



TBC CAPITAL

TRACKING THE RECOVERY

31.07.2020

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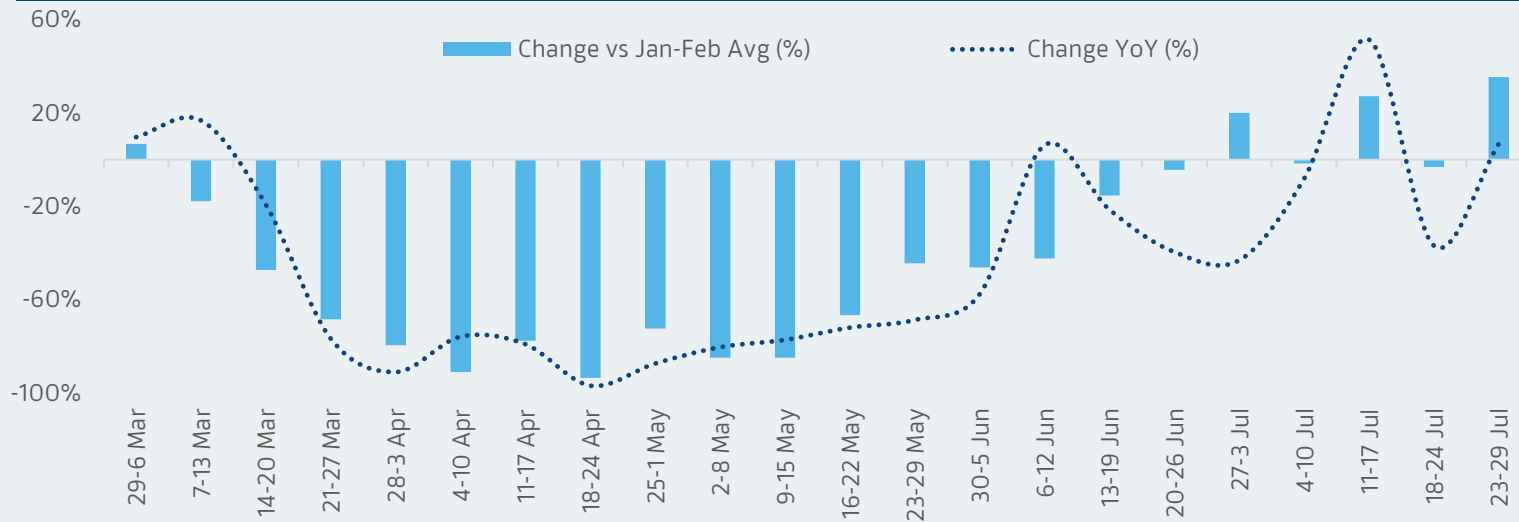
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KEY DEVELOPMENTS

- **Transaction registrations in Tbilisi are approaching a positive growth territory, currently standing at -6% YoY**
- **YoY change in mortgages stood at 7% in the week ending on 29th July. Of mortgages issued since 6th of July, 30% are beneficiaries of the state subsidy program**
- **Reservations for July indicate a 4% occupancy in Tbilisi, 15% in Batumi, 37% in Kakheti and 19% in other regions (including Kutaisi, Borjomi, Kazbegi)**
- **Occupancies are lower for SME hotels, although Kakheti leads the grid with 22%**
- **Improvement observed in non-cash spending in restaurants, with the growth standing at -23% in the fourth week of July**
- **Remittances inflow in TBC remain on the positive growth territory, standing at +18% YoY during 20-26th July**
- **Google mobility index mostly displays a recovery, except for working places and transit stations**

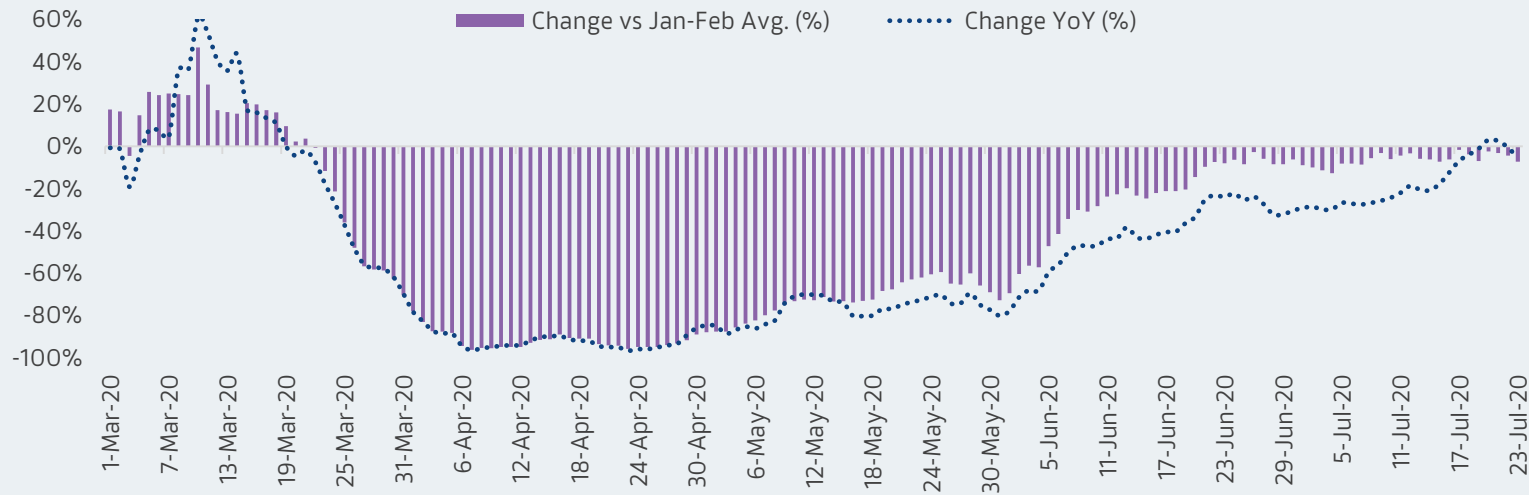
*Sector growth is based on POS and E-commerce payments through TBC channels; Growth rates may differ from total turnover dynamics due to the changing share of non-cash transactions and TBC market share

Dynamics of new mortgages issued (% Change, FX Adjusted)

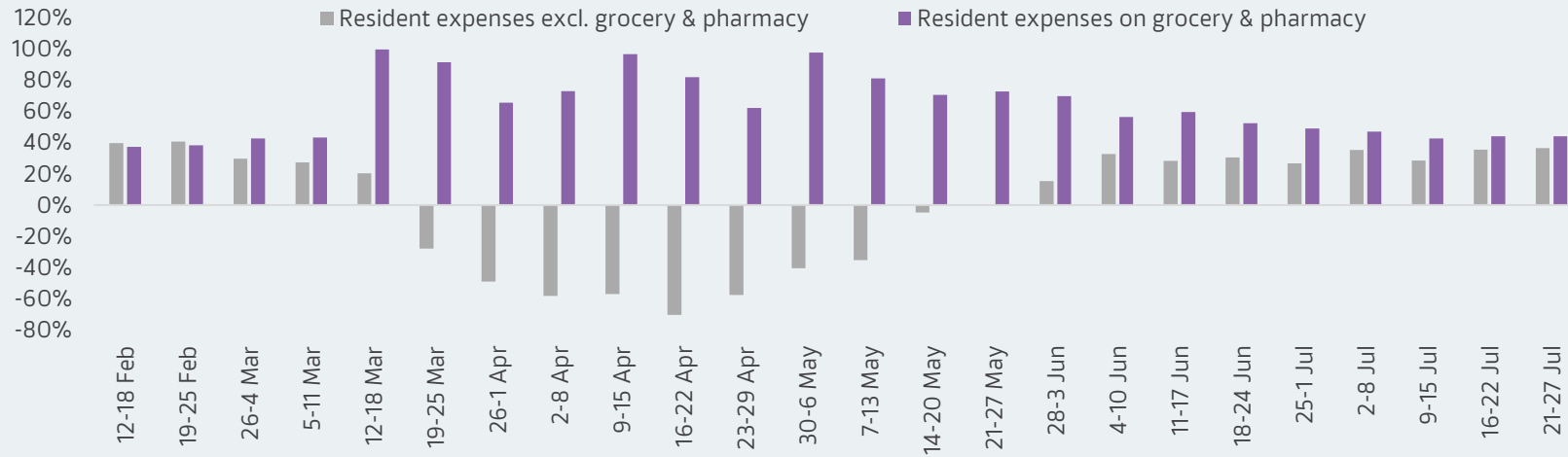


- YoY change in mortgages stood at 7% in the week ending on 29th July. New issuances remain on a growth trend from the beginning of the month
- Of mortgages issued since 6th of July, 30% are beneficiaries of the state subsidy program
- The 7 day moving average of the transaction registrations in Tbilisi is approaching the 2019 level, currently standing at -6% YoY, compared to -18% in the previous week

Dynamics of the number of apartments sold in Tbilisi (7 day MA, % Change)

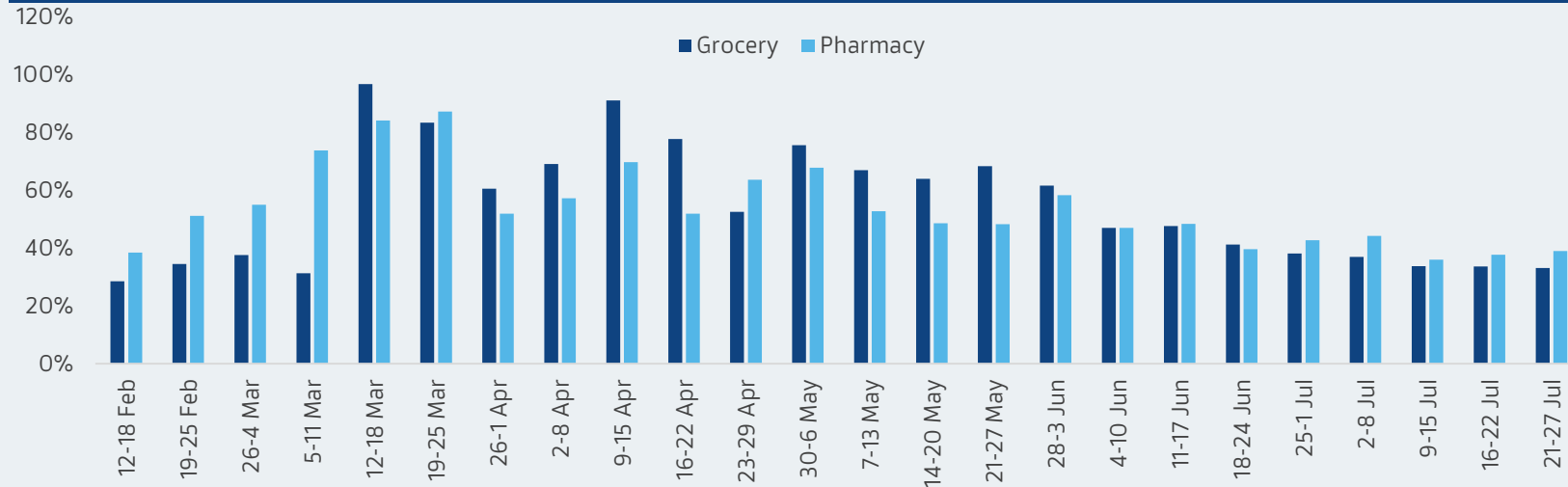


Resident non-cash spending (YoY change)



- Growth in resident non-cash spending on non-grocery & pharmacy items increased to 37% YoY
- Growth remains sizable in non-cash spending on grocery and pharmacy at 33% and 39% YoY, respectively

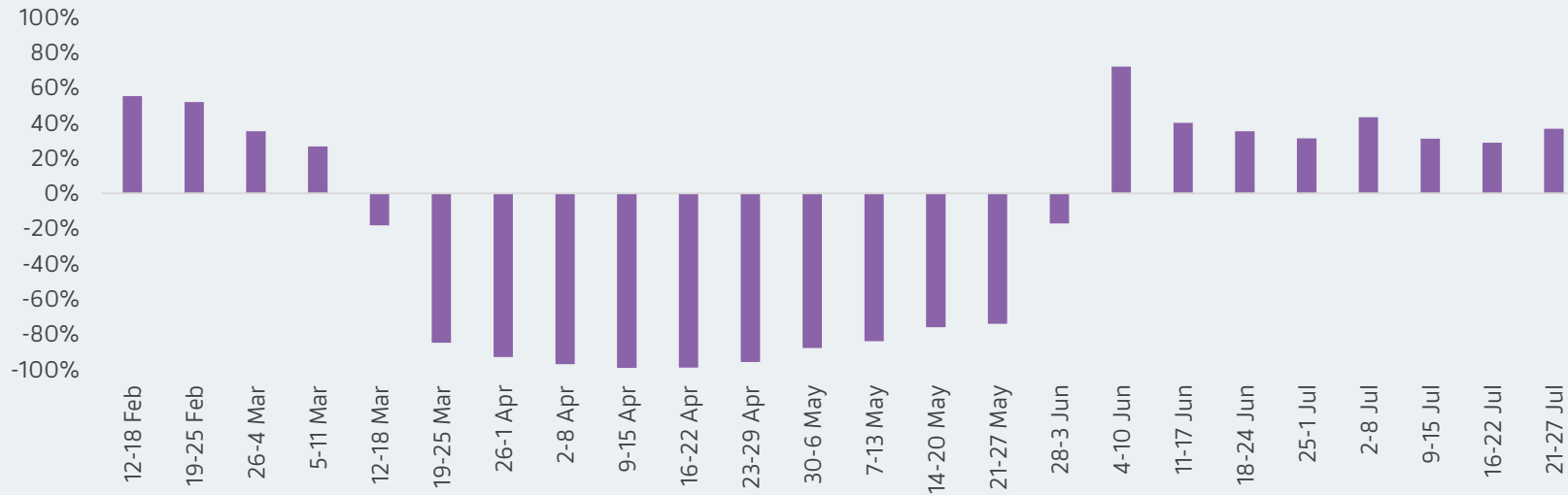
Total non-cash spending on grocery shopping and pharmacy (YoY change)



Source: TBC Bank

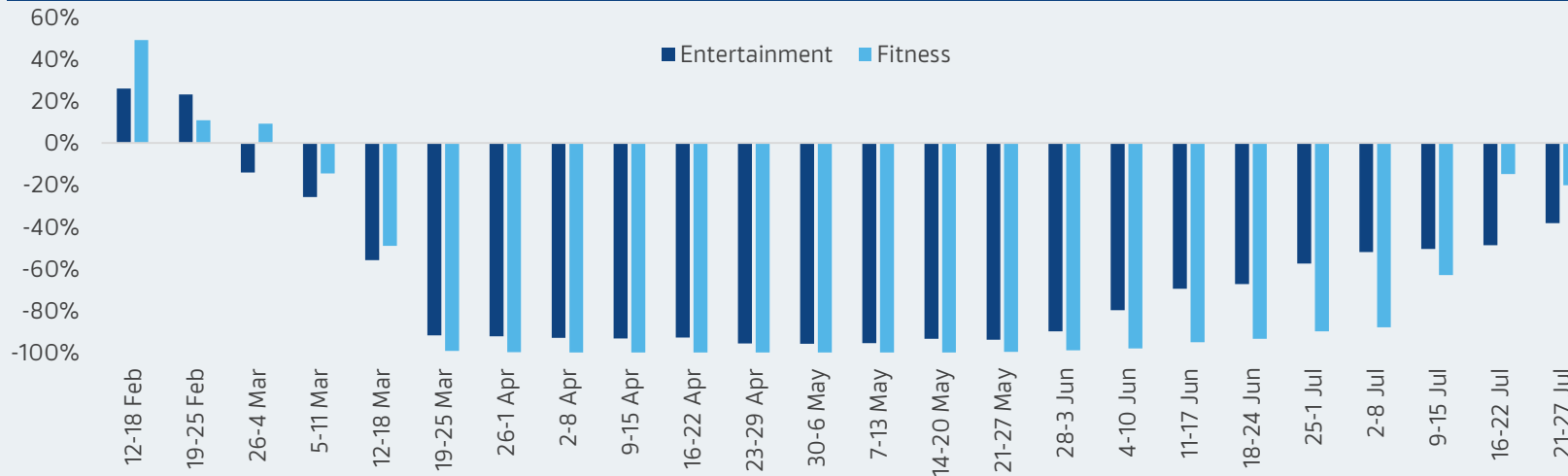
NONCASH PAYMENTS: ENTERTAINMENT CONTINUES A STABLE RECOVERY; FITNESS SHOWING A NOTICEABLE IMPROVEMENT 5

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

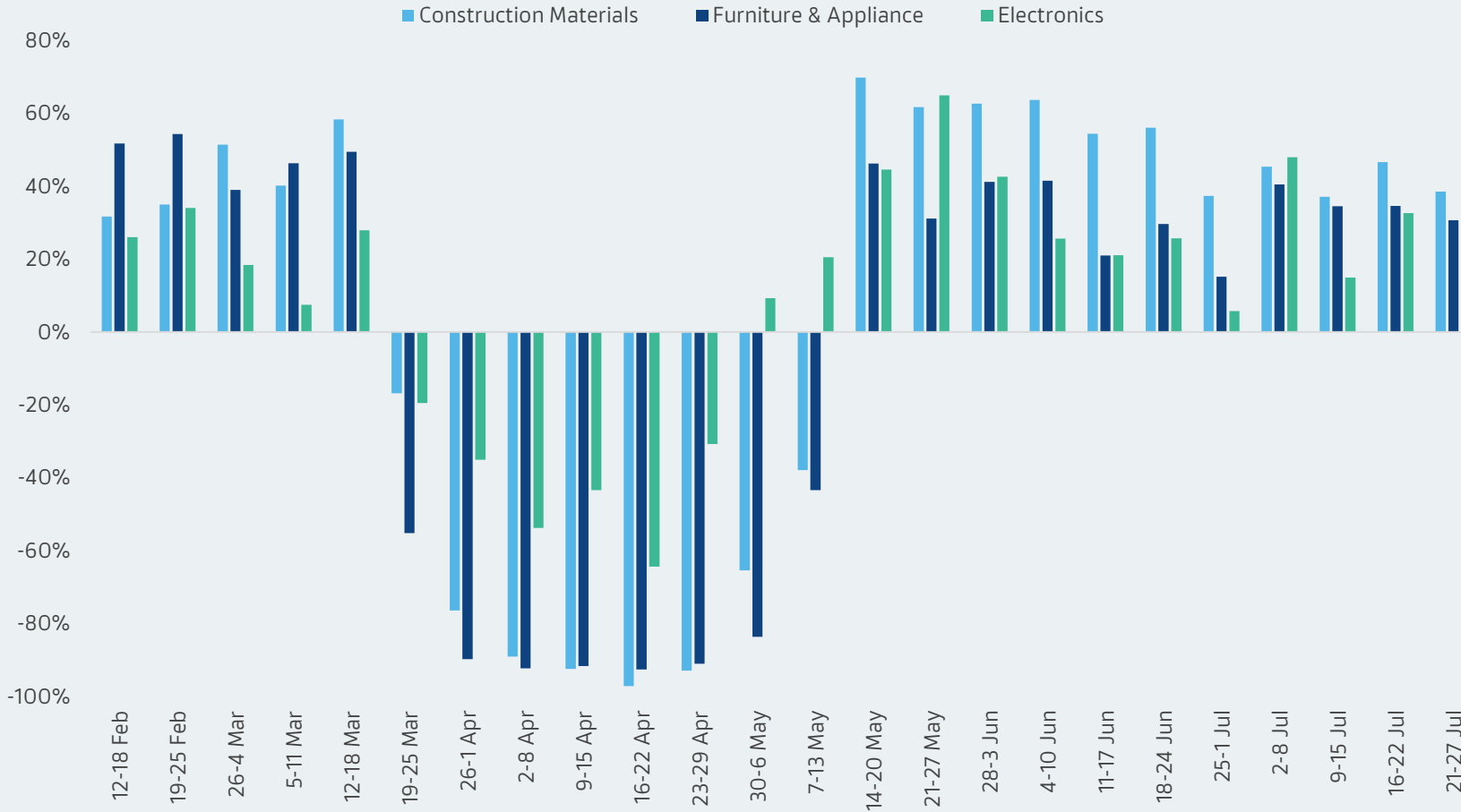


- The non-cash transactions in apparel increased slightly from last week and stood at +37% YoY in the fourth week of July
- Change in spending on entertainment continues improvement, currently standing at -38% YoY
- Non-cash spending on fitness already reflects the ease of regulations and shows noticeable improvement at -20% YoY in the fourth week of July but decreased slightly from the last week.

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



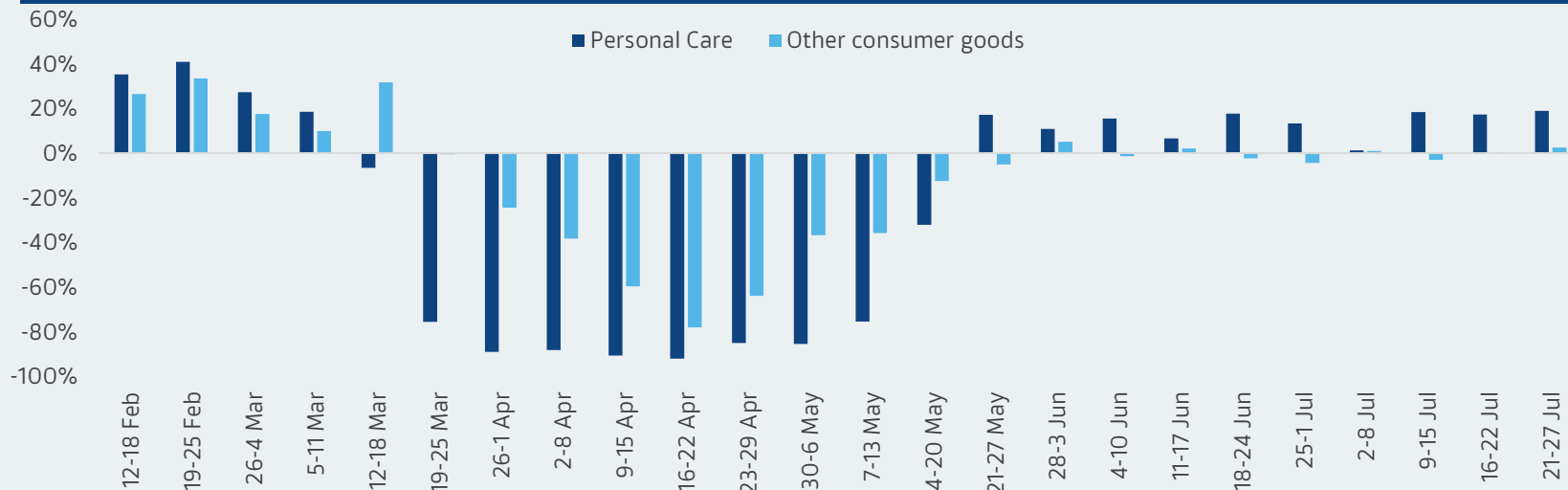
Non-cash spending on construction materials and consumer durables (YoY change)



- Non-cash spending on construction materials maintains a solid growth rate at +39% YoY
- The week was slightly weaker for non-cash spending on furniture and appliances, standing at 31% YoY in the fourth week of July, compared to 35% in the last week
- Growth in non-cash spending on electronics down compared to last week, currently at 24% YoY

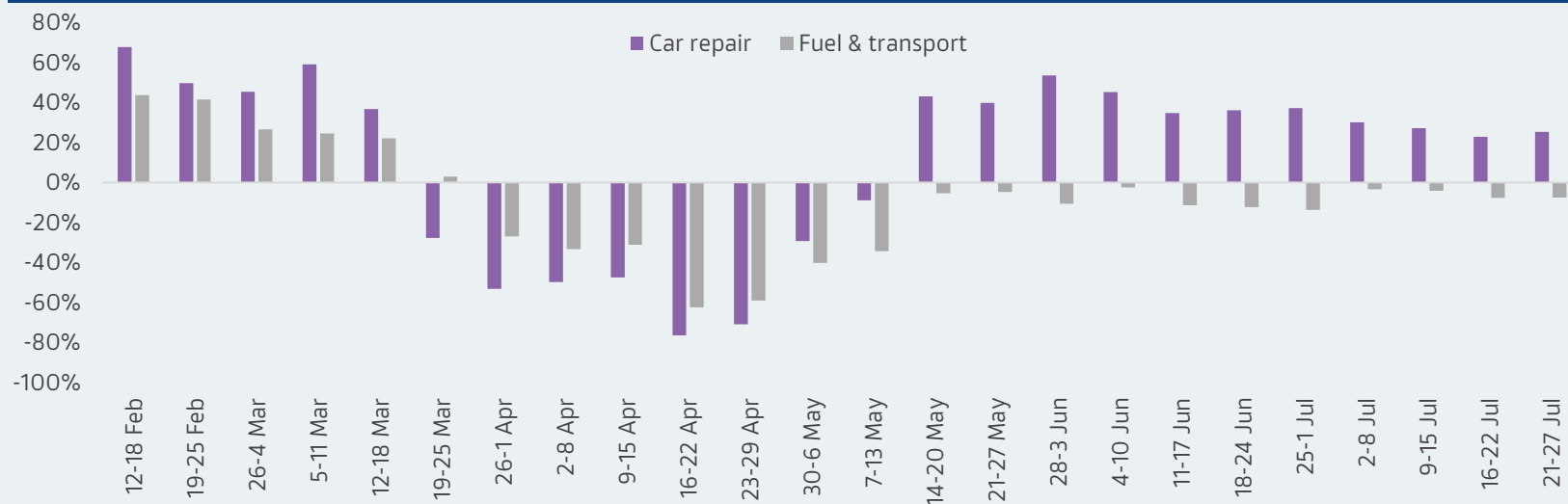
NONCASH PAYMENTS: SPENDING ON PERSONAL CARE AND OTHER CONSUMER GOODS SHOWING NO NOTICEABLE CHANGE; 7 SAME FOR FUEL AND TRANSPORTATION

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



- Growth of non-cash spending on personal care on double digit growth at 19% YoY and growth of spending on other consumer goods back on the positive territory at +3% YoY

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

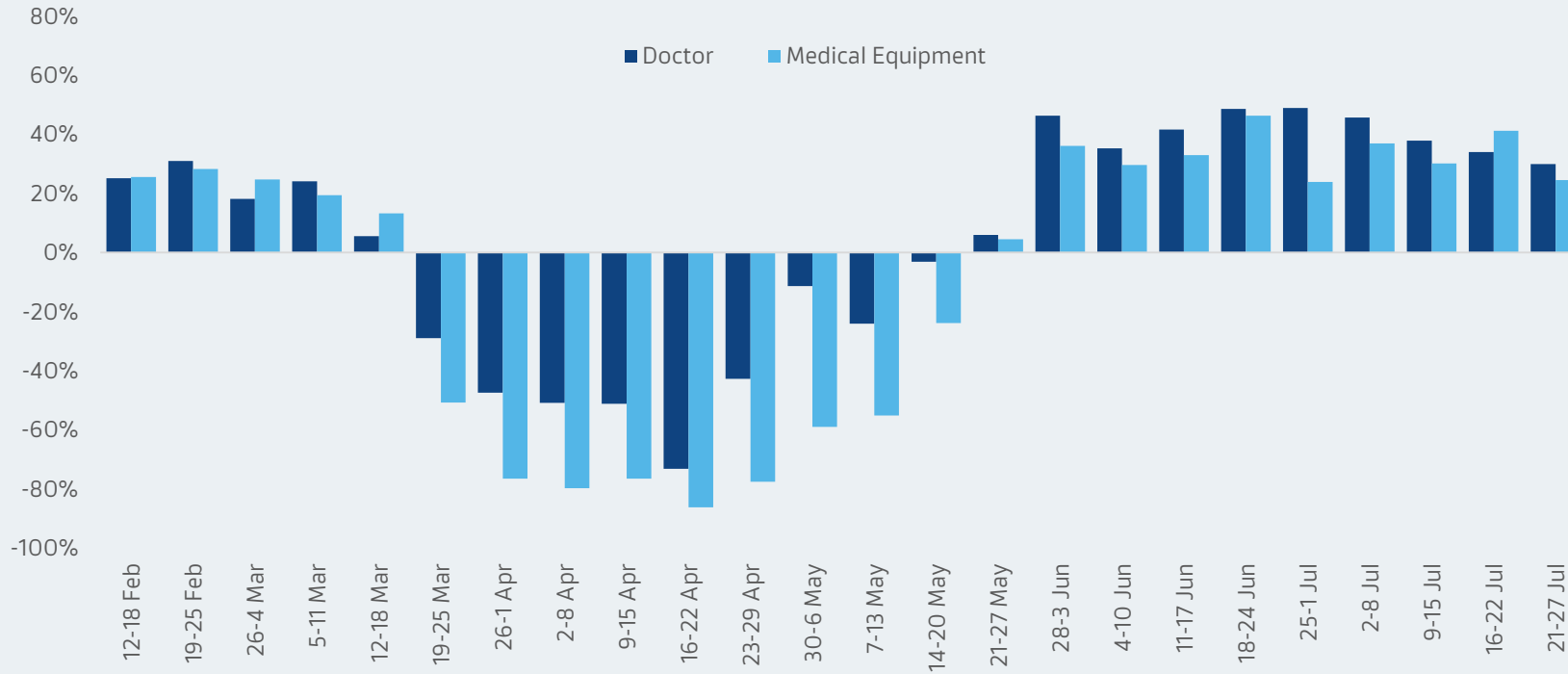


- Currently at +25% YoY, spending on car repair services maintains strong growth but has shown slight decreases for the past four weeks

- Non-cash spending on fuel at -8% YoY in the fourth week of July

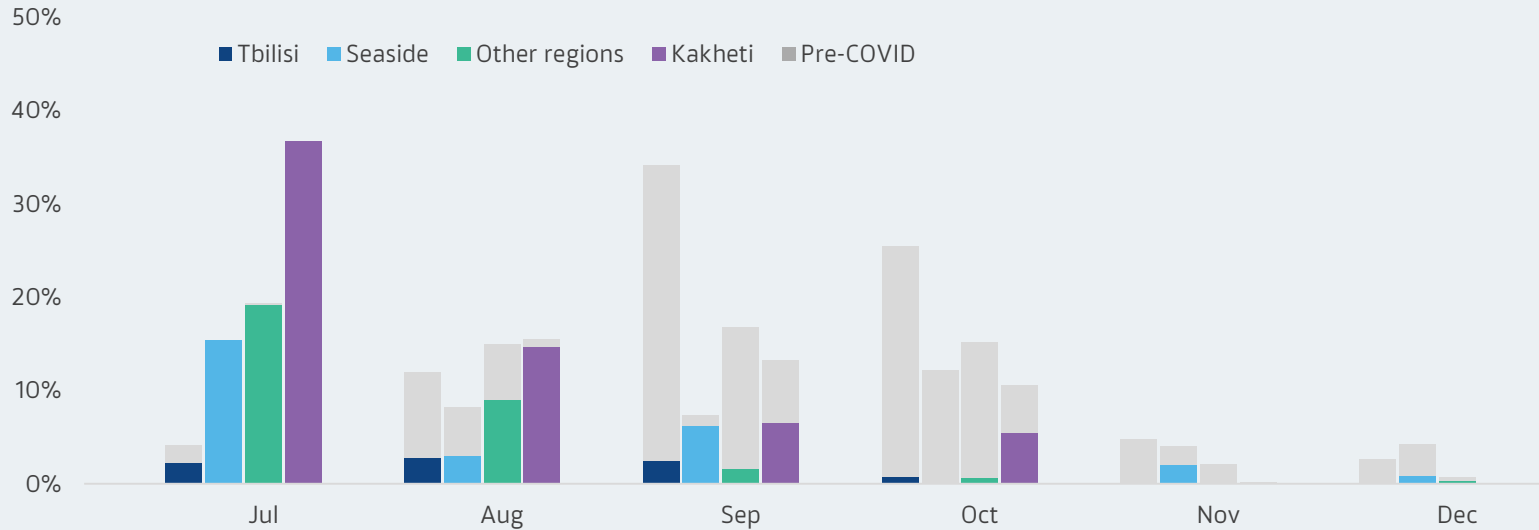
Source: TBC Bank

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

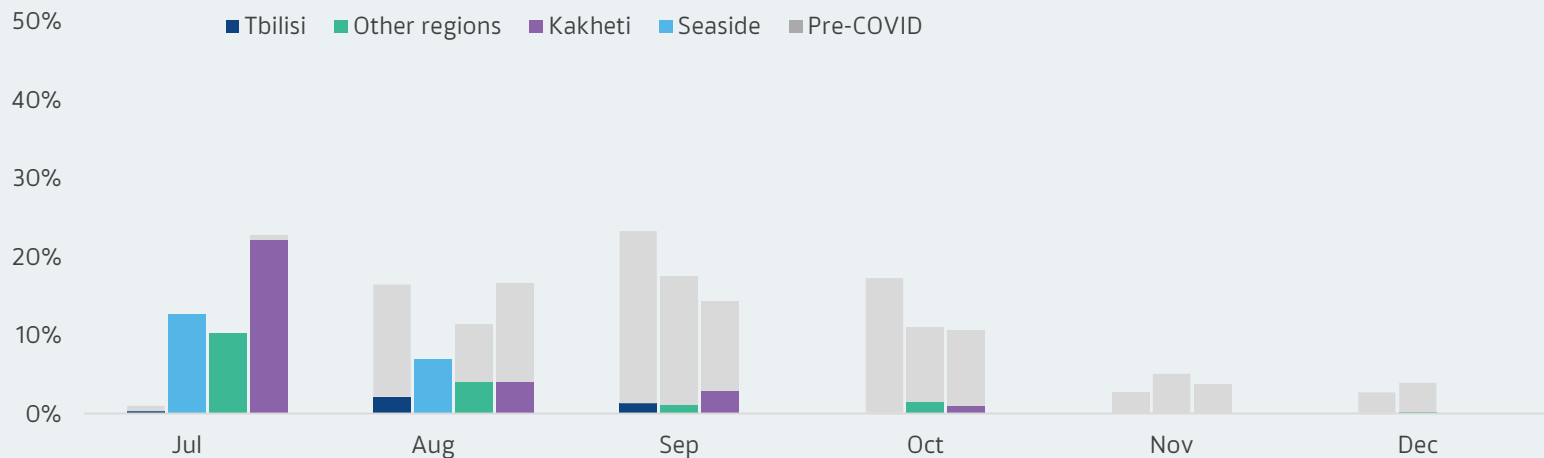


- Growth of non-cash spending on doctor visits displays strong growth at +30% YoY but decreases for the last four weeks

Forward occupancy rates (%) by current bookings in Corporate Clientele*



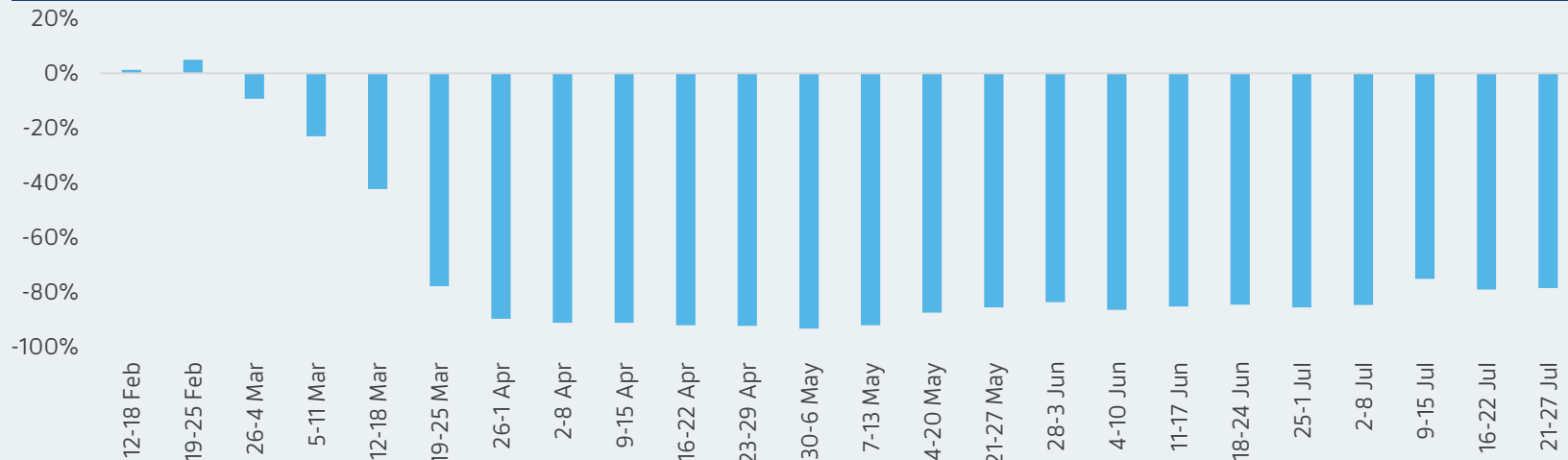
Forward occupancy rates (%) by current bookings in SME Clientele



- Current bookings:** Reservations for July indicate a 4% occupancy in Tbilisi, 15% in Batumi, 37% in Kakheti and 19% in other regions (including Kutaisi, Borjomi, Kazbegi). Occupancies are lower for SME hotels, although Kakheti leads the grid with 22%
- Change in occupancy:** As for the week's change in the occupancy** for Corporate hotels, it has grown for Seaside (+3 p.p.), Kakheti (+6 p.p.) and other regions (+4 p.p.), remaining flat for Tbilisi
- Weekend occupancy:** As compared to the last weekend, occupancies are up, averaging 56%, 28% and 27% for Kakheti, Other Regions, and Seaside respectively
- Price discounts:** Around 45% discounts in ADRs are observed in Kakheti in July, while other hotels offer relatively modest discounts

Source: Survey of 26 corporate and 20 SME hotels; *One new hotel added to the sample (Kakheti); Large number of September bookings from foreigners (Pre-COVID) were cancelled in Batumi; Pre-COVID booking shares derived from somewhat smaller samples
 **Same sample comparison;

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

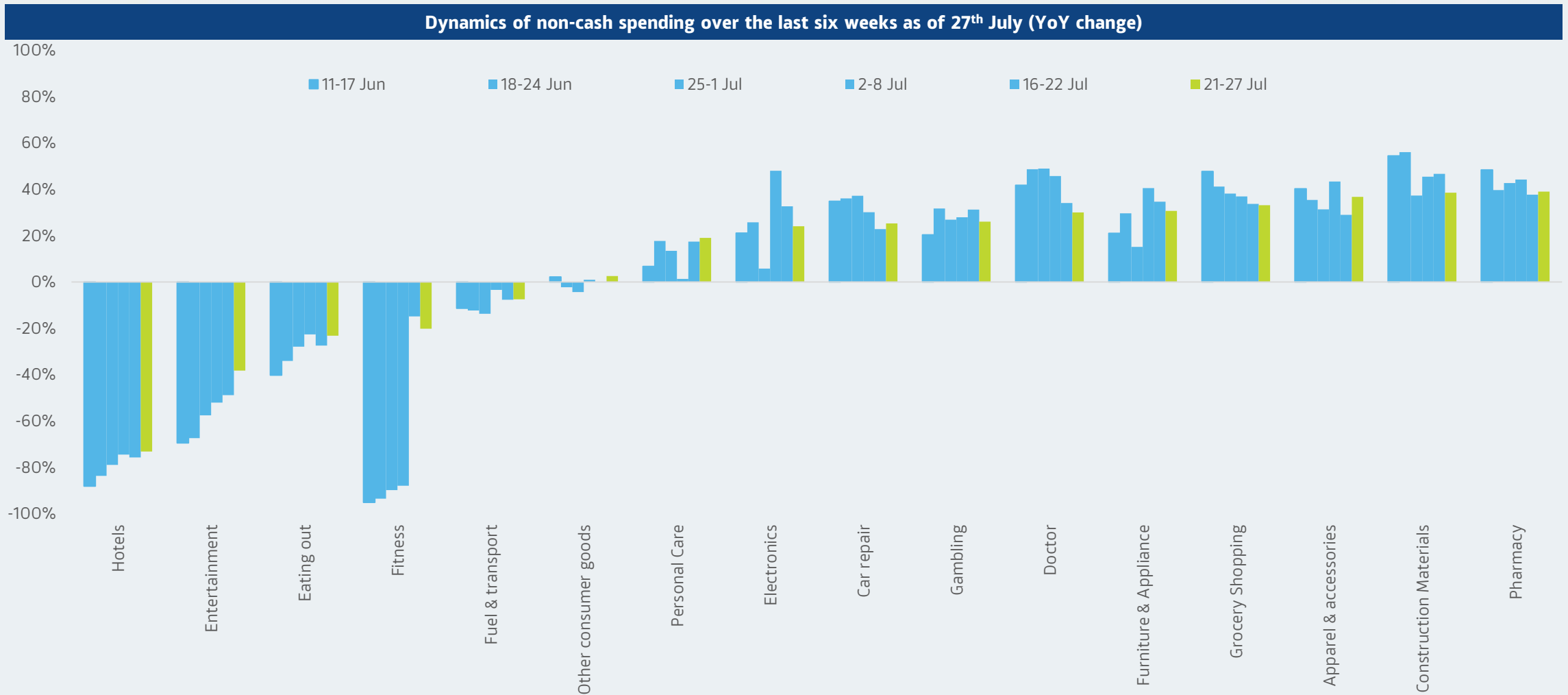


- A slight increase observed in the growth in non-cash spending in hotels at -73% YoY this week, compared to -76% YoY last week

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



- Non-cash spending in restaurants improved with the growth standing at -23% in the fourth week of July



Source: TBC Bank

Dynamics of remittances – USD volumes (7 day MA)

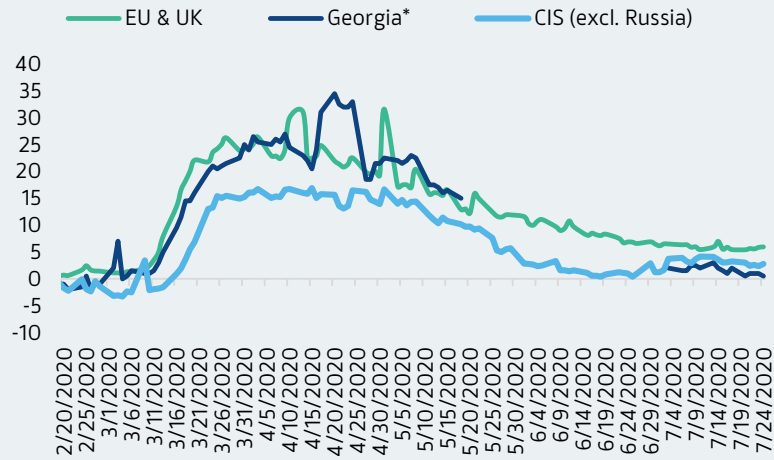


Dynamics of remittances by countries/regions – volumes

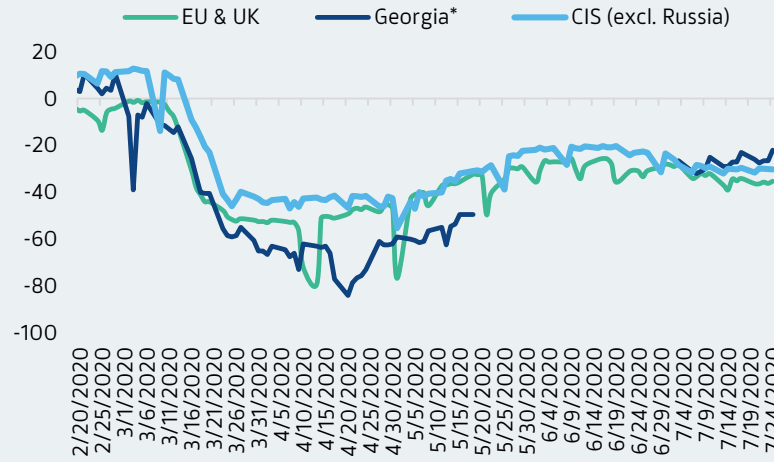
Country/Region	13-19 Jul	20-26 Jul
EU & UK	32%	31%
Middle east (Including Turkey)	10%	13%
North America	41%	32%
Russia	-4%	-7%
Ukraine	257%	208%
Armenia	152%	62%
Azerbaijan	236%	338%
TOTAL	18%	18%

- The growth in total inflows stood at +18% YoY during the seven days ending on 26th July
- Inflows from Azerbaijan and Ukraine more than doubled YoY. Armenia and North America continue solid growth. The dynamic from Russia remains negative. Transfers from the Middle East (incl. Turkey) remains to a positive YoY growth
- Inflows from EU & UK, which make up the largest share in the remittances remain on the double digit growth territory

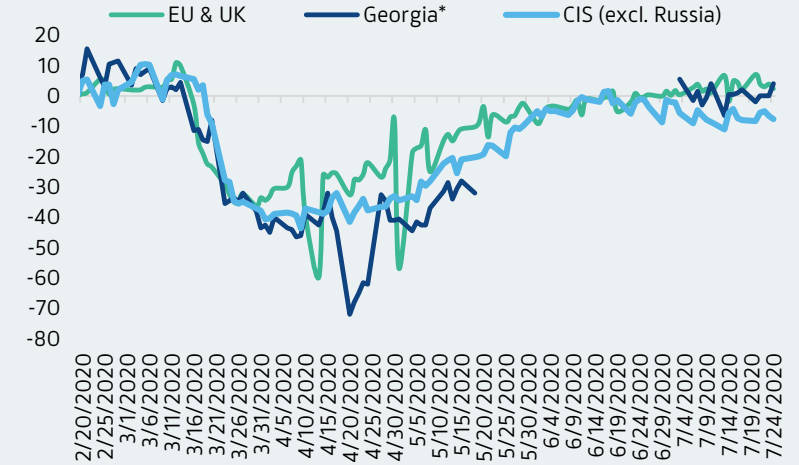
Mobility in residential area (Change %)



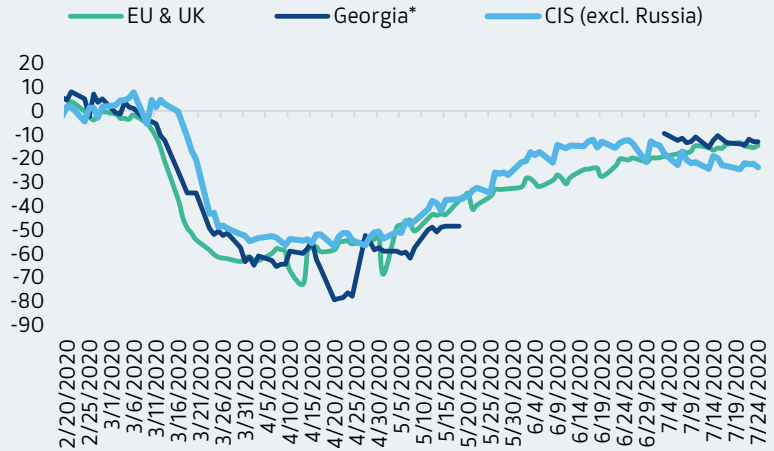
Mobility in working places (Change %)



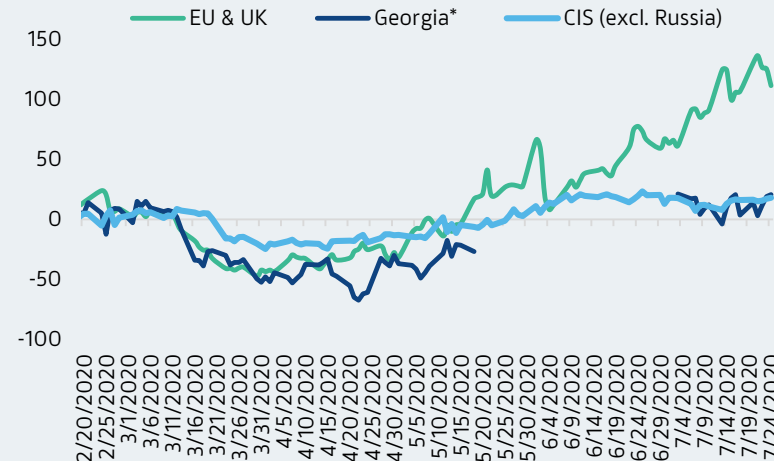
Mobility in grocery and pharmacy (Change %)



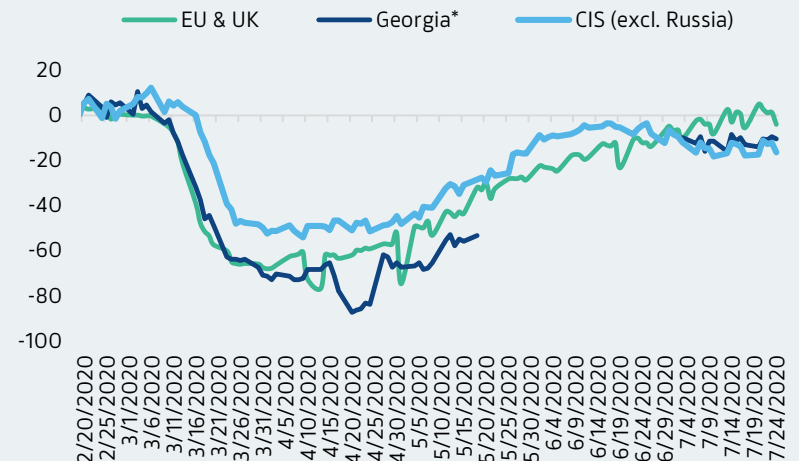
Mobility in transit stations (Change %)



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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