



TBC CAPITAL

TRACKING THE RECOVERY

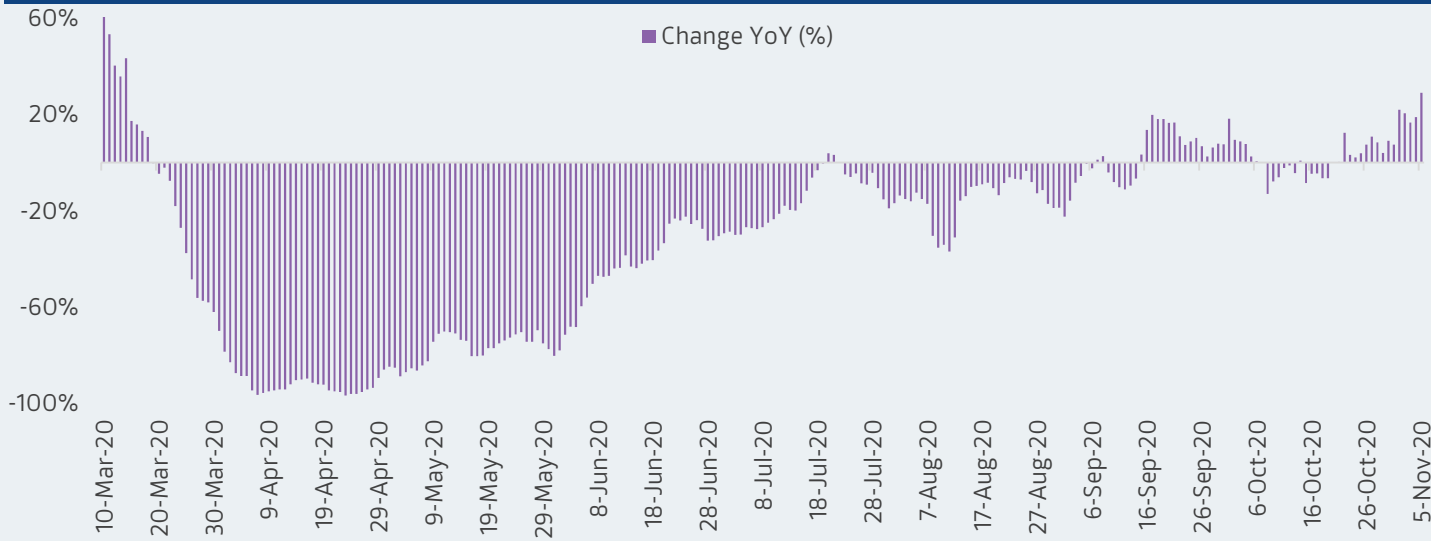
13.11.2020

KEY DEVELOPMENTS

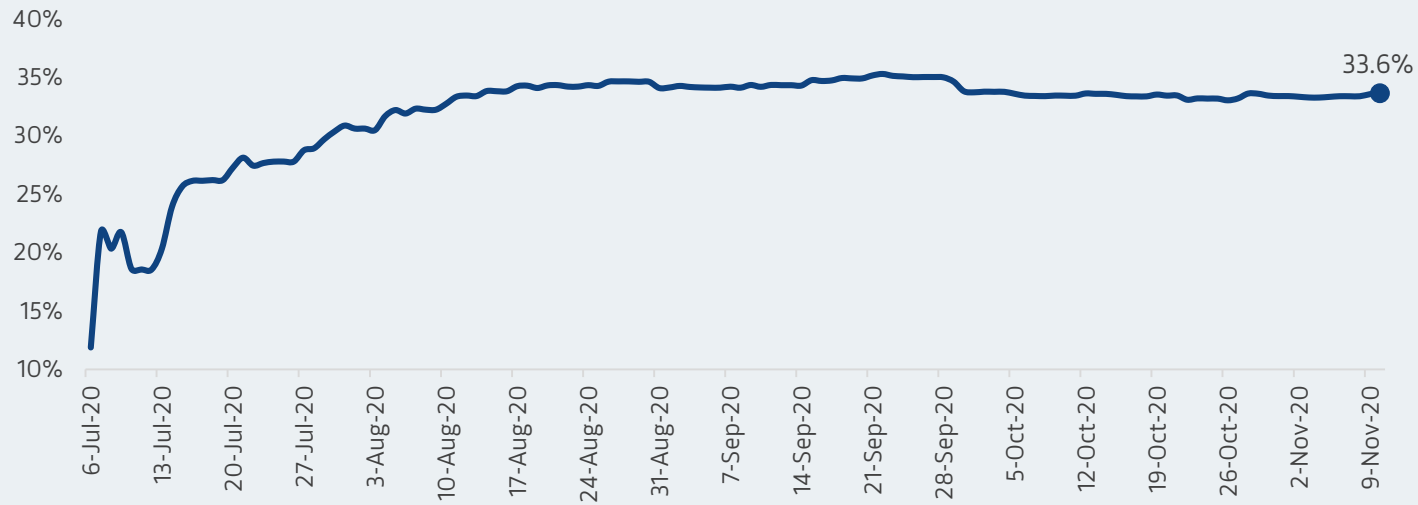
- **Newly issued mortgages continue growth in November. Of mortgages issued since 6th of July, 33.6% are beneficiaries of the state subsidy program**
- **Growth of transaction registrations in Tbilisi on the positive growth territory at +29% YoY**
- **Compared to the previous weekend, occupancies decreased in Tbilisi and other regions while it increased for Kakheti and seaside and amounted to 5% in seaside, 6% in Tbilisi, while hotels in other regions and Kakheti displayed 15% and 38% occupancies, respectively**
- **Non-cash spending on restaurants remaining at mid-June level in the November 3-9 period**
- **Remittances inflow in TBC shows a significant increase compared to the previous week, now back on the positive growth territory, standing at 5% YoY in the seven days of 2-8th November**

*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

Dynamics of the number of apartments sold in Tbilisi (% Change YoY)*

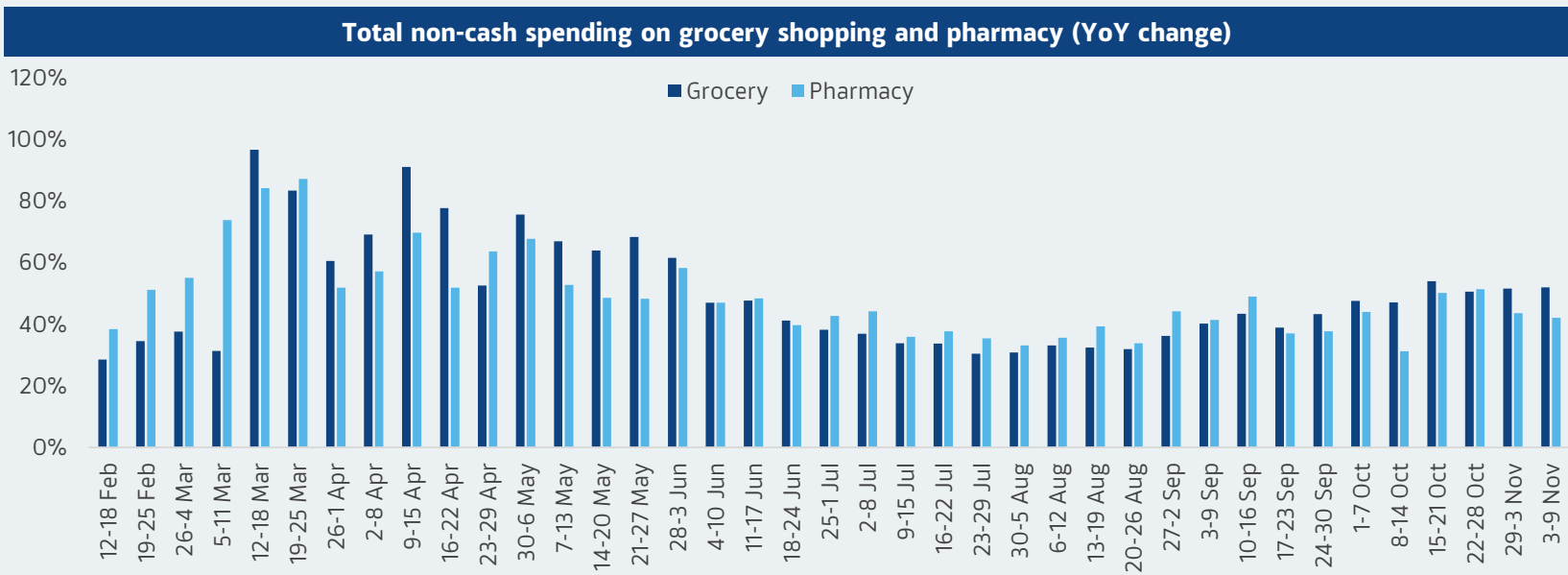
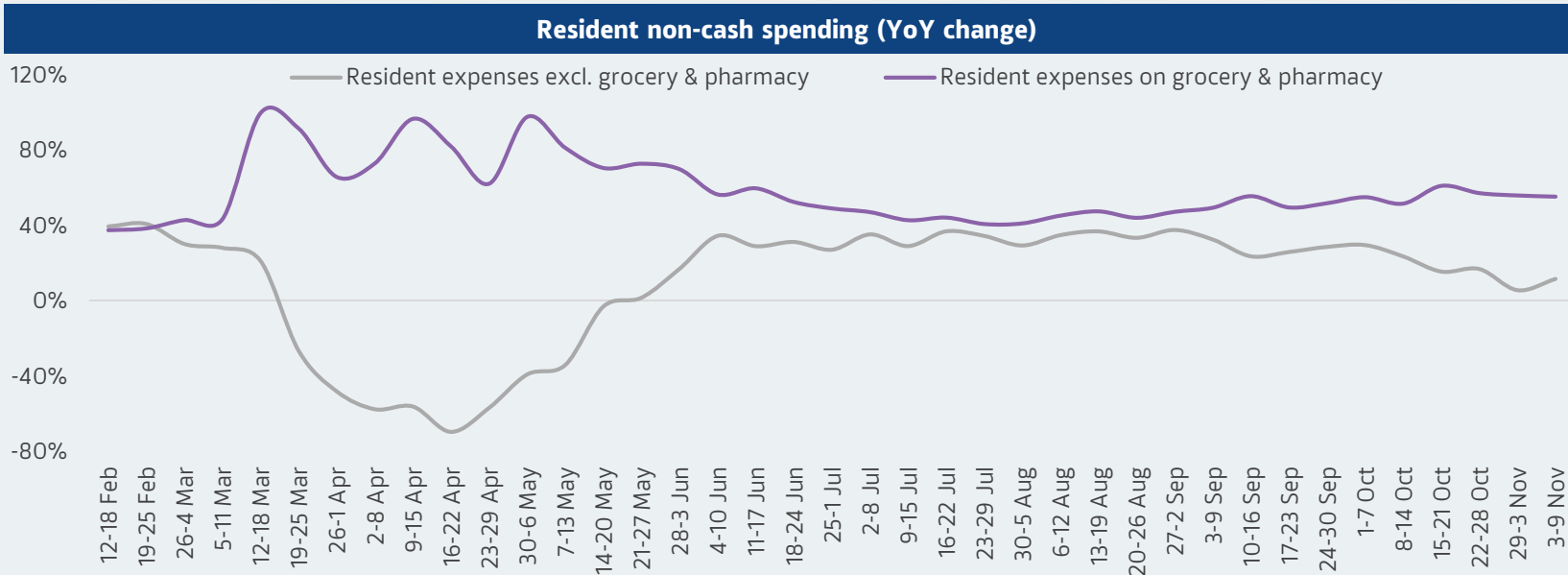


Share of state subsidy beneficiaries in total new mortgage issuances* (%)



- Newly issued mortgages continue growth in November
- Of mortgages issued since 6th of July, 33.6% are beneficiaries of the state subsidy program, +0.4pp compared to last week
- The 7 day moving average YoY growth rate of the transaction registrations in Tbilisi on the positive growth territory at +29% as of November 5th

NONCASH PAYMENTS: GROWTH OF NON-GROCERY SHOPPING AND NON-PHARMACY CATEGORIES SHOWING A SLIGHT INCREASE

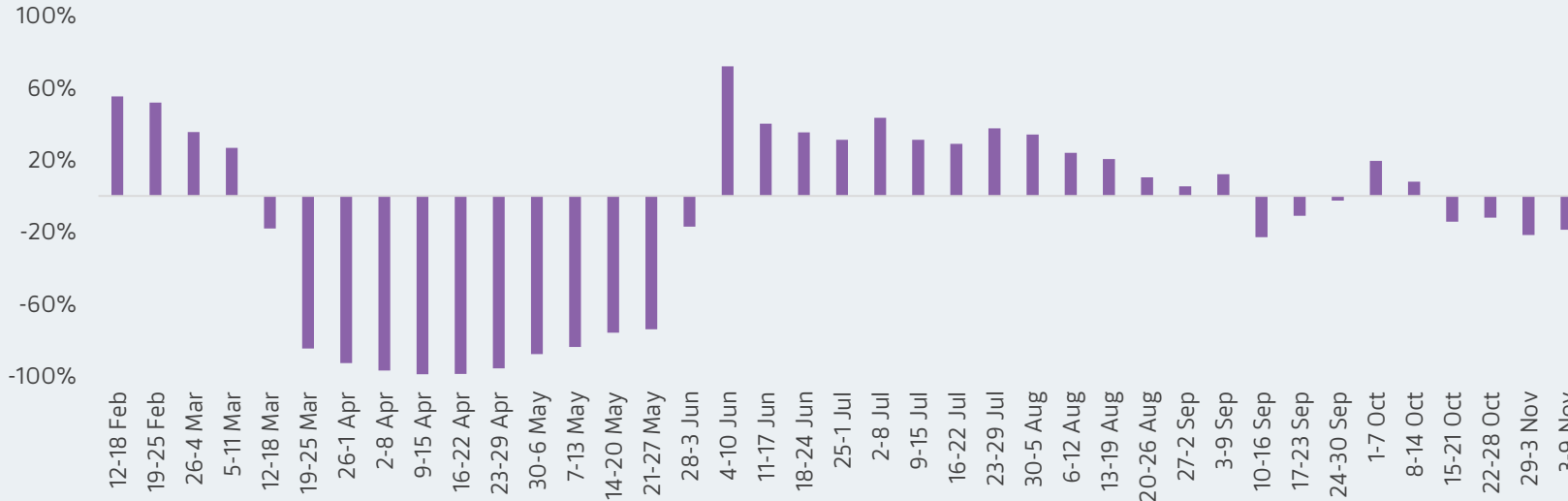


- At 12% YoY in the November 3-9 period, growth in resident non-cash spending on non-grocery & pharmacy showed a slight increase following the downward sloping trend
- Growth remains sizable in non-cash spending on grocery and pharmacy at 52% YoY and 42% YoY, respectively

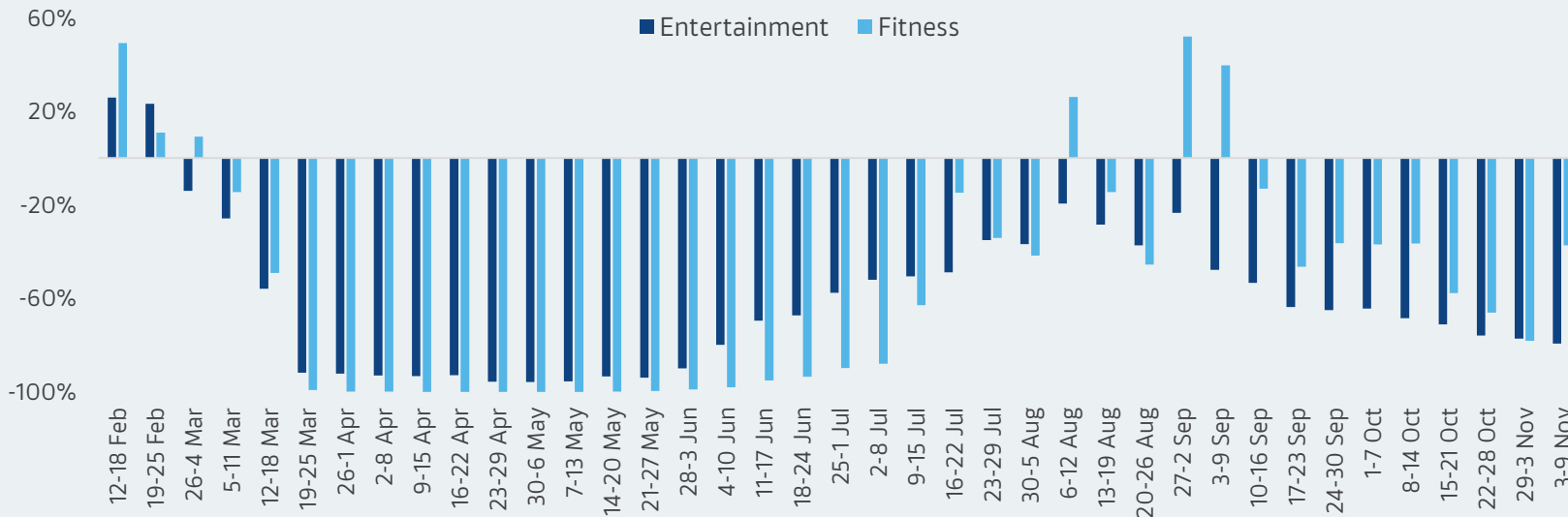
Source: TBC Bank

NONCASH PAYMENTS: SPENDING ON APPAREL REMAINS ON THE NEGATIVE GROWTH TERRITORY; SPENDING ON ENTERTAINMENT DOWN FROM LAST WEEK

Non-cash spending on apparel & accessories (YoY change)



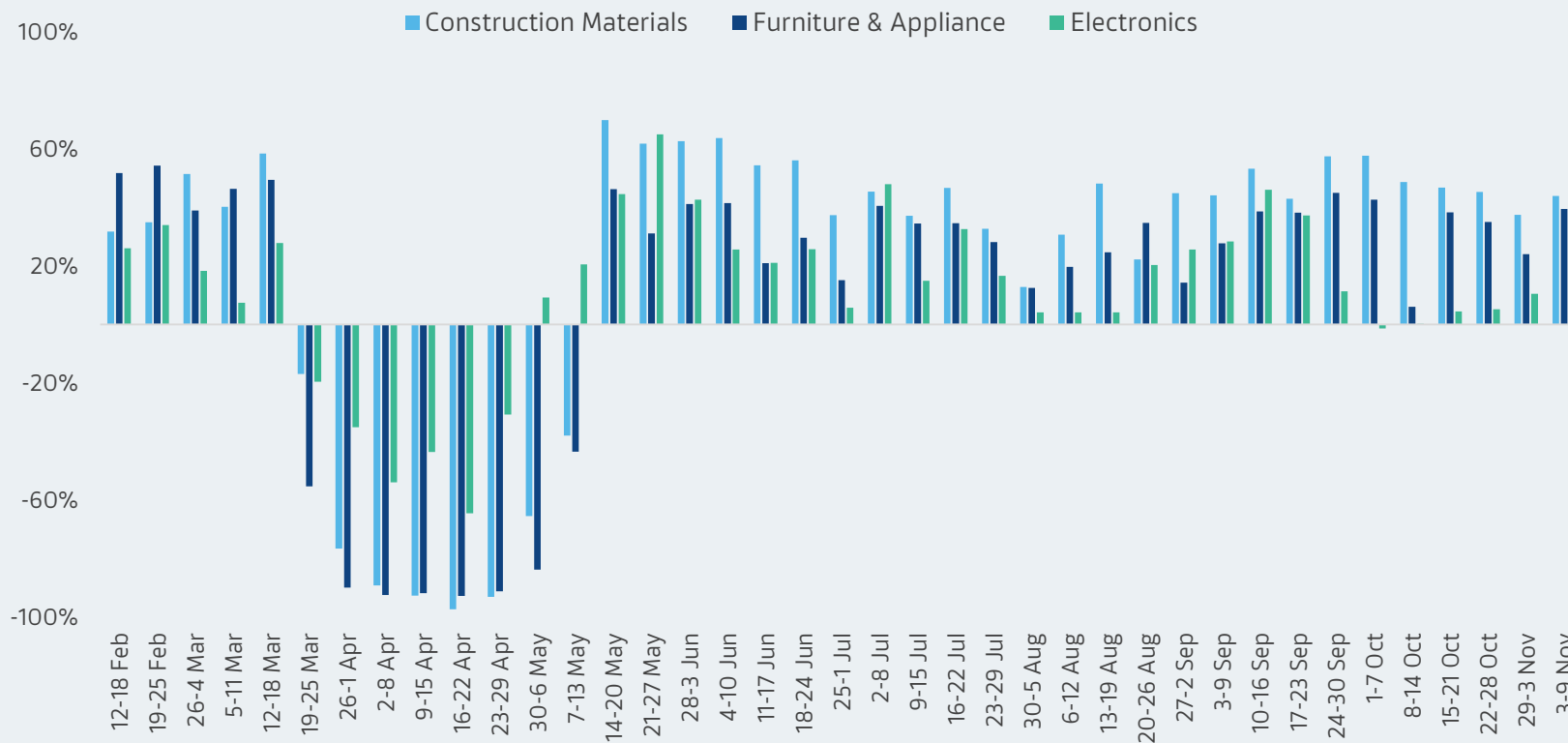
Non-cash spending on entertainment and fitness (YoY change)



- At -19% YoY in 3-9 November period, non-cash transactions in apparel remain on the negative growth territory
- Change in spending on entertainment down compared to the previous week, currently standing at -79% YoY
- Change in non-cash spending on fitness up compared to last week, standing at -37% YoY in 3-9 November period

Source: TBC Bank

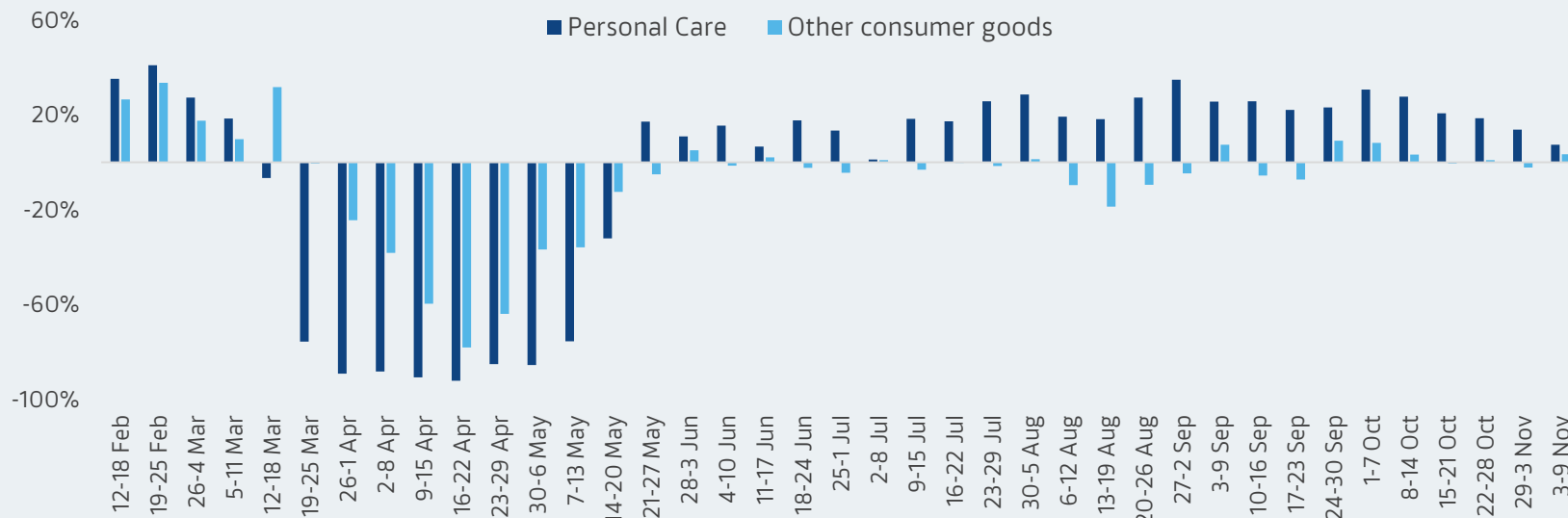
Non-cash spending on construction materials and consumer durables (YoY change)



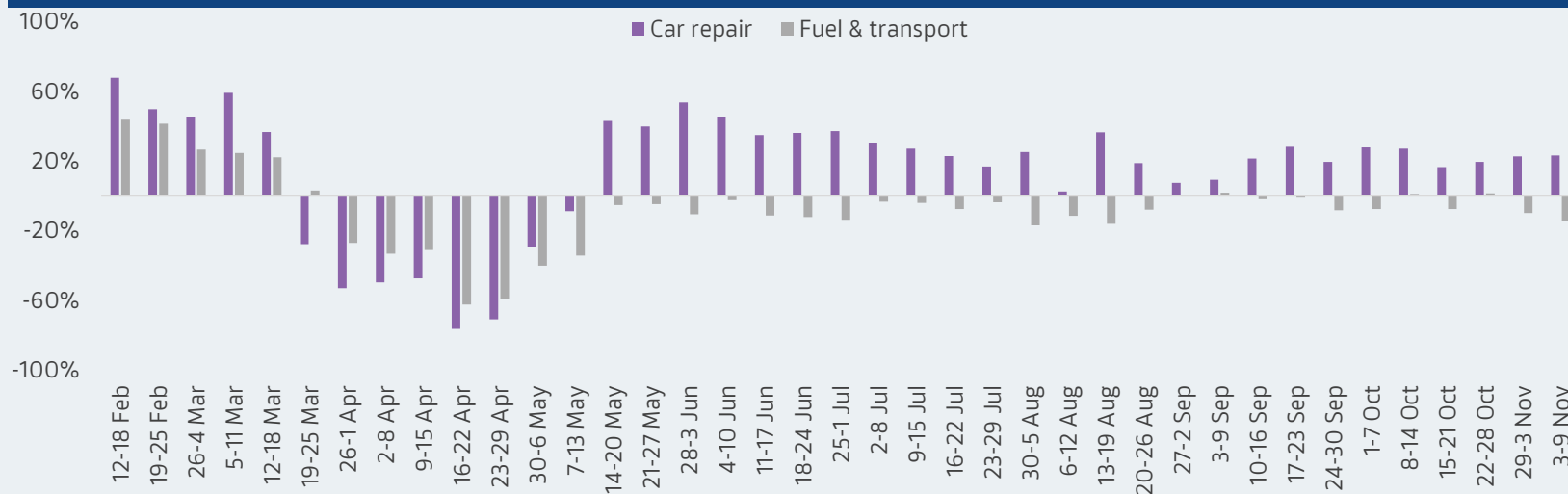
- Change in non-cash spending on construction materials slightly up compared to last week currently standing at +44% YoY
- Non-cash spending on furniture and appliances, stood at 39% YoY in the 3-9 November period, up compared to the previous week
- Growth in non-cash spending on electronics increased compared to last week, currently at 16% YoY

NONCASH PAYMENTS: SPENDING ON PERSONAL CARE CONTINUING THE DECREASING TREND; SPENDING ON FUEL ON THE NEGATIVE GROWTH TERRITORY AGAIN 7

Non-cash spending on personal care and other consumer goods (YoY change)

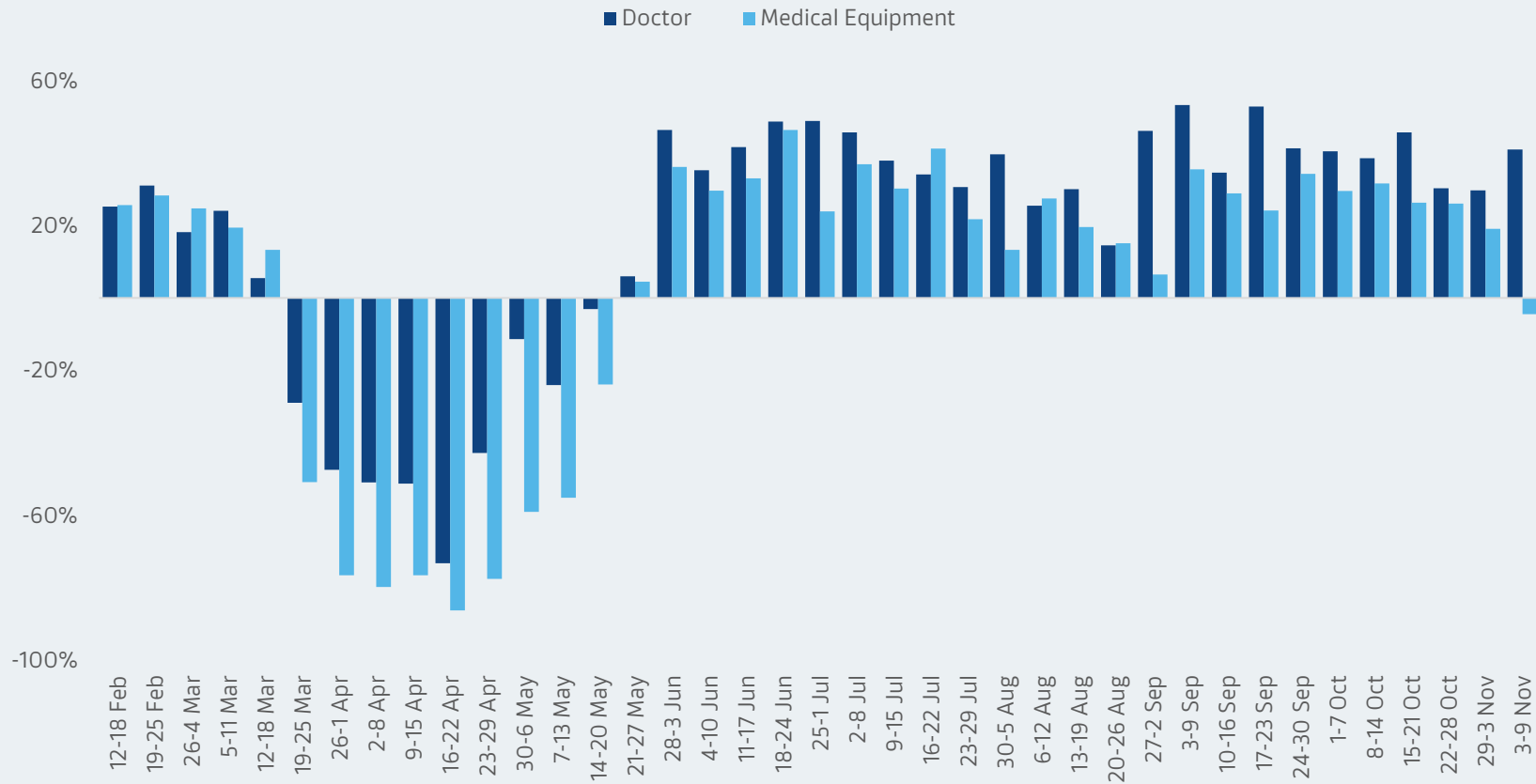


Non-cash spending on car repair and fuel & transport (YoY change)



- Growth of non-cash spending on personal care no longer on a double digit growth at 7% YoY, down compared to the previous week. Growth of spending on other consumer goods at +3% YoY in the 3-9 November period
- Currently at +23% YoY, spending on car repair services showed no change from the week before
- Non-cash spending on fuel on the negative growth territory again, currently at -14% YoY

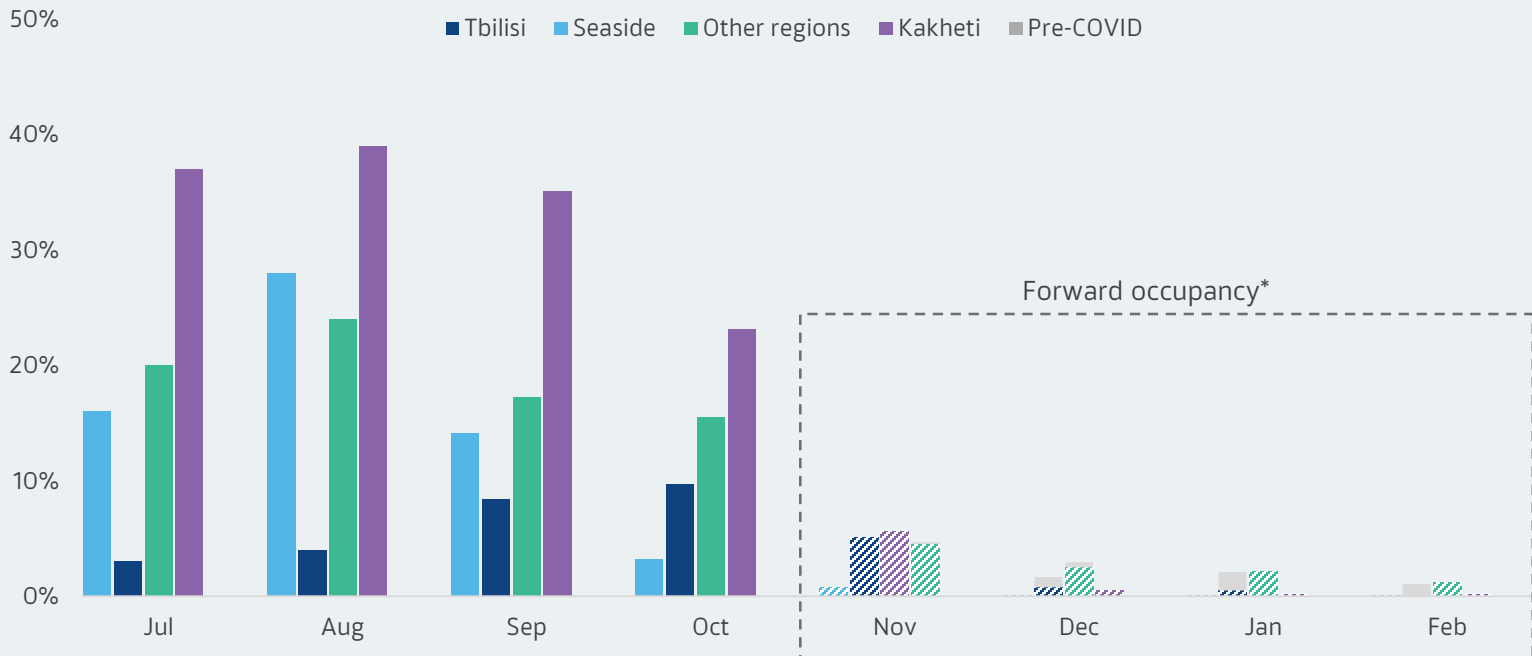
Non-cash spending on doctor visits and medical equipment (YoY change)



- Growth of non-cash spending on doctor visits displays stronger growth compared to the previous week at +41% YoY in the 3-9 November period
- Non-cash spending on medical equipment on the negative growth territory for the first time since May

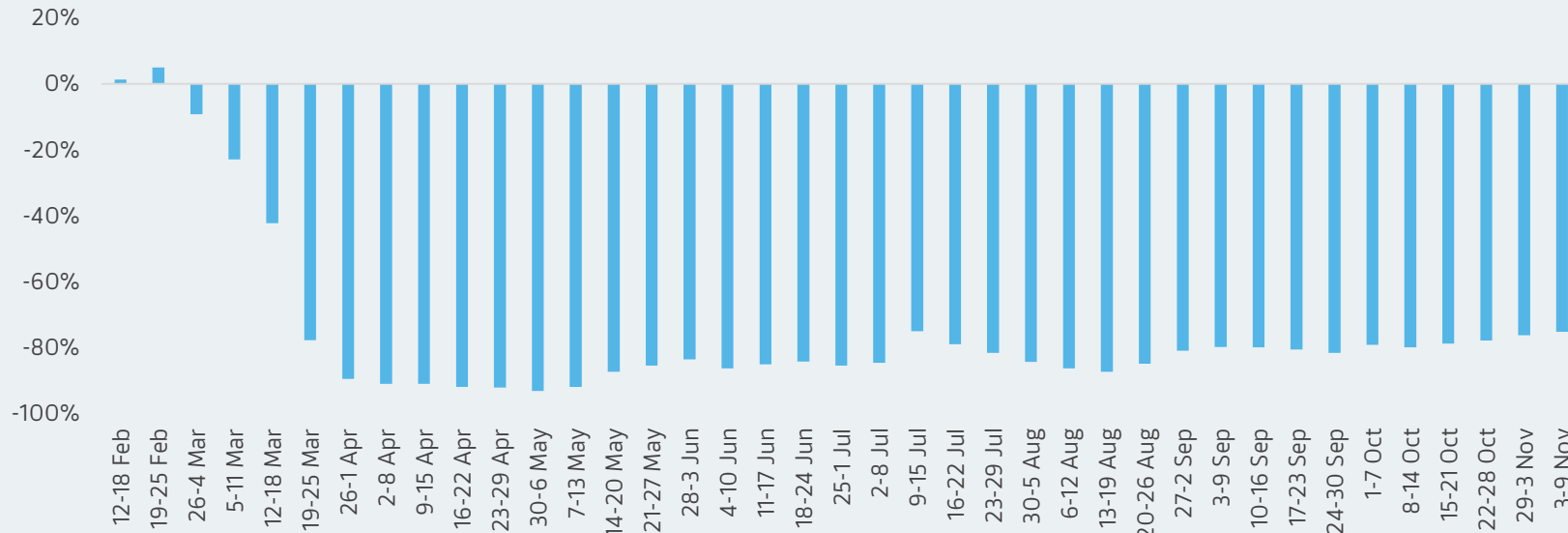
Source: TBC Bank

Occupancy rates (%) – actual and by current bookings

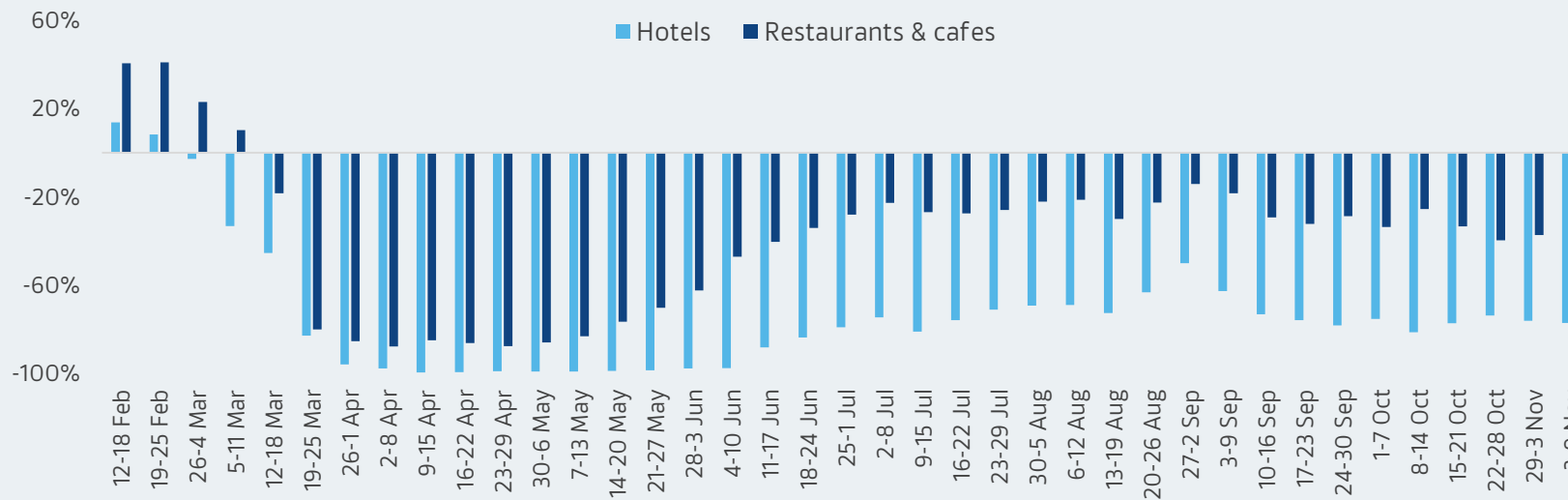


- **Forward occupancy rates for November** amount to 1% for seaside, 5% for Tbilisi and other regions, while current bookings indicate a 6% occupancy rate for Kakheti
- **Change in occupancy:** the week's change in the occupancy for November indicate a 1pp decline for other regions, while no change has been observed for Tbilisi, Kakheti, and seaside hotels
- **Weekend occupancy:** compared to the previous weekend, occupancies decreased in Tbilisi and other regions while it increased for Kakheti and seaside and amounted to 5% in seaside, 6% in Tbilisi, while hotels in other regions and Kakheti displayed 15% and 38% occupancies, respectively
- **Price discounts:** by current bookings, the largest ADR discounts in October are observed in other regions, followed by Tbilisi and Kakheti. Seaside hotels offer relatively smaller discounts

Total non-cash non-resident expenses (YoY change)

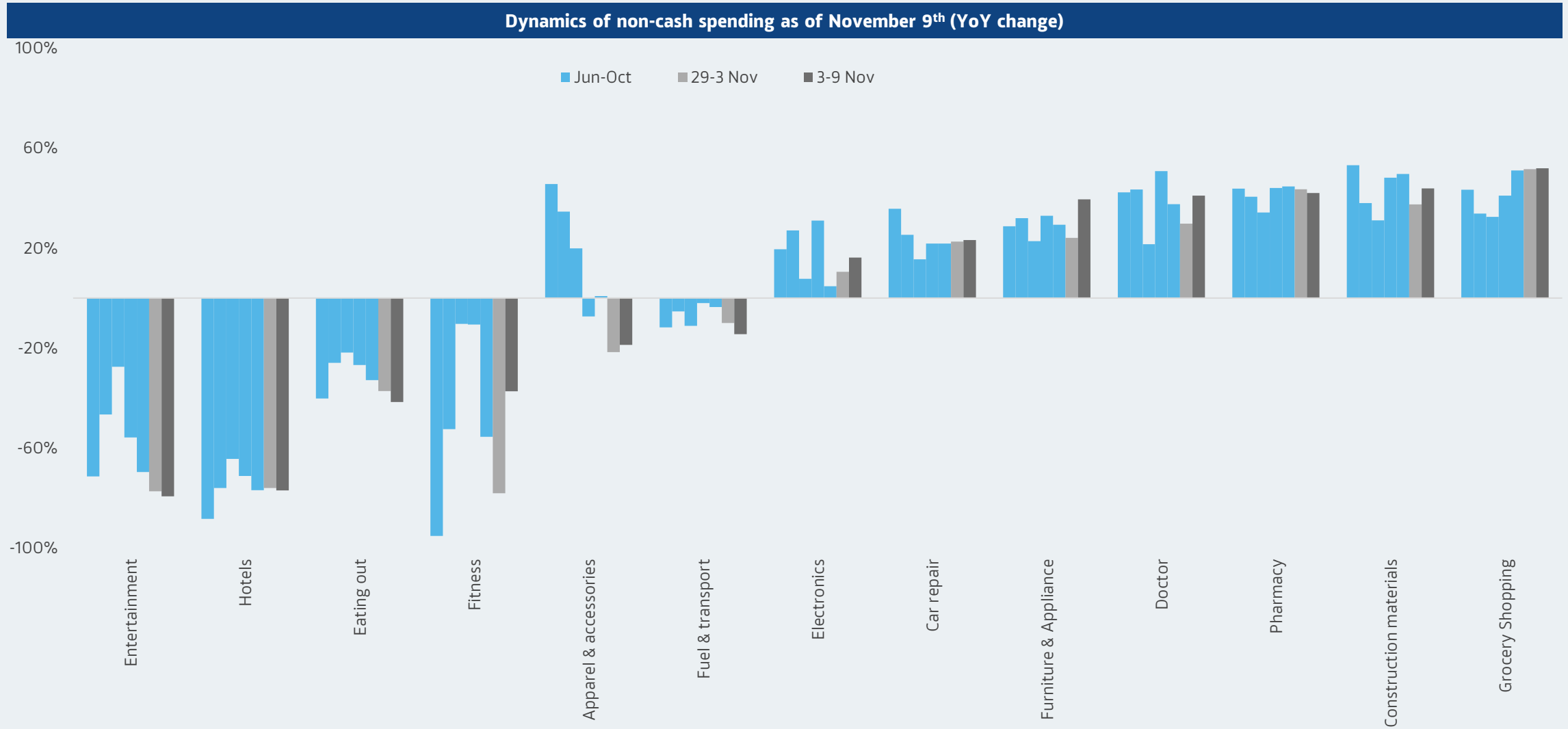


Non-cash spending on accommodation and eating out (YoY change)



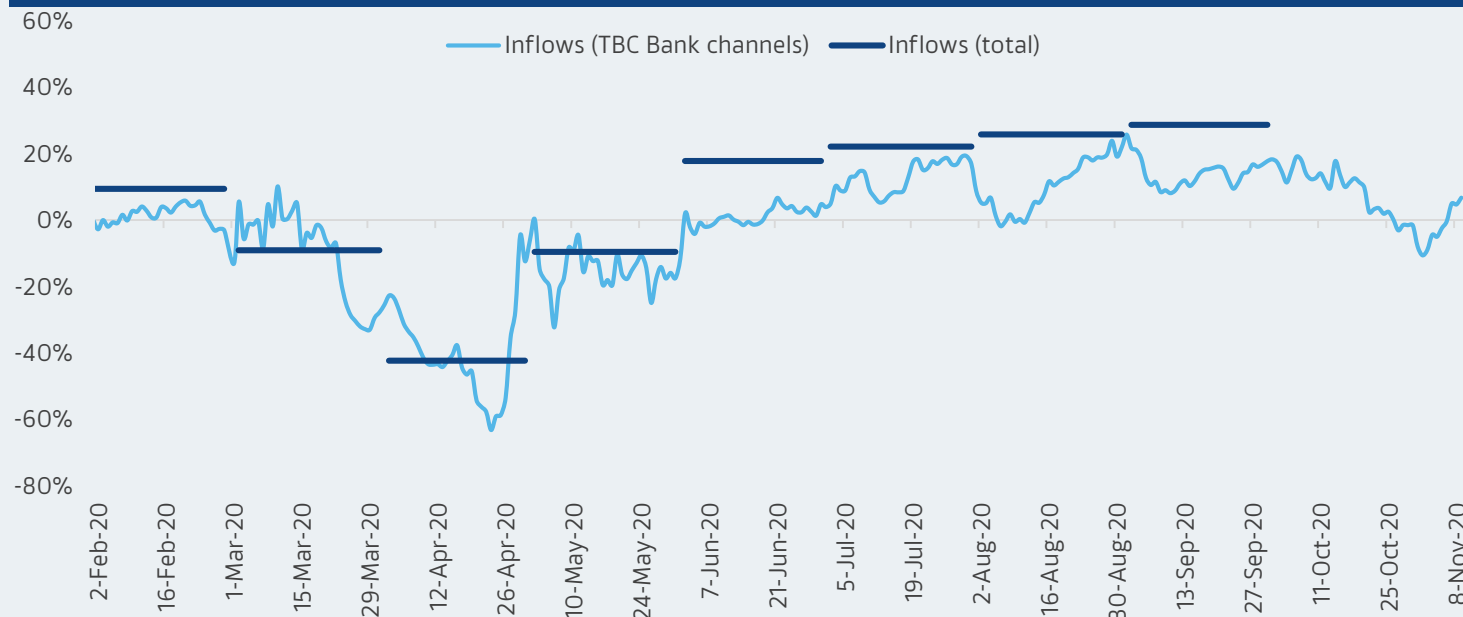
- The growth in non-cash spending in hotels at -77% YoY this week, marginally down compared to last week
- Non-cash spending in restaurants down at -42% YoY in the 3-9 November period

Source: TBC Bank



Source: TBC Bank

Dynamics of remittances – USD volumes (7 day MA)

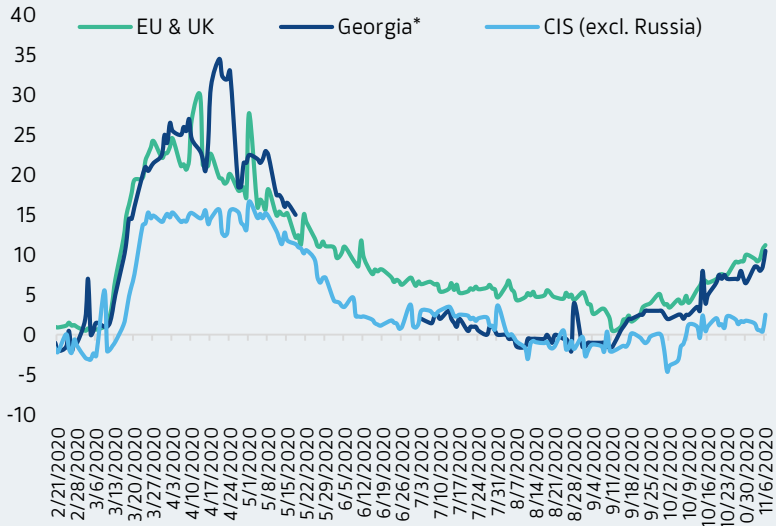


Dynamics of remittances by countries/regions – volumes

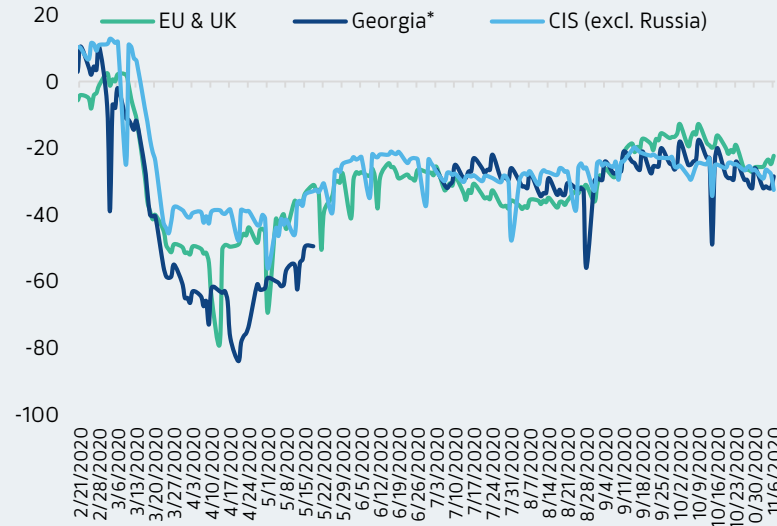
Country/Region	26-1 Nov	2-8 Nov
EU & UK	3%	25%
Middle East	7%	18%
North America	19%	39%
Russia	-29%	-28%
Ukraine	68%	95%
Armenia	-30%	-14%
Azerbaijan	37%	216%
TOTAL	-11%	5%

- The growth in total inflows, displayed a significant increase compared to the previous week, now positive at +5% YoY during the 2-8 November period
- The largest YoY growths are still observed in inflows from Azerbaijan and Ukraine, with Azerbaijan back on the triple digit growth rate. North America continues solid growth. Inflows from Russia decreased by -28% YoY. YoY growth of transfers from the Middle East (incl. Turkey) remains positive in the 2-8 November period. Armenia on the negative growth territory once again, but improved compared to the previous week, currently at -14% YoY
- Inflows from EU & UK, which make up the largest share in the remittances, remains positive growth

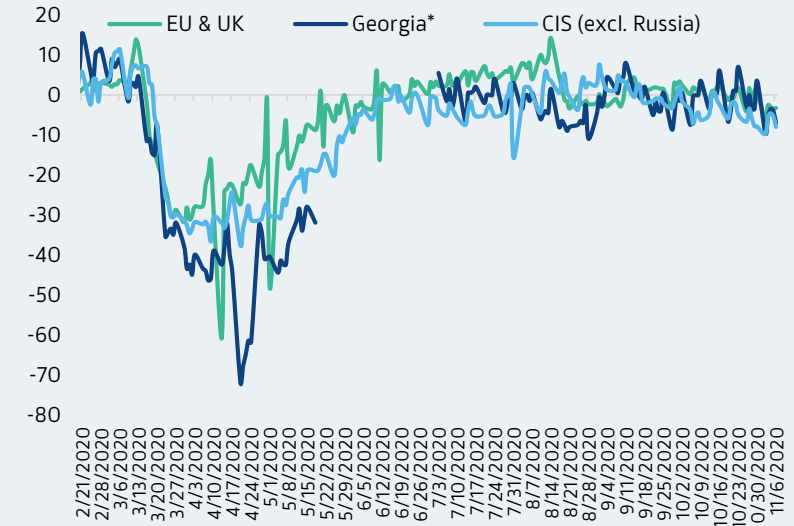
Mobility in residential area (Change %)



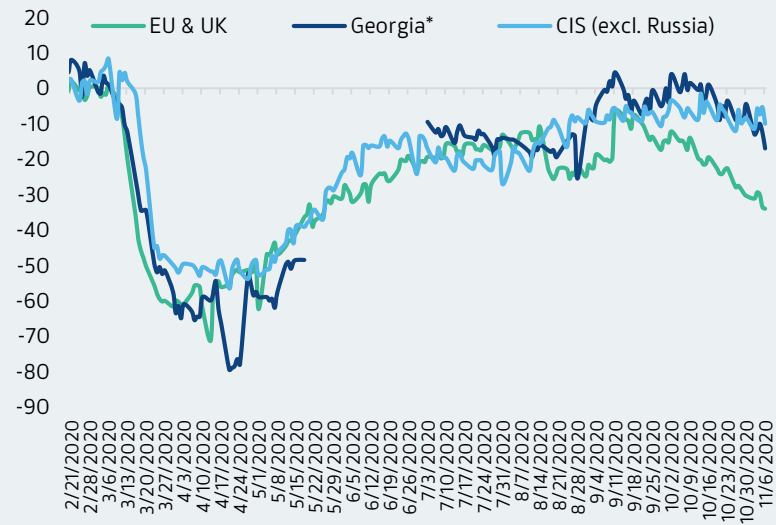
Mobility in working places (Change %)



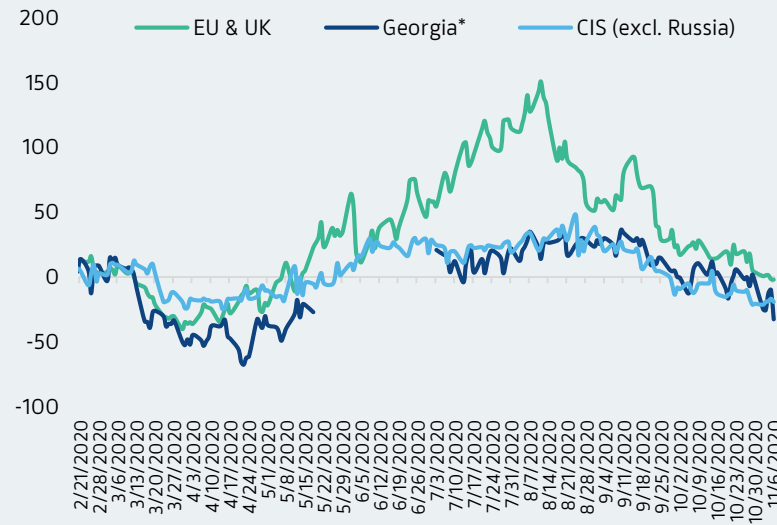
Mobility in grocery and pharmacy (Change %)



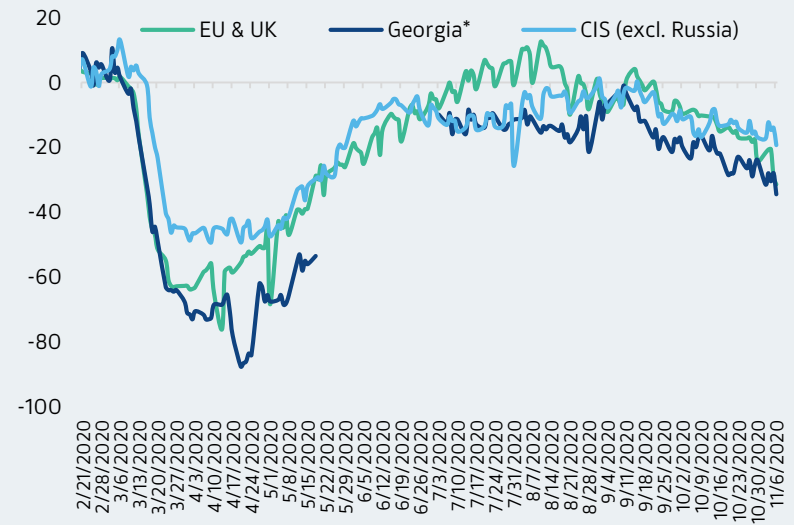
Mobility in transit stations (Change %)



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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