TBC CAPITAL

MONTHLY MACRO UPDATE – GEORGIA

Moderate temporary spillovers from the Middle East, with GEL-supportive drivers still on track

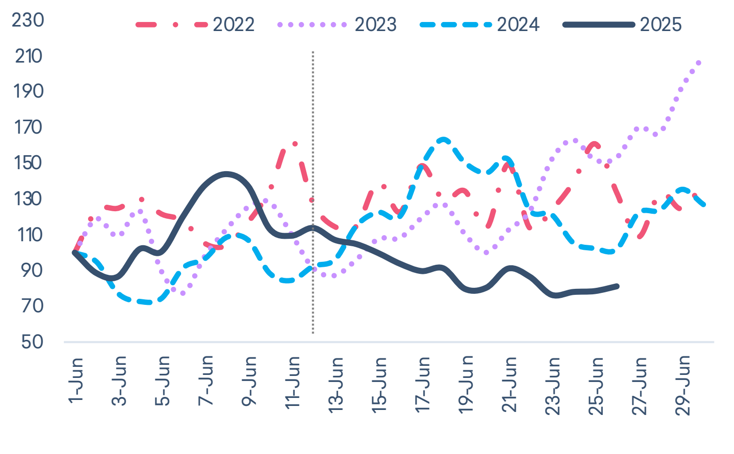
JUNE 2025

TBC Chief Economist Office

Content

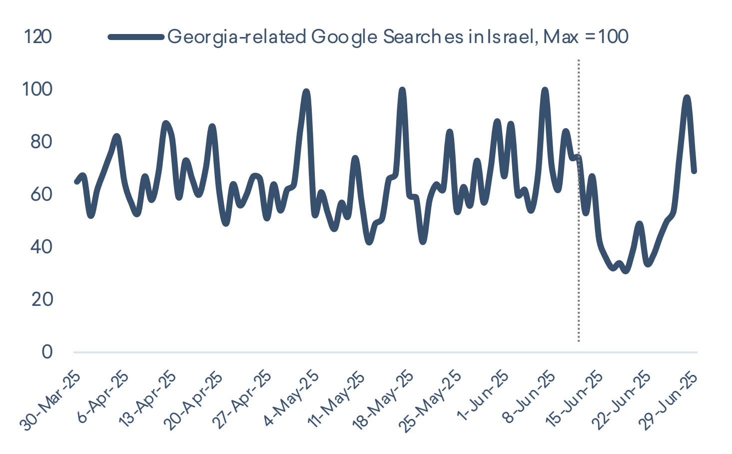
MIDDLE EAST IMPACT ASSESSMENT: SHORTFALL IN TOURISM REVENUES APPEARS MODERATE, WHILE POTENTIAL MIGRATION IMPACT TO BE CONSIDERED

NON-RESIDENT TOURISM EXPENSES THROUGH TBC CHANNELS DECLINED SINCE 12 JUNE BUT HAVE SLIGHTLY TICKED UP SINCE THE CEASEFIRE



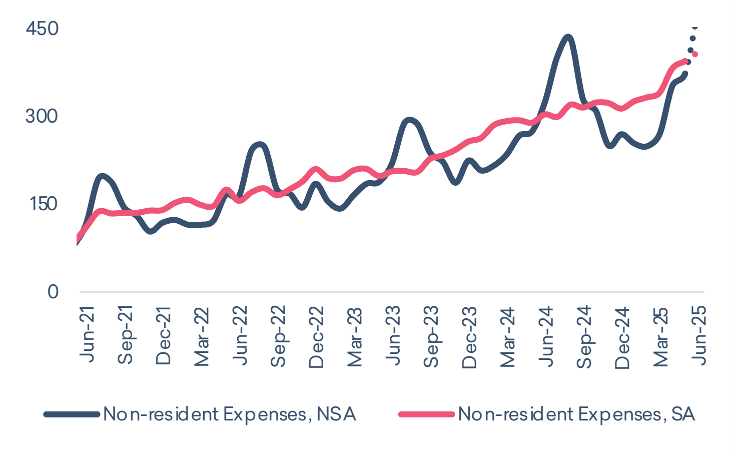
Note: Non-resident non-cash expenses in the following categories: airlines, hotels, eating out.

SO HAS INTEREST IN GEORGIA FROM ISRAEL: GEORGIA-RELATED GOOGLE SEARCHES IN ISRAEL HAVE SPIKED AGAIN AFTER THE INITIAL FALL



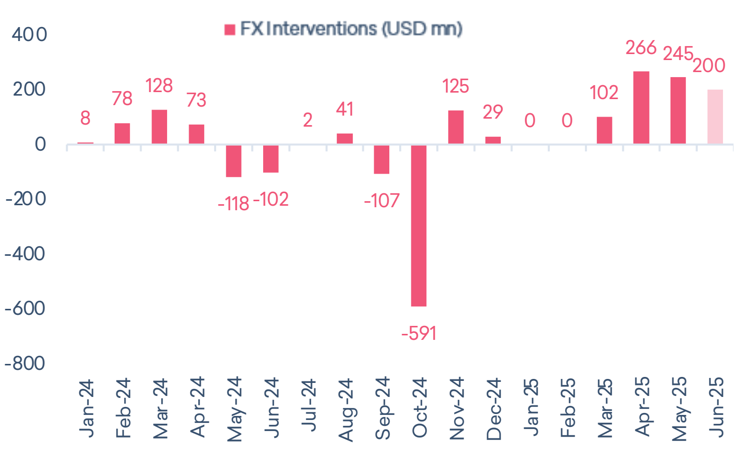
Note: Google searches from the territory of Israel related to the search topic Georgia.

OVERALL, NON-RESIDENT EXPENSES ARE SET TO POST A STRONGER JUNE COMPARED TO THE PREVIOUS MONTH, DESPITE THE BRIEF SLOWDOWN



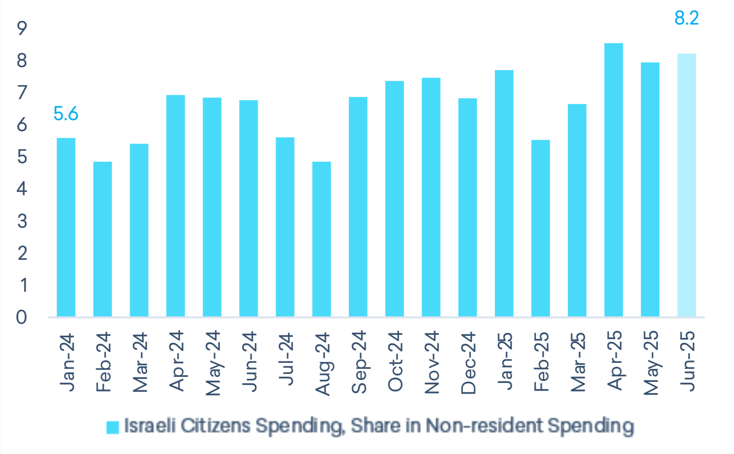
Note: Overall non-resident non-cash expenses through TBC channels.

PER OUR ESTIMATES, THE NBG CONTINUED SIZEABLE INTERVENTIONS IN JUNE, ANOTHER SIGN THAT THE SHORTFALL IN TOURISM WAS NOT SUBSTANTIAL



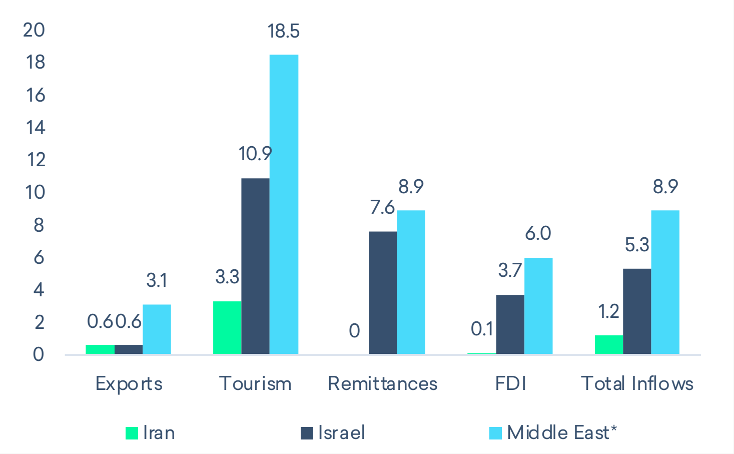
Note: The June value corresponds to the TBC Capital estimate.

POTENTIAL MIGRATION SHOULD BE CONSIDERED AS WELL, AS ISRAELI CITIZENS HAVE BEEN PLAYING A GROWING ROLE IN NON-RESIDENT SPENDING



Note: Non-resident non-cash spending in Georgia with TBC cards.

THE OVERALL DIRECT EXPOSURE TO THE MIDDLE EAST REGION IS MODERATE, ALTHOUGH LARGELY CONCENTRATED IN THE TOURISM SECTOR



Note: Middle East includes Israel, Iran, Saudi Arabia, United Arab Emirates, Egypt, Qatar, Bahrain, Kuwait, Oman, Yemen, Syria, Iraq, Jordan and Palestine

The latest escalation in the Middle East has once again raised questions regarding the spillovers for the Georgian economy. First of all, fortunately, the ceasefire agreed on 24 June appears to hold. This, naturally, limits the scope for any further major spillovers. Nevertheless, the fortnight of intense conflict has inevitably had spillover effects on Georgia, particularly on the highly sensitive tourism sector. In the early days of the flare-up in hostilities, we published our assessment of the principal channels of impact. Now that both Israel and Iran have opened their airspace and other restrictions have gradually eased, we attempt to assess in real time just how significant the immediate effect has been on the Georgian economy.

High-frequency data – including coincident indicators, Google searches and our estimates of NBG interventions – indicate a slowdown in tourism revenues, albeit moderate, with a somewhat bounce-back already visible following the ceasefire. At the same time, reflecting the lagged passthrough, fuel prices in Georgia have increased in the past few days. There are two particular direct channels of impact that we have highlighted in the context of Middle East tensions multiple times and, as such, our readers are well-versed in: foreign currency inflows and oil prices.

Based on our coincident indicators, namely non-resident non-cash spending data, a deceleration is indeed evident in tourism expenses since 12 June. However, the decline does not appear substantial. In fact, spending has increased slightly since reaching the bottom on 23 June. Before 12 June, non-resident expenses had been growing robustly, so much so that, as of the first three weeks, June spending is set to come in stronger than in May, despite the slowdown. Moreover, Georgia-related Google searches from Israel – mostly travel-related queries based on search terms – have bounced back in the past week after plunging during the active conflict. Israel and the broader Middle East region are an important source of FX inflows in Georgia, accounting for 5.3% and 8.9% of total inflows in the last four quarters respectively. At the same time, the vast majority of these inflows were tourism revenues, with c. 11% of overall tourism receipts stemming from Israel, and 18.5% from the broader region as a whole. Therefore, a prolonged conflict could have represented a significant downside for the tourism sector. That the shortfall in tourism revenues was not substantial is also evident from our estimates of NBG USD-buying interventions, which, per our assessment, have continued in sizeable amounts in June, including in the second half of the month, highly unlikely had foreign currency inflows fallen sharply. Furthermore, when discussing tourism downsides, the migration impact also needs to be considered. In this regard, while too early to assess the current episode due to a lack of data, we note that in 2023 we saw lower tourism expenditures as such from Israel, but higher consumer spending by Israeli non-residents, likely related to positive migration spillovers. In fact, while difficult to precisely quantify, there has been some evidence of a somewhat higher interest in the Georgian housing market from the Middle East in the span of the past couple of weeks. The share of Israeli citizens' expenses in non-resident spending with domestic cards, a reliable proxy for migration, has kept rising lately, indicating the growing importance of potential migration-related spillovers in this regard.

As for oil prices, the initial surge following the resumption of hostilities has been followed by a comparable plunge after the announcement of the ceasefire, with oil now trading close to pre-escalation levels. In general, Georgia, although a net commodity importer, gets even more inflows from commodity exporters, leading to a broadly balanced or maybe even somewhat positive net exposure to oil prices. Therefore, the passthrough from higher oil prices is not necessarily negative for either net inflows or economic growth, although the source of the shock and the magnitude of the price hike are certainly key variables to consider. At the same time, the drop in oil prices since April, prior to the Israel-Iran conflict, contributed a sizeable c. 0.5 percentage points to disinflation in Georgia in the past two months. Per our estimates, petrol prices in Georgia follow the world price very closely with little time lag. Indeed, prices at gas stations have increased in the past few days, albeit remain well below the April level. In light of normalization on the global markets, including transport costs, prices are likely to reduce again, absent new shocks.

However, apart from exposure to FX inflows and oil prices, which, as mentioned, are not novel arguments for our readers, there is an important new feature: the fact that the USD appears to have lost – or, perhaps more mildly, has been losing – the safe haven currency status. Usually, during such episodes of heightened risks, the USD tends to appreciate, benefitting from safe haven inflows. However, this time the greenback strengthened only marginally, gaining c. 1% in the early hours of 13 June, before losing ground immediately again in the aftermath. We have been highlighting that the USD has been displaying emerging market currency traits lately, an important break from historical dynamics and a challenge to the USD status as the world reserve currency.

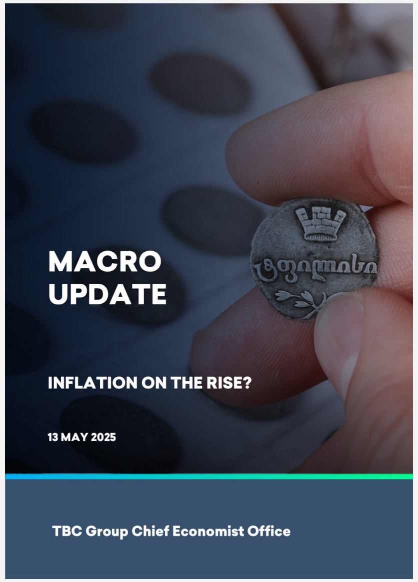
What does this mean for us in the context of the GEL/EUR/USD strategy? What would usually have been a recommendation of borrowing less in USD, due to expected appreciation from safe haven inflows, is now on the opposite side. This is important to consider for businesses as, while the safe haven status implies a stronger currency during bad times, the combination of lower sales/profitability and higher debt is certainly undesirable. That said, the recent EUR strengthening implies relatively more optimal borrowing in the EUR as well. All in all, what is our updated recommendation? On the one hand, the recent EUR strengthening is an argument for borrowing more in the EUR, even if to a lesser extent due to the change in the USD safe haven status. On the other hand, when taking up FX risk, the USD share should still be higher than that of the EUR. This might sound complicated, but it is evident that following this strategy would have yielded enormous benefits.

Now onto other latest macro developments in the past month. Economic growth estimates once again came in higher than our expectations, inflation continues to be somewhat elevated, while the GEL-supportive factors have stayed on course and the NBG has kept up USD-buying interventions. According to Geostat, May posted real GDP growth of 7.5%. At the same time, the economic growth estimate for the first quarter was revised upwards by 0.5 percentage points to 9.8%, with the ICT, education and real estate sectors contributing the most to growth. Non-cash spending, our proxy for economic activity, continued to tick up in May and has been posting a strong June thus far, set to grow in seasonally adjusted monthly terms again.

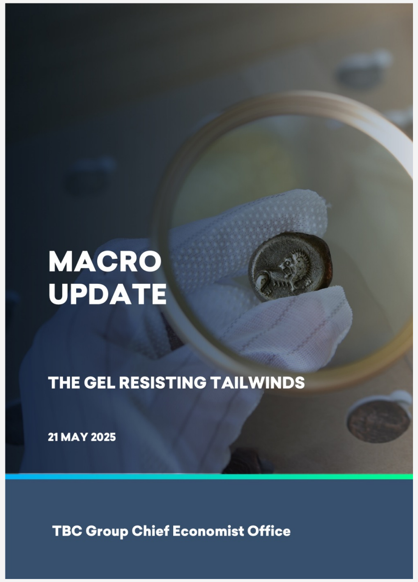
Meanwhile, inflation dynamics reveal mixed messages. Seasonally adjusted and annualized monthly inflation has been elevated in the past few months, including in May, while prices on domestic and mixed products, especially food, have also been on the rise. Conversely, prices on services, which we consider perhaps the most accurate measure for underlying pressures, was almost unchanged in May, though previously elevated. We have revised our end-year inflation forecast upwards to c. 4.5% from 4.1%, reflecting the surge in food prices which, per our estimates, is set to continue in the second half of the year, due to a combination of rising global prices, which has a significant passthrough on local inflation, and domestic factors, particularly a relatively poor harvest.

As for the GEL, we highlighted three main factors generating tailwinds in our previous monthly update: strong net foreign currency inflows, a gradual reversal in deposit conversions – the "good time buffer" – and global USD weakness. All three of these drivers have remained GEL-supportive: net FX inflows improved further, GEL deposits continued to rise, net FX demand by households and legal entities eased to considerably lower levels, and the USD weakened more. Balancing these appreciation pressures, the NBG again heavily intervened in the foreign exchange market, purchasing another USD 245 million in May, bringing the total to USD 613 million in the past three months. Per our estimates, sizeable purchases have been ongoing in June, despite the likely temporary shortfall from tourism revenues.

LATEST TBC CAPITAL MACRO PUBLICATIONS



13 MAY:
INFLATION ON THE RISE?

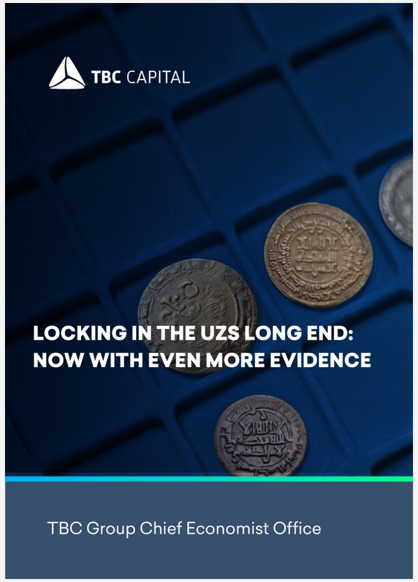


20 MAY:
THE GEL RESISTING TAILWINDS

29 MAY:
THE USD – NOW AN EM CURRENCY?

9 JUNE:
STRONG GROWTH WITH YET SLIGHTLY THOUGH ELEVATED INFLATION PRESSURES

16 JUNE:
MIDDLE EAST: ASSESSMENT OF SPILLOVERS UNCHANGED, BUT WHAT ABOUT THE USD?

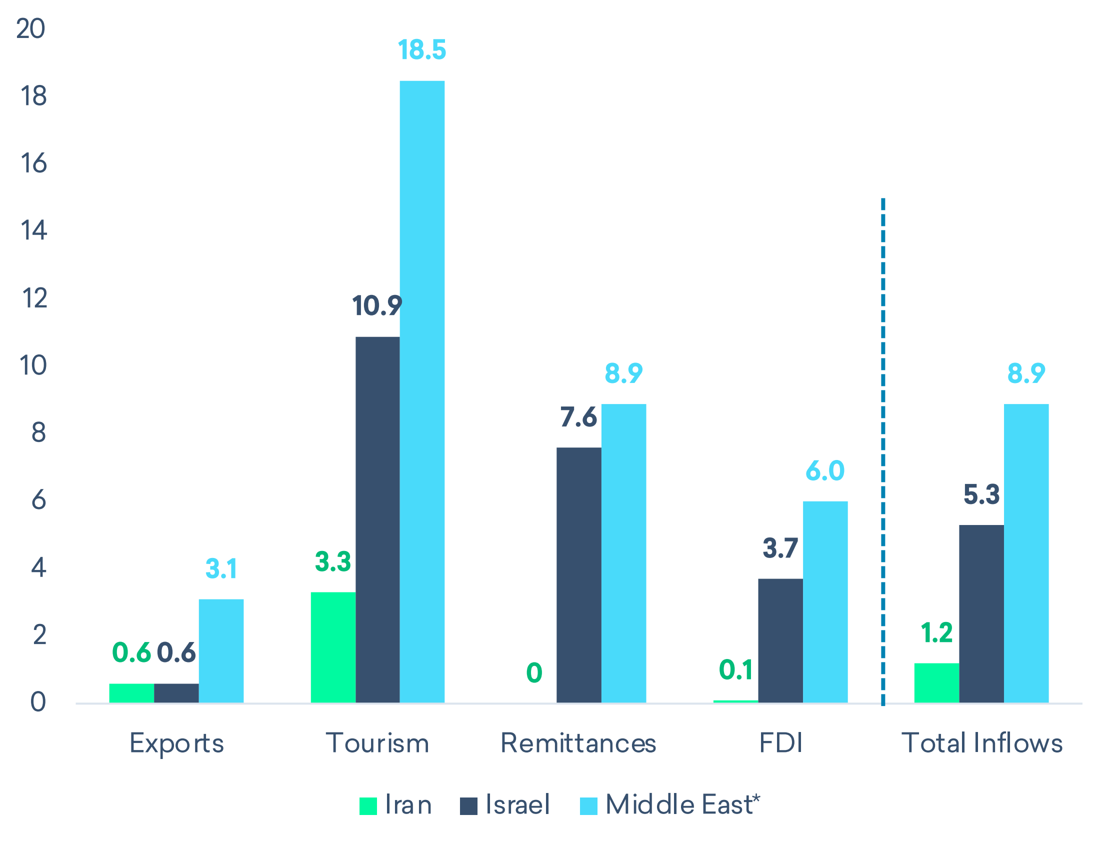


17 JUNE:
LOCKING IN THE UZS LONG END: NOW WITH EVEN MORE EVIDENCE

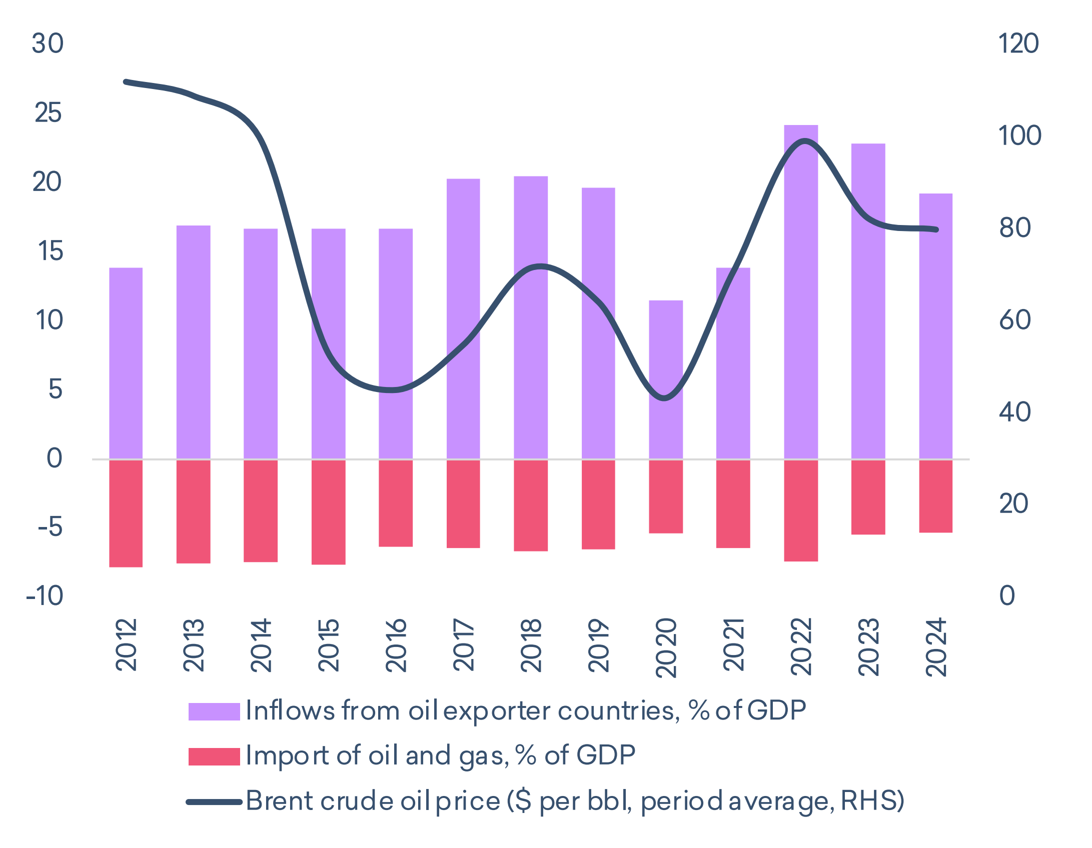
MIDDLE EAST ESCALATION – MODERATE TEMPORARY SPILLOVERS

ASSESSMENT OF SPILLOVERS FROM THE MIDDLE EAST ESCALATION UNCHANGED, AS NET EXPOSURE TO COMMODITY PRICES REMAINS BALANCED

GEORGIA'S EXPOSURE TO THE INFLOWS FROM MIDDLE EAST MAINLY STEMS FROM ISRAEL'S NOTABLE SHARE IN TOURISM AND REMITTANCES (Last 4Q, %)



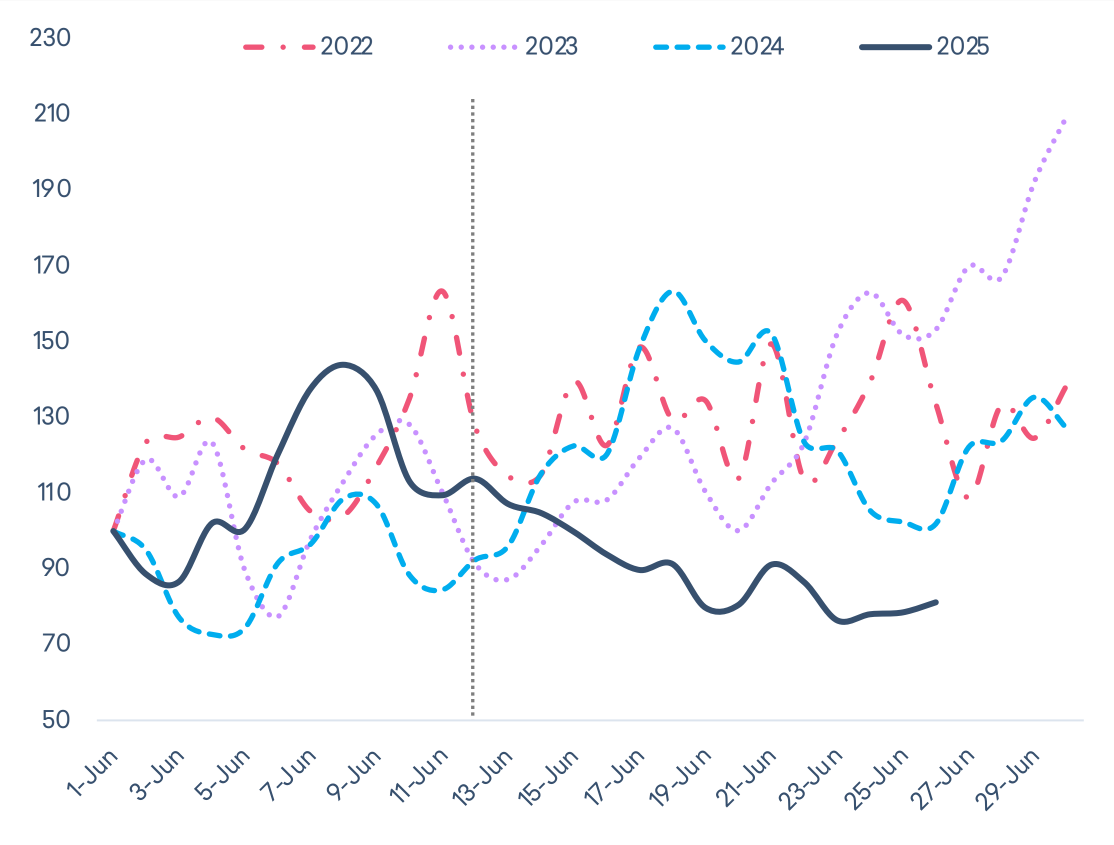
ALTHOUGH GEORGIA IS A NET OIL IMPORTER, THE COUNTRY RECEIVES SIGNIFICANT INFLOWS FROM OIL EXPORTERS



Source: Geostat, NBG, TBC Capital

THE DECLINE IN TOURISM REVENUES DOESN'T APPEAR SUBSTANTIAL, WHILE MIGRATION SPILLOVERS ALSO NEED TO BE CONSIDERED

NON-RESIDENT EXPENSES THROUGH TBC CHANNELS DECLINED FOLLOWING THE MIDDLE EAST ESCALATION, BUT HAVE SLIGHTLY TICKED UP SINCE THE CEASEFIRE (Index, 1-June-25 = 100)



Note: Non-resident non-cash expenses in the following categories: airlines, hotels, eating out.

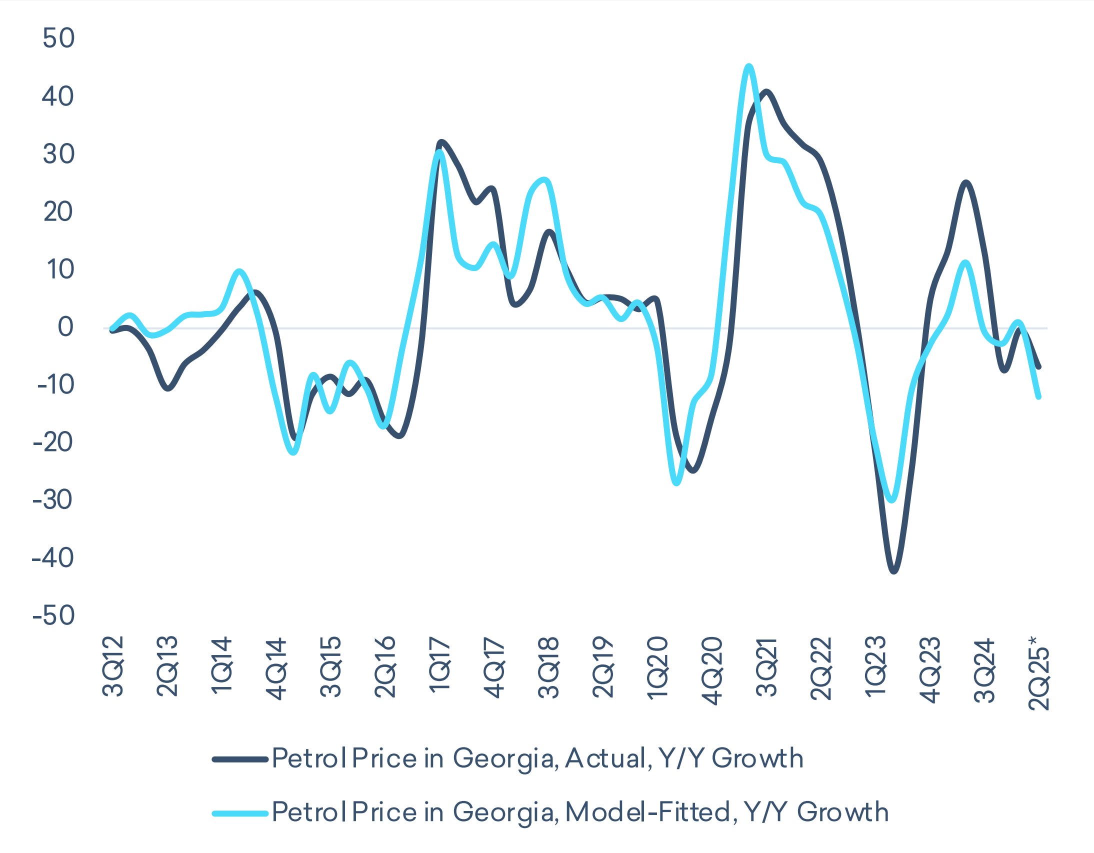
PREVIOUS EPISODES OF ESCALATION INDICATE POSITIVE MIGRATION SPILLOVERS IN PARALLEL WITH THE TOURISM DOWNSIDE (Israeli citizens' expenses by categories through TBC channels (Index, sep-2023 = 100)

Source: Geostat, TBC Capital

WORLD OIL PRICE, WHICH IS CLOSELY FOLLOWED BY PETROL PRICES IN GEORGIA WITH LITTLE DELAY, HAS BEEN ON THE DECLINE AFTER THE INITIAL SURGE

OIL PRICES SURGED IN THE WAKE OF THE CONFLICT ESCALATION, BUT HAVE BEEN ON THE DECLINE SINCE THE ANNOUNCEMENT OF THE CEASEFIRE

PETROL PRICES IN GEORGIA FOLLOW THE WORLD PRICE AND THE GEL DYNAMICS VERY CLOSELY WITH LITTLE LAG

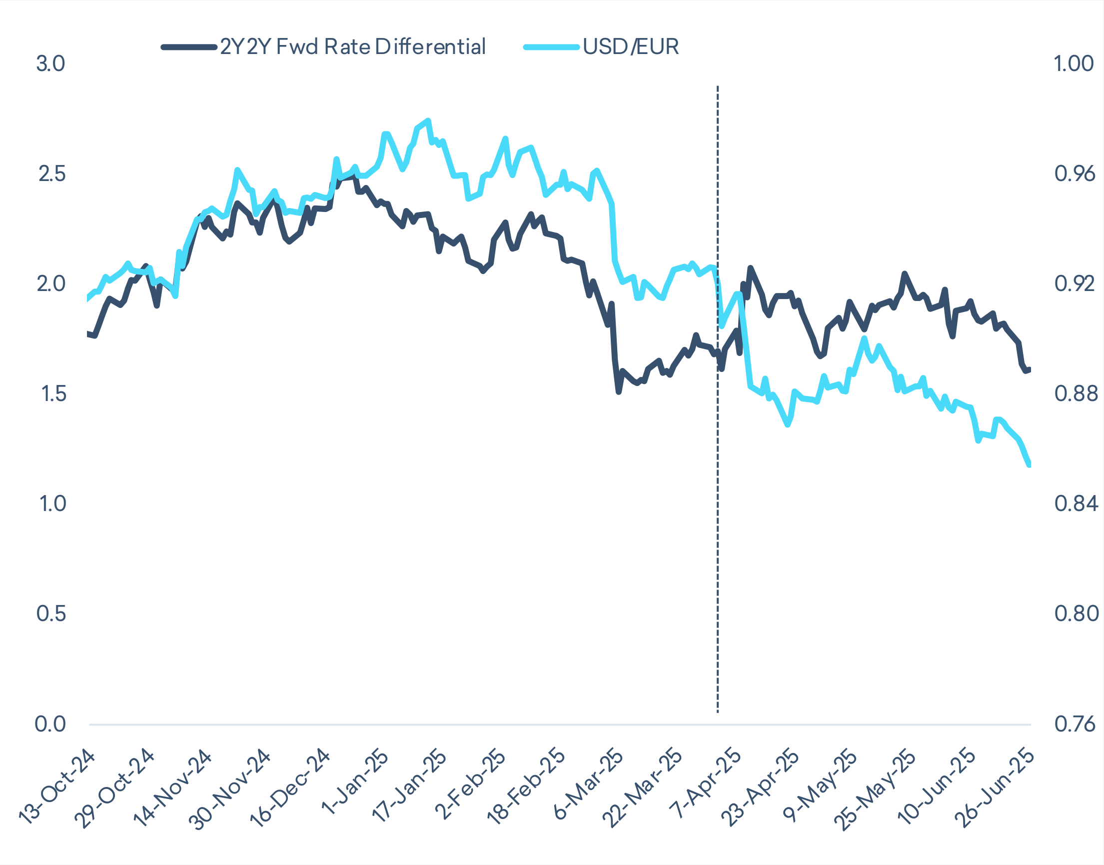


Note: The model-fitted line represents the output from a linear regression model fitting local petrol prices as a function of global prices, proxied by brent crude oil price, and the GEL exchange rate.

Source: Geostat, TBC Capital

THE MIDDLE EAST ESCALATION EPISODE ONCE AGAIN CONFIRMS THE CHALLENGES FACED BY THE USD, WITH THE SAFE HAVEN STATUS UNDER RISK

INITIALLY REFLECTING THE REPRICING OF FED RATE EXPECTATIONS, THE USD HAS SINCE DECOUPLED FROM THE INTEREST RATE DIFFERENTIAL AS WELL

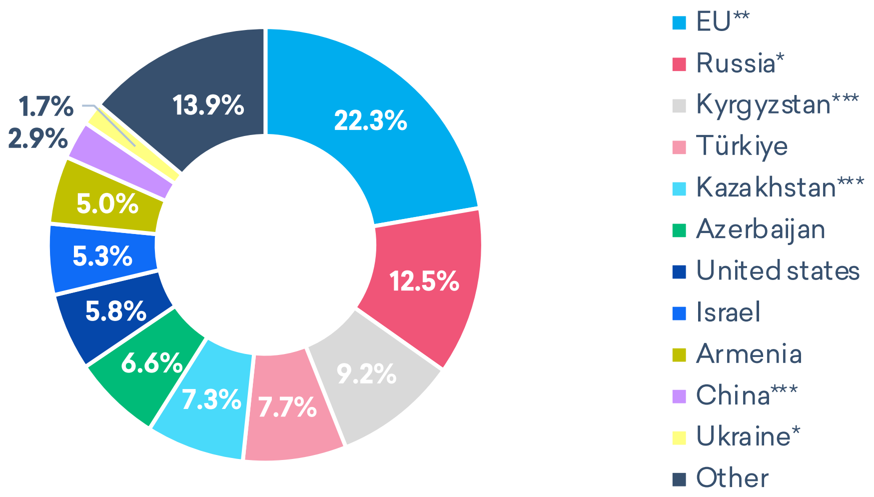


- What do the changing fortunes of the USD mean for us?
- In the context of the GEL/EUR/USD strategy, what would usually have been a recommendation of borrowing less in USD, due to expected appreciation from safe haven inflows, is now on the opposite side;
- At the same time, the recent EUR strengthening implies relatively more optimal borrowing in the EUR as well;
- All in all, what is our updated recommendation?
- On the one hand, despite the change in the USD safe haven status, the recent EUR strengthening is an argument for borrowing more in the EUR, even if to a lesser extent;
- On the other hand, when taking up FX risk, the USD share should still be higher than that of the EUR.

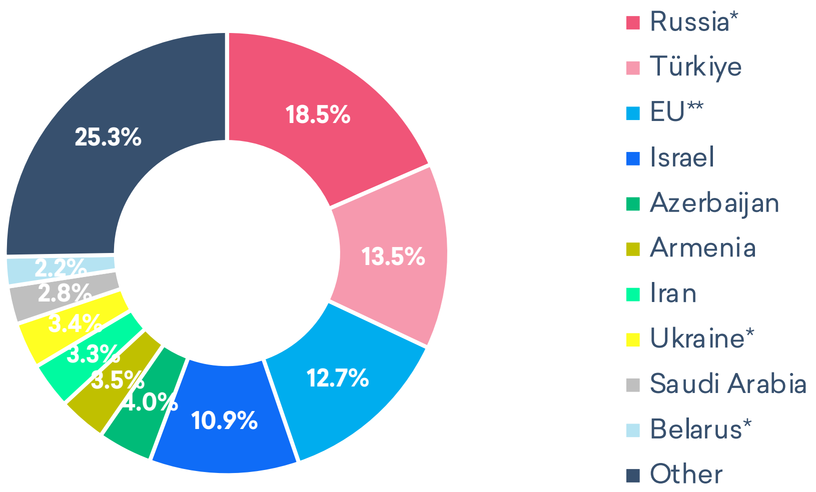
Source: NBG, FRED, TBC Capital

STRUCTURE OF FX INFLOWS

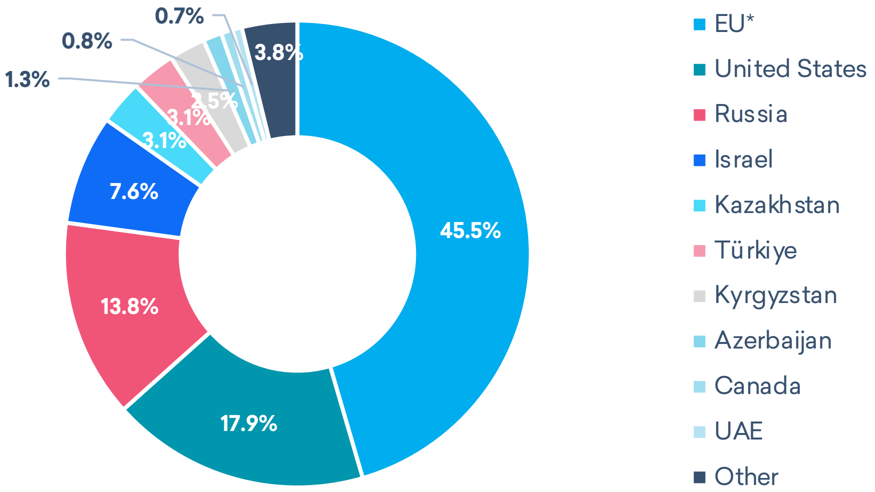
SHARES IN TOTAL INFLOWS (Sum of exports, tourism, remittances and FDI, Last 4Q, %)



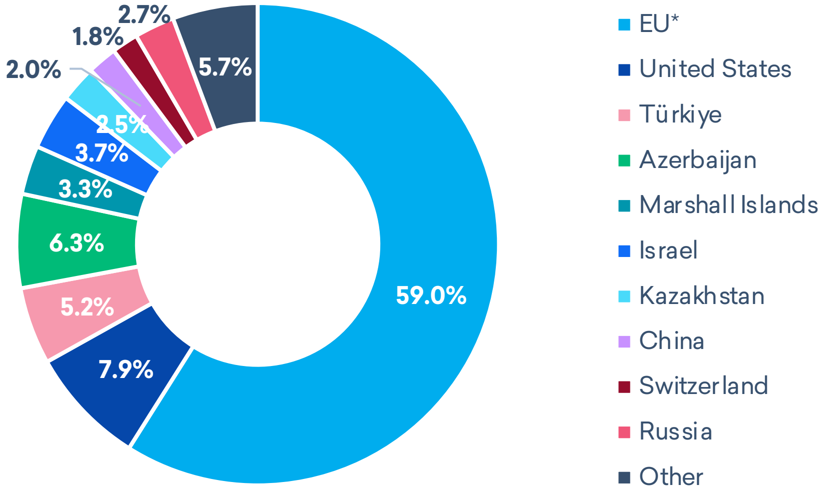
SHARES IN TOURISM INFLOWS (Last 4Q, %)



SHARES IN INSTANT MONEY TRANSFERS (Last 4Q, %)



SHARES IN FDIS (Last 4Q, %)



*Tourism revenues from Russia, Belarus and Ukraine adjusted for migration effect by NBG; **EU includes the UK; ***Tourism revenues for the USA, China, Kyrgyzstan and Kazakhstan estimated by TBC Capital .

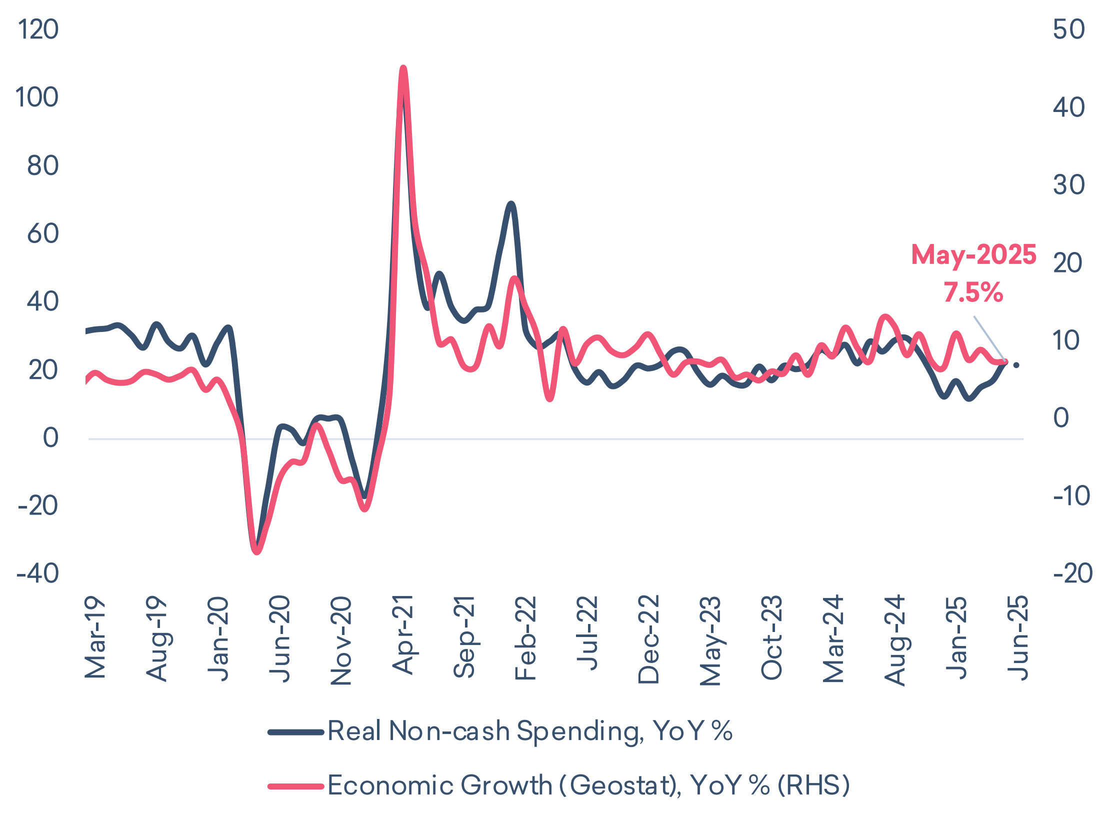
Note: Sum of inflows does not account for the migration impact. In case of including the inflows related to migrants, assuming that the NBG fully adjusts tourism statistics and based on TBC client survey, indicating that 70% of migrants from Russia do not receive income from Russia, Russia's share in total inflows would increase from 12.5% to 13.0%, while the EU share would decrease from 22.3% to 22.1%

Source: Geostat, NBG, TBC Capital

GROWTH DRIVERS

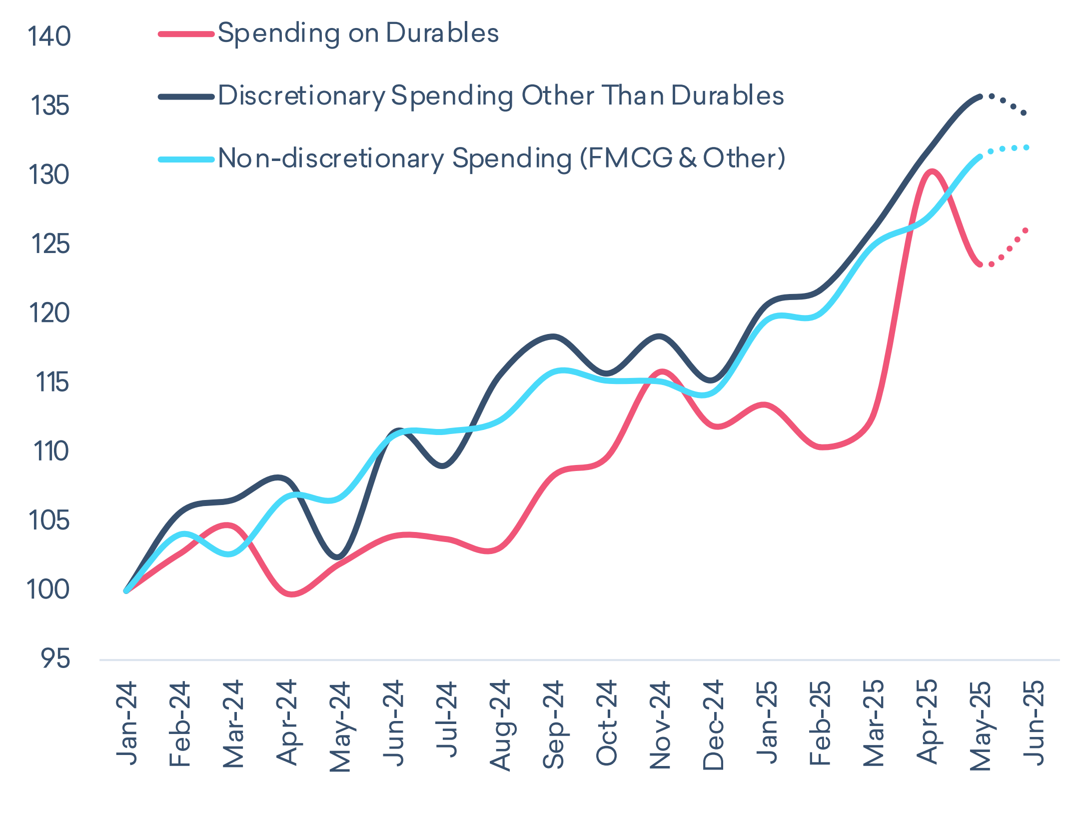
SPENDING HAS BEEN GAINING PACE IN THE PAST FEW MONTHS

REAL NON-CASH SPENDING THROUGH TBC CHANNELS HAS BEEN STRENGTHENING SINCE MARCH, WITH ONLY A SLIGHT MODERATION IN JUNE SO FAR (As of 26-Jun, YoY, %)



Note: Non-cash spending dynamics partially reflect the expenditure switching trend to digital channels as well as the growing number of available digital payment platforms.

SPENDING ON DURABLES IS ON TRACK TO IMPROVE IN JUNE AFTER MODERATING IN MAY, WHILE OTHER SPENDING SLIGHTLY FALLS (Index, seasonally adjusted, Jan-24 = 100, as of 26-Jun)

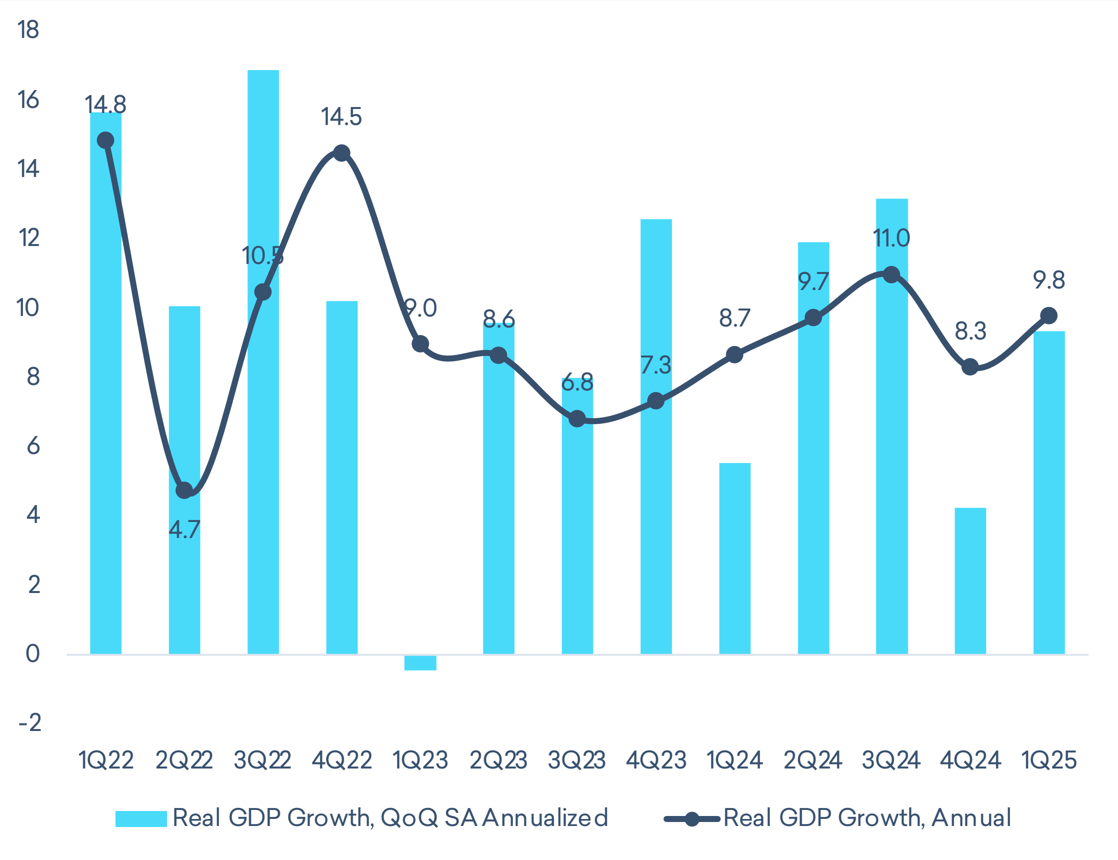


Note: Non-cash spending dynamics partially reflect the expenditure switching trend to digital channels as well as the growing number of available digital payment platforms.

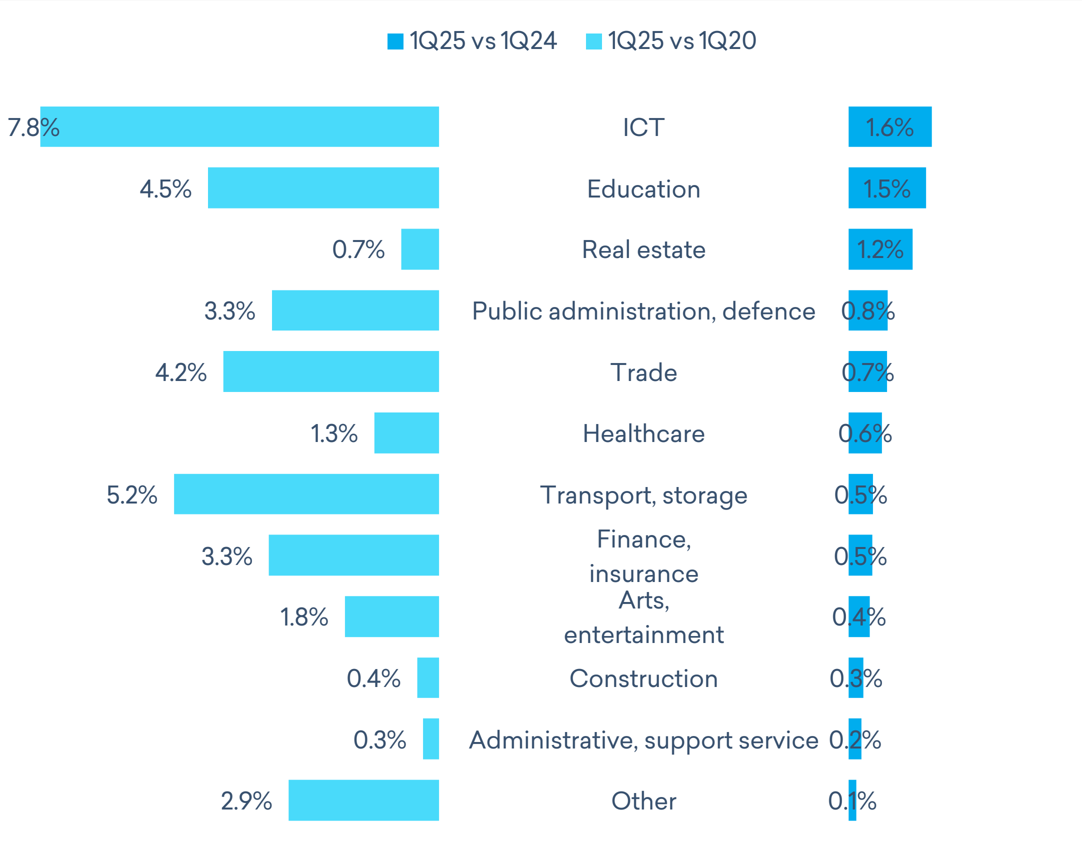
Source: Geostat, TBC Capital

GEOSTAT REVISED 1Q25 ECONOMIC GROWTH ESTIMATES UPWARDS TO 9.8%

ACCORDING TO GEOSTAT, ECONOMIC GROWTH REACHED 9.8% IN 1Q25, IMPLYING 9.3% GROWTH IN ANNUALIZED QUARTERLY TERMS



THE ICT SECTOR CONTRIBUTED THE MOST TO BOTH 1-YEAR AND 5-YEAR GROWTH IN REAL GDP IN 1Q25 (Percentage Points)



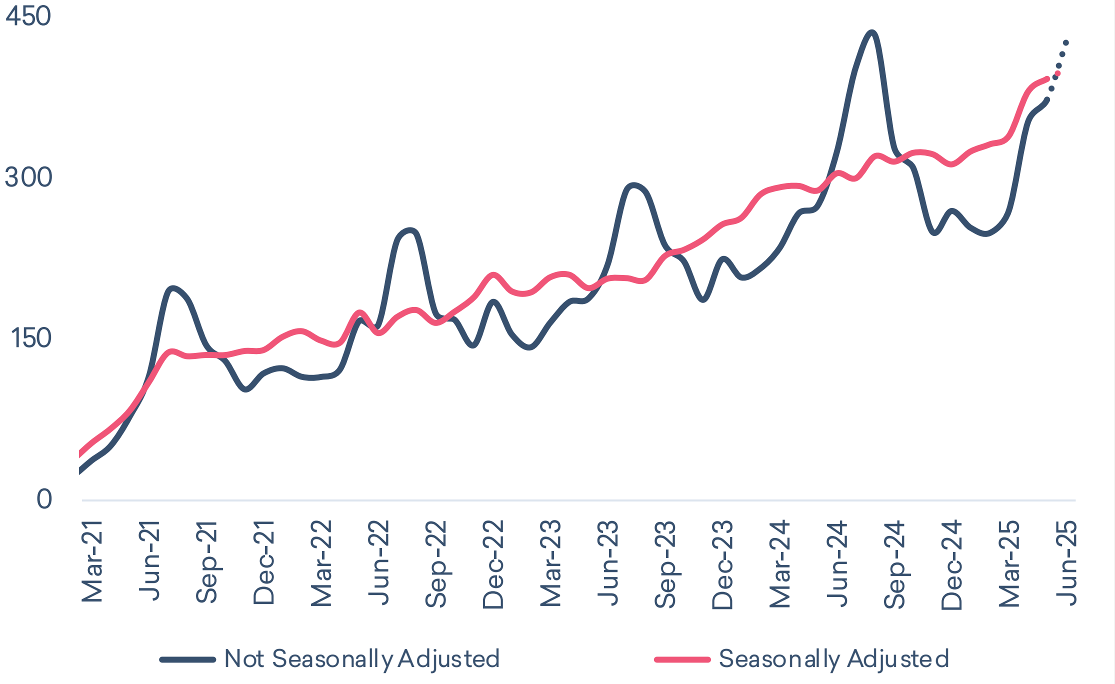
Source: Geostat, TBC Capital

TOURISM REVENUES CONTINUE IMPROVING, MIGRANT EXPENSES FLATTEN AFTER STRENGTHENING

NON-RESIDENT NON-CASH EXPENSES THROUGH TBC CHANNELS HAVE ACCELERATED IN APRIL AND CONTINUED IMPROVING SINCE

(Index in USD, 2021 = 100, as of 26-Jun)

	2024								2025					
YoY, %	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun*
	46.0	47.9	39.5	50.8	38.1	39.1	33.9	20.0	22.3	15.3	14.9	31.8	36.0	31.6



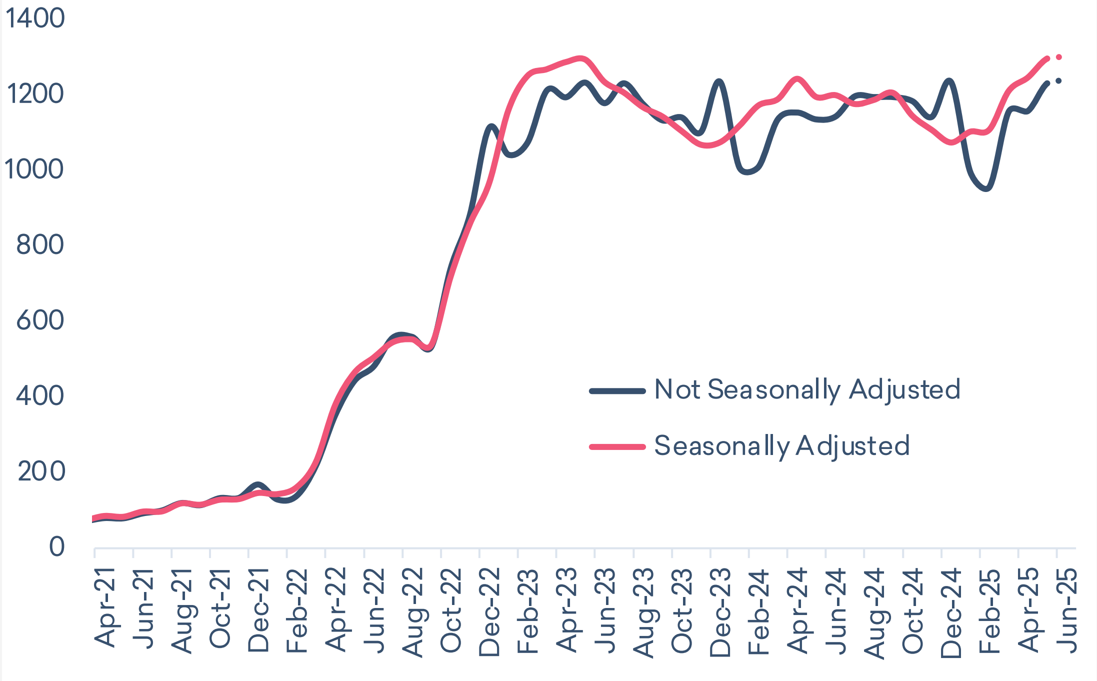
Note: Non-cash spending dynamics partially reflect the expenditure switching trend to digital channels as well as the growing number of available digital payment platforms. At the same time, TBC dynamics is partially distorted due to the bank's higher market share recently. Namely, while TBC growth averaged to 17.3% in the first quarter, the NBG tourism revenue estimates have posted only 2.3% annual growth

Source: TBC Capital

NON-CASH EXPENSES OF RUSSIANS, BELARUSSIANS AND UKRAINIANS THROUGH TBC CHANNELS IMPROVE IN MAY AND FLATTEN IN JUNE

(As of 26-Jun, Index in USD, 2021 Daily Average = 100)

	2024								2025					
YoY, %	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun*
	-7.9	-3.0	-2.8	1.6	5.4	3.8	3.7	-0.1	-1.2	-5.3	1.8	0.4	8.4	8.2

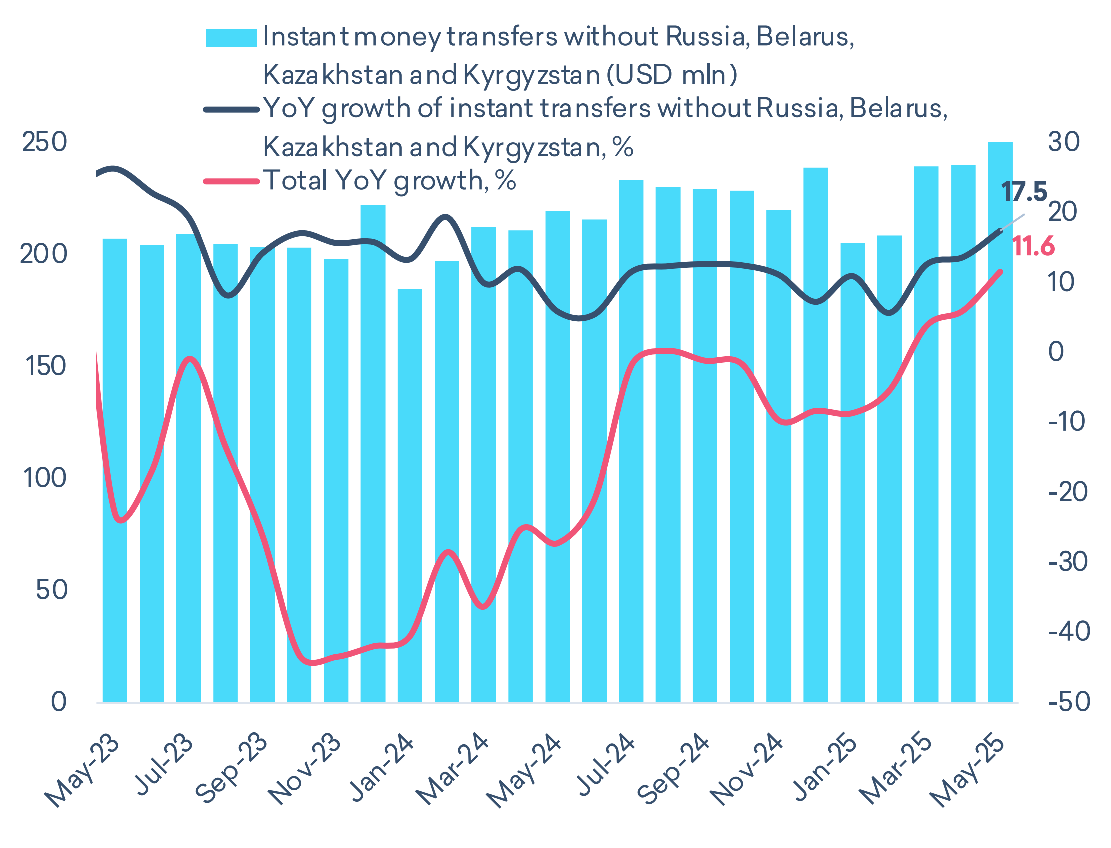


Note: Non-cash spending dynamics partially reflect the expenditure switching trend to digital channels as well as the growing number of available digital payment platforms.

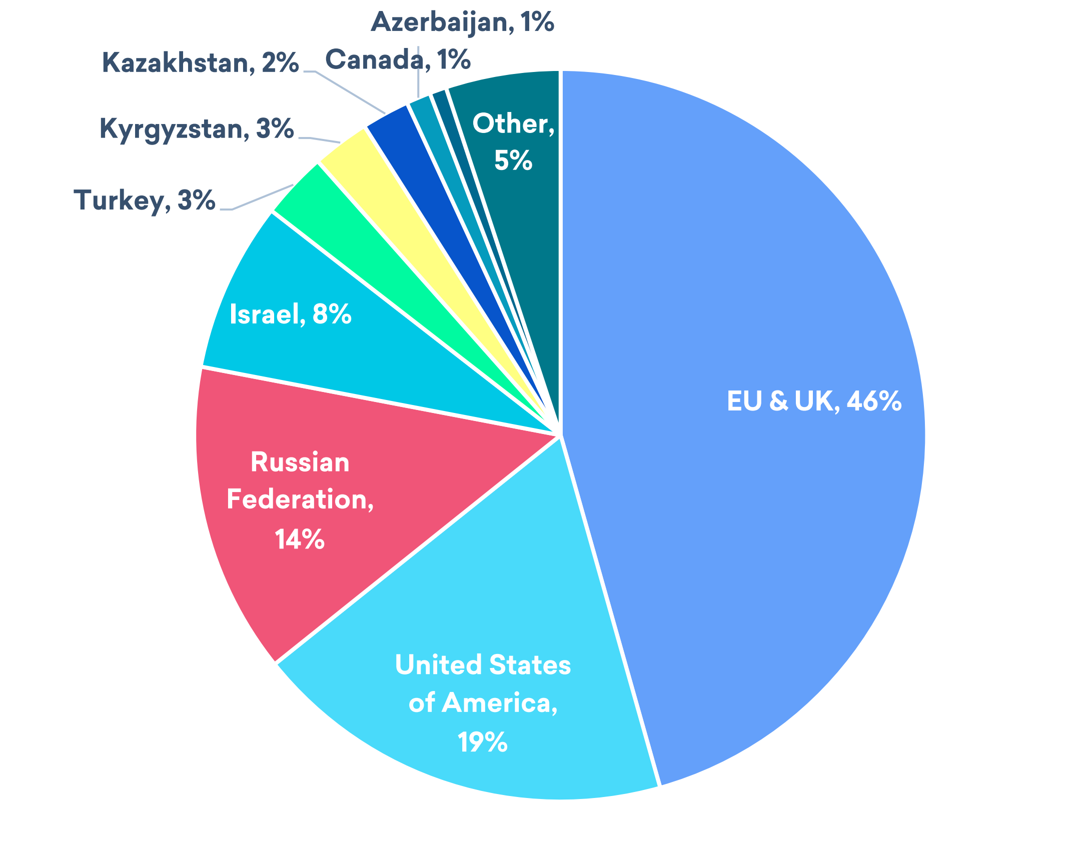
*Includes spending of Russians, Belarussians and Ukrainians through TBC cards.

MONEY TRANSFERS STRENGTHENING, DOMINATED BY THE EU AND THE US

INSTANT MONEY TRANSFERS HAVE BEEN STREGHTENING RECENTLY, ESPECIALLY FROM TRADITIONAL SOURCES



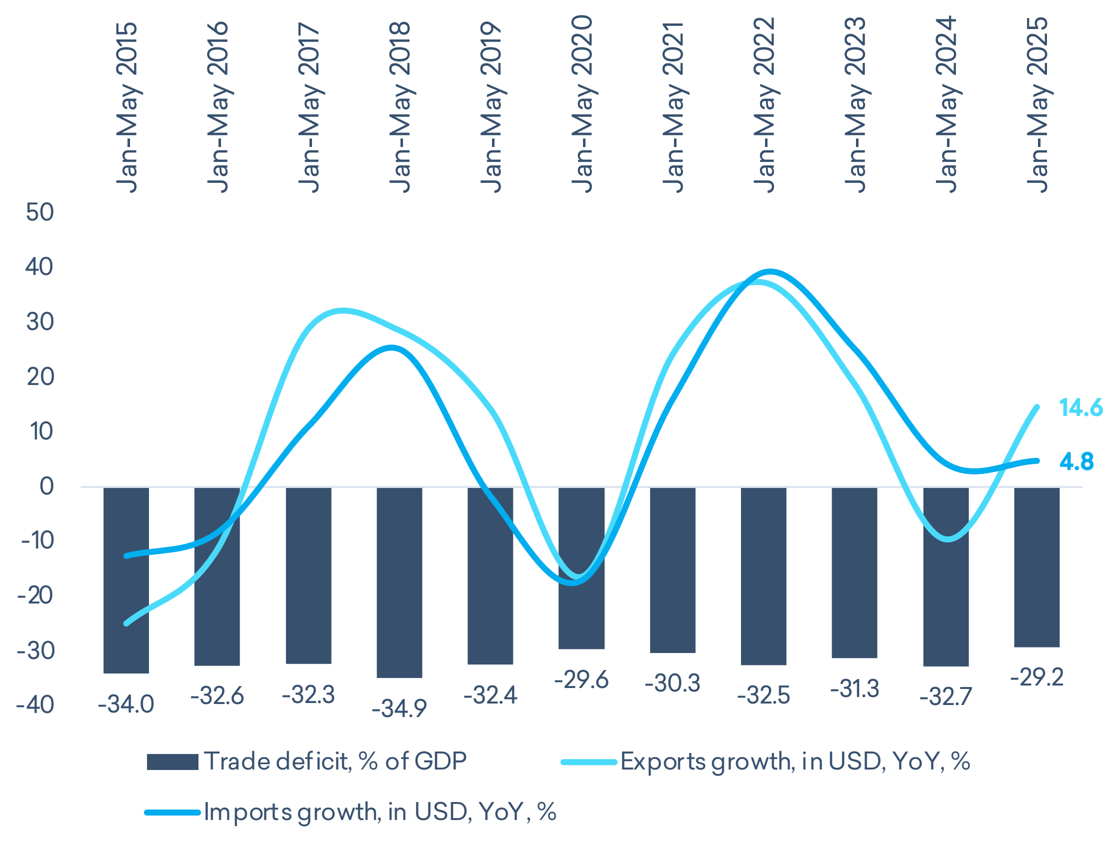
THE EU AND THE US ACCOUNT FOR ALMOST 2/3 OF TOTAL MONEY TRANSFERS (% share, May 2025)



Source: NBG, TBC Capital

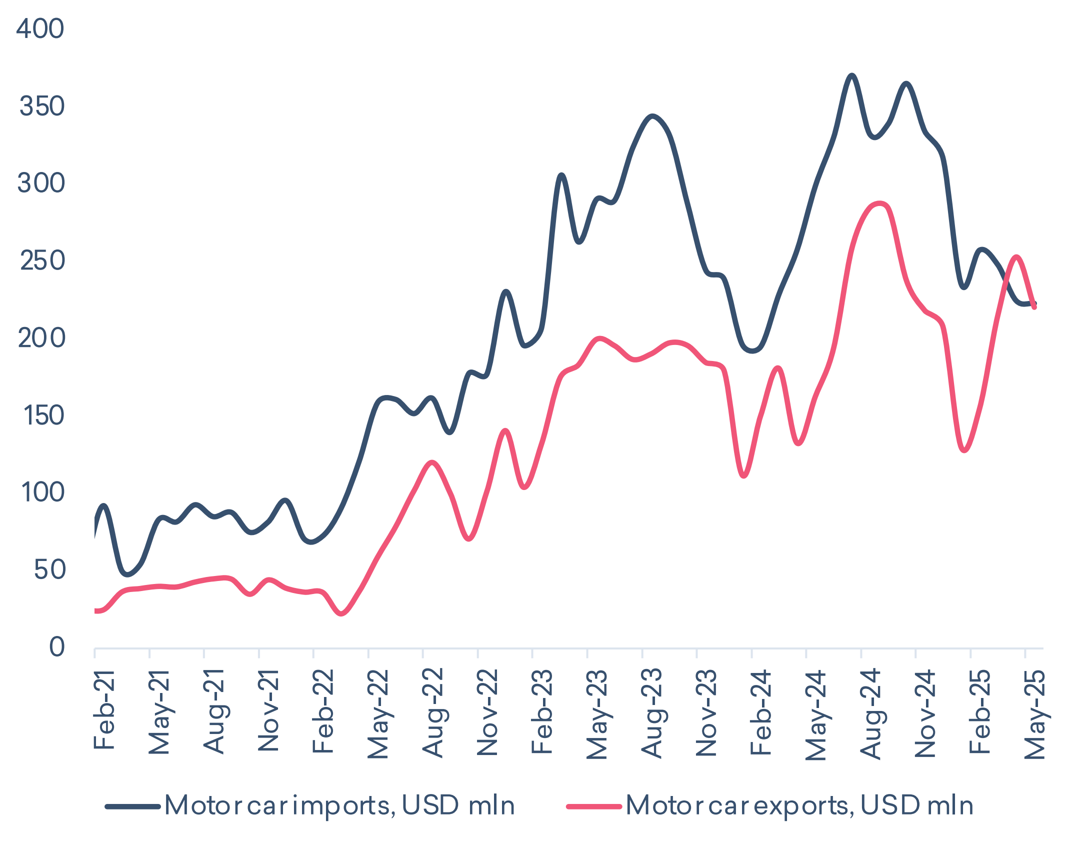
TRADE DEFICIT AT RECORD LOWS, AIDED BY CAR NET EXPORTS

WEAKER IMPORTS AND STRONGER EXPORTS HAVE NARROWED THE TRADE OF GOODS DEFICIT SIGNIFICANTLY IN 2025



Note: Imports adjusted for a one-off in January

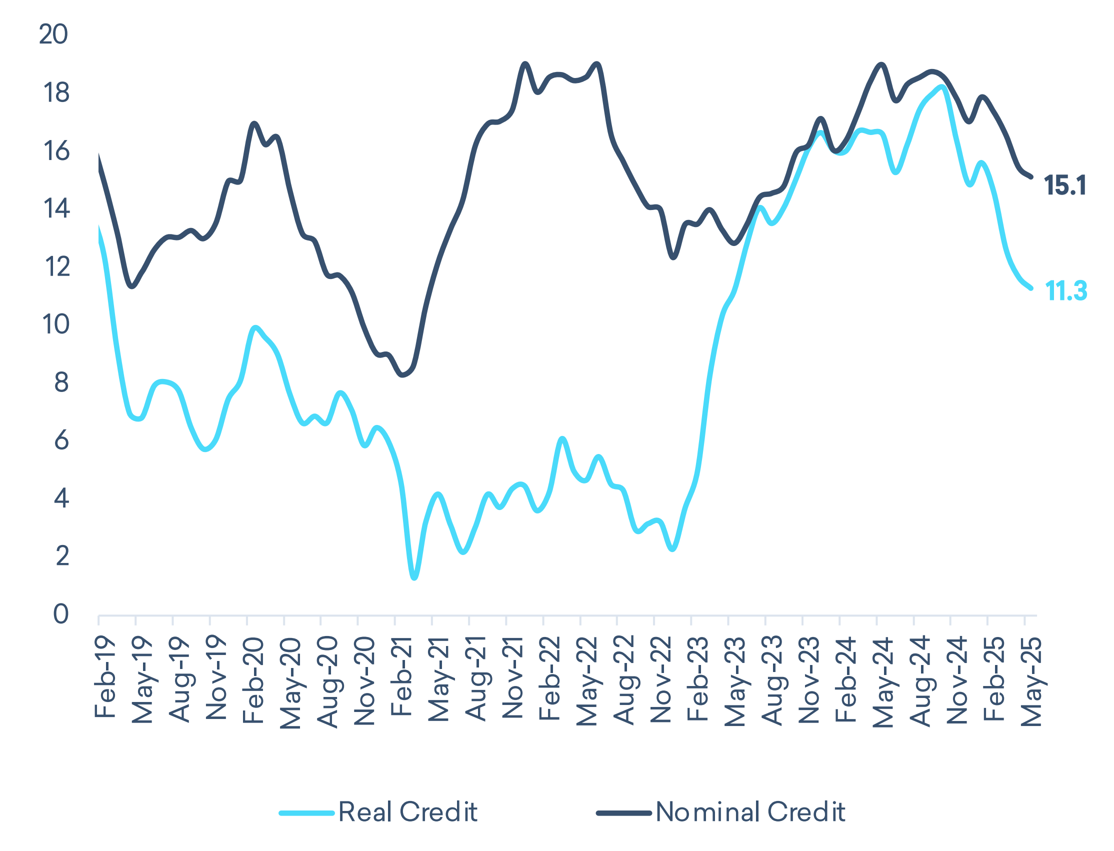
TRADE WITH CARS CONTINUES MODERATING AS BOTH IMPORTS AND EXPORTS RETREAT FROM HISTORIC HIGHS



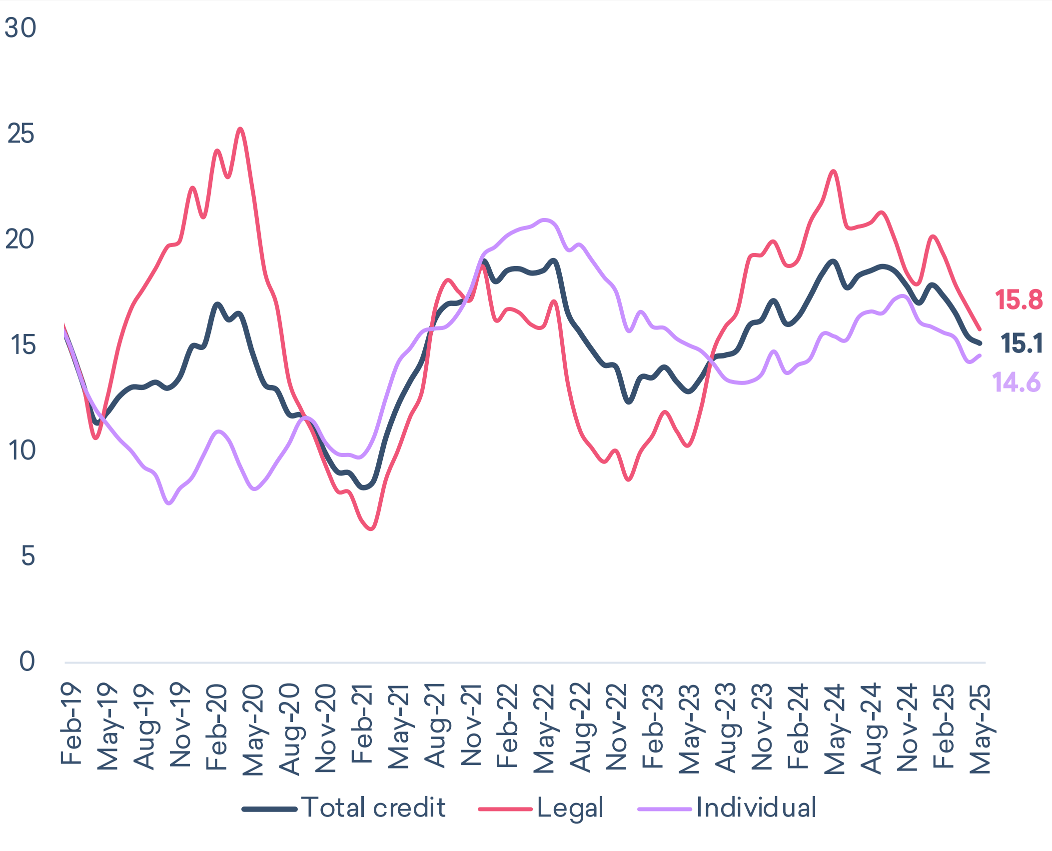
Source: NBG, Geostat, TBC Capital

REAL CREDIT GROWTH IS MODERATING, THOUGH REMAINS HIGH

REAL CREDIT GROWTH IS MODERATING, THOUGH REMAINS STRONG
(YoY, FX-adjusted, %)



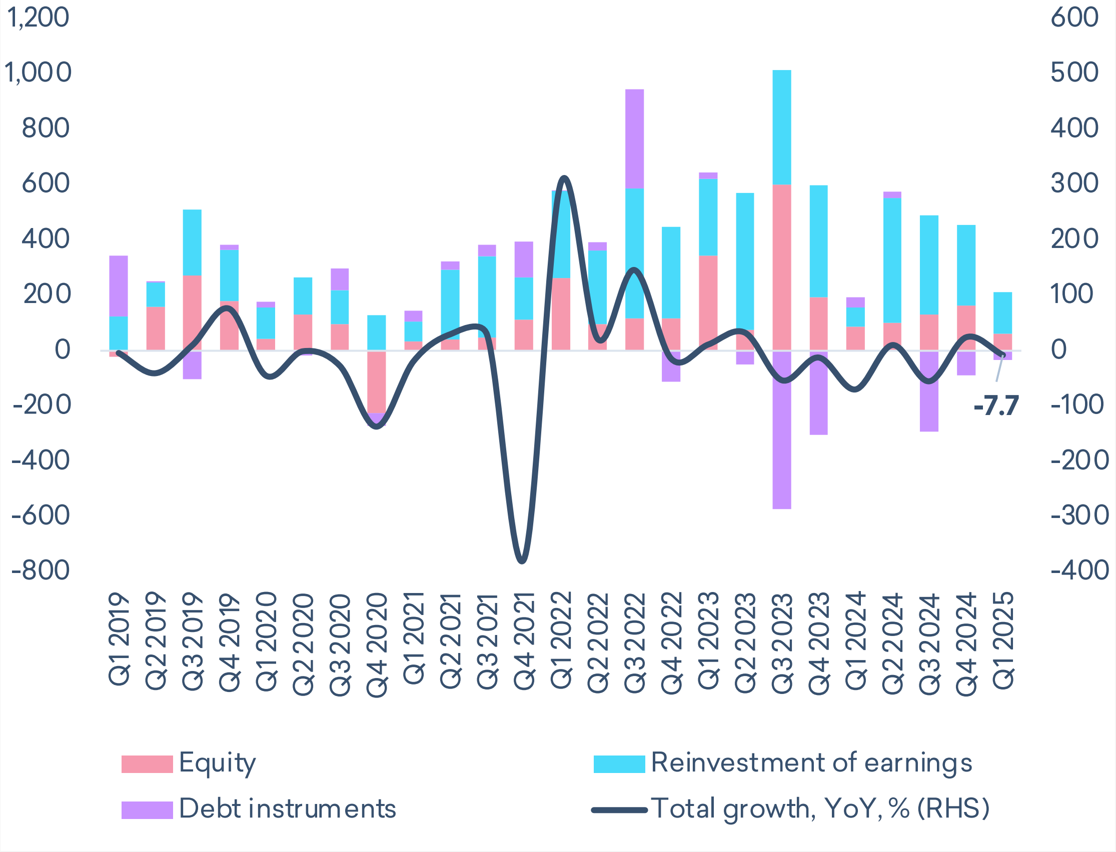
CREDIT GROWTH MODERATION IN RECENT MONTHS IS EVIDENT IN BOTH SEGMENTS, WITH ONLY A SLIGHT UPTICK IN RETAIL CREDIT IN MAY (YoY, FX-adjusted, %)



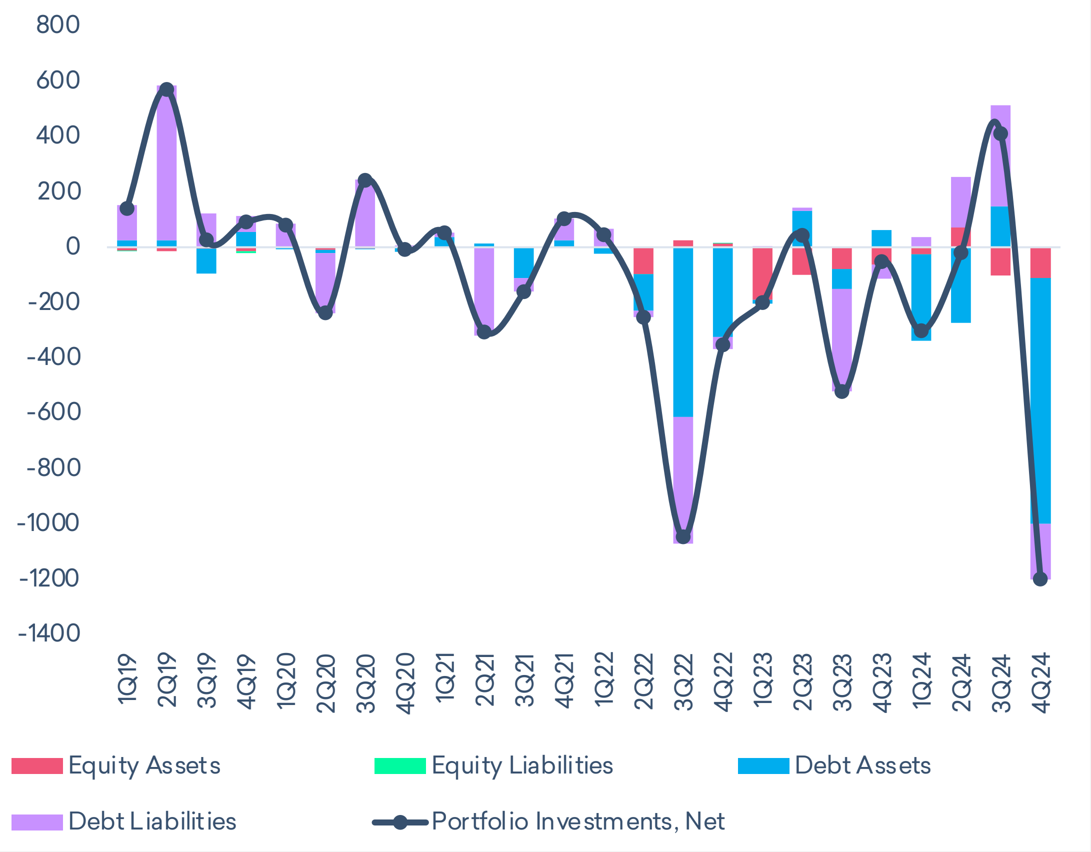
Source: NBG, TBC Capital

FDIS HAVE BEEN LOWER RECENTLY WHILE MORE OUTBOUND PORTFOLIO INVESTMENTS ARE EVIDENT

FDI CONTINUES WEAKENING, THOUGH AFTER HITTING RECORD HIGHS IN PREVIOUS YEARS (USD mln)



GEORGIA HAS TURNED INTO A NET CREDITOR IN PORTFOLIO INVESTMENTS, WITH A $3.5 BILLION TOTAL NET OUTFLOW SINCE 1Q22, INCLUDING A $2.3 BILLION PURCHASE OF DEBT SECURITIES (USD mln)

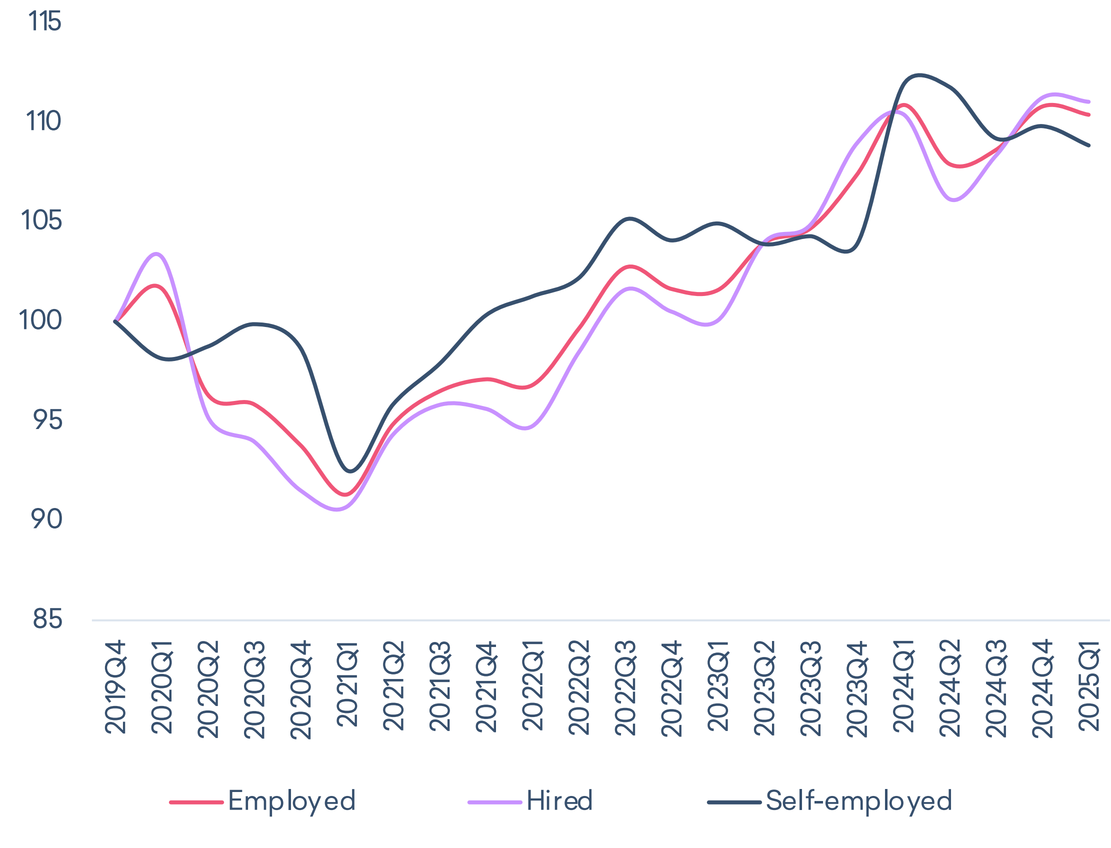


Note: A negative sign in assets means purchase of assets. A negative sign in liabilities means a reduction of liabilities.

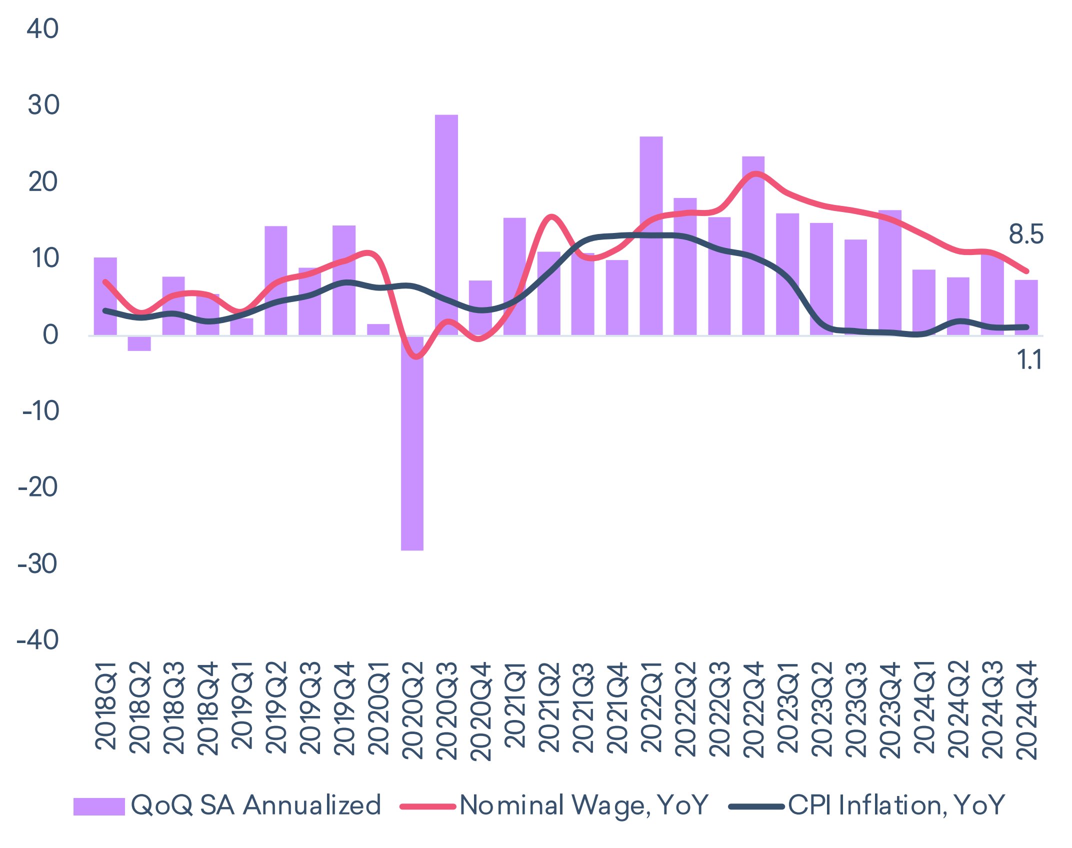
Source: NBG, Geostat TBC Capital

EMPLOYMENT LARGELY FLAT WHILE WAGES ALSO NORMALIZING

SEASONALLY ADJUSTED LABOR FORCE INDICATORS POINT TO RELATIVE MODERATION, WHILE UNEMPLOYMENT REMAINS UNCHANGED (2019Q4 = 100)



NOMINAL WAGE GROWTH NORMALIZES FOLLOWING NOMINAL GDP, ANNUAL INFLATION STARTED TO ACCELERATE (%)

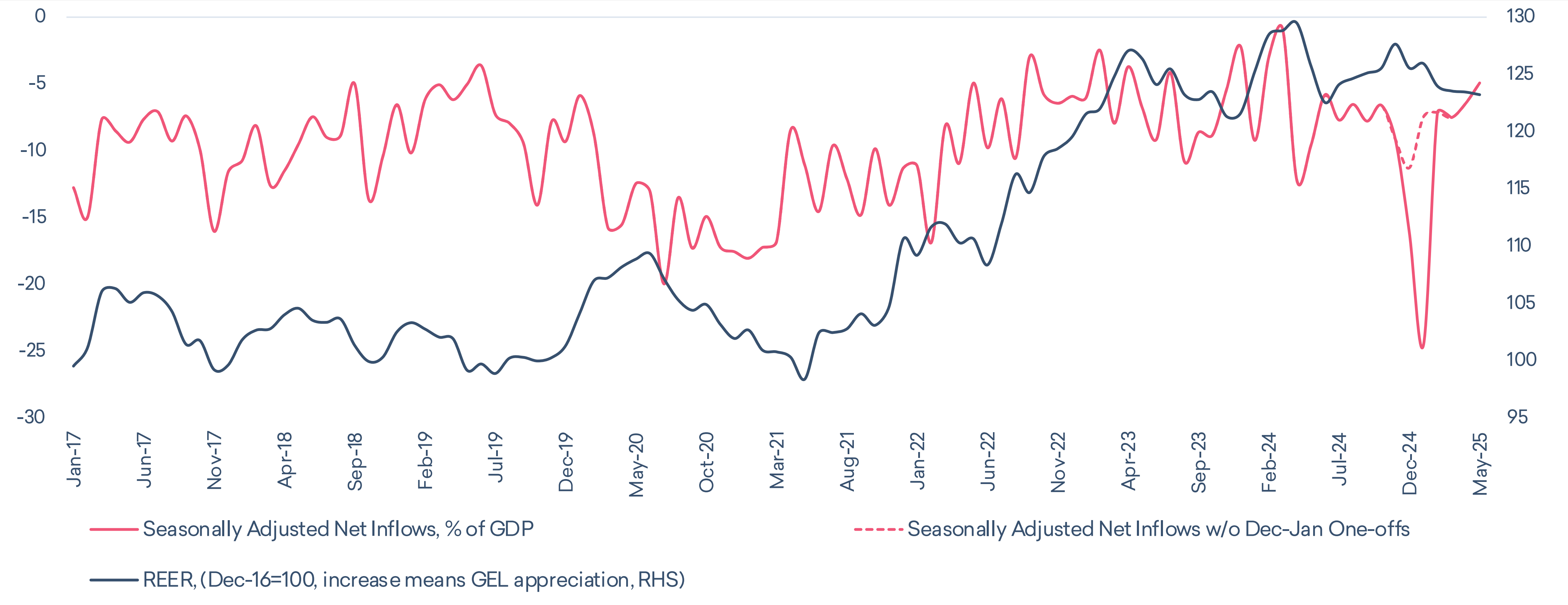


Source: Geostat, TBC Capital

GEL DRIVERS

NET FOREIGN CURRENCY INFLOWS HAVE IMPROVED IN EARLY 2025, SUPPORTING THE GEL

THE IMPROVEMENT IN NET FOREIGN CURRENCY INFLOWS IN 2025 HAS BEEN DRIVEN BY ROBUST INFLOWS AS WELL AS A DECELERATION IN IMPORTS

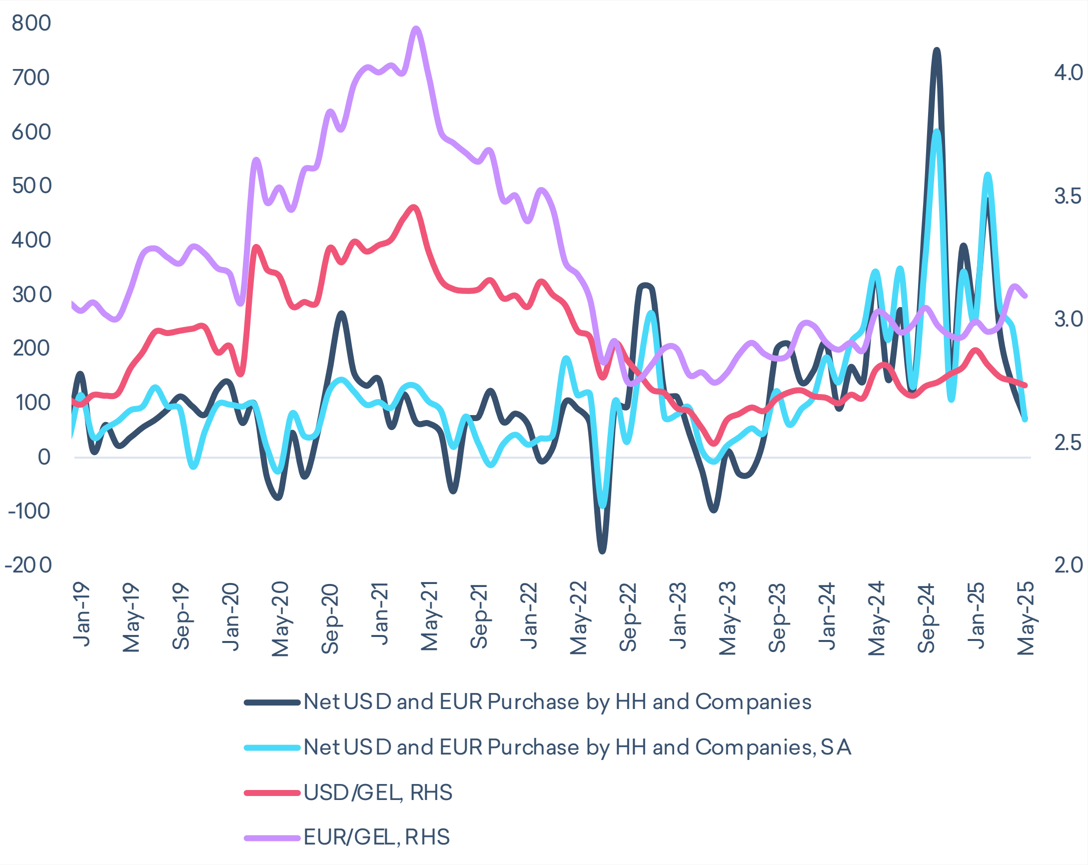


Note: Net inflows is a sum of net export of goods, gross tourism and remittances. Remittances from Russia are adjusted for double counting with tourism inflows and other issues; TBC Capital monthly tourism estimates based on assumptions of share of migrants counted as residents according to NBG and the estimate that migrants receiving international revenues based on TBC Bank client survey

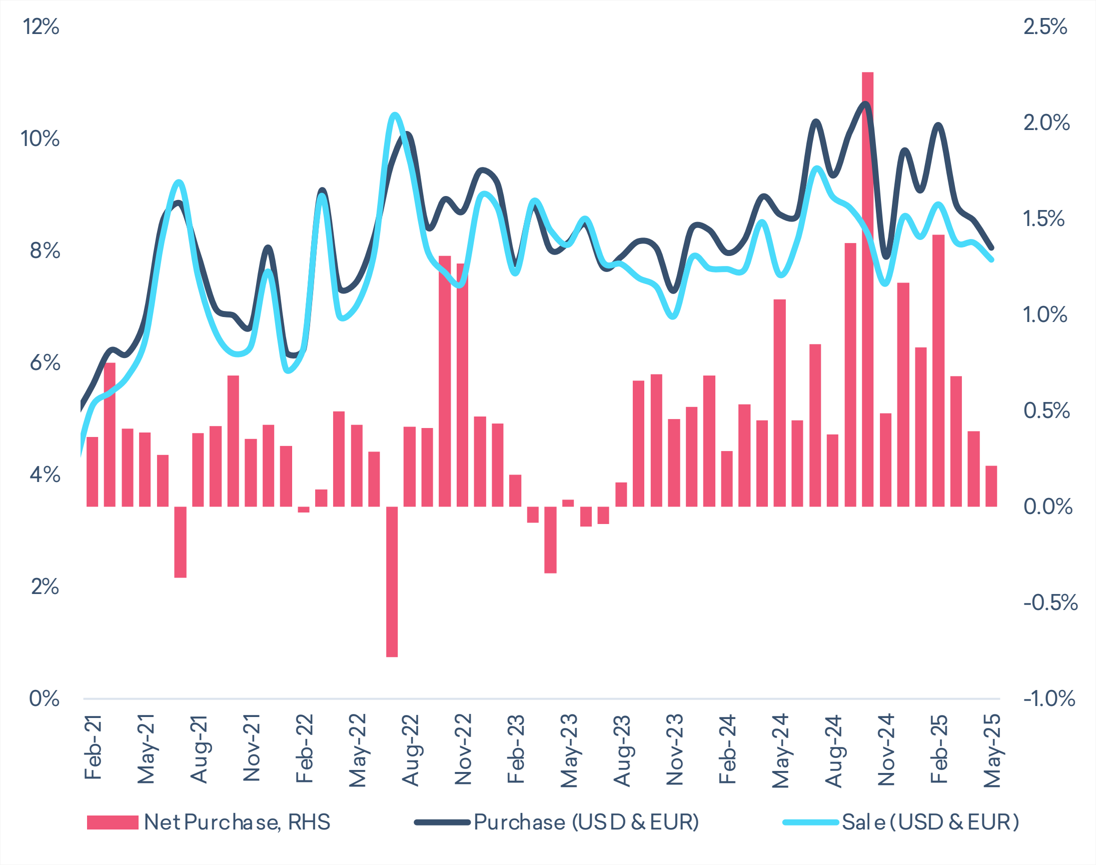
Source: NBG, Geostat TBC Capital

DEMAND ON FX ASSETS HAS CONTINUED TO DECLINE, NOW CONSIDERABLY WEAKER

NET FOREIGN CURRENCY PURCHASE BY HOUSEHOLDS AND LEGAL ENTITIES HAS DECELERATED SINCE THE OCTOBER PEAK
(USD mn)



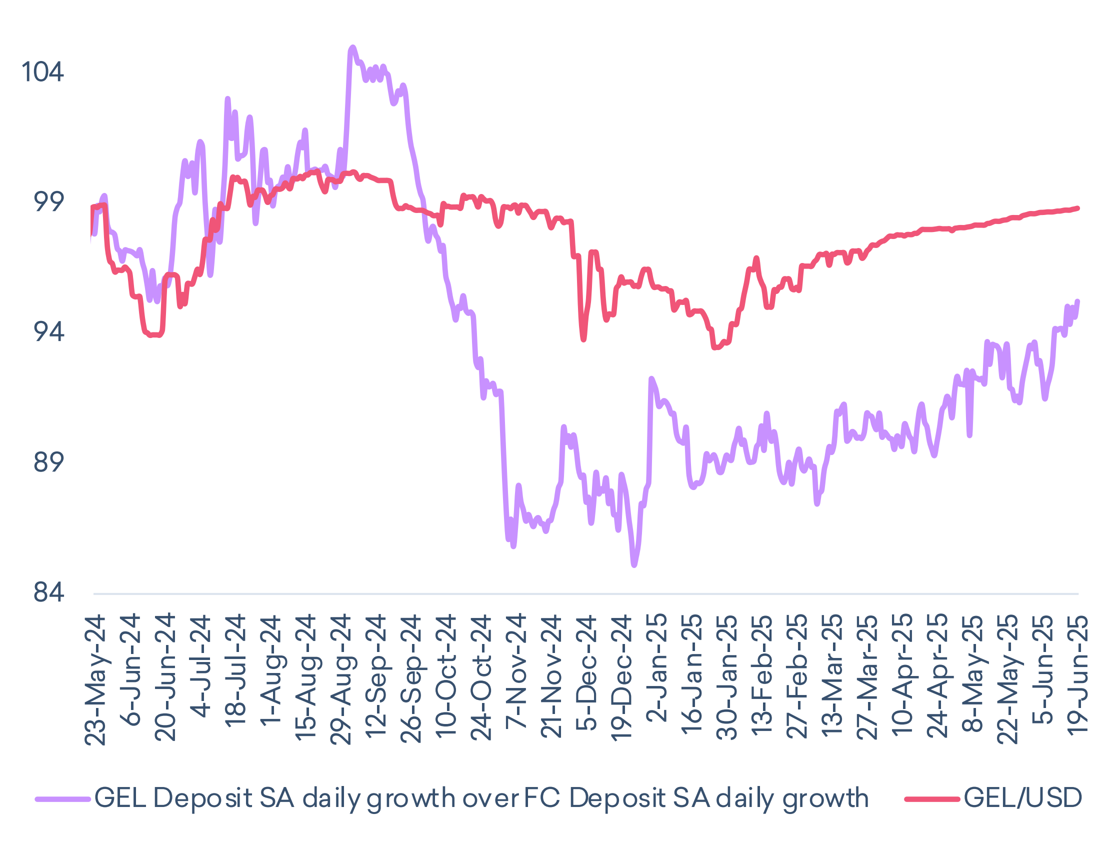
BOTH PURCHASES AND SALES OF FOREIGN CURRENCY HAVE NORMALIZED, NOTWITHSTANDING THE FEBRUARY ONE-OFF
(% of GDP)



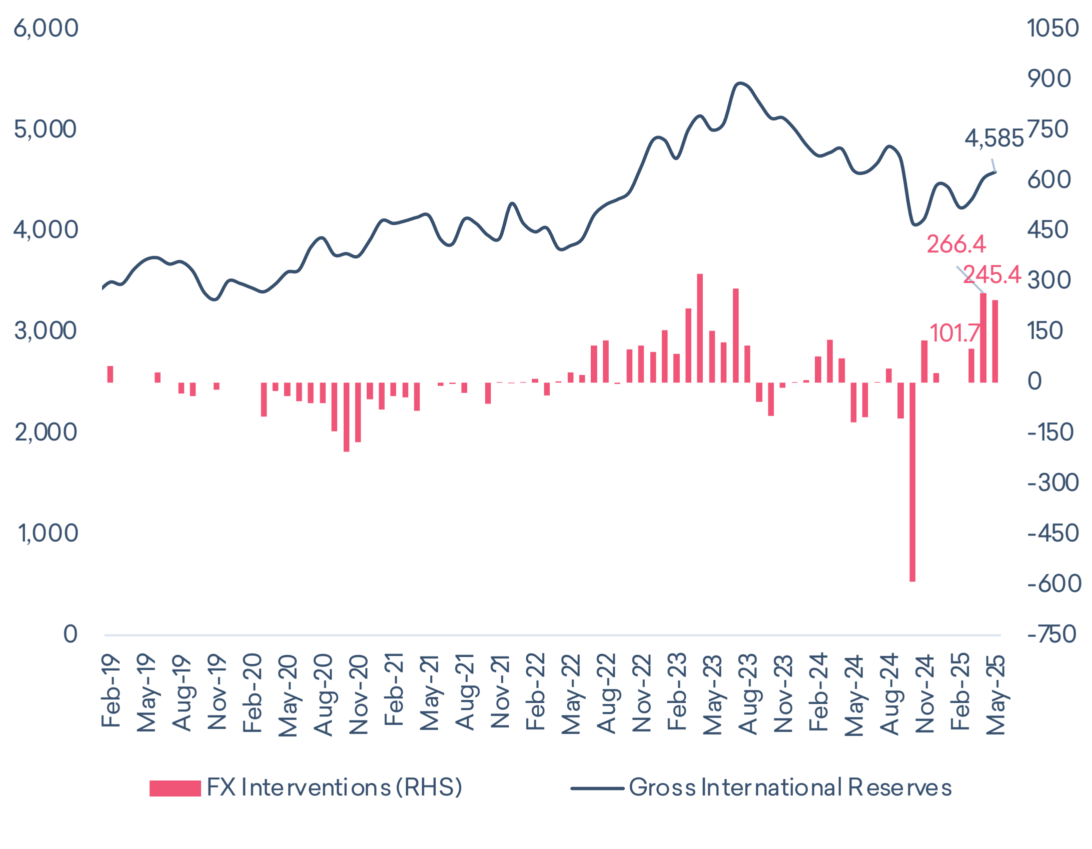
Source: NBG, TBC Capital

NET FX SUPPLY IS ALSO SUPPORTED BY SOME REVERSAL IN DEPOSIT CONVERSIONS

DAILY CUMULATIVE ESTIMATES OF DEPOSIT CONVERSIONS INDICATE GRADUAL SWITCH TO THE GEL IN 2025 (31-Mar = 100, seasonally & FC-adjusted, as of 19-Jun-25)



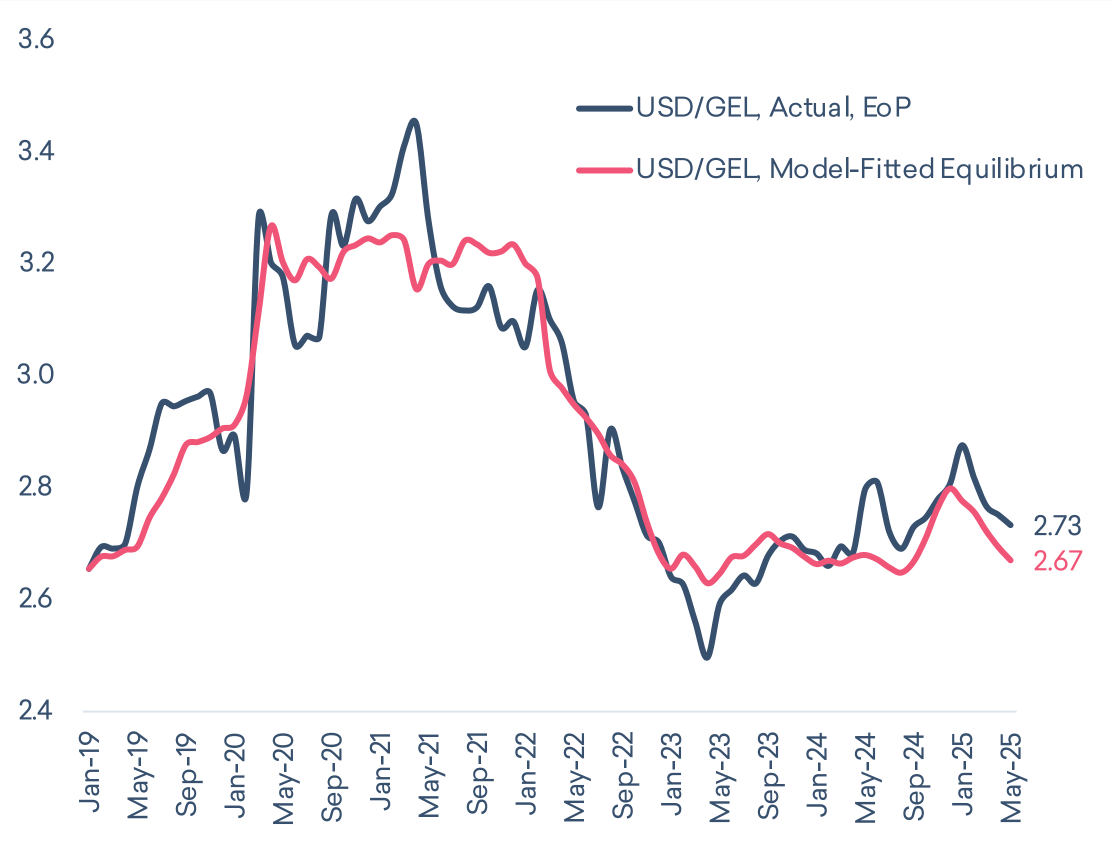
THE NBG HAS BOUGHT USD 613 MILLION TO REPLENISH RESERVES IN MARCH-MAY, WITH INTERVENTIONS CONTINUING IN JUNE PER OUR ESTIMATES (USD mln)



Source: NBG, TBC Capital

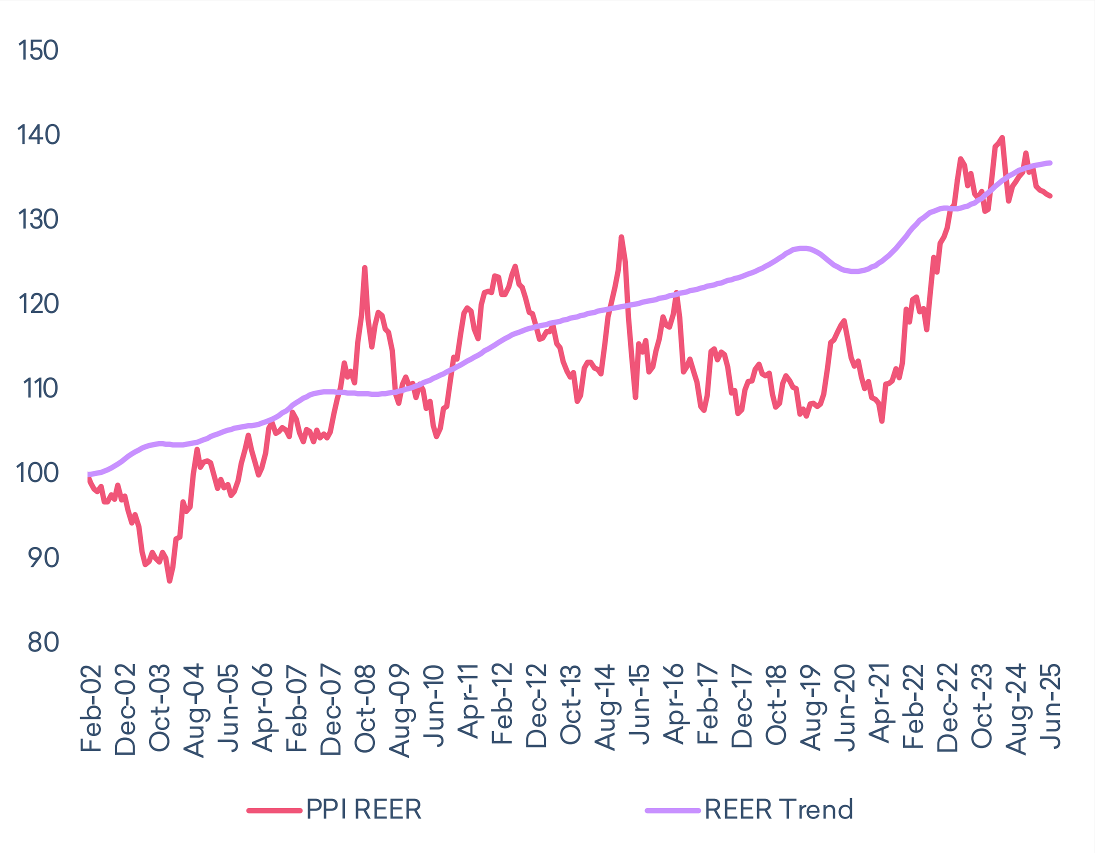
THE SHORT AND LONG-TERM INDICATORS POINT TO – SLIGHT BUT STILL – GEL UNDERVALUATION

THE GEL EQUILIBRIUM ESTIMATE* HAS BEEN STRENGTHENING THIS YEAR, MOSTLY DUE TO GLOBAL USD WEAKENING



***Note:** We estimate the USD/GEL exchange rate as a function of GEL and FX deposits and loans, foreign currency inflows (sum of merchandise exports, tourism revenues and remittances) and global USD dynamics (proxied by the DXY index, measuring the value of USD against a basket of global currencies). The model is estimated in log form by the seemingly unrelated regression (SUR) method, allowing error terms to be correlated across the equations.

THE GEL REER IS BELOW ITS LONG-RUN TREND (as of 30-Jun-25, increase means GEL appreciation)

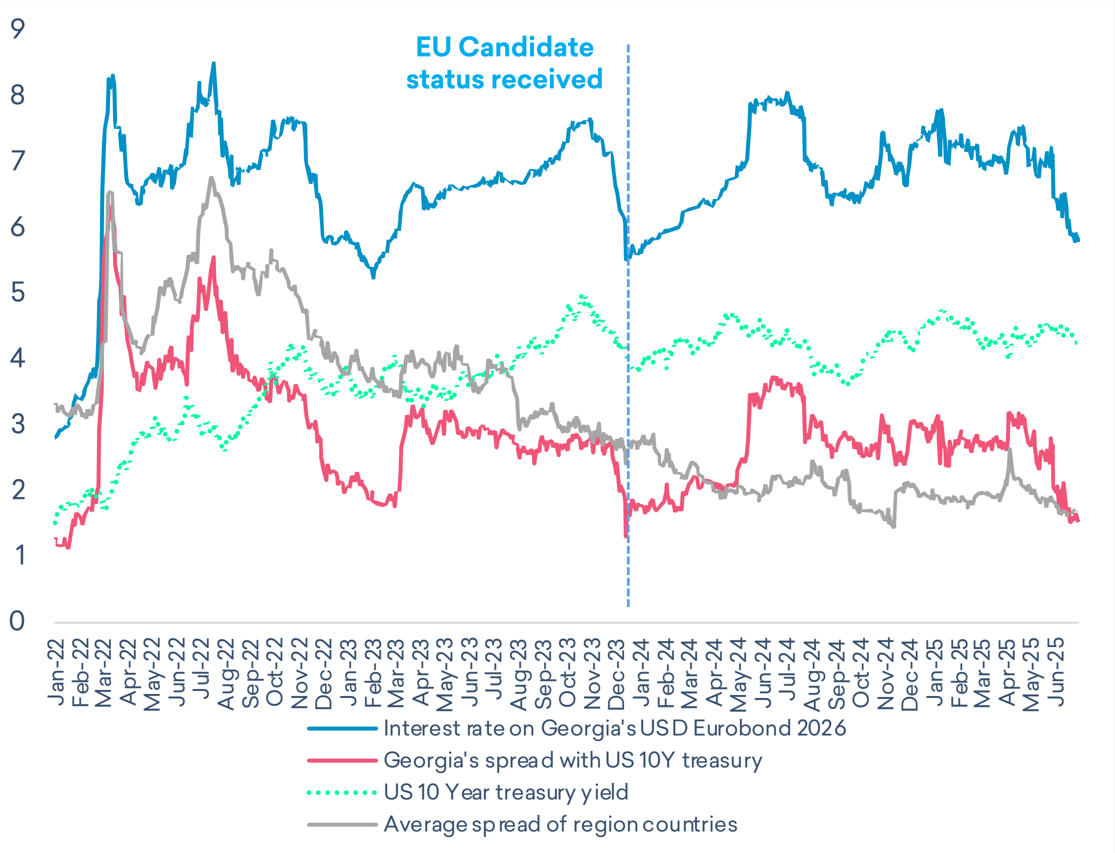


Note: The REER Trend is estimated based on GDP per capita growth differential between Georgia and its main trading partners using relative trade weights and adjusted for the share of non-tradable sector

Source: NBG, Geostat, TBC Capital

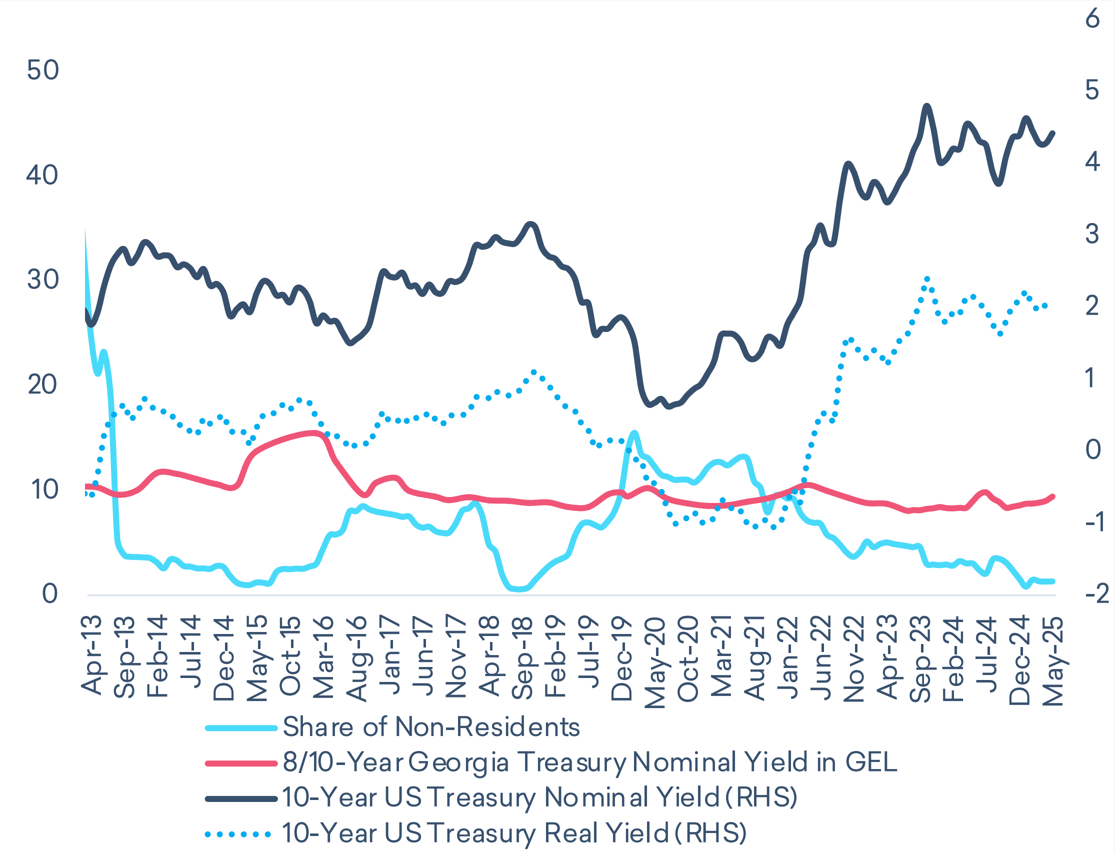
GEORGIA'S RISK PREMIUM IS MODERATING, HOWEVER, THE SHARE OF NON-RESIDENTS IN TREASURY HOLDING REMAINS LOW

GEORGIA'S ESTIMATED RISK PREMIUM IS MODERATING AFTER STABILIZING ON A RELATIVELY HIGH LEVEL (%, as of 30-Jun-2025)



Note: Region countries include Türkiye, Armenia, Azerbaijan, Uzbekistan, Kazakhstan and Tajikistan

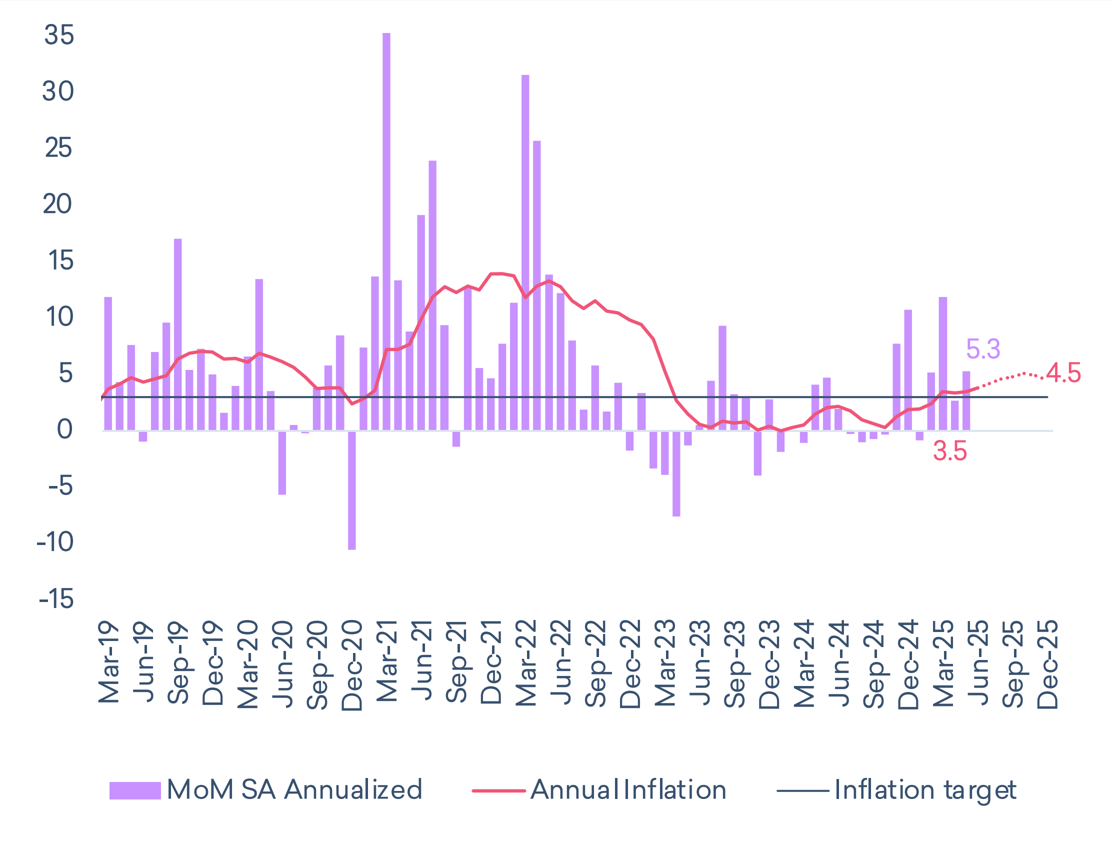
SHARE OF TREASURY SECURITIES HELD BY NON-RESIDENTS REMAINS LOW, ONLY MARGINALLY HIGHER THAN THE 5-YEAR LOW IN JANURAY



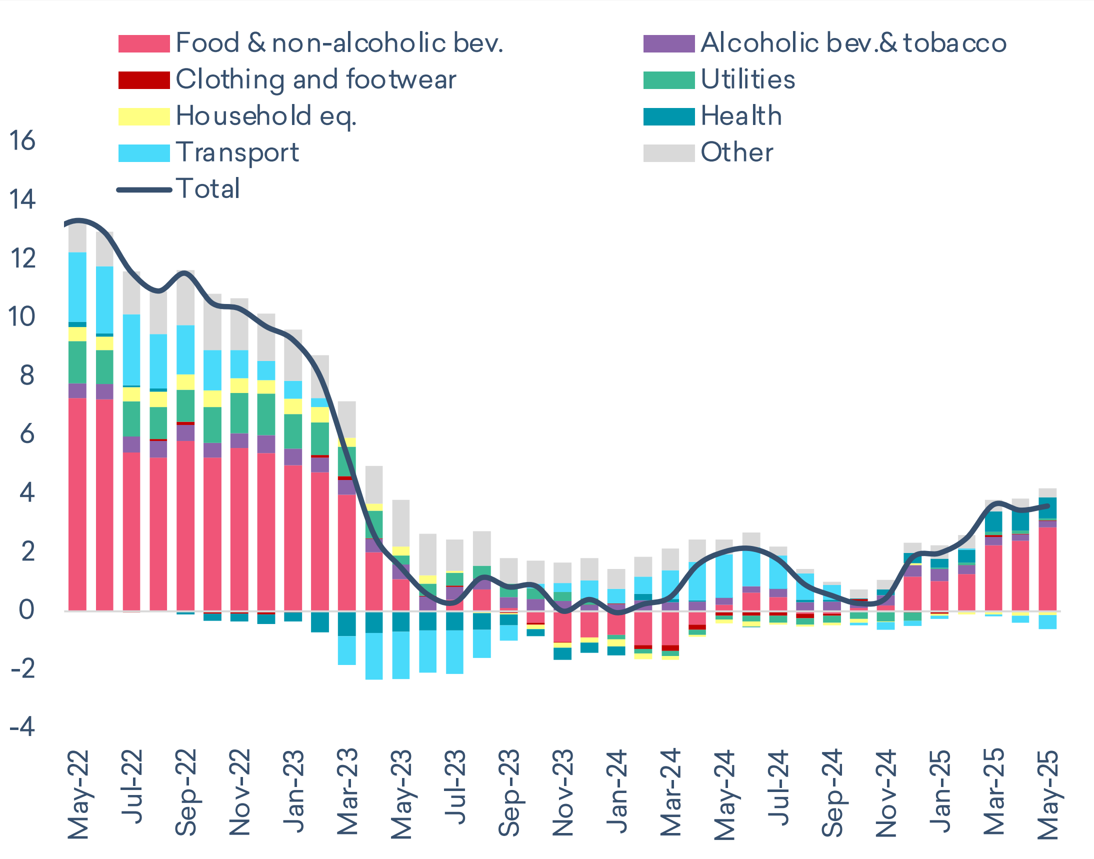
Source: Geostat, MoF, FRED, Bloomberg, TBC Capital

SLIGHTLY THOUGH STILL ELEVATED INFLATION PRESSURES

MAY HEADLINE INFLATION WAS HIGHER, THOUGH IN LINE WITH EXPECTATIONS (%)



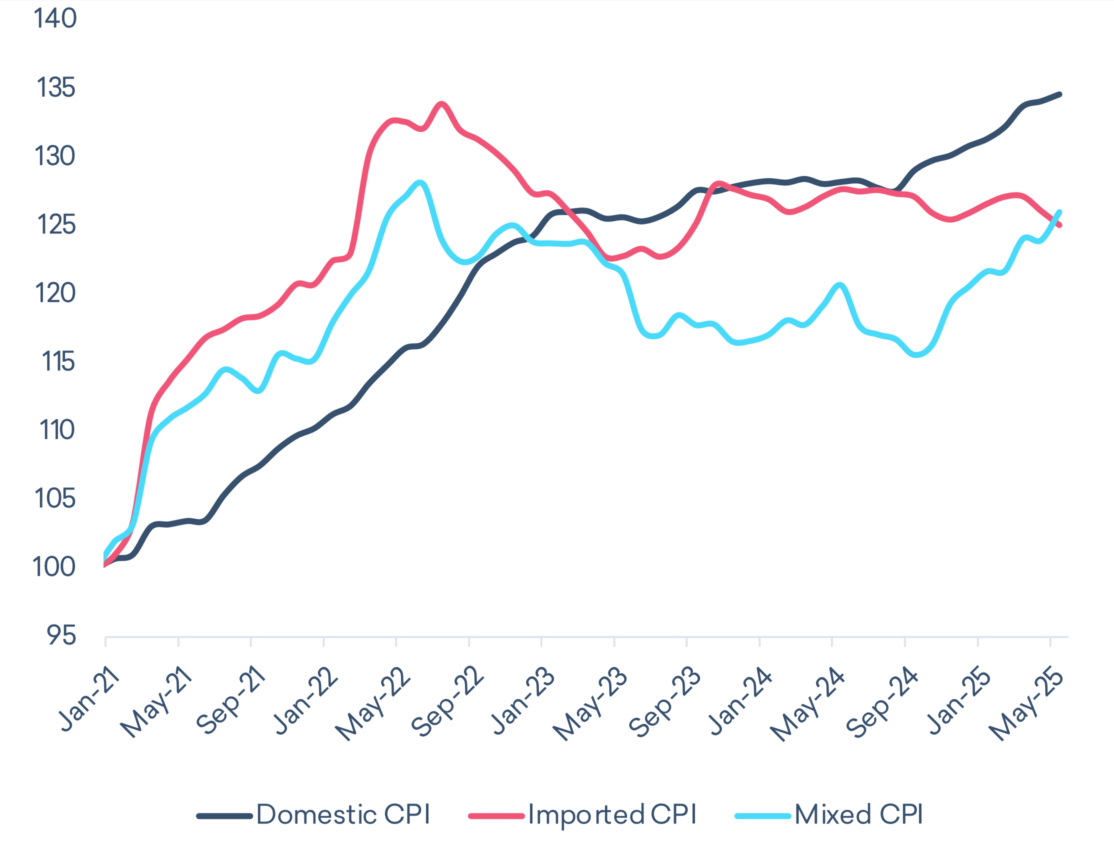
ANNUAL CPI INFLATION (%) AND CONTRIBUTIONS OF THE GROUPS (PP)



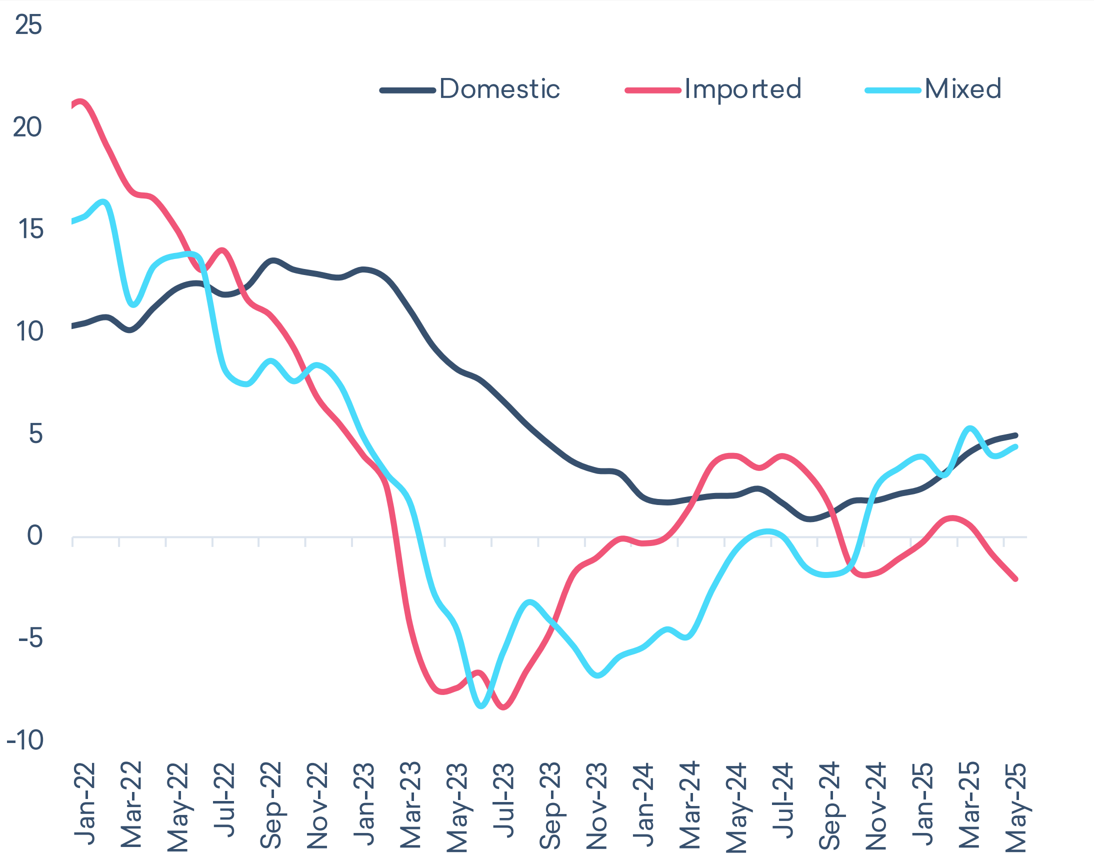
Source: Geostat, NBG, TBC Capital

DOMESTIC AND MIXED PRODUCT PRICES INCREASED, IMPORTED GOT CHEAPER

PRICE LEVELS BY PRODUCT ORIGIN
(Index)



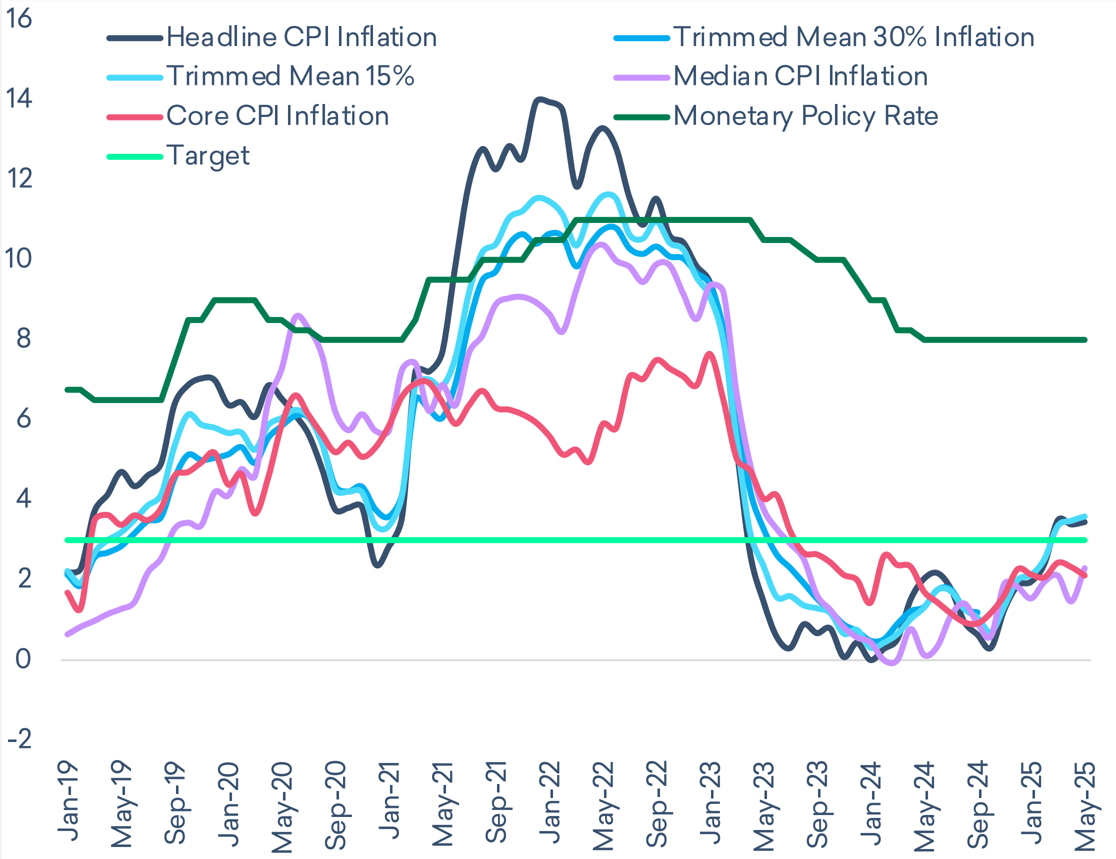
PRICE LEVELS BY PRODUCT ORIGIN
(%, YoY)



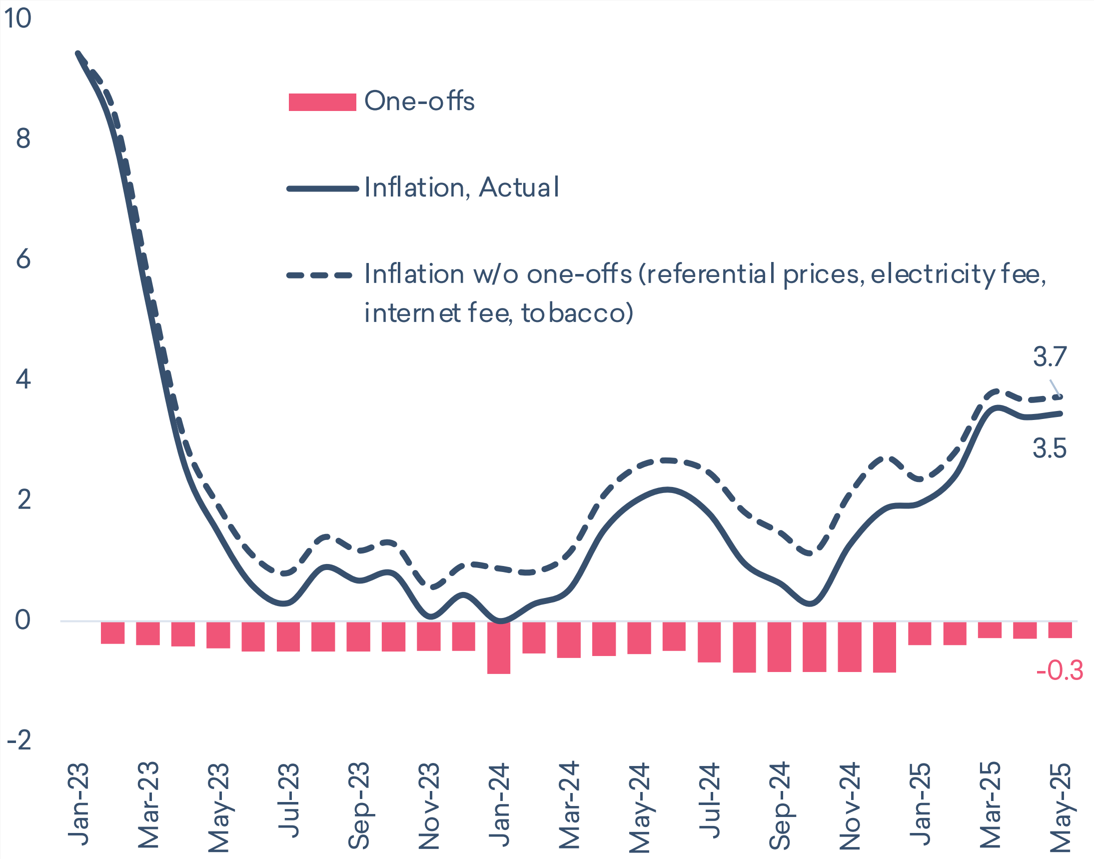
Source: Geostat, NBG, TBC Capital

ONE-OFF EFECTS FADE OFF AS INFLATION BECOMES MORE WIDESPREAD

HEADLINE INFLATION AND UNDERLYING ESTIMATES
(%, YoY)



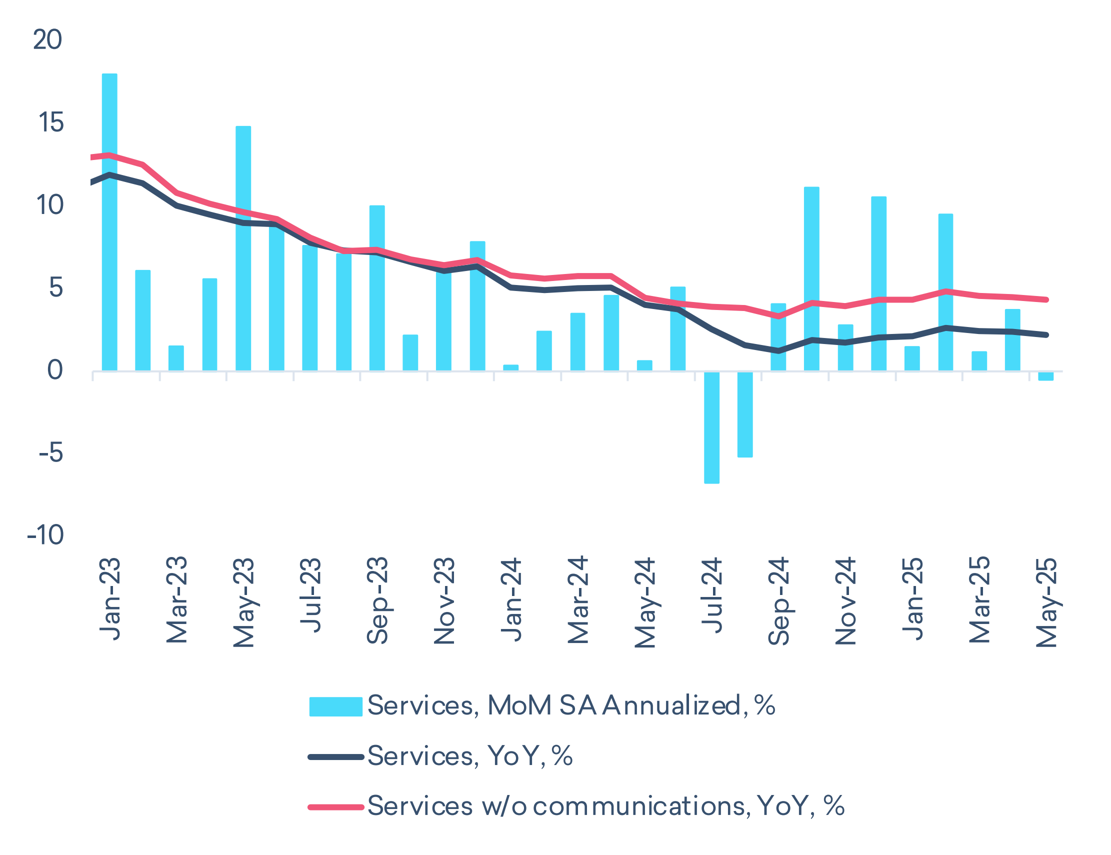
ANNUAL INFLATION EXCLUDING ONE-OFFS
(%, YoY)



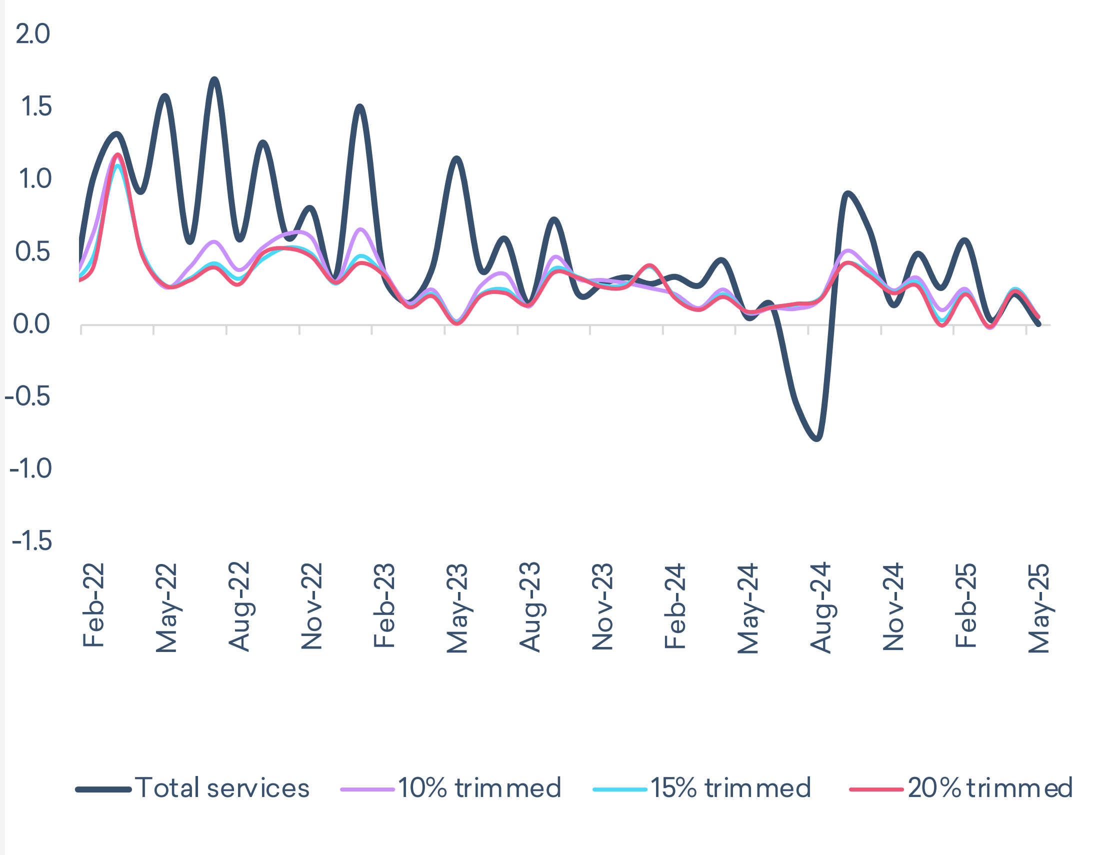
Source: Geostat, NBG, TBC Capital

SERVICE INFATION RETREATES IN MAY AFTER INCREASING PREVIOUSLY

SERVICE INFLATION, WHICH TO BE A MOST IMPORTANT UNDERLYING INFLATION MEASURE, HAS RETREATED IN MAY (%)



SEASONALLY ADJUSTED TOTAL AND TRIMMED SERVICE INFLATION (MoM, %)



Source: Geostat, NBG, TBC Capital

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7 Marjanishvili Str., Tbilisi 0102, Georgia
Tel: +995 32 2 272727 | +995 32 2 272733

Email: research@tbccapital.ge
Email: macro@tbcgroup.com

TBC Group Chief Economist Office

Otar Nadaraia
Chief Economist

Tsotne Marghia
Head of Macro-financial Analysis Division

Nikoloz Zurabishvili
Senior Macroeconomist

Mamia Intskirveli
Business Economist

Darejan Kavelashvili
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