



TBC CAPITAL

MACROECONOMICS

Tracking The Recovery

19.02.2021

www.tbccapital.ge

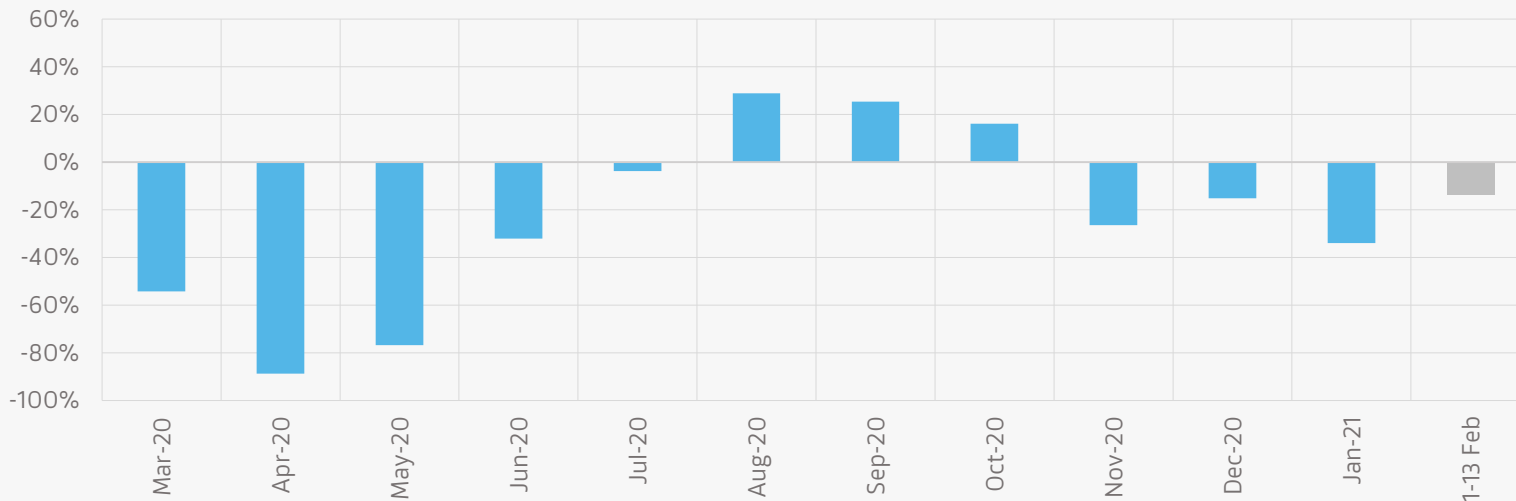
KEY DEVELOPMENTS

- **Decrease in issuance of new mortgages moderated in the first two weeks of February**
- **Tbilisi's residential property transactions increased slightly, following a sharp drop in January**
- **Resident non-cash spending on categories excluding grocery and pharmacy maintained 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 significant annual growth**
- **Forward occupancies for February display a mild improvement in all regions, while the non-cash spending on HORECA remains largely unchanged compared to the previous weeks**
- **Remittance inflows through TBC channels maintained a double digit growth**

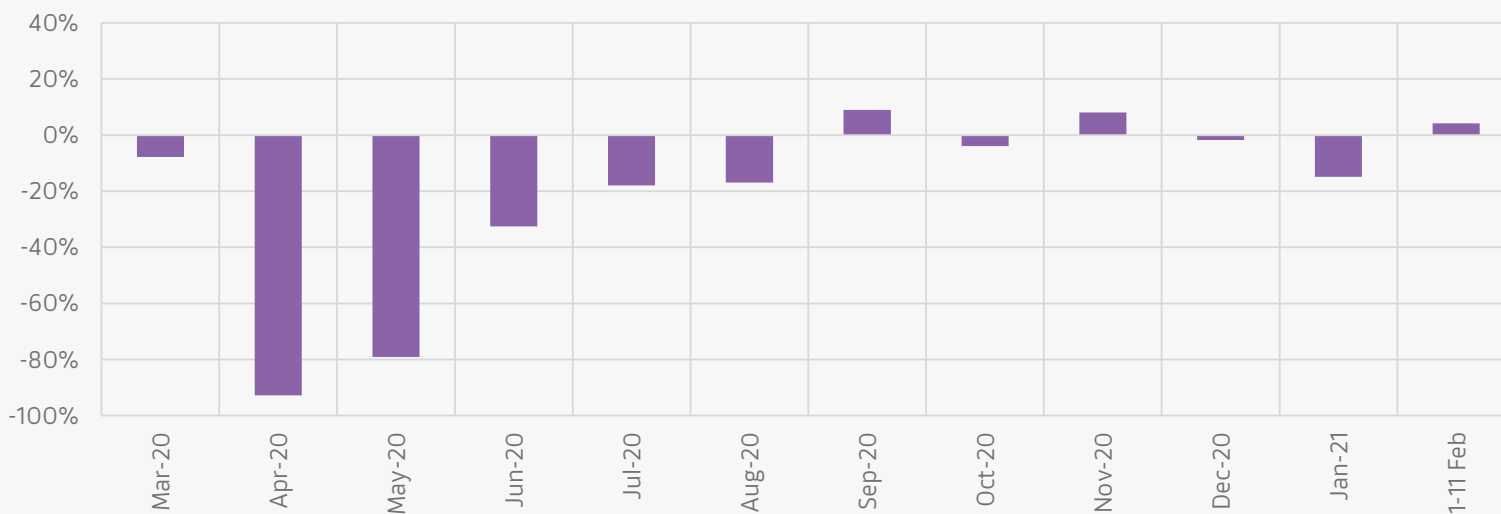
*Sector growth is based on POS and E-commerce payments through TBC channels; Growth rates may differ from total turnover dynamics due to the changing share of non-cash transactions and TBC market share

DECREASE IN ISSUANCE OF NEW MORTGAGES MODERATED IN THE FIRST TWO WEEKS OF FEBRUARY; TBILISI'S RESIDENTIAL PROPERTY TRANSACTIONS INCREASED SLIGHTLY FOLLOWING A SHARP DROP IN JANUARY

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

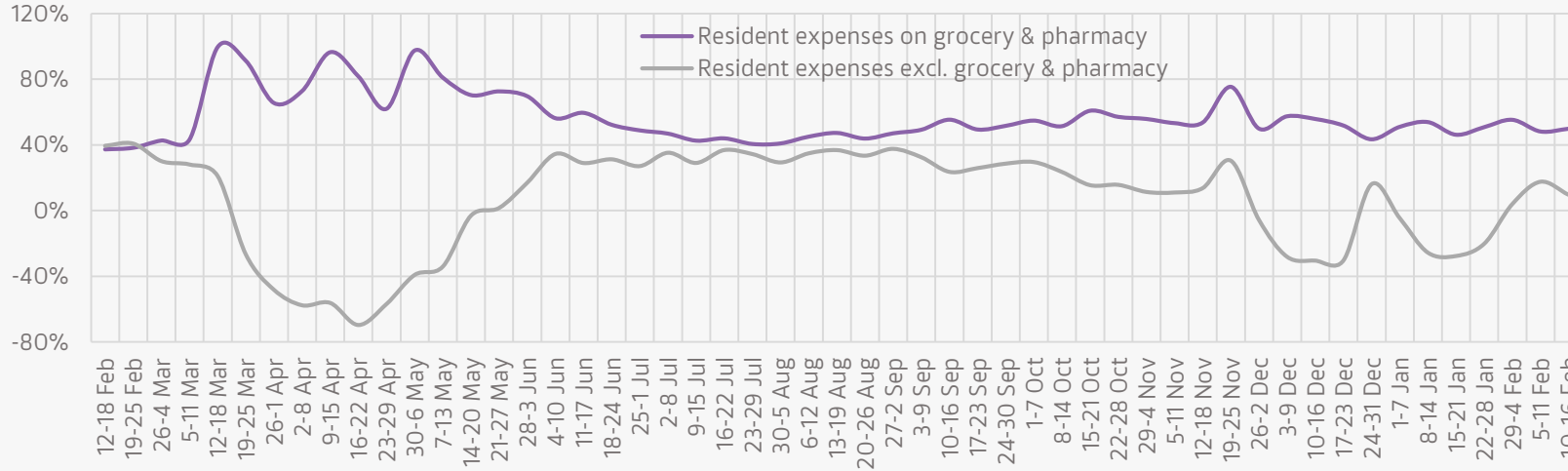


Number of residential properties sold in Tbilisi (% Change YoY)

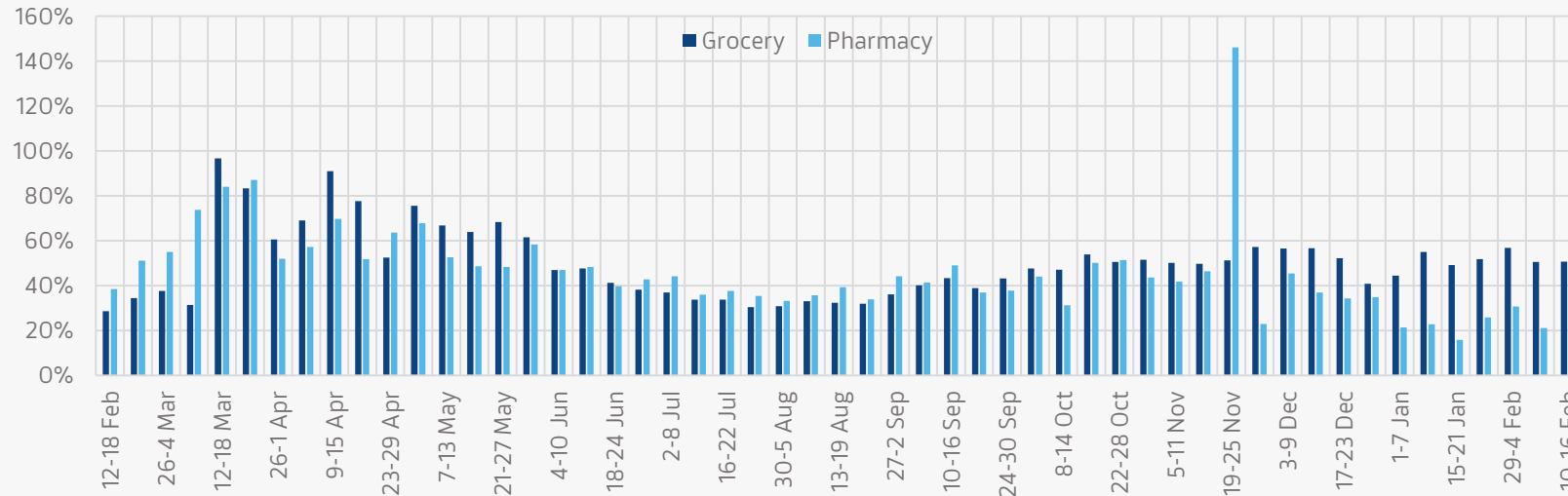


- The value of new mortgages issued was down by 14% YoY (FX adjusted) in the 1-13 February period
- The growth rate of transaction registrations in Tbilisi stood at 4% YoY in the 1-11 February period

Resident non-cash spending (YoY change)

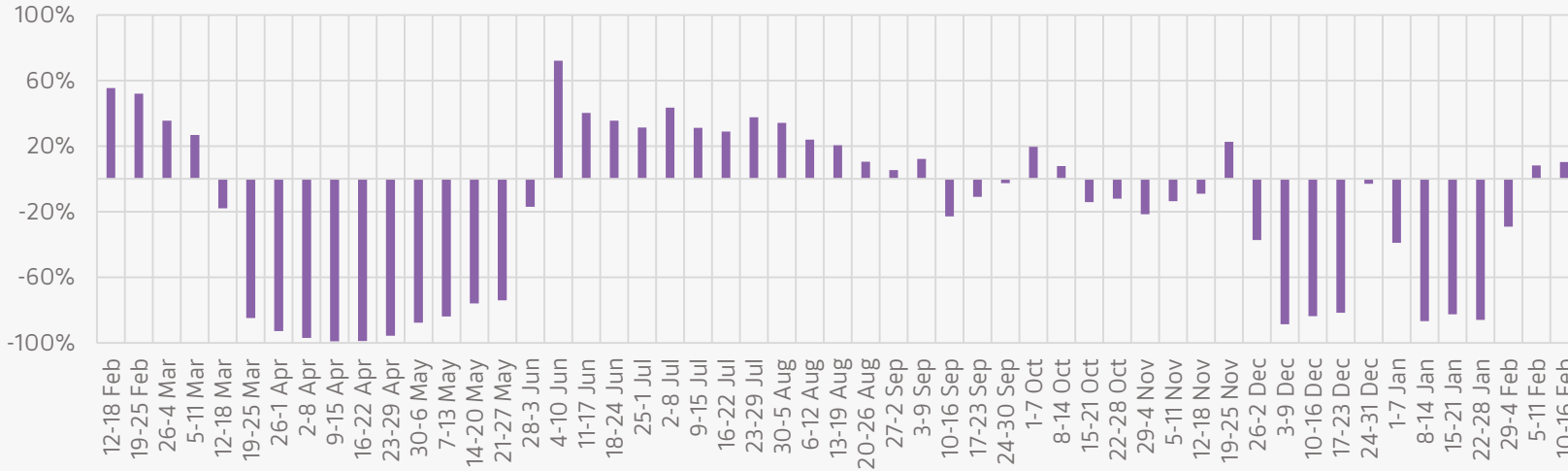


Total non-cash spending on grocery shopping and pharmacy (YoY change)

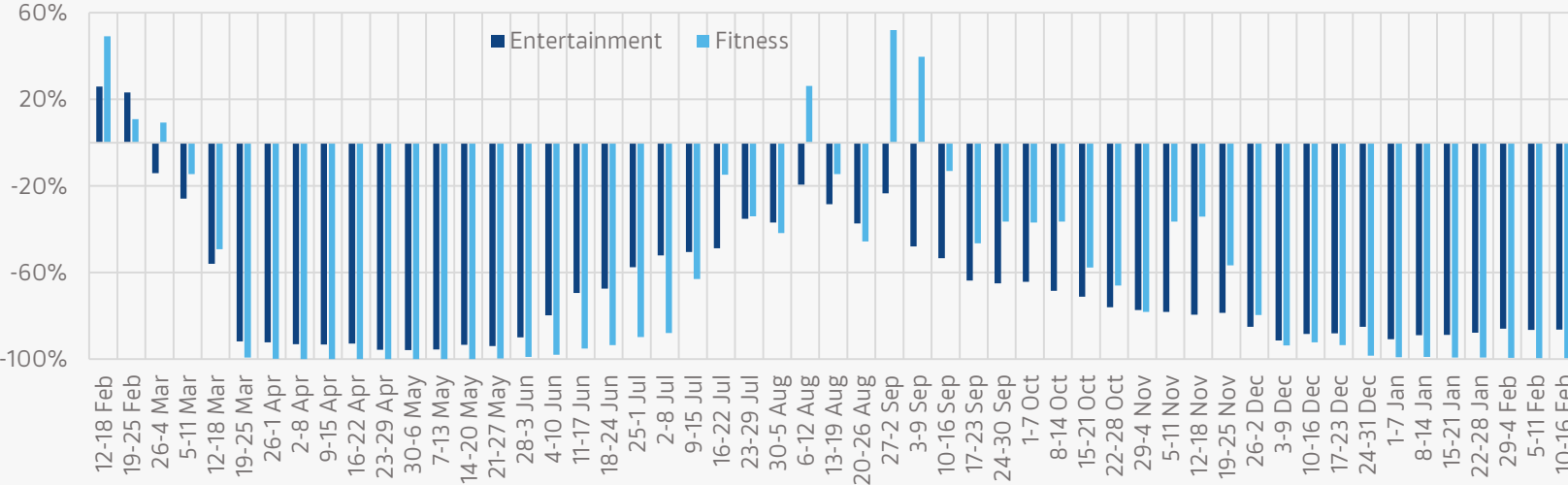


- At 50% YoY in the 10-16 February period, growth remained sizable in resident non-cash spending on grocery & pharmacy
- Mirroring the easing restrictions, non-cash spending on categories excluding grocery and pharmacy remained positive growth, but down marginally compared to the previous week, at 10% YoY in the 10-16 February period

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



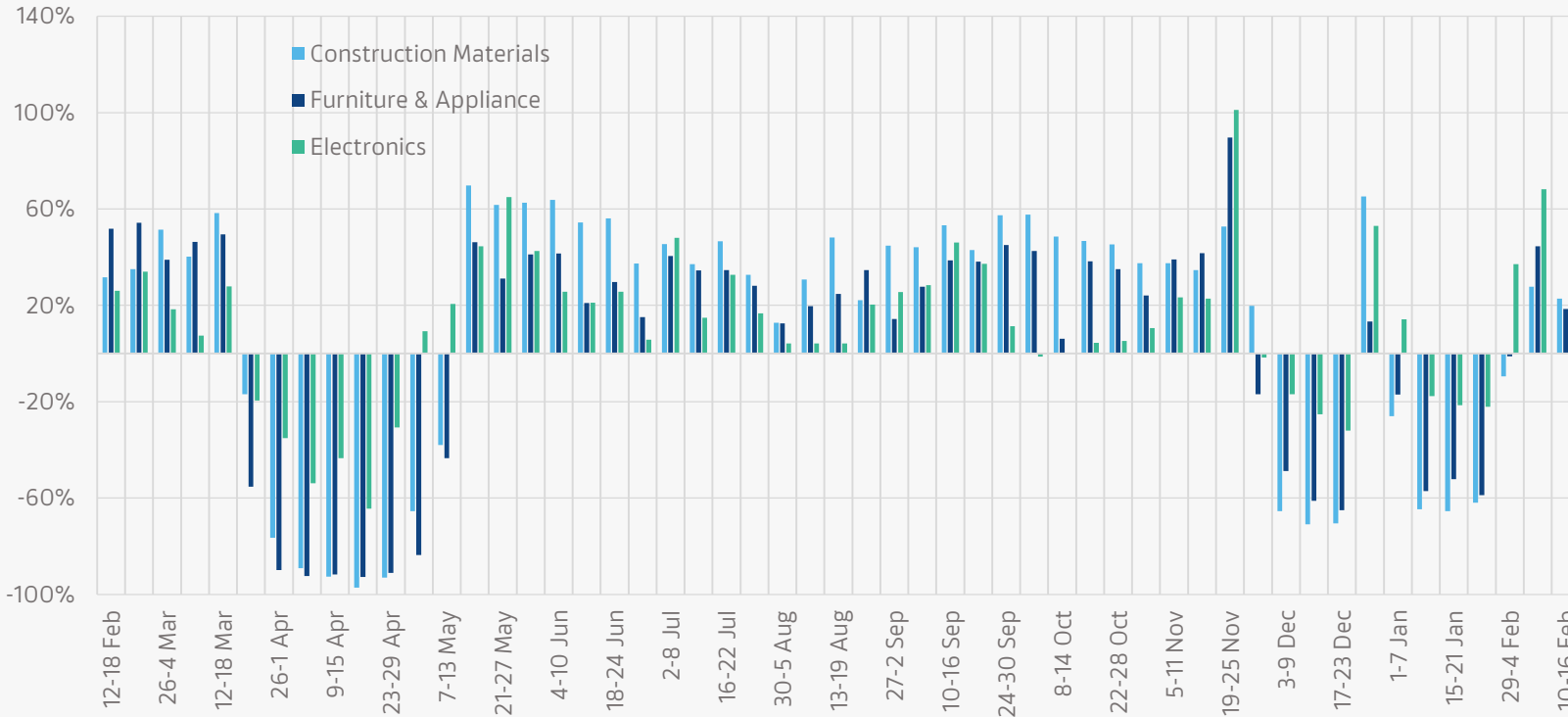
Non-cash spending on entertainment and fitness (YoY change)



- Non-cash transactions on apparel displaying positive YoY growth at 10% in the 10-16 February period, marginally up compared to the previous week
- Spending on entertainment and fitness remains sharply down at -86% YoY and at -99% YoY in 10-16 February period, respectively

AFTER EASING THE RESTRICTIONS, GROWTH OF SPENDING ON CONSTRUCTION MATERIALS, FURNITURE AND ELECTRONICS DISPLAYED SIGNIFICANT ANNUAL GROWTH, ALBEIT SOMEWHAT LOWER COMPARED TO THE INITIAL HIKE

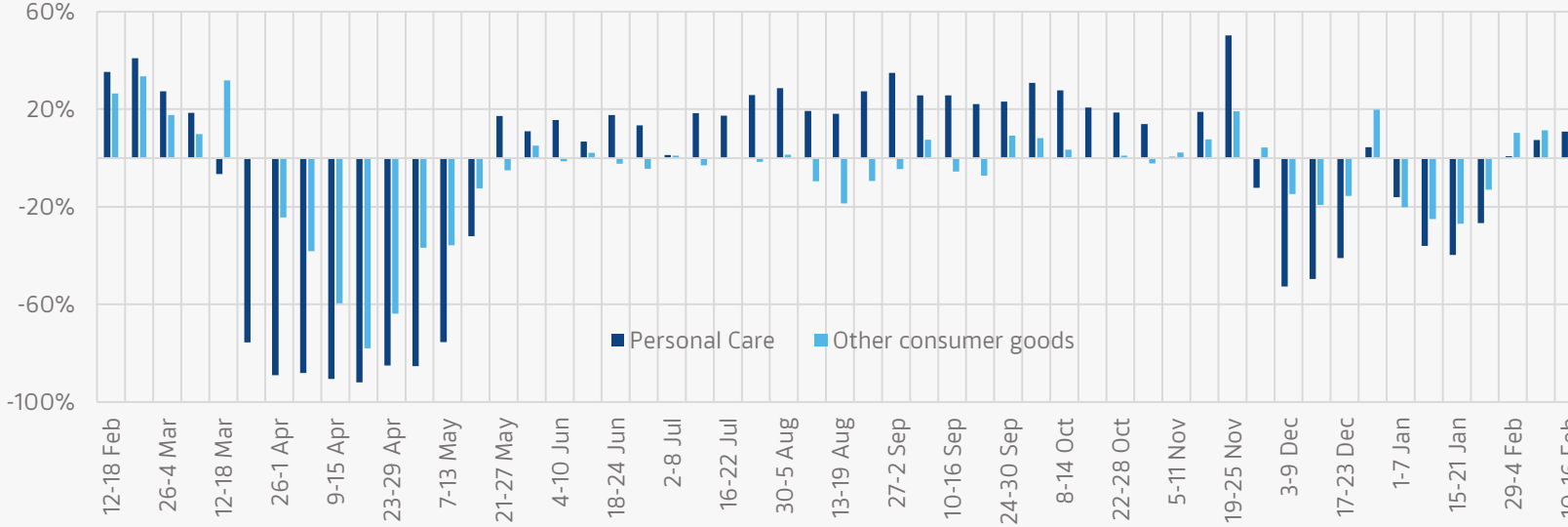
Non-cash spending on construction materials and consumer durables (YoY change)



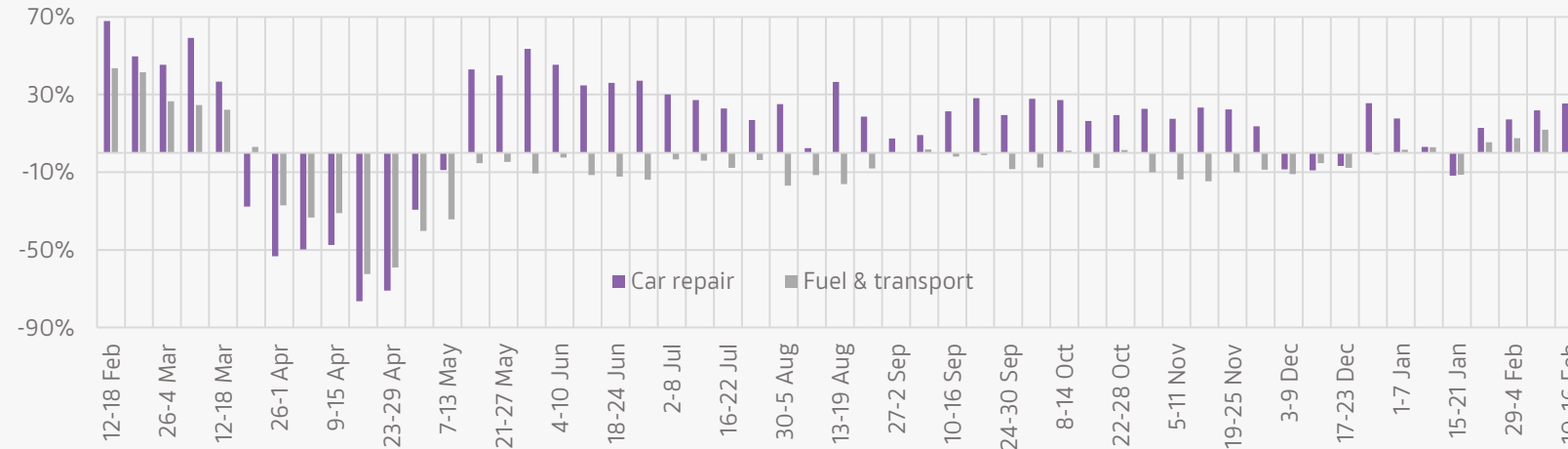
- Growth of non-cash spending on electronics still sharp, at 46% YoY in the 10-16 February period
- Growth of non-cash spending on construction materials at 23% YoY, down marginally compared to the previous week
- Growth of non-cash spending on furniture and appliances moderated at 19% YoY in the 10-16 February period

SPENDING ON PERSONAL CARE AND OTHER CONSUMER GOODS DISPLAYED POSITIVE YOY GROWTH; SPENDING ON CAR REPAIR AND FUEL MAINTAINED AN INCREASING TENDENCY

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

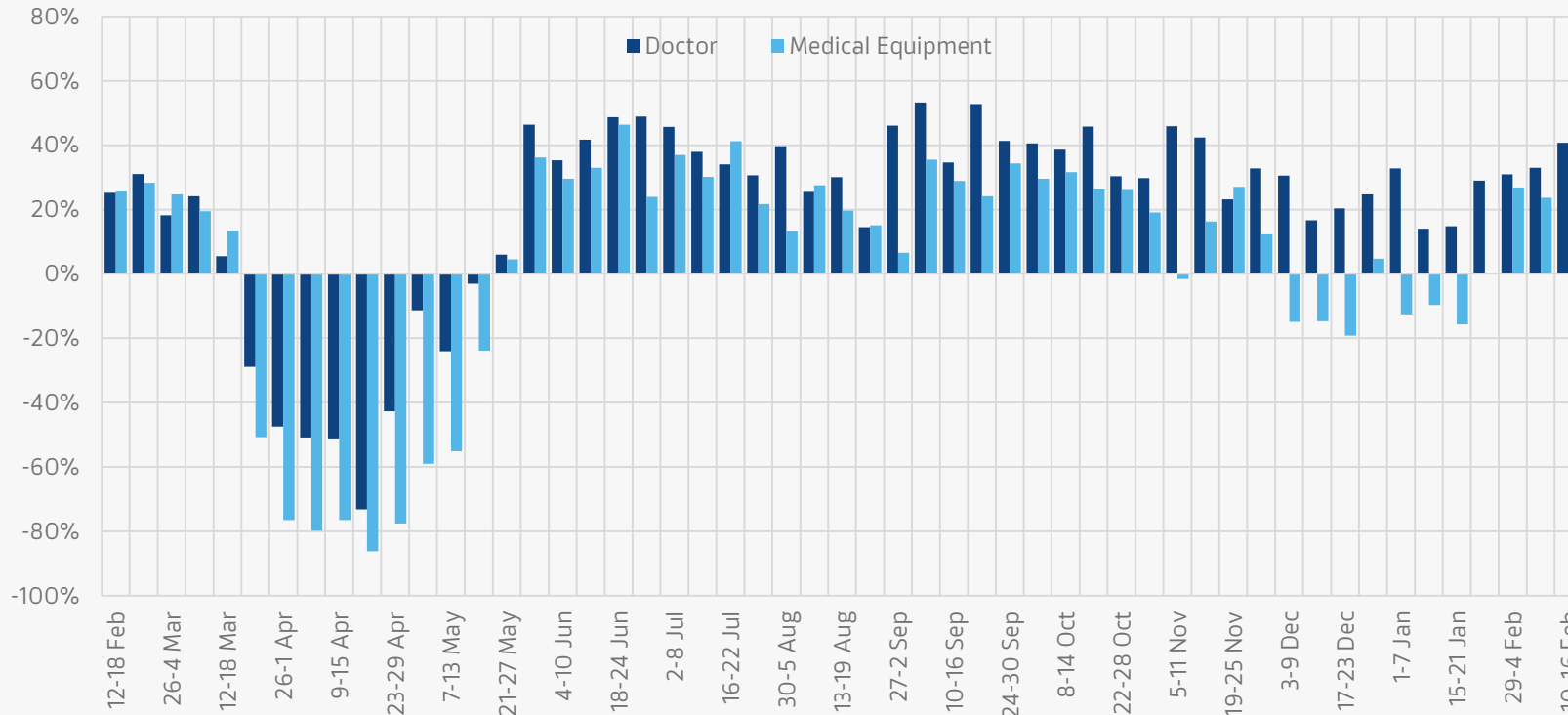


Non-cash spending on car repair and fuel & transport (YoY change)



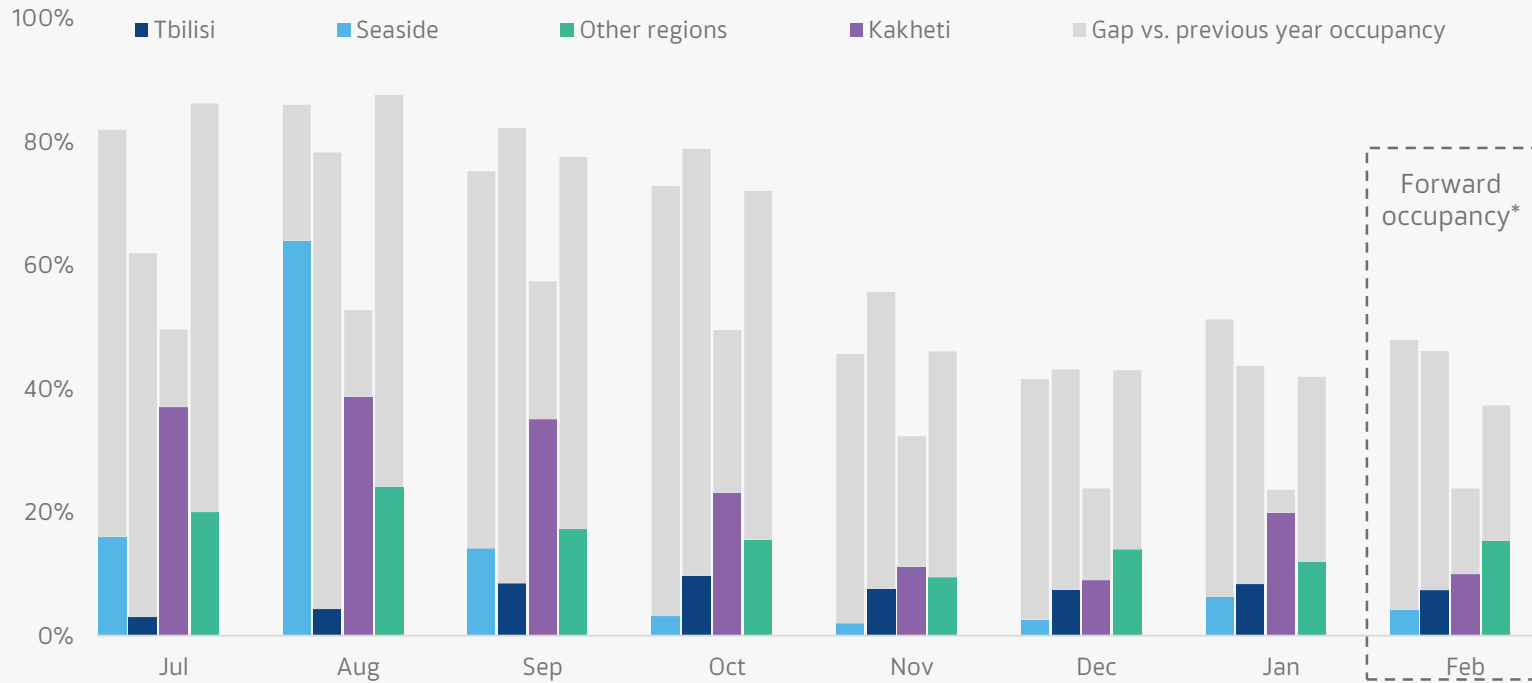
- Growth of non-cash spending on personal care stood at 11% YoY in the 10-16 February period. Growth of spending on other consumer goods was also positive, at 7% YoY
- Spending on car repair services up by 22% YoY in the 10-16 February period, a marginal increase compared to the previous week
- Non-cash spending on fuel also maintained a growing tendency throughout past several weeks, currently standing at 16% YoY

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



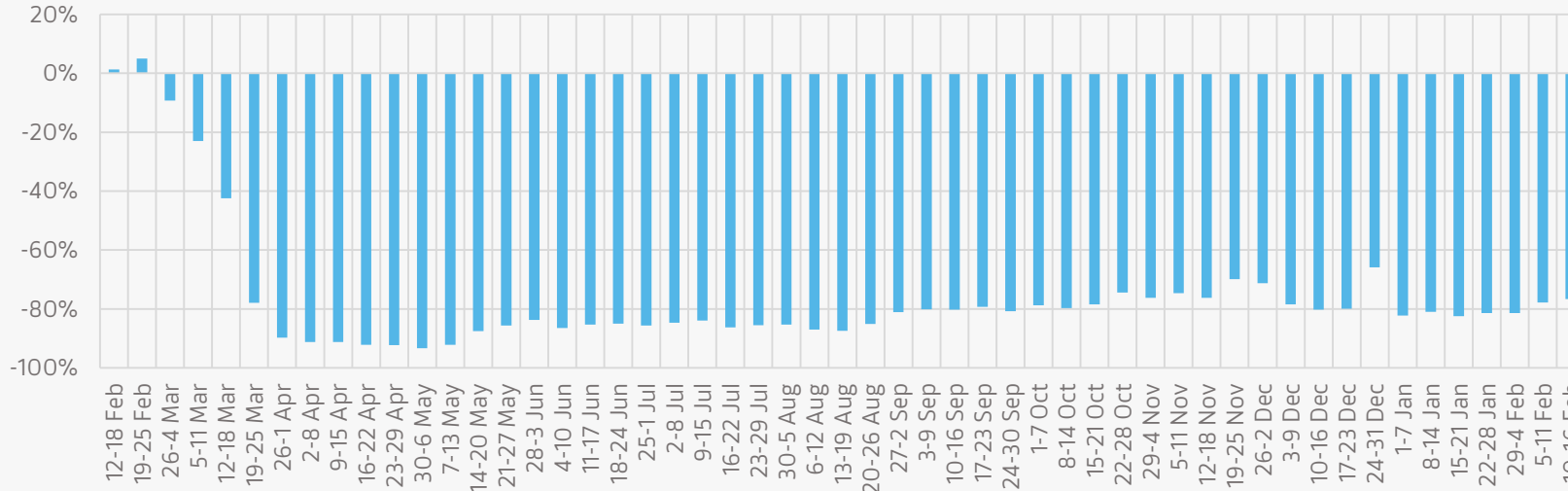
- Growth of non-cash spending on doctor visits up compared to the previous week, standing at 41% YoY in the 10-16 February period
- Growth of non-cash spending on medical equipment also strengthened, standing at 36% YoY

Occupancy rates (%) – actual and by current bookings

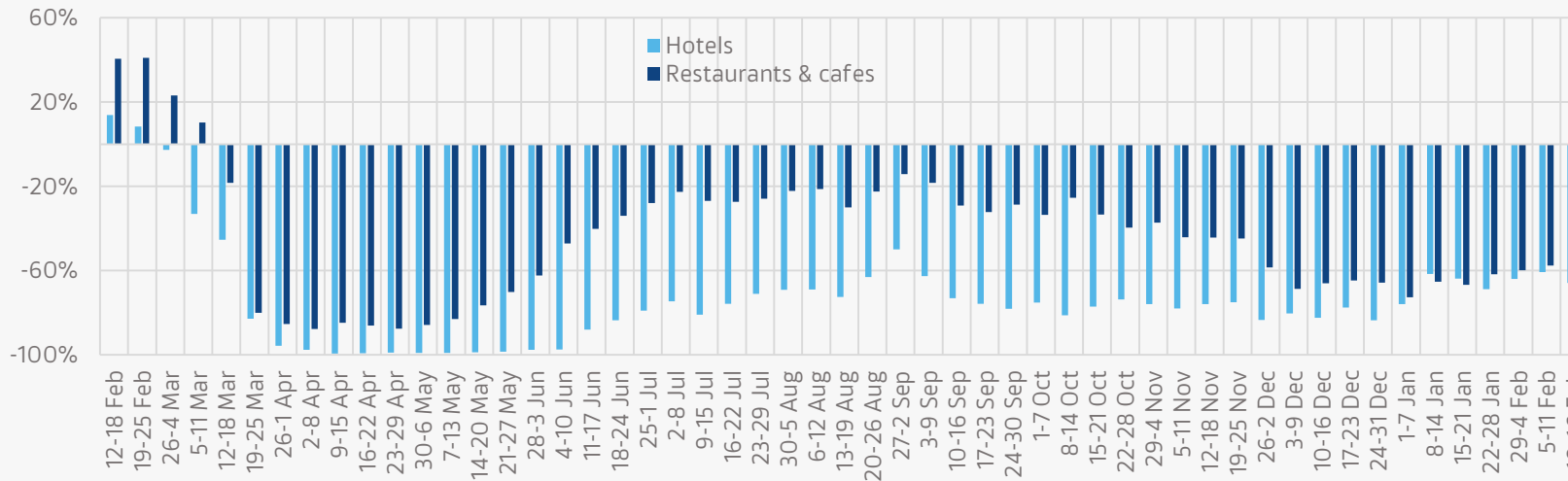


- **Forward occupancy rates for February** amount to 7% for Seaside, 10% for Tbilisi, 13% for Kakheti and 15% for other regions
- **Weekend occupancy:** compared to the previous weekend, occupancies increased only in Kakheti and seaside, other regions and Tbilisi show a mild decrease
- **Price discounts:** the largest ADR discounts in January are observed in other regions, followed by Tbilisi and Seaside. Hotels in Kakheti offer relatively smaller discounts

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

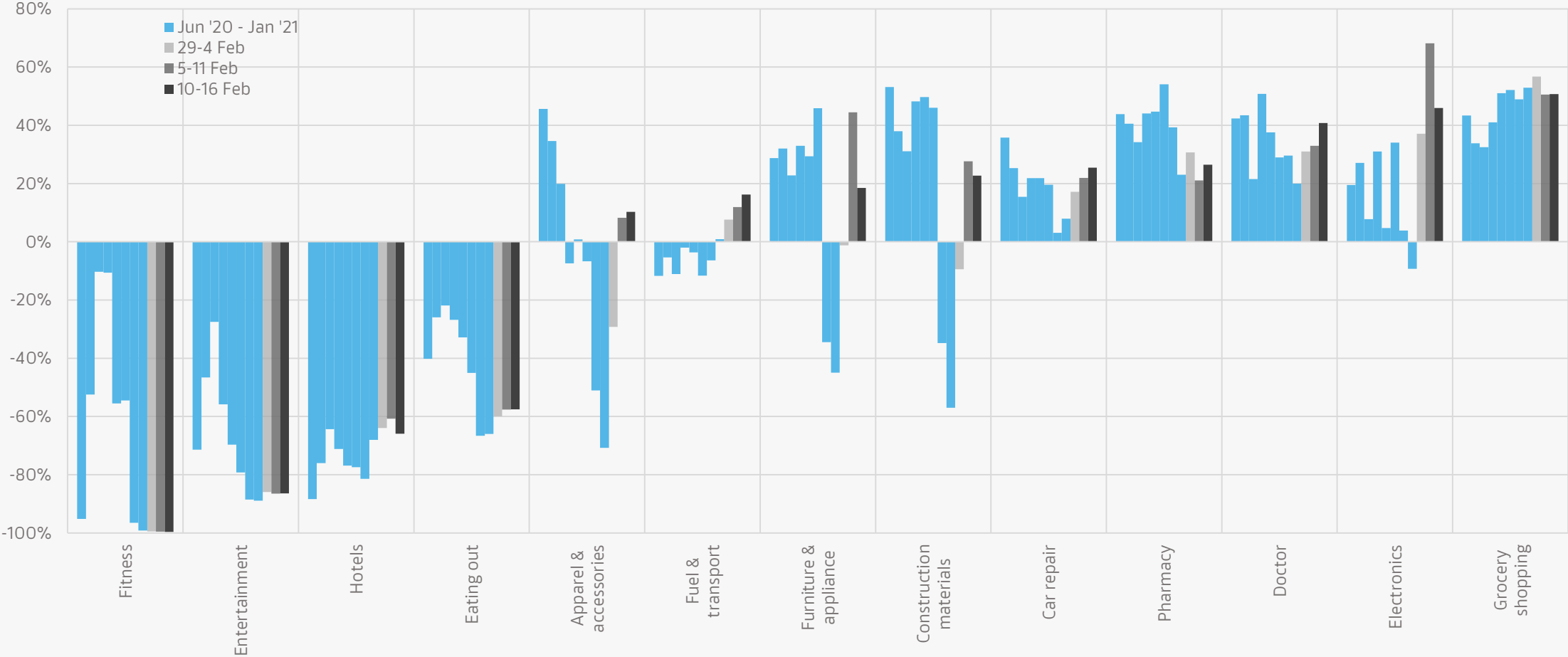


Non-cash spending on accommodation and eating out (YoY change)

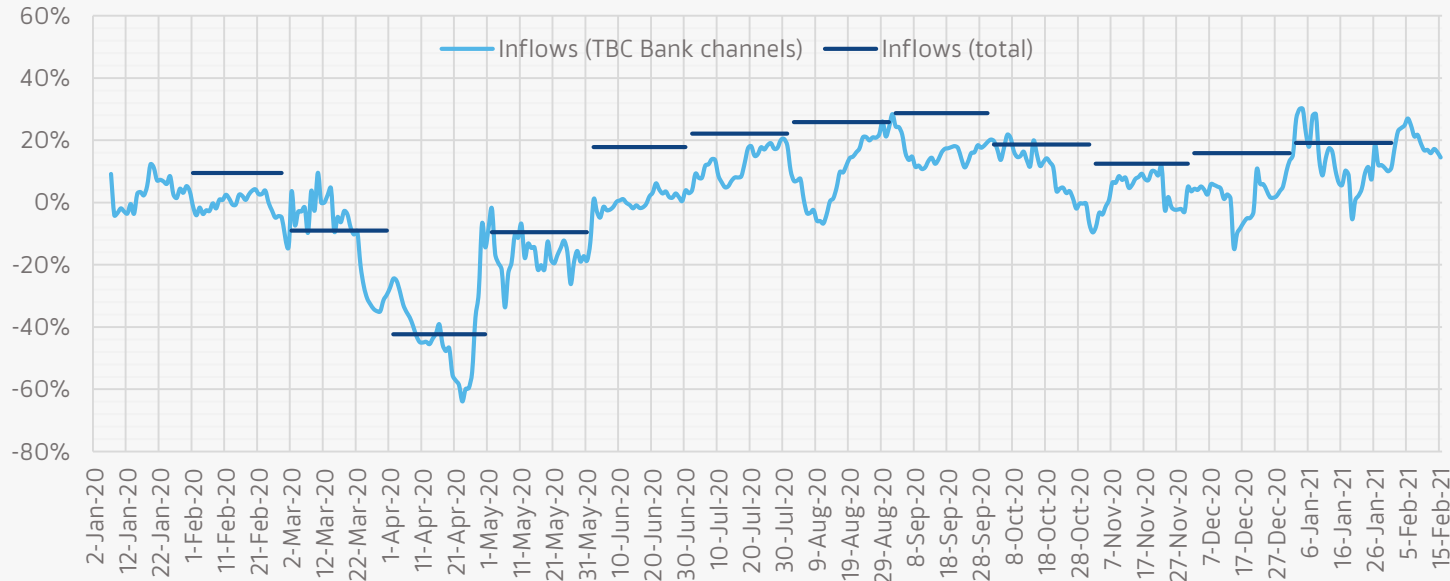


- The growth in non-cash spending in hotels stands at -66% YoY this week, a marginal decrease compared to the previous week
- Non-cash spending in restaurants remained down at 58% YoY in the 10-16 February period

Dynamics of non-cash spending as of February 16th (YoY change)



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

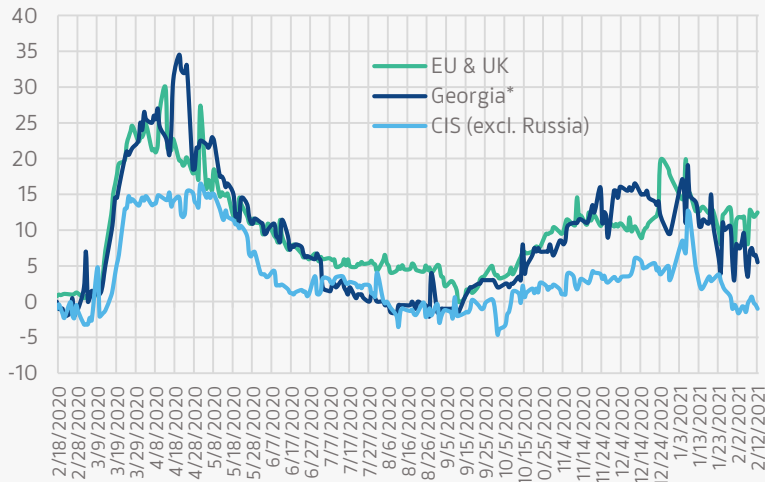


Dynamics of remittances by countries/regions (YoY %)

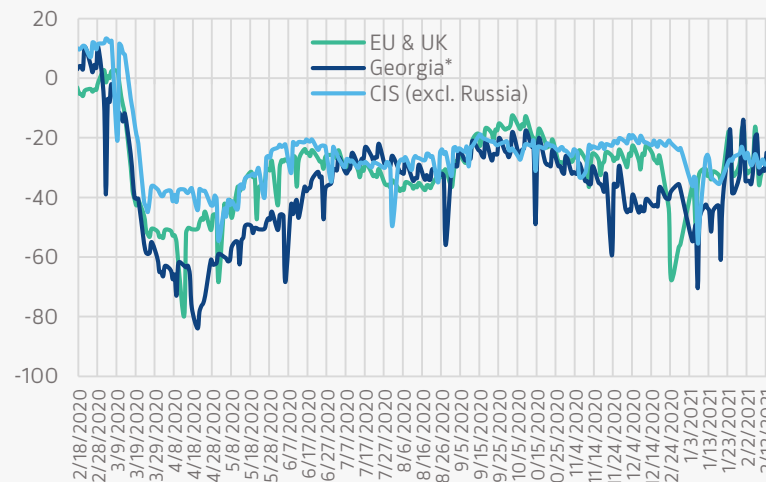
Country/Region	1-7 Feb	8-14 Feb
EU & UK	16%	17%
Middle East	-2%	-18%
North America	23%	33%
Russia	-10%	-18%
Ukraine	75%	52%
Armenia	53%	107%
Azerbaijan	99%	130%
TOTAL	21%	16%

- The growth in total inflows through TBC channels decreased marginally compared to the previous week, standing at 16% YoY in the 8-14 February period
- The largest YoY growths were observed in inflows from Azerbaijan and Armenia. Inflows from Middle East joined Russia on the negative growth territory
- Growth of inflows from EU & UK and North America remained positive over the last three weeks

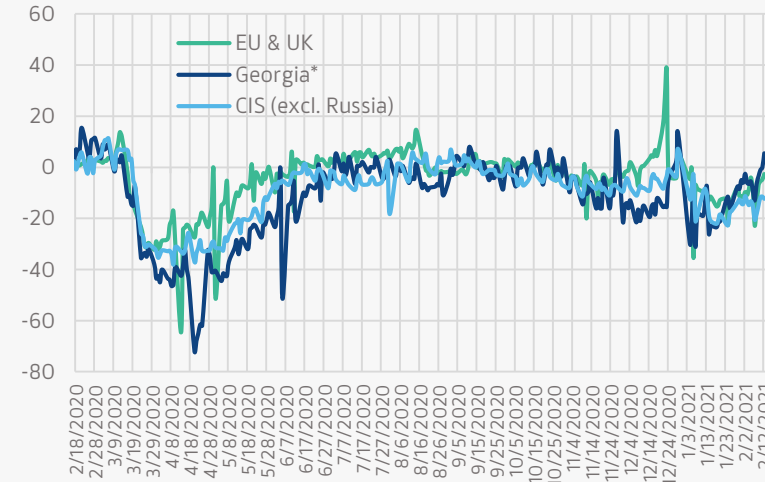
Mobility in residential area (Change %)



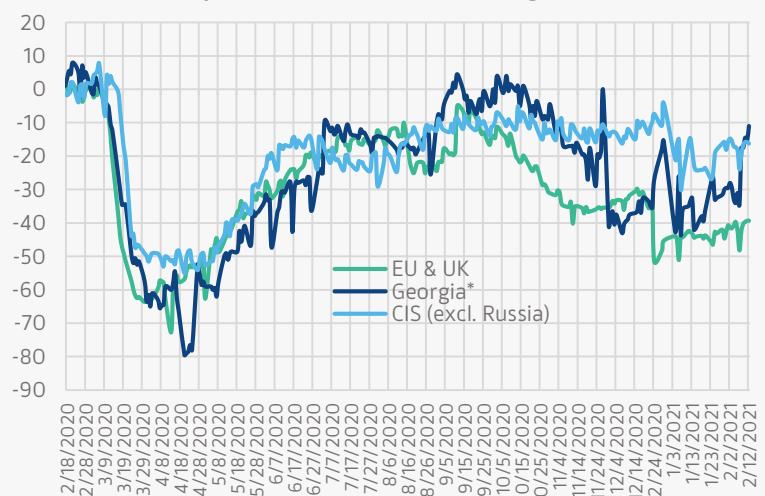
Mobility in working places (Change %)



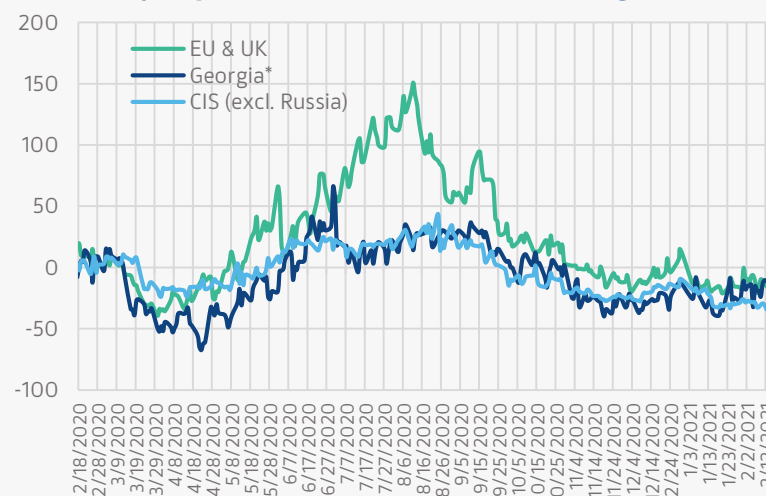
Mobility in grocery and pharmacy (Change %)



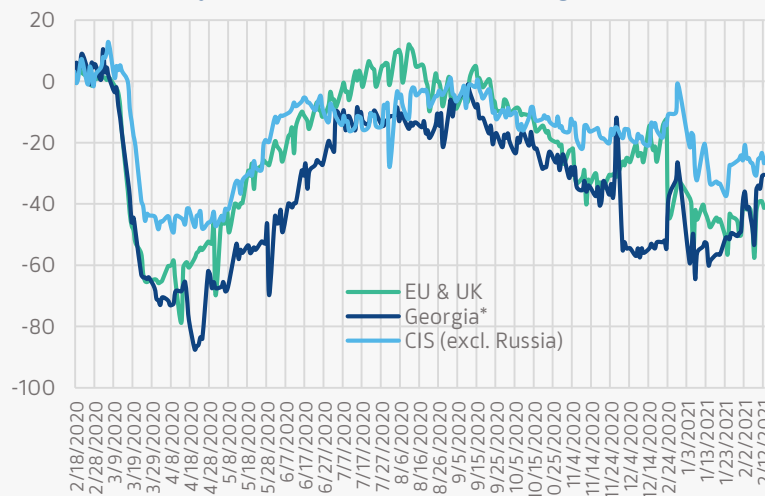
Mobility in transit stations (Change %)



Mobility in parks and recreational area (Change %)



Mobility in retail & recreation (Change %)



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