



BORSA
İSTANBUL

2021 ANNUAL
INTEGRATED REPORT

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

(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 Anonim Şirketi ("the Company") and its subsidiaries ("the Group") for the period of January 1 – December 31, 2021.

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 opinion in our auditor's report dated February 18, 2022 on the full set consolidated financial statements of the Group for the period of January 1 – December 31, 2021.

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 Fatma Ebru Yücel.

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



Fatma Ebru Yücel, SMMM
Partner

February 23, 2022

İstanbul, Turkey

BORSA İSTANBUL EXCHANGE 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.

Communication Channels:



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



<https://twitter.com/borsaistanbul>



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



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



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



<https://facebook.com/borsaistanbul>

CONTENTS

ABOUT THE REPORT	2
CHAIRPERSON'S ASSESSMENT	4
CEO'S ASSESSMENT	6
 2021 PERFORMANCE	 10
 VALUE GENERATION AND STRATEGY	
OPERATION ENVIRONMENT AND EXTERNAL IMPACTS	26
STRATEGY	29
MATERIAL ISSUES	32
VALUE GENERATION	38
 RISK MANAGEMENT	 44
 STAKEHOLDER RELATIONS AND CORPORATE GOVERNANCE	
STAKEHOLDERS	56
CORPORATE GOVERNANCE	65
ORGANIZATIONAL STRUCTURE	66
BOARD OF DIRECTORS	68
BOARD COMMITTEES	73
SENIOR MANAGEMENT	75
 SUSTAINABILITY	 78
 GRI CONTENT INDEX AND FINANCIAL STATEMENTS	
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT	87
GRI CONTENT INDEX	153

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 fifth 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 2021 Integrated Annual Report reflects Borsa İstanbul's goal of conducting its activities in a responsible manner from a financial, environmental and social perspective. It also provides an inclusive perspective on the Company's performance, progress and strategic initiatives.

The report provides information on the factors affecting Borsa İstanbul, the significant risks and opportunities it faces, its governance and its financial and operational performance for the period between 1 January and 31 December. 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 2021, which were independently audited, and the footnotes detailing the statements are complementary and inseparable parts of this report.

The report was prepared in accordance with the core option of the Global Reporting Initiative (GRI) Standards. The International Integrated Reporting Council's (IIRC) Integrated Reporting (IR) Framework was used when preparing the content.

The business model on pages 40 and 41 of the report describes the integration of capitals with the business structure.

MATERIALITY APPROACH

The report presents information which is considered to have material importance to existing and potential investors, and other all stakeholders seeking to conduct evaluations being 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, our evaluations regarding the responses to be given to emerging risks and opportunities in the context of our strategy, our senior management staff and our corporate governance practices are included 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 and estimates also involve risks and uncertainties as they relate to events and they depend on the conditions that will emerge in the future. There are several factors which could cause lead actual outcomes or developments to differ from such future oriented evaluations.

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



Financial capital



Human capital



Intellectual capital



Manufactured capital



Social and relational capital



Natural capital

RESPONSIBILITY OF THE BOARD OF DIRECTORS REGARDING THE INTEGRATED ANNUAL REPORT

Our Integrated Annual Report for 2021 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 of Borsa İstanbul,

Türkiye's financial structure and growth dynamics offer important opportunities for our capital markets to reach their potential. Effective communication and financial literacy activities aimed at companies are highly important when it comes to directing savings to the capital markets and maintaining momentum in public offerings.

2021 has been a year of continued developments in terms of new products and services with new futures contracts introduced, indices which started to be calculated for participative finance, legislative regulations covering the field of precious metals and the introduction of sustainability-themed financial products. The Capital Markets Board published the Green Debt Securities Guide and the Ministry of Treasury and Finance published the Sustainable Finance Framework Document. Our Stock Exchange also contributed to work in the field of sustainability with its activities such as the renewal of the Sustainability Index and started calculating the Sustainability Participation Index. On the other hand, our work to establish a carbon trading system, which is an important issue for our near future, continues in cooperation with the Ministry of Environment, Urbanization and Climate Change.

In addition to our operations in Türkiye, we are also strengthening our communication with international organizations and foreign stock exchanges. The memorandum of understanding which we signed with the Abu Dhabi Stock Exchange, and Borsa İstanbul's place on the Board of Directors of the World Federation of Exchanges stand out as some of the tangible examples of these initiatives. Developing cooperation with international organizations and maintaining effective communication will remain on our agenda in the coming period as well.

At the end of 2021, there were a total of 454 publicly traded companies with a market value of TL 2.1 trillion, with a total of 2.4 million investors. The year 2021, in which the BIST 100 index reached the level of 2,400 points, was marked by record breaking traded value with indices reaching record levels, which new products and services were introduced. In the year, many positive developments also were seen in terms of operating performance. As a reflection of all these developments, our Stock Exchange maintained its resilient growth and its financial performance improved.



In the coming years, we aim to inject further momentum into our never-ending quest to become a marketplace where our investors can utilize their savings and companies can meet their long-term financing needs.

Dear Stakeholders,

Our Stock Exchange will maintain the same steadfast to its activities which it adopted in 2021. In the coming years, we aim to inject further momentum into our never-ending quest to become a marketplace where our investors can utilize their savings and companies are able to meet their long-term financing needs.

Taking account of the role of capital markets in the economy and the expectations of its stakeholders, our Stock Exchange will continue to work in a manner which is compatible with the country's policies and strategic road map in the coming period. It will maintain its efforts to contribute to the growth of the economy and the development of the capital markets.

Respectfully,

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

CEO'S ASSESSMENT

Dear Stakeholders of the Borsa İstanbul Group,

We leave behind the second year of the Covid-19 pandemic, which spread in 2020 and affected people all around the world. The most important difference between 2020 and 2021 was the rollout of the vaccines, which paved the way for economies to enter a process of recovery. Capital markets were also positively affected by this environment. For us, 2021 was recorded as the year, when the number of investors reached a record level and 52 companies joined us with the IPO. In addition, we continued to provide uninterrupted service to all our stakeholders in 2021, when the pandemic continued.

We broke records

In 2021, we shifted our approach to companies seeking to carry out a public offering and pursued a more active process. In this process, we were not only a Stock Exchange evaluating applications, we also stood by our companies before their IPO and explained the benefits of the capital market and the IPO to them. We will maintain this approach in 2022. We broke a new record in the number of IPOs with the contribution of our new approach with 52 companies offered to the public during the year, raising a total of TL 21.6 billion in proceeds. Thus, publicly offered companies, while accessing the long-term financing they need through the capital market, gained access to the resources necessary for their investments with a more egalitarian model than in other financing methods.

The synergy created by a greater number of companies being offered to public attracted new investors to our capital market. The number of individual investors holding stock certificates doubled in the two years to reach 2.4 million at the end of 2021. As another pillar of development efforts on the supply side, our companies collected TL 258.4 billion in funds with 1,294 private sector Debt Securities issued. Therefore, our Exchange once again successfully maintained its mission of being a meeting place for fund seekers and fund providers.

Traded values increased

The Derivatives Market (Futures and Options Market - (FOM), whose traded value has been increasing continuously in recent years, continued to attract attention in 2021 with a 55% increase in traded value compared to 2020. In addition, the Futures and Options Market broke a new record in terms of daily traded value, at TL 69.4 billion on 12 December 2021.

On the same date, a new daily traded value record was set in the Equity Market (TL 91.2 billion), with the equity market recording a 14% increase in traded value increased compared to 2020.

Financial literacy among our priorities

We are taking informative and protective measures for investors with an awareness with an increase in the number of investors comes more responsibility. In this context, we maintained our efforts to protect investors from malicious individuals by increasing financial literacy and carry out informative activities this year.

As of the end of 2021, we had established a total of six BİSTLAB finance laboratories at universities to support work on financial literacy. In addition, our journal, Borsa İstanbul Review had gained a distinguished place among finance journals, being scanned in top academic indices, especially the Social Science Citation Index (SSCI) and SCOPUS, and ranked in the top quartile among finance journals.

Significant steps taken regarding precious metals

We brought a warehouse into service which complies with global standards, and started to provide storage services to foreign investors. In July, we started to calculate three new gold denominated indices; the BIST Spot Gold Index, the BIST Gold Bond Index and the BIST Gold Denominated Lease Certificate Index. Thus, institutional investors had the opportunity to increase higher sums in gold bonds issued by the Treasury and in gold denominated lease certificates. In September, we opened platinum and palladium futures contracts to enable trading of precious metals other than gold and silver on the FOP. In addition, working jointly with the Ministry of Treasury and Finance, we implemented new regulations in gold procurement in accordance with the Due Diligence Guidance for Responsible Supply Chain of Minerals prepared by the Organization for Economic Co-operation and Development (OECD). We established the legal infrastructure necessary for gold imports to be carried out in accordance with global standards.

We have started to calculate new indices

We put five participation indices into practice consisting of companies operating in accordance with the participation



We completed a year in which 52 new companies were offered to the public, records were broken, we both increased our product range and took an active role in deepening the capital markets with international regulations and collaborations, and many operational and financial successes were recorded.

finance principles in November, in addition to the indices based on gold. Thus, these companies became more accessible for investors who have sensitivities on the subject of interest. In October, we renewed the methodology of the Sustainability Index, which we had started to calculate in 2014, in cooperation with the global data company Refinitiv. With this change, we sought to encourage more companies to comply with sustainability principles. In order to raise the standard of our indices and increase their strength in the international arena, we continue to carry out work to support compliance with the principles set out by the International Organization of Securities Commissions (IOSCO).

We put new derivative contracts into practice

In addition to platinum and palladium-based derivatives, we opened the physically delivered USD/TL futures contracts for trading in October. The aim of this was to support companies holding foreign currency positions in their balance sheets, especially the real sector and foreign trade companies, so they could better manage their foreign currency risks. We aim to include the Government Domestic Debt Securities (GDDS) futures contracts, work on which we completed, into our product portfolio in 2022. These new contracts based on the GDDS will provide an especially valuable contribution to the financial sector and help institutional investors manage their interest rate risk more effectively.

We also took steps in the international arena

We continued to develop joint projects with the stock exchanges of Islamic countries under the Organization of Islamic Cooperation (OIC) Exchanges Forum, for which have undertaken the role of secretariat. The S&P/OIC COMCEC 50 Shariah Index aims to increase cooperation between stock exchanges in OIC member countries and was prepared as a result of work carried out jointly by the OIC Stock Exchanges Forum and S&P. The S&P/OIC COMCEC 50 Shariah Index had started to be calculated in 2012, including 50 stock certificates from 19 member countries. An investment fund based on this index, which includes companies from forum member countries, was launched last year. We aim to bring the fund to even wider audiences this year.

In September, we were elected as a Board Member of the World Federation of Exchanges (WFE). On the other hand, as in

previous years, our experts are actively involved in the WFE's working groups. We conducted cooperation negotiations with foreign exchanges. We signed a memorandum of understanding with the Abu Dhabi Stock Exchange. Our cooperation and communication with international organizations will continue to grow next year.

We attach great importance to state-of-the-art technology in our trading infrastructure

We always keep our trading infrastructure up to date and commissioned new versions of our systems in 2021. With these developments, we also moved the systems located outside BISTECH into the BISTECH environment. Thus, we took an important step in advancing the integrity of the markets and IT systems. In the coming period, we will continue to carry out improvements to the trading platform by taking into account the expectations of our stakeholders and the needs of investors and the markets.

Our successful operational activities yielded superior financial success

In 2021, both our trading-based revenues and data and technology revenues increased on the back of an increase in the number of IPOs and investors as well as growth in traded value in the stock and futures and options markets, paving the way for a year in which our financial performance was strengthened as well as our operational performance. We wrote a net profit stood of TL 2 billion, marking a 45% increase compared to the previous year.

A year full of operational and financial achievements

2021 was a year of numerous operational and financial achievements. I know that the secret of success is found in qualified labor force. In your presence, I would like to thank all of my colleagues who have toiled and sweated in all the steps I have summarized above. In the coming period, we will continue to strengthen our economy and offer high quality products and services to investors and companies.

Respectfully,

Korkmaz ERGUN
Chief Executive Officer
Member of the Board of Directors





2021 PERFORMANCE

Borsa İstanbul leaves behind another successful year, in which it contributed to the development of capital markets with its uninterrupted session continuity and widening product range.

THE FINANCIAL AND OPERATIONAL PERFORMANCE IN 2021

TL 3,355 million

Operating Revenues

35% YoY increase

2020: TL 2,477 million

TL 2,096 million

Net Profit

45% YoY increase

2020: TL 1,445 million

52

Initial Public Offerings

2020: 8

TL 21.6 billion

Initial Public Offering Issuance Volume

2020: TL 1.1 billion

1,294

Private Sector Debt Securities Issuances

2020: 1,254

TL 258.4 billion

Private Sector Debt
Securities Issuance Volume

2020: TL 199.5 billion

2.40 million

Number of Domestic Individual
Investors with a Balance

2020: 1.98 million

TL 2,182 billion

Total Market Capitalization of the Companies
Traded on Equity Market

2020: TL 1,783 billion

30.3%

Market Capitalization/ GDP (%)

2020: 35.3%

40.12%

Equity Market Free Float Rate (%)

2020: 40.2%

100%

Session Continuity

2020: 100%

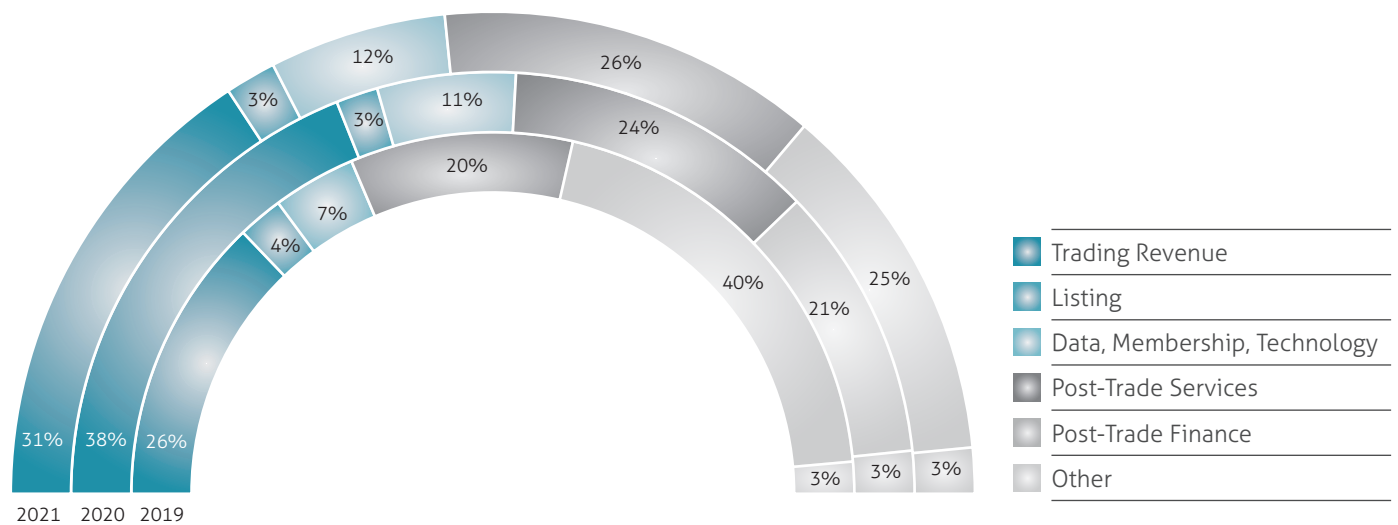
FINANCIAL PERFORMANCE

	2019	2020	2021	Change (YoY)
Revenues	1,991	2,477	3,355	35%
Operating Profit	1,195	1,678	2,373	41%
Profit Before Tax	1,294	1,825	2,776	52%
Net Profit for the Period	1,009	1,445	2,096	45%
Total Assets	18,374	27,907	48,592	74%
Total Liabilities	14,914	23,336	42,518	82%
Total Shareholders' Equity	3,460	4,571	6,074	33%
Operating Profit Margin	60%	68%	71%	
Net Profit Margin	51%	58%	62%	

BREAKDOWN OF REVENUES

	2021 Revenue (TL Million)	Revenue Ratio (%)	Change (%) (YoY)
Trading Revenue	1,058	31%	12%
Listing	115	3%	44%
Data, Membership, Technology	401	12%	53%
Post-Trade Services	858	26%	45%
Post-Trade Finance	824	25%	58%
Other	103	3%	27%
Total	3,358	100%	35%

*Discounts and returns are not included.



THE FINANCIAL AND OPERATIONAL PERFORMANCE IN 2021

TL 7.5 trillion

Total Traded Value
(2020: 6.6)

Traded value reached an all-time record of
TL 91.2 billion on
17 December 2021.

Equity Market

In the world;

- Ranked 1st in terms of turnover velocity
- Ranked 20th in traded value
- Ranked 37th in market capitalization

TL 17.1 trillion

Total Traded Value
(2020: 21.6)

Debt Securities Market

In the world;

- Ranked 2nd in issuance of private sector debt securities
- Ranked 18th in issuance volume of debt securities
- Ranked 16th in traded value

OPERATIONAL PERFORMANCE

TL 4.5 trillion

Total Traded Value
(2020: 2.9)

Traded value reached an all-time record of
TL 69.4 billion on
17 December 2021

Derivative Market (Futures and Options Market)

In the world;

- Ranked 10th in index futures contracts in terms of number of contracts
- Ranked 7th in number of contracts for foreign exchange futures contracts

TL 169 billion

Total Traded Value
(2020: 303)

Precious Metals and Diamond Market

*World rankings are reported according to data provided by the World Federation of Exchanges.

MATERIAL DEVELOPMENTS

February	In the Listing Directive, the market value requirements for stocks offered to the public were increased. The use of the single price method was offered in the Debt Securities Market. USD/Ounce Silver Fixing transactions were brought into service.
March	Regulations on the responsible supply chain of precious metals entered effect.
April	The Algorithmic Trading and BISTECH PTRM/Pre-Trade Risk Management Procedure were updated. BİSTANTREPO was opened. Revisions were made to the Borsa share calculation method in options contracts. 13 new single stock futures contracts were opened for trading.
May	The Equity Market Procedure was updated.
June	The Precious Metals and Diamond Markets Responsible Supply Chain Assurance Audit Directive was amended. The Directive on Internal Control System and Compliance Principles of Precious Metals Brokerage Institutions and Refineries was amended.
July	The BIST Gold Denominated Lease Certificate, BIST Gold Bond and BIST Spot Gold Indices started to be calculated. The Indicative Order Type was brought into practice in the Precious Metals and Diamond Markets. The Electronic Instruction System was brought into practice.
September	The Chief Executive Officer of BIST, Mr. Korkmaz Ergun, was elected to the Board of Directors of the World Federation of Exchanges. Platinum and Palladium futures contracts were opened for trading. The Electronic Order System application was made mandatory for precious metal withdrawal, deposit and transfer instructions.
October	The methodology of the BIST Sustainability Index was changed and the sustainability valuation was made continuous. USD/TL futures and options contracts with physical delivery were opened for trading. Borsa İstanbul became a founding member of the Sustainable Stock Exchanges Initiative Derivative Network.
November	The Directive on Granting the Authorization to Trade on Borsa İstanbul A.Ş. entered force. The BIST Market Value Weighted Equity Indices Basic Rules was amended. Changes were made in the Volatility Based Measures System and new measures were added. Participation indices started to be calculated. A memorandum of understanding for cooperation was signed with the Abu Dhabi Stock Exchange.
December	The BIST 100 index broke an all-time record, reaching 2,406.87 points. Proceeds of TL 21.6 billion were raised through the initial public offering of 52 companies in 2021.

2021 PERFORMANCE

MARKETS AND LISTING

There are four main markets in the Borsa Istanbul: the Equity Market, the Debt Securities Market, the Derivatives Market (Futures and Options Market) and the Precious Metals and Diamond Markets. Throughout 2021, 100% session continuity was provided in our markets.

	2021 Revenue (TL Million)	Contribution to Total Revenue	Change (YoY)
Trading Revenue	1,058	31%	12%
Debt Securities Market	238	7%	-13%
Equity Market	400	12%	17%
Derivatives Market	302	9%	51%
Precious Metals and Diamond Market	48	1%	-37%
Other*	69	2%	45%
Listing	115	3%	44%

Takasbank Money Market, Takasbank Security Lending Market, and Türkiye Electronic Fund Purchase and Sale Platform

	Major Developments in 2021	Key Indicators	Objectives
EQUITY MARKET Stocks, new stock purchase rights, exchange traded funds, investment firm warrants and certificates, ownership based lease certificates, real estate investment funds, real estate certificates and venture capital investment funds can be traded in the equity market.	<p>Records and Developments:</p> <p>On 17 December, the BIST100 index broke an all-time record, reaching 2,406.87 points. On the same day, an all-time record was broken in the equity market traded value, with a daily traded value of TL 91 billion.</p> <p>An all-time record was broken in terms of the number of equity market contracts, with 4.9 million contracts written on 27 January.</p> <p>The ratio of High Frequency Trades (HFT) in the Equity Market's total traded value reached an all-time-high of 29.59% in November. The average in 2021 stood at 24.10%.</p> <p>New Practices:</p> <p>In order to ensure formation of a healthier opening price in the Equity Market, the practices of entry of the "market" and "market to limit" orders in the opening session and cancelling of orders, including order worsening and quantity reduction, in the last 5 minutes of the opening session were discontinued from March.</p> <p>On 28 May, the "maximum order value limit" was applied in orders which are sent during the book building phase for the trading order of the initial public offering of companies whose shares are be traded for the first time on the Stock Exchange.</p> <p>In order to render the market making system effective and efficient, an improvement was brought into use from December in order to transmit listing orders from Market Maker Members through the OUCH order transmission channel.</p> <p>Warrants issued by Goldman Sachs International started to be traded in our market.</p> <p>Phase 2.13 and 2.14 of the BISTECH transitions were successfully completed.</p> <p>Some changes were carried out to the criteria for determining the markets for stocks traded in the Equity Market.</p> <p>Work is underway to improve Borsa Istanbul's share in warrants and certificates and the market making system.</p>	<p>Total traded value TL 7,513 billion (2020: TL 6,594 billion)</p> <p>Total market value TL 2.2 trillion (2020: TL 1.8 trillion)</p> <p>Number of investors with a shareholding 2.4 million (2020: 2 million)</p>	<ul style="list-style-type: none"> Ensuring uninterrupted session continuity Improvement of trading and cancellation rules in warrants In warrants and certificates, carrying out improvements in equity market share and market making system BISTECH Phase 2.16 and 2.17 transitions Transmission of trading cancellations through the system

	Major Developments in 2021	Key Indicators	Objectives
DEBT SECURITIES MARKET The Debt Securities Market (DSM) is the organized market, where both outright purchases and sales transactions and repo- reverse repo transactions, and Eurobond trading transactions are carried out. The Money Market has been operating under the DSM since October 2016. The Money Swap Market started operations in October 2018. The Precious Metals Swap Market started operations in November 2020.	Developments In the Outright Purchases and Sales Market, the highest daily traded value of 2021 was realized on 23 March, with a traded value of TL 5 billion. In the Repo-Reverse Repo Market, the highest daily traded value and the number of contracts in 2021 was realized on 3 December, with a transaction volume of TL 84 billion and 4,000 contracts. New Practices: On 1 March 2021, a single price session was introduced for certain securities in the Outright Purchases and Sales Market. On 5 April 2021, the Swap Market (Money Swap Market and Precious Metals Swap Market) operating on the OTASS operating system was moved to the BISTECH system. The Borsa İstanbul Money Market, operating on the OTASS operating system, was transferred to the BISTECH system on 5 July 2021.	Total traded value TL 17,127 billion (2020: TL 21,563 billion) Outright Purchases and Sales Market traded value TL 331 billion (2020: TL 421 billion) Repo-Reverse Repo Market traded value TL 14,173 billion (2020: TL 18,959 billion) Money Swap Market traded value TL 2,494 billion (2020: TL 2,102 billion)	<ul style="list-style-type: none"> Ensuring uninterrupted session continuity Carrying out work to allow transactions with a later effective date of transaction to be cancelled after the trading day. Transition to BISTECH Phase 2.16 Transmission of trading cancellations through the system Carrying out functional improvements on the BISTECH platform
FUTURES AND OPTIONS MARKET Options based on physical currencies, stocks, indices, and foreign currency, as well as futures contracts based on stocks, indices, foreign currency, electricity, precious metals, TLREF, physical foreign currency, foreign index, ETF (Exchange Traded Fund), overnight repo, commodity and metal are traded on the Futures and Options Market.	Records and Developments: The traded value of TL 69.4 billion realized on 17 December 2021 broke a new record for daily traded value. The 24 million transactions performed on the same day broke an all-time record for daily traded value. On 20 December 2021, a new record was set for the number of daily trades, with 1.13 million daily trades realized. The total traded value of the futures and options market stood at TL 4.48 trillion in 2021, with total trading amount of 2 billion and a total of 89.6 million transactions. Thus, all-time records were broken in annual total traded value, trading volume, and the number of trades. In addition, all-time daily records were broken 47 times during the year under the 7 main titles in the Derivatives Market (Futures and Options Market) contract groups in 2021. The contribution of the market making program to the market continued to increase. New Practices: As part of the efforts to widen product diversity, the USD/ounce Silver futures contracts were opened for trading in normal and evening sessions on 22 January. 13 new equity futures contracts started to be traded on 22 April. A total of 51 equity futures transactions were open to transaction in 2021. Also in line with the widening product diversity, USD/ounce Platinum and Palladium futures contracts were opened for trade in the normal and evening sessions from 17 September. On 22 October, USD/TL futures and options contracts with Physical Delivery were opened for trade. The increased product diversity and growing number of responsible members in market making activities contributed to the rise in liquidity and volume in the Derivatives (Futures & Options) markets. Changes were made to the terms of the contracts which the existing market maker members are responsible for. In addition, the classification structure of contracts with low liquidity was revised and the conditions requiring compliance were updated.	Total traded value TL 4,480 billion (2020: TL 2,883 billion) Total number of accounts 548,000 (2020: 397 thousand) Number of active accounts 18,000 (2020: 20 thousand)	<ul style="list-style-type: none"> Ensuring uninterrupted session continuity Increasing liquidity and product diversity Opening of physically delivered Government Domestic Debt Securities (GDSDS) futures contracts for trading Continuing development and regulation activities in order to increase the efficiency of the market

2021 PERFORMANCE

	Major Developments in 2021	Key Indicators	Objectives
<p>PRECIOUS METALS AND DIAMOND MARKETS</p> <p>Gold, silver, palladium, platinum and precious stones are traded on the Precious Metals and Diamond Markets.</p>	<p>Records and Developments:</p> <p>On 21 April, a new record was broken with 707 daily transactions taking place. On the same day, the highest traded value of 2021 was reached, with a daily trading amount of 21.2 tons.</p> <p>In line with Türkiye's macroeconomic policies and in order to adapt to responsible supply chain practices within the framework of the OECD regulations, legislative work was carried out on various issues related to gold imports.</p> <p>New Practices:</p> <p>The warehouse (BISTANTREPO) was established for the purpose of storing precious metals in the precious metal storage case in the Yenibosna campus within the framework of customs legislation. It became operational on 19 April.</p> <p>The Electronic Order System (ELTAS), which will enable our members to transmit precious metal withdrawal, deposit and transfer orders electronically, was brought into practice on 21 September.</p> <p>The Indicative Order Type is indicative of all the features, including the metal, price, amount, which members wish to buy or sell without being obliged to carry out a transaction. In order to provide ease of trading, the Indicative Order Type was put into use in the Precious Metals Market.</p> <p>The USD/Ounce Silver Fixing transactions were opened in the Precious Metals Market on 22 February.</p> <p>Silver, platinum and palladium were also included in the Takasbank Gold Transfer system, in addition to gold.</p> <p>Joint studies were completed with the Ministry of Treasury and Finance regarding the Precious Metals Responsible Supply Chain practices within the framework of the OECD regulations. Responsible supply chain reporting and compliance criteria, which were previously applied on a voluntary basis, were made mandatory for members and refineries and were put into practice in 2021.</p>	<p>Total traded value TL 169 billion (2020: TL 303 billion)</p> <p>Total storage capacity 1,600 tons</p>	<ul style="list-style-type: none"> Ensuring uninterrupted session continuity Development of electronic tracking system for the storage case Carrying out secondary market transactions within the framework of the One Gram Gold (BIGA) project

	Major Developments in 2021	Key Indicators	Objectives
<p>LISTING</p> <p>Listing transactions are carried out for the stocks offered to the public, exchange traded funds, warrants and the issued private sector debt instruments.</p> <p>The developments in the activities, financial and legal situations of the companies traded on Borsa İstanbul are monitored, and the companies with negative developments are warned. They are taken into the Close Watch List Market and/or they are removed from the listing, and those whose situation has improved are removed from the Close Watch List Market and taken to the upper market.</p> <p>In addition, wholesale transactions regarding allocated capital increase are carried out.</p>	<p>Records and Developments:</p> <p>The listed 52 companies realized the IPO worth of TL 21.6 billion. Listing applications made by 3 companies were rejected.</p> <p>1,294 debt instruments were quoted and issuers provided approximately TL 258.4 billion in resources.</p> <p>5,149 warrants were quoted.</p> <p>20 wholesale transactions were carried out.</p> <p>There are no companies delisted due to a merger in 2021. 8 companies were taken to an upmarket, 1 company's application to be taken to upmarket and 1 company to be relisted were rejected.</p> <p>As a result of the examinations carried out, 3 companies were warned, 2 companies were included in the Close Monitoring Market, and 1 company was delisted.</p> <p>2 companies, which could not meet the required conditions, were taken to the Pre-Market Trading Platform at the end of 2021.</p> <p>New Practices</p> <p>By amending the Listing Directive, the minimum market value requirement of the stocks offered to the public, which is one of the listing conditions sought for the companies to be traded on the Stock Exchange, was redefined for the Star Market, Main Market and Sub-Market.</p> <p>The guide document on "Public Offering and Being Trading on the Stock Exchange" was prepared and published on the Borsa İstanbul website in October 2021. In addition, printed brochures were sent to the companies on the ISO 500 list and to the chambers of commerce and industry.</p> <p>Work on the automation of the fees of staying being listed was completed and put into use in January.</p> <p>Our target, which is to send the opinions to the CMB 15 days before the calendar in the Prospectus Communiqué, so that the listing evaluation processes do not disrupt the public offering calendar, stood at an average of 48 days.</p> <p>Work continues with the Capital Markets Board regarding the objective of "facilitating and promoting the public offering processes of companies" within the scope of economic reforms.</p>	<p>The number of the IPO: 52 (2020:8)</p> <p>Revenue of the IPO: TL 21.6 billion (2020: TL 1.1 billion)</p> <p>Number of listed private sector debt instruments: 1,294 (2020: 1,254)</p> <p>Private sector debt instrument issuance revenues: TL 258 billion (2020: TL 199 billion)</p>	<ul style="list-style-type: none"> • Improving the listing processes of securities • Encouraging large-scale companies for public offering

2021 PERFORMANCE

DATA, MEMBERSHIP AND TECHNOLOGY

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

	2021 Revenues (TL Million)	Contribution to Total Revenues	Change (YoY)
Data, Membership and Technology	401	12%	53%
Data Vending	262	8%	51%
Technology	69	2%	62%
Terminal	38	1%	48%
Membership	18	1%	69%
License	14	0.4%	39%

	Major Developments in 2021	Key Indicators	Objectives
DATA DISTRIBUTION 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 around 220 data distribution companies. In addition to its own data, Borsa İstanbul also distributes Takasbank and MKK data. Borsa İstanbul also distributes data of international institutions, including data pertaining to the Sarajevo, Montenegro, Macedonia, Pakistan Stock Exchanges and the London Metal Exchange.	Developments: A total of 220 institutions are authorized to distribute Borsa İstanbul data. There are 60 institutions and 1,000 funds belonging to these institutions which use the Borsa İstanbul indices as a basis or benchmark for their financial products. As of March 2021, all data, with the exception of intraday data, ITCH data and adjusted price data, are offered free of charge on Datastore, which is Borsa İstanbul's historical and reference data platform. All data, with the exception of ITCH data, is provided free of charge in data requests for academic use. New contracts were signed with 30 institutions in the field of data distribution and indexing. 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 being able to benefit from data free of charge. New Practices: Fund Transaction Books are currently only offered to the fund service units that 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 given to fund founders, and this is planned to be put into practice in 2022. Technical work was completed to expand the content of the existing Stock Level 2+ data package and to expand the number of price levels from 10 to 25. In addition, a Futures & Options Level 2+ data package with 25 price levels was established. The new products are planned to be put into service in 2022. We obtain information regarding the demands and needs through focus group meetings with our existing customers, who are our stakeholders, as well as potential customers.	Number of data package subscriptions reported to Borsa İstanbul by data distribution companies: 2 million (2020: 1.7 million)	<ul style="list-style-type: none"> • Creating joint data packages with the MKK and Takasbank • Ensuring that the online platform, where customers can submit their applications for authorization requests and submit their reports, is ready • 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 2021	Key Indicators	Objectives
INDEX AND LICENSE Borsa İstanbul calculates indices with different features pertaining to the markets, so that investors are able to follow movements in the market. The indices pertaining to Borsa İstanbul are used as an underlying asset or benchmark in financial products. Furthermore, Borsa İstanbul offers index calculation services to institutions requesting an index to be calculated on their behalf.	<p>Developments:</p> <p>At the end of 2021, a total of 426 indices based on stocks, 72 of which are real-time, 54 indices based on different investment instruments such as debt instruments, gold, deposits and funds, 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 was carried out for the IOSCO Compliance of the BIST Indices in 2021. A directive was created by taking into account the opinions of the Stock Exchange units. The directive was submitted to the evaluation from the CMB with the approval of the Board of Directors.</p> <p>The performances of the developed Volatility Index algorithms are monitored and improvement and development work continues to render them suitable for the market.</p> <p>Within the framework of the license agreement signed with Bloomberg in April, indices started to be calculated in the index calculation system (ICS) with data obtained from a non-stock exchange data source for the first time. In this context, the BVAL fixing prices obtained from Bloomberg started to be used in the calculations of the BIST-KYD Eurobond Indices.</p> <p>Within the scope of the license agreement signed with Refinitiv in July, the index calculation system (ICS) started to calculate simultaneous indices using a non-stock exchange data source for the first time. In this context, simultaneous gold and foreign currency prices are used in the BIST Spot Gold, BIST Gold Bonds and BIST Gold-Based Lease Certificates Indices.</p> <p>New Practices:</p> <p>In 2021, the BIST-KYD Public Lease Certificates USD Indices, the BIST Aydın Index, the BIST Manisa Index, the BIST 50-30, the BIST 50-30 Weight-Limited 10 and the BIST 50-30 Weight-Limited 25 Indices were calculated and started to be published simultaneously.</p> <p>From 14 April;</p> <ul style="list-style-type: none"> - The "Garanti BBVA Climate Index" for Garanti BBVA and - The "Ziraat Portfolio Star Market Technology and Communication 10 Index" for Ziraat Portfolio <p>were calculated and started to be published simultaneously.</p> <p>From 1 July, the "İs Portfolio KOC-KAM Women-Friendly Companies Index" was calculated and started to be published simultaneously.</p> <p>From 7 July, the BIST Spot Gold, the BIST Gold-Based Lease Certificates and the BIST Gold Bond indices started to be calculated.</p> <p>On 16 July, changes were made in the valuation methodology of the BIST Sustainability Index. Under the new valuation method brought into use, companies will be able to update their sustainability data throughout the year and the sustainability ratings of companies will be revised accordingly. Companies meeting the criteria will be included in the BIST Sustainability Index from the beginning of the first quarter of the following year. In the new structure, companies and investors may easily access the data taken as a basis for valuation and the valuation notes through the relevant platforms, thus enhancing transparency in the valuation process. The changes to the criteria paved the way for evaluation of sustainability activities to be carried out for many more companies.</p> <p>Since 12 November, in cooperation with the Participation Banks Association of Türkiye, the BIST Participation 30, the BIST Participation 50, the BIST Participation 100, the BIST Participation All and the BIST Sustainability Participation Indices were calculated and published simultaneously under the BIST Participation Indices. On 25 November, in addition to the existing participation indices, the BIST Participation 30 Equally Weighted Return Index was calculated and published simultaneously.</p>	<p>Number of indices based on stocks: 426 (2020: 363)</p> <p>Number of indices based on other investment instruments: 54 (2020: 52)</p> <p>Number of funds using Borsa İstanbul's indices as a basis or benchmark for their financial products: 1,000 (2020: 830)</p> <p>The size of funds using Borsa İstanbul's indices as a basis or benchmark for their financial products: TL 431 billion (2020: TL 286 billion)</p>	<ul style="list-style-type: none"> • Calculation of indices for the after-hour session • Completion of the work on the compliance of the BIST indices with the IOSCO principles • Calculation of new sustainability-themed investable indices within the scope of the BIST Sustainability Index • Developing a weight limitation methodology and module in debt instrument indices similar to stock indices

2021 PERFORMANCE

	Major Developments in 2021	Key Indicators	Objectives
<p>GRANTING AUTHORIZATION TO PERFORM TRANSACTION AND MEMBERSHIP</p> <p>The members of Borsa İstanbul consist of investment companies authorized to operate in the capital market and precious metals brokerage houses authorized to operate in the Precious Metals and Diamond Markets. Depending on market characteristics, other real and legal persons may be authorized to perform transactions without membership.</p>	<p>Developments:</p> <p>Two institutions, including 1 bank and 1 precious metals brokerage house, were authorized to perform transactions as members.</p> <p>17 Stock Exchange members were authorized to trade in another market.</p> <p>A total of 41 real and legal persons were authorized to trade in the Diamond and Precious Stones Markets without being a member.</p> <p>262 individuals were authorized as representatives to trade in the stock exchange markets.</p> <p>New Practices:</p> <p>From March, Pre-trade Risk Management (PTRM) application training started to be conducted online. Five online PTRM application training sessions were held in March, July, September, November and December 2021.</p> <p>Work got underway on the renewal of the customer database system and ensuring integration with the internal software used.</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 is planned to be commissioned in 2022.</p>	<p>Number of Brokerage Houses operating on the Borsa İstanbul: 123 (2020: 129)</p> <p>Number of Banks operating on the Borsa İstanbul: 46 (2020: 45)</p> <p>Number of Real/ Legal Person Jewelers operating on the Borsa İstanbul: 567 (2020: 566).</p>	<ul style="list-style-type: none"> Conducting systematic improvements in the customer database within the scope of effective stakeholder communication
<p>MARKET ACCESS</p> <p>Market access consists of all systems, software and hardware services which are required by the Borsa İstanbul members in order to carry out transactions and exchange information by connecting from remote access points, peer locations (colocation) and the session hall to the markets in which they operate. In this context, the OUCH and FIX protocols developed for high-speed order and data transmission as well as services such as Reference Data and Dropcopy, OTASS, TW are provided for the use of market participants.</p>	<p>Developments:</p> <p>Additional OUCH capacity of 22,500 orders per second was allocated to our members in 2021, leading to an increase of 60% in capacity and bringing the total OUCH capacity allocation to 60,200 orders per second.</p> <p>Additional FIX capacity of 4,460 orders per second was allocated to our members in 2021, leading to an increase of 27% in capacity and bringing the total FIX capacity allocation to 20,800 orders per second.</p> <p>Twelve additional allocations were provided for the use of Reference Data and 12 additional allocations were provided for the use of Dropcopy. The use of these products increased to 254 and 234, respectively.</p> <p>New Practices:</p> <p>In the OUCH Protocol, the user type with the Equity Market Maker authorization was developed and allocated.</p> <p>Improvements were carried out on the Portal, where customers communicate with Borsa İstanbul. Improvements were also carried out in the processes regarding the status of requests submitted by the customers through this portal.</p> <p>Various improvements were carried out to the identity verification processes of the representatives registered in the Debt Securities Market.</p>	<p>Number of institutions benefiting from market access services: 149 (2020: 154)</p> <p>Number of BISTECH Trading System access users: 1,730 (2020: 1,695)</p>	<ul style="list-style-type: none"> Changing the allocation procedures and principles of the FIX access channel used in electronic order transmission in line with members' demands and needs Enrichment of the product portfolio in relation to market access

	Major Developments in 2021	Key Indicators	Objectives
TECHNOLOGY SERVICES Borsa İstanbul provides the opportunity for colocation, where market participants' systems may be placed at the same location as the stock exchange systems. In addition, the PTRM application is also offered, allowing members to conduct risk management prior to the transaction. The OUCH, FIX and ITCH protocols, which were developed for high-speed order and data transmission, and technology services such as the time server, which provides synchronized access to time sensitive information, are provided for the use of market participants.	Developments The number of cabinets allocated to our customers was increased by 11 to 61 in 2021. In total, 37 customers benefited from our colocation service. The PTRM allocation was realized as 25 institutions, with the number of customers benefiting from our time server services increasing to 19. The number of institutions that distribute data in colocation was increased from 31 to 35. New Practices: The ITCH Replay interface was prepared and the tests reached their final phase. The application is planned to be commissioned in 2022. Following the expansion work carried out at the data center, which was completed in 2021, 40 cabinet spaces were commissioned for colocation customers. In order to increase the international accessibility of the stock exchange, cooperation with global network and platform providers was initiated and the installation phase got underway.	Number of customers benefiting from our colocation service: 37 (2020: 40) Number of cabinets allocated in colocation: 61 (2020: 50) Number of institutions, to which data is distributed in colocation: 35 (2020: 31) Number of institutions benefiting from our time server service: 19 (2020: 16)	<ul style="list-style-type: none"> Commissioning of ITCH Replay Simulator application Increasing the number of colocation customers with the new expanded space in the data center Finalizing the work carried out in order to increase the international accessibility of the stock market Enrichment of technology services' product portfolio Developing an API to enable our members' software, which they use in their operations, to communicate with our Stock Exchange's PTRM application

2021 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's subsidiaries, Takasbank and Merkezi Kayıt Kuruluşu A.Ş. (MKK – The Central Securities Depository).

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 Turkish 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.

	2021 Revenues TL Million	Contribution to Total Revenue	Change (YoY)
Post Trade	1,681	50%	52%
Takasbank Interest Revenues	821	24%	59%
Treasury Operation Derivative Transaction Revenues	3	0,1%	-60%
Custody Revenues	598	18%	52%
Clearing Revenues	225	7%	26%
Account Management Revenues	35	1%	62%

	Major Developments Occurred in 2021	Objectives
TAKASBANK INTEREST REVENUES 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 return which can be obtained	Developments and New Practices All resources managed by Takasbank, including funds belonging to itself and its members, were utilized effectively and efficiently within the framework of their structure and use and without any liquidity problems, within the determined risk criteria. Interest revenue is calculated by applying the effective interest method in accordance with the provisions of "TFRS (Türkiye Financial Reporting Standards) 9 Financial Instruments".	<ul style="list-style-type: none"> Maintaining the strong contribution of interest revenues to the Bank's equity by keeping the net interest margin high in line with the developments in macroeconomic and financial markets and within the framework of the fund management strategy.
CLEARANCE SERVICE 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. In addition to capital market transactions, Takasbank is authorized to carry out the purchase and sale of vehicles and housing (title deeds).	Developments and New Practices With the role of the central conciliation bank, which is to be used by the market operator Enerji Piyasaları İşletme A.Ş. (EPIAŞ) and market participants for the purpose of operating the guarantee mechanism in the Futures Natural Gas Market and ensuring the cash flow in the market in a continuous manner by making the payments on time and accurately, Takasbank started to provide clearing and guarantee management services. The BEFAS Platform, which enables the shares of pension mutual funds to be sold to the participants of other pension companies by the fund founder pension company and bought back within Takasbank, was brought into use on 1 July 2021.	<ul style="list-style-type: none"> Expanding guarantee and risk management services to include public institutions and organizations. Extending the Central Counterparty application and risk-guarantee management approach in the markets and exchanges where this service is not provided. Increasing the number of markets with clearing services in the commodity and energy markets

	Major Developments Occurred in 2021	Objectives
<p>CUSTODY AND ACCOUNT MANAGEMENT</p> <p>The MKK provides storage services for dematerialized capital market instruments and electronic product bills.</p> <p>Takasbank provides storage services for capital market instruments, which are traded in foreign markets, and storage services for the funds under the PPS (Private Pension System).</p> <p>Precious metal storage is carried out in the Borsa İstanbul storage vault, which has a capacity of 1,600 tons.</p>	<p>Developments and New Practices</p> <p>With the Bearer Share Registration System (BSRS), bearer shares for publicly-closed joint stock companies are registered and monitored electronically.</p> <p>As of September, the provisional letters of guarantee issued within the scope of the Public Procurement Law began to be accepted electronically on behalf of the administrations through the Takasbank Public Guarantee Management Platform, which is integrated with the Electronic Public Procurement Platform and the Electronic Letter of Guarantee Platform.</p> <p>The communiqué on the procedures and principles regarding crowdfunding by the Capital Markets Board entered effect on 27 October 2021. In this context, practices in equity based crowdfunding were updated and work was initiated on debt-based crowdfunding.</p> <p>Takasbank started to serve as the "trustee" within the framework of the Communiqué on Equity Based Crowdfunding. Funds collected on behalf of venture/venture companies under accounts opened on behalf of crowdfunding platforms began to be blocked at Takasbank.</p> <p>In addition, the integration of crowdfunding platforms with the system was carried out in 2021 through the Crowdfunding System (CFS) implemented within the MKK. Funding transactions were carried out for 21 projects through a platform and the stocks of 10 venture companies were issued in the Central Dematerialized System.</p> <p>The membership process of the Azerbaijan central depository institution, the National Deposit Center, to the MKK was completed and an omnibus account was opened on behalf of the National Deposit Center.</p>	<ul style="list-style-type: none"> • Opening of Tawarruq Market and Renewal of the Electronic Product Bill Spot Trading Market Processes • Achieving software developments related to the Bearer Share Registration System





VALUE GENERATION AND STRATEGY

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

OPERATION ENVIRONMENT AND EXTERNAL IMPACTS

We entered 2021 with the ongoing risks stemming from Covid-19. Despite a lack of equitable access, the vaccination rollout gained momentum around the world and there was a relative easing in pandemic-related uncertainties despite the emergence of new variants, paving the way for the year 2021 to be a year of normalization compared to 2020.

After 2020, when the global growth performance was limited to 3%, with the degree of normalization seen throughout the year, the base effect from the previous year and the support extended to economic activity, the global economy grew by 5.6% in 2021, according to OECD estimates.

While the US economy contracted by 3.4% in 2020 - its worst performance since 1946 - the European Union (EU) economy contracted by 6.4%, the UK economy by 9.4% and Japan's economy by 4.6%. Standing out from developing countries in 2020, China saw its economy grow by 2.3% and Türkiye's by 1.8%, to be the two best performing economies in the G20. Türkiye recorded a growth rate of 1.8% even at a time when global economies were badly affected by the pandemic. Türkiye maintained the uninterrupted growth which it achieved in 2020 in 2021, posting 7.2% growth in the first quarter of 2021 according to figures published by the Turkish Statistical Institute (TSI). This was followed by a 21.7% rate of growth in the second quarter, in line with expectations due to the base effect, thus marking the highest growth rate since 1999. 7.4% rate of growth was achieved in the third quarter of 2021 on a year-on-year basis. Expectations for Türkiye's economic growth were gradually revised upwards by international institutions; the International Monetary Fund (IMF) estimated 2021 growth of Türkiye at first as 5.8%, then upgraded to 9% and finally 11% in the World Economic Outlook Report.

The US Federal Reserve (FED) left its policy rates on hold throughout the year. It announced new support packages within the scope of combating the negative effects of the pandemic on the economy and financial markets. While maintaining its current stance on the extent of the Pandemic Emergency Purchase Program (PEPP), the European Central Bank (ECB) emphasized at various points throughout the year that it would maintain its support until the economy recovered. In Asia, meanwhile, the Bank of Japan (BoJ) took decisions which would further stretch its monetary policy.

The financial and monetary support which had been extended in many countries throughout 2020 continued in 2021. The continuation of the monetary expansion policies to economies, and associated supply side problems and increases in commodity prices created a global inflation problem. In the USA, the consumer price index posted its sharpest surge in the last 39 years in November. According to figures released by the Turkish Statistical Institute, Türkiye's annual rate of inflation stood at 36% at the end of 2021. These figures go to show that the pandemic had the most pronounced impact on economic growth and inflation.

In response to the challenging global economic conditions, policies were developed, measures taken and financial regulations put in place during the year.

In the last quarter of 2021, the New Economy Model was adopted, which prioritizes high growth and a low current account deficit. Moreover, the policy interest rate was reduced in order to support investment and employment. The Central Bank of the Republic of Türkiye (CBRT) raised its policy interest rate from 17% to 19% in March, before keeping interest rates on hold in the second quarter of the year and then cutting interest rates from 19% to 18% in a decision taken in September 2021 - the first cut in rates for sixteen months. The interest rate was reduced again from 18% to 16% in October 2021, from 16% to 15% in November and from 15% to 14% in December. With developments in international trade activities, exports reached USD 225 billion in the 2021 by increasing 33% compared to the previous year.

On the other hand, in order to limit the fallout of the negative developments experienced globally due to the Covid-19 pandemic on the national economy, the CBRT implemented additional measures for the financial markets. In August 2021, the maximum ratio of TL-required reserves in foreign currency and standard gold was gradually revised downwards. In addition, the required reserve ratios applied to FX deposits/participation funds were increased in a bid to strengthen the Turkish lira.

In 2021, swap agreements were signed with the Central Bank of South Korea and the Central Bank of China.

Among the world economies affected by the pandemic, Türkiye stood out by posting growth in both 2020 and 2021.

In order to encourage the use of funds from non-bank financial institutions within the scope of the measures taken in the financial markets, work is underway to deduct investments carried out in the Borsa İstanbul (BIST) Private Market companies to a certain extent from the period earnings of the investing companies.

The Crowdfunding Communiqué, prepared jointly by the Ministry of Treasury and Finance in cooperation with Borsa İstanbul, was published. The Communiqué is aimed at introducing new generation financing models to our capital markets. It sets out to address the deficiencies arising in the implementation of the equity based crowdfunding model and includes the debt based crowdfunding model.

The Private Pension System (PPS), which expands every year on the back of the state's contribution, also supports the development of our capital markets. While approximately 3 million people had been included in the PPS in 2010, the number of participants in the PPS exceeded 7.1 million in 2021 with the volume of assets under management reaching TL 228 billion.

Thanks to its technological infrastructure and operational efficiency, Borsa İstanbul was able to serve the capital markets with uninterrupted session continuity in 2021.

The intense interest demonstrated by domestic individual investors in the capital markets in 2020 continued in 2021, with a total of 2.4 million individual investors. This intense interest paved the way for a surge in transaction volumes, with new records for daily traded value set several times during the year. The BIST 100 index broke all-time records on 17 December 2021, with traded value of TL 2,406.87 billion in the session. The BIST 100 index broke all-time records on 17 December 2021, with 2,406.87 points in the session. The equity market's transaction volume increased by 14% compared to 2020. In December, daily transaction volume exceeded its previous record by TL 91.2 billion. Annual traded value in the futures and options market, where derivatives used for hedging purposes are traded, grew by 55%.

A year of key developments in the digital transformation, as lifestyles and ways of doing business change rapidly both during the pandemic and in the post-pandemic period

The year 2021 witnessed the increased penetration of digital tools into the lives of individuals to an even deeper level, especially during the pandemic. The crypto world also attracted its fair share of the interest in digital products. The popularity of these assets, which have become a part of our lives through the use of blockchain technology, is increasing gradually and they are used for speculative purposes. Crypto assets attract attention not only from individual users, but also corporations and even the world's leading business people. For the first time in the world, the first exchange-traded fund (ETF) based on Bitcoin futures contracts started to trade on the New York Stock Exchange (NYSE) in October. According to figures published by Forbes, the global crypto ETF market reached a volume of USD 20.2 billion in November 2021, growing by 549% compared to the end of 2020.

With the whole world following these developments with question marks and reservations, in response to the increase in the use of crypto assets many countries have started to work on legislation to cover crypto assets. While the use of crypto assets is completely banned in around 50 countries, other countries impose tax regulations. Developments related to crypto assets are followed in our country, and regulations have been started to be implemented as required. The first of these was the Regulation on Preventing the Use of Crypto Assets in Payments, published by the CBRT on 16 April 2021. This regulation was the first time crypto assets had been defined in Türkiye, while at the same time, regulations were drawn up to prevent crypto assets from being used in payment systems.

OPERATION ENVIRONMENT AND EXTERNAL IMPACTS

On the other hand, the need for office space decreased due to the efforts to tackle Covid-19, which has been a part of our lives with the emergence of new variants over the last three years. Remote working has gained popularity and mixed working models have begun to be implemented more widely, with remote working being offered as an option for employment in a number of companies. One permanent result of this transformation process has been development of a flexible working model to enter force after the pandemic at Borsa Istanbul.

Social media taking a bigger place in our lives with examples proving the power of continuous interaction.

In January 2021, small-scale investors joined forces on social media and increased the price of the Gamestop stock certificate, which is traded on the New York stock exchange, from USD 17 to USD 483. This initiative, which has been characterized as a struggle of small investors against the Wall Street giants, increased the volatility in the markets and once again highlighted the importance of social media.

Social media posts regarding stocks traded on the Borsa Istanbul Equity Market have started to come under the scope of injunction decisions. In this context, automation work of social media monitoring is carried out with Artificial Intelligence algorithms. With the commissioning of the project, effective archiving of social media data will be provided and the operation of surveillance will be further improved once this data is integrated with the order (in the stock exchange) and transaction data.

Negative effects of natural disasters, pandemics and climate change strikingly reveal how countries and companies need to increase the place of sustainability in their agendas.

Policies to combat climate change are rapidly becoming the highest priority for countries and institutions. The concept of sustainability, which has increased in importance with the natural disasters and the pandemic, has become a part of economic and commercial activities. The volume of sustainable finance transactions has been increasing all over the world in a bid to manage the risks arising from climate change and to promote a low-carbon economy.

Climate change and sustainability were among the priority issues for Türkiye in 2021. In July, the Green Deal Action Plan, which is a roadmap aiming to attract green investment into our country and to support green transformation in all relevant policy areas, was published. This plan, which will support the transition to a sustainable and low carbon economy, includes 32 goals and 81 actions under nine main headings. This framework is aimed at ensuring the goals and activities included in the Action Plan are effectively carried out with the public and private sectors as well as all relevant stakeholders within the scope of the European Green Deal Working Group.

The Paris Climate Agreement, the world's first comprehensive climate agreement, was ratified by Türkiye in 2021. With the agreement, Türkiye has brought goals to its agenda including limiting the rise in global temperatures, bringing the emission of greenhouse gases generated by human activity to a point where the environment can absorb them naturally and monitoring its carbon emission reduction performance. The Paris Climate Agreement is the single agreement in which the highest number of parties has agreed to diplomatically, with the signature of 197 countries and autonomous administrations.

STRATEGY

STRATEGIC THEMES



CONTINUITY

Designing and developing processes, systems and human resources structures to ensure business continuity.



GROWING CAPITAL MARKETS

Growth of capital markets with new IPOs, an expanding number of investors and increased awareness among investors, foreign investors and new products



REVENUE GROWTH

Increasing revenues, especially with data, technology and new products and services, as well as existing market

As the only organized stock exchange operating in Türkiye's capital markets with its integrated structure and business model based on product and service diversity, Borsa İstanbul pursues development strategies with the aim of contributing to responsible and sustainable growth by deepening the capital markets. Borsa İstanbul is building the capital markets of the future for its shareholders, customers, employees, public authorities and civil society, as well as for society as a whole. With this approach, Borsa İstanbul determined its vision as "To be a global integrated marketplace for the Turkish and regional financial assets in the capital markets of the future" and its mission as "To provide a reliable, transparent, effective, fair, innovative, competitive and sustainable trading platform for all investors".

Success is always driven not only by breakthrough innovations, but also by good practices. With this perspective, the 2022 strategic roadmap was determined within the framework of the vision and mission.

Business continuity is positioned at the heart of the strategy in creating its roadmap. In addition, providing investors and companies with the new products and services they need, encouraging companies to go public, increasing the number of investors in the capital market by encouraging the participation of new investors and thus ensuring the systematic and uninterrupted functioning of the capital markets continue

to play a key role in the strategic roadmap. While trying to achieve these goals, as a company seeking high profitability, Borsa İstanbul seeks to diversify its revenue stream and increase revenues from data, technology and new products and services, in addition to trading revenues.

Borsa İstanbul's strategy for the coming period is based on three main themes: Continuity, Growing Capital Markets and Increasing Revenues.

As a company operating in a dynamic and rapidly changing sector, Borsa İstanbul considers its strategy as an active and ongoing process. Considering the effects of the global developments and the pandemic, the 2022 strategic roadmap included strategic initiatives in the following areas;

- Designing and developing processes, systems and human resources structures to ensure business continuity,
- Encouraging more companies to go public,
- Increasing the number of individual investors and raising investor awareness,
- Increasing international capital flows in the market,
- Enlarging the capital market with the new services and products offered,
- Increasing trading based revenues,
- Increasing non-trading revenues such as data, technology and new products and services.

STRATEGY

CONTINUITY



One of Borsa İstanbul's strategic priorities is to ensure business continuity. In this context, ensuring the continuity of the session without interruption is absolutely crucial. Borsa İstanbul achieved its goal of ensuring session continuity without interruption in 2021.

Within the scope of business continuity, activities were expanded and continued. BISTECH provides world-class services in an integrated manner in the trading and post-trading areas. BISTECH is used as the trading system infrastructure in Borsa İstanbul's markets. The additional developments introduced in the BISTECH system support business continuity on the one hand while meet investor expectations on the other. In addition, the market and systems, which were previously outside the BISTECH system, were also moved to the BISTECH system. Thus, the level of integration of the systems was moved to a new level.

Work was also carried out in the fields of backup architecture and capacity increase, which are key IT issues, with the aim of both backing up data and systems and increasing storage and order processing capacity.

The ISO22301 Business Continuity and ISO20000 IT Service Management System Certification processes were completed and these two certificates were obtained, representing an important step in terms of business continuity and IT service management.

In order to support and develop business continuity and human resources, Borsa İstanbul renewed its organizational structure in 2021. New employment was provided with improvements to the personnel rights of employees. In accordance with the working model which emerged during the pandemic, and was subsequently seen throughout the world, the principles of the remote working model were determined at Borsa İstanbul.

The coming period will see new developments for additional services in the BISTECH system and internal and external infrastructures such as the CRM and ERP. On the other hand, data and reporting systems will continue to be improved. In addition, the development of cloud-based solutions, the introduction of Artificial Intelligence applications which improve surveillance systems, increasing data analytics products and cyber security work will be among the areas which Borsa İstanbul will focus on.

GROWING CAPITAL MARKETS



Another of Borsa İstanbul's strategic priorities is to promote growth in its capital markets. Despite the difficult conditions which have emerged with the pandemic, activities aimed at the development of the capital markets continued during 2021.

The increase in the number of individual investors seen at the end of 2020 continued during 2021 as well with a record number of initial public offerings carried out during the year. At this point, Borsa İstanbul pursued a proactive approach and sought to be a solution partner in the public offering of companies.

In addition to increasing its effectiveness in existing products and services, Borsa İstanbul introduced many new products and services to companies and investors with an innovative approach.

The USD/TL contracts with Physical Delivery will allow real sector and foreign trade companies holding foreign currency positions in their balance sheets to manage their exchange rate risks on a more competitive, secure and transparent platform. USD/TL contracts with Physical Delivery were brought into use as well as Futures contracts for Platinum and Palladium, adding to the contracts for existing precious metals already offered, thus increasing the product range.

Government Domestic Debt Securities Futures Contracts are planned to be introduced in 2022. These contracts will enable the financial sector and institutional investors to manage their interest rate risks more effectively and to create more effective price formation by ensuring fluidity between the spot market and the futures market.

While expanding the product range with gold-based indices and participation indices, the criteria of the existing sustainability index were revised. Preparatory work for the compliance of the calculated indices with the International Organization of Securities Commissions (IOSCO) is ongoing.

In the coming period, efforts to develop products and services which the market will need will continue under an innovative and value-added approach. New steps will be taken regarding new products and services such as commodity-based products which will attract investors, new derivative contracts and index and data related services. In addition, products and services related to sustainability will continue to be developed.

REVENUE GROWTH

Another of Borsa İstanbul's strategic priorities is to increase and diversify the company's revenues. In this context, as in previous years, Borsa İstanbul continued to achieve steady growth in consolidated revenues consisting of trading and post-trading revenues in 2021.

Borsa İstanbul's resilience increased and improved in terms of financial performance, especially in terms of revenues and profit achieved during 2021. The upward trend in the consolidated performance continued this year. However, post-trading revenues contributed more to the company's consolidated revenue performance than to trading revenues in 2021.

In the coming period, the work will continue on the carbon market, green debt instruments, new sustainability themed futures and indices, and the venture capital market. Work will also continue on products whose clearing and transfer are based on blockchain technology, to be traded in the Stock Exchange markets, the development of cloud-based solutions, the creation of big data infrastructure and the development of new products and services through this infrastructure to meet the different needs of users. All these and similar developments in new products and services are expected to support Borsa İstanbul's stable growth.

EXECUTION OF THE STRATEGY

In an approach similar to that adopted in 2021, projects determined within the scope of the 2022 strategic roadmap will continue to be monitored on a monthly basis. In addition, the objectives and realizations in the projects will continue to be taken into account in the performance management system in the coming period. Accordingly, Borsa İstanbul aims to realize the objectives set out in its 2022 strategic roadmap.

MATERIAL ISSUES

Our material issues are those which have a high impact on Borsa İstanbul and its key stakeholders and which affect its capacity to generate value. Our strategy changes over time in response to the expectations of our stakeholders and the economic, social and environmental context in which we operate.

Borsa İstanbul's material issues which affect its value generation in the short, medium and long term and which Borsa İstanbul focuses on within the scope of its strategy are reviewed annually. In 2021, the record increase in the number of individual investors in particular required the introduction of measures to protect investors, and activities to promote financial literacy were to be included among the high materiality issues. Priority was placed on efforts to develop and deepen the markets through public offerings and new products and services, and these efforts continued. Despite the difficulties brought about by the expanding investor base and increasing traded values, as well as the pandemic, ensuring business continuity and providing transactions without interruption remained a key priority. The sustainability agenda has also increased its materiality and priority for both stakeholders and Borsa İstanbul. These two areas have been able to be included in our priority issues thanks to our competent and highly motivated human resources which form the basis for the continuity of our operations, and the fact that the views and needs of our stakeholders are taken into account in all our product and service developments.



MATERIAL ISSUES

BUSINESS CONTINUITY and MANAGEMENT OF RISKS	RELATIONSHIP WITH SDGs	RELATIONSHIP WITH THE STRATEGY
<p>Continuous, uninterrupted and timely identification, measurement and monitoring of current or potential risks that may arise in the future. Increasing the Company's ability to respond quickly in case of interruptions in business processes.</p>		 CONTINUITY  REVENUE INCREASE
<p>The Stock Exchange helps investors and issuers manage their risks with the financial products it offers.</p> <ul style="list-style-type: none"> On the other hand, it also manages its own risks in order to carry out its activities in a sustainable manner. A unit is in place which is responsible for risk management within the body of the Stock Exchange. It carries out work for the identification and management of risks within the company. There is also a separate unit related to information security in the organization. Periodic performance evaluations have started to be conducted for critical suppliers in important procurements which directly affect Borsa İstanbul's operations. This method is aimed at minimizing the risks which may arise from suppliers. 		
DEVELOPMENT AND DEEPENING THE MARKETS	RELATIONSHIP WITH SDGs	RELATIONSHIP WITH THE STRATEGY
<p>Carrying out work to expand the issuer and investor base in the capital markets, bringing new products and services into service, especially risk hedging instruments.</p>	 	 GROWING CAPITAL MARKETS  CONTINUITY  REVENUE INCREASE

The Company works to expand the issuer and investor base in the capital markets and launches new products and services, primarily products which provide hedging.

- Activities to involve more companies in the capital markets through initial public offerings, to encourage companies to issue capital market instruments and to strengthen the corporate structures of companies continued throughout the year. In this respect, Borsa İstanbul was proactive during 2021 and increased its number of company visits.
- The fact that companies meet the financing they need while investing through capital markets ensures that the capital is diffused to the base, and a wider audience is able to benefit from economic growth.

PROTECTION OF THE INVESTOR	RELATIONSHIP WITH SDGs	RELATIONSHIP WITH THE STRATEGY
Protection of domestic individual investors and permanent establishment of confidence in the capital markets.	 	 GROWING CAPITAL MARKETS

There was a continued increase in interest in the capital markets in 2021 with the number of investors owning shares growing from 2 million to 2.4 million. Transparent and uninterrupted market access is offered to investors and measures are taken to reduce market volatility in order to render this development permanent, representing an important step in the goal of spreading capital to the base.

ENVIRONMENTAL AND SOCIAL IMPACT AREA	RELATIONSHIP WITH SDGs	RELATIONSHIP WITH STRATEGY
Developing market-based solutions, products and services which contribute to sustainability, Encouraging market participants and stakeholders to integrate sustainability approaches into their business cycles, Raising awareness through training and events, joining forces with stakeholders, Reporting in accordance with the Sustainability Principles Compliance Framework, Improvement of reporting practices related to environmental, social and corporate governance, Protection and improvement of human and employee rights.	  	 GROWING CAPITAL MARKETS  CONTINUITY  REVENUE INCREASE

The company participates in sustainability studies, in which the United Nations Sustainable Stock Exchanges Initiative (SSE) and the World Federation of Stock Exchanges (WFE) are involved in abroad and many different organizations in the country.

- Borsa İstanbul has been preparing its annual reports in the integrated report format since 2017. At the same time, Borsa İstanbul observes international reporting standards while reporting its activities.
- Borsa İstanbul was among the 11 founding members of the Derivatives Exchanges Network, which was created by the United Nations Sustainable Exchanges Initiative in October.
- The sustainability guide was updated in 2020. In order to encourage companies to conduct integrated reporting and to facilitate the reporting process, integrated reporting guide work was carried out in cooperation with ERTA (Integrated Reporting Türkiye Network) in 2021. The guide is planned to be completed and shared with the public in 2022.
- Within the scope of the preparation of the Sustainability Principles Compliance Framework, we contributed to the work of the CMB jointly with other stakeholders, and work in this area continues. Within the scope of the CMB's regulation, the Sustainability Principles Compliance Framework was discussed in this annual report. Information regarding Borsa İstanbul's environmental, social and corporate governance (ESG) practices was provided.
- Sixteen schoolgirls were awarded scholarships within the scope of the initiative to provide scholarship support to female students throughout their education, implemented in 2021. This support is planned to be offered to 100 girls next year.
- Borsa İstanbul donated 1 million saplings to the General Directorate of Forestry following the forest fires which ravaged our country in 2021.

MATERIAL ISSUES

INCREASING FINANCIAL LITERACY	RELATIONSHIP WITH SDGs	RELATIONSHIP WITH STRATEGY
Bringing conscious investment habits to individual investors, promoting Borsa İstanbul's products and services.	 	 GROWING CAPITAL MARKETS

A lack of financial resources underlies most of the Sustainable Development Goals. In this context, attracting individuals to the capital markets and keeping investors in the capital markets will require financial inclusion. In this vein, informing investors and explaining the risks of the markets to them is important in terms of both the normal functioning of the market and in protecting individual investors' personal savings.

TECHNOLOGY AND INNOVATION	RELATIONSHIP WITH SDGs	RELATIONSHIP WITH STRATEGY
Developing new products and services, enriching basic technological capabilities, continuous improvement in trading infrastructure and making improvements that provide excellence in processes, developing corporate solutions by utilizing innovative technology.	 	 CONTINUITY  REVENUE INCREASE

Products and services which meet a wide range of demands are developed with a focus on meeting the financial instrument needs of the financial ecosystem and customers. In addition to corporate solutions, the Company plans to develop and commercialize BISTECH and related products and to reflect the synergy of the Borsa İstanbul Group to product development processes.

STAKEHOLDER RELATIONS AND CORPORATE GOVERNANCE	RELATIONSHIP WITH THE SDGs	RELATIONSHIP WITH STRATEGY
Maintaining strong relations with stakeholders through transparent and effective communication and adopting corporate governance practices which meet international standards	    	 CONTINUITY  REVENUE INCREASE

The company is in constant contact with all of its stakeholders. It takes into account the opinions of its stakeholders to the greatest extent possible while carrying out its activities. A robust corporate structure and strong corporate governance practices are essential for the market to function effectively and fairly and to be resistant to risks. These elements constitute the building blocks of Borsa İstanbul's corporate strategy.

- Support is extended to the development of financial literacy by providing education and internship opportunities to university students and participating in training and events organized by different institutions. On the other hand, in accordance with the agreement signed with the Ministry of National Education in 1999, the Company continues to contribute to meeting the physical needs of schools in the form of support including computers, libraries and hardware in different provinces.

- Within the scope of the BISTLAB project, in order to encourage interest in the capital markets among university students and young people, the number of BISTLABs reached six with laboratories opened in the Ankara Yıldırım Beyazıt University and the Anadolu University in 2021.
- Regular meetings are held with brokerage houses and banks, which are important players in the capital markets. Regular meetings are held with the stakeholders such as the CMB, which is the regulatory body of the capital markets, Borsa İstanbul's controlling shareholder, the Türkiye Wealth Fund, the relevant offices of the Presidency of Turkish Republic and affiliates.
- In order to ensure diversity, the company added the provision that at least one independent member of the board of directors should be a woman to its articles of association.

INTERNATIONAL RELATIONS AND COLLABORATIONS	RELATIONSHIP WITH SDGs	RELATIONSHIP WITH STRATEGY
Interacting with international platforms with the approaches of acting together, common sharing and common development in the competitive environment which is reshaped in the rapidly developing and changing world.	  	 GROWING CAPITAL MARKETS

Work is carried out on international platforms and collaborations are entered into in order to closely monitor the developments in the world, which is in a process of globalization in its social, environmental, cultural and legal aspects, and to exist more effectively in the processes.

- Borsa İstanbul joined the board of directors of the WFE, of which it is a member. It took an active role in the working groups conducted by the WFE.
- A memorandum of understanding was signed with the Abu Dhabi Stock Exchange.
- The investor guide and video entitled "Investing in the Borsa İstanbul Markets", which provides general information concerning the Borsa İstanbul markets and which will provide information to international investors, was created and conveyed to all domestic and foreign representatives through the Ministry of Foreign Affairs.
- In 2021, representatives from the Central Bank of Azerbaijan, the Baku Stock Exchange, the Azerbaijan National Deposit Center, the Indonesian Hajj Fund and the Ethiopian Central Bank received training on the capital markets.
- Within the scope of the Organization of Islamic Cooperation (OIC) Exchanges Forum, whose secretariat is undertaken by Borsa İstanbul, communication with the stock exchanges of Islamic countries has been strengthened and joint projects 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 strategic priorities, risks and opportunities, its sustainability approach and its goals and organization are structured towards 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 hub for risk management and healthy price formation.

This report, Borsa İstanbul's fifth integrated annual report, which provides a wide range of investment instruments to investors on its fast and reliable trading platform, provides hedging opportunities against risks and provides financing opportunities to the real sector to meet their need for long-term resources, conveys its sustainable business model and the value it generates for its stakeholders. In the report, the strategic response given to external factors affecting capital markets and the risks by Borsa İstanbul is explained with a long-term perspective. The report focuses on the 2021 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 provide a strong financial performance, a sustainable revenue flow and structure as a result of deep capital markets

EMPLOYEE VALUE PROPOSITION

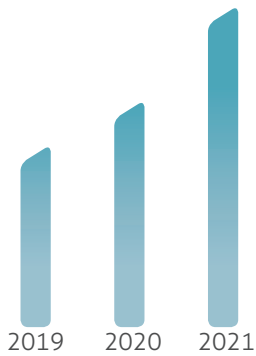
To provide the employees with a healthy and safe working environment where they can continuously develop themselves

SOCIAL VALUE PROPOSITION

To support employment and economic growth by developing and diversifying financing opportunities

Economic Value We Generate (TL million)

1,952 2,593 3,758

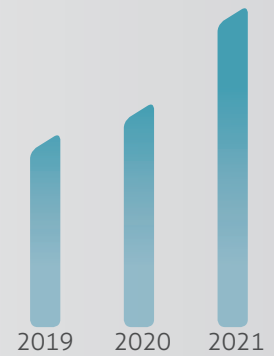


TL 3,758 million

This figure includes all consolidated revenues, including financial and other operating revenues.

The Economic Value We Distribute (TL million)

1,124 1,381 2,179

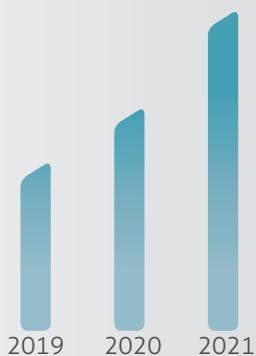


TL 2,179 million

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)

828 1,213 1,579



TL 1,579 million

This figure includes the value added to the capital.

Operating

2019	224
2020	281
2021	324

Employees

2019	347
2020	382
2021	492

Share Holders

2019	181
2020	233
2021	517

State

2019	372
2020	485
2021	846

BUSINESS MODEL

OUR RESOURCES



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



HUMAN CAPITAL:

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

Number of Employees: 629

Total Number of Employees: 1,142

(Takasbank: 297, the MKK: 216)

24.2 hours of training per employee



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.

TL 28.6 million in R&D Expenditure

153 R&D personnel



MANUFACTURED 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. In 2021, the data center was expanded 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 over a 1,400 m² area



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.



NATURAL CAPITAL:

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

12.4 million KWh Energy

19,148 m³ Water Consumption

OPERATION ENVIRONMENT AND

Uncertainties
in the Global
Financial Markets

An Expanding Investor Base
in the Financial Markets in
Türkiye

STRATEGY

BISTECH

Membership, Market Access

LISTING

MARKET OPERATIONS

- Equity
- Debt Securities
- Derivatives
- Precious Metals and Diamond

Corporate Governance

EXTERNAL IMPACTS

Environmental, Social and
Governance Factors
Stakeholder Communication

RISK MANAGEMENT

POST-TRADE

- Clearing
- Custody
- Public Disclosure

Data Vending Index Licensing

Material Issues

- Business Continuity, Management of Risks
- Developing and Deepening the Markets
- Protection of Investors
- Environmental and Social Impact Area
- Employee Development & Talent Management
- Financial Literacy
- Technology and Innovation
- Strengthening of Corporate Structure
- Stakeholder Relations and Corporate Governance
- International Relations and

Market Surveillance

OUTCOMES OF OUR
OPERATIONS

TL 2,373 million Operating Profit
(2020: TL 1,678 million)

TL 2,096 million Net Profit
(2020: TL 1,445 million)

78 new jobs
(2020: 55)

Voluntary Employee Churn: 5.4
(2020:3.7)

- Modern software architecture and technology, blockchain, the products with high availability
- Innovative and high-tech products in the fields of finance and software technologies
- Contribution to the capital market legislation
- Number of cabinets allocated at the co-location: 61
- 1,978 applications received through the Investor Advisory Center (IAC) during 2021
- Sponsorships, donations and grants

Total Amount of Waste: 186 tons

Amount of Recycled Paper:
48.9 tons

OUTCOMES OF OUR
OPERATIONS/VALUE
GENERATED FOR
STAKEHOLDERS

SHAREHOLDERS

- Dividends of **TL 516 million** were distributed to the Borsa İstanbul shareholders

OUR EMPLOYEES

- **TL 492 million** in total wages and benefits were paid to Borsa İstanbul Group employees

CUSTOMERS/ INVESTORS

- **TL 258 billion** in financing was provided through the Private Sector Debt Securities issuances and the IPOs
- **100% session continuity**
- Contribution to the institutionalization processes of companies with BISTEP

REGULATORY BODIES/THE PUBLIC

- **TL 846 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 **439** 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 for improvement of investment culture
- Contribution to economic growth





RISK MANAGEMENT

Aware of the importance of risk management in achieving strategic goals and maintaining its operational resilience, Borsa İstanbul maintains its risk appetite, governance structure and activities within the framework of this approach.

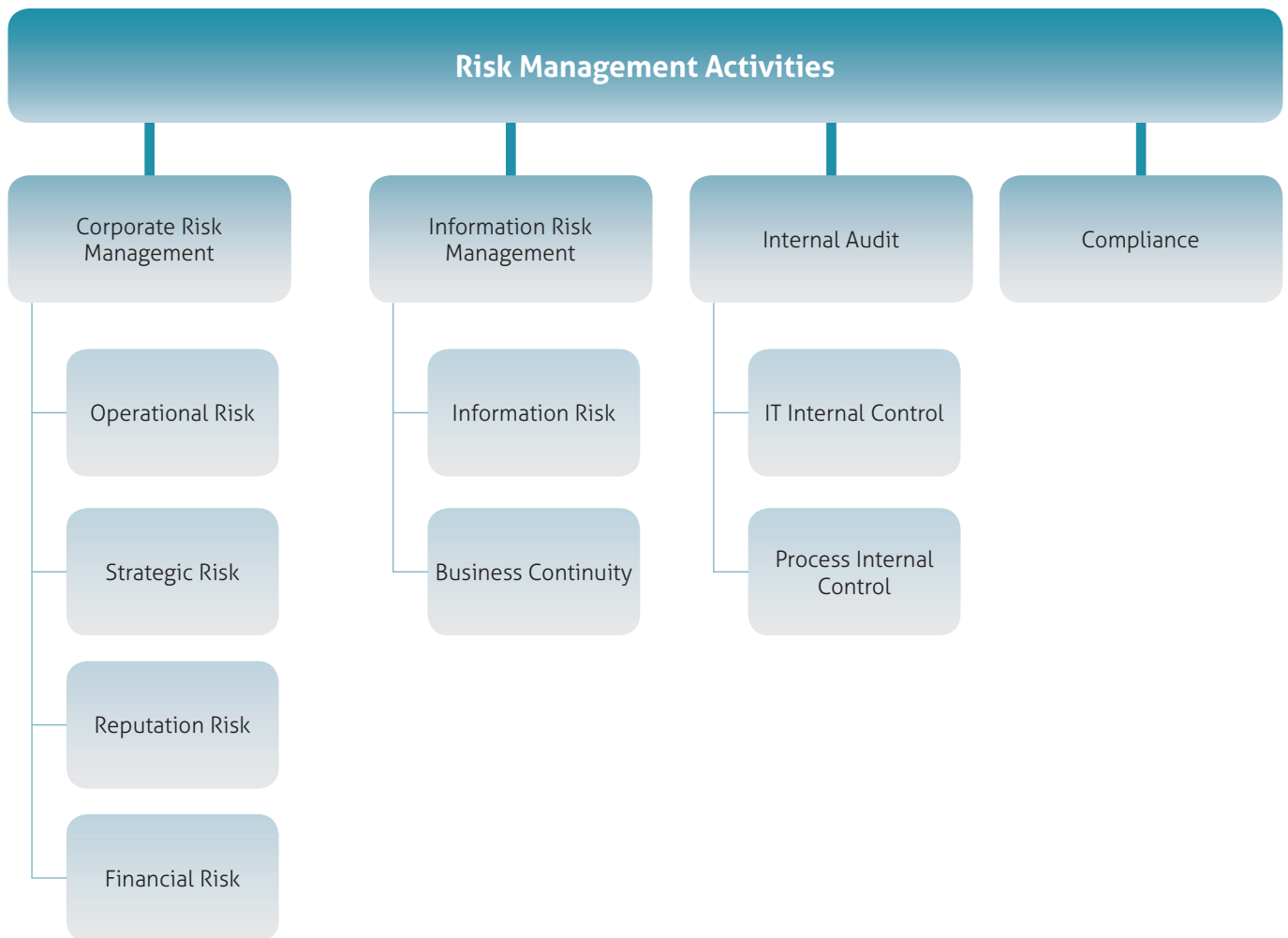
RISK MANAGEMENT

Placing risk management as an indispensable part of the corporate culture and strategic decision-making process at Borsa İstanbul forms the basis of our corporate risk management strategy. The establishment of risk management enables the enhancement of a risk culture, 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 our 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 supervision and responsibility of the Board of Directors. This responsibility is 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.

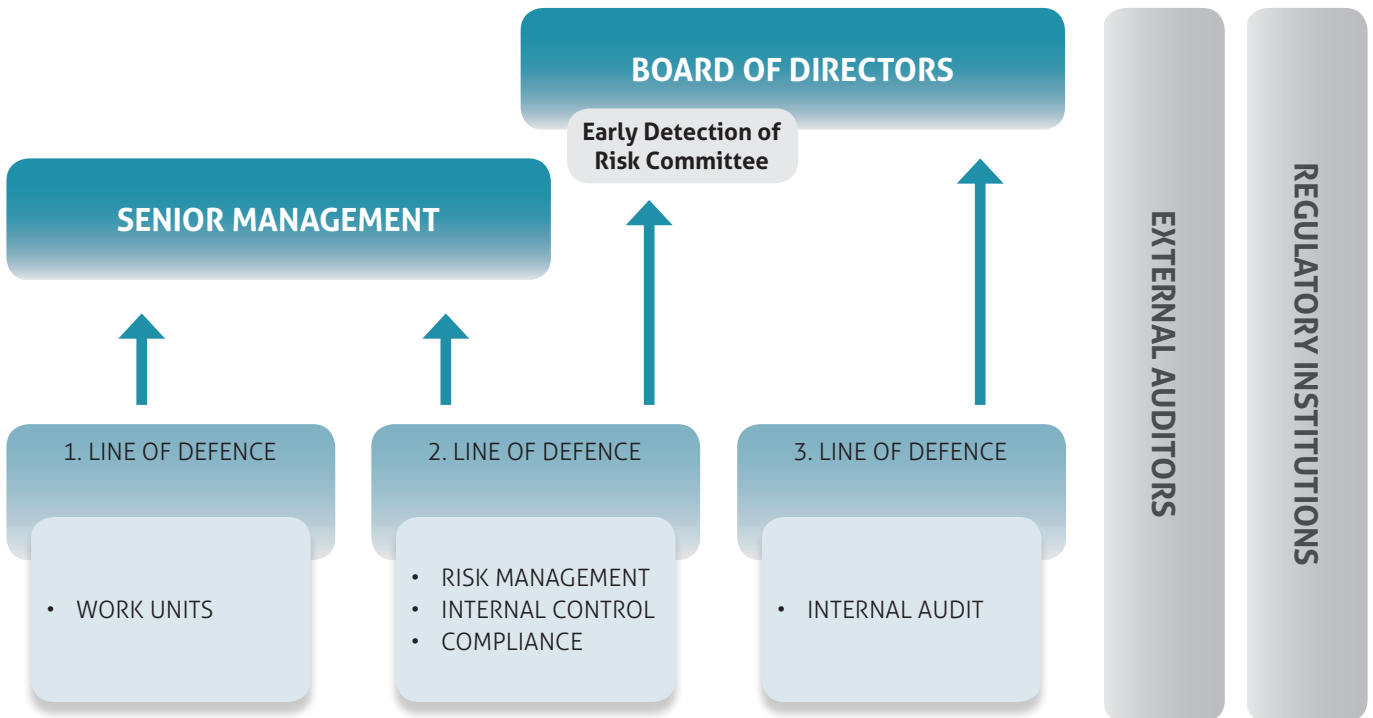


At Borsa İstanbul, the risk management operations are carried out by the teams specialized in corporate risk management, information risk management, internal audit, business continuity and compliance with the legislation.



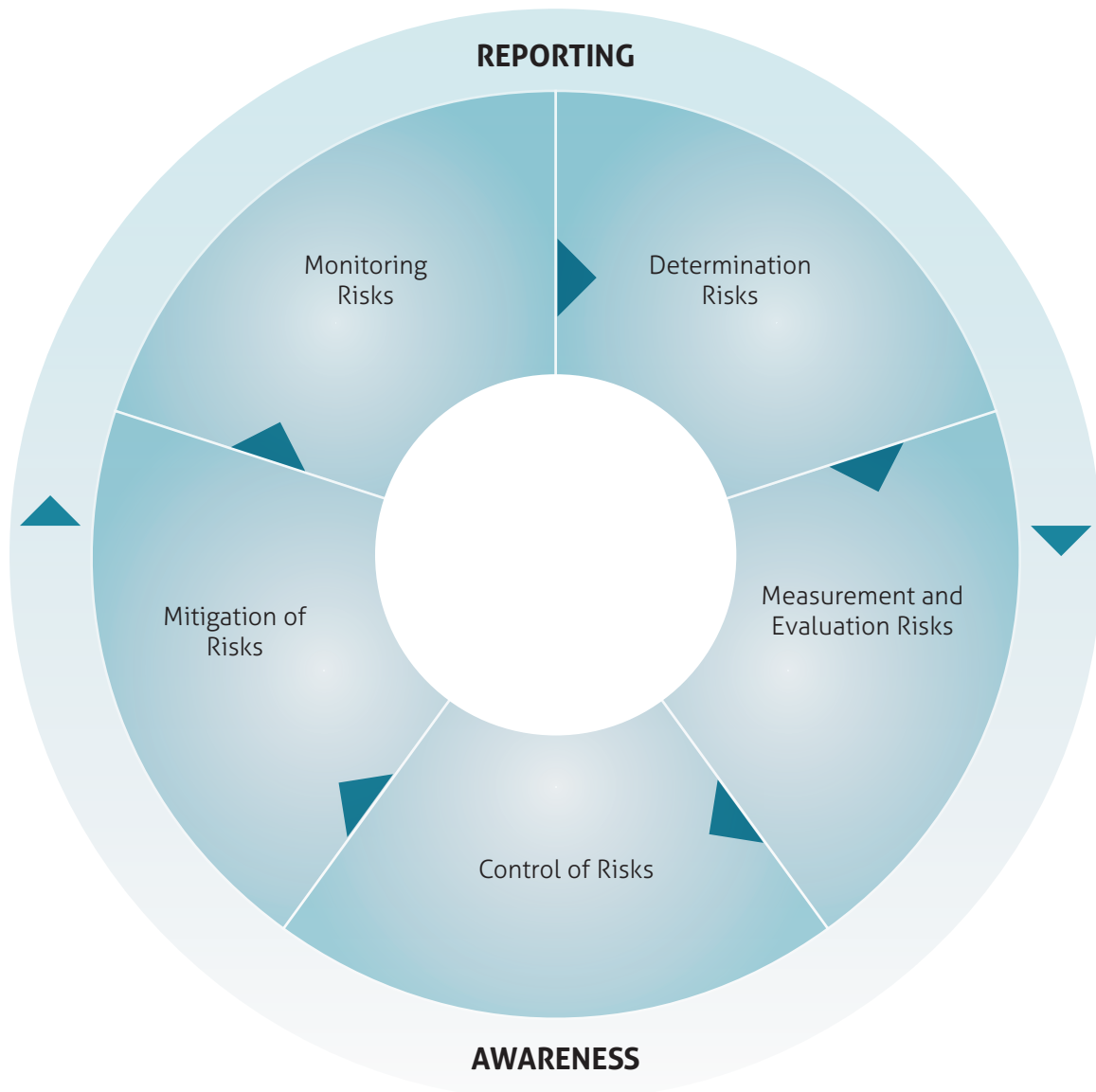
RISK MANAGEMENT

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 governance, risk and internal control systems by providing reasonable assurance to the senior management.



RISK METHODOLOGY

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. Placing risk management as an indispensable part of the corporate culture and strategic decision-making process at Borsa İstanbul forms the basis of our corporate risk management strategy.



RISK MANAGEMENT

DETERMINING RISK APPETITE

Borsa İstanbul determines the risk appetite which it is prepared to assume in any time frame in line with its mission, vision, goals and objectives. Risk appetite is reviewed on an annual basis. In order to carry out effective risk management, risk appetite is established on the basis of each risk category by taking corporate strategies into account and the steps to be taken are determined by considering risk appetite.

OUR PRINCIPLES IN DETERMINING RISK APPETITE

Ensuring effective management of strategic, reputational, operational, financial and compliance risks which could hamper Borsa İstanbul's ability to achieve its corporate goals	Fulfilling legal and regulatory requirements completely and maintaining the goal of fair, ethical and responsible market management	Maintaining sustainability to become a center of attraction for new participants, maintaining a strong reputation by providing operational robustness and uninterrupted service to stakeholders
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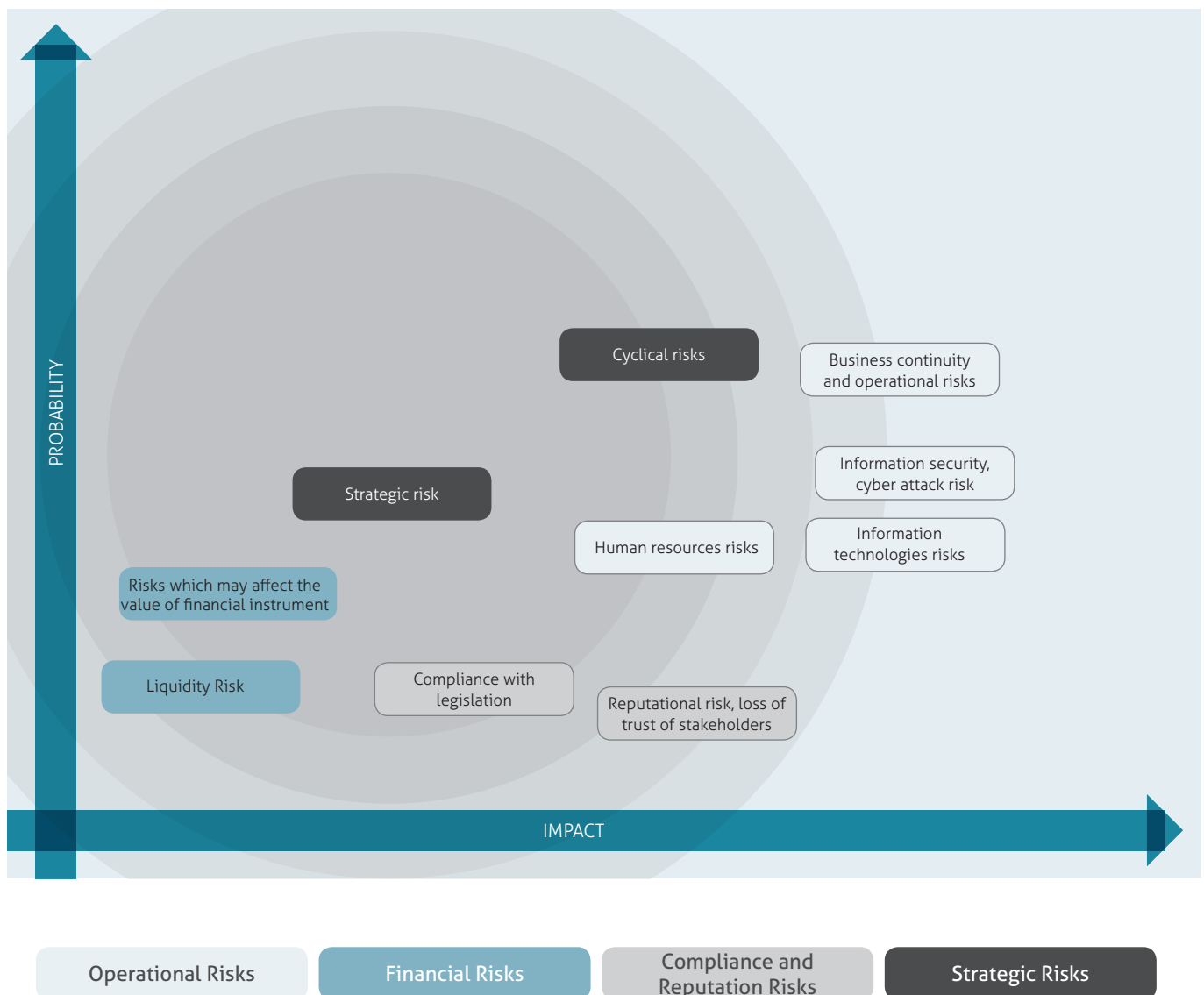
RISK APPETITE

Borsa İstanbul adopts zero risk tolerance in the following areas. Risk appetite was determined to be of a "Medium" level on the basis of other areas and risk categories.

NO TOLERANCE FOR	FINANCIAL	Decisions which will adversely affect the long-term financial sustainability of the institution
	REPUTATION	Factors preventing a reinforcing of trust in the stock market
	HUMAN RESOURCES	<ul style="list-style-type: none"> Discrimination based on race, language, religion and gender in terms of human resources policies Matters which affect the Company's main activities due to a lack of knowledge, education and experience among employees or poorly designed work processes
	OPERATIONAL	<ul style="list-style-type: none"> Work and transactions that prevent transactions from being carried out in a reliable, transparent, effective, stable, fair, honest and competitive manner. System errors, information and data security breaches, disclosure of confidential information Interruptions, waiting, slowdowns and delays in the services we provide Interruptions in market operations due to third-party partner failure Operational risks arising from the implementation of key strategic plans and changes which would have an impact on external customers Bribery, corruption, embezzlement, abuse, irregularities and the consequential risk to reputation Operational risks arising from failing to fulfil our commitments to members of the stock exchange
	ENVIRONMENTAL	Decisions which could harm the environment, the ecological balance or society
	COMPLIANCE	Failure to comply with obligations arising from laws, the legislators and regulatory authorities




FUNDAMENTAL RISKS AND PREVENTION STRATEGIES





For Borsa İstanbul, the risk assessment matrix, which was formed at the end of this process, can be summarized as follows;



RISK MANAGEMENT

Borsa İstanbul takes the strategic, financial, operational, reputational and compliance impacts and their probabilities into consideration in its risk assessments. The potential impacts on the basis of the determined risk categories and our strategies to prevent risks are as follows.

RISKS		POTENTIAL IMPACT	RISK DEFINITIONS AND PREVENTION STRATEGIES	AFFECTED CAPITAL ELEMENT
Operational Risks	Information Technology Risks	Revenue Loss Reputational Damage	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. Control and warning mechanisms were established to reduce systemic risks and information channels were established to inform Borsa İstanbul of the market operation situation as rapidly as possible. The data center and back-up systems are designed to operate actively and in fault-tolerant conditions at all times.	 Financial  Human  Intellectual
	Business Continuity and Operational Risks	Revenue Loss Reputational Damage	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 continuity by managing its operational risks and ensuring business continuity. In order to avoid interruptions to business continuity, operational risk management framework is applied effectively in all activities, infrastructure, processes and products while personnel policies, work processes and control points are reviewed and preventive measures are taken. Borsa İstanbul aims to be prepared and flexible in all conditions and to manage crises by taking quick decisions, with business continuity policies and plans, tests and exercises carried out to manage any crisis, disaster or pandemic but during and after the event. Thanks to the business continuity policies and plans, the pandemic process has been successfully managed.	
	Information Security and Cyber Attack Risks	Revenue Loss Reputation Loss	To prevent unauthorized third 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. 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 necessary measures are taken. The problems experienced and the measures taken are regularly shared with Takasbank and the MKK. Special attention is paid to coordination with the relevant parties regarding the sharing of knowledge and experience. The routine of working from home, which has become more prevalent during the pandemic, has increased vulnerability to cybercrime. 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.	
	Human Resources Risk	Revenue Loss Reputation Loss	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. Throughout the pandemic and during the "new normal", policies have been drawn up and implemented for the prevention and control of any losses in human resources, the acquisition of new talent and the development of competency-based human resources.	

RISKS		POTENTIAL IMPACT	RISK DEFINITIONS AND PREVENTION STRATEGIES	AFFECTED CAPITAL ELEMENT
Financial Risks	Liquidity Risks	Financial Loss	Within the scope of financial risk management, counterparty risk is assessed and a Fund Management Policy is in place, which will protect the Borsa İstanbul from the negative effects of liquidity risk that may arise from any bank. Funds are utilized within the constraints set out within the scope of the policy and the portfolio is diversified in order to distribute risk. Funds are managed by balancing assets and liabilities, which are sensitive to risks, and by taking necessary measures to mitigate any potential risks that Borsa İstanbul may exposed to.	 Financial
	Risks which May Affect the Value of Financial Instruments	Financial Loss	Steps are taken to ensure that the short or long term assets and liabilities included in our financial statements are managed in such a way that there is no open position, either in terms of interest or in terms of maturity.	
Compliance and Reputation Risks	Failure to Comply with Legislation Completely/ Thoroughly and Risk of Loss of Shareholder Trust	Reputation Loss	<p>Borsa İstanbul complies with the Capital Markets Law, the CMB regulations, the legislation on combating money laundering, prevention of financing of terrorism, prevention of corruption and the tackling of bribery and similar economic crimes and other issues.</p> <p>Borsa İstanbul is in close contact with regulatory bodies, especially the CMB, and is involved in the development of regulations that promote the development and deepening of the markets.</p> <p>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.</p>	 Financial  Social and Relationship
Strategic Risks	Cyclical Risks	Loss of Competitive Power Financial Loss	<p>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 strategies which create value for the country's economy. Borsa İstanbul works to diversify revenues and develop new sources of income with innovative approaches to respond to the needs of the market and ensure sustainable revenue flow.</p> <p>Borsa İstanbul organizes training programs on financial literacy and the functioning of the markets and carries out projects to expand its investor base.</p>	 Financial
	Strategy Risk	Loss of Competitive Power Financial Loss	The strategic objectives of Borsa İstanbul were determined and key performance indicators to be monitored were defined. A business plan was prepared to ensure that the strategic objectives are achieved.	

RISK MANAGEMENT

RISK MANAGEMENT ACTIVITIES IN 2021

CORPORATE RISK MANAGEMENT

In 2021, 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 (EDRC). 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 Istanbul and training activities were offered to newly recruited personnel.

INFORMATION RISK MANAGEMENT

In 2021, risk assessment activities were carried out with the IT units, and action plans were established to address risks which exceeded the stated risk appetite. The status of risks and actions were monitored monthly and reported regularly to the Senior Management and the Early Detection of Risks Committee.

INTERNAL CONTROL

In 2021, special internal control activities, including end-to-end process control activities, were carried out to monitor the activities of work units and the IT units within the scope of the internal control plan.

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 units. The Internal Control Unit also contributes to the creation of legislative documents.

COMPLIANCE

The Risk Management Directorate is actively involved in the preparation process of the Borsa İstanbul's responsible supply chain regulations, which was prepared and put into effect in 2021 as a result of the comprehensive work carried out by the Precious Metals and Diamond Markets Operations Directorate. The Borsa İstanbul's responsible supply chain regulations were prepared in order to ensure compliance with the principles set forth in the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas within the scope of the compliance activities carried out within Borsa İstanbul.

In addition, the Risk Management Directorate was actively involved in the preparation of the Stock Exchange regulations, which were carried out by the Index Directorate, in order to ensure compliance with the Fundamental Principles on Financial Benchmarks published by the International Organization of Securities Commissions (IOSCO) with the aim of establishing an inclusive regulatory framework for the criteria used in financial markets. In addition to this work, opinions were provided on behalf of Borsa İstanbul in drawing up legislation prepared by the Capital Markets Board and other public institutions and organizations. The Risk Management Directorate contributed to the preparation of internal and external regulations, which were created by the work units at Borsa İstanbul within the framework of the underlying legislation, national and international standards and institutional standards. The Risk Management Directorate provided opinions to the work units within the framework of the provisions of the relevant legislation in order to eliminate any hesitation arising during the implementation of the legislation.

In addition, a range of other activities were carried out, such as informing the senior management and related work units about legislative changes by monitoring the legislative changes concerning the activities of Borsa İstanbul and the capital markets in general, contributing to the work carried out by the World Federation of Exchanges (WFE), and in-service training activities.

BUSINESS CONTINUITY

The Pandemic Disease Plan was implemented in coordination with Borsa İstanbul Group companies in 2021 during the pandemic. The rules to be followed in the pandemic, issues falling within the scope of the support services such as working from home, transportation and use of the cafeteria were coordinated on a work group basis. The business continuity, human resources and support services teams of Borsa İstanbul Group companies regularly evaluated the situation. The steps to be taken and those responsible for these steps were determined. In-house training and awareness activities were carried out.

The Business Continuity Management Committee (BCMC) convened four times in 2021. Takasbank and the MKK were invited to these meetings to facilitate more effective business continuity management.

In 2021, the ISO 22301 certification audit process was successfully completed and our institution was awarded ISO22301 Business Continuity Management System certification.





STAKEHOLDER RELATIONS AND CORPORATE GOVERNANCE




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

STAKEHOLDERS

Borsa İstanbul aims to sustain its strong relationships with its stakeholders through transparent and effective communication. It administers its stakeholder relations through a variety of platforms. Its main stakeholders consist of individuals, groups and institutions which have a significant impact on Borsa İstanbul, and who are affected by Borsa İstanbul's actions. Shareholders, customers, capital market investors, regulatory bodies, especially the CMB, employees and its subsidiaries are its main stakeholders.



SHAREHOLDERS

	ITS LINK TO THE STRATEGY	MATERIAL ISSUES
• The Wealth Fund	 GROWING CAPITAL MARKETS	Development and Deepening of the Market
• QH Oil Investments	 CONTINUITY	Business Continuity and Risk Management
• The Capital Markets Association of Türkiye	 REVENUE INCREASE	Stakeholder Relations and Corporate Governance
• Brokerage houses, banks, precious metal brokers		

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

MAJOR ISSUES AND DEVELOPMENTS IN 2021

The Annual General Meeting was held on 26 March 2021.

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 1.25 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.

The proposed amendments to the Internal Directive on the Working Principles and Procedures of the Borsa İstanbul A.Ş. General Assembly were approved unanimously.

A total of 0.014% share from four minority shareholders was purchased by Borsa İstanbul.

Our shareholders as of 31 December 2021:

80.60% Türkiye Wealth Fund (TWF)

10.00% QH Oil Investments

2.32% Borsa İstanbul A. Ş.*

1.30% The 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 stocks are traded on the Borsa Istanbul 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 Organizations, which use the BIST indices for their financial products. 	 GROWING CAPITAL MARKETS  CONTINUITY  REVENUE INCREASE	Development and Deepening of Markets Technology and Innovation Investor Protection Financial Literacy

COMMUNICATION CHANNELS

Direct communication and interviews, announcements, informative e-mails

COMMUNICATION TOPICS

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

MAJOR ISSUES AND DEVELOPMENTS IN 2021

The Listing Directive was amended. Among the listing conditions sought for companies to be traded on the Stock Exchange; regulations were prepared regarding the minimum market value of stocks offered to the public.

52 companies, which realized public offerings worth TL 21.6 billion, were listed. Listing applications from three companies were rejected, while eight companies were taken to an upper market.

As a result of the examinations, three companies were issued with warnings, two companies were included in the Close Monitoring Market and one company was delisted. Two companies were included on the Pre-Market Trading Platform.

Interviews were held with Venture Capital Funds, Equity Based Crowdfunding Platforms authorized by the CMB, and various Portfolio Management Companies in order to receive their opinions and suggestions regarding the design of the Venture Capital Platform (GISEP).

Meetings were held with the companies and investors who are members of the Borsa İstanbul Private Market platform in order to develop the market and ecosystem.

In 2021, 53 gong ceremonies were held on the Borsa İstanbul campus.




Training on the use of the BISTECH pre-trade risk management (PTRM) application, which was developed to control and monitor the risks which may be encountered due to orders entering the system and the transactions performed, was organized for member representatives on five occasions in 2021.

Regulations were prepared for brokerage houses operating in the Precious Metals Market and the refineries on the Stock Exchange Refinery List, stipulating that they should conduct responsible precious metal trade and act in accordance with international rules in the procurement of precious metals, avoiding practices such as abuse of human rights, child labor, and financing of conflicts, especially in the procurement of precious metals from conflict-affected areas, and should obtain an independent audit assurance report in order to transparently and clearly ensure that these rules are complied with. In this context, training programs were prepared for compliance officers inspecting the precious metals responsible supply chain and independent auditors regarding issues they may encounter in practice.

Improvements were carried out to the processes performed regarding the current status of the requests submitted by the customers through the connect.borsaistanbul.com address, through which they contact Borsa İstanbul. The passwords of the representatives performing registration in the Debt Securities Market were accessed through the connect.borsaistanbul.com portal.

In a bid to increase financial literacy, Equity Market was explained at various universities, events and at the Borsa İstanbul promotion standards, and training was provided through the BIST-S simulation program.

INVESTORS

	ITS LINK TO THE STRATEGY	MATERIAL ISSUES
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 or collective investment institutions which carry out individual or institutional portfolio management	 GROWING CAPITAL MARKETS	Development and Deepening of the Markets
	 CONTINUITY	Business Continuity and Risk Management
	 REVENUE INCREASE	Technology and Innovation
		Investor Protection 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 2021

World Investor Week was organized with the Turkish Capital Markets Association. The event, which was held for the fifth time this year, started with a gong ceremony at Borsa Istanbul. Borsa Istanbul took part in the content committee and participated in the activity as a speaker and moderator.

Borsa Istanbul participated in the event named "The Globalization Potential of Start-up Ventures in Türkiye" organized by the DEİK (Foreign Economic Relations Board) Foreign Investments Business Council, and also participated in the TET (Electronic Exporters' Association) Project Market as a jury member.

The guide document on Public Offering and Trading on the Stock Exchange was prepared and published on the Borsa Istanbul website as of October 2021. In addition, printed brochures were sent to companies on the ISO 500 list and to the chambers of commerce and industry by post.

The "Investing in Borsa Istanbul Markets" investor guide and video was created and conveyed to all domestic and foreign representatives through the Ministry of Foreign Affairs.

Within the scope of financial literacy, 16 students studying abroad were given online training on the capital markets by Borsa İstanbul, Takasbank and the MKK.



A total of 1,978 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 in 2021;

- 1) The Precautionary Management System, which was brought into use in 2019, has been used effectively. New preventive measures such as "Order cancellation, quantity reduction and prohibition of price deterioration", "Restriction on entry of 'Order from the Market to the Limit' with the Market Order" and the "Restriction on publication of order collection information" were implemented. Acting with a proactive approach within the scope of the Precautionary Management System, the 88 stock-based measures applying to 75 different stocks and 165 investor-based measures for 158 different investors were implemented in 2021.
- 2) In 2021, when volatility remained high due to the pandemic, a total of 317 measures were taken within the scope of the Volatility-Based Measure System (VBMS). These measures included the following: 64 Short Selling and Credit Transaction Bans for a total of 168 different stocks; 175 Gross Swap, 51 Single Price; 26 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 one Restriction of Order Transmission Channels (Internet Order Prohibition).
- 3) The VBMS, which was developed within the scope of surveillance activities and which is applied for the stocks traded on the equity market of our Stock Exchange, was updated in November by taking into account the developments in the market over time and the requirements arising within the framework of new regulations.
- 4) Pursuant to requests from brokerage houses to access all data provided by Borsa İstanbul on a single platform, work was carried out so the list of measures could be accessed through 'connect.borsaistanbul.com' within the framework of the Surveillance Measures Directive.

STAKEHOLDERS

REGULATORY BODIES

	ITS LINK TO THE STRATEGY	MATERIAL ISSUES
<p>The Capital Markets Board of Türkiye (CMB), the Central Bank of the Republic of Türkiye (CBRT), the Banking Regulation and Supervision Agency (BRSA) and other regulatory and supervisory public authorities.</p>	 GROWING CAPITAL MARKETS  CONTINUITY	Development and Deepening of Markets
		Business Continuity and Risk Management
		Investor Protection
		Environmental and Social Impact Area

COMMUNICATION CHANNELS

Direct communication, cooperation, reporting, Financial Stability Committee

COMMUNICATION TOPICS

Regulatory and legal infrastructure, auditing and surveillance actions

MAJOR ISSUES AND DEVELOPMENTS IN 2021



Opinions are provided in response to the communiqués and draft regulations prepared by the CMB. In this context, the Green Debt Instrument and the Green Lease Certificate Guide, for which feedback was provided, were opened to public consultation by the CMB. We work closely with the CMB in connection to our products traded in our markets, new products to be released and services to be commissioned.

The reports prepared within the scope of surveillance, 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.

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

High-level participation is ensured in communication and cooperation meetings between all institutions engaged in the management of the economy, which are institutionalized under the umbrella of the Financial Stability and Development Committee.

SUBSIDIARIES & AFFILIATES

	ITS LINK TO THE STRATEGY	MATERIAL ISSUES
Group companies, domestic and foreign partnerships	 CONTINUITY  REVENUE INCREASE	Development and Deepening of Markets Stakeholder Relations and Corporate Governance

COMMUNICATION CHANNELS

Board memberships, general meetings

COMMUNICATION TOPICS

Group synergy, new projects, joint products and events

MAJOR ISSUES AND DEVELOPMENTS IN 2021

In 2021, the liquidation of Finans Teknopark A.Ş. was completed within the framework of the restructuring plan for the subsidiaries.

The Takasbank and MKK articles of association were updated in line with the amendments made to Borsa Istanbul's articles of association.

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 Istanbul. 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 and the Montenegro Stock Exchange, which are also our affiliates, 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.

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	16.33	
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

EMPLOYEES

	ITS LINK TO THE STRATEGY	MATERIAL ISSUES
Qualified human resources who are respectful to ethical principles and attach importance to our values	 CONTINUITY  REVENUE INCREASE	Business Continuity and Risk Management Stakeholder Relations and Corporate Governance Employee Development and Talent Management Environmental and Social Impact Area

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, satisfaction surveys and trade union meetings.

COMMUNICATION TOPICS

Performance processes, talent management, organizational arrangements, improvements to the working environment

MAJOR ISSUES AND DEVELOPMENTS IN 2021

Talent Management

The BIST Talent Program, which is an employment and talent acquisition project prepared by Borsa Istanbul for university students, was launched. Within the scope of the program, 3rd and 4th year students at universities in Istanbul were given the opportunity to work part-time in Borsa Istanbul. A total of 16 employees were recruited under the BIST Talent program in 2021.

As part of the "Coffee Break with the HR" meetings with employees, meetings were organized with 53 employees in 2021. These meetings aim to receive instantaneous feedback from employees and to find solutions to their problems.

Changes were made to the organizational structure of the Stock Exchange in order to strengthen the institutional structure and increase operational efficiency. Improvements were made in the performance evaluation system. The employees were evaluated on the basis of both competency and targets. Moreover, manager evaluation questionnaires were included in the system, which allow the employees to evaluate their superiors.

The suggestions received through the "I Have an Idea" platform, which was introduced in 2020 as a forum where company employees could present their suggestions, were evaluated. In 2021, two of our employees received awards.

In order to benefit from feedback, in 2021 exit interviews started to be held with employees who left their positions. In 2022, more detailed surveys are planned to be carried out in an attempt to increase employee satisfaction, to support employees in critical positions to ensure business continuity and to submit the report to the management.

Remuneration

In 2021, the 7th Term Collective Bargaining Agreement, covering 2021 and 2022, was signed with the Banking and Finance and Insurance Workers Union (BASISEN), which the majority of employees are members of.

Within the scope of the needs arising from the remote working conditions and in order to support employee satisfaction during the pandemic, a 10% raise was implemented to the basic wage for all employees with effect from July.

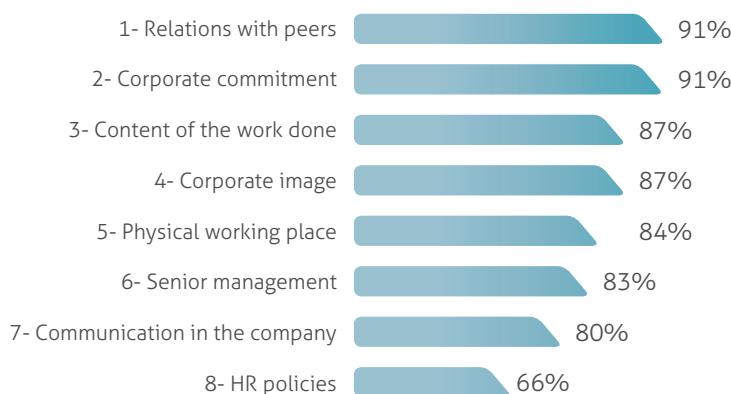
In 2021, performance evaluations were carried out on the basis of both targets and competencies. Scorecards for our managers were created within the framework of our company's corporate goals. Within the framework of the scorecards set out, each employee's own scorecard was created, with the results inputted into the performance management system at the end of the year.

Occupational health and safety

Within the framework of occupational health and safety measures, the number of employees on campus or in the office was kept to a minimum during the pandemic. Employees were provided with the opportunity to work remotely. Employees coming to the workplace took PCR tests at the beginning of each week. Possible risks have been monitored by ensuring that the Covid-19 measures form, which can be accessed electronically and which is archived, was filled in every day. Employees presented their HES (Life Fits at Home) code every day. Employees deemed to be at risk of Coronavirus are identified and directed to work remotely. An influenza vaccine was provided to be administered on request from employees.

Employee satisfaction

An employee satisfaction survey was executed. The answers are analyzed and reported to take the necessary steps. The survey attracted a participation rate of 94% with an average satisfaction rate of 84%. The general satisfaction levels, which were determined by answering the questions in the eight sections are listed below in ratios:



Training

In 2021, the competencies and training needs required by all positions were determined, and works on the training plan were carried out by taking into account the demands of the units in this regard.

In June, the online training system, Borsa E-Academy, was opened for the use of employees. The E-Academy, which can be accessed via web and mobile, has two different training catalogues: general competence and IT.

53 main training topics were opened under the general competence category and 40 main topics were opened under the IT category. Around 500 items of educational video content were presented under these headings. In addition, training materials, presentations and training content used in internal training are uploaded to the E-Academy library and made available to employees on a 24/7 basis.

Borsa İstanbul considers its employees to be the most important contribution to its growth and development. Borsa İstanbul, which develops human resources policies and processes based on the principle of respect for people, carries out work for both the acquisition of new talent and the development of existing employees.

629
Number of
Employees

36.5
Average Age of the
Employees

8.5
Average Duration of
Work (Year)

24.8%
Ratio of Women
Employees

5.13 (Women)
5.50 (Men)
Employee Turnover (Voluntary)

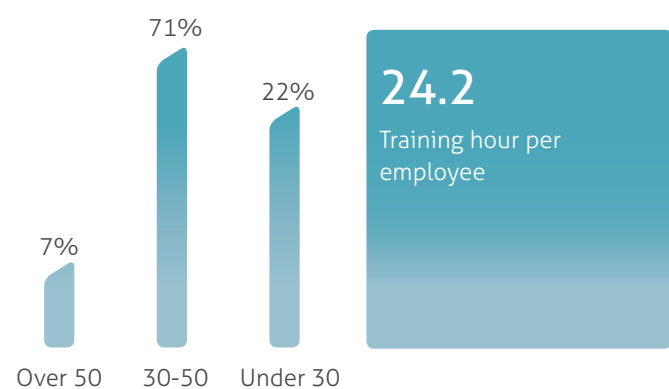
STAKEHOLDERS

Number of Employees

Women Men



Age Diversity

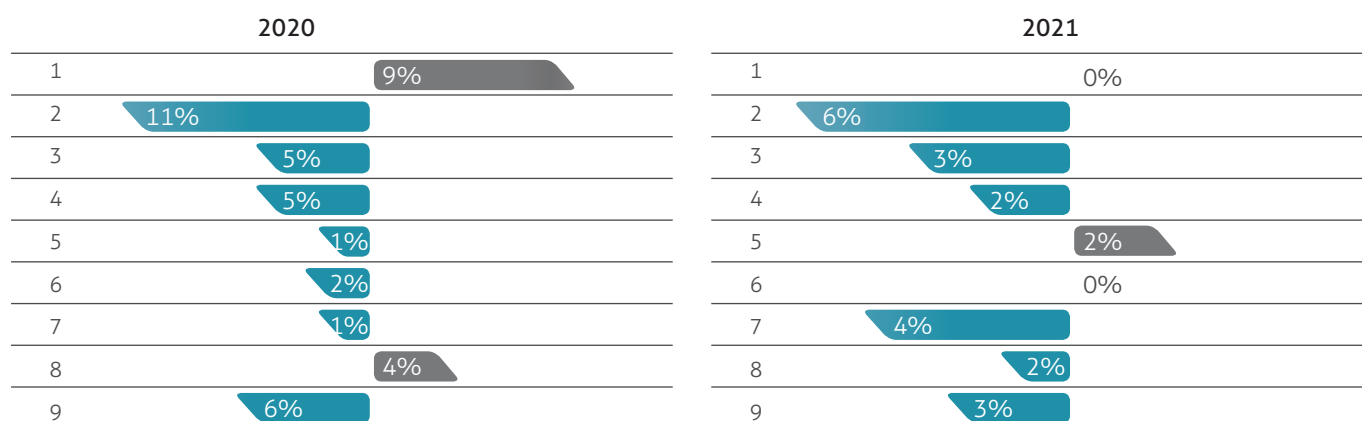


Analysis of male/ female remuneration

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.

Women Men



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. It is also an important means of transferring the savings of individuals to the real economy. 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 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 regulations issued by the Capital Markets Board by means of comparison.

The Corporate Governance Compliance Report (GCF) 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

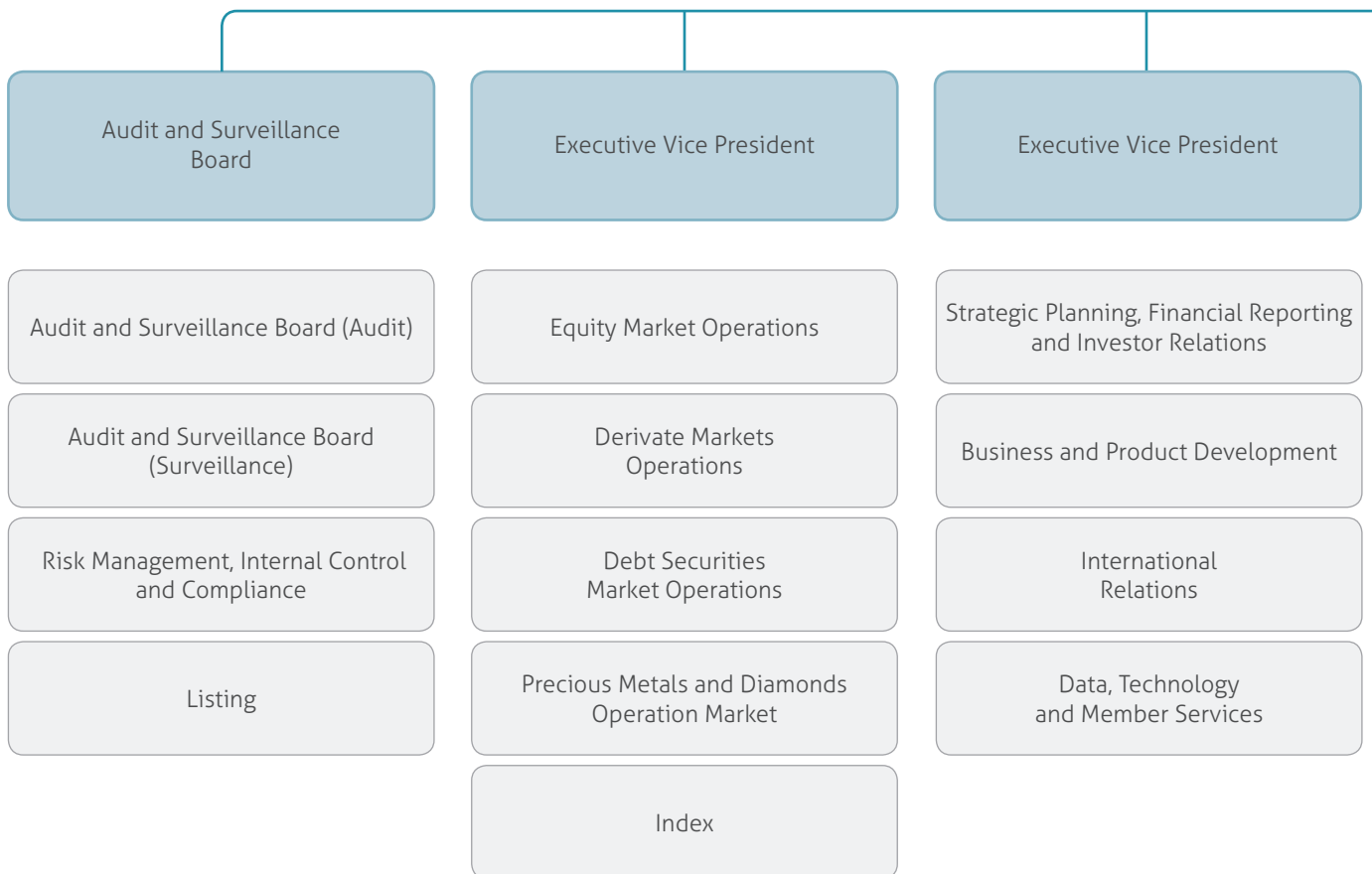
- To ensure that Borsa İstanbul's organization and governance are in line with its strategic goals and that they are fully harmonized with its operational needs,
- To increase the reputation of Borsa İstanbul as an important capital markets platform worldwide by adopting local regulations and international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

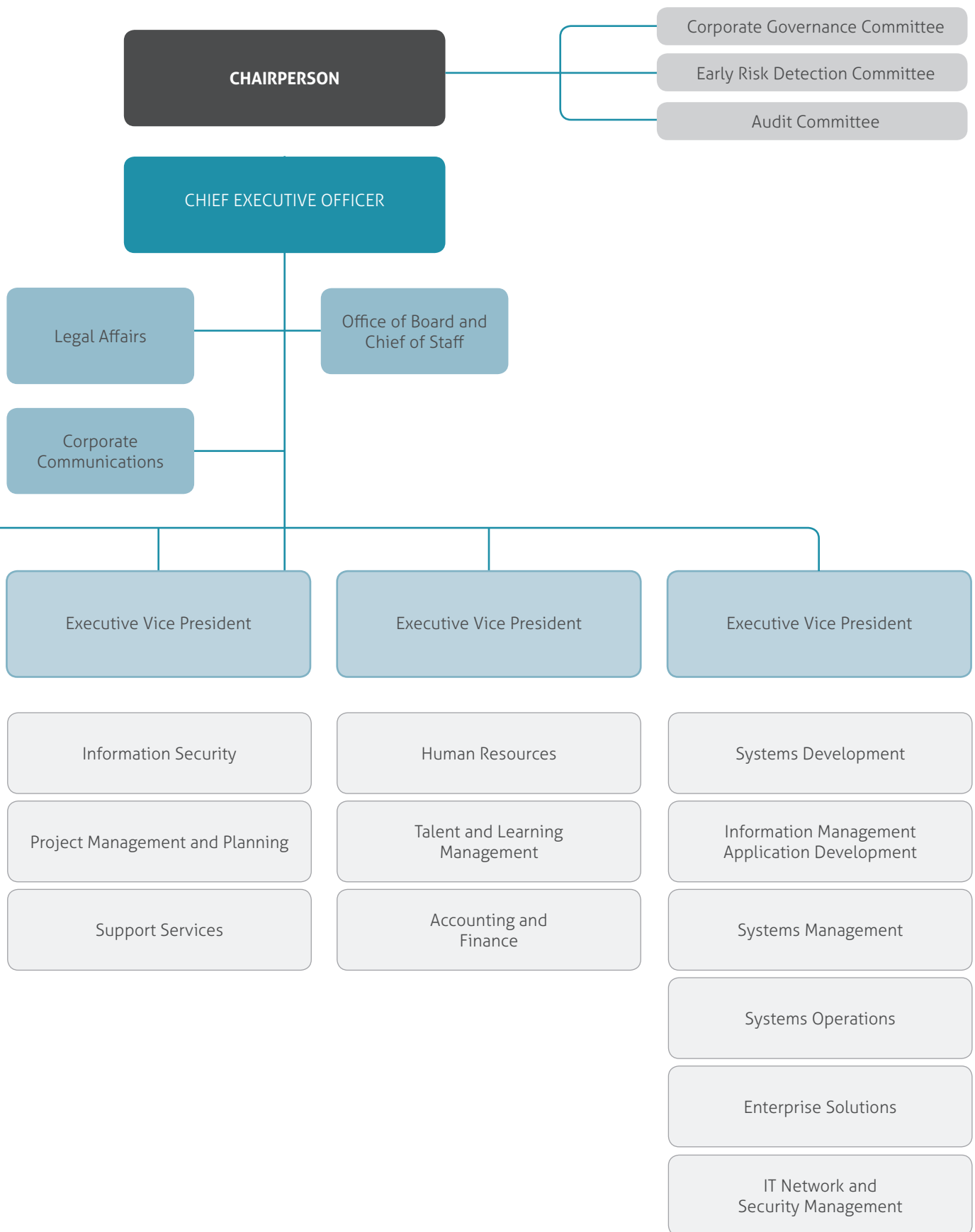
The fact that Borsa İstanbul sets an example for companies in terms of corporate governance and encourages companies to adopt the highest standards in corporate governance is considered important in demonstrating to domestic and foreign investors that the Turkish capital markets work to high standards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

ORGANIZATIONAL STRUCTURE

The Borsa İstanbul governance bodies have a long-term vision which is focused on the growth perspective. The Board of Directors determines the strategy of Borsa İstanbul. Managers, on the other hand, execute this strategy and manage 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.

The organizational structure of Borsa İstanbul is structured to ensure that it operates within the framework of effectiveness and efficiency principles. As a result of the decisions taken and the appointments made, the organizational structure of Borsa İstanbul was formed as follows.





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, bring their expertise in areas such as capital markets and finance, accounting and auditing, law, communication and corporate governance, as well as international perspective. 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 these 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. Dr. Erişah ARICAN
Chairperson

Prof. Erişah ARICAN 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. ARICAN 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. ARICAN assumed the title of Marmara University Banking and Insurance Institute Banking Department Chairperson and Board member in September 2015. Prof. ARICAN has numerous studies and books on Turkish economy, economic systems, money-banking, central bank practices, financial markets and organizations. Prof. ARICAN was elected as Borsa İstanbul Board Member on 1 April 2016, as Board member of Türkiye Wealth Fund on 12 September 2018. Prof. ARICAN 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. ARINCI 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 ARINCI speaks English and is married with three children.

**Metin KIRATLI**

Board Member

Metin KIRATLI 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. KIRATLI 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, 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, ALTUN taught at Istanbul Medeniyet University's Department of Sociology. Most recently, he served as founding dean of the Department of Communication at the Ibn Khaldun University. 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: Islamism* (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. 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 KESTELLİ

Independent Board Member

Born in 1962, Konya, Işinsu KESTELLİ 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 KESTELLİ, 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 KESTELLİ 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, KESTELLİ 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 KESTELLİ was elected as Board Member of Board Borsa İstanbul at its Ordinary General Assembly.



Prof. Dr. Cem DEMİROĞLU

Independent Board Member

Cem DEMİROĞLU 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. Professor DEMİROĞLU 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. Professor DEMİROĞLU 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

Mr. 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. Mr. 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. Mr. 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. Mr. 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. Mr. 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 25 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

7

Number of physical
board meetings

44%

Proportion of
independent board
members
(According to CMB
Corporate Governance
Principles)

86%

Participation rate in
meetings

22%

Percentage of female
members

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", "professional liability insurance" and "cyber security" policies in place which also cover members of the Board of Directors.

The Board of Directors convened seven times in 2021 and took decisions without holding a meeting when necessary.

Financial Rights

In 2021, the total of remuneration and similar benefits paid to the Borsa İstanbul Group companies' (Borsa İstanbul, Takasbank, the MKK) Board of Directors members and senior executives stood at TL 16 million (31 December 2020: TL 12.4 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 (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 committee also performs Committee nomination and pricing functions, given that there is no separate committee within the Board of Directors.

The committee consists of two independent members of the Board of Directors and one non-acting Board Member. The Financial Reporting and Subsidiaries Directorate responsible for Investor Relations leads the secretariat activities.

Members

Prof. Dr. Cem DEMİROĞLU (President)

Tevfik ERASLAN (Member)

Ahmed Ali AL-HAMMADI (Member)

Activities in 2021

In the meeting of the Board of Directors convened following the Annual General Meeting, which was held on 26 March 2021, the decision was taken that the Committee would consist Prof. Dr. Cem DEMİROĞLU, Mr. Tevfik ERASLAN and Mr. Ahmed Ali AL-HAMMADI.

The Committee's activities in 2021 can be summarized as below:

- The committee conducted two meetings.
- The Institutional performance results were evaluated by the Committee and the performance bonuses of the senior management were recommended to the Board of Directors.
- The Committee handled the corporate governance revision work which was prepared in accordance with the applicable regulation framework regarding Borsa İstanbul's corporate governance practices by taking account of OECD Corporate Governance Principles Guide, the OECD Corporate governance Principles Guide For Public Enterprises, the Capital Markets Board Corporate Governance Communiqué and the Borsa İstanbul Board of Directors Working Procedures and Principles documents. Within this scope, the existing Corporate Governance applications at Borsa İstanbul were analyzed and areas open for development on Corporate Governance matters were determined.
- The Committee reviewed the Corporate Governance Adaptation Reports for 2021 (Corporate Governance Adaptation Form and Corporate Governance Informing Form) and submitted these 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. Dr. Cem DEMİROĞLU (Member)

BOARD OF DIRECTORS COMMITTEES

Activities in 2021

The Audit Committee was convened on nine occasions in 2021. The committee's activities in 2021 are summarized as below:

Examination and evaluation of Borsa Istanbul's 2020 year-end and 2021 interim consolidated financial statements, and the independent audit reports which were prepared.

The Committee approved the annual internal audit plan for 2021 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 Istanbul'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 Istanbul, taking necessary measures to address the detected risks, and risk management.

Members

Tevfik ERASLAN (President)

Metin KIRATLI (Member)

Işın KESTELLİ (Member)

Activities in 2021

The Early Risk Detection Committee was convened a total of six times in 2021.

Committee preparation meetings are held with the coordination of Risk Management, Internal Control and Compliance Department. In addition, information regarding the risks and the actions taken to mitigate these risks was reported to the committee on a regular basis.

In the meetings, risks based on each work unit and the effects of these risks within the scale of other work units and institutions were evaluated, and information was gathered regarding the work carried out with respect to the effective detection of these risks. In addition, the likelihood of the identified risks significantly affecting Borsa Istanbul's activities, especially the risks related to the markets under the management of Borsa Istanbul, and the measures to be taken by the related units to reduce these effects to an acceptable level, were discussed in the meetings. While the measures taken for the risks that were realized or likely to be realized were discussed, other possible risks which could affect the work units and the institution were considered in light of past experiences. The Committee informed the Board of Directors about the subjects considered to be important.

OTHER COMMITTEES

- **The Dispute Committee** assists the Board of Directors in resolving disputes between investment institutions or with their clients, in areas related to stock exchange 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 Istanbul regulations, decisions made by Borsa Istanbul 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 Istanbul, 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.

The Missions and Work Principles of the Committees can be found on our website.

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)	25 years of experience in the capital markets
Arif Tuncay ERSÖZ	Head of the Audit and Surveillance Board	İstanbul Technical University, Management Engineering	29 years of auditing experience in the Borsa Istanbul
Necdet KARDAN	Executive Vice President	Augsburg University, Computer Engineering / Visual Communication Design Donau University, IT Asset & Inventory Management (MA)	29 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)	28 years of experience in public and private sector management
Güzhan GÜLAY	Executive Vice President	İstanbul University, Business Administration Marmara University, Banking (MA and PHD)	28 years of experience in banking and stock trading
Murat BULUT	Executive Vice President	Ankara University, Business Administration	24 years of experience in stock trading
Erdoğan TUTAM	Executive Vice President	Yıldız Technical University, Mathematics Engineering	20 years of experience in IT





SUSTAINABILITY

Borsa Istanbul brings products and services related to sustainability into use, while integrating sustainability approaches to its activities and supporting its stakeholders in this area.

COMPLIANCE WITH SUSTAINABILITY PRINCIPLES AND SUSTAINABILITY PERFORMANCE

THE SUSTAINABILITY APPROACH

Stock exchanges play a key role in the shaping of a sustainable investment environment in the financial system. Borsa Istanbul, 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.

In areas related to sustainability, as in other areas, products and services have been developed to meet market needs as a result of consultations with our stakeholders. These innovations have been evaluated as leading steps which will shape and strengthen the future of the financial markets. The roadmaps for the responsibilities in the field of sustainability will continue to be updated in light of new developments.

The protection of the national resources and their transformation into investments in a productive and sustainable manner is one of the cornerstones in building a more sustainable future. For this reason, sustainability is placed as an inalienable part of Borsa Istanbul's strategy. As well as recent developments in sustainability, Borsa Istanbul also follows best practices applied by international organizations.

The key points of Borsa Istanbul's sustainability approach can be summarized as;

- Standing out by internalizing and embracing sustainability at the institutional level, and standing out as an example with the measures taken in this field.
- Developing market-based solutions, products and services which contribute to sustainability,
- Encouraging market participants and shareholders to adopt sustainability approaches into their areas of activity.

SUSTAINABILITY PRINCIPLES AND ACTIVITIES AT BORSA ISTANBUL

RAISING AWARENESS THROUGH TRAINING AND EVENTS

Borsa Istanbul aims to raise awareness of the effect of Environmental, Social and Governance (ESG) factors on the financial markets' long-term performance and the key role the markets can play in reaching a more equitable and sustainable world, through training and events aimed at market participants.

With the aim of raising awareness of sustainability and paving the way for a better understanding of its areas of application, Borsa Istanbul takes part in international events and supports training in this field.

COMBINING FORCES WITH STAKEHOLDERS

The placement and development of the sustainability in the financial markets requires the active participation of the all related stakeholders and the existence of an effective policy and regulatory framework. Stock markets have the opportunity to carry out collective and productive work since they are in interaction with broad stakeholder groups.

Borsa Istanbul has been appointed as a member of the Sustainability Working Group, was created by the World Federation of Exchanges (WFE).

Borsa Istanbul is one of the founding members of the UN Sustainable Stock Exchanges (SSE). It is also one of the 11 founders of Sustainable Derivative Exchanges Network, which was established in 2021.

Borsa Istanbul participates in the activities of the ISO Sustainability Platform, established by the Istanbul Chamber of Industry.

Borsa Istanbul participates in the "Roadmap for Increasing the Number of Women at Board level in Türkiye" project, which is funded by the European Bank for Reconstruction and Development (EBRD)'s special fund, to encourage efforts to increase the proportion of women in company boards.

Through the Organization of Islamic Cooperation (OIC) Standing Committee For Economic and Commercial Cooperation Stock Exchange Forum, in which Borsa Istanbul acts as its secretariat, communication with the stock exchanges of all Islamic countries is strengthened, and there are various projects which Borsa Istanbul is working on, including those related to sustainability.

IMPROVING SUSTAINABILITY REPORTING APPLICATIONS

Investors need to access information regarding how companies manage key ESG risks (and potential opportunities), to reach investment decisions and ensure that the funds they hold are allocated appropriately. Shareholders may be better informed when reaching more conscious decisions where companies provide greater transparency regarding their institutional strategies and non-financial performances.

Borsa Istanbul provides information to issuers regarding the reporting of non-financial information in the Sustainability Guide for Companies which it published in 2020.

With BIST Sustainability Index's methodology, which was renewed in October 2021, accessing ESG information has become easier for companies. With the use of Refinitiv's valuation methodology, companies' sustainability data and points are accessible on Eikon terminals and Refinitiv's website.

Work continues on the Climate Reporting Guide, which is intended to help public companies report climate-related information.

DEVELOPING SUSTAINABILITY THEMED PRODUCTS AND SERVICES

Borsa Istanbul aims to develop and encourage sustainability focused investment tools.

The BIST Corporate Governance Index, the BIST Sustainability Index and the BIST Sustainability Participation Index are calculated by Borsa Istanbul. The purpose of these indices is to increase the transparency of companies which are traded on the Borsa Istanbul and demonstrated high corporate governance and sustainability performances. Interviews with shareholders are continuing with the purpose of establishing funds based on these indices.

Work is ongoing on the establishment of a Carbon Market, which is aimed at playing an important role in combatting climate change and creating an infrastructure for green borrowing instruments, which are the most common sustainable investment products.

INTEGRATING SUSTAINABILITY INTO ACTIVITIES

It is vital that sustainability is placed at the heart of governance, strategy and organizational structures if it is to be effective in supporting the sustainable finance agenda.

Borsa Istanbul published Sustainability Reports which set out its sustainability-related activities in 2014, 2015, and 2016, in addition to its annual activity reports. Borsa Istanbul has been presenting information concerning ESG performance and goals with the Integrated Activity Reports since 2017.

The Sustainability Committee, which consists of representatives from different departments at Borsa Istanbul, was established with the purpose of applying sustainability at Borsa Istanbul in a manner which is holistic and effective, following the sustainability strategy and performance and integrating sustainability into decision-making mechanisms and work models.

A Sustainability Platform is in place under the leadership of Borsa Istanbul and with the participation of related institutions, operating with the purpose of conducting evaluations of works carried out in the fields of sustainability in an outcome-oriented and effective manner and creating a sharing network which will create opportunities to discuss collective steps which will be taken in the area of sustainability.

Borsa Istanbul's campus in Borsa Istanbul contains landscaped gardens with a number of native trees.

The Borsa Istanbul Review, a journal published bi-monthly, continues to be released through Elsevier, a publisher managed by Borsa Istanbul and one of the most prestigious publishing houses. The journal ranks among high-level academic indices, especially the Social Science Citation Index (SSCI) and Scopus.

Within the scope of its agreement with the Ministry of National Education, Borsa Istanbul has been providing financial support to the Project for the Physical Contribution to National Education (EFlKAP) since 1998. In this context, it has contributed to the building of more than 400 schools and social facilities in cities throughout Türkiye.

COMPLIANCE WITH SUSTAINABILITY PRINCIPLES AND SUSTAINABILITY PERFORMANCE

The BISTLAB computer and finance labs have become established with the purpose of encouraging university students to take more interest in the capital markets and improve financial literacy among students. Within this scope, two laboratories were opened in Ankara and Eskişehir in the final weeks of 2021. With the same goal, a BIST Talent program is place providing opportunities for part-time work to 3rd and 4th year university students studying in IT departments.

SUSTAINABILITY PRINCIPLES ADAPTATION 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 Adaptation Framework), which publicly-held corporations are expected to announce while performing ESG activities, with stakeholders. The new regulation stipulates that descriptions concerning the sustainability principles will be included in the annual activity reports, the sustainability principles will be voluntary and that the principles of the contents and publishing of Sustainability Principles Adaptation Framework will be determined by the Capital Markets Board.

Even though the Sustainability Principles Adaptation Framework has not yet been published, a sample document has been offered for public consultation by the Capital Markets Board to guide in company reports. Borsa İstanbul, which is required to practice these Corporate Governance regulations by comparison, has issued this announcement regarding ESG activities in light of these sample documents, with regard to changes in the legislation and the fact that the Sustainability Principles Adaptation Framework has not yet been published.

GENERAL PRINCIPLES

Borsa İstanbul set out its environment policy in 2015, in a manner with includes ESG areas such as energy, green gas emissions, water usage, waste management 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.

At the same time, Borsa İstanbul placed emphasis on sustainability in its 2022 Strategic Roadmap, and determined the new financial products and services to be provided in this field.

Borsa İstanbul has created a Sustainability Committee as being a party responsible for upholding ESG policies.

While Borsa İstanbul has issued announcements in the activity report on the sustainability activities which it has actualized, it also has been addressing the subject of which United Nations' 2030 Sustainable Development Goals are related to these activities.

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

Environmental subjects are handled by the Sustainability Committee within the body of Borsa İstanbul.

In addition to observing environmental issues in its own activities, Borsa İstanbul has added environmental management as an evaluation criterion to its supplier evaluation processes with the purpose of raising awareness among suppliers in this regard.

Borsa İstanbul's activities are not currently included in any carbon pricing system. There is no accumulated or purchased carbon credit, during the reporting period.

Borsa Istanbul 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 Istanbul 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, it has approved the Occupational Health and Safety policy 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 Istanbul places care and attention on providing equal opportunity in the hiring processes.

Borsa Istanbul ensures regulatory compliance in employee related areas such as pay, fringe benefits and indemnity. Workers' rights to union membership are protected. In addition, 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 Istanbul ensures that the needs and priorities of all shareholders are taken into consideration, while maintaining its activities in the sustainability field.

Borsa Istanbul follows the reporting standards published by the GRI and IIRC 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 Istanbul, 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 Istanbul has established a Corporate Governance Committee which supervises the applications related to Corporate Governance principles at Borsa Istanbul.

Borsa Istanbul 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 Istanbul's practices regarding Corporate Governance are set out in the Corporate Governance section.

COMPLIANCE WITH SUSTAINABILITY PRINCIPLES AND SUSTAINABILITY PERFORMANCE

SUSTAINABILITY PERFORMANCE

ECONOMIC PERFORMANCE INDICATORS

	2019		2020		2021	
(Million)	TL	USD	TL	USD	TL	USD
Economic Value Generated						
Revenues*	1,952	344	2,593	370	3,758	423
Economic Value Distributed						
Operating Expenses**	224	39	281	40	324	36
Employee Fees and Benefits	347	61	382	55	492	55
Payments to Capital Providers***	181	32	233	33	517	58
Payments to Governmental Institutions****	372	66	485	69	846	95
Economic Value Retained						
(Revenues - Economic Value Distributed)	828	146	1,213	173	1,579	178

Description and notes: Financial information is presented on a consolidated basis. In calculations, the following USD/TRY rates have been used: 5.6708 for 2019; 7.009 for 2020; and 8.8854 for 2021.

* 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 (Capital Market Board of Türkiye) levy and corporate taxes.

ENVIRONMENT PERFORMANCE INDICATORS

Greenhouse Gas Emissions* (tons CO₂-equivalent)	2019	2020	2021
Scope 1	1,593.3	1,530.9	1,522.1
Vehicles	171.4	157.0	155.2
F-gases	665.7	559.2	561.0
Fuel used in buildings	674.4	764.6	765.0
Generators (diesel)	81.8	50.2	40.9
Scope 2	6,910.1	6,584.5	6,444.6
Electricity Consumption	6,910.1	6,584.5	6,444.6
Scope 3	255.4	203.9	182.5
Employee Transportation - Services	191.1	194.6	177.0
Domestic flights for business purposes	20.4	7.3	2.7
Short-distance flights for business purposes (Europe)	13.6	0.2	2.8
Long-distance flights for business purposes	30.2	1.7	-
Grand Total	8,758.8	8,319.3	8,149.2

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

	2019	2020	2021
Scope 1 Total	1,593.3	1,530.9	1,522.1
CO ₂	1,587.9	1,525.7	1,517.0
CH ₄	2.6	2.5	2.5
N ₂ O	2.8	2.7	2.6
Scope 2 Total	6,910.1	6,584.5	6,444.6
CO ₂	6,887.2	6,562.7	6,423.3
CH ₄	2.7	2.6	2.5
N ₂ O	20.2	19.3	18.9
Scope 3 Total	255.4	203.9	182.5
CO ₂	252.8	201.8	181.9
CH ₄	0.1	0.1	0.1
N ₂ O	2.6	2.0	0.5
Grand Total	8,758.8	8,319.3	8,149.2
CO ₂	8,727.2	8,289.2	8,122.2
CH ₄	5.6	5.3	3.2
N ₂ O	26.1	24.8	23.9

COMPLIANCE WITH SUSTAINABILITY PRINCIPLES AND SUSTAINABILITY PERFORMANCE

SOCIAL PERFORMANCE INDICATORS

NUMBER OF EMPLOYEES	2019		2020		2021	
	Women	Men	Women	Men	Women	Men
Number of employees	142	442	141	449	156	473
Grand Total	584		590		629	

NUMBER OF EMPLOYEES BY CONTRACT TYPE	2019		2020		2021	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
	580	4	585	5	612	17

AGE DISTRIBUTION OF EMPLOYEES	2019		2020		2021	
Above 50	41		48		42	
Between 30-50	439		436		434	
Under 30	104		106		153	
Number of Total Employees	584		590		629	
Average Age of Employees	37.77		37.87		36.53	

NUMBER OF EMPLOYEES BY TERM OF EMPLOYMENT	2019		2020		2021	
0-5 years	282		291		309	
5-10 years	134		117		139	
10+ years	168		182		181	
Grand Total	584		590		629	
Average Term of Employment	8.25		8.30		8.51	

DIVERSITY AND EQUALITY OF OPPORTUNITY	2019		2020		2021	
	Women	Men	Women	Men	Women	Men
Distribution of Employees in Senior Management Bodies by Gender and Age (Director and above)						
Above 50	2	11	1	11	1	9
Between 30-50	1	21	1	20	3	23
Under 30	0	0	0	0	0	0

EMPLOYEES ON MATERNITY LEAVE & EMPLOYEES RETURNED TO WORK AFTER MATERNITY LEAVE*	2019		2020		2021	
	Women	Men	Women	Men	Women	Men
Employees on maternity leave	5	22	11	26	10	29
Employees returned to work after maternity leave	7	22	6	26	9	29

*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*	2019	2020	2021
Percentage of Training Hours Allocated to Occupational Health and Safety (Training on OHS/ Total Training Hours)	14%	19%	18%

*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	2019	2020	2021
Number of employees in Borsa İstanbul	584	590	629
Number of subcontracted employees	72	62	59
Number of fatal accidents (All)	-	-	-
Accident frequency rate* (Borsa İstanbul)	-	0,9	-
Accident frequency rate* (Subcontractors)	-	-	-
Rate of lost days ** (Subcontractors)	-	-	-

*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)

EMPLOYEE TRAINING	2019	2020	2021
Annual average training hours per employee	16.97	14.58	24.22
Annual average training hours per employee*	23.03	25.35	23.69
Annual average training hours per female employee	17.39	17.06	24.52
Annual average training hours per male employee	16.83	13.78	24.13

* Calculated based on the number of trained employees.

COMPLIANCE WITH SUSTAINABILITY PRINCIPLES AND SUSTAINABILITY PERFORMANCE

NUMBER OF NEWLY-RECRUITED EMPLOYEES	2019		2020		2021	
	Women	Men	Women	Men	Women	Men
Number of newly - recruited employees	30	57	14	41	12	66
Above 50	1	0	0	0	0	1
Between 30-50	15	29	5	16	1	15
Under 30	14	28	9	25	11	50

NUMBER OF EMPLOYEES LEAVING	2019		2020		2021	
	Women	Men	Women	Men	Women	Men
Number of Employees Leaving	15	53	14	35	14	41
Above 50	1	10	2	9	0	10
Between 30-50	13	32	10	20	12	24
Under 30	1	11	2	6	2	7
Employee Turnover	10.6	12.0	9.9	7.8	9.0	8.7

EMPLOYEES SUBJECT TO PERFORMANCE EVALUATION	2019		2020		2021	
	Women	Men	Women	Men	Women	Men
	115	389	129	394	130	413
Grand Total	504		523		543	

BORSA İSTANBUL A.Ş.

Consolidated Financial Statements as at and for the Year Ended 31 December 2021 with Independent Auditor's Report Thereon

Independent Auditor's Report

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

To the Shareholders 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 Borsa İstanbul Anonim Şirketi (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2021, 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, 2021, 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 Turkey (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 matter	How our audit addressed the key audit matter
Revenue Recognition	
The Group's main revenue consists of trading revenues, interest income, custody and custody related operating income, listing income, data vending income, settlement and clearing income and security registration income.	Our procedures for testing the revenue recognition included below: <ul style="list-style-type: none"> We evaluated the compliance of the accounting policies with the TFRS.
Revenue recognition was considered to be a key audit matter, due to the nature of group operations in the process of revenue, the variety of the transactions, high volume of transactions and the use of different methods and parameters in the accounting of revenue.	<ul style="list-style-type: none"> We evaluated the design and implementation and operational effectiveness of internal controls on revenue recognition accounting process. Revenues were aggregated on the basis of the related income type and expectation analysis was performed considering the previous period amounts and the results were evaluated. We tested the evaluation of accounting in accordance with TFRS for the selected samples from the transactions within the accounting period and compared the details of the transactions with supporting documents received on a transaction basis.

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

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 2021 and financial statements are not in compliance with law and provisions of the Company's articles of association in relation to financial reporting.

- 1) 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.
- 2) The name of the engagement partner who supervised and concluded this audit is Fatma Ebru Yücel.

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



Fatma Ebru Yücel, SMMM
Partner

February 18, 2022
İstanbul, Türkiye

Contents

	Page
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	92
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	94
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	96
CONSOLIDATED STATEMENT OF CASH FLOWS	97
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	98-152
NOTE 1 GROUP'S ORGANIZATION AND NATURE OF OPERATIONS	98
NOTE 2 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS	100
NOTE 3 BUSINESS COMBINATIONS	119
NOTE 4 CASH AND CASH EQUIVALENTS	119
NOTE 5 INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD	120
NOTE 6 FINANCIAL INVESTMENTS	122
NOTE 7 TRADE RECEIVABLES AND OTHER RECEIVABLES	123
NOTE 8 OTHER ASSETS	124
NOTE 9 DEFERRED INCOME	125
NOTE 10 PREPAID EXPENSES	125
NOTE 11 INVESTMENT PROPERTIES	126
NOTE 12 PROPERTY AND EQUIPMENT	127
NOTE 13 RIGHT OF USE ASSETS	127
NOTE 14 INTANGIBLE ASSETS	128
NOTE 15 GOVERNMENT GRANTS	128
NOTE 16 TRADE PAYABLES AND OTHER PAYABLES	129
NOTE 17 SHORT TERM PROVISIONS	130
NOTE 18 SHORT TERM BORROWINGS	130
NOTE 19 LEASE LIABILITIES	131
NOTE 20 PROVISIONS, CONTINGENT ASSETS AND LIABILITIES	131
NOTE 21 PROVISIONS AND PAYABLES FOR EMPLOYEE BENEFITS	132
NOTE 22 OTHER LIABILITIES	135
NOTE 23 SHAREHOLDER'S EQUITY	136
NOTE 24 REVENUE AND COST OF SALES	137
NOTE 25 GENERAL ADMINISTRATIVE EXPENSES	138
NOTE 26 OTHER OPERATING INCOME AND EXPENSES	140
NOTE 27 INVESTMENT ACTIVITIES INCOME AND EXPENSES	140
NOTE 28 FINANCIAL INCOME AND EXPENSES	141
NOTE 29 TAX ASSETS AND LIABILITIES	141
NOTE 30 RELATED PARTY DISCLOSURES	144
NOTE 31 NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS	145
NOTE 32 FINANCIAL INSTRUMENTS	150
NOTE 33 SUBSEQUENT EVENTS	152

BORSA İSTANBUL A.Ş.

Consolidated Statement of Financial Position As at 31 December 2021

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

ASSETS	Notes	Audited	Audited
		31 December 2021	31 December 2020
CURRENT ASSETS		45,689,108	26,665,838
Cash and cash equivalents	4	40,749,759	23,769,022
Financial investments	6	3,465,268	2,403,812
- <i>Financial assets measured at amortized cost</i>		3,465,268	2,403,812
Trade receivables		886,022	307,246
- <i>Trade receivables from related parties</i>	30	21,551	22,102
- <i>Trade receivables from third parties</i>	7	864,471	285,144
Other receivables		415	421
- <i>Other receivables from third parties</i>	7	415	421
Prepaid expenses	10	29,433	17,850
Other current assets	8	558,211	167,487
NON-CURRENT ASSETS		2,903,223	1,240,711
Financial investments	6	1,880,650	357,204
- <i>Financial assets at fair value through other comprehensive income</i>		7,583	8,407
- <i>Financial assets measured at amortized cost</i>		1,873,067	348,797
Investments accounted for under the equity method	5	170,400	133,387
Investment properties	11	84,175	61,730
Property and equipment	12	247,858	223,133
Right of use assets	13	4,830	5,432
Intangible assets	14	377,755	376,032
Prepaid expenses	10	11,752	2,857
Deferred tax assets	29	124,919	80,017
Other non-current assets	8	884	919
TOTAL ASSETS		48,592,331	27,906,549

The accompanying notes between pages 98 and 152 are an integral part of these consolidated financial statements.

BORSA İSTANBUL A.Ş.

Consolidated Statement of Financial Position As at 31 December 2021

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

LIABILITIES	Notes	Audited	Audited
		31 December 2021	31 December 2020
CURRENT LIABILITIES		42,455,046	23,178,720
Short term borrowings	18	3,635,463	2,046,493
Lease liabilities	19	2,377	1,997
Trade payables		2,144,396	990,238
- Trade payables to related parties	30	42,763	42,584
- Trade payables to third parties	16	2,101,633	947,654
Liabilities for employee benefits	21	21,518	15,848
Other payables	16	22,834	12,052
- Other payables		22,834	12,052
Deferred income	9	4,031	2,969
Current income tax liabilities	29	216,567	120,074
Short term provisions		51,846	39,087
- Provisions for employee benefits	21	25,653	17,318
- Other short term provisions	17	26,193	21,769
Other current liabilities		36,356,014	19,949,962
- Other current liabilities to related parties	30	823,382	734,776
- Other current liabilities to third parties	22	35,532,632	19,215,186
NON-CURRENT LIABILITIES		63,642	157,318
Lease liabilities	19	3,129	3,946
Trade payables	16	-	104,498
- Other trade payables		-	104,498
Deferred income	9	783	600
Long term provisions		46,923	38,485
- Provisions for employee benefits	21	46,923	38,485
Other non-current liabilities	22	12,807	9,789
SHAREHOLDER'S EQUITY		6,073,643	4,570,511
Equity holders of the parent	23	4,854,983	3,614,281
Share capital		423,234	423,234
Share premium		12,418	12,418
Treasury shares		(101,070)	(100,294)
Other comprehensive income/expense not to be reclassified to profit or loss		3,063	4,116
- Revaluation reserve		13,677	13,677
- Losses on remeasurements of defined benefit plans		(10,614)	(9,561)
Other comprehensive income/expense to be reclassified to profit or loss		6,430	2,796
- Currency translation differences		6,430	2,796
Restricted reserves		610,680	536,543
Retained earnings		2,145,269	1,493,078
Net profit for the period		1,754,959	1,242,390
Non-controlling interests		1,218,660	956,230
TOTAL EQUITY AND LIABILITIES		48,592,331	27,906,549

The accompanying notes between pages 98 and 152 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 2021

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

	Notes	Statement of changes in shareholders' equity				
		Share capital	Share premium	Treasury shares	Revaluation reserve	Remeasurement of defined benefit obligations
1 January 2020		423,234	12,418	(99,016)	13,677	(9,456)
Net profit for the period		-	-	-	-	-
Other comprehensive income/(expense)		-	-	-	-	(105)
Total comprehensive income/(expense)		-	-	-	-	(105)
Transfers		-	-	-	-	-
Transactions with non-controlling interests		-	-	-	-	-
Increase/(decrease) arising from treasury share transactions		-	-	(1,278)	-	-
Dividend paid		-	-	-	-	-
31 December 2020		423,234	12,418	(100,294)	13,677	(9,561)
1 January 2021		423,234	12,418	(100,294)	13,677	(9,561)
Net profit for the period		-	-	-	-	-
Other comprehensive income/(expense)		-	-	-	-	(1,053)
Total comprehensive income/(expense)		-	-	-	-	(1,053)
Transfers		-	-	-	-	-
Increase/(decrease) arising from treasury share transactions		-	-	(776)	-	-
Dividend paid	23	-	-	-	-	-
31 December 2021		423,234	12,418	(101,070)	13,677	(10,614)

The accompanying notes between pages 98 and 152 are an integral part of these consolidated financial statements.

Statement of changes in shareholders' equity

Currency translation differences	Restricted reserves	Retained earnings	Net profit for the period	Equity holders of the parent	Non-controlling interests	Total equity
1,397	448,302	1,018,679	794,074	2,603,309	856,773	3,460,082
-	-	-	1,242,390	1,242,390	202,863	1,445,253
1,399	-	-	-	1,294	23	1,317
1,399	-	-	1,242,390	1,243,684	202,886	1,446,570
-	86,963	707,111	(794,074)	-	-	-
-	-	-	-	-	(450)	(450)
-	1,278	(1,278)	-	(1,278)	-	(1,278)
-	-	(231,434)	-	(231,434)	(102,979)	(334,413)
2,796	536,543	1,493,078	1,242,390	3,614,281	956,230	4,570,511
2,796	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
3,634	-	-	-	2,581	(238)	2,343
3,634	-	-	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)
6,430	610,680	2,145,269	1,754,959	4,854,983	1,218,660	6,073,643

BORSA İSTANBUL A.Ş.

Consolidated Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2021

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

		Audited 1 January - 31 December 2021	Audited 1 January - 31 December 2020
	Notes		
Revenue	24	3,355,160	2,477,325
Cost of sales (-)	24	(61,191)	(80,004)
Gross profit		3,293,969	2,397,321
General administrative expenses (-)	25	(732,650)	(595,976)
Other operating income	26	18,888	18,066
Other operating expenses (-)	26	(207,538)	(141,248)
Operating profit		2,372,669	1,678,163
Investment activities income	27	22,675	4,310
Share of profit/(loss) of investments accounted for under the equity method	5	43,080	29,144
Profit before financial income/(expense)		2,438,424	1,711,617
Financial income	28	348,746	125,954
Financial expenses (-)	28	(10,890)	(12,434)
Profit before tax		2,776,280	1,825,137
Income tax expense (-)	29	(724,806)	(408,558)
Deferred tax income/(expense)	29	44,579	28,674
PROFIT FOR THE PERIOD		2,096,053	1,445,253
Profit attributable to:			
- Non-controlling interests		341,094	202,863
- Equity holders of the parent		1,754,959	1,242,390
OTHER COMPREHENSIVE INCOME			
Other comprehensive income not to be reclassified to profit or loss		(1,291)	(82)
Gains/losses on remeasurements of defined benefit plans	21	(1,614)	(103)
- Deferred tax income/(expense)	29	323	21
Other comprehensive income to be reclassified to profit or loss		3,634	1,399
- Currency translation differences	5	3,634	1,399
Other comprehensive income/(expense)		2,343	1,317
TOTAL COMPREHENSIVE INCOME		2,098,396	1,446,570
- Non-controlling interests		340,856	202,886
- Equity holders of the parent		1,757,540	1,243,684

The accompanying notes between pages 98 and 152 are an integral part of these consolidated financial statements.

BORSA İSTANBUL A.Ş.

Consolidated Financial Statement of Cash Flows For the Year Ended 31 December 2021

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

		Audited 1 January - 31 December 2021	Audited 1 January - 31 December 2020
	Notes		
Net profit for the period		2,096,053	1,445,253
Adjustments for:			
Tax expense	29	680,227	379,884
Depreciation expense	12, 13	28,241	28,162
Amortization expense	14	39,851	51,056
Change in provision for employment termination benefits	21	9,424	7,675
Change in personnel bonus provision	21	42,747	19,887
Change in valuation of investment properties	11	(22,445)	(3,955)
Change in unused vacation liability	21	9,873	(2,873)
Change on law suit provision	17	4,424	1,409
Expense accrual for Capital Markets Board share	26	165,795	104,943
Provisions no longer required	26	(3,079)	(10,707)
Share of (profit)/loss of investments accounted for under the equity method	5	(43,080)	(29,144)
Financial income, net	28	(337,856)	(113,520)
Provisions for doubtful receivables	7	6,708	3,292
Unrealized exchange (gain)/loss		(363,141)	(151,441)
Cash flows from operating activities before working capital changes		2,313,742	1,729,921
Increase/(decrease) in short-term borrowings		1,588,970	(2,059,367)
Decrease/(increase) in trade receivables		(553,942)	(30,300)
Decrease/(increase) in other receivables		6	(48)
Decrease/(increase) in prepaid expenses		(20,478)	(4,785)
Decrease/(increase) in other current assets		(390,724)	(157,695)
Decrease/(increase) in other non-current assets		35	(113)
Increase/(decrease) in liability for employee benefits		5,670	5,620
Increase/(decrease) in trade payables		1,031,171	(33,842)
Increase/(decrease) in other payables		10,782	28,932
Increase/(decrease) in deferred income		1,245	(960)
Increase/(decrease) in other current liabilities		16,349,191	10,445,278
Increase/(decrease) in other non-current liabilities		3,018	919
Increase/(decrease) in lease liabilities		3,451	2,728
Decrease/(increase) in derivative financial instruments		-	40,015
Taxes paid		(628,313)	(359,890)
Employment termination benefits paid	21	(2,600)	(2,664)
Employee's service provision paid	21	-	(1,227)
Capital Markets Board share paid		(104,943)	(87,544)
Personnel bonus paid	21	(42,747)	(46,355)
Unused vacation paid	21	(1,538)	(3,536)
Net cash (used in)/generated from operating activities		17,248,254	7,735,166
Proceed from sale of property and equipment	12	503	193
Purchase of property and equipment	12	(64,850)	(30,309)
Proceed from sale of intangible assets	14	419	-
Purchase of intangible assets	14	(27,525)	(19,838)
Purchase of financial asset measured at amortized cost		(5,095,435)	(3,548,919)
Sale of financial asset measured at amortized cost		2,509,709	1,697,078
Financial asset (purchase/sale) at fair value through profit or loss		-	33,288
Financial asset (purchase/sale) at fair value through other comprehensive income		500	(3,000)
Deposits more than 3 months		-	40,049
Cash outflow from purchase of shares or capital increase in subsidiaries/joint ventures		1,070	(17,274)
Lease payments		(4,887)	(3,816)
Interests received		303,886	116,689
Dividend received from financial investments	27	230	355
Net cash (used in)/generated from investment activities		(2,376,380)	(1,735,504)
Cash outflow from repurchase of treasury shares		(452)	(1,278)
Dividend paid		(594,488)	(334,413)
Net cash (used in)/generated from financing activities		(594,940)	(335,691)
Net increase in cash and cash equivalents		16,590,676	7,393,892
Effects of currency translation on cash and cash equivalents		368,128	153,833
Cash and cash equivalents at the beginning of the period	4	23,766,997	16,219,272
Cash and cash equivalents at the end of the period	4	40,725,801	23,766,997

The accompanying notes between pages 98 and 152 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 2021

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

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 or 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 BİST's subsidiaries operating in Turkey and associations, together referred to as "Group".

As at 31 December 2021, BİST have 629 employees (31 December 2020: 590) and the Group have 1,142 employees (31 December 2020: 1,097). BİST is located in Reşitpaşa Mahallesi, Borsa İstanbul Caddesi, No:4, Sarıyer/İstanbul.

The Company's controlling shareholder is Turkey Wealth Fund. As at 31 December 2021 and 31 December 2020, the Company's shareholder structure and is as follows:

	31 December 2021		31 December 2020	
	Amount (TL)	Share (%)	Amount (TL)	Share (%)
Turkey 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	9,749	2.30
Turkish Capital Markets Association	5,502	1.30	5,502	1.30
Other	24,473	5.78	24,533	5.80
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 2021

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

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.	Turkey	Bank
Merkezi Kayıt Kuruluşu A.Ş.	Turkey	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, Turkey 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.	Turkey	Energy market operations
Sermaye Piyasası Lisanslama Sicil ve Eğitim Kuruluşu A.Ş.	Turkey	License
Montenegro Stock Exchange	Montenegro	Stock market operations
Türkiye Ürün İhtisas Borsası A.Ş.	Turkey	Stock market operations
JCR Avrasya Derecelendirme A.Ş.	Turkey	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 2021

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

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 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 BİST's subsidiaries operating in Turkey 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 Turkey 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 Turkey Accounting Standards ("TAS"), Turkey Financial Reporting Standards comprise standards and interpretations published by TAS Reviews and TFRS names.

The consolidated financial statements are presented in accordance with the TFRS Taxonomy developed based on the Illustrative Financial Statements and User Guide published in the Official Gazette numbered 30794 on 7 June 2019.

These consolidated financial statements are prepared according to the Turkey 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.

In the announcement published by the Public Oversight Accounting and Auditing Standards Authority on January 20, 2022, it is stated that TAS 29 Financial Reporting in Hyperinflationary Economies does not apply to the TFRS financial statements as of December 31, 2021, since the cumulative change in the general purchasing power of the last three years according to Consumer Price Index (CPI) is 74.41%. In this respect, consolidated financial statements as of December 31, 2021 are not adjusted for inflation in accordance with TAS 29.

Approval of the financial statements:

The consolidated financial statements have been approved by the Board of Directors on 18 February 2022. General Assembly have a right to change and related authorized entities have a right to request the change the consolidated financial statements.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

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

2.2 The new standards, amendments and interpretations

The new standards, amendments and interpretations which are effective as at January 1, 2021

The accounting policies adopted in preparation of the consolidated financial statements as at December 31, 2021 are consistent with those of the previous financial year, except for the adoption of new and amended TFRS and TFRS interpretations effective as of January 1, 2021. The effects of these standards and interpretations on the Group's financial position and performance have been disclosed in the related paragraphs.

Interest Rate Benchmark Reform - Phase 2 - Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16

In December 2020, the POA issued Interest Rate Benchmark Reform - Phase 2, Amendments to TFRS 9, TAS 39, TFRS 7, TFRS 4 and TFRS 16 to provide temporary reliefs which address the financial reporting effects when an interbank offering rate (IBOR) is replaced with an alternative nearly risk-free rate (RFR, amending the followings. The amendments are effective for periods beginning on or after 1 January 2021. Earlier application is permitted and must be disclosed.

Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest. Under this practical expedient, if the interest rates applicable to financial instruments change as a result of the IBOR reform, the situation is not considered as a derecognition or contract modification; instead, this would be determined by recalculating the carrying amount of the financial instrument using the original effective interest rate to discount the revised contractual cash flows.

The practical expedient is required for entities applying TFRS 4 Insurance Contracts that are using the exemption from TFRS 9 Financial Instruments (and, therefore, apply TAS 39 Financial Instruments: Classification and Measurement) and for TFRS 16 Leases, to lease modifications required by IBOR reform.

Relief from discontinuing hedging relationships

- The amendments permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Amounts accumulated in the cash flow hedge reserve are deemed to be based on the RFR.
- For the TAS 39 assessment of retrospective hedge effectiveness, on transition to an RFR, entities may elect on a hedge-by-hedge basis, to reset the cumulative fair value changes to zero.
- The amendments provide relief for items within a designated group of items (such as those forming part of a macro cash flow hedging strategy) that are amended for modifications directly required by IBOR reform. The reliefs allow the hedging strategy to remain and not be discontinued.
- As instruments transition to RFRs, a hedging relationship may need to be modified more than once. The phase two reliefs apply each time a hedging relationship is modified as a direct result of IBOR reform.

Separately identifiable risk components

The amendments provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

Additional disclosures

Amendments need additional TFRS 7 Financial Instruments disclosures such as; How the entity is managing the transition to RFRs, its progress and the risks to which it is exposed arising from financial instruments due to IBOR reform, quantitative information about financial instruments that have yet to transition to RFRs and If IBOR reform has given rise to changes in the entity's risk management strategy, a description of these changes.

The amendments are mandatory, with earlier application permitted. While application is retrospective, an entity is not required to restate prior periods. 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 2021

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

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

2.2 The new standards, amendments and interpretations (Continued)

Amendments to TFRS 16 - Covid-19-Related Rent Concessions and Covid-19-Related Rent Concessions

In June 2020, the POA issued amendments to TFRS 16 Leases to provide relief to lessees from applying TFRS 16 guidance on lease modifications to rent concessions arising a direct consequence of the Covid-19 pandemic. In April 7, 2021, POA extended the exemption to include concessions that cause a decrease in lease payments whose maturity expired on or before June 30, 2022. A lessee will apply the amendment for annual reporting periods beginning on or after 1 April 2021. Early application of the amendments is permitted. The amendments are not applicable for the Group and will not have an 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.

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 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 issued to TFRS 3 which are effective for periods beginning on or after 1 January 2022 and must be applied prospectively. Earlier application is permitted if, at the same time or earlier, an entity also applies all of the amendments contained in the Amendments to References to the Conceptual Framework in TFRS standards (2018 Version). The Group is in the process of assessing the impact of the amendments on 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 issued to TAS 16 which are effective for periods beginning on or after 1 January 2022. 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. There is no transition relief for the first time adopters. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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 issued to TAS 37 which are effective for periods beginning on or after 1 January 2022, to 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). Earlier application is permitted and must be disclosed. 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 2021

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

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)

TFRS 17 - The new Standard for insurance contracts

The POA issued TFRS 17 in February 2019, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. TFRS 17 model combines a current balance sheet measurement of insurance contract liabilities with the recognition of profit over the period that services are provided. TFRS 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

On January 15, 2021, the POA issued amendments to TAS 1 Presentation of Financial Statements. The amendments issued to TAS 1 which are effective for periods beginning on or after 1 January 2023, clarify the criteria for the classification of a liability as either current or non-current. Amendments must be applied retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Early application is permitted. 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.

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.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

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 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.

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.

Improvements are effective for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted for all. The Group is in the process of assessing the impact of the amendments on financial position or performance of the Group.

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 of 31 December 2021, 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.

As at 31 December 2020, expense accrual for CMB share amounting to TL 104,943 which is included in other payables, is classified under the other current liabilities. Related classifications are made in the statement of cash flows. The abovementioned classifications did not have any effect on retained earnings and net profit for the related period.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

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

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.

Subsidiaries

Subsidiaries are companies in which BİST has the power to control the financial and operating policies for the benefit of BİST 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 2021 and 31 December 2020, 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 2021	31 December 2020
İstanbul Takas ve Saklama Bankası A.Ş.	64.18	64.18
Merkezi Kayıt Kuruluşu A.Ş.	71.75	71.75

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

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

2.7 Consolidation principles (Continued)

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.

As at 31 December 2021 and 31 December 2020, the table below sets out the joint ventures accounted by equity method, the proportion of voting power held by the Company and its subsidiaries and effective ownership of interests:

	Effective ownership of interest (%)	
	31 December 2021	31 December 2020
Tasfiye Halinde Finans Teknopark A.Ş. ^(*)	-	51.00

^(*) In the Trade Registry Gazette dated 9 June 2021 and numbered 10345, it was published that Tasfiye Halinde Finans Teknopark A.Ş. was abandoned with the decision of the General Assembly, had been registered on 9 June 2021.

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 recognised at cost and the carrying amount is increased or decreased to recognise 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 recognised 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.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

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

2.7 Consolidation principles (Continued)

As at 31 December 2021 and 31 December 2020, 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 2021		31 December 2020	
	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

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 8 December 2021, Akmerkez office was evaluated by market value approach and the fair value amount is TL 37,925.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

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

2.10 Significant accounting judgments, estimates and assumptions (Continued)

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 8 December 2021, Şişli service building evaluated by market value approach and the fair value amount is TL 46,250.

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 (Note 21).

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 2021	31 December 2020
Discount rate	4.02%	3.74%
Estimated employee turnover rate	97.37%	96.90%

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 2021

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

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:
 - (i) has control or joint control of the reporting entity
 - (ii) has significant influence over the reporting entity; or
 - (iii) 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:
 - (i) 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).
 - (ii) 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).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) 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.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) 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 recognised 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 2021

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

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 Turkey 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/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 2021

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

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 "TFRS-9 Financial Instruments"

2.11.2 Property and equipment

The cost of an item of property and equipment shall be recognised 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 2021

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

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 recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised 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 realised 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 2021

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

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)

- a) The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- b) Its intention to complete the intangible asset and use or sell it,
- c) 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,
- d) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset,
- e) 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.

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.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

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 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.

"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 2021

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

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 realising 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 2021

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

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 recognised 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 2021

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

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 BİST 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 2021

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

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 recognises 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.

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.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

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

2.11 Summary of significant accounting policies (Continued)

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.

NOTE 4- CASH AND CASH EQUIVALENTS

As at 31 December 2021 and 31 December 2020, the details of cash and cash equivalents are as follows:

	31 December 2021	31 December 2020
Cash	61	27
Banks - time deposits	40,095,879	23,493,661
Banks - demand deposits	615,582	248,149
Reverse repo receivables	36,020	25,859
Investment funds	2,217	1,326
At the statement of financial position	40,749,759	23,769,022
Accruals on cash and cash equivalents	(74,958)	(30,098)
Expected credit loss allowance	51,000	28,073
At the statement of cash flows	40,725,801	23,766,997

As at 31 December 2021, there is no restricted deposits (31 December 2020: None).

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 4- CASH AND CASH EQUIVALENTS (Continued)

Banks-Time deposits

As at 31 December 2021 and 31 December 2020, the details of time deposits are as follows:

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		
31 December 2020	Amount (TL)	Effective interest rate (%)	Maturity date
TL	19,363,912	18.10	31 March 2021
USD	2,129,447	2.78	4 January 2021
EUR	2,000,302	2.06	5 January 2021
Total	23,493,661		

As at 31 December 2021, average maturity of reverse repo receivables is 3 days and interest rate is 12% (31 December 2020: 4 days, 15%).

NOTE 5- INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

None of the Group's investments accounted for under the equity method are publicly listed entities and do not have published price quotations.

As of 31 December 2021 there are no joint ventures accounted by the equity method, as of 31 December 2020 the summary financial information is as follows:

Joint ventures

31 December 2020	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
Tasfiye Halinde Finans Teknopark A.Ş.	51.00	51.00	2,104	4	2,100	69	35	1,071
Total							35	1,071

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

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

As at 31 December 2021 and 31 December 2020, summary of financial information for equity accounted subsidiaries are as follows:

Subsidiaries

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
31 December 2020	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	329,159	61,313	267,846	66,828	20,604	82,579
Sermaye Piy. Lisanslama Sicil ve Eğitim Kuruluşu A.Ş.	41.00	34.27	41,162	6,304	34,858	8,998	3,689	14,292
Montenegro Stock Exchange	24.43	24.43	22,245	32	22,213	350	86	5,428
Türkiye Ürün İhtisas Borsası A.Ş.	25.00	21.80	80,832	5,092	75,740	17,198	4,300	18,935
JCR Avrasya Derecelendirme A.Ş.	18.50	18.50	34,426	6,274	28,152	2,325	430	11,082
Total							29,109	132,316

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

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

For the year ended 31 December 2021 and 2020, joint ventures and subsidiaries that are accounted by equity method are as stated below:

	1 January - 31 December 2021	1 January - 31 December 2020
Beginning balance	133,387	81,581
Acquisitions	-	16,899
Transfers	-	5,783
Disposals	(1,070)	(75)
Bargain purchase	-	2,136
Dividends received	(8,631)	(3,480)
Income and expenses	43,080	29,144
Currency translation differences	3,634	1,399
Ending balance	170,400	133,387

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 2021 and 31 December 2020, the details of short term financial investments are as follows:

	31 December 2021	31 December 2020
Financial assets measured at amortized cost	3,465,268	2,403,812
Total	3,465,268	2,403,812

As at 31 December 2021 and 31 December 2020, the details of long term financial investments are as follows:

	31 December 2021	31 December 2020
Financial assets at fair value through other comprehensive income	7,583	8,407
Financial assets measured at amortized cost	1,873,067	348,797
Total	1,880,650	357,204

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 6- FINANCIAL INVESTMENTS (Continued)

As at 31 December 2021 and 31 December 2020, the details of financial assets measured at amortized cost are as follows:

	31 December 2021		31 December 2020	
	Carrying value	Interest rate %	Carrying value	Interest rate %
Bonds	666,191	18.44	1,306,287	11.68
Corporate bonds	163,671	16.27	-	-
Eurobonds	4,261,238	4.42	1,052,328	4.69
Asset backed securities	39,612	16.99	39,279	16.99
Sukuk	207,623	3.51	147,721	6.34
Repo	-	-	206,994	12.24
Total	5,338,335		2,752,609	

As at 31 December 2021 and 31 December 2020, there are no financial assets at fair value through other comprehensive income subject to repurchase agreements and given as collateral. As at 31 December 2021 and 31 December 2020, the details of financial assets at fair value through other comprehensive income are as follows:

	31 December 2021			31 December 2020		
	Directly and indirectly rate %	Effective rate %	Carrying value	Directly and indirectly rate %	Effective rate %	Carrying value
Kyrgyz Stock Exchange	16.33	16.33	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	1,164
Total			7,583			8,407

NOTE 7- TRADE RECEIVABLES AND OTHER RECEIVABLES

As at 31 December 2021 and 31 December 2020, the details of trade receivables from third parties are as follows:

	31 December 2021	31 December 2020
Receivables from members ^(*)	233,358	150,714
Loans given	573,749	99,886
Custody and commission receivables	67,655	38,241
Doubtful receivables	642	635
Expected credit loss	(10,933)	(4,332)
Total	864,471	285,144

^(*) It consists of trading, listing, custody, security registration, data vending, technology and membership fees.

As at 31 December 2021 and 31 December 2020, remaining maturities are less than 3 months.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 7- TRADE RECEIVABLES AND OTHER RECEIVABLES (Continued)

Expected credit loss

For the year ended 31 December 2021 and 2020, the movements of expected credit loss are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Beginning balance	(4,332)	(1,083)
Provisions during the period	(6,708)	(3,292)
Reversal of provision during the period	107	43
Ending balance	(10,933)	(4,332)

Other receivables

As at 31 December 2021 and 31 December 2020, the details of short term other receivables from third parties are as follows:

	31 December 2021	31 December 2020
Other receivables	415	421
Total	415	421

NOTE 8- OTHER ASSETS

Other current assets

As at 31 December 2021 and 31 December 2020, the details of other current assets are as follows:

	31 December 2021	31 December 2020
Receivables from derivatives collateral	512,111	163,867
Deferred VAT ^(*)	42,545	-
Job advances given to personnel	883	521
Deposits and guarantees given	283	213
Other current assets	2,389	2,886
Total	558,211	167,487

^(*) It includes value added tax of the foreign exchange difference of payments made for foreign technology transfer.

Other non-current assets

As at 31 December 2021 and 31 December 2020, the details of other non-current assets are as follows:

	31 December 2021	31 December 2020
Deposits and guarantees given	884	919
Total	884	919

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 9- DEFERRED INCOME

Short term deferred income

As at 31 December 2021 and 31 December 2020, the details of short term deferred income are as follows:

	31 December 2021	31 December 2020
Deferred income	4,031	2,969
Total	4,031	2,969

Long term deferred income

As at 31 December 2021 and 31 December 2020, the details of long term deferred income are as follows:

	31 December 2021	31 December 2020
Deferred income	783	600
Total	783	600

NOTE 10- PREPAID EXPENSES

Short term prepaid expenses

As at 31 December 2021 and 31 December 2020, the details of short term prepaid expenses are as follows:

	31 December 2021	31 December 2020
Prepaid expenses	29,433	17,850
Total	29,433	17,850

Long term prepaid expenses

As at 31 December 2021 and 31 December 2020, the details of long term prepaid expenses are as follows:

	31 December 2021	31 December 2020
Prepaid expenses	11,752	2,857
Total	11,752	2,857

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 11- INVESTMENT PROPERTIES

For the year ended 31 December 2021 and 2020, the movements of the investment properties are as follows:

	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

	Valuation method	1 January 2020	Increase in value	Decrease in value	31 December 2020
Akmerkez Office	Market value	23,500	2,500	-	26,000
Şişli Service Building	Market value	34,275	1,455	-	35,730
Total		57,775	3,955	-	61,730

As at 31 December 2021, there are investment properties of Group in İstanbul Akmerkez Shopping Center and İstanbul Şişli. The fair value of Akmerkez Shopping Center is TL 37,925 and the fair value of Şişli Service Building is TL 46,250 according to independent valuation report authorized by the Capital Markets Board ("CMB").

As at 31 December 2021, rental income from investment properties is amounting to TL 764 (31 December 2020: TL 688).

The significant estimates and assumptions used in determining the fair value of the investment properties as at 31 December 2021 are as follows:

Investment property	Valuation method	Expert report date	Precedent value m2 TL
Akmerkez Office	Market value	8 December 2021	38.500
Şişli Service Building	Market value	8 December 2021	10.620

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 2021

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

NOTE 12- PROPERTY AND EQUIPMENT

For the year ended 31 December 2021 and 2020, the movements of the property and equipment are as follows:

	Building	Machinery and equipment	Vehicles	Furnitures and fixtures	Leasehold improvements	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

	Building	Machinery and equipment	Vehicles	Furnitures and fixtures	Leasehold improvements	Construction in progress	Total
1 January 2020							
Opening balance	27,471	9,338	75	33,309	147,265	18,776	236,234
Additions	-	4,606	399	6,727	1,017	17,560	30,309
Disposals	-	(160)	-	(33)	-	-	(193)
Transfers	-	-	-	-	3,945	(22,279)	(18,334)
Current depreciation	(583)	(8,131)	(73)	(9,286)	(6,810)	-	(24,883)
31 December 2020	26,888	5,653	401	30,717	145,417	14,057	223,133

For the year ended 31 December 2021 and 2020, there are no mortgages or pledges over property and equipment. As of 31 December 2021, insurance collaterals over property and equipment amounting to full USD 149 million and full TL 29 million (31 December 2020: full USD 130 million and full TL 68 million).

NOTE 13- RIGHT OF USE ASSETS

For the year ended 31 December 2021 and 2020, the movements of the right of use assets are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Opening balance	5,432	5,983
Additions	3,451	2,728
Current depreciation	(4,053)	(3,279)
Total	4,830	5,432

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 14- INTANGIBLE ASSETS

For the year ended 31 December 2021 and 2020, the movements of the intangible assets are as follows:

	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
	Rights	Software licenses	Development costs	Total
1 January 2020				
Opening balance	333,948	28,348	26,957	389,253
Additions	2,556	17,282	-	19,838
Disposals	-	-	-	-
Transfers	1,209	-	17,125	18,334
Current amortisation	(23,918)	(9,572)	(17,903)	(51,393)
31 December 2020	313,795	36,058	26,179	376,032

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 2021, TL 54 depreciation expense is reserved for the projects developed within the scope of the R&D Center (31 December 2020: TL 337).

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 2021, research and development tax deduction amounting to TL 28,652 is considered as deduction in corporate tax calculation (31 December 2020: TL 26,059). 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 2021

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

NOTE 16- TRADE PAYABLES AND OTHER PAYABLES

Short term trade payables

As at 31 December 2021 and 31 December 2020, the details of trade payables to third parties are as follows:

	31 December 2021	31 December 2020
Payables to members ^(*)	1,863,272	824,038
Trade payables ^(**)	195,345	107,386
Payables to suppliers	43,016	16,230
Total	2,101,633	947,654

^(*) 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.

^(**) It results from the transactions of the Group within the scope of the strategic partnership agreement.

Short term other payables

As at 31 December 2021 and 31 December 2020, the details of other payables are as follows:

	31 December 2021	31 December 2020
Other payables	22,834	12,052
Total	22,834	12,052

Long term trade payables

As at 31 December 2021 and 31 December 2020, the details of long term trade payables are as follows:

	31 December 2021	31 December 2020
Trade payables ^(*)	-	104,498
Total	-	104,498

^(*) It results from the transactions of the Group within the scope of the strategic partnership agreement.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 17- SHORT TERM PROVISIONS

As at 31 December 2021 and 31 December 2020, the details of lawsuit provisions are as follows:

	31 December 2021	31 December 2020
Lawsuit provisions	26,193	21,769
Total	26,193	21,769

For the year ended 31 December 2021 and 2020, the movements of lawsuit provisions are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Opening balance	21,769	20,360
Increase during the period	8,052	6,404
Used during the period	(3,628)	(4,995)
Ending balance	26,193	21,769

NOTE 18- SHORT TERM BORROWINGS

As at 31 December 2021 and 31 December 2020, the details of the short-term borrowings are as follows:

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

31 December 2020	Weighted average effective interest rate %	Currency	Original amount	TL equivalent
Short term borrowings	0.19	USD	104,701	768,554
	0.01	EUR	113,000	1,017,894
	15.85	TL	260,045	260,045
				2,046,493

As at 31 December 2021 and 31 December 2020, remaining maturities are less than 3 months.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 19- LEASE LIABILITIES

As at 31 December 2021 and 31 December 2020, the details of lease liabilities are as follows:

	31 December 2021	31 December 2020
Up to 1 year	2,377	1,997
1-5 years	3,129	3,946
Total	5,506	5,943

NOTE 20- PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provision for legal cases

There are several lawsuits against and in favour of the Group. These lawsuits consist of reemployment and disagreements with market members. In accordance with the opinions of the legal advisors, the management has provided provisions amounting to TL 26,193 in the consolidated financial statements as at 31 December 2021 (31 December 2020: TL 21,769) (Note 17).

Off-balance sheet items

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. Since the Group is the central counterparty, market transactions are guaranteed. As at 31 December 2021, total guarantees amounting to TL 39,299,417 (31 December 2020: TL 28,063,370).

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 2021, total commitments amounting to TL 782,509 (31 December 2020: TL 587,961).

Collaterals

As at 31 December 2021 and 31 December 2020, market collaterals are as follows:

	31 December 2021	31 December 2020
Takasbank Market	28,599,501	21,440,551
Equity Market	15,731,960	14,591,388
Debt Securities	8,129,448	6,950,132
Precious Metal and Diamond Market	607,035	738,893
Derivatives Market	1,450,564	469,047
Other	1,012,770	726,684
Total	55,531,278	44,916,695

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 20- PROVISIONS, CONTINGENT ASSETS AND LIABILITIES (Continued)

Off-balance sheet items (Continued)

As at 31 December 2021 and 31 December 2020, collaterals received from suppliers are as follows:

	31 December 2021	31 December 2020
TL	22,977	19,368
USD	32,240	15,780
EUR	1,348	817
Total	56,565	35,965

Assets under custody

	31 December 2021	31 December 2020
Contribution fund of mandatory education of BİST ^(*)	55,735	57,383
Total	55,735	57,383

(*) In accordance with the decision of İMKB's Board of Directors in 1997, İMKB made a contribution to "Contribution to Continuous Education" amounting to TL 32,000. The contribution fund is established under the decisions made in the General Assembly and Board of Directors in order to fund the construction of primary schools under the name of "Contribution Fund of Mandatory Education of İMKB". This fund is collected under time deposits held by public banks and managed by İMKB; however, the related fund is not included in the assets of İMKB. The fund was previously accounted under İMKB's assets and liabilities until 1999 and currently, it is accounted under the off-balance sheet. As at 31 December 2021, principal amount of "Contribution Fund of Mandatory Education" is TL 55,735 (31 December 2020: TL 57,383).

There are the investment securities held in custody amounting to TL 4,950,616,257 within the framework of area of the activity (31 December 2020: TL 4,661,569,127).

NOTE 21- PROVISIONS AND PAYABLES FOR EMPLOYEE BENEFITS

Short term employee benefits

As at 31 December 2021 and 31 December 2020, the details of liabilities for employee benefits are as follows:

	31 December 2021	31 December 2020
Social security premium payables	13,619	10,282
Payables to personnel	7,899	5,566
Total	21,518	15,848

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 21- PROVISIONS AND PAYABLES FOR EMPLOYEE BENEFITS (Continued)

Short term employee benefits (Continued)

As at 31 December 2021 and 31 December 2020, the details of short term provisions for employee benefits are as follows:

	31 December 2021	31 December 2020
Unused vacation liability	25,653	17,318
Total	25,653	17,318

Unused vacation liability

In accordance with the Labor Law in Turkey, 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 2021 and 2020, the movements of unused vacation liability is as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Opening balance	17,318	23,727
Payment during the period	(1,538)	(3,536)
Increase during the period	9,873	(2,873)
Ending balance	25,653	17,318

Personnel bonus provision

For the year ended 31 December 2021 and 2020, the movements of personnel bonus provisions is as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Opening balance	-	26,468
Payment during the period	(42,747)	(46,355)
Increase during the period	42,747	19,887
Ending balance	-	-

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 21- PROVISIONS AND PAYABLES FOR EMPLOYEE BENEFITS (Continued)

Long term employee benefits

As at 31 December 2021 and 31 December 2020, the details of long term employee benefits provisions are as follows:

	31 December 2021	31 December 2020
Provision for employee termination benefits	46,923	38,485
Total	46,923	38,485

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.

The amount payable consists of one month's salary limited to a maximum of full TL 8,284.51 for each year of service as at 31 December 2021 (31 December 2020: full TL 7,117.17). 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 2021	31 December 2020
Discount rate	4.02%	3.74%
Estimated employee turnover rate	97.37%	96.90%

For the year ended 31 December 2021 and 2020, the movements of provision for employee termination benefits are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Opening balance	38,485	33,371
Interest cost	5,150	4,663
Service cost	4,274	3,012
Payment during the period	(2,600)	(2,664)
Actuarial gains/losses	1,614	103
Ending balance	46,923	38,485

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 21- PROVISIONS AND PAYABLES FOR EMPLOYEE BENEFITS (Continued)

Service bonus provision

In accordance with Article 49th of BİST employee regulation, BİST calculates service bonus expense accrual based on the recent benchmark wage rates considering the position and seniority of its employees.

Future implementation of the 63rd article and 5th paragraph of BİST Personnel regulation was ended as at 30 June 2012, and a list was prepared for each staff member employed with indefinite employment contract under BİST by using a coefficient of seniority (seniority year is determined by applying the per diem deduction). Amount specified in this list is paid by at once and net for the termination of the employment contract for any reason except the cases of termination for good reasons until 28 September 2012.

For the year ended 31 December 2021 and 2020, the movements of service bonus provisions are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Opening balance	-	1,227
Payment during the period	-	(1,227)
Ending balance	-	-

NOTE 22- OTHER LIABILITIES

Other current liabilities

As at 31 December 2021 and 31 December 2020, the details of other current liabilities to third parties are as follows:

	31 December 2021	31 December 2020
Deposits and guarantees received	35,218,615	19,030,938
Expense accrual for CMB share	165,795	104,943
Taxes and duties payable	105,817	41,396
Expected credit loss	33,161	31,619
Other	9,244	6,290
Total	35,532,632	19,215,186

Other non-current liabilities

As at 31 December 2021 and 31 December 2020, the details of other non-current liabilities are as follows:

	31 December 2021	31 December 2020
Deposits and guarantees received	12,807	9,789
Total	12,807	9,789

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

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 2021 and 31 December 2020, the Company's shareholding structure as follows:

	31 December 2021		31 December 2020	
	Amount (TL)	Share (%)	Amount (TL)	Share (%)
Turkey 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	9,749	2.30
Turkish Capital Markets Association	5,502	1.30	5,502	1.30
Other	24,473	5.78	24,533	5.80
Total	423,234	100.00	423,234	100.00

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 2021, retained earnings is amounting to TL 2,145,269 (31 December 2020: TL 1,493,078). It was decided in the Borsa İstanbul A.Ş.'s General Assembly dated 26 March 2021 dividend distribution of amounting to TL 516,062. The total dividend distribution amount is TL 594,488 by Group.

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. Actuarial loss recognized under shareholder's equity in the statement of financial position amounting to TL 10,614 as at 31 December 2021 (31 December 2020: TL 9,561).

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.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 24- REVENUE AND COST OF SALES

For the year ended 31 December 2021 and 2020, the details of gross profit are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Service revenue	3,357,754	2,479,539
Less: Sales discounts	(2,594)	(2,214)
Revenue	3,355,160	2,477,325
Cost of sales	(61,191)	(80,004)
Gross profit	3,293,969	2,397,321

For the year ended 31 December 2021 and 2020, the details of service revenue are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Takasbank interest income	821,002	515,930
Trading revenues	1,057,530	940,628
<i>Debt securities</i>	238,042	273,183
<i>Equity market</i>	400,335	343,281
<i>Derivatives</i>	302,315	200,186
<i>Takasbank money market</i>	51,688	37,262
<i>Precious metals and diamond market</i>	47,850	76,461
<i>Takasbank security lending market</i>	6,272	1,995
<i>Turkey electronic fund purchase and sale platform</i>	11,028	8,260
Custody and custody related operating income	598,048	392,691
Listing income	114,553	79,673
Settlement and clearing income	224,662	177,985
Data vending income	262,467	174,248
Security registration income	47,835	41,456
Technology income	69,245	42,711
Additional terminal fee	38,096	25,740
Money transfer service income	25,044	19,039
Membership fee	18,050	10,666
Account management fee	34,819	21,485
License income	13,552	9,784
Derivative transaction income from treasury operations	2,739	6,831
Other service income	30,112	20,672
Total	3,357,754	2,479,539

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 24- REVENUE AND COST OF SALES (Continued)

Cost of sales

For the year ended 31 December 2021 and 2020, the details of cost of sales are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Takasbank interest expense	30,650	61,340
Fees and commissions	30,541	18,664
Total	61,191	80,004

NOTE 25- GENERAL ADMINISTRATIVE EXPENSES

For the year ended 31 December 2021 and 2020, the details of general administrative expenses are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Personnel fees and expenses	491,856	382,067
Depreciation and amortization expenses	68,092	79,218
Maintenance and repairment expenses	37,152	22,804
Taxes and other legal expenses	27,616	18,968
Revenue sharing expenses	17,791	19,852
Electricity, water and natural gas expenses	10,022	8,435
Communication expenses	11,836	10,159
Subcontractor expenses	8,297	5,148
Insurance expenses	5,571	4,472
Advertising expenses	26,829	20,645
Travel expenses	1,110	1,016
Consultancy expenses	6,239	5,321
Rent expenses	851	1,181
Other expenses	19,388	16,690
Total	732,650	595,976

Personnel expenses

For the year ended 31 December 2021 and 2020, the details of personnel expenses are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Gross salaries	336,770	264,937
Social benefits	49,269	42,939
Social security contribution	47,449	39,433
Health care expenses	19,250	12,748
Mutual rescission expenses	2,385	3,082
Other expenses	36,733	18,928
Total	491,856	382,067

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 25- GENERAL ADMINISTRATIVE EXPENSES (Continued)

Expenses by nature

	1 January - 31 December 2021	1 January - 31 December 2020
Personnel fees and expenses	491,856	382,067
Takasbank interest expense	30,650	61,340
Depreciation and amortization expenses	68,092	79,218
Maintenance and repairment expenses	37,152	22,804
Taxes and other legal expenses	27,616	18,968
Fees and commissions	30,541	18,664
Revenue sharing expenses	17,791	19,852
Electricity, water and natural gas expenses	10,022	8,435
Communication expenses	11,836	10,159
Subcontractor expenses	8,297	5,148
Insurance expenses	5,571	4,472
Advertising expenses	26,829	20,645
Travel expenses	1,110	1,016
Consultancy expenses	6,239	5,321
Rent expenses	851	1,181
Other expenses	19,388	16,690
Total	793,841	675,980

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 2021	1 January - 31 December 2020
Independent audit fee for the reporting period	713	670
Fee for other assurance services	395	469
Total	1,108	1,139

The fees above have been determined by including the legal audit and other related service fees of all subsidiaries. As of 31 December 2021, the amount of service received from the group auditor, Güney Bağımsız Denetim ve SMMM A.Ş., is TL 1,098 (31 December 2020: TL 1,139).

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 26- OTHER OPERATING INCOME AND EXPENSES

For the year ended 31 December 2021 and 2020, the details of other operating expenses are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Capital Markets Board provision	165,795	104,943
Provision expenses	39,230	32,640
Other expense	2,513	3,665
Total	207,538	141,248

For the year ended 31 December 2021 and 2020, the details of other operating income are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Provision no longer required	3,079	10,707
Rental income	4,441	974
Foreign exchange gain	4,987	2,392
Other income	6,381	3,993
Total	18,888	18,066

NOTE 27- INVESTMENT ACTIVITIES INCOME AND EXPENSES

For the year ended 31 December 2021 and 2020, the details of investment activities incomes are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Increase in fair value of investment properties	22,445	3,955
Dividend income	230	355
Total	22,675	4,310

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 28- FINANCIAL INCOME AND EXPENSES

For the year ended 31 December 2021 and 2020, the details of financial income are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Interest income	348,746	125,954
Total	348,746	125,954

For the year ended 31 December 2021 and 2020, the details of financial expenses are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Rediscount expense	10,051	8,740
Other	839	3,694
Total	10,890	12,434

NOTE 29- TAX ASSETS AND LIABILITIES

Dividends paid to non-resident corporations, which have a place of business in Turkey, 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.

According to the provisional Article 11 of the Law No, 7316 of 22 April 2021, numbered 31462, "Amendments to Law on the Procedure for the Collection of Public Receivables and Some Other Laws" and Temporary Article 13 of the Law No, 5520 on Corporate Income Tax Law, the corporation tax will be applied over the profits of the tax year 2021 is 25% and for the tax year 2022 is 23%.

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 Turkey, 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.

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.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 29- TAX ASSETS AND LIABILITIES (Continued)

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 2021 and 31 December 2020, the details of current tax assets and liabilities are as follows:

	31 December 2021	31 December 2020
Provision for corporate tax	724,806	408,558
Prepaid tax	(508,239)	(288,484)
Current income tax liabilities	216,567	120,074

For the year ended 31 December 2021 and 2020, the details of tax expenses in profit or loss are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Income tax expense	724,806	408,558
Deferred tax expense/(income)	(44,579)	(28,674)
Total tax expense	680,227	379,884

For the year ended 31 December 2021 and 2020, the total provision for taxes on income is different than the amount computed by applying the statutory tax rate to profit before provision for taxes as shown in the following reconciliation:

	1 January - 31 December 2021	1 January - 31 December 2020
Profit before tax	2,776,280	1,825,137
Income tax charge at effective tax rate	694,070	401,530
Income from tax exemptions	(20,422)	(13,392)
Non-deductible expenses	1,873	3,209
Temporary differences recognised	-	(14,018)
Effect of changes in tax rate	4,783	2,082
Other	(77)	473
Tax expense	680,227	379,884

For the year ended 31 December 2021, effective tax rate is as 25% (31 December 2020: 21%).

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.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 29- TAX ASSETS AND LIABILITIES (Continued)

Deferred tax assets and liabilities (Continued)

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 2021		31 December 2020	
	Deferred tax assets/(liabilities)			
	Temporary differences	Deferred tax	Temporary differences	Deferred tax
Property and equipment, intangible assets and investment properties, currency differences; net	250,415	50,083	161,195	32,239
Expense accrual for CMB share	165,795	38,133	104,943	20,989
Provision for TFRS 9	95,172	19,034	64,093	12,832
Provision for employee termination benefits	46,923	9,385	38,485	7,697
Lawsuit provisions	26,193	5,239	21,769	4,377
Provision for unused vacation liabilities	25,653	5,900	17,318	3,464
Other	(11,424)	(2,855)	(7,905)	(1,581)
Total		124,919		80,017

As at 31 December 2021, deferred tax asset amounting to TL 124,919 (31 December 2020: TL 80,017) is reflected to the Group's financial statements and there is no deferred tax liability (31 December 2020:None).

For the year ended 31 December 2021 and 2020, the movements of net deferred tax assets/(liabilities) are as follows:

	1 January - 31 December 2021	1 January - 31 December 2020
Beginning balance	80,017	51,322
Deferred tax income/(expense)	44,579	28,674
Other comprehensive income tax that will never be reclassified to profit or loss	323	21
Ending balance	124,919	80,017

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 30- RELATED PARTY DISCLOSURES

Key management personnel compensation

For the year ended 31 December 2021, salaries and similar benefits provided to members of key management are amounting to TL 16,020 (31 December 2020: TL 12,406).

Trade receivables from related parties

	31 December 2021	31 December 2020
Halk Yatırım Menkul Değerler A.Ş.	4,170	3,084
T.C. Ziraat Bankası A.Ş.	3,293	6,238
Türkiye Halk Bankası A.Ş.	8,273	8,282
Ziraat Yatırım Menkul Değerler A.Ş.	3,939	4,153
Other	1,876	345
Total	21,551	22,102

Trade payables to related parties

	31 December 2021	31 December 2020
Halk Yatırım Menkul Değerler A.Ş.	12,143	8,134
Türkiye Halk Bankası A.Ş.	11,650	17,210
Türkiye Hayat ve Emeklilik A.Ş.	1,856	7,137
Ziraat Yatırım Menkul Değerler A.Ş.	13,864	5,127
Other	3,250	4,976
Total	42,763	42,584

Other current liabilities to related parties

	31 December 2021	31 December 2020
Botaş A.Ş.	138,863	40,825
Halk Faktoring A.Ş.	46,378	33,462
Halk Yatırım Menkul Değerler A.Ş.	226,060	170,899
Türkiye Halk Bankası A.Ş.	12,195	9,504
Türkiye Hayat ve Emeklilik A.Ş.	5,450	20,850
Ziraat Yatırım Menkul Değerler A.Ş.	331,113	432,772
Other	63,323	26,464
Total	823,382	734,776

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 30- RELATED PARTY DISCLOSURES (Continued)

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
Türkcell 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

Related party transactions

1 January - 31 December 2020	Sales	Purchases	Financial income
Halk Yatırım Menkul Değerler A.Ş.	26,777	-	12,494
Superonline İletişim Hizmetleri AŞ	1	751	-
T.C. Ziraat Bankası A.Ş.	69,419	33	1,415
Türkcell Enerji Çözümleri ve Elektrik Satış Ticaret A.Ş.	41	1,900	-
Türkiye Halk Bankası A.Ş.	429,256	-	65,040
Ziraat Yatırım Menkul Değerler A.Ş.	40,843	-	-
Other	23,851	3,349	3,075
Total	590,188	6,033	82,024

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. 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.

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 31- NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

31.1 Credit risk

As at 31 December 2021 and 31 December 2020, 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 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)	-
31 December 2020				
Exposure to maximum credit risk as at reporting date (A+B+C+D+E+F)	307,246	421	23,768,995	2,752,609
- Guaranteed part of maximum credit risk with collaterals etc	-	-	-	-
A. Net carrying value of financial assets which are neither impaired nor overdue	310,943	421	23,797,068	2,752,609
B. Net carrying value of financial assets which are overdue but not impaired	-	-	-	-
C. Net carrying value of impaired assets	-	-	-	-
- Overdue (Gross book value)	635	-	-	-
- Impairment (-)	(635)	-	-	-
- Guaranteed part of net value with collaterals	-	-	-	-
- Undue (gross book value)	-	-	-	-
- Guaranteed part of net value with collaterals	-	-	-	-
D. Expected credit losses	(3,697)	-	(28,073)	-

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

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 2021 and 31 December 2020, the table below represents the gross amount of un-discounted cash flows related to financial liabilities based on the remaining maturities:

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	2,177,281	2,177,281	-	-
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	42,191,011	42,169,567	2,617	18,827
31 December 2020	Carrying value	Contractual cash flows	Up to 3 months	3-12 months	1-5 years
Current liabilities					
Short term borrowings	2,046,493	2,046,493	2,046,493	-	-
Lease liabilities	1,997	2,369	601	1,768	-
Trade and other payables	1,002,290	1,002,290	1,002,290	-	-
Other current liabilities	19,949,962	19,949,962	19,949,962	-	-
Non-current liabilities					
Lease liabilities	3,946	4,447	-	-	4,447
Trade payables	104,498	113,238	-	-	113,238
Other non-current liabilities	9,789	9,789	-	-	9,789
Total	23,118,975	23,128,588	22,999,346	1,768	127,474

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

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 2021 and 31 December 2020, the foreign exchange rates used by the Group for translation of the transactions in foreign currencies are as follows:

	31 December 2021		31 December 2020	
	Asset	Liability	Asset	Liability
USD	13.3290	13.3530	7.3405	7.3405
EUR	15.0867	15.1139	9.0079	9.0079

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 Turkey on 30 December 2021 were used as a base (12.9775 for the USD and 14.6823 for the EUR).

As at 31 December 2021 and 31 December 2020, 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 2021			31 December 2020		
	TL	USD	EUR	TL	USD	EUR
Cash and cash equivalents	6,638,605	287,259	198,238	4,331,462	312,659	226,067
Trade receivables	7,365	552	-	4,466	574	28
Financial investments	4,433,341	236,230	92,745	1,652,870	145,220	65,152
Other current assets	3,078	56	160	3,765	319	158
Total assets	11,082,389	524,097	291,143	5,992,563	458,772	291,405
Short term borrowings	3,395,552	170,800	80,300	1,786,450	104,701	113,000
Other current liabilities	6,036,978	237,822	200,953	3,378,569	250,036	171,314
Trade payables	1,626,485	113,823	9,734	773,045	97,942	6,006
Total liabilities	11,059,015	522,445	290,987	5,938,064	452,679	290,320
Net foreign currency assets/(liabilities)	23,374	1,652	156	54,499	6,093	1,085

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

NOTE 31- NATURE AND LEVEL OF RISKS RELATED TO FINANCIAL INSTRUMENTS (Continued)

Exposure to foreign currency risk

For the year ended 31 December 2021 and 2020, 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 2021				
Increase/(decrease) 10% of USD parity				
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 parity				
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)
	Profit/(Loss)		Shareholder's equity	
	Strengthening of foreign currency	Weakening of foreign currency	Strengthening of foreign currency	Weakening of foreign currency
31 December 2020				
Increase/(decrease) 10% of USD parity				
1- USD net asset/liability	4,473	(4,473)	4,473	(4,473)
2- Hedged portion of USD amounts (-)	-	-	-	-
3- Net effect of USD (1+2)	4,473	(4,473)	4,473	(4,473)
Increase/(decrease) 10% of EURO parity				
4- EURO net asset/liability	977	(977)	977	(977)
5- Hedged portion of EURO amounts (-)	-	-	-	-
6- Net effect of EURO (4+5)	977	(977)	977	(977)
TOTAL (3+6)	5,450	(5,450)	5,450	(5,450)

BORSA İSTANBUL A.Ş.

Notes to the Consolidated Financial Statements For the Year Ended 31 December 2021

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

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 2021 and 31 December 2020, the Group's interest rate sensitive financial instruments' allocation are presented below:

	31 December 2021	31 December 2020
Financial assets		
Bank deposits	40,095,879	23,493,661
Reverse repo receivables	36,020	25,859
Financial assets measured at amortized cost	5,338,335	2,752,609
Financial liabilities		
Short term borrowings	3,635,463	2,046,493
Lease liabilities	5,506	5,943

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 2021

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

NOTE 32- FINANCIAL INSTRUMENTS (Continued)

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
31 December 2020	Carrying value	Fair value
Financial assets		
Cash and cash equivalents	23,769,022	23,769,022
Trade and other receivables	307,667	307,667
Financial assets measured at amortized cost	2,752,609	2,746,641
Financial liabilities		
Borrowings	2,046,493	2,046,493
Lease liabilities	5,943	5,943
Trade and other payables	1,106,788	1,106,788

As at 31 December 2021 and 31 December 2020, 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 2021

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

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 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
31 December 2020	Level 1	Level 2	Level 3	Total
Financial assets				
Investment funds	1,326	-	-	1,326
Financial assets at fair value through other comprehensive income	-	-	8,407	8,407
Total	1,326	-	8,407	9,733

Explanations of non-financial assets and liabilities at fair value

As at 31 December 2021 and 31 December 2020, 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 84,175 is determined using the market value approach as stated in the valuation reports (31 December 2020: TL 61,730). Related valuation methods and accounting policies are explained in Note 2.10.

NOTE 33- SUBSEQUENT EVENTS

None.

GRI CONTEXT INDEX


**MATERIALITY
DISCLOSURES SERVICE**

2022

GRI STATEMENT

The service was performed on the Turkish language version of the report.

BORSA İSTANBUL-GRI CONTENT INDEX-CORE

GRI STANDARD #	DISCLOSURES	PAGE NUMBER/DIRECT REFERENCE/URL
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GRI 101: FOUNDATION 2016
GRI 102: GENERAL DISCLOSURES 2016

	ORGANIZATIONAL PROFILE	
GRI 102: GENERAL DISCLOSURES 2016	102-1	Borsa İstanbul A.Ş.
	102-2	-2021 Performance, Page: 10-23 https://www.borsaistanbul.com/en/sayfa/2426/markets
	102-3	Reşitpaşa Mahallesi, Borsa İstanbul Caddesi, No: 4 34467 Sarıyer/İstanbul -Türkiye
	102-4	İstanbul-Türkiye
	102-5	-The Company's Shareholder Structure, Page: 98 https://www.borsaistanbul.com/en/sayfa/2393/corporate-governance
	102-6	-Stakeholders, Page: 56-64
	102-7	-The Financial and Operational Performance, Page: 10-12 -Stakeholders/Employees, Page: 62-64 -Economic Performance Indicators, Page: 82 -Social Performance Indicators, Page: 84-86
	102-8	-Social Performance Indicators, Page: 84-86
	102-9	-Stakeholders, Page: 56-64
	102-10	-Group's Organization and Nature Of Operations, Page: 98-100
	102-11	-Risk Management, Page: 44-53
	102-12	https://www.borsaistanbul.com/en/sayfa/2209/international-memberships
	102-13	https://www.borsaistanbul.com/en/sayfa/2209/international-memberships
	STRATEGY	
	102-14	-CEO's Assessment, Page: 6-7 -Strategy, Page: 29-31
	102-15	-Risk Management, Page: 44-53
	ETHICS AND INTEGRITY	
	102-16	https://www.borsaistanbul.com/tr/sayfa/4883/etik-kurallari
	GOVERNANCE	
	102-18	-Organizational Structure, Page: 66-67 -Board of Directors, Page: 68-72 -Board Committees, Page: 73-74 -Senior Management, Page: 75
	102-19	-Corporate Governance, Page: 65
	102-20	-Corporate Governance, Page: 65 -The Sustainability Approach, Page: 78-86
	102-22	-Board of Directors, Page: 68-72 -Board Committees, Page: 73-74
	102-23	The Chairperson of the Board of Directors is also the Chairperson of the Executive Committee https://www.borsaistanbul.com/en/sayfa/2393/corporate-governance
	102-24	-Corporate Governance, Page: 65 -Board of Directors, , Page: 68-72

GRI CONTEXT INDEX

GRI STANDARD #	DISCLOSURES	PAGE NUMBER/DIRECT REFERENCE/URL
GRI 102: GENERAL DISCLOSURES 2016	102-25	https://www.borsaistanbul.com/en/sayfa/2393/corporate-governance
	102-29	- Risk Management, Page: 44-53 - Corporate Governance, Page: 65 https://www.borsaistanbul.com/en/sayfa/2345/sustainability-committee
	102-30	- Risk Management, Page: 44-53 https://www.borsaistanbul.com/en/sayfa/2345/sustainability-committee
	102-32	- The Sustainability Approach, Page: 78-86 https://www.borsaistanbul.com/en/sayfa/2345/sustainability-committee
	102-35	https://www.borsaistanbul.com/en/sayfa/4920/remuneration-policy
	STAKEHOLDER ENGAGEMENT	
	102-40	- Stakeholders, Page: 56-64
	102-41	- Stakeholders, Page: 56-64 - Corporate Governance, Page: 65
	102-42	- Stakeholders, Page: 56-64
	102-43	- Stakeholders, Page: 56-64
	102-44	- Stakeholders, Page: 56-64
	REPORTING PRACTICE	
	102-45	-Notes to the Consolidated Financial Statements, Page: 98-152
	102-46	- About The Report, Page: 2 - Material Issues, Page: 32-37
	102-47	- Material Issues, Page: 32-37
	102-48	There is no restated information.
	102-49	There are no significant changes from previous reporting periods in the list of material topics and topic boundaries.
	102-50	01.01.2021-31.12.2021
	102-51	2020
	102-52	Annual
	102-53	Hasan Barlas AKINCI Phone: 0 212 298 21 00 e-mail: investorrelations@borsaistanbul.com
	102-54	This report is prepared in accordance with GRI Standards-Core option.
	102-55	Page: 153-156
	102-56	There is no external assurance received for the report.
GRI 200: ECONOMIC STANDARD SERIES		
	ECONOMIC PERFORMANCE	
GRI 103: MANAGEMENT APPROACH 2016	103-1	Material Issues, Page: 32-37
	103-2	CEO's assessment, Page: 6-7
	103-3	CEO's assessment, Page: 6-7
GRI 201: ECONOMIC PERFORMANCE 2016	201-1	- Value Generation, Page: 38-41 - Economic Performance Indicators, Page: 82
	201-3	- Note 21- Provisions and Payables for Employee Benefits, Page: 132-135
	201-4	There is no financial assistance received from government during the reporting period.

GRI STANDARD #	DISCLOSURES	PAGE NUMBER/DIRECT REFERENCE/URL
	INDIRECT ECONOMIC IMPACTS	
GRI 103: MANAGEMENT APPROACH 2016	103-1	Material Issues, Page: 32-37
	103-2	CEO's Assessment, Page: 6-7
	103-3	CEO's Assessment, Page: 6-7
GRI 203: INDIRECT ECONOMIC IMPACTS 2016	203-1	Value Generation, Page: 38-41
	203-2	Value Generation, Page: 38-39
	ANTICORRUPTION	
GRI 103: MANAGEMENT APPROACH 2016	103-1	https://www.borsaistanbul.com/en/sayfa/4885/ethical-principles
	103-2	https://www.borsaistanbul.com/en/sayfa/4885/ethical-principles
	103-3	https://www.borsaistanbul.com/en/sayfa/4885/ethical-principles
GRI 205: ANTICORRUPTION 2016	205-1	As no cases of corruption were identified in the reporting period, no action was required in this regard.
	205-2	https://www.borsaistanbul.com/en/sayfa/4885/ethical-principles
	205-3	There are no confirmed incidents of corruption during the reporting period.
GRI 300: ENVIRONMENTAL STANDARD SERIES		
	ENERGY	
GRI 103: MANAGEMENT APPROACH 2016	103-1	-Material Issues, Page: 32-37 https://www.borsaistanbul.com/files/borsa-istanbul-as-environmental-policy.pdf
	103-2	https://www.borsaistanbul.com/files/borsa-istanbul-as-environmental-policy.pdf
	103-3	https://www.borsaistanbul.com/files/borsa-istanbul-as-environmental-policy.pdf
GRI 302: ENERGY 2016	302-1	- Environment Performance Indicators, Page: 82-83
	302-2	- Environment Performance Indicators, Page: 82-83
	302-4	- Environment Performance Indicators, Page: 82-83
	WATER	
GRI 103: MANAGEMENT APPROACH 2016	103-1	- Material Issues, Page: 32-37
	103-2	https://www.borsaistanbul.com/files/borsa-istanbul-as-environmental-policy.pdf
	103-3	https://www.borsaistanbul.com/files/borsa-istanbul-as-environmental-policy.pdf
GRI 303: WATER 2016	303-1	- Environment Performance Indicators, Page: 82-83
	EMISSIONS	
GRI 103: MANAGEMENT APPROACH 2016	103-1	- Material Issues, Page: 32-37
	103-2	https://www.borsaistanbul.com/files/borsa-istanbul-as-environmental-policy.pdf
	103-3	https://www.borsaistanbul.com/files/borsa-istanbul-as-environmental-policy.pdf
GRI 305: EMISSIONS 2016	305-1	- Environment Performance Indicators, Page: 82-83
	305-2	- Environment Performance Indicators, Page: 82-83
	305-3	- Environment Performance Indicators, Page: 82-83
	ENVIRONMENTAL COMPLIANCE	
GRI 103: MANAGEMENT APPROACH 2016	103-1	- Material Issues, Page: 32-37
	103-2	https://www.borsaistanbul.com/files/borsa-istanbul-as-environmental-policy.pdf
	103-3	https://www.borsaistanbul.com/files/borsa-istanbul-as-environmental-policy.pdf
GRI 307: ENVIRONMENTAL COMPLIANCE 2016	307-1	There are no significant fines or sanctions in the reporting period.

GRI CONTEXT INDEX

GRI STANDARD #	DISCLOSURES	PAGE NUMBER/DIRECT REFERENCE/URL
GRI 400: SOCIAL STANDARD SERIES		
	EMPLOYMENT	
GRI 103: MANAGEMENT APPROACH 2016	103-1	-Material Issues, Page: 32-37 -Stakeholders/Employees, Page: 62-64
	103-2	https://www.borsaistanbul.com/en/sayfa/4902/human-resources-policy
	103-3	https://www.borsaistanbul.com/en/sayfa/4902/human-resources-policy
GRI 401: EMPLOYMENT 2016	401-1	-Social Performance Indicators, Page: 84-86
	401-3	-Social Performance Indicators, Page: 84-86
	OCCUPATIONAL HEALTH AND SAFETY	
GRI 103: MANAGEMENT APPROACH 2016	103-1	-Material Issues, Page: 32-37
	103-2	https://www.borsaistanbul.com/en/sayfa/4907/workplace-health-and-safety-policy
	103-3	https://www.borsaistanbul.com/en/sayfa/4907/workplace-health-and-safety-policy
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2016	403-1	-Social Performance Indicators, Page: 84-86
	403-2	-Social Performance Indicators, Page: 84-86
	TRAINING AND EDUCATION	
GRI 103: MANAGEMENT APPROACH 2016	103-1	-Material Issues, Page: 32-37
	103-2	https://www.borsaistanbul.com/en/sayfa/4902/human-resources-policy
	103-3	https://www.borsaistanbul.com/en/sayfa/4902/human-resources-policy
GRI 404: TRAINING AND EDUCATION 2016	404-1	-Social Performance Indicators, Page: 84-86
	404-3	-Social Performance Indicators, Page: 84-86
	DIVERSITY AND EQUAL OPPORTUNITY	
GRI 103: MANAGEMENT APPROACH 2016	103-1	-Material Issues, Page: 32-37
	103-2	https://www.borsaistanbul.com/en/sayfa/4902/human-resources-policy
	103-3	https://www.borsaistanbul.com/en/sayfa/4902/human-resources-policy
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1	--Stakeholders/Employees, Page: 62-64 -Social Performance Indicators, Page: 84-86
	405-2	There is no gender-based wage discrimination at Borsa İstanbul.

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

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Contact person	Strategic Planning, Financial Reporting and Investor Relations Directorate

