



TBC CAPITAL

Tracking The Recovery

28.05.2021

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MACROECONOMICS

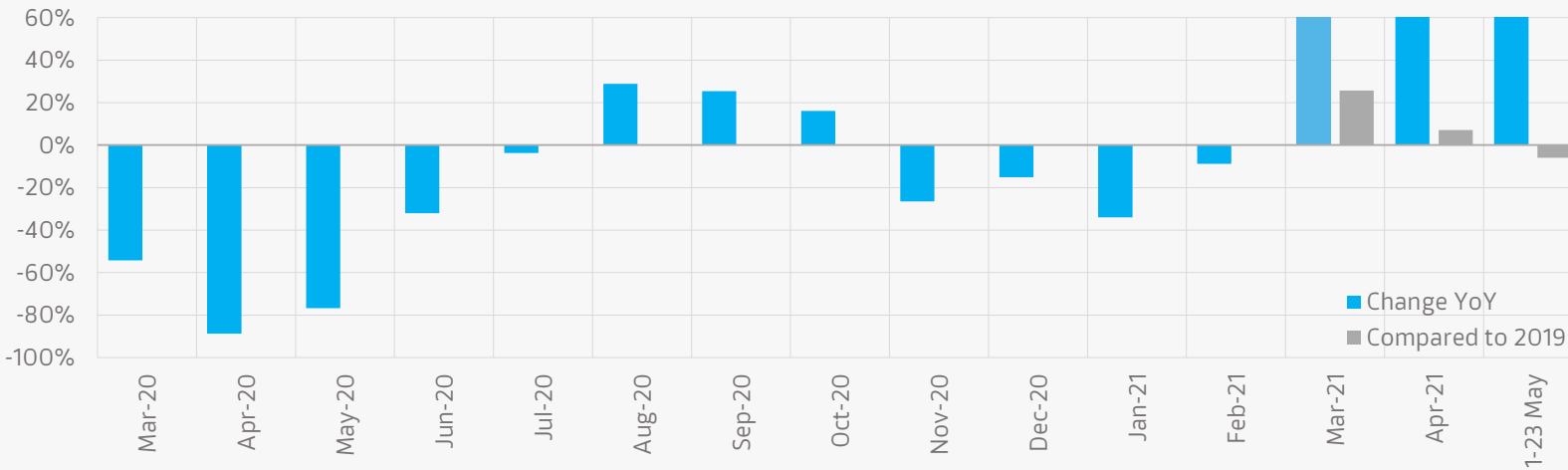
KEY DEVELOPMENTS

- **Growth of new mortgages issued on negative territory, standing at -6% in the period of 1-23 May**
- **Number of residential properties sold in Tbilisi posted a sharp decrease due to the high base of transactions in May 2019**
- **Growth of non-resident non-cash spending posted an improvement compared to April**
- **Non-cash spending on restaurants & cafes on positive growth territory, due to eased restrictions and probable pent-up demand**
- **Growth of non-cash spending stabilized for furniture and appliances, while a marginal decrease was observed for construction materials**
- **Remittance inflows returned to the double-digit growth in the third week of May**
- **The effect of the eased restrictions in Georgia visible in google mobility dynamics**

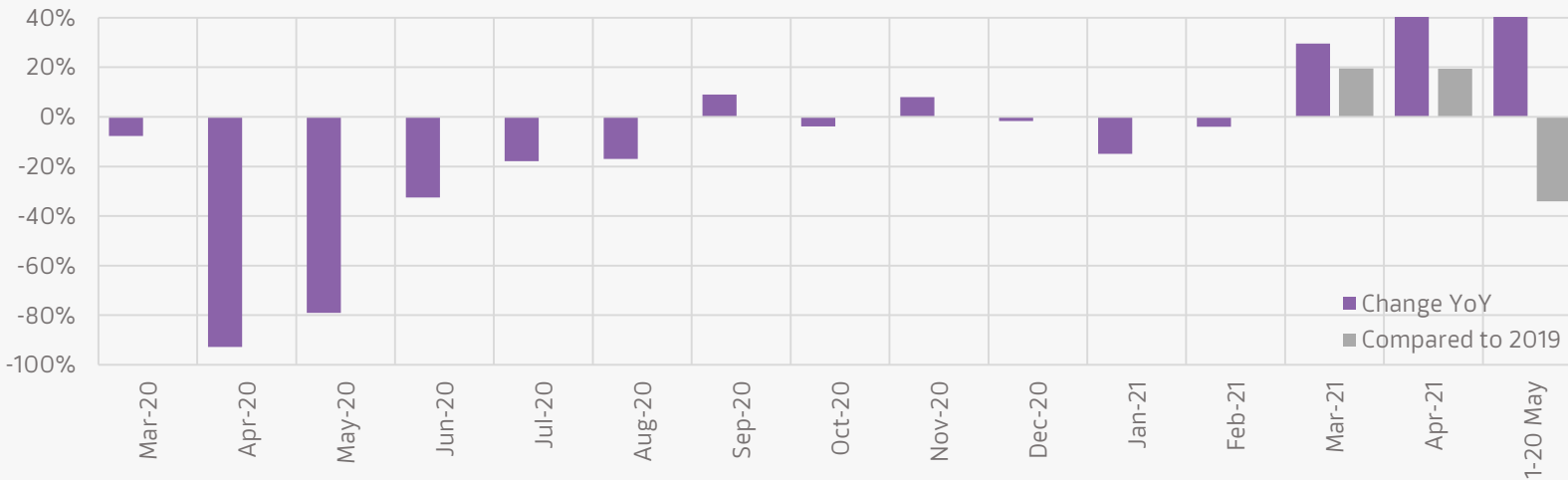
Note: Sector growth is based on POS and E-commerce payments through TBC channels; Growth rates may differ from total turnover dynamics due to the changing share of non-cash transactions and TBC market share

GROWTH OF NEW MORTGAGES ISSUED ON NEGATIVE TERRITORY IN MAY; NUMBER OF RESIDENTIAL PROPERTIES SOLD IN TBILISI POSTED A SHARP DECREASE DUE TO THE HIGH BASE OF TRANSACTIONS IN MAY 2019

Dynamics of new mortgages issued by TBC
(% Change, FX-adjusted)

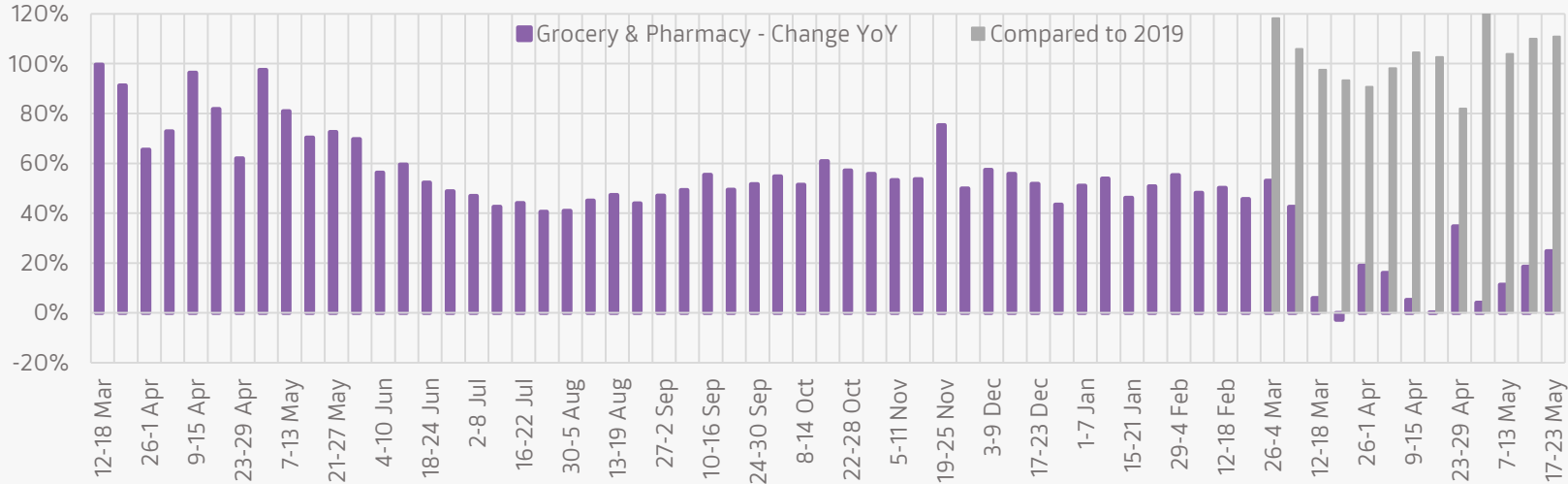


Number of residential properties sold in Tbilisi
(% Change)

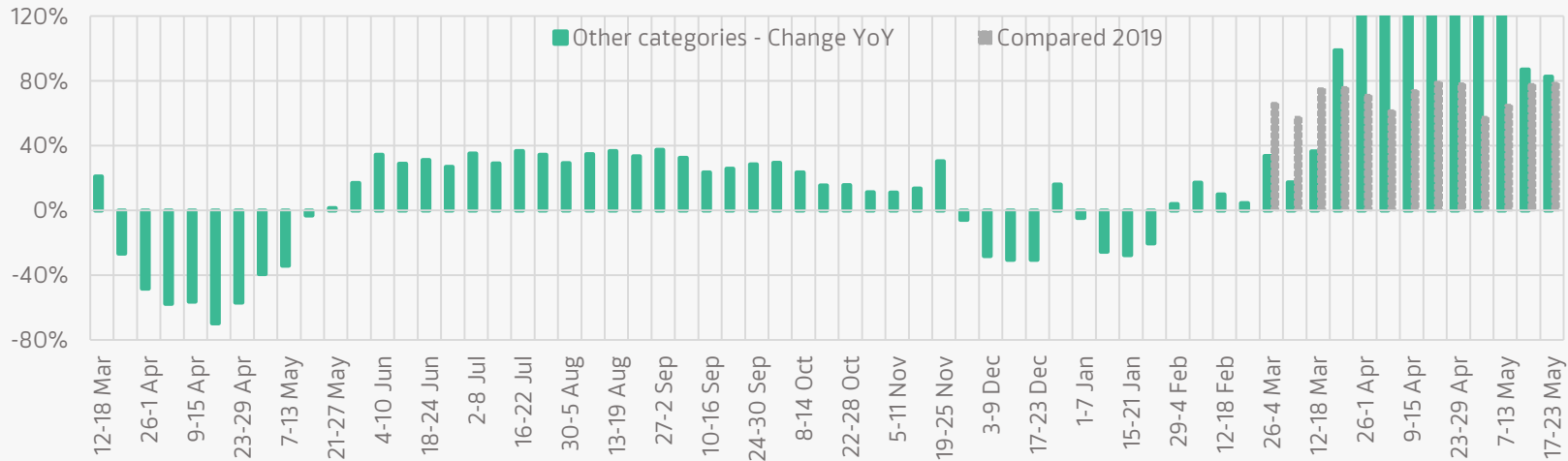


- Growth of new mortgages issued on negative territory, standing at -6% in the period of 1-23 May
- Number of Tbilisi’s residential property transactions, in the period of 1-20 May, down to -34% (c. 2x increase YoY)

Grocery & Pharmacy: Resident non-cash spending (% Change)



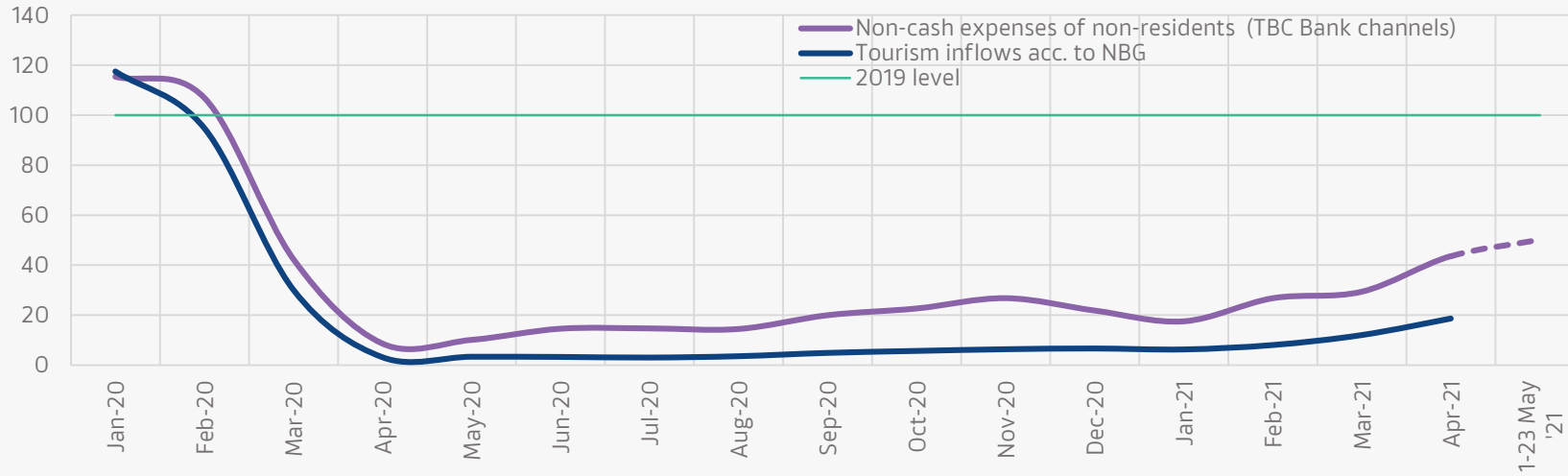
Categories excluding Grocery & Pharmacy: Resident non-cash spending (% Change)



- Non-cash spending by residents on grocery & pharmacy increased by 25% YoY in the 17-23 May period, up compared to the previous week
- Growth of non-cash spending on categories excluding grocery and pharmacy totaled 79% in the same period, compared to 2019

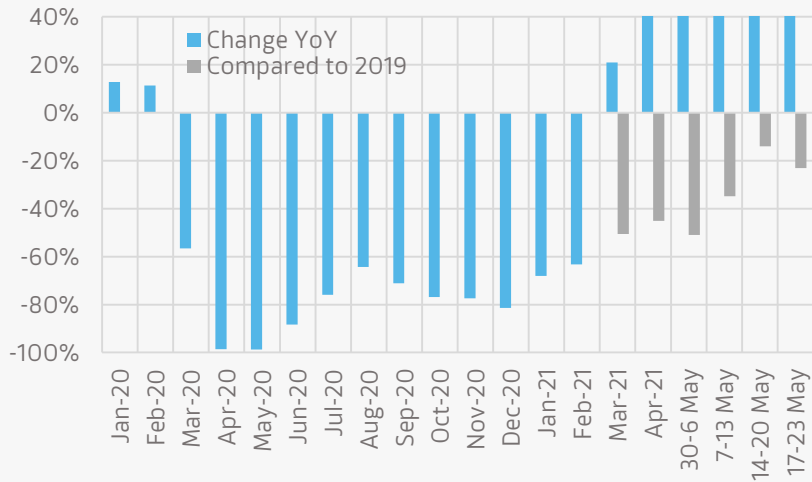
GROWTH OF NON-RESIDENT NON-CASH SPENDING IMPROVED COMPARED TO APRIL; GROWTH OF NON-CASH SPENDING ON RESTAURANTS & CAFES ON POSITIVE TERRITORY, DUE TO EASED RESTRICTIONS

Non-cash expenses of non-residents and tourism inflows
(Same period of 2019=100, in USD)

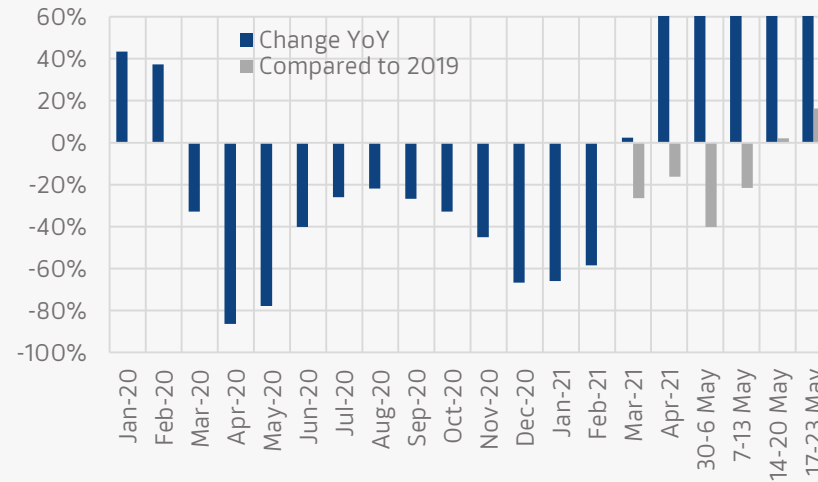


- Growth rate of non-cash spending by non-residents in the period of 1-23 May posted an improvement and totaled -49.9%, up compared to April (-56%)
- Growth of non-cash spending on hotels down to -23% in the same period
- Non-cash spending on restaurants & cafes on positive growth territory, due to eased restrictions and probable pent-up demand, with growth standing at 16%

Hotels: Non-cash spending

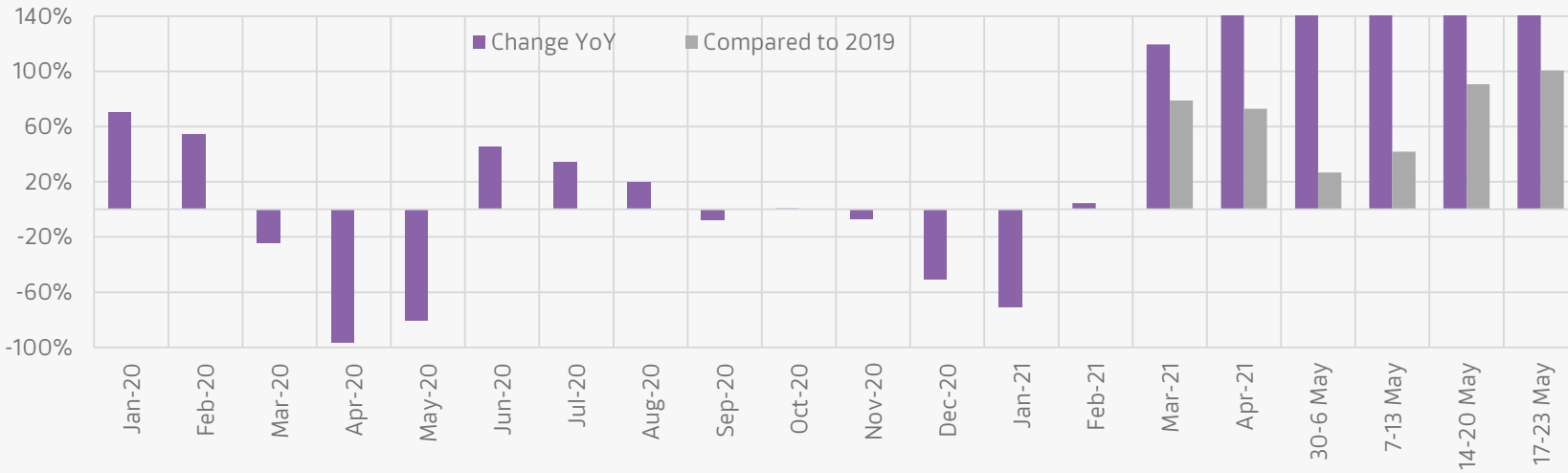


Restaurants & Cafes: Non-cash spending

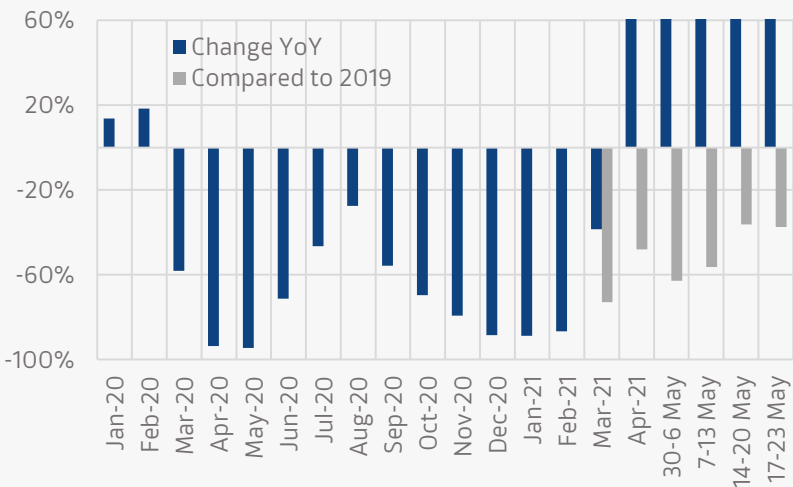


GROWTH OF NON-CASH SPENDING DISPLAYED A SHARP INCREASE ON FITNESS, WHILE REMAINING BROADLY UNCHANGED FOR ENTERTAINMENT

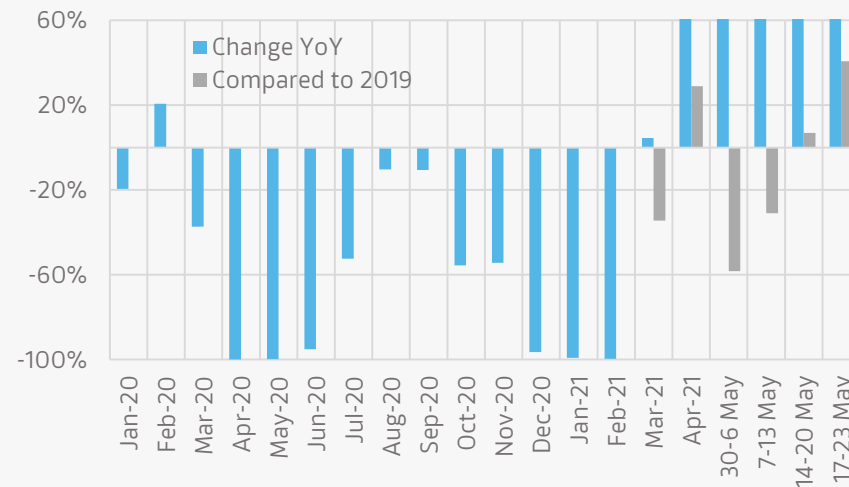
Apparel & accessories: Non-cash spending



Entertainment: Non-cash spending



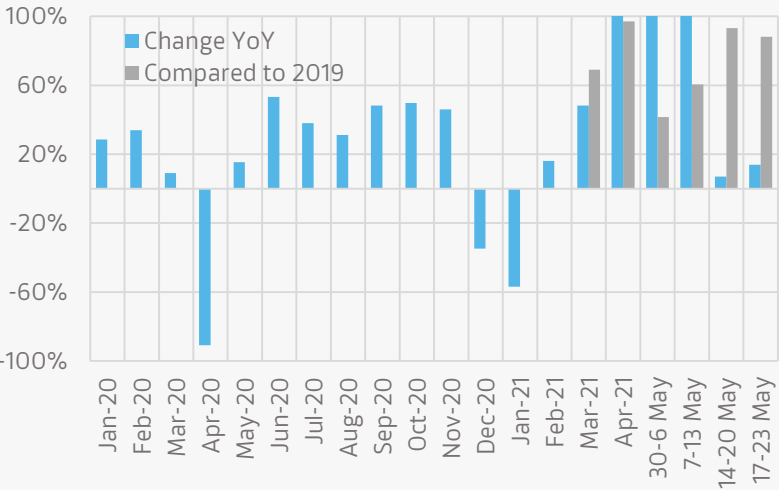
Fitness: Non-cash spending



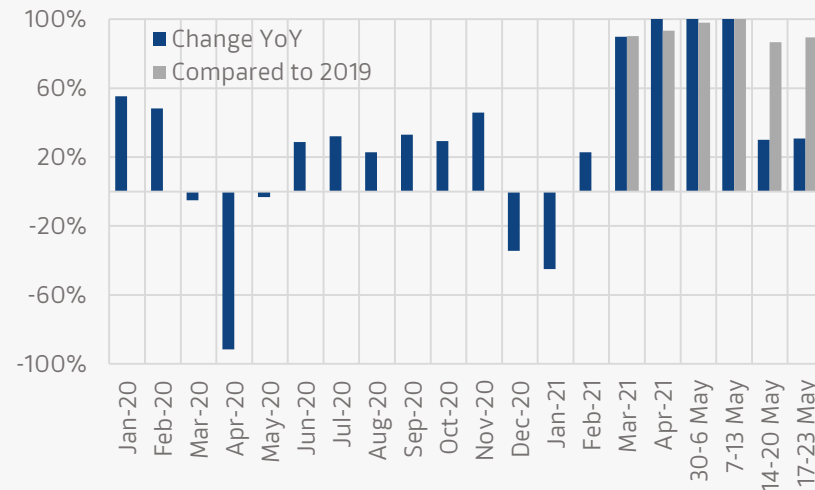
- Non-cash spending on apparel doubled in the period of 17-23 May
- Growth rate of non-cash spending on entertainment stood at -37% in the same period
- Growth rate of non-cash spending on fitness displayed a sharp increase, totaling 41%

GROWTH OF NON-CASH SPENDING STABILIZED FOR FURNITURE AND APPLIANCES, WHILE A MARGINAL DECREASE WAS OBSERVED FOR CONSTRUCTION MATERIALS

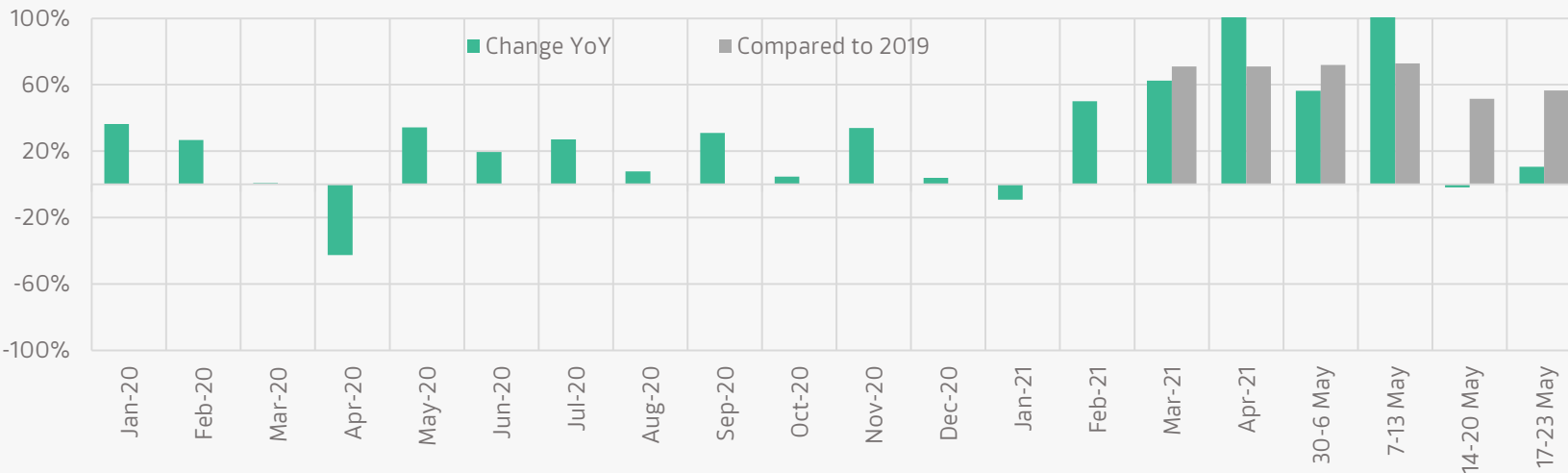
Construction materials: Non-cash spending



Furniture & appliances



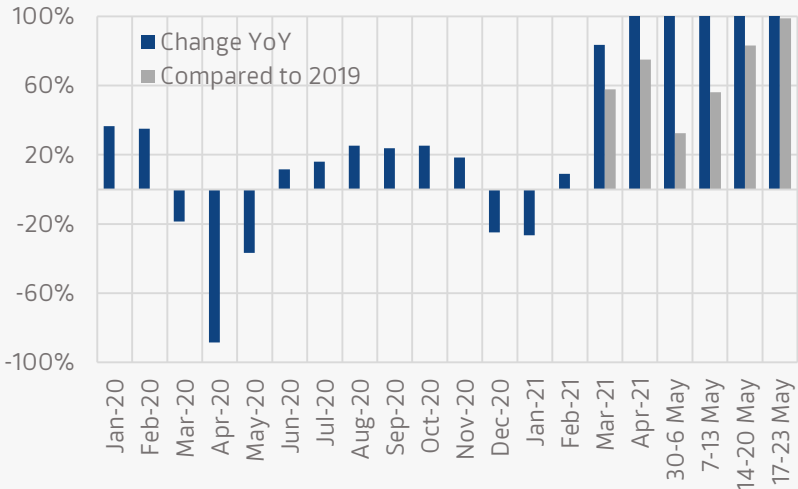
Electronics



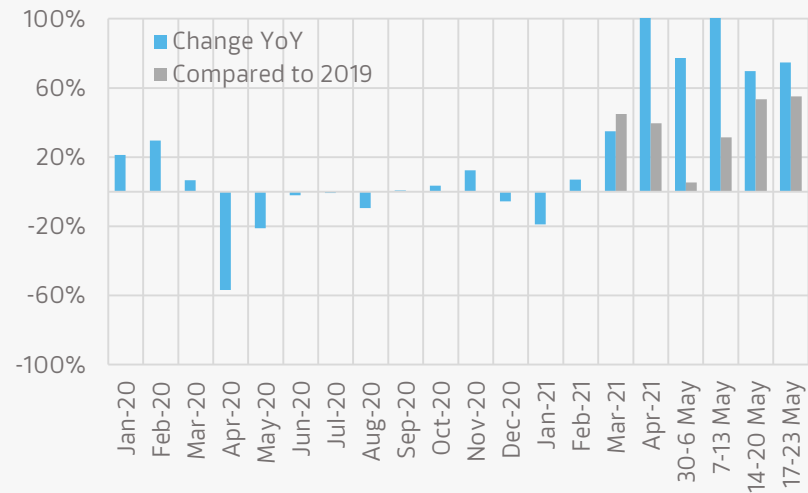
- Non-cash spending on construction materials increased by 88% in the period of 17-23 May
- Growth of non-cash spending stood at 89% for furniture & appliance
- Non-cash spending on electronics totaled 57% in the same period, up marginally from previous week

NON-CASH SPENDING POSTED AN IMPROVEMENT FOR CATEGORIES OF PERSONAL CARE AND OTHER CONSUMER GOODS, FELL FOR CAR REPAIR

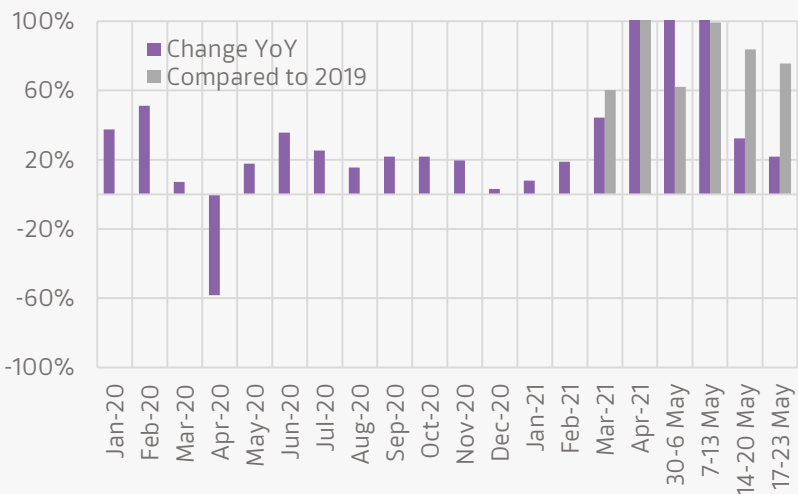
Personal care: Non-cash spending



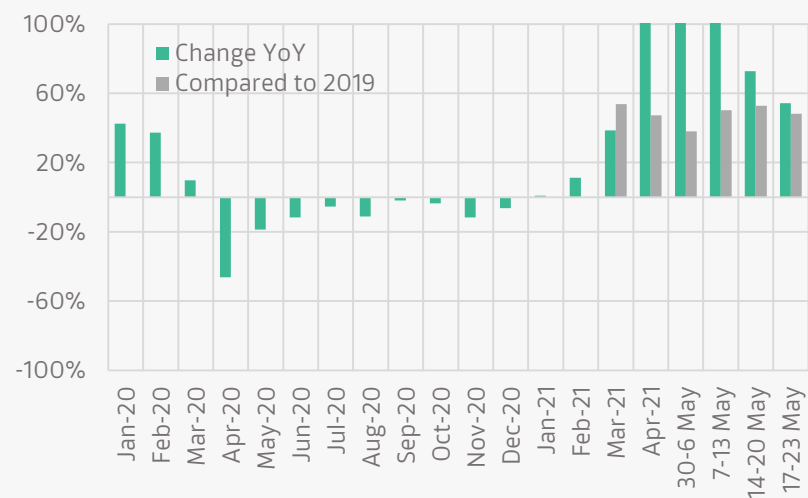
Other consumer goods: Non-cash spending



Car repair: Non-cash spending

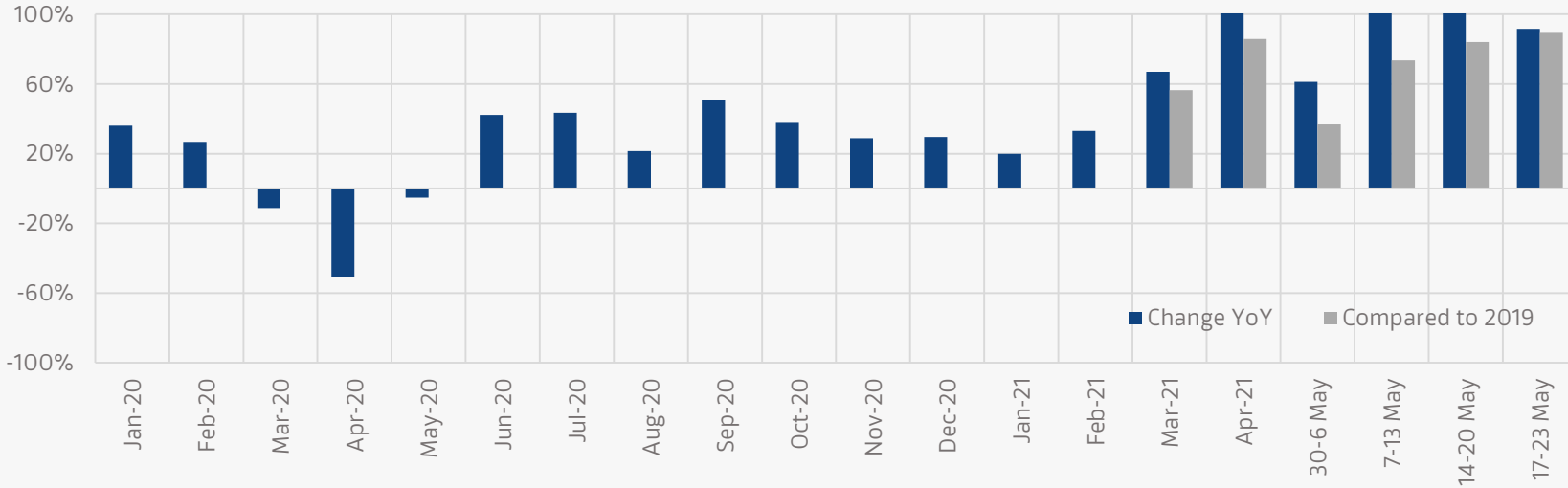


Fuel & Transport: Non-cash spending

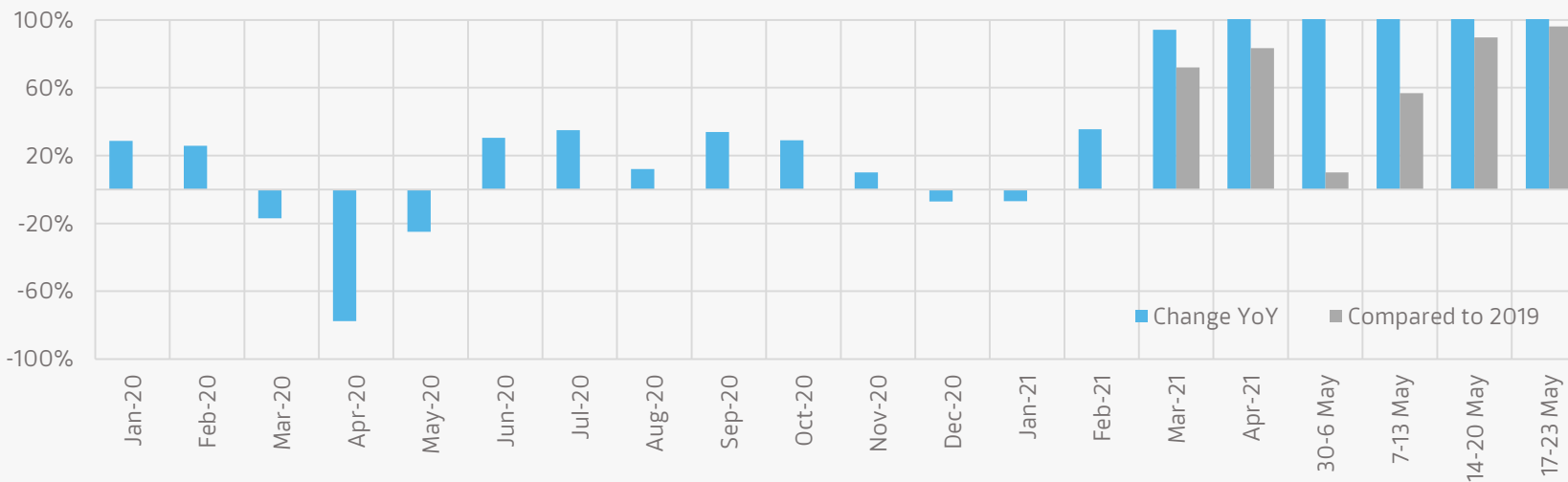


- Growth rate of non-cash spending on personal care almost doubled in the period of 17-23 May. Non-cash spending on other consumer goods also increased to 55%
- Non-cash spending on car repair services totaled 76% in the same period, down slightly from previous week
- Non-cash expenditure on fuel and transport posted a 48% increase in the same period

Doctor visits: Non-cash spending

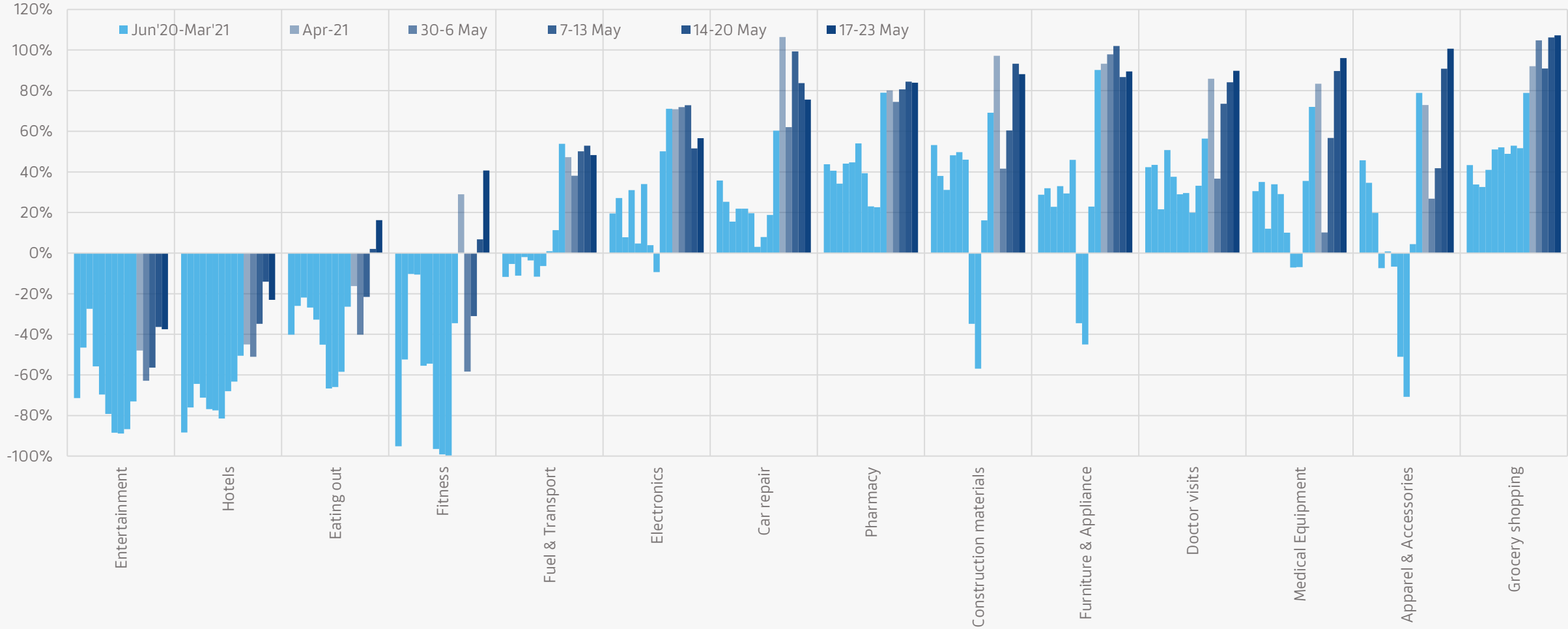


Medical equipment: Non-cash spending



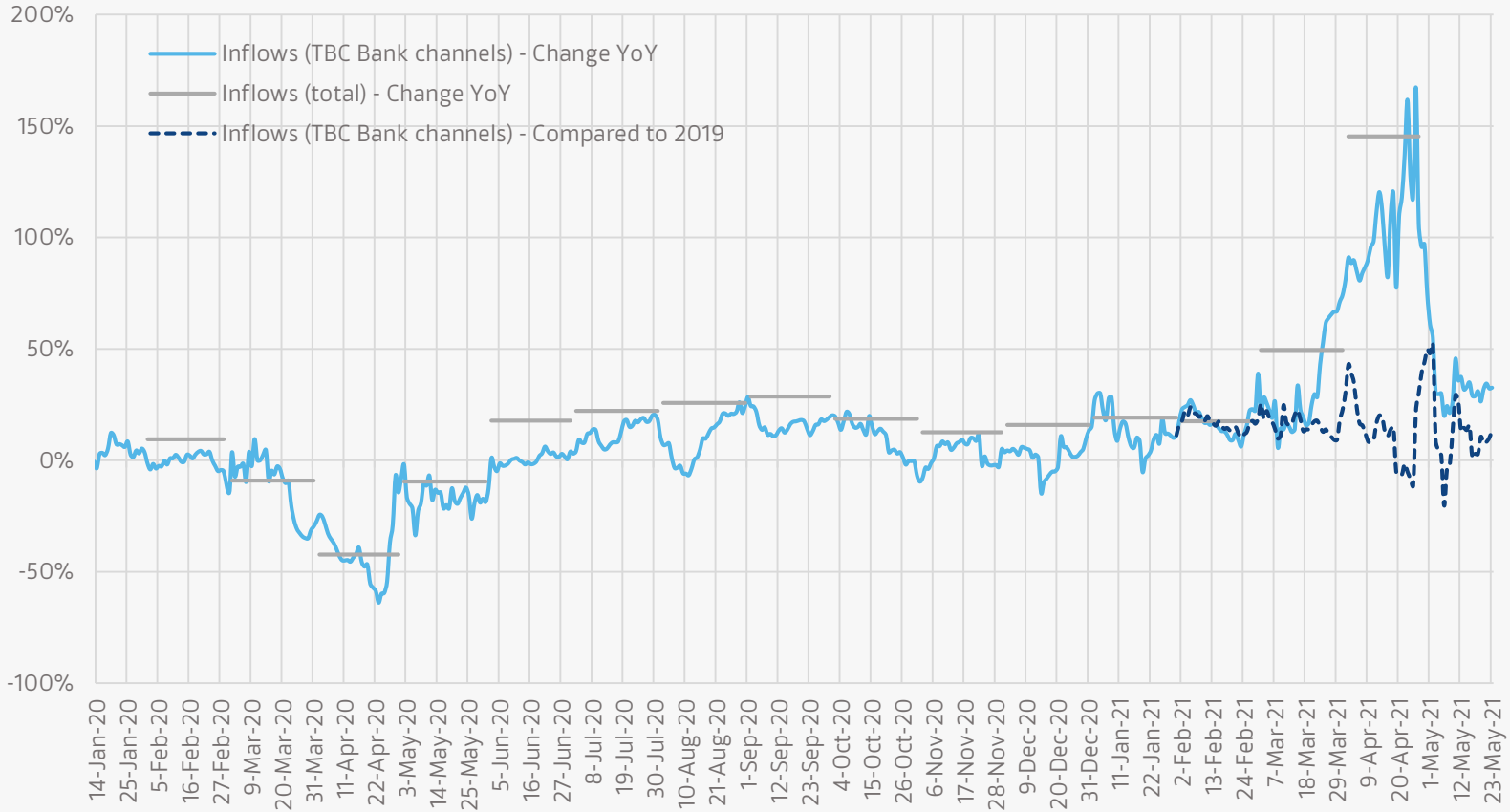
- Growth of non-cash spending on doctor visits stood at 90% in the period of 17-23 May, posting an improvement compared to previous week
- Growth of non-cash spending on medical equipment rose to 96% over the same period

Dynamics of non-cash spending (YoY change; Growth compared to 2019 starting from March)



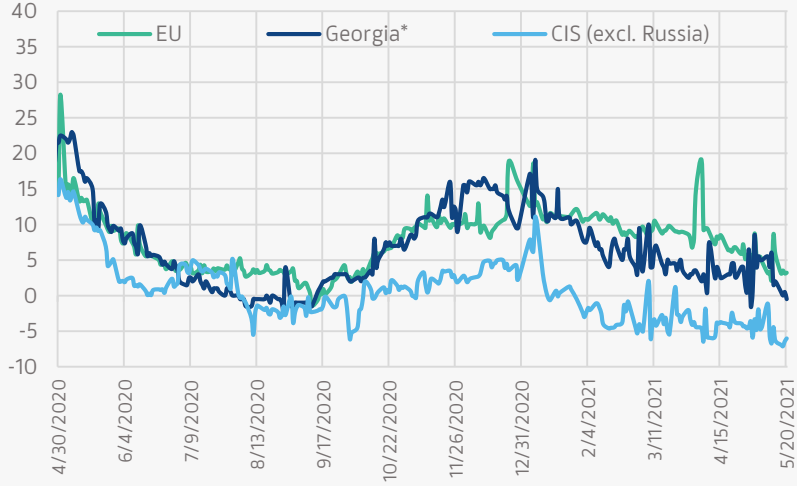
Source: TBC Bank

Dynamics of remittances – USD volumes (7 day MA, YoY %)

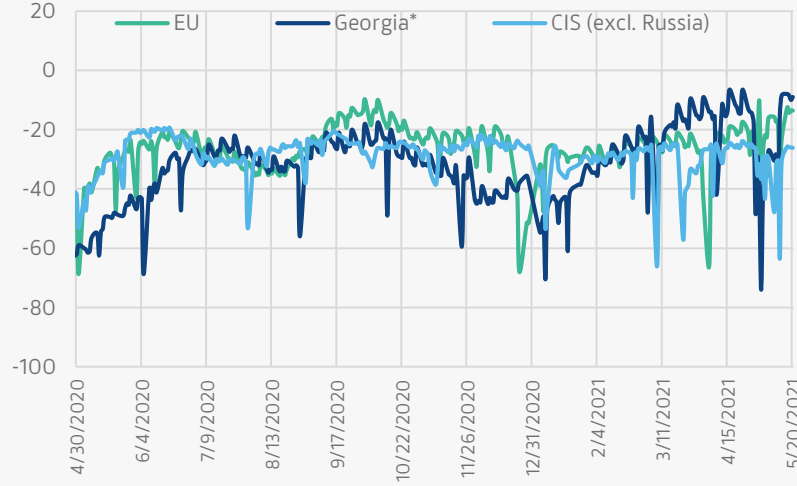


- Total inflows through TBC channels showed 13% increase relative to 2019 in the week ending on 23th of May

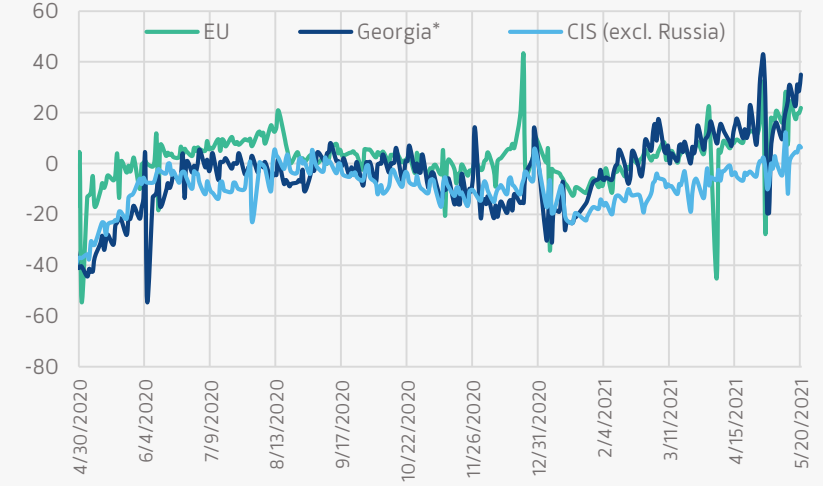
Mobility in residential area (Change %)



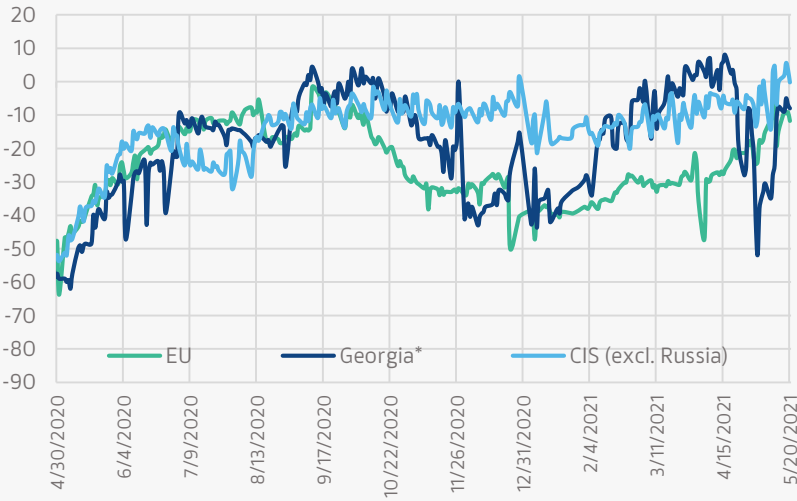
Mobility in working places (Change %)



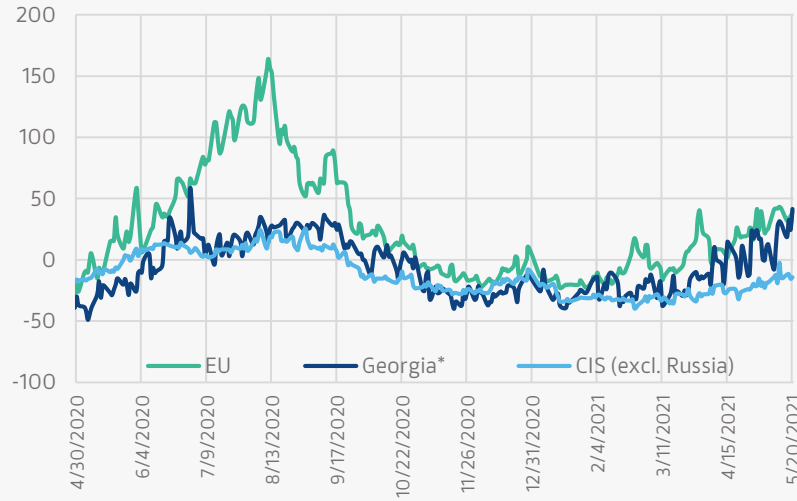
Mobility in grocery and pharmacy (Change %)



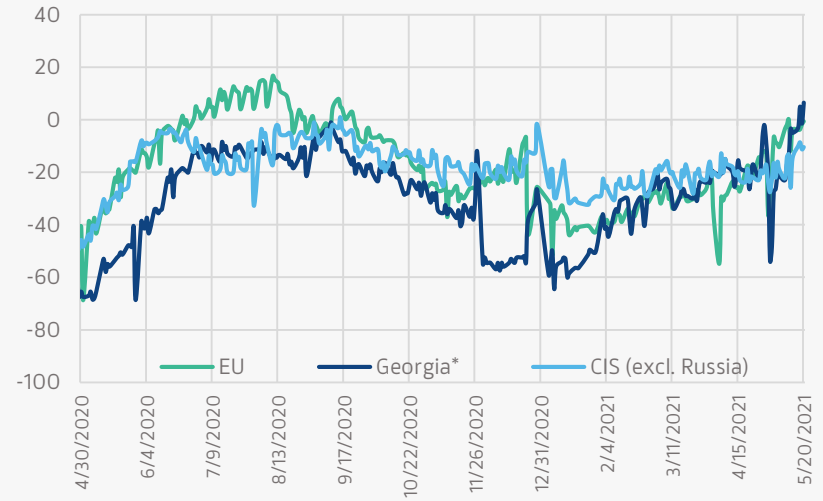
Mobility in transit stations (Change %)



Mobility in parks and recreational area (Change %)



Mobility in retail & recreation (Change %)



Source: Google; Note: Change compared to first 5 weeks of 2020; *Data for Georgia is unavailable from 5/19/2020 to 7/2/2020

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Mary Chachanidze, CFA
Managing Director

Andro Tvaliashvili
Senior Research Associate

Luka Chigilashvili
Research Associate

Maka Koridze
Intern

Otar Nadaraia
Chief Economist, TBC Group

Ana Mjavanadze
Acting Head of Macro-Financial Analysis Division, TBC Bank

Juli Avlokhshvili
Analyst



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