



საქართველოს ეროვნული ბანკი
National Bank of Georgia



Sustainable Finance in Georgia

Status Report
2025



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SUSTAINABLE FINANCE IN GEORGIA

STATUS REPORT

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I. Overview of Sustainable Finance Regulations and Policies in Georgia

NBG's Sustainable Finance Framework – brief overview

The sustainable development challenges that the world is increasingly facing require urgent actions to adapt public policies to this new reality. All of this inevitably calls for policy reforms to mobilize finance for economic growth that is green, stable, and inclusive. The financial system has a key role to play in this process, as there is no sustainable development without sustainable finance - be it public or private.

Reorienting private capital to more sustainable investments requires a shift in how the financial system works. This is necessary if we want to achieve more sustainable economic growth, ensure the stability of the financial system, and foster more transparency and long-termism in the economy.

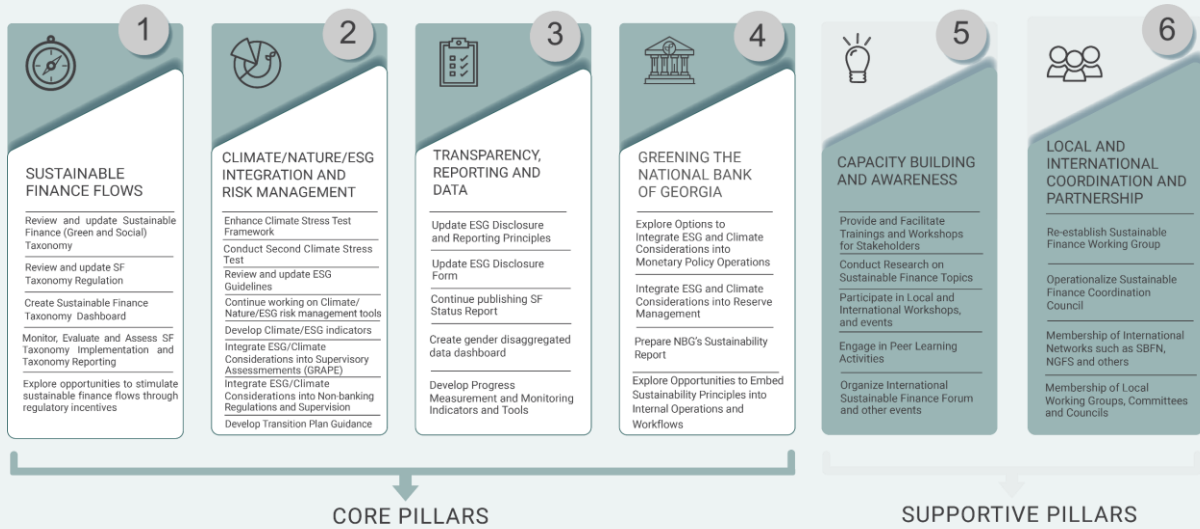
In order to ensure financial stability and support sustainable development, it is crucial to incorporate environmental, social and sustainability considerations into central bank policies. The National Bank of Georgia (NBG), as the central bank of the country, supports strengthening the role of the financial sector in the sustainable development of the country and for this purpose develops a framework for Sustainable Finance (SF). This framework implies the integration of Environmental, Social, and Governance (ESG) considerations into financial decision-making of the financial sector, managing ESG-related risks, and reorientation of financial flows to the projects that have positive environmental and/or social impact. All of these contribute to long-term economic resilience and financial stability.

In 2019, the NBG launched the first [Sustainable Finance Roadmap \(2019-2024\)](#), establishing the guiding policy document for building regulatory foundation for sustainable finance in Georgia. The main objective of the Roadmap was to provide a credible, predictable, and stable regulatory framework and laid foundation for the systematic adoption of sustainable finance practices across the domestic financial sector. Its four pillars - capacity building and awareness; sustainable finance flows; ESG risk management; and transparency/market discipline - guided the implementation over five years. All actions defined under each pillar were implemented, with recurring activities carried into the next phase.

After successfully implementing the first roadmap, in March, 2025 NBG launched the second Sustainable Finance Roadmap (Phase II). Building on the First SF Roadmap, Phase II groups the activities into two types of pillars: Core and Supporting. The Core Pillars are: (i) Sustainable Finance Flows; (ii) Climate, Nature and ESG Integration and Risk Management; and (iii) Transparency, Disclosure, Reporting and Measurement. Recognizing the importance of leading by

example, Phase II of SF Roadmap adds a new core pillar, Greening the National Bank of Georgia, to integrate sustainability/climate considerations in the NBG’s own operations. The Supporting Pillars - Capacity Building and Awareness and Local and International Coordination and Partnership - serves as cross-cutting enablers.

Pillars of the SF Roadmap Phase II:

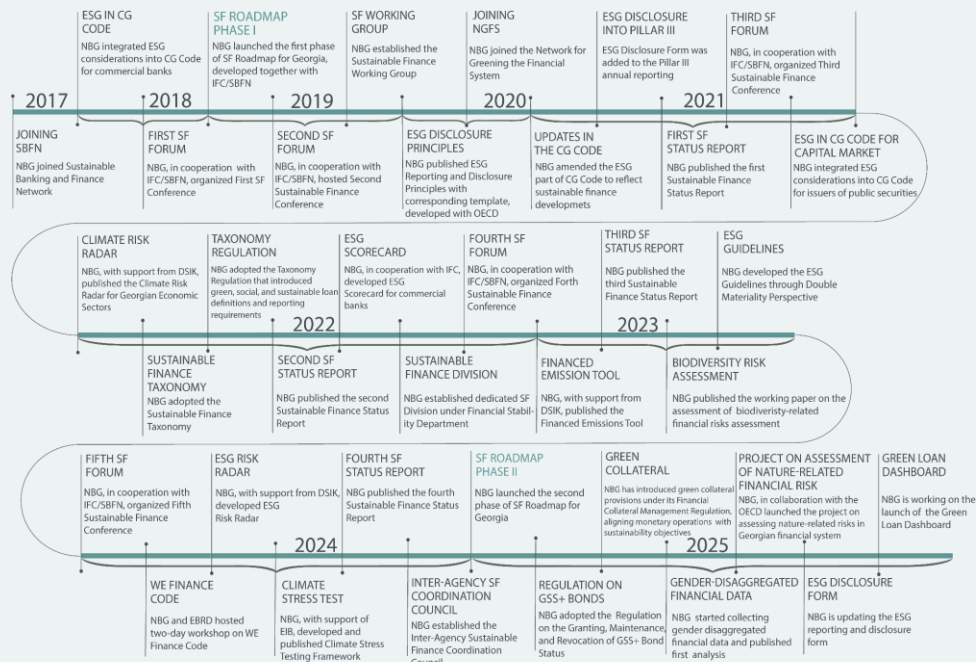


The Second Phase Sustainable Finance Roadmap provides a strategic pathway for enhancing the financial sector’s contribution to the national sustainability objectives. It identifies key actions needed to strengthen the integration of ESG factors into financial practices, improve the management of climate and other ESG risks, and foster the development of sustainable financial products and services.

Building on the First roadmap (2019–2024), the next phase introduces enhanced policy responses and regulations, updated guidelines, and improved tools, alongside with the development of new instruments to address emerging priorities. This strategic document focuses the importance of effective implementation, monitoring, compliance assessment, and systematic identification of gaps, ensuring a continuous improvement cycle.

Diagram 1 summarizes the main actions that the NBG has taken over the past few years. The NBG continues developing SF framework and implementing the action plan outlined in the new roadmap.

Diagram 1. NBG's Sustainable Finance Framework Implementation



Source: NBG

The development of the SF Framework and the implementation of the First Sustainable Finance Roadmap (2019-2024) is carried out with collaboration and support from various international organizations, including International Finance Corporation (IFC), IFC-supported Sustainable Banking and Finance Network (SBFN), Organization for Economic Cooperation and Development (OECD), Finance in Motion, Green for Growth Fund (GGF) Technical Assistance Facility, German Sparkassenstiftung for International Cooperation (DSIK), NDC Partnership, European Investment Bank (EIB), UN Global Compact Network Georgia, European Bank for Reconstruction and Development (EBRD). Coordinating with financial institutions through the Sustainable Finance Working Group and Banking Association and other local stakeholders, including various ministries, is also a part of the process. Apart from that, the NBG has been an active member of Sustainable Banking and Finance Network (SBFN) since 2017 and the Network for Greening the Financial System (NGFS) since 2020. At this stage, the NBG has an appointee at the NGFS's Workstream on "Scenario Design and Analysis" and a representative at the plenary. At SBFN, the NBG is a part of the Measurement Working Group and one of two co-chairs of Data and Disclosure Working Group. During these years, the NBG has learned from and shared its national sustainable finance development experiences with other SBFN members.

Policy and Regulatory Highlights from 2024-2025

The NBG remains committed to advancing its Sustainable Finance Framework and continues to implement various initiatives. The list of activities carried out in 2024-2025¹, as well as some ongoing projects, include:

- ✓ The publication of the Second Sustainable Finance Roadmap – In March 2025, the NBG published the [Phase II of the Sustainable Finance Roadmap for Georgia](#). This strategic document accompanied by corresponding action plan, aims to advance the integration of ESG considerations into the financial sector, enhance the management of financial risks associated with climate change and other ESG factors, and support Georgia’s transition to a low-carbon, resource-efficient, and sustainable economy. The Phase II of Sustainable Finance Roadmap outlines the future actions that NBG intends to undertake to support sustainable finance development in Georgia. It is structured around six pillars, divided into Core and Supporting Pillars. The Core Pillars include several key areas like embedding ESG considerations - including climate and nature-related issues - into risk assessment frameworks and decision-making processes of financial institutions; supporting transparency and accurate reporting; supporting sustainable finance market development by guiding more capital flows towards sustainable activities; and embedding sustainability principles into the internal operations and workflows of the National Bank of Georgia. The Supporting Pillars cover areas such as increasing awareness and capacity building on sustainable finance; and strengthening collaboration with local and international partners to ensure policy alignment and knowledge sharing. The development of the new Roadmap was made possible through extensive consultations with local and international stakeholders, including Sparkassenstiftung for International Cooperation (DSIK), the European Bank for Reconstruction and Development (EBRD), International Finance Corporation (IFC), Sustainable Banking and IFC-supported Sustainable Banking and Finance Network (SBFN).
- ✓ [Development of the GSS+ Bonds Framework](#) – In August 2025, the NBG has approved the [regulation](#) on the Granting, Maintenance, and Revocation of Green, Social, Sustainability, and Sustainability-Linked Bond Status. Under this regulation, specific requirements have been set for granting, maintaining, and revoking the right to use the designations “Green Bond,” “Social Bond,” “Sustainability Bond,” and “Sustainability-Linked Bond” in Georgia’s securities market. Eligible economic activities are defined by the NBG’s Sustainable Finance Taxonomy or an equivalent international taxonomy. The regulation prohibits the use of the GSS+ label for public bonds that do not comply with the set requirements, and failure to provide timely reviews or reports can lead to the revocation of the bond's status. The primary goals of the

¹For descriptions of activities implemented in previous years, please refer to the reports from those years: <https://nbg.gov.ge/en/page/sustainable-finance-in-georgia>



regulation are to prevent greenwashing, protect investors, and ensure the credibility of the market. In addition, the regulation is expected to encourage private capital investment in sustainable initiatives while enhancing transparency in financial products that target environmental, social, and other sustainable development objectives. Developed with the active involvement of international financial institutions (IFC, EBRD and World Bank) and local market participants, the new regulation aims to establish clear rules for the public issuance of sustainability-oriented bonds in the capital market. In doing so, it supports companies' social and environmental objectives and related projects. The Regulation on the Granting, Maintenance, and Revocation of Green, Social, Sustainability, and Sustainability-Linked Bond Status will enter into force on January 1, 2026, allowing capital market participants sufficient time to prepare for its full implementation.

- ✓ **Green Collateral** – the NBG has introduced green collateral provisions under its Financial Collateral Management Regulation, aligning monetary operations with sustainability objectives. Starting from 1 January 2026, newly issued bonds that fully comply with the requirements of the regulation and simultaneously meet the criteria defined by the NBG Presidential Decree No. 197/04 of 21 August 2025 on the granting, maintenance, and revocation of green, social, sustainability, and sustainability-linked bond status, will benefit from a 2.5-percentage-point haircut in the collateral valuation applied to NBG's refinancing, open-market, and intra-day lending operations. This measure supports the greening of the NBG's monetary framework and promotes the development of sustainable financial instruments in Georgia.
- ✓ **Gender-disaggregated data collection** – To address data gaps in gender-disaggregated MSME finance data and systematically capture information on women-owned and women-led MSMEs, the National Bank of Georgia (NBG)—in collaboration with the Investor Council, the Banking Association, and commercial banks—introduced an official definition of WMSMEs and developed a standardized reporting template requiring commercial banks to submit MSME finance data disaggregated by gender. Banks submitted the first comprehensive reports for 2024, establishing a baseline. Quarterly reporting will commence in 2026, ensuring continuous monitoring and availability of gender-disaggregated MSME data. The reporting template specifies core indicators—such as the number of MSME customers, loan applications and approvals, outstanding loans and their quality, and deposit accounts—and encourages additional metrics, including new loan disbursements, collateral usage, interest rates, and loan maturities by gender. To promote consistency and data quality, the NBG rolled out the template alongside capacity-building activities for banks, ensuring a shared understanding of definitions and reporting practices. The 2024 gender-disaggregated MSME finance data provide a clearer picture of women entrepreneurs' participation in Georgia's financial sector. The findings show that WMSMEs actively engage with banks, receive loan approvals at comparable or higher rates than men, and demonstrate stronger portfolio quality. At the same time, women-owned businesses remain concentrated in smaller-scale activities and account



for a smaller share of total loan volumes and deposit balances, suggesting structural challenges that limit their growth potential. The detailed results are presented in the 2025 Financial Stability Report². These results underscore the importance of sustained, sex-disaggregated data collection and its use to inform gender-responsive financial policies. In parallel, the NBG continues to enhance the SME/WMSME Dashboard to improve access to gender-disaggregated financial data and support financial inclusion in the MSME segment.

- ✓ **Updated ESG Disclosure Form** – The NBG is launching the updated ESG Disclosure Form. Since 2021, as part of the Pillar 3 annual reporting process, banks have been disclosing ESG-related information using the ESG Disclosure Template developed by the NBG. To reflect the experience gained and international developments in sustainability disclosure standards, the NBG is now updating this template. It is aligned with leading international standards and frameworks, including IFRS S1/S2, Basel, TCFD, TNFD, ESRS, and GRI. The form requires detailed disclosures on governance, strategy, and risk management, and quantitative data on physical and transition risks. The Metrics and Targets section has been enhanced with new key performance indicators (KPIs) to better capture environmental, social and governance aspects. Institutions are expected to apply the principle of double materiality, addressing both the financial effects of sustainability factors on the bank and the bank’s impacts on society and the environment. Reporting under the updated form will commence in 2026, and all submitted disclosures will be published on the NBG website, supporting transparency, comparability, and market discipline.
- ✓ **Assessing nature-related risks in the Georgian financial sector** – The NBG in collaboration with the OECD, has launched a project to assess nature-related risks in the Georgian financial system. This joint initiative integrates analytical research, improvements to the NBG’s risk assessment tools, and engagement with banks and other stakeholders. The key objective of the project is to evaluate nature-related risks within the Georgian economy and financial system. Building on the NBG’s 2023 findings, the new analysis draws on the OECD Supervisory Framework to: (i) prioritize material risk channels; (ii) identify vulnerable economic sectors and critical natural capital assets; and (iii) assess the direct and indirect economic impacts of nature-related shock scenarios using input–output analysis. In parallel, the project includes the development of a Nature-related Risk Scorecard to quantify banks’ exposures, dependencies, and vulnerabilities to nature-related risks. The Scorecard will be integrated into the NBG’s ESG risk assessment framework and will support banks to assess nature-related risks in their portfolios.
- ✓ **Evaluation of the green loans** – In 2022 the NBG adopted the Regulation on Loan Classification and Reporting according to the Sustainable Finance Taxonomy (Taxonomy Regulation). Starting in 2023, banks have been required to submit monthly reports on green loans using the Green Loan Monthly Reporting Form defined under the Taxonomy Regulation. To ensure

² Financial Stability Report (2025) - <https://nbg.gov.ge/publications/financial-stability-reports>



the accuracy of these reports and prevent greenwashing, the NBG conducts periodic evaluations (at least once a year) of the reported green loans. For this purpose, a dedicated methodology and activity-level questionnaires have been developed. The evaluation process involves selecting a sample of green loans from financial institutions to enable a comprehensive review of credit practices. Detailed information is collected through questionnaires, and banks are required to provide supporting technical documentation for each selected loan. This documentation must demonstrate compliance with the eligibility criteria set out in the Green Finance Taxonomy. The second evaluation, conducted in 2025 on the portfolio reported in December 2024, confirmed that banks are accurately identifying and classifying green loans.

- ✓ **Green loan data dashboard** – the NBG is in the process of developing a Green Loan Data Dashboard to enhance transparency and facilitate public access to information on sustainable finance. The dashboard will present detailed data on green loans collected through the Green Loan Monthly Reporting Form in accordance with the Taxonomy Regulation. This initiative will strengthen the availability and usability of green loan data for a wider range of stakeholders, including policymakers, financial institutions, and researchers. The Green Loan Data Dashboard is expected to be launched by the end of the year and will be made available on the NBG’s official website.

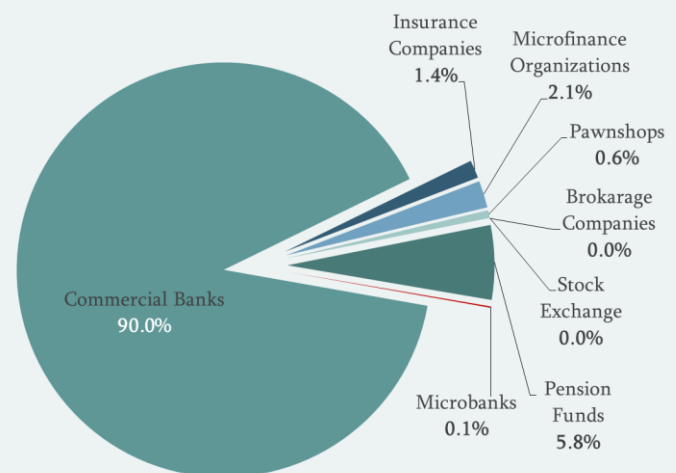
II. Overview of Sustainable Finance Market Development in Georgia

The financial sector in Georgia is mainly comprised of commercial banks (see [Diagram 2](#)). Currently, there are [seventeen commercial banks](#) holding around 90% of total assets in the financial sector. Apart from that, the concentration is high, with the two largest banks accounting for around 77% of total assets in the banking sector and 70% in the financial sector. Pension funds share is increasing standing at around 5.8% by the end of 2024. While the share of microfinance institutions (MFIs) is quite small, they play an important role, especially in financing SMEs and access to finance in rural areas. While the insurance market has been growing in recent years, it still has a relatively small share in the total assets of the financial sector.

Taking these characteristics of the Georgian financial system into account, the NBG’s sustainable finance policies and regulations are currently mainly directed at

commercial banks. However, the NBG also acknowledges the importance of the capital market for scaling up sustainable finance and thus, includes actions dedicated to capital market participants in its SF action plan.

Diagram 2. Structure of the Georgian Financial Sector by Assets, Dec. 2024



Source: NBG

Where the commercial banks stand in terms of ESG – evidence from ESG Reporting

The [Corporate Governance Code for Commercial Banks](#) sets the mandatory ESG disclosure requirements, while the ["Regulation on Disclosure Requirements for Commercial Banks within Pillar 3"](#) defines the [ESG Reporting Form](#) as a part of the Pillar 3 Annual Reporting and refers to the NBG’s [ESG Reporting and Disclosure Principles](#) for guidance.



In 2025, commercial banks filled out the ESG forms for the fifth time. Reports from 2021 to 2025 are now available on the [NBG's webpage](#). This section summarizes the main findings from these forms and highlights Key Performance Indicators (KPIs) on ESG for the Georgian financial system³. The disclosed information includes qualitative information regarding business model, policies and due diligence, risk management, and quantitative information on the KPIs related to different ESG issues.

Analysis of the ESG related information from seventeen commercial banks shows that despite some progress over the last couple of years, there is still big room for improvement. Apart from that, the ESG practices vary across the institutions. There are few commercial banks that are quite advanced in terms of sustainable finance and ESG risk management practices, and they also have other social and environmental policies in place. On the other hand, some banks have not yet implemented the ESG policies but are in the process of developing or plan to develop their ESG policies in the near future. Detailed results separately on E, S and G are presented below.

E - Environmental

In 2024, commercial banks were permitted to use both the Sustainable Finance Taxonomy and their own internal definitions when reporting green loans in their annual ESG forms, as most institutions were still in the early stages of implementing the Taxonomy. This temporary exception was granted to facilitate a smooth transition to standardized green loan reporting. Starting from 2025, banks are required to report only Taxonomy-aligned green loan data in their ESG forms. Out of seventeen commercial banks, nine provided data on Taxonomy-aligned green loans for 2024 (compared to seven for 2023). It should also be noted that 2025 marked the first year in which banks, in addition to green loans, reported other green financial products — in particular, green letters of credit and green guarantees.

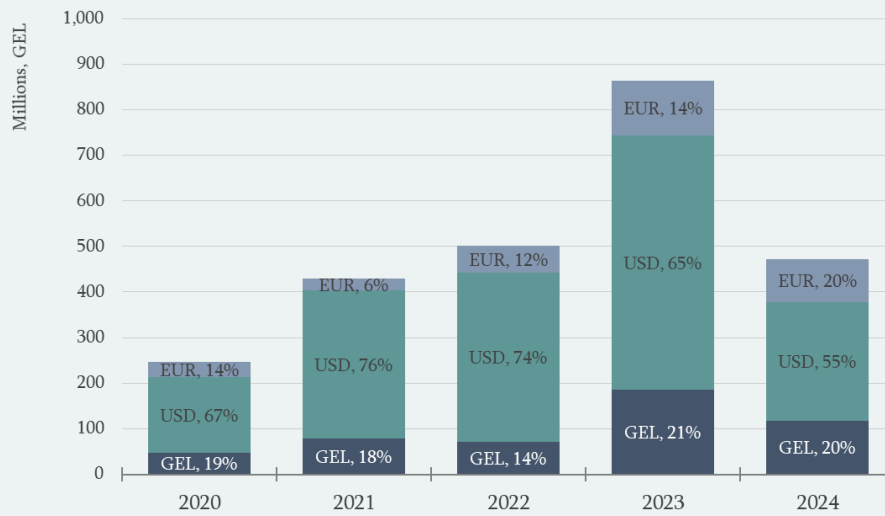
In 2024, the total volume of taxonomy-aligned green financial products (including loans plus green credit letters and guarantees) issued amounted to approximately GEL 473 million (USD 169 million⁴) (see [Diagram 3](#)). When considering loans only, banks issued around GEL 309 million in Taxonomy-aligned green loans in 2024. The decrease compared to the previous year is primarily attributed to a methodological change, as only

Taxonomy-aligned disclosures were permitted for 2024. Most of the green loans issued in 2024 were still denominated in USD (see [Diagram 3](#)). The share of green loans in total loans issued in 2024 stood at 1.0%, representing a 0.8 percentage point decline compared to the previous year - again reflecting the methodological adjustment. Among banks that reported green loan data, the average share of green loans in total loans issued during 2024 was around 0.3%, ranging from 0.1% to 4.5% across institutions.

³ For more detailed information regarding each commercial bank, please visit: <https://nbg.gov.ge/en/financial-stability/esg-reporting-and-disclosure>

⁴ The value is calculated using the end of Dec. 2024 GEL/USD and GEL/EUR exchange rates.

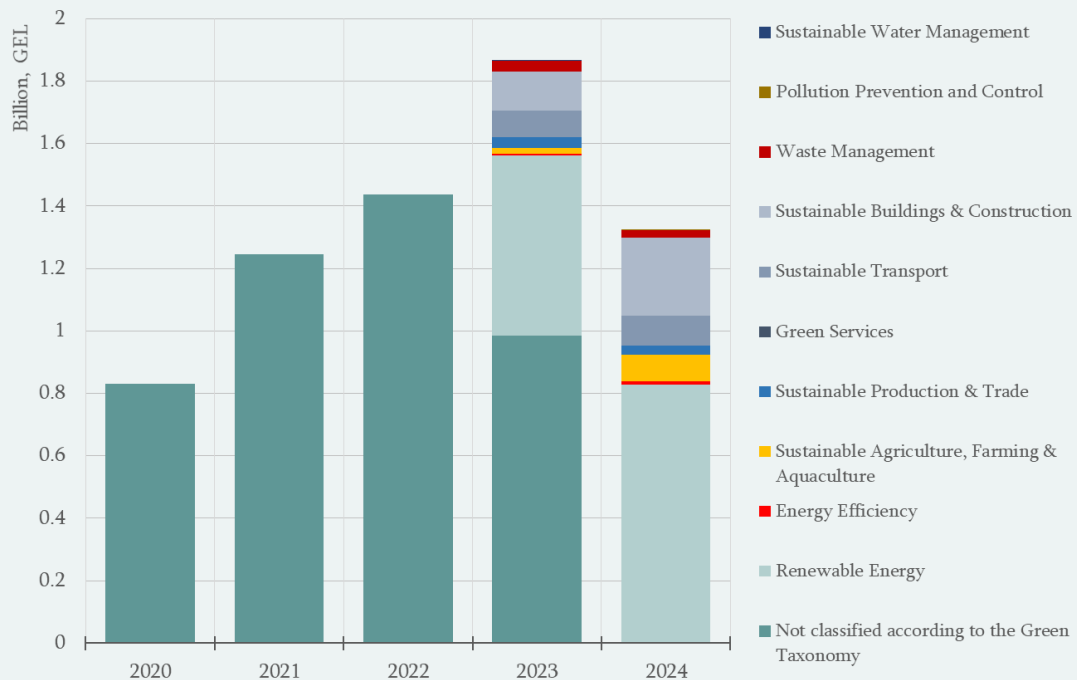
Diagram 3. Total Green Financial Products Issued in 2020-2024⁵ (excluding exchange rate effect)



Source: NBG

Overall, these results indicate that while the stricter alignment with the Sustainable Finance Taxonomy temporarily reduced reported volumes, it also marks a significant step toward greater data consistency, credibility, and comparability in Georgia’s green finance market — laying the groundwork for more robust growth in coming years.

Diagram 4. Total (Taxonomy-aligned and other green loans) Green Loans Outstanding (excluding exchange rate effect)



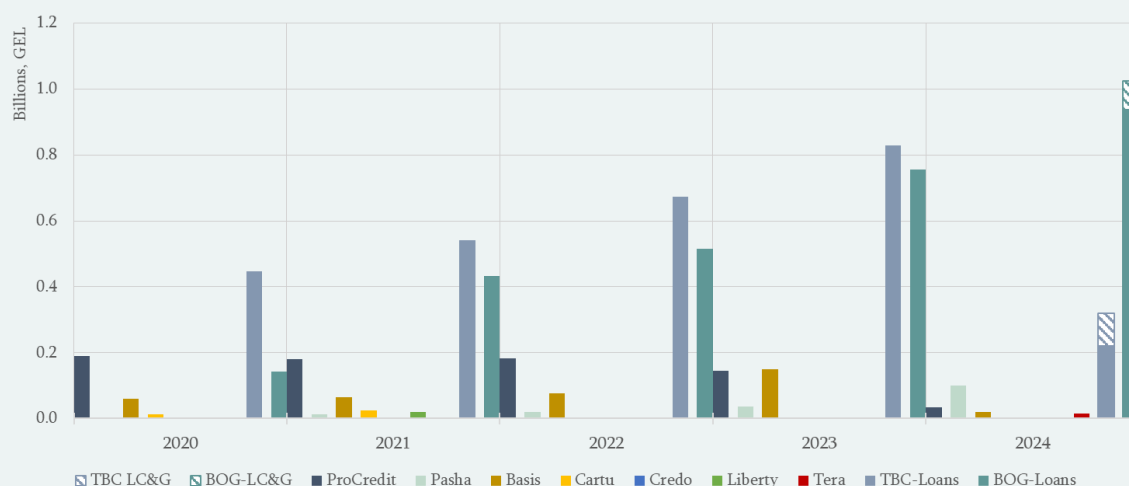
Source: NBG

⁵ Unlike in previous years, the 2024 figures include loans, letters of credit, and guarantees, but only those that are Taxonomy-aligned.

As of the end of 2024, the total volume of Taxonomy-aligned green financial products outstanding stood at approximately GEL 1.5 billion (USD 540 million), of which Taxonomy-aligned green loans accounted for GEL 1.3 billion (USD 474 million) (see [Diagram 4](#)). The stock of total Taxonomy-aligned green loans increased by 43% in 2024 compared to the previous year, excluding exchange rate effects. This significant growth reflects the wider adoption of the Taxonomy by commercial banks. By the end of 2024, the share of Taxonomy-aligned green loans in the total outstanding loan portfolio reached 2.1%, up from 1.7% in 2023. At the individual bank level, the average share of green loans stood at around 1.8%, with the highest share reaching approximately 6%.

In terms of sectoral distribution, the majority of taxonomy-aligned green lending—63%—was directed toward the renewable energy sector, with 53% specifically allocated to hydropower projects. Additionally, 19% of these loans supported the sustainable buildings and construction sector, while 7% each went to the green transport and sustainable agriculture sectors (see [Diagram 4](#)). Overall, as of December 2024, taxonomy-aligned green loans were issued across ten different sectors.

Diagram 5. Total (Taxonomy-aligned and other green loans) Green Financial Products (loans, letter of credit and guarantees) Outstanding by Banks (excluding exchange rate effect)*⁶



Source: NBG

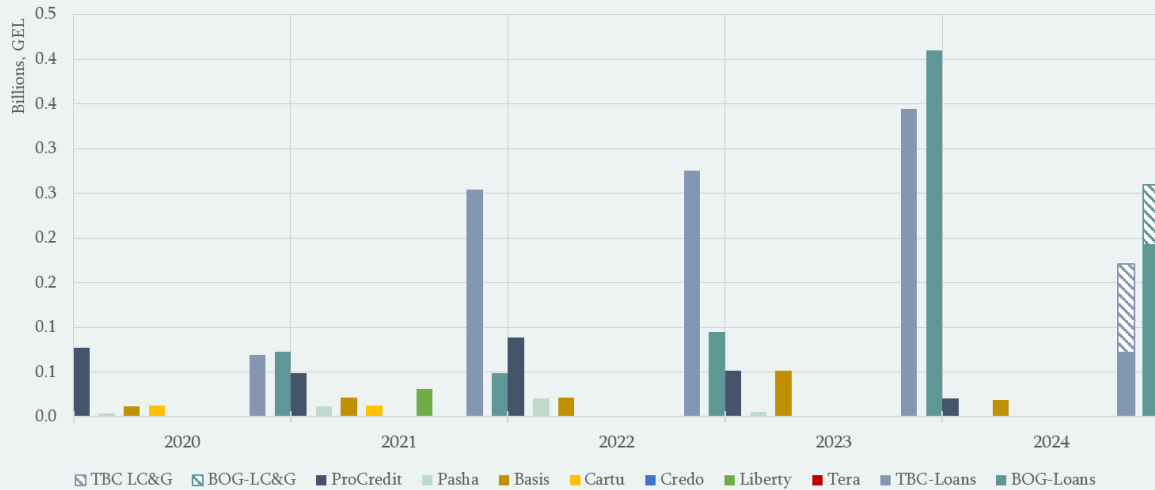
When it comes to the active participation of banks in promoting green lending in Georgia, two financial institutions stand out as clear leaders. Considering the total Taxonomy-aligned green portfolio, Bank of Georgia (BOG) holds the largest share, accounting for 68% of the total market, followed by TBC Bank with a 21% share (see [Diagram 5](#)). While in the previous year green loan portfolios were more evenly distributed across banks, in 2024 the market became more concentrated, with these two banks together accounting for almost 90% of the total green loan market.

In 2024, BOG also led the market in Taxonomy-aligned green financial product disbursements (see [Diagram 6](#)), issuing 55% of all such products, followed by TBC with 36%, and ProCredit Bank and

⁶ Unlike in previous years, the 2024 figures include loans, letters of credit, and guarantees, but only those that are Taxonomy-aligned.

Basis Bank each contributing approximately 4%. However, the market distribution shifts when considering Taxonomy-aligned green financial products other than loans, where TBC Bank emerges as the leader. It should also be noted that only TBC and BOG reported Taxonomy-aligned off-balance-sheet items, such as green letters of credit and guarantees.

Diagram 6. Total (Taxonomy-aligned and other green loans) Green Financial Products (loans, letter of credit and guarantees) issued by Banks during 2020-2024 (excluding exchange rate effect)⁷



Source: NBG

In terms of environmentally friendly activities, most banks have initiated some practices, mostly related to replacing vehicles with internal combustion engines with hybrid or electric cars and improving the energy efficiency of their offices and buildings. Apart from that, the majority of the commercial banks have waste management policies in place, mainly related to recycling, reducing, and separation.

Out of seventeen banks, eight disclosed data on Greenhouse Gas (GHG) emissions. Additionally, some banks have started reporting financed emissions, a development positively influenced by the [methodology and tool](#) developed by the NBG. However, the reports indicate no significant progress in emissions target setting among commercial banks, with only one bank having set a target in this regard.

S - Social

The social part of the KPIs includes questions related to diversity in the workplace, training and education, customer privacy and satisfaction, workplace health and safety and other related topics.

By the end of 2024 there were around 29 thousand people employed in the Georgian banking sector (see [Diagram 7](#)). Compared to the previous year, employment in the banking sector increased by

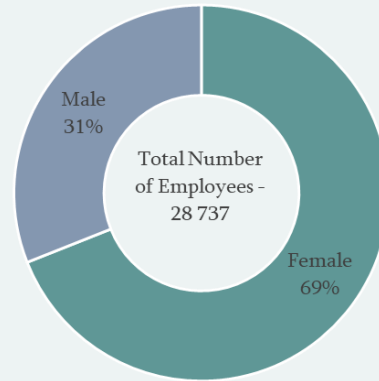
⁷ Unlike in previous years, the 2024 figures include loans, letters of credit, and guarantees, but only those that are Taxonomy-aligned.

6% (compared to 6% in 2023 and 8% in 2022). In 2024, the average employee turnover rate⁸ was 23%, which is 4 percentage points higher compared to 2023. There have been some outliers with a turnover rate as low as 7% and as high as 77%.

In terms of gender diversity, as of the end of 2024, 69% of all employees were women, that is one percentage point lower compared to 2023. This result is relatively similar across all commercial banks, with the lowest share being 35% and the highest at 72%. However, the share of females in senior management (board of directors, supervisory board) stands at a lower level and is 30% (similar to 30% in 2023), on average. There have been some changes across commercial banks and there has been more convergence in shares compared to the previous year. As for the gender structure at the middle management level, by the end of 2024, on average, women held

51% (compared to 49% in 2023 and 27% in 2022) of these positions.

Diagram 7. Gender Diversity in the Georgian Banking Sector, Dec. 2024

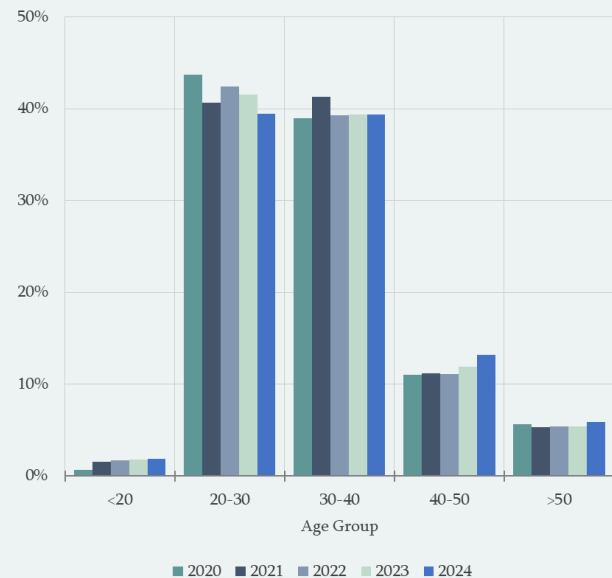


Source: NBG

In the Georgian banking sector, as of the end of 2024, the highest share of employees are within the age groups of 20-30 and 30-40 with 39.5% and 39.3% shares respectively (see Diagram 8). Age distribution has a similar pattern across commercial banks in Georgia and has remained almost the same compared to the previous year. Regarding the employment of people with disabilities, only five banks, compared to four in the previous year, indicated positive numbers, and the share in the total employment is below 1%. On the other hand, nine banks specified that at least some of their branches are fully or partially adapted and have special facilities and dedicated infrastructure for customers with disabilities. There has not been any

significant improvement in this regard since 2024.

Diagram 8. Age Structure of Employees in the Georgian Banking Sector, Dec. 2024



Source: NBG

⁸ Annual turnover rate = $100 * \left(\frac{\text{number of employees who left}}{\frac{\text{beginning} + \text{ending number of employees}}{2}} \right)$

During 2024, all commercial banks have provided training for their employees, however, the coverage varies. There are few banks where only 10% or fewer employees have attended the training. More than half of commercial banks have organized training for 50% or more of the employees, while some of them even covered the whole personnel. The difference regarding average expenses on training per employee is also evident. The expenses also depend on the type of the trainings, since some banks mainly offered internal trainings, which are less costly, while others provided both internal and external trainings for their employees.

In terms of workplace health and safety, all banks indicated that they have corresponding policies and procedures in place. Such policies include Occupational Safety Management Plan, Labor safety policy, Emergency action plan, among others. Apart from this, training on fire safety, emergency response, and other occupational safety issues is provided to the employees on a regular basis.

G – Governance

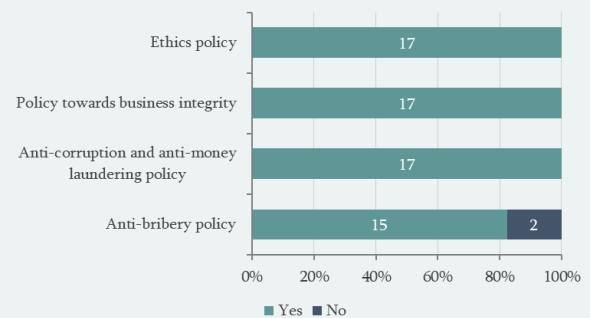
The information provided in the ESG reporting forms indicates that eleven out of seventeen commercial banks have a designated officer or body responsible for overseeing environmental and social policies and practices. Apart from that, with only a couple of exceptions, almost all banks reported having some ESG policies and procedures.

In most cases, it is related to ESG risk management practices. However, some banks have also incorporated ESG consideration into their strategy. Moreover, results show that if there is an ESG policy in a bank, the supervisory board or board of directors approves it. Some banks have also established processes for consultation between stakeholders and the board of directors or supervisory board on environmental and social topics.

Besides the ESG risk management policies, almost all the banks have also established

policies related to ethics, business integrity, anti-bribery, etc. (see Diagram 9).

Diagram 9. Number of Commercial Banks with Corresponding Policies in place, Dec. 2024



Source: NBG



Bond Market Highlights

The capital market, despite some progress, is still at an early stage of development in Georgia. Nevertheless, the bond market has demonstrated a robust upward trajectory in recent years, and this upward momentum persisted most of 2024, with some moderation in the first half of 2025 (see [Diagram 10](#)). Anticipated to sustain this momentum and foster further market growth are a series of legislative and regulatory reforms, and the introduction of new products.

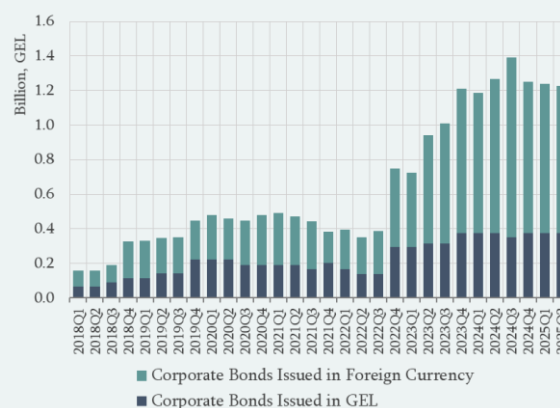
Similar to previous years, the upward trend in the bond market continued in 2024. Compared to the previous year, this market segment grew by 35.0%, reaching GEL 5.427 billion (5.91% of the GDP). It is noteworthy that the outstanding volume of Lari-denominated bonds issued by international financial institutions increased by 52.4% in 2024, accounting for 59.5% of the total outstanding non-government bond portfolio at year-end. In the corporate bond market segment, the annual growth rate reached 15.6%, bringing the total market size to GEL 2.197 billion as of end-2024, equivalent to 40.5% of the total outstanding non-government bonds. Over the past five years, the corporate bond market has demonstrated an average annual growth rate

In 2024, 21 public corporate bonds (compared to 20 in 2023) were issued, with a total value of GEL 540 million (compared to GEL 1.139 billion in 2023). As a result, the outstanding amount of public corporate bonds reached GEL 2.113 billion at the end of 2024 (compared to GEL 1.901 billion in 2023), constituting 2.30% of total GDP (compared to 2.35% in 2023). Out of this, the share of GEL-denominated public corporate bonds was 32.0% (compared to 35.0% in 2023). Of the corporate bonds issued in 2024, 60% were rated by international rating agencies (split evenly between BB/BB- and B+).

The corporate bond market achieved a higher level of diversification in 2024, encompassing issuers spanning 11 distinct industries. In terms of the outstanding balances of corporate bonds, investment companies held the largest share of the market at 20.0% (compared to 21.0% in 2023), while automobile trade and services, electricity production, and other financial services together accounted for 43.0% of the public corporate bond market (see [Diagram 11](#)).

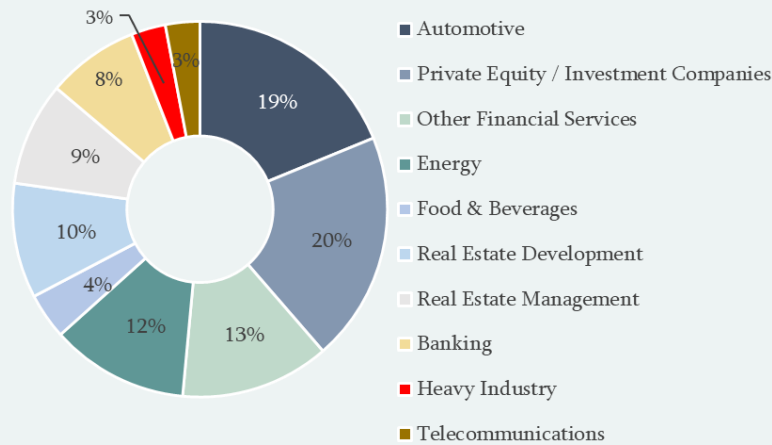
of 24.2%, reflecting steady market development and increasing investor participation.

Diagram 10. Outstanding corporate bonds issued in the domestic market (public offering)



Source: NBG

Diagram 11. Distribution of corporate bond balances by industry (2023)



Source: NBG

Over the past few years, Georgian companies started to issue Green, Social, Sustainable, and other Labeled (GSS+) bonds, both at the foreign and local markets (see Diagram 12). The 2022 and 2023 stood out as particularly active for GSS+ bonds in Georgia, as local companies embarked on issuing these types of bonds on the domestic bond market, mostly denominated in the foreign currency. In 2024, Georgia’s GSS+ bond market remained at an early stage of development, with two placements across the domestic and a foreign exchange totaling USD 320 million. In the first half of 2025, a USD 10 million green bond was issued on the Georgian market, followed by a GEL 305 million social bond in September. The new GSS+ bond regulation is expected to reduce procedural uncertainty and compliance frictions, lower execution costs, provide clearer guidance, and support the further issuance of GSS+ bonds over time.

Diagram 12. GSS+ Bonds total amount issued by Georgian Companies as of September 2025⁹



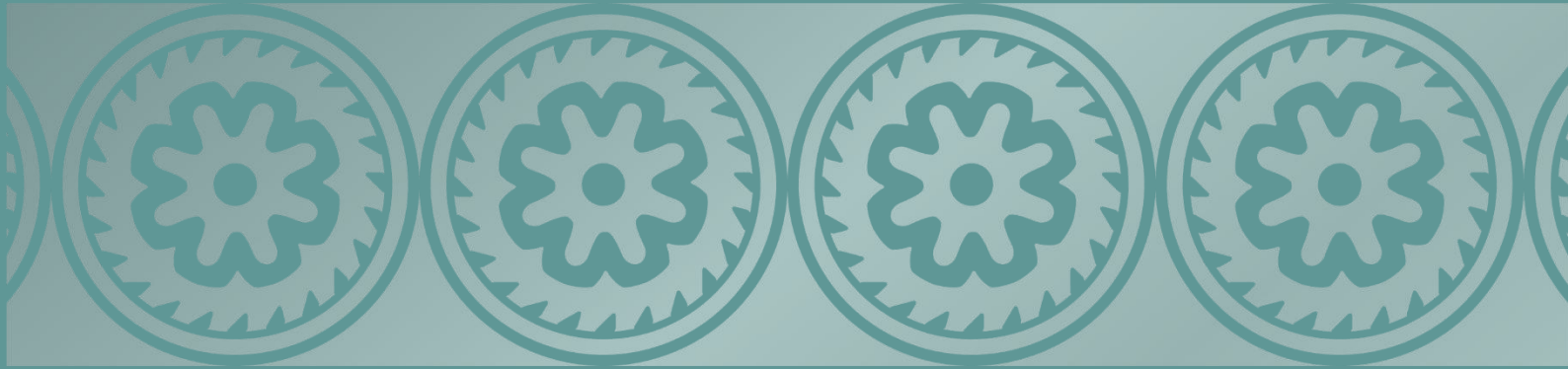
Source: NBG, Bloomberg

⁹ Bonds issued in GEL are converted using GEL/USD issuance date exchange rate.

Below is the brief description of GSS+ bond issued by Georgian company during 2025¹⁰:

- ✓ **LLC Energy Development Georgia issued the Green Bond** – In June 2025, LTD Energy Development Georgia, the management company of Cascade Power Plants, with the support of TBC Capital, placed a USD 10 million, 2-year green bond on the Georgian Stock Exchange. The Second-Party Opinion (SPO) on the issuer’s **green financing framework** was provided by Morningstar and Sustainalytics. The bond is aligned with the **ICMA Green Bond Principles (2021)**. The issuance was conducted under Enterprise Georgia’s Capital Market Support Program. Energy Development Georgia owns and operates three cascade-type hydropower plants on the Sashuala River in Guria, with a combined installed capacity of 15.25 MW. Proceeds from the bond are intended to finance and refinance eligible renewable energy activities in line with the issuer’s green framework.
- ✓ **JSC Georgia Healthcare Group issued the Social Bond** – In September 2025, JSC Georgia Healthcare Group (GHG), healthcare operator fully owned by Georgia Capital PLC, with the support of TBC Capital and Galt and Taggart, placed a GEL 350 million, 5-year social bond on the Georgian Stock Exchange. GHG obtained a **SPO** from Scope, confirming that its **Social Bond Framework** aligns with **ICMA Social Bond Principles (2023)**. The issuance was supported by international financial institutions–International Finance Corporation (IFC), and Asian Infrastructure Investment Bank (AIIB) along with local banks and Pension Fund of Georgia–whose participation represents the fund’s biggest investment in a single local bond issuance since its inception. The bond proceeds will be used to refinance its existing liabilities used for the refurbishment of the hospitals and clinics, upgrade of the medical equipment, expansion of medical services and finance new capital expenditures to broaden range of medical services for preventive healthcare in line with the Social Bond Framework.

¹⁰ For the description of the GSS+ bonds issued in previous years, please refer to Sustainable Finance Status Report 2021, 2022, 2023 and 2024: <https://nbg.gov.ge/en/page/sustainable-finance-in-georgia>



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