



Fibabanka stands out from the competition and adds value to the lives of its customers with its innovative products and services in addition to its investments in digital transformation. During the coronavirus pandemic, Fibabanka continued its support to the real sector.

HÜSNÜ M. ÖZYEĞİN
Chairman of the Board of Directors

MESSAGE FROM THE CHAIRMAN OF THE BOARD OF DIRECTORS

Becoming popular in the sector with its products and services in the field of digital transformation in addition to ecosystem banking investments, Fibabanka carries out its activities driven by its agile organizational structure.

Capital Adequacy Ratio
19,4%

Our capital adequacy ratio was 19,4% at 2020 year-end.

Esteemed Stakeholders,

2020 was a year in which the entire world struggled with the negative impact of the health crisis as well as the economic crisis due to the coronavirus pandemic. As the pandemic caused one of the greatest contractions in global economy over the last one hundred years by creating shocks in both supply and demand domains, central banks and governments all over the world embraced expansionary monetary policies to support and stimulate their economies in response to the economic destruction caused by the pandemic. In March 2020, central banks of developed countries, particularly the central bank of the U.S. (Fed) which cut the policy interest rate twice finally down to 0-0,25% (Fed), not only slashed their interest rates to historically low levels, but also increased their market stimulus through bond purchase programs. Governments issued financial incentive packages to avoid loss of jobs. According to IMF data, global financial incentives issued in 2020 in response to the impact of the pandemic reached USD 14 trillion in total.

As a result of the U.S. Presidential Elections, which was another significant highlight of 2020, democrat Joe Biden was elected as the new president. On the other hand, during the last days of the year, the United Kingdom and the Europe Union signed the Brexit trade deal, which had been negotiated between the parties for a long time.

News on vaccines which were released toward the end of 2020 led to a cautiously optimistic mood regarding global economic recovery when we entered 2021. While it is important how quickly and effectively the vaccination process will be executed by countries in 2021, mutation of the virus will also be a critical factor that could affect the success of the vaccination. Size of the additional stimulus package to be announced in the U.S. will be closely watched in terms of its possible effects on global markets.

Although achieving a growth rate of 4,5% in the first quarter of 2020, the Turkish economy experienced a sudden slowdown and shrank by 9,9% in the second quarter as a result of increased intensity of the pandemic, many business halting or slowing down their operations, reduced employment and reduction in consumer spending. With easing of pandemic-related restrictions starting from May 2020, incremental steps taken towards normalization and provision of attractive loan terms, economic activity seemed to gather some momentum during the remainder of the year. The Turkish economy is estimated to have grown by 2% in 2020.

With this growth performance, Turkey is one of the few countries to achieve positive growth during that period. Although this economic growth resulted in increased import volumes, reduction in global demand, particularly in European countries, led to weak export figures

Total Assets
TL 27,2 billion

Our total size of assets increased by 24% to TL 27,2 billion

throughout the year. With the serious reduction in service revenues due to the pandemic, especially in tourism and transportation segments, the current account balance, which had been in surplus in 2019, posted a deficit of USD 36,7 billion in 2020, and its ratio to GDP increased to 5,2%. With the serious reduction in service revenues due to the pandemic, especially in tourism and transportation segments, the current account balance, which had been in surplus in 2019, posted a deficit of USD 36,7 billion in 2020, and its ratio to GDP increased to 5,2%. Inflation rate started 2020 at 12,2% and ended the year at 14,6%.

In 2020, regulatory adjustments intended to alleviate the effects of the pandemic as well as attractive loan campaigns initiated by state-owned banks and then also embraced by the entire banking sector provided a strong support to the real sector during that challenging period. Although the high credit growth during most of the year contributed to economic growth, it resulted in negative effects on macroeconomic indicators such as current account deficit and inflation. In consideration of these effects, the economy management took action to tighten the monetary policy toward the end of the year. The Central Bank increased the policy interest rate by 675 base points, raising it to 17%, and certain normalization steps were taken for the banking sector. In this unusual year characterized with poor predictability and many variables in play, the banking sector maintained a return on equity of 11,3% at the end of 2020 compared to 11,5% at the end of 2019 and increased the capital adequacy ratio to 18,7% compared to 18,4% in 2019 thanks to its robust corporate infrastructure, effective balance

sheet management and successful risk management. 2021 is expected to witness a healthier and more balanced growth compared to 2020, and the banking sector is expected to increase its contribution to a sustainable economic growth.

Differentiating itself in the sector by adding value to the lives of its customers with innovative products and services, Fibabanka maintained its support to the real sector during the coronavirus pandemic as well. Fibabanka supports its growth with sustainable profitability and focuses on efficiency. The bank closed the year 2020 with a total size of assets of TL 27,2 billion and a net profit of TL 229,8 million, and achieved a return on equity of 13% and a capital adequacy ratio of 19,4%.

Growing in popularity in the market thanks to its innovative digital products and services in addition to its forward-looking ecosystem banking investments, Fibabanka is driven by its agile organizational structure.

Celebrating its 10th anniversary in Fiba Group, the Bank is confident about the future with the ongoing support of its stakeholders. Taking this opportunity, we would like to thank our devoted employees, our business partners, our esteemed customers and all our stakeholders.

Kind regards,



HÜSNÜ M. ÖZYEGİN
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