



TBC CAPITAL

Tracking The Recovery

12.02.2021

MACROECONOMICS

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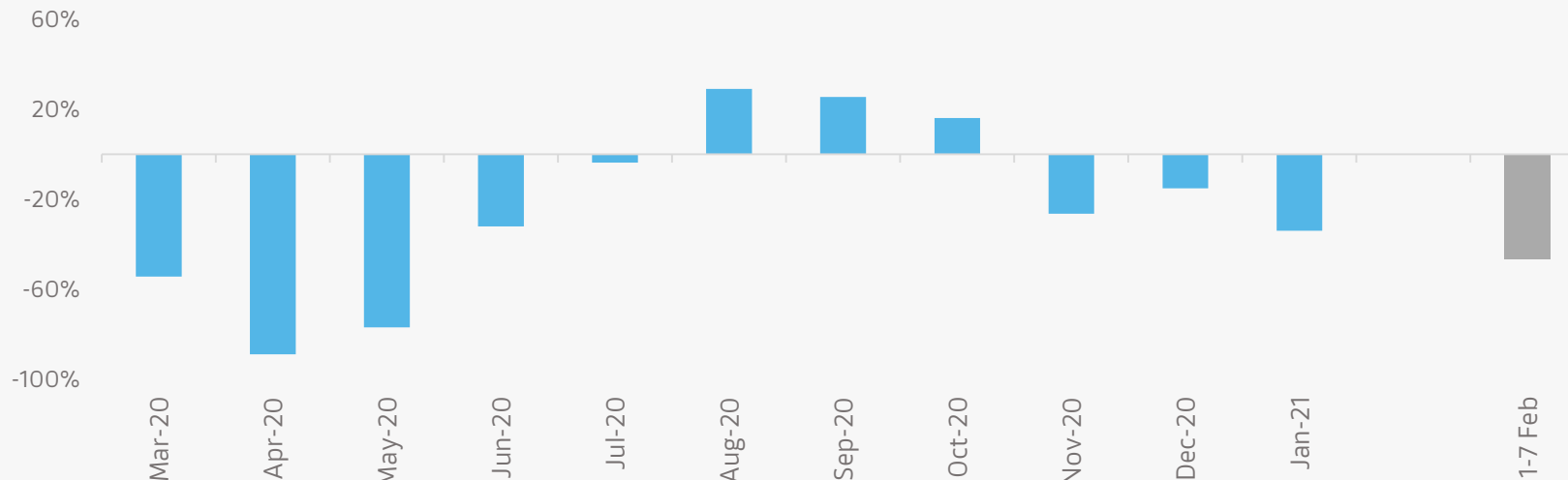
KEY DEVELOPMENTS

- **Newly issued mortgages displayed a sharp deterioration in the first week of February**
- **Growth of real estate transaction registrations in Tbilisi shows a weakening tendency, totaling at -15% YoY in January**
- **Resident non-cash spending on categories excluding grocery and pharmacy displaying positive annual growth as a result of the eased restrictions starting from February 1st**
- **Among different categories, non-cash spending on apparel, construction materials, furniture and electronics display the sharpest hikes**
- **Forward occupancies for February increased in all regions, while the non-cash spending on HORECA remains largely unchanged compared to the previous weeks**
- **Growth of remittance inflows through TBC channels remains on a double digit level**

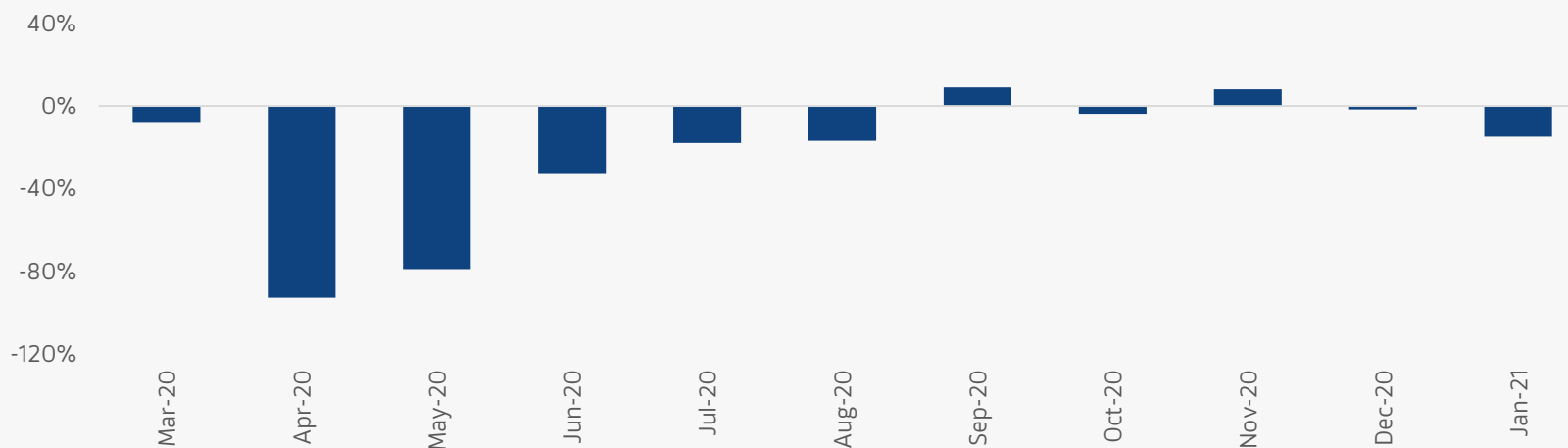
*Sector growth is based on POS and E-commerce payments through TBC channels; Growth rates may differ from total turnover dynamics due to the changing share of non-cash transactions and TBC market share

NEWLY ISSUED MORTGAGES INDICATE SHARP DETERIORATION IN THE FIRST WEEK OF FEBRUARY; REAL ESTATE TRANSACTION REGISTRATIONS IN TBILISI SHOWING A NOTICEABLE DECREASE IN JANUARY

Dynamics of newly mortgages issued by TBC (% change YoY, FX adjusted)

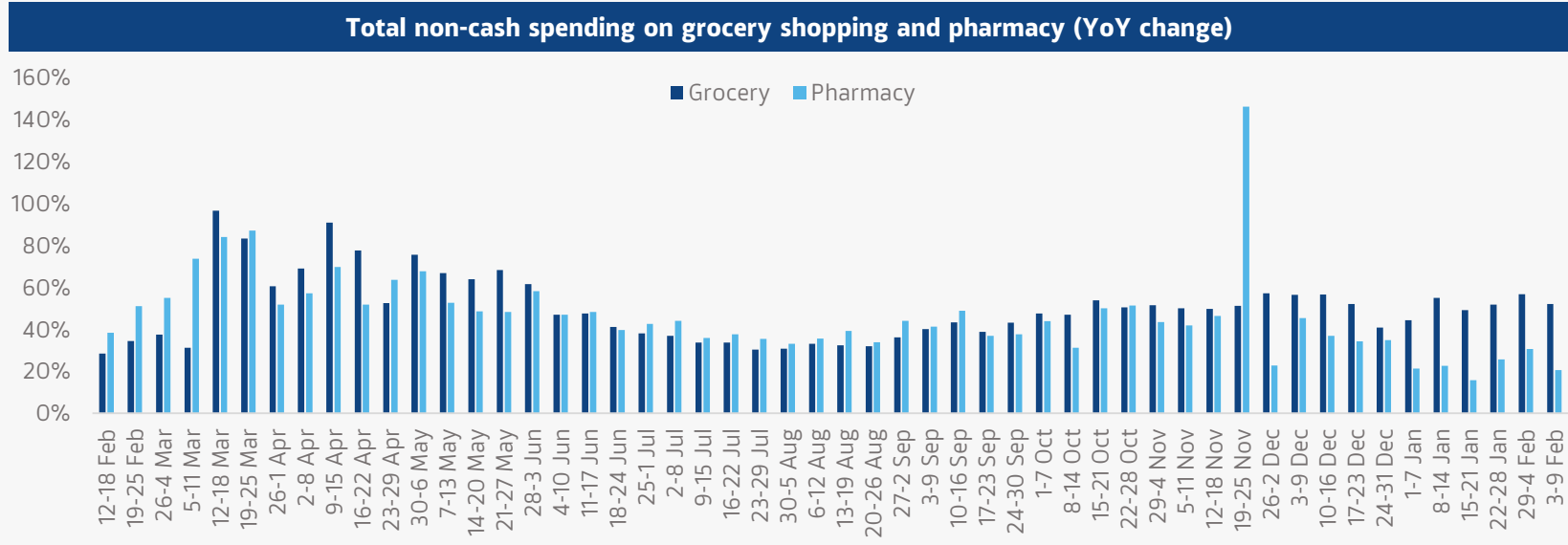
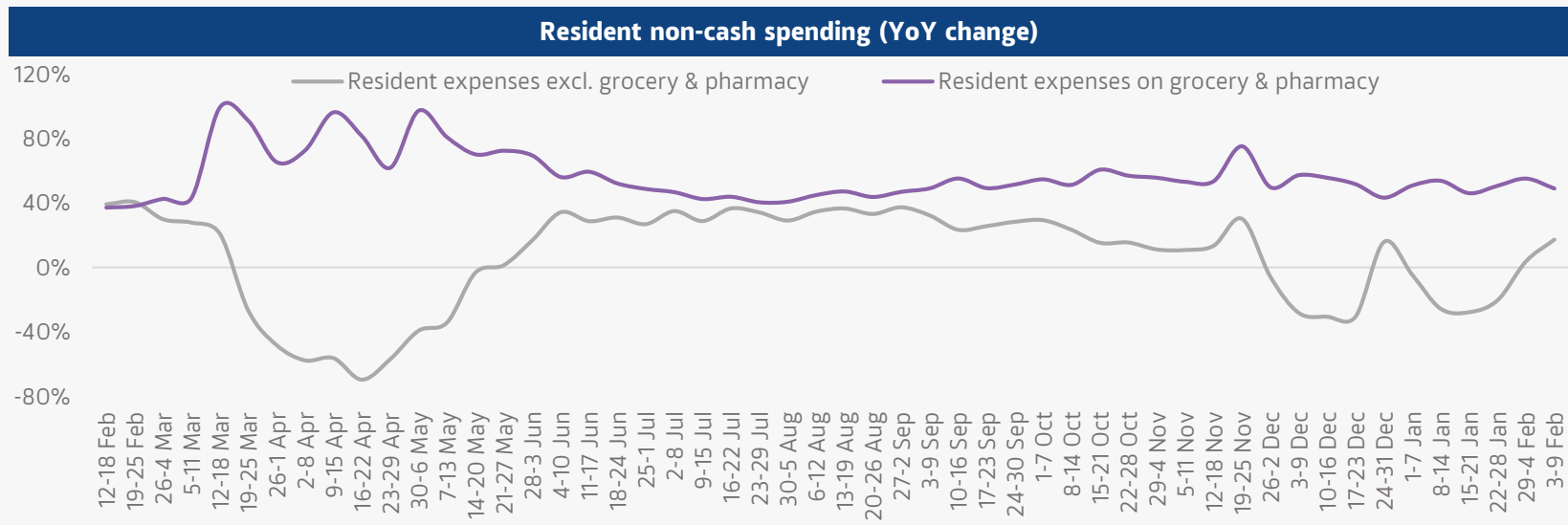


Dynamics of the number of apartments sold in Tbilisi (% Change YoY)



- The newly issued mortgages plummeted by 47% YoY (FX adjusted) in the first week of February
- The YoY growth rate of the transaction registrations in Tbilisi decreased by 15% in January

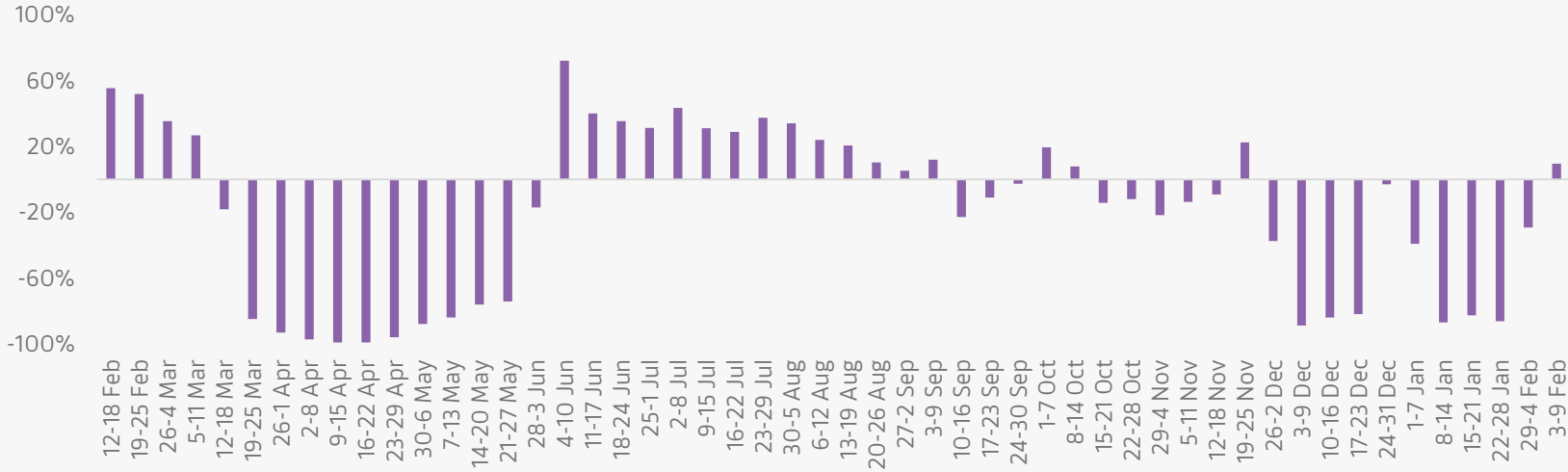
SPENDING ON CATEGORIES EXCLUDING GROCERY AND PHARMACY DEMONSTRATES ANNUAL GROWTH IN LINE WITH THE EASED RESTRICTIONS



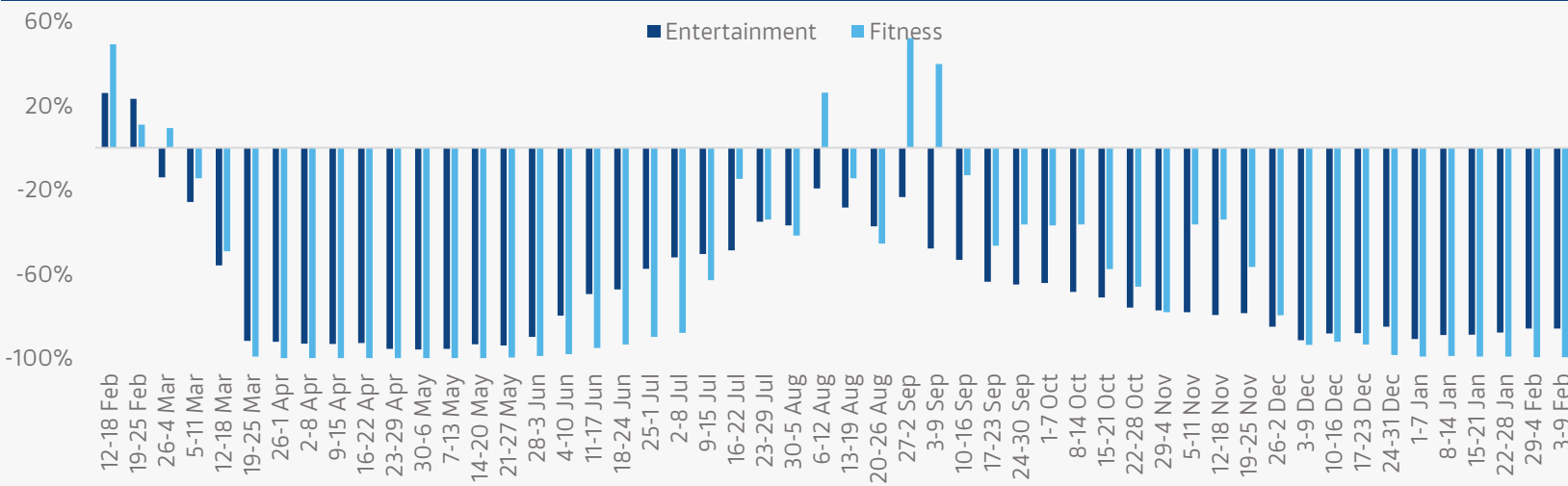
- At 49% YoY in the 3-9 February period, growth remained sizable in resident non-cash spending on grocery & pharmacy, demonstrating a marginal decline compared to the previous week
- Mirroring the easing restrictions, growth of non-cash spending on categories excluding grocery and pharmacy returned to the positive growth territory at 17% YoY in the 3-9 February period

Source: TBC Bank

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



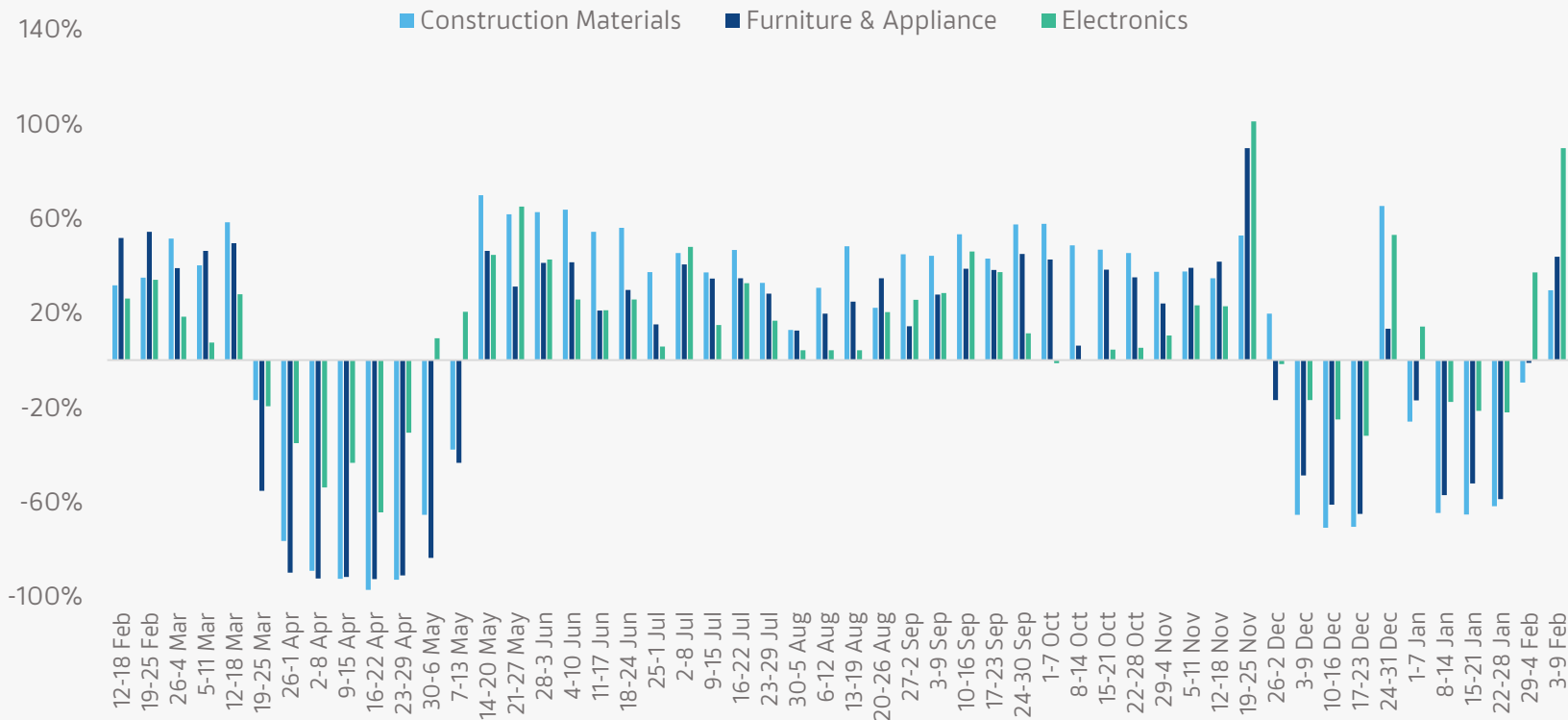
Non-cash spending on entertainment and fitness (YoY change)



- Non-cash transactions on apparel displaying positive YoY growth at 9% in the 3-9 February period
- Spending on entertainment and fitness remains sharply down at -86% YoY and at -99% YoY in 3-9 February period, respectively

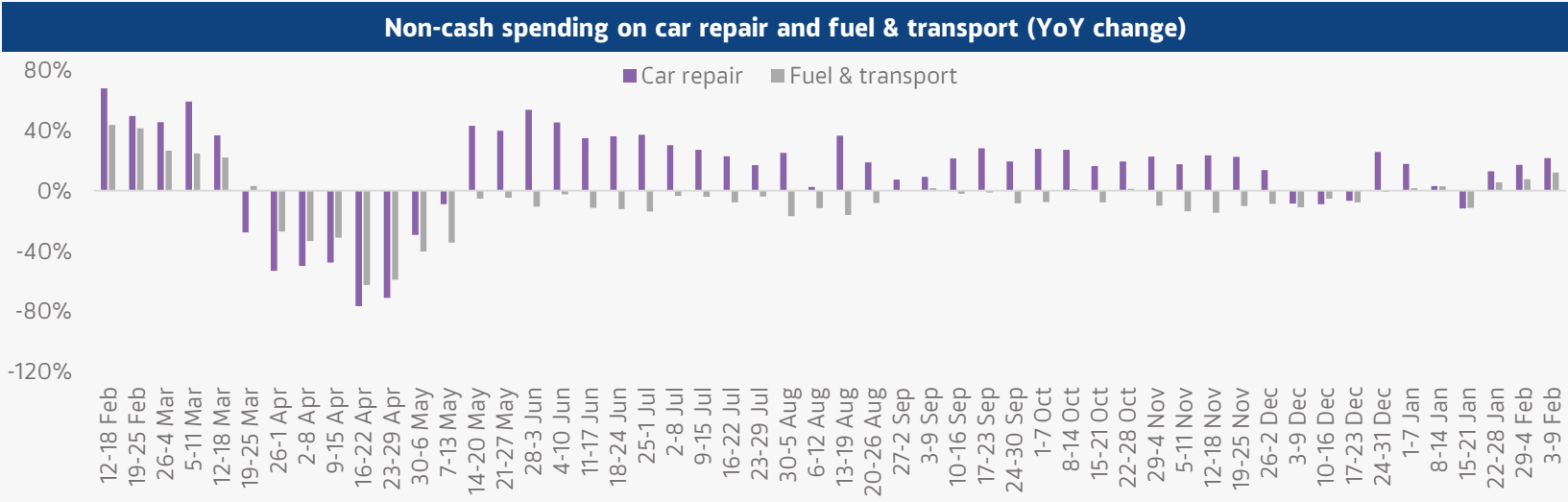
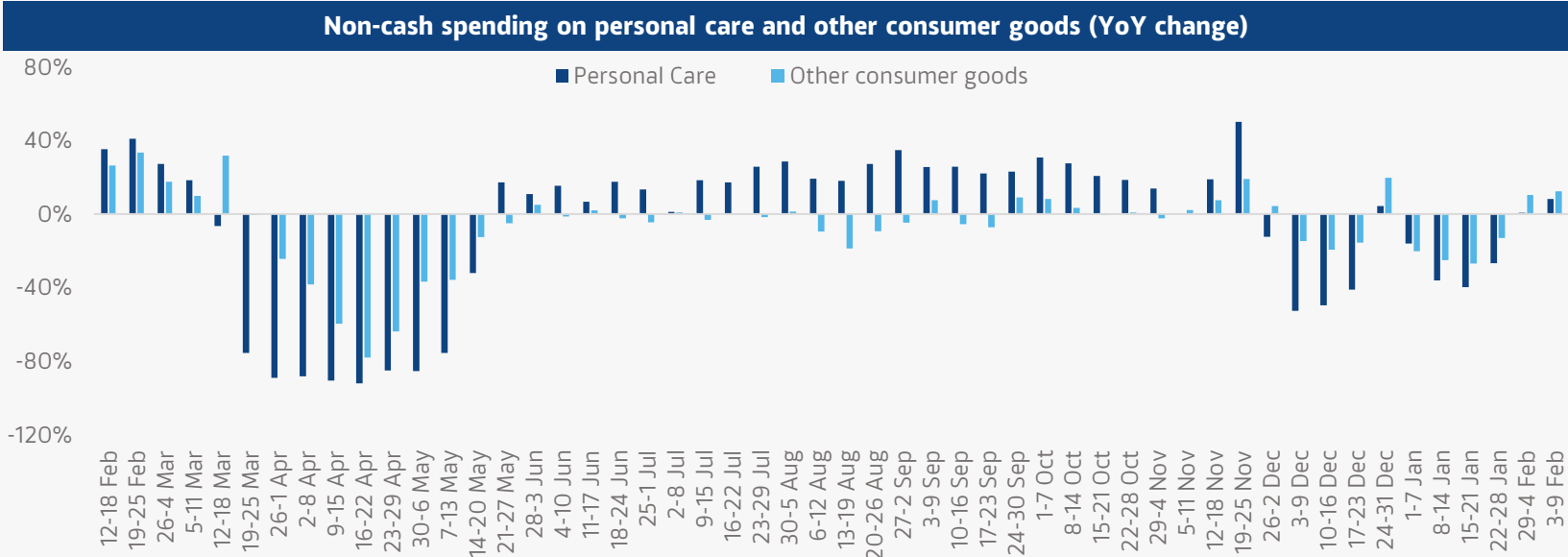
Source: TBC Bank

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



- Growth of non-cash spending on electronics skyrocketed at 90% YoY in the 3-9 February period
- A significant hike is also observed in non-cash spending on construction materials at 30% YoY
- Non-cash spending on furniture and appliances also significantly up, at 44% YoY in the 3-9 February period

SPENDING ON PERSONAL CARE DISPLAYS POSITIVE YOY GROWTH; SPENDING ON CAR REPAIR AND FUEL MAINTAINS AN INCREASING TENDENCY

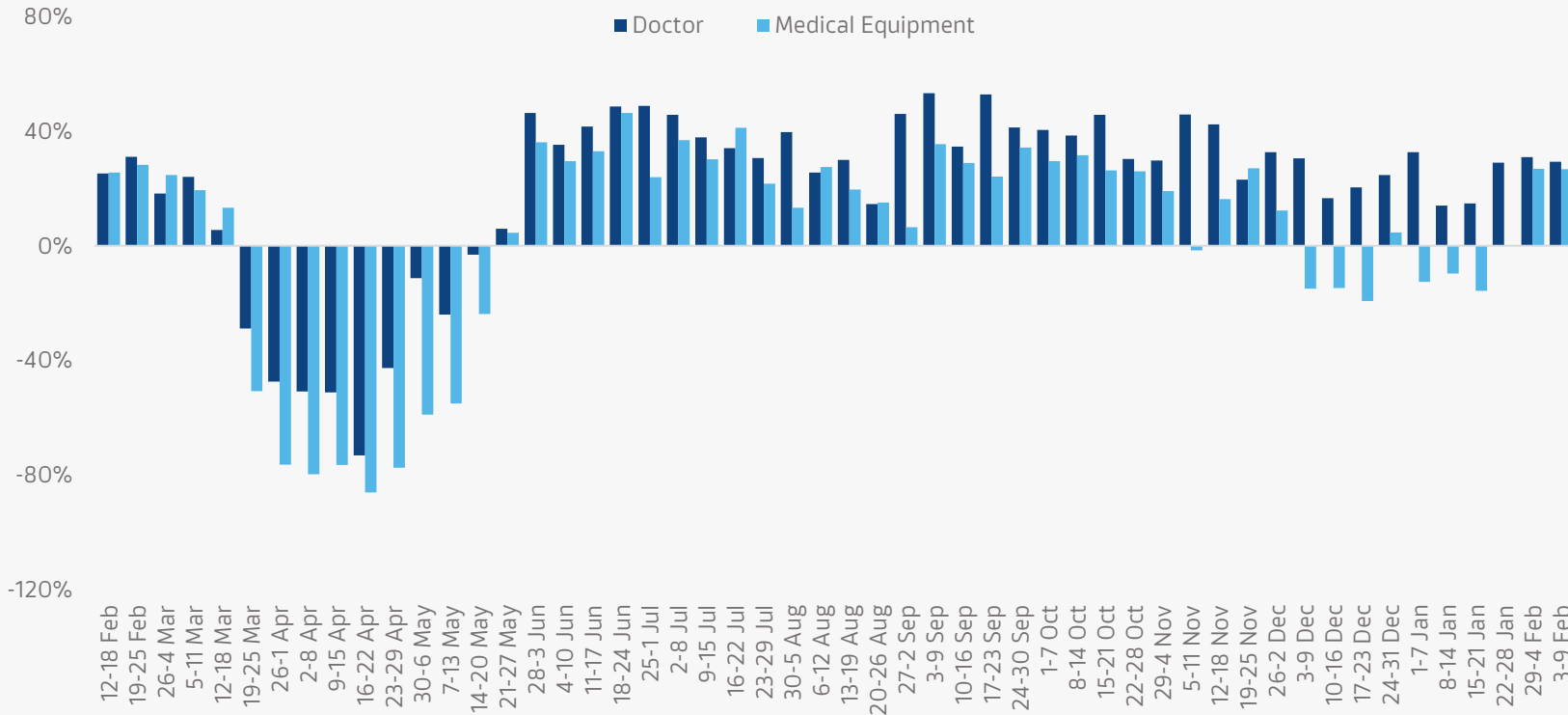


- Growth of non-cash spending on personal care stands at 12% YoY. Growth of spending on other consumer goods is also on the positive growth territory at 12% YoY in the 3-9 February period
- Growth of spending on car repair services remains on the positive growth territory at 22% YoY
- Non-cash spending on fuel displays a growing tendency throughout past several weeks, currently standing at 12% YoY

Source: TBC Bank

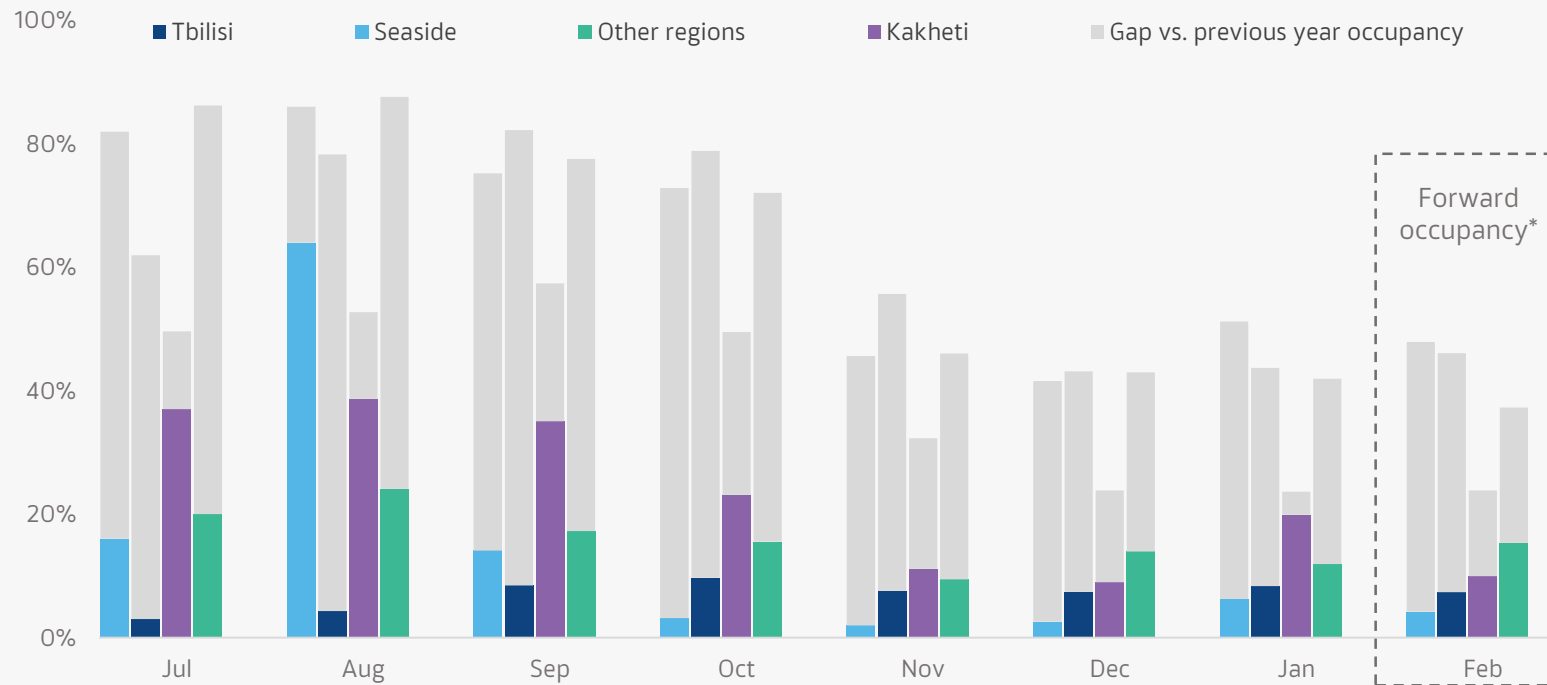
NON-CASH SPENDING ON DOCTOR VISITS AND MEDICAL EQUIPMENT DISPLAYS A STABLE GROWTH FOR THE PAST TWO WEEK

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



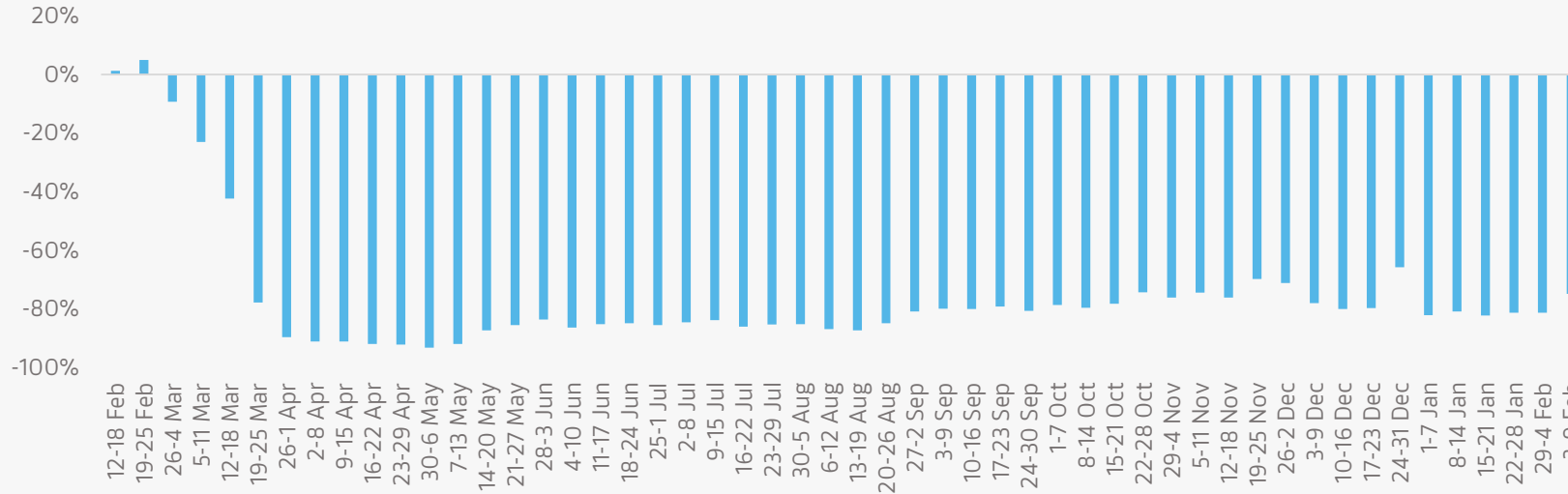
- Growth of non-cash spending on doctor visits showed steady, standing at 29% YoY in the 3-9 February period
- Growth of non-cash spending on medical equipment unchanged, standing at 27% YoY

Occupancy rates (%) – actual and by current bookings

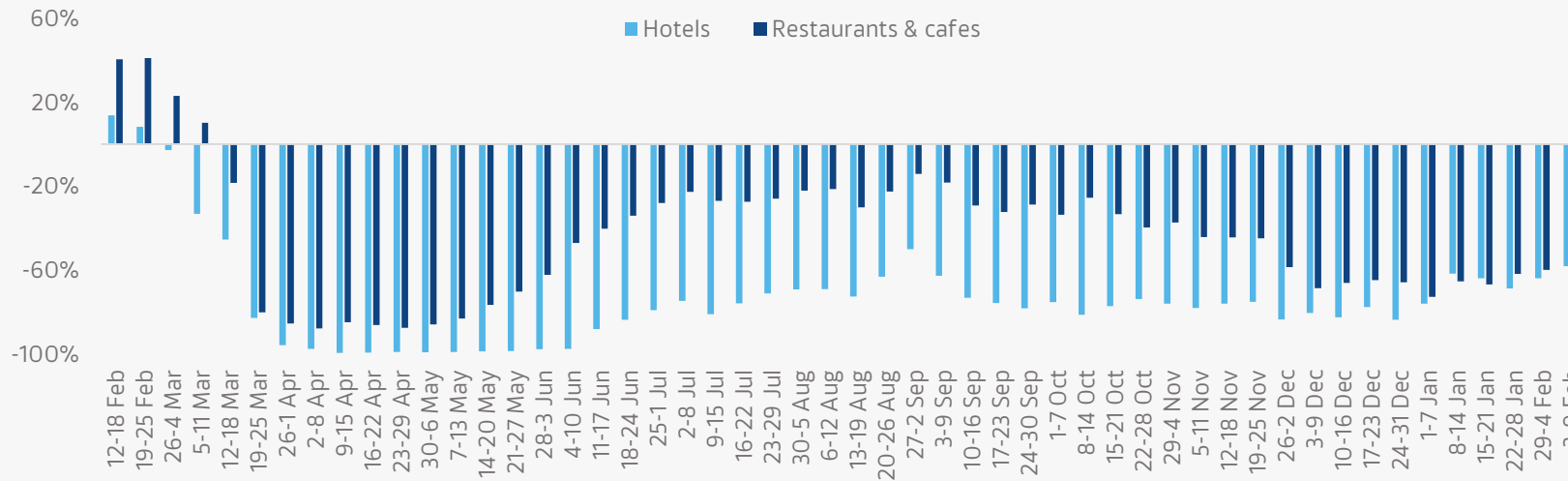


- **Forward occupancy rates for February** amount to 4% for Seaside, 7% for Tbilisi, 10% for Kakheti and 15% for other regions
- **Weekend occupancy:** compared to the previous weekend, occupancies increased in all regions of the country
- **Price discounts:** the largest ADR discounts in February are observed in other regions, followed by Tbilisi and seaside hotels. Hotels in Kakheti offer relatively smaller discounts

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



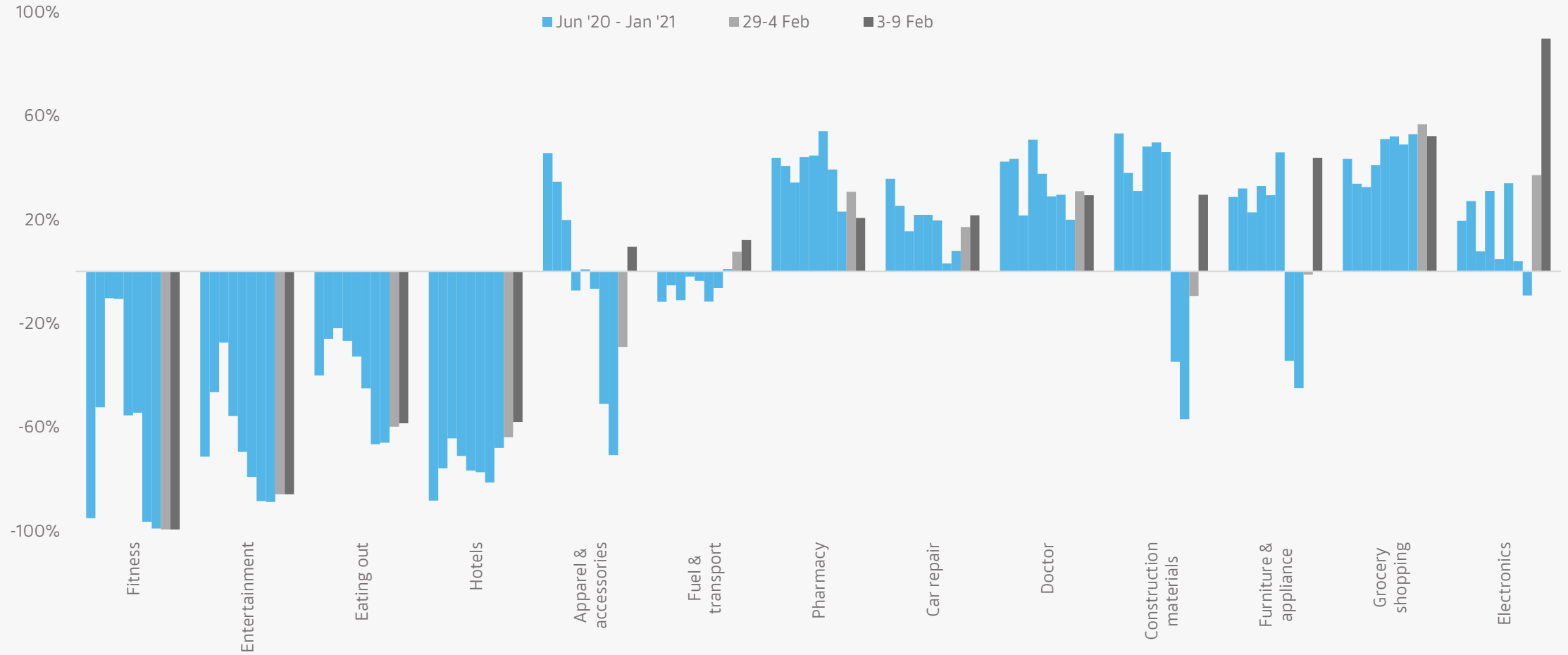
Non-cash spending on accommodation and eating out (YoY change)



- The growth in non-cash spending in hotels stands at -58% YoY this week, marginally up compared to the previous week
- Non-cash spending in restaurants remains down at 59% YoY in the 3-9 February period

SUMMARY OF NON-CASH SPENDING DYNAMICS BY SECTORS

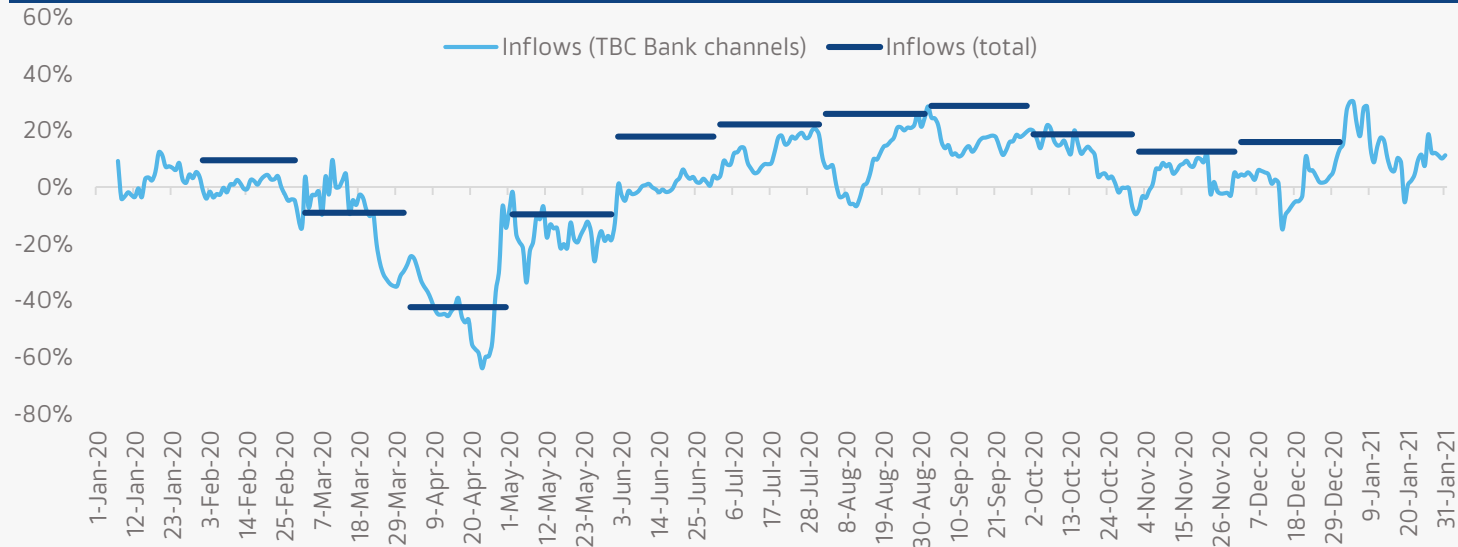
Dynamics of non-cash spending as of February 9th (YoY change)



Source: TBC Bank

SLIGHT SLOWDOWN OBSERVED IN YOY GROWTH OF REMITTANCE INFLOWS OVER THE LAST WEEK OF JANUARY

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



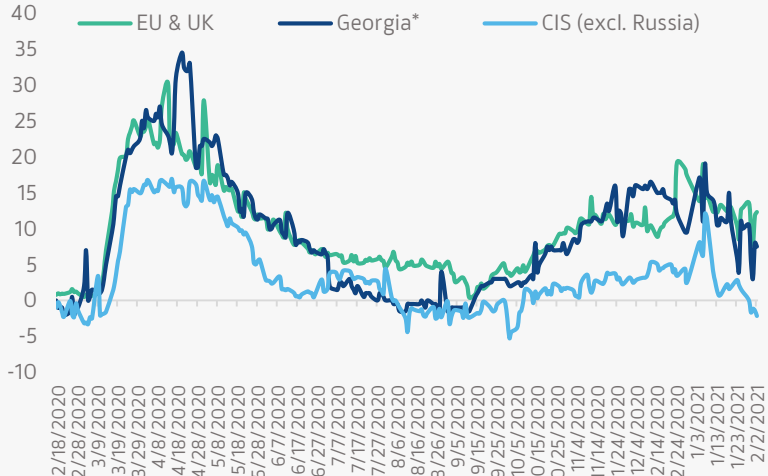
Dynamics of remittances by countries/regions (YoY %)

Country/Region	18-25 Jan	25-31 Jan
EU & UK	21%	10%
Middle East	12%	6%
North America	30%	25%
Russia	-34%	-24%
Ukraine	93%	17%
Armenia	8%	18%
Azerbaijan	169%	122%
TOTAL	21%	11%

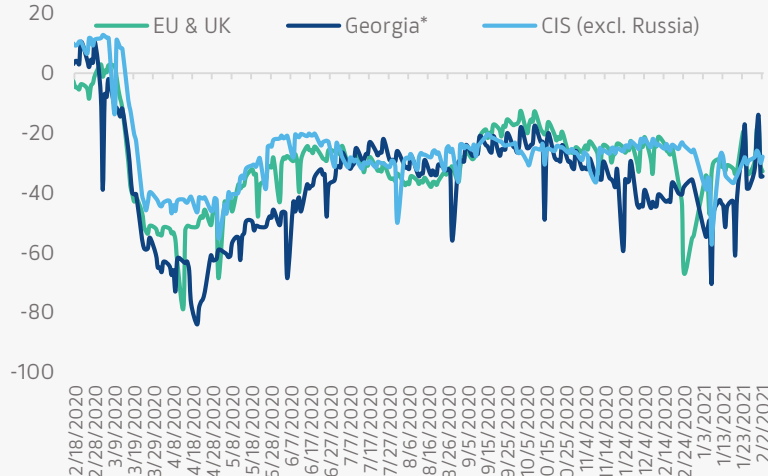
- The growth in total inflows through TBC channels decreased compared to the previous week, standing at 11% YoY during the 25-31 January period
- The largest YoY growths were observed in inflows from Azerbaijan. Inflows from Russia remain on the negative growth territory
- Growth of inflows from EU & UK remains positive over the last three weeks

THE EFFECT OF THE EASED RESTRICTIONS IN GEORGIA VISIBLE IN GOOGLE MOBILITY DYNAMICS

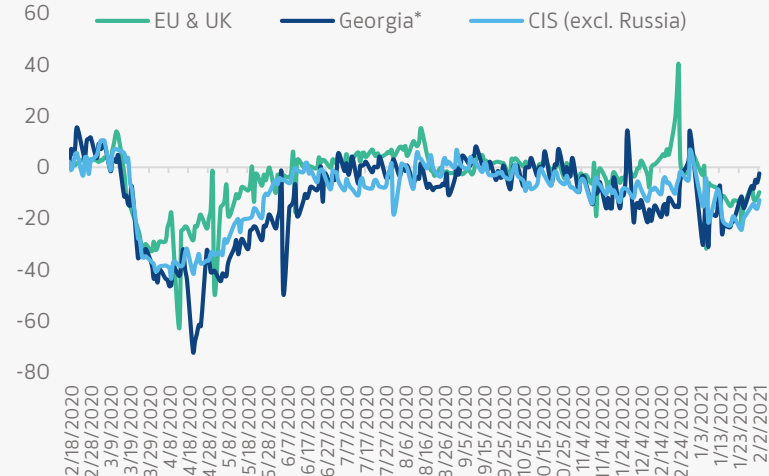
Mobility in residential area (Change %)



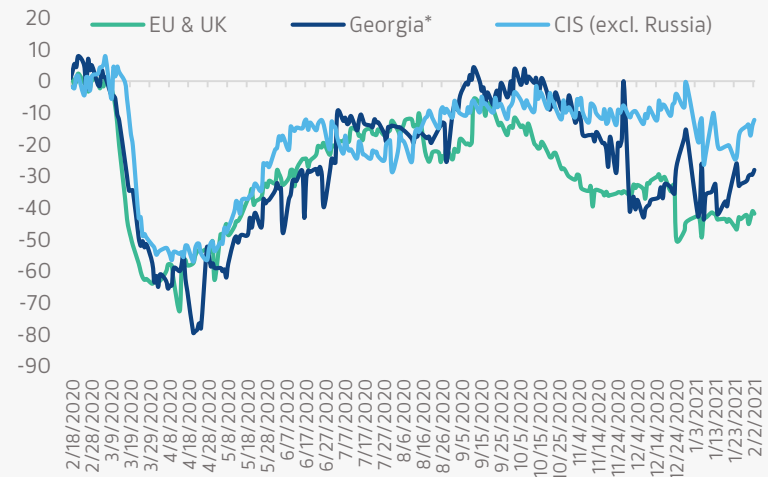
Mobility in working places (Change %)



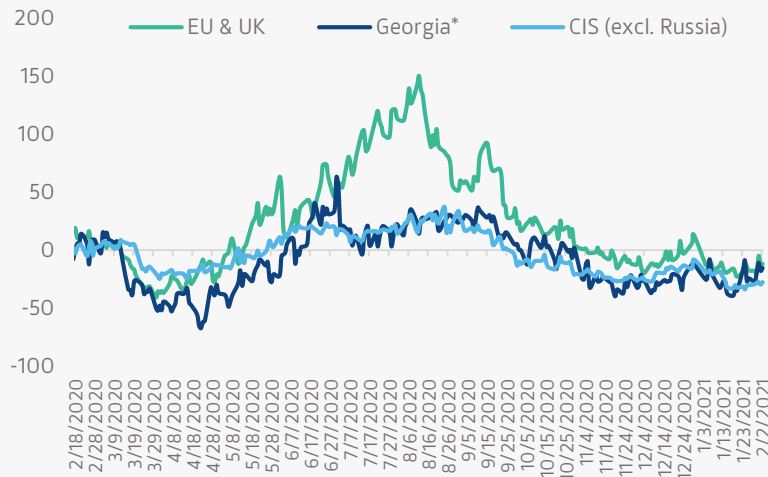
Mobility in grocery and pharmacy (Change %)



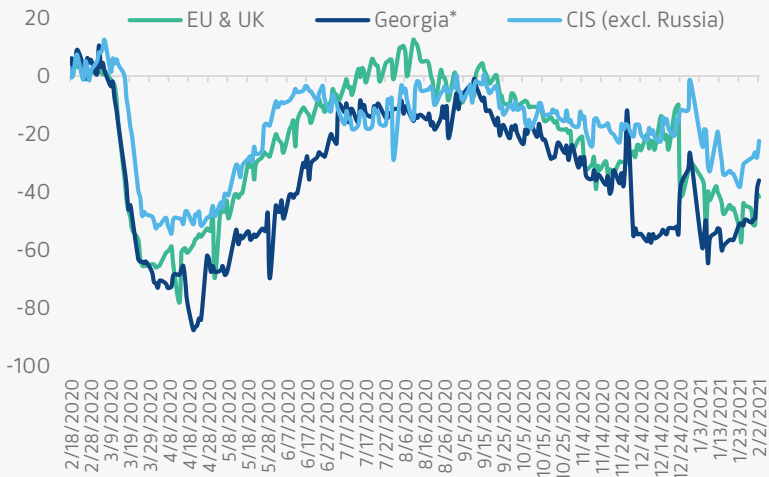
Mobility in transit stations (Change %)



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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