



**BORSA
İSTANBUL**

**2022 ANNUAL
INTEGRATED REPORT**

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL REPORT OF THE BOARD OF DIRECTORS

(Convenience translation of a report originally issued in Turkish)

To the Shareholders of Borsa İstanbul Anonim Şirketi

1) Opinion

We have audited the annual report of Borsa İstanbul A.Ş. ("the Company") and its subsidiaries ("the Group") for the period of 1/1/2022-31/12/2022

In our opinion, the consolidated financial information provided in the annual report of the Board of Directors and the discussions made by the Board of Directors on the situation of the Group are presented fairly and consistent, in all material respects, with the audited full set consolidated financial statements and the information we obtained during the audit.

2) Basis for Opinion

We conducted our audit in accordance with Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Turkey (POA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Annual Report section of our report. We are independent of the Group in accordance with the Code of Ethics for Independent Auditors (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Our Auditor's Opinion on the Full Set Consolidated Financial Statements

We have expressed an unqualified opinions in our auditor's reports dated February 13, 2023 on the full set consolidated financial statements of the Group for the period of 1/1/2022-31/12/2022

4) The Responsibility of the Board of Directors on the Annual Report

In accordance with Articles 514 and 516 of the Turkish Commercial Code 6102 ("TCC"), the management of the Group is responsible for the following items:

- Preparation of the annual report within the first three months following the balance sheet date and submission of the annual report to the general assembly
- Preparation and fair presentation of the annual report; reflecting the operations of the Group for the year, along with its financial position in a correct, complete, straightforward, true and honest manner. In this report, the financial position is assessed according to the consolidated financial statements. The development of the Group and the potential risks to be encountered are also noted in the report. The evaluation of the board of directors is also included in this report
- The annual report also includes the matters below:
 - Subsequent events occurred after the end of the fiscal year which have significance,
 - The research and development activities of the Group,
 - Financial benefits such as salaries and bonuses paid to the board members and to those charged governance, allowances, travel, accommodation and representation expenses, financial aids and aids in kind, insurances and similar deposits.

When preparing the annual report, the board of directors takes into account the secondary legislative arrangements published by the Ministry of Trade and related institutions

5) Auditor's Responsibilities for the Audit of the Annual Report

Our aim is to express an opinion, based on the independent audit we have performed on the annual report in accordance with provisions of the Turkish Commercial Code on whether the consolidated financial information provided in this annual report and the discussions of the Board of Directors are presented fairly and consistent with the Group's audited consolidated financial statements and to prepare a report including our opinion.

The independent audit we have performed is conducted in accordance with InAS. These standards require compliance with ethical provisions and the independent audit to be planned and performed to obtain reasonable assurance on whether the consolidated financial information provided in the annual report and the discussions of the Board of Directors are free from material misstatement and consistent with the consolidated financial statements.

The name of the engagement partner who supervised and concluded this audit is Birkan Bilal Avcıl.

Güney Başgöçmez Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



Birkan Bilal Avcıl, SMMM
Partner

July 6, 2023
İstanbul, Türkiye

Borsa İstanbul Group

Borsa İstanbul, which dates back to 1873, was incorporated in 2012 and also has included the gold and derivatives markets, while increasing its stake in Takasbank and MKK. Accordingly, Borsa İstanbul Exchange Group structure was established which provides access to Turkish capital markets with a wide range of financial services. With an integrated business model, Borsa İstanbul Exchange Group offers listing, trading, settlement and custody operations of capital markets instruments, notably equities, derivative products, fixed income securities, precious metals and diamonds and Islamic finance products.

Borsa İstanbul Communication Channels:



<https://www.borsaistanbul.com/en>



<https://www.linkedin.com/company/borsaistanbul>



<https://twitter.com/borsaistanbul>



<https://www.youtube.com/borsaistanbul>



<https://facebook.com/borsaistanbul>



<https://www.instagram.com/borsaistanbul>

CONTENTS

ABOUT THE REPORT	2
CHAIRPERSON'S ASSESSMENT	4
CEO'S ASSESSMENT	6
2022 PERFORMANCE	10
STRATEGY AND VALUE GENERATION	
OPERATION ENVIRONMENT AND EXTERNAL IMPACTS	28
STRATEGY	30
MATERIAL ISSUES	36
VALUE GENERATION	42
RISK MANAGEMENT	46
STAKEHOLDER RELATIONS AND CORPORATE GOVERNANCE	
STAKEHOLDERS	58
CORPORATE GOVERNANCE	69
ORGANIZATIONAL STRUCTURE	70
BOARD OF DIRECTORS	72
BOARD OF DIRECTORS COMMITTEES	77
SENIOR MANAGEMENT	79
SUSTAINABILITY	80
FINANCIAL STATEMENTS AND GRI CONTENT INDEX	
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT	92
GRI CONTENT INDEX	158

ABOUT THE REPORT

PERIOD AND SCOPE OF THE REPORT

Borsa İstanbul A. Ş. (Borsa, Borsa İstanbul, the Company) informs its stakeholders of the resources and relationships which it uses and affects in the annual report which it published for the sixth time as an integrated report. It also presents the financial, environmental and social outcomes of its activities to its stakeholders in the annual report.

The 2022 Integrated Annual Report reflects Borsa İstanbul's goal of "conducting its activities in a responsible manner from a financial, environmental and social perspective, creating added value for society and supporting economic growth". It also provides an inclusive perspective on the Company's financial and operational performance, progress and strategic initiatives.

The report provides information on the factors affecting Borsa İstanbul, the significant risks and opportunities it faces, its corporate governance and its financial and operational performance for the period between 1 January and 31 December 2022. Where relevant, information and explanations are provided on a topic basis concerning Istanbul Settlement and Custody Bank (Takasbank) and Central Securities Depository (MKK), which are among the Borsa İstanbul Group companies.

The report addresses the information on the financial and non-financial outcomes of Borsa İstanbul's activities in an integrated scope. Borsa İstanbul's financial statements dated 31 December 2022, which were independently audited, and the footnotes detailing the statements are complementary and inseparable parts of this report.

MATERIALITY APPROACH

The report presents information which is considered to have material importance for existing and potential investors and all other stakeholders seeking to conduct evaluations while informed of Borsa İstanbul's short, medium and long-term value generation capability. The effects of our activities, performance and business model on value generation in the context of our strategy, our evaluations regarding the responses to be given to emerging risks and opportunities, our senior management staff and our corporate governance practices are included in the report.

The International Integrated Reporting Council's (IIRC) Integrated Reporting (IR) Framework was used in the preparation of the content. Additionally, the report was prepared in accordance with the Global Reporting Initiative (GRI) Standards.

The business model on pages 44 and 45 of the report describes the integration of capitals with the business structure.

The following icons are included as a visual reference in the use of these six capital elements in the report.



ASSESSMENTS FOR THE FUTURE

The report contains some future oriented statements regarding Borsa İstanbul's financial status, its operational outcomes and its operations. These statements also involve various risks and uncertainties as they relate to events and depend on conditions that will emerge in the future. There are several factors which could lead actual outcomes or developments to differ from such future oriented evaluations.

RESPONSIBILITY OF THE BOARD OF DIRECTORS REGARDING THE INTEGRATED ANNUAL REPORT

Our Integrated Annual Report for 2022 sets out the value Borsa İstanbul generated during the course of its operations, and how it utilized its financial, human, intellectual, manufactured, natural and social capital during the reporting period.

On behalf of the Board of Directors of Borsa İstanbul, we state that this report, which was prepared in accordance with the international integrated reporting framework, addresses all relevant topics and ensures the integrity of the report. We accept responsibility in these matters.



Korkmaz ERGUN
Chief Executive Officer
Member of the Board of Directors



Prof. Dr. Eriřah ARICAN
Chairperson of the Board of Directors

CHAIRPERSON'S ASSESSMENT

Dear Stakeholders,

We were all deeply saddened by the devastating earthquake struck in our country on 6 February. The disaster caused massive destruction and loss of life in 11 provinces. In these difficult days, at a time when all of our institutions and citizens have acted in solidarity and mobilized their support to the earthquake region, we at the Borsa İstanbul Group sought to contribute to the aid efforts in coordination with the authorized units. We quickly brought our vehicles carrying materials and our personnel who could participate in volunteer work to the earthquake region, and worked tirelessly to heal our wounds. At this time, we wish God's mercy on the souls of our citizens who lost their lives in this disaster and express our condolences to their loved ones. We send our best wishes to all our whole country.

Esteemed Stakeholders,

We now have a structure where capital market institutions serve investors and issuers in an integrated manner. The most important issue in this structure is to provide our services with the highest quality and with an emphasis on transparency, and to be open to continuous development and transformation at the same time.

Last year, in this vein, our Board of Directors reviewed our priorities. The Board drew a strategic roadmap in line with the global conjuncture, the dynamics of our capital markets and our vision of becoming a global integrated marketplace for the Turkish and regional financial assets.

The first of the main goals which we have determined in this strategy is to further enlarge our capital markets by enhancing the efficiency of our existing products, offering new products and services to investors and companies, encouraging companies to go public on our Stock Exchange and supporting the participation of new investors.



During the year, our Exchange started to offer an array of new products and services required by the market, such as new derivatives and indices.

Our key goals include ensuring that our capital markets reach their potential by sustaining this growth and our companies finance their investments efficiently, and financing the development of our country.

In addition to the pride of celebrating the 100th anniversary of Republic of Türkiye in 2023, we will reach the 150th anniversary of our country's stock market in a symbol of our development and progress as a provider of market systems that promote institutionalization and sustainable development in Türkiye.

In 2023, we will continue to work for achieving successful results by maintaining this momentum, and work tirelessly as Borsa İstanbul brings new products and services to the market, and for it to be the go-to point for companies seeking access to long-term financing for the development of our country.

I would like to thank our esteemed stakeholders, our Board of Directors and the valuable employees of the Borsa İstanbul Group, who have supported us in these goals.

Respectfully,

Prof. Dr. Eriřah ARICAN
Chairperson of the Board of Directors

CEO'S ASSESSMENT

Dear Stakeholders of the Borsa İstanbul Group,

During the process of preparing our 2022 annual report, we suffered the greatest natural disaster of our nation's history with the earthquakes that struck around their epicenter in Kahramanmaraş on 6 February, 2023. Millions of our citizens were directly affected by the earthquakes which caused great destruction and indescribable pain in a wide geographical region covering 11 provinces.

The Borsa İstanbul Group directly delivered emergency aid vehicles bringing equipment to support search and rescue efforts, as well as materials to meet the heating needs of our earthquake-stricken citizens. In cooperation with the Disaster and Emergency Management Presidency (AFAD), we conveyed our support in kind to the area affected by the earthquake. We also provided financial support to the Türkiye One Heart campaign, which was also launched by AFAD. We are aware that in the face of such adversity, we need to unite as a country, help each other and work more than ever.

I wish God's mercy on our citizens who lost their lives as a result of the earthquakes that left us all with such deep sorrow, while wishing a swift recovery to those who were injured and patience to all of our citizens, especially those who lost their loved ones.

Evaluation of the year 2022

The year 2022 was a year of great progress for our capital market both in terms of supply and demand. The demand side of our capital market strengthened; savings directed to our markets; and funds were provided to our companies and the economy.

Companies which sought to strengthen their equity with 40 primary public offerings realized in 2022 increased their production, exports and employment and contributed to the growth of our economy by providing TL 19.3 billion in financing through our capital market.

Debt instruments were another financing instrument which our companies benefited from, in addition to public offerings. In the last two years, a total of 3,149 private sector debt instruments have started to be traded on the Borsa İstanbul. Issuing companies obtained TL 620 billion in resources through these debt instruments.

As savers continued to show interest in the capital market, transaction volumes reached new levels

The number of individual investors holding shares more than tripled from 1.2 million at the end of 2020 to 3.8 million at the end of 2022. In this process, we carried out our operations in the markets smoothly and without interruption. We organized informative events for new investors and those seeking to become investors, organized training sessions and prepared guides. We acted with an awareness of the responsibility which we bear by the increasing interest.



A number of new public offerings took place in 2022 while our stock exchange continued to attract more investor interest, and we also achieved record transaction volumes during the year with our average daily trading volume in the stock market increasing to TL 70.3 billion. In our other market, the Derivatives Market, the average daily trading volume stood at TL 31.4 billion, with the daily trading volume in the Precious Metals and Diamond Markets averaging TL 2.1 billion.

We attach tremendous importance on communication and interaction with stakeholders in accordance with our new business model. We offer products and services that meet the needs of the market.

We have comprehensively improved our communication with companies in the last two years at Borsa İstanbul. We have started to reach our industrialists directly, explaining the benefits of the capital market and advantages of being traded on the Borsa İstanbul. We visited more than 150 companies in this vein in 2022. We held meetings with chambers of industry and commerce. Our visits and meetings in Adana, Ankara, Bursa, Denizli, Gaziantep, Hatay, İstanbul, İzmir, Kahramanmaraş, Kayseri, Kocaeli, Konya, Mersin, Ordu and Tekirdağ were all received with great interest. We will maintain our contacts in accordance with this working model.

In addition to introducing the capital markets to companies, we ensure that our markets operate regularly and without interruption and take steps to increase the number and variety of products and services which we offer.

As in the Stock Market, we also launched the opening session practice in the Derivatives Market in 2022.

By establishing a Commodity Market within the Borsa İstanbul Stock Market, we aimed to present alternative investment instruments for investors seeking to invest their savings in precious metals such as gold and other commodities in the capital market. The first of these investment instruments, the Gold Certificate, was issued by the General Directorate of the Mint and Stamp Printing House of the Ministry of Treasury and Finance. The Gold Certificate started to be traded on the Commodity Market on 21 November 2022.

Our services in participation finance continue to diversify. On 22 June 2022, we started to calculate and publish the TLREFK, which is used as the reference rate of return in various interest-free financial products and financial contracts. We started to calculate and publish the BIST TLREFK Index in order to monitor the yield of this rate. On 21 November 2022, we started to calculate the BIST Participation Dividend Index. With this index, it has become easier for individual and institutional investors who base their investment decisions on the principles of participation finance to easily identify companies which tend to distribute dividends among companies operating in accordance with the principles of participation finance, thus bringing ease for these investors when it comes to investing.

CEO'S ASSESSMENT

Taking into account the developments in the global capital markets, in 2021 we changed the methodology of the BIST Sustainability Index, which we have published since 2014. The BIST Sustainability Participation Index includes companies which comply with the principles of participation finance and are active in the field of sustainability. The Index became our second sustainability themed index. The BIST Sustainability 25 Index, which we launched on 21 November 2022, became our third index under this theme. We have observed strong demand in this field from investors, and anticipate an increase in the number of funds using our indices.

Another important project in the field of sustainability is the Carbon Market. This market is an important opportunity offered by the financial sector in the fight against the climate crisis. This market is vital for Türkiye to reach its net zero target for 2053 and to comply with the EU's carbon mechanism at the border. We will complete our Carbon Market preparations by fulfilling our duties according to the timetable deemed appropriate by the ministries.

At Borsa İstanbul, we strive to convey our perspective of long-term sustainability to our stakeholders in the financial markets. We maintained our awareness-raising and guiding activities in 2022, providing training on sustainability in order to ensure that our companies do not deviate from the constantly developing and expanding sustainability agenda. We contributed to the balance of knowledge and awareness in the market through our participation in conferences and seminars. We have prepared the **Climate Reporting Guide for Companies** in order to explain the importance of climate-related reporting to issuers and investors in our country and to guide them in this process. We also prepared **the Integrated Reporting Guide for Companies** in cooperation with the Integrated Reporting Association of Türkiye (IRAT). These guides were among the important source documents together with **the Sustainability Guide for Companies** which we shared in 2020.

Continued development in the field of technology

Just a few years ago, in 2017, our systems were receiving an average of 3.7 billion orders per day. In 2022, this number had soared to 12 billion. In order to respond to this increase and provide an uninterrupted service to our investors, we unwaveringly maintain our developments in the field of technology.

In addition, we are working on establishing a platform that will provide our investors with both real-time and historical data. Through this platform, we aim to facilitate investors' access to data and data analytics and to contribute to investor education and financial literacy.

The year marked a new addition to our technology service portfolio as we started to provide comprehensive technical support to foreign stock exchanges. We offer technological support to the Abu Dhabi Stock Exchange, with which we have signed a cooperation agreement. We assist them in the project of updating the transaction infrastructure. Our specialists provide on-site training to their colleagues there. This technological cooperation has also enabled us to improve our financial relations. An exchange-traded fund was established in Abu Dhabi, which only invests in companies traded on the Borsa İstanbul. The fund's participation shares began to be traded on the Abu Dhabi Stock Exchange on 9 August 2022.

We will continue to support our capital market with new steps

Work continues on the process of compliance with the IOSCO criteria, which will confirm that our indices meet international standards. Our application within this scope reached the ESMA (The European Securities and Markets Authority), the EU's capital market regulators board.

Our goals include introducing our country's capital market to foreign investors, increasing the flow of international funds to our country and elevating Borsa İstanbul's position as an attractive listing center for foreign companies.

Leaving behind a year on a financial high

As a result of the activities which I have summarized here, the increasing transaction volume and investor interest significantly increased our operating revenues in 2022. We observed a similar trend in data and technology revenues. I am delighted to note that our consolidated profit increased by 102% to TL 4.2 billion in 2022.

To wrap up...

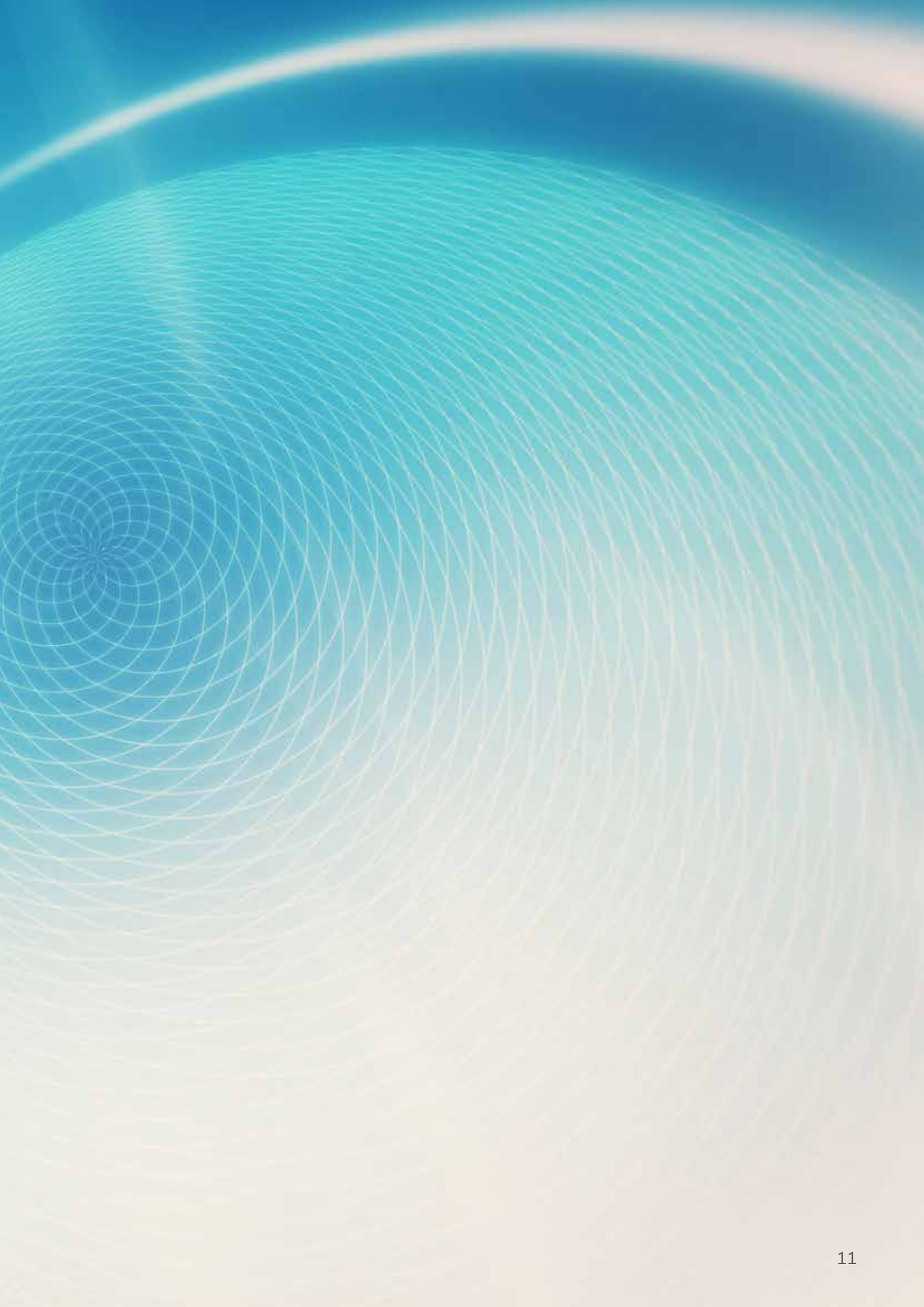
I would like to take this opportunity to thank all of our stakeholders who put their trust in us in 2022, all of our investors who chose to direct their savings to our Stock Exchange, and all of our new companies that joined us. Acutely aware of the trust you have placed in us and our leading role in the capital market, all of us at the entire Borsa İstanbul family will tirelessly continue our work.

Respectfully,

Korkmaz ERGUN
Chief Executive Officer
Member of the Board of Directors

2022 PERFORMANCE

Borsa İstanbul successfully completed another year in which it contributed to the development of the capital markets by providing financial resources to more companies through session continuity and expanding product range on the supply side and reaching a wider investor base on the demand side.



THE FINANCIAL AND OPERATIONAL PERFORMANCE IN 2022

TL 6,372 million

Operating Revenues

90% YoY increase

2021: TL 3.355 million

TL 4,239 million

Net Profit

102% YoY increase

2021: TL 2,096 million

40

Initial Public Offerings

2021: 52

TL 361.6 billion

Private Sector Debt Securities Issuance Volume

2021: TL 258.4 billion

TL 19.3 billion

Initial Public Offering Issuance Volume

2021: TL 21.6 billion

3.8 million

Number of Domestic Individual Investors with a Balance

2021: 2.40 million

1,855

Private Sector Debt Securities Issuances

2021: 1,294

41.89%

Equity Market Free Float Rate (%)

2021: 40.12%

TL 6,208 billion

Total Market Capitalization of the Companies Traded on Equity Market

2021: TL 2.182 billion

41.4%

Market Capitalization/ GDP (%)

2021: 30.1%

100%

Session Continuity

2021: 100%

483

Number of Public Companies*

2021: 446

*Excluding ETF & Qualified Investor Transaction Market (QITM)

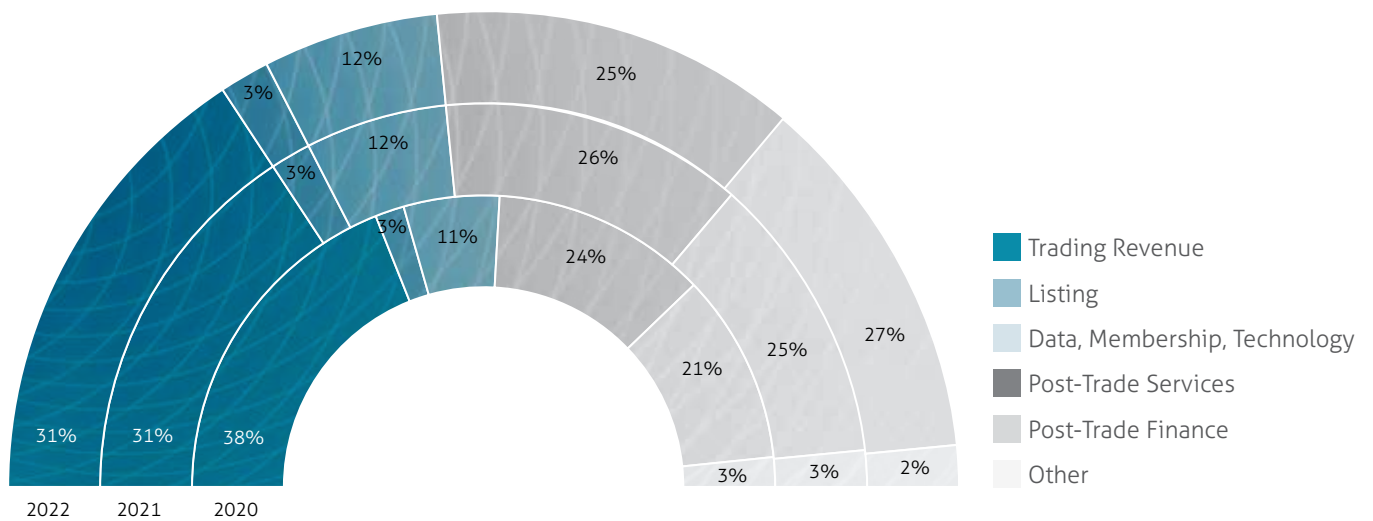
FINANCIAL PERFORMANCE

	2020	2021	2022	Change (YoY)
Revenues	2,477	3,355	6,372	90%
Operating Profit	1,678	2,373	3,746	58%
Profit Before Tax	1,825	2,776	4,494	62%
Net Profit for the Period	1,445	2,096	4,239	102%
Total Assets	27,907	48,592	91,711	89%
Total Liabilities	23,336	42,519	82,256	93%
Total Shareholders' Equity	4,571	6,074	9,455	56%
Operating Profit Margin	68%	71%	59%	
Net Profit Margin	58%	62%	67%	

BREAKDOWN OF REVENUES

	2022 Revenue (TL Million)	Revenue Ratio (%)	Change (%) (YoY)
Trading Revenue	2.005	31%	90%
Listing	196	3%	71%
Data, Membership, Technology	734	12%	83%
Post-Trade Services	1.589	25%	85%
Post-Trade Finance	1.697	27%	106%
Other	153	2%	49%
Total	6.374	100%	90%

*Discounts and returns are not included.



THE FINANCIAL AND OPERATIONAL PERFORMANCE IN 2022

OPERATIONAL PERFORMANCE

TL 17.7 trillion

Total Traded Value
(2021: 7.5)

Traded value reached an
all-time record of
TL 188.4 billion
on 14 December 2022.

Equity Market

In the world;

- Ranked 1st in terms of turnover velocity
- Ranked 10th in traded value
- Ranked 27th in market capitalization

TL 14.4 trillion

Total Traded Value
(2021: 17.1)

On 12 September 2022, the record in traded
value of all time was broken in the Outright
Purchases and Sales Market with
TL 15.5 billion.

Debt Securities Market

In the world;

- Ranked 1st in issuance of private sector
debt securities
- Ranked 13th in issuance volume of debt
securities
- Ranked 15th in traded value

TOTAL TRADED VALUE

TL 40.5 trillion

(2021: TL 29.3 trillion)

TL 7.9 trillion

Total Traded Value
(2021: 4.5)

Traded value reached an
all-time record of
TL 77.7 billion
on 28 December 2022.

Derivatives Market

In the world;

- Ranked 12th in index futures contracts
in terms of number of contracts
- Ranked 8th in number of contracts for
foreign exchange futures contracts

TL 531.8 trillion

Total Traded Value
(2021: 169.4)

Traded value reached an
all-time record of
TL 6.9 billion
on 30 December 2022.

Precious Metals and Diamond Market

MATERIAL DEVELOPMENTS

January	<ul style="list-style-type: none"> · An amendment was made to the Equity Market Procedure, stipulating that it would not be possible to enter orders from the market to the limit during transactions opened with a free margin. · In the Debt Securities Market Procedure, amendments were made regarding the trading principles of gold bonds and gold-backed lease certificates issued by the Ministry of the Treasury and Finance of the Republic of Türkiye, and pertaining to the size of orders which could be transmitted at any one time in the Outright Purchases and Sales Market.
February	<ul style="list-style-type: none"> · Changes were carried out to the Index Linked Circuit Breaker System. · Three stock-based option contracts were brought into service.
March	<ul style="list-style-type: none"> · Government Domestic Debt Securities (GDDS) Futures Contracts with Physical Delivery were opened for trading. · Notifications of independent auditors started to be submitted through the Borsa İstanbul Case Application within the scope of the Responsible Supply Chain Assurance Audit Directive. · A change was made in the Debt Securities Market Procedure pertaining to the size of orders that can be transmitted at any one time in the Repo Market for Specified Securities. · Measures were put in place to enable transaction cancellation applications in the Debt Securities Market to be carried out through transaction terminals. · Version 2.16, which includes improvements in the BISTECH system, was put into use in the live environment.
May	<ul style="list-style-type: none"> · The basic rules of the BIST Market Cap Weighted Stock Indices and the BIST Non-Market Cap Weighted Stock Indices were updated.
June	<ul style="list-style-type: none"> · Changes were made in the sector structure used in the Borsa İstanbul indices and in the sectors and indices of some companies. · Work was carried out so transaction cancellation applications in the Derivatives Market can also be carried out through transaction terminals. · The Turkish Lira Overnight Participation Reference Rate of Return (TLREFK) started to be calculated. · The basic rules of the BIST Market Cap Weighted Stock Indices were updated. · Version 2.17, which includes improvements in the BISTECH system, was put into use in a live environment.
July	<ul style="list-style-type: none"> · An amendment was made in the Debt Securities Market Procedure to allow shares in the BIST 50 index to be traded on the Equity Repo Market.
August	<ul style="list-style-type: none"> · The Risk Management Policy was approved.
September	<ul style="list-style-type: none"> · Members are also permitted to access the PTRM (Pre-Trade Risk Management) service over the API (Application Programming Interface). · In the Derivatives Market, data pertaining to the Order/Trade Ratio (OTR) on an account/contract basis started to be shared with members. · The Financial Criteria Directive, which is in line with IOSCO Principles, was published.
October	<ul style="list-style-type: none"> · The Information Security Policy was updated.
November	<ul style="list-style-type: none"> · The basic rules of the BIST Market Cap Weighted Stock Indices and the BIST Market Cap Non-Weighted Stock Indices were updated. · Commodity certificates based on gold started to be traded within the Equity Market Commodity Market. · Version 2.18, which includes improvements in the BISTECH system, was put into use in a live environment. The Human Resources Performance Management System Procedure was updated.
December	<ul style="list-style-type: none"> · Changes were made in the Borsa İstanbul trading revenue and market making system for warrants and certificates. · The Gold-Based Indices rule set was updated.

2022 PERFORMANCE

MARKETS AND LISTING

There are four main markets in the Borsa İstanbul; the Equity Market, the Debt Securities Market, the Derivatives Market and the Precious Metals and Diamond Markets. Throughout 2022, 100% session continuity was ensured in our markets.

	2022 Revenue (TL Million)	Contribution to Total Revenue	Change (YoY)
Trading Revenue	2,005	31%	90%
Equity Market	893	14%	123%
Debt Securities Market	219	3%	-8%
Derivatives Market	535	8%	77%
Precious Metals and Diamond Market	142	2%	197%
Other*	217	3%	214%
Listing	196	3%	71%

*Takasbank Money Market, Takasbank Security Lending Market, and Türkiye Electronic Fund Purchase and Sale Platform, Private Pension Fund Trading Platform

	Major Developments in 2022	Key Indicators	Objectives
EQUITY MARKET Equities, new equity purchase rights, exchange traded funds, investment firm warrants and certificates, ownership-based lease certificates, real estate investment funds, real estate certificates, venture capital investment funds and commodity certificates are traded in the equity market.	<p>Records and Developments:</p> <p>The stock market transaction volume broke an all-time record with a daily trading volume of TL 188.4 billion on 14 December.</p> <p>The BIST100 index broke its all-time record on 30 December at 5,563 within the session, closing at 5,509.2.</p> <p>The ratio of High Frequency Trading (HFT) transactions in the Equity Market's total transaction volume reached a peak of 30.83% in December, while averaging 28.32% in 2022.</p> <p>New Developments:</p> <p>A Commodity Market was established within the Equity Market by working with General Directorate of the Mint and Stamp Printing House and other related institutions. The Gold Certificates issued by the General Directorate of the Mint and Stamp Printing House started to be traded on 21 November.</p> <p>Improvements were carried out in the Borsa İstanbul trading revenue and market-making system in warrants and certificates. These were brought online in December.</p> <p>Work on the transmission of transaction cancellations through the system was completed flawlessly and the measures were brought online.</p> <p>BISTECH Phases 2.16, 2.17 and 2.18 transitions were successfully completed.</p> <p>Sub-market criteria, which are among the criteria for determining the markets, were changed.</p> <p>Work continues within the scope of developing the rules of transaction and cancellation of warrants.</p>	<p>Total traded value TL 17,706 billion (2021: TL 7,513 billion)</p> <p>Total market cap TL 6.2 trillion (2021: TL 2.2 trillion)</p> <p>Number of investors with a shareholding 3.8 million (2021: 2.4 million)</p>	<ul style="list-style-type: none"> Ensuring uninterrupted session continuity To improve trading and cancellation rules in warrants Completing the transition to BISTECH Phase 3.0 Developing a mechanism that enables external price transfer to stock market instruments Preparation of the market order/trade ratio (OTR) report in the equity market Contributing to the establishment of a Carbon Market

Major Developments in 2022		Key Indicators	Objectives
<p>DEBT SECURITIES MARKET</p> <p>Outright purchases and sales, repo-reverse repo transactions and Eurobond purchase and sale transactions are carried out in the Debt Securities Market. There are also money and swap markets.</p>	<p>Records and Developments:</p> <p>The Outright Purchases and Sales Market recorded its highest daily transaction volume of TL 15 billion on 12 September 2022, breaking an all-time record.</p> <p>The Repo-Reverse Repo Market recorded its highest daily transaction volume and number of contracts on 30 December 2022, with a transaction volume of TL 98.3 billion and 4,211 contracts.</p> <p>New Developments:</p> <p>Green bonds and green lease certificates were opened for trading within the Outright Purchases and Sales Market.</p> <p>Work on cancelling transactions with a forward value date after the trading day was completed. This option was brought into operation in February.</p> <p>Work on the transmission of transaction cancellations over the system was completed without problems and they were put into practice.</p> <p>Development work on the PTRM API was completed and was commissioned in November.</p> <p>The BISTECH Phases 2.16, 2.17 and 2.18 transitions were successfully completed.</p>	<p>Total traded value TL 14,406 billion (2021: TL 17,127 billion)</p> <p>Outright Purchases and Sales Market traded value TL 869 billion (2021: TL 331 billion)</p> <p>Repo-Reverse Repo Market traded value TL 11,611 billion (2021: TL 14,173 billion)</p> <p>Money Swap Market traded value TL 999 billion (2021: TL 2,494 billion)</p>	<ul style="list-style-type: none"> • Ensuring uninterrupted session continuity • Completing the transition to BISTECH Phase 3.0 • Carrying out software and application improvements on the BISTECH platform.
<p>DERIVATIVES MARKET</p> <p>Equities, indices, foreign exchange, electricity, precious metals, TLREF (Turkish Lira Overnight Reference Rate), foreign index, Exchange Traded Funds (ETF), overnight repo, physical foreign currency, Government Domestic Debt Securities (GDBS), the commodities and metal backed futures contracts are traded on the Derivatives Market. In addition, options based on equities, indices, foreign exchange and physical foreign currency are traded.</p>	<p>Records and Developments:</p> <p>Daily transaction volume reached an all-time record of TL 77.7 billion on 28 December 2022. Moreover, the record for daily transaction volumes and the daily number of transactions was broken on 26 August 2022, with 28.9 million transactions and 1.45 million daily transactions.</p> <p>The ratio of High Frequency Trading (HFT) transactions to total transaction volume in Equity Futures Contracts reached a peak of 60.38% in December. The average for the 2022 full year stood at 55.46%.</p> <p>New Developments:</p> <p>In order to increase efficiency in market making, the conditions in various market segments were updated by receiving the opinions of market maker members.</p> <p>Three new equity option contracts were put into operation on 25 February.</p> <p>On 15 March, GDBS futures contracts with physical delivery were brought into operation.</p> <p>On 16 September, data pertaining to the Order/Trade Ratio (OTR) on an account/contract basis started to be shared with members.</p> <p>On 23 September, the opening session application as well as change in the end of session time of equity derivatives contracts were put into effect in the Derivatives Market.</p> <p>On 1 November, two new equity futures contracts were brought into operation.</p>	<p>Total traded value TL 7,887 billion (2021: TL 4,480 billion)</p> <p>Total number of accounts 779,000 (2021: 548,000)</p> <p>Number of active accounts 21,000 (2021: 18,000)</p>	<ul style="list-style-type: none"> • Ensuring uninterrupted session continuity • Increasing liquidity and product diversity • Continuing to draft regulations to increase the efficiency of the market • Completing the transition to BISTECH Phase 3.0 • Carrying out software and application improvements on the BISTECH platform

2022 PERFORMANCE

	Major Developments in 2022	Key Indicators	Objectives
<p>PRECIOUS METALS AND DIAMOND MARKETS</p> <p>Gold, silver, palladium, platinum, precious metals and precious stones are traded on the Precious Metals and Diamond Markets.</p>	<p>Records and Developments:</p> <p>An all-time record for daily transaction volume was broken on 30 December, with a transaction volume of TL 6.9 billion. In addition, an all-time record in terms of the number of daily transactions was broken on 5 August with 838 transactions. On 3 June 2022, the record for the highest daily transaction amount was set at 57.9 tons.</p> <p>Within the framework of the OECD regulations, trainings about responsible supply chain practices were provided.</p> <p>New Developments:</p> <p>Within the scope of the responsible supply chain, the case application, which provides opportunities for members, refineries and independent auditors to electronically transmit the information they are obliged to report to our Exchange, was brought into use.</p> <p>A data integration project was carried out within the scope of the work carried out in cooperation with the CBRT.</p> <p>Work for the addressing of bullion and large gold bars in the case register, their storage in boxes (ingots) and cages (large bars) got underway within the scope of the Electronic Case Register Tracking System project.</p> <p>A protocol was signed between the Ministry of Commerce, the Ministry of Treasury and Finance and Borsa İstanbul to query import and export declarations in electronic media.</p>	<p>Total traded value TL 532 billion (2021: TL 169 billion)</p> <p>Total storage capacity 1,600 tons</p>	<ul style="list-style-type: none"> • Ensuring uninterrupted session continuity • Development of electronic case register tracking system • Conducting secondary market transactions within the framework of the One Gram Gold (BİGA) project • Completing the transition to BISTECH Phase 3.0

	Major Developments in 2022	Key Indicators	Objectives
<p>LISTING</p> <p>Listing transactions of publicly offered equities, exchange traded funds, warrants, issued private sector debt instruments and lease certificates are carried out.</p> <p>Activities and developments in the financial and legal situations of companies, whose equities are traded on the Borsa İstanbul, are monitored. Where there are negative developments in these companies, measures may be taken such as issuing warnings, taking them into the Watchlist Market and de-listing. Companies, whose negative situation has improved, are taken to the next up market by being removed from the Watchlist Market if they apply and are deemed suitable.</p>	<p>Records and Developments:</p> <p>40 listed companies realized public offerings amounting to TL 19.3 billion.</p> <p>1,855 debt instruments were listed and TL 361.6 billion funding source was provided to issuers.</p> <p>Five funds and 8,366 warrants were listed. 29 wholesale trading transactions were carried out.</p> <p>Two companies were delisted due to mergers in 2022.</p> <p>Four companies were taken to an upmarket. The application of one company for inclusion in the upper market was rejected.</p> <p>Three companies received warnings as a result of investigations carried out.</p> <p>New Developments:</p> <p>Within the scope of improving the listing processes of securities, the Procedure for Wholesale Buying and Selling Transactions procedure of our Stock Exchange was updated, ensuring the effectiveness in terms of the company, brokerage houses and our internal processes.</p> <p>In order to encourage large-scale companies to carry out public offerings, the General Manager of Borsa İstanbul paid visits to chambers of industry and companies which were briefed on public offerings.</p> <p>The decision was taken to change the name of the Qualified Investor Transaction Market (NYIP), which is under the Equity Market, to the "Venture Capital Market". In addition to other instruments, activities were carried out in this market to help companies not yet ready for public offering obtain funds by selling their shares to qualified investors through capital increase, and for these stocks to be traded. Work within this scope was carried out in cooperation with the CMB, and the relevant CMB Communiqué progressed to the stage of publication.</p> <p>An amendment was made in the Listing Directive so commodity certificates can be listed on the Stock Exchange and to be traded in the Equity Market. Gold-based certificates, issued by the General Directorate of the Mint and Stamp Printing House, started to be traded.</p>	<p>The number of the IPO: 40 (2021: 52)</p> <p>Revenue of the IPO: TL 19.3 billion (2021: TL 21.6 billion)</p> <p>Number of listed private sector debt instruments: 1,855 (2021: 1,294)</p> <p>Private sector debt instrument issuance revenues: TL 361.6 billion (2021: TL 258.4 billion)</p>	<ul style="list-style-type: none"> • Encouraging large-scale companies to carry out public offerings • Improvement of securities listing processes • Structuring the Qualified Investor Transaction Market (NYIP) as a Venture Capital Market and trading company equities in this market.

2022 PERFORMANCE

DATA, MEMBERSHIP AND TECHNOLOGY

Borsa İstanbul provides data sale, license, membership, market access and co-location services.

	2022 Revenues (TL Million)	Contribution to Total Revenues	Change (YoY)
Data, Membership and Technology	734	12%	83%
Data Vending	388	6%	48%
Technology	221	3%	219%
Terminal	63	1%	64%
Membership	28	0.4%	56%
License	34	0.5%	151%

*Takasbank Money Market, Takasbank Security Lending Market, and Türkiye Electronic Fund Purchase and Sale Platform, Private Pension Fund Trading Platform

	Major Developments in 2022	Key Indicators	Objectives
<p>DATA DISTRIBUTION</p> <p>Data generated in the Borsa İstanbul markets is delivered to investors as real time data, delayed data or in end-of-day data through Borsa İstanbul's licensed data distribution companies. In this context, Borsa İstanbul's range of data packages are transmitted to domestic and international users through 220 data distribution companies.</p> <p>In addition to its own data, Borsa İstanbul distributes Takasbank and MKK data as well as data of international institutions, including data pertaining to the Sarajevo, Montenegro, Macedonia and Pakistan Stock Exchanges.</p>	<p>Developments:</p> <p>A total of 220 institutions are authorized to distribute Borsa İstanbul data.</p> <p>There are 65 institutions and 1,300 funds belonging to these institutions which use the Borsa İstanbul indices as a basis or benchmark for their financial products.</p> <p>New contracts were signed with 34 institutions in the field of data distribution and indexing.</p> <p>Virtual stock market/portfolio competitions, which are organized by institutions in order to increase financial literacy and attract new investors to the stock market, receive support by provided the data free of charge.</p> <p>New Practices:</p> <p>Work was carried out to enable data distribution companies to transmit their authorization requests and reports to the Stock Exchange over the online system. The application was put into use in December.</p> <p>Technical work was completed to expand the content of the existing Stock Level 2+ data package and expand the number of pricing levels from 10 to 25. In addition, a Derivative Level 2+ data package with 25 price levels was established. The new products were brought into service in early 2022.</p> <p>Fund Transaction Books are currently only offered to the fund service units which carry out the operation of the funds. In response to demand from market participants, technical work was carried out during 2021 so Fund Transaction Books could also be provided to fund founders, with the practice implemented in 2022.</p> <p>The information pertaining to demands and needs with our existing and potential customers, who are our stakeholders, is obtained and related works have been in progress.</p>	<p>Number of data package subscriptions reported to Borsa İstanbul by data distribution companies:</p> <p>3.5 million (2021: 2 million)</p>	<ul style="list-style-type: none"> • Creating joint data packages with the MKK and Takasbank • Continuing meetings with current and potential customers in order to develop products and services • Reviewing policies applied in the field of data distribution and licensing and conducting feasibility studies • Renewal of Datastore, a historical and reference data sales platform

Major Developments in 2022		Key Indicators	Objectives
<p>INDEX AND LICENSE</p> <p>Borsa İstanbul calculates different types of indices so investors can monitor transactions and trends in the market.</p> <p>The indices that Borsa İstanbul publish are used as an underlying asset or benchmark in financial products.</p> <p>Furthermore, Borsa İstanbul offers index calculation services to institutions that would like to calculate on their behalf.</p>	<p>Developments:</p> <p>At the end of 2022, a total of 438 indices based on stocks, 74 of which are real-time, and 54 indices based on different investment instruments such as debt instruments, gold, deposits and funds, along with 20 risk control indices, four short indices based on the BIST 30 and BIST 100 Indices, two leveraged indices and four gold-based indices were calculated on the Borsa İstanbul.</p> <p>Comprehensive legislative work, which had got underway in 2021 in connection with the Compliance of BIST Indices with the IOSCO, continued in 2022. In this vein, the Financial Criteria Directive covering compliance with the IOSCO Principles, the Financial Criteria Management Procedure, the Procedure for Preventing Conflicts of Interest in Financial Criteria, the Notice Procedure Regarding Financial Criteria and the Complaint Procedure Regarding Financial Criteria were established and put into effect.</p> <p>Borsa İstanbul aims to complete this process in 2023 by applying to the ESMA (the European Securities and Markets Authority) through the CMB, in parallel with carrying out all of these preparations.</p> <p>New Developments:</p> <p>The Turkish Lira short-term reference rate of return may be used as a variable rate of return indicator, underlying asset or benchmark in debt instruments of participation banks, in various interest-free financial products and in financial contracts. The Turkish Lira Overnight Participation Reference Rate of Return (TLREFK) was established to meet the need for the Turkish Lira short-term reference rate of return. It started to be calculated and published from 22 June, 2022. The BIST TLREFK Index, established to monitor the return of the TLREFK rate, began to be calculated and published on the same date.</p> <p>The BIST Sustainability 25 and BIST Participation Dividend indices started and published by calculating from the end-of-day data from 1 November and from simultaneous data from 21 November.</p> <p>The QNB Finansbank Clean Energy index started to be calculated and published on 11 January 2023.</p> <p>Enabling Fund Indices which are calculated within the scope of the BIST-KYD Indices to be automatically calculated on the system served to reduce operational risks and increase operational efficiency.</p> <p>Work has been initiated to automate the end-of-day checks of debt indices. The second phase of the work, the first phase of which has already been completed, is planned to be completed in the next year.</p> <p>Work to create the BIST-KYD CPI Indexed Lease Certificates index is continuing.</p>	<p>Number of indices based on shares: 438 (2021: 426)</p> <p>Number of indices based on other investment instruments: 54 (2021: 54)</p> <p>Number of funds using Borsa İstanbul's indices as a basis or benchmark for their financial products: 1,300 (2021: 1,000)</p> <p>Volume of funds using Borsa İstanbul's indices as a basis or benchmark for their financial products: TL 933 billion (2021: TL 431 billion)</p>	<ul style="list-style-type: none"> • Completion of the work on the compliance of the Borsa İstanbul indices with the IOSCO principles • Developing a weight limitation methodology and module in debt instrument indices similar to stock indices

2022 PERFORMANCE

	Major Developments in 2022	Key Indicators	Objectives
<p>AUTHORIZATION TO CARRY OUT TRANSACTIONS AND MEMBERSHIP</p> <p>Borsa İstanbul members consist of investment institutions authorized to operate in the capital market and precious metals brokerage institutions authorized to operate in the Precious Metals and Diamond Market.</p> <p>Other real and legal persons may be authorized to conduct transactions without being a member, depending on the characteristics of the markets.</p>	<p>Developments:</p> <p>Five institutions, including one bank and four precious metals brokerage houses, were authorized to perform transactions as members.</p> <p>Five members in the Borsa İstanbul were authorized to trade in another market.</p> <p>A total of 34 real and legal persons were authorized to trade in the Diamond and Precious Stones Markets without being a member.</p> <p>316 individuals were authorized as representatives to trade in the stock exchange markets.</p> <p>New Practices:</p> <p>The Session Hall, which had been closed with the onset of the pandemic, was reopened within the as pandemic restrictions were eased.</p> <p>Online practical training was provided in 2022, with a total of 326 brokerage personnel attending the online PTRM and representative application training.</p> <p>Work on the renewal of the customer database system and ensuring integration with the internal software used got underway and the first phase of the project was completed. The second phase is aimed to be completed next year with the project being implemented in 2023.</p> <p>Work on the creation of a system where customers may submit default notifications electronically and access reports through their own software was completed. The system will be made available to members upon approval from the CMB.</p>	<p>Number of Brokerage Houses operating on the Borsa İstanbul: 127 (2020: 123)</p> <p>Number of Banks operating on the Borsa İstanbul: 48 (2020: 46)</p> <p>Number of Real/ Legal Person Jewellers operating on the Borsa İstanbul: 553 (2020: 567).</p>	<ul style="list-style-type: none"> Conducting systematic improvements in the customer database within the scope of effective stakeholder communication

Major Developments in 2022		Key Indicators	Objectives
<p>MARKET ACCESS</p> <p>Market access consists of the system, software and hardware services required for Borsa İstanbul members to trade and exchange information by connecting to the markets in which they operate from remote access points, in colocation and in the session hall.</p> <p>Services such as OUCH and FIX protocols, Reference Data and Dropcopy, OTASS, TW, which were developed for high frequency order and data transmission, are offered to market participants.</p>	<p>New Developments:</p> <p>An additional OUCH capacity of 21,150 orders/second was allocated to our members in 2022, resulting in an increase of 29%. The total OUCH capacity allocation amounted to 84,350 orders/second.</p> <p>An additional FIX capacity of 650 orders/second was allocated to our members in 2022, resulting in a 3.5% increase. The total FIX capacity allocation amounted to 21,450 orders/second.</p> <p>By realizing 27 additional allocations for Reference Data and 35 additional allocations for Dropcopy use, the use of these products increased to 276 and 264, respectively.</p> <p>New Developments:</p> <p>Our members use the PTRM system in order to manage possible risks which they may encounter due to the orders entered into the system and the transactions performed. The PTRM API feature was developed, which allows our members to enter risk parameters that may be customized in line with their own needs. It was brought into use after being productized.</p> <p>A quarter cabinet product was created and made available to brokerage houses.</p> <p>Work has got underway on application, test, network and user management processes within the scope of the transition to BISTECH 3.0.</p> <p>The customer relationship management (CRM) project was initiated to provide a more effective service to our customers, to ensure effective communication and facilitate operational processes. The first phase of the project was completed.</p> <p>The FIX / OUCH access channel is used in electronic order transmission to our Stock Exchange. In line with the demands and needs of our members, new packages have been put into use within the framework of changing the allocation procedures and principles in order to bring the business model for the FIX / OUCH access channel in line with the applications in world stock exchanges and render the model more flexible and simple.</p>	<p>Number of institutions benefiting from the market access services:</p> <p>174 (2021: 149)</p> <p>Number of users of the BISTECH Trading System access:</p> <p>2,346 (2021: 1,730)</p>	<ul style="list-style-type: none"> Enrichment of the product portfolio in relation to market access
<p>TECHNOLOGY SERVICES</p> <p>Borsa İstanbul allows market participants' systems and the Borsa İstanbul systems to be located at the same location (colocation).</p> <p>The PTRM application allows members to conduct risk management before the transaction. The PTRM application offers technology services such as OUCH, FIX and ITCH protocols, which were developed for high-frequency orders and data transmission, and a time server, which provides synchronized access to time information, to market participants.</p>	<p>New Developments:</p> <p>The number of cabinets allocated to our customers was increased by 11, to 72 cabinets in 2022.</p> <p>The number of customers benefiting from our colocation service reached 40.</p> <p>The PTRM allocation was realized at 28 institutions. The number of customers benefiting from our time server services increased to 25. The number of institutions that distributed data in colocation stood at 31.</p> <p>New Developments:</p> <p>The ITCH Replay interface was prepared and the final phase of the tests was reached. The application is planned to be commissioned in 2023.</p>	<p>Number of customers benefiting from our colocation service:</p> <p>40 (2021: 37)</p> <p>Number of cabinets allocated in colocation:</p> <p>72 (2021: 61)</p> <p>Number of institutions distributing data in colocation:</p> <p>31 (2021: 35)</p> <p>Number of institutions benefiting from the time server service:</p> <p>25 (2021: 19)</p>	<ul style="list-style-type: none"> Bringing the ITCH Replay Simulator application into operation Increasing the number of colocation customers with the expanding space in the data centre Continuing to work on increasing the international accessibility of the stock market. Enrichment of technology services' product portfolio

2022 PERFORMANCE

POST TRADE

Custody services related to the Precious Metals and Diamond Markets are carried out in a storage safe with a 1,600 tons capacity, located in Borsa İstanbul's Kuyumcukent campus.

Other post-trade services are provided by Borsa İstanbul Group companies (Takasbank and the MKK).

With its central clearing and banking licenses, Takasbank offers its members a range of services such as clearing, settlement, custody, central counterparty and banking services in Türkiye's capital markets.

The MKK is the central registry organization which implements the model of full dematerialization on the basis of the rights holders (direct model) for the capital market instruments. It also serves as a Data Storage Organization authorized by the CMB and provides Central Database Services to the companies subject to audit.

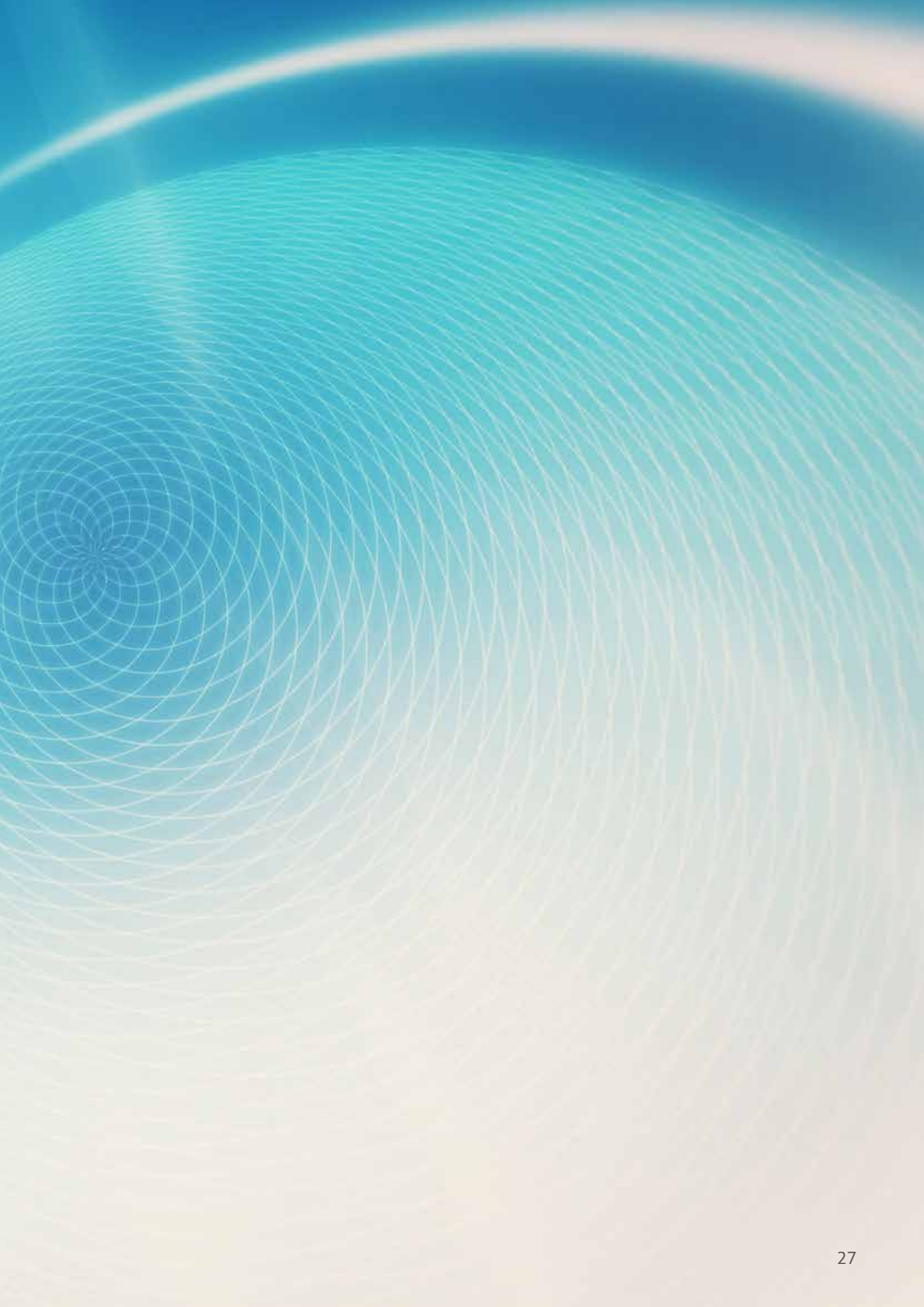
	2022 Revenues (TL Million)	Contribution to Total Revenue	Change (YoY)
Post Trade	3.286	52%	96%
Takasbank Interest Revenues	1.687	26%	105%
Securities Valuation Gain/Loss	10	0%	-
Custody Revenues	1.056	17%	77%
Clearing Revenues	471	7%	109%
Account Management Revenues	62	1%	78%

	Major Developments Occurred in 2022	Objectives
<p>TAKASBANK INTEREST REVENUES</p> <p>Takasbank ensures the continuity of its main activities and financial strength and takes on a reasonable level of risk within the framework determined by the market conditions and specified in legislation, thereby aiming to obtain the maximum revenues.</p>	<p>Developments and New Practices</p> <p>Within the framework of collateral management, funds belonging to Takasbank and Takasbank customers were used optimally in the maturities and markets best matching their purposes and the interests of their holders.</p> <p>Interest revenue is calculated by applying the effective interest method in accordance with the provisions of "IFRS 9 Financial Instruments".</p> <p>The Venture Capital Investment Fund was added to the Takasbank portfolio in 2022 to meet the need arising within the scope of R&D legislation (Law No. 4691).</p>	<ul style="list-style-type: none"> Keeping interest revenue high by taking developments in macroeconomic and financial markets into account.
<p>CLEARANCE SERVICE</p> <p>Takasbank is authorized to provide cash and securities settlement transactions as the central clearing and settlement institution to Borsa İstanbul equities, debt securities, foreign securities, derivatives and precious metals markets. The commitments of Borsa İstanbul members to deliver and receive securities arising from trading transactions and their payment commitments in exchange for securities, which are subject to trading, are fulfilled through Takasbank.</p> <p>In addition to capital markets, energy market transactions and check, transfer, and deed exchange services are also provided.</p>	<p>Developments and New Practices</p> <p>On March 7, 2022, the "Risk Mitigation Netting Project", which enables offset collateral to be deposited for the purpose of netting in the risk calculation of short stock futures contracts and short stock purchase option contracts was put into use.</p> <p>Tests of the "offline conditional transfer" system, which was prepared for activation in case the conditional transfer service between Takasbank and MKK was interrupted, was completed and brought into practice.</p> <p>On December 1, 2022, secure access to the Title Deed Transfer Service was offered through the E-Government portal.</p>	<ul style="list-style-type: none"> Ensuring uninterrupted session continuity Continuing development and regulation activities in order to increase the efficiency of the markets together with Borsa İstanbul and EPIAŞ Extending the Central Counterparty application and risk-collateral management approach in markets and stock exchanges where this service is not provided Increasing the number of markets where clearing services are provided in commodity and energy markets

Major Developments Occurred in 2022		Objectives
<p>CUSTODY AND ACCOUNT MANAGEMENT</p> <p>Borsa İstanbul keeps precious metals in its case in Kuyumcukent.</p> <p>Takasbank provides custody services for funds within the scope of the PPS (Private Pension System) and for the capital market instruments traded in foreign markets.</p> <p>The MKK provides storage services for dematerialized capital market instruments and electronic product bills. The MKK is a Central Depository Institution for derivative contracts entered into in domestic and international, organized and over-the-counter markets.</p> <p>The MKK provides information, reporting and blocking services for investors in relation to the central depository function it offers to the markets.</p> <p>The MKK provides value-added products and services for companies to fulfill their public disclosure and information society obligations and to activate their corporate governance processes.</p>	<p>Developments and New Practices</p> <p>With the amendment of the "Private Pension Savings and Investment System Law" in January 2022, the state contribution was increased from 25% to 30%, enabling the partial withdrawal of up to 50% of the PPS fund savings in obligatory circumstances (such as marriage, military service and housing purchases). Employees over the age of 45 may also participate in the PPS under the Automatic Enrollment System upon their request, and it has become possible to transfer the state contribution to later years.</p> <p>With the authorization of the Public Procurement Authority, on 3 January 2022, temporary bail bonds were included in the scope of Takasbank Public Collateral Management Service, which started with the acceptance of temporary electronic letters of guarantee on 1 September 2021, enabling the acceptance of alternative collateral. In addition, Takasbank started to accept all temporary electronic letters of guarantee and foreign currency e-guarantee letters and e-guarantee bonds submitted for tenders held under the Public Procurement Law No. 4734 with effect from 1 December, 2022.</p> <p>In the Bearer Share Registration System (HPKS) application, which was developed for electronic registration and monitoring of bearer shares for non public joint stock companies, management module developments, foreclosure application improvements and operational reporting improvements were completed.</p> <p>Improvements were carried out within the scope of the Turkish Product Specialization Exchange (TÜRİB) Tawarruq Market activities.</p> <p>Within the framework of the Crowdfunding Communiqué, borrowing-based crowdfunding application developments carried out in the MKK crowdfunding system were completed.</p> <p>The Real Estate-Based and Developing Financial Instruments Information System (GEFAS) was brought into operation for investors as an information platform for real estate-based financial instruments traded on the Borsa İstanbul.</p> <p>The "Participation Finance Principles Information Form" template was developed for public disclosure of information requested within the scope of Participation Indices for companies whose shares are traded on the Borsa İstanbul and the "Participation Finance Principles Information Form" page was created on the company's general information pages on the KAP website.</p> <p>In line with the instruction from the Capital Markets Board, improvements regarding the data supply from the KAP system for checks to be carried out by the Istanbul Settlement and Custody Bank A.Ş. (Takasbank) regarding investment funds portfolio investment restrictions were completed by the MKK.</p> <p>Within the scope of the KAP's primary data source function, the development of the KAP-Central Dematerialized System (CDS) Integration in processes related to non-share capital market instruments was completed and put into practice in December 2022. This prevented issuers from uploading the same information separately to the KAP and CRA while ensuring efficiency in the transfer of public disclosures from the KAP to the CRS.</p>	<ul style="list-style-type: none"> • Within the scope of "Sustainability" studies in capital markets carried out under the coordination of the Capital Markets Board, it is aimed to complete the development of the PDP Sustainability Report Taxonomy in 2023. • The project for the renewal of the KAP website infrastructure is targeted to be completed in 2023. • Adaptation of the KAP for the use of visually impaired investors will be carried out in 2023. • Renewal of the E-COMPANY application infrastructure is targeted to be completed in 2023.

STRATEGY AND VALUE GENERATION

Putting growth, business continuity, sustainability and technology at the center of its strategy, Borsa İstanbul continues to generate lasting value as a reliable, transparent, effective, innovative, competitive and sustainable trading platform.



OPERATION ENVIRONMENT AND EXTERNAL IMPACTS

In the wake of the Covid-19 pandemic, which was ongoing for 3 years and left deep scars on our societies and economies, the year 2022 was overshadowed by the effects of high inflation in world economies and the war between Russia and Ukraine, the resulting increase in food and energy prices and the tight monetary policies pursued by central banks.

With the gradual normalization processes in 2021, priority returned to growth in Türkiye and in the world in 2022. The transition period, defined as the new normal, was marked by supply problems caused by the disruptions in the supply chain on one hand while measures were put in place to support economic recovery on the other, with support packages and loose monetary policies introduced to alleviate the burdens brought about by the pandemic. Global trade volume, which contracted by 7.8% in 2020, rounded off 2021 with 10.1% growth. With these developments, the global economy, which surpassed expectations to grow by 5.8% in 2021, was subjected to new uncertainties after the Russia-Ukraine war broke out at the beginning of 2022. The geopolitical tensions sparked an energy crisis which spread to Europe, while there was a surge in prices on the back of a shortage of commodities essential in production and economic growth as well as a significant upward trend in global food prices. Brent crude oil prices reached USD 131 with wheat prices reaching a new peak of USD 13. While the US government announced that it was suspending trade relations with Russia, the European Union expelled Russia from international payment systems and implemented a series of economic embargoes. In retaliation, Russia partially halted the flow of oil and gas to the European countries which are dependent on Russian gas. In the same period, strict lockdowns in China, which was pursuing a zero-covid policy, along with the spread of the new omicron variant in the Far East, exacerbated the pressure on global supply chains. This policy not only affected the Chinese economy, but all economies. In 2022, global economic growth pegged back to 3.2%.

Signs of recession in the global economy despite resilient employment

Supply-demand imbalances, the chip shortage, disruptions in the supply chain and changes in consumption habits affected the post-pandemic economic recovery process in all countries. The loose monetary policies followed during the Covid-19 period and the announced support packages brought the reality of inflation. Inflation in the USA reached 9.1% in

June, its highest level for 41 years, while Euro zone inflation reached 11% in October, its highest since the beginning of the monetary union. With this increasing pressure on general prices in global markets, central banks of leading economies such as the USA, Europe, the UK and Canada tended to raise their policy interest rates throughout the year. After long insisting on a loose monetary policy, the BOJ and the Japanese government resorted to direct foreign exchange intervention for the first time since June 1998 to stem the rapid weakening of the Yen against the Dollar. In the same period, in the UK, a period of turmoil in domestic politics plunged the pound to an all-time low against the Dollar. Against this movement in the exchange rate, the BoE raised the policy rate to its highest for 14 years. While the dollar index tested 114.8 levels as its highest level since May 2002, the Euro fell below 1 parity with the Dollar for the first time since 2002. Considering the sharp slowdown in economies in the USA, China and the Eurozone in response to these interest rate hikes, the World Bank warned that a global recession and series of financial crises could occur, which may cause permanent damage to emerging markets and developing economies in 2023.

Türkiye continued to maintain its growth trend during the post-pandemic period. Inflationary pressures mounted during 2022, removing some of the wind out of the sails of the growth. According to figures published by the Turkish Statistical Institute (TURKSTAT), Türkiye posted 11.4% growth in 2021, followed by 7.5% growth in the first quarter of 2022, 7.7% in the second quarter, 3.9% in the third quarter and 3.5% in the fourth quarter. The Turkish economy recorded growth of 5.6% in 2022, outperforming the IMF's own 5% growth forecast.

Steps taken to support the economy

The policy interest rate cuts adopted by the Central Bank of the Republic of Türkiye (CBRT) in 2021, continued in 2022. The policy interest rate, which stood at 14% at the end of 2021, was gradually brought down to just 9% with a series of interest rate cuts. Moreover, in order to further support export-based sectors, selective measures were put in place regarding loans. With the the YUVAM account, the CBRT paved the way for foreign currency denominated accounts held by Turkish citizens residing abroad and companies based abroad to be converted into Turkish Lira. The CBRT started to implement steps to increase the weight of TL-denominated assets in the collateral system within the scope of 'Liraization' strategy.

After swap agreements were reached with the Central Bank of South Korea and the Central Bank of China in 2021, a swap agreement was signed with the United Arab Emirates in 2022. The Private Pension System (PPS), which maintains its growth thanks to the state contribution, continues to support the development of the Turkish capital markets. The number of participants in the PPS system increased from 7.1 million in 2021 to 7.8 million at the end of November 2022, while the volume of assets under management increase from TL 228 billion to TL 374 billion in the same period.

Uninterrupted service provided to the capital markets in 2022 as transaction volumes broke new records

Domestic individual investors maintained their intense interest in the capital markets in 2022. The number of domestic individual investors increased from 2.4 million at the end of 2021 to 3.8 million at the end of 2022. In parallel with the increase in investor interest, there was 38.4% growth in total traded value compared to the previous year. The BIST 100 index broke the record of 5,563 in the session on 30 December 2022 and at the closing of the same day at 5,509. Although the rise in bond yields in developed countries caused some volatility in global stock markets, the BIST 100 Index continued to gain value in the first half of the year, positively differentiating itself from the New York and European stock markets thanks to the surge in demand from domestic investors. The rollout of technological initiatives ensured uninterrupted session continuity throughout 2022, with services provided to capital market stakeholders.

Market surveillance continues without interruption

The examination of the transactions related to the stocks traded in the Equity Market continues. In particular, during periods of high volatility in the market, unusual price and quantity movements come under scrutiny and precautionary decisions are taken regarding transactions which could have a market-distorting nature. In addition, within the scope of the project carried out in cooperation with regulatory institutions, the automation of social media monitoring with artificial intelligence algorithms continues. This will ensure further development of the structure of market surveillance by effectively archiving social media data and integrating this data with order and transaction data.

The negative impacts of climate change highlights the need for sustainability to be a priority issue for all stakeholders

Issues such as worsening global warming, air pollution and the deteriorating ecological balance in recent years have increased the importance of sustainability concept. Sustainability and efforts to tackle climate change have started to take a higher position on the agenda of countries and companies. In Türkiye, the Paris Climate Agreement ratified and the Green Reconciliation Action Plan published are important milestones regarding sustainability. At the COP27 held in 2022, the Ministry of Environment, Urbanization and Climate Change announced that target of a 21% reduction in emissions had been increased to 41%, with respect to the expected 1.17 billion tonne increase in emissions by 2030 within the scope of Türkiye's national contribution declaration. These initiatives will act as a guide in Türkiye's efforts to tackle the climate crisis and will also guide the transformation to a low-carbon economy. Borsa İstanbul will continue to support these initiatives by establishing a carbon market and increasing the number of green products.

Türkiye, which recorded double-digit growth in a decoupling from world economies in 2021, grew by 5.6% in 2022 compared to the previous year.

Investor numbers and indices broke new records.

STRATEGY

Borsa İstanbul, Türkiye's only stock exchange, acts as a bridge between those seeking financing and those who provide financing in Türkiye's sustainable development journey. Borsa İstanbul acts in a transparent and constructive manner in its relations with all its stakeholders, as required by this position. While ensuring the transparent and uninterrupted operation of the capital markets, it acts in coordination with all of its stakeholders.

It attaches importance to the protection of individual investors, especially those who have recently joined the capital markets. It works in cooperation with other actors to develop new products and services related to the market which it operates. In the coming period, which will be shaped by the climate crisis, a consensus has emerged that the financing of the transition to a green economy cannot be provided solely from public resources. In this respect, the role of stock exchanges, which operate markets where financial resources and capital change hands, will become even more important. Borsa İstanbul continues its efforts to duly fulfill this duty.

The employees, who are specialized in their fields, are Borsa İstanbul's greatest source of wealth. Borsa İstanbul transparently manages its relations with its employees, who have the knowledge and experience necessary for the markets to operate without interruption. Policies have been adopted to ensure the occupational safety of employees and to protect their rights in their working life.

Relations with shareholders are also managed with the same approach. With the transformation to a joint stock company in 2012, different capital market actors became shareholders of Borsa İstanbul. With the legal change made in 2017, Borsa İstanbul's dominant partner became the Türkiye Wealth Fund. By attending general meetings (remotely if desired), shareholders may both vote on the agenda items and learn about the functioning of Borsa İstanbul from its primary source. Borsa İstanbul's relations with shareholders are managed in accordance with corporate governance principles. Dividends are distributed to shareholders from the company's distributable profit, in line with the profit distribution policy.

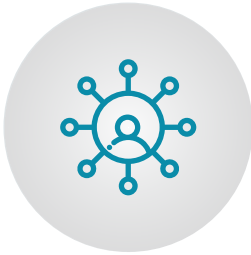
Borsa İstanbul's other stakeholders are associations, non-governmental organizations and public institutions operating in the capital markets field. While relations with these institutions aim to contribute to the development of the capital market, such collaboration with the capital market also serves the purpose of sustainable development. Borsa İstanbul gathers and exchanges ideas with all actors in the capital market on different platforms in an inclusive and transparent manner.

With this approach, Borsa İstanbul has determined its vision as "To be a global integrated marketplace for Turkish and regional financial assets in the future capital markets" and its mission as "To provide a reliable, transparent, effective, fair, innovative, competitive and sustainable trading platform for all investors."

Borsa İstanbul has built its strategy for the 2023-2025 period on the themes of "Growth", "Business Continuity", "Sustainability" and "Technology" – or "GCST" in brief.



STRATEGIC THEME



GROWTH



BUSINESS CONTINUITY/ RESILIENCE



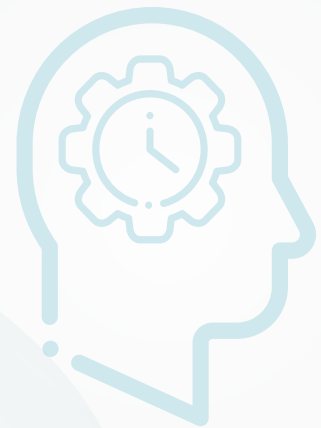
SUSTAINABILITY



TECHNOLOGY

Providing new products and services to investors and companies, encouraging companies to go public and supporting the participation of new investors in the market are the main components of the growth target. The evaluation of risks and opportunities and ensuring the safe and uninterrupted operation of transactions are among the business continuity targets.

Serving as an example in the field of sustainability, providing products and services related to sustainability and developing a sustainability ecosystem are the basic components of the Sustainability goal. The technological infrastructure and developments accompanying all these issues come under the heading of Technology.



STRATEGY



GROWTH

As in previous years, Borsa İstanbul will continue to develop the new products and services required by various actors in the capital market in the 2023-2025 period.

The Sustainability Index, the calculation methodology of which was changed in 2021, now covers more companies. As a sustainability-themed index, the Sustainability Participation Index started to be calculated in 2021 and the Sustainability 25 Index started to be calculated in 2022. In addition, two separate indices are calculated for two important institutions of the capital market, one related to the climate and the other to the place of women in the business world. As sustainability gains increasing importance, the presentation of more indices related to this theme is under consideration.

Participation finance is another increasingly prominent theme all over the world. Numerous developments and initiatives have been taken in this field. The "Participation Finance Strategy Document (2022-2025)" was prepared and published in 2022 with the coordination of the Presidency Finance Office and the participation of all relevant stakeholders. In addition to the five new participation indices which started to be calculated in 2021, the BIST Participation Dividend index started to be published in 2022. The Turkish Lira Overnight Participation Reference Rate of Return (TLREFK) and the BIST TLREFK Index started to be calculated in 2022 with the purpose of tracking the return of this rate. This rate can be used as a reference rate of return in various interest-free financial products and financial contracts. On the other hand, meetings are held with the aim of introducing companies to participation finance indices.

In view of the intense interest investors have started to place in gold recently, gold indices started to be calculated in 2021. These indices can be used as underlying assets or benchmarks in financial products for gold, gold-backed lease certificates and gold bonds traded on Borsa İstanbul. In addition, a Commodity Market was established before the Equity Market. Gold certificates issued by the Ministry of Treasury and Finance Mint and Stamp Printing House started to be traded in the commodity market.

Derivative products are another important area that all stock exchanges work on, and various derivative products are issued by using different underlying assets. Platinum and Palladium Futures Contracts were launched in 2021. Along with these products, derivative products based on precious metals other than gold and silver have also started to be offered. In addition, physically delivered USD/TL Futures Contracts and Options to help companies manage their exchange rate risks were launched in 2021 and physically delivered Government Domestic Debt Securities (GDDS) Futures Contracts were launched in 2022 in order to contribute to the management of interest rate risks.

Thanks to the rollout of vaccines developed to tackle the Covid-19 virus, there was a sharp increase in public offerings in 2021 and 2022 as the effects of the pandemic started to recede all over the world. The number of companies going public, and the amount of financing provided to companies through public offerings, reached record levels during this period. Against this backdrop, executives and experts from



BUSINESS CONTINUITY/ RESILIENCE

Borsa İstanbul visited companies and provided information on public offerings. At this point, companies started to consider going public as a long-term option with more companies expected to go public in the coming period. At the same time, individual investors looking to make the most of their savings have demonstrated more intense interest in the capital markets; the number of investors increased from 1.2 million at the end of 2019 to more than 3.8 million at the end of 2022, reflecting remarkable growth on both the supply and demand sides in the capital markets.

In the 2023-2025 period, Borsa İstanbul will continue to develop products and services which meet the needs of its stakeholders. Efforts are underway to establish a Venture Capital Market, where promising companies which are not yet ready for public offering can join. In addition, work and negotiations continue with relevant institutions on the establishment of the Carbon Market on the Borsa İstanbul, which is among the recommendations of the Climate Council held in 2022.

One of the most important business continuity criteria in the capital markets is that the session transactions are not interrupted due to technical reasons. During the peak periods in terms of the number of cases and deaths in the covid-19 epidemic, session interruptions occurred in some exchanges due to the unavailability of technical or sufficient employees in the office. On the other hand, session continuity in Borsa İstanbul was 100% in 2022, as it was in 2020 and 2021, and there was no session interruption.

Another important element of business continuity is the timely detection of risks and the execution of preventive works to prevent risks from occurring. For this purpose, the Risk Management, Internal Control and Compliance Directorate was established in Borsa İstanbul in 2019. This department carries out both risk management and internal control activities as well as ISO certification processes. Borsa İstanbul has received ISO 22301 certification, thus documenting that it has achieved world standards in the field of business continuity.

Considering the growing importance of information and information security and the growth volume of data produced in capital markets, the Information Security Directorate was established in 2021 to ensure information security. Under the coordination of this department, reinforcements were made in the infrastructure and trainings were given to the employees in order to ensure information security. Along with these activities, data-related problems that may disrupt business continuity are determined in advance and tried to prevent negative consequences.

Efforts to establish a Cybe Security Operations Center infrastructure that can serve for Borsa İstanbul Group companies as well as other institutions and organizations are continuing.

STRATEGY



SUSTAINABILITY

In today's world, where all actors are feeling the negative effects of the climate crisis, the sustainability issue gains more importance. As in all activities, the reflections of this can be seen in the finance and capital markets.

Indices are one of the most important activities carried out by the stock exchanges regarding sustainability. Taking a leading role in this regard, Borsa İstanbul updated the Sustainability Index, which it started to publish in 2014, in 2021 and started to publish new indices. According to the demands of the stakeholders, new indices can be calculated in the upcoming period as well.

Trainings are organized for publicly traded companies in order to raise awareness about sustainability and to introduce the indices under this theme. It is anticipated that similar trainings will continue. All over the world, stock markets prepare guides in areas such as sustainability reporting to guide companies. Borsa İstanbul has also prepared various guides in this field so that the companies in our country can benefit and presented them to stakeholders for their use. In the upcoming period, these guides will be updated if needed.

Increasing financial literacy has an important place in Borsa İstanbul's goal of developing the capital market. Regarding this context, contents are shared through social media channels. With the intern student program, senior university students or recent graduates experience the activities of different departments of the Stock Exchange. With the BIST Talent program, these people are also offered the opportunity to work part-time. In addition, within the scope of BISTTOUR and

BISTCOURSE projects, our employees attend classes on capital markets as guest lecturers, while academicians and students from universities are hosted at our Exchange. Borsa İstanbul Review, on the other hand, is among the academic journals that publish articles in the field of finance in English and are at the forefront of its field. Through laboratories named BISTLAB opened in universities located in different cities of our country, students have the opportunity to meet the world of finance in a virtual environment.

In addition to being the only stock exchange in the Turkish capital market, Borsa İstanbul as a company has initiatives related to sustainability. Borsa İstanbul continues its work on the Physical Contribution to Education Project, which got underway in 1998 with the Ministry of National Education. In addition, steps are being taken to transition the İstinye Campus, where Borsa İstanbul, Takasbank and MKK are located, to a "zero waste" campus.

As Borsa İstanbul, our sustainability goals include adopting good practices, raising awareness among stakeholders in the capital market, providing training, and developing markets and products that support sustainable finance.

Borsa İstanbul's short and medium term sustainability goals include adopting best practices in sustainability as a company, educating stakeholders in the capital market, raising awareness among stakeholders, facilitating access to non-financial data, developing cooperation with stakeholders in the field of sustainable finance and providing markets and products which support sustainable finance.



TECHNOLOGY

Companies operating in the field of finance stand out as the first to implement the latest technological developments. In this context, Borsa İstanbul's technical transaction infrastructure, referred to as BISTECH from 2015, meets world standards.

In the background of every new product and service offered in the Borsa İstanbul's markets, important technological changes are carried out. In this vein, the IT units carried out their work within the scope of providing new products and services, as well as the sustainability and development of the existing technological structure.

Borsa İstanbul, which carries its competence in the field of technology to the field of exports with the contribution of its specialist employees, provided support and consultancy services to technological transformation activities carried out on the Abu Dhabi Stock Exchange. Negotiations to carry out similar work with other stock exchanges are continuing.

Stock exchanges which generate a very large amount of data are turning to "big data". Borsa İstanbul has also taken steps to use the data it produces in a manner that will bring more optimal income to the company. In this context, a data platform is being created that will provide investors with both real-time and historical data. The cyber security area mentioned under the "business continuity" heading will also be an area of technological development for Borsa İstanbul. In addition, as an important issue for sustainability, transaction infrastructure will be established for new services such as the carbon market, with the target of a high level of session continuity for these services.

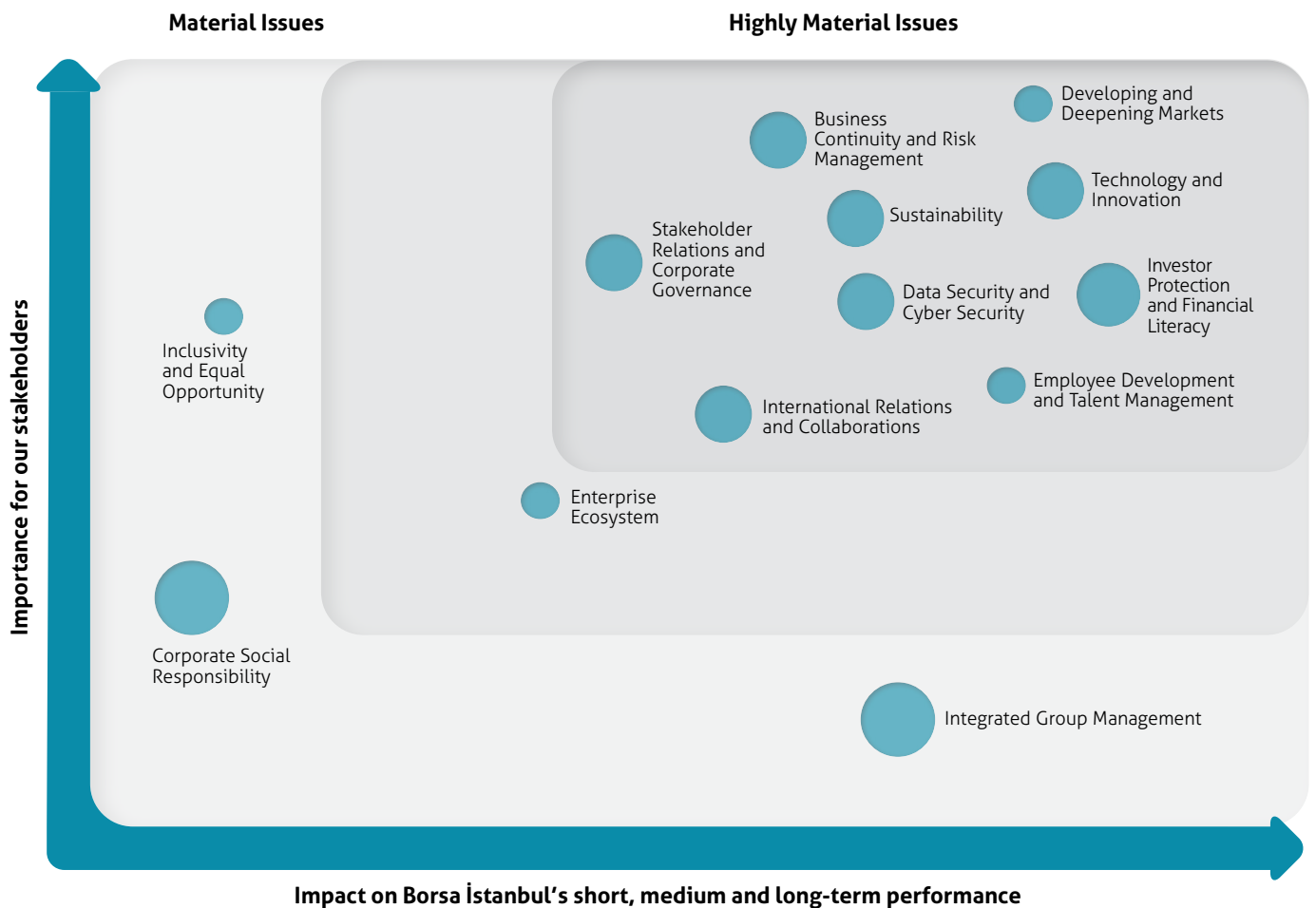
EXECUTION OF THE STRATEGY

Borsa İstanbul will closely follow projects determined within the scope of the 2023-2025 Strategic Plan. In addition, the targets and realizations in the projects will continue to be taken into account in the performance management system, thus providing supervision for the realization of the targets set out in the strategic plan.

MATERIAL ISSUES

Material issues are issues which have a high impact on Borsa İstanbul and its key stakeholders and affect its capacity to create value, and the changes in strategic approach over time depending on stakeholder expectations, and due to the effects of the economic, social and environmental context in which it operates.

The material issues affecting Borsa İstanbul’s short, medium and long-term value creation and the priority issues focused on within the scope of its strategy are reviewed on an annual basis. As the number of individual investors continues to increase - a process which has gained momentum in recent years - measures to protect investors and activities on financial literacy have become high priority issues. Efforts to develop and deepen markets will be prioritized and maintained through public offerings and the introduction of new products and services. Business continuity and risk management will continue remain key priorities. The issue of sustainability has also increased its importance at Borsa İstanbul and among its stakeholders. The position of competent and highly motivated human resources as the basis for the continuity of activities, and taking into account the views and needs of stakeholders in product and service developments, are behind the inclusion of these two areas among the material issues.





Balloon sizes depict Borsa İstanbul's impact on the material issue.

DEVELOPING AND DEEPENING MARKETS	SKA RELATIONSHIP	STRATEGY CONNECTION
Carrying out work to improve the issuer capacity and investor base in capital markets; the commissioning of new products and services, especially for hedging (risk protection), sustainability, participation finance instruments; reinforcing the stock market's place in the financial ecosystem		 <p>GROWTH BUSINESS CONTINUITY/ RESILIENCE SUSTAINABILITY TECHNOLOGY</p>

The Stock Exchange works to improve the issuer capacity and investor base in the capital markets, and provides a wide array of new products and services to its stakeholders, especially in the areas of risk protection, sustainability and participation finance instruments.

Activities for the purposes of strengthening the corporate structures of companies, participating in the capital markets through public offerings, encouraging companies to issue capital market instruments and spreading the capital to the base through these methods have been carried out consistently over the years. In this context, the practice of company visits, which started in 2021 with a proactive approach, continued in 2022.

By obtaining the necessary financing for investment and growth through capital markets, companies contribute to the development and deepening of the capital markets and the spread of capital to the base, enabling a wider group to benefit from the growth of the country's economy.

BUSINESS CONTINUITY AND RISK MANAGEMENT	SKA RELATIONSHIP	STRATEGY CONNECTION
Timely identification and continuous measurement and monitoring of existing or potential risks; improving the rapid response capability of the Stock Exchange regarding the re-commissioning of systems in the event of interruption of business processes; increasing operational resilience; pioneering business continuity and efficiency with redundancy plans		 <p>GROWTH BUSINESS CONTINUITY/ RESILIENCE TECHNOLOGY</p>

Borsa provides opportunities and contributions in relation to the effective risk management of its stakeholders with the range of financial products and services which it offers to issuers and investors.

In addition, Borsa İstanbul implements effective risk management in order to carry out its capital market activities in a manner which is sustainable and without interruption, and thus manages its own risks. To this end, work is carried out under the coordination of the risk management department within Borsa to identify, measure and monitor possible risks and to reduce the effects of any risks which may materialize. In addition, Borsa İstanbul's organisational structure includes a separate department responsible for information security issues.

Borsa İstanbul obtained the ISO 22301 Business Continuity Management certificate in 2021, and extended the validity of the certificate in 2022.

In addition, periodic performance evaluations are conducted for critical suppliers within the scope of business continuity and risk management activities, thus reducing risks which may arise from suppliers.

MATERIAL ISSUES

TECHNOLOGY AND INNOVATION	SKA RELATIONSHIP	STRATEGY CONNECTION
Specialization in the provision of stockbroking technology and services; development of new products and services; continuous improvement in the transaction system infrastructure; job enrichment through the use of innovative technology; maintaining a high level of cyber security		<ul style="list-style-type: none">  GROWTH  BUSINESS CONTINUITY/ RESILIENCE  TECHNOLOGY

Borsa İstanbul offers products and services that meet a wide range of requirements by focusing on the needs of its stakeholders, especially the financial ecosystem and its customers. Accordingly, Borsa İstanbul adds new products and services to its range of existing products and services every year.

In addition to the corporate solutions which it offers its stakeholders, Borsa İstanbul strives to develop and commercialize BISTECH and related products, and reflect the synergy of the Borsa İstanbul Group to product development processes. As a result of these efforts, Borsa İstanbul signed an agreement to provide consultancy in the transformation of the Abu Dhabi Stock Exchange’s technological infrastructure in 2022. Borsa İstanbul aims to export more technology services abroad in the coming years.

Borsa İstanbul reached an agreement with Nasdaq for the permanent transfer of the source codes of the BISTECH middleware product, INET, to Borsa. In addition, an agreement for the sale of the PTRM API product, developed within Borsa, to Nasdaq has been signed and the process of code transfer is in progress.

SUSTAINABILITY	SKA RELATIONSHIP	STRATEGY CONNECTION
Improving internal practices on sustainability; reporting in accordance with the Sustainability Principles Compliance Framework; increasing sustainability-oriented products, services and activities; encouraging market participants and stakeholders to adopt and integrate a sustainable perspective into their business cycle; playing a leading role in sustainable finance and Türkiye’s green transformation		<ul style="list-style-type: none">  GROWTH  BUSINESS CONTINUITY/ RESILIENCE  SUSTAINABILITY  TECHNOLOGY

While sustainability is one of the material issues, it also constitutes one of Borsa’s strategic themes.

On one hand, Borsa offers sustainability-related products and services to issuers and investors. The renewed and expanded scope of the sustainability index and the new sustainability-themed indexes are concrete examples in this regard.

Borsa İstanbul strives to integrate sustainability into its activities as an important guide. In this context, the Zero Waste project initiated for the İstinye Campus sets an important example. In the coming years, sustainability related products, services and activities that affect the internal and external stakeholders will increasingly continue.

Borsa İstanbul has been publishing its annual reports in the form of an integrated report since 2017. At the same time, while preparing annual reports, it follows the reporting standards published by international organizations such as IIRC and GRI.

Borsa İstanbul has contributed to the work of CMB with other stakeholders within the framework of the preparation of the Sustainability Principles Framework. In accordance with the regulation of the CMB, the statements about the Sustainability Principles Compliance Framework are included in the annual report.

The initiative to provide educational scholarship support to female students, which was started in 2021, continues. In this context, 30 students were given scholarships in 2022. It is envisaged that this support will be increased to 100 students next year.

Borsa İstanbul updated its sustainability guide in 2020 in order to contribute to the spread of sustainability awareness among a wider range of stakeholders. Publishing the Integrated Reporting Guide for Companies in 2021 in cooperation with ERTA, Borsa İstanbul published the Climate Reporting Guide at the end of 2022, which was prepared by taking into account the recommendations of the Climate-Related Financial Disclosures Task Force (TCFD).

In addition, Borsa İstanbul participates in sustainability activities in which many different organizations are involved in the country, and directed by the World Association of Stock Exchanges and the United Nations Sustainable Stock Exchanges (SSE) abroad.

STAKEHOLDER COMMUNICATION AND CORPORATE GOVERNANCE	SKA RELATIONS	STRATEGY CONNECTION
Maintaining strong relationships with stakeholders through transparent and effective communication; implementing and maintaining good practices in corporate governance	    	 GROWTH  BUSINESS CONTINUITY/ RESILIENCE  SUSTAINABILITY

Borsa İstanbul is in constant communication with all of its stakeholders and takes the opinions of its stakeholders into account while carrying out its activities. In addition, effective organizational structure and corporate governance practices that follow good practices are vital for the effective and fair functioning of the capital markets and to ensure they are resistant to possible risks. Therefore, these issues are among the material issues for Borsa.

Borsa İstanbul conducts regular meetings with intermediary institutions and banks, which are among important players in the capital markets. In addition, Borsa is in constant communication with stakeholders such as the CMB, the regulatory body of the capital markets, as well as its main partner, the Türkiye Wealth Fund and the relevant offices of the Presidency, as well as subsidiaries and affiliates.

In addition, Borsa İstanbul inserted a revision to its Articles of Association, stipulating that at least one independent member of the board of directors should be a woman in order to ensure diversity. Two women currently serve as board members at the Board of Directors of Borsa, one of whom is independent.

DATA SECURITY AND CYBER SECURITY	SKA RELATIONS	STRATEGY CONNECTION
Increasing information security; reducing the risk of data loss and leakage; maintaining a high level of cyber security; coordinating audit work on information systems	   	 GROWTH  BUSINESS CONTINUITY/ RESILIENCE  TECHNOLOGY

Borsa İstanbul carries out various projects to increase data security. In this context, a continuous security monitoring service has been commissioned and an uninterrupted monitoring model has been adopted. In addition, Data Loss Prevention (DLP) software was commissioned to prevent data leakage.

In accordance with other relevant legislation, internal and external audit work regarding information systems were carried out by independent audit companies and actions were taken regarding the findings by ensuring the coordination within the Group.

Work continues on the establishment of the Cybersecurity Operations Center to serve Borsa İstanbul Group companies. This Center is also expected to serve other organizations in the long term.

Borsa İstanbul received the ISO 27001 Information Security Management System certificate in 2022, and its activities in the field of information security were documented. In addition, the Information Security Policy has been updated in the light of current developments.

In addition, compliance activity continues in accordance with the Information and Communication Security Guide published by the Presidency.

MATERIAL ISSUES

EMPLOYEE DEVELOPMENT AND TALENT MANAGEMENT	SKA RELATION	STRATEGY CONNECTION
Bringing qualified human resources to Borsa; retention of human resources; increasing training and rotation opportunities to improve their existing qualifications; back up planning		

Borsa İstanbul attaches importance to human resources as well as technology in order to achieve its strategic goals and the targets determined in this direction. In this context, recruitment examinations are held in order to recruit young human resources to Borsa. In 2022, new graduates were recruited in IT departments. A mentoring practice is in place for newly recruited employees.

Collaborations with universities are carried out within the scope of acquiring new talent, introducing the capital markets to young people and supporting financial literacy. In this vein, the BISTCOURSE and BISTTOUR programs were launched in 2022. In addition, visits were conducted to the career days carried out at universities with online seminars organized. Within the scope of the Student Education Program, university students continue to be offered the opportunity to participate in education programs regarding the capital markets and Borsa.

Evaluation surveys are conducted in order to evaluate satisfaction among internal customers, employees and managers. In addition, a feedback survey regarding the performance management process is applied in order to evaluate the views of employees on this issue.

Work is being carried out to retain human resources and back up employees in critical positions.

On the other hand, activities are continuing to provide external training to capital markets stakeholders.

INVESTOR PROTECTION AND FINANCIAL LITERACY	SKA RELATION	STRATEGY CONNECTION
Protecting investors; spreading capital to the base; increasing confidence in the capital markets; inculcating the habit of conscious investment in individual investors; the promotion of Borsa’s products, services and markets		

Attracting individuals to the capital markets and encouraging investors to remain in the capital markets is achieved by including them in financial coverage. There has been an increase in investor interest in the capital markets, especially among individual investors. The number of equity investors increased from 2.4 million at the end of 2021 to 3.8 million at the end of 2022.

In order to attract investor interest in the capital markets, which is also important in terms of spreading capital to the base and to ensure that the increase in number of investors is permanent, Borsa İstanbul ensures continuity in the markets without interruption in order to serve investors. In addition to offering a wide range of products and services, measures have been implemented to reduce market volatility. Accordingly, we seek to support the development of financial literacy and protect investor savings by increasing their knowledge regarding the functioning of capital markets and potential risks.

Borsa İstanbul supports the development of financial literacy by providing education and internship opportunities to university students and contributing to training and activities organized by different organizations. In addition, in accordance with the agreement signed with the Ministry of National Education in 1999, we contribute to meeting the physical needs of schools in various provinces such as computers, libraries and hardware.

The BISTLAB project is carried out to encourage university students to become acquainted with the capital markets and stimulate their interest in the capital markets. In this context, BISTLAB laboratories were established in Adıyaman, Batman, Ordu and Ankara Hacı Bayram Veli universities in 2022. We plan to continue work on the establishment of the BISTLAB laboratory in 2023.

INTERNATIONAL RELATIONS AND COLLABORATIONS	SKA RELATION	STRATEGY CONNECTION
Actively operating with international platforms and interacting effectively with stakeholders in the reshaped global competitive environment with the approach of acting together, sharing and development for common goals		

Activities are carried out and collaborations entered into on international platforms in order to closely follow developments in the globalizing world with social, environmental, cultural and legal dimensions as well as from an economic point of view, and to play a more active role in issues and processes related to common goals.

Borsa is among the 11 founding members of the Sustainable Derivative Exchanges Network, which was created by the United Nations Sustainable Exchanges Initiative.

Borsa İstanbul joined the board of directors of the WFE, of which it is a member, and plays an active role in the working groups conducted by the WFE.

Within the scope of the Organization of Islamic Cooperation (OIC) Exchanges Forum, the secretariat activities of which are undertaken by Borsa İstanbul, communication has been maintained with the stock exchanges of Islamic countries and joint projects are developed.

VALUE GENERATION

Borsa İstanbul is committed to carrying out its activities in a manner which is sustainable and which generates long-term value for its stakeholders. This integrated annual report sets out how Borsa İstanbul's strategic themes, material issues, risks and opportunities, sustainability approach, corporate goals and organization are structured in line with these goals.

It also explains how we continue to invest in our commitment to providing capital for companies and providing alternative products for investors, being a leading financial hub for risk management and healthy price formation.

In addition, this integrated annual report sets out how Borsa İstanbul, which provides a wide range of investment instruments to investors on its fast and reliable trading platform, offers hedging opportunities against risks and provides financing opportunities to the real sector to meet their need for long-term resources through spreading capital to the base, and conveys its business model and the value it generates for its stakeholders.

The report sets out Borsa İstanbul's strategic responses to external factors and potential risks and opportunities affecting capital markets with a long-term perspective. The report focuses on the 2022 activities within the framework of material issues.

Customer Value Proposition

To provide a reliable, transparent, effective and innovative trading platform to market participants with the best technological infrastructure

Shareholder Value Proposition

To contribute to the deepening of capital markets with the strategic steps focused on growth, business continuity, sustainability and technology, and thereby ensuring strong financial performance and sustainable income flow.

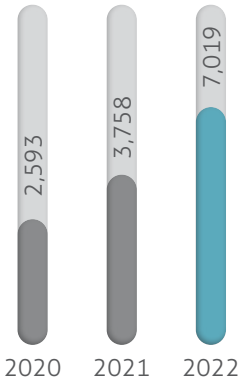
Employee Value Proposition

To provide the employees with a healthy and safe working environment where they can continuously develop themselves

Society Value Proposition

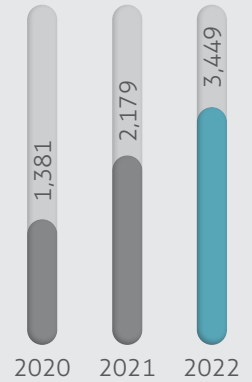
To support employment and economic growth by developing financing opportunities, expanding the number of investors and spreading capital to the base

The Economic Value We Generate (TL million)



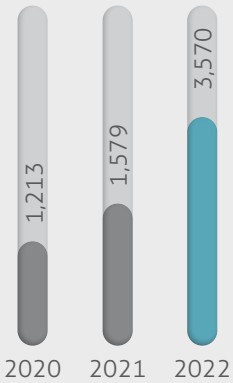
TL 7,019 million
This figure includes all consolidated revenues, including financial and other operating revenues.

The Economic Value We Distribute (TL million)



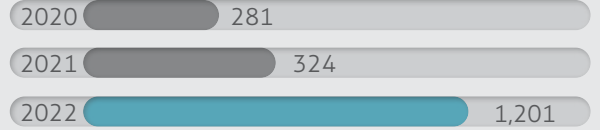
TL 3,449 million
This figure includes operating expenses, employee wages and benefits, dividends and equity repurchase payments, the CMB share and corporate tax payments.

The Economic Value We Hold (TL million)

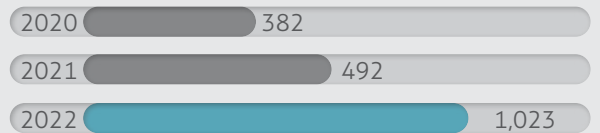


TL 3,570 million
This figure includes the value added to the capital.

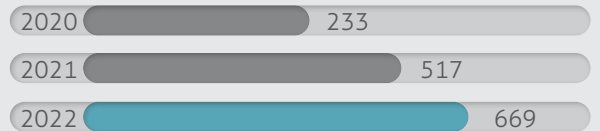
Operating



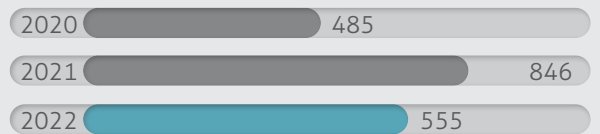
Employees



Shareholders



State



BUSINESS MODEL

OUR RESOURCES



OUR FINANCIAL CAPITAL:

Our financial capital is comprised of our activities with their strong cash generation capacity and resource diversity, and the return obtained from our investments.

Paid-in Capital: TL 423 million



OUR HUMAN CAPITAL:

Our human capital consists of a strong leadership team and employees qualified to carry out activities which require expertise and teams which are specialized in technology and support the personnel.

Number of Employees: 654

Total Number of Employees: 1.230

(Takasbank: 339, MKK: 237)

22,9 hours of training per employee



OUR INTELLECTUAL CAPITAL:

Our intellectual capital consists of the license to provide a trading platform for capital market instruments, the world's leading trading technology (BISTECH) with its source codes, and the product development activities, rules and regulations created as a self-regulatory institution.

Our R&D Expenditure: TL 72 million

Our R&D personnel:153



OUR MANUFACTURER CAPITAL:

Our manufactured capital includes the Primary Data Center, which offers the highest standards in terms of technology security and facilitates rapid and uninterrupted trading of transactions for investors, the co-location infrastructure, the Emergency Center located in Ankara, the precious metal storage vault and our campus, where group companies operate in an integrated manner.

The data center was expanded in 2021 with increased capacity.

- **Primary Data Center built on an area of 1,800 m²**
- **Storage capacity for 1,600 tons of gold**
- **The BISTECH R&D Center on an area of 1,400 m²**



OUR SOCIAL AND RELATIONSHIP CAPITAL:

In addition to positive employee relations and investor confidence, which are vital in performing our activities effectively and developing our activities, effective communication with public and regulatory institutions, partnerships with the NGOs, local and global collaborations form our social and relationship capital.

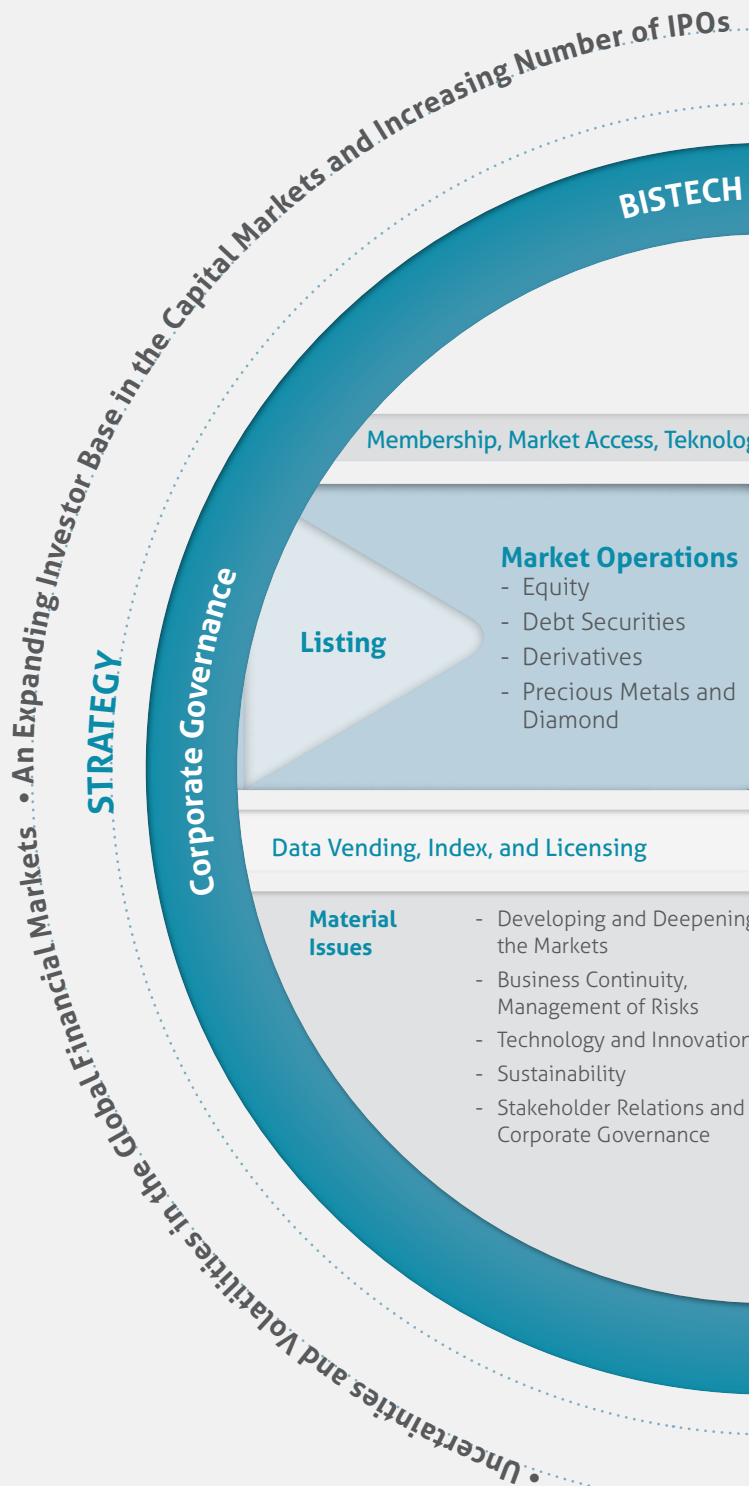


OUR NATURAL CAPITAL:

In addition to the effective use of electricity and water at the Istinye and Kuyumcukenk campuses, the energy used for the Primary Data Center constitutes our natural capital.

13.9 million KWh Energy Consumption

19,153m³ of Water Consumption





OUTCOMES OF OUR OPERATIONS

TL 3,746 million Operating Profit
(2021: 2,373)

TL 4,239 Million Net Profit
(2021: 2,096)

63 new jobs
(2021: 78)

Voluntary employee churn: 4.5
(2021: 5.4)

- Modern software architecture and technology, blockchain, products with high availability
- Innovative and high-tech products in the fields of finance and software technologies
- Contribution to capital market legislation
- Number of cabinets allocated at the co-location: 72 (2021: 61)
- 1,235 applications received through the Investor Advisory Center (IAC) during 2022
- Sponsorships, donations and grants

Total Waste: 183 tons

Recycled Paper: 52 tons

OUTCOMES OF OUR OPERATIONS VALUE GENERATED FOR STAKEHOLDERS

SHAREHOLDERS

- **TL 669 million** in dividends were distributed to Borsa İstanbul shareholders

OUR EMPLOYEES

- **TL 1,023 million** in total wages and benefits were paid to Borsa İstanbul Group employees

CUSTOMERS/ INVESTORS

- **TL 361.6 billion** in financing was provided through the Private Sector Debt Securities issuances and the IPOs
- **Uninterrupted session continuity**
- Contribution to the institutionalization processes of companies with BISTEP

REGULATORY BODIES/THE PUBLIC

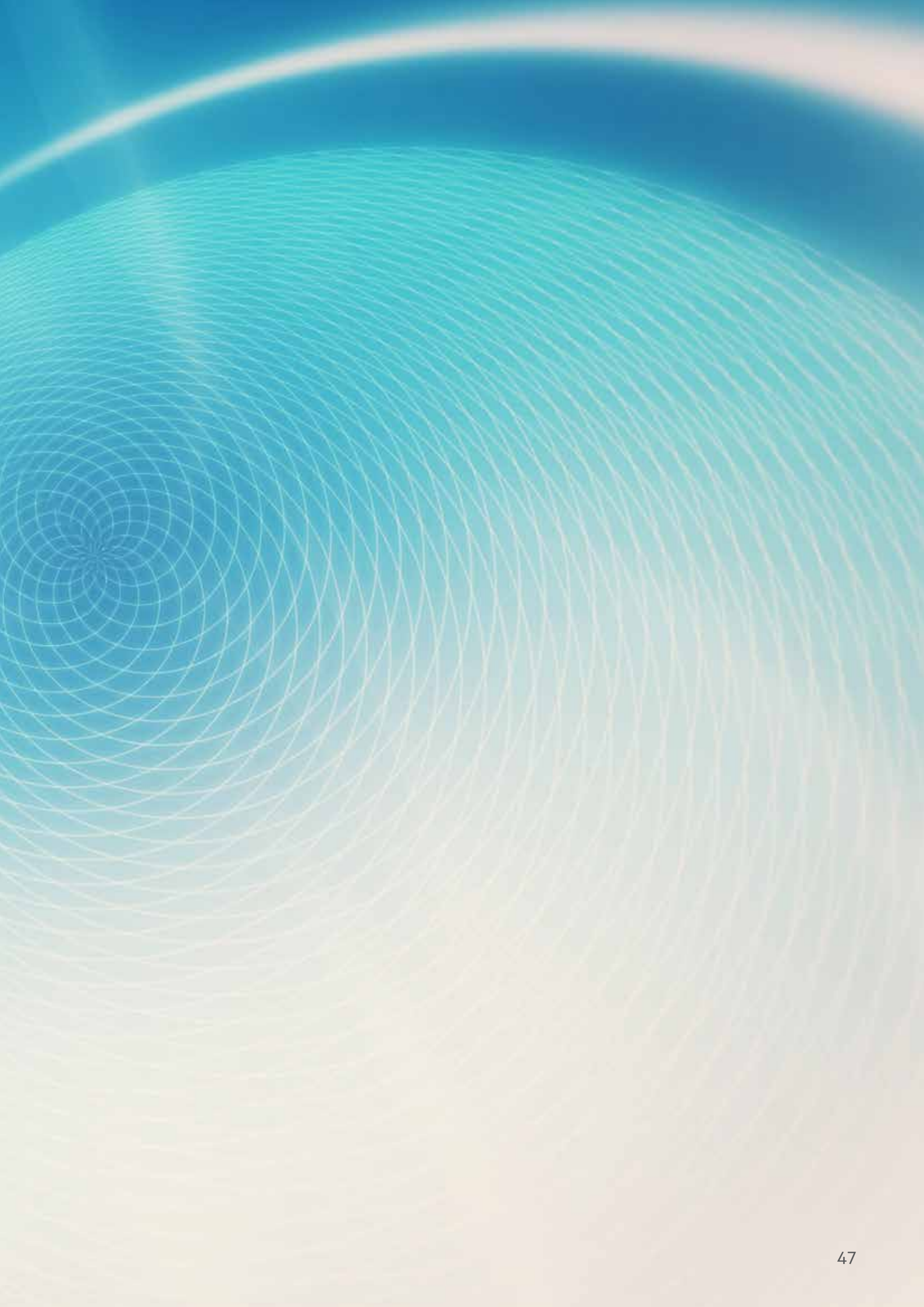
- **TL 555 million** was paid in tax and as a fee paid to the regulatory body
- Contributions were provided for compliance with the regulations and for their development

SOCIETY

- Construction of **454** schools, educational institutions and **181** design skill workshops since 1997 with the Project of Physical Contribution to Education (PCEP). Maintenance and repair of **21** schools and educational institutions
- Activities that develop financial literacy with the aim of improving the investment culture
- Contribution to economic growth

RISK MANAGEMENT

Aware of the importance of risk management in achieving its strategic goal, Borsa İstanbul maintains its activities in relation to risk appetite, risk prevention, corporate governance structure and operations within the framework of this approach.



RISK MANAGEMENT

Risk management is an indispensable part of the corporate culture and strategic decision-making process at Borsa İstanbul and forms the basis of the Company's corporate risk management strategy. The establishment of a risk management processes enables the sound response to an evolving and changing dynamic business environment and significant regulatory changes in a manner characterized by high-risk awareness, while also increasing the value generated for the stakeholders.

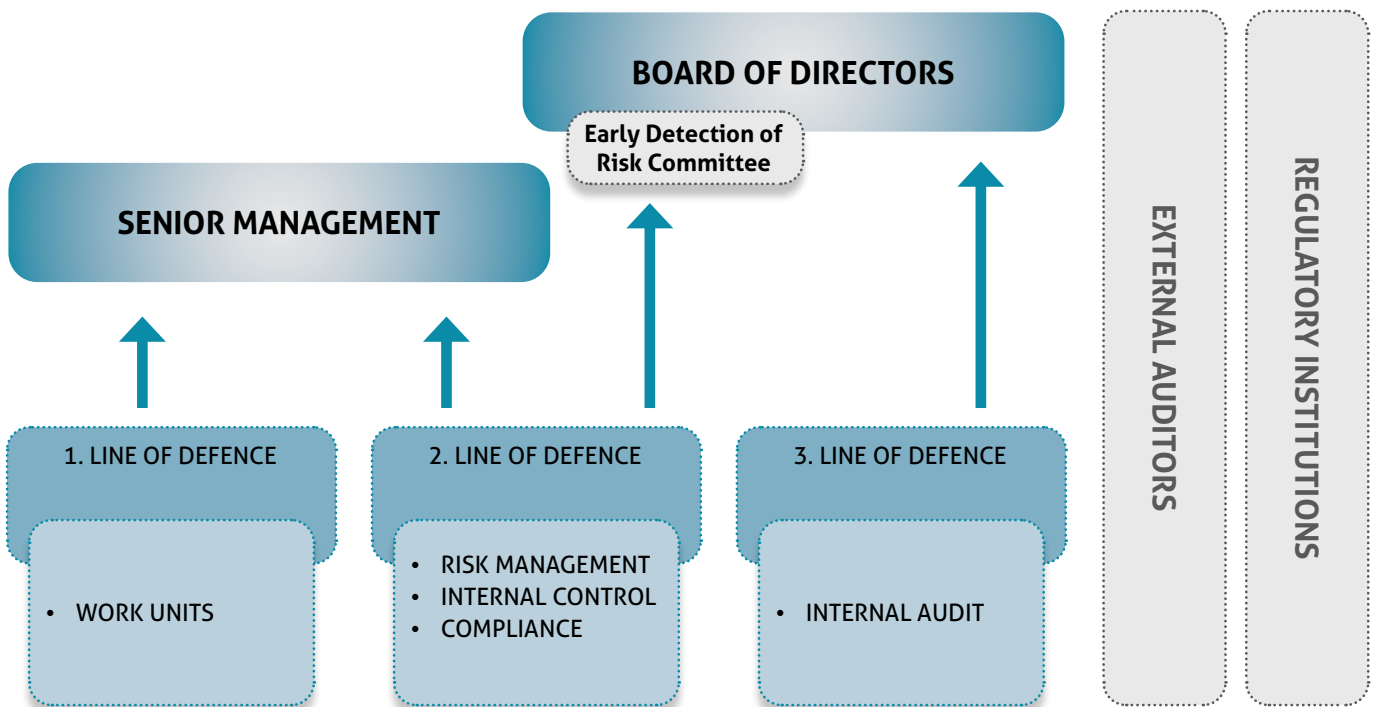
The establishment of risk management practices which can minimize the impact of risks and the implementation of corporate risk management policies in all critical processes are under the responsibility of the Board of Directors. The activities related to this responsibility are coordinated by the Risk Management, Internal Audit and the Compliance Directorate on behalf of the Board of Directors. Work for integrated risk management is also monitored by the Early Detection of Risks Committee (EDRC) within the Board of Directors.

The goals of risk management at Borsa İstanbul are summarized below:



At Borsa İstanbul, the risk management operations are carried out by the teams specialized in corporate risk management, internal audit and compliance with the legislation. Matters related to information risk management and business continuity had been carried out by the Information Risk Management Department in previous years. They are now managed by the Enterprise Risk Management Department.

The Three Line of Defence model was adopted in order to effectively manage and control risks which may hamper the realization of the corporate strategies and goals determined by Borsa İstanbul and to optimize and ensure the effectiveness of corporate governance, risk and internal control systems by providing reasonable assurance to the senior management. Business units, which are in the first line of defence, identify, asses, control and monitor the risks they are exposed to during the course of their activities. They reduce these risks by taking action when necessary. The Risk Management, Internal Audit and Compliance Directorate, which is in the second line of defence, defines the methodologies and tools that the units in the first line of defence will use in risk management. The Directorate provides consultancy to the business units on the use of such methodologies and tools.



RISK MANAGEMENT

The effective management of risk at Borsa İstanbul is a fundamental component of its corporate strategy and a key pillar in the successful execution of its activities. Borsa İstanbul adopted corporate risk management methodology in order to achieve continuous and timely identification, assessment, measurement, control, mitigation, monitoring and reporting of existing or potential risks which may have an impact on achieving the specified strategic goals, and the effectiveness of the internal control environment is constantly monitored.

The following is used as a tool in the realization of every stage of the corporate risk management system at Borsa.

- Risk assessment,
- Action planning,
- Key risk indicators,
- Assessment of Opportunities

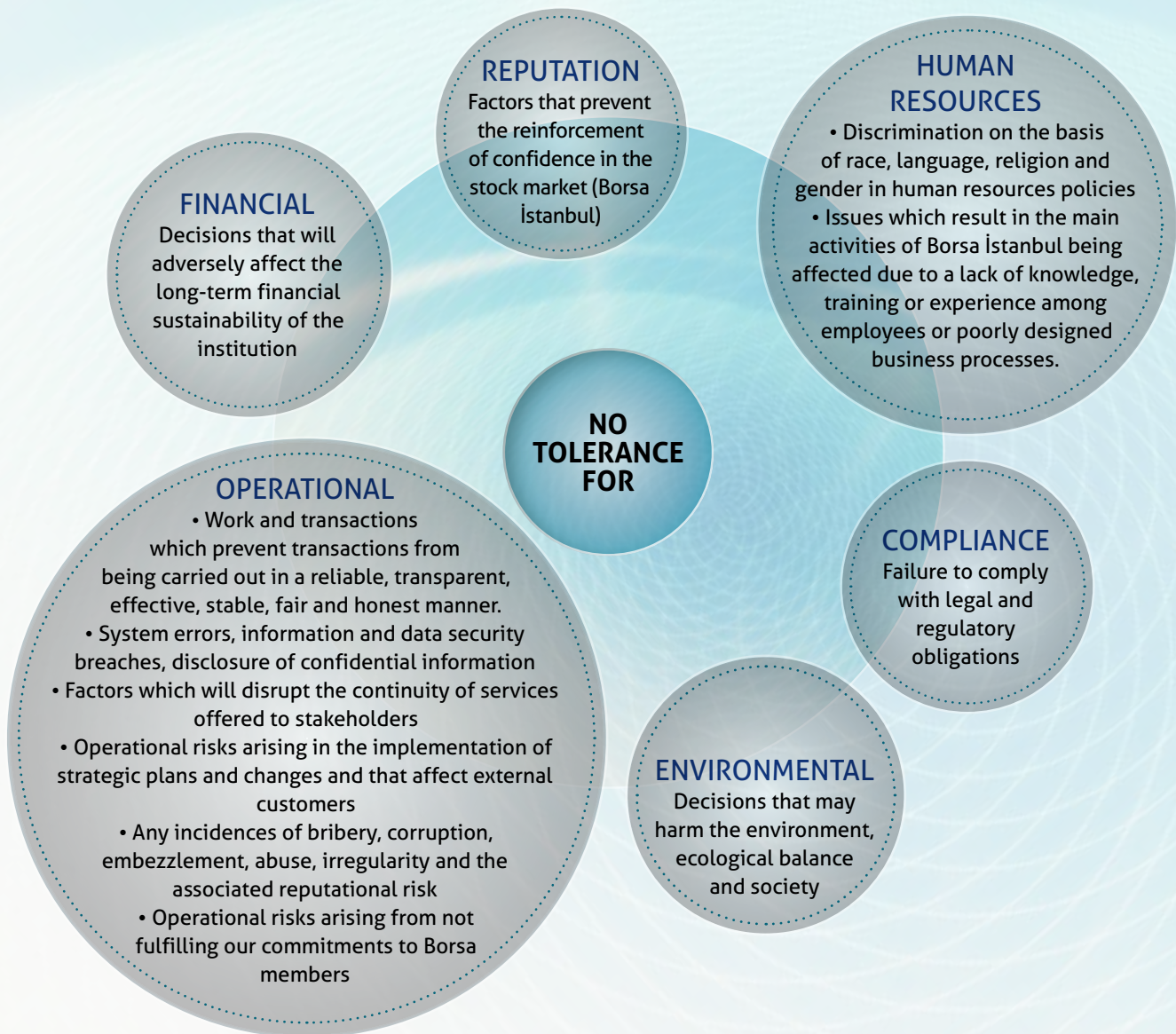
RISK APPETITE

It is essential that the processes are managed by observing the achievement of strategic goals, compliance with laws and regulations, sound and safe business conduct principles and maintaining and/or development criteria of business values. In order to effectively carry out risk management, Borsa İstanbul bases its risk appetite on its strategies and determines its actions by taking risk appetite into account.

In line with Borsa İstanbul's strategic goals and priorities, risk appetite is reviewed every year and approved by the Board of Directors. Risk management activities continue in light of the approved risk appetite level.

PRINCIPLES OF DETERMINING RISK APPETITE




Ensuring effective management of the risks to which Borsa İstanbul may be exposed in achieving its corporate goals	Maintaining the goal of fair, ethical and responsible market management which meets legal and regulatory requirements	Maintaining sustainability in line with its aim of attracting new participants and maintaining a strong reputation by providing operational robustness and uninterrupted service to stakeholders
--	---	--







RISK MANAGEMENT

KEY RISKS AND PREVENTIVE STRATEGIES

Borsa İstanbul's activities expose it to various operational, financial, compliance and reputational and strategic risks. These risks are measured and managed with tools designed for the Enterprise Risk Management System. The key risk management strategies which we implement under the first and second lines of defence within the Company and the Group are as follows:

RISKS	POTENTIAL IMPACT	RISK DEFINITIONS AND PREVENTION STRATEGIES	RELATED CAPITAL ELEMENT
Operational Risks	Information Technology Risks	<p>Reputation Impact</p> <p>Financial Impact</p> <p>Legal Impact</p> <p>Borsa İstanbul's operations are highly dependent on technology. Borsa İstanbul observes a high level of compliance with the standards for the functioning of trading, clearing and storage systems. Systems are continuously monitored as any service interruptions would result in a reputational damage and loss of revenue, and performance criteria such as predictable response times are monitored for certain critical situations. Information channels have been established to allow the continuous monitoring of the status of the market operating system. The data center and back-up systems are designed to operate actively and in fault-tolerant conditions at all times.</p>	
	Business Continuity and Operational Risks	<p>Reputation Impact</p> <p>Financial Impact</p> <p>Legal Impact</p> <p>Customer Impact</p> <p>In the capacity of providing financial market infrastructure, operational continuity is of key importance to the success of our business. Borsa İstanbul successfully maintains its operations by managing its operational risks and ensuring business continuity. To this end, Borsa İstanbul effectively implements the operational risk management framework in its activities, infrastructure, processes and products. It takes preventive measures by reviewing personnel policies, business processes and control points.</p> <p>Business continuity policies and plans are in place to support the management during and after any crisis, disaster or pandemic. These plans are aimed at ensuring preparedness and flexibility for all conditions and to manage crises by reaching quick decisions when needed through tests and drills conducted through the business continuity policies and plans. These business continuity policies and plans contributed to the Company's success in managing the pandemic.</p> <p>The Business Continuity Management System at Borsa İstanbul is operated in accordance with the ISO/IEC 22301:2019 standard, with the Company ensuring the continuity of the certification.</p>	 Financial Capital
	Information Security and Cyber Attack Risks	<p>Financial Impact</p> <p>Reputation Impact</p> <p>Legal Impact</p> <p>Customer Impact</p> <p>To prevent unauthorized parties from accessing confidential and sensitive information, periodic training activities are carried out within the scope of the information security policy to increase awareness of information security within the organization.</p> <p>Measures taken to prevent cyber-attacks, penetration, etc. are periodically reviewed. Within this framework, various organizations employed by Borsa İstanbul carry out regular penetration tests to prevent external technological penetration and internal unauthorized access in all markets, and the measures taken are reviewed. The problems experienced and the measures taken are regularly shared with the Group companies. Coordination is ensured with the relevant parties regarding the sharing of knowledge and experience.</p> <p>The routine of remote working, which has become more prevalent during the pandemic, has increased vulnerability to cyberattacks. On the other hand, it has highlighted the issues of combating interruptions, data security and protecting the integrity of basic systems. Information security, cyber-attack and interruption risks are successfully managed thanks to the periodic reviews of existing controls and measures taken, as well as the additional control points which have been added during the pandemic.</p>	 Human Capital
	Human Resources Risk	<p>Financial Impact</p> <p>Reputation Impact</p> <p>Although the risk of loss in human resources is not high, Borsa İstanbul aims to develop competency based human resources, which can respond quickly to market expectations. In this context, career and talent management, in-unit and inter-unit rotation and improvements to the organizational structure are put in place and training activities are carried out.</p> <p>Following the pandemic, the policies that have been drawn up are implemented for the prevention and control of any losses in human resources, the acquisition of new talent to the company and the development of competency-based human resources.</p>	 Intellectual Capital

RISKS		POTENTIAL IMPACT	RISK DEFINITIONS AND PREVENTION STRATEGIES	RELATED CAPITAL ELEMENT
Financial Risks	Liquidity Risk	Financial Impact	Liquidity risk arises from the inability to convert assets into cash when cash is needed. In this context, Group companies generally create funds for themselves by converting their short-term financial instruments into cash, for example, by collecting their receivables. Group companies tend to prefer short-term funding to avoid liquidity risk. In addition, by keeping bank deposits, mutual funds and government bonds in their assets, the companies ensure a maturity match between the assets and liabilities.	 Financial Capital
	Market Risk	Financial Impact	Market risk includes fluctuations in exchange rates, interest rates or in the value of securities and other financial instruments in parallel with changes in the value of the TL against foreign currencies. Group companies manage market risk by balancing interest rate sensitive financial instruments and assets and liabilities in foreign currency.	
Compliance and Reputation Risks	Compliance Risk	Reputation Impact	Borsa İstanbul maintains close communication with regulatory and supervisory institutions, in particular the Capital Markets Board. In addition, it plays a role in establishing regulations for the development and deepening of the markets. It fully complies with the regulations published by the relevant regulatory and supervisory institutions.	 Financial Capital  Social and Relationship Capital
		Financial Impact Legal Impact	In order to identify actions which may prevent the open, orderly, fair, and transparent operation of the markets, and to ensure that capital market instruments traded on the Borsa İstanbul can be purchased and sold in confidence and stability, any unusual price and quantity movements occurring in all markets, especially the Equity Market, are monitored and reported by the electronic surveillance system.	
Strategic Risks	Conjunctural Risks	Financial Impact Reputation Impact	Adverse macroeconomic conditions and weak global risk appetite may reduce interest in the Borsa İstanbul markets. For this reason, Borsa İstanbul closely monitors the economic conjuncture and pursues an approach which creates value for the country's economy. Borsa İstanbul works to diversify revenues and develop additional sources of income with innovative approaches to respond to the needs of the stakeholders and ensure sustainable revenue flow. Borsa İstanbul organizes training programs on financial literacy and the functioning of the markets and carries out projects to expand its investor base.	 Financial Capital
		Financial Impact Reputation Impact	Borsa İstanbul has prepared its 2023-2025 Strategic Plan and determined the strategic goals to be pursued in the upcoming period. In this process, it created a business plan to ensure the achievement of strategic goals and defined key performance indicators to be monitored.	

RISK MANAGEMENT

RISK MANAGEMENT ACTIVITIES IN 2022

CORPORATE RISK MANAGEMENT

In 2022, risk assessment activities were carried out with the work units and action plans were established to address any risks which exceeded the stated risk appetite. The status of risks and actions were monitored on a monthly basis and reported regularly to the Senior Management and the Early Detection of Risks Committee. Work to compile the key risk indicators were carried out with the work units, and the determined indicators were monitored on a monthly basis. Awareness training on risk management was provided to all units of Borsa İstanbul. Additionally, training activities were offered to newly recruited personnel.

INTERNAL AUDIT

In 2022, internal audits and follow-ups of the audit findings were carried out within the scope of the ISO/IEC 22301:2019 and ISO 20000-1:2018 standards under the internal audit plan. The Internal Audit department contributed to the review of risks and updating of the risk inventory. In addition, routine checklists were created by conducting workshops with the Borsa İstanbul units.

The Internal Control Service reviews the compliance of the published legislation documents with the internal control system, and the relevant documents are published after receiving feedback from the Compliance and Internal control services. The Internal Control Service also contributes to the creation of legislative documents.

COMPLIANCE

Borsa İstanbul's responsible supply chain regulations were published and put into effect in 2021. Within the scope of compliance activities, during 2022 the company participated in the work carried out to guide the implementation of these regulations and the updating of responsible supply chain regulations.

The Compliance Department contributed to the work carried out by the World Federation of Stock Exchanges (WFE). In this context, Borsa İstanbul participated as a member of the evaluation committee (Desk Top Review Team), which was established to evaluate applications for full membership of the WFE. It played an active role in examining application files and forming the evaluation committee opinion to be submitted to the WFE Board of Directors regarding full membership.

The Department also continued to contribute to the work carried out at Borsa İstanbul in order to provide services to Nasdaq as a solution partner. In addition to these activities, on behalf of Borsa İstanbul opinions were provided on draft regulations prepared by public institutions and organizations, in particular the Capital Markets Board. In addition, the Department contributed to the preparation of internal and external regulations by the Borsa İstanbul business units within the framework of the underlying legislation, national and international standards, and company internal regulations. Opinions were given to the business units within the framework of the relevant legislation provisions in order to eliminate the hesitations arising during the implementation of the legislation.

Legislative changes concerning Borsa İstanbul's activities and the capital markets in general were closely followed, ensuring that the senior management and related business units were informed of these changes. In addition, other activities such as in-service training and database queries were also carried out.

BUSINESS CONTINUITY

Borsa İstanbul aims to ensure the protection and safety of human life, to provide services with minimum interruption in order to achieve its strategic goals, to render critical business processes functional again within the targeted recovery times, to manage any risks which may adversely affect business continuity, to minimize the time to reach critical decisions in extraordinary situations and to manage internal and external communication and relations with the media. In this vein, a business continuity management system in compliance with the ISO/IEC 22301:2019 standard was established. The validity of the ISO 22301 Business Continuity Management System certificate, which was obtained in 2021, was extended in 2022.

In 2022, during the COVID-19 pandemic period, a pandemic disease plan was implemented in coordination with the Borsa İstanbul Group companies. The Business Continuity, Human Resources and Support Services teams at the Borsa İstanbul Group regularly evaluated the situation.

Emergency drills were carried out successfully in 2022 and the Business Continuity Management Committee (BCMC) convened for meetings. In order to promote in-house awareness, training was provided to employees within the framework of business continuity.

EVALUATION OF 2022

The Risk Management Policy was approved by the Board of Directors in order to early identify risks which may endanger Borsa İstanbul's existence, development and continuity, to take the necessary precautions regarding the risks which were identified and to manage these risks. The Risk Management Policy has been adopted throughout the organization. Risks are managed by measuring and evaluating the level of risk which the Company is exposed to by regularly monitoring risk levels and taking actions to ensure that the level of risk within the stipulated level of risk appetite. It is of paramount importance that the results of the activities carried out regarding risk management are taken into account in Borsa İstanbul's strategic decision-making processes. Borsa İstanbul's strategic decisions observe a balance between the factors of risk, sustainable growth and return. Long-term interests are prioritized with a rational and prudent risk management approach.

Borsa İstanbul's risk management activities are carried out by the process/service owners, the Risk Management, Internal Control and Compliance Directorate and the internal audit function under the supervision of the Board of Directors, the Early Detection of Risks Committee and the senior management within the framework of the "triple line of defence" approach. All activities are carried out in accordance with all applicable internal/external legislation, in particular the capital markets legislation.

In 2022, risk assessments regarding Borsa İstanbul's processes and systems were carried out by the Risk Management, Internal Control and Compliance Directorate. Risks and key risk indicators were reviewed and work on the risk management policy and other internal regulations was carried out. An analysis process regarding critical supplier risk management was established. Risk scoring, risk appetite and key risk indicators were measured and monitored regularly, and lost event notifications were analysed. Action plans covering risk mitigation, compliance with codes of ethics, provisions allocated for possible risks and the adequacy of these provisions were monitored. These were reported to the Early Detection of Risks Committee. The reports submitted by the Risk Management, Internal Control and Compliance Directorate were evaluated by the Early Detection of Risks Committee and submitted to the Board of Directors.

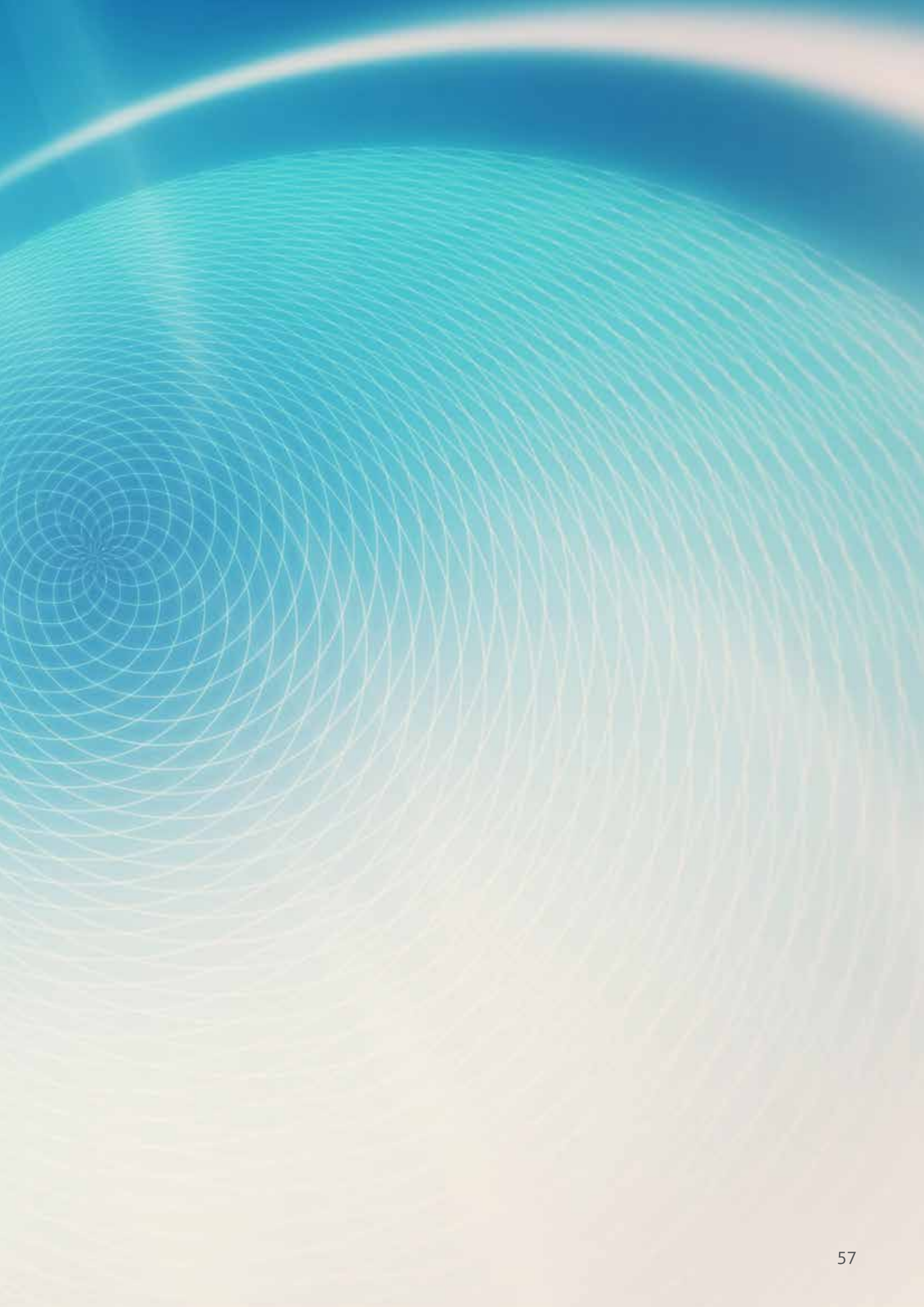
Business impact analyses are reviewed annually by the Risk Management, Internal Control and Compliance Directorate together with the process owners to ensure that risks that may adversely affect business continuity can be managed. Emergency drills are carried out and necessary corrective/preventive actions are monitored. The validity of the 22301 Business Continuity Management System certificate held by Borsa İstanbul was extended in the year 2022, once again proving the adequacy of the relevant system.

The Risk Management, Internal Control and Compliance Directorate actively participates in the work carried out by the World Federation of Exchanges (WFE)'s Enterprise Risk Working Group (ERWG). Work is carried out on the integration of international best practices to Borsa İstanbul and the transfer of good practices within Borsa İstanbul to other members through the exchange of information with other WFE-member stock exchange representatives.

Evaluations have found that the activities carried out by the Risk Management, Internal Control and Compliance Directorate within the scope of the identification, measurement and evaluation of the risks which may arise during the course of Borsa İstanbul's activities have been carried out in accordance with the provisions of the internal and external regulations. In this context, it has been found that the "triple line of defence" approach is operated effectively by all stakeholders and that the processes are operated in a dynamic structure under the principle of "continuous improvement" in accordance with Borsa İstanbul's main goals and policies.

STAKEHOLDER RELATIONS AND CORPORATE GOVERNANCE

Borsa İstanbul takes actions to understand the needs and expectations of its stakeholders through the transparent and effective relationships it has established, and to meet these expectations.






STAKEHOLDERS

Borsa İstanbul maintains strong relations with its stakeholders through transparent and effective communication. Communication between Borsa İstanbul and its stakeholders is carried out through many different platforms.

Borsa İstanbul's main stakeholders include individuals, groups and organizations which are affected by Borsa İstanbul's activities and have a significant impact on Borsa İstanbul. Shareholders, customers, capital market investors, regulatory agencies, in particular the CMB, subsidiaries and employees are among Borsa İstanbul's main stakeholders.



SHAREHOLDERS	ITS LINK TO THE STRATEGY	MATERIAL ISSUES
<ul style="list-style-type: none"> • Türkiye Wealth Fund • QH Oil Investments • Turkish Capital Markets Association • Brokerage houses, banks, precious metal brokers 	 GROWTH	Development and Deepening of the Market
	 BUSINESS CONTINUITY/ RESILIENCE	Business Continuity and Risk Management
	 TECHNOLOGY	Stakeholder Relations and Corporate Governance

COMMUNICATION CHANNELS

e-mail addresses of yatirimciiliskileri@borsaistanbul.com and investorrelations@borsaistanbul.com

General meetings, annual reports, informative posts on the website

COMMUNICATION TOPICS

Questions from shareholders, institutional performance, dividend, strategy, risks, corporate governance and sustainability, transfer of shares, providing the shares as a guarantee under Takasbank's supervision.

MAJOR ISSUES AND DEVELOPMENTS IN 2022

The Annual General Meeting was held on 24 March 2022.

Within the framework of the profit distribution policy, which aims to distribute at least 50% of the distributable profit for the period, the decision was taken to distribute a gross dividend of TL 1.62 to shareholders in exchange for each share with a nominal value of TL-1.

The proposed amendments to the Articles of Association were accepted unanimously.

No repurchase of equities was realized in 2022.

As of the year-end of 2022, shares corresponding to a total of 1.88% of Borsa İstanbul's equity were provided as a guarantee by shareholders in the Takasbank markets.

Our shareholders as of 31 December 2022:

80.60% Türkiye Wealth Fund (TWF)

10.00% QH Oil Investments

2.32% Borsa İstanbul A. Ş.*

1.30% Turkish Capital Markets Association




5.78% Other**

* Consists of shares which Borsa İstanbul A.Ş. acquired from shareholders

** Brokerage houses, banks, Takasbank, precious metal brokers, and other companies

(The current capital structure is available on the Borsa İstanbul website)

STAKEHOLDERS

CUSTOMERS	ITS LINK TO THE STRATEGY	MATERIAL ISSUES
<ul style="list-style-type: none"> Companies issuing their own capital market instruments or whose equities are traded on the Borsa İstanbul Members (brokerage houses, commercial banks, participation banks, development and investment banks, Takasbank, precious metals brokers, joint stock companies producing or trading in precious metals, authorized agents) Non-member jewelry sector companies The Central Bank of the Republic of Türkiye (CBRT) Data distributors Private Market members Software firms/Telecom operators Institutions that use the BIST indices as an underlying asset or benchmark criterion in their financial products 	<ul style="list-style-type: none">  GROWTH  BUSINESS CONTINUITY/ RESILIENCE  SUSTAINABILITY  TECHNOLOGY 	<ul style="list-style-type: none"> Development and Deepening of Markets Business Continuity and Risk Management Technology and Innovation Sustainability Stakeholder Relations and Corporate Governance Investor Protection and Financial Literacy

COMMUNICATION CHANNELS

Direct communication and interviews, announcements, informative e-mails, gong ceremonies

COMMUNICATION TOPICS

Listing conditions and other regulations, issuance processes, fee models and market practices, products and services, corporate solutions

MAJOR ISSUES AND DEVELOPMENTS IN 2022

The Session Hall, which had been closed following the outbreak of the COVID-19 pandemic, was reopened as the pandemic restrictions were eased.

Borsa İstanbul is in constant communication with publicly traded companies and investment institutions which broker public offering applications. Negotiations are held with companies to increase their awareness regarding public offerings.

A 50% discount will be applied to the fees to be charged in accordance with the Listing Fee Tariff in applications to be submitted to the Stock Exchange until 31 December 2023 for the trade of capital market instruments which are to be issued within the scope of the "Green Debt Instrument, Sustainable Debt Instrument, Green Lease Certificate, Sustainable Lease Certificate Guide" published by the CMB.

40 companies, which realized public offerings worth TL 19.3 billion, were listed.

Four companies were upgraded to an upper market. The application of one company for inclusion in the upper market was rejected.

Two companies were delisted due to a merger. In addition, three companies received warnings as a result of investigations.

1,855 debt instruments were quoted and TL 361.6 billion in resources was provided to issuers.

Five funds and 8,366 warrants were quoted, and 29 wholesale trading transactions were carried out.

In 2022, 40 gong ceremonies were held.

24 online training programs were organized for member representatives.

Within the framework of the OECD regulations, training was provided on responsible supply chain practices.

More than 400 participants from 243 publicly traded companies were provided with free online training on sustainability during 2022.

In a bid to increase financial literacy, the stock exchange, its products and services were explained at various universities, events and at the Borsa İstanbul promotion standards, and training was provided.

Applications regarding disputes between investment institutions and investors are handled by the Borsa İstanbul Disputes Committee. Broker institutions, investors and committee members were contacted as often as required by the review conducted for 16 disputes and 7 disciplinary files.

Within the scope of External Education Programs, work has been continuing to offer 61 different specialist training programs in a number of fields including Markets, Information Technologies, Law, Investor Relations for employees and managers working in capital markets or within the capital market stakeholders.

INVESTORS	ITS LINK TO THE STRATEGY	MATERIAL ISSUES
<ul style="list-style-type: none"> Real or legal person investors, who utilize their savings in capital market instruments, Investment funds Individual pension funds Exchange traded funds Mutual funds Hedge funds Collective investment institutions which carry out individual or institutional portfolio management 	<ul style="list-style-type: none">  GROWTH  BUSINESS CONTINUITY/ RESILIENCE  SUSTAINABILITY  TECHNOLOGY 	<ul style="list-style-type: none"> Development and Deepening of Markets Business Continuity and Risk Management Technology and Innovation Sustainability Employee Development and Talent Management Investor Protection and Financial Literacy

COMMUNICATION CHANNELS

Printed and visual media, social media
Investor Information Center
Events and training
Virtual session rooms

COMMUNICATION TOPICS

Financial literacy, products and services

MAJOR ISSUES AND DEVELOPMENTS IN 2022

The World Investor Week was organized with the cooperation of Turkish Capital Markets Association. In this context, a gong ceremony was held at Borsa İstanbul with the company ensuring participation in the activities.

A total of 1,235 applications were received through the Investor Consulting Center. The applications were finalized by directing them to the relevant departments.

In order to develop market surveillance activities;





- 1) Surveillance applications including the Volatility Based Measures System (VBTS) of the Measures Management System (TYS), which manages the measures taken within the scope of the Surveillance Measures Directive, were moved to the portal, enabling all measures systems to be monitored on a single platform. With this transition, updates are also carried out to the TYS operational process, ensuring that the process is carried out more effectively and comprehensively.
- 2) The recent increase in social media posts regarding shares traded on the Borsa İstanbul and the fact that they have become an increasingly influential factor in investment decisions has necessitated the systematic monitoring of social media posts within the scope of surveillance activities. In this context, first of all, monitoring of social media and archiving of the data obtained were automated and the data was transferred to the surveillance system. This ensured that social media data is monitored both via the dashboard provided by the institution providing the data and over the surveillance system, and that the data is archived.
- 3) After effectively archiving social media data, work is carried out to develop reports and warnings in the surveillance system by integrating this data with order and transaction data.
- 4) Work has been carried out to integrate the KAP (Public Disclosure Platform) news into the surveillance system.
- 5) In order to ensure that financial criteria calculations comply with the IOSCO regulations, the procedures and principles regarding the notices and complaints submitted to Borsa İstanbul regarding all financial criteria calculated and/or published by Borsa İstanbul are established in the Notification on Financial Criteria Procedure and then in the Complaint on Financial Criteria Procedure.

The following activities took place within the scope of Market Surveillance in 2022;

- 1) Within the scope of the TYS, measures were implemented a total of 173 times on the basis of investors, including 37 share-based measures in 24 different shares, and for 165 different investors.
- 2) A total of 772 measures were taken within the scope of the Volatility-Based Measure System (VBMS). These measures included the following: 448 Short Selling and Credit Transaction Bans for a total of 304 different stocks; 137 Gross Swap, 30 Single Price; 143 Order Packages, which included 'Market Order and Restriction of entry of Order from Market to Limit', 'Prohibition of Order Cancellation, Order Quantity Reduction and Order Price Worsening', 'Restriction of Publication of Order Collection Information' and 14 Restriction of Order Transmission Channels (Internet Order Prohibition).
- 3) Investment institutions were warned and informed of 376 investors whose trading patterns were found to be unusual within the scope of market disruptive actions.
- 4) As of August 2021, information regarding warning e-mail messages sent to investors through the brokerage institutions they use as brokers in their transactions within the scope of the Measures Directive, started to be reported to the CMB on a monthly basis.
- 5) A monthly report was submitted to the CMB in connection with HFT transactions realized in the Equity Market.

In addition, apart from the dispute and disciplinary processes, the complaints and requests from investors within the framework of 18 different applications submitted by investors were evaluated by the Legal Counsel, and 16 of these were evaluated by the Audit and Surveillance Board.

STAKEHOLDERS

REGULATORY BODIES	ITS LINK TO THE STRATEGY	MATERIAL ISSUES
<ul style="list-style-type: none"> • Capital Market Board (CMB) • The Ministry of Treasury and Finance • The Central Bank of the Republic of Türkiye (CBRT) • Other regulatory and supervisory public authorities 	 GROWTH	Development and Deepening of Markets Business Continuity and Risk Management
	 BUSINESS CONTINUITY/ RESILIENCE	Sustainability
	 SUSTAINABILITY	Stakeholder Relations and Corporate Governance
	 TECHNOLOGY	Data Security and Cyber Security Investor Protection and Financial Literacy International Relations and Collaborations

COMMUNICATION CHANNELS

Direct communication, cooperation, reporting, Financial Stability Committee

COMMUNICATION TOPICS

Development and Deepening of Markets, new products and services, regulatory and legal infrastructure, auditing and surveillance actions

MAJOR ISSUES AND DEVELOPMENTS IN 2022

Borsa İstanbul is in constant communication with the CMB's Participation Finance, Institutional Investors and Accounting Standards Departments, especially within the scope of listing activities.

Suspicious or unusual situations identified in the reviews and audits carried out by Borsa İstanbul and the issues deemed to contravene CMB regulations are reported to the CMB.

Within the scope of surveillance, reviews and audit activities, meetings are held with the CMB when necessary. The information notes prepared regarding the measures taken or the issues that are important within the scope of market surveillance activities are submitted to the CMB.

The reports prepared within the scope of member audit and company audit activities are shared with the CMB when necessary, with work subsequently carried out in coordination with the relevant department of the CMB.

Assistant specialists who are newly recruited at the CMB are provided with training in various areas such as auditing and surveillance.

Within the scope of internal audit and the IT audit activities, cooperation is carried out with relevant independent auditors.

The Turkish Lira Overnight Reference Rate Committee, which consists of representatives from the Ministry of the Treasury and Finance, the CBRT, the Banks Association of Türkiye, Capital Markets Boards of Türkiye and Takasbank, convenes regularly.

High-level participation is ensured in communication and cooperation meetings between all institutions engaged in the management of the economy.

SUBSIDIARIES & AFFILIATES	ITS LINK TO THE STRATEGY	MATERIAL ISSUES
<ul style="list-style-type: none"> • Group companies • Domestic partnerships • Foreign partnerships 	 GROWTH	Development and Deepening of Markets Business Continuity and Risk Management
	 BUSINESS CONTINUITY/ RESILIENCE	Technology and Innovation Sustainability
	 SUSTAINABILITY	Stakeholder Communication and Corporate Governance
	 TECHNOLOGY	Data Security and Cyber Security Employee Development and Talent Management

COMMUNICATION CHANNELS

Meetings regarding joint activities within the scope of integration, general meetings, board of directors memberships and increases or decreases in shareholdings.

COMMUNICATION TOPICS

Group synergy, new projects, joint products, events and activities, new projects

MAJOR ISSUES AND DEVELOPMENTS IN 2022

Decisions taken by Borsa İstanbul regarding listing, market change or delisting are shared with Takasbank and the MKK.

Synergy Committee meetings are held with group companies and joint purchases are evaluated in the meetings in order to create synergy between institutions. Requests with similar characteristics are provided collectively and at once for the purpose of providing price advantages and operational convenience.

The Takasbank and MKK data are distributed by Borsa İstanbul. In addition, the "Big Data" project is carried out with these institutions and studies are carried out within the scope of creating data packages and products for the different needs of users. In addition, data from the Sarajevo Stock Exchange, the Montenegro Stock Exchange, the Macedonia Stock Exchange are distributed by our Stock Exchange within the scope of the Eurasia Data Dissemination Network (EDDN).

As the institution that undertakes the duty of secretariat of the Organization of Islamic Cooperation (OIC) Exchanges Forum, we cooperate with Takasbank and the MKK within the scope of the coordination of the annual Forum meeting and the work of the task forces created.

An Emergency Drill was held jointly with Takasbank and the MKK.

Within the scope of the DWH and Big Data projects, meetings are held with Takasbank and the MKK in regard to data sharing.

The arbitration case brought against the Borsa İstanbul Group companies before the ISTAC (Istanbul Tahkim Merkezi) was conducted jointly with Takasbank and the MKK.

Subsidiaries and Affiliates	Direct Partnership Ratio (%)	Indirect Partnership Ratio (%)
Capital Market Institutions		
İstanbul Settlement and Custody Bank	64.18	
Central Securities Depository	30.10	71.75
Capital Markets Licensing, Registry, and Training Agency	20.00	34.27
Stock Exchanges		
Montenegro Stock Exchange	24.43	
Kyrgyz Stock Exchange	22.86	
Sarajevo Stock Exchange	9.89	16.70
Baku Stock Exchange	4.76	
Commodity and Financial Markets		
Energy Exchange İstanbul	30.83	
ELİDAS Licensed Warehouse	17.33	19.98
Turkish Mercantile Exchange	15.00	21.80
JCR Eurasia Rating	18.50	
Birleşik Mortgage Company	5.00	

STAKEHOLDERS

UNIVERSITIES	ITS LINK TO THE STRATEGY	MATERIAL ISSUES
• Universities	 GROWTH	Development and Deepening of Markets Sustainability
	 SUSTAINABILITY	Stakeholder Communication and Corporate Governance Employee Development and Talent Management
	 TECHNOLOGY	Investor Protection and Financial Literacy

COMMUNICATION CHANNELS

Direct communication

Collaborations

Print, visual and social media

Events and training

COMMUNICATION TOPICS

BISTLAB, BIST COURSE, BIST TOUR, Internship Programs, Scholarship

MAJOR ISSUES AND DEVELOPMENTS IN 2022

The BISTLAB laboratories create awareness in the field of financial literacy. In this context, BISTLAB laboratories were established in Adıyaman, Batman, Ordu and Ankara Hacı Bayram Veli Universities in 2022.

Two new projects - BISTTOUR and BISTCOURSE - were launched in order to increase Borsa İstanbul's brand awareness and support cooperation with universities. In this vein, the project aims to support attendance in classes on the capital markets and stock exchange activities, to open new courses in this field at universities, and to get to know Borsa İstanbul by observing Borsa İstanbul in its own campus through visits.

Under the BISTCOURSE program, carried out within the framework of collaboration with universities, Borsa İstanbul's specialized employees attend classes on Capital Markets and Exchange activities as guest instructors. The BISTCOURSE program reached 220 students in 2022.

With the BISTTOUR program, university students who have distinguished themselves with their academic achievements, visit the Borsa İstanbul Group campus and participate in the Borsa İstanbul Group promotional tour. In 2022, 158 university students were hosted in our campus with the BISTTOUR program.

Within the scope of career activities of universities, visits were conducted to 35 universities and online seminars were organized with 12 universities. As a result of these actions, the company was able to interact with around 2,000 students.

The company visited Şırnak, Batman, Mardin and Siirt Universities within the scope of the Southeastern Anatolia Career Project, designed to reach students studying at universities in Türkiye's Southeastern Anatolia Region and who have limited access to information regarding career opportunities in the Capital Markets.

Within the scope of the Student Education Program, internship opportunities have been provided to university students in two-week terms. 274 students applied to this program, with approximately 100 university students participating in the training program.

30 university students have been given free scholarships, with the company aiming to increase this number to 100.

EMPLOYEES	ITS LINK TO THE STRATEGY	MATERIAL ISSUES
Qualified human resources who are respectful to ethical principles and attach importance to our values	 GROWTH	Development and Deepening of Markets
	 BUSINESS CONTINUITY/ RESILIENCE	Business Continuity and Risk Management
	 SUSTAINABILITY	Technology and Innovation
	 TECHNOLOGY	Sustainability
		Stakeholder Communication and Corporate Governance
		Employee Development and Talent Management

COMMUNICATION CHANNELS

The main communication channels are the 'I Have an Idea' (Bir Fikrim Var) application, performance evaluation meetings, internal communication channels, information/sharing meetings, internal satisfaction surveys and trade union meetings.

COMMUNICATION TOPICS

Recruitment, performance management, training and talent management, organizational arrangements, improvements to the working environment

MAJOR ISSUES AND DEVELOPMENTS IN 2022

Talent Management

63 new employees were employed during the year. Orientation training is planned for newly recruited employees.

Promotion processes were carried out effectively for employees who meet the criteria, regardless of any quota practice for the administrative titles and specialization group promotions.

Within the scope of the "Coffee Break with HR" project, employees may send a meeting invitation to the Talent Management and Training Directorate, where employees may engage in one-to-one contact.

Employees found to have problems regarding their motivation and commitment undergo interviews with close monitoring to support their motivation.

Employees' evaluations of the stakeholders which they are in contact with, are obtained through the practices such as internal customer evaluation survey, employee satisfaction survey, and manager evaluation survey.

Employee competences are evaluated within the scope of the Performance Management System (PMS), with training provided to employees in areas where their competencies are deemed to need improvement. A Feedback Questionnaire is applied at the end of the PMS process in order to obtain evaluations from employees regarding the PMS process.

The "I Have an Idea" project was developed to encourage employees to focus on generating innovative ideas and presenting different perspectives. Work on the implementation of the project continues.

STAKEHOLDERS

Remuneration

In 2021, the Collective Bargaining Agreement was signed with the Bank-Finance and Insurance Workers Union (BASISEN), which the majority of the employees are a member of. The Collective Bargaining Agreement covers the years of 2021 and 2022.

In line with the approach of the interim period remuneration update, which took place in Türkiye in 2022, a 42.35% increase was applied to basic pay for all employees with effect from July.

Feedback for the performance management system was compiled in 2022 through a detailed questionnaire and submitted to the senior management. The agreed update needs were reflected in the PMS Procedure.

Performance evaluations were carried out on the basis of both targets and competencies in 2022. Scorecards at the executive level were created within the framework of the Borsa İstanbul's corporate goals. A scorecard for each employee was created within the framework of the scorecards at the management level. At the end of the year, the scorecard results served as an input to the performance management system. The year-end performance evaluations were carried out by taking the aforementioned scorecards and competencies into account.

Occupational health and safety

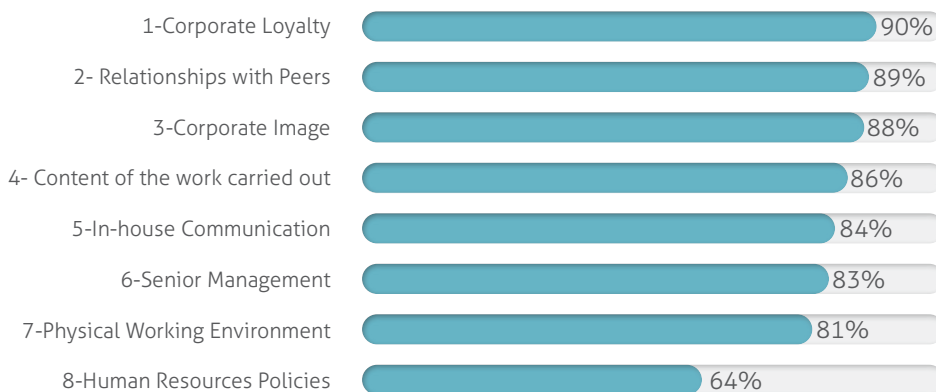
Borsa İstanbul aims to provide a safe and healthy working environment for its employees in all areas of activity.

During the pandemic, employees were provided with the opportunity to work remotely as the number of employees in the office was reduced to a minimum within the framework of occupational health and safety measures. As pandemic restrictions were relaxed, employees started to return to the office while still having the option to work remotely.

In addition, training and activities were carried out in order to raise awareness of employees on issues related to occupational health and safety.

Employee satisfaction

An employee satisfaction survey was conducted. The answers were analysed and a consolidated report was submitted to the management whereupon the necessary steps were taken. The survey participation rate stood at 92% and the average satisfaction rate was 83%. The general satisfaction levels, which are determined by answering the questions in the 8 sections of the survey as "I agree" and "I totally agree", are listed below in ratios:



Training

The BIST Mentor program was launched, providing mentorship support employees who had just joined us.

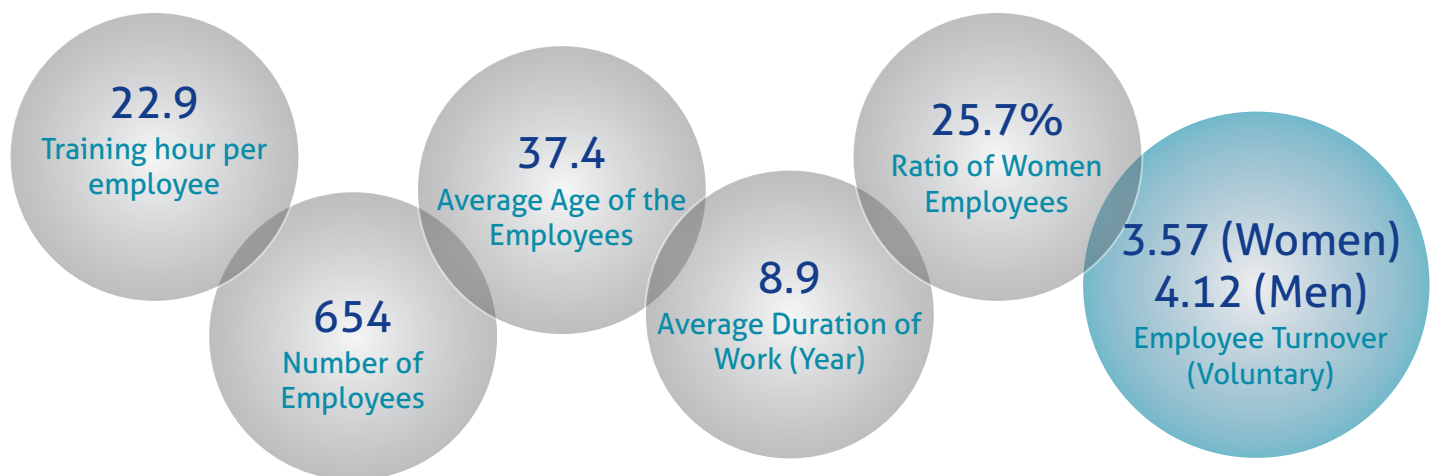
With the "Training of the Trainer" program, internal trainers were provided with effective presentation skills.

Information Security and Awareness Training and Occupational Health and Safety Training was provided to all employees.

A Training Management Procedure was prepared in order to expand the training and development opportunities for the employees. The training schedule is planned by taking the needs for training into account.

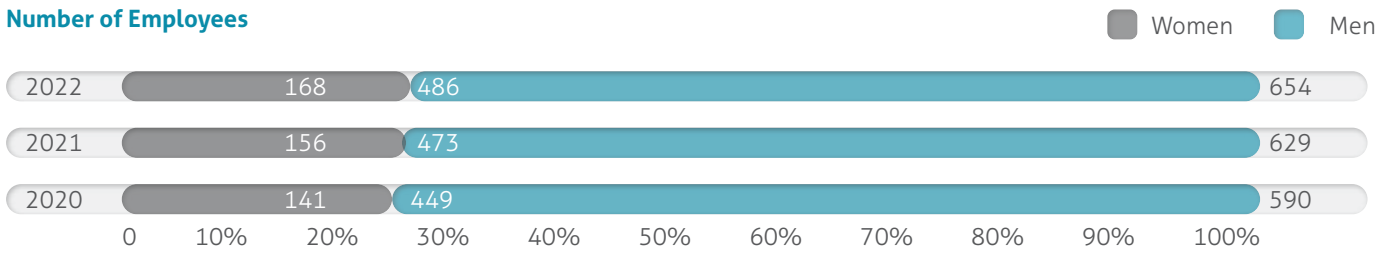
The Borsa İstanbul E-Academy online training platform includes over 18,000 items of training content for employees.

For certificates included in the Training Management Procedure, the certificate fee is refunded to the employee if they successfully complete the certification process and meet the criteria specified in the procedure.

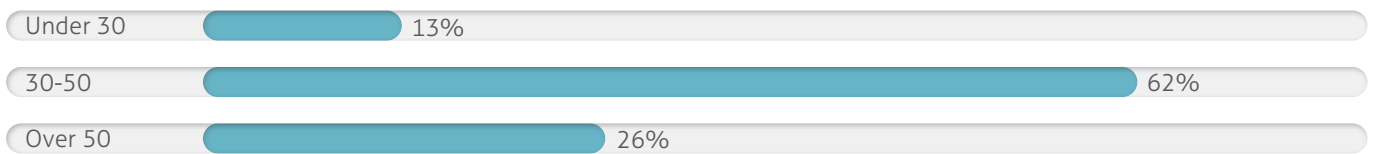


STAKEHOLDERS

Number of Employees



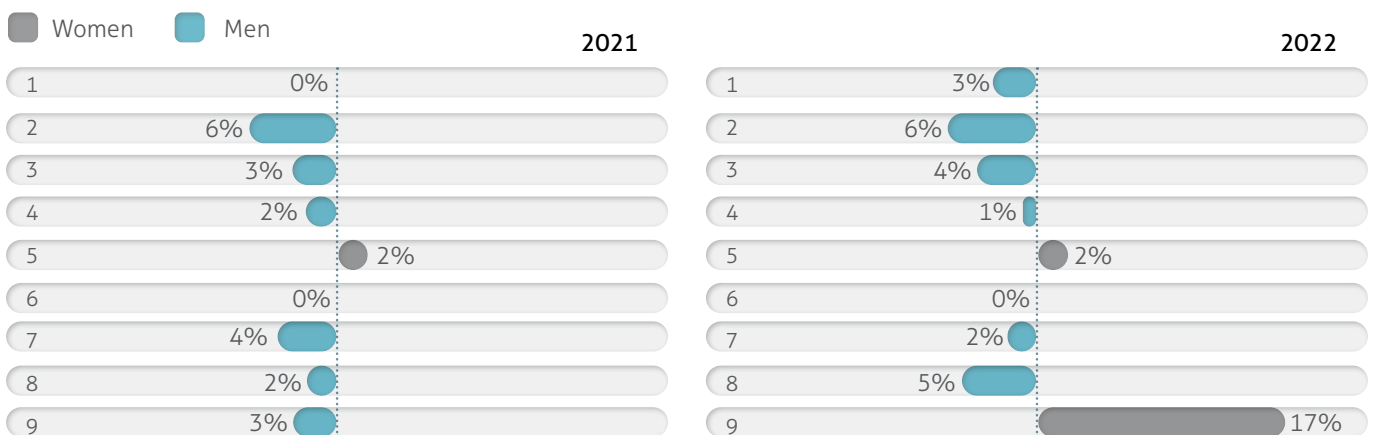
Age Diversity



Analysis of male/ female remuneration

Pay is not determined by gender in our institution. The range of pay offered determined depending on seniority is the same for male and female employees. In addition to the requirements stipulated by law, nursery assistance is provided to women employees who have children.

The graph sets out the relative pay between men and women on the basis of seniority, with 1 being the most senior. Where the bars extend to the left on the graph, men are receiving higher pay; where the bars extend to the right, women are receiving higher pay.



CORPORATE GOVERNANCE

Borsa İstanbul is one of the most important institutions in the Turkish financial markets. Since 1985, it has served as a valuation and performance benchmarking mechanism in addition to being a source of capital for the country's leading companies. At the same time, it serves as an important means of transferring the savings of individuals to the real economy and spreading the capital to the widest possible base. In addition, Borsa İstanbul is the controlling shareholder of Takasbank and the MKK, which are financial market infrastructure institutions. As stated in the IOSCO Principles, financial market institutions are required to operate to the highest levels of corporate governance.

In accordance with Article 73 of the Capital Markets Law No. 6362 and Article 40 of the Regulation on the Establishment, Activity, Working and Auditing Principles of Stock Exchanges and Market Operators issued by the CMB, Borsa İstanbul is obliged to comply with the corporate governance principles issued by the Capital Markets Board by means of comparison.

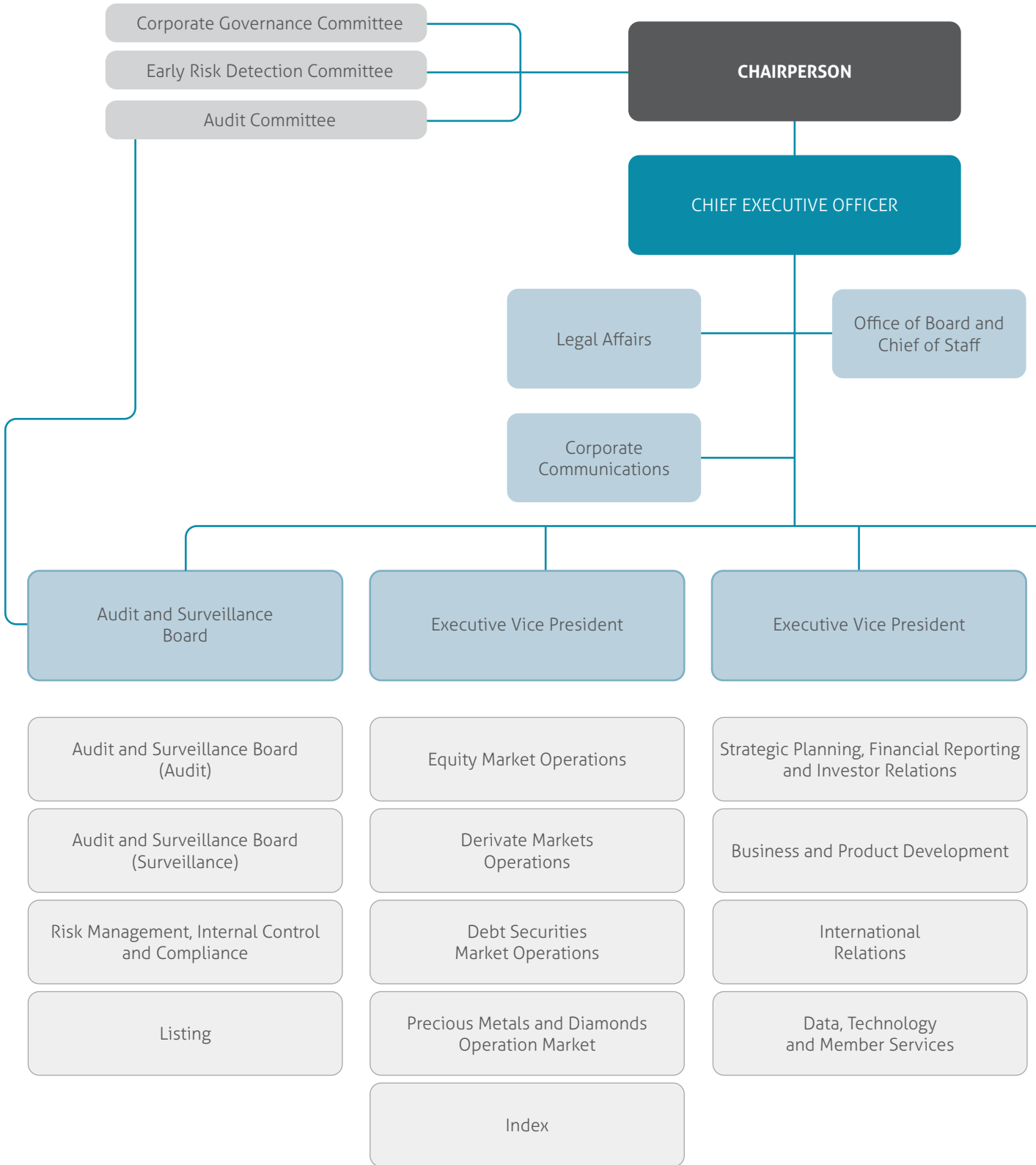
The Corporate Governance Compliance Report Format (CRF) and the "Corporate Governance Information Form" (CGIF) templates were used to provide information regarding current corporate governance practices in order to report compliance with the voluntary principles in the Corporate Governance Communiqué No. II-17.1 published by the Capital Markets Board, and they were published on the website.

BORSA İSTANBUL'S APPROACH TO CORPORATE GOVERNANCE

- To ensure that Borsa İstanbul's organization and corporate governance structure are in line with its strategic goals and that they are fully harmonized with its operational needs,
- To increase the reputation of Borsa İstanbul as an important capital markets platform worldwide by adopting local regulations and international best practices,
- To ensure that the members of the Board of Directors, senior management and employees work in harmony towards organizational goals in line with a good corporate governance approach,
- To increase the trust of Borsa İstanbul shareholders, potential investors, regulators and other key stakeholders in corporate governance.

The fact that Borsa İstanbul sets an example for companies in terms of corporate governance and encourages companies to adopt the highest standards in corporate governance is considered important in demonstrating to domestic and foreign investors that the Turkish capital markets work to high standards and therefore have low corporate governance risk compared to other developing countries.

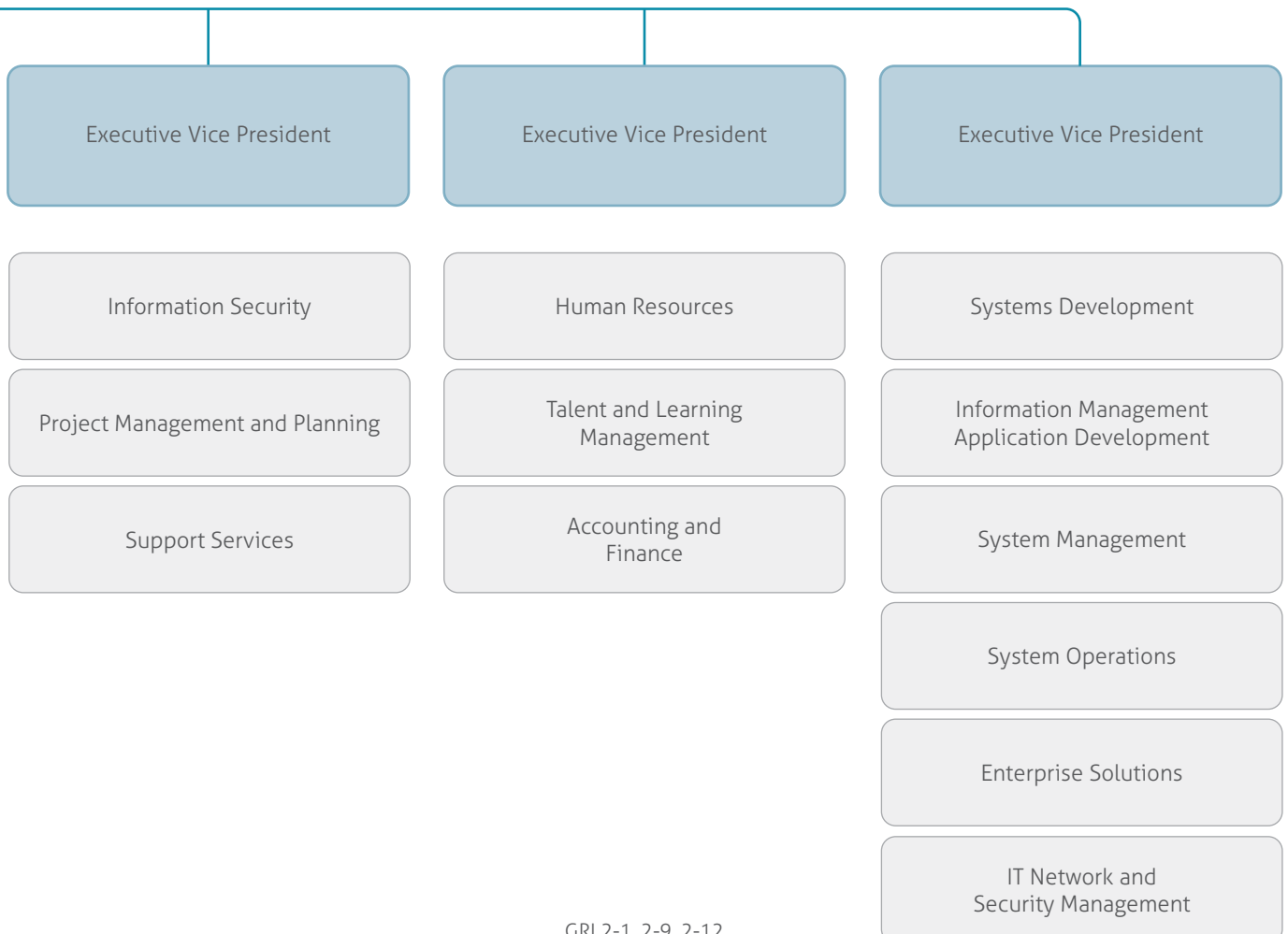
ORGANIZATIONAL STRUCTURE



The Borsa İstanbul corporate governance bodies have a long-term vision which is focused on the growth perspective. The Board of Directors determines the strategy of Borsa İstanbul. Senior and mid-level management, on the other hand, execute this strategy and conduct the operation of daily activities.

The Borsa İstanbul Board of Directors and General Directorate ensure that the interests of the Borsa İstanbul Group, its shareholders and stakeholders are protected.

Borsa İstanbul's organizational structure is constantly reviewed in order to ensure that it works within the framework of the principles of effectiveness and productivity.



BOARD OF DIRECTORS

The Borsa İstanbul Board of Directors is the guarantor of the Company's vision. It determines the strategic plan and strategic trends of the Company and supervises the senior management in the implementation of the determined strategic trends. It works to promote long-term value creation by taking into account issues of risk management and environmental, social and corporate governance.

The Borsa İstanbul Board of Directors consists of nine members and the members are elected by the General Assembly for a maximum of 3 years. Board members, who have various profiles and experience in different fields, provide support with their expertise in areas such as economy, capital markets and finance, accounting and auditing, law, communication and corporate governance. The Board of Directors collectively represents all shareholders and evaluates the priorities of the stakeholders in the capital markets ecosystem under the company's Material issues. While determining the material issues, the Board of Directors proceeds with a balanced, stable and long-term growth strategy, a culture of controlling risk and an efficient and sustainable business model.



Prof. Eriřah ARICAN
Chairperson

Prof. Eriřah Arıcan started her academic career as research assistant at Marmara University Economics-Finance Department in 1988. She transferred to Marmara University Banking and Insurance Department in 1990 and with her thesis entitled "The Central Bank and the Auditing of Monetary Volumes", earned her Ph.D. degree in 1991. She received an associate professor degree on Economic Policy in 1999, and professor degree at Marmara University Banking and Insurance Graduate School in 2015. Arıcan worked as Assistant Director and Board member of Marmara University Banking and Insurance Graduate School between 1998 and 2006, and as Director, between 2006 and 2015. She was appointed as the Director of Marmara University Banking and Insurance Institute in August 2015, and is currently in office. In addition to her role as Marmara University Banking and Insurance Graduate School Banking Department Chairperson and Board member she has been carrying out since 2002, Prof. Arıcan assumed the title of Marmara University Banking and Insurance Institute Banking Department Chairperson and Board member in September 2015. Prof. Arıcan has numerous studies and books on Turkish economy, economic systems, money-banking, central bank practices, financial markets and organizations. Prof. Arıcan was elected as Borsa İstanbul Board Member on 1 April 2016, as Board member of Türkiye Wealth Fund on 12 September 2018. Prof. Arıcan was elected as Chairperson of the Board at Ordinary General Assembly Meeting on 27 September 2018. She is married with two children.



Yunus ARINCI
Independent Board Member & Deputy Chairperson

Yunus ARINCI was born in Kumru, Ordu on 20 March 1975 as the first child of his family. He received his primary and high school education in Kumru. Between 1992 and 1996, he studied at Ankara University Political Sciences Faculty, Department of Public Administration. He started his career as Assistant Inspector at the Prime Ministry in 1997, promoting to Inspector in 2000 and Head Inspector in 2007. He was assigned as Department Head to the Scientific and Technological Research Council of Türkiye for a term of one year in 2005. He attended a post-graduate program at the Indiana University during 2007-2009 and was assigned as the Head of Prime Ministry Inspection Board on 14 October 2009. He has been Chairman of the State Supervisory Council since 13 July 2015. Arıncı represented Türkiye in numerous events at the national and international level, led several national and international projects, and carried out significant investigations. He was elected as Board member at Borsa İstanbul's Extraordinary General Assembly meeting held on 31 October 2016. Yunus Arıncı speaks English and is married with three children.

Metin KIRATLI Board Member

Metin Kıratlı was born in Ereğli in 1969, he completed his high school education in Ereğli Cumhuriyet High School and his undergraduate education in 1990 at Ankara University Faculty of Law. He received his master's degree in 2015 from Istanbul Commerce University, Institute of Social Sciences, Department of Private Law. Between 1994 and 1998 he served as Judge in Ulaş (Sivas), between 1998 and 2000 he served as Judge in Çaldıran, between 2000 and 2003 he served as Judge in Yalvaç, between 2003 and 2004 he served as Judge in Manavgat, between 2004 and 2008 he served as Investigation Judge at Ministry of Justice General Directorate of Penal Affairs, between 2008 and 2011 he served as Head of Department at Ministry of Justice General Directorate of Penal Affairs, between 2011 and 2012 he served as Executive Vice President at Ministry of Justice General Directorate of Penal Affairs, between 2012 and 2014 he served as General Manager at Ministry of Justice General Directorate of Penal Affairs, between 2014 and July 2018 he served as Assistant Secretariat General of the Presidency. He has been serving as Head of the Administrative Affairs of the Presidency. Kıratlı has been appointed as a member of the Board of Directors of Borsa İstanbul since 12 April 2019.



Prof. Dr. Fahrettin ALTUN Board Member

Director of Communications, Turkish Presidency. Fahrettin Altun received his undergraduate degree in Sociology from Istanbul University (1998) and a master's degree in Sociology from Mimar Sinan University before completing the PhD program at Istanbul University in 2006. His dissertation was titled "A Comparative Analysis of the Media Theories of McLuhan and Baudrillard." Having worked as a guest lecturer at the Department of Political Science at the University of Utah in 2002-2003, Prof. Altun served on the founding academic board of İstanbul Şehir University and became the founding coordinator of the Department of Communication. He was among the architects of the same university's graduate program in Cultural Studies and serves as Chair of the Department of Cinema and Television in 2008-2014. Between 2015 and 2017, Prof. Altun taught at İstanbul Medeniyet University's Department of Sociology. Most recently, he served as founding dean of the Department of Communication at the Ibn Khaldun University. Prof. Altun was a senior executive of the SETA Foundation for Political, Economic and Social Research in 2013-2018. He is the author of Modernization Theory: A Critical Introduction (İnsan Publishing, 2017, 4th Edition), Press Freedom in Türkiye (along with İsmail Çağlar and Turgay Yerlikaya; SETA Publishing, 2016) and Counter-Terrorism Strategies (along with Hasan Basri Yalçın; SETA Publishing, 2018). ALTUN'S articles have appeared in academic journals, including Middle East Critique, Insight Türkiye and Perceptions. He contributed chapters to edited volumes such as The Turkish AK Party and Its Leader: Criticism, Opposition and Dissent (Routledge, 2016), Political Thought in Modern Türkiye: İslamism (İletişim, 2016) and Civil Society: Different Perspectives (Kaknus, 2016). He edited The Triumph of Turkish Democracy: The July 15 Coup Attempt and Its Aftermath (SETA Publishing, 2016) together with Burhanettin Duran and The Media on July 15: A Medium for the Coup and Resistance alongside İsmail Çağlar and Mehmet Akif Memmi. In his earlier career, Prof. Altun worked in the publishing industry and served as Advisor to the President of the Board of Higher Education (YÖK). He penned columns for Akşam, Sabah and Daily Sabah, and was a founder and Editor-in-Chief of the monthly magazine Kriter in 2016-2018. Prof. Altun worked with various national media outlets, including TRT and A Haber, as a commentator, host and producer. Prof. Altun's areas of expertise include political communication, the sociology of media and communication, global studies and political sociology.



BOARD OF DIRECTORS



Ahmed Ali AL-HAMMADI
Board Member

Ahmed Al-Hammadi is the Chief Investment Officer for Europe, Russia and Türkiye. He oversees Qatar Investment Authority's direct sector teams' investments in Europe, Russia and Türkiye. Prior to joining QIA, Al-Hammadi worked at EFG-Hermes as a regional asset manager and before that at consulting firm Booz & Co. advising financial services clients on strategy, private equity investment opportunities, and organization structures. Al-Hammadi also sits on the boards of Heathrow Airport, SoFi, and Pavillion Real Estate Investment Trust. He was named a Young Global Leader by the World Economic Forum in 2019. Ahmed Al-Hammadi is a graduate of the Wharton School at the University of Pennsylvania and has obtained his MBA from the Harvard Business School.



Işinsu KESTELLI
Independent Board Member

Born in 1962, Konya, Işinsu Kestelli graduated from İzmir Amerikan Kız Lisesi (American Collegiate Institute – ACI) high school in 1981 and then received her bachelor's degree in Public Finance from the Faculty of Economics and Administrative Sciences, Dokuz Eylül University in 1986. Işinsu Kestelli, who is married and with a son, is founder and partner of Agrilink Agricultural Products and also Agritrade Agricultural Products Logistics. In November 1992, Işinsu Kestelli became a member of İzmir Commodity Exchange's Vegetable Oils Professional Committee, and in 1995 was elected as a Board Member of İzmir Commodity Exchange, later serving as its Vice Chairperson from 2003 until 2009. In February 2009, Kestelli was elected as the Chairperson of İzmir Commodity Exchange, and was re-appointed to the same position by receiving a vote of confidence in the 2018 elections. On 26 March 2021, Işinsu Kestelli was elected as Board Member of Board Borsa İstanbul at its Ordinary General Assembly.



Prof. Cem DEMİROĞLU
Independent Board Member

Cem Demiroğlu was born in Diyarbakır in 1978. He graduated from Beşiktaş Atatürk Anadolu High School in 1996, and earned a B.A. degree in Business Administration from Boğaziçi University in 2000. He obtained a master's degree in Finance (with a minor in Economics) from the University of Nebraska-Lincoln in 2001, and his Ph.D. in Finance from the University of Florida in 2008. He started his academic career as an Assistant Professor of Finance at Koç University. Since 2014, he has been serving as an Associate Professor on the faculty of Koç University where he teaches corporate finance, portfolio management, bank financial management, and private equity at both the graduate and undergraduate level. Prof. Demiroğlu previously served on the faculties of University of Florida (2010-2011) and Bocconi University (Spring 2010) as a visiting professor. He has published several articles in top international academic journals including Journal of Finance, Journal of Financial Economics, Review of Financial Studies, Management Science, Journal of Law and Economics, and Journal of Money, Credit, and Banking. His research interest include credit markets, credit rating agencies, banking, corporate finance, mortgages, securitization, and troubled debt restructurings and bankruptcy. He serves on the editorial boards of Journal of Banking and Finance, Journal of Capital Markets and Journal of Corporate Finance. He is also the recipient of the prestigious Outstanding Young Scholar Award granted by the Science Academy of Türkiye. Prof. Demiroğlu has been serving as an adviser to the Minister of Finance at the Republic of Türkiye Ministry of Treasury and Finance. He was elected as Borsa İstanbul Board Member on 27 September 2018. He is married with one child.

Tevfik ERASLAN
Independent Board Member

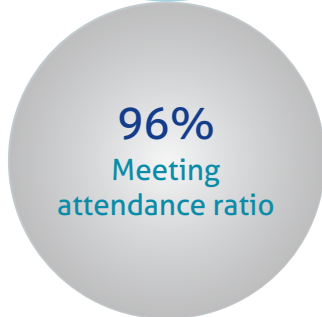
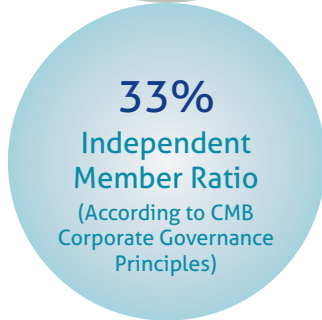
Tevfik Eraslan, who has 23 years of work experience, currently carries out his duty at Is Asset Management as Chief Executive Officer. He worked in the Treasury Department of an international financial institution between 1995-2001 before joining İş Asset Management in 2001. Eraslan served as Assistant Manager and Manager of the Pension Funds Department until 2008, and then as Executive Vice President in charge of Portfolio Management between 2008 and 2013. He was appointed CEO in September 2013. He attended in many executive programs from Pension Fund Management Seminars at The Wharton School of Economics and Global Asset Management Program at CFA Institute to Essentials of Management Program at the Columbia University. Eraslan holds a bachelor's degree in Faculty of Economics from Istanbul University and a master's degree in Capital Markets from the same university. Eraslan serves as Chairman of Board of Directors of Luxembourg based Turkisfund; member of Board of Directors of Turkish Capital Markets Association and Turkish Institutional Investment Managers' Association, and also the member of Türkiye-Luxembourg Business Council and Türkiye-Sweden Business Council of Foreign Economic Relations Board. Tevfik Eraslan was elected as Board Member of Borsa İstanbul at Ordinary General Assembly Meeting on 27 September 2018.

**Korkmaz ERGUN**
Board Member

Korkmaz Ergun earned his undergraduate degree at Ankara University Faculty of Political Science, Department of Business Administration and started his career at Borsa İstanbul the same year. He completed his masters' degree and Ph.D. at Marmara University, Faculty of Economics. Having 24 years of Stock Exchange and Capital Markets experience, Ergun has administered the evaluation of the initial public offerings of numerous companies, and the examination and market activities of the companies listed on Borsa İstanbul. Moreover, Ergun is the Deputy Chairman of Takasbank Board of Directors. He is also a Board Member of the World Federation of Exchanges (WFE).



BOARD OF DIRECTORS



The operating principles of the Board of Directors are published on the website. Decisions taken in the meetings are recorded in the decision book of the Board of Directors, together with any dissenting (counter) opinions. Decisions taken regarding the traded companies are announced through the Public Disclosure Platform, in cases required by capital market legislation.

The company has "manager liability insurance" and "professional liability insurance" policies in place which also cover members of the Board of Directors.

The Board of Directors convened six times in 2022 and took decisions without holding a meeting when necessary.

Financial Rights

In 2022, the total of remuneration and similar benefits paid to the Borsa İstanbul Group companies' (Borsa İstanbul, Takasbank, MKK) Board of Directors members and senior executives stood at TL 24.1 million (31 December 2020: TL 16 million).

It is essential that the shareholders determine the financial benefits such as attendance fees, wages, premiums, bonuses, real and cash benefits, the share of the annual profit and other rights which will be provided to the chairperson and members of the Board of Directors and the form and amount of the financial benefits in the Annual General Meeting every year. In addition, travel, accommodation and representation expenses and insurance and similar guarantees to be covered by Borsa İstanbul are determined by the Board of Directors. The chairperson and members of the board of directors, their spouses, children and their dependents may benefit from health benefits under the conditions applied to the personnel by the Company.

There were no transactions that could cause any conflict of interest, such as direct or indirect lending to the members of the board of directors or the company's senior executives, granting loans or issuing guarantees in their favor by the Company.

BOARD OF DIRECTORS COMMITTEES

Established in accordance with the Corporate Governance Communiqué, the Corporate Governance Committee, Audit Committee and Early Detection of Risk Committee have been helping the Board to perform its duties and responsibilities in an effective and transparent manner, in compliance with regulations.

CORPORATE GOVERNANCE COMMITTEE

Purpose

The Corporate Governance Committee determines whether or not the principles of corporate governance have been applied, and where they have not been applied, determines the reasons and any conflicts of interests resulting by the failure to abide by these principles while issuing suggestions for improvement of the corporate governance measures. The Corporate Governance Committee also performs nomination and pricing functions, given that there is no separate committee within the Board of Directors.

Members

Prof. Cem DEMİROĞLU (President)
Tevfik ERASLAN (Member)
Ahmed Ali AL-HAMMADI (Member)

Activities in 2022

The Corporate Governance Committee gathered on two occasions in 2022. The Committee's activities in 2022 are summarized below:

- The Committee evaluated the Borsa İstanbul 2023-2025 Sustainability Strategy, which was prepared by the Strategic Planning, Financial Reporting and Investor Relations Directorate, and submitted it to the Board of Directors for approval.
- The Committee evaluated the Climate Reporting Guide for publicly traded companies, which was prepared by the Strategic Planning, Financial Reporting and Investor Relations Directorate, and submitted it to the Board of Directors.
- The Committee prepared the Corporate Governance Reports for 2022 (Corporate Governance Compliance Report Format and Corporate Governance Informing Form) and submitted these to the Board of Directors for approval.
- The Committee evaluated the corporate performance results for 2022. It prepared its proposal on the senior management performance bonuses and submitted it to the Board of Directors for approval.
- In addition, the Committee prepared an evaluation report in regard to activities carried out throughout the year, and submitted the report to the Board of Directors for informative purposes.

AUDIT COMMITTEE

Purpose

The Audit Committee is responsible and authorized to assist in supervision conducted by the Board of Directors in areas related to the quality and accuracy of Borsa İstanbul's financial statements, to monitor the efficiency of accounting system and how it is practiced, to issue preliminary approval for the assignment of an independent external audit company and the services which will be provided by this company, to prepare and audit the contract between the auditor and Borsa İstanbul, to monitor Borsa İstanbul's independent audit system, its operation and the productivity of internal audit mechanisms.

Members

Yunus ARINCI (President)
Tevfik ERASLAN (Member)
Prof. Cem DEMİROĞLU (Member)

Activities in 2022

The Audit Committee convened on nine occasions in 2022. The committee's activities in 2022 are summarized as below:

- Examination and evaluation of Borsa İstanbul's 2021 year-end and 2022 interim consolidated financial statements, and the independent audit reports which were prepared.

BOARD OF DIRECTORS COMMITTEES

- The Committee approved the annual internal audit plan for 2022 set out by the Auditing Department and the Supervisory Board. The Committee was informed of the internal audit process carried out during the year. The internal audit and examination reports are approved by the Committee. Those responsible for the processes and the related departments were duly informed of the approval.
- Information regarding Borsa İstanbul's financial statements has been collected regularly by the Committee and examinations and evaluations were carried out with regard to the details of the various account activities in the financial statements.
- Summaries of the reports prepared by the Audit Department and the Supervisory Board and presented to the General Management were presented to the Committee.

EARLY RISK DETECTION COMMITTEE

The Purpose

Early Risk Detection Committee works with the purpose of the early detection of risks which could present a danger to the existence and continuity of Borsa İstanbul, taking necessary measures to address the detected risks, and risk management.

Members

Tevfik ERASLAN (President)

Metin KIRATLI (Member)

Işınso KESTELLİ (Member)

Activities in 2022

The Early Risk Detection Committee convened a total of seven times in 2022. The Committee's activities in 2022 are summarized below:

- The Committee carried out the supervision of the risk management system during its meetings and obtained information from the Risk Management, Internal Control and Compliance Directorate regarding the risks which may affect Borsa İstanbul's activities and the actions taken to mitigate these risks.
- While the level of risk awareness at Borsa İstanbul has been evaluated as being high, the senior management monitors risks closely and action plans are carried out without delay.
- As a result of the evaluations conducted by the Committee, the relevant units took or scheduled actions in mitigating risk as deemed necessary by the Risk Management, Internal Control and Compliance Directorate, and there was no delay in the scheduled actions.
- The Committee informed the Board of Directors of its activities and assessments regarding the risk management system in 2022.

The Duties and Working Principles of the Committees are set out on our website.

OTHER COMMITTEES

- **The Dispute Committee** assists the Board of Directors in resolving disputes between investment institutions or with their clients, in areas related to Borsa İstanbul's operations in regard to meeting the responsibilities of delivering and matching orders on time.
- **The Disciplinary Committee** assists the Board of Directors in performing necessary disciplinary processes for those authorized to conduct stock exchange transactions and their representatives when they have failed to act in accordance with capital market legislation, Borsa İstanbul regulations, decisions made by Borsa İstanbul or other related regulations;
- **The IPO Committee** determines necessary steps that should be taken in the preparation process of the possible public listings on the Borsa İstanbul, and refers suggestions to the Board of Directors;
- **The Advisory Committee** operates for the purpose of developing capital markets and submitting recommendations on the problems, demands and needs of the capital markets and stockbroking sector to the Board of Directors.

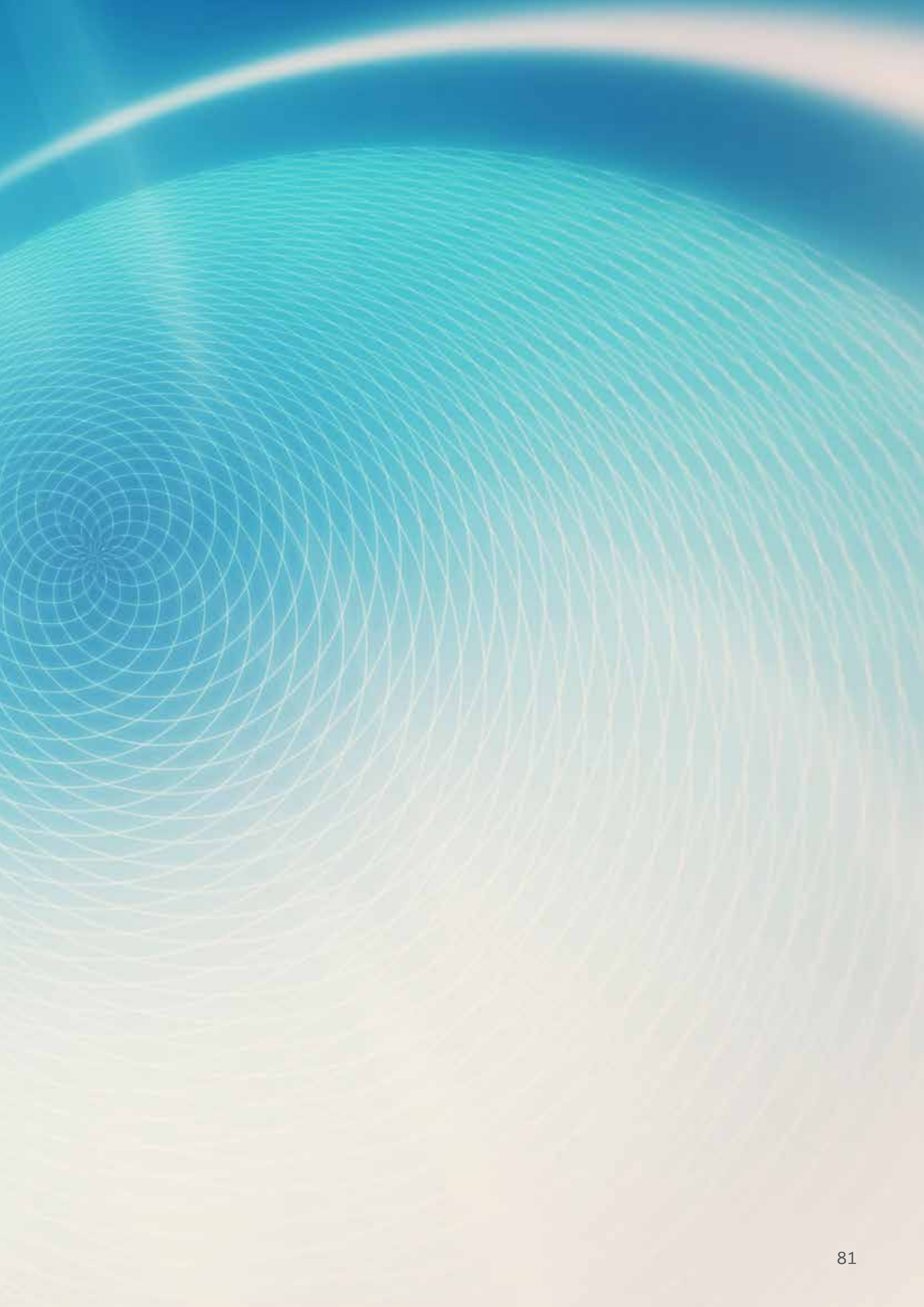
SENIOR MANAGEMENT

Summary information of the members of the senior management is provided in the table below:

	Mission	Education	Work Experience
Korkmaz ERGUN	Chief Executive Officer Board Member	Ankara University, Business Administration Marmara University, Department of Economics, (MA and PHD)	24 years of experience in the capital markets
Arif Tuncay ERSÖZ	Head of the Audit and Surveillance Board	İstanbul Technical University, Management Engineering	30 years of auditing experience in the Borsa İstanbul
Erdoğan TUTAM	Executive Vice President	Yıldız Technical University, Mathematics Engineering	21 years of experience in IT
Gözhan GÜLAY	Executive Vice President	İstanbul University, Business Administration Marmara University, Banking (MA and PhD)	29 years of experience in banking and stock trading
Murat BULUT	Executive Vice President	Ankara University, Business Administration	25 years of experience in stock trading
Necdet KARDAN	Executive Vice President	Augsburg University, Computer Engineering / Visual Communication Design Donau University, IT Asset & Inventory Management (MA)	30 years of experience in software and IT management
Şenol DUMAN	Executive Vice President	Ankara University, Public Administration Carnegie Mellon University, Public Administration (MA) Pittsburgh University, Public Administration and International Relations (PhD)	29 years of experience in public and private sector management

SUSTAINABILITY

Borsa İstanbul not only offers products and services related to sustainability, but also encourages its stakeholders to adopt this approach by integrating sustainability into its activities.



COMPLIANCE WITH SUSTAINABILITY PRINCIPLES AND SUSTAINABILITY PERFORMANCE

SUSTAINABILITY APPROACH

Stock exchanges play a key role in the shaping of a sustainable investment environment in the financial system. Borsa İstanbul, which is our country's only stock exchange, also has a broad effect on issuer companies. For this reason, the sustainability activities which we have carried out for some years, and which have yielded important outcomes, especially in the recent period, are of considerable importance.

As in other matters, products and services which take the needs of the market into account are developed as a result of the negotiations carried out with our stakeholders on sustainability-related issues. These new practices are considered to be pioneering steps in shaping and strengthening the future of the financial markets.

The roadmap regarding the responsibilities in the field of sustainability was updated in the light of new developments. The Borsa İstanbul 2023-2025 Sustainability Strategy was approved by the Board of Directors.

Borsa İstanbul's approach to sustainability is based on the principles of adopting best practices, educating and raising awareness among the stakeholders, increasing the number of companies generating non-financial data and increasing access to this data, developing cooperation in the field of sustainable finance, and providing new markets and products.

ADOPTING THE PRACTICES ON SUSTAINABILITY AS A COMPANY

Organizations that are active in supporting the sustainable finance topic are those that have embedded sustainability into their strategy and corporate governance processes. Borsa İstanbul's positive impact on capital markets and sustainable finance will grow as the company clearly defines its sustainability goals, adopts the best practices and communicates these issues with its stakeholders.

In order to support the transition to a more sustainable financial system, Borsa İstanbul not only provides encouragement to stakeholders and companies in this area, but also develops its own practices, including the following:

- Setting an example with reporting practices,
- Regular reporting of performance and progress in line with sustainability targets, as well as carrying out communication based on stakeholders, the creation of policies and processes that had been not available and the sharing of policies and principles by posting on the website,
- Training employees in regard to risks and opportunities in sustainability,
- Developing processes and mechanisms to monitor and evaluate developments and current issues related to sustainability and including them in current and future activities when necessary

EDUCATING STAKEHOLDERS IN THE CAPITAL MARKETS OF THE IMPORTANCE OF SUSTAINABILITY ISSUES AND RAISING STAKEHOLDER AWARENESS

Building an understanding and appreciation among market participants of the impact of sustainability issues on the long-term health and performance of financial markets, and the important role that the markets can play in enabling their transition to a more equitable and sustainable world are of key importance to transitioning to a more sustainable development path.

Considering its central role in the financial markets, Borsa İstanbul will be able to lead the development of a sustainable development approach. In this context, Borsa İstanbul aims to educate stakeholders, especially investors, issuers and market participants, of the risks and opportunities in sustainability and to increase their awareness. The following work will continue in this context.

- Providing training and seminars,
- Contributing to stakeholders' training programs,
- The creation of guide content

ENCOURAGING MORE COMPANIES TO GENERATE NON-FINANCIAL DATA AND FACILITATING INCREASED ACCESS TO THIS DATA

It is now generally accepted that environmental, social and corporate governance factors can pose serious risks to the long-term ability of companies and markets to generate returns. Investors need access to comprehensive information about how companies are managing the significant sustainability risks which face them as well as potential opportunities to reach informed investment decisions and ensure that capital is appropriately allocated. Borsa İstanbul is in a good position to carry out more effective disclosure of sustainability data. The following work will continue to be carried out in this context.

- Issuing guidelines to help issuers understand what information to share with their stakeholders and how best to present this information,
- Sharing information and organizing training for issuers on the reporting of non-financial data,
- Encouraging companies to report sustainability data by introducing the sustainability index

DEVELOPING COOPERATION WITH STAKEHOLDERS IN THE FIELD OF SUSTAINABLE FINANCE

Achieving a sustainable financial system structure requires the active participation of all relevant stakeholders and as well as an actionable policy and regulatory framework. In this vein, Borsa İstanbul aims to encourage dialogue and consensus building on sustainable finance among capital market participants and other relevant stakeholders. Borsa İstanbul will focus on the following work for this purpose.

- Cooperating with regulatory bodies to promote the establishment of a necessary regulatory environment,
- Contributing to the development of consensus around sustainability taxonomy,
- Facilitating dialogue between capital market participants such as issuers, investors and brokerage houses,
- Providing feedback and recommendations to regulatory bodies to support sustainable development,
- Collaborating with other financial market participants to develop products and services and offers to advance the sustainable finance topic

COMPLIANCE WITH SUSTAINABILITY PRINCIPLES AND SUSTAINABILITY PERFORMANCE

PROVIDING MARKETS AND PRODUCTS THAT SUPPORT SUSTAINABLE FINANCE

Meeting the need for sustainable finance requires mobilizing both the public and private sectors and directing financial flows towards more sustainable outcomes to achieve defined sustainability goals, such as those detailed in the United Nations Sustainable Development Goals (SDGs) or the Paris Agreement.

Basically, the concept of a sustainable financial system is based on the redirection of financial flows to more sustainable outcomes. Borsa İstanbul will be able to increase its contribution to mobilizing and redirecting sustainable finance with the products and services it offers. In this context, in addition to the quotation fee discount we provide in issuances to be undertaken in accordance with our sustainability indices and the sustainable debt instruments framework, which is published by the CMB, the following work will also be carried out.

- Developing new sustainability-themed indices, derivative products and markets,
- Supporting the financing of qualified green and/or social enterprises,
- Collaborating with third parties to improve sustainability ratings

SUSTAINABILITY PRINCIPLES COMPLIANCE FRAMEWORK

The Capital Markets Board, by changing its Corporate Governance Notice numbered II-17.1, on 2 October 2020, set out a regulation directed to the sharing of the main principles (Sustainability Principles Compliance Framework), which publicly-held corporations are expected to announce while performing ESG activities, with stakeholders. In this context, the Capital Markets Board announced in its bulletin dated 23 June 2022 that the implementation of the Sustainability Principles Compliance Framework is on a voluntary basis and that a statement on sustainability principles will be included in the annual reports. It has also published the content of the Sustainability Principles Compliance Framework. Borsa İstanbul issues statements regarding the ESGs by taking the said template into account.

GENERAL PRINCIPLES

Borsa İstanbul set out its environment policy in 2015, in a manner which includes ESG areas such as electricity and water consumption, green gas emissions, waste and recycling. Additionally, in the same year, it implemented Environment Management System Instructions intended for the Company's effective application of the environmental policy. Both documents have been approved by the Board of Directors and shared with the public through the institutional website.

In 2022, Borsa İstanbul reviewed a sustainability strategy in line with its risks and opportunities. The follow-up of sustainability issues was added to the job descriptions of the relevant team.

While Borsa İstanbul has issued announcements in the activity report on the sustainability activities which it has actualized, Borsa İstanbul also addressed in its annual report which of these activities are related to the Sustainable Development Goals.

Borsa İstanbul has set out its sustainability performance data in the Sustainability Performance section of the annual activity report.

ENVIRONMENTAL PRINCIPLES

Borsa İstanbul aims to follow legislative regulations related to the environment to the highest level.

Borsa İstanbul shares data such as consumption of water and electricity, greenhouse gas emissions, and waste and recycling volumes in its activity report. Such data is provided both on an annual basis and in comparison with previous years.

Carbon pricing is not currently applied within the scope of Borsa İstanbul's activities. No carbon credits were accumulated or purchased during the reporting period.

Borsa İstanbul is declaring the environment-related data in the Sustainability Performance section. It discloses announcements on its institutional website, as well as activity report on environmental information.

SOCIAL PRINCIPLES

Borsa İstanbul has approved the Human Resources Policy, Wages Policy and Ethical Principles Instructions, within the context of the protection and regulation of human and worker rights. Likewise, the Occupational Health and Safety policy has been put into effect with the purpose of reducing occupational accidents and protecting the health of its employees. All of these policies can be found on the institutional website.

Borsa İstanbul places care and attention on providing equal opportunity in the hiring processes.

Borsa İstanbul ensures regulatory compliance in employee related areas such as pay, fringe benefits and indemnity. Workers' rights to union membership are protected. In addition, satisfaction surveys are conducted to measure employee satisfaction. A line allowing employees to report complaints and an Internal Discipline Board structure have been established.

Work related to personal data protection and data security are continuing, and the policies in this area are expected to be published in due course.

Borsa İstanbul ensures that the needs and priorities of all shareholders are taken into consideration, while maintaining its activities in the sustainability field.

Borsa İstanbul follows the reporting standards published by the IIRC and GRI in the reporting of its activities.

The Company works to resolve customer complaints as swiftly as possible in accordance with legislation.

CORPORATE GOVERNANCE PRINCIPLES

Borsa İstanbul, which is required to follow Corporate Governance regulations which are set out in Corporate Governance Notice numbered II-17.1 published by the Capital Markets Board, exercises the maximum care in adapting all of the principles.

Borsa İstanbul has established a Corporate Governance Committee which supervises the applications related to Corporate Governance principles at Borsa İstanbul.

Borsa İstanbul maintains communication with its shareholders, including stakeholders, within the framework of the Informing Policy. The opinions of its partners are sought through the Advisory Committee, the views of stakeholders are sought through the Sustainability platform and the views of employees are sought through satisfaction surveys.

Social responsibility projects such as EFIKAP (Project for Physical Contribution to National Education) are ongoing.

Work to combat bribery and corruption is continuing, and a number of additional regulations are expected to be introduced in the Ethical Principle Instructions on this subject.

Borsa İstanbul's practices regarding Corporate Governance are set out in the Corporate Governance section of the annual report.

COMPLIANCE WITH SUSTAINABILITY PRINCIPLES AND SUSTAINABILITY PERFORMANCE

SUSTAINABILITY PERFORMANCE

ECONOMIC PERFORMANCE INDICATORS

(Million)	2020		2021		2022	
	TL	USD	TL	USD	TL	USD
Economic Value Generated						
Revenues*	2,593	369	3,758	423	7,019	423
Economic Value Distributed						
Operating Expenses**	281	40	324	36	1,201	72
Employee Fees and Benefits	382	54	492	55	1,023	62
Payments to Capital Providers***	233	33	517	58	669	40
Payments to Governmental Institutions****	485	69	846	95	555	34
Economic Value Retained						
(Revenues - Economic Value Distributed)	1,213	173	1,579	178	3,570	215

Description and notes: Financial information is presented on a consolidated basis. In calculations, the following USD/TRY rates have been used: 7.0195 for 2020, 8.8880 for 2021, and 16.5744 for 2022.

* All revenues (including financial and operating revenues) are included.

** Other operating expenses and financial expenses are included.

***Includes dividend and share buy-back payments.

**** Consist of CMB levy and corporate taxes.

ENVIRONMENT PERFORMANCE INDICATORS

Greenhouse Gas Emissions* (tonnes CO ₂ -equivalent)			
	2020	2021	2022
Scope 1	1,530.9	1,522.1	1,343.1
Vehicles	157.0	155.2	168.0
F-gases	559.2	561.0	561.0
Fuel used in buildings	764.6	765.0	556.0
Generators (diesel)	50.2	40.9	58.1
Scope 2	6,584.5	6,444.6	7,211.8
Electricity Consumption	6,584.5	6,444.6	7,211.8
Scope 3	203.9	182.5	218.9
Employee Transportation - Services	194.6	177.0	190.0
Domestic flights for business purposes	7.3	2.7	13.2
Short-distance flights for business purposes (Europe)	0.2	2.8	15.7
Long-distance flights for business purposes	1.7	-	-
Grand Total	8,319.3	8,149.2	8,773.8

Note: GWP (Global Warming Potential) values are taken from the IPCC AR5 report.

Greenhouse Gas Emissions* (tonnes CO ₂ equivalent)			
	2020	2021	2022
Scope 1 Total	1,530.9	1,522.1	1,343.1
CO ₂	1,525.7	1,517.0	1,338.5
CH ₄	2.5	2.5	2.2
N ₂ O	2.7	2.6	2.3
Scope 2 Total	6,584.5	6,444.6	7,211.8
CO ₂	6,562.7	6,423.3	7,187.8
CH ₄	2.6	2.5	2.8
N ₂ O	19.3	18.9	21.2
Scope 3 Total	203.9	182.5	218.9
CO ₂	201.8	181.9	218.2
CH ₄	0.1	0.1	0.1
N ₂ O	2.0	0.5	0.6
Grand Total	8,319.3	8,149.2	8,773.8
CO ₂	8,289.2	8,122.2	8,744.6
CH ₄	5.3	3.2	3.4
N ₂ O	24.8	23.9	25.8

Note: GWP (Global Warming Potential) values are taken from the IPCC AR5 report.

With regard to energy saving, work was conducted in 2022 to switch wet area lighting fixtures to photocells and switch computers to automatic shutdown mode when not in use. At the same time, the gradual decrease in remote work rates played an important role in the increase in electricity consumption. Greenhouse gas emissions increased due to the rise in personnel transport services.

COMPLIANCE WITH SUSTAINABILITY PRINCIPLES AND SUSTAINABILITY PERFORMANCE

SOCIAL PERFORMANCE INDICATORS

NUMBER OF EMPLOYEES	2020		2021		2022	
	Female	Male	Female	Male	Female	Male
Number of employees	141	449	156	473	168	486
Grand Total	590		629		654	

NUMBER OF EMPLOYEES BY CONTRACT TYPE	2020		2021		2022	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	585	5	612	17	638	16

AGE DISTRIBUTION OF EMPLOYEES	2020		2021		2022	
	Above 50	48		42		83
Between 30-50	436		434		404	
Under 30	106		153		167	
Number of Total Employees	590		629		654	
Average Age of Employees	37.87		36.53		37.41	

NUMBER OF EMPLOYEES BY TERM OF EMPLOYMENT	2020		2021		2022	
	0-5 years	291		309		270
5-10 years	117		139		163	
10+ years	182		181		221	
Grand Total	590		629		654	
Average Term of Employment	8.30		8.51		8.87	

DIVERSITY AND EQUALITY OF OPPORTUNITY Distribution of Employees in Senior Management Bodies by Gender and Age (Director and above)	2020		2021		2022	
	Female	Male	Female	Male	Female	Male
Above 50	1	11	1	9	1	14
Between 30-50	1	20	3	23	3	16
Under 30	0	0	0	0	0	0

EMPLOYEES ON MATERNITY LEAVE & EMPLOYEES RETURNED TO WORK AFTER MATERNITY LEAVE*	2020		2021		2022	
	Female	Male	Female	Male	Female	Male
Employees on maternity leave	11	26	10	29	8	15
Employees returned to work after maternity leave	6	26	9	29	5	15

Note: The number of male employees indicates those eligible for 10 days' paternity leave. In the Collective Labor Agreement, this leave defined as "compulsory leave" and extends for 10 days, while it is defined as "Casual Leave" and extends for 5 days in the Labor Law.

OCCUPATIONAL HEALTH AND SAFETY TRAINING*	2020	2021	2022
Percentage of Training Hours Allocated to Occupational Health and Safety	19%	18%	27%

Note: OHS Trainings/Total Training Hours are taken into account in calculating this rate. In accordance with the legislation, 8 hours of fundamental Occupational Health and Security training is required. This training is required to be carried out once every 3 years in the low-level risk positions.

OCCUPATIONAL HEALTH AND SAFETY DATA	2020	2021	2022
Number of employees in Borsa İstanbul	590	629	654
Number of subcontracted employees	62	59	59
Number of fatal accidents (All)	-	-	-
Accident frequency rate (Borsa İstanbul)	0.9	-	-
Accident frequency rate (Subcontractors)	-	-	-
Rate of lost days (Subcontractors)	-	-	-

Note: The Accident Frequency Rate = (Total number of accidents/Total employee working hours) x 1,000,000; Rate of Lost Days = (Total number of days lost x 200,000)/Total working days (in hours)

COMPLIANCE WITH SUSTAINABILITY PRINCIPLES AND SUSTAINABILITY PERFORMANCE

EMPLOYEE TRAINING	2020	2021	2022
Annual average training hours per employee	14.58	24.22	22.90
Annual average training hours per employee*	25.35	23.69	22.83
Annual average training hours per female employee	17.06	24.52	28.98
Annual average training hours per male employee	13.78	24.13	20.61

Note: * Calculated based on the number of trained employees.

NUMBER OF NEWLY-RECRUITED EMPLOYEES	2020		2021		2022	
	Female	Male	Female	Male	Female	Male
Above 50	0	0	0	1	0	0
Between 30-50	5	16	1	15	6	11
Under 30	9	25	11	50	15	27
Number of newly-recruited employees	14	41	12	66	21	38

NUMBER OF EMPLOYEES LEAVING	2020		2021		2022	
	Female	Male	Female	Male	Female	Male
Above 50	2	9	0	10	0	0
Between 30-50	10	20	12	24	5	20
Under 30	2	6	2	7	3	5
Number of employees leaving	14	35	14	41	8	25
Employee Turnover	9.9	7.8	9.0	8.7	4.8	5.1

EMPLOYEES SUBJECT TO PERFORMANCE EVALUATION	2020		2021		2022	
	Female	Male	Female	Male	Female	Male
	129	394	130	413	166	486
Grand Total	523		543		652	

BORSA İSTANBUL A.Ş.

Consolidated Financial Statements as at and for the Year Ended
31 December 2022 with Independent Auditor's Report Thereon

Independent Auditor's Report

To the Shareholders of of Borsa İstanbul Anonim Şirketi

A) Report on the Audit of the Consolidated Financial Statements

1) Opinion

We have audited the consolidated financial statements of of Borsa İstanbul Anonim Şirketi (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the Turkish Financial Reporting Standards (TFRS).

2) Basis for Opinion

We conducted our audit in accordance with Independent Auditing Standards (InAS) which are part of the Turkish Auditing Standards as issued by the Public Oversight Accounting and Auditing Standards Authority of Türkiye (POA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics for Independent Auditors* (Code of Ethics) as issued by the POA, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3) Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the key audit matter was addressed in the audit
<p>Revenue Recognition</p> <p>The Group's main revenue items consist of stock market shares, interest income, securities registration fees, clearing income, securities listing income, data publishing income and custody service income.</p> <p>Revenue recognition has been determined as a key audit matter due to the nature of group operations, due to the diversity of transactions in the process of determining the amount of revenue, the high number of transactions and the use of different methods and parameters in the calculation of revenue..</p>	<p>Our audit procedures includes the following:</p> <ul style="list-style-type: none"> - The revenue process of the Group is examined. - By performing data analytics tools procedures related to analysis and correlation of the accounts are performed. - Within the scope of audit works revenue and related accounting entries were tested on a sample basis. - Compliance of explanation and disclosures in the consolidated financial statements within the framework of TFRS 15 has been evaluated.

4) Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with TFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

5) Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

In an independent audit, our responsibilities as the auditors are:

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with InAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with InAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

B) Report on Other Legal and Regulatory Requirements

- 1) In accordance with paragraph 4 of Article 402 of the TCC, no significant matter has come to our attention that causes us to believe that the Company's bookkeeping activities for the period 1 January - 31 December 2022 and financial statements are not in compliance with law and provisions of the Company's articles of association in relation to financial reporting.
- 2) In accordance with paragraph 4 of Article 402 of the TCC, the Board of Directors submitted to us the necessary explanations and provided required documents within the context of audit.
- 3) As of December 31, 2022, the leverage ratio of Istanbul Takas ve Saklama Bankası A.Ş., one of the subsidiaries of the Group, is below the minimum level specified in the regulation of the BDDK on the measurement and evaluation of the leverage level of banks, prepared based on the Banking Law No. 5411 dated October 19, 2005. The Bank Management applied to the BDDK for a change in the leverage ratio calculation method on July 5, 2022, and the BDDK approved the calculation in its letter dated February 7, 2023. As a result of the calculation made according to the new calculation method, the leverage ratio of the Bank exceeds the legal limit.

The name of the engagement partner who supervised and concluded this audit is Birkan Bilal Avcı.

Güney Bağcıoğlu Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
A member firm of Ernst & Young Global Limited



13 February 2023
İstanbul, Türkiye

Contents

	<u>Page</u>
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	96
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	99
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	100
CONSOLIDATED STATEMENT OF CASH FLOWS	102
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	
NOTE 1 GROUP'S ORGANIZATION AND NATURE OF OPERATIONS	103
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	105
NOTE 3 BUSINESS COMBINATIONS	125
NOTE 4 CASH AND CASH EQUIVALENTS	126
NOTE 5 INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD	127
NOTE 6 FINANCIAL INVESTMENTS	128
NOTE 7 TRADE RECEIVABLES AND OTHER RECEIVABLES	129
NOTE 8 OTHER ASSETS	130
NOTE 9 DEFERRED INCOME	131
NOTE 10 PREPAID EXPENSES	131
NOTE 11 INVESTMENT PROPERTIES	132
NOTE 12 PROPERTY AND EQUIPMENT	133
NOTE 13 RIGHT OF USE ASSETS	133
NOTE 14 INTANGIBLE ASSETS	134
NOTE 15 GOVERNMENT GRANTS	134
NOTE 16 TRADE PAYABLES AND OTHER PAYABLES	135
NOTE 17 SHORT TERM PROVISIONS	135
NOTE 18 SHORT TERM BORROWINGS	136
NOTE 19 LEASE LIABILITIES	136
NOTE 20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	136
NOTE 21 PROVISIONS AND PAYABLES FOR EMPLOYEE BENEFITS	138
NOTE 22 OTHER LIABILITIES	140
NOTE 23 SHAREHOLDER'S EQUITY	140
NOTE 24 REVENUE AND COST OF SALES	142
NOTE 25 GENERAL ADMINISTRATIVE EXPENSES	143
NOTE 26 OTHER OPERATING INCOME AND EXPENSES	145
NOTE 27 INVESTMENT ACTIVITIES INCOME AND EXPENSES	145
NOTE 28 FINANCIAL INCOME AND EXPENSES	146
NOTE 29 TAX ASSETS AND LIABILITIES	146
NOTE 30 RELATED PARTY DISCLOSURES	149
NOTE 31 NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS	150
NOTE 32 FINANCIAL INSTRUMENTS	155
NOTE 33 SUBSEQUENT EVENTS	157
	95

BORSA İSTANBUL A.Ş.

Consolidated Statement of Financial Position As at 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

ASSETS	Notes	Audited	
		31 December 2022	31 December 2021
CURRENT ASSETS		88,921,386	45,689,108
Cash and cash equivalents	4	81,449,970	40,749,759
Financial investments	6	3,931,029	3,465,268
- <i>Financial assets measured at amortized cost</i>		2,526,831	3,465,268
- <i>Deposits more than 3 months</i>		1,344,566	-
- <i>Financial assets at fair value through profit or loss</i>		59,632	-
Trade receivables		3,260,535	886,022
- <i>Trade receivables from related parties</i>	30	114,285	21,551
- <i>Trade receivables from third parties</i>	7	3,146,250	864,471
Other receivables		13,940	415
- <i>Other receivables from third parties</i>	7	13,940	415
Prepaid expenses	10	67,567	29,433
Other current assets	8	198,345	558,211
NON-CURRENT ASSETS		2,789,321	2,903,223
Financial investments	6	512,970	1,880,650
- <i>Financial assets at fair value through other comprehensive income</i>		7,583	7,583
- <i>Financial assets measured at amortized cost</i>		505,387	1,873,067
Investments accounted for under the equity method	5	238,722	170,400
Investment properties	11	206,630	84,175
Property and equipment	12	410,051	247,858
Right of use assets	13	10,883	4,830
Intangible assets	14	416,261	377,755
Prepaid expenses	10	16,407	11,752
Deferred tax assets	29	976,865	124,919
Other non-current assets	8	532	884
TOTAL ASSETS		91,710,707	48,592,331

The accompanying notes between pages 103 and 157 are an integral part of these consolidated financial statements.

BORSA İSTANBUL A.Ş.

Consolidated Statement of Financial Position As at 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

LIABILITIES	Notes	Audited	
		31 December 2022	31 December 2021
CURRENT LIABILITIES		82,130,329	42,455,046
Short term borrowings	18	7,028,263	3,635,463
Lease liabilities	19	7,390	2,377
Trade payables		3,683,084	2,144,396
- Trade payables to related parties	30	73,990	42,763
- Trade payables to third parties	16	3,609,094	2,101,633
Liabilities for employee benefits	21	31,665	21,518
Other payables	16	38,811	22,834
- Other payables		38,811	22,834
Deferred income	9	6,245	4,031
Current income tax liabilities	29	329,607	216,567
Short term provisions		255,032	51,846
- Provisions for employee benefits	21	232,207	25,653
- Other short term provisions	17	22,825	26,193
Other current liabilities		70,750,232	36,356,014
- Other current liabilities to related parties	30	2,655,609	823,382
- Other current liabilities to third parties	22	68,094,623	35,532,632
NON-CURRENT LIABILITIES		125,584	63,642
Lease liabilities	19	5,164	3,129
Deferred income	9	1,847	783
Long term provisions		102,767	46,923
- Provisions for employee benefits	21	102,767	46,923
Other non-current liabilities	22	15,806	12,807

The accompanying notes between pages 103 and 157 are an integral part of these consolidated financial statements.

BORSA İSTANBUL A.Ş.

Consolidated Statement of Financial Position As at 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

LIABILITIES	Notes	Audited	Audited
		31 December 2022	31 December 2021
SHAREHOLDER'S EQUITY		9,454,794	6,073,643
<i>Equity holders of the parent</i>	23	7,746,523	4,854,983
Share capital		423,234	423,234
Share premium		12,418	12,418
Treasury shares		(101,070)	(101,070)
Other comprehensive income/expense not to be reclassified to profit or loss		(23,216)	3,063
- <i>Revaluation reserve</i>		13,677	13,677
- <i>Losses on remeasurements of defined benefit plans</i>		(36,893)	(10,614)
Other comprehensive income/expense to be reclassified to profit or loss		9,392	6,430
- <i>Currency translation differences</i>		9,392	6,430
Restricted reserves		710,292	610,680
Retained earnings		3,131,896	2,145,269
Net profit for the period		3,583,577	1,754,959
<i>Non-controlling interests</i>		1,708,271	1,218,660
TOTAL EQUITY AND LIABILITIES		91,710,707	48,592,331

The accompanying notes between pages 103 and 157 are an integral part of these consolidated financial statements.

BORSA İSTANBUL A.Ş.

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

	Notes	Audited	Audited
		1 January - 31 December 2022	1 January - 31 December 2021
Revenue	24	6,371,770	3,355,160
Cost of sales (-)	24	(186,946)	(61,191)
Gross profit		6,184,824	3,293,969
General administrative expenses (-)	25	(1,913,707)	(732,650)
Other operating income	26	13,047	18,888
Other operating expenses (-)	26	(538,140)	(207,538)
Operating profit		3,746,024	2,372,669
Investment activities income	27	122,594	22,675
Share of profit/(loss) of investments accounted for under the equity method	5	80,042	43,080
Profit before financial income/(expense)		3,948,660	2,438,424
Financial income	28	552,580	348,746
Financial expenses (-)	28	(7,318)	(10,890)
Profit before tax		4,493,922	2,776,280
Income tax expense (-)	29	(1,097,048)	(724,806)
Deferred tax income/(expense)	29	841,844	44,579
PROFIT FOR THE PERIOD		4,238,718	2,096,053
Profit attributable to:			
- Non-controlling interests		655,141	341,094
- Equity holders of the parent		3,583,577	1,754,959
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss		(30,307)	(1,291)
Gains/losses on remeasurements of defined benefit plans	21	(40,409)	(1,614)
- Deferred tax income/(expense)	29	10,102	323
Other comprehensive income to be reclassified to profit or loss		2,962	3,634
- Currency translation differences	5	2,962	3,634
Other comprehensive income/(expense)		(27,345)	2,343
TOTAL COMPREHENSIVE INCOME		4,211,373	2,098,396
- Non-controlling interests		651,113	340,856
- Equity holders of the parent		3,560,260	1,757,540

The accompanying notes between pages 103 and 157 are an integral part of these consolidated financial statements.

BORSA İSTANBUL A.Ş.

Consolidated Statement of Changes in Equity For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

	Statement of changes in shareholders' equity					
	Share capital	Share premium	Treasury shares	Revaluation reserve	Remeasurement of defined benefit obligations	Currency translation differences
1 January 2021	423,234	12,418	(100,294)	13,677	(9,561)	2,796
Net profit for the period	-	-	-	-	-	-
Other comprehensive income/(expense)	-	-	-	-	(1,053)	3,634
Total comprehensive income/(expense)	-	-	-	-	(1,053)	3,634
Transfers	-	-	-	-	-	-
Increase/(decrease) arising from treasury share transactions	-	-	(776)	-	-	-
Dividend	-	-	-	-	-	-
31 December 2021	423,234	12,418	(101,070)	13,677	(10,614)	6,430
1 January 2022	423,234	12,418	(101,070)	13,677	(10,614)	6,430
Net profit for the period	-	-	-	-	-	-
Other comprehensive income/(expense)	-	-	-	-	(26,279)	2,962
Total comprehensive income/(expense)	-	-	-	-	(26,279)	2,962
Transfers	-	-	-	-	-	-
Dividend	-	-	-	-	-	-
31 December 2022	423,234	12,418	(101,070)	13,677	(36,893)	9,392

The accompanying notes between pages 103 and 157 are an integral part of these consolidated financial statements.

Restricted reserves	Retained earnings	Net profit for the period	Equity holders of the parent	Non-controlling interests	Total equity
536,543	1,493,078	1,242,390	3,614,281	956,230	4,570,511
-	-	1,754,959	1,754,959	341,094	2,096,053
-	-	-	2,581	(238)	2,343
-	-	1,754,959	1,757,540	340,856	2,098,396
73,685	1,168,705	(1,242,390)	-	-	-
452	(452)	-	(776)	-	(776)
-	(516,062)	-	(516,062)	(78,426)	(594,488)
610,680	2,145,269	1,754,959	4,854,983	1,218,660	6,073,643
610,680	2,145,269	1,754,959	4,854,983	1,218,660	6,073,643
-	-	3,583,577	3,583,577	655,141	4,238,718
-	-	-	(23,317)	(4,028)	(27,345)
-	-	3,583,577	3,560,260	651,113	4,211,373
99,612	1,655,347	(1,754,959)	-	-	-
-	(668,720)	-	(668,720)	(161,502)	(830,222)
710,292	3,131,896	3,583,577	7,746,523	1,708,271	9,454,794

BORSA İSTANBUL A.Ş.

Consolidated Financial Statement of Cash Flows For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

		Audited 1 January - 31 December 2022	Audited 1 January - 31 December 2021
	Notes		
Net profit for the period		4,238,718	2,096,053
Adjustments for:			
Tax expense	29	255,204	680,227
Depreciation expense	12, 13	54,240	28,241
Amortization expense	14	46,605	39,851
Change in provision for employment termination benefits	21	18,342	9,424
Change in personnel bonus provision	21	179,531	42,747
Change in valuation of investment properties	11	(122,455)	(22,445)
Change in unused vacation liability	21	31,563	9,873
Change on law suit provision	17	(3,368)	4,424
Expense accrual for Capital Markets Board share	26	300,080	165,795
Provisions no longer required	26	(6,183)	(3,079)
Share of (profit)/loss of investments accounted for under the equity method	5	(80,042)	(43,080)
Financial income, net	28	(545,262)	(337,856)
Provisions for doubtful receivables	7	398	6,708
Unrealized exchange (gain)/loss		(418,888)	(363,141)
Cash flows from operating activities before working capital changes		3,948,483	2,313,742
Increase/(decrease) in short-term borrowings		3,392,800	1,588,970
Decrease/(increase) in trade receivables		(2,314,498)	(554,049)
Decrease/(increase) in other receivables		(13,525)	6
Decrease/(increase) in prepaid expenses		(42,789)	(20,478)
Decrease/(increase) in other current assets		359,866	(390,724)
Decrease/(increase) in other non-current assets		352	35
Increase/(decrease) in liability for employee benefits		10,147	5,670
Increase/(decrease) in trade payables		1,519,743	1,031,171
Increase/(decrease) in other payables		15,977	10,782
Increase/(decrease) in deferred income		3,278	1,245
Increase/(decrease) in other current liabilities		34,266,116	16,349,191
Increase/(decrease) in other non-current liabilities		2,999	3,018
Increase/(decrease) in lease liabilities		12,122	3,451
Taxes paid		(984,008)	(628,313)
Employment termination benefits paid	21	(2,907)	(2,600)
Capital Markets Board share paid		(165,795)	(104,943)
Personnel bonus paid	21	(2,980)	(42,747)
Unused vacation paid	21	(1,560)	(1,538)
Collection of doubtful receivables	7	145	107
Net cash (used in)/generated from operating activities		36,055,483	17,248,254
Proceed from sale of property and equipment	12	6,255	503
Purchase of property and equipment	12	(241,457)	(64,850)
Proceed from sale of intangible assets	14	396	419
Purchase of intangible assets	14	(65,961)	(27,525)
Purchase of financial asset measured at amortized cost		(6,261,666)	(5,095,435)
Sale of financial asset measured at amortized cost		8,567,783	2,509,709
Financial asset (purchase/sale) at fair value through profit or loss		(59,632)	-
Financial asset (purchase/sale) at fair value through other comprehensive income		-	500
Deposits more than 3 months		(1,344,566)	-
Cash outflow from purchase of shares or capital increase in subsidiaries/joint ventures		-	1,070
Lease payments		(5,702)	(4,887)
Interests received		442,287	303,886
Dividend received from financial investments	27	139	230
Net cash (used in)/generated from investment activities		1,037,876	(2,376,380)
Cash outflow from repurchase of treasury shares		-	(452)
Dividend paid		(830,222)	(594,488)
Net cash (used in)/generated from financing activities		(830,222)	(594,940)
Net increase in cash and cash equivalents		40,211,620	16,590,676
Effects of currency translation on cash and cash equivalents		418,888	368,128
Cash and cash equivalents at the beginning of the period	4	40,725,801	23,766,997
Cash and cash equivalents at the end of the period	4	81,356,309	40,725,801

The accompanying notes between pages 103 and 157 are an integral part of these consolidated financial statements.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 1- GROUP'S ORGANIZATION AND NATURE OF OPERATIONS

Borsa İstanbul Anonim Şirketi ("BİST" or "the Company") was founded in order to engage in stock exchange operations as per Article 138th of Capital Markets Law No, 6362 promulgated in the Official Gazette and enacted on 30 December 2012, and received official authorization upon the registration and announcement of its articles of association on 3 April 2013. BİST is a private legal entity and was founded based on the aforementioned Law in order to create, found and develop markets, platforms and systems, and other organized marketplaces and to manage and/or operate these markets, platforms and systems and other stock exchanges or stock exchange markets in a way that ensures: the purchase and sale of capital market instruments, foreign exchange and precious metals and precious stones and other agreements, documents and assets approved by the Capital Markets Board ("CMB"), under free competition conditions in an easy and secure way and on a transparent, actively competitive, fair and stable platform; the gathering and finalizing of related purchase and sales orders or making it easier to gather these orders; and the determination and announcement of prices occurs within the scope of related legislation.

As per paragraph 2nd of Article 138th of Capital Markets Law No, 6362, the Articles of Association of BİST prepared by the Capital Markets Board were registered with the trade registry on 3 April 2013 following the approval of the related Minister. Similarly, as per paragraphs 4th and 5th of the same article of the Law, the legal entities İstanbul Menkul Kıymetler Borsası ("İMKB"), established as per repealed Statutory Decree No, 91, and İstanbul Altın Borsası ("İAB"), established as per article 40/A of repealed Law No, 2499, have been terminated, and for these two institutions all kinds of assets, payables and receivables, rights and obligations, records and other documents (including those on electronic media) have been transferred to BİST in their entirety, with those exceptions required by law, with no further action needed, on the date of the registration of the Articles of Association of BİST. All actions of BİST as at this date were recognized upon the acceptance of 3 April 2013 as the establishment date of the Company.

Intermediary institutions (intermediary establishments and banks) authorized by the Capital Markets Board to engage in intermediary operations can be members of BİST. Intermediary institutions that will trade at BİST are required to get stock exchange membership document from BİST.

BİST and subsidiaries operating in Türkiye and associations, together referred to as "Group".

As at 31 December 2022, BİST have 654 employees (31 December 2021: 629) and the Group have 1,230 employees (31 December 2021: 1,142). BİST is located in Reşitpaşa Mahallesi, Borsa İstanbul Caddesi, No:4, Sarıyer/İstanbul.

The Company's controlling shareholder is Türkiye Wealth Fund. As at 31 December 2022 and 31 December 2021, the Company's shareholder structure and is as follows:

	31 December 2022		31 December 2021	
	Amount (TL)	Share (%)	Amount (TL)	Share (%)
Türkiye Wealth Fund	341,127	80.60	341,127	80.60
Qh Oil Investments	42,323	10.00	42,323	10.00
Borsa İstanbul A.Ş.	9,809	2.32	9,809	2.32
Turkish Capital Markets Association	5,502	1.30	5,502	1.30
Other	24,473	5.78	24,473	5.78
Total	423,234	100.00	423,234	100.00

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 1- GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Subsidiaries

The Company's subsidiaries ("the Subsidiaries"), their principal activities and the countries in which they operate are stated below:

Subsidiaries	Country	Area of activity
İstanbul Takas ve Saklama Bankası A.Ş.	Türkiye	Bank
Merkezi Kayıt Kuruluşu A.Ş.	Türkiye	Custodian

İstanbul Takas ve Saklama Bankası A.Ş.

İstanbul Takas ve Saklama Bankası Anonim Şirketi ("Takasbank") has maintained its operations as a bank which does not accept deposits since 2 January 1996. Takasbank performs custody, exchange and other necessary transactions related to securities on behalf of intermediary institutions. Takasbank also provides custody services on a customer basis. The headquarter of Takasbank is located in İstanbul and the Company does not have any branch.

Merkezi Kayıt Kuruluşu A.Ş.

Merkezi Kayıt Kuruluşu Anonim Şirketi ("MKK") was established in İstanbul, Türkiye to control the consistency of records kept on a member group basis by tracking the records for capital market instruments recorded on the basis of issuers, intermediary institutions and beneficiaries and related rights, MKK started its operations on 26 September 2001.

Associates

Areas of activities and business locations of associates of the Company are as stated below:

Associates	Country	Area of activity
Enerji Piyasaları İşletme A.Ş.	Türkiye	Energy market operations
Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu A.Ş.	Türkiye	License
Montenegro Stock Exchange	Montenegro	Stock market operations
Türkiye Ürün İhtisas Borsası A.Ş.	Türkiye	Stock market operations
JCR Avrasya Derecelendirme A.Ş.	Türkiye	Credit rating

Enerji Piyasaları İşletme A.Ş. ("EPIAŞ")

Main area of activity of Enerji Piyasaları İşletme A.Ş. ("EPIAŞ") is to establish, plan, develop and manage energy markets within the market operation license, in an effective, transparent, reliable manner that fulfills the requirements of energy market.

Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu A.Ş. ("SPL")

Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu A.Ş. ("SPL") is authorized by Capital Markets Board ("Board") and started its operations in 2011 to grant licenses to the employees work in capital markets institutions and publicly-held corporations, hold the license records of the license owners and to organize education programs related to the licenses.

Montenegro Stock Exchange

Main area of activity of Montenegro Stock Exchange is to operate the stock market transactions in Montenegro.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 1- GROUP'S ORGANIZATION AND NATURE OF OPERATIONS (Continued)

Associates (Continued)

Türkiye Ürün İhtisas Borsası A.Ş. ("TÜRİB")

Main area of activity of Türkiye Ürün İhtisas Borsası A.Ş. ("TÜRİB") is to engage in stock exchange activities to ensure the trade of electronic warehouse receipt and future contracts based on electronic warehouse receipt created by licensed warehouse operators within the framework of Law No. 5300 and related legislation. It was established on 8 June 2018.

JCR Avrasya Derecelendirme A.Ş. ("JCR")

JCR Avrasya Derecelendirme A.Ş. started its operations on 22 February 2007 to provide a reliable analysis and rating service needed for companies to benefit from international and local financial markets in transparent conditions.

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

2.1 Basis of presentation

2.1.1 Preparation of financial statements

BİST and subsidiaries operating in Türkiye maintains (together referred to the "Group") their accounting records and prepares their statutory financial statements in TL and in accordance with the Turkish Commercial Code ("TCC"), tax legislation and Uniform Chart of Accounts issued by the Ministry of Finance. The subsidiaries incorporated outside of Türkiye maintain their books of account and prepare their statutory financial statements in accordance with the regulations of the countries in which they operate.

The consolidated financial statements of the Group have been prepared in accordance with TFRS. TFRS'; Public Oversight of the Accounting and Auditing Standards Authority ("POA") by Türkiye Accounting Standards ("TAS"), Türkiye Financial Reporting Standards comprise standards and interpretations published by TAS Reviews and TFRS names.

The consolidated financial statements and disclosures are presented in accordance with the formats determined in the "2022 TFRS Taxonomy" published by POA on 4 October 2022.

These consolidated financial statements are prepared according to the Türkiye Financial Reporting Standards ("TFRS"). These consolidated financial statements are prepared on historical cost basis, except for significant items in the table below. The following items are measured on an fair value basis at the reporting date.

	Measurement base
Financial assets at fair value through other comprehensive income	Fair value
Financial assets at fair value through profit or loss	Fair value
Investment properties	Fair value

The preparation of the consolidated financial statements requires the use of judgments and estimates which might affect the amounts of assets and liabilities, explanation of commitments and contingent liabilities which were reported as at the balance sheet date and the revenues and expenses which were reported throughout the period. Even though, these judgments and estimates are based on the best estimates of the Group's management, the actual results might differ from them.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.1 Basis of presentation (Continued)

2.1.1 Preparation of financial statements (Continued)

TAS 29 Financial Reporting in Hyperinflation Economies requires entities whose functional currency is that of a hyperinflationary economy to prepare their financial statements in terms of the measuring unit current at the end of the reporting period. TAS 29 describes characteristics that may indicate that an economy is hyperinflationary and it recommends all entities that report in the currency of the same hyperinflationary economy apply this standard from the same date. Therefore, it is expected that TAS 29 will start to be applied simultaneously by all entities with the announcement of Public Oversight Accounting and Auditing Standards Authority to ensure consistency of the application required by TAS 29 throughout the country. However, the Authority has not published any announcement that determines entities would restate their financial statements for the accounting period ending on 31 December 2022 in accordance with TAS 29. In this context, TMS 29 is not applied and inflation adjustment has not been reflected in the financial statements as of 31 December 2022.

Approval of the financial statements:

The consolidated financial statements have been approved by the Board of Directors on 13 February 2023. General Assembly have a right to change and related authorized entities have a right to request the change the consolidated financial statements.

2.2 The new standards, amendments and interpretations

The accounting policies adopted in preparation of the consolidated financial statements as at 31 December 2022 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as at 1 January 2022. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

The new standards, amendments and interpretations which are effective as at 1 January 2022

Amendments to TFRS 3 - Reference to the Conceptual Framework

In July 2020, the POA issued amendments to TFRS 3 Business combinations. The amendments are intended to replace to a reference to a previous version of the Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing requirements of TFRS 3. At the same time, the amendments add a new paragraph to TFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date. The amendments must be applied prospectively. The amendments did not have a significant impact on the financial position or performance of the Group.

Amendments to TAS 16 - Proceeds before intended use

In July 2020, the POA issued amendments to TAS 16 Property, plant and equipment. The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment (PP&E), any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and costs of producing those items, in profit or loss. The amendments must be applied retrospectively only to items of PP&E made available for use on or after beginning of the earliest period presented when the entity first applies the amendment. The amendments did not have a significant impact on the financial position or performance of the Group.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 The new standards, amendments and interpretations (Continued)

The new standards, amendments and interpretations which are effective as at January 1, 2022 (Continued)

Amendments to TAS 37 - Onerous contracts - Costs of Fulfilling a Contract

In July 2020, the POA issued amendments to TAS 37 Provisions, Contingent Liabilities and Contingent assets. The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and also apply a "directly related cost approach". Amendments must be applied prospectively to contracts for which an entity has not fulfilled all of its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). The amendments did not have a significant impact on the financial position or performance of the Group.

Annual Improvements - 2018-2020 Cycle

In July 2020, the POA issued Annual Improvements to TFRS Standards 2018-2020 Cycle, amending the followings:

- *TFRS 1 First-time Adoption of International Financial Reporting Standards - Subsidiary as a first-time adopter*: The amendment permits a subsidiary to measure cumulative translation differences using the amounts reported by the parent. The amendment is also applied to an associate or joint venture.
- *TFRS 9 Financial Instruments - Fees in the "10 per cent test" for derecognition of financial liabilities*: The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either borrower or lender on the other's behalf.
- *TAS 41 Agriculture - Taxation in fair value measurements*: The amendment removes the requirement in paragraph 22 of TAS 41 that entities exclude cash flows for taxation when measuring fair value of assets within the scope of TAS 41.

The amendments did not have a significant impact on the financial position or performance of the Group.

Standards issued but not yet effective and not early adopted

Standards, interpretations and amendments to existing standards that are issued but not yet effective up to the date of issuance of the consolidated financial statements are as follows. The Group will make the necessary changes if not indicated otherwise, which will be affecting the consolidated financial statements and disclosures, when the new standards and interpretations become effective.

Amendments to TFRS 10 and TAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

In December 2017, POA postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. Early application of the amendments is still permitted. The Group will wait until the final amendment to assess the impacts of the changes.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 The new standards, amendments and interpretations (Continued)

Standards issued but not yet effective and not early adopted (Continued)

IFRS 17 - The new Standard for insurance contracts

The POA issued IFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. IFRS 17 will become effective for annual reporting periods beginning on or after 1 January 2023; early application is permitted. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

Amendments to TAS 1- Classification of Liabilities as Current and Non-Current Liabilities

In January 2020 and January 2023, POA issued amendments to TAS 1 to specify the requirements for classifying liabilities as current or non-current. According to the amendments made in January 2023 if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. In addition, January 2023 amendments require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities. The amendments clarified that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period. The amendments are effective for periods beginning on or after 1 January 2024. The amendments must be applied retrospectively in accordance with TAS 8. Early application is permitted. However, an entity that applies the 2020 amendments early is also required to apply the 2023 amendments, and vice versa. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Amendments to TAS 8 - Definition of Accounting Estimates

In August 2021, the POA issued amendments to TAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments issued to TAS 8 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amended standard clarifies that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors. The previous definition of a change in accounting estimate specified that changes in accounting estimates may result from new information or new developments. Therefore, such changes are not corrections of errors. This aspect of the definition was retained by the POA. The amendments apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of the effective date. Earlier application is permitted. The standard is not applicable for the Group and will not have an impact on the financial position or performance of the Group.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.2 The new standards, amendments and interpretations (Continued)

Standards issued but not yet effective and not early adopted (Continued)

Amendments to TAS 1 - Disclosure of Accounting Policies

In August 2021, the POA issued amendments to TAS 1, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments issued to TAS 1 are effective for annual periods beginning on or after 1 January 2023. In the absence of a definition of the term 'significant' in TFRS, the POA decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in TFRS and is widely understood by the users of financial statements, according to the POA. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and the nature of them. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Amendments to TAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

In August 2021, the POA issued amendments to TAS 12, which narrow the scope of the initial recognition exception under TAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments issued to TAS 12 are effective for annual periods beginning on or after 1 January 2023. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognised in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for all deductible and taxable temporary differences associated with leases and decommissioning obligations should be recognized. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

Amendments to TFRS 16 - Lease Liability in a Sale and Leaseback

In January 2023, POA issued amendments to TFRS 16. The amendments specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. In applying requirements of TFRS 16 under "Subsequent measurement of the lease liability" heading after the commencement date in a sale and leaseback transaction, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee. The amendments do not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in TFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with TAS 8. A seller-lessee applies the amendments to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted. A seller-lessee applies the amendments retrospectively in accordance with TAS 8 to sale and leaseback transactions entered into after the date of initial application of TFRS 16. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.3 Comparative information

Consolidated financial statements of the Group have been prepared comparatively with the prior period. In order to maintain consistency with current year consolidated financial statements, comparative information is reclassified and significant changes are disclosed if necessary.

As at 31 December 2022, the Group has prepared the consolidated statement of financial position, consolidated profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow comparatively.

2.4 Offsetting

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to set-off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

Income and expense items are stated with net-off balances only if allowed by the accounting standards or for the similar transactions in profit and loss items of the Group like purchase and sales transactions.

2.5 Going concern

The Group prepared the consolidated financial statements according to going concern principles.

2.6 Financial statements of subsidiaries operating in foreign countries

Financial statements of subsidiaries that are operating in foreign countries are prepared in accordance with the laws and regulations in force in the countries in which they are registered in and required adjustments and reclassifications reflected for the purpose of fair presentation in accordance with the Group's accounting policies.

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- Income and expenses for each income statement are translated at average exchange rates; and all resulting exchange differences are recognized as a separate component of equity and statements of comprehensive income.

When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.7 Consolidation principles

The consolidated financial statements include the accounts of the Group on the basis set out in sections below. The financial statements of the fully consolidated subsidiaries have been prepared with required adjustments and reclassifications for the purpose of compliance with TAS and the accounting policies of the Group. The financial results of the subsidiaries are fully consolidated from the date on which control is transferred to the Group or deconsolidated from the date that control ceases.

The control is provided with influence on the activities of an entity's financial and operational policies in order to obtain economic benefit from those activities.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.7 Consolidation principles (Continued)

Subsidiaries

Subsidiaries are companies in which BİST has the power to control the financial and operating policies for the benefit either (1) through the power to exercise more than 50% of voting rights related to shares in the companies as a result of shares owned directly and indirectly by itself whereby BİST exercises control over the voting rights of the shares held by them; or (2) although not having the power to exercise more than 50% of the voting rights, through the exercise of actual dominant influence over the financial and operating policies.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Proportion of ownership interest represents the effective shareholding of the Group through the shares held directly by BİST and indirectly by its subsidiaries. As at 31 December 2022 and 31 December 2021, the table below sets out all subsidiaries included in the scope of consolidation and shows their shareholding structure as follows:

	Effective ownership of interest (%)	
	31 December 2022	31 December 2021
İstanbul Takas ve Saklama Bankası A.Ş.	64.18	64.18
Merkezi Kayıt Kuruluşu A.Ş.	71.75	71.75

Joint ventures

Joint ventures are companies in respect of which there are contractual arrangements through which an economic activity is undertaken subject to joint control by the Company and one or more other parties. The Group exercises such joint control through the power to exercise voting rights relating to shares in the companies as a result of ownership interest directly and indirectly by itself.

Joint ventures have been accounted for using the equity method in accordance with clauses of TFRS 11 "Joint Arrangements" which has been effective from 1 January 2013. Under the equity method, investments in the joint ventures are carried in the statement of financial position at cost plus post acquisition changes in the Company's share of net assets of the joint venture and the comprehensive income reflects the share of the results of operations of the joint ventures. Where there has been a change recognized directly in the equity of the joint ventures, the Company recognizes its share of any changes and discloses this, when applicable, in the statement of changes in equity. When the Company has rights only to the net assets of the arrangements, it accounts for its interest using the equity method according to TAS 28.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.7 Consolidation principles (Continued)

Associates

Associates are accounted for using the equity method. Associates are companies in which the Group has voting power between 20% and 50% or the Group has power to participate in the financial and operating policy decisions but not control them.

Under the equity method, the investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the profit or loss of the investee is recognized in the investor's profit or loss.

Investments are accounted for using the equity method considering the Group's total share portions which are owned directly or indirectly from its subsidiaries.

The investments in associates are carried on the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates. The income statement reflects the Group's share of the results of operations of the associates. When there is a change recognized directly in the equity of an associate, the Group recognizes its share of any changes and discloses this when applicable, in the statement of changes in equity. Profits and losses resulting from the transactions between the Group and the associates and the Group are identical and the associates' accounting policies conform to those of the Group for like transactions and events in similar circumstances.

As at 31 December 2022 and 31 December 2021, the table below sets out the subsidiaries accounted for using the accounting under equity method, the proportion of voting power held by the Group and its subsidiaries and ownership rates:

	31 December 2022		31 December 2021	
	Directly and indirectly rate %	Effective rate %	Directly and indirectly rate %	Effective rate %
Enerji Piyasaları İşletme A.Ş.	30.83	30.83	30.83	30.83
Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu A.Ş.	41.00	34.27	41.00	34.27
Montenegro Stock Exchange	24.43	24.43	24.43	24.43
Türkiye Ürün İhtisas Borsası A.Ş.	25.00	21.80	25.00	21.80
JCR Avrasya Derecelendirme A.Ş.	18.50	18.50	18.50	18.50

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.8 Functional and presentation currency

The accompanying financial statements are presented in the Group's functional and presentation currency, which is Turkish Lira ("TL"), in full unless otherwise stated.

2.9 Changes in accounting policies and estimates and errors

The valuation principles and accounting policies have been applied consistently to all periods presented in these financial statements. Material changes in accounting policies and material accounting errors are adjusted retrospectively and prior periods' consolidation financial statements are restated. If the changes in accounting estimates are related to a period, they are applied in the period they are related to and if the changes are related to the future periods, they are applied both in the period the change is made and prospectively in the future periods.

2.10 Significant accounting judgments, estimates and assumptions

The preparation of the consolidated financial statements requires the use of judgments and estimates which might affect the amounts of assets and liabilities, explanation of commitments and contingent liabilities which were reported as at the balance sheet date and the revenues and expenses which were reported throughout the period. Even though, these judgments and estimates are based on the best estimates of the Company's management, the actual results might differ from them.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgment in applying accounting policies that have the most significant effect on the amount recognized in the consolidation financial statements are described in the following notes:

Fair value measurement of investment properties

Fundamental assumptions of the appraisal reports used during the determination of fair value investment properties in the consolidated financial statements are stated below:

Akmerkez Office

Akmerkez office, investment property is located on 985 m² ground in İstanbul/Beşiktaş, Nispetiye Mahallesi 83/1 E3 Blok 10 floor. According to a licensed real estate valuation firm report which is dated 23 December 2022, Akmerkez office was evaluated by market value approach and the fair value amount is TL 65,000.

Şişli Service Building

Şişli building, investment property is located on the parcel of 29 in İstanbul province, Şişli district, Şişli street, 159 section, 1,042 city block, is located on 4,354 m² ground. According to a licensed real estate valuation firm report which is dated 13 January 2023, Şişli service building evaluated by market value approach and the fair value amount is TL 141,630.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.10 Significant accounting judgments, estimates and assumptions (Continued)

Provisions for employment termination benefits

In accordance with existing social legislation, the Group is required to make lump sum termination indemnities to each employee who has completed one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

The assumptions of provision for employee termination benefits of a major portion of the Group are prepared by an independent actuarial company. The employee termination benefits have been calculated based upon factors derived using the Group's experience of personnel terminating their services and being eligible to receive benefits, discounted by using the current market yield at the balance sheet date on government bonds.

The current service cost of the defined benefit plan, recognized in the income statement in employee benefit expense reflects the increase in the defined benefit obligation resulting from employee service in the current year past service costs are recognized immediately in income.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the income statement.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Main assumptions that are used in the provision for employee termination benefits are estimated employee turnover rate and discount factor. Discount and probability ratios that are used in the employee termination benefits are as below:

	31 December 2022	31 December 2021
Discount rate	3.11%	4.02%
Estimated employee turnover rate	97.19%	97.37%

Useful lives of intangible assets

Referring to the agreements which the Company had signed with Nasdaq OMX ("Nasdaq"), the useful life of the software that forms the technological substructure of the markets within the Group is determined as 20 years.

Fair value of derivative instruments

The Group calculates the fair values of financial instruments which do not have an active market using market data, using similar transactions, using the fair values of similar instruments as reference, and discounted cash flow analysis.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.11 Summary of significant accounting policies

The significant accounting policies used in preparing the consolidation financial statements are described below.

Related parties

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
- has control or joint control of the reporting entity
 - has significant influence over the reporting entity; or
 - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- (b) An entity is related to a reporting entity if any of the following conditions applies:
- The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - Both entities are joint ventures of the same third party.
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity, If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - The entity is controlled or jointly controlled by a person identified in (a).
 - A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

2.11.1 Service revenue

Service revenue shall be recognized when all the following conditions have been satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The stage of completion of the transaction at the end of the reporting period can be measured reliably and;
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Revenue has been disclosed by offsetting, discounts, returns, taxes related with sales and the elimination of the transaction within the Group.

The main income items in the Group's service income are; trading fees, interest revenue, securities registration fees, listing fees, data vending and custody income.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.11 Summary of significant accounting policies (Continued)

2.11.1 Service revenue (Continued)

Debt securities trading revenues

Debt securities trading revenues consist of revenue from transactions in international bond markets where external debt instruments issued by the Republic of Türkiye Treasury and included on the exchange list and in the equity repo market, where transactions are carried out with the shares of the companies that are traded on Borsa İstanbul Equity Market and which are included in BİST 30 Index and deemed appropriate by a Board of Directors, fees from debt instruments traded on the outright purchase and sales market, the repo-reverse repo market, the repo market for specified securities, the interbank repo-reverse repo market where second hand fixed income security transactions are made, and the offering market for qualified investors, where capital market instruments, which can be purchased by "qualified investors" as described in capital markets legislation are issued.

Equity market trading revenue

Equity market trading revenue consists of the revenue based on the transaction volume of financial instruments, such as the right to purchase new equities and to exchange traded funds, warrants and certificates.

Derivatives trading revenue

Derivative market trading revenue consists of revenue which is accrued monthly and calculated on transaction volumes arising from futures and options contracts based on all primary asset classes such as equity, foreign-domestic stock indices, foreign exchange, steel scrap, exchange traded fund, precious metals, commodity and energy.

Precious metals and diamond market trading revenue

Precious metals and diamond market trading revenue consists of income accrued monthly and daily and calculated on the transaction volume of the precious metals market where spot transactions of standard, non-standard, gold, silver, platinum and palladium produced from ore. Precious Metals Lending Market where lending and certificate transactions are made and Diamond and Precious Stones Market where diamond and precious stones are traded.

Takasbank money market

Takasbank money market commissions consist of incomes accrued and collected daily and calculated on transactions made in this market established and operated by Takasbank to match the demand of market players who need funds and the offers of market players who have excess funds.

Security registration income

These fees consist of income accrued weekly and received for off-exchange security purchases, sales, and repo and reverse repo transactions announced weekly by banks and brokerage firms.

Listing income

Listing fees consist of initial listing/registration fees, annual listing/registration fees, and re-listing and re-registration fees. The initial listing fee is the nominal price of the securities in each listing transaction. Partnerships in the securities exchange listing should pay an annual fee so long as they remain in the relevant listing.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.11 Summary of significant accounting policies (Continued)

2.11.1 Service revenue (Continued)

Custody and custody related operating revenue

Custody and custody related operating revenue consist of custody fees accrued for physical shares in the custody of Takasbank, in the private pension fund shares of attendee accounts and for income gained from global custody service.

Custody and custody related operating revenue consist of income received from the custody services of shares, investment funds, warrants and debt instruments in MKK (Central Securities Depository).

Data vending revenue

Data vending revenue consist of the income arising from disseminating the data in Borsa İstanbul markets to users on a real time and a delayed basis through licensed data vendors.

Takasbank interest income

Interest income is calculated by using the effective interest rate (the rate which sets the future cash flows of a financial asset or liability equal to their current net book value) method in accordance with "IFRS-9 Financial Instruments"

2.11.2 Property and equipment

The cost of an item of property and equipment shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. After recognition as an asset, an item of property and equipment shall be carried at its cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation

Property and equipment are depreciated over the estimated useful lives of the related assets from the date of acquisition or the date of installation, on a straight-line basis.

Construction in progress assets are amortized when the related intangible assets are ready for use in accordance with the useful lives identified. The estimated useful lives of property and equipment are as follows:

Property and equipment	Year
Buildings	36-50
Machinery and equipment	3-15
Vehicles	4-5
Furniture and fixtures	2-50
Leasehold improvements	5-28

Expenditures incurred to replace a component of an item of property and equipment that are accounted for separately, including major inspection and overhauls costs, are capitalized. Other subsequent expenditures are capitalized only when it increases the future economic benefits embodied in the item of property and equipment. All other expenditures are recognized in profit or loss as an expense as incurred.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.11 Summary of significant accounting policies (Continued)

2.11.2 Property and equipment (Continued)

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on this remeasurement is recognized in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognized in OCI and presented in the revaluation reserve. For subsequent periods, the gain or loss arising from the change in the fair value of the investment property is included in profit or loss in the period in which it arises.

2.11.3 Investment properties

The investment properties, which are held either to earn rental income or for capital appreciation or for both, instead of either for the Group's operations or for management purposes or for sale during the daily operations, are classified under other properties.

Investment properties are carried at their fair value on the basis of a valuation made by an independent valuation expert. Changes in fair values of investment properties are recognized in the income statement under other income. Rental income from investment properties is recognized as revenue on a straight-line basis over the term of the lease.

2.11.4 Government grants

Government grants along with investment, research and development grants are accounted for on an accrual basis for estimated amounts expected to be realized under grant claims filed by the Group. These grants are accounted for as deferred income in the consolidated balance sheet and are credited to consolidated income statement on a straight-line basis over the expected lives of related assets. Government grants allowing reduced corporate tax payment are evaluated within the scope of TAS 12 "Income Taxes" standard.

2.11.5 Intangible assets

Intangible assets includes information systems, software and other intangibles arose from business mergers, Intangible assets are recognized at acquisition cost and amortized by the straight-line method over their estimated useful lives after their acquisition date. If impairment exists, carrying amounts of the intangible assets are written down immediately to their recoverable amounts. Intangible assets are amortized on a straight-line basis over their estimated useful lives for a period between 3-20 years from the date of acquisition.

Construction in progress assets are amortized when the related intangible assets are ready for use in accordance with the useful lives identified.

2.11.6 Research and development costs

Planned operations that are done in order to obtain new technological information or discovery of Group are defined as research, and the research expenses during this phase is recognized as expense as incurred.

Development is defined as the application of research findings or other knowledge to a plan or design for the production of new or substantially improved materials, devices, products, processes, systems or services before the start of commercial production or use and an intangible asset arising from development is recognized when the following are demonstrated by the Company:

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.11 Summary of significant accounting policies (Continued)

2.11.6 Research and development costs (Continued)

- The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- Its intention to complete the intangible asset and use or sell it,
- How the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset,
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
- Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs of the Group consists of any software packages which are in progress of being developed with regard to all of the software programs that constitutes the technological substructure of the markets which are under the Group's structure.

Development costs of Group, consists of the personnel salaries that are assigned directly in the development of the assets, other personnel costs and the costs related to the services used in the development of the intangible asset.

Related development costs are recognized initially in construction in progress which is under intangible assets section, and afterwards, the portion that is started to be used actively is being transferred to rights account under intangible assets.

2.11.7 Financial instruments

Classification and measurement

Classification and measurement of financial assets in accordance with TFRS 9 Financial Instruments standard is determined by whether the financial asset is based on the business model in which the financial asset is managed and whether it is based on contractual cash flows including interest payments on principal and principal balance.

TFRS 9 contains three basic categories of financial assets: amortized cost (AC), fair value other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the categories of available-for-sale financial assets that are held to maturity, loans and receivables included in the current TAS 39 standard.

The Group accounts for its financial assets in three classes. The classification is based on the characteristics of the contractual cash flows of the entity and the business model used by the entity for the management of the financial assets. The Group classifies its financial assets at the time of purchase.

"Financial assets measured at amortized cost" are financial assets held as part of a business model aimed at collecting contractual cash flows and that have cash flows that include interest payments solely on principal and principal balance at specific dates in contractual terms, are not traded in an active market. Financial assets at amortized cost of the Group also include "cash and cash equivalents", "trade receivables" and "other receivables". Related assets are initially recognized at fair value in the financial statements; in subsequent accounting, measured at amortized cost using the effective interest rate method. Gains and losses resulting from the valuation of non-derivative financial assets measured at amortized cost are recognized in the consolidated income statement.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.11 Summary of significant accounting policies (Continued)

2.11.7 Financial instruments (Continued)

Classification and measurement (Continued)

"Financial assets at fair value through other comprehensive income" are financial assets held as part of a business model for the collection and settlement of contract cash flows and for which there are cash flows from interest payments arising principally only at principal and principal amounts under contractual terms. Any gains or losses arising from the related financial assets are recognized in other comprehensive income except for impairment losses, gains or losses and exchange rate differences income or expenses.

For investments in equity-based financial assets, the Group may inadvertently choose the method of reflecting subsequent changes in fair value to other comprehensive income during the first financial statement purchase. In the case of such a preference, the dividends from the related investments are recognized in the consolidated income statement.

Under TFRS 9, all investments in equity instruments and contracts on those instruments must be measured at fair value. However, in limited circumstances, cost value may be an appropriate estimate of fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost value represents the best estimate of fair value within that range.

"Financial assets at fair value through profit or loss" are financial assets measured other than those at amortized cost and fair value through other comprehensive income. The resulting gains and losses from the valuation of such assets are recognized in the consolidated income statement.

2.11.8 Impairment of financial assets

TFRS 9 replaces the "incurred loss" model in TAS 39 with an "expected credit loss" (ECL) model. In this context, it has been necessary to evaluate how the economic factors that will be determined by weighting according to the probabilities of realization affect the ECLs.

The new impairment model is applied to financial assets at fair value through other comprehensive income or measured at amortized cost (other than investments in, equity instruments) and contract assets. The financial assets at amortized cost consist of trade receivables, financial investments, and cash and cash equivalents.

Under TFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Group has elected to measure loss allowances for trade receivables and contract assets at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.11 Summary of significant accounting policies (Continued)

2.11.8 Impairment of financial assets (Continued)

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realizing security (if any is held) or financial asset is more than 90 days past due.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of "investment grade". The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset. The basic principles for calculating the Group's "Expected Credit Loss" are as follows:

- Information considered in the Expected Credit Loss accounting should be reasonable, reliable and supportable.
- Country risk is also taken into account when calculating provisions that will be reserved for expected credit losses. Loans are allocated at a higher rate than the loan-based reserves, taking into account the size, type, maturity, currency, interest rate structure, borrowing sector, collaterals and similar concentrations over time, credit risk level and management.
- The approach used to assess expected credit losses is consistent with the Group's credit risk management.
- Information used; specific factors of the borrower, general economic conditions and the assessment of the effects of these factors and conditions in the current and future periods, at the reporting date. Possible sources of information include the Group's credit disposal experience, internal or external credit ratings, reports and statistics.
- If it is determined that the financial instrument has low credit risk at the reporting date, the Group may assume that the credit risk in the financial instrument has not increased significantly since its first financial statement.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2.11.9 Financial income and financial expenses

Financial income includes interest income from investments, dividend income, change in fair value, and income from sales of financial assets that reflect other comprehensive income. Interest income is recognized in profit or loss on an accrual basis using the effective interest method. Dividend income is recognized in profit or loss when the Group is entitled to receive payment. Financial expenses include commission expenses.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.11 Summary of significant accounting policies (Continued)

2.11.10 Derivative financial instruments

Derivative financial instruments including foreign exchange swaps, interest rate swaps, foreign exchange options and currency forwards.

Derivative instruments are initially recognized at the transaction cost reflecting the fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value.

Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. It is shown that the valuation differences resulting from the valuation of derivative transactions are associated with the statement of profit or loss.

2.11.11 Non-derivative financial liabilities

The liability items in TAS 39 have been carried forward to TFRS 9 except for the fact that the fair value change effect of the credit risk exposure of the liabilities recognized by using the fair value option is not allowed to be recognized in the other comprehensive income (where accounting inconsistency can not be materially affected).

The Group derecognizes the related financial liability when the contractual commitments related to the financial liability are terminated or cancelled.

The Group presents non-derivative financial liabilities in other financial liabilities. Such financial liabilities are measured initially by deducting transaction costs that are directly attributable to their fair values. Other financial liabilities of the Group are; financial debts, commercial and other debts.

2.11.12 Payables to members

Payables to members consist of the members' accounts opened in Takasbank by brokerage firms, banks, leasing companies, factoring companies and funding companies, which desire to perform transactions in organized markets, to make a down payment, pay swap liabilities and wire cash to customers. Payables to members are recognized by their fair value in financial statements.

2.11.13 Deposits and guarantees received

Deposits and guarantees received for contracts made for sales and purchase transactions made in markets in BİST Debt Securities and Equity Market, Takasbank Money Market ("TMM"), Equity Lending Market ("ELM"), Derivative Market, Electricity Market, and markets where leveraged sales and purchase transactions are made.

Said funds ensure that the debtee does not affect from the delay when the debtor goes into cash default. Cash guarantee mechanisms are created to make sure that cash flow is not interrupted in the market and that the payments are made in time and accurately.

The Group invests the deposits and guarantees in financial institutions and reflects the gains to the accounts of relevant members. Group management believes that the current values of deposits and guarantees on financial position statement are similar to the values redeemed with effective interest rates.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.11 Summary of significant accounting policies (Continued)

2.11.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, time deposits with maturities less than three months, reverse repurchase agreements, and type B liquid funds that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Time deposits at banks are initially recognized at fair value and then, subsequently measured at amortized cost using the effective interest method. The carrying amount of these assets is close to their fair values.

2.11.15 Trade and other receivables

Trade and other receivables are recognized initially at fair value. At the reporting date, subsequent to initial recognition, trade and other receivables are measured at amortized cost using the effective interest method. When a trade receivable become uncollectible, it is written off against the allowance account. The amount of the allowance account is the difference between the carrying amount of the receivables and the collectible amount. Group's management believes that carrying value of the trade and other receivables on the statement of financial position approximates to their fair value.

2.11.16 Share capital

Ordinary shares are classified as equity. Dividend income is recognized as income when right to obtain of dividend is generated. Dividend distribution to the Company's shareholders is recognized as a liability in the Group's consolidated financial statements in the period in which the dividends are approved by the Company's shareholders.

2.11.17 Capital reserves

On 3 April 2013, the legal entities, IMKB and IAB, are terminated and all assets, liabilities and receivables, rights and obligations, records and other documents have been transferred to BİST in their entirety, with the exceptions required by law, with no further action needed. The Company's capital has been registered as full TL 423,234,000 at 3 April 2013. The registered capital of the Company is deducted from the sum of all equity accounts in the consolidated financial statements prepared in accordance with TFRS, which is the basis of transfer accounting and the remaining balance is accounted for as capital reserves.

2.11.18 Share premium

Share premium represents the difference that is arised from the sale of a subsidiary or an investment accounted by equity method shares that the Company has with a higher amount than their nominal values or the positive difference between the nominal values and the fair values of the shares that the Company had issued related to the firms that the Company had acquired.

2.11.19 Treasury shares

The cost of the Group's own equity instruments that it has reacquired is deducted from equity. Gain or loss is not recognized on the purchase, sale, issue, or cancellation of treasury shares. Treasury shares may be acquired and held by the entity or by other members of the Group. Consideration paid or received is recognized directly in equity.

2.11.20 Earnings per share

According to TAS 33 - *Earnings per share*, companies whose shares are not traded in a stock exchange market, are not required to disclose their earnings per share. Since, the Group has no share which is traded in a stock exchange market, earnings per share is not computed in the accompanying consolidated financial statements.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.11 Summary of significant accounting policies (Continued)

2.11.21 Provisions, contingent liabilities and assets

According to TAS 37 - *Provisions, contingent liabilities and assets*, a provision is recognized when the Group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the specified criteria are not met, the Group discloses the related issues in the accompanying notes. Contingent assets are disclosed in the notes and not recognized unless it is realized.

2.11.22 Lease transactions

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment loss.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost and decreased by lease payments. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

2.11.23 Employment termination benefits

In accordance with existing social legislation, the Group is required to make lump sum termination indemnities to each employee who has completed one year of service with the Group and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

In the consolidated financial statements, the Group has reflected a liability calculated using "Projected Unit Credit Method" and based upon factors derived using the Group's experience of personnel terminating their services and being eligible to receive benefits, discounted by using the current market yield at the balance sheet date on government bonds.

According to TAS 19 (amendment), "Employment termination benefits", effective for annual periods beginning on or after 1 January 2013, gains/losses occurred due to the changes in the actuarial assumptions used in the calculation of employment termination benefit should be reclassified under the other comprehensive income.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 2- BASIS OF PRESENTATION OF FINANCIAL STATEMENTS (Continued)

2.11 Summary of significant accounting policies (Continued)

2.11.24 Segment reporting of financial information

An operating segment is a component of the Group that engages in business activities from which it may earn income and incur expenses, including income and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the management to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Since there are no any set of components that are regularly reviewed by chief operating decision maker to take decisions about the Group's activities and whose financial performances are followed separately no reports have been made according to the operating segments.

2.11.25 Taxation

Tax expense or income is the aggregate amount included in the determination of net profit or loss for the period in respect of current and deferred tax.

Deferred tax is computed, using the liability method, and by the effective tax rate at balance sheet date. And deferred tax is computed on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against the deductible temporary differences. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Deferred taxes arising from income and expenses accounted under equity are also recorded under equity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. The carrying amount of deferred income tax assets is reviewed by the Group at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

NOTE 3- BUSINESS COMBINATIONS

None.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 4- CASH AND CASH EQUIVALENTS

As at 31 December 2022 and 31 December 2021, the details of cash and cash equivalents are as follows:

	31 December 2022	31 December 2021
Cash	21	61
Banks - time deposits	80,516,807	40,095,879
Banks - demand deposits	720,749	615,582
Reverse repo receivables	47	36,020
Investment funds	212,346	2,217
At the statement of financial position	81,449,970	40,749,759
Accruals on cash and cash equivalents	(185,251)	(74,958)
Expected credit loss allowance	91,590	51,000
At the statement of cash flows	81,356,309	40,725,801

As at 31 December 2022, there is no restricted deposits (31 December 2021: None).

Banks-Time deposits

As at 31 December 2022 and 31 December 2021, the details of time deposits are as follows:

31 December 2022	Amount (TL)	Effective interest rate (%)	Maturity date
TL	62,110,155	11.07	31 March 2023
USD	13,015,421	5.94	6 January 2023
EUR	5,391,231	3.73	1 January 2023
Total	80,516,807		
31 December 2021	Amount (TL)	Effective interest rate (%)	Maturity date
TL	33,994,446	14.52	30 March 2022
USD	3,306,284	1.27	3 January 2022
EUR	2,795,149	0.80	3 January 2022
Total	40,095,879		

As at 31 December 2022, average maturity of reverse repo receivables is 3 days and interest rate is 9% (31 December 2021: 3 days, 12%).

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements
For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 5- INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

As at 31 December 2022 and 31 December 2021, summary of financial information for equity accounted investments are as follows:

31 December 2022	Directly and indirectly rate %	Effective rate %	Total assets	Total liabilities	Net assets	Net profit/loss	BİST's shares in profit/loss	BİST's share in net assets
Enerji Piyasaları İşletme A.Ş.	30.83	30.83	426,341	93,615	332,726	42,584	13,129	102,582
Sermaye Piy. Lisanslama Sicil ve Eğitim Kuruluşu A.Ş.	41.00	34.27	75,508	6,059	69,449	18,756	7,690	28,474
Montenegro Stock Exchange	24.43	24.43	50,568	60	50,508	1,010	247	12,341
Türkiye Ürün İhtisas Borsası A.Ş.	25.00	21.80	278,148	40,123	238,025	160,354	40,089	59,506
JCR Avrasya Derecelendirme A.Ş.	18.50	18.50	193,460	31,599	161,861	102,094	18,887	35,819
Total							80,042	238,722
31 December 2021	Directly and indirectly rate %	Effective rate %	Total assets	Total liabilities	Net assets	Net profit/loss	BİST's shares in profit/loss	BİST's share in net assets
Enerji Piyasaları İşletme A.Ş.	30.83	30.83	391,797	90,578	301,219	49,200	15,169	92,868
Sermaye Piy. Lisanslama Sicil ve Eğitim Kuruluşu A.Ş.	41.00	34.27	54,328	3,636	50,692	15,834	6,492	20,784
Montenegro Stock Exchange	24.43	24.43	37,448	74	37,374	142	35	9,132
Türkiye Ürün İhtisas Borsası A.Ş.	25.00	21.80	121,875	19,204	102,671	41,931	10,483	25,668
JCR Avrasya Derecelendirme A.Ş.	18.50	18.50	95,561	8,677	86,884	58,924	10,901	21,948
Total							43,080	170,400

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 5- INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD (Continued)

For the year ended 31 December 2022 and 2021, subsidiaries that are accounted by equity method are as stated below:

	1 January - 31 December 2022	1 January - 31 December 2021
Beginning balance	170,400	133,387
Disposals	-	(1,070)
Dividends received	(14,682)	(8,631)
Income and expenses	80,042	43,080
Currency translation differences	2,962	3,634
Ending balance	238,722	170,400

The Group's share in the net assets of the subsidiary includes goodwill amounting to TL 5,875.

NOTE 6- FINANCIAL INVESTMENTS

As at 31 December 2022 and 31 December 2021, the details of short term financial investments are as follows:

	31 December 2022	31 December 2021
Financial assets measured at amortized cost	2,526,831	3,465,268
Deposits more than 3 months	1,344,566	-
Financial assets at fair value through profit or loss	59,632	-
Total	3,931,029	3,465,268

As at 31 December 2022 and 31 December 2021, the details of long term financial investments are as follows:

	31 December 2022	31 December 2021
Financial assets at fair value through other comprehensive income	7,583	7,583
Financial assets measured at amortized cost	505,387	1,873,067
Total	512,970	1,880,650

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 6- FINANCIAL INVESTMENTS (Continued)

As at 31 December 2022 and 31 December 2021, the details of financial assets measured at amortized cost are as follows:

	31 December 2022	31 December 2021
Bonds	444,854	666,191
Corporate bonds	-	163,671
Eurobonds	2,521,911	4,261,238
Asset backed securities	39,819	39,612
Sukuk	83,921	207,623
Mutual fund	1,345	-
Total	3,091,850	5,338,335

As at 31 December 2022 and 31 December 2021, there are no financial assets at fair value through other comprehensive income subject to repurchase agreements and given as collateral. As at 31 December 2022 and 31 December 2021, the details of financial assets at fair value through other comprehensive income are as follows:

	31 December 2022			31 December 2021		
	Directly and indirectly rate %	Effective rate %	Carrying value	Directly and indirectly rate %	Effective rate %	Carrying value
Kyrgyz Stock Exchange	22.86	22.86	467	16.33	16.33	467
Ege Tarım Ürünleri Lisanslı Depoculuk A.Ş.	21.45	19.98	3,320	21.45	19.98	3,320
Sarajevo Stock Exchange	19.91	16.70	799	19.91	16.70	799
Baku Stock Exchange	4.76	4.76	157	4.76	4.76	157
Birleşik İpotek Finansmanı A.Ş.	5.00	5.00	2,500	5.00	5.00	2,500
Other	<0,01	<0,01	340	<0,01	<0,01	340
Total			7,583			7,583

NOTE 7- TRADE RECEIVABLES AND OTHER RECEIVABLES

As at 31 December 2022 and 31 December 2021, the details of trade receivables from third parties are as follows:

	31 December 2022	31 December 2021
Receivables from members ^(*)	354,989	233,358
Loans given	2,530,226	573,749
Custody and commission receivables	271,698	67,655
Doubtful receivables	523	642
Expected credit loss	(11,186)	(10,933)
Total	3,146,250	864,471

(*) It consists of trading, listing, custody, security registration, data vending, technology and membership fees.

As at 31 December 2022 and 31 December 2021, remaining maturities are less than 3 months.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 7- TRADE RECEIVABLES AND OTHER RECEIVABLES (Continued)

Expected credit loss

For the year ended 31 December 2022 and 2021, the movements of expected credit loss are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Beginning balance	(10,933)	(4,332)
Provisions during the period	(398)	(6,708)
Reversal of provision during the period	145	107
Ending balance	(11,186)	(10,933)

Other receivables

As at 31 December 2022 and 31 December 2021, the details of short term other receivables from third parties are as follows:

	31 December 2022	31 December 2021
Other receivables	13,940	415
Total	13,940	415

NOTE 8- OTHER ASSETS

Other current assets

As at 31 December 2022 and 31 December 2021, the details of other current assets are as follows:

	31 December 2022	31 December 2021
Receivables from derivatives collateral	137,513	512,111
Deferred VAT	39,951	42,545
Job advances given to personnel	8,190	883
Deposits and guarantees given	355	283
Other current assets	12,336	2,389
Total	198,345	558,211

Other non-current assets

As at 31 December 2022 and 31 December 2021, the details of other non-current assets are as follows:

	31 December 2022	31 December 2021
Deposits and guarantees given	532	884
Total	532	884

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 9- DEFERRED INCOME

Short term deferred income

As at 31 December 2022 and 31 December 2021, the details of short term deferred income are as follows:

	31 December 2022	31 December 2021
Deferred income	6,245	4,031
Total	6,245	4,031

Long term deferred income

As at 31 December 2022 and 31 December 2021, the details of long term deferred income are as follows:

	31 December 2022	31 December 2021
Deferred income	1,847	783
Total	1,847	783

NOTE 10- PREPAID EXPENSES

Short term prepaid expenses

As at 31 December 2022 and 31 December 2021, the details of short term prepaid expenses are as follows:

	31 December 2022	31 December 2021
Prepaid expenses	67,567	29,433
Total	67,567	29,433

Long term prepaid expenses

As at 31 December 2022 and 31 December 2021, the details of long term prepaid expenses are as follows:

	31 December 2022	31 December 2021
Prepaid expenses	16,407	11,752
Total	16,407	11,752

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 11- INVESTMENT PROPERTIES

For the year ended 31 December 2022 and 2021, the movements of the investment properties are as follows:

	Valuation method	1 January 2022	Increase in value	Decrease in value	31 December 2022
Akmerkez Office	Market value	37,925	27,075	-	65,000
Şişli Service Building	Market value	46,250	95,380	-	141,630
Total		84,175	122,455	-	206,630
	Valuation method	1 January 2021	Increase in value	Decrease in value	31 December 2021
Akmerkez Office	Market value	26,000	11,925	-	37,925
Şişli Service Building	Market value	35,730	10,520	-	46,250
Total		61,730	22,445	-	84,175

As at 31 December 2022, there are investment properties of Group in İstanbul Akmerkez Shopping Center and İstanbul Şişli. The fair value of Akmerkez Shopping Center is TL 65,000 and the fair value of Şişli Service Building is TL 141,630 according to independent valuation report authorized by the Capital Markets Board ("CMB").

For the year ended 31 December 2022 and 2021, rental income from investment properties is amounting to TL 914 and TL 764.

As at 31 December 2022, the significant estimates and assumptions used in determining the fair value of the investment properties are as follows:

Investment property	Valuation method	Report date	m ² value
Akmerkez Office	Market value	23 December 2022	65.990
Şişli Service Building	Market value	13 January 2023	32.530

There are not any capitalized borrowing costs, mortgages, or pledges on the investment properties.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 12- PROPERTY AND EQUIPMENT

For the year ended 31 December 2022 and 2021, the movements of the property and equipment are as follows:

	Building	Machinery and equipment	Vehicles	Furnitures and fixtures	Leasehold improvement	Construction in progress	Total
1 January 2022							
Opening balance	26,307	415	301	53,456	155,411	11,968	247,858
Additions	-	79,136	1,044	110,856	-	50,421	241,457
Disposals	-	(585)	(87)	(49)	(62)	(5,472)	(6,255)
Transfers	-	-	-	-	-	(24,759)	(24,759)
Current depreciation	(581)	(17,563)	(80)	(22,215)	(7,811)	-	(48,250)
31 December 2022	25,726	61,403	1,178	142,048	147,538	32,158	410,051

	Building	Machinery and equipment	Vehicles	Furnitures and fixtures	Leasehold improvement	Construction in progress	Total
1 January 2021							
Opening balance	26,888	5,653	401	30,717	145,417	14,057	223,133
Additions	-	3,041	-	30,855	3,304	27,650	64,850
Disposals	-	(59)	-	(87)	-	(357)	(503)
Transfers	-	-	-	-	13,948	(29,382)	(15,434)
Current depreciation	(581)	(8,220)	(100)	(8,029)	(7,258)	-	(24,188)
31 December 2021	26,307	415	301	53,456	155,411	11,968	247,858

For the year ended 31 December 2022 and 2021, there are no mortgages or pledges over property and equipment. As at 31 December 2022, insurance collaterals over property and equipment amounting to full USD 149 million and full TL 29 million (31 December 2021: full USD 149 million and full TL 29 million).

The total transfers amounting to TL 24,759 have been made from property, plant equipment to intangible assets (Note 14).

NOTE 13- RIGHT OF USE ASSETS

For the year ended 31 December 2022 and 2021, the movements of the right of use assets are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Opening balance	4,830	5,432
Additions	12,122	3,451
Disposals	(79)	-
Current depreciation	(5,990)	(4,053)
Total	10,883	4,830

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 14- INTANGIBLE ASSETS

For the year ended 31 December 2022 and 2021, the movements of the intangible assets are as follows:

	Rights	Software licenses	Development costs	Total
1 January 2022				
Opening balance	292,660	47,772	37,323	377,755
Additions	38,215	6,571	21,175	65,961
Disposals	(396)	-	-	(396)
Transfers	-	-	24,759	24,759
Current amortisation	(23,622)	(5,948)	(22,248)	(51,818)
31 December 2022	306,857	48,395	61,009	416,261
	Rights	Software licenses	Development costs	Total
1 January 2021				
Opening balance	313,795	36,058	26,179	376,032
Additions	3,526	8,284	15,715	27,525
Disposals	-	(419)	-	(419)
Transfers	(8,012)	8,012	14,522	14,522
Current amortisation	(16,649)	(4,163)	(19,093)	(39,905)
31 December 2021	292,660	47,772	37,323	377,755

The Group is registered as "Research and Development Center" within the Research and Development Law numbered 5746 by Ministry of Science, Industry and Technology. Expenses incurred in relation to the developed projects are capitalized and accounted under the construction in progress. After the completion of the projects, the total capitalized amounts are classified to intangible assets and the depreciation is calculated over the total capitalized amount. For the year ended 31 December 2022, TL 5,213 depreciation expense is reserved for the projects developed within the scope of the R&D Center (31 December 2021: TL 54).

NOTE 15- GOVERNMENT GRANTS

It is stated with a letter on 2 November 2020 issued by Ministry of Industry and Technology as part of Research and Development Law numbered 5746 that MKK's Research and Development Center status to be continued.

It is stated with a letter on 6 January 2021 issued by Ministry of Industry and Technology as part of Research and Development Law numbered 5746 that Borsa İstanbul's Research and Development Center status to be continued. It is decided that Takasbank has been included in the scope of the research and development center in accordance with the Research and Development Law numbered 5746 by the Ministry of Industry and Technology with a decision on 20 April 2017.

As at 31 December 2022, research and development tax deduction amounting to TL 71,985 is considered as deduction in corporate tax calculation (31 December 2021: TL 28,632).

Government grants allowing reduced corporate tax payment are evaluated within the scope of TAS 12 "Income Taxes" standard.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 16- TRADE PAYABLES AND OTHER PAYABLES

Short term trade payables

As at 31 December 2022 and 31 December 2021, the details of trade payables to third parties are as follows:

	31 December 2022	31 December 2021
Payables to members ^(*)	3,512,953	1,863,272
Trade payables	-	195,345
Payables to suppliers	96,141	43,016
Total	3,609,094	2,101,633

(*) The regarding payables consist of the members' accounts opened in Takasbank by brokerage firms, banks, leasing companies, factoring companies and funding companies, which desire to perform transactions in organized markets, to make a down payment, pay swap liabilities and wire cash to customers.

Short term other payables

As at 31 December 2022 and 31 December 2021, the details of other payables are as follows:

	31 December 2022	31 December 2021
Other payables	38,811	22,834
Total	38,811	22,834

NOTE 17- SHORT TERM PROVISIONS

As at 31 December 2022 and 31 December 2021, the details of lawsuit provisions are as follows:

	31 December 2022	31 December 2021
Lawsuit provisions	22,825	26,193
Total	22,825	26,193

For the year ended 31 December 2022 and 2021, the movements of lawsuit provisions are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Opening balance	26,193	21,769
Increase during the period	3,649	8,052
Used during the period	(7,017)	(3,628)
Ending balance	22,825	26,193

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 18- SHORT TERM BORROWINGS

As at 31 December 2022 and 31 December 2021, the details of the short-term borrowings are as follows:

31 December 2022	Weighted average effective interest rate %	Currency	Original amount	TL equivalent
Short term borrowings	4.46	USD	186,551	3,488,183
	1.95	EUR	167,218	3,333,477
	9.00	TL	206,603	206,603
				7,028,263
31 December 2021	Weighted average effective interest rate %	Currency	Original amount	TL equivalent
Short term borrowings	0.10	USD	170,800	2,216,563
	0.01	EUR	80,300	1,178,989
	13.93	TL	239,911	239,911
				3,635,463

As at 31 December 2022 and 31 December 2021, remaining maturities are less than 3 months.

NOTE 19- LEASE LIABILITIES

As at 31 December 2022 and 31 December 2021, the details of lease liabilities are as follows:

	31 December 2022	31 December 2021
Up to 1 year	7,390	2,377
1-5 years	5,164	3,129
Total	12,554	5,506

NOTE 20- PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provision for legal cases

There are several lawsuits in favour and against of the Group. These lawsuits consist of reemployment and disagreements with market members. The Group management evaluates the possible results and financial effects of these lawsuits and necessary provisions are recognized due to possible liabilities. As at 31 December 2022, provision for lawsuits amounting to TL 22,825 (31 December 2021: TL 26,193).

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 20- PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Guarantees

Guarantees given to Takasbank Money Market, Securities Lending Market, Debt Securities Market, Over the Counter Market, BİAŞ Money Market, Equity Market, Derivatives Market and Swap Market. As at 31 December 2022, total guarantees amounting to TL 90,147,147 (31 December 2021: TL 39,299,417).

Commitments

Commitments given to Securities Lending Market, Debt Securities Market, Over the Counter Market, BİAŞ Money Market, Equity Market, Derivatives Market and Swap Market. As at 31 December 2022, total commitments amounting to TL 817,532 (31 December 2021: TL 782,509).

Collaterals

As at 31 December 2022 and 31 December 2021, market collaterals are as follows:

	31 December 2022	31 December 2021
Takasbank Market	66,968,507	28,599,501
Equity Market	8,890,570	15,731,960
Debt Securities	4,445,011	8,129,448
Precious Metal and Diamond Market	966,000	607,035
Derivatives Market	2,731,955	1,450,564
Other	12,020,529	1,012,770
Total	96,022,572	55,531,278

As at 31 December 2022 and 31 December 2021, collaterals received from suppliers are as follows:

	31 December 2022	31 December 2021
TL	20,043	22,977
USD	34,275	32,240
EUR	1,927	1,348
Total	56,245	56,565

Assets under custody

	31 December 2022	31 December 2021
Physical Contribution to Education Project ^(*)	58,174	55,735
Total	58,174	55,735

^(*) In accordance with the decision of İMKB's Board of Directors in 1997, made a contribution to "Physical Contribution to Education Project (EFİKAP)" amounting to TL 32,000. Within the framework of the General Assembly and Board of Directors resolutions, it is collected under time deposits held by public banks and managed by İMKB, that allocated for the construction of primary schools. It was previously accounted under İMKB's assets and liabilities until 1999 and after this date, it is followed in the off-balance sheet accounts. As at 31 December 2022, principal amount of EFİKAP is TL 58,174 (31 December 2021: TL 55,735).

There are the investment securities held in custody amounting to TL 5,845,604,285 within the framework of area of the activity (31 December 2021: TL 4,950,616,257).

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 21- PROVISIONS AND PAYABLES FOR EMPLOYEE BENEFITS

Short term employee benefits

As at 31 December 2022 and 31 December 2021, the details of liabilities for employee benefits are as follows:

	31 December 2022	31 December 2021
Social security premium	30,171	13,619
Payables to personnel	1,494	7,899
Total	31,665	21,518

As at 31 December 2022 and 31 December 2021, the details of short term provisions for employee benefits are as follows:

	31 December 2022	31 December 2021
Unused vacation liability	55,656	25,653
Personnel bonus provision	176,551	-
Total	232,207	25,653

Unused vacation liability

In accordance with the Labor Law in Türkiye, the Group provides provision for the unused portion of annual paid vacations of the employees with service terms over one year, including the trial period, calculated for the non-current periods. For the year ended 31 December 2022 and 2021, the movements of unused vacation liability is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Opening balance	25,653	17,318
Payment during the period	(1,560)	(1,538)
Increase during the period	31,563	9,873
Ending balance	55,656	25,653

Personnel bonus provision

For the year ended 31 December 2022 and 2021, the movements of personnel bonus provisions is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Opening balance	-	-
Payment during the period	(2,980)	(42,747)
Increase during the period	179,531	42,747
Ending balance	176,551	-

GRI 2-21, 201-3

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 21- PROVISIONS AND PAYABLES FOR EMPLOYEE BENEFITS (Continued)

Long term employee benefits

As at 31 December 2022 and 31 December 2021, the details of long term employee benefits provisions are as follows:

	31 December 2022	31 December 2021
Provision for employee termination benefits	102,767	46,923
Total	102,767	46,923

Provision for employee termination benefits

Under Turkish Labor Law, the Company is required to pay termination benefits to each employee who has completed one year of service and whose employment is terminated without due cause, is called up for military service, dies or who retires after completing 25 years of service (20 years for women) and achieves the retirement age (58 for women and 60 for men). After the change in regulation, on 23 May 2002, several articles related the transition process before retirement have been removed.

As at 31 December 2022, the amount payable consists of one month's salary limited to a maximum of full TL 15,371.4 for each year of service (31 December 2021: full TL 8,284.51).

Benefit obligation is not legally subject to any funding and there are no funding requirements. Provision for employment termination benefits has been calculated by estimating the present value of the future probable obligation of the Company arising from the retirement of the employees.

TAS 19 requires actuarial valuation methods to be developed to estimate the Group's obligation. Accordingly, the following actuarial assumptions are used in the calculation of the total liability:

	31 December 2022	31 December 2021
Discount rate	3.11%	4.02%
Estimated employee turnover rate	97.19%	97.37%

For the year ended 31 December 2022 and 2021, the movements of provision for employee termination benefits are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Opening balance	46,923	38,485
Interest cost	8,851	5,150
Service cost	9,491	4,274
Payment during the period	(2,907)	(2,600)
Actuarial gains/losses	40,409	1,614
Ending balance	102,767	46,923

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 22- OTHER LIABILITIES

Other current liabilities

As at 31 December 2022 and 31 December 2021, the details of other current liabilities are as follows:

	31 December 2022	31 December 2021
Deposits and guarantees received	67,537,466	35,218,615
Expense accrual for CMB share	300,080	165,795
Taxes and duties payable	173,889	105,817
Expected credit loss	63,619	33,161
Other	19,569	9,244
Total	68,094,623	35,532,632

Other non-current liabilities

As at 31 December 2022 and 31 December 2021, the details of other non-current liabilities are as follows:

	31 December 2022	31 December 2021
Deposits and guarantees received	15,806	12,807
Total	15,806	12,807

NOTE 23- SHAREHOLDER'S EQUITY

Share capital

As stated in Article 138 of Capital Markets Law No. 6362, the Articles of Association of Borsa İstanbul Anonim Şirketi have been issued by the Capital Markets Board and registered arbitrarily at the trade registry on 3 April 2013 following the approval of the relevant Minister, and these articles include: the Company's main field of operation, purpose, capital amount, shares, principles on transferring its shares; limitations on liquidation, transfer, merger, termination, public offering, privileges to be granted to shares without being subject to the fourth paragraph of Article 478th of Law No. 6102; organs and committees as well as formation, roles, authorizations and responsibilities, working procedures and principles of those; and principles regarding accounts, distribution of profits and organization. As stated in the Company's Articles of Association, the Company's initial capital is TL 423,234,000, consisting of 42,323,400,000 bearer shares each of which is equals to TL 0.01. As at 31 December 2022 and 31 December 2021, the Company's shareholding structure as follows:

	31 December 2022		31 December 2021	
	Amount (TL)	Share (%)	Amount (TL)	Share (%)
Türkiye Wealth Fund	341,127	80.60	341,127	80.60
Qh Oil Investments	42,323	10.00	42,323	10.00
Borsa İstanbul A.Ş.	9,809	2.32	9,809	2.32
Turkish Capital Markets Association	5,502	1.30	5,502	1.30
Other	24,473	5.78	24,473	5.78
Total	423,234	100.00	423,234	100.00

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 23- SHAREHOLDER'S EQUITY (Continued)

Restricted reserves

The legal reserves consist of first and second reserves, appropriated in accordance with the Turkish Commercial Code ("TCC"). The TCC stipulates that the first legal reserve is appropriated out of statutory profits at the rate of 5% per annum, until the total reserve balance reaches 20% of the Company's share capital. The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the share capital. Under the TCC, the legal reserves can only be used to offset losses and are not available for any other usage unless they exceed 50% of share capital.

Retained earnings

As at 31 December 2022, retained earnings is amounting to TL 3,131,896 (31 December 2021: TL 2,145,269). It was decided in the Borsa İstanbul A.Ş.'s General Assembly dated 24 March 2022 dividend distribution of TL 1.62 gross dividend per share for TL 1 nominal value to shareholders who are eligible to receive dividend.

Revaluation reserve

The revaluation reserve relates to the revaluation of property and equipment immediately before its reclassification as investment property.

Losses on remeasurements of defined benefit plans

Provision for employment termination benefits is calculated by estimating the present value of the future probable obligation arising from the retirement of the employees of the Group. In 2012, the Group decided to early adopt the amendments to TAS 19 which is applicable as at 1 January 2014 and recognized all actuarial gains and losses in other comprehensive income. As at 31 December 2022, actuarial loss recognized under shareholder's equity in the statement of financial position amounting to TL 36,893 (31 December 2021: TL 10,614).

Currency translation differences

Foreign currency translation differences consist of foreign currency exchange differences arising from the translation of the financial statements of the Group's foreign operations into the presentation currency. For the investments accounted for under the equity method and other subsidiaries subject to consolidation, equities are translated based on closing rates, income and expense items are translated based on average rates. Exchange differences amounting to TL 9,392 are recognized in the "Currency translation differences" under the shareholder's equity (31 December 2021: TL 6,430).

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 24- REVENUE AND COST OF SALES

For the year ended 31 December 2022 and 2021, the details of gross profit are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Service revenue	6,374,444	3,357,754
Less: Sales discounts	(2,674)	(2,594)
Revenue	6,371,770	3,355,160
Cost of sales	(186,946)	(61,191)
Gross profit	6,184,824	3,293,969

For the year ended 31 December 2022 and 2021, the details of service revenue are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Takasbank interest income	1,686,940	821,002
Trading revenues	2,005,452	1,057,530
<i>Debt securities</i>	218,622	238,042
<i>Equity market</i>	893,172	400,335
<i>Derivatives</i>	535,063	302,315
<i>Takasbank money market</i>	188,821	51,688
<i>Precious metals and diamond market</i>	141,980	47,850
<i>Takasbank security lending market</i>	8,415	6,272
<i>Turkey electronic fund purchase and sale platform</i>	19,379	11,028
Custody and custody related operating income	1,056,034	598,048
Listing income	196,405	114,553
Settlement and clearing income	470,622	224,662
Data vending income	388,331	262,467
Security registration income	44,458	47,835
Technology income	141,788	69,245
Additional terminal fee	62,534	38,096
Money transfer service income	46,024	25,044
Membership fee	28,075	18,050
Account management fee	61,984	34,819
License income	33,957	13,552
Technology implementation and consultancy income	79,102	-
Derivative transaction income from treasury operations	-	2,739
Gain/loss on valuation of securities	10,191	-
Other service income	62,547	30,112
Total	6,374,444	3,357,754

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 24- REVENUE AND COST OF SALES (Continued)

For the year ended 31 December 2022 and 2021, the details of cost of sales are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Takasbank interest expense	121,465	30,650
Fees and commissions	65,481	30,541
Total	186,946	61,191

NOTE 25- GENERAL ADMINISTRATIVE EXPENSES

For the year ended 31 December 2022 and 2021, the details of general administrative expenses are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Personnel fees and expenses	1,023,231	491,856
Depreciation and amortization expenses	100,845	68,092
Maintenance and repairment expenses	69,646	37,152
Taxes and other legal expenses	94,627	27,616
Revenue sharing expenses	27,726	17,791
Electricity, water and natural gas expenses	42,185	10,022
Communication expenses	17,239	11,836
Subcontractor expenses	14,055	8,297
Insurance expenses	8,489	5,571
Advertising expenses ^(*)	452,966	26,829
Travel expenses	8,464	1,110
Consultancy expenses	11,226	6,239
Rent expenses	4,983	851
Other expenses	38,025	19,388
Total	1,913,707	732,650

(*) It includes the payment of 300 million TL to the Ministry of National Education within the scope of the Physical Contribution to Education Project (EFİKAP)

For the year ended 31 December 2022 and 2021, personnel expenses are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Gross salaries	604,155	336,770
Social benefits	96,744	49,269
Social security contribution	82,411	47,449
Health care expenses	40,876	19,250
Mutual rescission expenses	139	2,385
Other expenses	198,906	36,733
Total	1,023,231	491,856

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 25- GENERAL ADMINISTRATIVE EXPENSES (Continued)

Expenses by nature

	1 January - 31 December 2022	1 January - 31 December 2021
Personnel fees and expenses	1,023,231	491,856
Takasbank interest expense	121,465	30,650
Depreciation and amortization expenses	100,845	68,092
Maintenance and repairment expenses	69,646	37,152
Taxes and other legal expenses	94,627	27,616
Fees and commissions	65,481	30,541
Revenue sharing expenses	27,726	17,791
Electricity, water and natural gas expenses	42,185	10,022
Communication expenses	17,239	11,836
Subcontractor expenses	14,055	8,297
Insurance expenses	8,489	5,571
Advertising expenses	452,966	26,829
Travel expenses	8,464	1,110
Consultancy expenses	11,226	6,239
Rent expenses	4,983	851
Other expenses	38,025	19,388
Total	2,100,653	793,841

Fees for Services Obtained from Independent Auditor/Independent Audit Firm

The Group's explanation regarding the fees for the services rendered by the independent audit firms, which is based on the POA's letter dated 19 August 2021, the preparation principles of which are based on the Board Decision published in the Official Gazette on 30 March 2021, are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Independent audit fee for the reporting period	1,024	713
Fee for other assurance services	403	395
Total	1,427	1,108

The fees above have been determined by including the legal audit and other related service fees of all subsidiaries. As of 31 December 2022, the amount of service received from the group auditor, Güney Bağımsız Denetim ve SMMM A.Ş., is TL 1,377 (31 December 2021: TL 1,098).

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 26- OTHER OPERATING INCOME AND EXPENSES

For the year ended 31 December 2022 and 2021, the details of other operating expenses are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Capital Markets Board provision	300,080	165,795
Provision expenses	226,630	39,230
Other expense	11,430	2,513
Total	538,140	207,538

For the year ended 31 December 2022 and 2021, the details of other operating income are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Provision no longer required	6,183	3,079
Rental income	2,393	4,441
Foreign exchange gain	1,914	4,987
Other income	2,557	6,381
Total	13,047	18,888

NOTE 27- INVESTMENT ACTIVITIES INCOME AND EXPENSES

For the year ended 31 December 2022 and 2021, the details of investment activities incomes are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Increase in fair value of investment properties	122,455	22,445
Dividend income	139	230
Total	122,594	22,675

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 28- FINANCIAL INCOME AND EXPENSES

For the year ended 31 December 2022 and 2021, the details of financial income are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Interest income	552,580	348,746
Total	552,580	348,746

For the year ended 31 December 2022 and 2021, the details of financial expenses are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Rediscount expense	6,902	10,051
Other	416	839
Total	7,318	10,890

NOTE 29- TAX ASSETS AND LIABILITIES

Dividends paid to non-resident corporations, which have a place of business in Türkiye, or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

As per the Article 26 of the Law No. 7394 on the "Law on Evaluation of Immovable Property Owned by the Treasury and Amendment to the Value Added Tax Law" and as per added first sentence to the temporary Article 13 of the Law No. 5520 on the "Corporate Tax Law" published in the Official Gazette No. 31810 dated 15 April 2022, the corporate tax rate will be applied as 25% for the corporate earnings for the taxation period of 2022. The amendment will be valid for declarations to be submitted after 1 July 2022. Therefore, 25% tax rate is used in the calculations of the period tax for the financial statements dated 31 December 2022.

With the "Law Amending the Tax Procedure Law and the Corporate Tax Law", which was accepted on the agenda of the Turkish Grand National Assembly on 20 January 2022, the application of inflation accounting was postponed starting from the balance sheet dated on 31 December 2023.

Corporations are required to pay advance corporation tax quarterly over the rate determined by law. Advance tax is to be declared by the 14th day of the second month following each calendar quarter end and is payable by the 17th of the second month following each calendar quarter end. Advance tax paid by corporations is credited against the annual corporation tax liability. The balance of the advance tax paid may be refunded or used to set off against other liabilities to the government.

In Türkiye, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the financial year to which they relate.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 29- TAX ASSETS AND LIABILITIES (Continued)

Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

Under the Turkish taxation system, tax losses can be carried forward to be offset against future taxable income for up to five years. Tax losses cannot be carried back in order to net-off accumulated gains.

As at 31 December 2022 and 31 December 2021, the details of current tax assets and liabilities are as follows:

	31 December 2022	31 December 2021
Provision for corporate tax	1,097,048	724,806
Prepaid tax	(767,441)	(508,239)
Current income tax liabilities	329,607	216,567

For the year ended 31 December 2022 and 2021, the details of tax expenses in profit or loss are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Income tax expense	1,097,048	724,806
Deferred tax expense/(income)	(841,844)	(44,579)
Total tax expense	255,204	680,227

For the year ended 31 December 2022 and 2021, reconciliation is as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Profit before tax	4,493,922	2,776,280
Income tax charge at effective tax rate	1,123,481	694,070
Income from tax exemptions	(127,350)	(20,422)
Non-deductible expenses	110,564	1,873
Effect of changes in tax rate	-	4,783
Effect of revaluation of tangible assets according to Tax Procedure Law ^(*)	(798,331)	-
Other	(53,160)	(77)
Tax expense	255,204	680,227

^(*) It consists of the paragraphs in Provisional Article 32 and Repeated Article 298/ç of the Tax Procedure Law and the amount calculated over the revaluation increases made within the scope of "Procedures and Principles Regarding the Revaluation of Immovables and Other Depreciable Economic Assets".

For the year ended 31 December 2022, effective tax rate is as 6% (31 December 2021: 25%).

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 29- TAX ASSETS AND LIABILITIES (Continued)

Deferred tax assets and liabilities

The Group and its subsidiaries calculate deferred tax assets and liabilities considering the effects of the temporary differences arising from the different valuations between the TFRS and the tax financial statements of the balance sheet items.

Deferred tax liabilities are recognized for all taxable temporary differences, whereas deferred tax assets resulting from deductible temporary differences are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference can be utilized.

Calculated deferred tax assets and deferred tax liabilities are shown net in the financial statements of different companies subject to consolidation. However, consolidated net deferred tax assets and liabilities in the consolidated without offsetting assets and liabilities are shown separately in the financial statements arising from different companies that are subject to consolidation in the financial statements.

	31 December 2022		31 December 2021	
	Temporary differences	Deferred tax	Temporary differences	Deferred tax
Property and equipment, intangible assets and investment properties	2,945,032	736,258	250,415	50,083
Expense accrual for CMB share	300,080	75,020	165,795	38,133
Provision for TFRS 9	166,759	41,690	95,172	19,034
Provision for employee termination benefits	102,767	25,692	46,923	9,385
Lawsuit provision	22,825	5,706	26,193	5,239
Personnel bonus provision	176,551	44,138	-	-
Provision for unused vacation liabilities	55,656	13,914	25,653	5,900
Other	137,788	34,447	(11,424)	(2,855)
Toplam		976,865		124,919

As at 31 December 2022, deferred tax asset amounting to TL 976,865 (31 December 2021: TL 124,919) is reflected to the Group's financial statements and there is no deferred tax liability (31 December 2021: None).

For the year ended 31 December 2022 and 2021, the movements of net deferred tax assets/(liabilities) are as follows:

	1 January - 31 December 2022	1 January - 31 December 2021
Beginning balance	124,919	80,017
Deferred tax income/(expense)	841,844	44,579
Other comprehensive income tax that will never be reclassified to profit or loss	10,102	323
Ending balance	976,865	124,919

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 30- RELATED PARTY DISCLOSURES

Key management personnel compensation

For the year ended 31 December 2022, salaries and similar benefits provided to members of key management are amounting to TL 24,071 (31 December 2021: TL 16,020).

Trade receivables from related parties

	31 December 2022	31 December 2021
Halk Yatırım Menkul Değerler A.Ş.	8,584	4,170
T.C. Ziraat Bankası A.Ş.	3,579	3,293
Türkiye Halk Bankası A.Ş.	10,020	8,273
Ziraat Yatırım Menkul Değerler A.Ş.	86,869	3,939
Other	5,233	1,876
Total	114,285	21,551

Trade payables to related parties

	31 December 2022	31 December 2021
Halk Yatırım Menkul Değerler A.Ş.	9,920	12,143
Türkiye Halk Bankası A.Ş.	17,986	11,650
Türkiye Hayat ve Emeklilik A.Ş.	13	1,856
Ziraat Yatırım Menkul Değerler A.Ş.	37,175	13,864
Other	8,896	3,250
Total	73,990	42,763

Other current liabilities to related parties

	31 December 2022	31 December 2021
Botaş A.Ş.	1,075,778	138,863
Halk Faktoring A.Ş.	75,975	46,378
Halk Yatırım Menkul Değerler A.Ş.	373,355	226,060
Türkiye Halk Bankası A.Ş.	25,597	12,195
Türkiye Hayat ve Emeklilik A.Ş.	6,321	5,450
Ziraat Yatırım Menkul Değerler A.Ş.	907,736	331,113
Other	190,847	63,323
Total	2,655,609	823,382

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 30- RELATED PARTY DISCLOSURES (Continued)

Related party transactions

1 January - 31 December 2022	Sales	Purchases	Financial income
Halk Yatırım Menkul Değerler A.Ş.	59,729	-	-
Superonline İletişim Hizmetleri AŞ	5	3,366	-
T.C. Ziraat Bankası A.Ş.	41,942	804	42,595
Turkcell Enerji Çözümleri ve Elektrik Satış Ticaret A.Ş	134	1,834	-
Türkiye Halk Bankası A.Ş.	662,546	-	229,912
Ziraat Yatırım Menkul Değerler A.Ş	78,716	-	-
Other	82,865	11,946	30,196
Total	925,937	17,950	302,703

Related party transactions

1 January - 31 December 2021	Sales	Purchases	Financial income
Halk Yatırım Menkul Değerler A.Ş.	32,436	-	11,564
Superonline İletişim Hizmetleri AŞ	3	2,603	-
T.C. Ziraat Bankası A.Ş.	63,972	17	363
Turkcell Enerji Çözümleri ve Elektrik Satış Ticaret A.Ş	86	9,244	-
Türkiye Halk Bankası A.Ş.	511,824	-	172,198
Ziraat Yatırım Menkul Değerler A.Ş	45,266	-	-
Other	32,080	6,561	8,768
Total	685,667	18,425	192,893

NOTE 31- NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS

This note presents information about the Group's exposure to each of the below risks, Group's objectives, policies and processes for measuring and managing risks. The Group has exposure to the following risks from its use of financial instruments:

Credit risk

The Group's credit risk is primarily arising from its trade receivables. The amounts presented in the statement of financial position are net of allowances for doubtful receivables estimated by the Group management based on prior experience and current economic environment.

Market risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates, valuation of marketable securities and other financial agreements.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations as associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group generally generates funds by liquidating its short-term financial instruments such as collecting its receivables.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 31- NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

Liquidity risk (Continued)

The Group manages its liquidity risk by allocating its resources to obtain adequate reserves for recovering its current and potential liabilities, with time deposits, investment funds and government bond investments.

31.1 Credit risk

As at 31 December 2022 and 31 December 2021, credit risk exposure of the Group in terms of financial instruments are as follows:

	Trade receivables	Other receivables	Cash and cash equivalents	Financial investments
31 December 2022				
Exposure to maximum credit risk as at reporting date (A+B+C+D+E+F)	3,260,535	13,940	81,449,949	4,436,416
- Guaranteed part of maximum credit risk with collaterals etc	-	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	3,271,198	13,940	81,541,539	4,436,416
B. Net carrying value of financial assets which are overdue but not impaired	-	-	-	-
C. Net carrying value of impaired assets	-	-	-	-
- Overdue (Gross book value)	523	-	-	-
- Impairment (-)	(523)	-	-	-
- Guaranteed part of net value with collaterals	-	-	-	-
- Undue (gross book value)	-	-	-	-
- Guaranteed part of net value with collaterals	-	-	-	-
D.Expected credit losses	(10,663)	-	(91,590)	-
31 December 2021				
Exposure to maximum credit risk as at reporting date (A+B+C+D+E+F)	886,022	415	40,749,698	5,338,335
- Guaranteed part of maximum credit risk with collaterals etc	-	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	896,313	415	40,800,698	5,338,335
B. Net carrying value of financial assets which are overdue but not impaired	-	-	-	-
C. Net carrying value of impaired assets	-	-	-	-
- Overdue (Gross book value)	642	-	-	-
- Impairment (-)	(642)	-	-	-
- Guaranteed part of net value with collaterals	-	-	-	-
- Undue (gross book value)	-	-	-	-
- Guaranteed part of net value with collaterals	-	-	-	-
D.Expected credit losses	(10,291)	-	(51,000)	-

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 31- NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

31.2 Liquidity risk

Liquidity risk is the Group's default in meeting its net funding liabilities. Events causing a decrease in funding resources such as; market deteriorations or decrease in credit ratings are major reasons of liquidity risk. The Group manages its liquidity risk by allocating its resources to obtain adequate reserves for recovering its current and potential liabilities by holding appropriate level of cash and cash equivalents. As at 31 December 2022 and 31 December 2021, the table below represents the gross amount of un-discounted cash flows related to financial liabilities based on the remaining maturities:

31 December 2022	Carrying value	Contractual cash flows	Up to 3 months	3-12 months	1-5 years
Current liabilities					
Short term borrowings	7,028,263	7,028,263	7,028,263	-	-
Lease liabilities	7,390	8,545	2,097	6,448	-
Trade and other payables	3,721,895	3,728,797	3,728,797	-	-
Other current liabilities	70,750,232	70,750,232	70,750,232	-	-
Non-current liabilities					
Lease liabilities	5,164	10,153	-	-	10,153
Other non-current liabilities	15,806	15,806	-	-	15,806
Total	81,528,750	81,541,796	81,509,389	6,448	25,959
31 December 2021	Carrying value	Contractual cash flows	Up to 3 months	3-12 months	1-5 years
Current liabilities					
Short term borrowings	3,635,463	3,635,463	3,635,463	-	-
Lease liabilities	2,377	3,426	809	2,617	-
Trade and other payables	2,167,230	2,167,230	2,167,230	-	-
Other current liabilities	36,356,014	36,356,014	36,356,014	-	-
Non-current liabilities					
Lease liabilities	3,129	6,020	-	-	6,020
Other non-current liabilities	12,807	12,807	-	-	12,807
Total	42,177,020	42,180,960	42,159,516	2,617	18,827

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 31- NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

31.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The Group manage market risk by balancing the assets and liabilities exposed to the interest rate change risk.

Foreign currency risk

The Group is exposed to foreign currency risk due to the changes in foreign exchange rates while having assets, liabilities or off statement of financial position items denominated in foreign currencies.

As at 31 December 2022 and 31 December 2021, the foreign exchange rates used by the Group for translation of the transactions in foreign currencies are as follows:

	31 December 2022		31 December 2021	
	Asset	Liability	Asset	Liability
USD	18.7029	18.7366	13.3290	13.3530
EUR	19.9806	20.0166	15.0867	15.1139

While converting the foreign currency transactions of Takasbank, one of the subsidiaries of the Group, the foreign exchange buying rates of the Central Bank of the Republic of Türkiye on 30 December 2022 were used as a base (18.6983 for the USD and 19.9349 for the EUR).

As at 31 December 2022 and 31 December 2021, the table below summarizes the foreign currency position risk of the Group carrying value of assets and liabilities held by the Group in foreign currencies (in TL equivalent) are as follows:

	31 December 2022			31 December 2021		
	TL	USD	EUR	TL	USD	EUR
Cash and cash equivalents	19,032,965	723,967	275,698	6,638,605	287,259	198,238
Trade receivables	15,986	853	1	7,365	552	-
Financial investments	2,521,911	28,178	100,078	4,433,341	236,230	92,745
Other current assets	10,824	386	181	3,078	56	160
Total assets	21,581,686	753,384	375,958	11,082,389	524,097	291,143
Short term borrowings	6,821,660	186,551	167,218	3,395,552	170,800	80,300
Other current liabilities	12,279,923	444,601	198,978	6,036,978	237,822	200,953
Trade payables	2,377,918	118,910	7,746	1,626,485	113,823	9,734
Total liabilities	21,479,501	750,062	373,942	11,059,015	522,445	290,987
Net exposure	102,185	3,322	2,016	23,374	1,652	156

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 31- NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

Exposure to foreign currency risk

For the year ended 31 December 2022 and 2021, an appreciation/(depreciation) of the TL by 10% against the other currencies below would have increased/(decreased) the equity and profit/loss (excluding the tax effect):

Foreign exchange sensitivity analysis table

	Profit/(Loss)		Shareholder's equity	
	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
31 December 2022				
Increase/(decrease) 10% of USD				
1- USD net asset/liability	6,213	(6,213)	6,213	(6,213)
2- Hedged portion of USD amounts (-)	-	-	-	-
3- Net effect of USD (1+2)	6,213	(6,213)	6,213	(6,213)
Increase/(decrease) 10% of EURO				
4- EURO net asset/liability	4,028	(4,028)	4,028	(4,028)
5- Hedged portion of EURO amounts (-)	-	-	-	-
6- Net effect of EURO (4+5)	4,028	(4,028)	4,028	(4,028)
TOTAL (3+6)	10,241	(10,241)	10,241	(10,241)
31 December 2021				
Increase/(decrease) 10% of USD				
1- USD net asset/liability	2,202	(2,202)	2,202	(2,202)
2- Hedged portion of USD amounts (-)	-	-	-	-
3- Net effect of USD (1+2)	2,202	(2,202)	2,202	(2,202)
Increase/(decrease) 10% of EURO				
4- EURO net asset/liability	235	(235)	235	(235)
5- Hedged portion of EURO amounts (-)	-	-	-	-
6- Net effect of EURO (4+5)	235	(235)	235	(235)
TOTAL (3+6)	2,437	(2,437)	2,437	(2,437)

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 31- NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

Interest rate risk

The Group is exposed to interest rate risk due to effects of the changes in market interest rates on the interest rate sensitive assets and liabilities.

As at 31 December 2022 and 31 December 2021, the Group's interest rate sensitive financial instruments' allocation are presented below:

	31 December 2022	31 December 2021
Financial assets		
Bank deposits	81,861,373	40,095,879
Reverse repo receivables	47	36,020
Financial assets measured at amortized cost	3,091,850	5,338,335
Financial liabilities		
Short term borrowings	7,028,263	3,635,463
Lease liabilities	12,554	5,506

NOTE 32- FINANCIAL INSTRUMENTS

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

Fair value of financial assets and liabilities have to be determined for accounting policies and/or presentation of notes.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate fair value.

Financial assets

It is estimated that the fair values and carrying amount of the cash and cash equivalents, trade receivables are close to each other, since they have short term maturities.

Investment funds and securities measured at fair value are valued using the market prices available at the reporting date. The derivative transactions are measured at fair value subsequent to initial recognition.

Financial liabilities

It is estimated that the fair values and carrying amounts of the financial liabilities, trade payables and other liabilities are close to each other due to their short term maturities.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 32- FINANCIAL INSTRUMENTS (Continued)

31 December 2022	Carrying value	Fair value
Financial assets		
Cash and cash equivalents	81,449,970	81,449,970
Trade and other receivables	3,274,475	3,274,475
Financial assets measured at amortized cost	3,091,850	4,436,416
Financial liabilities		
Borrowings	7,028,263	7,028,263
Lease liabilities	12,554	12,554
Trade and other payables	3,721,895	3,721,895
31 December 2021	Carrying value	Fair value
Financial assets		
Cash and cash equivalents	40,749,759	40,749,759
Trade and other receivables	886,437	886,437
Financial assets measured at amortized cost	5,338,335	5,307,311
Financial liabilities		
Borrowings	3,635,463	3,635,463
Lease liabilities	5,506	5,506
Trade and other payables	2,167,230	2,167,230

As at 31 December 2022 and 31 December 2021, the fair value classification of the financial assets at amortized cost of the Group is Level 2.

Classification relevant to fair value information

The table below analyses financial instruments carried at fair value, by the levels in the fair value hierarchy, the different levels have been defined as follows:

Level 1: Registered (unadjusted) prices of identical assets or liabilities in active markets;

Level 2: Data which can be observed by directly (through prices) or indirectly (derived from prices) and which excludes the registered prices described in Level 1;

Level 3: Data that is not based on observable market data related to assets and liabilities (non-observable data).

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2022

(Amounts expressed in thousand Turkish Liras ("TL") unless otherwise indicated.)

(Convenience translation of a report and consolidated financial statements originally issued in Turkish)

NOTE 32- FINANCIAL INSTRUMENTS (Continued)

Classification relevant to fair value information (Continued)

The classification of fair value measurements of financial assets and liabilities measured at fair value is as follows:

31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Investment funds	212,346	-	-	212,346
Financial assets at fair value through other comprehensive income	-	-	7,583	7,583
Total	212,346	-	7,583	219,929
31 December 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Investment funds	2,217	-	-	2,217
Financial assets at fair value through other comprehensive income	-	-	7,583	7,583
Total	2,217	-	7,583	9,800

Explanations of non-financial assets and liabilities at fair value

As at 31 December 2022 and 31 December 2021, real estates classified as investment property in the financial statements are carried at fair value. Level 2 inputs are used to determine fair value of investment properties. The fair value of the investment properties amounting to TL 206,630 is determined using the market value approach as stated in the valuation reports (31 December 2021: TL 84,175). Related valuation methods and accounting policies are explained in Note 2.10.

NOTE 33- SUBSEQUENT EVENTS

Due to the the earthquakes centered in Kahramanmaraş, that affect many of cities, a state of emergency has been declared including 10 cities in the region. In this context, due to increase in the volatility and extraordinary price movements after the earthquake disaster; in order to ensure the reliable, transparent, efficient, stable, fair and competitive functioning of the markets, Equity Market and Equity&Index Derivatives in Derivatives Market have been closed on 8 February 2023 for 5 business days.

GRI CONTENT INDEX

CONTENT INDEX
ESSENTIALS SERVICE

2023

Within the Content Index - Essentials Service, the GRI Services team reviewed that the GRI Content Index was presented in a clear and consistent manner in line with the standards and references to disclosures 2-1 to 2-5, 3-1 and 3-2 were consistent with the relevant sections of the report. The service was performed on the Turkish version of the Report.

STATEMENT OF USE Borsa İstanbul A.Ş. has reported the information cited in this GRI content index for the period 01.01.2022-31.12.2022 in accordance with the GRI Standards.

GRI 1 USED GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GENERAL DISCLOSURES		
	2-1 Organizational details	Borsa İstanbul A.Ş. Borsa İstanbul Group, Inner cover Organizational Structure, Page: 70-71 https://borsaistanbul.com/en/sayfa/2096/about-us https://borsaistanbul.com/en/sayfa/3753/legal-framework
	2-2 Entities included in the organization's sustainability reporting	About the Report, Page: 2
	2-3 Reporting period, frequency and contact point	01.01.2022-31.12.2022 Annual
	2-4 Restatements of information	Material Issues, Page: 36
	2-5 External assurance	The financial information included in the Borsa İstanbul 2022 Integrated Annual Report is audited by Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (E&Y). "Opinion of the Independent Auditor's Report on the Annual Report of the Board of Directors" is available on pages 92-94 of the Report.
GRI 2: GENERAL DISCLOSURES 2021	2-6 Activities, value chain and other business relationships	Borsa İstanbul Group, Inner cover https://borsaistanbul.com/en/sayfa/2096/about-us https://borsaistanbul.com/en/sayfa/2426/markets
	2-7 Employees	2-7 Employees Stakeholders, Page: 65-68 Social Performance Indicators, Page: 88-90
	2-8 Workers who are not employees	Stakeholders, Page: 65-68
	2-9 Governance structure and composition	Organizational Structure, Page: 70-71 Board of Directors, Page: 72-76 Senior Management, Page: 79 Board of Directors Committees, Page: 77-78 Compliance with Sustainability Principles and Sustainability Performance/Corporate Governance Principles, Page: 85 https://borsaistanbul.com/en/sayfa/2393/corporate-governance
	2-10 Nomination and selection of the highest governance body	Corporate Governance, Page: 69 Board of Directors, Page: 72
	2-11 Chair of the highest governance body	Board of Directors, Page: 72-76

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: GENERAL DISCLOSURES 2021	2-12 Role of the highest governance body in overseeing the management of impacts	Responsibility of the Board of Directors Regarding the Integrated Annual Report, Page: 3 Chairperson's Assessment, Page: 4-5 CEO's Assessment, Page: 6-9 Risk Management, Page: 48-55 Corporate Governance, Page: 69 Organizational Structure, Page: 71 https://borsaistanbul.com/en/sayfa/2393/corporate-governance https://borsaistanbul.com/files/bias-internal-directive-on-the-working-principles-and-procedures-of-gen-ass.pdf
	2-13 Delegation of responsibility for managing impacts	Compliance with Sustainability Principles and Sustainability Performance, Page: 82-85
	2-14 Role of the highest governance body in sustainability reporting	Responsibility of the Board of Directors Regarding the Integrated Annual Report, Page: 3 Strategy/Sustainability, Page: 34 Risk Management, Page: 48-55
	2-15 Conflicts of interest	Board of Directors Committees, Page: 77 https://borsaistanbul.com/en/sayfa/2393/corporate-governance https://borsaistanbul.com/en/sayfa/4885/ethical-principles https://www.borsaistanbul.com/en/sayfa/4025/directive
	2-16 Communication of critical concerns	Corporate Governance, Page: 69
	2-17 Collective knowledge of the highest governance body	Board of Directors, Page: 72-76
	2-18 Evaluation of the performance of the highest governance body	Corporate Governance, Page: 69 Board of Directors, Page: 72-76
	2-19 Remuneration policies	https://borsaistanbul.com/en/sayfa/4920/remuneration-policy
	2-20 Process to determine remuneration	Stakeholders/Remuneration, Page: 66 Board of Directors Committees, Page: 77
	2-21 Annual total compensation ratio	Consolidated Financial Statements, Page: 114, 124, 139
	2-22 Statement on sustainable development strategy	Responsibility of the Board of Directors Regarding the Integrated Annual Report, Page: 3 Chairperson's Assessment, Page: 4-5 CEO's Assessment, Page: 6-9 Strategy, Page: 30-35 Compliance with Sustainability Principles and Sustainability Performance, Page: 82-85
	2-23 Policy commitments	Risk Management, Page: 48-55 https://borsaistanbul.com/en/sayfa/4885/ethical-principles
	2-24 Embedding policy commitments	Risk Management, Page: 48-55 https://borsaistanbul.com/en/sayfa/6882/policies

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: GENERAL DISCLOSURES 2021	2-25 Processes to remediate negative impacts	2022 Performance, Page: 21 Stakeholders, Page: 61 Compliance with Sustainability Principles and Sustainability Performance, Page: 83, 85 https://www.borsaistanbul.com/en/sayfa/4025/directive
	2-26 Mechanisms for seeking advice and raising concerns	2022 Performance, Page: 21 Stakeholders, Page: 61 Compliance with Sustainability Principles and Sustainability Performance, Page: 83, 85 https://www.borsaistanbul.com/en/sayfa/4025/directive
	2-27 Compliance with laws and regulations	Compliance with Sustainability Principles and Sustainability Performance, Page: 82-85 https://borsaistanbul.com/en/sayfa/2393/corporate-governance https://borsaistanbul.com/en/sayfa/4885/ethical-principles https://www.borsaistanbul.com/en/sayfa/4025/directive
	2-28 Membership associations	https://borsaistanbul.com/en/sayfa/2209/international-memberships
	2-29 Approach to stakeholder engagement	Material Topics, Page: 36-41 Stakeholders, Page: 58-68 Compliance with Sustainability Principles and Sustainability Performance, Page: 82-83
	2-30 Collective bargaining agreements	Stakeholders, Page: 66
MATERIAL TOPICS		
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	Material Topics, Page: 36-41
	3-2 List of material topics	Material Topics, Page: 36
DEVELOPING AND DEEPENING MARKETS/TECHNOLOGY AND INNOVATION		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	The Financial and Operational Performance, Page: 12-14 Value Generation, Page: 42-43 Business Model, Page: 45 Economic Performance Indicators, Page: 86
	201-1 Direct economic value generated and distributed	The Financial and Operational Performance, Page: 12-14 Value Generation, Page: 42-43 Business Model, Page: 45 Economic Performance Indicators, Page: 86
GRI 201: ECONOMIC PERFORMANCE 2016	201-3 Defined benefit plan obligations and other retirement plans	Consolidated Financial Statements, Page: 114, 124, 139
	201-4 Financial assistance received from government	Consolidated Financial Statements, Page: 134

GRI STANDARD	DISCLOSURE	LOCATION
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1 Infrastructure investments and services supported	2022 Performance, Page: 16-25 Value Generation, Page: 42-43 Business Model, Page: 45
	203-2 Significant indirect economic impacts	Material Issues, Page: 36-41 Value Generation, Page: 42-43 Business Model, Page: 45
GRI 207: TAX 2019	207-1 Approach to tax	Value Generation, Page: 42-43 Business Model, Page: 45 Consolidated Financial Statements, Page: 125, 146-148
	207-4 Country-by-country reporting	Consolidated Financial Statements, Page: 125, 146-148
BUSINESS CONTINUITY AND RISK MANAGEMENT		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Chairperson's Assessment, Page: 4-5 CEO's Assessment, Page: 6-9 Strategy, Page: 30-35 Material Issues, Page: 36-41 Risk Management, Page: 48-55
	205-1 Operations assessed for risks related to corruption	Risk Management, Page: 48-55 https://borsaistanbul.com/en/sayfa/4885/ethical-principles https://www.borsaistanbul.com/en/sayfa/4025/directive
GRI 205: ANTI-CORRUPTION 2016	205-2 Communication and training about anti-corruption policies and procedures	https://borsaistanbul.com/en/sayfa/4885/ethical-principles
	205-3 Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption during the reporting period.
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	https://borsaistanbul.com/en/sayfa/2393/corporate-governance
SUSTAINABILITY		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Chairperson's Assessment, Page: 4-5 CEO's Assessment, Page: 6-9 Strategy, Page: 30-35 Material Issues, Page: 36-41 Compliance with Sustainability Principles and Sustainability Performance, Page: 82-83 https://borsaistanbul.com/en/sayfa/2412/sustainability https://borsaistanbul.com/en/sayfa/2251/environmental-management
	GRI 302: ENERGY 2016	302-1 Energy consumption within the organization

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	Environmental Performance Indicators, Page: 87
	305-2 Energy indirect (Scope 2) GHG emissions	Environmental Performance Indicators, Page: 87
	305-3 Other indirect (Scope 3) GHG emissions	Environmental Performance Indicators, Page: 87
GRI 306: WASTE 2020	306-3 Waste generated	Business Model, Page: 45
	306-5 Waste directed to disposal	Business Model, Page: 45
STAKEHOLDER COMMUNICATION AND CORPORATE GOVERNANCE		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Chairperson's Assessment, Page: 4-5
		CEO's Assessment, Page: 6-9
GRI 418: CUSTOMER PRIVACY 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Strategy, Page: 30-35
		Material Issues, Page: 36-41
Compliance with Sustainability Principles and Sustainability Performance, Page: 82-83		
There are no substantiated complaints concerning breaches of customer privacy and losses of customer data during reporting period.		
EMPLOYEE DEVELOPMENT AND TALENT MANAGEMENT		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Chairperson's Assessment, Page: 4-5
		CEO's Assessment, Page: 6-9
Strategy, Page: 30-35		
Material Issues, Page: 36-41		
Compliance with Sustainability Principles and Sustainability Performance, Page: 82-85		
https://www.borsaistanbul.com/en/sayfa/2357/training-at-borsa-istanbul		
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	Social Performance Indicators, Page: 88-90
	401-3 Parental leave	Social Performance Indicators, Page: 126-129
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	Stakeholders/Employees, Page: 65-68
	403-5 Worker training on occupational health and safety	Social Performance Indicators, Page: 88-90
	403-9 Work-related injuries	Social Performance Indicators, Page: 88-90
	403-10 Work-related ill health	Social Performance Indicators, Page: 88-90

GRI STANDARD	DISCLOSURE	LOCATION
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	Stakeholders/Employees, Page: 65-68 Social Performance Indicators, Page: 126-129
	404-2 Programs for upgrading employee skills and transition assistance programs	Stakeholders/Employees, Page: 65-68 Social Performance Indicators, Page: 126-129
	404-3 Percentage of employees receiving regular performance and career development reviews	Stakeholders/Employees, Page: 65-68 Social Performance Indicators, Page: 126-129
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees	Stakeholders/Employees, Page: 65-68 Social Performance Indicators, Page: 126-129
	405-2 Ratio of basic salary and remuneration of women to men	Stakeholders/Employees, Page: 65-68 Social Performance Indicators, Page: 126-129
GRI 406: NON-DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	Stakeholders/Employees, Page: 65-68
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	There are no operations at Borsa İstanbul in which the right to freedom of association and collective bargaining may be at risk.
GRI 408: CHILD LABOR 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Borsa İstanbul does not employ child labor.
GRI 409: FORCED OR COMPULSORY LABOR 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	No significant risk of forced or compulsory labor was observed in Borsa İstanbul.
INVESTOR PROTECTION AND FINANCIAL LITERACY		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Chairperson's Assessment, Page: 4-5 CEO's Assessment, Page: 6-9 Strategy, Page: 30-35 Material Issues, Page: 36-41 Compliance with Sustainability Principles and Sustainability Performance, Page: 82-85
INTERNATIONAL RELATIONS AND COLLABORATIONS		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Chairperson's Assessment, Page: 4-5 CEO's Assessment, Page: 6-9 Strategy, Page: 30-35 Material Issues, Page: 36-41 Compliance with Sustainability Principles and Sustainability Performance, Page: 82-85

COMPANY AND CONTACT INFORMATION

COMPANY INFORMATION:

Company : Borsa İstanbul A.Ş.
Trade Number : 848233-0
MERSİS Number: 0180044917500010
Tax office : Large Taxpayers
Tax number : 180 044 9175

CONTACT INFORMATION:

Address : Reşitpaşa Mahallesi Borsa İstanbul Caddesi No: 4 34467 Sarıyer, İstanbul/Türkiye
Telephone : +90 212 298 21 00
Fax : +90 212 298 25 00
KEP Address : borsaistanbul@hs03.kep.tr
E-mail : investorrelations@borsaistanbul.com
Contact person : Strategic Planning, Financial Reporting, and Investor Relations Directorate

