

Unofficial Translation

Readers should be aware that only the original Turkish text has legal force and that this English translation is strictly for reference. Borsa İstanbul cannot undertake any responsibility for its accuracy nor be held liable for any loss or damages arising from or related to its use.

BORSA İSTANBUL A.Ş.
Index Directorate

No:

28/12/2022

Subject: Announcement about the changes in the BIST-
KYD Indices Methodology

To Whom It May Concern

BIST-KYD Indices Methodology is periodically reviewed, market events, local and international legislations and comments from market participants are evaluated and necessary updates are made to the methodology.

In this context, Borsa İstanbul Management decided to;

- a) Make the relevant changes summarized in Appendix 3 and shown in BIST-KYD 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,
- b) Make the changes shown in Annex 1 of Methodology in a traceable format for BIST-KYD CPI Indexed Government Bond Indices which will be started to calculated as of January 9, 2023. The indices, whose codes and names are presented in Annex 4, are created in order to reflect the returns of CPI Indexed GDS. Since T0 and T1 versions of the index will be calculated separately, among the total of 9 index constituent security;
 - Since the last transaction prices of the five securities at the T1 value date are outdated compared to the T0 value date, the prices to be included in the index are carried forward by using T0 prices,
 - Since both T0 and T1 values of two securities are never traded, these securities are included in the index with the carried forward prices according to their issue prices
 - Since there are current transactions of the remaining two securities at T0 and T1 value dates, these securities are included in the indices with the last transaction prices.
- c) Classify the updates explained in articles a and b above as non-material changes and follow the procedures and principles set forth in Article 7.6 titled "Non-Material Changes" of the Financial Benchmarks Management Procedure,
- d) Consult stakeholders on the "Index Methodologies and Changes" page of Borsa İstanbul website between the dates of 6 - 27 January 2023 in accordance with the explanations in Article 7.5 of the Financial Benchmarks Management Procedure and presented in Appendix 5. After the amendments take effect, and the change in the minimum nominal amount of the securities included in the BIST-KYD Corporate Bond Indices and BIST-KYD Corporate Lease Certificates Indices to be updated as 300 Million TL instead of 100 Million TL due to the inflation adjustment. Since this will cause a change in the method of determining the components of the indices according to the amendments mentioned in articles a and b above will be put into effect as of the decision date and defined material changes within the framework of Article 7.2 of the Procedure.

Kindly submitted to your information.

Regards,

Murat BULUT
Deputy General Manager

Annexes:

- 1- BIST-KYD Indices Methodology – In track changes format (20 pages)
- 2- BIST-KYD Indices Methodology – Final version (20 pages)
- 3- Summary of Changes (1 page)
- 4- Codes and Names of Newly Calculated Indices (1 page)
- 5- Remarks About the Changes to Consult (2 pages)