

BORSA İSTANBUL A.Ş.
Index Department

Number : 5- 10/11/2022
Subject : Announcement on BIST Market Cap Weighted Stock Indices Methodology and
Non-Market Cap Weighted Stock Indices Methodology

To Whom It May Concern

Methodologies regarding stock indices are periodically reviewed, market events and changes arising from local and international legislation are reflected, requests from market participants are evaluated and accepted ones are met and necessary updates related with those are made by Borsa İstanbul Financial Benchmarks Committee (The Committee).

In this context, Borsa İstanbul Management decided to;

- Make the relevant changes summarized in Appendix 5 and shown in BIST Market Cap Weighted Stock Indices Methodology which is represented in track changes format in Appendix 1, and accept the final version of the mentioned changes, which is presented in Appendix 2,
- Make the relevant changes summarized in Appendix 5 and shown in BIST Non-Market Cap Weighted Stock Indices Methodology which is represented in track changes format in Appendix 3, and accept the final version of the mentioned changes which is presented in Appendix 4,
- Define the following changes as "Urgent Material Changes" within the framework of Article 7.7 titled " Urgent Material Changes " of the Financial Benchmarks Management Procedure:
 - In BIST Sustainability Index, scores of the last two calendar years preceding the calendar year to which the Index Period belongs to are taken into account.
 - In BIST Dividend Index, the profit and dividend data of the companies before they start to be traded in Borsa İstanbul are also taken into account,
 - Addition of Daily Average Traded Value to the stock selection method of BIST Dividend 25 index, in parallel with the method used in our other indices.
- The following changes, along with all the other changes, should not be defined as "Material Changes" within the framework of Article 7.2 titled "Material Changes" of the Financial Benchmarks Management Procedure, since the changes did not cause any change in the index components,
 - Increasing the Average FFMV by 50% and the Daily Average Traded Value by 100%, which are included in the selection criteria of BIST Liquid Bank and BIST Liquid 10 Ex Banks indices, in order to adapt to the changing conditions of the market,
 - Increasing the minimum grade for Corporate Governance Rating from 7 to 8 and increasing the minimum grade for each main section from 6.5 to 7, which are listed in the Corporate Governance Index selection criteria, in order to encourage our companies to improve their Corporate Governance Performance,

- Procedures and principles set out in Article 7.6 titled "Non-Material Changes" of the Financial Benchmarks Management Procedure should be followed for all changes,
- Calculate the “BIST Sustainability 25” and “BIST Participation Dividend” indices, which will start to be calculated end-of-day as of November 1, 2022 and real-time as of November 21, 2022, with the constituents shown in Appendix 6, and with the codes shown below. The starting values of “BIST Sustainability 25” and “BIST Participation Dividend” indices will be the closing values of the "BIST Sustainability" and "BIST Participation All" indices (TL - Price) dated October 31, 2022, respectively. And the other changes will be implemented as of the approval date.
- Use the data dated October 31, 2022, for Refinitiv’s sustainability ratings. and the data used in the latest periodic review (6 months backwards from August 31, 2022) for Daily Average Traded Value and Market Cap in determining the stocks to be included in BIST Sustainability 25 Index as of November 1, 2022.
- Determine the stocks to be included in BIST Participation Dividend Indices as of November 1, 2022, to be selected among the stocks in both BIST Participation All Shares and BIST Dividend Indices as of 31 October, 2022.

The announcement and relevant appendices can be reached from the “Announcements” section of Borsa İstanbul corporate website (www.borsaistanbul.com/en).

Kindly submitted to your information.

Regards,

Murat BULUT
Deputy General Manager

Appendices:

- 1- BIST Market Cap Weighted Stock Indices Methodology – In track changes format (32 pages)
- 2- BIST Market Cap Weighted Stock Indices Methodology – Final version (27 pages)
- 3- BIST Non-Market Cap Weighted Stock Indices Methodology – In track changes format (13 pages)
- 4- BIST Non-Market Cap Weighted Stock Indices Methodology – Final version (9 pages)
- 5- Summary of Changes to BIST Market Cap Weighted Stock Indices Methodology (2 pages)
- 6- Constituents of Newly Calculated Indices (2 pages)

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