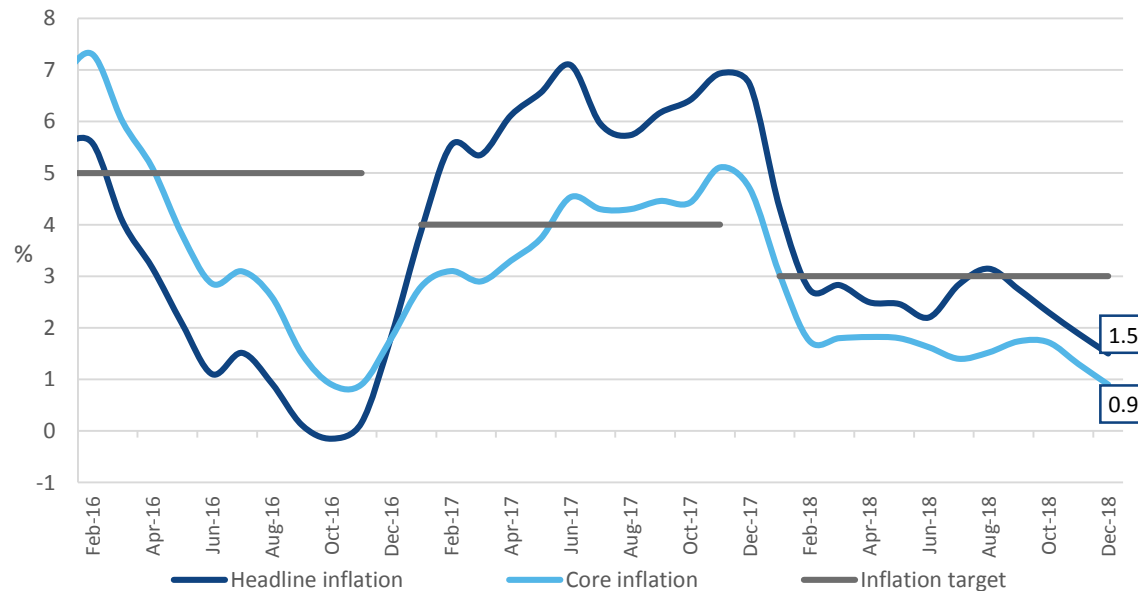


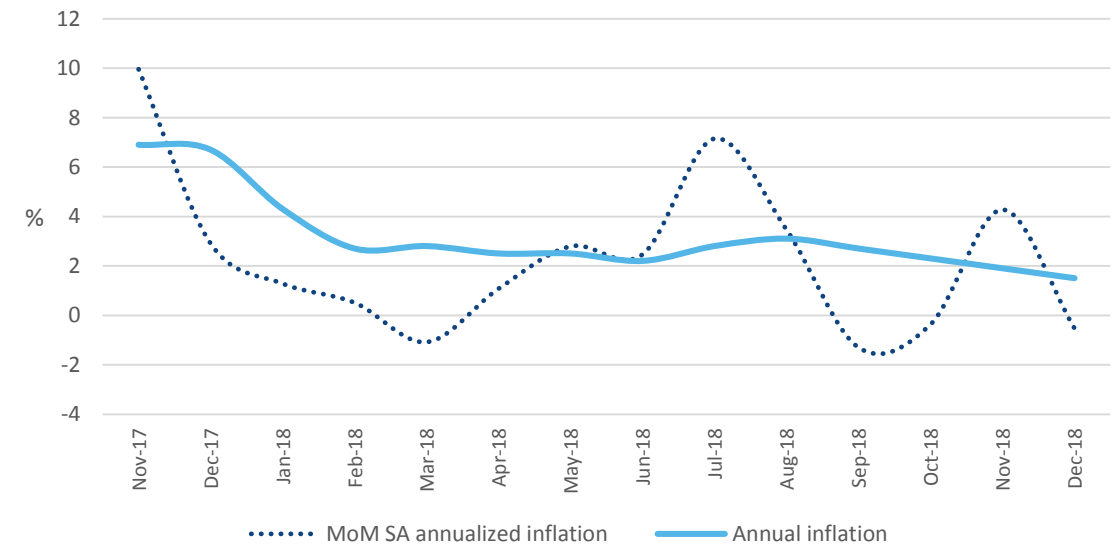
- ❑ Annual inflation stood at 1.5% in December 2018, down 0.4 PP compared to annual inflation in November 2018. Core inflation* stood at 0.9% YoY, 0.4 PP lower than in the previous month.
- ❑ From product groups perspective prices increased on alcoholic beverages and tobacco (+4.9% YoY) and food and non-alcoholic beverages (+1.7% YoY). Prices decreased on clothing and footwear (-6.6% YoY) and communication (-2.6% YoY).
- ❑ On seasonally adjusted annualized terms inflation stood close to zero in December 2018. Low inflation is mostly attributed to the declined prices on transportation, household equipment and textile products.
- ❑ According to IMF's December 2018 Country Staff Report, the authorities anticipate reaching the three-percent target by end-2019—rather than in mid-2019.

Inflation target, headline and core* inflation



Source: Geostat
 *CPI inflation excluding the prices of food and beverages, energy, transport and administered prices

Annual and seasonally adjusted monthly annualized Inflation



Source: Geostat

The information, statements and opinions contained in this report represent opinions of the authors i.e. TBC Bank Economic Team only and do not constitute official views, opinions or position of TBC Bank Group. Information in this report is solely for information purposes and has been obtained from publicly available sources believed to be reliable but its accuracy and completeness is not guaranteed. This report does not constitute a public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.

This report may contain forward-looking statements; such forward-looking statements contain known and unknown risks, uncertainties and other important factors. None of the future projections, expectations, estimates or prospects in this report should be taken as forecasts or promises nor should they be taken as implying any indication, assurance or guarantee that the assumptions on which such future projections, expectations, estimates or prospects are based are accurate or exhaustive or, in the case of the assumptions, entirely covered in the report.

Neither TBC Bank Group nor authors of this report accept liability whatsoever for any direct or consequential loss arising from any use of this report or its contents or otherwise arising in connection therewith. This report is copyright-protected and no part of it can be reproduced, republished, and/or distributed. All rights reserved.