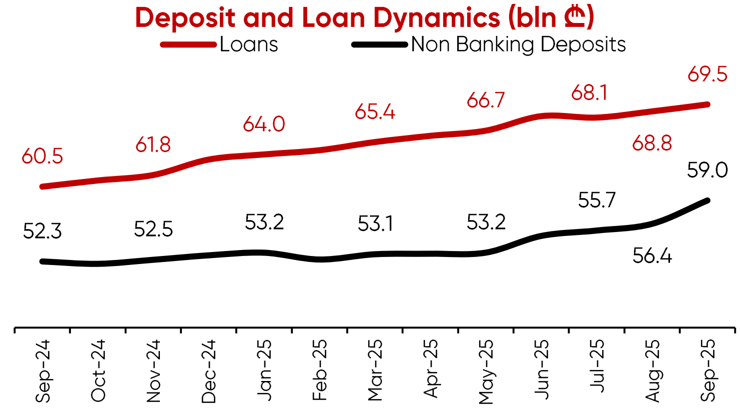
- In September, GEL deposit yields declined by 9BP from the previous month, while FC yields slipped by 1BP. Year-on-year, GEL yields were up 30BP, and FC yields increased by 36BP.
- TBC's non-bank deposit market share contracted by 84BP, whereas BOG's share expanded by 105BP. Liberty's share held steady at 6.71%.

Other Observations

Cumulative Net Income and ROE's of Commercial Banks (9M-25; mln ₾)



Deposit and Loan Dynamics (bln ₾)



Source: NBG.

- Over the first nine months of the year, commercial banks collectively earned a net income of 2.4 billion GEL, reflecting a 4.7% (107 mln) increase compared to the same period last year.
- Compared to August, non-bank deposits expanded by GEL 2.5 billion and loan volumes rose by GEL 765 million.
- Georgia's NPL ratio stood at 2.56% in September, unchanged month-over-month but up by 10BP year-over-year.

JSC Liberty Bank has created this document for informational purposes only, and it was developed independently from the companies mentioned. The content of this document should not be regarded as an offer or invitation to buy, sell, or subscribe to any securities or assets. It does not create a contractual obligation or recommendation to take any actions.

The information and opinions presented are based on sources believed to be reliable and in good faith, but they may change without notice. The accuracy and completeness of the information cannot be guaranteed, and therefore, no reliance should be placed on it. JSC Liberty Bank, any other member of the group, or their respective directors, employees, affiliates, advisors, or agents do not provide any express or implied warranty or guarantee regarding the usefulness of this document for predicting the future performance or value of any security or asset. Third-party publications, studies, and surveys included in this document are also subject to the same disclaimer.

The information contained herein is not guaranteed to be fair, accurate, complete, or correct, and should not be relied upon for legal, investment, business, or tax advice. Recipients of this document should conduct their own independent investigation and evaluation of the matters discussed. Any investment decisions made based on this document are solely the responsibility of the investor. JSC Liberty Bank, along with any other member of the group and their respective directors, employees, affiliates, advisers, and agents do not act as an investment, finance, tax and/or legal advisor and shall not be liable for any loss or damages arising from the use of this document or its contents or any act or failure to act based on this document, regardless of whether the loss or damages were caused by negligence or otherwise.

Report was created by Macroeconomics & Research Unit

Report owners
Aleksandre Akhaladze | aleksandre.akhaladze@lb.ge | +995 592 37 13 69
Zura Akhvlediani| zura.akhvlediani@lb.ge | +995 514 05 03 01

Adress: 74 Chavchavadze Ave.
Email: macronewsletter@lb.ge